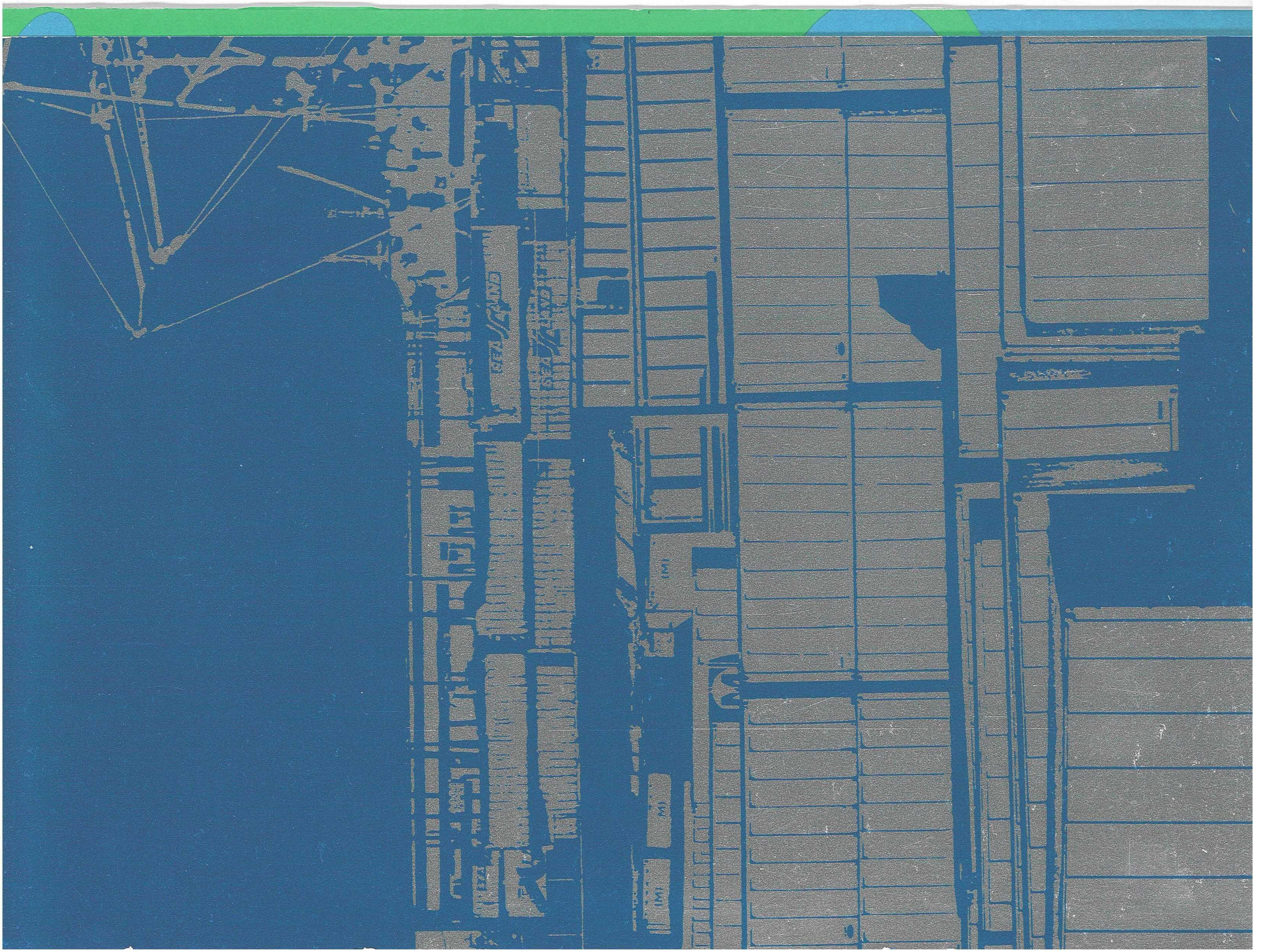
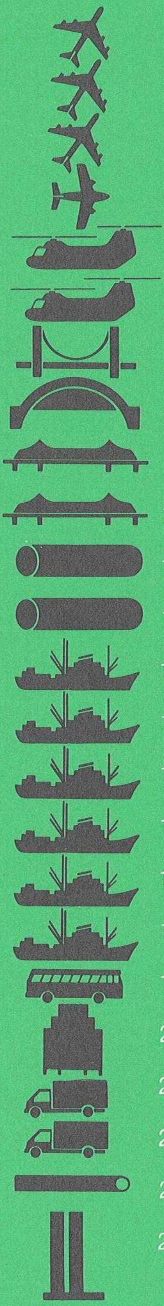
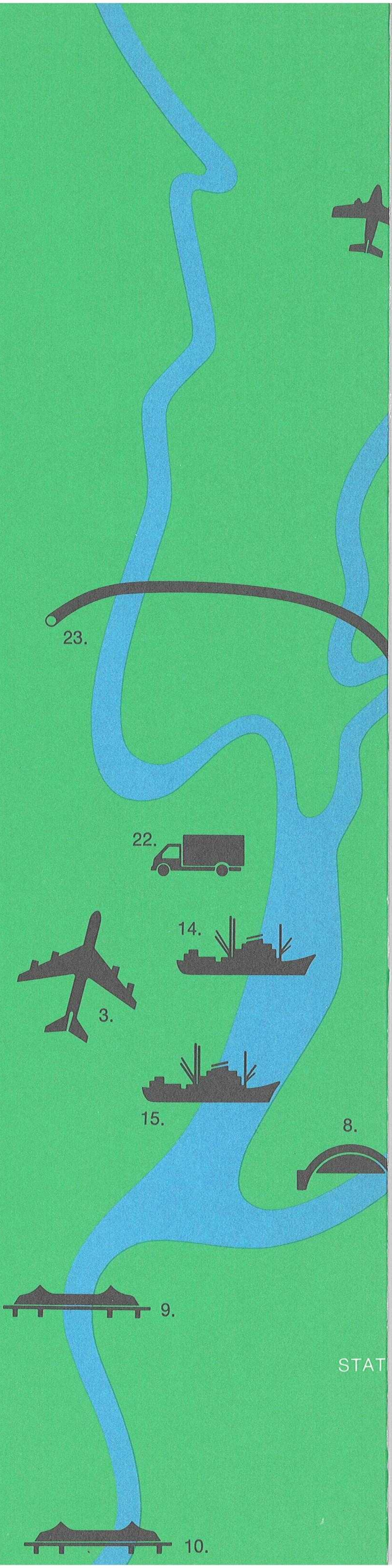
# The Port of New York Authority 1967 Annual Report



## Port Authority Facilities



1. John F. Kennedy International Airport
2. LaGuardia Airport
3. Newark Airport
4. Teterboro Airport
5. Port Authority—West 30th Street Heliport
6. Port Authority—Downtown Heliport
7. George Washington Bridge and Bus Station
8. Bayonne Bridge
9. Goethals Bridge
10. Outerbridge Crossing
11. Holland Tunnel
12. Lincoln Tunnel
13. Brooklyn—Port Authority Marine Terminal
14. Port Newark
15. Elizabeth—Port Authority Marine Terminal
16. Hoboken—Port Authority Marine Terminal
17. Erie Basin—Port Authority Marine Terminal
18. Port Authority Grain Terminal and Columbia Street Pier
19. Port Authority Bus Terminal
20. Port Authority Building
21. New York Union Motor Truck Terminal
22. Newark Union Motor Truck Terminal
23. Port Authority Trans-Hudson (PATH) System
24. The World Trade Center




7.
LONG ISLAND
SOUND
BRONX
HUDSON RIVER
MANHATTAN
2.
19.
12.
QUEENS
5.
20.
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16.
11.
24.
NEW YORK
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1.
13.
17.
18.
BROOKLYN
EN ISLAND
ATLANTIC OCEAN

## The Story of the Port Authority

In 1921, the States of New York and New Jersey entered into a Compact under which the states pledged "... *faithful cooperation in the future planning and development of the port of New York*" and created The Port of New York Authority as their joint agency to implement this pledge.

**Port Compact** In their Compact the two States found and determined that: "*a better coordination of the terminal, transportation and other facilities of commerce in, about and through the port of New York will result in great economies, benefiting the nation, as well as the States of New York and New Jersey;*" and that "*The future development of such terminal, transportation and other facilities of commerce will require the expenditure of large sums of money and the cordial cooperation of the States of New York and New Jersey in the encouragement of the investment of capital, and in the formulation and execution of the necessary physical plans.*" ☐ "*Such result can best be accomplished through the cooperation of the two States by and through a joint or common agency.*"

**Power and Duties** The Port Authority consists of twelve Commissioners—six resident voters from New York and six from New Jersey. They are appointed by the Governors of their respective states with the advice and consent of the State Senates. ☐ In establishing the Port Authority, the States also created the "*Port of New York District*", a territory with a radius of approximately twenty-five miles from the Statue of Liberty. Within this Port District, the Port Authority performs functions relating to the port's development as derived from the Compact, the Comprehensive Plan for the development of the Port of New York (adopted in 1922 under and pursuant to the Compact), and from supplementary legislation adopted by the two States. ☐ According to the Compact: "*The Port Authority shall constitute a body both corporate and politic with full power and authority ... to purchase, construct, lease and/or operate any terminal or transportation facility within said (port) district; and to make charges for the use thereof; ... and for any such purposes to own, hold, lease and/or operate real or personal property, to borrow money and secure the same by bonds or by mortgages upon any property held or to be held by it.*" ☐ *The agency was also authorized to "... make recommendations to the legislatures of the two States or to the Congress of the United States, based upon study and analysis, for the better conduct of the commerce passing in and through the port of New York, the increase and improvement of transportation and terminal facilities therein, and the more economical and expeditious handling of such commerce.*" And "*... petition any interstate commerce commission ... public utilities commission ... or any federal, municipal, state or local authority ... for adoption and execution of any physical improvement, change in method, rate of transportation, system of handling freight ... which in the opinion of the Port Authority may be designed to improve ... the handling of commerce in and through said district. ...*" ☐ To assure the promotion and protection of port commerce by their joint development agency, the two States, in the Compact, provided that: "*The Port Authority shall have such additional powers and duties as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of either state concurred in by the legislature of the other.*" ☐ Thus, as the needs arose, the States by additional enactments charged their agency with the responsibility for airports, marine, bus and truck terminals, bridges and tunnels, and the Hudson Tubes.

**A Self-Supporting Agency** In the States' mandate to their agency to plan for and develop the Port of New York, it is stated as a basic principle that facilities are to be provided on a self-supporting basis. The Compact stipulates that: "*The Port Authority shall not pledge the credit of either state except by and with the authority of the legislature thereof.*" ☐ The Comprehensive Plan vested the agency with appropriate powers "... *not inconsistent with the Constitution of the United States or of either state ...*" —except the power to levy taxes or assessments.

**Port Authority Activities** The Comprehensive Plan directed the Port Authority to proceed with the development of the port "*as rapidly as may be economically practicable.*" Since 1921, with the authorization and approval of the Governors and legislatures of the two States, the Port Authority has provided, and today operates, six interstate bridges and tunnels, four airports and two heliports, six marine terminal areas, two union truck terminals, a truck terminal for rail freight and a union bus terminal. In 1962, the operation of the Hudson and Manhattan Railroad, now known as the Port Authority Trans-Hudson System, was also brought within the scope of the agency's responsibilities. In addition, the Port Authority appears before governmental regulatory bodies and maintains Trade Development Offices to promote and protect Port commerce. ☐ All Port Authority activities are carried on in accordance with the policies of its Board of Commissioners. The affairs of the Port Authority are administered by its Executive Director, Austin J. Tobin, who heads the staff. A report on all Port Authority operations and activities in 1967 is contained in the following pages.

Honorable Richard J. Hughes,
Governor of the State of New Jersey

Honorable Nelson A. Rockefeller,
Governor of the State of New York

Respectfully submitted
in accordance with
the Port Compact of 1921 to:
The Honorable Richard J. Hughes,
Governor, and The Legislature of
the State of New Jersey and
The Honorable Nelson A. Rockefeller,
Governor, and The Legislature of
the State of New York

## Commissioners

S. Sloan Colt, *Chairman*
James C. Kellogg, III, *Vice Chairman*
Howard S. Cullman, *Hon. Chairman*
Gerard F. Brill
John J. Clancy
Charles W. Engelhard
Alexander Halpern
Donald V. Lowe
Joseph A. Martino
Ben Regan
William J. Ronan
W. Paul Stillman

## Contents



On the Cover:

A panoramic view of the Elizabeth-Port Authority Marine Terminal, America's container capital.

Workmen constructing the perimeter wall for the foundations of the World Trade Center. This wall extending 3100 feet around the site and reaching 75 feet to bed rock was substantially completed at the end of 1967.

## Year in Brief

### Planning and Development

Plans to provide a comfortable and attractive terminal for the more than 800,000 ocean travelers who depart or arrive each year on trans-Atlantic voyages and cruises were presented to Mayor Lindsay in April, 1967.

The Port Authority's plan for construction of a multi-story air-conditioned facility on Manhattan's waterfront extending from 46th to 50th Streets on the Hudson River followed a year's study undertaken at the request of the Mayor.

Successful tests of an experimental rail-bus during 1967 are expected to result in the introduction of this unique vehicle into service between Kennedy International Airport and mid-Manhattan during peak hours of traffic congestion.

### World Trade

Significant progress was made during the year on the World Trade Center, the Port of New York's new focal point for international commerce. By midyear the City of New York had granted the necessary consents for its construction and as of the end of the year over $206 million in construction contracts had been awarded. In addition, construction of a principal feature of the foundation system — the underground retaining wall around the westerly segment of the site — had been virtually completed.

### Path and Rail Transportation

The inauguration of the State of New Jersey's Aldene Plan and the termination by the Erie Lackawanna Railroad of its trans-Hudson ferry service were highlights of 1967 for the Port Authority Trans-Hudson (PATH) interstate rail rapid transit system. PATH provided 44 new air-conditioned cars, improved its schedules and performed the necessary construction work to handle both Aldene and Erie Lackawanna traffic. In all other areas PATH moved ahead with its system-wide modernization program, begun in 1962.

### Air Terminals

The Port Authority directed a substantial portion of its manpower and resources during 1967 to the task of developing the regional air terminal system. As the last phase of the $120 million rehabilitation program at LaGuardia Airport was being completed, work was started on the first two terminals to be constructed as part of the $200 million Newark Airport Redevelopment Program. And the first stages of the $150 million Terminal City expansion plan at John F. Kennedy International Airport were started.

### Marine Terminals

Since 1945, the Port Authority has invested more than $300 million in developing and constructing modern marine facilities in the Port of New York. And 1967 saw another forward step with the docking of the Atlantic Container Lines ship, Atlantic Span at Berth 70 in the Elizabeth Marine Terminal, the container capital of the world. The movement of cargo through Port Authority marine facilities in 1967 provided employment for 11,515 persons with an estimated payroll of $69.7 million.

### Tunnels and Bridges

Traffic at the Port Authority's four bridges and two tunnels was 3.1 per cent above 1966 despite abnormal weather conditions and the slowdown of the national economic expansion. The 30 year old center tube of the Lincoln Tunnel was rehabilitated, a complex job completed three months ahead of schedule. And on November 13, 1967 the Holland Tunnel, the first Hudson River vehicular tunnel, celebrated its 40th anniversary.

### Terminals

The Port Authority Bus Terminal, the world's busiest passenger terminal, accommodated 67.5 million passengers and 2.5 million bus movements during the year, maintaining the record high levels reached in 1966. The George Washington Bridge Bus Station recorded exceptional increases in traffic during the year serving 12.3 million patrons and 513,000 bus movements. The Port Authority Building and the Newark and New York Union Motor Truck Terminals, also recorded the strongest activity levels of recent years reflecting increased tenancies.

### Administration and Staff

At the Annual Meeting of the Board in April, 1967, S. Sloan Colt of New York City was re-elected by his fellow Commissioners to his ninth term as Chairman of the Port Authority. At the same time, Howard S. Cullman, also of New York, was re-elected as Honorary Chairman. James C. Kellogg III of Elizabeth, New Jersey was re-elected to his eighth term as Vice Chairman.

On December 7, 1967, Governor Nelson A. Rockefeller announced that he had accepted the resignation of Commissioner Bayard F. Pope as a member of the Port Authority's Board of Commissioners, and that Commissioner Pope would be succeeded by Dr. William J. Ronan for a term which will run to 1971.

Austin J. Tobin was again elected by the Board to the post of Executive Director marking a quarter century of service in that position. He heads a staff of 7,655 people.

### Financial

Gross operating revenues for the year were up 9.2 per cent to $207.5 million. Net revenue available for debt service was $97.5 million. Reserve funds totalled $112.8 million. Investment in facilities rose to $1,683,800,000.

## Planning and Development

To meet the needs of the metropolitan region's expanding population, the Planning and Development Department continued research throughout the year into existing and new systems for moving people and cargo more efficiently and economically. Studies and analyses were conducted of all modes of transportation by air, sea and land. Staff efforts were closely coordinated with those of appropriate transportation agencies in the Federal government, the States of New York and New Jersey and the municipalities within the Port District.

### Passenger Transportation Planning

Plans to provide a comfortable and attractive terminal for the more than 800,000 ocean travelers who depart or arrive each year on trans-Atlantic voyages and cruises were presented to Mayor Lindsay in April, 1967.

The Port Authority's plan for construction of a multi-story air-conditioned facility on Manhattan's waterfront extending from 46th to 50th Streets on the Hudson River followed a year's study undertaken at the request of Mayor Lindsay. To establish basic criteria for the physical plan of the terminal, the study explored the nature of the passenger ship industry, forecasted trends in ship travel and developed minimum and maximum requirements of passenger ships which use this Port. It also analyzed the factors affecting the economic feasibility of constructing and operating a self-supporting consolidated terminal.

Mayor Lindsay was pleased with the plan and in June urged that the Port Authority, in cooperation with the City Planning Commission and the Marine and Aviation Department commence negotiations with the steamship industry and coordination with other segments of the waterfront industry, all directed toward making the terminal a reality. At his suggestion, the Planning Commission and the Port Authority are also cooperating in a study of the redevelopment of the midtown area east of the terminal so that the entire neighborhood would comprise an attractive and complementary blend of business, commercial and residential usage.

Much progress was made during the rest of the year toward both objectives. A number of meetings have been held between steamship companies, City and Port Authority representatives to develop a basis for proceeding with a consolidated terminal. A joint City-Port Authority hearing is to be held in 1968 at which the public will be invited to present its views and recommendations on the plans for the terminal and upland developments.

### Airports and Ground Transportation

The successful conclusion during the year of an important technological experiment is expected to result in the introduction in the next year of a unique rail-bus service to reduce travel time between John F. Kennedy International Airport and mid-Manhattan during peak hours of traffic congestion. Conducted by the Port Authority and the Metropolitan Transportation Authority, the experiment demonstrated the technical and economic feasibility of operating such bi-modal vehicles. A conventional bus was equipped with retractable steel wheels to enable it to switch easily and quickly between rail and road travel. Then the rail-bus was subjected to a series of tests under varying conditions for safety, reliability and comfort.

When the experiment entered its final phase in December, it was announced that plans were being made to have fifteen rail-bus vehicles in actual operation sometime late in the coming year. The same fare charged for current passenger service between Kennedy Airport and Manhattan is contemplated. The rail-bus service would employ seven miles of tracks of the Long Island Rail Road's Montauk Division from the Queens side of the Midtown Tunnel to a point near Van Wyck Expressway thereby circumventing traffic congestion on the Long Island Expressway. The other half of the trip would be made on public roads to and from the terminals in Manhattan and at the airport.

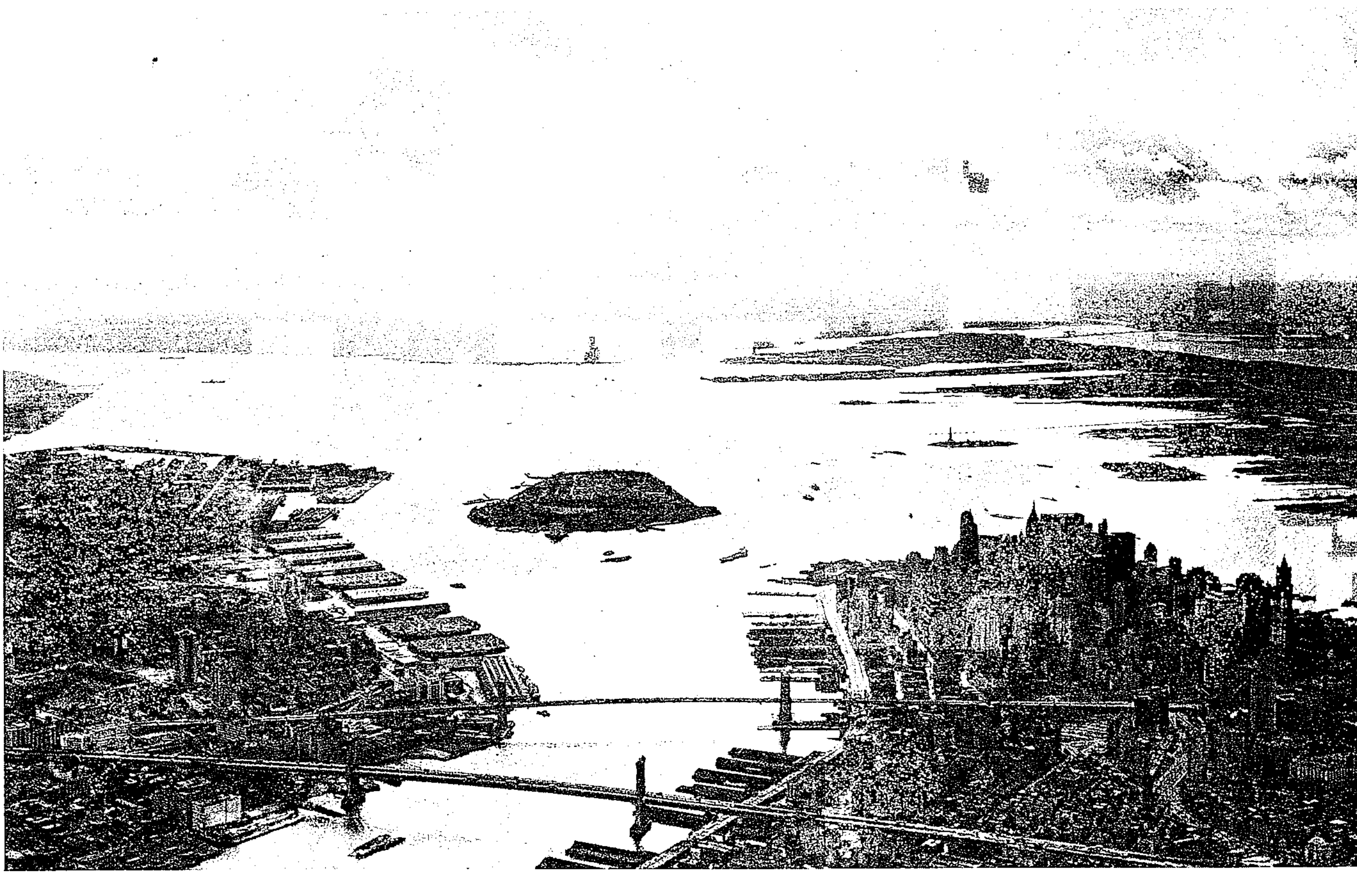
As part of the continuing effort to improve ground access between mid-Manhattan and Kennedy, arrangements were made for a joint study with the Metropolitan Transportation Authority to determine the feasibility of constructing a spur from the Long Island Rail Road into the airport.

During 1967, a study was made of the feasibility of extending PATH to Newark Airport. This study concludes that such a service would have extremely limited utility and would adversely affect PATH's vital commuter services. It could not possibly be economically justified with such a miniscule patronage potential and its very high construction and operating costs. In addition, the study reveals that existing and future bus services between Manhattan, downtown Newark and Newark Airport are considerably faster and more convenient than would be provided by a PATH extension.

Short and long-term planning to improve the transportation of people through the region and to provide for the needs of the expanding population also was continued. This activity dealt with air, sea and land transportation. A cooperative working relationship was established with the recently-created Departments of Transportation of the States of New York and New Jersey. Staff members also closely coordinated their work with the Tri-State Transportation Commission, the Metropolitan Transportation Authority, and with other transportation and governmental agencies of New York City and other municipalities and agencies in the Port area.

### Trans-Hudson Study

A major study of future trans-Hudson traffic by all modes of transportation was



The Port of New York is the foundation of the economy for the entire metropolitan area. The planning and development of the vital transportation facilities necessary to the movement of cargo and people through the Port involves the activities of The Port of New York Authority in close coordination with many other agencies and organizations.

actively progressed during 1967. The study is based on a range of social, economic and development factors as well as historical trends in trans-Hudson movement including origin-and-destination and purpose-of-trip data collected at all Port Authority vehicular crossings and from other travel modes. The study seeks to anticipate future trans-Hudson transportation requirements by all travel modes for the year 1980 and beyond.

The inter-relation of these diverse factors is being studied by use of a mathematical model developed specifically for the purpose. The aim is to create a tool that will make use of the ability of electronic computers to process large and complex quantities of data in evaluating the consequences of different proposals for handling expected future trans-Hudson passenger volumes.

Studies were initiated or completed during the year on various other phases of highway planning. Staff members have maintained liaison with State and City departments in preliminary planning for construction of the Lower Manhattan Expressway, particularly its connections with the Holland Tunnel. Planning projects completed during 1967, and now in the construction stages, included those by the Port Authority in cooperation with the New Jersey Turnpike Authority and the New Jersey Department of Transportation on a new arterial highway complex interchange with the expanded Newark Airport and the Newark Bay marine terminals. Similarly, planning work is essentially completed and construction well along on the Nassau Expressway connections to Kennedy Airport.

## Freight Transportation Planning

A comprehensive analysis of the economic and physical feasibility of constructing a high speed export grain elevator in New Jersey in the vicinity of the deep channel of the Hudson River, was a major Port Authority study undertaken in the field of improving the handling of cargo in the Port.

Before World War I, New York was the nation's major port for the export of grain. Various factors contributed in subsequent years to the reduction of this important Port activity. It ceased in 1965 when the Port Authority was forced to close its Brooklyn Grain Elevator because high costs of moving the commodity through the Port made it impossible to compete with other ports for such business.

Recent developments of new railroad techniques such as unit trains consisting of from 100-125 high capacity covered hopper cars, have permitted railroads serving North Atlantic ports to move export grain at greatly reduced rates. With further encouragement as a result of the agreement between the Grain Trimmers' Local of the International Longshoremen's Association and the New York Shipping Association providing for wage and working conditions similar to those in competing ports, the Port Authority embarked on the feasibility study in 1967. The two assets which made the New Jersey side of the Hudson River a focal point for the study were the availability of a deep channel that would enable large bulk carriers and tankers now in grain trades to receive full cargoes and the fact that this area is served directly by two competitive major trunk line railroads.

An advanced survey and analysis of the impact of the container shipping revolution on port development proceeded during the year. The results of the first phase of this study were incorporated in a Port Authority publication, "Container Shipping: Full Ahead." This publication was circulated in the transportation community throughout the world and, by the end of the year, the initial printing of 15,000 copies had been exhausted, requiring a second printing. Many requests for copies were received from Europe and from points as distant as Japan and Australia.

The study analyzed the incentives which have produced the strong trend toward this revolutionary form of transportation as well as methods of removing barriers to its growth which remain in some trading areas of the world. The report forecast that by 1975 almost 50 per cent of the oceanborne general cargo foreign trade moving through the New York-New Jersey Port will be carried in containers aboard containerships or combination breakbulk — container carriers. The trend toward container shipping will be strongest at first in trade with Northern Europe, the analysis indicated, but would spread rapidly to Far East, Mediterranean and other trade routes.

A current staff examination is focusing on the rapid growth of this Port as a load center through which cargo will be funneled from interior points. Studies have indicated that containerships must operate from one or, possibly, two coastal load centers to effect maximum savings rather than follow the traditional practice of breakbulk vessels of calling at many out-ports for small volumes of cargo. Our New Jersey-New York Port's position as a major load center would seem to be assured by its ten-year headstart and experience in providing containership facilities at its Port Newark and Elizabeth marine terminals. The current study also is analyzing the trend toward establishment of load centers at inland points where small shipments to the same overseas destinations can be consolidated into containers and sped by container trains or express trucks to coastal containership terminals.

Other Port Authority efforts to improve the movement of freight in the Port District were continued. To this end, joint studies with railroads serving the district concentrated on possible means whereby intraharbor freight movement could be accelerated. In another field, staff members continued to work with steamship and marine terminal operators towards simplifying the onerous paper work required at piers. A recent Port Authority study showed that application of simpler pier documentation methods would contribute to the efficiency and economy of the Port.

## Developmental Planning

A sustained effort by the Port Authority in cooperation with numerous civic, business and marine organizations in the New York-New Jersey Port District came to a highly successful conclusion during the fall when Congress appropriated funds for starts on two vital harbor improvements. This was the major achievement in a program which included activity in many other fields of developmental planning.

The appropriations of $1 million for each of the two projects will permit work to begin during Fiscal 1968 on the widening of the 400-to-500 foot Newark Bay Channel to a consistent 700 feet and on expansion of the New York Harbor Deepwater Anchorages off Brooklyn to provide less congested anchorage accommodations for the increasing number of ships entering this Port, particularly the large supertankers which require ample maneuvering room as a safety measure. Since it has been the traditional policy in Washington to include funds in subsequent budgets for projects that have been started, it is believed that the initial appropriations for the Newark Bay Channel and the Anchorages will pave the way for continuing work on the improvements.

The intensive campaign for inclusion of funds in Congress' Appropriations Bill got under way after President Johnson's annual budget omitted requests for such funds. Testimony urging appropriations was presented to the House and Senate Appropriations Committees by the Port Authority acting on behalf of the interested Port organizations. In addition, the Port Authority coordinated joint efforts to inform all Congressmen from the Port District as to the urgency of the improvements. In November, President Johnson signed the Public Works Appropriations Bill which as a result of Congressional action included the funds for starting work on these two channel projects in the New Jersey-New York Port.

In addition, the bill contained $1 million for completing the widening of the Kill Van Kull entrance (off St. George, Staten Island) leading to Newark Bay and the Arthur Kill. In all, $5.1 million was appropriated for Fiscal 1968 for improvement of channels and waterways important to the commerce of the New York-New Jersey area.

A decision by the New York and New Jersey Sandy Hook Pilot Associations to operate their own ship-to-ship radiotelephone equipment marked notable progress in another phase of the Port Authority's efforts to promote navigational safety in the Port. Both pilot associations have been cooperating with the Port Authority in experiments since 1964 which have proved the feasibility and desirability of bridge-to-bridge radio communication among ships entering or leaving Newark Bay. The Pilots' decision to secure their own portable equipment and use it throughout the entire Harbor resulted to a large extent from their satisfaction with the performance of the Port Authority's fifteen VHF Radiotelephone sets used in the jointly-sponsored experiment.

Additionally, the Pilots, along with other marine interests, have supported the Port Authority in efforts to secure national legislation requiring ships to have the means of radiotelephone communication while in harbor or inland waters. A bill requiring ship-to-ship equipment in all the nation's harbors was introduced last fall and is now pending before Congress.

In association with State officials and local municipalities the Port Authority continued to cooperate with the Corps of Engineers in their study, initiated in 1963, of an effective cleanup and debris control program for New York Harbor. As a further development activity, the Port Authority with other port organizations pursued efforts to obtain procedural changes in quarantine inspection procedures by the U. S. Public Health Service which would reduce costs and vessel time.

Cooperation continued with federal, state and municipal agencies in activity to reduce air pollution in the metropolitan region. At various Port Authority facilities this included elimination of the few remaining incinerators, purchase of low sulfur content oil for all installations and preliminary steps to convert heating units to #2 oil and/or gas.

In another activity related to the region's future welfare, the Port Authority testified before the New Jersey Senate Committee on Air and Water Pollution and Public Health in support of the establishment of a State agency, with local participation, for planning and coordinated development of the New Jersey Meadowlands. Since the 1950s, the Port Authority has given advice and assistance requested by agencies studying Meadowlands' development because of the significant effect such a project would have on the region's trade and commerce.

Protection of the Port's interests included continuing opposition to efforts by Midwest interests to modify or abrogate the 1954 Congressional mandate that the St. Lawrence Seaway be completely self-supporting. The Port Authority joined with other port agencies and interested groups in presenting testimony in opposition to proposals which would eliminate the need ever to repay the costs of constructing the Seaway by converting its present outstanding indebtedness of more than $141 million to capital stock, all of which would be held by the United States Treasury. It was stressed that such action would be tantamount to providing a direct subsidy to Seaway users at the expense of the general taxpayer and particularly of competing ports.

Testimony was also presented in opposition to any direct appropriations to rehabilitate the Seaway's locks and appurtenant structures. As an alternative, it was suggested that such costs be covered by increasing the capital of the Seaway, said capital to be repaid out of Seaway income.

While Congress took no action on these legislative measures last year, it was disappointing that the Governments of the United States and Canada decided to retain the present seaway toll structure despite the recommendation of their own Seaway agencies for a modest 10 per cent increase with the objective of meeting the mandate for a self-supporting waterway.

Through its membership in the International Association of Ports and Harbors, the Port Authority continued its major role in assisting ports of developing countries to improve facilities and operating techniques for their expanding foreign trade. The Port Authority has actively participated in the program conducted by the Association's Committee on International Port Development. The committee acts as a center which locates and requests experts from the world's more developed ports to give special advice and assistance to developing ports seeking aid in solving port problems. Additionally, the Committee encourages developing ports to send key personnel for on-the-job training under supervision of their counterparts in the developed ports.

### Transportation and Trade Research and Statistics

The annual report analyzing the foreign trade that moves through the New York-New Jersey Port was published last year with a new format under the title, "The Port of New York's Foreign Trade 1967." Because of the increasing volume and importance of airborne foreign trade, a separate section of the publication was devoted to this subject. The volumes of both oceanborne and airborne foreign commerce reached impressive totals during 1966. The 15.4 million long tons of ocean trade, valued at $13.1 billion, was the highest since 1947 when transportation of supplies to war-torn Europe was at a peak. The volume of airborne trade was 163,399 long tons, a gain of 14.5 per cent over the previous year. Of greater significance to the Port was the $2.89 billion value of airborne foreign commerce.

Considerable information on movements of foreign and domestic freight was developed for use as Port Authority exhibits in various regulatory proceedings. Expert testimony also was provided in presenting the exhibits at hearings.

As part of the passenger and freight research programs designed to provide data for vital Port Authority projects in the region, a continuous sampling survey was begun last spring of trip origins and destinations and other characteristics of the trans-Hudson travel by PATH and Erie-Lackawanna Railroad passengers. The program was initiated in May 1967, following the implementation of the Aldene Plan under which commuters of the Central Railroad of New Jersey were afforded for the first time an opportunity for all-rail service between New Jersey and Manhattan through establishment of transfer facilities to PATH and Pennsylvania Railroad trains at the Penn Station in Newark.

An analysis of export freight moving to the Port by railroad was completed during the year. Based on a survey of export lighterage movements, the analysis focused on the distribution of such freight by commodity, its distribution among the railroads, geographic origins and the Port's share of oceanborne exports moving by rail. The States of New York, Pennsylvania, Ohio and Illinois were shown to be the origin of more than 50 per cent of the Port's railroad export freight. However, the geographic origins of the remaining freight extend from coast to coast. Most export freight originating in New Jersey and the Port District moves to piers by truck.


Metropolitan Transportation Authority Chairman William J. Ronan, (right) who is also a Commissioner of the Port Authority, and Austin J. Tobin, the Executive Director of the Port Authority, view an experimental rail-bus during a trial run.

# World Trade

## The World Trade Center

Significant progress was made during the year on the World Trade Center, the Port of New York's new focal point for international commerce. By midyear the City of New York had granted the necessary consents for the Trade Center construction and as of the end of the year over $206 million in construction contracts had been awarded. In addition, construction of a principal feature of the foundation system — the underground retaining wall around the westerly segment of the site — had been virtually completed.

The World Trade Center, authorized by legislation enacted by the States of New York and New Jersey, is expected to open its doors to members of the world trade community in 1970. Completion of the entire project is scheduled for 1972. The Center will provide international businessmen with three basic advantages essential to the economic and expeditious handling of world trade; an international meeting place for buyers and sellers, centralized world trade services, and comprehensive world trade information and communications.

The Center will be the new home in New York for the United States Bureau of Customs, in addition to exporters, importers, freight forwarders, custom house brokers, international banks, national government trade offices and commercial counseling services, marine insurance underwriters, transportation carriers and other international trade firms and agencies.

Approval of the World Trade Center by the City of New York was completed in June when the Board of Estimate approved necessary city street closings, property transfers, an agreement with respect to payments in lieu of taxes, and the creation of approximately 24 acres of landfill area along the Hudson River utilizing excavated material from the World Trade Center construction. The Board's approvals fully implemented the Memorandum of Understanding on the Center which had been announced by Mayor John V. Lindsay and Port Authority Chairman S. Sloan Colt in August, 1966. Board of Estimate approval followed the adoption by the City Planning Commission of a favorable report on required city street closings and related city map changes, as well as a change in the Waterfront Plan to encompass the landfill area. Formal hearings on World Trade Center matters affecting the City of New York preceded the actions taken by both city agencies.

Cooperative efforts by the Port Authority and the TV Broadcasters All Industry Committee commenced in February, 1966, when the Committee, representing the television industry in the New York metropolitan area, found on the basis of preliminary study that the Center might cause interference with television broadcasts from the Empire State Building. At that time the Committee and the Port Authority retained the Alford Manufacturing Company and the Jansky & Bailey Division of the Atlantic Research Corporation to conduct independent, comprehensive and objective studies of the television problem. The reports of both firms concluded that the reflected signals from the Trade Center's towers would cause some interference in a narrow sector extending northeast of the Empire State Building if transmitting facilities remained in their present location atop the Empire State Building.

Additional studies to investigate means of eliminating this undesirable interference confirmed that the relocation of television transmitting equipment to the World Trade Center was the only feasible method of eliminating the projected interference and would at the same time generally improve television reception and coverage in the metropolitan area. An agreement covering the relocation of such facilities to the Trade Center was reached by the Port Authority and the TV Broadcasters All Industry Committee. Under the terms of the agreement, television and FM broadcasting antennae will be placed on the roof of the North Tower Building. Transmitters and ancillary equipment will be housed in space provided above the 100th floor of the same building.

In July the Federal Communications Commission conducted a public hearing on the television interference problems anticipated during the course of World Trade Center construction. The testimony confirmed that although some interference will be experienced in a narrow section of the metropolitan area during eight and one-half months of the construction of the World Trade Center, the location of the transmitters atop the Trade Center would provide generally improved reception for viewers throughout the metropolitan area on a permanent basis. A request for formal FCC approval of the move will be made by the broadcasters following completion of detailed plans for relocation and placement of broadcasting equipment.

### Rentals

The importance of the World Trade Center as a new headquarters for international business has been recognized by more than 600 American and overseas business and government organizations which have already reserved space in the Center.

At the close of 1967, the list of firms and agencies which had reserved space included:

- 245 exporters and importers
- 103 freight forwarders and custom house brokers
- 21 international banks
- 66 steamship lines, agents and brokers
- 121 trade service agencies.

In addition 27 foreign nations had reserved space as had some 19 state and regional agencies.

Over 130 foreign commercial firms,

Site of the World Trade Center, December 1967


HUDSON
TERMINAL

manufacturers, trade associations and banks from 48 countries have reserved space in the Center. Indicative of the international nature of the Center is the fact that some 30 countries have already agreed to be represented in the Center by official government offices.

Throughout the year, the staff continued to work closely with the General Services Administration and the United States Bureau of Customs on the design of the building which will house all the Customs operations in New York in the World Trade Center. Congressional approval for the relocation of these operations to the Center was granted in 1965. Similarly, the definitive lease covering the participation of the State of New York in the project was progressed during the year with the New York State Office of General Services.

### Planning and Construction

Planning and construction activity gained increasing momentum in 1967 with the award of 47 contracts, totaling $134 million. Foremost among these were 15 contracts covering detailing, fabricating and eventual erecting of 195,000 tons of steel which will be required for the Center. Fabrication of this steel is now under way at various plants located throughout the United States.

Work proceeded on the strengthening of Pier 13, adjacent to the World Trade Center site, which will be used for the delivery and storage of various construction materials. In order to provide unimpeded truck access between Pier 13 and the construction site, a new ramp routing West Street traffic over the truck haul route was built and opened to traffic in July 1967.

With the completion of design work on the Center's twin 110-story tower buildings, contracts for the electrical and mechanical systems were advertised for award. In addition, work proceeded on the final design of the low-rise Plaza Buildings.

Rapid progress was made on demolition of the 164 buildings which formerly occupied the site. By the end of the year 65 per cent of these buildings had been removed including all structures west of Greenwich Street.

Installation of the steel cofferdam retaining structure, which will form the land area south-east of the site, began immediately following demolition of Piers 7 through 11 and the abandoned Central Railroad of New Jersey ferry terminal. The cofferdam system is comprised of 40 circular cells each 64 feet in diameter. By year's end 95 per cent of the cofferdam system had been completed and placement of fill material had commenced. When completed, the landfill area will become the property of the City of New York.

Throughout the year work proceeded on the construction of the 3100 foot long underground retaining wall surrounding the westerly portion of the site. The completion of this wall will prevent the intrusion of water and soft ground into the excavation. Mass excavation within this area began late in 1967.

### Operations Planning

With the assistance of outside consultants, as well as the advice and cooperation of operating personnel in numerous other high-rise structures, the Operations Planning staff proceeded with the development of a master operating plan for the World Trade Center. The intent of the plan is to provide an efficient, economic and practical approach to the operations and maintenance of the world's largest building complex.

An important step in the development of the operating plan was the execution of an agreement with the Otis Elevator Company for the maintenance of 208 elevators and 50 escalators to be installed by Otis in both tower buildings and in subgrade levels of the Center. This is the largest single maintenance agreement ever formulated in the vertical transportation field.

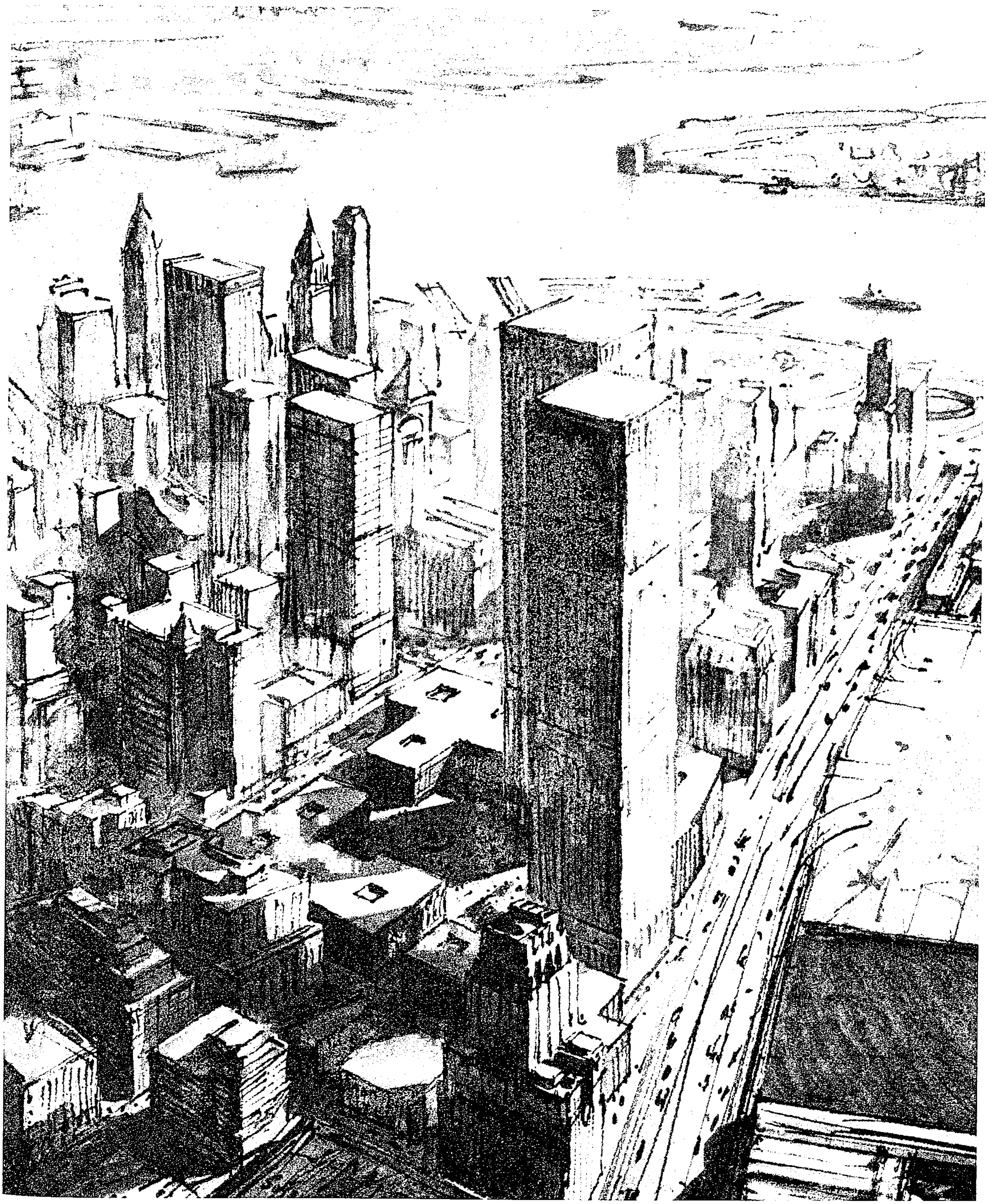
### Tenant Relocation

The year 1967 witnessed the near-completion of the most complex tenant relocation program the Port Authority has ever undertaken. The tenant relocation staff located within the site area and working closely with its occupants to tailor the relocation program to individual needs, had by year end, relocated over 90 per cent, or more than 500 of the 562 occupants on site (exclusive of tenants in 30 and 50 Church Street). The tenants relocated included 210 retail stores, 141 commercial, 101 residential and 59 office tenants.

The relocation program, estimated to cost $2.8 million, provides commercial tenants with an option of receiving actual moving expenses up to $25,000, or payment in a lump sum, not to exceed $3,000, or six times their monthly rental. If the tenant elects the lump sum payment, he may in addition, be eligible for a Small Business Displacement Payment of $2,500, granted to retail store occupants whose average annual net earnings before taxes were less than $10,000. Retailers may also be eligible for a Liquidation Grant designed to compensate for actual loss in the value of certain personal property which would not otherwise be compensable. Finders fees are paid to brokers who locate space to which retail or residential occupants relocate, and residential tenants are afforded moving expenses and decorating allowances.

The year was highlighted by success in finding and making available reasonably comparable store locations into which most retail occupants have moved, including the 50 electronics and radio dealers who formed the well known "Radio Row" within the site. Many of these retailers are in new stores within a few blocks of their former locations, and indications are that most are doing better than they did at their former locations.

Artist's conception of the World Trade Center
as it will appear upon completion in 1972.



In fact, *Audio Times*, the newspaper of the high fidelity industry, noted in its September 15, 1967 issue that it had conducted a survey of the electronics tenants relocated from the World Trade Center site. The *Times* concluded that the end results of the moves were beneficial, and that the relocated merchants "along with new store leases . . . literally acquired new leases on business life."

## Port Commerce

### Competitive Rail Service for the Port of New York

The long, complex, eastern railroad merger proceedings were essentially concluded in 1967 thereby insuring the maintenance of competitive rail service to and from the Port of New York. The Port Authority has participated in the developing proceedings before the Interstate Commerce Commission and the federal courts since 1961 to ensure the emergence of a competitively balanced rail network in the East, and specifically, to urge that the Erie Lackawanna Railroad, a major freight tributary of the Port of New York, be included in one of the proposed merged systems—the Norfolk and Western-Wabash-Nickel Plate; the Pennsylvania-New York Central; or the Chesapeake and Ohio-Baltimore and Ohio. The logical choice was the Norfolk and Western System which could then extend its service eastward from Buffalo to New York and compete with the Penn-Central for freight moving between the Port of New York and the Midwest.

Early in 1967 the United States Supreme Court approved the Penn-Central merger in principle, but remanded the proceeding to the Interstate Commerce Commission with the admonition that the Erie Lackawanna should be protected by inclusion in another large system and by indemnity provisions prior to consummation of the Penn-Central consolidation. On June 12, after reconsideration the Interstate Commerce Commission ordered the Norfolk and Western to acquire the Erie Lackawanna and also reaffirmed its approval of the proposed Penn-Central. Thereafter, turning down appeals from the new Interstate Commerce Commission Orders, the Federal District Court in New York unanimously upheld the Commission's decisions. Appeals were promptly taken to the Supreme Court of the United States. On January 15, 1968 the Supreme Court reaffirmed the District Court's findings clearing the way for the Penn-Central merger which became effective February 1st. The Court also reaffirmed the District Court's findings in the so called "Inclusion Case" requiring the Norfolk & Western to offer to acquire the Erie Lackawanna, Delaware & Hudson and Boston & Maine Railroads.

As a result of these decisions, the railroads of the east will now be grouped into three major systems:

(1) The Pennsylvania-New York Central System;

(2) The Norfolk and Western System, including the Nickel Plate and the Wabash (already part of that system) and the Erie Lackawanna, Delaware and Hudson and Boston and Maine;

(3) The Chesapeake and Ohio-Baltimore and Ohio System.

The Port of New York will be directly served by two of the three major rail networks, the Penn-Central and the Norfolk and Western, which will provide New York effective rate and service competition with the ports of Baltimore and Philadelphia. The Chesapeake & Ohio-Baltimore & Ohio will reach New York via the Reading-Central Railroad of New Jersey.

Another proposed merger, that of the Chesapeake and Ohio-Baltimore and Ohio railroad system with the Norfolk and Western, is still pending before the Interstate Commerce Commission.

### Protecting the Port in Far Eastern Trade

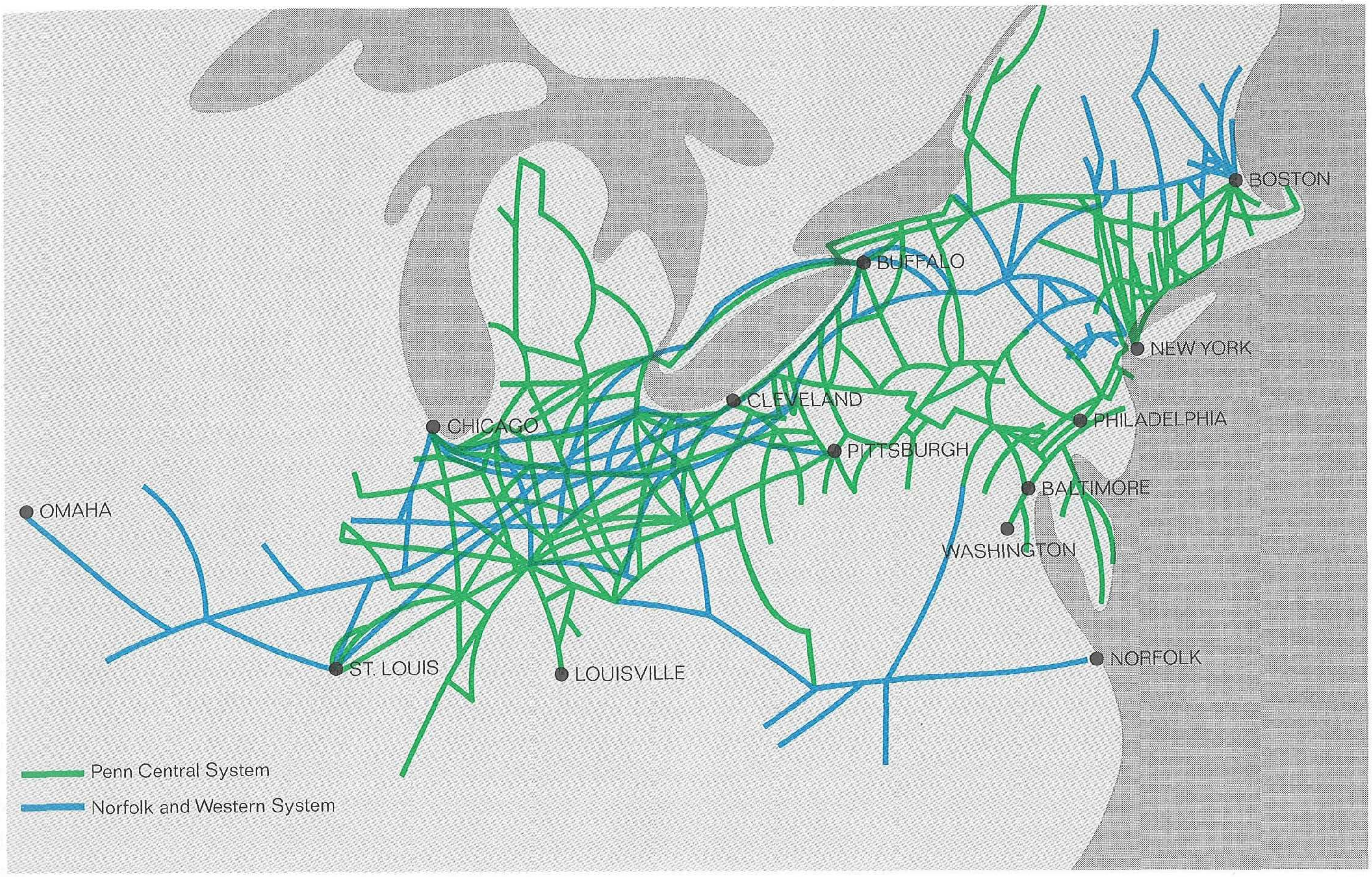
The Port Authority is currently participating in a proceeding before the Federal Maritime Commission involving existing steamship rates between United States West Coast ports and the Far East which are materially affecting the Port of New York's ability to compete for the rapidly increasing trade moving between the United States and the Far East.

The steamship conferences operating between the West Coast and the Far East have for many years maintained depressed ocean rates on export-import shipments originating in or destined to points in the U.S. generally east of the Rocky Mountains, and steamship lines and transcontinental railroads have been absorbing port terminal charges to offset higher "overland" railroad costs. These lower rates not only encourage trade between the central United States and the Far East to move via the Pacific coast ports, but enable the water carriers serving these ports to invade markets normally tributary to East and Gulf coast ports by reason of the lower inland transportation costs. At the urging of the Port Atuhority and other port interests, the Federal Maritime Commission began an investigation of the depressed water rates. Hearings have been held throughout the country over the past two years and are now concluded. We are awaiting the Commission's decision.

### Potential Increase in Railroad Per Diem Charges Averted

During the year, the Port Authority also intervened in a pending case before the Interstate Commerce Commission to urge that New York terminal railroads such as the New York Dock Railway and the Bush Terminal Railway be exempted from proposed incentive per diem charges on railroad freight cars.

In 1966 the Interstate Commerce Com-




The Port of New York and the Midwest will be linked by strong and competitive rail systems resulting from rail mergers which moved toward conclusion in 1967. At the inception of the eastern railroad merger proceedings before the ICC some seven years ago, the Port Authority saw the need for truly competitive systems to serve shippers. The Port Authority's position ended in victory with the inclusion of the Erie Lackawanna in the strong Norfolk & Western system, assuring midwestern shippers of an alternate choice of through rail freight service to the Port of New York in the future.

mission began an investigation to determine whether the daily penalty charges (per diem charges), which railroads owning freight cars assess other railroads for their use of the cars would be increased. The short line railroads operating in the Port of New York, such as the Bush Terminal Railroad and the New York Dock Railway generally do not own freight cars. As a result they earn no revenues from cars of their own which they can use to offset the charges they have to pay when other carriers' cars are on their tracks. Because their financial position is such that the proposed additional charges might force them into bankruptcy, the terminal roads petitioned the Interstate Commerce Commission to exempt them from the application of the proposed charges, and requested the Port Authority to intervene on their behalf. Since these carriers perform an essential service in the handling of freight on the Brooklyn waterfront, the Port Authority supported their position.

The Interstate Commerce Commission subsequently decided that increased per diem charges were not warranted and cancelled the proceeding.

### Port Equalization Again in Question

As a result of the favorable Supreme Court decision in the Port Equilization Case in 1963, New York's export rail rates were reduced to the Baltimore level. In order to restore its former advantage, the Baltimore and Ohio Railroad subsequently published sharply reduced rates on one test commodity — export paper from the Midwest to the Port of Baltimore. Railroads serving the other North Atlantic ports followed with similar rate reductions on paper, but the Interstate Commerce Commission approved the reduced rates only to Baltimore, leaving New York and the other ports with rates at the higher level. The Commission authorized the Baltimore rates on the basis of a special terminal cost study which showed the proposed rates to be compensatory and denied lower rates to the railroads serving the other North Atlantic ports because they did not make a similar cost showing.

The Commission warned that it would not permit rate reductions to other ports unless the railroads serving them conducted a detailed terminal cost study to prove that the reduced rates would equal or exceed the out-of-pocket costs of such competing railroads. Carriers serving Hampton Roads Ports accordingly published similar reduced rates from the same origin points and submitted a special justifying cost study. The Commission allowed the rates to stand.

## Trade Development

### Representing the Port Throughout the World

Since oceanborne cargo is so vital to the economy of the New York Port District, the Port Authority has been charged with the important responsibility of promoting as well as protecting the commerce of the Port. This is accomplished principally through the Port Authority's Trade Development Representatives who traveled 280,000 miles in 1967 to make 10,826 calls on shippers in 765 cities in 36 states and 42 foreign countries. Without their diligence in bringing to the attention of exporters and importers the advantages of routing freight through the Port of New York, the Port's cargoes would be vulnerable to unopposed competition from other ports and rapidly developing industrial areas in the nation. These port representatives are also responsible for assisting shippers with the movement of cargo through the New York-New Jersey Harbor and helping to solve problems which could cause the diversion of freight from the Port.

Containerization of international waterborne cargo is making rapid progress at the Port of New York, whose unparalled container facilities are helping to increase the Port's business. While the wide array of services available at New York continues as a prime sales argument in attracting cargoes to the bi-state Port, New York's representatives have focused on the Port's newest service advantage — containerization — to offer improved service to shippers already using the Port, and to compete for freight previously routed via other ports.

### Container Conferences

While data on the rapid changes in international container technology appear in many forms and in a variety of media, there is no readily available and complete source of reference material on the subject. Since pro-containerization arguments have become virtually synonymous with pro-New York routing arguments, Port of New York Trade Development Representatives sponsored conferences during the year for members of the international trading community to disseminate information on this new method of marine transport.

### Cargo Handling Techniques Filmed

An effective tool used by New York's representatives to depict the changes in transport tempo wrought by containerization is the Port Authority's new motion picture, "Today The Twenty-First." A fast-moving and dramatic presentation of the container revolution in shipping, the film produced by the bi-state agency's staff shows twenty-first century techniques in cargo handling already in operation at the Port of New York. After its premiere last spring, French, German, Italian, Spanish and Japanese versions were produced and distributed throughout the world. The film won acclaim in Europe, the Far East, South America and the United States as an authoritative portrayal of international containerization. The Italian version was awarded a gold medal at the International Film Festival in Milan. The other two port promotion films, "Sixty-Seven South" and "The Fabulous Decade", continued in active circulation and at year's end had been viewed by thousands of businessmen, government and civic officials throughout the free world, in addition to the countless millions who have watched them on numerous telecasts in the United States and overseas.

### Promoting the Port in Print and Pictures

Circulation of the Port Authority's monthly magazine *Via Port of New York* reached a new high of 27,000 subscribers per month during 1967. Among the many noteworthy issues published, the September issue was of particular interest for its in-depth report on effective physical distribution through the Port at shipside and at air cargo centers. A number of articles were reprinted by outside organizations, including the U. S. Department of Commerce.

Two new Trade Services Directories were among the shipping guides, maps and directories printed during the year. Issued in Spanish and Portuguese, they offer for the first time a single-volume compendium of information on the Port and its services as well as important trade definitions and conversion factors geared specifically to the needs of exporters and importers doing business in Latin American countries. A twenty-four page Port of New York pictorial brochure in color was printed in English, French, German and Spanish and distributed worldwide. A Motor Carriers Guide to marine and air terminals with road routing from different geographic areas was printed and distributed to truckers serving the Port.

Several new audio-visual presentations using rear screen, slide-tape and multi-media techniques were prepared on a variety of port subjects and used at exhibits and trade conventions. Exhibits, international press releases and an intensive advertising program continued as a dramatic way of presenting the Port's story to shippers and other participants in world trade. Once again staff members organized and coordinated the World Trade Week activities to increase awareness by the general public of the importance of international commerce to the New York-New Jersey Port District.

## Proceedings Before the Interstate Commerce Commission

**Docket Fin. 21510 & 21514** Unification of Norfolk and Western-Wabash-Nickel Plate Railroads. (Inclusion Case).

**Status*** Supreme Court ordered inclusion of EL-D&H and B&M into new system. Inclusion to be effected April '68.

**Docket Fin. 21989** Proposed merger of Pennsylvania-New York Central Railroads.

**Status*** Supreme Court reaffirmed finding of lower court. Merger effectuated Feb. 1.

**Docket Fin. 23178** Application of the Chesapeake & Ohio and Baltimore & Ohio to actively control the Western Maryland.

**Status** ICC approved application. Certain roads filed for reconsideration. Pending.

**Docket Fin. 23822 & 23833** Application of Norfolk & Western and Chesapeake & Ohio to merge and include in their system 5 Eastern railroads — Erie-Lackawanna, Delaware Hudson, Boston & Maine, Reading and Central Railroad of New Jersey.

**Status** Hearings continuing. Pending.

**Docket ICC 34254** Relief from long haul/short haul statutory requirements on joint motor-rail rates.

**Status** ICC found joint motor-rail rates subject to provisions of Part 1 Section 4 of I.C. Act. Decision appealed to court and reversed. ICC vacated prior and discontinued proceeding. Concluded.

**Docket ICC 34471** Reduced railroad rates on canned goods from Florida to Eastern destinations.

**Status** Examiner recommended denial of relief to Sea-Land. P.A. filed exceptions to recommend report. Pending.

**Docket ICC 34497** Reduced rail rates on polyethylene plastics from Texas City, Texas to Kenilworth, New Jersey.

**Status*** Examiner's report found rates discriminatory, unjust and unreasonable. Railroads cancelled rates. Complaint withdrawn and proceeding cancelled. Concluded.

**Docket ICC 34522 I&S 8230** Railroads proposed reduced free time on export traffic held in cars from 7 to 5 days at all U. S. Ports.

**Status** ICC found five days, free time just and reasonable. Port Authority filed for reconsideration. Pending.

**Docket ICC 34573** Railroads published reduced transcontinental rail rates on canned goods between Pacific Coast and Eastern points.

**Status*** Examiner has issued report recommending rail and intercoastal rates be cancelled. Pending.

**Docket I&S 8335** PRR established reduced TOFC trainload container rates on export-import freight all kinds between Illinois and New Jersey points.

**Status** 9/27/67 PRR cancelled tariff effective October 6, 1967. Proceeding discontinued.

**Docket ICC 34874** Investigation by Commission of export rates on paper and paper articles from Midwest ot Gulf and Southern Ports.

**Status*** Southern Ports withdrew rates, proceeding cancelled.

**Docket Ex Parte 252** Investigation by ICC to determine whether the daily penalty charge for demurrage should be increased.

**Status*** ICC found increase not warranted. Proceeding discontinued.

**Docket Ex Parte 256** Investigation by ICC into the adequacy of all freight rates and charges of all common carriers by railroad.

**Status*** ICC granted increase of approximately 5% admonishing railroads to restore port rate relationships where disrupted by the increase.

## Proceedings Before the Federal Maritime Commission and Maritime Administration

**Fact Finding Investigation No. 4** Marine terminal practices at North Atlantic Ports.

**Status** Staff report issued and accepted.

**Fact Finding Investigation No. 5** Marine terminal practices at South Atlantic and Gulf Ports.

**Status** Staff report issued and accepted.

**Docket 872** Joint Agreement No. 8200 between steamship lines of Far East Conference and Pacific Westbound Conference.

**Status** Agreement found justified but supplement covering overland rates constitutes an unapproved agreement. Carriers had to cease and desist until supplemental agreement was filed and approved by FMC. Appealed for review and enforcement. Pending.

**Docket 1153** Investigation of truck and lighter unloading charges at steamship piers in the Port of New York.

**Status*** 5/16/66 FMC found N. Y. Terminal Conference in violation of Sec. 16-17 of Shipping Act. Courts upheld the FMC order. Pending.

**Docket 1182** Investigation of reduced ocean rates of TMT Trailer Ferry, Inc. via Jacksonville, Florida to Puerto Rico which are lower than rates of Sea-Land Service, Inc.

**Status*** FMC found TMT entitled to a rate difference because of slower service but barred Sea-Land from reducing rates out of Jacksonville while leaving New York rates at higher level. Sea-Land has appealed decision to Court.

**Docket 1187** Complaint by New York steamship lines against reduced ocean rates published by TMT Trailer Ferry, Inc. on grading and roadmaking machinery via Jacksonville, Florida to Puerto Rico.

**Status*** On remand from court FMC fixed rates from North Atlantic and South Atlantic Ports. Proceeding discontinued.

**Docket 65-14** Investigation by FMC to determine whether free time and demurrage practices on inbound freight at piers violate the Shipping Act.

**Status*** FMC revised rules covering free time and demurrage in connection with conditions arising from longshoremen's strikes or work stoppages.

**Docket 65-31** Investigation by FMC of Overland Common Points and Overland Rates maintained between Far East and U. S. Pacific Coast Ports.

**Status** Hearings completed. Pending.

**Docket 65-34** Discount conference rates on iron and steel applicable from Baltimore and Gulf Ports.

**Status** Examiner's Report rates justified. Pending.

**Docket 65-39** Complaint by Empire State Highway Transportation Assn. against 17 percent surcharge published by New York Terminal Conference.

**Status** Further hearings pending.

**Docket 65-46** Investigation into the lawfulness of the 17 percent surcharge on truck loading and unloading.

**Status** Further hearings pending.

**Docket 66-33** New York Terminal Conference petitioned for modification of Section 15 Agreement to permit publication of free time and demurrage rules and charges on export cargo at New York.

**Status** Pre-hearing Conferences held. Terminal Conference filed memorandum of justification. Concluded.

**Docket 66-61** Complaint by Board of Commissioners of the Port of New Orleans against the Pacific Coast Australasian Tariff Bureau and its members for assessing lower overland rates to and from Pacific Coast Ports.

**Status** Pending.

**Docket 67-5** Several American Flag ships sought Section 15 approval for an agreement to permit lines to move household goods and personal effects shipped by U. S. Government Agencies.

**Status*** Parties to agreement withdrew bid for approval and Hearing Examiner discontinued proceeding 6/2/67.

## Proceedings Before the Civil Aeronautics Board

**Docket 16242** Review of U. S. Flag airline Trans-Pacific routes. The Port Authority supports competitive U. S. Flag authorization to the Orient via both the short great circle route and the central route via Hawaii, U. S. Flag route to the South Pacific, a U. S. Flag around-the-world route, and an all-cargo airline route to points in the Pacific Area.

**Status** Awaits Examiner's recommended decision. Final decision late 1968.

**Docket 12895** Review of U. S. Flag airline Caribbean and South America routes. The Port Authority supports continued authorization of three nonstop airlines between the Port District and San Juan and the authorization of a one-carrier U. S. Flag airline route between the Port District and points on the west coast of South America.

**Status*** CAB decided to continue the authorization of three nonstop airlines between New York/Newark and San Juan. Examiner recommended the authorization of a one-carrier route between the Port District and points on the west coast of South America.

**Docket 12285** Renewal of Northeast Airlines' New York-Florida route. The Port Authority supports continued authorization of a third nonstop airline between the Port District and Miami/Ft. Lauderdale.

**Status*** CAB decided to continue the authorization of three nonstodp airlines between New York/Newark and Miami/Ft. Lauderdale.

**Docket 15356** Review of U. S. Flag airline services between northeast U. S. points and points in the Bahamas. The Port Authority supports the authorization of competitive U. S. Flag airline service between the Port District and points in the Bahamas.

**Status*** CAB authorized competitive U. S. Flag nonstop service between the Port District and the Bahamas.

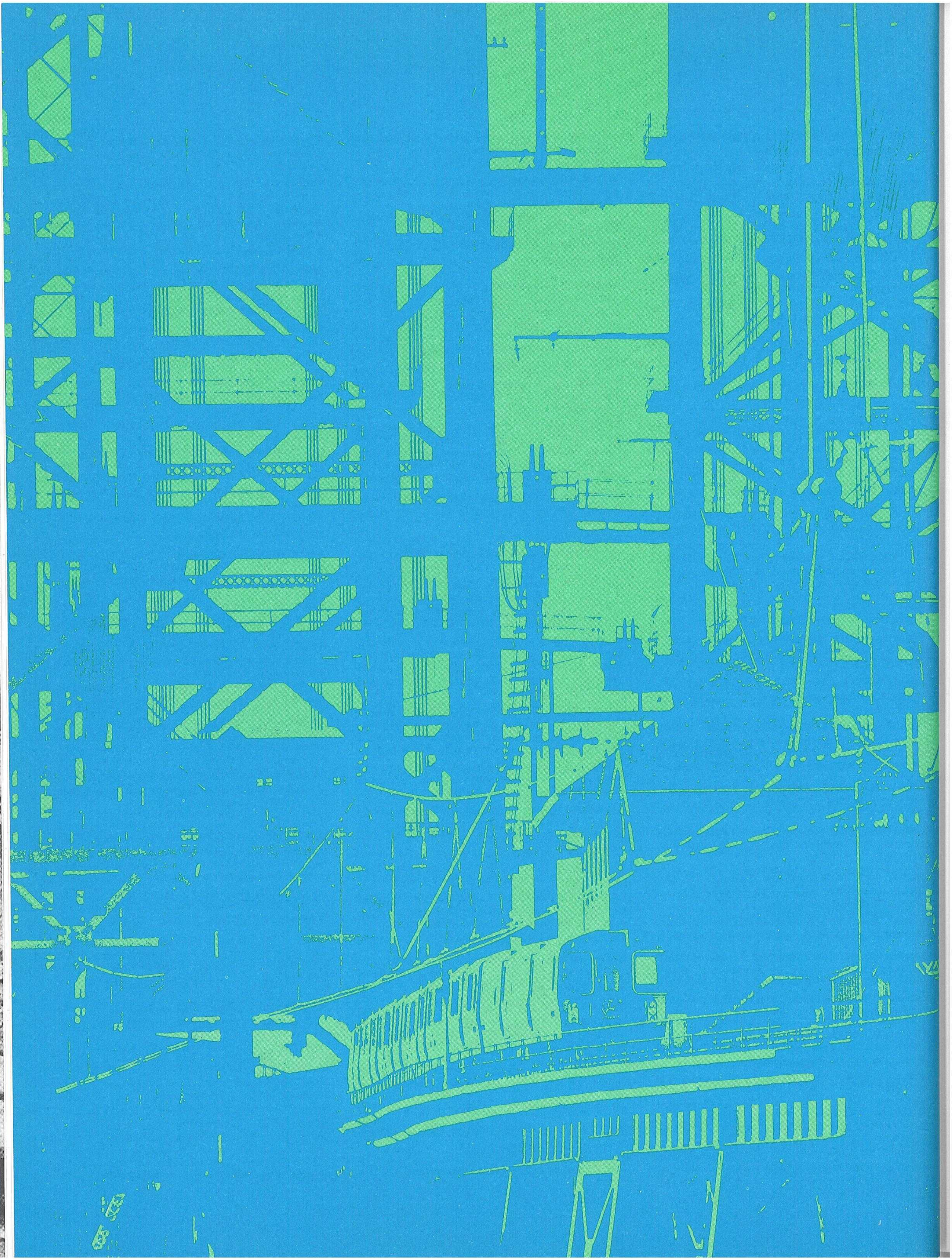
**Docket 17436** Review of Allegheny Airlines' east-west route authority. The Port Authority supports the authorization of direct air service between New York/Newark and Huntington, Parkersburg and Wheeling, W. Va.

**Status*** CAB Examiner recommended authorization of direct air service between the Port District and the three Ohio Valley cities.

**Docket 18361** Review of U. S. Flag route authorizations between Bermuda and U. S. points. Also at issue is whether Port District-Bermuda service should be limited to turnaround flights and whether a specific airport in the Port District should be designated for Bermuda service.

**Status** Hearings scheduled for early 1968.

**Action to date is generally in accordance with the position supported by the Port Authority.*



## Path and Rail Transportation

PATH made important progress in its modernization program during 1967. With the delivery of an additional 44 new cars, PATH maintained its position of owning and operating the only completely air-conditioned rail rapid transit fleet in the United States. Two of four new substations being built for PATH's new silicon rectifier power system also were in operation during 1967. The second stage of a $2 million signal system rehabilitation program neared completion and progress was made in upgrading stations, improving the compressed air system which is essential to the operation of the tunnel drainage pumps and key signal equipment.

The inauguration of the State of New Jersey's Aldene Plan and the termination by the Erie Lackawanna Railroad of its trans-Hudson ferry service were highlights of 1967 for the Port Authority Trans-Hudson (PATH) interstate rail rapid transit system. PATH provided 44 new air-conditioned cars, improved its schedules and performed the necessary construction work to handle both Aldene and Erie Lackawanna traffic. In all other areas PATH moved ahead with its system-wide modernization program, begun in 1962.

During the year, PATH submitted a final application to the Department of Housing and Urban Development (HUD) for a federal grant under the Urban Mass Transportation Act to aid in the construction of a rail-bus Transportation Center in the Journal Square area of Jersey City. Planning and design work continued on the new Hudson Terminal to be built within the site of the World Trade Center in lower Manhattan.

During the year, PATH introduced improved train schedules for its passengers, in addition to providing new information services. It also took steps to improve its personnel resources by means of various training programs.

The outlook for 1968 was for increased traffic as a result of complete cessation of the Erie Lackawanna's ferry service. This, added to increased traffic from Central Railroad of New Jersey commuters boarding PATH trains at Newark under the Aldene Plan, will create new operating challenges for the PATH staff in maintaining regular passenger service at higher traffic levels while overseeing heavier volumes of construction and rehabilitation.

### Aldene Plan Inauguration

During 1967, PATH assumed new responsibilities in connection with the State of New Jersey's Aldene Plan. This plan, designed to maintain essential commuter services of the Central Railroad of New Jersey, went into effect on April 30.

Under the Aldene Plan, Jersey Central main line and shore trains were rerouted to Pennsylvania Station, Newark, over tracks of the Lehigh Valley and Pennsylvania Railroads. At Newark, passengers are able to complete their trips to downtown or midtown New York via the modernized PATH system or the Pennsylvania Railroad. The Aldene Plan operation replaced the ferry service between Jersey City and lower Manhattan which had been operated by the Central Railroad of New Jersey.

In May 1965, the PATH Board of Directors authorized a $15.2 million project for improvements necessary for PATH to perform its role in carrying out the plan. The United States Housing and Home Finance Agency, predecessor of the Department of Housing and Urban Development, approved PATH's application for a Mass Transportation Facilities Grant of $5.1 million to be applied toward the cost of these improvements. Agreement was reached on a new lease with the Pennsylvania Railroad which provides for operation solely by PATH of the rail service between Newark and Jersey City which formerly had been under the joint jurisdiction of PATH and the Pennsylvania. The Interstate Commerce Commission subsequently approved PATH's lease agreement with the Pennsylvania.

An important PATH contribution to the Aldene Plan was the purchase of 44 new air-conditioned cars. These cars, which are similar in appearance and design to the 162 cars delivered to PATH in 1965, were all on the tracks in time for the inauguration of the Aldene Plan.

In addition to the new cars, PATH's participation in the plan included the installation of transit-type signalling between Newark and Jersey City; new track switches and the separation of PATH and Pennsylvania Railroad tracks in some areas; power and communications system improvements; and station improvements at Newark and Harrison. Some of this work, particularly track and signal improvements, continued after the inauguration of the plan on April 30. Safety, as well as the close three-minute intervals between trains under Aldene conditions, required the elimination of the grade crossing at West Side Avenue in Jersey City. Therefore, a new pedestrian bridge over PATH and Pennsylvania tracks at Van Wagenen Avenue, west of the Journal Square Station, was constructed to replace the grade crossing.

With the start of Aldene operations, PATH instituted a uniform fare of thirty cents for all interstate movements throughout the expanded system and for the movement between Newark and Journal Square. Peak-hour service from Newark was improved by reducing intervals between trains from eight to three minutes and the addition of more express trains on the Hoboken-Hudson Terminal Line.

Contributing to the successful implementation of the Aldene Plan was the concerted effort made to inform the public of the proposed new rail service. This effort was coordinated by a committee consisting of representatives of the Division of Railroad Transportation of the New Jersey State Highway Department, the Pennsylvania Railroad, the Central Railroad Company of New Jersey, and PATH. It involved public hearings, speeches in the communities affected, and the issuance of a series of information bulletins to passengers and trade and civic leaders.

### Erie Lackawanna Terminates Ferry Service

During the year, the Erie Lackawanna Railroad indicated that it would seek to eliminate the deficit from its trans-Hudson ferries by terminating that service. Thus, PATH faced the added responsibility for carrying virtually all of the 8,000 daily commuters who had been using the Erie Lackawanna ferries. With this eventuality in sight, PATH made advance preparations in April by providing for service between Hudson Terminal and Hoboken every three minutes during the rush hours, instead of the previous 4-7 minute frequency. In addition, PATH also provided selective express service between these two terminals. Other advance work included the installation of new token booths and turnstiles at Hoboken, and the improvement of passenger facilities at Hudson Terminal.

Officials of the Erie Lackawanna, the State of New Jersey and PATH held meetings during August, aimed at an orderly abandonment of the ferries. It was agreed at these meetings that the Erie Lackawanna train schedules should be revised to bring a more even flow of commuters into Hoboken during the morning peak period. Improved access also was to be provided to PATH's Hoboken platforms by means of a new entrance at one end of the station. Finally, termination of the ferries was to be phased over a reasonable period of time to avoid inconveniencing passengers and to allow time for completion of the necessary physical improvements.

The Erie Lackawanna's new train schedules (leading to ferry abandonment) were placed in effect on September 18, and the ferry service was reduced from three to two boats. Improvements to the Hoboken Terminal, in addition to changes in the railroad's tracks and platforms, included a new staircase between the Erie Concourse and PATH's Hoboken station, new lighting, additional PATH token booths, better signing, and extension of PATH's public address system to railroad areas. The estimated $125,000 cost of these modifications was shared equally by the State and PATH. On November 22, with the completion of improvements at Hoboken, the remaining two Erie Lackawanna ferries ceased to operate, and PATH assumed responsibility for carrying virtually all of the former ferry passengers.

### Journal Square Transportation Center

During 1967, PATH made formal application to the U. S. Department of Housing and Urban Development for a Federal grant under the Urban Mass Transportation Act toward the estimated $34.3 million required for construction of a Transportation Center to replace the present Journal Square Station in Jersey City.

Meetings with State, Jersey City and Hudson County officials continued during the year in order to progress the series of municipal and county actions required to prepare for the Transportation Center. In addition, planning for the Center was coordinated with Jersey City officials who are developing urban renewal improvements in the area around the PATH station.

As presently planned, the Journal Square Transportation Center would accommodate some 70,000 people daily. The Center would provide two new platforms for PATH trains, a consolidated bus terminal with about 35 berths for buses serving 30 routes, and off-street parking facilities accommodating some 640 automobiles.

The Center would have a concourse for PATH and bus passengers with space for consumer services. A street-level landscaped plaza facing Journal Square would give access to PATH and bus facilities. Space also would be allotted for a PATH Operations Control Center.

### PATH Modernization Program

With the delivery of the 44 new (PA-2 model) cars previously mentioned, the PATH fleet consists of 253 modern, air-conditioned rail rapid transit cars. PATH's investment to date in new rolling stock is $24.7 million. Completing the PATH transit fleet roster are 47 air-conditioned cars, purchased in 1958, which had been used in the former PATH-Pennsylvania Railroad Joint Service between Newark and Hudson Terminal. These cars were overhauled, and are now being used in tunnel service on the system.

Improvements in the power, signal, and compressed air systems were other areas in which PATH made substantial progress during 1967. By the close of 1967, the second of the four substations planned for PATH's completely-new silicon rectifier power system was in operation. New Substation #4 at Exchange Place in Jersey City followed into operation Substation #2 at Washington Street, also in Jersey City, which was completed in late 1966. Authorized in 1964 by the PATH Board of Directors, the ultra-modern power system will replace the existing system of rotary converters acquired from the former Hudson & Manhattan Railroad.

The $2 million project for modernization of PATH's signal system, which will facilitate operation of trains on close headways, is scheduled for completion during 1968. Stage I of this signal work was completed in April 1964. Stage II involves modernization of automatic and interlocking signals. The third stage of the signal project, on which work progressed in 1967, is directed at automatic operation of all interlockings and their control from a central traffic control console at Hudson Terminal.

Improvements to PATH's compressed air system went forward during the year. Estimated to cost about $800,000 when completed, this system will improve the operation of the tunnel drainage pumps and certain key signal components. The new air compressors are being installed at Sub-station #2, with completion of the work scheduled for early 1968.

### Other Improvements

Another major element of PATH's modernization program which neared completion during the year was the rehabilitation of station platforms, rest rooms, change booths and entrances. As part of this $2 million station rehabilitation program, inaugurated in 1965, modern fluorescent lighting fixtures are being installed to brighten public areas, rest rooms have been upgraded, attractive new seats have been installed on platforms, and new directional and information signs have been placed throughout the system.

Other improvements during 1967 included the installation of a new telephone information service for the convenience of PATH passengers. Two special telephone numbers, one in New Jersey and one in New York, now provide recorded information about PATH service at any time, day or night. Over 200,000 copies of the spring and fall editions of the PATH Service Guide were distributed to passengers and the general public. The Guide features a system map, intervals between trains at all hours, running times between stations, and information concerning the commuter railroads available to PATH passengers.

In the area of personnel improvement, PATH continued its basic training program for supervisory as well as operations and maintenance personnel to assure the availability of trained personnel to meet the operational needs of the rejuvenated PATH system. The program includes courses on railroad signal maintenance, motormen's operating duties, fire prevention and inspection as well as maintenance and repair of car equipment.

A high point for PATH personnel during the year was the receipt of an Award of Merit from the National Safety Council for their excellent employee safety record during 1966. PATH's frequency rate of 5.81 accidents per million man-days was considerably below the 14.34 rate experienced by the transportation industry nationwide.

### Organization and Staff

The Commissioners of the Port Authority and certain key staff serve as the directors and officers of PATH. The Commissioners of the Port Authority serve as PATH's Board of Directors; the Port Authority's Executive Director is President; the Deputy Executive Director is Senior Vice President; the Director of the Port Authority's Rail Transportation Department is the Vice President and General Manager, and the Authority's General Counsel is Counsel to PATH.

### PATH Passenger Volume and Revenues

Passenger traffic brought to PATH by the State of New Jersey's Aldene Plan and the termination of the Erie Lackawanna Railroad's trans-Hudson ferry service increased PATH's total passenger volume to the highest level since 1961. The number of passengers rose to 30,516,400, some 9.6 per cent above the 1966 level, which had been inflated by the effects of the New York City transit strike in January of that year. The combined effect of these two developments was to raise PATH's weekday passenger volume from about 100,000 at the beginning of the year to 125,000 at year end.

Despite the increased passenger revenues, PATH experienced a deficit of some $8 million in 1967. It should be noted, however, that the increased patronage occurred almost entirely in the morning and evening peak periods, requiring the provision of additional staff and equipment which are not otherwise put to effective use during the off-peak hours and on weekends. Thus, as is typical of most rapid transit systems, PATH is in the uneconomic position of having to maintain a full staff and physical plant which are used to maximum capacity — in one direction only — for just ten hours a week.

### Bi-State Statute on Limits to Port Authority Financial Participation in Rail Transit

The 1962 statute adopted by the Legislatures of the two States, which authorized Port Authority acquisition of the interstate Hudson and Manhattan Railroad, specifically recognized and met the fundamental need of protecting the credit of the Port Authority to insure that it could continue its vital self-supporting transportation program. The Legislatures recognized that the credit of the Port Authority would be impaired if the Authority undertook responsibility for the operation of such a perpetual deficit facility, unless the States entered into an enforceable contract with Authority bondholders, which gave assurance against dilution of already pledged revenues by any additional commuter rail deficits beyond those of the basic PATH system. The legislation includes statutory covenants setting forth a number of prospective limits. In general terms, the principal limitations provide that the Port Authority may not use funds for any additional commuter railroad purpose, unless it determines that the new railroad facility to be authorized is self-supporting, or, if it is not self-supporting, that the estimated average annual deficits from the proposed additional facility and any existing Port Authority commuter railroad facilities (such as PATH) would not, in total, exceed 10 per cent of the amount in the General Reserve Fund at the end of the previous year. The limiting figure may be enlarged to the extent of state subsidies for railroad commuter purposes.

The Port Authority may not become financially involved in deficit commuter railroad operations except upon compliance with the covenants contained in this legislation. Other existing covenants with Port Authority bondholders also require that projects not be undertaken which would materially impair the sound credit standing of the Authority or the investment status of its bonds.

## PATH Condemnation

The New York Court of Appeals, in a 5 to 1 decision, modified the amount to be paid by the Port Authority Trans-Hudson Corporation to the Hudson Rapid Tubes Corporation as compensation for PATH's condemnation in 1962 of the old Hudson and Manhattan Railroad. The Court of Appeals reinstated the trial award by the New York Supreme Court of $30 million for the Hudson Tubes tunnels and subways, and remanded back to the trial court for its further consideration its $20 million award for non-tunnel property and its $5 million award for going concern value.

The Court of Appeals decision reversed the holding of the New York Supreme Court, Appellate Division, First Department, in December of last year that all of the railroad's property should be valued at $3.5 million. The court of Appeals also reinstated the trial court's award of 6 per cent interest on that part of the award relating to railroad property situated in New Jersey and affirmed the 4 per cent rate of interest fixed by the Appellate Division for property situated in New York. PATH is seeking to obtain review of the determination of the Court of Appeals by the United States Supreme Court.

## New York State Commuter Railroad Equipment Program

The Commuter Railroad Equipment Program was created by the State of New York in 1959 to provide public financial assistance in the purchase of critically-needed rolling stock for lease to the three commuter railroads serving the New York side of the Port District — the Long Island Rail Road, the New York Central Railroad and the New Haven Railroad. The Port Authority's role as program administrator is based on con-

current legislation enacted by the States of New York and New Jersey, under which either State could act to make the Port Authority administrator of its own particular commuter railroad equipment program. The approval of the New York electorate in November 1961, permits the State to guarantee up to $100 million of special Port Authority bonds to finance rolling stock used by the three railroads in passenger transportation.

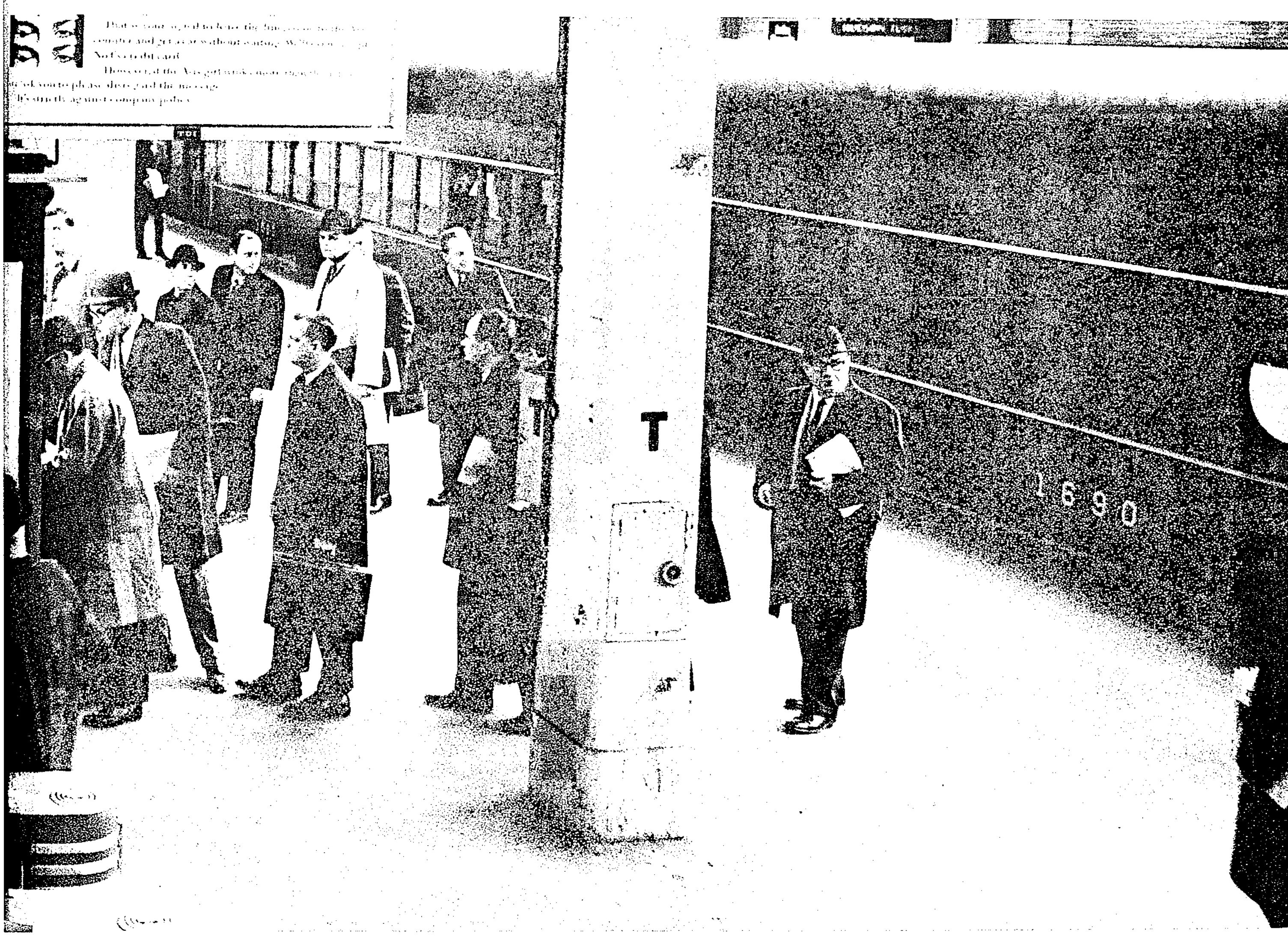
By 1965, a total of 117 new air-conditioned commuter cars had been delivered to the New York Central and the Long Island under the State program. The 117 new cars have a capacity of approximately 15,400 passengers and cost about $19.7 million. Eighty-seven of the cars were leased to the New York Central.

In August 1967, the Metropolitan Commuter Transportation Authority (MCTA) awarded a $57.3 million contract for construction of 270 high-speed, air-conditioned electric cars for the Long Island Rail Road. The cars will be financed through the sale of New York State-Guaranteed Commuter Car Bonds. The Port Authority will purchase the cars from the MCTA and lease them to the Long Island.

The agreements between the Port Authority and the railroads require the railroads to pay rentals on the cars involved equal to the debt service on the outstanding bonds and the administrative costs of the Commuter Car Program.

In September 1966, the last of the First Series of State-Guaranteed Commuter Car Bonds was retired. The proceeds of the First Series were used to purchase the 30 cars leased to the Long Island Rail Road.

The legislation authorizing the Commuter Railroad Equipment Program was carefully drafted to permit the Port Authority to assist the States without impairment of its financial structure. As administrator of the program, the Port Authority can neither derive revenues nor incur expenses from which it may in any way add to or detract from the revenues or reserves pledged to Consolidated Bonds or to any Port Authority Bonds other than those issued under the program. These State-Guaranteed Commuter Car Bonds are not included in determining the amount of the Authority's General Reserve Fund requirements.



Pennsylvania Station, Newark, where under the Aldene Plan passengers using Jersey Central main line and shore trains may complete their trips to New York City via PATH or the Pennsylvania Railroad.

## Air Terminals

The world-wide growth of aviation is nowhere more evident than in the New Jersey-New York metropolitan region. Aviation has been a major force in the development of the region, and it promises to be even greater during the next decade as larger and faster aircraft are introduced into service. The unprecedented demands for air travel during the next ten years will require an improved and expanded air terminal system.

The Port Authority has invested $626.6 million during the past twenty one years in the development of the regional air terminal system, which includes John F. Kennedy International and LaGuardia Airports in New York, Newark and Teterboro Airports in New Jersey, and two commercial heliports in Manhattan. More than $500 million is needed over a seven year period to keep pace with the demands for modern, efficient airports to accommodate the new generations of passenger and cargo aircraft and the increasing number of air passengers.

The Authority concentrated a substantial portion of its manpower and resources during 1967 on this important task. The major airports — Kennedy International, LaGuardia and Newark—are being extensively modified and improved to help meet the enormous increases in passenger and cargo traffic expected before a new airport can become available.

As the last phase of the $120 million rehabilitation program at LaGuardia Airport was being completed, work was started for the first two terminals to be constructed as part of the $200 million Newark Airport Redevelopment Program. And the first stages of the $150 million Terminal City expansion plan at John F. Kennedy International Airport were started. These expansion programs will increase operating capacity substantially at Newark and Kennedy International Airports. Runway extensions completed at LaGuardia Airport are part of a comprehensive rehabilitation program which has almost doubled passenger handling capacity at that facility.

The Port Authority has taken a number of steps beyond airport expansion to provide needed capacity within the existing network of air terminals. Chief among these was an agreement concluded in 1967 with Pan American World Airways for the operation and further development of Teterboro Airport by Pan American. The Port Authority and Pan American will upgrade facilities and services at Teterboro to make that airport more attractive to general aviation operators now using the major airports.

In addition, the Port Authority retained the services of Rand Corporation of Santa Monica, California to study the problem of regional air terminal capacity and the evaluation of ways to increase this capacity.

Although these programs will provide some relief, they will not forestall the pressing need for a fourth major airport to serve the New Jersey-New York Metropolitan Area. All of the Port Authority's studies on the subject have confirmed the fact that only a new major airport, located in northern New Jersey, can supply the additional capacity needed to meet the region's future air transport needs. The consequences of continued inability to provide sufficient capacity will be an economic catastrophe to the people and commerce of the region.

A two-year study of future air cargo requirements in the region was completed by Port Authority staff, and cargo development plans for each of the airports, based upon the study findings, are now under review. Included in the study was an examination of the probable effects of jumbo cargo jets, containerization and off-airport freight consolidation on the regional airport system.

The Port Authority also continued efforts to expedite surface traffic flow at the major terminals and find new methods of city-to-airport transportation. An experimental bus-rail vehicle designed to bypass congested highways near Kennedy Airport by use of the Long Island Rail Road right-of-way was tested during the year and plans are under way to inaugurate rail-bus service between Kennedy and the East Side Airlines Terminal some time in late 1968.

All airport projects brought the Port Authority's investment in air terminal facilities at the end of the year to $626.6 million, $20.6 million over 1966.

### John F. Kennedy International Airport

In less than three years jumbo jets are expected to arrive at Kennedy International Airport, and supersonic aircraft are expected to arrive a few years later. The airport must be ready to handle arriving and departing flights of 300 to 400 people, cargo shipments of 100 tons each and aircraft that dwarf present-day models. Construction programs to ready terminals, runways and ramp areas to handle these new aircraft moved forward in 1967. Passenger and cargo traffic continued strong growth trends during the year, with domestic and international passengers up 20 and 17.5 per cent, respectively. These increases, together with traffic increases at the other commercial airports, reflect to some extent the effects of the 43-day strike against five major carriers during July and August of 1966.

### Terminal City

The first stage of the Terminal City expansion program—relocation of portions of the peripheral taxiway system to provide additional space for terminal expansion of the east side of the airport — was completed during the year.

The first phase of the expansion of the East Customs Hall in the International Arrival Building to accommodate an automatic conveyor belt baggage handling system was completed early in the year. Expansion of the West Customs Hall was completed the previous year.

Tenant airlines also participated in the expansion of Terminal City. During the year work moved forward on the construction of the new British Overseas Airways and National Airlines unit terminals. Trans World Airlines began field work for the construction of a second flight wing at its present terminal which will double its size. Pan American World Airways started planning for a major expansion of its facilities, and tenants in the other unit terminals are developing similar expansion programs.

### Air Cargo

More air cargo was handled at the Kennedy Air Cargo Center than at all of the other U. S. air gateways combined. During 1967, the airport's share of U. S. foreign air freight increased 15.4 per cent. Total cargo tonnage at the Center, domestic as well as overseas, increased to 550,530 tons. In July, the Federal Inspection agencies moved into new, enlarged quarters in Building No. 80 as an aid to clearance of inbound overseas cargo.

### Runways

New center-line lighting was installed on Runway 4R-22L during the year to permit aircraft operations at reduced weather minimums. As part of a nationwide program to test the effectiveness of runway grooving to prevent hydroplaning (skidding) on wet runways, Runway 4R-22L was grooved for its entire 8,400-foot length. Work on the strengthening of the Van Wyck taxiway bridges to accommodate the heavier 747-type aircraft was completed.

### Other Improvements

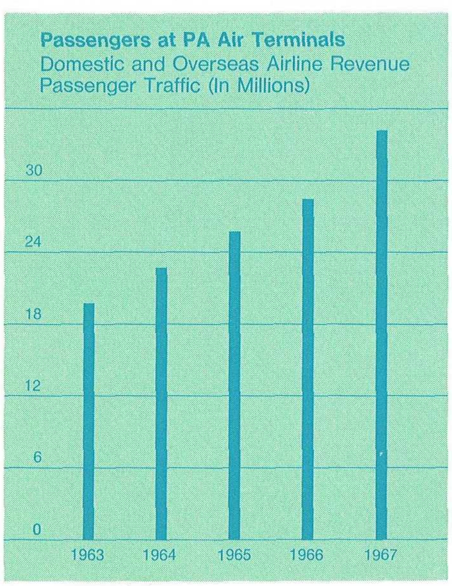
Public parking capacity at Kennedy was increased from 6,800 to 9,500 spaces by constructing a new long-term reduced-rate lot (Lot 8) and converting the former long-term lot (Lot 7) to employee parking. The removal of employee parking from the central terminal area increased public parking spaces there by 50 per cent. As an additional convenience a telephone answering service was installed to advise patrons of the condition of the various parking lots.

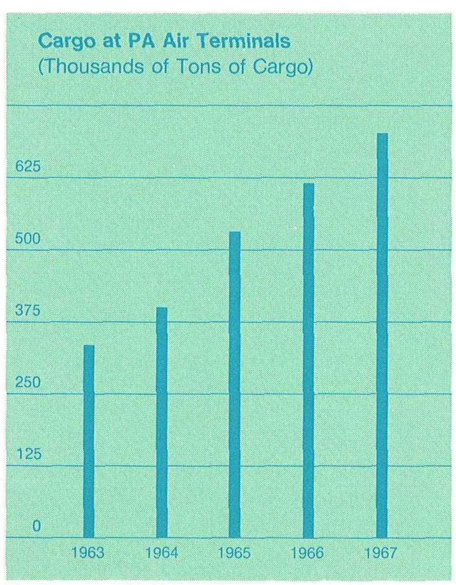
The new $20 million underground fuel distribution system at Kennedy has cut fuel delivery time substantially and reduced aircraft fueling delays by 70 per cent. An important adjunct to the system the Buckeye Pipe Line which carries aviation fuel from refineries in Linden New Jersey directly to the airport, was placed in operation at mid-year. Within three years, when present terminal construction and expansion projects have been completed, the hydrant fueling system will feed all of the central terminal area. Preliminary plans are also under way to extend the system to the cargo area, as well as to expand the bulk fuel storage capacity at the airport.

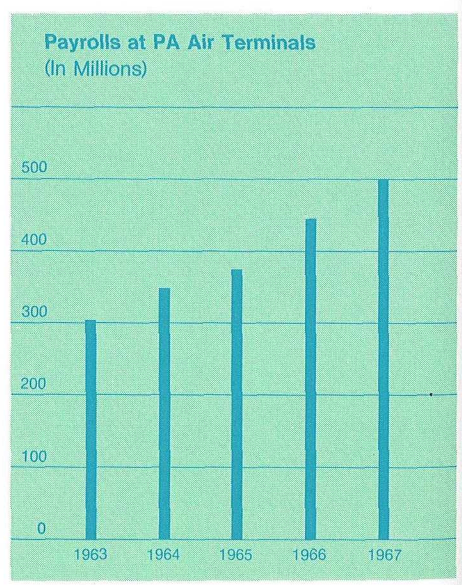
Work on the computer-controlled vehicular traffic control system in Terminal City to facilitate pedestrian crossings and to regulate the flow of some 35,000 vehicles daily was substantially completed. Widening of the Van Wyck Expressway and construction of a connecting road between the cargo center and airport entrance was also completed.

### LaGuardia Airport

LaGuardia Airport, the first of the New York airports to be rehabilitated for the future, is already experiencing the effects of large scale growth in short and medium distance intercity air travel.



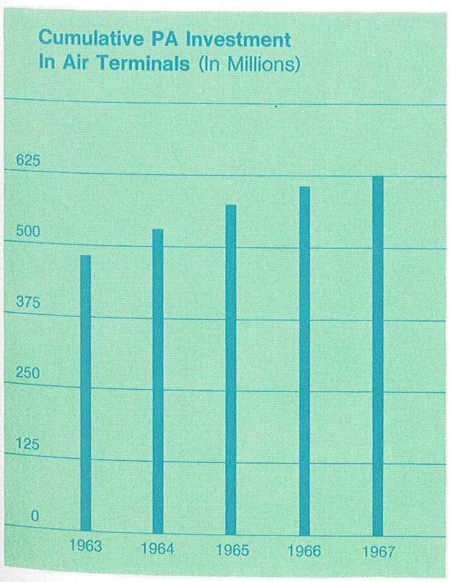



## STATISTICS AT A GLANCE

| | |
|---|---|
| **TOTAL ALL AIRPORTS** | |
| Plane Movements | 1,218,625 |
| Passenger Traffic | 34,195,135 |
| Cargo — (tons) | 705,157 |
| Revenue Mail — (tons) | 154,539 |
| Employees | 54,950 |
| Payroll* | $500,000,000 |
| **John F. Kennedy Airport** | |
| Plane Movements | 419,456 |
| Passenger Traffic (Total) | 19,988,570 |
| Domestic | 13,304,284 |
| Overseas | 6,684,286 |
| Cargo — (tons) | 550,530 |
| Employees | 40,980 |
| Payroll* | $370,000,000 |
| **LaGuardia Airport** | |
| Plane Movements | 289,543 |
| Passenger Traffic | 8,136,256 |
| Cargo — (tons) | 25,167 |
| Employees | 6,500 |
| Payroll* | $65,000,000 |
| **Newark Airport** | |
| Plane Movements | 230,380 |
| Passenger Traffic | 6,070,309 |
| Cargo — (tons) | 129,460 |
| Employees | 6,450 |
| Payroll* | $60,000,000 |
| **Teterboro Airport** | |
| Plane Movements | 279,246 |
| Employees | 1,035 |
| Payroll* | $8,000,000 |

* Estimated

Governor Richard J. Hughes of New Jersey officially starts construction of first two terminals under the Newark Airport Redevelopment Program. Assisting him are (left to right) Port Authority Vice Chairman Kellogg, and Commissioners Lowe and Engelhard.




Teterboro — general aviation's quickest airport to Manhattan via the newest in airport coaches.

Passenger traffic increased 29.7 per cent and aircraft traffic increased 11.1 per cent during the year, both higher rates of growth than that for the region.

With the installation of approach lights and instrumentation of Runway 13-31 for IFR operations, the final phase of the LaGuardia runway extension program was completed. The extensions, which include taxiway and holding pad areas, added 2,000 feet to the northeast-southwest runway and 1,000 feet to the southeast-northwest runway.

### Other Improvements

Tenant activity included interim improvements by Eastern Air Lines to its temporary shuttle terminal in Hangar 8, installation of reinforced flooring in United Airlines' Hangar 2 to accommodate jet aircraft, and completion of coffee shop facilities in the main terminal building.

### Newark Airport

Newark Airport, the oldest commercial airport in the region, is being rebuilt for the age of jumbo jets. A multi-terminal complex designed for high volume passenger traffic and the jet aircraft of the future will completely replace present facilities within a few years. As work progressed during 1967, passenger traffic at the airport increased 18 per cent, aircraft movements were up 9.0 per cent, and air cargo increased 6.9 per cent.

Another major step in the redevelopment of Newark Airport was inaugurated October 10 when Governor Richard J. Hughes of New Jersey initiated pile driving for the first of three new passenger terminals to be located on a 425-acre site in the center of the airport. Foundation work for two buildings is expected to be complete in early 1968. The first building shell is scheduled for completion by the end of 1969 and the second in the spring of 1970. A third terminal will be constructed later.

The redevelopment program which will cost over $200 million will consist of three main buildings each having three satellites with nine or ten aircraft positions providing a total of 83 aircraft gate positions. The terminal area will be served by an elevated roadway system, parking facilities for almost 10,000 automobiles and new ground transportation facilities. A new 8,200 foot north-south Runway 4L-22R will be built and existing runways will be modified and extended. In addition, the airport will have an underground fuel distribution system, additional hangars and expanded cargo facilities.

### Other Improvements

A new public and employee parking area was completed on the west side of the airport to provide space for parking demand through early 1970, and work was started on a new, 1,000-car lot on the east side of the airport.

A valet parking service was instituted for patrons wishing to have their cars parked for them prior to flight departure and delivered to the terminal when they return.

A two-story addition to Cargo Building 150 was completed.

### Teterboro Airport

The Port Authority and Pan American World Airways reached agreement during the year on the terms of a 30-year lease under which Pan American will, subject to the approval of the Civil Aeronautics Board, assume responsibility for the operation and continued development of Teterboro Airport as a public terminal serving general aviation. Pan American will begin operating Teterboro when the first of two runway extensions to be constructed by the Port Authority is completed.

Under the runway extension program at Teterboro, Runway 1-19 will be extended from 5,000 feet to 7,000 feet and instrument Runway 6-24 will be extended from 5,000 feet to 6,000 feet. The project, which includes improvements to taxiways, runway lighting and modification to the existing approach light system on Runway 6-24, will be completed by the end of 1968 at a cost of approximately $4 million.

Pan American's plans for the future development of Teterboro include, among other things, a new general aviation passenger terminal and restaurant, hangars for business aircraft and other improvements.

In 1967 the airport recorded 279,246 aircraft movements, 1.7 per cent more than 1966.

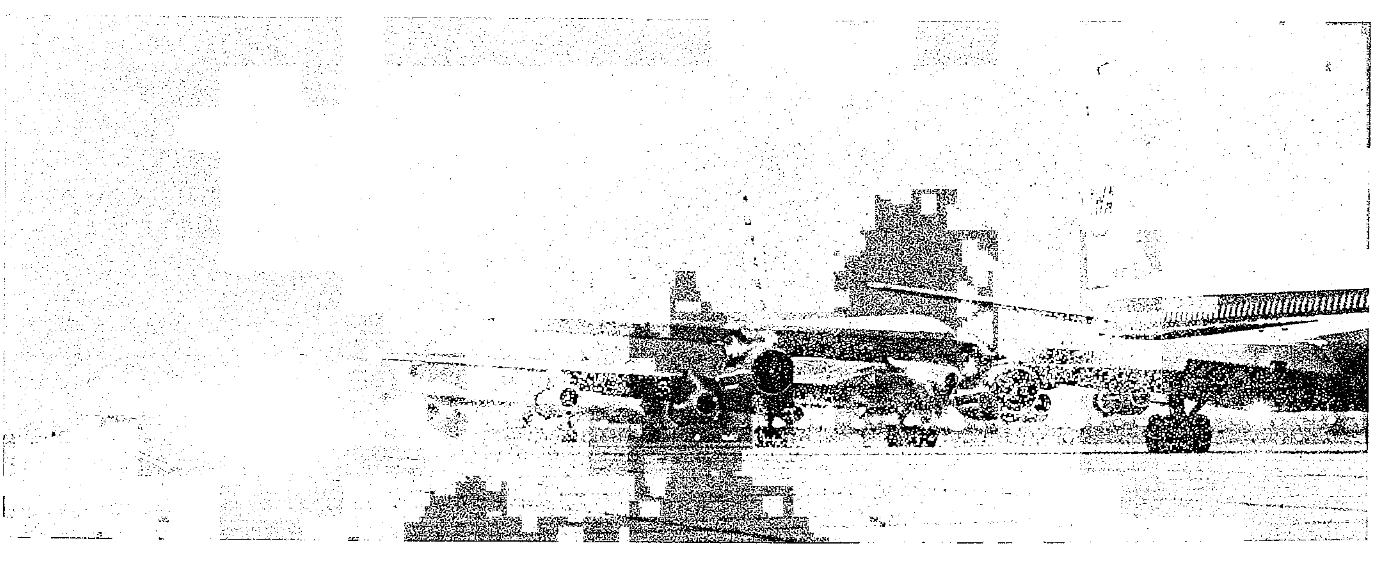
### Heliports

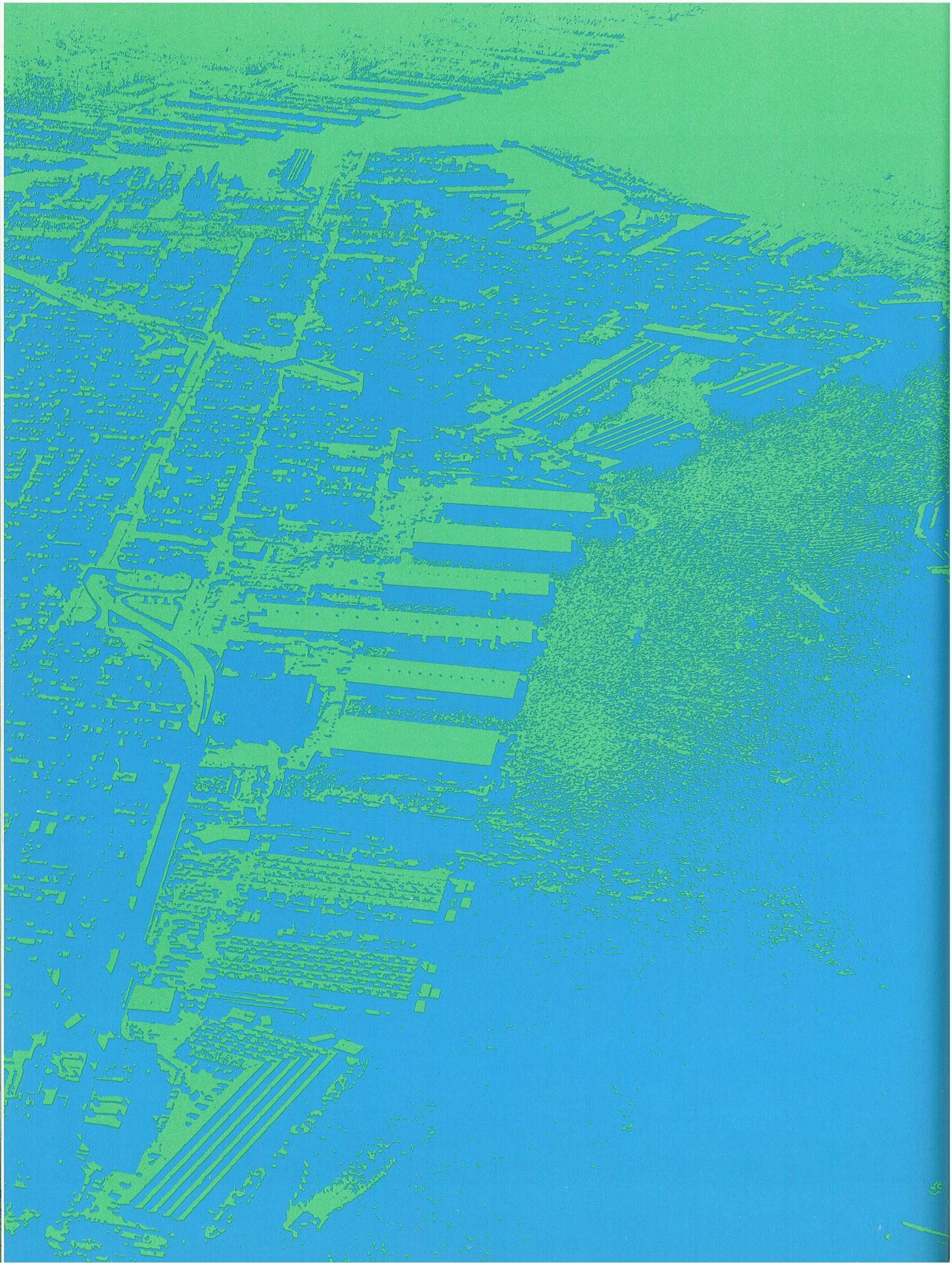
In 1967 the Port Authority-Downtown Heliport served 35,202 passengers, 13 per cent less than 1966. Helicopter movements were down by 1,884, a decrease of 13 per cent. The West Thirtieth Street Heliport continued to serve charter, corporate and private operators throughout the year.

During the year, New York Airways inaugurated scheduled helicopter service between Teterboro Airport in New Jersey, the Pan American Building in Manhattan and Kennedy International Airport. Heliport facilities at Teterboro were installed on a temporary basis, with more permanent facilities now in the planning stage.

The Port Authority and the Triborough Bridge and Tunnel Authority continued their joint studies on the feasibility of constructing a combination heliport and automobile parking garage on the East River in the mid-town area.

The crisis of airport congestion is nowhere more apparent than at Kennedy International where constant and continued improvements bring temporary relief but not a permanent solution to the pressing need for a new airport to serve the metropolitan area.





## Marine Terminals

During 1967 The Port of New York Authority continued its world-wide lead in providing container facilities to meet the demands of the international shipping community. To attain this position of leadership the Port Authority has, since 1945, invested $307.1 million in developing and constructing marine facilities. Last year, the Port Authority spent $20.4 million in new construction and has planned more than $27 million for further projects in 1968.

### Container Shipping Progress

A pioneering step in the great trend toward container shipping was taken on September 17 when the new Atlantic Container Lines ship, *Atlantic Span,* docked at Berth 70 in the Elizabeth Marine Terminal, the container capital of the world. The Atlantic Span, an innovation in ship building is a combination ship, capable of handling roll-on, roll-off cargo as well as full containers. This ship is owned by the Swedish Transatlantic Line, one of the six members of the consortium that forms Atlantic Container Line. In addition to Swedish Transatlantic, the other members are Holland-American Line, Wallenius Line, Swedish American Line, French Line and Cunard Line. The consortium concept involves the pooling of capital by several steamship lines to provide equipment in a coordinated service, eliminating huge individual capital expenditures. The Atlantic Container Line and Moore-McCormack Lines jointly occupy a two-berth terminal at Elizabeth. Construction of this terminal is nearing completion while cargo operations are already underway. At present there is one shore-based crane in operation with another to be installed soon. An operations building, a gatehouse scale complex, an automotive building, a receiving building and a delivery building are nearing completion at ACL's 52.5 acre facility.

During 1967 negotiations were completed for still another container terminal operation. The International Terminal Operating Co., one of the leading stevedores in the Port of New York, leased three berths and some 36 acres of open area which will become the Port's first public container terminal. ITO intends to serve steamship companies who do not wish to operate their own terminals and has named United States Lines among its clients.

Development of the Sea-Land Terminal at Elizabeth continued with the erection of the fourth shore-based crane to handle this pioneer container operator's increasing tonnage.

### Planning and Construction

The planning and construction of additional modern marine facilities continued at a rapid pace during the year with the major centers of activity being Port Newark and the Elizabeth-Port Authority Marine Terminal.

At the Elizabeth Terminal, work was completed on wharf construction for five new berths and a $4 million contract was awarded for the construction of five additional berths. Channel dredging for these five new berths was completed in 1967 and the dredging for five future berths and a turning basin is currently underway. The surcharging for future development areas continued so that the land will be ready for use upon the completion of wharf structures. The Elizabeth Marine Terminal is being developed on 919 acres of reclaimed meadow land. When complete in 1975, this facility will have 25 deep sea vessel berths supported by 590 acres of transit and open storage area and over 4.5 million square feet of distribution building space. Upon completion of the Elizabeth terminal, the Port Authority will have invested $175 million to meet the needs of container shipping in the Port of New York.

At Newark, work continued on the construction of six new container berths on the north side of the Elizabeth channel with wharf construction for three berths scheduled to be completed in early 1968. With these new facilities, Port Newark will have 42 deep water berths and nearly 170 acres of upland area.

Also at Port Newark, a new facility administration building was completed and occupied this fall. The building houses the operations, police and administrative staff of both Port Newark and the Elizabeth Marine Terminal.

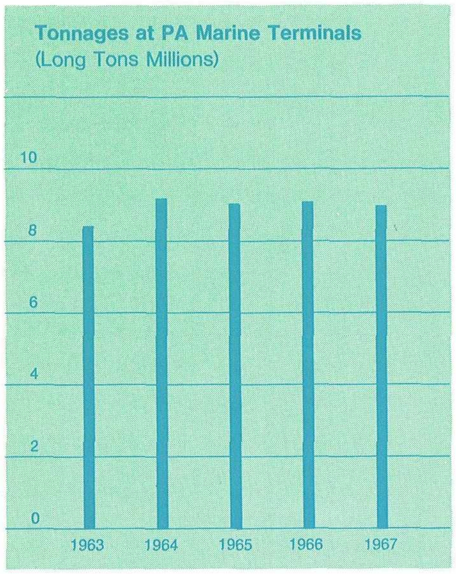
As a result of the increasing number of automobiles imported through Port Newark, construction was started on a 110,000 square foot ground-level storage building to be used by Mercedes-Benz of North America, Inc., for the handling of import automobiles before delivery to dealers. Mercedes-Benz, has steadily increased the number of cars imported through Port Newark from 190 cars in 1958 to 3,000 cars in 1967.

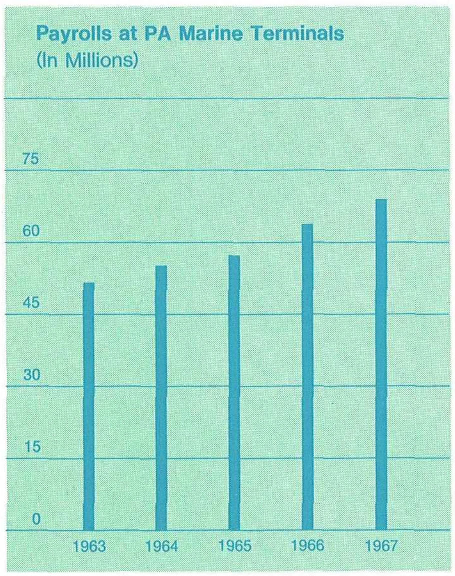
Port Newark also is one of the leading ports of entry for frozen meat from Australia, New Zealand and Ireland. In 1967 more than 114,741 long tons of frozen meat were handled at the New Jersey seaport. During the year authorization was received to construct a new meat inspection station to comply with the new inspection regulations of the Federal Government.

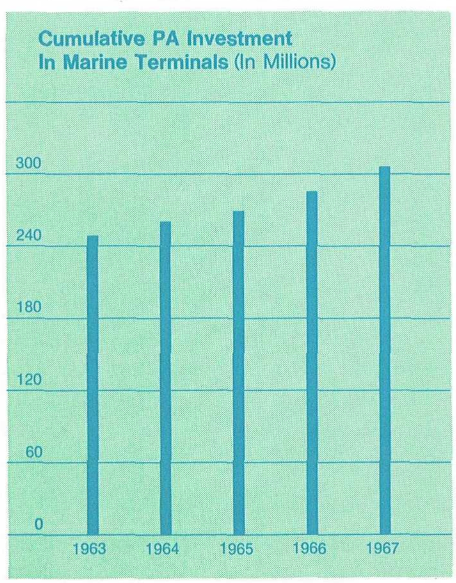
### Noteworthy Events

On November 15 the principal thoroughfare connecting Port Newark and the Elizabeth-Port Authority Marine Terminal previously called Terminal Street, was renamed Corbin Street in tribute to the late Horace K. Corbin, former Commissioner and Vice-Chairman of the Port Authority and a prominent New Jersey civic leader.

An open house was held at Port Newark and the Elizabeth-Port Authority Marine Terminal on October 21. The residents of the Port District were invited to attend the day-long festivities so that they could see the incomparable marine facilities that have made these two seaports major distribution points for import




cargoes as well as leading centers for export trade. Over 13,500 members of the local community attended.

## Cargo Activity

During 1967 the six Port Authority marine terminals — Port Newark, the Elizabeth-Port Authority Marine Terminal and the Hoboken-Port Authority Marine Terminal in New Jersey, the Brooklyn-Port Authority Marine Terminal, Erie Basin-Port Authority Marine Terminal and the Columbia Street Pier in New York — handled 40 per cent of all foreign general cargo which moved through the New York-New Jersey Port.

Total general cargo tonnage rose from 8,714,146 tons in 1966 to 8,965,393 tons in 1967. This increase occurred despite a third quarter which experienced a deeper than normal seasonal slack, indicating that the growth rate is continuing its steady rise.

The mixture of cargo that makes up Port Newark's general cargo tonnage has a history of fluctuation in the amounts of lumber, ores, and metals handled, but has shown a consistent growth of packaged and containerized freight. This continued to be the case in 1967. The 10.6 per cent increase from 2,891,020 tons in 1966 to 3,196,146 tons in 1967 results from an increase in ore and scrap, a steady 4.8 per cent increase in conventional general cargo, and a rapid rise in container tonnage.

At Elizabeth, general cargo movements continue to exhibit exceptional growth. The total cargo handled in 1967 marked a 7.8 per cent increase over 1966. Total cargo handled at Elizabeth in 1967 was 2,789,692 tons with a substantial portion of the tonnage credited to Container Terminals New York Inc., (the operating company for Atlantic Container Lines and Moore-McCormack Line) which only started operation this fall.

The Brooklyn-Port Authority Marine Terminal having reached a stable size, is now experiencing a tonnage level which is influenced only by the trade characteristics of the routes served and the labor situation in the harbor. This is demonstrated by the quarterly tonnage figures. There was an increase in the first and second quarters, a deep seasonal lull in the third quarter and a 25 per cent decrease in the fourth quarter. In 1967 a total of 1,514 vessels called here carrying 1,920,064 tons of general cargo.

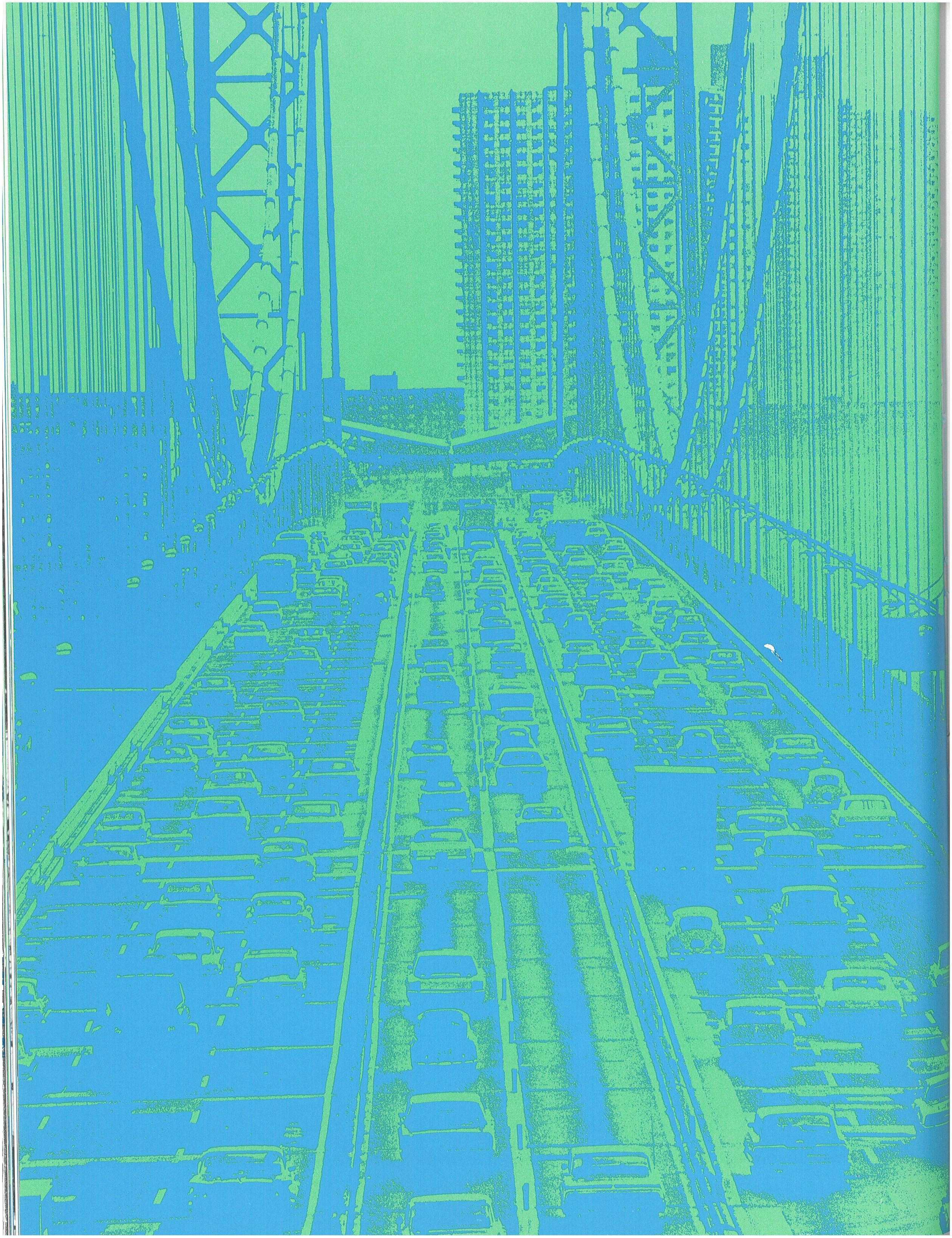
Both the Erie Basin and Hoboken Terminals have had declining tonnages over the past two years because the tenants at these facilities have heavy commitments in the Vietnam service which has diverted ships to military installations. Although both terminals continue to show a loss during 1967 compared to the previous year, the decline is less pronounced because of a leveling off of shipping requirements for Vietnam. The 1967 figures at Erie Basin show an 11 per cent decline from 574,260 tons in 1966 to 509,445 tons, while Hoboken has dropped from 464,006 tons in 1966 to 418,302 tons in 1967.

The lumber tonnages at the Columbia Street Pier increased by 73 per cent in 1967. Total lumber handled was 52,088 tons which reflects a rise in the local demand for building materials.

The movement of tonnage through Port Authority marine facilities in 1967 provided employment for 11,515 persons with an estimated payroll of $69.7 million. In addition to these people directly connected with the movement of cargo, 1,150 people were employed on the various construction projects under way at these marine facilities earning an estimated $9.9 million.

The new Atlantic Container Lines ship Atlantic Saga, shown at Berth 70 in the Elizabeth Marine Terminal, is capable of handling roll-on, roll-off cargo as well as full containers.


ATLANTIC SAGA
GOTEBORG
ATLANTIC CONTAINER LINE



## Tunnels and Bridges

Traffic at the Port Authority's four bridges and two tunnels was 3.1 per cent above 1966 despite abnormal weather conditions and the slowdown of national economic expansion. In actual magnitude, volumes rose by 3,954,900 for the year, resulting in a total of 132,651,700 automobiles, buses and trucks using these crossings.*

Three of the bridges had substantial traffic growth in 1967, though not as much as in 1966. The George Washington Bridge, a key link in the fast growing northerly route to by-pass city traffic and contiguous to areas of rapidly increasing population and jobs, had a 4.6 per cent growth rate. The Goethals Bridge, a link in the by-pass route to the south of Manhattan since the opening in 1964 of the Triborough Bridge and Tunnel Authority's Verrazano-Narrows Bridge, gained vehicles which either formerly used the trans-Hudson tunnels, were attracted by the faster transportation, or are the result of the recent growth of jobs and population in and near Staten Island. The growth rate there was 11.3 per cent. To a lesser extent these same factors operated at the Bayonne Bridge, explaining its solid growth rate of 5.1 per cent.

At the other three facilities the trend was quite different. The Lincoln Tunnel showed very little growth this year. On top of the effects of bad weather and weakness in the national economy there was a loss of traffic due to the repaving of the center tube and construction activity on the New Jersey approaches. The Holland Tunnel volumes were reduced by further diversion of vehicles to the Staten Island-Narrows Bridge route; and the Outerbridge Crossing had lower volumes in consequence of continuing construction of the Richmond Parkway, which will eventually provide another fine route from New Jersey to Brooklyn.

* All vehicular statistics comparing 1967 to 1966 in this report are adjusted to reflect the more precise truck classification system adopted January 1, 1967.

During the course of the year, traffic growth, in total and in all major categories, dropped sharply and then recovered somewhat. Truck traffic, after showing a substantial increase over 1966 in the beginning of the year, actually fell in the second quarter compared to 1966, resulting in part from national strikes by truckers but mostly because of the weather variation and widespread inventory adjustments throughout the nation. By the end of the third quarter, however, truck growth was almost back to normal.

Automobile traffic showed a similar pattern of very high growth at the year's beginning, a sharp drop in the middle of the year and some recovery near the end, with weather variation and changes in business conditions also largely responsible. However, unlike the trucks, the recovery in the latter part of the year of automobile growth at our crossings was modest. By the year end it was still below the rate at the beginning of the year.

Short run factors, especially reduced suburban housing construction have had a restraining effect upon automobile traffic growth. The growth of congestion on our facility approaches, however, especially east of the Hudson River, and a tapering off of work trips, following several years of growth at unusually high levels, are two factors which will continue to have an inhibiting effect upon automobile traffic in the future.

### Regional Traffic

The Metropolitan Area's highway bypass system consisting of two major bypass routes around Manhattan continued to provide relief to congestion in the central business district. The concept, developed thirteen years ago in a Joint Study of Arterial Facilities for the New York-New Jersey Metropolitan Area by the Triborough Bridge and Tunnel Authority and The Port of New York Authority, embraced the addition of the George Washington Bridge lower level to serve the northern area with its extensive connecting roadway including the twelve-lane depressed expressway across upper Manhattan. The lower level complex marked its fifth anniversary this year. In the southern peripheral area the Goethals and Bayonne Bridges linked to the Triborough Bridge and Tunnel Authority's Verrazano-Narrows Bridge by the Staten Island Expressway accommodate the traffic generated by this route.

The data examined during the Joint Study indicated that 56 per cent of the vehicles using the Port Authority's Hudson River crossings on a typical weekday were not going to or from Manhattan but were traveling to more distant points. On weekends the proportion was even greater — 70 per cent. Recent studies show that approximately 4.5 million vehicles which formerly used the Holland and Lincoln Tunnels now take advantage of the southern bypass route. In turn, these Hudson River tunnels can better serve those motorists whose destinations are in or adjacent to the central area of Manhattan.

The effectiveness of the southern bypass route will be increased when additional connections to major New Jersey and New York arterial highways in various stages of planning and construction are completed. The New Jersey Department of Transportation continued construction of the complex interchange in Elizabeth, New Jersey at the west end of the Goethals Bridge providing connections with Interstate Route 278, the New Jersey Turnpike, proposed New Jersey Route 81, and municipal streets. This project, including 1.2 miles of the interstate Route 278 connecting with U. S. Route 1 and 9 in Linden, New Jersey, is tentatively scheduled for completion in late 1969. The total cost of the interchange portion is estimated to be $13 million which the Port Authority will share under a tri-party agreement with the New Jersey Turnpike Authority and the New Jersey Department of Transportation.

This year also saw the start of the West Shore Expressway construction on the New York side of Outerbridge Crossing. In conjunction with this work the Port Authority will also start work in the fall of 1968 on a $5,525,000 project to construct a new twelve-lane toll plaza providing connections to the proposed Richmond Parkway and local streets as well as the West Shore Expressway. A new field office to house police, maintenance and tolls personnel is included in this project. Completion is now planned for early 1970. In New Jersey, the Port Authority has been collaborating with the New Jersey Department of Transportation in its construction of the Route 440 Freeway which will connect with the Outerbridge Crossing.

## Other Improvements

The 30 year old center tube roadway of the Lincoln Tunnel was rehabilitated, a complex job that was completed by Labor Day — three months ahead of schedule. To minimize inconvenience to motorists, work was done at night and during slack periods on weekends permitting full use of that vital tube during the peak traffic periods. The original brick roadway was replaced by a new asphaltic concrete surface.

This year also marked the tenth anniversary of the Lincoln Tunnel Third Tube which with the other tubes provided this facility with six lanes for vehicular traffic under the Hudson River. Capable of operating the center tube in either direction or one lane in each direction, the Lincoln Tunnel is better able to handle the imbalance of directional traffic flow during hours of peak demand.

Plans were completed in 1967 for the extension of the Tunnel Traffic Control System from the south tube of the Lincoln Tunnel, where it has been used successfully since its installation in 1965, to the north and center tubes and both tubes of the Holland Tunnel at an anticipated cost of $3,400,000. Field work is scheduled to begin in the fall of 1968 with completion by the end of 1970.

As part of a program to improve traffic information to the motoring public, the Port Authority installed a large changeable traffic information sign over the northbound lanes of the New Jersey Turnpike south of Newark Airport. The sign, capable of transmitting 14 separate messages, informs northbound motorists of unusual traffic conditions ahead and identifies alternate routes across the Hudson River. Operation of the sign is controlled by Port Authority Police at the Holland Tunnel but traffic advisory messages are coordinated with the New Jersey Turnpike prior to display to assure maximum effectiveness.

## Women Toll Collector Program

This spring, women tolls personnel were assigned to the Outerbridge Crossing, marking completion of the Women Toll Collector Program inaugurated in 1962. Employment of women collectors and supervisors now permits assignment of police officers to those police duties for which their special Port Authority training prepares them.

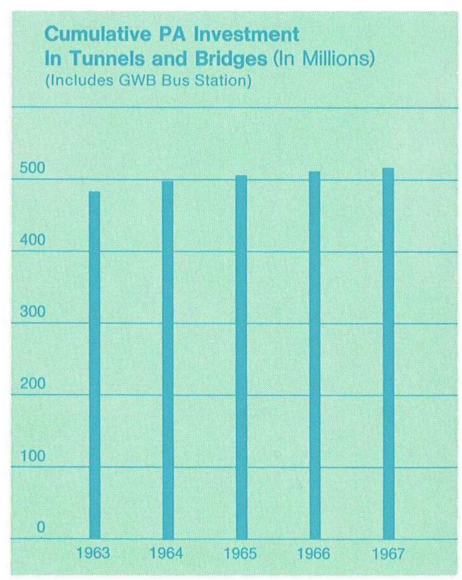
## Hazardous Cargo Regulations

The Port Authority's Hazardous Cargo Inspection and Enforcement program is recognized as an outstanding and comprehensive safety program in the field of motor carrier operations. The Port Authority has promulgated regulations specifically applicable to its crossings, and insists as well on compliance with federal and state regulations. Enforcement is strengthened by inspection and widespread dissemination of information concerning the program. More than 550,000 trucks using our Hudson River crossings were inspected during the year. Speaking appearances were arranged at various conferences, seminars and industry meetings, and some 400 individual visits were made to truckers, shippers and other interested groups to explain the applicable regulations.

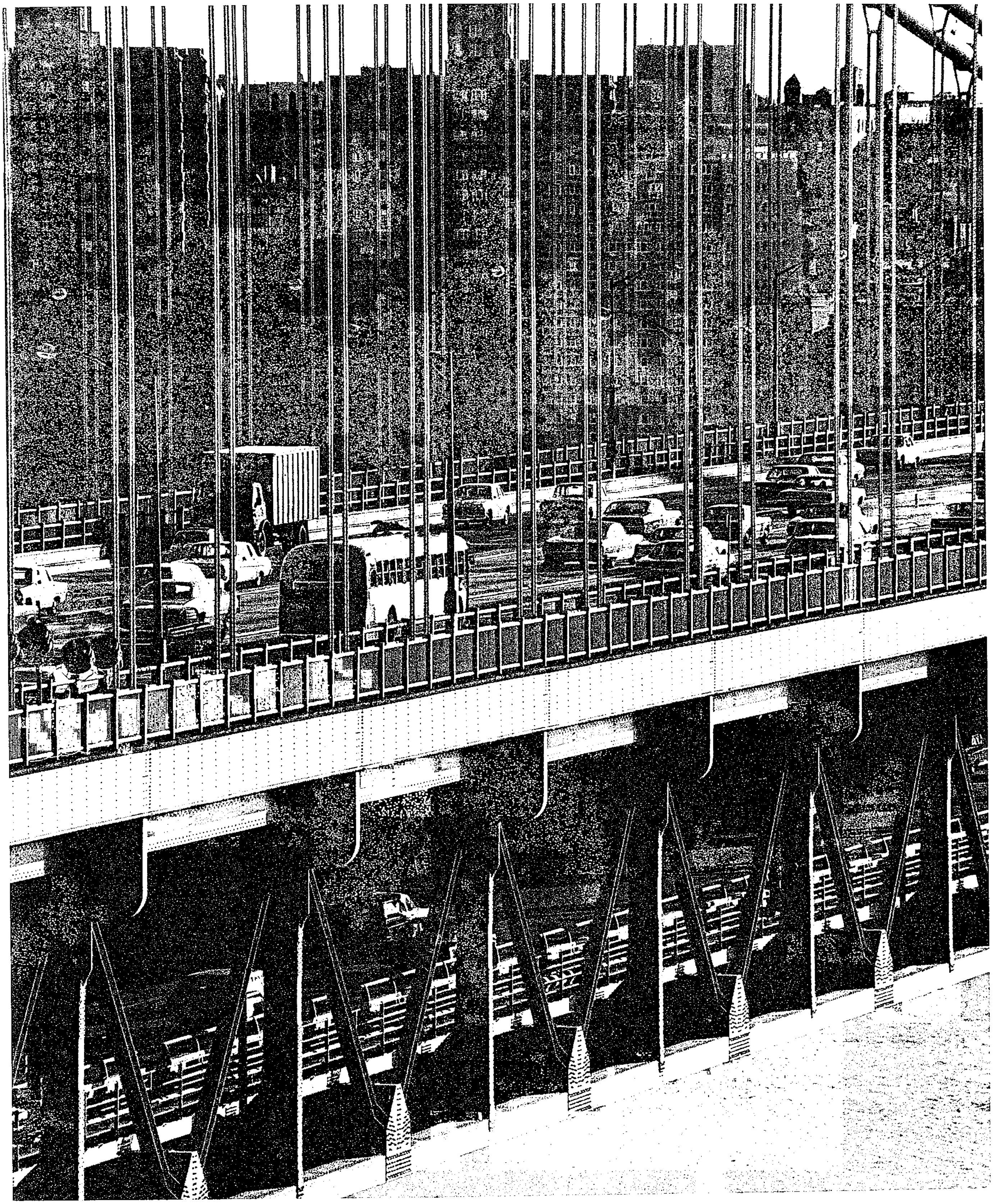
**Crossings** (traffic in thousands)

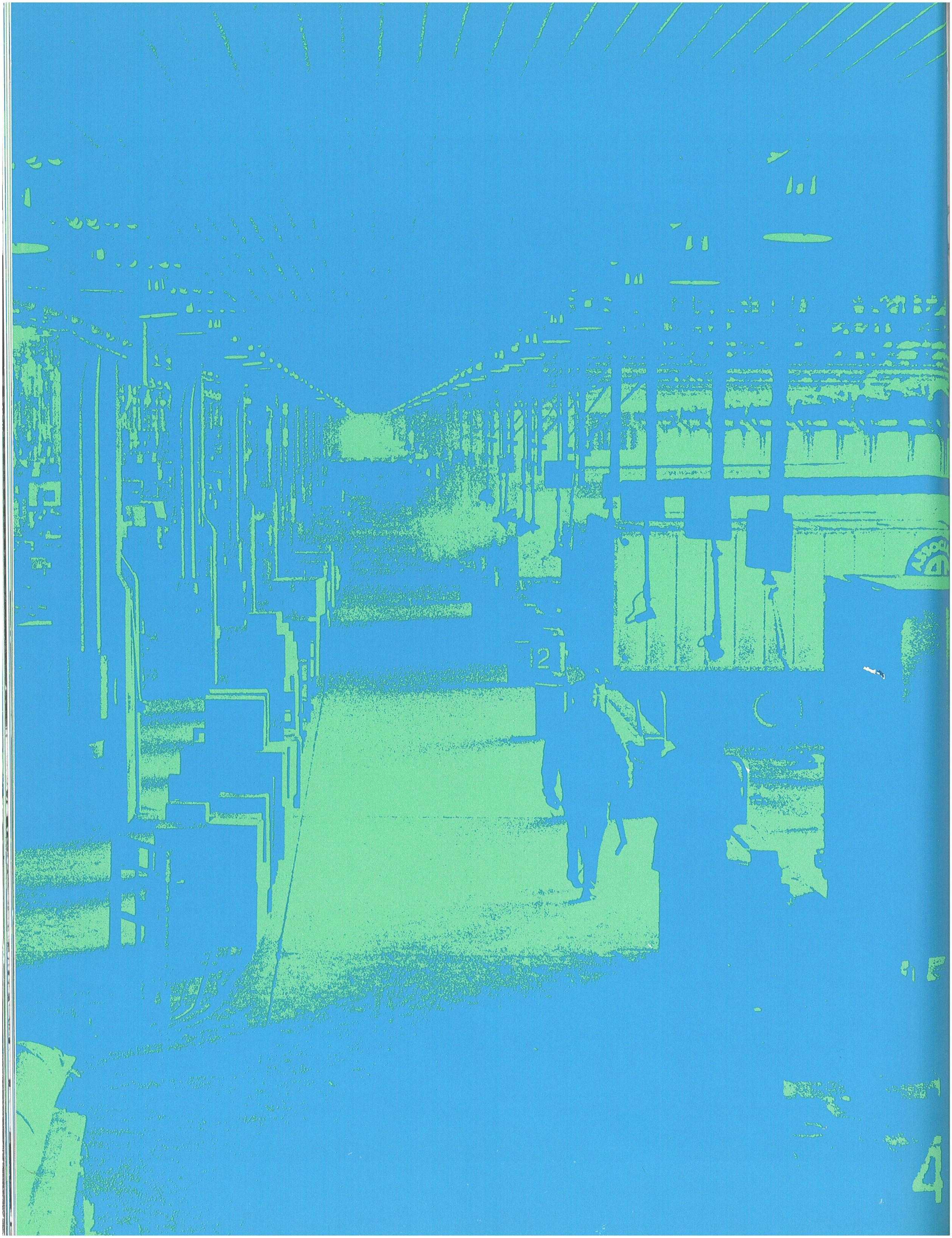
| | 1967 | 1966* |
|---|---|---|
| **All Crossings** | | |
| Automobiles | **113,751** | 109,800 |
| Buses | **3,795** | 3,770 |
| Trucks | **15,106** | 15,118 |
| Total Vehicles | **132,652** | 128,697 |
| **George Washington Bridge** | | |
| Automobiles | **57,338** | 54,815 |
| Buses | **653** | 648 |
| Trucks | **5,188** | 4,940 |
| Total Vehicles | **63,179** | 60,403 |
| **Lincoln Tunnel** | | |
| Automobiles | **23,037** | 22,987 |
| Buses | **2,946** | 2,922 |
| Trucks | **3,538** | 3,589 |
| Total Vehicles | **29,521** | 29,498 |
| **Holland Tunnel** | | |
| Automobiles | **15,323** | 15,171 |
| Buses | **98** | 100 |
| Trucks | **4,355** | 4,726 |
| Total Vehicles | **19,776** | 19,997 |
| **Staten Island Bridges** | | |
| Automobiles | **18,053** | 16,827 |
| Buses | **98** | 109 |
| Trucks | **2,025** | 1,863 |
| Total Vehicles | **20,176** | 18,799 |

* All 1966 vehicular statistics are adjusted to reflect the more precise truck classification system adopted January 1, 1967.




August 29, 1967 marked the fifth anniversary for the lower level of the George Washington Bridge which has more than proved its worth in a short half decade. Bridge traffic has risen 56 per cent from 40.5 million vehicles in 1962 to 63.2 million in 1967.

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## Terminals

The Port Authority's inland terminal facilities continued to play a vital role in the promotion and development of motor bus and truck service in the metropolitan region during 1967. The terminals are, the Port Authority Bus Terminal, the George Washington Bridge Bus Station, the Newark and New York Union Motor Truck Terminals, and the Port Authority Building.

The Port Authority Bus Terminal, the world's busiest passenger terminal, accommodated 67.5 million passengers and 2,521,000 bus movements during the year, maintaining the record high levels reached in 1966. These levels were attained despite the unusually inclement summer weather of 1967 and the inflated traffic, due to the airline strike, of the previous year. The George Washington Bridge Bus Station recorded exceptional increases in traffic during the year serving 12.3 million patrons and 513,000 bus movements. The sharp gain in traffic at the Station was attributable to the entry of Inter-City Transportation Co., Inc., the last of the major short haul carriers to close its street level terminal at 167th Street in Washington Heights. The Port Authority Building and the Newark and New York Union Motor Truck Terminals, also recorded the strongest activity levels of recent years reflecting increased tenancies.

As of the end of the year, total investment in Terminal facilities was $96.5 milion and the 9,700 persons employed earned an estimated $52.6 million in salaries.

### Port Authority Bus Terminal

Total bus departures for the year reached 1,260,000 and were comprised of 400,000 long distance departures and 860,000 short haul departures. The relative stability of total bus departures in 1967 resulted from an increase in long distance travel, which has recorded strong gains since 1957, offset by a slight decline in short haul travel. This increase was due principally to Montreal's EXPO '67 and the addition of some new routes and services. Added to the list of long distance carriers operating from the Terminal were L&W Transportation Co., Inc. which serves part of Pennsylvania; The Arrow Line, Inc. which serves parts of Connecticut; and Resort Bus Lines, Inc. which serves the Berkshires.

Short haul bus traffic at the Terminal declined slightly from last year's level. Moderate increases by some suburban carriers and moderate declines by others characterized the year end results. Those carriers showing a decline serve mostly the nearby urban areas of Essex and Hudson Counties where less emphasis on commuting to New York City has been apparent in recent years. Suburban carriers, serving greater distances, such as to Rockland and Morris Counties, have shown gains which reflect continued population growth and the spread of housing developments.

### Automatic Ventilation

Automatic devices were installed in 1967 which operate the fresh air and exhaust systems on the Terminal's Suburban, Upper and Lower Levels and assure maximum air flow during warm weather and peak travel periods. These devices automatically cycle the ventilation systems to provide the level of ventilation needed to meet the demands of changing traffic volumes.

### New Automated Bus Departure Announcement System

An essential element of the Bus Terminal operation is the public announcement of bus information such as the time and place of long distance departures. During the year an automatic bus departure announcement system was installed to deliver recorded voice announcements to bus patrons over the building's public address system. This innovation permits initial voice recordings to be made under studio conditions, using a professional announcer. The automated system permits separate announcements to be made on the appropriate operating floor of the Terminal and can be interrupted for the announcement of supplementary bus departures or unpredictable schedule changes.

### Police Services

In addition to closed circuit television cameras at the Eighth and Ninth Avenue entrances to the Terminal which enable police monitoring of these areas at all times and the two-way radios with which all patrolmen are equipped, this year the Terminal's permanent force was increased from 33 to 39 Port Authority policemen.

These security measures are also supplemented by outside agencies such as the New York City police force, armed forces police, Transit Authority police, the F. B. I. and others engaged in the work of public safety.

### Planning for the Future

Recognizing the need to meet growing demands for regional bus transportation in the years immediately ahead, Port Authority staff has progressed plans expanding the Bus Terminal and functional plans for the expansion were materially complete by year end. The structure, extending to 42nd Street, will be completely integrated with the counterpart floors in the present building.

Most of the property required for the expansion site has been acquired by the Port Authority and cost studies of the project and its elements are now under way. Coordination work is also proceeding with the various City agencies directly interested in such a development and with the bus carriers.

## George Washington Bridge Bus Station

During 1967, a total of 262,000 buses departed from the George Washington Bridge Bus Station, 35,000 more than in 1966. The increase was due primarily to the addition of a major suburban carrier, Inter-City Transportation Co., Inc. in April. With Inter-City's entry, all of the interstate commuter services which were operated out of local street terminals in Washington Heights before construction of the Station are now consolidated under one roof. Northern New Jersey commuters and local residents now have available efficient loading and unloading facilities in a unified, modern and well maintained facility. The Bus Station has provided substantial relief for street traffic in the area and more reliable bus schedules because of its direct ramp connections to the George Washington Bridge. Direct pedestrian connections to the New York City subway are available at the Station and were used by a majority of the 12.3 million bus patrons using this facility in 1967.

Long haul departures at the Bus Station totaled 22,000 in 1967 compared to a short haul bus departure level of 240,000. In total, bus departures at the Station rose by 16 per cent over the previous year. Short haul traffic, except for the increases brought about by Inter-City was largely at the levels of 1966. This carries a positive note since in past years patronage decreased slightly reflecting such factors as the subway strike and the increasing availability of bus service into the Port Authority Bus Terminal.

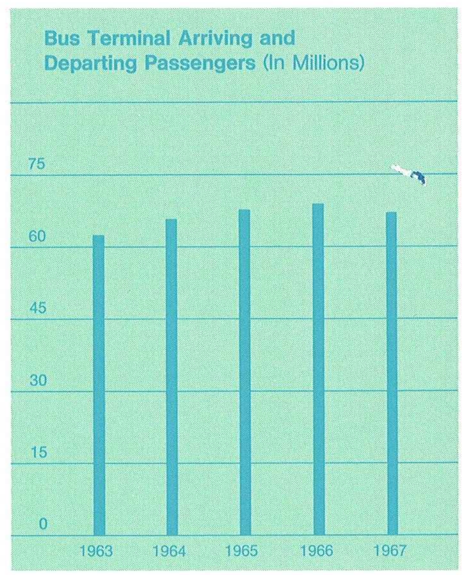
Long distance traffic continued to hold fairly steady with some losses recorded by smaller operators. The Station, because of its location, is ideally situated to serve the long haul travelers from Bergen and Rockland Counties and from the Bronx-Westchester area destined for New England. Through bus operations between New England and points south have also been scheduled at the Bus Station on a way-stop basis to by-pass the congested central business district of the City. The Bus Station management and the bus carrier tenants have been actively promoting all of the long distance business in an effort to attract its potential.

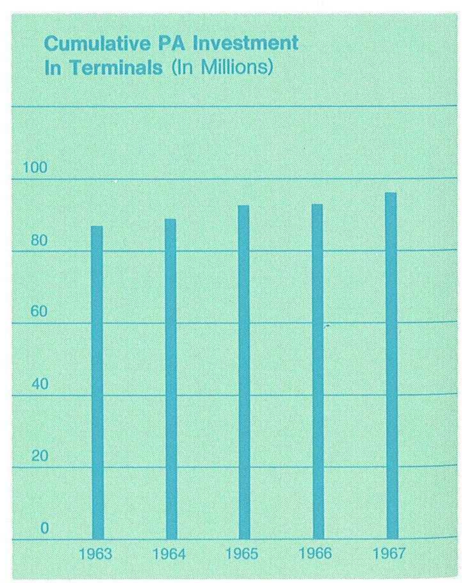
## Port Authority Building and Truck Terminals

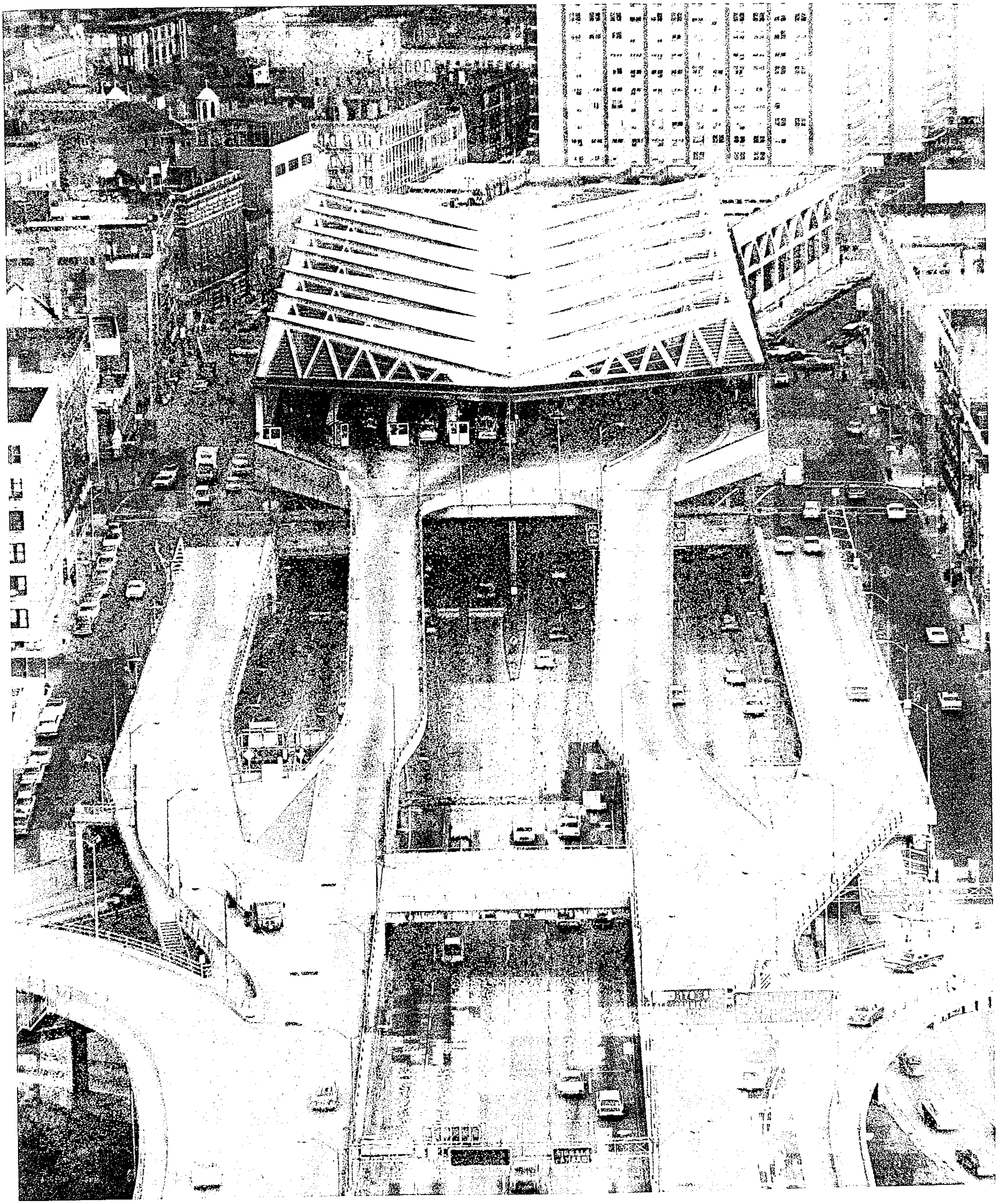
The Port Authority Building is one of Manhattan's largest inland stations for the consolidation and distribution of motor truck freight. Its facilities are designed to remove from congested city streets the numerous shipping and trucking activities related to the operation of a major freight center. The building affords over 200 off-street berths on its lower levels and more than 100 truck berths on its upper floor for off-street loading and unloading. The upper floor truck berths are served by four huge elevators capable of handling fully loaded 20-ton trucks up to 30 feet in length. The Railway Express Agency, well known for its freight consolidation and shipping services, occupies 192 truck bays in the Building's basement and ground floor levels. The upper fourteen stories are used for office and loft purposes, including the Port Authority's principal administrative offices.

The Port Authority's two other major inland terminals are the New York Union Motor Truck Terminal, located on the lower west side of Manhattan, and the Newark Union Motor Truck Terminal situated near U. S. Routes 1 and 9 in the vicinity of Newark Airport and Port Newark. The New York Terminal has 142 off-street truck berths and an off-street tractor-trailer storage area capable of accommodating up to 66 units. The Newark Motor Truck Terminal, one of the largest in the area, has 160 truck back-in spaces as well as areas immediately adjacent for the parking of up to 225 tractor-trailer units. The common carrier motor truck operations at these facilities provide a widespread coverage of service up ond down the eastern seaboard as well as service to most areas of the mid and far west. At Newark, the facility's operating space has been totally leased by two major carriers, Associated Transport and Railway Express Agency; the New York facility is leased by a number of large trucking concerns.

The George Washington Bridge Bus Station has provided relief for street traffic in the area and more reliable bus schedules because of its direct connections with the Bridge.





S. Sloan Colt,
Chairman

James C. Kellogg III,
Vice Chairman

Howard S. Cullman,
Honorary Chairman

John J. Clancy

Joseph A. Martino

William J. Ronan

## Administration

On April 30, 1921 the States of New York and New Jersey created, by Compact, The Port of New York Authority which was to act as their joint Port development agency. It was the first public authority in the United States.

The Authority consists of twelve commissioners, six appointed by the Governor of New Jersey and six by the Governor of New York to serve without pay for over-lapping terms of six years. Leaders in business, finance, law and civic affairs, the members of the Board of Commissioners are:

**Chairman S. Sloan Colt** of New York is the former president and chairman of the board of Bankers Trust Company.

**Vice Chairman James C. Kellogg, III** of New Jersey is the senior partner of Spear, Leeds & Kellogg.

**Honorary Chairman Howard S. Cullman** of New York is president of Cullman Bros. Inc.

**Gerard F. Brill** of New Jersey is the senior vice-president and director of The Trust Company of New Jersey.

**John J. Clancy** of New Jersey is the senior member of the law firm of Clancy & Hayden.

**Charles W. Engelhard** of New Jersey is chairman of the board of Engelhard Industries.

**Alexander Halpern** of New York is a senior partner in the law firm of Pross, Halpern, Lefevre, Raphael & Alter.

**Donald V. Lowe** of New Jersey is chairman of the board of the Lowe Paper Company.

**Joseph A. Martino** of New York is chairman of the board of the National Lead Company.

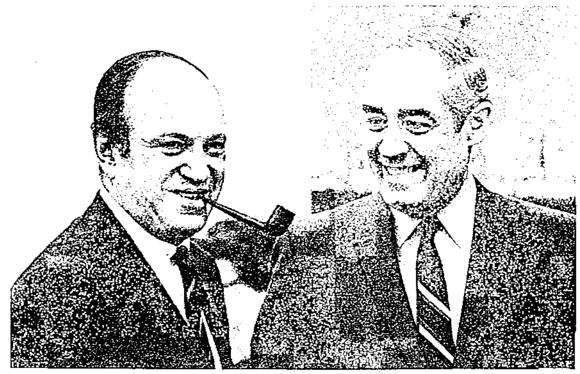
**Ben Regan** of New York is general partner of Hornblower & Weeks-Hemphill, Noyes.

**William J. Ronan** of New York is chairman of the Metropolitan Transportation Authority.

**W. Paul Stillman** of New Jersey is chair-


Donald V. Lowe


Ben Regan


Alexander Halpern

Matthias E. Lukens, Deputy Executive Director


Austin J. Tobin, Executive Director


W. Paul Stillman


Charles W. Engelhard


Gerard F. Brill

man of the board of First National State Bank of New Jersey and the Mutual Benefit Life Insurance Company.

At the Annual Meeting of the Board in April, 1967, S. Sloan Colt of New York City was re-elected by his fellow Commissioners to his ninth term as Chairman of the Port Authority. At the same time, Howard S. Cullman, also of New York, was re-elected as Honorary Chairman. James C. Kellogg III of Elizabeth, New Jersey was re-elected to his eighth term as Vice Chairman.

Appointed to the Board in 1946 by former Governor Thomas E. Dewey, Mr. Colt was elected Chairman in 1959 after having served as Chairman of the Finance Committee.

James C. Kellogg III was appointed to the Board twelve years ago by former New Jersey Governor Robert B. Meyner.

Howard S. Cullman was appointed a Commissioner in 1927 by the late Governor Alfred E. Smith. He served as Vice Chairman from 1934 to 1944, as Chairman from 1945 to 1955, and was elected Honorary Chairman in 1955.

On December 7, 1967, Governor Nelson A. Rockefeller announced that he had accepted the resignation of Commissioner Bayard F. Pope as a member of the Port Authority's Board of Commissioners, and that Commissioner Pope would be succeeded by Dr. William J. Ronan for a term which will run to 1971.

Commissioner Pope was appointed to the Board in 1944 by Governor Thomas E. Dewey who reappointed him in 1950. He was again appointed in 1959 by Governor Rockefeller. His participation in Port Authority affairs stretches over a long period of our history and his vision, dedication and encouragement played an important part in bringing many Port Authority projects into being. Dr. Ronan's appointment continues this tradition in providing able and dedicated men to direct the affairs of the Authority.

The Board of Commissioners is organized into four permanent committees. They are: Committee on Construction, Joseph A. Martino, Chairman and W. Paul Stillman, Vice Chairman; Committee on Finance, James C. Kellogg III, Chairman, and Ben Regan Vice Chairman; Committee on Operations, Howard S. Cullman, Chairman and John J. Clancy, Vice Chairman; Committee on Port Planning, Donald V. Lowe, Chairman, and Alexander Halpern, Vice Chairman. The committees originate and review policies and programs related to their specific functions, and either take action themselves or recommend appropriate action to the Board.

Austin J. Tobin, Executive Director of The Port of New York Authority, implements and administers the programs and policies authorized by the Board. In 1967 Mr. Tobin was again elected by the Board to his post, marking a quarter century of service in that position. Assisting Mr. Tobin in carrying out the Board's policies is Deputy Executive Director Matthias E. Lukens.

The Port Authority is represented in all legal matters by the General Counsel, Sidney Goldstein. The General Counsel is legal advisor to the Board of Commissioners, the Executive Director and the Staff.

Joseph G. Carty is the Secretary of the Port Authority. He is responsible for the preparation and retention of the official minutes of the Board of Commissioners, and all other official documents.

The Port Authority is organized into line and staff departments reporting to the Executive Director. The line departments include: Aviation, Marine Terminals, Rail Transportation, Terminals, Tunnels and Bridges, and World Trade. The Port Authority subsidiary, the Port Authority Trans-Hudson (PATH) Corporation, is the responsibility of the Rail Transportation Department. The staff departments include: Engineering, Finance (Comptrollers and Treasury), Law, Operations Services, Organization and Procedures, Personnel, Planning and Development, Public Affairs, Purchase and Administrative Services, and Real Estate.

## Staff

In the tradition of professional public service that has become the keystone of The Port of New York Authority, a staff of 7,655 men and women today serves to meet the challenge of operating and maintaining the agency's twenty-three facilities.

### Staff Development

The Port Authority follows the policy of hiring and promoting qualified personnel on the basis of merit and fitness. Advancement and organizational growth provided opportunities for the addition of 885 new employees. Of the latter, 178 entered the Port Authority's summer intern, accounting, administrative and engineering management trainee programs directly from academic life. Many have already assumed responsible positions in various line and staff departments throughout the organization.

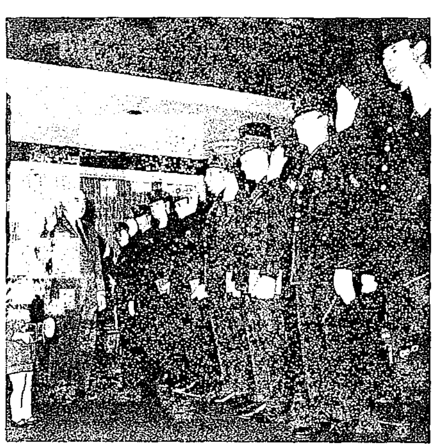
With the wide range of professional, technical, administrative and operating personnel necessary to fulfill its many responsibilities, the Port Authority has a deep commitment to the task of providing training opportunities for its staff so that each man and woman has the chance to develop to his maximum capacity. Participating in the organization's internal training programs during 1967 were 529 staff members, exclusive of those involved in maintenance skills programs. Through an Education Refund Plan employees may avail themselves of more formal education. This plan provided repayment of tuition fees for 768 employees who successfully completed approved courses relating to the work of the Port Authority during the year.

### Mobility Program

In 1966 the Port Authority embarked on a new program designed to maintain and increase its reserve of broad-gauged, experienced managers. The program has been designed to provide training assignments for selected staff outside their own specialties or departments for a pe-

1. A young photographer makes it official for the family album as Deputy Executive Director M. E. Lukens administers oath to Port Authority Police Academy graduates.

2. Joyce Moore processes one of the 1500 punch cards used in the course of a day.



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riod usually of one year, to provide the benefits of short-term exposure to a different type of work experience.

In the first phase of the program candidates were nominated by their department heads or selected for appointments initiated by the Personnel Department. The initial success of the program encouraged us to expand its scope during 1967 to allow qualified employees to submit applications on their own initiative for mobility assignments. A third phase of the program was initiated at the close of the year, introducing mobility assignments outside the Port Authority. The first such move was that of James P. McGuinness to the Ogdensburg Bridge and Port Authority; he will serve for one year as its executive director. Their experience in mobility assignments has provided the opportunity for dozens of staff to enlarge their work horizons, bring the benefits of their backgrounds to their mobility assignments and to gain broader supervisory exposure.

### Recognition of Service

The Port Authority has enjoyed a steady increase in the ranks of its long-term service employees. Each year since 1952, employees who have attained twenty-five years of service with the organization are welcomed into the Port Service Club, an honorary unit for those who have given a quarter of a century of service to the Port Authority. In 1967, fifty-five employees were welcomed into membership. The active membership of this unit now numbers more than 500 men and women.

### Medal Awards

Each year the Port Authority singles out for recognition those employees whose outstanding and selfless accomplishments reflect the organization's tradition of exemplary service. On November 21, thirty-three staff members were cited at the Annual Medal Awards Ceremony. The Medal of Honor, the Port Authority's highest award, was presented to Police Officer Robert Serio for his extraordinary bravery in saving the lives of three persons trapped in the burning wreckage of two aircraft which collided on landing at LaGuardia Airport.

### Howard S. Cullman Fellowship

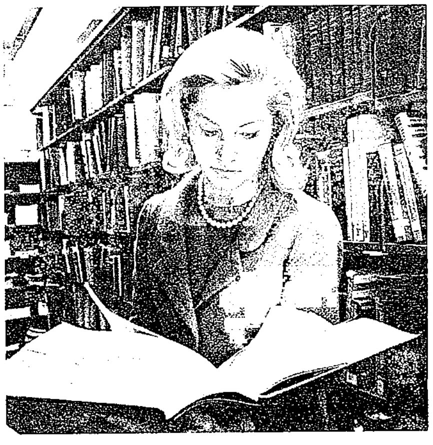
The Howard S. Cullman Service Fellowship "to develop the promise of unique qualification and talent" among Port Authority employees was awarded to Robert S. Foote, Manager of the Research Division of the Tunnels and Bridges Department. Mr. Foote is the fifth recipient of the fellowship, established in 1962 in tribute to Honorary Chairman Howard S. Cullman on the thirty-fifth anniversary of his service with the Port Authority. During the course of his one-year fellowship, Mr. Foote will study technological changes in the field of road and other land transportation operations which may be adapted to future Port Authority projects.

### Special Programs

For nearly three years, the Port Authority has cooperated on a refundable basis with the City of New York and the Federal government on programs designed to train previously unemployed, or under-employed workers. The goal: to teach these men and women marketable skills which are, and will continue to be in demand throughout the job market in the New York metropolitan area.

One of the programs, BEST, (Basic Essential Skills Training), offers intense training in areas which have a demonstrated need for skilled workers. Courses are offered in heavy vehicle driver training, air-conditioning, oil burner repair and installation, general maintenance, and building and grounds sanitation.

Two other programs in which the Port Authority cooperated with the City during 1967 were PREP, an acronym emphasizing the preparation and training of men who are Welfare Department recipients, for remunerative work, and BOP, the basic office practices program for women. Of the 390 BOP graduates to date, 308 have been placed in jobs and 82 are seeking employment.



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3. Rose Callahan, assistant librarian, fills a research request.

4. Percy Lewis clarifies a point at an Accounting Division staff meeting.

These employees are a small representation of the 7,655 people who staff more than 870 different job classifications at the Port Authority.

# The Port of New York Authority Organization Chart

December 31, 1967

**DIRECTOR OF FINANCE**
A. G. Kuhbach — Dir.
A. Leslie — Asst.

**COMPTROLLER'S DEPARTMENT**
C. M. Wahlberg — Compt.
R. G. Jacob — Dep.

- Accounting Div. — D. P. Munno, Mgr.
- Audit Div. — A. J. Vigeland, Gen. Aud.
- Electronics Research & Application Div. — S. L. Noschese, Mgr.
- Financial Planning & Analysis Div. — C. H. Carlson, Mgr.
- Insurance Div. — C. F. Levinson, Mgr.

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M. L. Wilcox, Jr. — Asst.

P. J. Falvey — Asst. Gen. Counsel

**LAW DEPARTMENT**
S. Goldstein — Gen. Counsel

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- Finance Div. — M. S. Zarin, Chief
- Leases & Operating Agreements Div. — J. A. Simmons, Chief
- Litigation Div. — F. X. Curley, Chief
- Opinions & Appeals Division — J. Lesser, Chief
- Real Estate Div. — A. J. Buckley, Chief
- New Jersey Solicitor — F. A. Mulhern

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J. J. Fitzgerald — Dep.

- Assistant Chief Eng. for Design — R. J. Winters
  - Design Div. for Aviation — W.C. Stevens, Eng. of Des.
  - Design Div. for Marine Terminals — J. S. Wilson, Eng. of Des.
  - Design Div. for Terminals — J. L. Fabian, Eng. of Des.
  - Design Div. for Tunnels & Bridges-Railroads — I. P. Gould, Eng. of Des.
- Central Maint. Engineering Div. — I. B. Packman, Gen. Supt.
- Construction Div. — L. F. Booth, Mgr.
- Materials Div. — R. E. White, Eng. of Mat.
- Research & Development Div. — W. V. Hurley, Eng. of Res. & Dev.
- Soils Div. — M. S. Kapp, Eng. of Soils

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N. R. Montanus — Dep.

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- Aviation Economics Div. — Chief
- Aviation Planning Div. — M. Sloane, Act. Chief
- Aviation Properties Div. — W. C. Cooper, Chief
- Aviation Public Services Div. — L. L. Calta, Chief
- Aviation Technical Services Div. — L. Achitoff, Chief
- Newark Redevelopment Program — J. P. Veerling, Project Dir.
- O John F. Kennedy International Airport — C. B Pattarini, Gen. Mgr.
  - J.F.K.I.A. Aeronautical Services Div. — F. B Coffey, Mgr.
  - J.F.K.I.A. Business Administration Div. — W. Spane, Mgr.
  - J.F.K.I.A. Plant & Structures Div. — L.A.Schaefer, Act. Mgr.
  - J.F.K.I.A. Public Services Div. — J. Dickerson, Act. Mgr.
- O La Guardia Airport — E. E. Ingraham, Mgr.
- New Jersey Airports — V. A. Carson, Gen. Mgr.
  - O Newark Airport
    - Operating Services Div. — E. Sorensen, Mgr.
    - Plant & Structures Div. — T. H. Lineweaver, Mgr.
  - O Teterboro Airport — J. B. Wilson, Mgr.
- O P. A. Downtown Heliport
- O W. 30th Street Heliport — P. J. Landi, Mgr.

**MARINE TERMINALS DEPARTMENT**
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D. S. Reid — Dep.

- Marine Planning & Construction Div. — F. Fontanella, Mgr.
- Marine Rentals Div. — W. J. Cogan, Mgr.
- Marine Operations Div. — C. V. Storer, Gen. Mgr.
  - O B'klyn-P.A. Mar. Term.
  - O Erie Basin-P.A. Mar. Term.
  - O P.A. Grain Term. — D. Pardes, Mgr.
  - O Eliz.-P.A. Mar. Term.
  - O Hoboken-P.A. Mar. Term.
  - O Port Newark — C. P. Fleming, Mgr.

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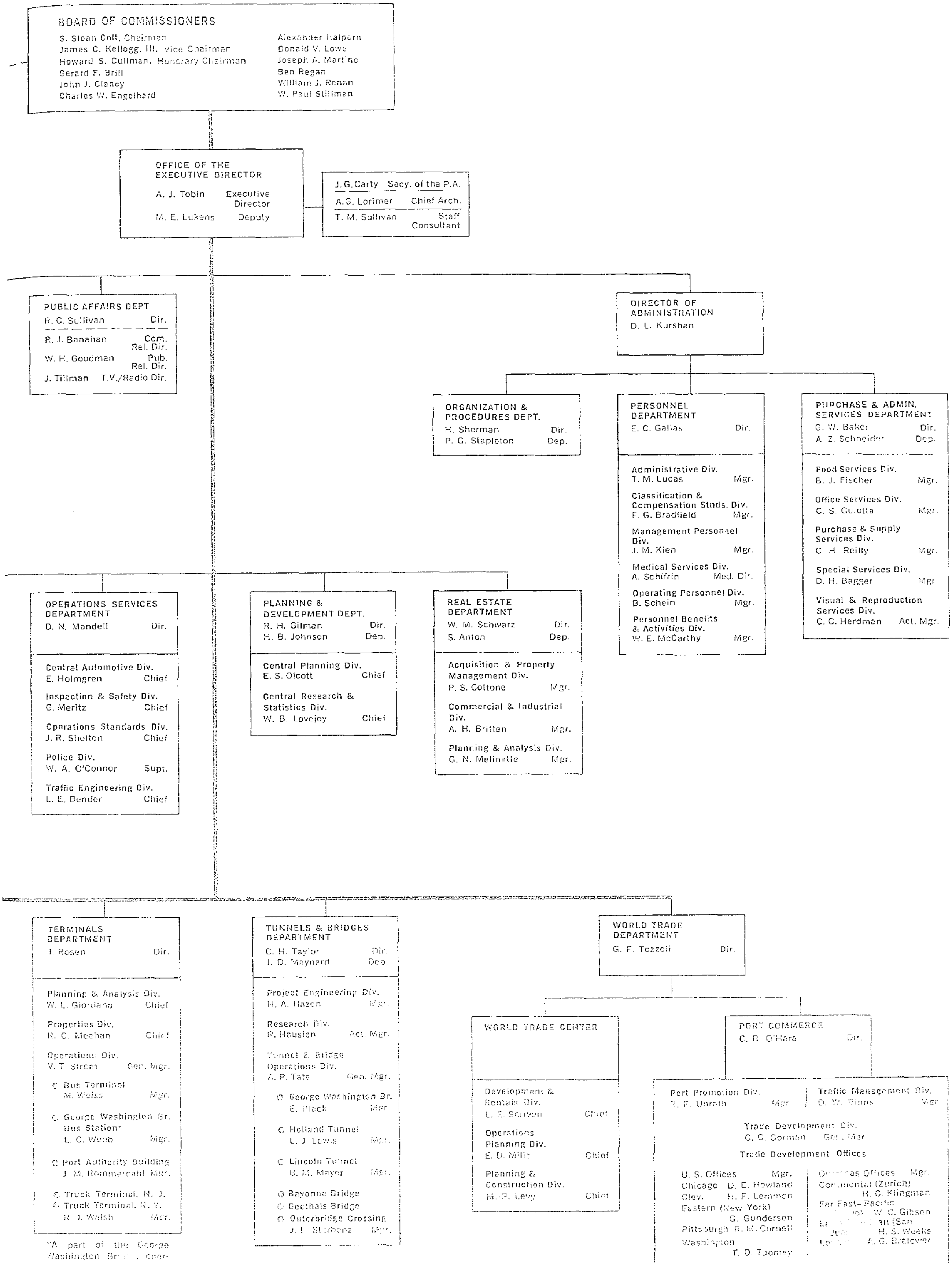
J. F. Hoban — Dep.

- Rail Development Div. — F. Gorman, Chief
- Rail Planning Div. — G. L. Spencer, Chief

**PORT AUTHORITY TRANS-HUDSON CORP.**
L. J. Gambaccini — V.P. & Gen. Mgr.

- O PATH — A. Rubbert, Gen. Supt.
  - Car Equipment Div. — W. H. Miller, Supt.
  - Signal Div. — A. D. Moore, Supt.
  - Transportation Div. — P. Scaturro, Supt.
  - Way & Power Div. — T. Rutmayer, Supt.

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Financial

## Basic Policies and Financial Structure

The States of New Jersey and New York directed the Port Authority ". . . to proceed with the development of the Port of New York . . . as rapidly as may be economically practicable . . .". The Authority, however, may not levy taxes, assessments or pledge the credit of either State or any municipality.

In order to finance — on a self supporting basis and without cost to the general taxpayer — the land, sea and air terminals, and transportation facilities, essential to that development, it has been necessary for the bi-state agency to create sufficient revenue potential and utilize modern efficient business methods to build a strong credit base and a sound financial structure.

To achieve the continuing objectives of strength and stability in its financial structure and command the confidence of investors, it is necessary for the Port Authority to meet certain legal and fundamental financial standards.

First, the statutes establishing the General Reserve Fund provide for the pooling of revenues to the end that older facilities with established earning power can aid new projects during developmental periods until they reach their anticipated point of self support.

Second, the Port Authority policy is to maintain, at year end, a combined amount in all reserve funds at least equal to the next two years' debt service and to retire funded debt as rapidly as sound financial management permits. Accordingly, acceleration of debt retirement before mandatory dates may be accomplished out of the reserve funds only to the extent that the reserve funds exceed the ensuing two years' debt service.

Third, bonds for an additional facility cannot be issued with a pledge of the General Reserve Fund unless the Port Authority Commissioners certify that the pledge will not materially impair the sound credit standing of the Authority, the investment status of the Authority's bonds, or the ability of the Authority to fulfill its commitments and undertakings.

Fourth, sound management practices, advanced engineering techniques and judicious planning are utilized to bring new projects to their anticipated point of self support as soon as possible.

Adherence to these requirements and policies has resulted in a sound financial structure which has been recognized by individual investors and financial institutions throughout the United States. Over the years, as a result, more than two billion dollars of Port Authority bonds have been purchased by investors.

## Combined Operations in Brief

Gross operating revenues of The Port of New York Authority for the year 1967 increased 9.2 percent to $207,511,000, which reflects the continuing increase in development and utilization of the Authority's facilities. At the same time, operating, administrative and development expenses increased about 7.8 percent to reach $110,095,000. As a result, net operating revenues were up about 10.9 percent to a total of $97,416,000.

Investment income of $7,792,000 on securities held in the reserve and operating funds was offset by a downward adjustment of $7,709,000 in the value of our security portfolio. Thus, net revenues available for debt service were $97,499,000.

Interest totaled $23,254,000 and long term debt amortization amounted to $23,139,000. In addition, $46,000,000 short term Consolidated Notes were retired at maturity, and bonds with a par value of $2,943,000 were retired in anticipation of future years' debt service at an amortized cost of $2,532,000.

Reserve funds were increased in the net amount of $2,574,000 and totaled $112,762,000 at year's end. Thus, they continue to meet the requirements of the applicable statutes of New Jersey and New York and of Port Authority bond resolutions, as well as the Port Authority policy of maintaining reserves equal to at least the next two years' debt service.

The Authority's financial affairs are administered by A. Gerdes Kuhbach, Director of Finance; C. R. Welch, Treasurer; and C. M. Wahlberg, Comptroller.

### Highlights

| | 1967 | 1966 |
|---|---|---|
| Gross Operating Revenues | **$ 207,500,000** | $ 189,900,000 |
| Net Operating Revenues | **97,400,000** | 87,800,000 |
| Debt Retired | **72,400,000** | 63,000,000 |
| Interest on Debt | **23,300,000** | 22,400,000 |
| Cumulative Invested in Facilities | **1,683,800,000** | 1,584,000,000 |
| Funded Debt Outstanding | **906,500,000** | 832,800,000 |
| General Reserve Fund | **90,600,000** | 83,300,000 |
| Special Reserve Funds | **22,100,000** | 26,900,000 |

## Financial Position at Year End

### Highlights

On December 31, 1967, the total assets of the Authority were $1,996,435,000, represented by the cumulative amount invested in facilities and balances in construction, operating and reserve funds. This is an increase of 8.4 percent, or $154,610,000 over last year, the major portion of which is the increase of construction completed or in progress.

The cumulative amount invested in facilities of the Port Authority rose to $1,683,798,000 at year end 1967. The increase of $99,761,000 over last year is largely represented by increased investment at:

| | |
|---|---|
| The World Trade Center | $34,100,000 |
| Port Authority Trans-Hudson | 16,700,000 |
| Elizabeth-Port Authority Marine Terminal | 11,500,000 |
| Newark Airport | 9,300,000 |
| Port Newark | 8,700,000 |
| John F. Kennedy International Airport | 8,100,000 |
| Port Authority Bus Terminal | 3,200,000 |
| LaGuardia Airport | 2,900,000 |

Funded debt at the year end was $906-491,000, an increase of $73,642,000. This was the net result of the issuance of Consolidated Bonds and Notes in the total amount of $150,000,000, the retirement of $72,358,000 of debt through income and reserves, and the refunding of notes in the amount of $4,000,000.

At year end, debt retired through income and the reserve funds totaled $1,021,345,000, which is about 61 percent of the amount invested in facilities.

### Reserve Funds

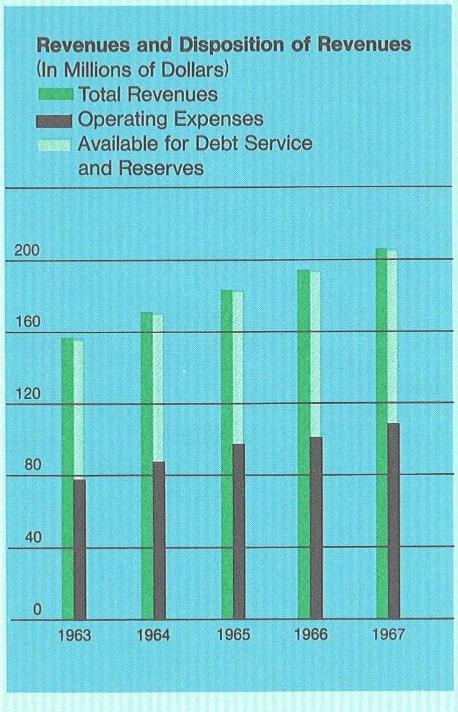
At the year end 1967, reserve funds were increased in the net amount of $2,574,-000 to a total of $112,762,000. The General Reserve Fund balance was increased to $90,649,000 and continued to meet the statutory requirement of ten percent of the outstanding funded debt; concurrently, the Special Reserve Fund totaled $12,642,000, the Air Terminal Reserve Fund $8,364,000 and the Marine Terminal Reserve Fund $1,107,000. These balances in the aggregate continued to meet the long established policy of maintaining total reserve funds in an amount equal to at least the next two years' mandatory debt service.

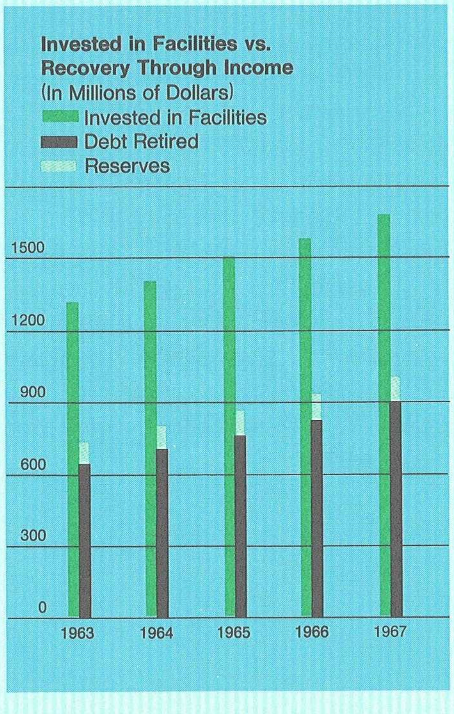
Bond covenants require that reserve funds be maintained in cash or invested in certain government securities. Thus at year end $111,635,000 was invested in securities as set forth in Statement D, "Analysis of Reserve Funds." Income from reserve fund investment portfolio during 1967 amounted to $5,505,000.

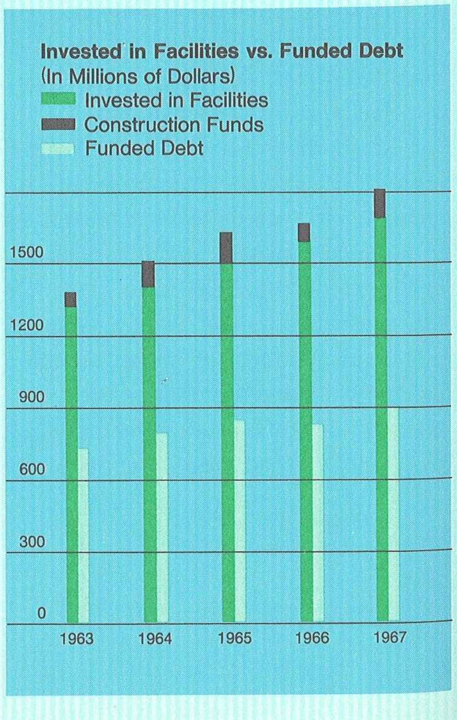
**Summary of Reserve Funds**

December 31 (In Millions)

| | **1967** | 1966 | Increase (Decrease) |
|---|---|---|---|
| General Reserve | **$ 90.7** | $ 83.3 | $ 7.4 |
| Special Reserve | **12.6** | 15.2 | (2.6) |
| Air Terminal Reserve | **8.4** | 10.1 | (1.7) |
| Marine Terminal Reserve | **1.1** | 1.6 | (.5) |
| | **$112.8** | $110.2 | $ 2.6 |



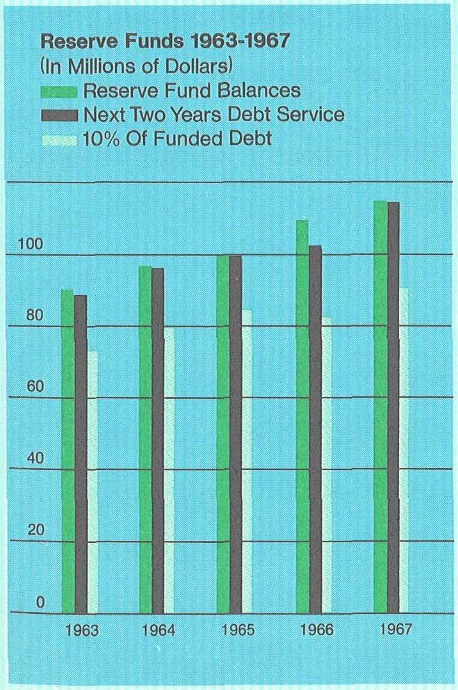



### Financial Income

The Authority's investment portfolio averaged more than $333,000,000 during 1967 and produced earnings of $16,284,-000. The long term portfolio averaged about $128,700,000, principally reserve funds, and was invested primarily in United States Treasury securities. Long term investment earnings amounted to $6,020,000, or an annual rate of about 4.67 percent. Investment in short term government securities and bank time deposits, averaged approximately $204,900,000 during the year. The short term portfolio represented principally the investment of construction funds awaiting disbursement and operating revenues. Income from these short term investments was $10,264,000, or an annual earning rate of about 5.01 percent.

Distribution of financial income was $2,287,000 to operating funds and $5,505,000 to reserve funds. The balance of financial income, $8,520,000, was allocated to capital funds, thereby reducing net interest costs during the construction period.




## Operation of Funded Debt

### Debt Issued

The Authority's funded debt at year end was $906,491,000, a net increase of $73,642,000 from last year.

On January 12, 1967, $50,000,000 Consolidated Notes, Series T, 4 percent due December 28, 1967 were sold at competitive bidding, which resulted in an average net interest cost of 3.551 percent to the Authority. The Notes were sold at various prices to:

| *Institution* | *Amount* |
|---|---|
| First National City Bank | $44,000,000 |
| Chemical Bank N. Y. Trust Co. | 5,000,000 |
| Brown Brothers Harriman & Co. | 1,000,000 |

On March 22, 1967, Consolidated Bonds, Thirty-first Series, 4 percent due March 1, 2002, in the amount of $100,-000,000 were sold to Halsey Stuart & Co., Inc., Blyth & Co. Inc., Drexel Harriman Ripley Incorporated and W. H. Morton & Co., Division of American Express Company and Associates at the negotiated price of 98.87 percent of par which resulted in a net interest cost of 4.044 percent to the Authority.

### Debt Retired

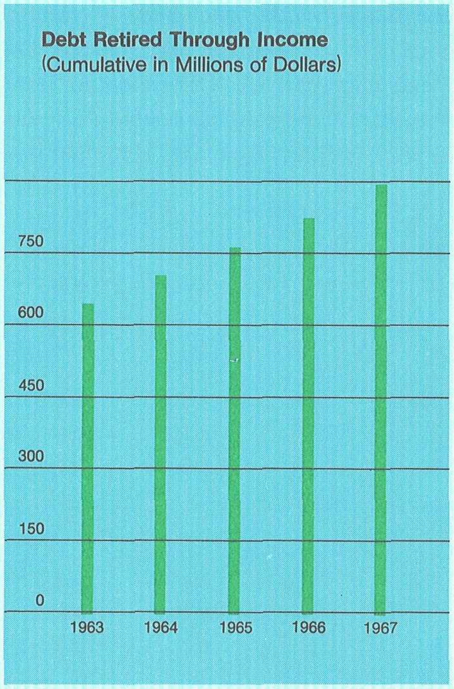
During the year, $72,358,000 par value of bonds and notes were retired. Not included are $4,000,000 Consolidated Notes, Series T, which were refunded as shown in Statement I.

Long term bonds with a par value of $23,415,000 were retired through mandatory sinking fund and maturity payments. The following bonds with a par value of $2,943,000 were retired in anticipation of future requirements:

| *Series* | *Amount* |
|---|---|
| General and Refunding | |
| Eighth Series | $ 138,000 |
| Ninth Series | 365,000 |
| Tenth Series | 111,000 |
| Eleventh Series | 419,000 |
| Marine Terminal | |
| Second Series | 335,000 |
| Consolidated | |
| Sixteenth Series | 1,575,000 |
| | $2,943,000 |

The difference between the total book value of these bonds purchased in the open market and their call price represents a saving of $854,000.

The above retirements, together with $46,000,000 of Consolidated Notes, Series T, account for the $72,358,000 of debt retirements out of income and reserves during 1967.



## Facts for Bondholders

### Consolidated Bonds

Consolidated Bonds are secured by the General Reserve Fund on an equal basis with other outstanding issues of Port Authority bonds. This pledge presently constitutes the prime security for Consolidated Bonds. As each of the older classes of bonds—General and Refunding, Air Terminal and Marine Terminal Bonds—is retired, and since the Authority has agreed that it will not issue any additional bonds of these classes, Consolidated Bonds will have a first lien on the net revenues of those facilities presently pledged for such prior issues of bonds.

Consolidated Bonds, the only medium of current financing, represented 92.2 percent of the outstanding funded debt of $906,491,000 at year end. Progress in unifying the debt structure as older prior lien bonds are retired is shown on the adjoining chart.

On December 31, 1967, outstanding Consolidated Bonds totaled $836,136,000. Over the years, the Authority has issued a total of $1,398,650,000 Consolidated Bonds, exclusive of refundings. Of this amount $425,546,000 has been allocated to "Consolidated Bond Facilities," namely, Brooklyn-Port Authority Marine Terminal, Hoboken-Port Authority Marine Terminal, Erie Basin-Port Authority Marine Terminal, Elizabeth-Port Authority Marine Terminal, the two Port Authority Heliports, the Hudson Tubes and the World Trade Center. The remaining $973,104,000 of Consolidated Bond proceeds was allocated to facilities of other bond groups.

At present, the net revenues from the "Consolidated Bond Facilities" listed above are the only revenues upon which all Consolidated Bonds have a first lien. This will continue until the older classes of bonds are retired. During the transition period pending retirement of these older bond classes, the facilities whose net revenues are not yet subject to a first lien in favor of Consolidated Bonds are being improved out of the proceeds of Consolidated Bonds.

The debt service on all the Consolidated Bonds cannot, of course, be met from the net revenues of "Consolidated Bond Facilities." It is therefore met from the pooled revenues of all facilities through the medium of the General Reserve Fund. At year end 1967, after meeting all debt service from income and reserves, the General Reserve Fund totaled $90,649,000. The General Reserve Fund, of course, secures the other bonds on an equal basis with Consolidated Bonds, but in the case of such other bonds pledged revenues were sufficient to meet debt service.

### General and Refunding Bonds

General and Refunding Bonds have a first lien on the net revenues of the Port Authority's two tunnels and four bridges, four inland terminals and the grain terminal. The 1967 operations of these facilities, after operating expenses and adjusted financial income, produced net revenues of $45,848,000 available for debt service and transfer to reserves. Debt service totaled $1,506,000 and, at year end, the remaining revenues, $44,342,000 were transferred to the General Reserve Fund.

General and Refunding Bonds outstanding at year end totaled $22,290,000, a decrease of $2,200,000 from the previous year end total. Meanwhile, the total invested in this group of facilities increased $8,225,000 to $618,481,000 at the end of 1967.

Since 1952, Consolidated Bond proceeds totaling $310,703,000 have been allocated to these facilities. The debt service on these bonds, however, cannot be charged directly against the associated revenues but must be charged against revenues of facilities related solely to Consolidated Bonds.

### Air Terminal Bonds

These bonds have a first lien on the net revenues of the four airports. In

1967, net revenues available for debt service and reserves totaled $44,355,000. After paying $4,530,000 for debt service, the remaining revenues, $39,825,000, were transferred to the General Reserve Fund.

With the retirement of $3,470,000 of Air Terminal Bonds during the year, outstanding Air Terminal Bonds at year end decreased to $43,432,000. As a result of the investment of an additional $20,571,000 during 1967, the total Port Authority investment in airports rose to $625,794,000.

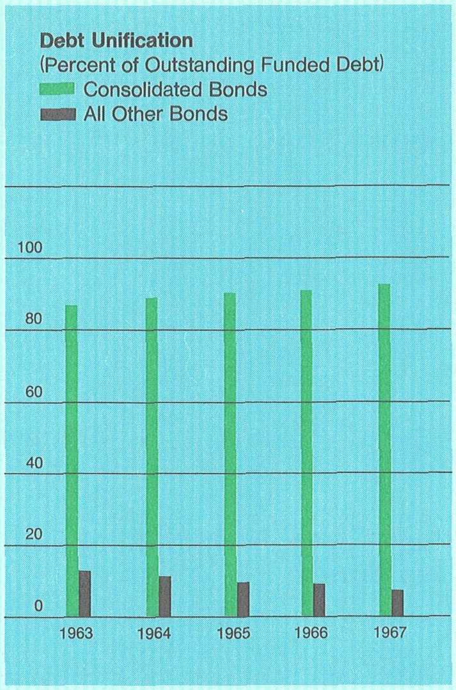
The proceeds of Consolidated Bonds allocated for capital construction at these facilities reached $569,601,000 at December 31, 1967.

### Marine Terminal Bonds

These bonds have a first lien on the net revenues of Port Newark which, in 1967, totaled $5,754,000. After the payment of $509,000 for debt service, $5,245,000 was transferred to the General Reserve Fund.

At the end of 1967, Port Authority investment in Port Newark totaled $101,448,000, an increase of $8,743,000 over the 1966 year end total, while the outstanding Marine Terminal Bonds decreased by $727,000 to $4,633,000.

At year end, $92,800,000 of Consolidated Bond proceeds had been allocated for this facility's development.




## Net Operating Revenues
(In Millions)

| | **1967** | 1966 | 1965 | 1964 | 1963 |
|---|---|---|---|---|---|
| **Consolidated Bonds** | | | | | |
| Revenues | **$24.5** | $23.1 | $21.8 | $21.4 | $18.8 |
| Operating Expenses | **21.6** | 20.3 | 19.9 | 17.8 | 16.1 |
| Net Operating Revenues | **2.9** | 2.8 | 1.9 | 3.6 | 2.7 |
| **General and Refunding Bonds** | | | | | |
| Revenues | **$84.1** | $81.0 | $78.1 | $73.2 | $68.0 |
| Operating Expenses | **39.3** | 37.4 | 38.2 | 35.7 | 31.5 |
| Net Operating Revenues | **44.8** | 43.6 | 39.9 | 37.5 | 36.5 |
| **Air Terminal Bonds** | | | | | |
| Revenues | **$89.7** | $76.9 | $70.2 | $65.3 | $60.0 |
| Operating Expenses | **45.7** | 41.0 | 37.6 | 32.7 | 29.1 |
| Net Operating Revenues | **44.0** | 35.9 | 32.6 | 32.6 | 30.9 |
| **Marine Terminal Bonds** | | | | | |
| Revenues | **$ 9.2** | $ 8.9 | $ 8.5 | $ 7.2 | $ 7.2 |
| Operating Expenses | **3.5** | 3.4 | 3.2 | 2.9 | 3.0 |
| Net Operating Revenues | **5.7** | 5.5 | 5.3 | 4.3 | 4.2 |

PRICE WATERHOUSE & CO.

60 BROAD STREET

NEW YORK 10004

February 23, 1968

The Port of New York Authority
New York, New York

In our opinion, Statements A through J present fairly the financial position of The Port of New York Authority at December 31, 1967 and the results of its operations for the year, and Statement L presents fairly the assets and liabilities of the New York State Commuter Car Program at December 31, 1967, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, Statement K presents fairly the ten year financial data included therein. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

## STATEMENT A **Revenues and Reserves**

| | Year Ended December 31, 1967 | 1966 |
|---|---|---|
| | (In Thousands) | |
| Gross Operating Revenues | **$207,511** | $189,953 |
| Operating Expenses | **110,095** | 102,113 |
| Net Operating Revenues | **97,416** | 87,840 |
| Financial Income | | |
| Income on Investments—net | **7,792** | 6,893 |
| Security valuation adjustment | **(7,709)** | (414) |
| | **97,499** | 94,319 |
| Debt Service | | |
| Interest on funded debt | **23,254** | 22,369 |
| Serial maturities and sinking fund requirements | **23,139** | 21,407 |
| Short term note retirements | **46,000** | 40,000 |
| Debt retirement acceleration | **2,532** | 1,195 |
| Total Debt Service | **94,925** | 84,971 |
| Net Increase in Reserves | **2,574** | 9,348 |
| Reserve balances—beginning of year | **110,188** | 100,840 |
| Reserve Balances—End of Year | **$112,762** | $110,188 |

## STATEMENT B **Financial Position**

| | December 31, 1967 Capital Funds (Statement E) | Reserve Funds (Statement D) | General Operating Funds | **Combined Total** | December 31, 1966 Combined Total |
|---|---|---|---|---|---|
| **Assets** | | | (In Thousands) | | |
| Invested in Facilities | $1,683,798 | $ — | $ — | **$1,683,798** | $1,584,037 |
| Investment in Securities (Statement G) | 91,083 | 111,635 | 15,181 | **217,899** | 182,277 |
| Cash and Time Deposits | 56,776 | 1,127 | 9,464 | **67,367** | 48,042 |
| Other Assets | 2,140 | — | 25,231 | **27,371** | 27,469 |
| Total Assets | 1,833,797 | 112,762 | 49,876 | **1,996,435** | 1,841,825 |
| **Liabilities** | | | | | |
| Funded Debt (Statement I) | 906,491 | — | — | **906,491** | 832,849 |
| Debt Retired Through Income (Statement F) | 908,583 | — | — | **908,583** | 834,772 |
| Reserves | — | 112,762 | — | **112,762** | 110,188 |
| Accounts Payable and Other Liabilities | 18,723 | — | 36,072 | **54,795** | 51,653 |
| Provision for Self-Insurance | — | — | 9,396 | **9,396** | 8,313 |
| Deferred Credits to Income | — | — | 4,408 | **4,408** | 4,050 |
| Total Liabilities | $1,833,797 | $112,762 | $49,876 | **$1,996,435** | $1,841,825 |

**See Notes to Financial Statements**

# Notes to Financial Statements

*December 31, 1967*

**Note A—Accounting Principles:**

**1.** The Port of New York Authority, created in 1921 by compact between the States of New York and New Jersey with the consent of Congress, has no stockholders or equity holders; all revenues or other cash received must be disbursed for specific purposes in accordance with provisions of various statutes and agreements with holders of its bonds and others. The accounts of the Authority are maintained in accordance with generally accepted accounting principles appropriate in the circumstances.

**2.** The Authority's bond resolutions provide that operating expenses shall not include any allowance for depreciation. However, recovery of facility costs is accomplished through deductions from revenues and reserves of amounts equal to payments to sinking funds and other principal payments on funded debt. These deductions are credited at par to the account "debt retired through income."

**3.** The amount "invested in facilities" consists primarily of expenditures, including the expenditure of federal and state grants, to acquire, construct, place in operation and improve the facilities of the Port Authority and includes net discount and expense incurred in connection with bonds and notes issued for construction purposes as well as net interest expense during the period of construction.

**4.** The statement of combined total revenues and reserves is presented for general information purposes only and the amounts stated do not represent revenues applicable to any particular type of bonds. Debt service on each type of bonds is secured, first, by revenues of certain facilities as set forth in the various bond resolutions and, secondly, by the General Reserve Fund. The amount and disposition of revenues applicable to each type of bonds are set forth in Statement C and the amount and disposition of revenues applicable to the reserve funds are shown in Statement D.

**5.** Investments in long term and short term United States securities are stated at the lower of their respective aggregate amortized cost or market value. Investments in Port Authority bonds are stated at their amortized cost.

**6.** Pursuant to bi-state legislation, the Authority is authorized and empowered, upon the election of either state, to purchase and lease railroad cars to commuter railroads of the electing state, and to borrow money for such purpose or for the repayment of advances from the electing state. By resolution dated April 12, 1962, the Authority established an issue of New York State Guaranteed Commuter Car Bonds. Such Car Bonds are secured by the net revenues of the Authority arising out of the lease of commuter railroad cars. Car Bonds are not secured by any other revenues, reserves or assets of the Authority, are not general obligations of the Authority and are not secured by the full faith and credit of the Authority. In the event that lease revenues are not sufficient to provide for scheduled payment of principal and interest, the punctual payment of such debt service is fully and unconditionally guaranteed by the electing state. Accordingly, the financial position of this program is presented separately in Statement L, and the assets and liabilities of the program are not included in any of the other accompanying financial statements of the Authority.

**Note B—Commitments:**

At December 31, 1967, the Authority was committed under various contracts to the completion over the next four or five years of approximately $225,000,000 of structures.

**Note C—Leases:**

LaGuardia Airport and John F. Kennedy International Airport are leased from the City of New York for a term expiring in the year 2015. Port Newark and Newark Airport are leased from the City of Newark for a term expiring in the year 2016.

The Hoboken-Port Authority Marine Terminal is leased from the City of Hoboken under a lease which will expire in the year 2002, unless a fifty-year extension is executed by then.

A parcel of property at the Brooklyn-Port Authority Marine Terminal is leased from the City of New York until the year 2011.

Minimum annual rentals under the above leases presently aggregate approximately $3,200,000. Additional rentals are payable if earned in connection with certain of these leases.

**Note D—Funded Debt:**

On January 11, 1968, the Authority issued $60,000,000 Consolidated Notes, Series U, due December 30, 1968 at an average net interest cost of 4.006 percent per annum.

**Note E—General:**

Pursuant to legislative and judicial authorizations, the Authority on September 1, 1962 acquired by condemnation the former Hudson & Manhattan Railroad through the Port Authority Trans-Hudson Corporation, a subsidiary of The Port of New York Authority established for that purpose. The accounts of the subsidiary corporation are consolidated in the accompanying Port Authority financial statements as accounts of a facility whose net revenues are first pledged for Consolidated Bonds.

In October, 1967, the New York Court of Appeals decided that the amount to be paid by the Port Authority Trans-Hudson Corporation to the Hudson Rapid Tubes Corporation for condemnation of the Hudson Rapid Tubes railroad should be $30,000,000, exclusive of interest, for the tunnels and subways and remanded to the Trial Court for its redetermination, its $20,000,000 award for non-tunnel properties, and $5,000,000 award for going concern value. The Authority is seeking review of this decision by the United States Supreme Court and has obtained a stay of the judgment entered in Supreme Court, New York County, following the Court of Appeals decision, pending the action of the United States Supreme Court. Port Authority Trans-Hudson Corporation capital accounts include $3,000,000 representing the sum advanced to Hudson Rapid Tubes Corporation on account of the final award.

By condemnation proceedings in the New York State Supreme Court, the Authority has acquired title, for purposes of the World Trade Center, to all of the non-governmentally owned real property located in the Hudson Tubes-World Trade Center area as defined by statute. That portion of the total acquisition cost which will be accounted for by condemnation awards for the property is dependent upon final judicial determination. Port Authority capital accounts include about $15,000,000 representing sums advanced therefor to condemnees to December 31, 1967.

## STATEMENT C **Operating Fund Revenues** Year Ended December 31, 1967

| | Related to: General and Refunding Bonds | Related to: Air Terminal Bonds | Related to: Marine Terminal Bonds | Consolidated Bonds | **Combined Total** |
|---|---|---|---|---|---|
| | (In Thousands) | | | | |
| Gross Operating Revenues | $84,091 | $89,705 | $ 9,212 | $ 24,503 | **$207,511** |
| Operating Expenses | 39,275 | 45,686 | 3,495 | 21,639 | **110,095** |
| Net Operating Revenues | 44,816 | 44,019 | 5,717 | 2,864 | **97,416** |
| **Financial Income** | | | | | |
| Income on investments—net | 1,622 | 582 | 83 | — | **2,287** |
| Security valuation adjustment | (590) | (246) | (46) | — | **(882)** |
| Net Revenues | 45,848 | 44,355 | 5,754 | 2,864 | **98,821** |
| **Debt Service** | | | | | |
| Interest on funded debt | 399 | 1,247 | 128 | 21,480 | **23,254** |
| Serial maturities and sinking fund requirements | 1,107 | 3,283 | 381 | 18,368 | **23,139** |
| Short term note retirements | — | — | — | 46,000 | **46,000** |
| Total Debt Service | 1,506 | 4,530 | 509 | 85,848 | **92,393** |
| Transfers to and (from) Reserves | 44,342 | 39,825 | 5,245 | (82,984) | **6,428** |
| **Analysis of Transfers** | | | | | |
| From Reserves—to cover net deficit | — | — | — | (82,984) | **(82,984)** |
| To General Reserve— to bring to 10% of funded debt | 44,342 | 39,825 | 5,245 | — | **89,412** |
| Net Transfers | $44,342 | $39,825 | $ 5,245 | $ (82,984) | **$ 6,428** |

## STATEMENT D **Analysis of Reserve Funds** Year Ended December 31, 1967

| | General Reserve Fund | Special Reserve Fund | Air Terminal Reserve Fund | Marine Terminal Reserve Fund | **Combined Total** |
|---|---|---|---|---|---|
| | | | (In Thousands) | | |
| Balance—January 1, 1967 | $83,285 | $15,219 | $10,051 | $ 1,633 | **$110,188** |
| Income on investments—net | 4,161 | 761 | 502 | 81 | **5,505** |
| Security valuation adjustment | (5,162) | (942) | (622) | (101) | **(6,827)** |
| | 82,284 | 15,038 | 9,931 | 1,613 | **108,866** |
| Appropriations for: | | | | | |
| Debt retirement acceleration— payments to sinking funds | 1,581 | 651 | — | 300 | **2,532** |
| Total | 80,703 | 14,387 | 9,931 | 1,313 | **106,334** |
| Transfers (to) and from Operating Funds: | | | | | |
| Deficit related to Consolidated Bonds | (79,466) | (1,745) | (1,567) | (206) | **(82,984)** |
| Revenues related to: | | | | | |
| General and Refunding Bonds | 44,342 | — | — | — | **44,342** |
| Air Terminal Bonds | 39,825 | — | — | — | **39,825** |
| Marine Terminal Bonds | 5,245 | — | — | — | **5,245** |
| Net transfers | 9,946 | (1,745) | (1,567) | (206) | **6,428** |
| Balance—December 31, 1967 | $90,649 | $12,642 | $ 8,364 | $ 1,107 | **$112,762** |
| Represented by: | | | | | |
| Investment in securities | $89,743 | $12,516 | $ 8,280 | $ 1,096 | **$111,635** |
| Cash | 906 | 126 | 84 | 11 | **1,127** |

**See Notes to Financial Statements**

## STATEMENT E **Capital Funds** Assets and Liabilities December 31, 1967

| | Related to facilities the net revenues of which are first pledged for | | | | |
|---|---|---|---|---|---|
| | General and Refunding Bonds | Air Terminal Bonds | Marine Terminal Bonds | Consoli-dated Bonds | **Combined Total** |
| **Assets** | | | (In Thousands) | | |
| Invested in Facilities | | | | | |
| Completed construction—owned | $603,569 | $ 10,555 | $ — | $193,697 | **$ 807,821** |
| Completed construction—leased | — | 577,510 | 89,847 | 23,952 | **691,309** |
| Construction in progress | 14,912 | 37,729 | 11,601 | 120,426 | **184,668** |
| | 618,481 | 625,794 | 101,448 | 338,075 | **1,683,798** |
| Investment in Securities | 4,208 | 26,057 | 1,277 | 59,541 | **91,083** |
| Cash and Time Deposits | 2,623 | 16,242 | 796 | 37,115 | **56,776** |
| Other Assets | 756 | 363 | 2 | 1,019 | **2,140** |
| Total Assets | 626,068 | 668,456 | 103,523 | 435,750 | **1,833,797** |
| **Liabilities** | | | | | |
| Funded Debt (Statement I) | 22,290 | 43,432 | 4,633 | 836,136 | **906,491** |
| Interfund Accounts | 310,703 | 569,601 | 92,800 | (973,104) | **—** |
| Debt Retired Through Income (Statement F) | 290,684 | 50,018 | 5,367 | 562,514 | **908,583** |
| Accounts Payable and Other Liabilities | 2,391 | 5,405 | 723 | 10,204 | **18,723** |
| Total Liabilities | $626,068 | $668,456 | $103,523 | $435,750 | **$1,833,797** |

## STATEMENT F **Debt Retired Through Income** Year Ended December 31, 1967

| | 1967 |
|---|---|
| Debt Retired Through Income | (In Thousands) |
| Balance at January 1 | $799,375 |
| Net revenues and reserves applied to retirement of debt as detailed in Statement I | 72,358 |
| Total | 871,733 |
| Contributed by Federal and State Agencies in Aid of Construction | |
| Balance at January 1 | 42,566 |
| Amounts received under Federal Airport Act | 1,291 |
| Amounts received under Federal Highway Act | 161 |
| Total | 44,018 |
| Appropriated Reserves Invested in Facilities | |
| Balance at January 1 and December 31 | 8,468 |
| | 924,219 |
| Less: | |
| Cost of Refunding and Consolidating Debt | |
| Balance at January 1 and December 31 | 15,636 |
| Total | $908,583 |

**See Notes to Financial Statements**

## STATEMENT G **Investment in Securities** December 31, 1967

| | Principal Amount | Quoted Market Value | Amortized Cost |
|---|---|---|---|
| | | (In Thousands) | |
| **Short Term** | | | |
| United States Treasury Securities | | | |
| Bills | | | |
| Due 3/22/68 | $ 11,500 | $ 11,375 | $ 11,374 |
| Due 3/31/68 | 4,500 | 4,445 | 4,446 |
| Due 4/22/68 | 32,500 | 31,979 | 31,986 |
| Due 6/24/68 | 55,000 | 53,525 | 53,577 |
| Security valuation allowance at December 31, 1967 | | | (59) |
| Total Short Term | 103,500 | 101,324 | 101,324 |
| **Long Term** | | | |
| United States Securities | | | |
| Participation Certificates | | | |
| 6.35% due 2/11/70 Federal National Mortgage Assn. | 3,000 | 3,006 | 3,000 |
| 5% due 2/20/71 Export-Import Bank | 5,000 | 4,781 | 5,030 |
| U.S. Treasury Notes | | | |
| 5% due 11/15/70 | 500 | 488 | 501 |
| 5¾% due 11/15/74 | 1,875 | 1,875 | 1,875 |
| U.S. Treasury Bonds | | | |
| 4% due 2/15/70 | 13,000 | 12,529 | 12,964 |
| 3⅞% due 11/15/71 | 5,000 | 4,675 | 4,914 |
| 2½% due 12/15/72-67 | 2 | 1 | 2 |
| 4% due 8/15/73 | 10,100 | 9,279 | 10,260 |
| 4⅛% due 2/15/74 | 1,000 | 919 | 996 |
| 4¼% due 5/15/74 | 1,500 | 1,383 | 1,505 |
| 3⅞% due 11/15/74 | 12,000 | 10,770 | 11,986 |
| 4% due 2/15/80 | 16,900 | 14,365 | 16,898 |
| 3½% due 11/15/80 | 1,000 | 809 | 998 |
| 3¼% due 6/15/83-78 | 1,200 | 927 | 1,229 |
| 4¼% due 5/15/85-75 | 12,350 | 10,436 | 12,464 |
| 3½% due 2/15/90 | 13,250 | 10,169 | 12,882 |
| 4⅛% due 5/15/94-89 | 16,000 | 12,940 | 16,067 |
| 3% due 2/15/95 | 600 | 455 | 600 |
| 3½% due 11/15/98 | 7,978 | 6,123 | 7,958 |
| Security valuation allowance at December 31, 1967 | | | (16,199) |
| Total Long Term United States Securities | 122,255 | 105,930 | 105,930 |
| The Port of New York Authority Bonds | | | |
| Air Terminal | | | |
| 1st Series, 3% due 6/15/78 | 1,724 | 1,405 | 1,617 |
| 2nd Series, 2½% due 10/1/79 | 153 | 110 | 130 |
| 3rd Series, 2.2% due 12/1/80 | 103 | 70 | 84 |
| Marine Terminal | | | |
| 1st Series, 2½% due 11/1/78 | 320 | 230 | 286 |
| Consolidated | | | |
| 1st Series, 3% due 11/1/82 | 731 | 534 | 650 |
| 2nd Series, 2¾% due 9/1/84 | 621 | 425 | 529 |
| 4th Series, 2¾% due 4/1/85 | 724 | 496 | 630 |
| 5th Series, 2.9% due 12/1/83 | 474 | 337 | 421 |
| 6th Series, 3% due 5/1/86 | 976 | 693 | 878 |
| 7th Series, 3.4% due 9/1/86 | 439 | 336 | 416 |
| 8th Series, 3.4% due 2/1/87 | 1,165 | 891 | 1,132 |
| 10th Series, 3¾% due 10/1/87 | 163 | 134 | 153 |
| 12th Series, 3⅜% due 5/1/88 | 284 | 213 | 268 |
| 14th Series, 3⅝% due 2/1/89 | 794 | 623 | 752 |
| 16th Series, 4¼% due 10/1/89 | 525 | 483 | 524 |
| 19th Series, 3½% due 11/1/91 | 121 | 93 | 112 |
| 20th Series, 3¼% due 4/1/93 | 681 | 490 | 620 |
| 21st Series, 3.4% due 10/1/93 | 70 | 51 | 62 |
| 22nd Series, 3⅜% due 12/1/93 | 130 | 95 | 107 |
| Total Port of New York Authority Bonds | 10,198 | 7,709 | 9,371 |
| Total Long Term | $132,453 | $113,639 | 115,301 |
| **Accrued Interest Receivable** | | | 1,274 |
| **Total Investment in Securities** | | | $217,899 |

**See Notes to Financial Statements**

## STATEMENT H **Analysis of Sinking Funds** Year Ended December 31, 1967

| | | 1967 (In Thousands) |
|---|---|---|
| Sinking Fund balances—January 1 | | $ — |
| **Additions to Sinking Funds** | | |
| Obligatory payments from operating accounts: | | |
| General and Refunding Bonds | | 1,107 |
| Air Terminal Bonds | | 3,283 |
| Marine Terminal Bonds | | 381 |
| Consolidated Bonds | | 6,818 |
| Appropriation for retirement in anticipation of future requirements from: | | |
| General Reserve Fund | | 1,581 |
| Special Reserve Fund | | 651 |
| Marine Terminal Reserve Fund | | 300 |
| Adjustment of cost of Port Authority Bonds to redemption price | | 854 |
| Total additions to Sinking Funds | | 14,975 |
| **Deductions from Sinking Funds** | | |
| Mandatory retirements: | | |
| General and Refunding Bonds | Eighth Series | 1,167 |
| Air Terminal Bonds | First Series | 1,540 |
| | Second Series | 1,445 |
| | Third Series | 519 |
| Marine Terminal Bonds | First Series | 289 |
| | Second Series | 104 |
| Consolidated Bonds | First Series | 1,214 |
| | Fourth Series | 1,000 |
| | Fifth Series | 171 |
| | Sixth Series | 475 |
| | Seventh Series | 505 |
| | Eighth Series | 1,011 |
| | Tenth Series | 612 |
| | Twelfth Series | 216 |
| | Fourteenth Series | 1,190 |
| | Sixteenth Series | 541 |
| Retirements in anticipation of future sinking fund requirements: | | |
| General and Refunding Bonds | Eighth Series | 138 |
| | Ninth Series | 365 |
| | Tenth Series | 111 |
| | Eleventh Series | 419 |
| Marine Terminal Bonds | Second Series | 337 |
| Consolidated Bonds | Sixteenth Series | 1,606 |
| Total deductions from Sinking Funds | | 14,975 |
| Sinking Fund balances—December 31 | | $ — |

**See Notes to Financial Statements**

## STATEMENT I **Funded Debt** Year Ended December 31, 1967

| | | January 1, 1967 | Issued | Retired | December 31, 1967 |
|---|---|---|---|---|---|
| | | | (In Thousands) | | |
| **General and Refunding Bonds** | | | | | |
| Eighth Series, | 2% due 1974 | $ 8,675 | $ — | $ 1,305 | $ 7,370 |
| Ninth Series, | 1½% due 1985 | 4,892 | — | 365 | 4,527 |
| Tenth Series, | 1¾% due 1985 | 2,570 | — | 111 | 2,459 |
| Eleventh Series, | 1¼% due 1986 | 8,353 | — | 419 | 7,934 |
| | | 24,490 | — | 2,200 | 22,290 |
| **Air Terminal Bonds** | | | | | |
| First Series, | 3% due 1978 | 19,528 | — | 1,525 | 18,003 |
| Second Series, | 2½% due 1979 | 19,740 | — | 1,431 | 18,309 |
| Third Series, | 2.20% due 1980 | 7,634 | — | 514 | 7,120 |
| | | 46,902 | — | 3,470 | 43,432 |
| **Marine Terminal Bonds** | | | | | |
| First Series, | 2½% due 1978 | 3,614 | — | 289 | 3,325 |
| Second Series, | 2.20% due 1980 | 1,746 | — | 438 | 1,308 |
| | | 5,360 | — | 727 | 4,633 |
| **Consolidated Bonds** | | | | | |
| First Series, | 3% due 1982 | 23,220 | — | 1,214 | 22,006 |
| Second Series, | 2¾% due 1984 | 18,422 | — | — | 18,422 |
| Fourth Series, | 2¾% due 1985 | 28,000 | — | 1,000 | 27,000 |
| Fifth Series, | 2.90% due 1983 | 15,061 | — | 171 | 14,890 |
| Sixth Series, | 3% due 1986 | 23,870 | — | 470 | 23,400 |
| Seventh Series, | 3.40% due 1986 | 21,000 | — | 500 | 20,500 |
| Eighth Series, | 3.40% due 1987 | 41,991 | — | 991 | 41,000 |
| Ninth Series, | 3½% due 1967-1975 | 12,600 | — | 1,800 | 10,800 |
| Tenth Series, | 3¾% due 1987 | 30,000 | — | 600 | 29,400 |
| Eleventh Series, | 2¾% due 1967-1969 | 6,000 | — | 2,000 | 4,000 |
| | 3% due 1970-1978 | 18,000 | — | — | 18,000 |
| Twelfth Series, | 3⅜% due 1988 | 33,740 | — | 210 | 33,530 |
| Thirteenth Series, | 3.40% due 1967-1969 | 3,750 | — | 1,250 | 2,500 |
| | 3½% due 1970-1977 | 10,000 | — | — | 10,000 |
| | 2¾% due 1978 | 1,250 | — | — | 1,250 |
| Fourteenth Series, | 3⅝% due 1989 | 52,250 | — | 1,155 | 51,095 |
| Fifteenth Series, | 4% due 1967-1975 | 15,750 | — | 1,750 | 14,000 |
| | 4.10% due 1976-1979 | 7,000 | — | — | 7,000 |
| Sixteenth Series, | 4¼% due 1989 | 23,750 | — | 2,100 | 21,650 |
| Seventeenth Series, | 6% due 1967 | 1,500 | — | 1,500 | — |
| | 3.40% due 1968 | 1,500 | — | — | 1,500 |
| | 3½% due 1969-1975 | 10,500 | — | — | 10,500 |
| | 3.70% due 1976-1979 | 6,000 | — | — | 6,000 |
| | 1% due 1980 | 1,500 | — | — | 1,500 |
| Eighteenth Series, | 3.10% due 1967-1969 | 5,250 | — | 1,750 | 3,500 |
| | 3¼% due 1970-1975 | 10,850 | — | — | 10,850 |
| | 3½% due 1976-1981 | 12,600 | — | — | 12,600 |
| Nineteenth Series, | 3½% due 1991 | 23,743 | — | — | 23,743 |
| Twentieth Series, | 3¼% due 1993 | 35,000 | — | — | 35,000 |
| Twenty-first Series, | 3.40% due 1993 | 25,000 | — | — | 25,000 |
| Twenty-second Series, | 3⅜% due 1993 | 25,000 | — | — | 25,000 |
| Twenty-third Series, | 3⅜% due 1994 | 25,000 | — | — | 25,000 |
| Twenty-fourth Series, | 3½% due 1994 | 25,000 | — | — | 25,000 |
| Twenty-fifth Series, | 3.20% due 1967-1973 | 10,500 | — | 1,500 | 9,000 |
| | 3% due 1974-1978 | 7,500 | — | — | 7,500 |
| | 3.10% due 1979-1980 | 3,000 | — | — | 3,000 |
| | 3.20% due 1981-1984 | 6,000 | — | — | 6,000 |
| Twenty-sixth Series, | 3½% due 1995 | 35,000 | — | — | 35,000 |
| Twenty-seventh Series, | 3⅜% due 1995 | 25,000 | — | — | 25,000 |
| Twenty-eighth Series, | 3⅜% due 1996 | 25,000 | — | — | 25,000 |
| Twenty-ninth Series, | 3½% due 1996 | 25,000 | — | — | 25,000 |
| Thirtieth Series, | 3⅝% due 1998 | 25,000 | — | — | 25,000 |
| Thirty-first Series, | 4% due 2002 | — | 100,000 | — | 100,000 |
| | | 756,097 | 100,000 | 19,961 | 836,136 |
| **Consolidated Notes** | | | | | |
| Series T, | 4% due December 28, 1967 | — | 50,000 | 46,000 | — |
| Refunded | | — | (4,000) | — | — |
| | | 756,097 | 146,000 | 65,961 | 836,136 |
| Total Funded Debt | | $832,849 | $146,000 | $72,358 | $906,491 |

**See Notes to Financial Statements**

## STATEMENT J **Funded Debt Amortization 1968-2002** December 31, 1967

| | Debt Service Total All Issues Par Value: $906,491 | | | Amortization | | | |
|---|---|---|---|---|---|---|---|
| Year | *Total | Interest | Amortization | Consolidated Bonds | General and Refunding Bonds | Air Terminal Bonds | Marine Terminal Bonds |
| | | | (In Thousands) | | | | |
| 1968 | $ 55,796 | $ 30,220 | $ 25,576 | $ 20,630 | $ 1,052 | $ 3,597 | $ 297 |
| 1969 | 56,531 | 29,515 | 27,016 | 21,819 | 1,214 | 3,679 | 304 |
| 1970 | 56,573 | 28,667 | 27,906 | 22,548 | 1,238 | 3,772 | 348 |
| 1971 | 57,019 | 27,778 | 29,241 | 23,656 | 1,263 | 3,873 | 449 |
| 1972 | 57,584 | 26,840 | 30,744 | 24,859 | 1,465 | 3,960 | 460 |
| 1973 | 58,602 | 25,849 | 32,753 | 26,192 | 2,025 | 4,065 | 471 |
| 1974 | 58,290 | 24,806 | 33,484 | 27,819 | 1,009 | 4,174 | 482 |
| 1975 | 58,790 | 23,714 | 35,076 | 29,135 | 1,161 | 4,286 | 494 |
| 1976 | 56,957 | 22,607 | 34,350 | 28,266 | 1,177 | 4,401 | 506 |
| 1977 | 56,950 | 21,494 | 35,456 | 29,225 | 1,193 | 4,520 | 518 |
| 1978 | 57,419 | 20,288 | 37,131 | 33,238 | 1,211 | 2,531 | 151 |
| 1979 | 56,470 | 19,032 | 37,438 | 35,389 | 1,228 | 667 | 154 |
| 1980 | 55,164 | 17,810 | 37,354 | 36,107 | 1,247 | | |
| 1981 | 53,720 | 16,592 | 37,128 | 35,864 | 1,264 | | |
| 1982 | 50,724 | 15,430 | 35,294 | 34,012 | 1,282 | | |
| 1983 | 51,566 | 14,246 | 37,320 | 36,020 | 1,300 | | |
| 1984 | 51,831 | 12,983 | 38,848 | 37,530 | 1,318 | | |
| 1985 | 50,248 | 11,681 | 38,567 | 37,925 | 642 | | |
| 1986 | 50,157 | 10,307 | 39,850 | 39,850 | | | |
| 1987 | 45,504 | 8,904 | 36,600 | 36,600 | | | |
| 1988 | 36,415 | 7,740 | 28,675 | 28,675 | | | |
| 1989 | 34,265 | 6,715 | 27,550 | 27,550 | | | |
| 1990 | 29,879 | 5,829 | 24,050 | 24,050 | | | |
| 1991 | 29,026 | 4,976 | 24,050 | 24,050 | | | |
| 1992 | 26,184 | 4,134 | 22,050 | 22,050 | | | |
| 1993 | 25,364 | 3,314 | 22,050 | 22,050 | | | |
| 1994 | 19,227 | 2,577 | 16,650 | 16,650 | | | |
| 1995 | 15,385 | 1,985 | 13,400 | 13,400 | | | |
| 1996 | 10,995 | 1,495 | 9,500 | 9,500 | | | |
| 1997 | 7,472 | 1,222 | 6,250 | 6,250 | | | |
| 1998 | 7,474 | 974 | 6,500 | 6,500 | | | |
| 1999 | 5,733 | 733 | 5,000 | 5,000 | | | |
| 2000 | 5,533 | 533 | 5,000 | 5,000 | | | |
| 2001 | 5,333 | 333 | 5,000 | 5,000 | | | |
| 2002 | 5,033 | 33 | 5,000 | 5,000 | | | |
| Total | $1,359,213 | $451,356 | $907,857 | $837,409 | $22,289 | $43,525 | $4,634 |

**NOTES:** Includes all mandatory payments (including sinking fund requirements and serial maturities) whether payable from revenues or other sources, upon the assumption that: (1)—the presently outstanding bonds will not be retired prior to maturity except in accordance with the mandatory retirement provisions of the resolutions establishing the series of which such bonds form a part; (2)—the amortization payment will be made each year on the latest permissible date on which such payment is required to be made; (3)—such payments will be in the amount scheduled to be made for such year. Interest shown under "Debt Service Total All Issues" is computed on the same assumptions as amortization.

**See Notes to Financial Statements**

## STATEMENT K **Selected Financial Data—A Ten-Year Comparison** (In Thousands)

| | 1967 | 1966 | 1965 | 1964 | 1963 | 1962 | 1961 | 1960 | 1959 | 1958 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Revenues (A)** | | | | | | | | | | |
| Gross Operating Revenues | $ 207,511 | $ 189,953 | $ 178,630 | $ 167,256 | $ 154,025 | $ 135,059 | $ 123,267 | $ 115,370 | $ 105,663 | $ 93,183 |
| Operating Expenses | 110,095 | 102,113 | 98,901 | 89,177 | 79,797 | 65,742 | 56,018 | 52,688 | 45,606 | 42,514 |
| Net Operating Revenues | 97,416 | 87,840 | 79,729 | 78,079 | 74,228 | 69,317 | 67,249 | 62,682 | 60,057 | 50,669 |
| Other Income (B) | 7,792 | 6,893 | 5,553 | 5,123 | 4,825 | 4,806 | 4,339 | 4,690 | 3,600 | 2,678 |
| Net Revenues | 105,208 | 94,733 | 85,282 | 83,202 | 79,053 | 74,123 | 71,588 | 67,372 | 63,657 | 53,347 |
| Interest on Funded Debt | 23,254 | 22,369 | 21,249 | 20,291 | 18,752 | 16,280 | 14,807 | 13,291 | 11,229 | 9,159 |
| Net Revenues after Interest | 81,954 | 72,364 | 64,033 | 62,911 | 60,301 | 57,843 | 56,781 | 54,081 | 52,428 | 44,188 |
| **Times, Interest Earned** | 4.52 | 4.24 | 4.01 | 4.10 | 4.22 | 4.55 | 4.83 | 5.07 | 5.67 | 5.82 |
| Mandatory Long Term Debt Retirements | 23,139 | 21,407 | 21,384 | 19,849 | 20,264 | 20,777 | 19,002 | 17,450 | 16,718 | 11,633 |
| Net Revenues after Debt Service (C) | $ 58,815 | $ 50,957 | $ 42,649 | $ 43,062 | $ 40,037 | $ 37,066 | $ 37,779 | $ 36,631 | $ 35,710 | $ 32,555 |
| **Times, Debt Service Earned** | 2.27 | 2.16 | 2.00 | 2.07 | 2.03 | 2.00 | 2.12 | 2.19 | 2.28 | 2.57 |
| **Net Changes in Reserves** | | | | | | | | | | |
| Transferred from Revenues (above) | $ 58,815 | $ 50,957 | $ 42,649 | $ 43,062 | $ 40,037 | $ 37,066 | $ 37,779 | $ 36,631 | $ 35,710 | $ 32,555 |
| Short Term Note Retirements | (46,000) | (40,000) | (31,500) | (33,000) | (33,000) | (31,000) | (32,000) | (35,000) | (24,000) | (19,000) |
| Long Term Debt Retirement Acceleration | (2,532) | (1,195) | (3,551) | (3,147) | (2,590) | (2,038) | (489) | (1,021) | (925) | (797) |
| Adjustment of Securities to Market Value (D) | (7,709) | (414) | (4,010) | 107 | (2,968) | 2,311 | (1,943) | 6,598 | (3,610) | (3,913) |
| Net Change | $ 2,574 | $ 9,348 | $ 3,588 | $ 7,022 | $ 1,479 | $ 6,339 | $ 3,347 | $ 7,208 | $ 7,175 | $ 8,845 |
| **Reserves— At Year End** | | | | | | | | | | |
| General Reserve | $ 90,649 | $ 83,285 | $ 85,593 | $ 80,611 | $ 73,950 | $ 68,761 | $ 62,609 | $ 61,083 | $ 57,481 | $ 50,800 |
| G & R Special Reserve | 12,642 | 15,219 | 9,090 | 10,352 | 10,781 | 12,955 | 13,305 | 12,513 | 10,535 | 10,574 |
| Air Terminal Reserve | 8,364 | 10,051 | 5,299 | 5,413 | 4,423 | 5,826 | 5,377 | 4,468 | 3,088 | 2,642 |
| Marine Terminal Reserve | 1,107 | 1,633 | 858 | 876 | 1,076 | 1,209 | 1,121 | 1,001 | 753 | 666 |
| Total | $ 112,762 | $ 110,188 | $ 100,840 | $ 97,252 | $ 90,230 | $ 88,751 | $ 82,412 | $ 79,065 | $ 71,857 | $ 64,682 |
| **Funded Debt— At Year End** | | | | | | | | | | |
| General and Refunding Bonds | $ 22,290 | $ 24,490 | $ 25,717 | $ 27,035 | $ 33,190 | $ 38,761 | $ 46,077 | $ 51,782 | $ 58,566 | $ 64,893 |
| Air Terminal Bonds | 43,432 | 46,902 | 50,280 | 53,548 | 56,330 | 59,898 | 62,829 | 64,512 | 65,895 | 66,326 |
| Marine Terminal Bonds | 4,633 | 5,360 | 5,643 | 5,777 | 6,543 | 6,913 | 7,276 | 7,630 | 7,976 | 8,312 |
| Consolidated Bonds | 836,136 | 756,097 | 774,288 | 719,749 | 643,434 | 582,041 | 509,911 | 486,903 | 442,372 | 368,468 |
| Total | $ 906,491 | $ 832,849 | $ 855,928 | $ 806,109 | $ 739,497 | $ 687,613 | $ 626,093 | $ 610,827 | $ 574,809 | $ 507,999 |
| **Invested in Facilities — At Year End** | $1,683,798 | $1,584,037 | $1,503,765 | $1,402,722 | $1,327,956 | $1,224,227 | $1,116,109 | $1,012,541 | $ 920,250 | $ 816,701 |
| **Debt Retirement Through Revenues and Reserves** | | | | | | | | | | |
| Annually | $ 72,358 | $ 63,079 | $ 56,681 | $ 56,388 | $ 56,116 | $ 54,480 | $ 51,734 | $ 53,982 | $ 42,190 | $ 31,677 |
| Cumulative | 871,733 | 799,375 | 736,296 | 679,615 | 623,227 | 567,111 | 512,631 | 460,897 | 406,915 | 364,725 |

(A) These combined totals are presented for general information purposes only; the net revenues of the various facilities for the years listed were pledged in support of particular issues of bonds without availability for other bonds or for expenses of facilities financed by other bonds, except, under limited circumstances, through the medium of certain reserve funds.

(B) Other income includes income from investment of reserves and net operating revenues and other miscellaneous items.

(C) Net deficits of facilities the net revenues of which are first pledged to Consolidated Bonds were met by payments from Reserves; they are not shown in this Statement as deductions from reserves, but rather reduce the annual amounts otherwise available for reserves to produce the annual amounts shown above as "Net Revenues after Debt Service." Short term note retirements are shown under "Net Changes in Reserves." Any balance of short term maturities was refunded with the proceeds of long term bond issues.

(D) Investments are carried at their aggregate amortized cost or market value, whichever is lower, except that for the year 1967 investments in Port Authority bonds are carried at their amortized cost.

**See Notes to Financial Statements**

STATEMENT L

## The Port of New York Authority
## New York State Commuter Car Program
## Assets and Liabilities

| | December 31, 1967 | 1966 |
|---|---|---|
| | (In Thousands) | |
| **Assets** | | |
| Invested in commuter cars | $14,250 | $19,713 |
| Investment in U.S. Government Securities | — | 134 |
| Cash | 326 | 28 |
| Other assets | 7 | 73 |
| Total assets | 14,583 | 19,948 |
| **Liabilities** | | |
| State Guaranteed Commuter Car Bonds | 11,880 | 12,450 |
| Debt retired through income | 2,370 | 7,275 |
| Accounts payable and other liabilities | 333 | 223 |
| Total liabilities | $14,583 | $19,948 |

**NOTES:** Assets and Liabilities at December 31, 1967 are related to cars leased to the New York Central Railroad Company. Assets and Liabilities at December 31, 1966 also included cars leased to the Long Island Rail Road Company. All right, title and interest in these cars were transferred to the Metropolitan Commuter Transportation Authority on May 26, 1967.

**See Note A-6 to Financial Statements**

Credits:

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