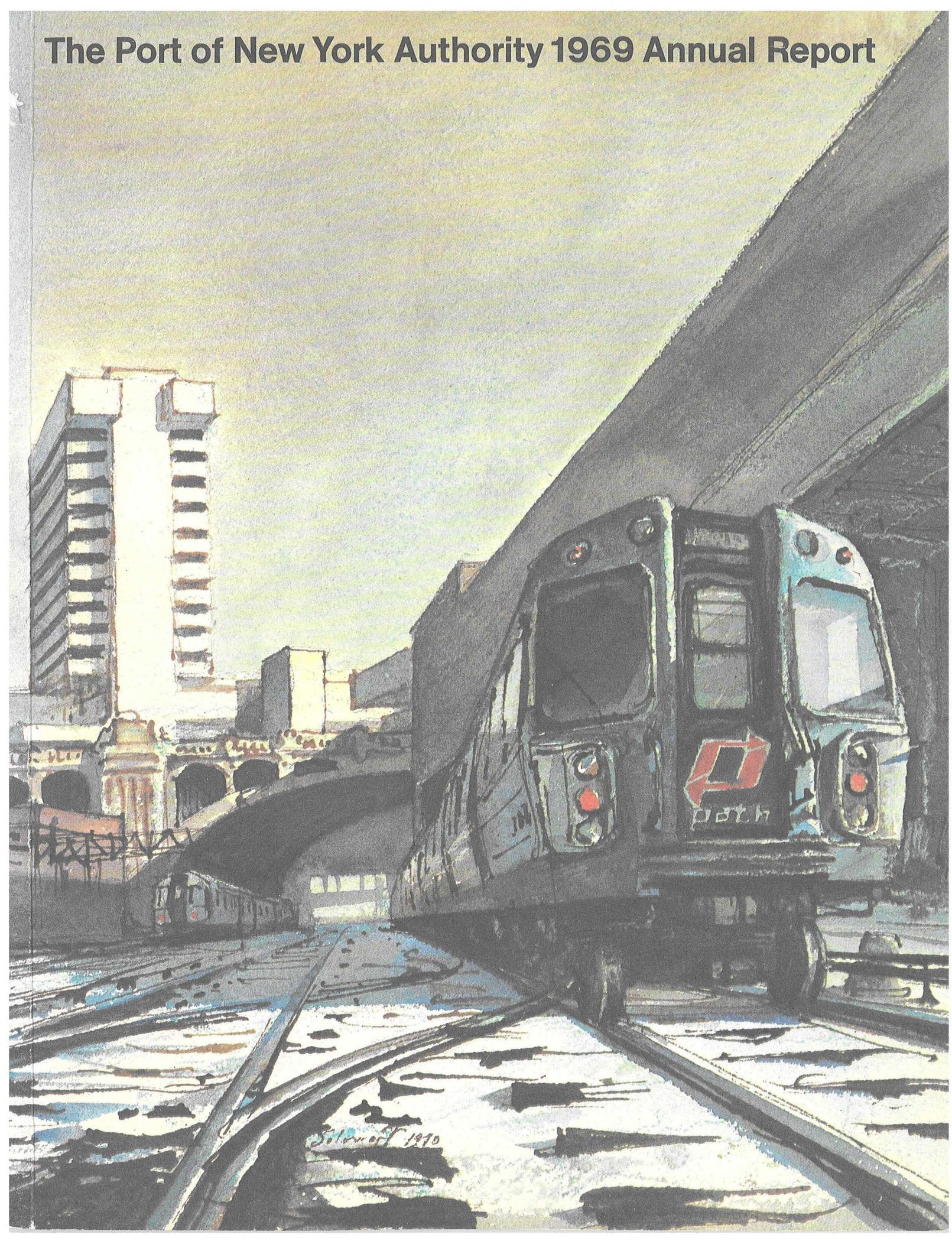


The Port of New York Authority 1969 Annual Report



To:

*The Honorable William T. Cahill,
Governor, State of New Jersey*

*The Honorable Nelson A. Rockefeller,
Governor, State of New York*

The year 1969 was another period of growing accomplishment in the Port of New York. There was progress on many fronts. Development and operation of land, sea and air transportation and terminal facilities proceeded at an accelerated pace to meet ever-growing demands. The promotion of the trade and commerce which make our Port pre-eminent continued energetically and with excellent result. For it is by planning, by building and by superior service that the New Jersey-New York Port District maintains its unquestioned leadership of the nation's commerce, business and finance. This continued pre-eminence is fundamental to the economic well-being of the 13 million people of our great bi-state region.

The vast program of rehabilitation and modernization on the Port Authority Trans-Hudson (PATH) commuter railroad, begun in 1962, pressed ahead with new achievements. Already some \$125 million has been invested in transformation of the old Hudson Tubes, and ultimately the program will cost over \$200 million. PATH carried 37,751,200 passengers in 1969, a substantial 8.5 per cent increase over 1968 and the fourth consecutive yearly gain. But PATH's financial loss was also up 12.3 per cent in accord with the inexorable deficit aspects of mass transportation economics as experienced throughout the nation. It is nonetheless gratifying that improved and increased service has obviously pleased so many people, as demonstrated by growing patronage.

Work started on another major addition to the PATH system, the new Journal Square Transportation Center in Jersey City. The last legal obstacles were cleared away in 1969, and construction began. The Journal Square project, to be completed in 1972, is a coordinated facility with rail station and offstreet bus terminal and automobile parking which will provide greatly improved services for thousands of daily travelers. The Transportation Center will also house the PATH administrative offices. Community leaders have hailed this development as a civic boon and economic stimulus for Jersey City.

Still another highly significant advance for public transportation came with the projected extension of the Port Authority Bus Terminal. Planning and design started on a program to increase the capacity of the existing terminal by almost 50 per cent. Bus operating levels will be extended into a new structure on part of the block immediately to the north. The whole bus terminal will thus stretch along Eighth Avenue from 40th Street to 42nd Street, but vaulting over 41st Street so that this crosstown thoroughfare remains open for pedestrians and vehicular traffic. Property needed for the extension has already been acquired, and engineering design work is to be completed by late 1970. The Bus Terminal already serves more than 220,000 travelers on an average weekday.

In water transportation, the Port of New York continued to out-distance all competition in providing docks and terminals to service the container revolution that is sweeping the cargo shipping industry around the world. The Port Newark-Elizabeth marine terminal complex, where the Port Authority pioneered more than a decade ago in developing container facilities, remains unchallenged as the

nation's container capital. The two Newark Bay seaports were busier than ever. The growth of waterborne commerce brought an ever-increasing demand for additional facilities, so much so that the scheduled completion of Port Elizabeth is now set for 1973—two years ahead of original plans. Elizabeth will then have berthing space for 25 containerships and over 900 acres of open storage area and distribution buildings. All in all, this will bring the total Port Authority investment at Port Newark-Elizabeth to \$295 million. Improvements were made in 1969 to increase the operating efficiency of our marine facilities in Brooklyn. The most significant aspect was the installation of track to allow direct rail carload service.

In air transportation, the Port Authority has intensified efforts toward getting maximum capacity at the three existing major airports. Work proceeds rapidly on the \$200 million redevelopment of Newark Airport and the \$150 million expansion at Kennedy International Airport.

Construction of The World Trade Center went steadily ahead. This new headquarters of international commerce is dedicated to maintaining and enlarging the pre-eminence of the Port of New York. By late 1970, its doors will open to receive the first members of the world business community. Completion of the entire Trade Center is scheduled for 1973.

This was the broad picture for 1969, another year of continued service to the people of the Port District in fulfilling the directives given to the Port Authority by the two States.

Respectfully yours,



*James C. Kellogg, III
Chairman*



Honorable William T. Cahill,
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 William T. Cahill,
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

James C. Kellogg, III
Chairman

Ben Regan
Vice Chairman

Hoyt Ammidon

John J. Clancy

Charles W. Engelhard

Alexander Halpern

Sidney S. Hein

Walter H. Jones

Bernard J. Lasker

William J. Ronan

William A. Sternkopf, Jr.

W. Paul Stillman

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On the cover:

Construction on the Journal Square Transportation Center in Jersey City began in 1969. Hailed by local government and business leaders as a civic boon and economic stimulus for Jersey City, the Center will include a new Journal Square station for PATH, new bus facilities, and auto parking areas to provide coordinated and improved services for thousands of daily commuters.

What the Port Authority is and What it Does

The Port of New York Authority is an agency of the States of New Jersey and New York. Port Authority Commissioners are public officers. Port Authority projects are public projects, but the Authority has no taxing power and cannot pledge the credit of either State. It must raise the capital funds required to construct the projects assigned it by the States by borrowing money on its own credit.

The Port Authority was created by a Compact between the two States in 1921 as a financially self-supporting agency capable of developing and operating terminal, transportation and other facilities of commerce within the bi-state Port of New York District. The Port Authority can undertake only those projects which have been authorized by the two States.

In the Port Compact, New Jersey and New York:

- pledged their *"faithful cooperation in the future planning and development of the Port of New York;"*
- specifically defined *"the Port of New York District,"* the area in which their joint interest lay; and
- created *The Port of New York Authority as their agency to carry out within the District, the projects which they declared "can best be accomplished through the cooperation of the two States by and through a joint or common agency."*

Organization

The Port Authority consists of twelve Commissioners. Six are appointed by the Governor of New York and six by the Governor of New Jersey, subject to confirmation by the State Senates. The Commissioners serve without pay or fees of any kind for overlapping terms of six years. Traditionally, appointments have been based upon records of accomplishment in business, the professions and community and public leadership. The Commissioners report directly to the Governors of New York and New Jersey, who have veto power over actions of their respective Commissioners taken at meetings of the Board.

To carry out their policy decisions and manage the day-to-day operations of the Authority, the Commissioners rely on an Executive Director and a professional staff. The Executive Director is charged with the same responsibility for executive action and administration as the president of a private corporation. The policies of the Board are transmitted to the administrative staff through him and staff recommendations to the Board are presented by him. The Executive Director and the General Counsel are elected annually by the Board of Commissioners.

Both because they are state officers and because the Governors of

New York and New Jersey can veto actions of the Commissioners, the Commissioners and their Executive Director continuously coordinate Port Authority planning and programs with the Governors and State Legislatures, to assure that contemplated Port Authority actions will be in harmony with State policies. The Commissioners' policy of close and continuous liaison with the Governors in the conduct of Port Authority activities has resulted in very rare exercise of the veto power by the Governors.

Projects

The projects and activities which the Port Authority has undertaken in accordance with the Port Compact and the additional specific directives of the two States in subsequent concurrent legislation fall in the general fields of: land transportation; air transportation; water transportation; and world trade. The facilities operated by the Port Authority in accordance with the directions of the two States are:

Tunnels and Bridges Linking the States of New York and New Jersey

Bayonne Bridge
George Washington Bridge
Goethals Bridge
Outerbridge Crossing
Holland Tunnel
Lincoln Tunnel

Rail and Bus Commuter Facilities

Port Authority Bus Terminal
George Washington Bridge
Bus Station
Port Authority Trans-Hudson
(PATH) System

Regional Airports Serving the Two States

John F. Kennedy International
Airport
LaGuardia Airport
Newark Airport
Teterboro Airport
Port Authority—West 30th Street
Heliport
Port Authority—Downtown Heliport

Piers and Docks and other Facilities Handling the Commerce of the Two States

Elizabeth—Port Authority Marine
Terminal
Port Newark
Hoboken—Port Authority Marine
Terminal
Brooklyn—Port Authority Marine
Terminal
Erie Basin—Port Authority Marine
Terminal
Port Authority Grain Terminal and
Columbia Street Pier
The World Trade Center
Port Authority Building
New York Union Motor Truck
Terminal
Newark Union Motor Truck Terminal

Other Activities

In addition to planning, financing, building and operating certain terminal transportation and other facilities of commerce, the Port Authority has the duty, under the Port Compact, to "make recommendations to the legislatures of the two States or to the Congress of the United States . . . 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 . . ."

To carry out this responsibility, the Port Authority is continuously engaged in planning studies on all matters related to the future of transportation and the need for transportation facilities in the Port District. This work involves constant cooperation and coordination with the many municipal, state and federal governmental agencies and departments which have responsibilities in the field of transportation and with the many private organizations involved, such as railroads, bus lines, shipping lines, airlines, and others.

The Port Authority also has a responsibility to promote and protect the commerce of the port. The entire economy of this metropolitan area depends upon its position as a trans-

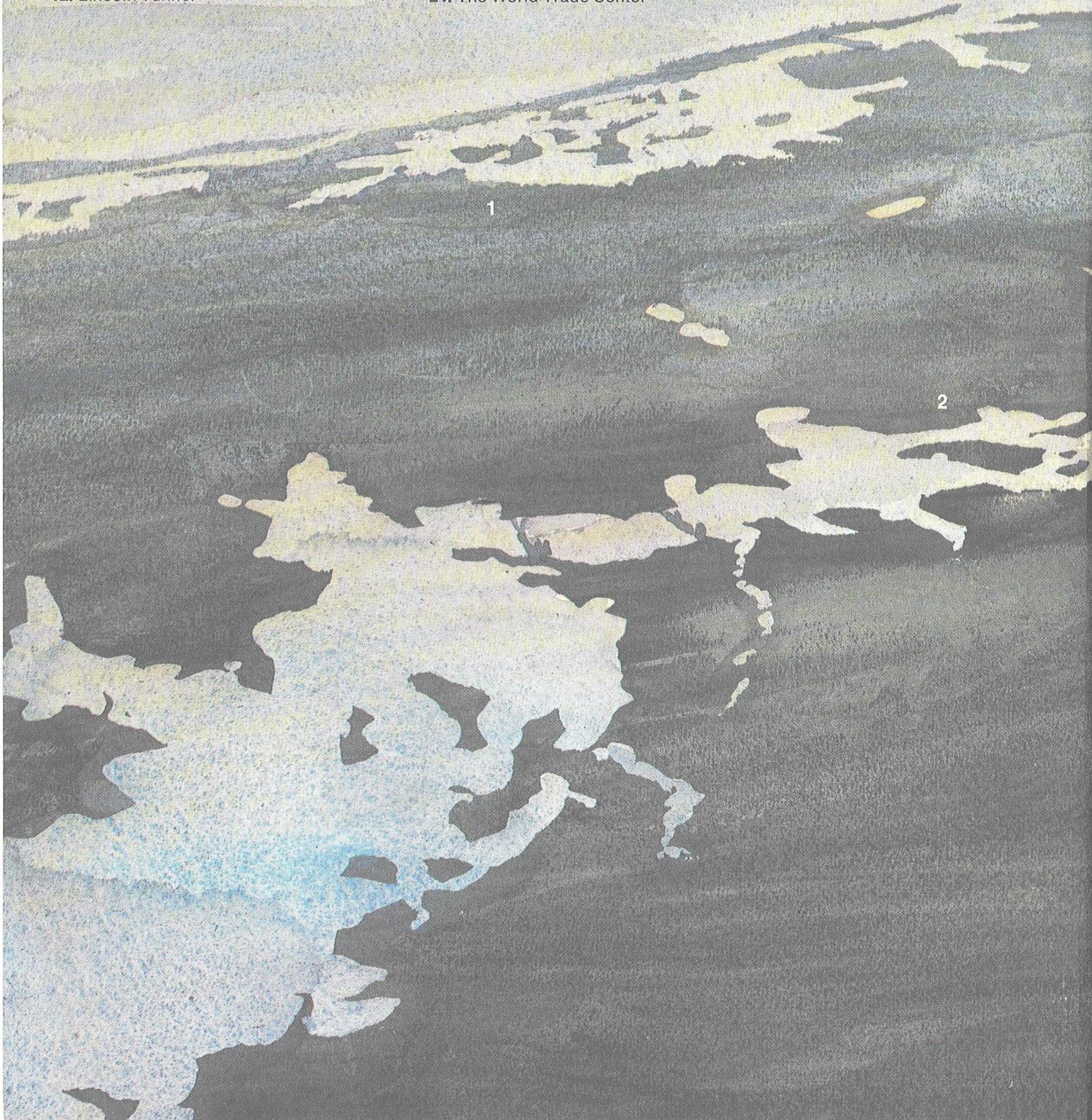
portation center, and the New Jersey-New York Port is constantly competing with other ports for cargo business. To carry out this responsibility, the Port Authority represents the interests of the Port before the Interstate Commerce Commissioner, the Civil Aeronautics Board, and other regulatory agencies, in matters such as rate cases, route cases, etc.

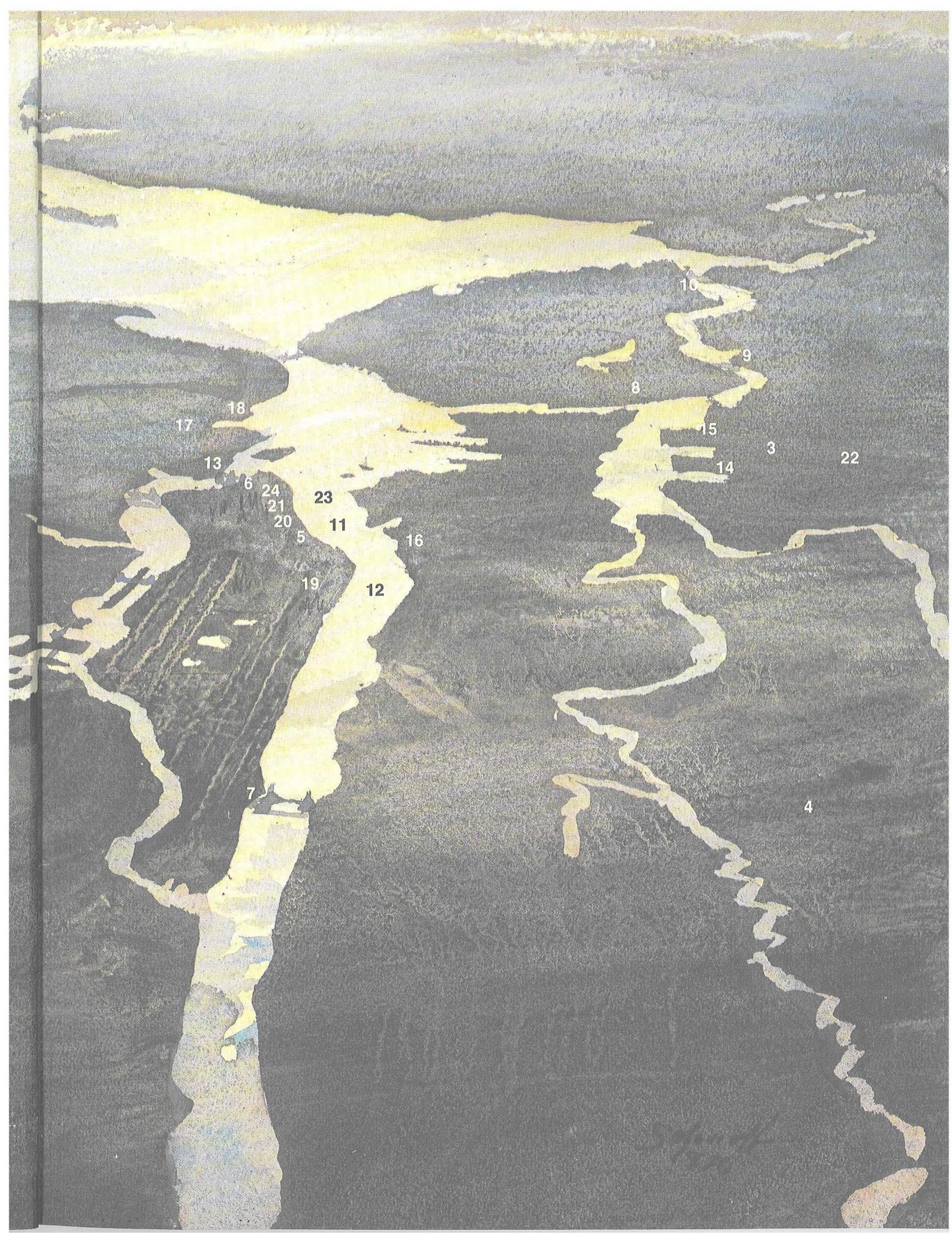
Another facet of the Port Authority's activities to promote the commerce of the Port is its program of port promotion and trade assistance. Trade transportation specialists, working from nine Port of New York Trade Development Offices in the United States and overseas assist shippers in their export-import operations and emphasize how shippers can cut costs and/or expedite their shipments via the Port of New York.

The expansion of international trade and the flow of commerce through the Port of New York is the specific purpose of The World Trade Center, now under construction. The Center will serve as a "United Nations" of commerce which will bring together the marketing and service facilities of world trade to permit the Port of New York to better serve international commerce and to attract larger volumes of international trade to the Port of New York.

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





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The Port of New York

The Port of New York's leadership as a regional transportation center is largely a result of coordinated planning by many public agencies concerned with the movement of goods and people. A great part of the work done by these agencies concerns transportation development in the Port District, an area extending approximately twenty-five miles in all directions from the Statue of Liberty. This 1,500-square-mile area has a population of over 13 million persons and includes most of what is called the Northern New Jersey-New York metropolitan area.

The people of this bi-state metropolitan area have a vital stake in the flow of commerce through the Port. In 1969, this flow generated employment for 82,000 people who were directly employed by private firms with operations based at Port Authority facilities. These employees alone represented a combined payroll of \$800,300,000. In addition, construction jobs at the Port Authority's tunnels, bridges, and terminals provide employment for an additional 9,600 New York and New Jersey workers who earn some \$103,600,000 a year.

The Port of New York is the hub of a far-reaching complex of air, sea, rail and highway transportation. Fifteen railroads, nine of which are trunk line long-haul roads, connect the Port directly with the major industrial areas east of the Mississippi, and, by means of interline connections, with all other portions of the continental United States, Canada, and Mexico.

Air service from the Port is unequalled with over forty-eight airlines operating at the Port of New York's

airports, forty-one of them on international routes. These airlines offer as many as 1800 weekly flights to 156 overseas cities in 72 countries and an average of more than 800 domestic flights daily serving all the major cities in North America.

Over 180 steamship lines connect the Port with all the world's trading nations and involve 20,200 ship arrivals and departures in 1969. The greatest percentage of the departures move directly to foreign ports with no intermediate stop at any other United States port. This frequency and directness of service is used by many manufacturers to assure ontime delivery to their overseas customers.

An extensive network of high-speed expressways, such as the New Jersey Turnpike and the Governor Thomas E. Dewey Thruway, enable ten thousand registered common carrier motor trucks and passenger buses to provide fast service between the Port and inland areas daily. Arterial bypass highways, using the George Washington Bridge or the Verrazano-Narrows Bridge, aid the movement of this traffic by permitting it to avoid the central business area.

The thirteen million people who populate the Port District, and their transportation needs are accommodated by an intricate and well-balanced network of public transportation and highway facilities. This regional system has been developed to serve travel patterns between suburban and central business districts, as well as the multiplicity of intra-region journeys involved in the daily lives of the residents. The importance of the vital mass transportation services is em-

phasized by the fact that 90 percent of the 1,600,000 people who enter Manhattan's central business district during the peak period of a typical working day are served by public transportation.

Policy Studies Underway

A major Port Authority study is now underway to define trans-Hudson transportation travel demands of the 1970's and beyond. Key to this program has been the development of a computer model which makes it possible to forecast future travel volumes and patterns to assess the impact of alternative physical facilities or transportation policies. The study assures a continuing commitment to the peripheral highway system, by which vehicular traffic is directed to bypass the region's core, and a continuing emphasis on the necessity of convenient and attractive mass transportation to serve the concentration of economic activity in the region's core, centered on lower Manhattan.

New and imaginative planning techniques are paramount as the Port Authority seeks ways of maximizing existing trans-Hudson capacity. A highly successful staggered hours experiment during the year, involving the Port Authority's main office staff of almost 3,000 employees, has provided strong support to the belief that a significant improvement in the utilization of mass transportation capacity can be achieved by even a moderate spreading of the current arrival and departure peaks. In cooperation with the Downtown Lower Manhattan Association, a broader experiment in staggered work hours with the objec-

tive of involving as many as 100,000 employees of a number of large lower Manhattan firms, will be conducted in 1970. Another new step was the use of modern market research techniques to study the factors motivating commuters in selecting their modes of transportation. Understanding these motivations will be useful in attempting to stimulate greater use of mass transportation in the future.

Protection and promotion of the movement of oceanborne foreign trade through the Port of New York is one of the fundamental responsibilities mandated to the Authority. The Port is clearly the "container capital of the world," and the rapid growth of international container traffic has fully validated and actually exceeded predictions made by the Port Authority in its May 1967 publication, "Container Shipping: Full Ahead."

The continued economic viability of the entire Metropolitan Region is of great concern to The Port of New York Authority, which for many years has engaged in those aspects of industrial development promotion designed to attract new industries to the area and to encourage retention of those already located here. In cooperation with the States, Counties, Municipalities and numerous public and private agencies, a comprehensive Industrial Development Guide is being prepared by the Authority. The publication, which will be periodically updated, will provide details on every important economic and physical characteristic of the industrial development process, with the primary objective of promoting the significant potentials of the Region. It will be used by those public

agencies and private concerns responsible for encouraging and negotiating with prospective clients which might locate in the Port District.

Cooperative Programs

In an effort to ensure the continued pre-eminence of the Port and the prosperity of the people residing here, the Port Authority cooperates with a vast number of governmental and private organizations which share the responsibility for the development and operation of the Port of New York and its comprehensive transportation system.

The Port Authority has worked closely with the New Jersey Department of Transportation in its development and implementation of a Transportation Master Plan for New Jersey, and the Authority's own planning activities are being closely coordinated with that plan. Similarly, close and continuing liaison is maintained with the New York State Department of Transportation, including submission by the Authority of views and recommendations concerning New York's State-wide Transportation Plan. The Port Authority participates on the New York State coordinating committee for statewide transportation planning.

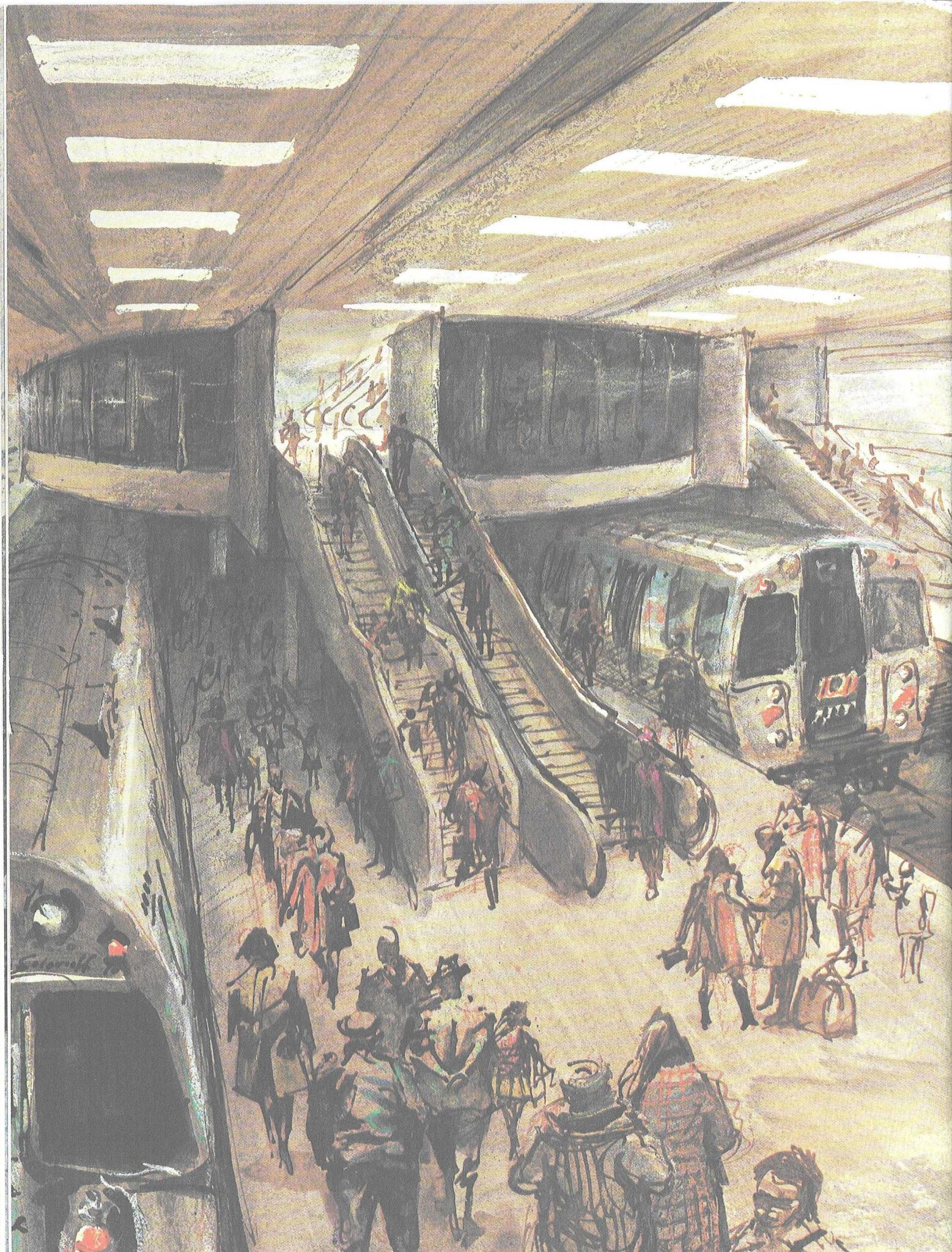
During 1969, the Port Authority worked closely with the Metropolitan Transportation Authority, particularly in joint planning efforts with the MTA and the airlines to improve access to John F. Kennedy International Airport by an extension of the Long Island Rail Road to the Airport.

The Port Authority also continued coordinated efforts with the Tri-State Transportation Commission, which

was created as an interstate planning agency by the States of New York, New Jersey and Connecticut. This Commission is directing its attention to the definition and solution of immediate and long-range transportation and related land use problems of the metropolitan region of the three States.

New Jersey's recently formed Hackensack Meadowlands Development Commission has sought Port Authority assistance in its efforts to plan for the development of what is now a vast area, much of it unoccupied, across the Hudson from Manhattan. The Authority is providing technical assistance in the development of the master plan as required by the Commission's enabling legislation.

In order to obtain the current and detailed data necessary to these planning efforts, a major program of surveys was carried out during 1969. Passengers using the Port Authority airports, bus terminals, bridges and tunnels and PATH were all surveyed during the year in order to find out their origin and destination patterns, basic passenger characteristics and the flow patterns of the traffic. In addition, the Port Authority participated with the U.S. DOT, the Corps of Engineers, American Association of Port Authorities and various air and surface carriers in the development of a survey program to be carried out by the U.S. Census Bureau, which will provide urgently needed information on flows of foreign trade through U.S. ports to and from inland points in the U.S. and in foreign countries.



Land Transportation

Over 400,000 people a day are served by the mass transportation facilities operated by the Port Authority. Approximately 260,000 people a day use the Port Authority Bus Terminal and George Washington Bridge Bus Station, while 140,000 people a day travel via the Port Authority Trans-Hudson (PATH) rail rapid transit system. In addition, the Port Authority operates six tunnels and bridges connecting New York and New Jersey and three land terminals for truck activities.

PATH and Rail Transportation

The Port Authority Trans-Hudson Corporation (PATH), rail rapid transit operating subsidiary of the Port Authority, carried 37,751,200 passengers in 1969, an increase of 8.5 percent over the 1968 figure of 34,782,000. This marks the fourth consecutive year of traffic increases on PATH. Although this was coupled with the seventh consecutive year of increased financial deficits, nonetheless, it is gratifying to note that the extensive PATH rehabilitation, modernization and increased passenger services have made it increasingly attractive to the people of the communities it serves.

PATH patronage, about 140,000 riders daily, is split nearly equally between suburban commuter railroad passengers transferring to PATH at Newark and Hoboken and those passengers who live in the communities served directly by the system (Newark, Harrison, Hoboken, Jersey City, and New York City). Both groups showed

PATH passengers at the new Journal Square Transportation Center will use modern and spacious platform areas providing easy and comfortable access to trains serving Newark, Hoboken and New York City. When completed in 1972, the PATH Journal Square Transportation Center will be a coordinated public transportation facility also including an off-street terminal for connecting interstate buses and automobile parking.

gains for 1969.

PATH's deficit for 1969, despite the increased traffic, was \$12.3 million, compared to the \$10.9 million deficit experienced in 1968.

Progress Toward Improved Transportation

PATH acquired the formerly bankrupt Hudson and Manhattan Railroad on September 1, 1962, and initiated a long-range, multi-million dollar modernization and rehabilitation program, which has cost some \$125 million for property acquisition and capital improvements in seven years. When completed, the program will have cost the Port Authority over \$200 million.

In 1969, this improvement program continued to move forward. In January, a contract was let for construction of the last of four silicon rectifier traction power substations to be built as part of the traction power modernization program in the PATH tunnel areas. This new substation will replace the outmoded one at Hudson Terminal and will be located on platform level of the new World Trade Center PATH Terminal, now under construction.

Later in the year, a project was undertaken to expand the power system between Journal Square and Newark at an estimated cost of \$6.6 million.

Two major track programs were completed during the year. The first raised 2,600 feet of track in the Kearny meadows adjacent to the Passaic River, a move that will minimize flooding problems which plagued that area for years. The second provided new eastbound and westbound by-pass tracks at Journal Square preparatory to the construction of the PATH Journal Square Transportation Center.

Late in the year a big step was taken toward completion of a new two-way radio communications system to permit direct radio communications between the PATH Control Center and

crews and passengers on all trains. The contract for the equipment was awarded during the year and the system is expected to be operational in late 1970.

Two major new additions to the PATH system are now under construction: the new World Trade Center Terminal in lower Manhattan, and the new Transportation Center in the Journal Square area of Jersey City. Both projects will better equip PATH to meet the increased peak-hour traffic demands expected in years ahead.

Work on the Trade Center Terminal trackage began in late 1969 with the removal of sections of the existing tunnel rings so that tracks leading to Hudson Terminal can be connected to the new trackage.

The new PATH terminal, to be opened early in 1971, will have longer and wider platforms, be equipped with high-speed escalators, an air-conditioned mezzanine and modern communications and lighting systems for passenger comfort and convenience. The present Hudson Terminal platforms are limited to six-car trains, while the new platforms will be capable of handling trains with up to ten cars at a future date.

Journal Square Transportation Center

At Journal Square, the first major construction contract for new east and westbound by-pass tracks between Journal Square and the tunnel portals was completed during the year. Property acquisition, tenant relocation and other construction progress at the site were delayed in 1969, pending the resolution of litigation concerning agreements between PATH, Jersey City and Hudson County, relating to required street closings, vehicle parking, bus stops, taxicab stands, and similar matters essential to the construction and operation of the pro-

posed terminal. In November, the New Jersey Supreme Court upheld the agreements, and the Port Authority took preliminary legal steps to acquire the necessary property early in 1970.

When it is completed in 1972, the PATH Journal Square Transportation Center will be a coordinated public transportation facility, with a rail rapid transit station, off-street bus terminal and automobile parking, all providing greatly improved rail and bus passenger services for the thousands who use them daily. The Center, which will also contain a building housing PATH's administrative offices, is expected to stimulate the growth of the area.

The Journal Square project also provides for construction of improved passenger access and control facilities at PATH's Grove Street Station in Jersey City. In 1969, construction began on a new main entrance to the station, which will eliminate the present entrance in the middle of Railroad Avenue, thereby allowing the City to turn the avenue into an important traffic artery. The new station entrance has been carefully designed to enhance the utility and beauty of the park in which it will be located. The new entrance facilities are scheduled for completion in the spring of 1970.

PATH Passenger Service

Improvements made in 1969 for the convenience and comfort of PATH's passengers were: vertical handrails installed in the cars for standing passengers; lubricators installed on PATH's tight curves to reduce irritating wheel noise; and additional public telephones on platforms and in concourses.

To inform passengers of the improvements being made on the PATH system and of other matters of interest to them, the first issue of a *PATH Newsletter* was distributed at all major terminals. Twice during the year pas-

sengers were queried on the origin and destination of their trips, to gather information for scheduling and future planning. PATH employees set numerous safety records during the year—notably, the PATH Car Equipment Division, which in the fall of 1969 completed one million man-hours without a single disabling injury, a first in PATH's history. PATH's convenient, pocket-size *Service Guide* was distributed for the first time in a Spanish language version to assist the growing Spanish-speaking population using PATH.

PATH and the Community

A transit system carrying 140,000 passengers a day has an important impact on the communities it serves. Design of the Journal Square Transportation Center and Grove Street Station reflect PATH's concern for community improvement and improved transportation.

A community public safety program directed to over 8,000 children in Jersey City public and parochial schools uses a film and lecture by PATH police who alert children to the dangers of rock-throwing, switch tampering, placing objects on the tracks, and walking on the rails.

A unique education opportunity was given children from PATH's service area during the summer when 1,000 children, many of them from disadvantaged backgrounds, were escorted on tours of the system by six PATH summer staff members—an elementary school principal and five young women. The youngsters were told the history of the system, the rehabilitation and modernization of the antiquated H&M by PATH, and given a "behind the scenes" view of rail rapid transit operations.

PATH tour guides provided a unique educational opportunity during the summer for more than 1,000 children in PATH's service area through "behind the scenes" tours of the rail rapid transit system.



New York State Commuter Railroad Equipment Program

Two hundred and forty-two of 270 new stainless steel passenger cars, which the Port Authority is financing under the New York State Commuter Car Program, were put into commuter service on the Long Island Rail Road in 1969. The first 12 of the electrically-propelled cars had been put into service in 1968 along with eight new diesel-electric locomotives purchased by the Port Authority. The Port Authority is purchasing the new commuter cars and leasing them to the Metropolitan Transportation Authority (MTA), the New York State agency which operates the Long Island.

A total of 117 new air-conditioned commuter cars had previously been delivered to the New York Central (now Penn Central) and the Long Island under this program.

The Commuter Railroad Equipment Program was initiated by the State of

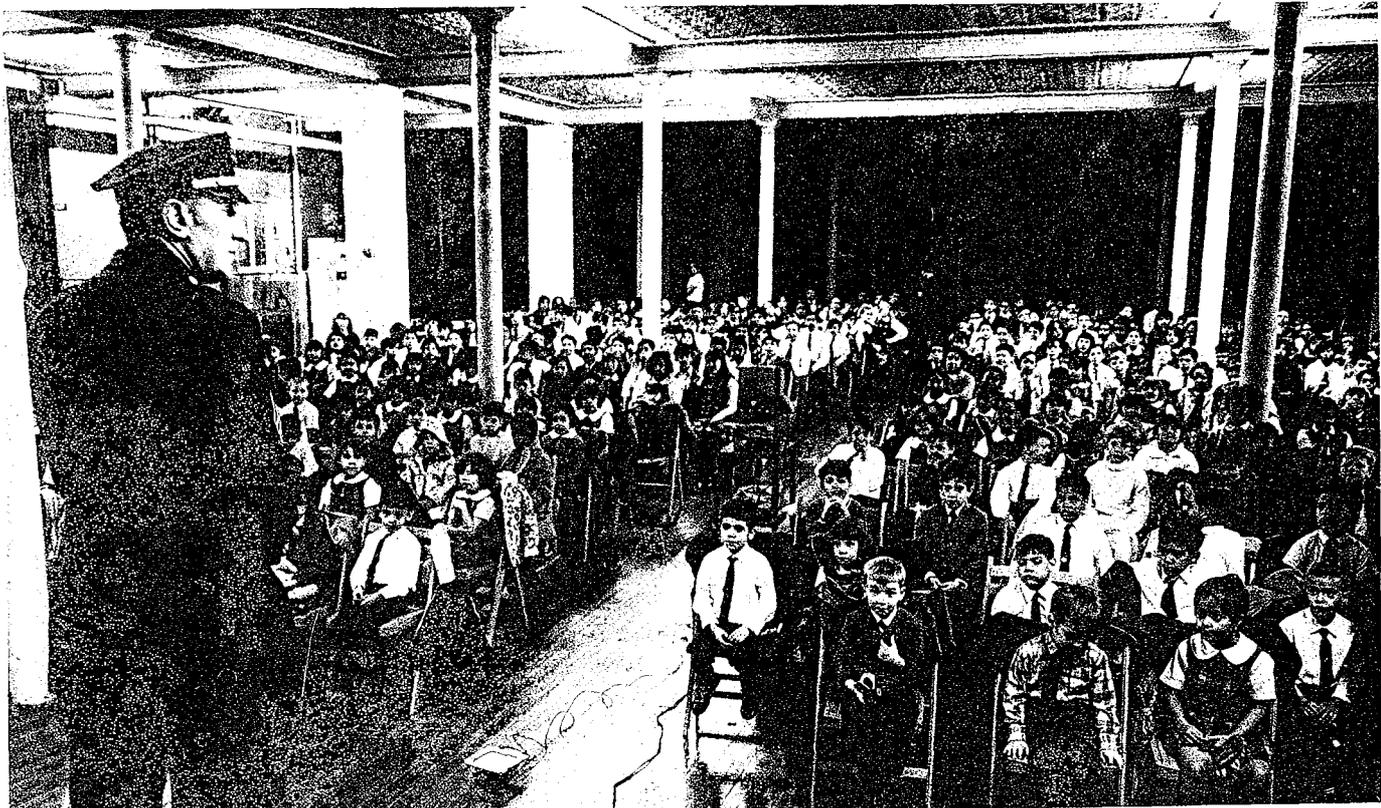
New York in 1959 to provide public financial assistance in the purchase of critically needed rolling stock for lease to the three commuter railroads serving the New York side of the Port District. The Port Authority's role as program administrator is based on concurrent legislation enacted by the States 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 financing program. The approval of the New York electorate in November 1961 permits New York State to guarantee up to \$100 million of special Port Authority bonds to finance rolling stock for passenger transportation.

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

Program.

The legislation authorizing the Commuter Railroad Equipment Program was drafted to permit assistance to the States by the Port Authority without impairment of its financial structure. As administrator of the program the Port Authority can neither derive revenues nor incur expenses which may in any way add to or detract from the revenues 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.

A community public safety program directed to over 8,000 children in Jersey City public and parochial schools uses a film and lecture by PATH police.





Terminals

The Port Authority operates five bus and truck facilities in the New York-New Jersey metropolitan area: the Port Authority Bus Terminal, the George Washington Bridge Bus Station, the Port Authority Building, and the Newark and New York Union Motor Truck Terminals. All five provide centralized terminal service for millions of people and tons of freight while also serving the vital purpose of alleviating major traffic congestion in otherwise over-crowded metropolitan areas.

During 1969, passenger activity continued at high levels at both the Port Authority Bus Terminal and the George Washington Bridge Bus Station, in spite of a series of labor disputes which affected carrier service. At year's end, the truck operating areas of the Newark and New York Truck Terminals and the Port Authority Building were 100 per cent occupied, providing combined berthing space for 451 trucks.

Bus Terminal

The Bus Terminal serves more than 220,000 people on an average weekday. There were 1,235,000 bus departures at the Bus Terminal in 1969. This figure, comprised of 851,000 short haul and 384,000 long-haul departures, is slightly below that of 1968 and reflects the strikes by several bus carriers' drivers.

Demands for terminal accommodations continue to be heavy, especially for peak period service to medium and longer distance locations. Middle distance bus carriers, which

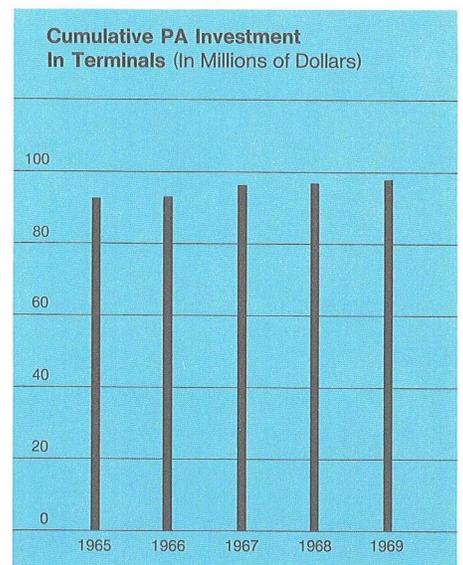
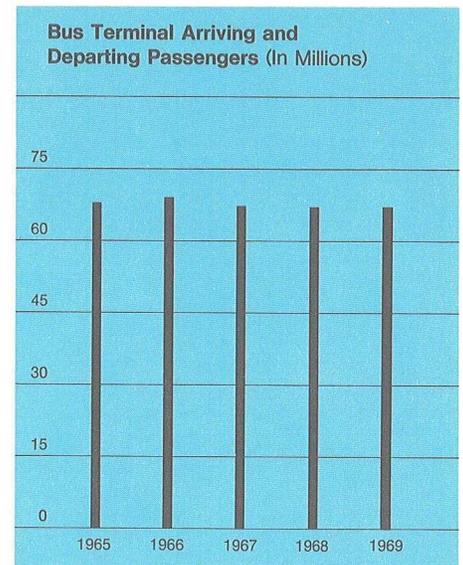
More than 220,000 people and 8,000 buses use the Port Authority Bus Terminal each working day. The growth of this form of commuter mass transportation in serving the suburban areas of Northern New Jersey and Rockland County in New York State have strained the existing capacity of the Bus Terminal. As a result, the Port Authority is now planning and designing an extension to the present terminal which will increase its capacity by nearly 50 per cent.

provide commuter service to the rapidly developing homesite areas in outlying New Jersey and also serve the more distant resort areas, have been growing steadily over recent years. Gains in long-haul traffic have also contributed to increasing the demands on Bus Terminal capacity. Long-distance travel is more concentrated at holiday and vacation periods when existing facilities are already in peak use, and facilities for baggage-handling, ticketing, dispatching, information, and passenger accommodation experience the heavy strain of continued growth.

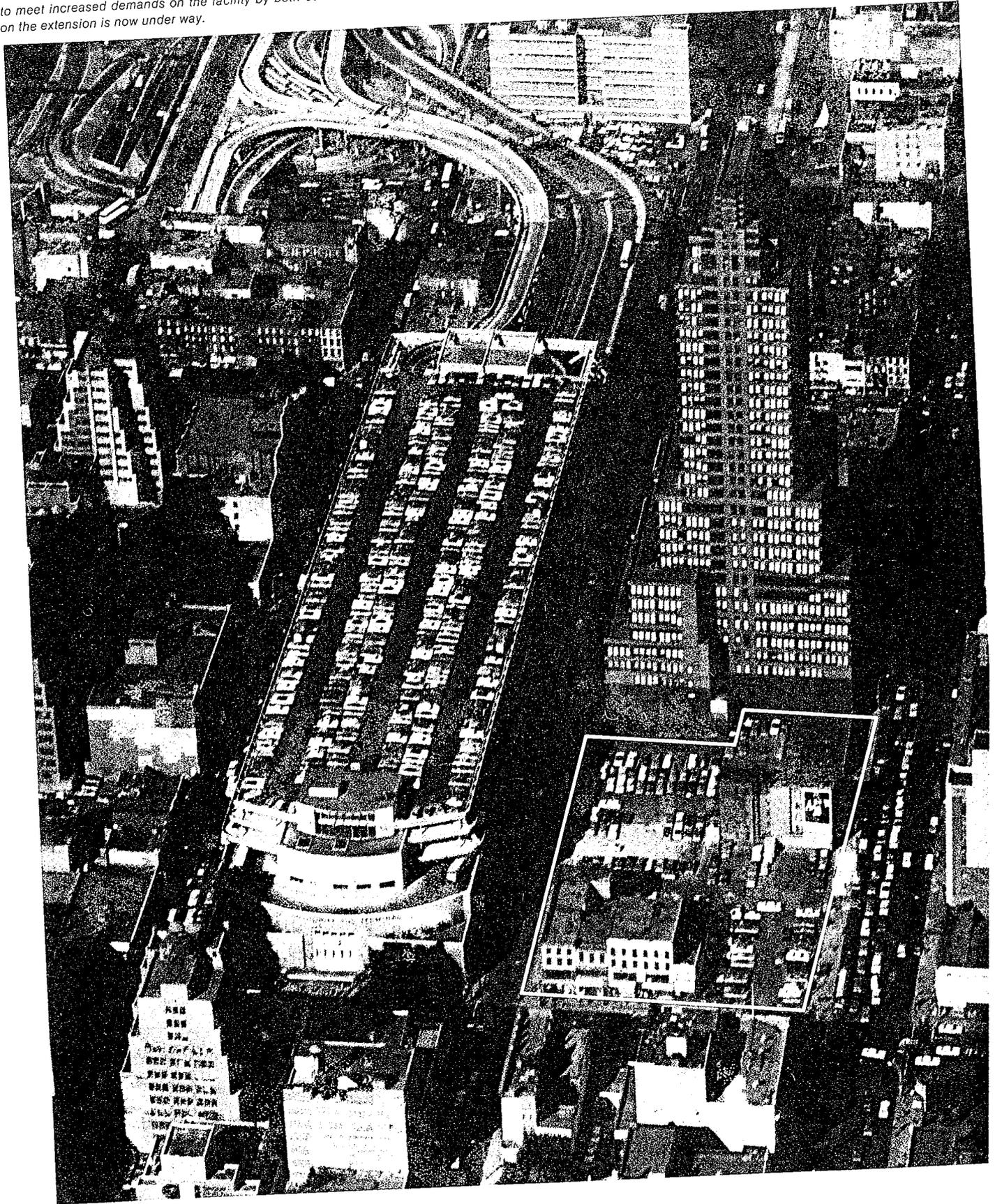
As a result, the Port Authority is now planning and designing an extension to the present Terminal. Bus loading capacity, which will be increased by nearly 50 per cent, will provide substantial relief for daily commuters and long-distance travelers. The plan provides for an extension of existing operating levels directly into a contiguous site located on a portion of the block north of the Terminal and bounded by Eighth Avenue, the McGraw Hill Building, and 41st and 42nd Streets. The street level of the two structures will be separated so that vehicular and pedestrian traffic throughout the area will remain free-flowing. There will also be a new subway level to handle the flow of passengers between the terminal and the subway. Automobile parking facilities will be placed above the extension thus increasing the present 1,080 car parking capacity to at least 1,500 cars. The property needed for the extension has already been acquired and the design work is scheduled for completion in late 1970. Construction is expected to start shortly thereafter.

Since the Bus Terminal Annex will be constructed on the southwest corner of Eighth Avenue and 42nd Street, the Port Authority believed that it

should be so planned as to encourage the future upgrading of that area and contribute to the full development and renewal of that important street intersection. Accordingly, arrangements have been under way for the development by private interests of an office building within the air rights above the Annex. The office building would be privately owned and operated. We are cooperating fully in this effort with the New York City Planning Commission and other City agencies.



The Port Authority has acquired the necessary property for an extension to the present bus terminal at 41st Street and Eighth Avenue in Manhattan. The extension will increase capacity of the terminal by 50% to meet increased demands on the facility by both commuter and long-haul passengers. Designing work on the extension is now under way.



George Washington Bridge Bus Station

During 1969, the seventh year of its operation, more than 12,900,000 passengers were handled on 530,000 arriving and departing buses at the Bus Station.

The Station serves as a focal point for commuters from Bergen and Rockland County where the construction of vast numbers of private dwellings has generated a large volume of bus commutation over the years. The facility is also used by commuters who find the combination of bus and subway to midtown more convenient than direct service to the midtown terminal.

Port Authority Building

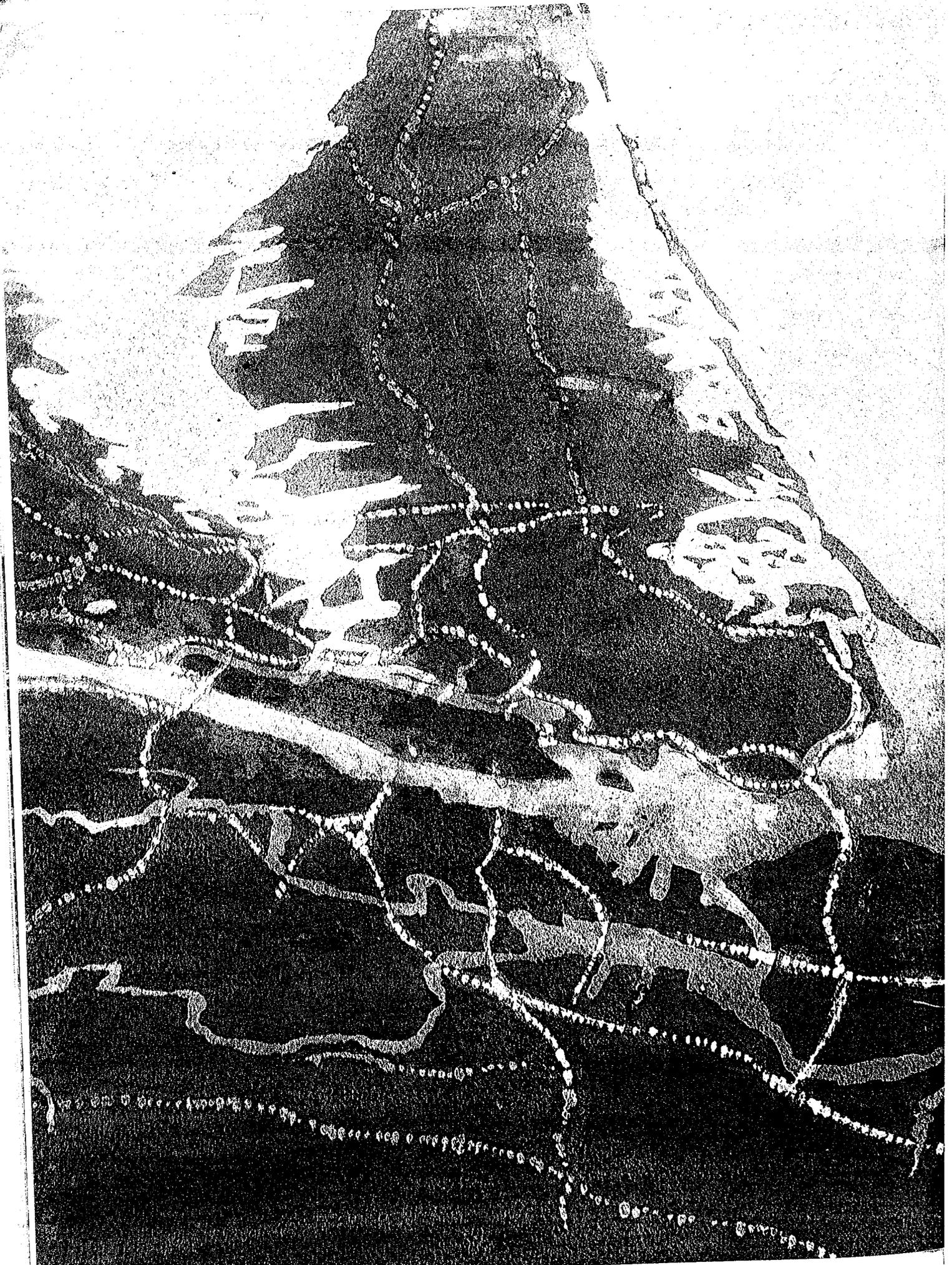
In the 37th year of its operation, the Port Authority Building continued to be a major terminal for handling commerce. The 151 truck berths on the street level and in the basement made the Building one of the busiest terminal facilities in the City of New York throughout the year, as well as the site of industrial and office space including the headquarters of the Port Authority.



The Port Authority is continuously making efforts to maintain high standards of protection and security for the constantly increasing volume of travelers using the bus terminal.



Television screens on the concourse level at the George Washington Bridge Bus Station record the arrival of buses. Waiting passengers then proceed to the upper level to board their buses.



Tunnels and Bridges

Growth in traffic volumes at the peripheral bridge crossings (i.e., north and south of the central business districts of midtown and downtown Manhattan) continued and confirmed the soundness of the Metropolitan area highway bypass system. The bypass concept was developed 15 years ago in a Joint Study of Arterial Facilities for the New York-New Jersey Metropolitan Area made by The Port of New York Authority and the Triborough Bridge and Tunnel Authority.

The peripheral highway system provides two major bypass routes for vehicular traffic with destinations other than the central business district. The George Washington Bridge, including its six-lane lower level recommended in the study, now serves the northern route with its extensive connecting roadways and a 12-lane depressed expressway across Upper Manhattan. The Goethals and Bayonne Bridges, linked to the Verrazano-Narrows Bridge by the Staten Island Expressway, accommodate traffic around the southern bypass route. Of the 143.6 million vehicles that used all six Port Authority crossings during the past year, 64.5 per cent made use of the peripheral bridge facilities.

The Port Authority Hudson River crossings consisting of the George Washington Bridge and the Holland and Lincoln Tunnels together with the Bayonne and Goethals Bridges and Outerbridge Crossing that connect Staten Island with New Jersey are all vital links in the total highway system of the region.

The pattern of traffic growth at each facility remains consistent with previ-

ous years. Traffic destined for Manhattan at the Hudson River tunnels showed only a 1.1 per cent increase over last year, while bypass traffic at the George Washington Bridge and at the Staten Island Bridges grew by a substantial 4.4 per cent.

The Goethals Bridge traffic increased by 8.1 per cent while at the most southerly facility, the Outerbridge Crossing, growth amounted to 5.9 per cent. Further increases there await the completion of construction programs on various approach highways. Traffic on the Bayonne Bridge, the other Staten Island Crossing, was up 4.2 per cent.

In contrast to the growth at peripheral facilities with good access, Holland Tunnel traffic had a gain of only 0.6 per cent. Lincoln Tunnel traffic, gaining some truck and trailer traffic from the Holland Tunnel, was up by 1.5 per cent.

Effectiveness of the southern bypass route was greatly enhanced this year when the Elizabeth Interchange at the New Jersey end of the Goethals Bridge was opened to traffic in October. This major project, begun 5 years ago, was constructed to accommodate the increased traffic generated largely by the availability of the southern bypass which connects the Goethals Bridge, the New Jersey Turnpike, and Interstate Route 278. Cost of the Interchange, estimated at approximately \$19 million, is being shared by the Port Authority, the New Jersey Turnpike Authority, and the New Jersey Dept. of Transportation.

At a cost of \$4,300,000, the Port Authority constructed a 1,200 ft. parallel approach viaduct to the Goethals Bridge at Elizabeth, New Jersey, spanning the New Jersey Turnpike and the Central Railroad of New Jersey, and widened a section of the original viaduct. The new viaduct now provides an improved approach to

the Goethals Bridge for New York-bound traffic, while the original viaduct is being used for westbound traffic to New Jersey.

Work is expected to begin in mid-1970 on a new \$5,525,000 twelve-lane plaza on the New York side of the Outerbridge Crossing which will directly connect to local streets and to the Richmond Parkway and West Shore Expressway. Both of these roadways are under construction by the New York State Department of Transportation. A new operations building will house police, maintenance, and tolls personnel. Completion is expected in late 1971.

Planning for the Future

The Port Authority's research into expanding technologies useful in the operation of the tunnels and bridges continues. Examples are: the application of the multiple computer traffic surveillance and flow control system (part of the Tunnel Traffic Control System Expansion Program) to explore flow control on approaches to the facilities; the use of on-line computer techniques to provide optimum use of tunnel ventilation plants; and expanded computer application to traffic counts and tolls registration.

Tolls automation will also continue to be researched thoroughly, with an evaluation of magnetic card toll collection equipment made during 1970. Future research will also focus on possible use of an automated vehicle identification system.

The Port Authority is also cooperating in a joint study with the New Jersey Department of Transportation and the New Jersey Turnpike Authority to plan improved connections between the Turnpike and U. S. 1, and Newark Airport and the Elizabeth-Port Authority Piers, where better access will benefit all the commercial and commuter activities.

The peripheral highway system developed 15 years ago in the joint plans of the Port Authority, the Triborough Bridge and Tunnel Authority, and State and Federal highway agencies serve increasing volumes of traffic. Vehicles thus are routed around the congested central business district of Manhattan to other areas of the Port District. Port Authority crossings between New York and New Jersey are vital links in this system.

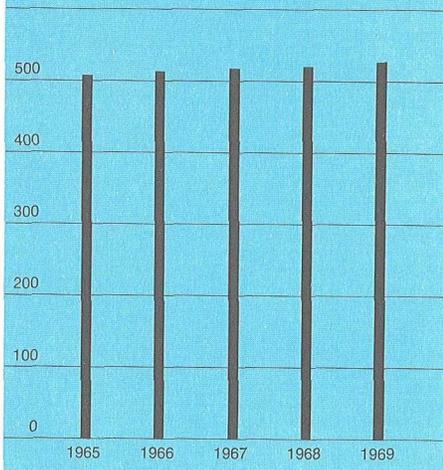
The Port Authority joined with the Washington Heights Chamber of Commerce in restoring two vest-pocket parks for use by residents of the community adjacent to the George Washington Bridge.

Crossings (traffic in thousands)

	1969	1968
All Crossings		
Automobiles	123,251	119,291
Buses	3,767	3,811
Trucks	16,599	16,059
Total Vehicles	143,617	139,161
George Washington Bridge		
Automobiles	62,616	60,597
Buses	652	654
Trucks	6,015	5,703
Total Vehicles	69,283	66,954
Lincoln Tunnel		
Automobiles	24,232	23,835
Buses	2,914	2,964
Trucks	3,831	3,724
Total Vehicles	30,977	30,523
Holland Tunnel		
Automobiles	15,580	15,305
Buses	96	98
Trucks	4,194	4,347
Total Vehicles	19,870	19,750
Staten Island Bridges		
Automobiles	20,822	19,553
Buses	105	95
Trucks	2,560	2,286
Total Vehicles	23,487	21,934



Cumulative PA Investment In Tunnels and Bridges (In Millions of Dollars)
(Includes GWB Bus Station)



More than 23,000 calls for assistance to patrons in disabled vehicles were answered during 1969 by Port Authority personnel at the various Tunnel and Bridge facilities.

The southern bypass route was greatly enhanced by the completion of the Elizabeth Interchange at the New Jersey end of the Goethals Bridge. Cost of the project was shared by the Port Authority, the New Jersey Turnpike Authority and the New Jersey Department of Transportation.





Sidwell
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Water Transportation

Despite a critical six-week longshoremen's strike at the beginning of the year, total tonnage handled at the Port Authority's marine terminals increased during the year. The six marine terminals serviced 10,356,827 long tons of general cargo as compared to 9,981,904 tons in 1968—an increase of 3.8 per cent. There were over 11,000 workers employed at the terminals, representing an annual payroll of some \$87 million. In addition, construction activity at our facilities provided an additional 200 jobs representing a payroll equivalent of \$2,700,000.

The Port Newark-Elizabeth marine terminal complex once again highlighted the port's activity in waterborne commerce. Of the projected 15.4 million long tons of general cargo handled at the Port of New York in 1969, 7,600,000 tons moved through these Newark Bay facilities. This tonnage represented a 9.8 per cent increase over the 1968 total of 6,927,000 tons. Continued expansion of cargo handled at these facilities has necessitated a more rapid development of this port complex.

Construction

In June, the Board of Commissioners authorized the construction of 3,700 additional feet of berth space and the paving of approximately 185 acres of upland area at the Elizabeth facility. With the completion of this project in 1973, two years earlier than originally scheduled, the development of the Elizabeth-Port Authority Marine Terminal will be concluded. The Elizabeth seaport will then include 16,850

The Elizabeth-Port Authority Marine Terminal has become the containership capital of America. The growth of cargo tonnage there has required the acceleration of its development which now will be completed in 1973. Already equipped with 15 berths, the finished Terminal will include 16,850 ft. of berthing space capable of accommodating 25 modern containerships and over 900 acres of supporting upland area.

feet of berthing space capable of accommodating 25 modern containerships, and over 900 acres of supporting open storage area and distribution building space. The Port Authority's investment in the project then will be \$170 million.

Another major project undertaken was the development of cargo handling facilities on the north side of the Elizabeth Channel in Port Newark. It will encompass 3,822 feet of berthing space, and over 100 acres of paved upland area suitable for handling both containers and conventional cargo. Universal Terminal and Stevedoring Corporation will be the principal tenant of the new area. This complex, to be constructed by the end of 1971, will complete development of all berthing areas at Port Newark. These facilities represent an investment of \$24 million, bringing the total Port Authority investment in the Port Newark facility to \$125 million.

Containership Progress

The International Terminal Operating Company's containership facility at Elizabeth, used by United States Lines, Dart Container Lines and Hapag-Lloyd, was completed during 1969. It represents an \$18 million development of 85 acres of upland and 1,920 feet of vessel berthing space.

The Atlantic Container Line, a consortium of six large European Lines, and Moore-McCormack Lines, operate their containership service at a 2,640 ft. long wharf and 93-acre terminal adjacent to the I.T.O. facility in Elizabeth.

Sea-Land Service, the pioneer containership company, with its 3,915 ft. of berth space and 111 acres of supporting land and buildings, continued to expand its terminal activities and 44-vessel fleet. Recently, the company announced that it has ordered eight super containerships, each ap-

proximately 940 feet long and capable of travelling at 33 knots.

Brooklyn Marine Facilities

Improvements to increase the operating efficiency at the Port Authority's marine facilities in Brooklyn were made in 1969. At Pier 11, track was installed to allow direct rail carload service. If the system proves successful there, rail connections to other Brooklyn piers will be installed.

At the Erie Basin Marine Terminal, which has continued to serve as a general cargo terminal for six breakbulk steamship lines, rehabilitation of the breakwater began during the year.

Consolidated Passenger Ship Terminal

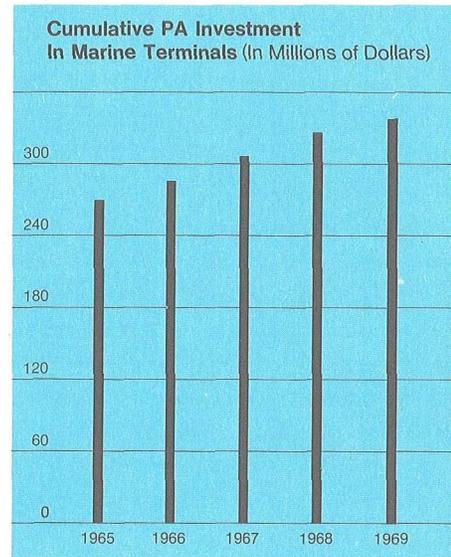
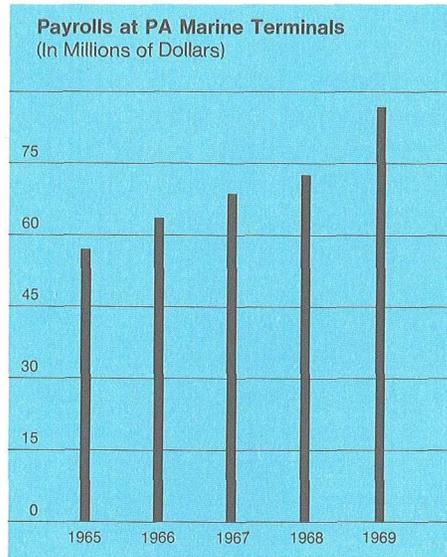
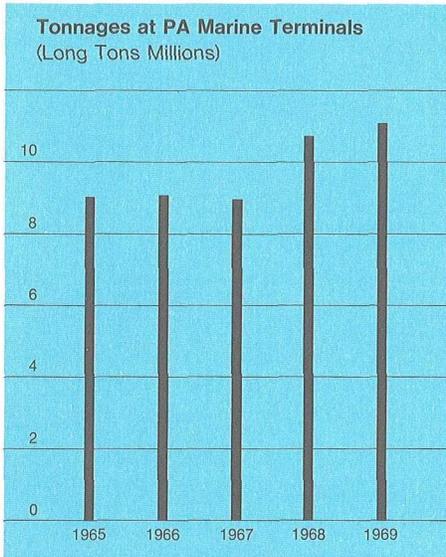
In 1968, the Port Authority agreed with the City of New York to undertake cooperatively the financing, construction and operation of a Consolidated Passenger Ship Terminal to replace the inadequate existing facilities.

As a result of the delays caused by the litigation surrounding the Federal Maritime Commission's approval of the Consolidated Passenger Ship Terminal, the cost of construction of the original plan proposed by the City and the Port Authority had increased so sharply that the steamship lines advised the City and the PA that they were no longer interested in that plan.

A detailed restudy of the physical and financial plan of the proposed Terminal has been undertaken. A new plan is being discussed which achieves the same functional objectives as the original plan but substantially reduces the cost of the project. The preliminary physical plan has been reviewed with the steamship lines.

Elizabeth Channel Federalization

In November, the New York District Army Corps of Engineers, on behalf



of the Federal Government, accepted responsibilities for the future maintenance of the Elizabeth and Branch-Inshore Channels and the Port Newark East Channel.

This action concluded negotiations that began almost a decade ago to get the Corps of Engineers to accept jurisdiction over the channels. The Port Authority created this harbor improvement as part of its program to develop the Elizabeth waterfront as the world's foremost containership facility; channel maintenance is a Corps of Engineers' function and rightfully belongs in the jurisdiction of that agency.

Channel Projects

Despite the importance of this Port's commerce to the region and the nation, critically needed improvements have been subject to extensive delays. Projects to modernize the New York Harbor Anchorages and develop a program for improving the Federal Channel in Newark Bay were started twelve years ago. Congress and the President authorized the Anchorage project in 1965, and construction began in May 1969. However, though the Newark Bay project was authorized in 1966, construction has not yet started.

Widening of the Newark Bay Channel is critically important to serve this growing sector of the Port of New York because of the rapidly increasing size and number of the vessels carrying oceanborne trade to the marine terminals and waterfront industrial installations on Newark Bay. Since the Congressional authorization of this improvement in November, 1966, \$4,940,000 has been appropriated by Congress to begin the widening, but the Executive Branch has allowed the release of only \$47,000 through Fiscal Year 1970. The Authority will continue its efforts in conjunction with State officials, maritime interests, local municipalities, Senators, and Congressmen, to progress improvements on Newark Bay and of the New York Harbor Anchorages.

Central Railroad of New Jersey Bridge

After many years of growing concern with the navigation hazards posed by the Central Railroad of New Jersey Drawbridge across Newark Bay due to limited clearances and operational unreliability (since 1951, the Bridge has been involved in 21 vessel collisions), cooperative efforts towards a

solution have been progressing. As a result of this cooperation involving the New Jersey Department of Transportation, the American Institute of Merchant Shipping, the Sandy Hook Pilots, the Port Authority, steamship lines and others, the Coast Guard plans to schedule hearings early in 1970 to determine whether or not the Bridge constitutes an "unreasonable obstruction to navigation."

Quarantine Developments

The permanent use of "radio practice" for clearing cargo ships through quarantine became nationwide on October 1, 1969, marking the successful completion of efforts by the Port Authority, the American Association of Port Authorities and port and shipping organizations throughout the country. The new system replaces the antiquated requirements that each cargo ship anchor at a quarantine station for a medical inspection when it arrives from a foreign port. Under the new procedure, an inbound vessel from a foreign port will provide advance health information required by the Public Health Service by radio. The result should be significantly reduced operating costs.

The location of the nearly completed Port Newark-Elizabeth Marine Terminal complex permitted reclamation of the large amount of supporting upland area required for container operations.





Air Transportation

The Port Authority is responsible for the development and operation of a regional airport system including the three major commercial airports — John F. Kennedy International, LaGuardia and Newark Airport—Teterboro Airport for general aviation—and two heliports located in Manhattan.

A total of 38.4 million domestic and overseas air passengers moved through the New York-New Jersey metropolitan area during 1969. This represented a gain of only 4 per cent over 1968 levels and constitutes the lowest increase in New York's total air passenger travel since 1961. The weak growth in 1969 was entirely due to the poor results in the domestic market which increased only 2 per cent over 1968 levels. In sharp contrast, a 14 percent increase was recorded in overseas travel.

Except in June, aircraft delays and congestion were markedly lessened during 1969. Were it not for FAA's hourly flight limitation and the increased minimum fee for small aircraft during peak hours, airport delays would have been far greater. The Port Authority strongly supported the FAA action to continue its hourly limits during 1970. The 13 per cent decline in the general aircraft movements at the major airports is clearly the result of these measures.

For more than a decade the Port Authority has recommended that a suitable location for another major airport be designated to provide additional airport capacity to meet the needs of the region. While it has

been the responsibility of the Port Authority to make such recommendation, the actual selection of a site could be done only by the legislatures of the States of New Jersey and New York. In mid-1969 the Port Authority recommended an airport at Solberg in Hunterdon County, New Jersey as "the only remaining suitable site" which could meet the needs of the Northern New Jersey-New York region. The State of New Jersey, however, clearly rejected this recommendation. The Port Authority, as an agency of the two States, therefore, considered the matter closed and increased its efforts to maximize the capacity of the existing three major airports in the region.

The Port Authority therefore continued to move forward with the \$200 million redevelopment of Newark Airport, the \$150 million expansion of the Central Terminal Area at Kennedy International Airport, and runway and taxiway extensions at Teterboro Airport completed preparatory to assumption of operations there by Pan American World Airways. The Port Authority investment in air terminal facilities at the end of the year totalled \$763 million, \$83 million over 1968.

During 1969, the RAND Corporation completed a study for the Port Authority which examined various approaches to increasing regional airport capacity. The RAND report pointed out that a fourth major airport promised the greatest potential for solving airport capacity problems. The report also indicated potential benefits of intercity STOL (short take off and landing) air service. However, it also identified formidable obstacles before successful development of STOL operations can be realized, such as the development of a market for such equipment beyond the requirements of the New York/New Jersey area alone; and implementation

of systems and procedures for use of airports and airspace independent of the movements of conventional aircraft.

In a hearing before the Civil Aeronautics Board in the *Northeast Corridor V/STOL Investigation*, the Port Authority recommended a national program to develop, on a total system basis, intercity STOL air service for short distance air travel. The program proposed that the necessary research and subsequent production and operation of aircraft and facilities be undertaken to implement STOL service. The proceeding is still pending before the Civil Aeronautics Board.

The increasing air congestion in the Northern New Jersey-New York region has caused the Civil Aeronautics Board to take positive steps to divert air commerce to competitive regions. The CAB will evaluate the need for competitive United States flag transatlantic air service between Europe and several United States points in the *East Coast Points—Europe Service Investigation*. In this case, the CAB specifically excluded the Port of New York as a terminus or gateway for proposed new services. The CAB suggests that the introduction of new transatlantic services at other U.S. points will offer alternative routings to passengers who now fly to Europe by way of this region and thus reduce congestion at Port District airports.

In addition, the CAB will explore whether some transatlantic passengers whose trips originate in the Northern New Jersey-New York area can be routed elsewhere. Hartford will be considered for new service, says the Board... "because of its proximity to New York, which raises the possibility that some of the traffic now originating at New York might find it convenient to enplane instead at Hartford, thus reducing . . . the congestion at New York's airports." The Port Author-

By the end of 1969, the Port Authority and airlines had more than \$350 million in construction projects either planned or under way at John F. Kennedy International Airport and over \$200 million at Newark Airport to ready these facilities for the inauguration of service by the larger capacity aircraft and the increasing numbers of air travelers. The first such aircraft, the Boeing 747, landed at Kennedy Airport on December 2nd for ground crew training and began commercial operations at that airport.

ity has petitioned for permission to participate in this proceeding.

Aircraft Noise

The Port Authority continued its program aimed at controlling and reducing aircraft noise. During 1968 the Federal Aviation Administration was directed by the Congress to promulgate noise standards for certification of aircraft. The Port Authority had, for a number of years, urged the enactment of legislation which would be broad enough to encompass existing as well as future aircraft.

The regulations subsequently issued by the FAA in 1969 applied only to future aircraft and at the present time exempt the Boeing 747 transport. As a result, the current regulations have no relevance to the problem of the noise of existing aircraft.

The Port Authority also continued its efforts to have FAA promulgate regulations requiring retrofit of current aircraft to reduce jet engine noise at its source. Research by the National Aeronautics and Space Administration has indicated that very substantial noise reduction is possible through modifications to present aircraft engines. The Port Authority supports the view that the cost of this retrofit program should be provided for by user charges and the Federal Government.

John F. Kennedy International Airport

Passenger traffic at Kennedy International Airport declined slightly for the second consecutive year, reaching a total of 19,508,000 domestic and overseas passengers. Overseas passenger totals rose 12.6 per cent, but domestic passenger traffic, which declined partly because of a shift in flights from Kennedy to LaGuardia Airport, decreased 8.2 per cent, for an overall decrease of 0.3 per cent in

passenger traffic.

Improved facilities and procedures and additional staff helped to ease the passage of travelers through the International Arrival Building particularly during the peak summer season. Greater numbers of skycaps, baggage handlers, information agents, police, as well as roving, multi-lingual "Golden Girl" passenger aides, were all on hand to serve the public. Intensive, pre-summer training sessions prepared airport personnel for the peak travel periods. A patron-service monitoring program was initiated as a means of maintaining and improving standards of service. In the International Arrival Building, a new physical layout facilitated the new "one stop" inspection procedures. New information services were added, including multi-lingual signs and telephone service, transportation directories, and an information counter. Nearly one thousand new parking spaces were added in the Central Terminal Area, and curb frontages were extended at the Eastern and Trans-World Airlines unit terminals as well as at the IAB-Wing Building complex.

Nonetheless airport patrons still face discomfort and inconvenience during peak hours of heavy traffic volumes because of congested terminal, parking and ground transportation facilities. In addition, the shortage of taxicabs in New York City is particularly felt at Kennedy Airport. Continual efforts to improve upon these conditions are under way to the extent possible.

By the end of 1969, the Port Authority and airlines had more than \$350 million in construction projects already under way or scheduled to start in 1970. These include the Port Authority's \$150 million expansion program in preparation for the new generation of larger aircraft, as well

as a number of new or expanded airline facilities. Enlargement of the Central Terminal Area from 655 acres to 840 acres required the relocation of two peripheral taxiways and a large portion of this work was completed during the year. Repaving of the 11,300 ft. Runway 4L/22R to serve the new aircraft is complete, and work is proceeding on the repaving of the 14,600 ft. Runway 13R/31L. Bulk fuel storage facilities were expanded from 24 to 32 million gallon capacity.

Work continued on the \$65 million expansion of the International Arrival and Wing Buildings, with foundations and steel for the Wing Buildings portion completed during the year. Parts of the superstructure, apron expansion and new roadways were begun and contracts for over-the-wing passenger loading bridges were let. The project will increase the size of the buildings to more than one million square feet to accommodate the increased passenger volumes carried on new large, high-capacity jets.

Of the airlines' own facilities: National Airlines' unit terminal was opened in November 1969; a new temporary passenger terminal for Pan American World Airways was nearing completion at year's end; the British Overseas Airways Corporation unit terminal is due for completion this coming summer; Pan American's maintenance complex and unit terminal expansion are due to be completed in 1972; Trans World Airlines' unit terminal expansion and American Airlines' interim expansion are both expected to be completed in early 1970. Federal inspection services will be available at the BOAC and TWA terminals by the summer of 1970 and at Pan Am's terminal the following year.

Cargo area construction to double the area and number of aircraft gates and totalling more than \$50 million

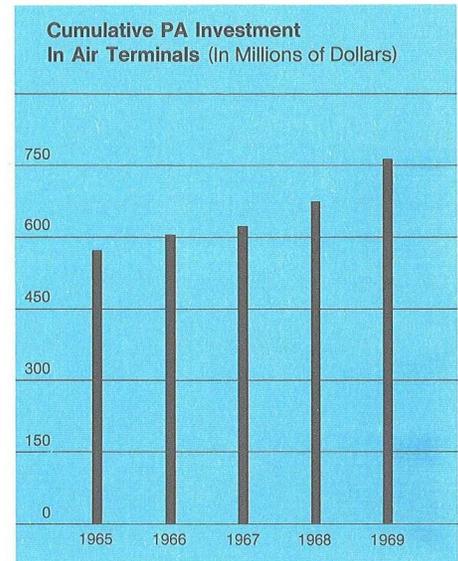
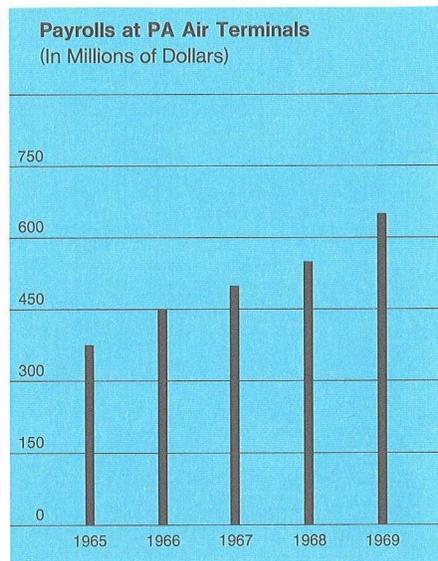
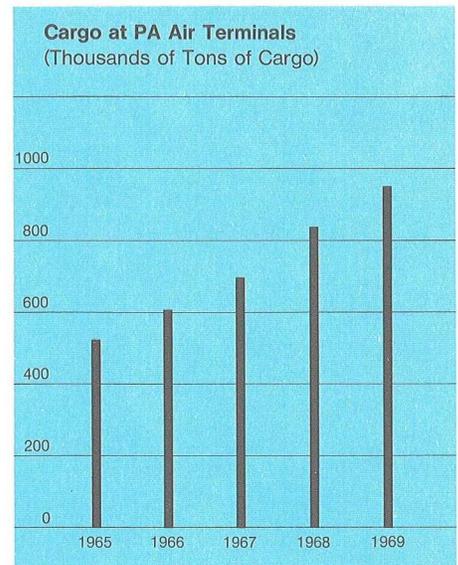
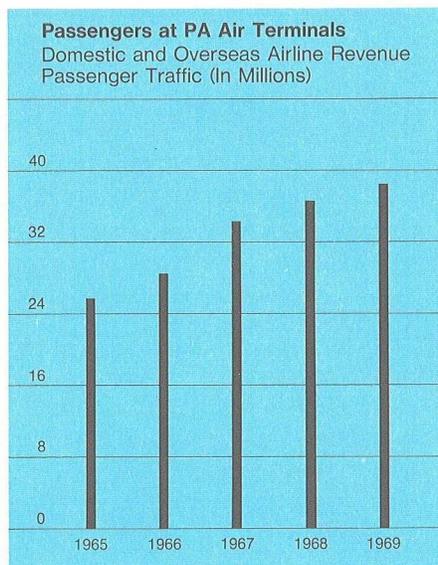
has begun. The Cargo Center will eventually extend to the airport's northern border and along the Thurston Basin to the east. Preconstruction preparation for new cargo buildings has been initiated by American Airlines, Lufthansa, Alitalia, Irish International Airlines, Air Canada, SAS and Japan Air Lines. Expansion of existing cargo facilities is being carried on by United Air Lines, Eastern Airlines and Air France. Cargo handled at the airport for the year totalled 753,366 tons and represented a 14 per cent increase over 1968. All of the year's gains were provided by the surge in overseas cargo which resulted largely from a prolonged dock strike in the first quarter. Domestic air cargo barely reached last year's level.

Plans proceeded for providing rail access to Kennedy Airport by extending the Long Island Rail Road to that airport from Manhattan through a joint project of the Metropolitan Transportation Authority, the Port Authority and the airlines.

The Port Authority also worked closely with the New York City Department of Traffic on a highly successful experiment to speed traffic flows on the Van Wyck Expressway approach to Kennedy Airport, and cooperated with the New York State Department of Transportation Administration on planned connections between the new Nassau Expressway and Kennedy Airport.

LaGuardia Airport

LaGuardia Airport led the metropolitan region's air passenger traffic growth with a 12.0 per cent rise over 1968 to a total of 11,736,383 passengers. The airport's passenger traffic, comprised almost entirely of domestic travel, was higher than Kennedy Airport's domestic traffic for the first time in a decade. Airline movements increased by 8.7 per cent, while gen-



eral aviation activity declined by 34.3 per cent. As a result, the overall number of aircraft movements declined 4.9 per cent. The addition in 1969 of Ozark, Delta and Southern Airlines to the schedule at LaGuardia brought to fourteen the number of scheduled carriers serving that airport.

Calculation of parking rates at the airport lots will be automated under a program started during 1969, linking the airport with a central computer in the Port Authority Building in Manhattan. As the system is gradually implemented, it will also be extended to other airports.

Newark Airport

The Newark Airport Redevelopment Program moved ahead as the airport continued to serve a steadily increasing number of passengers at existing facilities: 7,130,537 passengers, a 6.2 per cent increase in passenger traffic over 1968. The small but growing overseas market to Bermuda and Puerto Rico surged 41.7 per cent ahead of last year.

The first phase of the redevelopment program construction in the Central Terminal Area, comprising two terminal buildings and their six satellites, plus roadway and parking areas, was well under way. The first of these terminal buildings will be made available to the airlines for interior finishing in 1970. All contracts for terminal superstructures have been awarded and foundations and steel-work nearly completed, with concrete superstructure work proceeding on schedule. A substantial start was made on apron work to accommodate 55 of the ultimate 83 aircraft loading gates.

Expansion of the airport's long-term parking facility, increased free bus service between the other parking areas and the terminal, and rehabilitation of restrooms and other pub-

lic facilities in the existing terminal were among the interim improvements at Newark in 1969.

The new 8,200 ft. Instrument Runway is to be commissioned early in 1970 and work will soon begin on extending and repaving the existing parallel instrument runway.

Twenty-four fuel storage tanks with a 10.6 million gallon capacity have been erected and the underground fuel distribution system to hydrants at aircraft parking positions on the apron is under construction.

The Port Authority studied several alternate proposals for additional public transportation access to Newark Airport. We are giving intensive review to a plan providing rail access to the Airport by linking its inter-terminal transportation system to the Penn Central line just west of the Airport.

Teterboro Airport

The thirty-year operating agreement between the Port Authority and Pan American World Airways, Inc., under which the airline will develop and operate Teterboro Airport as a public general aviation facility, was upheld by the U. S. Circuit Court of Appeals in the District of Columbia on October 2, 1969 when that Court affirmed the decision of the Civil Aeronautics Board approving the agreement. Under the terms of the agreement, Pan American began operation of Teterboro Airport on January 1, 1970. The agreement specifies Teterboro Airport will continue as a general aviation airport and precludes the use of the airport for any scheduled commercial airline flights.

By year's end the agreement's construction requirements had been fulfilled at a cost of \$3.9 million. Runway 6-24 was completed to a length of 6,000 ft., a connecting 1,500 ft. taxiway was constructed, and Runway 1-19 was completed to a length of

7,000 ft., with a new parallel 7,000 ft. taxiway. A new taxiway connecting the ends of the two runways has also been completed.

During the year a substantial gain of 13.9 per cent to 177,102 movements was made by air taxi, corporate and private plane activity, despite construction which forced a one-runway operation. Because of this and reduced flight school touch-and-go movements, the total number of flights declined 0.2 per cent to 237,440 movements.

Heliports

Passenger traffic at the Port Authority Downtown Heliport dropped sharply during 1969 to 20,000 down 59.9 per cent from the previous year. Early in December scheduled helicopter service by New York Airways was suspended entirely in favor of inter-airport flights on STOL aircraft.

Statistics at a Glance

Total All Airports	
Plane Movements	1,185,349
Passenger Traffic	38,374,614
Cargo—(tons)	956,282
Revenue Mail—(tons)	209,405
Employees	60,465
Payroll*	\$651,000,000

John F. Kennedy Airport	
Plane Movements	408,557
Passenger Traffic (Total)	19,507,694
Domestic	11,166,376
Overseas	8,341,318
Cargo—(tons)	753,366
Employees	44,867
Payroll*	\$480,000,000

LaGuardia Airport	
Plane Movements	305,227
Passenger Traffic	11,736,383
Cargo—(tons)	36,671
Employees	7,551
Payroll*	\$85,000,000

Newark Airport	
Plane Movements	234,125
Passenger Traffic	7,130,537
Cargo—(tons)	166,245
Employees	7,309
Payroll*	\$80,000,000

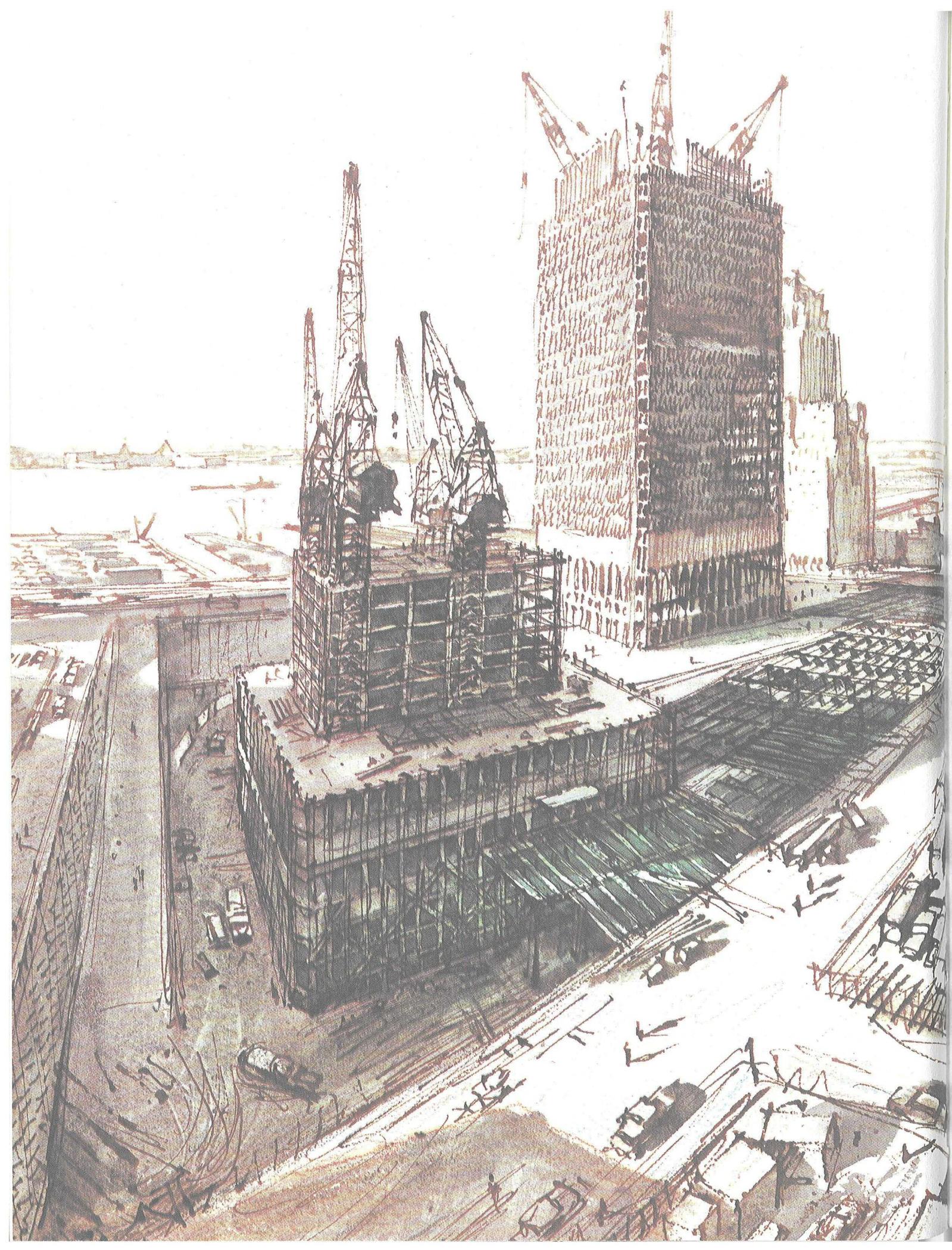
Teterboro Airport	
Plane Movements	237,440
Employees	738
Payroll*	\$6,000,000

*Estimated

The \$200 million redevelopment program in the Central Terminal Area at Newark Airport, comprising two terminal buildings and their six satellites, plus roadway and parking areas, was well under way in 1969.



Port Authority expansion of the International Arrivals Building and the construction of additional terminals by the airlines are part of a \$350 million construction program at Kennedy International Airport to keep pace with the demands of increasing volumes of air passengers.



World Trade

Throughout the year, a vast concentration of men and machinery continued to transform the 16-acre site of The World Trade Center into the Port of New York's newest and greatest facility of commerce. Legislation directing the Port Authority to build the Trade Center was enacted by the States of New York and New Jersey in 1962, and construction began in August of 1966. Late in 1970 the Trade Center will open its doors to the international business community, beginning the project's contribution to the expansion of international trade and opening a new chapter in the Port's long history as a major trade gateway. Completion of the entire Trade Center is scheduled for 1973.

The Trade Center's prime purpose is the expansion and facilitation of this Port's trade with the world. It will provide a centralized facility for exporters, importers, manufacturers, freight forwarders, Custom House brokers, international banks, governmental agencies, and other organizations concerned with international trade. By enabling these interests to operate together more economically and efficiently, The World Trade Center will make an important contribution to commerce through the Port.

The Trade Center's twin tower buildings, five-acre plaza, and four surrounding plaza buildings also will create a new landmark that will be tangible evidence of the importance of international trade to the Port, the nation, and the world.

Rising from its 70 foot deep foundation, steel work for the North Tower Building of The World Trade Center had reached the 45th floor by year's end and core steel for the South Tower Building was up to the 15th floor.

Late in 1970 the Trade Center will open its doors to the international business community initiating the project's service as a "United Nations of Commerce" which will bring together the marketing and service facilities in world trade for the benefit and convenience of international businessmen throughout the globe.

Construction Progress

By the year's end, both tower buildings were rapidly reaching skyward, with North Tower steel work completed to the 45th floor, and core steel for the South Tower up to the 15th floor. Late in the year, preliminary work also began on the erection of the North Tower Building's aluminum and glass exterior wall. Work on the tower buildings was temporarily slowed by a three-month elevator constructors' strike in mid-year that at times forced steel workers to walk up more than 30 floors to reach their assigned work stations. The normal pace of construction had been resumed by the end of the year.

Other significant construction progress during 1969 included the beginning of structural steel work on the new United States Custom House and the Northeast Plaza Building; the placement of nearly all the steel and concrete forming the Trade Center's great Concourse; and the completion of structural steel work on the Trade Center's two-story electrical substation. Considerable progress was also made toward completion of the pump house, which will pump water from the Hudson River to the Trade Center for subsequent use in the air conditioning system.

In addition, work was virtually completed on a 23.5 acre landfill area, created by dumping evacuated earth and rock into the Hudson River. When completed by the Port Authority, this new and valuable piece of lower Manhattan will become the property of the City of New York and will be the first portion of the proposed Battery Park City development.

Thirty-four contracts, totaling approximately \$78 million were authorized during 1969 for a wide variety of construction activity and materials, including: furnishing and installation of

automatic temperature controls and a computerized control center for the Center's mechanical and electrical systems; furnishing and installation of aluminum curtain walls for the North-east and Southeast Plaza Buildings; and construction of the superstructure of the U. S. Custom House.

Among the companies which received construction contracts during the year was a minority group firm, Electorque Associates, Inc. of Brooklyn. The \$1,070,000 contract is for the electrical work in the Trade Center's refrigeration plant.

Work on the Trade Center is generating considerable employment in the construction trades, and by year's end, 2000 workers were involved. Aware of the employment opportunities provided in the project, the Port Authority has undertaken a positive program aimed at providing employment for minority group workers. This program was developed in consultation with the New York State Division of Human Rights. The Authority's equal opportunity program—conducted with the joint cooperation of contractors, unions and a wide variety of community organizations, including the Workers Defense League, the Harlem Unemployment Center, and the Association of the United Contractors of America—has been successful in increasing the number of minority workers employed. Moreover, an increasing number of these minority workers are filling skilled trade and foreman positions. To assist their minority union members in performing on the job, several World Trade Center contractors conduct skills training programs.

The Port Authority Board of Commissioners stated in October 1964 that tenancy in the World Trade Center would be limited to only those private firms involved in world trade activities.

Integrated Communications

In May 1969, the Port Authority announced the selection of the New York Telephone Company and RCA to develop an integrated communications system for The World Trade Center to provide tenants with the most advanced communications and computer services possible. Both firms have been working closely with the Port Authority, analyzing the tenants' communications needs and developing plans for the installation of telephones, Picturephones, computers, facsimile reproduction services, and closed circuit television to link tenant offices within the Trade Center and connect the Trade Center with outside firms. The final system will provide World Trade Center participants with the most advanced and varied communications and computer systems ever assembled.

Work continued on plans for The World Trade Institute, which will serve as a forum to share the specialized knowledge of international businessmen, to foster the discussion of new marketing and technological developments and to advance the knowledge and skills of expanded world trade. Surveys were made during the year of the educational requirements of the Trade Center community and preliminary plans for organization and operation of the Institute were developed.

Protecting and Promoting the Port's Commerce

To protect the flow of commerce through the Port of New York, the Port Authority participates in proceedings before Federal Government regulatory agencies. A continuing effort to develop and promote the trade of the port is carried on through the operation of Trade Development offices in New York, Washington, Cleveland, Pittsburgh, Chicago, London, Zurich, San Juan, and Tokyo. An extensive

promotion campaign using motion pictures, advertising, exhibits, and industry directories, as well as a monthly commerce magazine, supplement the work of trade development office representatives over the world.

In protecting the flow of the Port's commerce, the Port Authority has a duty to take appropriate action where it deems it necessary in the interest of the millions of people who depend on the Port's commerce for their livelihood. Shipping practices and charges competitive with those available to shippers at other ports must be maintained and every published or proposed tariff change is carefully scrutinized for its potential impact on commerce.

During 1969, Port Authority representatives appeared before various carrier rate making organizations and regulatory agencies to uphold equitable transportation practices and eliminate rates or practices adverse to the competitive position of the Port. Proceedings before the Interstate Commerce Commission and the Federal Courts concerning the Eastern U.S. rail merger were virtually concluded in 1969 after eight years. The only major unresolved merger proposal affecting the Port of New York is that of the Norfolk & Western and the Chesapeake & Ohio-Baltimore & Ohio Railroads. The Port Authority's continued participation in this case, as in other Eastern U.S. mergers, is intended to assure the port of continued adequate and viable rail service. Without Port Authority intervention, the bi-state port might well have been left with service by a single dominant rail system without the impetus of balanced competition to provide adequate service to port users.

South Florida Ports' Rate Case

During the past year an Interstate Commerce Commission Examiner

recommended dismissal of a case involving an attempt by the South Florida Ports to obtain inland freight rate parity on export-import traffic with Gulf and South Atlantic ports. As the South Florida ports already have lower ocean rates available to shippers, a reduction in export-import rail tariffs would have given them undue advantages at the expense of the Port of New York in competition for trade between inland points in the United States and the Caribbean area. The ICC ruling maintains the status quo.

Proposed Rail Rate Increases

Since 1958 railroads have traditionally added extra "port charges" to their line haul rates on waterborne traffic. Generally, the charges have been uniformly applied in all port ranges, but in 1969, the railroads published a four-cent increase in "port charges" applicable to traffic at other than Gulf or South Atlantic ports. Since the increase, if allowed, could have seriously affected New York's competition for traffic, the Port Authority petitioned and the ICC agreed to suspend the rate increase and investigate its potential effect on U.S. cargo routing patterns.

During the year, U.S. railroads also proposed a flat six per cent increase in all rates and charges, which would apply uniformly throughout the nation. The Port Authority took no position on the level of the increase since it would apply uniformly, but as the application of the percentage would distort certain existing port rate relationships, a petition was filed with the ICC requesting that the railroads be required to restore those relationships. Such distortions, if not corrected could have resulted in diversions of substantial cargoes away from the Port of New York.



The progress of construction at The World Trade Center is shown in these comparison photos from December 1968 to December 1969.

Port Authority Deputy Executive Director Matthias E. Lukens and David L. Blaine, President of Electorqu Associates, Inc. of Brooklyn, sign a contract for electrical work on The World Trade Center.



Expanded Operating Rights for Motor Carriers

Six motor carriers certified to handle air freight at Kennedy and Newark Airports successfully petitioned the ICC to extend their authority to transport air cargo to and from terminals located outside airport boundaries. Originally, all such freight terminals were located on the airports. With the expansion in air freight and the lesser availability of freight handling space, airlines, air freight forwarders, and custom brokers have been locating some or all of their facilities off the airports proper. The Port Authority supported the carriers' petition to expand the operating authority originally granted to them and to permit them to service cargo facilities outside airport boundaries.

Penalty Charges on Container Shipments

In an effort to avoid handling empty containers certain motor carrier associations have revised their tariff rules. Penalty charges would apply when a motor carrier did not receive a container from the steamship line in sufficient time to utilize it for a revenue haul to the point of loading. Consequently, it is the shipper who would actually be penalized for a situation over which he doesn't have complete control. Furthermore, since the proposed charges would thwart the growth of containerization by discouraging shippers from using this form of transportation and as the Port of New York is the East Coast's leading container port, the Port Authority appeared before rate making organizations to oppose the charges and petitioned the ICC for suspension of the charges. Certain of these penalty charges have been withdrawn; others are still pending.

Promotion During the Year

Since the flow of commerce through the Port of New York constitutes the very foundation of the economy of the New York-New Jersey Metropolitan area, it is the Port Authority's responsibility not only to protect, but also to promote this commerce. The major responsibility for attracting cargoes to the Port is borne by the Port Authority's nine offices in important business and cargo generating centers in the United States and overseas. The Port Authority's trade development representatives attached to these offices traveled 310,226 miles to make 9,318 calls on shippers in 32 states and 43 foreign countries. They told the story of a port endowed with unmatched facilities in the age of containerization and giant air freighters, and explained how the Port could offer advantages for shippers and receivers of goods.

From September 29th to October 3rd, the Port was host to the Eleventh Biennial World Congress of the International Federation of Forwarding Agents Associations, better known as FIATA. This was the first FIATA Congress ever held outside Europe, and forwarding agents from European countries on both sides of the Iron Curtain, the United States, South America and other parts of the world, convened in the Port of New York to discuss common problems in the transport field.

Other promotional activities included distribution of publications, advertising, exhibits, motion pictures and other audio-visual aids. A wide variety of Port of New York literature in English and foreign language editions, designed to call the attention of exporters and importers to New York's superior facilities and services, included a Port of New York Information Directory, a Steamship Services

Directory, an Export Packers Directory and a Transportation Information Directory. The Port Authority's monthly commerce magazine *Via Port of New York*, a twenty-four page illustrated publication on the newest developments in trade and transportation at the New Jersey-New York Port expanded its distribution to thirty thousand shippers in the United States and overseas. Forty thousand copies of a special issue devoted entirely to the recent changes in the containerization field were printed for worldwide distribution.

Exhibits portraying the modern facilities of the Port of New York were located at the Second International Containerization Exposition in the New York Coliseum, the International Executives Association Annual Conference, the National Foreign Trade Convention, and numerous banks and office buildings around the city. The Port Authority also cooperated with the New York Regional Office of the United States Department of Commerce in providing display material for export promotion programs.

Motion pictures and slides continue to play an important role in New York's port promotion program. Port Authority-produced films, available in English and several foreign languages, were widely used during the year to portray the extensive development of containerization at the Port of New York and illustrate the steps involved in the handling of international shipments.

An intensive advertising program featuring the Port of New York as the nation's leading gateway for international commerce was carried out in seventeen major domestic and sixty overseas trade and traffic publications, in virtually every country throughout the free world and in ten different languages.

Proceedings Before the Federal Maritime Commission

Subject Joint Agreement No. 8200 between steamship lines of Far East Conference and Pacific Westbound Conference. (FMC 872)

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. Awaiting Court's review. Pending.

Subject Investigation of truck and lighter unloading charges at steamship piers in the Port of New York. (FMC 1153)

Status FMC after review issued amended rules for clarification of detention rule. Pending.

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

Status Commission upheld the Examiner's report. Oral argument was presented. Port Authority appealed to U. S. Dist. Court for a stay of FMC order pending Court's review of the matter. Pending.

Subject Complaint of Board of Commissioners of the Port of New Orleans against the Pacific Coast Australasian Tariff Bureau. (FMC 66-61)

Status Proceedings being heard jointly with 65-31.

Subject Complaint by Empire State Highway Transportation Assn. against surcharge published by New York Terminal Conference. (FMC 65-39)

Status Oral argument held. Pending.

Subject Investigation into the lawfulness of surcharge on truck loading and unloading. (FMC 65-46)

Status Commission issued a report which defined definition of truck loading and unloading and eliminated certain cost factors in connection therewith. Pending.

Subject FMC considering rule to establish free time on export cargo at New York and Philadelphia. (FMC 68-9)

Status* Examiner's initial decision recommended 10 days free time. Pending.

Subject Complaints of Massachusetts Port Authority and Delaware River Port Authority against ocean conferences and steamship lines' absorption of inland transportation costs. (FMC 68-45 & 68-46)

Status Steamship lines and ocean conferences agreed to withdraw rules. Complaints dismissed.

Subject Steamship conferences filed for approval to make limited absorptions of inland transportation charges. To be heard on joint record with FMC 68-45 & 68-46. (FMC 68-49)

Status Conferences withdrew agreements. Proceedings dismissed.

Subject Investigation by FMC of the procedure followed in handling of truck freight at piers in the Port of New York. (FMC 69-28)

Status Pre-hearing conference held. Pending.

Subject New York Shipping Association modified agreement covering formula for assessing charges to cover ILA fringe benefits. (FMC 69-57)

Status Pre-hearing conference held. Pending.

Subject Container Lines operating in Trans-Atlantic trade filed agreement setting up new conference. (FMC 69-58)

Status Pre-hearing conference scheduled. Pending.

Proceedings Before the Civil Aeronautics Board

Subject Review of United States Flag airline Trans-Pacific routes. The Port Authority supported competitive United States Flag authorizations to the Orient via both the short great circle route and the central route via Hawaii, a United States Flag route to the South Pacific, a United States Flag around-the-world route and an all-cargo airline route to points in the Pacific area. Docket 16242

Status* All authorizations sought by the Port Authority were awarded.

Subject CAB consideration of an agreement between Pan American World Airways and the Port Authority for the operation of Teterboro Airport by Pan American. The Port Authority supported approval of the agreement. Docket 19045

Status* CAB approved the agreement. U.S. Court of Appeals affirmed the CAB decision.

Subject Investigation to determine whether air service at White Plains and Islip to and from five midwest cities is required. The Port Authority did not oppose authorization of such service. Docket 19201

Status* CAB authorized Islip-Chicago Service to two airlines.

Subject Investigation of air service needs between the Port District and Indianapolis and Dayton. The Port Authority supported authorization of competitive nonstop service in the two air markets. Docket 20012

Status* CAB authorized competitive nonstop service.

Subject Review of air routes to and from Minneapolis/St. Paul and Milwaukee. The Port Authority supports authorization of unrestricted competitive nonstop service between the Port District and Twin Cities and Milwaukee. Docket 19097

Status* CAB Examiner recommended competitive nonstop service.

Subject Review of air routes to and from Omaha and Des Moines. The Port Authority opposes designation of a specific airport at New York/Newark for any service authorized to and from Omaha and Des Moines. Docket 1840

Status* CAB Examiner recommended no specific airport designation.

Subject Investigation of the need for and feasibility of V/STOL air service in the Northeast Corridor. The Port Authority urges the establishment of a national V/STOL development program to expedite the institution of an efficient V/STOL transportation system. Docket 19078

Status* Awaits CAB decision.

Subject Investigation of air service needs between the Port District and Norfolk. The Port Authority supports authorization of competitive nonstop service. Docket 20838

Status* CAB Examiner recommended competitive nonstop service.

Proceedings Before the Interstate Commerce Commission

Subject Norfolk & Western inclusion case (Fin. 21510 & 21514)

Status Inclusion of B&M in N&W System concludes proceedings.

Subject 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. (Fin. 23822 & 23823)

Status Examiner issued a recommended report which approved the merger. Exceptions filed. Oral arguments held. Pending.

Subject Reduced railroad rates on canned goods from Florida to Eastern destinations. (ICC 34471)

Status* Commission, at Sea-Land's request, dismissed the complaint.

Subject Complaint of South Florida Ports to establish same level of rates as in effect to and from Gulf and South Atlantic Ports. (ICC 34894)

Status* Examiner's recommended report denied complaint. Exceptions filed. Pending.

Subject Motor carrier conference published charges for handling of non-motor carrier-owned trailers carrying export and import cargo. (I&S M-22755)

Status Commission ruled in favor of motor carriers and dismissed the investigation.

Subject Request by certificated motor carriers for ICC to amend General Rules and Regulations to provide for service at off-airport terminals. (MCC-3437 Sub. 4)

Status* P. A. supported the rule change. Rules amended as requested.

Subject Application by True Transport, Inc. to obtain operating rights to transport general commodities in marine containers between N.Y. Commercial Zone and points in Middle Atlantic States and New England. (MCC-133565)

Status* P. A. will support the application. Pending.

Subject Railroads filed for increase in freight charges. (Ex Parte 259)

Status Commission decision Jan. 1, 1969 approved increases ranging from 3 to 10%. Concluded.

Subject Railroads filed for increase in freight charges of 6%. (Ex Parte 262)

Status P. A. intervened and requested Commission to protect existing port relationships. Pending.

Subject Increased Waterborne Charge, North Atlantic, Pacific and Canadian Ports. U. S. Railroads published an increase of 4¢ per 100 pounds on waterborne shipments at all ports except South Atlantic, South Florida and Gulf Ports. P. A. filed protest for suspension. (I&S 8508)

Status* Increase suspended. Pending.

Subject Motor Carrier Bureau published penalty charges for the handling of empty steamship containers. (I&S M-23515)

Status* Charges suspended on petition of P. A. Carriers withdrew charges.

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

Administration



James C. Kellogg, III
Chairman



Ben Regan
Vice Chairman



John J. Clancy



W. Paul Stillman



Charles W. Engelhard



Alexander Halpern



William A. Sternkopf, Jr.



William J. Ronan



Hoyt Ammidon



Walter H. Jones



Bernard J. Lasker



Sidney S. Hein



Austin J. Tobin
Executive Director

The Port of New York Authority was created on April 30, 1921 by compact between the States of New York and New Jersey to act as their 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 York and six by the Governor of New Jersey to serve overlapping six-year terms without pay or fees of any kind. The Board of Commissioners, leaders in business, law, finance and civic affairs, are:

Chairman James C. Kellogg, III, of New Jersey, is the senior partner in the firm of Spear, Leeds and Kellogg.

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

Hoyt Ammidon, of New York, is Chairman and chief executive officer of the United States Trust Company.

John J. Clancy, of New Jersey, is an attorney and Chairman of the Board of Carteret Savings and Loan Association.

Charles W. Engelhard, of New Jersey, is Chairman of Engelhard Minerals and Chemicals Corp.

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

Sidney S. Hein, of New York, is the senior partner of the firm of Hein, Bradie, Waters & Klein of Queens.

Walter H. Jones, of New Jersey, is a former State Senator and Assemblyman from New Jersey, who now specializes in corporate law.

Bernard J. Lasker, of New York, is Chairman of the Board of Governors of the New York Stock Exchange and senior partner in the firm of E. H. Stern and Company.

William J. Ronan, of New York, is Chairman of the Metropolitan Transportation Authority.

William A. Sternkopf, Jr., of New Jersey, is the senior partner in the accounting firm of William A. Sternkopf and Company.

W. Paul Stillman, of New Jersey, is Chairman of the Board of the First National State Bank of New Jersey and the Mutual Benefit Life Insurance Corp.

At the Board's Annual Meeting, April 10, 1969, Commissioner Kellogg was re-elected to his second term as Chairman, Commissioner Regan was elected Vice-Chairman, and Commissioner Cullman was re-elected Honorary Chairman.

Commissioner Kellogg was first appointed to the Port Authority Board by Governor Robert Meyner in 1955. He was reappointed by Governor Meyner in 1960 and by Governor Richard Hughes in 1966. He has served as a member of the Committee on Operations and successively as member, Vice-Chairman and, since 1960, Chairman of the Committee on Finance. He had been Vice-Chairman of the Board since 1960, and was elected Chairman at the Board's Annual Meeting in April 1968.

In April 1969, the New York State Senate confirmed Governor Rockefeller's nomination of Bernard J. Lasker to succeed Joseph A. Martino on the Authority's Board of Commissioners. Commissioner Lasker is Chairman of the New York Stock Exchange Board of Governors and is also senior partner in the brokerage firm of E. H. Stern and Co.

In March 1969, the New Jersey Senate confirmed Governor Hughes' nomination of Walter H. Jones to succeed Commissioner Donald V. Lowe.

Commissioner Lowe had been appointed to the Board in January 1945

by Governor Walter Edge to fill the unexpired term of Commissioner John Borg. He was elected Vice-Chairman of the Board in July 1953, and Chairman in May 1955. He had served as Chairman of the Port Planning and Operations Committees, and in November 1964 was awarded the Howard S. Cullman Distinguished Service Medal for his long and devoted service to the Authority. Following the death of Commissioner Lowe on December 10th, 1969 the Commissioners of the Port Authority expressed both their personal and official regret upon the loss of a ". . . warm and good friend, a dedicated and distinguished public servant."

Walter H. Jones, Commissioner Lowe's successor, is a former New Jersey State Senator and Assemblyman who served both as Senate Majority Leader and Speaker of the House. A former Law Professor at Rutgers University, Commissioner Jones specializes in the practice of corporate law.

On July 31, 1969, Honorary Chairman Howard S. Cullman retired, following which the Board unanimously voted him Honorary Chairman Emeritus in recognition of his superb contributions to the Authority. His appointment by the late President Dwight D. Eisenhower to the position of Commissioner General of the Brussels World's Fair (with the rank of Ambassador) gave ample proof of his stature in the world at large. In 1952, he was awarded the Port Authority Distinguished Service Medal.

President of Cullman Brothers and the Tobacco Merchants Association of the United States, he is also Chairman of the Board of the Chanin Building and a director of Philip Morris, Inc.

With the retirement of Honorary Chairman Cullman, Governor Rockefeller appointed Sidney Hein, a prominent Queens Attorney and member of

the firm of Hein, Bradie, Waters & Klein, to the Board of Commissioners. He has been decorated by France as a Chevalier in the Legion of Honor.

The Board of Commissioners is organized into four permanent Committees: Committee on Construction, John J. Clancy, Chairman, and William J. Ronan, Vice-Chairman; Committee on Port Planning with Alexander Halpern as Chairman and Charles W. Engelhard as Vice-Chairman; Committee on Operations, Ben Regan, Chairman, and William A. Sternkopf, Jr., Vice-Chairman; and Committee on Finance, under the Chairmanship of W. Paul Stillman, with Hoyt Ammidon as Vice-Chairman.

These committees originate and review Port Authority policies and projects according to their special functions, either taking action themselves or recommending action, where appropriate, to the Board.

Austin J. Tobin, the Port Authority's Executive Director, implements and administers the programs and policies authorized by the Board. At the Board's annual meeting in April 1969,

Mr. Tobin was reelected to his position. Deputy Executive Director Matthias E. Lukens assists Mr. Tobin in carrying out the Board's policies. 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. Mr. Goldstein was re-elected to his position by the Board at its annual meeting in April 1969.

Also at its annual meeting, the Board appointed Miss Doris E. Landre, Executive Assistant to the Executive Director, as Secretary of the Port Authority, to fill the vacancy occasioned by the death of Joseph G. Carty in August 1968. The Secretary is responsible for the preparation and retention of the official minutes of the Board of Commissioners, and all of the Authority, to fill the vacancy occasioned by the death of Joseph G. Carty in August 1968. The Secretary is responsible for the preparation and retention of the official minutes of the Board of Commissioners, and all of the Au-

thority's other official documents.

The Port Authority is organized into a system of line departments (Aviation, Marine Terminals, Rail Transportation, Terminals, Tunnels and Bridges, World Trade) and staff departments (Engineering, Finance, Law, Operations Services, Organization and Procedures, Personnel, Planning and Development, Public Affairs, Purchase and Administrative Services and Real Estate), which report to the Executive Director. The Port Authority's subsidiary, the Port Authority Trans-Hudson (PATH) Corporation is within the Rail Transportation Department.

As this report was in the final stages of production, the Commissioners and staff were shocked and saddened by the death of two members of our Board of Commissioners; Ben Regan, our Vice Chairman and Commissioner Alexander Halpern.

Their good counsel and service to the Port Authority will be greatly missed.

Staff

The Port Authority and its subsidiary, PATH Corp., employ a staff of more than eight thousand men and women, who serve in many diverse occupations ranging from that of railroad engineer, lawyer, economist, policeman, clerk, and administrator to gardener, cook, helicopter pilot, and others.

The high degree of professionalism exhibited by the Port Authority's staff is well recognized. The efficiency which these men and women invest in the organization's operation has inspired confidence in the bi-state agency. Commissioner John J. Clancy on behalf of the Board of Commissioners, testified to the New Jersey Legislative Committee on Autonomous Authorities:

"The Commissioners of the Port Authority have always insisted on recruiting and developing a well-qualified and well-compensated career staff, whose selection and advancement is determined by the Board solely on the basis of ability and achievement."

Staff Development

A salient characteristic of our time is the recognition that education and personal development are not complete with graduation, whether high school or college. Technology's advances affect each occupation, expand the scope of every skill, and require a correlated development of personnel.

The Port Authority provides a wide variety of internal training programs to improve skills and broaden knowledge. Among the programs successfully conducted during 1969 were: a series of management seminars providing an operational blueprint for development and improvement of the individual manager and his organization; a patron relations training program for Port Authority field em-

ployees; a seminar for supervisors of minority group employees; a work-study secretarial aide program for a select group of typists and stenographers; and a labor relations workshop training program supervisory staff with information about labor relations policies and procedures and to assist supervisors in working more effectively with their subordinates. More than 2970 staff members participated in these and other Port Authority internal training programs during 1969, and an additional 811 employees furthered their educations at metropolitan-area colleges, universities, and professional schools through the Authority's tuition refund plan.

In 1969, 1173 new employees joined the Authority staff. Of these, 73 entered the Port Authority's entrance level accounting, administrative, and engineering training programs directly from college.

Equal Opportunity

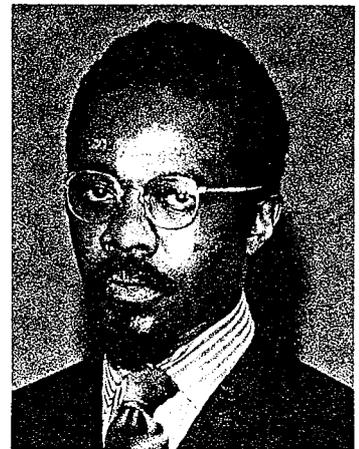
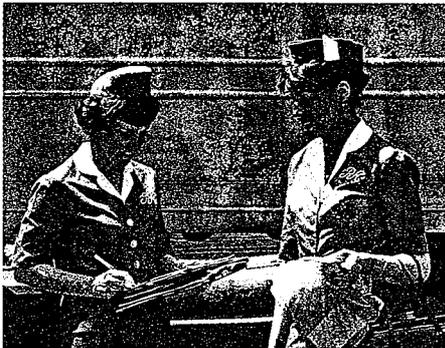
For years, Port Authority policy has been to hire and promote its employees irrespective of race, color, creed, sex, or national origin. Recognizing that no policy of this sort exists in a vacuum, and that there is a constant need to broaden its scope, in early 1969, the Port Authority established a formal Equal Opportunity Programs Unit, under the direct responsibility of the Office of the Executive Director. The Unit originates new, internal equal opportunity programs and assists staff throughout the organization in implementing them.

The unit's guiding force is the Council on Equal Opportunity, a group of five Department Directors under the chairmanship of the Director of Administration, who guide the Port Authority's total equal opportunity effort and determine the programs necessary to accomplish the Authority's overall equal opportunity goals.

During 1969 special recruitment steps were introduced to increase the number of minority group applicants employed by the organization. New approaches to recruitment have increased the number of minority group college trainees hired. Prior to actual recruitment, there has been a newly intensive effort to reach the minority community through advertisements in prominent local ethnic newspapers, direct high school recruitment in minority areas, and personal contact with more than sixty community agencies.

Since the key to employment opportunities for minority groups lies in jobs which offer substantial on-site training, the Port Authority embarked on a series of work-study programs designed to give opportunities to people who would not normally be considered for employment. In this regard, the Authority participated in a summer program sponsored by the New York Urban Coalition and the National Alliance of Businessmen; set up its own secretarial aide program, clerical aide program, taxi attendant program, and Neighborhood Youth Corps Program. The requirement of a high school diploma has been eliminated for a significant number of entrance level positions where the holding of such a diploma is not specifically related to the performance of the job.

To assist local municipalities in training and recruiting their hardcore unemployed, the Port Authority recruited summer temporary Building and Grounds Attendants with the assistance of agencies specializing in this type of employment. Working closely with many community groups, the Authority also created new part-time Patron Services Attendant positions at the Hudson River Crossing facilities so that underprivileged youngsters from neighboring com-



More than 8,000 Port Authority employees work together to maintain the pre-eminence of the northern New Jersey-New York Port District.

munities might be gainfully employed while attending school. The youngsters were recommended by neighborhood officials who cooperated with the Authority's commitment to minority group employment.

Currently, the bi-state Agency sponsors a basic academic skills training program for employees who do not possess a high school diploma or its equivalent; courses in basic English grammar and basic mathematics assist participants in preparing to qualify for higher level positions within the organization; orientation sessions for disadvantaged employees acquaint them with the situations they will encounter in a business environment; and a "test acquaintance series" helps individuals become acquainted with the Port Authority's testing process, familiarizing them with the kinds of test materials they will encounter in promotional examinations.

Recognition of Service

Each year the Port Authority singles out for recognition those employees whose outstanding and selfless accomplishments are in the best tradition of exemplary service. At the Annual Medal Awards Ceremony, on November 25, 1969, thirty-seven staff members were cited for distinguished service, special achievement, acts of heroism, or special activities meritorious of citation.

Similarly, the Port Authority honors its long-term employees. Each year, employees who have attained twenty-five years of service with the organization are welcomed into the Port Service Club, an honorary unit comprised of those who have given a quarter of a century of service to the Port Authority. Thirty-eight such employees were welcomed into membership in 1969, bringing to 460 the number of men and women active in the Port Service Club.

Howard S. Cullman Fellowship

Each year the Port Authority offers one staff member a unique opportunity to develop and pursue a training program of his own design through the Howard S. Cullman Fellowship. The Fellowship, established in recognition of Chairman Emeritus Howard S. Cullman's more than forty years of service on the Board of the Authority, enables the recipient to increase his contribution to the Port Authority and public service through a special research project, an on-the-job training program with an outside organization, or a specific course of academic study.

In 1963, the first winner of the Fellowship spent a year in Rome studying the analysis, design and construction of reinforced concrete structures under the direction of the noted Italian engineer-architect, Dr. Pier Luigi Nervi. The second recipient made a year-long study of trade relations between the United States and newly independent countries of Africa. Succeeding fellowship projects included: a program of technical study, work experience and indoctrination in new production methods of non-theatrical motion pictures; study of trade expansion possibilities between the United States and the countries of Eastern Europe; and study of technological changes in land transportation operations.

The most recent fellowship winner studied requirements for the comfort and convenience of Port Authority terminals patrons. He established standards for service that can be used for design criteria, and evaluated the adequacy of existing facilities from the point of view of patron comfort and convenience. Particular emphasis was placed on walkways, stairways, and motor stairs, where specialized photographic techniques

were used to analyze appropriate area standards and enable patrons to move about comfortably.

Mobility Program

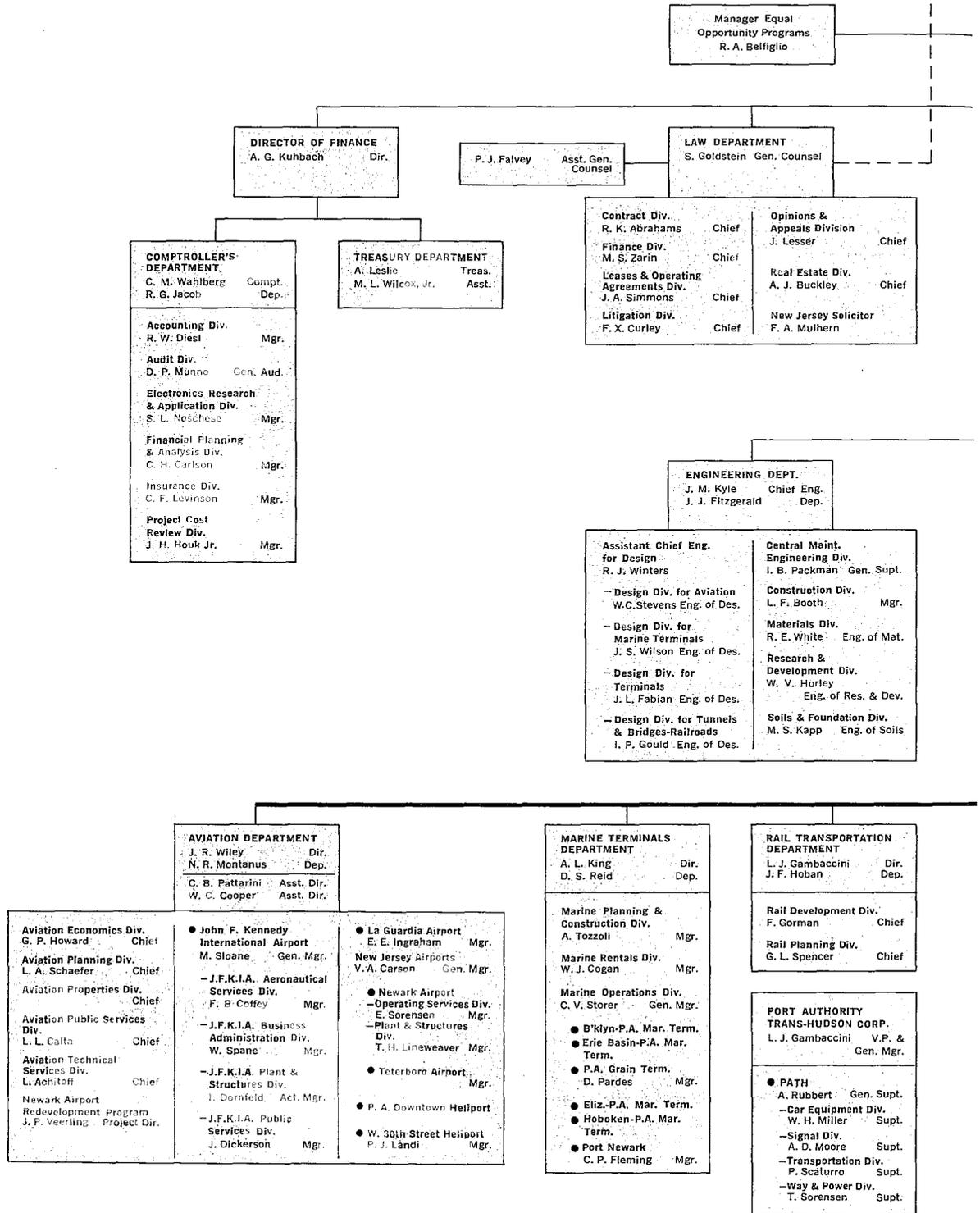
In 1966, the Port Authority instituted its Mobility Program to provide selected staff members with training assignments in positions outside of their own specialty or department. Originally conceived to maintain and increase the Port Authority's reserve of experienced managers and administrators, the program has been broadened in scope. In 1967 each employee interested in participating in the Mobility Program was invited to apply on his own initiative and, shortly thereafter, the program was extended to include assignments with government agencies and private employers both in the United States and abroad. In this latter facet of the program, Port Authority employees have been assigned to management positions with the Office of Public Safety in Washington, D. C., the U. S. Department of Transportation, and the municipal governments of New York City and Yonkers.

The program was further expanded in late 1969 to include Department Directors. As a first step in this latest phase, the Directorships of Terminals, Purchase and Administrative Services, and Organization and Procedures Departments will each be filled for a one-year period by executives from other departments.

At all Mobility Program levels, staff members have gained both job experience and an increased commitment to the total organization. As Mobility Program veterans, they form a reservoir of key personnel on whom the Port Authority can depend to meet ever-increasing challenges that lie ahead.

The Port of New York Authority Organization Chart

December 31, 1969



BOARD OF COMMISSIONERS

James C. Kellogg, III, Chairman	Sidney S. Hein
Ben Regan, Vice Chairman	Walter Henry Jones
Hoyt Ammidon	Bernard J. Lasker
John J. Clancy	William J. Ronan
Charles W. Engelhard	William A. Sternkopf Jr.
Alexander Halpern	W. Paul Stillman

OFFICE OF THE EXECUTIVE DIRECTOR

A. J. Tobin	Executive Director	D. E. Landre	Secy. of the P.A.
M. E. Lukens	Deputy	A. G. Lorimer	Chief Arch.

PUBLIC AFFAIRS DEPT

R. C. Sullivan	Dir.
R. J. Banahan	Exec. Asst.
W. H. Goodman	Pub. Rel. Dir.
J. Tillman	T.V./Radio Dir.

DIRECTOR OF ADMINISTRATION

D. L. Kurshan

ORGANIZATION & PROCEDURES DEPT.

V. T. Strom	Dir.
P. G. Stapleton	Dep.

PERSONNEL DEPARTMENT

E. C. Gallas	Dir.
J. M. Kien	Asst.

PURCHASE & ADMIN. SERVICES DEPARTMENT

J. Rosen	Dir.
A. Z. Schneider	Dep.

OPERATIONS SERVICES DEPARTMENT

D. N. Mandell	Dir.
---------------	------

Central Automotive Div.	E. Holmgren	Chief
Inspection & Safety Div.	J. J. Kirk	Chief
Operations Standards Div.	J. R. Shelton	Chief
Police Div.	W. A. O'Connor	Supt.
Traffic Engineering Div.	L. E. Bender	Chief

PLANNING & DEVELOPMENT DEPT.

R. H. Gilman	Dir.
H. B. Johnson	Dep.

Central Planning Div.	E. S. Olcott	Chief
Central Research & Statistics Div.	W. B. Lovejoy	Chief

REAL ESTATE DEPARTMENT

W. M. Schwarz	Dir.
S. Anton	Dep.

Acquisition & Property Management Div.	P. S. Cottone	Mgr.
Commercial & Industrial Div.	A. H. Britten	Mgr.
Planning & Analysis Div.	G. N. Melinette	Mgr.

Administrative Div.	L. Ruffini	Mgr.
Classification & Compensation Stnds. Div.	E. G. Bradford	Mgr.
Management Personnel Div.	E. J. O'Malley	Mgr.
Medical Services Div.	J. H. O'Connell	Act. Med. Dir.
Operating Personnel Div.	J. M. Kien	Mgr.
Personnel Benefits & Activities Div.	W. E. McCarthy	Mgr.
Training Services Div.	J. F. DeSanto	Mgr.

Food Services Div.	B. J. Fischer	Mgr.
Office Services Div.	C. S. Gulotta	Mgr.
Purchase & Supply Services Div.	C. H. Reilly	Mgr.
Special Services Div.	D. H. Bagger	Mgr.
Visual & Reproduction Services Div.	E. W. Meyers	Mgr.

TERMINALS DEPARTMENT

H. Sherman	Dir.
------------	------

Planning & Analysis Div.	W. L. Giordano	Chief
Properties Div.	R. C. Meehan	Chief
Operations Div.	G. Meritz	Gen. Mgr.
● Bus Terminal	M. Weiss	Mgr.
● George Washington Br. Bus Station*	L. C. Webb	Mgr.
● Port Authority Building	J. M. Rommerdahl	Mgr.
● Truck Terminal, N. J.		
● Truck Terminal, N. Y.	R. J. Walsh	Mgr.

TUNNELS & BRIDGES DEPARTMENT

C. H. Taylor	Dir.
J. D. Maynard	Dep.

Project Engineering Div.	H. A. Hazen	Mgr.
Research Div.	R. S. Foote	Mgr.
Tunnel & Bridge Operations Div.	A. P. Tate	Gen. Mgr.
● George Washington Br.	H. A. Milley	Mgr.
● Holland Tunnel	L. J. Lewis	Mgr.
● Lincoln Tunnel	B. M. Mayer	Mgr.
● Bayonne Bridge		
● Goethals Bridge		
● Outerbridge Crossing	J. L. Sterbenz	Mgr.

WORLD TRADE DEPARTMENT

G. F. Tozzoli	Dir.
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WORLD TRADE CENTER

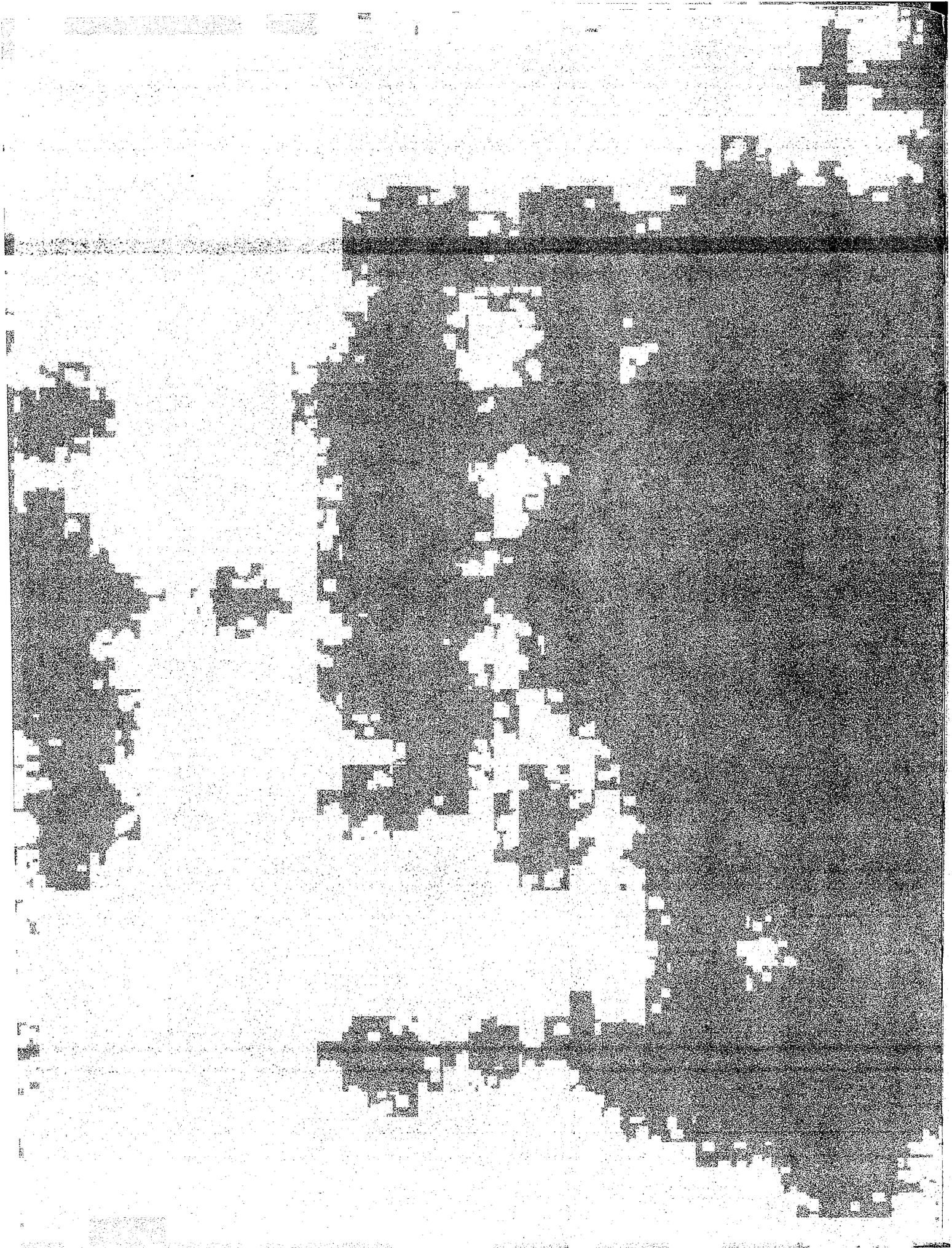
Development & Rentals Div.	L. E. Scriven	Chief
Planning & Construction Div.	M. P. Levy	Chief
Special Program Div.	T. J. Kearney	Mgr.

PORT COMMERCE

C. B. O'Hare	Dir.
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Port Promotion Div.	R. F. Unrath	Mgr.	Traffic Management Div.	D. W. Binns	Mgr.
Trade Development Div.	G. G. Gorman	Gen. Mgr.	Trade Development Offices		
U.S. Offices		Mgr.	Overseas Offices		Mgr.
Chicago	D. E. Howland		Continental (Zurich)	H. C. Klingman	
Cleveland	H. F. Lemmon		Far East-Pacific (Tokyo)	W. C. Gibson	
Eastern (New York)	J. J. O'Brien		Latin American (San Juan)	H. S. Weeks	
Pittsburgh	R. M. Cornell		London	A. G. Bratower	
Washington	T. D. Tuomey				

*A part of the George Washington Bridge, operated by the Terminals Department for the Tunnels and Bridges Department



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 as directed by the two State Legislatures, it has been necessary for the bi-state agency to conduct its affairs with prudence and with sound management practices in order 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.

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. These statutes provide for the amount of the General Reserve Fund to be equal to ten percent of the total par value of the Authority's outstanding General and Refunding, Air Terminal, Marine Terminal and Consolidated Bonds.

The Port Authority policy is to maintain, at year end, a combined amount in all reserve funds equal to at least the next two years' mandatory debt service and to retire bonded debt as rapidly as sound financial management permits. Acceleration of debt re-

tirement 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.

Bonds for an additional facility cannot be issued with a pledge of the General Reserve Fund unless the Port Authority Commissioners certify to investors 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.

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.

The 1962 statute adopted by the Legislatures of the two States, which authorized Port Authority acquisition of the inter-state 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 programs in accordance with the directives of the two Legislatures. 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 the Authority bondholders, which gave assurance against further 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. 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 facil-

ity 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 ten percent of the General Reserve Fund at the end of the previous year.

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 and one half 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 1969 totaled \$242,797,000, an increase of 7.0 percent. This rise reflects the continuing increase in development and utilization of the Authority's facilities. At the same time, operating, administrative and development expenses increased about 8.5 percent to reach \$134,297,000. As a result, net operating revenues were up about 5.2 percent to a total of \$108,500,000.

Investment income on securities held in the reserve and operating funds totaled \$13,639,000. This was offset by a downward adjustment of \$12,159,000 in the value of the Authority's security portfolio, reflecting the depressed Government Bond market, leaving net revenues available for debt service and reserves of \$109,980,000.

Interest totaled \$25,507,000 and long-term debt amortization amounted to \$26,363,000. In addition, short-term Consolidated Notes of \$15,000,000 were retired at maturity, and a \$35,000,000 payment was made to reduce the bank loan outstanding, in accord-

ance with the agreement with the banks.

Reserve funds were increased in the net amount of \$8,110,000 and totaled \$151,837,000 at year 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' mandatory debt service.

The Authority's financial affairs are administered by A. Gerdes Kuhbach, Director of Finance; Alexander Leslie, Treasurer; and Carl M. Wahlberg, Comptroller.

Highlights

	1969	1968
Gross Operating Revenues	\$ 242,800,000	\$ 226,900,000
Net Operating Revenues	108,500,000	103,100,000
Bonded Debt Retired	41,900,000	55,000,000
Interest on Bonded Debt	25,500,000	24,600,000
Cumulative Invested in Facilities	2,098,200,000	1,886,600,000
Bonded Debt Outstanding	1,202,600,000	1,179,500,000
General Reserve Fund	120,300,000	117,900,000
Special Reserve Funds	31,600,000	25,800,000

Financial Position at Year End

Highlights

On December 31, 1969, the total assets of the Authority were \$2,690,639,000, represented by the cumulative amount invested in facilities and balances in construction, operating and reserve funds. This is an increase of

3.5 percent, or \$89,918,000 over last year.

The amount invested in facilities of the Port Authority rose by \$211,637,000, including interest during construction of \$29,574,000 on bonded debt and a bank loan, to a cumulative total of \$2,098,196,000 at year end 1969. This increase is largely represented by additional investment at:

The World Trade Center	\$107,400,000
Newark Airport	46,300,000
John F. Kennedy International Airport	33,000,000
Port Newark	5,600,000
Port Authority Trans-Hudson	5,100,000
Elizabeth-Port Authority Marine Terminal	4,700,000
La Guardia Airport	3,600,000

Bonded debt increased during the year by \$23,146,000 to a total of \$1,202,645,000. This was the net result of the issuance of Consolidated Notes in the total amount of \$110,000,000, the retirement of \$41,854,000 debt through income and reserves, and the refunding of notes in the amount of \$45,000,000.

At year end, reserve funds and debt

retired through income totaled \$1,209,957,000, which is about 58 percent of the amount invested in facilities.

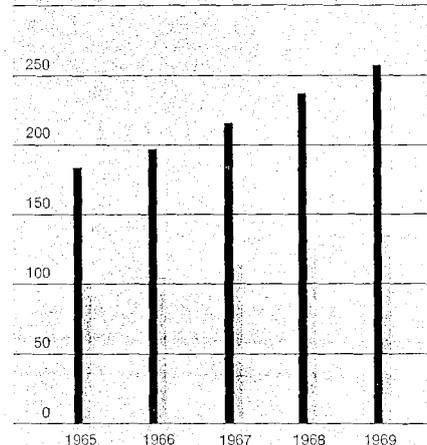
Reserve Funds

At year end 1969, reserve funds were increased by \$8,110,000 to a total of \$151,837,000. The General Reserve Fund balance rose to \$120,264,000 and continued to meet the statutory requirement of ten percent of the outstanding bonded debt; concurrently, the Special Reserve Fund totaled \$9,615,000, the Air Terminal Reserve Fund \$19,739,000 and the Marine Terminal Reserve Fund \$2,219,000. 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. The total reserves, at year end, exceeded the next two years' debt service by \$403,000.

Bond covenants require that reserve funds be maintained in cash or invested in certain government securities. Thus, at year end, \$150,319,000

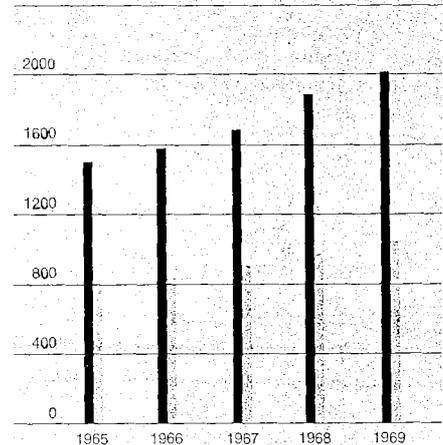
Revenues and Disposition of Revenues
(In Millions of Dollars)

■ Total Revenues
▨ Operating Expenses Available for Debt Service and Reserves



Invested in Facilities vs. Recovery Through Income
(In Millions of Dollars)

■ Invested in Facilities
▨ Debt Retired Reserves



was invested in securities as set forth in Statement D, "Analysis of Reserve Funds." Income from the reserve fund investment portfolio during 1969 totaled \$11,106,000.

The policy of adjusting the value of United States securities held in the portfolio at year end to the lower of aggregate market value or aggregate amortized cost resulted in a downward adjustment in reserve funds of \$10,894,000.

Summary of Reserve Funds

December 31 (In Millions)

	1969	1968	Increase (Decrease)
General Reserve	\$120.3	\$117.9	\$ 2.4
Special Reserve	9.6	14.0	(4.4)
Air Terminal Reserve	19.7	10.4	9.3
Marine Terminal Reserve	2.2	1.4	.8
	\$151.8	\$143.7	\$ 8.1

Financial Income

The long - term investment portfolio averaged about \$181,039,000, principally reserve funds, and was invested primarily in securities of or guaranteed by the United States Government. Long-term investment earnings amounted to \$12,373,000 or an annual rate of about 6.83 percent.

Investment in short-term government securities and bank time deposits averaged approximately \$467,675,000 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 \$31,658,000 or an annual earning rate of about 6.77 percent.

Investment income distributed to operating funds amounted to \$2,533,000 (including \$29,000 of miscellaneous income) and \$11,106,000 was distributed to reserve funds. The balance, \$30,421,000, was allocated to capital funds, thereby reducing costs during the construction period.

Financing Debt Issued

The Authority's bonded debt at year end was \$1,202,645,000, a net increase of \$23,146,000 from last year.

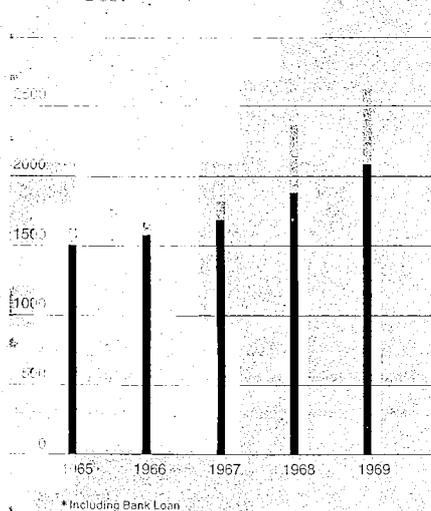
On December 11, 1969, \$50,000,000 Consolidated Notes, Series W, 7½ percent due December 11, 1972, were sold by competitive bidding to Salomon Brothers and Hutzler at a price of \$98.26. These notes may be redeemed prior to maturity or subsequent to December 11, 1970, at 100 percent of their face value.

Debt Retired

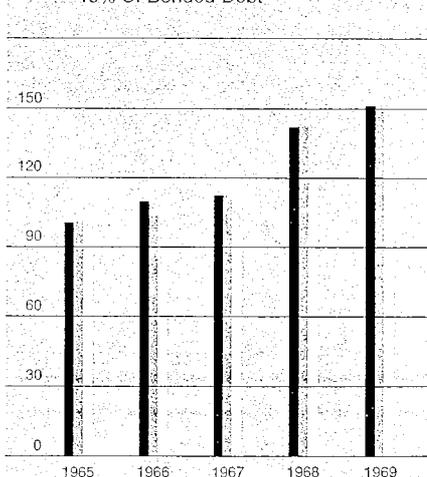
During the year, \$41,854,000 par value of bonds and notes were retired. Also, \$45,000,000 Consolidated Notes, Series V were refunded as shown in Statement H. Long-term bonds with a par value of \$26,854,000 were retired through mandatory sinking fund and maturity payments.

On December 19, 1969, payment of the first annual instalment in the amount of \$35,000,000 was made on the \$210,000,000 bank loan negotiated in 1968.

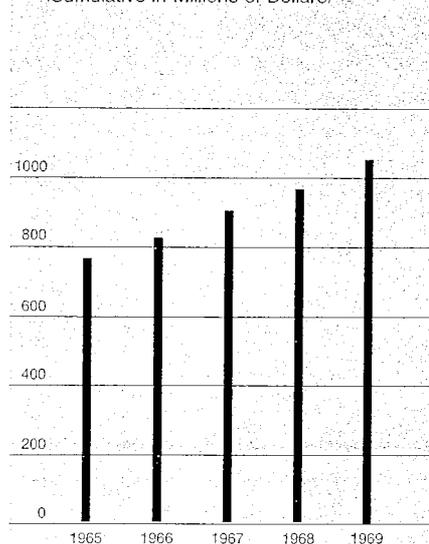
Invested in Facilities vs. Debt*
(In Millions of Dollars)



Reserve Funds 1965-1969
(In Millions of Dollars)



Debt Retired Through Income
(Cumulative in Millions of Dollars)



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. Upon retirement or providing in trust for the payment of all debt service on each of the older classes of bonds—General and Refunding, Air Terminal and Marine Terminal Bonds, 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 represented 95.1 percent of the outstanding bonded debt of \$1,202,645,000 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, 1969, outstanding Consolidated Bonds totaled \$1,143,956,000. Over the years, the Authority has issued a total of \$1,731,650,000 Consolidated Bonds, exclusive of refundings. Of this amount \$667,556,000 has been allocated to "Consolidated Bond Facilities," namely, Brooklyn-Port Authority Marine Terminal, Ho-

boken-Port Authority Marine Terminal, Erie Basin-Port Authority Marine Terminal, Elizabeth-Port Authority Marine Terminal, the two Port Authority Helicopters, the Hudson Tubes and the World Trade Center. The remaining \$1,064,094,000 of Consolidated Bond proceeds were 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 1969, after meeting all debt service from revenues and reserves, the General Reserve Fund totaled \$120,264,000. 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 1969 operations of these facilities produced net revenues of \$48,531,000 available for debt service and transfer to reserves. Debt service totaled \$1,476,000 and \$27,646,000 was transferred to the General Reserve Fund. The remaining \$19,409,000 was transferred to the Special Reserve Fund which is pledged as additional security for this class of bonds.

General and Refunding Bonds outstanding at year end totaled \$18,446,000, a decrease of \$1,215,000 from the previous year end total.

Since 1952, Consolidated Bond proceeds have been allocated to these facilities. The debt service on these bonds, however, cannot be charged directly against the associated revenue but must be charged against revenues of facilities related solely to Consolidated Bonds. The total invested in this group of facilities increased \$5,177,000 to \$628,414,000 at the end of 1969.

Air Terminal Bonds

These bonds have a first lien on the net revenues of the four airports. In 1969, net revenues available for debt service and reserves totaled \$50,312,000. After payment of \$4,443,000 for debt service, \$26,949,000 of the remaining revenues was transferred to the General Reserve Fund and \$18,920,000 to the Air Terminal Reserve Fund which is pledged as additional security for this class of bonds.

With the retirement of \$3,658,000

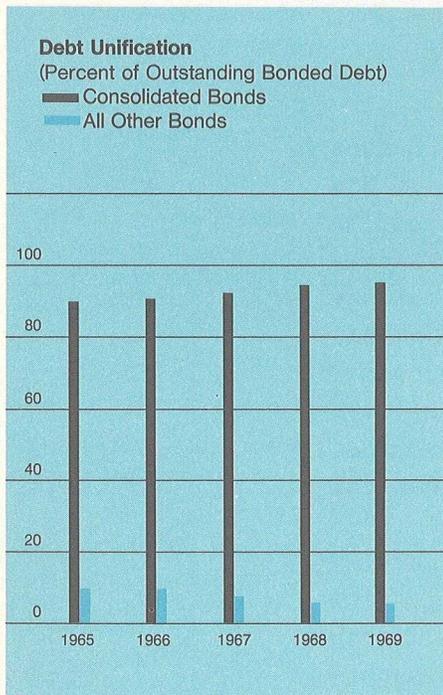
of Air Terminal Bonds during the year, outstanding Air Terminal Bonds at year end totaled \$36,212,000. The additional investment of \$83,380,000 from Consolidated Bond proceeds during 1969 brought the total Port Authority investment in airports to \$762,532,000.

Marine Terminal Bonds

These bonds have a first lien on the net revenues of Port Newark which, in 1969, totaled \$6,304,000. After the

payment of \$384,000 for debt service, \$3,478,000 was transferred to the General Reserve Fund and \$2,442,000 to the Marine Terminal Reserve Fund which is pledged as additional security for this class of bonds.

At the end of 1969, Port Authority investment in Port Newark totaled \$111,051,000, an increase of \$5,609,000. The outstanding Marine Terminal Bonds decreased by \$305,000 to \$4,031,000.



Net Operating Revenues

(In Millions)

	1969	1968	1967	1966	1965
Consolidated Bonds					
Revenues	\$ 29.7	\$ 26.2	\$24.5	\$23.1	\$21.8
Operating Expenses	25.1	24.5	21.6	20.3	19.9
Net Operating Revenues	4.6	1.7	2.9	2.8	1.9
General and Refunding Bonds					
Revenues	\$ 92.9	\$ 89.4	\$84.1	\$81.0	\$78.1
Operating Expenses	45.1	41.3	39.3	37.4	38.2
Net Operating Revenues	47.8	48.1	44.8	43.6	39.9
Air Terminal Bonds					
Revenues	\$110.1	\$102.0	\$89.7	\$76.9	\$70.2
Operating Expenses	60.2	54.2	45.7	41.0	37.6
Net Operating Revenues	49.9	47.8	44.0	35.9	32.6
Marine Terminal Bonds					
Revenues	\$ 10.1	\$ 9.4	\$ 9.2	\$ 8.9	\$ 8.5
Operating Expenses	3.9	3.8	3.5	3.4	3.2
Net Operating Revenues	6.2	5.6	5.7	5.5	5.3

PRICE WATERHOUSE & CO.

60 BROAD STREET
NEW YORK 10004

March 6, 1970

The Port of New York Authority
New York, New York

In our opinion, Statements A through I present fairly the financial position of The Port of New York Authority at December 31, 1969 and the results of its operations for the year, and Statement K presents fairly the assets and liabilities of the New York State Commuter Car Program at December 31, 1969, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, Statement J 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,	
	1969	1968
(In Thousands)		
Gross Operating Revenues	\$242,797	\$226,931
Operating Expenses	134,297	123,831
Net Operating Revenues	108,500	103,100
Financial Income		
Income on investments	13,639	10,749
Security valuation adjustment	(12,159)	(4,404)
	109,980	109,445
Debt Service		
Interest on bonded debt	25,507	24,580
Serial maturities and sinking fund requirements	26,363	24,943
Short-term note retirements	15,000	28,000
Bank loan payment	35,000	—
Debt retirement acceleration	—	958
Total Debt Service	101,870	78,481
Net Increase in Reserves	8,110	30,964
Reserve balances—beginning of year	143,727	112,763
Reserve Balances—End of Year	\$151,837	\$143,727

STATEMENT B **Financial Position**

	December 31, 1969			December 31, 1968
	Capital Funds (Statement E)	Reserve Funds (Statement D)	General Operating Funds	Combined Total
(In Thousands)				
Assets				
Invested in Facilities	\$2,098,196	\$ —	\$ —	\$2,098,196
Investment in Securities (Statement G)	331,890	150,319	22,306	504,515
Cash and Time Deposits	43,843	1,518	2,947	48,308
Other Assets	5,313	—	34,307	39,620
Total Assets	<u>2,479,242</u>	<u>151,837</u>	<u>59,560</u>	<u>2,690,639</u>
Liabilities				
Bonded Debt (Statement H)	1,202,645	—	—	1,202,645
Bank Loan Payable	175,000	—	—	175,000
Debt Retired Through Income (Statement F)	1,058,120	—	—	1,058,120
Reserves	—	151,837	—	151,837
Accounts Payable and Other Liabilities	43,477	—	43,778	87,255
Provision for Self-Insurance	—	—	11,446	11,446
Deferred Credits to Income	—	—	4,336	4,336
Total Liabilities	<u>\$2,479,242</u>	<u>\$151,837</u>	<u>\$59,560</u>	<u>\$2,690,639</u>

See Notes to Financial Statements

Notes to Financial Statements

December 31, 1969

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 bonded 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 bond. Debt service on each type of bond 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 bond 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 K, 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, 1969, the Authority was committed under various contracts to the completion over the next three or four years of approximately \$375,000,000 of construction.

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.

Certain parcels of the property at the Brooklyn-Port Authority Marine Terminal are held under two leases from the City of New York for terms expiring in the years 2011 and 2018.

Minimum annual rentals under the above leases presently aggregate approximately \$3,300,000. Additional rentals are payable if earned in connection with certain of these leases.

The Authority and the City of New York have entered into a lease for the development of a consolidated passenger ship terminal, and for the interim operation of existing passenger piers, on the Hudson River side of Manhattan Island. The lease would become effective upon the execution of certain ancillary agreements by the Authority, the City of New York, and passenger steamship lines, and the initial lease term would expire twenty years after commencement of operations at the new terminal. The lease has not received final Federal approval, and the physical plans for the facility are now being re-evaluated.

Note D—Financing:

1. In December, 1968, the Authority obtained a loan maturing in 1975 from banks and trust companies located in New York and New Jersey in an amount aggregating \$210,000,000, with interest at 4¼ percent per annum, payable semiannually, for capital expenditures in connection with one or more facilities of the Authority. The loan is payable in annual instalment amounts of the lesser of \$35,000,000 or net revenues legally available therefor (after paying related interest) in the Special Reserve Fund, Air Terminal Reserve Fund, Marine Terminal Reserve Fund and Consolidated Bond Reserve Fund as provided in the Authority's bond resolutions establishing such Funds, and may be prepaid in whole or in part on any interest date after June 20, 1969. Payment of the loan and interest thereon is subject in all respects to the payment of debt service on the Authority's General and Refunding Bonds, Air Terminal Bonds, Marine Terminal Bonds and Consolidated Bonds and Consolidated Notes, as required by the applicable provisions of the Authority's bond resolutions, and to the payment into the General Reserve Fund of the amount necessary so as to maintain such Fund at the amount specified in the General Reserve Fund statutes. Neither the loan nor the interest thereon is secured by or payable from the General Reserve Fund. The first annual instalment of \$35,000,000 was paid by the Authority on December 19, 1969.

2. On December 11, 1969, the Authority issued \$50,000,000 Consolidated Notes, Series W, due 1972, which the Authority intends to refund in whole or in part at or before their maturity date with the proceeds of an issue or issues of long-term bonds at least to the extent necessary (a) to maintain

the General Reserve Fund at 10 percent of the par value of outstanding Authority bonds secured by a pledge of that fund, (b) to maintain in all debt reserve funds an aggregate amount in excess of the next two years' debt service on Authority bonds secured by a pledge of the General Reserve Fund, and (c) provide for the payment of at least \$35,000,000 annually in principal amount of the bank loan obtained by the Authority in December, 1968.

Note E—General:

Pursuant to legislative and judicial authorizations, the Authority on September 1, 1962 acquired by condemnation the former Hudson & Manhattan Railroad (Hudson Tubes) 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.

By condemnation proceedings in the New York State Supreme Court and by purchase, 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. Port Authority capital accounts with respect to this property include about \$21,500,000 representing sums advanced therefor to December 31, 1969. On February 19, 1970, the State Supreme Court made tentative awards which would bring the total acquisition cost of this property to about \$30,650,000. These awards are subject to review and possible change after a post-trial hearing and are also subject to appeal.

STATEMENT C **Operating Fund Revenues** Year Ended December 31, 1969

	Related to				Combined Total
	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Consolidated Bonds	
	(In Thousands)				
Gross Operating Revenues	\$ 92,889	\$110,071	\$10,136	\$29,701	\$242,797
Operating Expenses	45,122	60,200	3,895	25,080	134,297
Net Operating Revenues	47,767	49,871	6,241	4,621	108,500
Financial Income					
Income on investments	1,536	871	126	--	2,533
Security valuation adjustment	(772)	(430)	(63)	--	(1,265)
Net Revenues	48,531	50,312	6,304	4,621	109,768
Debt Service					
Interest on bonded debt	314	1,059	104	24,030	25,507
Serial maturities and sinking fund requirements	1,162	3,384	280	21,537	26,363
Short-term note retirements	--	--	--	15,000	15,000
Total Debt Service	1,476	4,443	384	60,567	66,870
Transfers to and (from) Reserves	47,055	45,869	5,920	(55,946)	42,898
Analysis of Transfers					
From Reserves—to cover net deficit	--	--	--	(55,946)	(55,946)
To General Reserve—					
to bring to 10% of bonded debt	27,646	26,949	3,478	--	58,073
To Special Reserves	19,409	18,920	2,442	--	40,771
Net Transfers	\$ 47,055	\$ 45,869	\$ 5,920	\$(55,946)	\$ 42,898

STATEMENT D **Analysis of Reserve Funds** Year Ended December 31, 1969

	General Reserve Fund	Special Reserve Fund	Air Terminal Reserve Fund	Marine Terminal Reserve Fund	Combined Total
	(In Thousands)				
Balance—January 1	\$117,950	\$14,045	\$10,379	\$1,353	\$143,727
Income on investments	9,106	1,070	824	106	11,106
Security valuation adjustment	(8,919)	(1,028)	(840)	(107)	(10,894)
	118,137	14,087	10,363	1,352	143,939
Transfers (to) and from Operating Funds:					
Deficit related to Consolidated Bonds	(55,946)	--	--	--	(55,946)
Revenues related to:					
General and Refunding Bonds	27,646	19,409	--	--	47,055
Air Terminal Bonds	26,949	--	18,920	--	45,869
Marine Terminal Bonds	3,478	--	--	2,442	5,920
Net transfers	2,127	19,409	18,920	2,442	42,898
Appropriations for:					
Bank loan payment	--	23,881	9,544	1,575	35,000
Balance—December 31	\$120,264	\$ 9,615	\$19,739	\$2,219	\$151,837
Represented by:					
Investment in securities	\$119,061	\$ 9,519	\$19,542	\$2,197	\$150,319
Cash	1,203	96	197	22	1,518

See Notes to Financial Statements

STATEMENT E **Capital Funds** Assets and Liabilities December 31, 1969

	Related to facilities the net revenues of which are first pledged for				Combined Total
	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Consolidated Bonds	
	(In Thousands)				
Assets					
Invested in Facilities					
Completed construction—owned	\$610,978	\$ 10,797	\$ —	\$197,663	\$ 819,438
Completed construction—leased	—	609,165	95,361	97,293	801,819
Construction in progress	17,436	142,570	15,690	301,243	476,939
	<u>628,414</u>	<u>762,532</u>	<u>111,051</u>	<u>596,199</u>	<u>2,098,196</u>
Investment in Securities	6,339	262	3,387	321,902	331,890
Cash and Time Deposits	837	35	447	42,524	43,843
Other Assets	744	3,332	3	1,234	5,313
Total Assets	<u>636,334</u>	<u>766,161</u>	<u>114,888</u>	<u>961,859</u>	<u>2,479,242</u>
Liabilities					
Bonded Debt (Statement H)	18,446	36,212	4,031	1,143,956	1,202,645
Bank Loan Payable	—	—	—	175,000	175,000
Interfund Accounts	321,250	640,192	103,806	(1,065,248)	—
Debt Retired Through Income (Statement F)	294,528	69,171	5,969	688,452	1,058,120
Accounts Payable and Other Liabilities	2,110	20,586	1,082	19,699	43,477
Total Liabilities	<u>\$636,334</u>	<u>\$766,161</u>	<u>\$114,888</u>	<u>\$961,859</u>	<u>\$2,479,242</u>

See Notes to Financial Statements

STATEMENT F **Debt Retired Through Income** Year Ended December 31, 1969 (In Thousands)

Debt Retired Through Income	
Balance at January 1	\$926,725
Net revenues and reserves applied to retirement of bonded debt as detailed in Statement H	41,854
Reserves applied to payment of bank loan as detailed in Statement D	35,000
Total	<u>1,003,579</u>
Contributed by Federal and State Agencies in Aid of Construction	
Balance at January 1	50,860
Amounts received under Federal Airport Act	9,289
Amounts received under Urban Mass Transportation Act	1,561
Total	<u>61,710</u>
Appropriated Reserves Invested in Facilities	
Balance at January 1 and December 31	8,468
	<u>1,073,757</u>
Less:	
Cost of Refunding and Consolidating Debt	
Balance at January 1 and December 31	15,637
Total	<u>\$1,058,120</u>

STATEMENT G **Investment in Securities** December 31, 1969

	Principal Amount	Quoted Market Value <small>(In Thousands)</small>	Amortized Cost
Short-Term			
Federal National Mortgage Association Participation Certificates	\$ 65,595	\$ 64,949	\$ 65,349
Export-Import Bank Participation Certificates	40,670	40,009	40,342
United States Treasury Bills	206,118	199,002	199,702
United States Treasury Notes	37,500	36,920	37,370
United States Treasury Bonds	15,000	14,702	14,721
Security valuation allowance at December 31, 1969			(1,902)
Total Short-Term	<u>364,883</u>	<u>355,582</u>	<u>355,582</u>
Long-Term			
Federal National Mortgage Association Participation Certificates	69,355	56,456	68,149
Export-Import Bank Participation Certificates	33,525	29,933	33,997
United States Treasury Bonds	52,380	35,292	52,195
Security valuation allowance at December 31, 1969			(32,660)
Total Long-Term United States Securities	<u>155,260</u>	<u>121,681</u>	<u>121,681</u>
The Port of New York Authority Bonds	25,986	15,943	21,411
Total Long-Term	<u>\$181,246</u>	<u>\$137,624</u>	<u>143,092</u>
Accrued Interest Receivable			5,841
Total Investment in Securities			<u>\$504,515</u>

See Notes to Financial Statements

STATEMENT H **Bonded Debt** Year Ended December 31, 1969

	January 1, 1969	Issued	Retired	December 31, 1969
	(In Thousands)			
General and Refunding Bonds				
Eighth Series, 2% due 1974	\$ 6,318	\$ —	\$ 1,215	\$ 5,103
Ninth Series, 1½% due 1985	4,054	—	—	4,054
Tenth Series, 1¾% due 1985	2,014	—	—	2,014
Eleventh Series, 1¼% due 1986	7,275	—	—	7,275
	<u>19,661</u>	<u>—</u>	<u>1,215</u>	<u>18,446</u>
Air Terminal Bonds				
First Series, 3% due 1978	16,433	—	1,618	14,815
Second Series, 2½% due 1979	16,842	—	1,503	15,339
Third Series, 2.20% due 1980	6,595	—	537	6,058
	<u>39,870</u>	<u>—</u>	<u>3,658</u>	<u>36,212</u>
Marine Terminal Bonds				
First Series, 2½% due 1978	3,028	—	305	2,723
Second Series, 2.20% due 1980	1,308	—	—	1,308
	<u>4,336</u>	<u>—</u>	<u>305</u>	<u>4,031</u>
Consolidated Bonds				
First Series, 3% due 1982	20,757	—	1,276	19,481
Second Series, 2¾% due 1984	17,960	—	560	17,400
Fourth Series, 2¾% due 1985	26,000	—	1,000	25,000
Fifth Series, 2.90% due 1983	14,500	—	400	14,100
Sixth Series, 3% due 1986	22,800	—	600	22,200
Seventh Series, 3.40% due 1986	19,900	—	600	19,300
Eighth Series, 3.40% due 1987	40,000	—	1,000	39,000
Ninth Series, 3½% due 1969-1975	9,450	—	1,350	8,100
Tenth Series, 3¾% due 1987	28,500	—	900	27,600
Eleventh Series, 2¾% due 1969	2,000	—	2,000	—
	3% due 1970-1978	18,000	—	18,000
Twelfth Series, 3⅝% due 1988	33,250	—	560	32,690
Thirteenth Series, 3.40% due 1969	1,250	—	1,250	—
	3½% due 1970-1977	10,000	—	10,000
	2¾% due 1978	1,250	—	1,250
Fourteenth Series, 3⅝% due 1989	49,940	—	1,155	48,785
Fifteenth Series, 4% due 1969-1975	12,250	—	1,750	10,500
	4.10% due 1976-1979	7,000	—	7,000
Sixteenth Series, 4¼% due 1989	21,650	—	—	21,650
Seventeenth Series, 3½% due 1969-1975	10,500	—	1,500	9,000
	3.70% due 1976-1979	6,000	—	6,000
	1% due 1980	1,500	—	1,500
Eighteenth Series, 3.10% due 1969	1,750	—	1,750	—
	3¼% due 1970-1975	10,850	—	10,850
	3½% due 1976-1981	12,600	—	12,600
Nineteenth Series, 3½% due 1991	23,250	—	500	22,750
Twentieth Series, 3¼% due 1993	34,475	—	525	33,950
Twenty-first Series, 3.40% due 1993	24,625	—	375	24,250
Twenty-second Series, 3⅝% due 1993	24,625	—	375	24,250
Twenty-third Series, 3⅝% due 1994	25,000	—	375	24,625
Twenty-fourth Series, 3½% due 1994	25,000	—	375	24,625
Twenty-fifth Series, 3.20% due 1969-1973	7,500	—	1,500	6,000
	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, 3⅝% due 1995	25,000	—	—	25,000
Twenty-eighth Series, 3⅝% 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
Thirty-second Series, 5% due 2003	100,000	—	—	100,000
Thirty-third Series, 4¾% due 2003	100,000	—	—	100,000
Thirty-fourth Series, 5½% due 2003	100,000	—	—	100,000
	<u>1,115,632</u>	<u>—</u>	<u>21,676</u>	<u>1,093,956</u>
Consolidated Notes				
Series V 4¼% due December 15, 1969	—	60,000	15,000	—
Refunded	—	(45,000)	—	—
Series W 7½% due December 11, 1972	—	50,000	—	50,000
	<u>1,115,632</u>	<u>65,000</u>	<u>36,676</u>	<u>1,143,956</u>
Total Bonded Debt	<u>\$1,179,499</u>	<u>\$65,000</u>	<u>\$41,854</u>	<u>\$1,202,645</u>

See Notes to Financial Statements

STATEMENT I **Bonded Debt Amortization 1970-2003** December 31, 1969 (In Thousands)

Year	Debt Service Total All Issues			Amortization			
	Total	Interest	Amortization	Consolidated Bonds	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds
	Par Value: \$1,202,645						
1970	\$ 75,438	\$ 47,536	\$ 27,902	\$ 22,548	\$ 1,237	\$ 3,770	\$ 347
1971	75,996	46,755	29,241	23,656	1,263	3,873	449
1972	126,185	45,618	80,567	74,859	1,288	3,960	460
1973	73,189	41,076	32,113	26,192	1,385	4,065	471
1974	74,134	40,016	34,118	28,849	613	4,174	482
1975	74,769	38,883	35,886	30,165	941	4,286	494
1976	72,969	37,733	35,236	29,296	1,033	4,401	506
1977	73,050	36,574	36,476	30,245	1,193	4,520	518
1978	74,984	35,298	39,686	35,793	1,211	2,531	151
1979	73,910	33,917	39,993	37,944	1,228	667	154
1980	73,448	32,549	40,899	39,652	1,247		
1981	71,825	31,157	40,668	39,404	1,264		
1982	70,152	29,798	40,354	39,072	1,282		
1983	70,704	28,364	42,340	41,040	1,300		
1984	72,190	26,827	45,363	44,045	1,318		
1985	70,281	25,199	45,082	44,440	642		
1986	71,345	23,475	47,870	47,870			
1987	66,269	21,669	44,600	44,600			
1988	59,731	20,056	39,675	39,675			
1989	57,026	18,476	38,550	38,550			
1990	55,038	16,988	38,050	38,050			
1991	53,477	15,427	38,050	38,050			
1992	50,923	13,873	37,050	37,050			
1993	49,341	12,291	37,050	37,050			
1994	43,437	10,787	32,650	32,650			
1995	38,777	9,377	29,400	29,400			
1996	33,570	8,070	25,500	25,500			
1997	29,229	6,979	22,250	22,250			
1998	28,414	5,914	22,500	22,500			
1999	26,851	4,851	22,000	22,000			
2000	25,778	3,778	22,000	22,000			
2001	24,706	2,706	22,000	22,000			
2002	23,533	1,533	22,000	22,000			
2003	17,502	502	17,000	17,000			
Total	<u>\$1,978,171</u>	<u>\$774,052</u>	<u>\$1,204,119</u>	<u>\$1,145,395</u>	<u>\$18,445</u>	<u>\$36,247</u>	<u>\$4,032</u>

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. The amortization amount shown above for the year 1972 includes the \$50,000,000 for Consolidated Notes, Series W, due 1972, which the Authority intends to refund in whole or in part at or before the maturity date with the proceeds of an issue or issues of long-term bonds. The above amortization and interest amounts do not include either interest or annual instalment payments on the bank loan maturing in 1975. See Note D to Financial Statements for details concerning the refunding of Series W Notes and payment of the bank loan.

See Notes to Financial Statements

STATEMENT J Selected Financial Data—A Ten-Year Comparison (In Thousands)

	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960
Net Revenues (A)										
Gross Operating Revenues	\$ 242,797	\$ 226,931	\$ 207,511	\$ 189,953	\$ 178,630	\$ 167,256	\$ 154,025	\$ 135,059	\$ 123,267	\$ 115,370
Operating Expenses	134,297	123,831	110,095	102,113	98,901	89,177	79,797	65,742	56,018	52,688
Net Operating Revenues	108,500	103,100	97,416	87,840	79,729	78,079	74,228	69,317	67,249	62,682
Other Income (B)	13,639	10,749	7,792	6,893	5,553	5,123	4,825	4,806	4,339	4,690
Net Revenues Before Debt Service	122,139	113,849	105,208	94,733	85,282	83,202	79,053	74,123	71,588	67,372
Interest on Bonded Debt	25,507	24,580	23,254	22,369	21,249	20,291	18,752	16,280	14,807	13,291
Balance Available for Debt Retirement and Reserves	96,632	89,269	81,954	72,364	64,033	62,911	60,301	57,843	56,781	54,081
Times, Interest Earned	4.79	4.63	4.52	4.24	4.01	4.10	4.22	4.55	4.83	5.07
Mandatory Long-Term Debt Retirements	26,363	24,943	23,139	21,407	21,384	19,849	20,264	20,777	19,002	17,450
Net Revenues after Debt Service (C)	\$ 70,269	\$ 64,326	\$ 58,815	\$ 50,957	\$ 42,649	\$ 43,062	\$ 40,037	\$ 37,066	\$ 37,779	\$ 36,631
Times, Debt Service Earned	2.35	2.30	2.27	2.16	2.00	2.07	2.03	2.00	2.12	2.19
Net Changes in Reserves										
Transferred from Revenues (above)	\$ 70,269	\$ 64,326	\$ 58,815	\$ 50,957	\$ 42,649	\$ 43,062	\$ 40,037	\$ 37,066	\$ 37,779	\$ 36,631
Short-Term Note Retirements	(15,000)	(28,000)	(46,000)	(40,000)	(31,500)	(33,000)	(33,000)	(31,000)	(32,000)	(35,000)
Bank Loan Payment	(35,000)									
Long-Term Debt Retirement Acceleration	—	(958)	(2,531)	(1,195)	(3,551)	(3,147)	(2,590)	(2,038)	(489)	(1,021)
Adjustment of Securities to Market Value (D)	(12,159)	(4,404)	(7,709)	(414)	(4,010)	107	(2,968)	2,311	(1,943)	6,598
Net Change	\$ 8,110	\$ 30,964	\$ 2,575	\$ 9,348	\$ 3,588	\$ 7,022	\$ 1,479	\$ 6,339	\$ 3,347	\$ 7,208
Reserves— At Year End										
General Reserve	\$ 120,264	\$ 117,950	\$ 90,649	\$ 83,285	\$ 85,593	\$ 80,611	\$ 73,950	\$ 68,761	\$ 62,609	\$ 61,083
Special Reserve	9,615	14,045	12,642	15,219	9,090	10,352	10,781	12,955	13,305	12,513
Air Terminal Reserve	19,739	10,379	8,364	10,051	5,299	5,413	4,423	5,826	5,377	4,468
Marine Terminal Reserve	2,219	1,353	1,108	1,633	858	876	1,076	1,209	1,121	1,001
Total	\$ 151,837	\$ 143,727	\$ 112,763	\$ 110,188	\$ 100,840	\$ 97,252	\$ 90,230	\$ 88,751	\$ 82,412	\$ 79,065
Debt—At Year End										
General and Refunding Bonds	\$ 18,446	\$ 19,661	\$ 22,290	\$ 24,490	\$ 25,717	\$ 27,035	\$ 33,190	\$ 38,761	\$ 46,077	\$ 51,782
Air Terminal Bonds	36,212	39,870	43,432	46,902	50,280	53,548	56,330	59,898	62,829	64,512
Marine Terminal Bonds	4,031	4,336	4,633	5,360	5,643	5,777	6,543	6,913	7,276	7,630
Consolidated Bonds and Notes	1,143,956	1,115,632	836,136	756,097	774,288	719,749	643,434	582,041	509,911	486,903
Total Bonded Debt	1,202,645	1,179,499	906,491	832,849	855,928	806,109	739,497	687,613	626,093	610,827
Bank Loan	175,000	210,000								
Total	\$1,377,645	\$1,389,499	\$ 906,491	\$ 832,849	\$ 855,928	\$ 806,109	\$ 739,497	\$ 687,613	\$ 626,093	\$ 610,827
Invested in Facilities— At Year End	\$2,098,196	\$1,886,559	\$1,683,799	\$1,584,037	\$1,503,765	\$1,402,722	\$1,327,956	\$1,224,227	\$1,116,109	\$1,012,541
Debt Retirement Through Revenues and Reserves										
Annually	\$ 76,854	\$ 54,992	\$ 72,358	\$ 63,079	\$ 56,681	\$ 56,388	\$ 56,116	\$ 54,480	\$ 51,734	\$ 53,982
Cumulative	1,003,579	926,725	871,733	799,375	736,296	679,615	623,227	567,111	512,631	460,897

(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 invest-

ment 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 bond issues.

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

See Notes to Financial Statements

STATEMENT K

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

	December 31, 1969			December 31, 1968
	Related to cars			
	leased to The Metropolitan Transportation Authority	leased to Penn Central Company	Combined Total	Total
	(In Thousands)			
Assets				
Invested in commuter cars, at cost	\$ 51,855	\$14,250	\$66,105	\$16,900
Investment in U.S. Government Securities, at cost (which approximates market)	13,974	—	13,974	30,862
Cash	19	10	29	19
Other assets	115	—	115	67
Total Assets	<u>65,963</u>	<u>14,260</u>	<u>80,223</u>	<u>47,848</u>
Liabilities				
State Guaranteed Commuter Car Bonds	63,000	10,500	73,500	43,810
Debt retired through income	—	3,750	3,750	2,940
Accounts payable and other liabilities	2,963	10	2,973	1,098
Total Liabilities	<u>\$65,963</u>	<u>\$14,260</u>	<u>\$80,223</u>	<u>\$47,848</u>

See Note A-6 to Financial Statements

Credits:

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