OFFICIAL STATEMENT DATED JUNE 6, 2023
$248,300,000 THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY CONSOLIDATED BONDS, TWO HUNDRED THIRTY-EIGHTH SERIES*

$463,445,000 THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY CONSOLIDATED BONDS, TWO HUNDRED THIRTY-NINTH SERIES**

Except to the extent otherwise set forth in this Official Statement, this Official Statement applies to Consolidated Bonds, Two Hundred Thirty-Eighth Series and Consolidated Bonds, Two Hundred Thirty-Ninth Series with equal force and effect, each of such series being referred to in this Official Statement without differentiation as the "Bonds."

The Bonds are direct and general obligations of The Port Authority of New York and New Jersey pledging the full faith and credit of the Port Authority for the payment of principal thereof and interest thereon. The Bonds are secured equally and ratably with all other Consolidated Bonds (which includes Consolidated Notes) heretofore or hereafter issued by a pledge of (a) the net revenues of all existing facilities of the Port Authority and any additional facilities which may hereafter be financed or refinanced in whole or in part through the medium of Consolidated Bonds, (b) the General Reserve Fund of the Port Authority equally with other obligations of the Port Authority secured by the General Reserve Fund and (c) the Consolidated Bond Reserve Fund established in connection with Consolidated Bonds. The Port Authority has no power to levy taxes or assessments. The Port Authority's bonds, notes and other obligations are not obligations of the States of New York and New Jersey or of either of them, and are not guaranteed by said States or by either of them.

Ratings: Each rating below reflects only the view of the ratings service issuing such rating and is not a recommendation by such ratings service to purchase, sell or hold any maturity of the Bonds or as to market price or suitability of any maturity of the Bonds for a particular investor. An explanation of the significance of a rating may be obtained from the ratings service issuing such rating. There is no assurance that any rating on the Bonds will continue for any period of time or that it will not be revised or withdrawn. A revision or withdrawal of a rating on the Bonds may have an effect on the market price of the Bonds.

Moody's Investors Service: Aa3 S&P: AA- Fitch Ratings: AA-

Delivery: The Consolidated Bonds, Two Hundred Thirty-Eighth Series (the "Two Hundred Thirty-Eighth Series Bonds") and Consolidated Bonds, Two Hundred Thirty-Ninth Series (the "Two Hundred Thirty-Ninth Series Bonds") shall be delivered upon original issuance on or about June 14, 2023, on a full book-entry basis. (See "*Denominations*, *Registration and Exchange*" and "*Delivery*" in Section I hereof.)

Legal Opinion: In connection with the delivery upon original issuance of the Bonds by the Port Authority to the Underwriters (as defined at "*Underwriters*" in Section I hereof), Bond Counsel (see "*Bond Counsel*" in Section I hereof) shall render a legal opinion on such date of delivery, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, (i) to the effect that interest on the Two Hundred Thirty-Eighth Series Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and (ii) to the effect that interest on the Two Hundred Thirty-Ninth Series Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the opinion that interest on the Two Hundred Thirty-Eighth Series Bonds is a specific preference item for purposes of the federal individual alternative minimum tax, and, for tax years beginning after December 31, 2022, interest on the Two Hundred Thirty-Eighth Series Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is of the opinion that the Bonds and interest thereon are exempt from any and all taxation (except estate, inheritance and gift taxes) imposed directly thereon by the States of New York and New Jersey or by any political subdivision thereof. A complete copy of the proposed form of opinion of Bond Counsel, setting forth its scope and conditions, is set forth at "*Form of Legal Opinion of Bond Counsel*" in Section VI hereof.

Orrick, Herrington & Sutcliffe LLP shall serve as Bond Counsel and Disclosure Counsel for the Port Authority in connection with the issuance of the Bonds. General Counsel of the Port Authority will pass upon certain legal matters pertaining to the Bonds for the Port Authority. Nixon Peabody LLP and the Law Offices of Joseph C. Reid, P.A. shall pass upon certain legal matters pertaining to the Bonds for the Underwriters.

This cover page contains certain information for quick reference only; it is not a summary of the terms of the Bonds. This Official Statement must be read in its entirety to obtain information essential to the making of an informed decision with respect to the Bonds. The information and expressions of opinion in this Official Statement are subject to change without notice, and future use of this Official Statement shall not otherwise create any implication that there has been no change in the matters referred to in this Official Statement since the date hereof. The Port Authority has not taken any action in connection with this Official Statement or the Bonds that would permit a public offering of the Bonds or the distribution of any information in connection with the Bonds and the Port Authority and its finances in any jurisdiction where action for that purpose is required. This Official Statement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Bonds, in any jurisdiction, to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

Citigroup

BofA Securities **Goldman Sachs & Co. LLC** **Ramirez & Co., Inc.**

Siebert Williams Shank & Co., LLC **UBS**

Academy Securities, Inc. **J.P. Morgan**

Loop Capital Markets **Rice Financial Products Company**

* AMT.

** Subject to federal taxation.

$248,300,000
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
CONSOLIDATED BONDS, TWO HUNDRED THIRTY-EIGHTH SERIES*

Dated: Date of delivery.

Maturities: $248,300,000 in total aggregate principal amount of Consolidated Bonds, Two Hundred Thirty-Eighth Series (the "Two Hundred Thirty-Eighth Series Bonds"), shall be issued as serial bonds as follows:

Maturity Dates, Principal Amounts, Stated Rates of Interest, Yields and CUSIP Numbers†**

$248,300,000 Serial Bonds
Subject to Redemption Prior to Maturity as Set Forth Herein

Maturity Date	Principal Amount	Stated Rate of Interest	Yield	CUSIP Number
July 15, 2034	$35,035,000	5.000%	3.650%	73358XHU9
July 15, 2035	36,785,000	5.000	3.740	73358XHV7
July 15, 2036	38,625,000	5.000	3.850	73358XHW5
July 15, 2037	40,555,000	5.000	3.950	73358XHX3
July 15, 2038	42,585,000	5.000	4.020	73358XHY1
July 15, 2039	44,715,000	5.000	4.050	73358XHZ8
July 15, 2040	10,000,000	5.000	4.100	73358XJA1

Optional Redemption: The Two Hundred Thirty-Eighth Series Bonds shall be subject to redemption prior to maturity, in whole, or, from time to time in part, at the Port Authority's option, on prior notice on the date to be fixed for redemption in such notice, at 100% of face value on any such date of redemption beginning on July 15, 2033 and thereafter prior to maturity, plus accrued interest until the date fixed for redemption.

Interest: Interest on each maturity of the Two Hundred Thirty-Eighth Series Bonds shall accrue on and after the date of delivery upon original issuance of the Two Hundred Thirty-Eighth Series Bonds until the maturity or, to the extent applicable, the prior redemption of such maturity, and shall be payable semiannually commencing on January 15, 2024 and on each July 15 and January 15 thereafter until the maturity or, to the extent applicable, the prior redemption of such maturity, at the stated rate of interest per annum specified for such maturity.

For additional information pertaining to the Two Hundred Thirty-Eighth Series Bonds, see "*Description of the Bonds—Description of the Two Hundred Thirty-Eighth Series Bonds*" and "*Additional Information Pertaining to the Bonds*" in Section I hereof.

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* AMT.

** The yields on the Two Hundred Thirty-Eighth Series Bonds are calculated to the optional call date of July 15, 2033.

† Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed herein are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds and neither the Port Authority nor the Underwriters makes any representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

$463,445,000
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
CONSOLIDATED BONDS, TWO HUNDRED THIRTY-NINTH SERIES*

Dated: Date of delivery.

Maturity: $463,445,000 in total aggregate principal amount of Consolidated Bonds, Two Hundred Thirty-Ninth Series (the "Two Hundred Thirty-Ninth Series Bonds"), shall be issued as a term bond as follows:

$463,445,000 5.072% Term Bonds Due July 15, 2053 – Price 100%
CUSIP Number† 73358XJB9
Subject to Redemption Prior to Maturity as Set Forth Herein

Optional Redemption: The Two Hundred Thirty-Ninth Series Bonds shall be subject to redemption prior to maturity, in whole, or, from time to time in part, at the Port Authority's option, on prior notice on the date to be fixed for redemption in such notice, at the "Make-Whole Redemption Price," as defined at "*Description of the Two Hundred Thirty-Ninth Series Bonds—Optional Redemption*" in Section I hereof.

Mandatory Periodic Retirement: When necessary to meet the schedule of mandatory periodic retirement for the Two Hundred Thirty-Ninth Series Bonds, the Two Hundred Thirty-Ninth Series Bonds shall be subject to redemption, on prior notice, on July 15, 2044 and on any July 15 thereafter prior to maturity, at 100% of face value, plus accrued interest until the date fixed for redemption.

Interest: Interest on the Two Hundred Thirty-Ninth Series Bonds shall accrue on and after the date of delivery upon original issuance of the Two Hundred Thirty-Ninth Series Bonds until the maturity or, to the extent applicable, the prior redemption thereof, and shall be payable semiannually commencing on January 15, 2024 and on each July 15 and January 15 until the maturity or, to the extent applicable, the prior redemption thereof, at the stated rate of interest of 5.072% per annum.

For additional information pertaining to the Two Hundred Thirty-Ninth Series Bonds, see "*Description of the Bonds—Description of the Two Hundred Thirty-Ninth Series Bonds*" and "*Additional Information Pertaining to the Bonds*" in Section I hereof.

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* Subject to federal taxation.

† Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed herein are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds and neither the Port Authority nor the Underwriters makes any representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES IN THIS SECTION TO THE "ISSUER" MEAN THE PORT AUTHORITY AND REFERENCES TO "BONDS" OR "SECURITIES" MEAN THE BONDS OFFERED HEREBY.

THE ISSUER MAKES NO REPRESENTATION AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION.

COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY JURISDICTION RELATING TO THE OFFERING, SOLICITATION AND/OR SALE OF THE BONDS IS THE RESPONSIBILITY OF THE UNDERWRITERS, AND THE ISSUER SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH. NO ACTION HAS BEEN TAKEN BY THE ISSUER THAT WOULD PERMIT THE OFFERING OR SALE OF THE BONDS, OR POSSESSION OR DISTRIBUTION OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE BONDS, OR ANY INFORMATION RELATING TO THE PRICING OF THE BONDS, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

MINIMUM UNIT SALES

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA")

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, AN "EEA RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED, THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE "EU PROSPECTUS REGULATION"). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS LOCATED WITHIN THE EEA WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE EU PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM ("UK")

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK. FOR THESE PURPOSES A "UK RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) 2017/565 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE "EUWA"); OR (II) A CUSTOMER WITHIN THE MEANING OF PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, THE "FSMA") AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A "QUALIFIED INVESTOR" AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA (THE "UK PROSPECTUS REGULATION"). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA (AS AMENDED, THE "UK PRIIPS REGULATION") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO UK RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS LOCATED WITHIN THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE UK PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

UK RESTRICTIONS ON SALES - THE BONDS MUST NOT BE OFFERED OR SOLD AND THIS OFFICIAL STATEMENT AND ANY OTHER DOCUMENT IN CONNECTION WITH THE OFFERING AND ISSUANCE OF THE BONDS MUST NOT BE COMMUNICATED OR CAUSED TO BE COMMUNICATED IN THE UNITED KINGDOM EXCEPT TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFY AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19 (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, (AS AMENDED, THE "ORDER") OR ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A)-(D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER OR WHO OTHERWISE FALL WITHIN AN EXEMPTION SET FORTH IN SUCH ORDER SUCH THAT SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, "FSMA") DOES NOT APPLY TO THE ISSUER OR ARE PERSONS TO WHOM THIS OFFICIAL STATEMENT OR ANY OTHER SUCH DOCUMENT MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

ADDITIONAL NOTICE TO PROSPECTIVE INVESTORS

THIS OFFICIAL STATEMENT DOES NOT COMPRISE A PROSPECTUS WITH REGARD TO THE ISSUER OR THE BONDS FOR THE PURPOSES OF THE EU PROSPECTUS REGULATION IN RESPECT OF THE EAA OR UNDER THE UK PROSPECTUS REGULATION IN RESPECT OF THE UK. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THE BONDS MAY NOT BE PUBLICLY OFFERED IN SWITZERLAND AND WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE ("SIX") OR ON ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A PROSPECTUS OR A KEY INFORMATION DOCUMENT WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON FINANCIAL SERVICES ("FINSA") OR A LISTING PROSPECTUS WITHIN THE MEANING OF THE SIX LISTING RULES OR THE LISTING RULES OF ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS OR THE OFFERING MAY BE PUBLICLY OFFERED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. ACCORDINGLY, THIS OFFICIAL STATEMENT MAY BE COMMUNICATED IN OR FROM SWITZERLAND TO A LIMITED NUMBER OF SELECTED INVESTORS ONLY.

NONE OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE ISSUER OR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFICIAL STATEMENT WILL NOT BE FILED WITH, AND THE BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY ("FINMA").

THE BONDS DO NOT CONSTITUTE COLLECTIVE INVESTMENTS SCHEMES WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES ("CISA"). ACCORDINGLY, INVESTORS ARE EXPOSED TO THE DEFAULT RISK OF THE ISSUER AND DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION IN HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CAP. 571 OF THE LAWS OF HONG KONG) ("SFO") OR ANY REGULATORY AUTHORITY IN HONG KONG. ACCORDINGLY, YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE BONDS. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFERING CONTEMPLATED IN THIS OFFICIAL

STATEMENT. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT OTHER THAN (I) IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32 OF THE LAWS OF HONG KONG) ("C(WUMP)O") OR WHICH DO NOT CONSTITUTE AN INVITATION TO THE PUBLIC WITHIN THE MEANING OF THE SFO, OR (II) TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER, OR (III) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" AS DEFINED IN THE C(WUMP)O. NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS MAY BE ISSUED OR MAY BE IN THE POSSESSION OF ANY PERSON FOR THE PURPOSE OF ISSUE (IN EACH CASE WHETHER IN HONG KONG OR ELSEWHERE), WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF (A) ONLY TO PERSONS OUTSIDE HONG KONG OR (B) ONLY TO "PROFESSIONAL INVESTORS" IN HONG KONG AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF IN JAPAN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (NO. 25 OF 1948, AS AMENDED, THE "FIEA"). AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA ("QIIS"). A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN (THE REPUBLIC OF CHINA)

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN (THE "FSC") PURSUANT TO APPLICABLE SECURITIES LAWS AND REGULATIONS OF TAIWAN AND THE BONDS, INCLUDING ANY COPY OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENTS RELATING TO THE BONDS, MAY NOT BE OFFERED, SOLD, DELIVERED OR DISTRIBUTED WITHIN TAIWAN (THE REPUBLIC OF CHINA) THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION WITH OR APPROVAL OF THE FSC. NO PERSON OR ENTITY IN TAIWAN (THE REPUBLIC OF CHINA) HAS BEEN AUTHORIZED TO OFFER, SELL, DISTRIBUTE, GIVE ADVICE REGARDING OR OTHERWISE INTERMEDIATE THE OFFERING, SALE OR DISTRIBUTION OF THE BONDS UNLESS THE BONDS OFFERED OR SOLD TO QUALIFIED INVESTORS IN TAIWAN ARE THROUGH TAIWAN LICENSED FINANCIAL INSTITUTIONS TO THE EXTENT PERMITTED UNDER RELEVANT TAIWAN LAWS OR REGULATIONS. TAIWAN INVESTORS WHO SUBSCRIBE AND PURCHASE THE BONDS SHALL COMPLY WITH ALL RELEVANT

SECURITIES, TAX AND FOREIGN EXCHANGE LAWS AND REGULATIONS IN EFFECT IN TAIWAN.

$248,300,000
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
CONSOLIDATED BONDS, TWO HUNDRED THIRTY-EIGHTH SERIES*

$463,445,000
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
CONSOLIDATED BONDS, TWO HUNDRED THIRTY-NINTH SERIES**

Except to the extent otherwise set forth in this Official Statement, this Official Statement applies to Consolidated Bonds, Two Hundred Thirty-Eighth Series and Consolidated Bonds, Two Hundred Thirty-Ninth Series with equal force and effect, each of such series being referred to in this Official Statement without differentiation as the "Bonds."

The purpose of this Official Statement (including the cover page) of The Port Authority of New York and New Jersey (the "Port Authority") is to describe the Bonds and to give pertinent data with respect to the Port Authority and its finances. The information and expressions of opinion in this Official Statement are subject to change without notice, and future use of this Official Statement shall not otherwise create any implication that there has been no change in the matters referred to in this Official Statement since the date hereof. The Port Authority has not taken any action in connection with this Official Statement or the Bonds that would permit a public offering of the Bonds or the distribution of any information in connection with the Bonds and the Port Authority and its finances in any jurisdiction where action for that purpose is required. This Official Statement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Bonds, in any jurisdiction, to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The execution of this Official Statement has been duly authorized by the Port Authority.

To the extent the information in this Official Statement contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, such statements may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance and achievements to be materially different from future results, performance and achievements expressed or implied by any forward-looking statements. Actual results could differ materially from those set forth in the forward-looking statements.

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

By: /s/ Elizabeth M. McCarthy
Elizabeth M. McCarthy
Chief Financial Officer

Dated: New York, New York June 6, 2023

* AMT.
** Subject to federal taxation.

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SECTION I—INTRODUCTION AND SECURITIES BEING OFFERED

Description of the Port Authority

General

The Port Authority is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States. In the Compact, the two States recited their confident belief that a better coordination of the terminal, transportation and other facilities of commerce in the Port of New York would result in great economies benefiting the nation as well as the States and that the future development of such facilities would require the cordial cooperation of the States in the encouragement of the investment of capital and in the formulation and execution of necessary plans. The two States also recited that such result could best be accomplished through the cooperation of the two States by and through a joint or common agency, and to that end, after pledging, each to the other, faithful cooperation in the future planning and development of the Port of New York, they created the Port of New York District (the "Port District") and The Port of New York Authority, the name of which was changed, effective July 1, 1972, to "The Port Authority of New York and New Jersey." The Compact has been amended and supplemented from time to time by legislation adopted by the two States.

Facilities

In general, the purpose of the States of New York and New Jersey in establishing the Port Authority was to provide transportation, terminal and other facilities of commerce within the Port District. For such purpose the States have from time to time authorized specific transportation and terminal facilities and facilities of commerce and economic development, and have given the Port Authority power to borrow money upon its bonds or other obligations, to establish charges for the use of such facilities and, in connection with specific facilities, to acquire real and personal property by condemnation or the exercise of the right of eminent domain or otherwise. The Port District comprises an area of about 1,500 square miles in both States, centering about New York Harbor. The Port District includes the Cities of New York and Yonkers in New York State, and the Cities of Newark, Jersey City, Bayonne, Hoboken and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of seventeen counties, in the two States.

The Port Authority's facilities include two tunnels and four bridges between the States of New York and New Jersey, the Hudson Tubes facility, including the Port Authority Trans-Hudson system ("PATH" or the "PATH system"), two bus terminals, the Trans-Hudson ferry service, five airports, the World Trade Center, six marine terminals, two waterfront development facilities, four industrial development facilities, a resource recovery facility and certain regional development facilities. From time to time on the basis of determinations by the Port Authority that such property was no longer required for the purposes for which it was acquired, the Port Authority has sold certain real property constituting all or part of certain facilities. Descriptions of the Port Authority's facilities appear at "*Description of the Port Authority and Its Facilities*" in Section II hereof. Information pertaining to capital investment in such facilities as of December 31, 2022 and March 31, 2023, and significant capital projects as of March 31, 2023, appear at "*Information on Capital Investment in Certain Port Authority Facilities*" and "*Significant Capital Projects*" in Section II hereof. Facility activity for calendar year 2022 appears in "*APPENDIX A—Financial Statements as of and* *for the Years Ended December 31, 2022 and December 31, 2021 and Appended Notes*" (hereinafter referred to as "Appendix A"). Certain facility traffic information for the three-month period ended March 31, 2023 appears in "*APPENDIX B—Condensed Enterprise Fund Financial Statements as of and for the Three-Month Period Ended March 31, 2023 (Unaudited)*" (hereinafter referred to as "Appendix B").

Finances

The Port Authority raises the necessary funds for the improvement, construction or acquisition of its facilities primarily upon the basis of its own credit. The Port Authority has no power to levy taxes or assessments. Its bonds, notes and other obligations are not obligations of the two States or of either of them, and are not guaranteed by the States or by either of them.

The revenues of the Port Authority are derived principally from the tolls, fares, takeoff and landing fees, dockage fees, rentals and other charges for the use of, and privileges at, certain of the Port Authority's facilities; other facilities operate at a deficit, do not generate surplus revenue or are non-revenue producing to the Port Authority. It is expected that increases in the Port Authority's tolls, fares, takeoff and landing fees, dockage fees, rentals and other charges will be necessary from time to time, that planned capital expenditures will be curtailed or that reductions in services and associated expenditures will occur, or all such actions, so that the costs of operations, including expenses incurred with respect to the acquisition of certain equipment by the Port Authority, the payment of debt service and the fulfillment of Port Authority statutory, contractual and other commitments will continue to be provided for, in accordance with the applicable requirements and agreements. All Port Authority net revenues (as defined in the Consolidated Bond Resolution adopted by the Port Authority on October 9, 1952 (the "Consolidated Bond Resolution")), the moneys in the Consolidated Bond Reserve Fund established in connection with Consolidated Bonds and the General Reserve Fund of the Port Authority equally and ratably secure all Consolidated Bonds as further described in the Consolidated Bond Resolution. Use of net revenues after debt service on Consolidated Bonds may be prioritized among facilities in some cases to comply with applicable federal law. (See Section III hereof, "*Bonds, Notes and Other Obligations*.")

The Port Authority considers the effect of inflation on its capital and operating budgets and seeks to mitigate the effects of inflation by indexing certain of its tolls, user fees and charges to the annual change in inflation reported in the Consumer Price Index ("CPI") for the region, with automatic increases made upon reaching specified CPI thresholds.

The costs of operations, including payment of expenses incurred with respect to the acquisition of certain equipment by the Port Authority, and debt service, are expected to be satisfied from gross operating revenues and income on investments, and capital funds are expected to be provided primarily through the application of the proceeds of issues of Port Authority obligations and from other moneys legally available for such purposes, as appropriate. In order to provide sufficient funds expeditiously and on a temporary basis for certain expenditures, the Port Authority's annual budget and business planning process provides for temporary applications of available moneys, subject to reimbursement through the subsequent issuance of Port Authority obligations, with the redeployment of such temporarily-allocated amounts for other authorized purposes.

From time to time, at the request of the Governors of the States of New York and New Jersey, the Port Authority participates in certain programs that are deemed essential to the continued economic viability of the States and the region. These programs, which are generally non-revenue producing to the Port Authority, are included by the Port Authority in its budget and business planning process to the extent consistent with the Port Authority's overall financial capacity. (See "*Regional Development*" in Section II hereof and Note H (Regional Facilities and Programs) in Appendix A hereto.)

The purposes for which the Port Authority's various funds, including revenues, can be applied are set forth in various statutes and in the agreements with the holders of its obligations. In order to determine the moneys which are or will become available to meet the requirements of any of the Port Authority's obligations, it is necessary to examine the statutes and resolutions affecting the particular issue. (See Section IV hereof, "*Pertinent Statutes and General Resolutions*"; Section III hereof, "*Bonds, Notes and Other Obligations*"; and Section VI hereof, "*Bond Resolutions and Legal Opinion*.")

Financial Statements

The financial statements of the Port Authority as of and for the years ended December 31, 2022 and December 31, 2021, along with the notes, schedules and other supplementary information (including management's discussion and analysis of the Port Authority's financial performance and activity), and the independent auditors' report pertaining thereto, are set forth in Appendix A hereto. The financial statements of the Port Authority are prepared in accordance with United States generally accepted accounting principles ("GAAP"); Schedules A, B and C have been prepared on a comprehensive basis of accounting in accordance with the requirements of Port Authority bond resolutions, which differs in some respects from GAAP; and the supplemental information presented in Schedules D, E, F and G is presented for purposes of additional analysis and is not a required part of the financial statements under GAAP.

On March 20, 2023, in connection with the release of the financial statements of the Port Authority as of and for the years ended December 31, 2022 and December 31, 2021, the Executive Director, the Chief Financial Officer and the Comptroller certified that to the best of their knowledge and belief, the financial and other information, including the summary of significant accounting policies described in the financial statements, was accurate in all material respects and was reported in a manner designed to present fairly the Port Authority's enterprise fund and fiduciary fund net position, changes in net position, and cash flows, in conformity with GAAP; and, that on the basis that the cost of internal controls should not outweigh their benefits, the Port Authority has established a comprehensive framework of internal controls to protect its assets from loss, theft, or misuse, and to provide reasonable (rather than absolute) assurance regarding the reliability of financial reporting and the preparation of the financial statements in conformity with GAAP.

While the Port Authority's financial statements as of and for the years ended December 31, 2022 and December 31, 2021 have been audited by a firm of independent auditors, which conducts such audits in accordance with auditing standards generally accepted in the United States of America, the accuracy of the data and the completeness and fairness of the information presented in the financial statements are the responsibility of management of the Port Authority.

The Audit Committee of the Board of Commissioners of the Port Authority ("Board of Commissioners") meets on a regular basis with the independent auditors and management of the Port Authority, in connection with its oversight of the quality and integrity of the Port Authority's framework of internal controls, compliance systems, and accounting, auditing, and financial reporting processes.

Unaudited condensed enterprise fund financial statements for the Port Authority for the three-month period ended March 31, 2023 ("Unaudited First Quarter FS") have been prepared by the Port Authority, subject to audit, adjustment and reconciliation, solely for general information purposes, in accordance with GAAP, and appear in Appendix B. Such Unaudited First Quarter FS should be read in conjunction with the financial statements and the related notes and schedules of the Port Authority for the year ended December 31, 2022, set forth in Appendix A hereto.

Impacts from the COVID-19 Pandemic

With the declaration by both the federal government and the World Health Organization that the COVID-19 public health emergency has ended and the gradual normalization of Port Authority operations over time, the Port Authority will hereafter provide its financial results and traffic data in the Port Authority's periodic financial statements rather than in a separate section of its Official Statement. What follows is an assessment of the effect to date on the agency of the COVID-19 pandemic in the period March 2020-March 2023 (the "COVID-19 Period"). Any assessment of the COVID-19 pandemic remains subject to change based on ongoing and future events, including new disease outbreaks and governmental responses to the pandemic; ultimate effects on the agency may differ significantly from current Port Authority forecasts.

Activity Volume

Beginning in March 2020, Port Authority facilities experienced a significant reduction in use in response to perceived safety concerns and state and local regulation of transportation facilities to attempt to limit the spread of the disease. Since the nadir of activity volumes in April 2020, the Port Authority has seen activity volumes rising across its facilities. In the Unaudited First Quarter FS for the three-month period ended March 31, 2023, attached as Appendix B hereto, the Port Authority includes a comparison of the total use of its airports, its bridges and tunnels, its Port Authority Trans-Hudson Corporation ("PATH") transit system, and its cargo shipping activity for the three-month periods of January through March of 2023, 2022 and 2019. With the exception of the PATH transit system, activity volumes at the airports, bridges and tunnels, and the marine ports have reached or exceeded 2019 volumes, with the airports reaching new records in the first quarter of 2023. Activity levels on the PATH system continue to recover more slowly and were 60% of March 2019 levels as of March 31, 2023. Due to work from home trends exacerbated during the COVID-19 Period, the Port Authority now believes that PATH activity volume will not fully recover to 2019 levels in the near future (see "*Railroad — The Hudson Tubes Facility*" in Section II hereof).

The Port Authority posts other activity volume information, including monthly data, in press releases on its public website which can be found at: https://www.panynj.gov/port-authority/en/press-room/press-release-archives.html.

Financial Position

Revenues

The Port Authority experienced a reduction in Gross Operating Revenue and Passenger Facility Charge ("PFC") collections compared to pre-COVID-19 Period projections of $3 billion for the twenty-four month period of March 2020 through March 2022, matching revised projections first developed in mid-2020.

Capital Program

During the COVID-19 Period, the Port Authority conducted an evaluation of the extent to which and how the 2017-2026 Capital Plan should be modified to guide future capital spending given the adverse impacts of the COVID-19 pandemic on the agency's cash flow and capital capacity and is continuing to do so. Revenues lost during the COVID-19 Period cannot be recouped even after activity volume has recovered to pre-COVID-19 Period levels. Therefore, this effort is ongoing and includes an intensive reevaluation of the elements of the overall Capital Plan, and of individual projects and the timing thereof.

In 2021 and 2022 annual capital spending totaled $2.0 billion and $1.9 billion, respectively – both of which were well below originally planned capital spending for that period. The 2023 annual Capital Spending Budget totals $2.9 billion, which reflects an increase of nearly $1.0 billion, or approximately 50%, versus 2022 Capital Spending. However, the 2023 Capital Spending Budget is still below the agency's pre-pandemic levels and below 2023 capital expenditures forecasted by the agency before the COVID-19 Period.

Federal Support

Since the onset of the COVID-19 pandemic in 2020, the Port Authority's airports have received formula-based relief from several COVID-19 related federally funded programs, specifically the Coronavirus Aid, Relief, and Economic Security ("CARES") Act in April 2020, funding enabled via the CARES Act through the Federal Emergency Management Agency ("FEMA") to cover the incremental costs of responding to the COVID-19 pandemic at its facilities, and the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA") in December 2020. Further information regarding these programs and how the Port Authority benefitted therefrom can be found in the Port Authority's 2020, 2021, and 2022 financial statements. Although assisting in the offset of extraordinary health and safety costs incurred by the Port Authority during the COVID-19 Period, federal aid did not offset the dramatic drop in activity volume and Gross Operating Revenue during the COVID-19 Period.

In addition to the programs mentioned above that have been fully accrued and reflected in prior financial results, the Port Authority's airports were provided approximately $433 million to be utilized over a four-year period under the airport funding provision contained in the America Rescue Plan Act allocated to eligible U.S. airports in March 2021 for eligible operating and development costs, in addition to approximately $60 million attributable to financial relief to airport concessionaires. As of April 30, 2023, the Port Authority has drawn down approximately $292 million of its $433 million allocation, of which approximately $92 million was credited to airlines operating under cost recovery agreements. The remaining funds are expected to be drawn down through 2024.

Prospective Financial Condition Due To COVID-19 Pandemic Impacts

Notwithstanding the adverse effects on the agency during the COVID-19 Period, based on its current financial position and forecasts, the Port Authority expects to meet its obligations as they become due, including both short-term operating expenses and debt service on its Consolidated Bonds and Consolidated Notes.

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Description of the Bonds

Description of the Two Hundred Thirty-Eighth Series Bonds

Purposes

The proceeds of the Two Hundred Thirty-Eighth Series Bonds shall be allocated to the refunding, by purchase, call or other payment, of the Port Authority's Consolidated Notes, Series AAA (which mature on July 1, 2023), to capital projects in connection with facilities of the Port Authority and/or for purposes of refunding other obligations of the Port Authority, in each case, consistent with the characterization of the Two Hundred Thirty-Eighth Series Bonds as "qualified bonds" (which are "exempt facility bonds") determined under applicable federal tax principles.

Dated

The Two Hundred Thirty-Eighth Series Bonds shall be dated as of the date of delivery upon original issuance of the Two Hundred Thirty-Eighth Series Bonds (see "*Delivery*" in this Section I).

Maturities

The Two Hundred Thirty-Eighth Series Bonds shall be comprised of $248,300,000 in total aggregate principal amount (which shall be subject to redemption prior to maturity in whole, or, from time to time in part, at the Port Authority's option, beginning on July 15, 2033 (see "*Description of the Two Hundred Thirty-Eighth Series Bonds — Optional Redemption*" in this Section I)), shall be issued as serial bonds with the maturity dates and in the principal amounts set forth below, and shall bear interest (see "*Description of the Two Hundred Thirty-Eighth Series Bonds — Interest*" in this Section I) at the respective stated rates of interest per annum set forth below until maturity or prior redemption.

Maturity Date	Principal Amount	Stated Rate of Interest	Maturity Date	Principal Amount	Stated Rate of Interest
July 15, 2034	$35,035,000	5.000%	July 15, 2038	$42,585,000	5.000%
July 15, 2035	36,785,000	5.000	July 15, 2039	44,715,000	5.000
July 15, 2036	38,625,000	5.000	July 15, 2040	10,000,000	5.000
July 15, 2037	40,555,000	5.000			

Optional Redemption

The Two Hundred Thirty-Eighth Series Bonds shall be subject to redemption prior to maturity, in whole, or, from time to time in part, at the Port Authority's option, on prior notice on the date to be fixed for redemption in such notice, at 100% of face value on any such date of redemption beginning on July 15, 2033 and thereafter prior to maturity, plus accrued interest until the date fixed for redemption. If less than all of the bonds of the Two Hundred Thirty-Eighth Series then outstanding are to be called for redemption at the option of the Port Authority, the bonds so to be called shall be in inverse order of maturity. If bonds constituting a particular maturity are to be called for redemption at the option of the Port Authority, but not all bonds constituting such maturity are to be called for redemption, the bonds so to be called shall be determined by lot by the Registrar.

Interest

Interest on each maturity of the Two Hundred Thirty-Eighth Series Bonds shall accrue on and after the date of delivery upon original issuance of the Two Hundred Thirty-Eighth Series Bonds until the maturity or, to the extent applicable, the prior redemption of such maturity, and shall be payable semiannually commencing on January 15, 2024 and on each July 15 and January 15 thereafter until the maturity or, to the extent applicable, the prior redemption of such maturity, at the stated rate of interest per annum specified for such maturity.

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Description of the Two Hundred Thirty-Ninth Series Bonds

Purposes

The proceeds of the Two Hundred Thirty-Ninth Series Bonds may be allocated to the refunding, by purchase, call or other payment, of the Port Authority's Consolidated Notes, Series AAA (which mature on July 1, 2023), and/or to any purpose for which at the time of issuance of the Two Hundred Thirty-Ninth Series Bonds the Port Authority is authorized by law to issue its obligations, including to capital projects in connection with facilities of the Port Authority and/or for purposes of refunding other obligations of the Port Authority.

Dated

The Two Hundred Thirty-Ninth Series Bonds shall be dated as of the date of delivery upon original issuance of the Two Hundred Thirty-Ninth Series Bonds (see "*Delivery*" in this Section I).

Maturity

The Two Hundred Thirty-Ninth Series Bonds shall be comprised of $463,445,000 in total aggregate principal amount (which shall be subject to redemption prior to maturity (a) in whole, or, from time to time in part, at the Port Authority's option (see "*Description of the Two Hundred Thirty-Ninth Series Bonds — Optional Redemption*" in this Section I) and (b) when necessary to meet the schedule of mandatory periodic retirement for the Two Hundred Thirty-Ninth Series Bonds beginning on July 15, 2044 (see "*Description of the Two Hundred Thirty-Ninth Series Bonds — Mandatory Periodic Retirement*" in this Section I)), shall be issued as a term bond with the maturity date of July 15, 2053, and shall bear interest (see "*Description of the Two Hundred Thirty-Ninth Series Bonds — Interest*" in this Section I) at the stated rate of interest of 5.072% per annum until maturity or prior redemption.

Optional Redemption

The Two Hundred Thirty-Ninth Series Bonds shall be subject to redemption prior to maturity, in whole, or, from time to time in part, at the Port Authority's option, on prior notice on the date to be fixed for redemption in such notice, at the "Make-Whole Redemption Price." The "Make-Whole Redemption Price" shall be the greater of (i) the initial offering price as shown on the inside cover page of the Official Statement pertaining to the Two Hundred Thirty-Ninth Series Bonds (but not less than 100% of the principal amount of the Two Hundred Thirty-Ninth Series Bonds to be redeemed); or (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Two Hundred Thirty-Ninth Series Bonds to be redeemed (taking into account any mandatory sinking fund redemptions), not including any portion of those payments of interest accrued and unpaid as of the date on which the Two Hundred Thirty-Ninth Series Bonds are to be redeemed, discounted to the date on which the Two Hundred Thirty-Ninth Series Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 20 basis points, plus, in each case, accrued and unpaid interest on the Two Hundred Thirty-Ninth Series Bonds to be redeemed on the redemption date. If bonds of the Two Hundred Thirty-Ninth Series are to be called for redemption at the option of the Port Authority, but not all bonds of the Two Hundred Thirty-Ninth Series then outstanding are to be called for redemption, the bonds of the Two Hundred Thirty-Ninth Series so to be called shall be determined in accordance with the procedures set forth below at "*Description of the Two Hundred Thirty-Ninth Series Bonds — Mandatory Periodic Retirement*" in this Section I.

The following definitions shall apply for purposes of the computation of the "Make-Whole Redemption Price":

"Treasury Rate" means, with respect to any redemption date for the Two Hundred Thirty-Ninth Series Bonds, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (as defined below), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (as defined below), as calculated by the Designated Investment Banker (as defined below).

"Comparable Treasury Issue" means, with respect to any redemption date for the Two Hundred Thirty-Ninth Series Bonds, the United States Treasury security or securities selected by the Designated Investment Banker that has an actual or interpolated maturity comparable to the remaining average life of the Two Hundred Thirty-Ninth Series Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Two Hundred Thirty-Ninth Series Bonds to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for the Two Hundred Thirty-Ninth Series Bonds, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations (as defined below), the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers (as defined below) appointed by the Port Authority.

"Reference Treasury Dealer" means each of the four firms, specified by the Port Authority from time to time, any or all of which may also be an Underwriter for the Two Hundred Thirty-Ninth Series Bonds, that are primary United States government securities dealers in The City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the Port Authority will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for the Two Hundred Thirty-Ninth Series Bonds, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, at least three business days preceding such redemption date.

Mandatory Periodic Retirement

The Two Hundred Thirty-Ninth Series Bonds shall be retired at or prior to maturity, by purchase, call or payment, by the mandatory periodic retirement dates and in at least the cumulative principal amounts shown on the following schedule of mandatory periodic retirement for the Two Hundred Thirty-Ninth Series Bonds:

Mandatory Periodic Retirement Date	**Cumulative Principal Amount**
July 15, 2044	$36,695,000
July 15, 2045	75,260,000
July 15, 2046	115,785,000
July 15, 2047	158,370,000
July 15, 2048	203,125,000
July 15, 2049	250,155,000
July 15, 2050	299,575,000
July 15, 2051	351,510,000
July 15, 2052	406,090,000
July 15, 2053†	463,445,000

† stated maturity

When necessary to meet the schedule of mandatory periodic retirement for the Two Hundred Thirty-Ninth Series Bonds, the Two Hundred Thirty-Ninth Series Bonds shall be subject to redemption, on prior notice, on July 15, 2044 and on any July 15 thereafter prior to maturity, at 100% of face value, plus accrued interest until the date fixed for redemption. During the period in which the Depository (as defined at "*Delivery*" in this Section I) is the sole registered holder of the Two Hundred Thirty-Ninth Series Bonds, if bonds are to be called for redemption to meet the schedule of mandatory periodic retirement for the Two Hundred Thirty-Ninth Series Bonds, the bonds to be redeemed shall be determined on the basis of a pro rata pass-through distribution of the total principal amount of the bonds to be redeemed to the beneficial owners of the Two Hundred Thirty-Ninth Series Bonds in accordance with the Depository's procedures then in effect at the time of such redemption, and, in the event that the Depository's procedures do not allow for redemption on the basis of such pro rata pass-through distribution of the total principal amount to be redeemed, then the bonds to be redeemed shall be determined by lot by the Registrar. In the event that the book-entry system applicable to the Two Hundred Thirty-Ninth Series Bonds is discontinued, if bonds are to be called for redemption to meet the schedule of mandatory periodic retirement for the Two Hundred Thirty-Ninth Series Bonds, the bonds to be redeemed shall be selected by the Registrar on the basis of a pro rata distribution of the total principal amount to be redeemed to the registered holders of the Two Hundred Thirty-Ninth Series Bonds.

Interest

Interest on the Two Hundred Thirty-Ninth Series Bonds shall accrue on and after the date of delivery upon original issuance of the Two Hundred Thirty-Ninth Series Bonds until the maturity or, to the extent applicable, the prior redemption thereof, and shall be payable semiannually commencing on January 15, 2024 and on each July 15 and January 15 thereafter until the maturity or, to the extent applicable, the prior redemption thereof, at the stated rate of interest of 5.072% per annum.

Additional Information Pertaining to the Bonds

Security

The Bonds together with all other Consolidated Bonds of the Port Authority (within the meaning of the Consolidated Bond Resolution) heretofore or hereafter issued are direct and general obligations of the Port Authority pledging the full faith and credit of the Port Authority for the payment of principal thereof and interest thereon. (See "*Consolidated Bond Resolution*" in Section III hereof.) The Bonds are secured equally and ratably with all other Consolidated Bonds heretofore or hereafter issued by a pledge of (a) the net revenues of all existing facilities of the Port Authority and any additional facilities which may hereafter be financed or refinanced in whole or in part through the medium of Consolidated Bonds (see "*General and Refunding, Air Terminal and Marine Terminal Bonds*" in Section III hereof, which states that the Port Authority has fully satisfied, when due, as scheduled, all debt service requirements on all prior lien bonds of the Port Authority), (b) the General Reserve Fund of the Port Authority equally with other obligations of the Port Authority secured by the General Reserve Fund (see "*General Reserve Fund*" in Section III hereof) and (c) the Consolidated Bond Reserve Fund established in connection with Consolidated Bonds (see "*Consolidated Bonds—Consolidated Bond Reserve Fund*" in Section III hereof).

Denominations, Registration and Exchange

The Bonds shall be in fully registered form, registered as to both principal and interest and not as to either alone. During the period in which a book-entry system is applicable to the Bonds, the sole registered holder of the Bonds shall be the Depository (as defined at "*Delivery*" in this Section I) or its nominee, and, unless otherwise determined by the Port Authority, the only authorized denominations for the Bonds shall be the aggregate principal amount of each maturity of the Bonds, as reduced from time to time prior to stated maturity in connection with redemptions or retirements with respect to such maturity. The only authorized denominations for beneficial ownership interests in the Bonds shall be \$5,000 and integral multiples of \$5,000. The book-entry system applicable to the Bonds with the Depository may be discontinued by either the Depository or the Port Authority. In the event the book-entry system is discontinued, if the Port Authority selects another qualified securities depository to become the Depository, the Registrar shall register and deliver a replacement bond for each maturity of the Bonds, fully registered in the name of such depository or its nominee, of like tenor of each maturity of the Bonds then outstanding, in accordance with instructions to be given by the depository to be replaced or its nominee, as registered holder of the Bonds. In the event the book-entry system is discontinued, if the Port Authority does not select another qualified securities depository to become the Depository, the Registrar shall register and deliver replacement bonds of like tenor of the Bonds then outstanding in the form of fully registered certificates, in denominations of \$5,000 or integral multiples of \$5,000 (which, in such event, shall be the only authorized denominations for the Bonds), in accordance with instructions to be given upon termination of the book-entry system applicable to the Bonds by the depository which had maintained such system or its nominee, as registered holder of the Bonds. In such event and thereafter, the Port Authority shall bear the cost incurred by the Port Authority in connection with the registration, authentication, transfer, cancellation, exchange and delivery of the Bonds, including such fees as may be imposed by the Registrar for such services performed by the Registrar.

With respect to certain global clearance procedures that may be applicable to the Bonds, "Clearstream" and "Euroclear" may hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories. The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of the Depository.

Payments

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Principal of each maturity of the Bonds shall be payable at the maturity or, to the extent applicable, the prior redemption of such maturity, upon presentation and surrender of the affected bonds by the registered holders thereof, at the office or offices, designated by the Port Authority, of the Paying Agent appointed by the Port Authority for the Bonds, in a county in whole or in part in the Port District. Interest on the Bonds, which shall be computed on the basis of a 360-day year comprised of twelve 30-day months, shall be payable when due, to the registered holders of the Bonds by check or draft drawn on the Paying Agent appointed for the purpose by the Port Authority and mailed to said registered holders at their last known addresses as appearing on the Port Authority's Registry Books for the Bonds. The registered holder shall be the person in whose name that bond is registered on the record date, which is the fifteenth calendar day before the interest payment date. During the period in which the Depository or its nominee is the sole registered holder of the Bonds, payments with respect to the Bonds shall be made to the Depository or its nominee, as sole registered holder of the Bonds, pursuant to arrangements with respect thereto between the Port Authority and the Depository or its nominee; disbursal of such payments to the Depository's participants is the responsibility of the Depository, and disbursal of such payments to the individual purchasers of beneficial ownership interests in the Bonds is the responsibility of the Depository's participants.

Notices of Redemption

During the period in which the Depository or its nominee is the sole registered holder of the Bonds, any notice of redemption to be provided by the Port Authority shall be provided solely by mail to the Depository or its nominee, as sole registered holder of the Bonds, pursuant to arrangements with respect thereto between the Port Authority and the Depository, without requirement of publication of such notice; provision of such notice to the Depository's participants is the responsibility of the Depository and provision of such notice to the individual purchasers of beneficial ownership interests in the Bonds is the responsibility of the Depository's participants. During any period in which the Depository or its nominee is not the sole registered holder of the Bonds, any such notices to be provided by the Port Authority shall be provided to the registered holders of the Bonds in the manner set forth in the resolution adopted December 15, 2022 by the Board of Commissioners, pertaining to the establishment and the authorization of the issuance of the Bonds (which appears in Section VI hereof, "*Bond Resolutions and Legal Opinion*").

Tax Matters—Two Hundred Thirty-Eighth Series Bonds

<u>*Federal Income and State and Local Tax Exemption*</u>. In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Two Hundred Thirty-Eighth Series Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") (other than with respect to the Two Hundred Thirty-Eighth Series Bonds for a recipient that is a substantial user (or related person thereto) of facilities provided from the proceeds of the Two Hundred Thirty-Eighth Series Bonds within the meaning of Section 147(a) of the Code and the regulations thereunder). Bond Counsel is of the opinion that interest on the Two Hundred Thirty-Eighth Series Bonds is a specific preference item for purposes of the federal individual alternative minimum tax, and, for tax years beginning after December 31, 2022, interest on the Two Hundred Thirty-Eighth Series Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is of the opinion that the Two Hundred Thirty-Eighth Series Bonds and the interest thereon are exempt from any and all taxation (except estate, inheritance and gift taxes) imposed directly thereon by the

States of New York and New Jersey or by any political subdivision thereof. A complete copy of the proposed form of opinion of Bond Counsel is set forth at "*Form of Legal Opinion of Bond Counsel*" in Section VI hereof.

Tax Certificate. In connection with the delivery upon original issuance of the Two Hundred Thirty-Eighth Series Bonds, an Authorized Officer of the Port Authority shall provide, as part of the record of proceedings with respect to the issuance of such series of the Two Hundred Thirty-Eighth Series Bonds, a certificate as to the use, investment and disposition of proceeds of, and other actions to be taken in connection with, such Two Hundred Thirty-Eighth Series Bonds (respectively, the "Tax Certificate"). Among other matters set forth therein, the Port Authority shall agree in the Tax Certificate that it will neither take any actions nor fail to take any actions that will cause interest on the Two Hundred Thirty-Eighth Series Bonds to be includible, for federal income tax purposes, in the gross income of the recipients thereof under Section 103 of the Code, and the regulations thereunder (other than a recipient that is a substantial user (or a related person thereto) of facilities provided from the proceeds of the Two Hundred Thirty-Eighth Series Bonds within the meaning of Section 147(a) of the Code and the regulations thereunder). Inaccuracy of these certifications or failure to comply with these covenants may result in interest on the Two Thirty-Eighth Series Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Two Hundred Thirty-Eighth Series Bonds.

Certain Federal Tax Matters. The Code provides for interest on state and local government obligations, such as the Two Hundred Thirty-Eighth Series Bonds, to be taken into account in computing certain elements of individual and corporate taxes that may affect a beneficial owner's federal, state or local tax liability, including without limitation, the foreign corporations branch profits tax and income taxes on a portion of social security or railroad retirement benefits for individuals. The nature and extent of the federal income tax consequences of these provisions, as well as the original issue discount provisions of the Code, depend on the particular federal income tax status of the individual or corporate taxpayer and the taxpayer's other items of income or deduction. Bond Counsel expresses no opinion regarding any such federal income tax consequences.

The Two Hundred Thirty-Eighth Series Bonds may be issued with original issue discount ("OID"). OID is the excess of the stated redemption price at maturity of a bond over the initial public offering price of the bond at which a substantial amount of such maturity of the bonds is sold to the public. The OID with respect to any maturity of the Two Hundred Thirty-Eighth Series Bonds accrues daily over the term to maturity of such Bond on the basis of a constant interest rate compounded semiannually. The amount of accrued OID that is properly allocable to each beneficial owner of such Two Hundred Thirty-Eighth Series Bonds is treated as interest on such Two Hundred Thirty-Eighth Series Bonds which is excluded from gross income for federal income tax purposes and is added to the adjusted basis of such Two Hundred Thirty-Eighth Series Bonds to determine gain or loss upon disposition. Beneficial owners of Two Hundred Thirty-Eighth Series Bonds should consult their own tax advisors with respect to the tax consequences of ownership of such Two Hundred Thirty-Eighth Series Bonds having OID.

Two Hundred Thirty-Eighth Series Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The opinion of Bond Counsel assumes the accuracy of the certifications and compliance with the covenants set forth in the Tax Certificate (see "*Tax Certificate*" in this Section I). Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Two Hundred Thirty-Eighth Series Bonds may adversely affect the value of, or the tax status of interest on, the Two Hundred Thirty-Eighth Series Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters. (See "*Form of Legal Opinion of Bond Counsel*" in Section VI hereof.)

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Two Hundred Thirty-Eighth Series Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Port Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. Contemporaneously with the issuance of the Two Hundred Thirty-Eighth Series Bonds, the Port Authority will covenant, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Two Hundred Thirty-Eighth Series Bonds ends with the issuance of the Two Hundred Thirty-Eighth Series Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Port Authority or the beneficial owners regarding the tax-exempt status of the Two Hundred Thirty-Eighth Series Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Port Authority and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the Port Authority legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Two Hundred Thirty-Eighth Series Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues may affect the market price for, or the marketability of, the Two Hundred Thirty-Eighth Series Bonds, and may cause the Port Authority or the beneficial owners to incur significant expense.

Federal Tax Legislation. Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Two Hundred Thirty-Eighth Series Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Two Hundred Thirty-Eighth Series Bonds. Prospective purchasers of the Two Hundred Thirty-Eighth Series Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

Information Reporting and Backup Withholding on the Thirty-Eighth Series Bonds. Payments on the Two Hundred Thirty-Eighth Series Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Two Hundred Thirty-Eighth Series Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Two Hundred Thirty-Eighth Series Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Two Hundred Thirty-Eighth Series Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Tax Matters—Two Hundred Thirty-Ninth Series Bonds

State and Local Tax Exemption and Federal Income Taxability. In the opinion of Bond Counsel, based upon an analysis of existing law, regulations, rulings and court decisions, the Two Hundred Thirty-Ninth Series Bonds (also referred to herein as the "Taxable Bonds") and interest thereon are exempt from any and all taxation (except estate, inheritance and gift taxes) imposed directly thereon by the States of New York and New Jersey or by any political subdivision thereof, to the extent and as set forth in the legal opinion of Bond Counsel, to be rendered on the date and substantially in the form set forth at "*Form of Legal Opinion of Bond Counsel*" in Section VI hereof.

Bond Counsel is of the opinion that interest on the Two Hundred Thirty-Ninth Series Bonds is not excluded from gross income for federal income tax purposes under Section 103(a) of the Code. No other opinion will be expressed by Bond Counsel with respect to the consequences of the acquisition, ownership, sale, exchange, redemption, retirement or other disposition of, or the amount, accrual, or receipt of interest on, the Two Hundred Thirty-Ninth Series Bonds arising under the Code. (See "*Form of Legal Opinion of Bond Counsel*" in Section VI hereof.)

Certain Tax Considerations. The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Two Hundred Thirty-Ninth Series Bonds that acquire such Two Hundred Thirty-Ninth Series Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect, and applicable on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. tax considerations applicable to beneficial owners of the Two Hundred Thirty-Ninth Series Bonds or to categories of beneficial owners some of which may be subject to special taxing rules, such as certain U.S. expatriates, banks, real estate investment trusts (REITs), regulated investment companies (RICs), insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, beneficial owners that hold their Two Hundred Thirty-Ninth Series Bonds (x) as part of a hedge, straddle or an integrated or conversion transaction or (y) through a non-U.S. entity, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the taxes imposed under Section 1411 of the Code or (iii) the indirect effects on persons who hold equity interests in a beneficial owner. In addition, this summary generally is limited to beneficial owners that acquire their Two Hundred Thirty-Ninth Series Bonds pursuant to this offering for the issue price that is applicable to such Two Hundred Thirty-Ninth Series Bonds (i.e., the price at which a substantial amount of the Two Hundred Thirty-Ninth Series Bonds are sold to the public) and who hold their Two Hundred Thirty-Ninth Series Bonds as "capital assets" within the meaning of Section 1221 of the Code. This summary does not address tax considerations applicable to beneficial owners of the Two Hundred Thirty-Ninth Series Bonds that are not U.S. persons for U.S. federal income tax purposes.

As used herein, "U.S. Holder" means a beneficial owner of the Two Hundred Thirty-Ninth Series Bonds that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding the Two Hundred Thirty-Ninth Series Bonds and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Two Hundred Thirty-Ninth Series Bonds (including their status as U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Two Hundred Thirty-Ninth Series Bonds in light of their particular circumstances.

Interest on the Two Hundred Thirty-Ninth Series Bonds generally will be taxable as ordinary interest income at the time such amounts are accrued or received, in accordance with the beneficial owner's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Two Hundred Thirty-Ninth Series Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds) by more than a de minimis amount, the difference may constitute OID. U.S. Holders of the Two Hundred Thirty-Ninth Series Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods. Beneficial owners of Two Hundred Thirty-Ninth Series Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Two Hundred Thirty-Ninth Series Bonds having OID.

Two Hundred Thirty-Ninth Series Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as having amortizable bond premium. A beneficial owner of a Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such beneficial owner, to amortize such premium, using a constant yield method over the term of such Bond. Beneficial owners of a Bond purchased at a premium should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Sale or Other Taxable Disposition of the Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Port Authority) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Taxable Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding. Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a TIN to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act ("FATCA"). Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Taxable Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

Legality for Investment and Eligibility for Deposit in the States of New York and New Jersey

Under existing legislation in the States of New York and New Jersey, the Bonds are legal for investment for state and municipal officers, banks and savings banks, insurance companies, trustees and other fiduciaries in the States of New York and New Jersey and are eligible for deposit with state or municipal officers or agencies of the States of New York and New Jersey for any purpose for which the bonds or other obligations of the States of New York and New Jersey may be deposited.

Registrar

During the period for which a book-entry system is applicable to the Bonds, the Port Authority shall function as Registrar for the Bonds.

Paying Agent

During the period for which a book-entry system is applicable to the Bonds, the Port Authority shall function as Paying Agent for the Bonds.

Trustee

The Bank of New York Mellon, New York, N.Y.

The Trustee is authorized, under Section 8 of the resolution adopted December 15, 2022 by the Board of Commissioners, pertaining to the establishment and the authorization of the issuance of the Bonds (which appears at "*Resolution Establishing and Authorizing the Issuance of Certain Series of Consolidated Bonds – 2023*" in Section VI hereof), to (i) institute any action or proceeding on behalf of the registered holders of the Bonds against the Port Authority or others, or (ii) intervene in any pending action or proceeding, or (iii) take any other action which it shall in its sole discretion determine to be necessary or advisable in order to protect the rights of the registered holders of the Bonds. The rights of the Trustee in this respect and in all other respects shall be in addition to and not in substitution of any and all rights which would otherwise inure to the registered holders of the Bonds. It is understood that the Trustee in its sole discretion may, but shall be under no obligation to, review the activities or operations of the Port Authority or any of the contracts or agreements of the Port Authority or exercise any of the rights or powers vested in it by Section 8 of such resolution, whether on the Trustee's initiative or at the request or direction of any of the registered holders of the Bonds. Additionally, the rights and responsibilities of the Trustee and the provisions with respect to the resignation by or removal of the Trustee are set forth in Section 8 of such resolution.

The Bank of New York Mellon currently serves as trustee for all outstanding series of Consolidated Bonds under the resolutions establishing such series.

Bond Counsel

Orrick, Herrington & Sutcliffe LLP (See "*Form of Legal Opinion of Bond Counsel*" in Section VI hereof.)

Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP

Financial Advisor to the Port Authority

Frasca & Associates, LLC

Independent Auditors

The financial statements of the Port Authority as of and for the years ended December 31, 2022 and December 31, 2021 have been audited by KPMG LLP, independent auditors, as stated in their report appearing herein (see Appendix A hereto). KPMG LLP has performed no procedures over the information contained in the unaudited Condensed Enterprise Fund Financial Statements as of and for the three-month period ended March 31, 2023, which appears in Appendix B hereto.

Underwriters

As set forth on the cover of this Official Statement (the "Underwriters").

Co-Underwriters' Counsel

Nixon Peabody LLP and the Law Offices of Joseph C. Reid, P.A.

Contracts with Registered Holders of the Bonds

The Consolidated Bond Resolution (which appears at "*Consolidated Bond Resolution*" in Section III hereof), and the resolution pertaining to the establishment and the authorization of the issuance of the Bonds (which appears at "*Resolution Establishing and Authorizing the Issuance of Certain Series of Consolidated Bonds – 2023*" in Section VI hereof), constitute contracts with the holders in whose names the Bonds are registered on the books and records of the Registrar. During the period in which a book-entry system is applicable to the Bonds, the Depository or its nominee shall be the only registered holder of the Bonds.

In connection with the acceptance by an Authorized Officer of the Port Authority of an offer to purchase the Bonds from the Underwriters, represented by the Bond Purchase Agreement (as defined at "*Underwriting*" in this Section I), the terms of the Bonds, including among other matters, the stated rate of interest with respect to each maturity of the Bonds, have been established, fixed and determined, and the provisions of the resolution pertaining to the establishment and the authorization of the issuance of the Bonds (which appears at "*Resolution Establishing and Authorizing the Issuance of Certain Series of Consolidated Bonds – 2023*" in Section VI hereof) have been changed and adjusted, to the extent required, to conform the terms of the Bonds to the summary description of the Bonds as set forth in and pursuant to the Bond Purchase Agreement with respect to the Bonds; such description is reflected at "*Description of the Bonds*" and "*Additional Information Pertaining to the Bonds*" in this Section I.

Delivery

The Bonds shall be available for delivery upon original issuance on or about June 14, 2023. All proceedings pertaining to, and the issuance of, the Bonds are subject to the sole unqualified approving legal opinion of Bond Counsel. In connection with the delivery upon original issuance of the Bonds by the Port Authority, Bond Counsel shall render a legal opinion on such date of delivery, substantially in the form set forth at "*Form of Legal Opinion of Bond Counsel*" in Section VI hereof.

The Bonds shall be delivered upon original issuance as one fully registered bond for each maturity of the Bonds, in the aggregate principal amount of such maturity, registered in the name of a qualified securities depository or its nominee as sole registered holder of the Bonds. It is presently expected that The Depository Trust Company, New York, N.Y., or its nominee, shall be the sole registered holder of the Bonds at delivery upon original issuance. At the time of such delivery, the Bonds shall be deposited with such depository (or such other qualified securities depository or its nominee, selected by the Port Authority on or prior to such date), and such depository together with any qualified securities depository selected thereafter by the Port Authority with respect to the book-entry system applicable to the Bonds (the "Depository") shall be an automated depository for securities and clearinghouse for securities transactions and shall be responsible for maintaining a book-entry system for recording the ownership interests in the Bonds of its participants, and the transfers of such interests among its participants. The participants of the Depository will generally include certain banks, trust companies and securities dealers, and such participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers in the Bonds. Individual purchases of beneficial ownership interests in the Bonds may only be made through book entries (without certificates issued by the Port Authority) made on the books and records of the Depository and its participants in denominations of $5,000 and integral multiples of $5,000. Fees imposed by a securities depository in connection with a book-entry system are generally borne by the participants of the securities depository. In the event that The Depository Trust Company or such other qualified securities depository is not selected by the Port Authority on or prior to the date of delivery upon original issuance of the Bonds, the Bonds shall be delivered upon original issuance in the form of fully registered certificates, in denominations of $5,000 and integral multiples of $5,000, in accordance with instructions to be given by the Underwriters.

SEC Settlement and Certain Other Matters

The United States Securities and Exchange Commission ("SEC") conducted a formal investigation into disclosures by the Port Authority in Official Statements issued in 2012-2014 concerning the funding by the Port Authority of a portion of the costs of the Route 1&9 Pulaski Skyway, Route 139 (Hoboken and Conrail Viaducts), Route 7 Hackensack River (Wittpenn) Bridge, and Route 1&9T (New Road) projects (collectively, the "Roadway Projects"), which the Port Authority understands to have been resolved pursuant to a consent order entered on January 10, 2017 (the "Order"). The Port Authority acknowledged pursuant to the settlement that it "was negligent for failing to disclose" in the relevant Official Statements certain "risks relating to statutory authority with respect to the Roadway Projects" and that its conduct "violated Sections 17(a)(2) and 17(a)(3) of the Securities Act [of 1933]." The Order is available at https://emma.msrb.org/ER1034388-ER792161-ER1193627.pdf. As a result of the investigation, the Port Authority has made procedural changes to its approval processes in connection with its securities offerings. Among other things, the Port Authority's Law Department now formally provides written advice to the Port Authority's Board of Commissioners that any proposed expenditure of the Port Authority's funds presented to the Board for approval is legally authorized.

In addition to the SEC investigation described above, over the last several years the Port Authority has received notice of potential legal matters and requests for documents from several prosecutorial and other governmental agencies which it believes may have been related to the Roadway Projects. The Port Authority believes that such investigations are concluded or inactive with respect to the Port Authority.

Claims and Certain Litigation Against the Port Authority

In 1951, the States of New York and New Jersey adopted legislation consenting to a waiver of certain of the Port Authority's immunities from suit and from liability, subject to, among other requirements in specific cases, the filing of a valid and timely notice of claim in an action for money damages and commencement of suit in all actions within one year from the date the cause of action accrues. Material litigation pending against the Port Authority is described in this Official Statement together with the Port

Authority facility to which it relates. The Port Authority believes its financial resources, including public liability insurance policies, are adequate to satisfy any recovery for damages against it under litigation currently pending or threatened in writing, without material adverse effect on its business as a whole.

Certificate with Respect to Litigation

In connection with the delivery upon original issuance of the Bonds, an Authorized Officer of the Port Authority will provide, as part of the record of proceedings with respect to the issuance of the Bonds, a certificate to the effect that no litigation of any nature is now pending or threatened in writing against the Port Authority, restraining or enjoining the issuance or delivery of the Bonds, or questioning the proceedings taken for the issuance of the Bonds, or restraining the power and authority of the officers of the Port Authority to fix and collect tolls and charges for the use of the facilities of the Port Authority sufficient to provide for the payment of the principal of and interest on the Bonds, or affecting the validity of the Bonds thereunder; and that neither the corporate existence of the Port Authority, nor the boundaries of the Port District, nor the title of any present officer of the Port Authority to their respective office is being contested.

Underwriting

The Bonds shall be purchased pursuant to a bond purchase agreement (the “Bond Purchase Agreement”) dated June 6, 2023, by the Underwriters, for which Citigroup Global Markets Inc. is acting as the representative, at a purchase price for: (i) the Two Hundred Thirty-Eighth Series Bonds equal to $269,995,053.37 (reflecting an Underwriters’ discount totaling $977,281.68) and (ii) the Two Hundred Thirty-Ninth Series Bonds equal to $461,624,940.63 (reflecting an Underwriters’ discount totaling $1,820,059.37).

This section provides certain information with respect to the Bond Purchase Agreement. This information does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Bond Purchase Agreement executed by the Underwriters and the Port Authority. No attempt is made herein to summarize the Bond Purchase Agreement. The Bond Purchase Agreement may be examined on reasonable prior notice at the office of the Secretary of the Port Authority during regular business hours on and after the date of its execution.

Under the Bond Purchase Agreement, the Underwriters shall pay the purchase price for the Bonds and shall accept delivery of the Bonds from the Port Authority, subject to certain conditions, on or about June 14, 2023. Pursuant to the Bond Purchase Agreement, the Underwriters shall purchase all of the Bonds if any are purchased.

The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or yields higher than the initial offering yields for the Bonds. Subsequent to the initial offering, the offering prices and yields for the Bonds may be changed from time to time by the Underwriters.

The Underwriters may, from time to time, be engaged in business or other transactions with the Port Authority or may be actual or potential users of Port Authority facilities.

The Underwriters have provided the following information appearing in this section of the Official Statement.

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

In addition, certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by the Port Authority as Underwriters) for the distribution of the Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Port Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Port Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Certificate with Respect to the Preliminary Official Statement and this Official Statement

In connection with the delivery upon original issuance of the Bonds, an Authorized Officer of the Port Authority shall provide, as part of the record of proceedings with respect to the issuance of the Bonds, a certificate to the effect that (a) the Preliminary Official Statement pertaining to the Bonds (the "Preliminary Official Statement") and this Official Statement, as of their respective dates, did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (b) since the date of this Official Statement, and as of the date of delivery upon original issuance of the Bonds, nothing has come to the attention of such Authorized Officer of the Port Authority to cause such Authorized Officer of the Port Authority to believe that this Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (c) since the date of this Official Statement, and as of the date of delivery upon original issuance of the Bonds, to the knowledge of such Authorized Officer of the Port Authority, there has been no material adverse change in the general affairs of the Port Authority or in its financial condition as set forth in this Official Statement, other than as disclosed in or contemplated by this Official Statement; provided, however, that the certifications set forth in (a) and (b) above do not apply to information provided by the Underwriters for incorporation into the Preliminary Official Statement and this Official Statement.

Certain Information Pertaining to this Official Statement, Continuing Disclosure and the Port Authority; Forward-Looking Statements

The information and expressions of opinion in this Official Statement are subject to change without notice, and future use of this Official Statement shall not otherwise create any implication that there has been no change in the matters referred to in this Official Statement since the date hereof.

The resolution establishing the issue of Consolidated Bonds appearing at "*Consolidated Bond Resolution*" in Section III hereof, and the resolution pertaining to the establishment and the authorization of the issuance of the Bonds (which appears at "*Resolution Establishing and Authorizing the Issuance of Certain Series of Consolidated Bonds – 2023*" in Section VI hereof), constitute contracts with the holders in whose names the Bonds are registered on the books and records of the Registrar for the Bonds; and neither any public advertisement or notice nor the Bond Purchase Agreement or this Official Statement is to be construed as a contract with any of such holders. During the period in which a book-entry system is applicable to the Bonds, the Depository or its nominee shall be the sole registered holder of the Bonds.

So far as any statements are made involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Unless otherwise indicated, so far as information given relates to past earnings or expenditures of the Port Authority, the figures have been taken from the books of the Port Authority. So far as estimates of future revenues or expenditures of the Port Authority are given, they merely constitute estimates which may or may not be actually realized; so far as statements are made regarding other estimates or future construction, development, plans or other matters, they merely constitute statements of expectations which may or may not be actually fulfilled. All statements involving matters of legal opinion represent the opinions of the party rendering such legal opinion. To the extent the information in this Official Statement contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, such statements may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance and achievements to be materially different from future results, performance and achievements expressed or implied by any forward-looking statements. Actual results could differ materially from those set forth in the forward-looking statements.

For a complete and detailed understanding of the respective rights of the Port Authority and the holders of its outstanding obligations, reference must be made to the State and federal legislation relating to the Port Authority and to the various resolutions adopted by the Port Authority. (See Section IV hereof, "*Pertinent Statutes and General Resolutions*;" Section III hereof, "*Bonds, Notes and Other Obligations*;" and Section VI hereof, "*Bond Resolutions and Legal Opinion*.") Such statutes and resolutions should be studied in connection with this Official Statement and for the purpose of gaining a complete and detailed understanding of the rights of holders of outstanding Port Authority obligations. All references to resolutions, agreements, documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the resolutions, agreements, documents and other materials referenced, which may be examined on reasonable prior notice at the office of the Secretary of the Port Authority during regular business hours.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12").

Inquiries with respect to this Official Statement may be made to the office of the Treasurer, The Port Authority of New York and New Jersey, 4 World Trade Center, 150 Greenwich Street, 19th Floor, New York, N.Y. 10007, Tel. No. (212) 435-7700, during regular business hours. In the Bond Purchase Agreement, the Underwriters shall agree to provide this Official Statement (and any supplements or amendments provided by the Port Authority) to the Municipal Securities Rulemaking Board ("MSRB"), in a format suitable for publication on its EMMA system upon receipt from the Port Authority.

In connection with the delivery upon original issuance of the Bonds, the Port Authority shall agree with the registered holders of the Bonds, and for the benefit of any individual purchasers of beneficial ownership interests in the Bonds, to provide information pertaining to the Port Authority generally of the type set forth in Section (b)(5)(i) of Rule 15c2-12 (as such Section is now in effect), while the Bonds are outstanding. In connection therewith, annual financial information and operating data generally of the type set forth in Section II of this Official Statement and annual audited financial statements, when and if available, prepared consistent with the accounting principles set forth in the notes to such financial statements, in each case, will be provided solely to the MSRB, in a format suitable for publication on its EMMA system, within one hundred twenty days after the close of the Port Authority's then current fiscal year. Additionally, in connection therewith, notice of the occurrence of any of the following events with respect to the Bonds, including, (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to the rights of the holders of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the Bonds, if material; (11) ratings changes; (12) bankruptcy, insolvency, receivership or similar event of the Port Authority (for the purposes of these events identified in this item (12), the event is considered to occur when any of the following occur — the appointment of a receiver, fiscal agent or similar officer for the Port Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Port Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Port Authority); (13) the consummation of a merger, consolidation or acquisition involving the Port Authority or the sale of all or substantially all of the assets of the Port Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) the appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation (as defined below) of the Port Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Port Authority, any of which affect holders of the Bonds, if material; (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Port Authority, any of which reflect financial difficulties; and, (17) any failure of the Port Authority to provide annual financial and operating data as agreed to by the Port Authority, in each case, will be provided solely to the MSRB, in an electronic format as prescribed by the MSRB and suitable for publication on its EMMA system and accompanied by identifying information as prescribed by the MSRB, in a timely manner (i.e., within ten business days after the occurrence of the event). "Financial Obligation" (i) means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B), but (ii) shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12. The Port Authority will agree to comply with the events listed in (15) and (16) above, and the definition of "Financial Obligation", with reference to Rule 15c2-12, any other applicable federal securities laws and the guidance provided by the SEC in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the SEC or its staff with respect to the amendments to Rule 15c2-12 effected by the 2018 Release. In consideration of such agreement of the Port Authority, the sole and exclusive remedy for any failure of the Port Authority to provide the information in the manner specified in such agreement shall be the right to obtain specific performance of such agreement to provide such information in a judicial proceeding instituted in accordance with applicable legislation pertaining to suits against the Port Authority; *provided, however*, that the Port Authority shall have received written notice of any such failure at least sixty days prior to the commencement of any such judicial proceeding. The agreement described in this paragraph shall constitute a contract with the registered holders of the Bonds and for the benefit of any individual purchasers of beneficial ownership interests in the Bonds.

Upon request, the office of the Treasurer of the Port Authority will provide copies of the most recent publicly available (a) annual comprehensive financial report of the Port Authority ("Annual Report"), (b) unaudited condensed consolidated schedules and financial information for the Port Authority, (c) budget of the Port Authority, (d) reports, statements or press releases, if any, issued by the Port Authority pertaining to events which may reasonably reflect on the credit quality of Port Authority obligations, and (e) reports of the Port Authority pertaining to certain regional economic considerations and trends.

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SECTION II—DESCRIPTION OF THE PORT AUTHORITY AND ITS FACILITIES

The Port Authority believes that its business activities are best effectuated and its operational risks best mitigated when it conducts business openly and transparently and with integrity. In order to provide more information on its actions, the Port Authority has included in this Official Statement a section entitled "Environmental, Social and Governance Considerations" ("ESG") which can be found below in this Section II. However, there are some matters which might otherwise be included in such ESG Section which are instead included in the sections titled "Management" and "Operations" in Section II of this Official Statement because they clarify or enhance the description of the matters to which they relate.

Management

Board of Commissioners

The Board of Commissioners of the Port Authority is to consist of twelve Commissioners, six from each State, appointed by the respective Governor thereof with the advice and consent of the respective State Senate. The current Board of Commissioners is set forth below. Meetings of the Commissioners of the Port Authority are open to the public in accordance with policies adopted by the Commissioners; the actions the Commissioners take at Port Authority meetings are subject to gubernatorial review for a period of ten days (Saturdays, Sundays and public holidays excepted) and may be vetoed by the Governor of their respective State during such period. Actions relating to industrial development projects or facilities are required to be delivered to the leaders of the legislatures of the two States ten calendar days prior to being submitted to the Governors for review. The Governors' veto has been exercised from time to time.

The Commissioners serve without remuneration for six-year overlapping terms. A Commissioner whose term expires continues to serve until reappointment or the appointment and qualification of a successor. Incumbent officers continue to serve upon re-election at the Port Authority's annual meeting or until successors are elected. The Commissioners are engaged in business, professional, governmental or civic activities apart from their offices as Commissioners. In some cases these involve business, professional, governmental, civic or administrative connections or relations with persons, firms, corporations, public agencies, commissions or civic bodies which may do business with the Port Authority, are actual or potential users of Port Authority facilities or review or study the activities of the Port Authority and its facilities. The Commissioners have from time to time expressed, in reaffirmation of the Port Authority's policy and tradition of excellence in public service, their continued commitment to the highest ethical principles of conduct and their intention to conform to the conflicts of interest laws which were applicable to unsalaried public officers of their respective States. On October 26, 2017, the Board of Commissioners, adopted a Code of Ethics for Port Authority Commissioners (the "Commissioners' Code"), establishing clear standards for Commissioners with respect to resolving conflicts of interest, safeguarding confidential information, and interacting with people who hope to do business with the Port Authority. The Commissioners' Code imposes on Commissioners a duty to report wrongdoing, creates appropriate enforcement mechanisms for violations of the Commissioners' Code, and spells out the Board's fiduciary obligations to the Port Authority and the public.

The present Commissioners, their principal activities and the expiration of the current terms to which they have been appointed are as follows:

NEW YORK

JEFFREY H. LYNFORD, *Vice Chairman*–July 1, 2019*
President and CEO–Educational Housing Services, Inc.
STEVEN M. COHEN–July 1, 2024
Commissioner
LEECIA EVE–July 1, 2020*
Partner–Ichor Strategies
DANIEL J. HORWITZ–July 1, 2021*
Partner–McLaughlin & Stern, LLP
GARY LABARBERA–July 1, 2022*
President–Building and Construction Trades Council of Greater New York
ROSSANA ROSADO–July 1, 2023
Commissioner NYS Division of Criminal Justice Services

NEW JERSEY

KEVIN J. O'TOOLE, *Chairman*–July 1, 2023
Managing Partner–O'Toole Scrivo, A Limited Liability Company
J. CHRISTIAN BOLLWAGE–July 1, 2025
Mayor, City of Elizabeth, New Jersey
GEORGE HELMY–July 1, 2028
Chief of Staff to the Governor of the State of New Jersey
JOSEPH KELLEY–July 1, 2027
Partner–CHA Partners and
Founding Partner–Elysian Consulting Group
KEVIN P. MCCABE–July 1, 2026
Partner–River Crossing Strategy Group
MICHELLE E. RICHARDSON–July 1, 2024
Executive Director–Hudson County Economic Development Corporation

* A Commissioner whose term expires continues to serve until reappointment or the appointment and qualification of a successor.

Staff

The Port Authority, with approximately 7,950 employees, functions as a public corporation combining sound business and governmental principles and practices. A career staff is headed by an Executive Director who is responsible to the Board of Commissioners.

The following individuals are officers** under the By-Laws of the Port Authority:

Richard Cotton	Executive Director
Amy Fisher	Acting General Counsel
Elizabeth M. McCarthy	Chief Financial Officer
Sherien Khella	Treasurer
Daniel G. McCarron	Comptroller
James McCoy	Secretary

** The Chairman and Vice-Chairman of the Board of Commissioner of the Port Authority (see "*Board of Commissioners*" in this Section II) are also officers pursuant to the By-Laws of the Port Authority.

All of the aforesaid Port Authority officers have been employed continuously by the Port Authority for more than five years.

Certain Port Authority Governance and Integrity Initiatives

Special Panel Report

In 2014, a bi-state Special Panel on the Future of the Port Authority (the "Special Panel") formed by the Governors of the States of New York and New Jersey, issued a report with certain recommendations designed to result in the Port Authority's recommitment to its core transportation mission, pursued in a responsive, accountable and efficient manner. Among other things, the Special Panel recommended that the Port Authority (i) focus on redevelopment of its core transportation assets, including LaGuardia Airport ("LaGuardia Airport"), John F. Kennedy International Airport ("JFK Airport") and Newark Liberty International Airport ("Newark Airport"), the Port Authority Bus Terminal, Port Commerce and PATH, while opportunistically phasing out real estate ownership and development and (ii) continue reforms to promote a culture of transparency and ethical conduct. As described herein, the Port Authority has executed on many, but not all, of these recommendations. The report can be found at https://emma.msrb.org/ER1034371-ER650922-ER1052741.pdf.

Integrity Program

On September 28, 2017, the Board of Commissioners directed the Executive Director to implement a number of measures to strengthen the Port Authority's existing integrity program to help ensure ethical conduct at all levels of the Port Authority. Pursuant to this directive, (i) a revised Code of Ethics for Commissioners was adopted by the Board of Commissioners on October 26, 2017 (see "Board of Commissioners" in this Section II); (ii) an updated Code of Ethics for Port Authority employees was distributed to all Port Authority employees on January 25, 2018 and revised in March 2019; (iii) a Code of Ethics for Port Authority Vendors hired by the Port Authority was issued on December 19, 2017 and subsequently amended in October 2019; (iv) an integrity training program that meets or exceeds contemporary best-in-class standards was launched on January 25, 2018; (v) a False Claims Policy that would provide financial incentives to those who come forward with evidence of fraud against the Port Authority became effective on January 18, 2018; and (vi) a Chief Ethics and Compliance Officer was hired on January 2, 2018. Since then, the Office of Ethics and Compliance has implemented a number of initiatives, including expanded ethics and integrity training programs, the issuance of a Code of Ethics for Port Authority Lessees on October 30, 2019, and the issuance of new or revised policies on ethical conduct and standards for Port Authority employees. In November 2021, the Port Authority revised its anti-retaliation policy, clarifying the range of activities that are protected from retaliation and providing employees with more information about how to raise concerns or report possible misconduct.

Certain Port Authority Financial Information

Annual Budget

The Port Authority's annual budget provides an outline of estimated expenditures for the year. Approval of the budget by the Board of Commissioners, based upon financial projections developed as part of the Port Authority's planning process, does not in itself authorize any specific expenditures. Specific authorization is made from time to time by the Board of Commissioners consistent with statutory, contractual, and other commitments of the Port Authority, including agreements with the holders of its obligations. Consistent with the foregoing, the development of specific Port Authority capital projects is undertaken after appropriate required authorizations and certifications by the Board of Commissioners (see

"*Additional Facilities, Capital Improvements and Certain Programs—Certification in Connection with Additional Facilities*," and "*—Certain Additional Projects Under Study*" in this Section II).

On December 15, 2022, the Board of Commissioners approved a 2023 annual budget (the "2023 Budget") of $8.3 billion, which consists of operating expenses, capital spending, debt service, and deferred expenses. The 2023 Budget allows the agency to maintain its commitment to maintaining its facilities during 2023, while improving or rebuilding its legacy infrastructure to improve customer experience and accommodate the region's future growth.

The 2023 "core" Operating Budget totals $3.7 billion, reflecting an increase in operating costs of $112 million, or 3.2% over the estimate of such expenses in 2022. The 2023 core Operating Budget is focused on funding the costs of safety and security, cybersecurity, sustainability and resiliency, customer experience improvements, initiatives to increase agency diversity and inclusion, and other new technology, innovation, and employer of choice projects and initiatives – all of which are agency priorities. The core Operating Budget also reflects some incremental spending related to inflationary pressures.

An incremental $80 million in operating expenses was also approved by the Board of Commissioners covering certain "non-core" costs that are either: 1) in support of new incremental operating and maintenance expenses directly related to new or expanded facilities in the agency's portfolio; 2) completely reimbursable from third parties; or 3) expenses funded through the 2023 Capital Spending Budget, but due to Generally Accepted Accounting Principles, are required to be accounted for as Operating Expenses. These "non-core" costs are $49 million higher than similar estimated operating costs in 2022.

The 2023 Capital Spending Budget totals $2.9 billion, reflecting an increase of $719 million, or 33% versus estimated spending in 2022. However, the 2023 Capital Spending Budget is still below the agency's pre-COVID-19 pandemic budget levels and, in light of lingering impacts of COVID-19 on the economy and Port Authority recovering activity levels, remains below projected capital spending before the COVID-19 Period. This spending advances the agency's core transportation mission and commitment to rebuilding the region's aging infrastructure to maintain a state of good repair and accommodate future growth.

The 2023 Debt Service Budget and Deferred Expense Budget totals $1.7 billion, reflecting an increase of $185 million, or 12% higher than estimated expenses in 2022. This increase is driven by higher forecasted market-driven borrowing rates in 2022 and 2023, the schedule of borrowing required to fund the Capital Plan, in addition to an increase in Deferred Expenses driven by the timing of the Port Authority's vehicle and equipment replacement programs purchases resulting from pandemic-related supply chain issues in 2022.

For further information, reference the Port Authority's 2023 Budget Book posted on its public website at: https://www.panynj.gov/corporate/en/financial-information/budget.html.

2017-2026 Capital Plan

On February 16, 2017, the Board of Commissioners adopted a ten-year, 2017-2026 capital plan (the "2017-2026 Capital Plan"), which was modified by the Board of Commissioners on September 26, 2019, pursuant to the reassessment process described below (see "*Biennial Reassessment of the 2017-2026 Capital Plan*" in this Section II). The 2017-2026 Capital Plan totals $37 billion and includes $34.3 billion in direct spending on Port Authority facilities, and up to $2.7 billion in support of the Gateway Program, subject to facility certification (see "*The Gateway Program*" in this Section II). The Port Authority's support for the Gateway Program is expected to be in the form of a funding obligation to the Gateway

Development Commission, a bi-state agency established to finance, design and construct the Gateway Program. The funding obligation will provide support for future long-term borrowing of the Gateway Development Commission for a portion of the Gateway Program's capital costs and will be paid by the Port Authority over time.

The 2017-2026 Capital Plan is a blueprint for future spending and does not supplant the Board of Commissioners' authorization process for individual projects and contracts. Actual capital budgets for included projects must be individually authorized after consideration of available capital capacity and, due to the effects of COVID-19, not all projects included in the 2017-2026 Capital Plan may be authorized in the timeframe originally contemplated.

The 2017-2026 Capital Plan was developed and subsequently updated in 2019 using a comprehensive planning process and risk-based prioritization that considered asset condition, operational and revenue impact, threat assessment, customer service, regional benefit, and regulatory or statutory requirements and long-term affordability of the plan. The comprehensive planning process includes an annual assessment of the factors that impact the continuing operations of the Port Authority's facilities, such as contractual, municipal lease and other relationships, as well as regional needs, customer demands and industry specific business environments. These factors provide inputs to the Port Authority's integrated financial model, which is used to determine the capital capacity for the ten-year period and the size of the capital plan.

This capital capacity is allocated to the various projects under consideration using a comprehensive risk-based approach. In determining funding allocation, the first priority is to ensure sufficient funds to deliver the projects that are currently in construction. Next, funds are allocated to maintain assets in full operational capacity and provide for projects required by law or for security purposes. Funds are allocated next to provide for projects that will restore and fortify assets damaged by Superstorm Sandy, and finally to other high priority projects that will expand and improve critical transportation assets.

As a consequence of these planning activities, the 2017-2026 Capital Plan was developed to provide for spending to (1) renew Port Authority assets to maintain them in a state of good repair, so that the Port Authority can continue providing infrastructure that is efficient, reliable and safe ($10.3 billion); (2) expand capacity, improve connectivity and advance the region's transportation needs ($14.2 billion); (3) restore infrastructure that was damaged by Superstorm Sandy and enhance storm resiliency at Port Authority facilities (including debt service support for the Gateway Program), in partnership with federal and regional entities ($4.6 billion); and (4) deliver projects that are currently under construction ($7.9 billion). From a facilities perspective, the 2017-2026 Capital Plan provides $16.4 billion for aviation projects, $10 billion for tunnels, bridges and terminal projects, $5 billion for PATH projects, $1.1 billion for Port projects, and $1.8 billion for World Trade Center site projects, with the remaining $2.7 billion for debt service support of the Gateway Program.

In connection with adoption of the 2017-2026 Capital Plan, the Board of Commissioners mandated certain additional oversight requirements. At least every two years the Board of Commissioners is to reassess the 2017-2026 Capital Plan in light of then-current information as to capital capacity and the progress of capital projects, and determine whether there will be sufficient resources to: (1) invest in projects during the remaining period of the 2017-2026 Capital Plan at roughly the pace and the cost that has been planned, and (2) fund necessary expenditures in the subsequent ten-year period. If the Board of Commissioners cannot make this determination, it is required to modify the 2017-2026 Capital Plan to ensure that these two conditions can be met and to maintain a balanced plan.

In addition, the Board of Commissioners directed Port Authority staff to enhance its "gates" management process for determining when construction may begin on a given capital project set out in the

2017-2026 Capital Plan. This process shall include, among other things, consideration of the revenue-generating potential and capital capacity impact of the capital project; the relative priority of the project; and the overall capital capacity of the Port Authority. The enhanced gating process provides natural break points in a project's life cycle, to either continue or modify a specific project.

Gate 1 occurs during planning authorization, and ensures proper project definition, scoping and prioritization. Gate 2 occurs during project authorization and ensures the appropriate level of project development (cost, schedule and scope), and validation of available capacity prior to proceeding to final design. Gate 3 occurs during contract authorization and ensures project compliance with existing budget and authorization, and validation of available capacity prior to proceeding to construction phase. If in the Board of Commissioners' judgment there is not sufficient capital capacity to complete a project, or other priorities arise, then: (1) construction shall not begin; (2) other projects shall be deferred, eliminated, or modified to the point that there is sufficient capital capacity, at which point construction may begin; or (3) the Board of Commissioners shall consider other fiscally-prudent alternatives, taking into account such factors as revenues, expenses, and anticipated project costs.

In determining whether there is sufficient capital capacity, consideration is given to steps to reduce expenses ("Savings"), as well as to projected revenue increases and anticipated receipt of proceeds from either third-party grants or monetization of Port Authority assets (collectively, "Additional Funding"), but only to the extent that such Savings and Additional Funding are, in the judgment of the Board of Commissioners, highly likely to be realized. The Port Authority's 2019 reassessment and adoption of modifications to the 2017-2026 Capital Plan described below was undertaken pursuant to this process.

Biennial Reassessment of the 2017-2026 Capital Plan

In 2018-2019, the Port Authority undertook its first biennial process to reassess the 2017-2026 Capital Plan, as directed by the Board of Commissioners (see "*2017-2026 Capital Plan*" in this Section II). In connection with its review, the Board of Commissioners found that the two conditions for maintaining a balanced plan had been satisfied and that certain additions and modifications to the 2017-2026 Capital Plan as originally approved, were warranted, increasing the Capital Plan on September 26, 2019 to a total of $37 billion and authorizing certain additional revenue collection to fund a portion of the increases.

In the COVID-19 Period, the Board of Commissioners considered the 2017-2026 Capital Plan in the context of available net revenues and available capital capacity and reevaluated individual projects including spending estimates and the timing thereof. The Board continues to evaluate the extent to which and how the 2017-2026 Capital Plan and the timing of post-2023 capital spending should be modified. See "*Impacts from the COVID-19 Pandemic*" in Section I hereof. In March 2023, in order to address significant increases over prior capital cost estimates for certain projects (driven in part by the impacts of the COVID-19 pandemic and inflation), the Board also reallocated certain planned project funding in accordance with available net revenues and available capital capacity. See "*Operations – Operating and Construction Costs*" in Section II hereof.

Proceeds of Bonds, Notes and Other Obligations

Periodically, in connection with the Port Authority's capital program projections, the Board of Commissioners adopts resolutions which authorize the sale of bonds, notes and other obligations by the Port Authority. The proceeds of such bonds, notes or other obligations are authorized to be used for any purpose for which at the time of their issuance the Port Authority is authorized by law to issue its bonds, notes or other obligations. Such purposes include capital projects at Port Authority facilities and refunding Port Authority obligations. Most recently, in November 2022, the Board of Commissioners approved the

Special Obligation Institutional Loan Program, which provides for alternative debt instruments to borrow funds from financial institutions, the repayment of which are special obligations of the Port Authority, and are subordinate to the Port Authority's Consolidated Bonds, which may be warranted, from time to time, as a shorter-term alternative for capital purposes under some market conditions (see "*Special Obligation Institutional Loan Program*", in Section III herein).

Limitations on Variable Interest Rate Obligations

It is the current policy of the financial departments of the Port Authority to limit the issuance of variable interest rate obligations to a total aggregate principal amount not in excess of 20% of the total aggregate principal amount of all of the Port Authority's outstanding obligations (excluding Special Project Bonds and Port Authority Equipment Notes). As of May 15, 2023, variable rate obligations outstanding were approximately 2.28% of such total aggregate principal amounts (including the Bonds in such total aggregate principal amounts).

Investment Policies of the Port Authority

The investment policies of the Port Authority are established in conformity with the agreements with the holders of its obligations, generally through resolutions of the Board of Commissioners or its Committee on Finance. (See Note A(3)(k), Note C and Note E in Appendix A hereto.)

Operations

Natural Hazard and Climate Risk Mitigation Activities

Many of the Port Authority's facilities are located in or proximate to low-lying coastal areas including, in some instances, federally-designated flood hazard areas. The risk of flooding at these facilities may be exacerbated by future sea level rise.

In October 2012, Superstorm Sandy disrupted Port Authority activities at the airports, bridges and tunnels, marine terminals, World Trade Center site, and the PATH system. Most Port Authority facilities were affected to varying degrees by wind, storm surge, and power outages. The PATH system sustained the greatest damage, with significant flooding at several stations, under-river tunnels, tracks, and substations. All of the Port Authority's facilities returned to full operation, with the disruption in service, for the most part, lasting less than a week. The Port Authority took immediate action after Superstorm Sandy and developed a program of priority protective measures to protect impacted facilities prior to the following hurricane season, while also mobilizing an agency-wide program of recovery and hazard mitigation projects to build back more resiliently. Almost all of the full program of Superstorm Sandy projects is scheduled to be completed by 2025. The remaining projects are two PATH projects that will require temporary closure of certain tracks, which are expected to be completed by 2031 and 2033. The current estimate of the repair costs due to Superstorm Sandy, including service restoration, asset repair and replacement, and lost revenue due to business interruption, is approximately $3.0 billion, of which approximately $2 billion has been incurred to date. Insurance coverage and federal disaster relief funds will substantially cover the Port Authority's estimated loss from Superstorm Sandy.

The Authority has also experienced short-term impacts from rainfall-driven flooding. Most notably, in September 2021, significant rainfall intensities associated with Hurricane Ida caused widespread flooding of transportation networks and infrastructure in the New York and New Jersey region. Due to a combination of operational preparedness, flood resilient design, and a storm track that skirted some facilities, the Port Authority avoided significant impacts. However, Teterboro Airport was closed for 32 hours due to the overwhelmed drainage system and resultant flooding of the airfield, although as an airport generally serving private aircraft rather than scheduled commercial flights, the impact on Port Authority operations and revenue was limited. Additional mitigation measures may be required over time to maintain Teterboro Airport's full functionality.

Particularly since Superstorm Sandy, the Port Authority has undertaken various actions to mitigate the risk of flooding or other storm related damage at its facilities. A site-wide comprehensive flood hazard mitigation plan was developed for the World Trade Center site that utilizes three rings of flood protection for transportation facilities, critical infrastructure, and other facilities at the World Trade Center site. Most of the permanent flood protection measures at the World Trade Center site have been installed and are available for operational deployment; the balance will be coordinated with the construction of The Performing Arts Center at the World Trade Center and are expected to be completed in 2023. The Port Authority has initiated, and in many cases completed, projects to mitigate the risk of storm surge flooding at several other facilities, including: (i) installation of flood gates at PATH stations, implementation of flood mitigation procedures, and elevation of PATH signal equipment; (ii) Holland Tunnel enhanced flood protection for the tunnel's portals and vent buildings; (iii) enhanced resiliency of key airport terminals and critical support buildings, enhancement of drainage and pumping capacity, and elevation of substations and other electrical infrastructure at Port Authority airports; and (iv) reconstruction of eroded/degraded upland areas at Port Authority ports and terminals.

Since 2010, the Port Authority has implemented procedures to assess and quantify risks associated with certain natural hazards and the resultant costs that Port Authority facilities may incur. The risk assessments were supplemented in 2015 and 2018 with more in-depth probabilistic assessments of tropical cyclones, which were identified as the hazard having the greatest potential costs to the Port Authority. In 2020, the Port Authority established a Climate Risk Assessment initiative, an ongoing engineering program to develop strategic actions to mitigate risk for all major facilities.

Beginning in 2015, the Port Authority has implemented Climate Resilience Design Guidelines, which require assessment and mitigation of risks due to future sea level rise in the design process for all Port Authority capital projects in or proximate to current or future coastal flood hazard areas, using projections issued, and updated periodically (last in 2018), by the New York City Panel on Climate Change. Compliance with the Guidelines has also been required for major capital projects undertaken by third parties as part of the JFK, LaGuardia and Newark Airport redevelopments.

Despite the efforts described above, the magnitude of the impact on the Port Authority's facilities and operations from climate change is indeterminate and unpredictable. Extreme weather and climate-related events have negatively affected, and may in the future negatively affect, the region's infrastructure, including the facilities of the Port Authority. No assurance can be given that the Port Authority will not encounter extreme weather, climate-related and natural disaster risks in the future, or that such risks will not have an adverse effect on the facilities and operations of the Port Authority.

Environmental Sustainability Policy and Initiatives

The Port Authority's operations require it to make long-term investments in its facilities and to focus on concomitant long-term threats to enjoying the benefits of the facilities for their useful lives. A scientific consensus now exists that climate change as a result of human greenhouse gas (GHG) emissions may present such a threat, resulting in climate risk as described above. In addition, GHGs are often associated with criteria pollutants, such as NOx, SOx and particulate matter which may have health effects. Therefore, building on older Port Authority policies, on November 18, 2021, the Port Authority adopted enhanced GHG emissions reduction goals.

With respect to its direct GHG emissions (those which it produces through its operations), the Port Authority's goal is a reduction of 50% by 2030 when compared to a 2006 baseline. This new GHG reduction target is in addition to the Port Authority's existing interim GHG reduction goal of 35 percent by 2025, set in October 2018. The 2021 Port Authority GHG reduction goals would reduce the Port Authority's direct emissions through facility-wide sustainability initiatives in the areas of electrification, renewable energy, and sustainable buildings/energy efficiency.

More information regarding the Port Authority's sustainability goals can be found in the section entitled "*Environmental, Social and Governance Considerations*" below in this Section II.

Operating and Construction Costs

As the Port Authority's individual facilities age, it is expected that their respective operating costs will continue to increase and that there will be an increasing need for capital investment for the redevelopment, renovation or rehabilitation of existing and additional facilities in order for the Port Authority to continue to maintain appropriate levels of service. Both construction costs and operating costs for Port Authority facilities are subject, among other items, to the effects of national and regional economic conditions (including periods of inflation and periodic supply chain limitations) and the nature of governmental regulations with respect to transportation, security, commerce, energy and environmental permits and approvals and environmental impact analyses. Port Authority operating revenues are also subject to the effects of national and regional economic conditions, pricing cycles and external events, such as fuel availability and costs, labor and equipment costs and the nature of federal legislation, governmental regulations and judicial proceedings with respect to transportation, security, commerce, energy and environmental protection. Port Authority operating revenues and capital requirements may also be affected by enacted or proposed reductions in various federal programs.

Currently, the Port Authority is experiencing significant increases in its projected costs for construction programs, especially for large projects due to, among other things, an economy-wide increase in inflation, extraordinary increases in the cost of certain construction materials and relative aversion to excessive economic risk on the part of some large contractors. To address the cost increases caused by these conditions, in March 2023, the Board of Commissioners reauthorized the JFK Redevelopment Program (including its replacement of Central Terminal Area roadways and related infrastructure) to approximately $3.9 billion from $2.9 billion (see "*Air Terminals—John F. Kennedy International Airport*" in this Section II). The agency currently expects that it will also face significant increases over the original $2.05 billion estimate for the AirTrain Newark project (see "*Air Terminals—Newark Liberty International Airport*" in this Section II). The Port Authority has offset any increased costs through value engineering efforts, by reducing project scope or otherwise deferring or reducing spending on other capital projects.

Certain Information with Respect to Security and Safety Initiatives at Port Authority Facilities

The Port Authority has undertaken various initiatives with respect to security at its facilities, in certain cases pursuant to the requirements of federal legislation. The implementation of these security initiatives may involve additional capital and/or operating costs to the Port Authority. Certain of these costs have been reimbursed through various federal programs.

Pursuant to the terms of the Aviation and Transportation Security Act, the Transportation Security Administration has responsibility for civil aviation security, including day-to-day federal screening operations for passenger air transportation, and is providing federal passenger and baggage screening staff and a federal Security Director at JFK Airport, LaGuardia Airport and Newark Airport.

The Port Authority Security Department, headed by a Chief Security Officer, provides centralized control over all Port Authority security functions, programs, resources and personnel, including the Port Authority Police Department. Current security initiatives include enhancements to Port Authority security operations, and improvements to the monitoring and protection of Port Authority infrastructure. A designated cadre of Port Authority Police Officers dedicated to aircraft rescue and firefighting has been assigned to the Port Authority's aviation facilities. As part of the collective bargaining agreement between the Port Authority and the Port Authority Police Benevolent Association approved by the Board in February 2023, the Port Authority is in the process of providing agency police officers with body-worn cameras, in keeping with national best practices.

The Port Authority's Chief Health and Safety Officer leads an office overseeing the Port Authority's safety management, employee health and safety, and investigations and compliance operations.

Cybersecurity

The Port Authority relies on a complex technology environment to conduct its operations. As a provider of critically needed transportation services, the Port Authority faces multiple cyber threats, including among other things, malware, denial-of-service attacks, business email compromise and other attacks on computers, corporate business applications, industrial control systems, and other sensitive networks and systems which could impede the Port Authority's operations. To mitigate this risk of cyber incidents, the Port Authority deploys a cybersecurity plan developed over time, and continuously reevaluated. This plan includes a broad array of cyber defenses. Given ever-evolving security risks, the cybersecurity plan has been the subject of review by leading experts engaged from time to time to ensure awareness and implementation of the latest best practices. Nonetheless, the Port Authority is aware of access attempts made from time to time, and no assurances can be made that its defensive measures and controls will be successful in guarding against all cyber attacks. Successful attacks could seriously damage important Port Authority digital networks and systems and necessitate costly remedial actions.

Insurance

The Port Authority carries insurance or requires insurance to be carried (if available) on or in connection with its facilities and those under construction to protect against direct physical loss or damage and resulting loss of revenue and against liability in such amounts as it deems appropriate, considering deductibles, retentions, and exceptions or exclusions of portions of facilities and the scope of insurable hazards. A portion of the insurance under the programs described below is provided by the Port Authority's captive insurer, the Port Authority Insurance Captive Entity, LLC ("PAICE") (see "*Port Authority Insurance Captive Entity, LLC*" in this Section II).

Property Damage and Loss of Revenue Insurance Program

The property damage and loss of revenue insurance program on Port Authority facilities (which was renewed effective June 1, 2023 and expires on June 1, 2024) covers all Port Authority facilities, excluding the World Trade Center (except for the area of the PATH station inside the fare zone). Portions of the property damage and loss of revenue insurance program on the Port Authority facilities is insured through PAICE and reinsured through commercial reinsurers.

Property damage and loss of revenue insurance on the operating portions of the World Trade Center[1] and related infrastructure is provided in a separate program (which was renewed effective June 1, 2023 and expires on June 1, 2024). Portions of the property damage and loss of revenue insurance on the operating portions of the World Trade Center[1] are insured through PAICE and reinsured through commercial reinsurers.

The Port Authority also purchased property terrorism insurance with respect to its facilities for a two-year term, effective June 1, 2023. The terrorism coverage is insured through PAICE and reinsured through the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("TRIPRA")[2] and commercial reinsurers.

Public Liability Insurance Programs

The public liability insurance program for Port Authority aviation facilities (which was renewed effective October 27, 2022 and expires October 27, 2023) includes insurance for aviation war risk, which includes terrorism.

The public liability insurance program for "non-aviation" facilities (which was renewed effective October 27, 2022 and expires October 27, 2023) applies to such facilities, including components of the World Trade Center. Terrorism insurance with respect thereto is insured through PAICE and reinsured through TRIPRA and commercial reinsurers, and was renewed effective October 27, 2021 and expires October 27, 2023.

The Port Authority also carries terrorism and/or malicious acts insurance for losses to property and liability resulting from nuclear, biological, chemical or radiological material for all Port Authority facilities. The program is insured through a combination of PAICE, commercial reinsurers and TRIPRA and was renewed effective October 27, 2021 and expires October 27, 2023.

Construction Insurance Programs

The Port Authority maintains an ongoing wrap-up contractors' insurance program for all Port Authority-operated facilities under construction (excluding the World Trade Center, where such insurance is handled through a contractor controlled insurance program), which was renewed effective June 1, 2023 and expires June 1, 2026, including builders' risk, construction general liability insurance, and statutory workers' compensation coverage. PAICE provides portions of the construction general liability insurance while statutory workers' compensation insurance is provided through commercial insurance.

The Port Authority placed a standalone wrap-up contractors' insurance program on March 27, 2018, for construction of Terminal A at Newark Airport, which includes builders' risk, construction general liability insurance, and statutory workers' compensation insurance is provided through commercial

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[1] The Port Authority's insurance programs do not provide coverage for World Trade Center Towers 2, 3, 4 (except for the Port Authority's Tower 4 leased space), the World Trade Center Memorial/Museum, the St. Nicholas Greek Orthodox Church and National Shrine, the Performing Arts Center at the World Trade Center and the net leased retail components (except for certain retail infrastructure) of the World Trade Center site. Coverage for these assets is the responsibility of the net lessees.

[2] Under TRIPRA, the formula provides that the federal government generally reinsures 80% of certified terrorism losses subject to aggregate industry insured losses of at least $200 million and a 20% insurance carrier/captive deductible, in an amount not to exceed an annual cap on all such losses payable under TRIPRA of $100 billion. In the event of a certified act of terrorism, the law allows the United States Treasury to recoup 140% of the amount of federal payments for insured losses during that calendar year.

insurance. PAICE provides portions of the construction general liability insurance while statutory workers' compensation insurance is provided through commercial insurance.

Port Authority Insurance Captive Entity, LLC

In 2006, the Port Authority established a captive insurance company, known as the "Port Authority Insurance Captive Entity, LLC," for insuring certain risk exposures of the Port Authority and its related entities. Under its current Certificate of Authority issued by the District of Columbia, PAICE is authorized to transact insurance business in connection with workers' compensation, general liability, builders' risk, property and terrorism insurance coverages for the Port Authority and its related entities. With the passage of TRIPRA, PAICE assumed coverage for acts of terrorism under the Port Authority's public liability, and property damage and loss of revenue insurance programs. Effective June 1, 2023, PAICE provides the first $500,000 in coverage under the general liability aspect of the Port Authority's contractors' insurance program and 22% of the next $4.5 million of losses that are in excess of the primary $500,000, which is expected to be fully reinsured.

Further, effective October 27, 2021 (expiring October 27, 2023), PAICE provides $500 million in coverage under the nuclear, biological, chemical and radiological terrorism program, which is fully reinsured by commercial reinsurers and insures $1.1 billion in excess of $500 million, which is partially reinsured by TRIPRA.

The Port Authority expects to be able to replace each category of its insurance coverage described above as it expires with insurance providing substantially similar coverage, although premium costs, or self-insured retentions may vary or materially change over time driven by market factors and episodic changes in Port Authority loss levels occurring from time to time. There can be no assurance that the insurance coverage reasonably available to the Port Authority will provide coverage in every eventuality.

Environmental, Social and Governance Considerations

The Port Authority develops regional transportation, terminal and other facilities of commerce and following completion, operates and maintains them for the public benefit, while prudently planning to meet existing and foreseeable risks to its mission. Meeting that mission includes working with a broad group of relevant stakeholders, including facility users and others affected by the Port Authority's operations, and balancing current needs with the foreseeable longer-term consequences of its activities. To that end, the Port Authority seeks to address the concerns of the broader community in which it operates to the extent it is prudently able to do so consistent with legal and financial constraints.

Land Use, Environmental Concerns and Sustainability Efforts

Availability in the Port region of real property sites for infrastructure use is limited and urban density and overlapping resource use for multiple purposes is common. The Port Authority must comply with a wide variety of federal and state regulations and typically seeks to maintain existing facilities in use while they are redeveloped. These challenges require the Port Authority to conduct careful planning in its operations and assess foreseeable risks to the use of its facilities, based on application of scientific consensus.

Resilience Efforts. Of particular concern are climate change-driven risks as discussed in "Operations — *Natural Hazards and Climate Risk Mitigation Activities*". According to New York State Department of Environmental Conservation ("NYSDEC"), increase in average temperature and increased precipitation are predicted in the Port region over the coming decades, with increasing weather variability projected.[3] Currently however, the most pronounced physical climate risk is the already-observable rise in coastal sea levels. NYSDEC estimates that in New York City, sea-levels will rise between 2 and 10 inches this decade, alone.[4] Sea level rise can also be exacerbated by increased frequency or intensity of future storms.[5] Since 2015, the Port Authority has broadly implemented its Climate Resilience Guidelines (available at https://www.panynj.gov/port-authority/en/about/Environmental-Initiatives.html) to mitigate the effects of climate change on our facilities even as climate change increases the frequency and intensity of natural hazards. The Guidelines incorporate climate change projections prepared by the New York City Panel on Climate Change[6] into the full range of Port Authority engineering and architectural design standards, as a supplement to applicable building code requirements. Ongoing Port Authority facility redevelopment efforts provide opportunities to integrate resilience into facility-wide planning, rather than as an afterthought in the design process.

To further inform analysis of climate risk, in 2019, the Port Authority compiled a Natural Hazard Risk Assessment, which sought to incorporate known vulnerabilities at each facility, probability that a weather event will occur, and analysis of the consequence of each scenario.

Although the Port Authority believes it prudently plans for the effects of climate change on its operations, there can be no assurance that additional or different risks will not affect operations in the future.

Efforts to Reduce Greenhouse Gas Emissions. In addition to climate risks at its own facilities, the Port Authority seeks to responsibly conduct its operations to reduce the greenhouse gas impact of its facilities on the region and to lead by example to more broadly influence other infrastructure operators.

The Port Authority operates transportation infrastructure across the region which often involve use of transportation fuels which burn hydrocarbons, including vehicular fuels for cars and trucks, jet fuel for aircraft and oil for diesel equipment. The agency's use of fossil fuels is limited relative to third parties using its facilities, but the Port Authority has nonetheless taken steps to moderate third party use where it believes alternatives are available, with a stated goal of having net zero fossil fuel emissions at its facilities by 2050, in alignment with goals set by the Biden Administration. The net zero goal is expected to be achieved in collaboration with the Port Authority's facility users, including airlines, terminal operators, concessionaires, ground transportation companies, construction companies, and electricity suppliers, among others, and will take advantage of governmental programs providing incentives to decarbonize power infrastructure. Such efforts may be supplemented by purchased offsets, if required.

The Port Authority is undertaking initiatives at its airports and marine terminal facilities to require the transition to low-emission or zero-emissions handling equipment to the maximum extent practicable, as such equipment becomes available from manufacturers. The Port Authority has adopted rules and regulations that govern its marine terminal facilities that establish the first phases of a multi-year program to transition all material handling equipment to electric-powered equipment or, if not yet available, to the cleanest diesel engine specifications available. At the airports, the Port Authority has adopted rules

[3] Source: "Observed and Projected Climate Change in New York State: An Overview" dated August 2021 and available at https://www.dec.ny.gov/energy/94702.html.
[4] Source: 6 NYCRR Part 490.
[5] Source: New York City Department of Planning — Flood Hazard Mapper available at https://www.nyc.gov/site/planning/data-maps/flood-hazard-mapper.page.
[6] Source: "Building the Knowledge Base for Climate Resilience: New York City Panel on Climate Change 2015 Report" available at https://nyaspubs.onlinelibrary.wiley.com/toc/17496632/2015/1336/1.

concerning the phased replacement of certain types of fossil-fuel ground support equipment with zero-emission models.

The Port Authority has set goals for electrifying its non-emergency response light duty vehicle fleet by 2030 and transitioning 50 percent of its medium and heavy-duty fleet to zero emission alternatives by 2035. Currently, the Port Authority operates 46-vehicle electric bus fleet at its airports. The Port Authority intends to expand the availability of charging infrastructure at its facilities to advance electric vehicle adoption for fleet vehicles, taxis, for-hire-vehicles, private cars, and other facility users. For example, the charging hub at JFK Airport includes 10 direct current fast chargers, allowing public and for-hire vehicles to charge in approximately 30 minutes or less. The fast-charging hub, which is open to all electric vehicles, was completed in 2020.

In addition, the Port Authority seeks to reduce its own greenhouse gas emissions by decarbonizing its energy use. The agency has completed a 1.34 MW solar rooftop facility at LaGuardia Airport and a 4 MW solar rooftop at Newark Airport. Construction of a 12.3-MW solar energy system (including 7.5 MW of battery storage) at JFK Airport is expected to begin in 2023.

The Port Authority has been recognized by the Airports Council International ("ACI") with all five of the Port Authority airports obtaining Level 3 ("Optimisation") Airport Carbon Accreditation. Level 3 accreditation acknowledges the Port Authority's efforts to cut GHG emissions at its airports and develop effective stakeholder engagement with tenants and customers leading to further reductions in emissions. The accreditation by ACI is overseen by an independent advisory board and is the only globally recognized environmental standard for airports.

The Port Authority also seeks to support New York and New Jersey efforts to "green the grid", acquiring statewide renewable credits and purchasing where available, less greenhouse gas-intensive power sources.

Engagement with Neighboring Communities and Regional Stakeholders

Many of the Port Authority's facilities are located in communities with disproportionally low-income or underrepresented populations and the Port Authority seeks to assure fair treatment and meaningful involvement of those residents in its operations in accordance with federal and state law and its own practices. The agency regularly engages with local community members to communicate and educate about the Port Authority's capital projects and facility operations.

The Port Authority seeks to maintain good relations with local elected representatives in the communities in which its facilities are located and has established formal mechanisms for review of its activities under its marine and air terminal lease with the City of Newark and its municipal air terminal lease with New York City. Community stakeholders also participate in community councils, such as the PATH Riders Council, the Port Authority Bus Terminal Advisory Council, the Community Advisory Council for the JFK Redevelopment Program and other community initiatives established for LaGuardia Airport and Newark Airport.

All of these efforts provide a basis for extensive outreach when the Port Authority seeks to engage in new development. In 2021, the Port Authority updated it Environmental Justice Guide which explains how consideration of community concerns can enhance project planning and delivery. An Environmental Justice Executive Review Board conducts an impact analysis of all significant construction activities and seeks to develop mitigation for any disproportionate impacts on the surrounding communities (unless similar analyses are conducted under state or federal environmental reviews).

In accordance with requirements of federal agencies (including the administrative agencies in the Department of Transportation) and New York and New Jersey state agencies, if applicable, the Port Authority typically conducts public information workshops, briefings and/or meetings to explain its more impactful projects and to respond to questions and address potential concerns during its planning processes for new projects. Such sessions are held both during working hours and in the evenings at convenient community locations (or conducted virtually) and are preceded by compliant notifications in publications, on relevant websites, through other traditional methods in social media, and through community partner organizations. In planning for new projects, the Port Authority would expect to mitigate adverse impacts imposed on surrounding communities.

Social Action through Diversity, Equity and Inclusion

Underrepresented Groups and Local Hiring and Business Opportunities. The New York-Newark-Jersey City, NY-NJ-PA Metro Area is both majority female and people of color (ACS 2020) and the Port Authority has established programs to make employment opportunities available to qualified diverse candidates through local hiring efforts at Port Authority facilities together with community-based organizations and other local stakeholders. The Port Authority also works to ensure that business opportunities to work with the Port Authority are available, in accordance with state and federal laws, for local minority-owned business enterprises in its development, construction and facility maintenance activities. The Port Authority's Office of Diversity, Equity and Inclusion leads these efforts.

Programs for Minority, Women-Owned, Small and Disadvantaged Business Enterprises, and Service-disable Veteran-owned Businesses. The Port Authority has a long-standing commitment to promoting inclusive and sustainable economic development programs, particularly with respect to Minority/Women-owned Business Enterprises ("MWBEs"). In February 2018, the Board of Commissioners adopted a goal of 30% MWBE (20% MBE and 10% WBE) participation across all procurement categories and in October 2019, the Board of Commissioners added a goal of 3% Service-Disabled Veteran-Owned Business ("SDVOB") participation. Furthermore, in August 2021, the Board of Commissioners approved the discretionary Small Contracts Program to reduce disparities in utilization of MWBEs in Port Authority procurements compared to their availability in the regional marketplace. The Small Contracts Program enables the Port Authority to directly solicit qualified Port Authority-certified MWBE firms that are led by a member of an under-utilized group, to participate in competitive procurements for construction, goods, and services, including professional services. The Small Contracts Program includes contracts of up to $2.5 million for construction solicitations and up to $1.5 million for all other solicitations.

Through a comprehensive Business Diversity program, the Port Authority also assists MWBE firms, as well as small and disadvantaged business enterprises and SDVOBs, to gain contracting opportunities through training in business methods and capacity building. Currently, there are approximately 8,000 firms which are certified to participate as Port Authority contractors and vendors under the Business Diversity program. Results of the Port Authority's program can be seen in MWBE awards of over $2 billion to MWBE firms in connection with the redevelopment of LaGuardia Airport and over $700 million awards in connection with Newark Airport's Terminal A redevelopment.

In 2022, the Port Authority was selected as the recipient of the American Society of Public Administration's 2022 Equal Opportunity/Affirmative Action Exemplary Practice Award in recognition of its ongoing efforts to improve diversity and inclusion within the Port Authority, and in local communities in which the Port Authority operates and received the first Transport and Logistics "Salute to Diversity" honor from The Journal of Commerce, which recognizes organizations in the transportation and logistics industry that are driving forward diversity, equity and inclusion.

In February 2023, at the Transpacific Maritime Conference (TPM23) which is organized by S&P Global and the Journal of Commerce, the Port Authority was bestowed one of the four diversity, equity and inclusion ("DEI") Honors for the year. The Port Authority was selected as the honor recipient for "Best Stand Out Retention" in recognition of the Port Authority's dedication to driving DEI forward. Among the initiatives cited was the vast array of employee business resource groups ("EBRGs") that the Port Authority supports as well as all its staff training efforts. The independent panel of judges noted that "as a large organization that has been heavily invested in DEI for over 5 years, the maturity shows in the various activities and investments of the Port Authority." This is the second year of the TPM23 DEI Honors and the second year that The Port Authority of NY & NJ was honored; the only organization to achieve that.

No Discrimination in Transportation Operation. The Port Authority is regulated in many of its activities by federal law. Under Title VI of the Civil Rights Act of 1964 ("Title VI"), "No person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any program or activity receiving federal financial assistance." It is the policy of the Port Authority with respect to Title VI that no person will be discriminated against with regard to the availability or quality of Port Authority transportation service on the basis of race, color, national origin, sex, age, disability/handicap, creed/religion, low income, Limited English Proficiency (LEP), or any other federally protected category under Title VI and business availability or quality of transportation services, security, emergency services, information or assistance, fare structures, frequency of service, and access to transport on facilities provided by or directly operated by the Port Authority will not be determined based on any such category.

Port Authority Governance and Transparency

The Port Authority seeks to conduct its business activities in the public interest with integrity and transparency and to engage with its workforce in a forthright and equitable manner. Beginning in 2017, the agency instituted a series of initiatives to clarify its standards and to require the Board of Commissioners, its employees and those it does business with, to ascribe to those standards. Certain other information regarding our Board of Commissioners can be found under "Management" above.

Public Meetings. The Port Authority has an obligation to solicit public participation and make its affairs known to members of the general public. In accordance with this obligation, meetings of the Board of Commissioners and its committees are open to the public consistent with the open meetings laws of the two States and advance notice is provided to members of the general public and representatives of the press of all meetings to be held in open public or closed executive session and, if in closed executive session, the reason(s) therefor. Where meetings are held in open public session, anticipated agendas for such meetings are provided in advance of such meetings. Public meetings are traditionally held no fewer than 10 times per year, alternating at the Port Authority's offices in Manhattan and Jersey City. Members of the public have the opportunity to comment to the Board of Commissioners prior to action on items considered at a public meeting, and they regularly do so, on a variety of matters.

In addition to regular Board meetings, public hearings are held in connection with the budgeting, planning, and programming of the Port Authority, including proposals for instituting or changing tolls and fares imposed for use of the Port Authority's vehicular tunnels and bridges and passenger rail facilities and may also be held on matters requiring public consideration upon the request of the Chairman of the Port Authority or any two Commissioners, one from each State.

Availability of Information. Minutes of meetings of the Board of Commissioners are publicly released following the expiration of the statutory gubernatorial veto periods of the two States and thereafter remain publicly available on the Port Authority's website. Meetings of the Board of Commissioners and its committees (other than meetings held in closed, executive session) are publicly broadcast, to the extent technologically feasible.

The Port Authority has determined that the public should have access to records of the Port Authority and has therefore established a Freedom of Information Code consistent with the freedom of information laws of the two States.

Business with Counterparties

The Port Authority conducts business with thousands of counterparties each year in the ordinary course of operations. A key component of its commitment to integrity is the activity of its independent Office of the Inspector General ("OIG") which works to keep the agency corruption-free. Through its Audit and Investigations divisions, the OIG detects, receives, and investigates allegations of fraud, corruption, waste, and abuse with respect to employees, or other individuals or organizations doing business with the Port Authority, who attempt to corrupt or unlawfully interfere with Port Authority operations. As part of its activities, the OIG conducts background investigations on contract counterparties before doing business with them and monitors the ethical commitments entered into by all vendors of the Port Authority.

Fair Employment Practices

The Office of Diversity, Equity and Inclusion and the Port Authority's Human Resources Department work together to serve the agency's employees by identifying and engaging with their diverse needs and interests. The Port Authority seeks to attract, engage, develop and retain a highly skilled and diverse workforce which reflects the diverse regional community.

The Port Authority is committed to providing equal employment opportunity for all employees and applicants regardless of race, color, national origin, religion, sex, sexual orientation, gender identification, age, disability/handicap, creed/religion, low income, Limited English Proficiency (LEP), or any other federally protected category and any other nondiscrimination statutes that provide legal protection. Furthermore, in most cases, the Port Authority will consider an applicant notwithstanding the applicant's criminal conviction, reviewing all pertinent facts and circumstances. All employment decisions, including hiring and career progression, are required to be based solely on individual qualifications, job requirement, merit and business needs. This commitment is reflected in the Port Authority's Equal Opportunity Policy which is readily available to all Port Authority employees both in print and on its website. The Port Authority conducts Employment Opportunity training for all new employees and for new supervisors or managers, generally within 90 days of their appointment.

The Port Authority prohibits all form of harassment of its employees, including those based on the protected characteristics described above. Each complaint is required to be investigated thoroughly and impartially and if the investigation reveals a policy violation, corrective matters are to be taken. Regardless of the investigation findings, the Port Authority prohibits any retaliation for reporting.

The Port Authority is committed to providing career opportunities to each employee, taking into consideration significant societal factors. Recently, the Port Authority undertook an agency-wide dialog on race dynamics in the wake of the George Floyd events in 2020. Based on the expansive discussions, the Port Authority determined to institute a program seeking to improve workplace culture, diversity and fairness to cultivate and support a diverse workforce, with a revised commitment to a respectful workplace, enhanced procedures for Port Authority Police Department actions involving the community and an emphasis on considering and tracking diversity throughout an employee's career at the Port Authority. The Port Authority conducted agency-wide anti-racism training in 2021.

Certain facilities of the Port Authority are described below in detail.

Interstate Transportation Network

The Port Authority operates all the interstate vehicular tunnels and bridges in the Port District which, together with the Port Authority Bus Terminal, PATH and the Trans-Hudson Ferry Service, constitute the Port Authority's interstate transportation network. Each of the tunnels and bridges accommodates both eastbound and westbound traffic. For purposes of efficiency and economy in collection, tolls are collected in the eastbound direction only. The Port Authority participates in the E-ZPass® Group, which currently includes various public agencies, including the Port Authority, and certain private toll operators in various states, including New York and New Jersey, in connection with the implementation of a regional electronic toll collection system.

The bridges of the Port Authority now in operation were constructed pursuant to the Federal Bridge Act of 1906 pursuant to which the Congress of the United States required that the tolls on bridges constructed thereunder shall be just and reasonable. The Federal-Aid Highway Act of 1987, which retained the just and reasonable requirement of the 1906 Act, has applied to tolls on Port Authority bridges. Pursuant to Port Authority policy, public hearings are held by the Port Authority prior to instituting or changing tolls (except for previously authorized changes), fares or other charges in connection with any of its vehicular tunnels and bridges or passenger rail facilities.

On September 26, 2019, the Board of Commissioners authorized certain adjustments to the schedule of tolls, fares and other fees at Port Authority facilities ("Revised Schedule"). The Revised Schedule incorporates the previously authorized CPI inflation adjustment for bridge and tunnel tolls, as well as changes to PATH's fare structure, increases to AirTrain fares, and new airport ground transportation access fees. The Revised Schedule also provides for a series of periodic increases to bus tolls through January 2026 and for bus tolls to thereafter be determined by the CPI inflation adjustment. On November 17, 2022, the Port Authority announced that the CPI adjustment formula had been triggered, resulting in a \$1.00 toll increase at the Port Authority bridges and tunnels which began in January 2023, and a \$0.25 increase to AirTrain fares at JFK and Newark Airports which began in March 2023.

Cashless toll collection is in effect at the Bayonne Bridge, the Outerbridge Crossing, the Goethals Bridge, the Holland Tunnel, the George Washington Bridge, and most recently, effective as of December 11, 2022, at the Lincoln Tunnel. Implementation of cashless tolling reduces travel times, enhances safety, improves traffic flow and provides environmental benefits by limiting idling and reducing delays, as vehicles no longer have to stop at a toll plaza. Over time, implementation of cashless tolling may impact toll revenues previously collected in cash, by, among other things, shifting customers to E-ZPass® tags (which provide for toll discounts), and requiring additional collection efforts for customers that are billed by mail. The Port Authority is committed to increasing delinquent toll collection, together with related fees, and will closely monitor any changes in overall toll recovery at facilities with cashless tolling, but does not expect the implementation of cashless tolling to have a material impact on Port Authority revenues.

In April 2019, the State of New York enacted the MTA Reform and Traffic Mobility Act in an effort to address vehicular congestion in Manhattan's "central business district". The law requires a toll to be imposed on all vehicles entering the central business district and is to be administered by the MTA's Triborough Bridge and Tunnel Authority ("TBTA"). Decisions regarding the amount of the toll and whether vehicles subject to other tolls on the routes into the central business district will receive a credit have not yet been made. In its environmental assessment ("EA") of the tolling program (the "Central Business District Tolling Program") released in August 2022 for public comment and review by the Federal Highway Administration ("FHWA"), the MTA set forth several alternative toll structures and (in some cases) credits that may be available for drivers who pay other tolls to reach the central business district, including those paid by vehicles using the Port Authority's bridges and tunnels to reach Manhattan. A determination of sufficiency of the EA by the FHWA in May 2023 commenced a 30-day public comment period which could then be followed by a FHWA "finding of no significant impact", permitting implementation of the Central Business District Tolling Program following construction of the tolling system.

The MTA has provided an assessment of the traffic flow impacts of the Central Business District Tolling Program under a range of possible toll and credit structures and has indicated that none of such structures may match the ultimate terms of the Central Business District Tolling Program. The available information indicates a range of potential impacts on future Port Authority bridge and tunnel traffic and revenues. New Jersey Governor Philip Murphy has requested that the Port Authority provide an analysis of the potential impact on its operations and future capital capacity if the Central Business District Tolling Program is implemented by the MTA under the scenarios provided in the EA, which analysis remains in development as additional information is released. The Port Authority cannot fully assess the MTA proposal without a more complete understanding of the actual toll structures and credits, if any to be employed and a clearer grasp of the assumptions underlying the MTA's projections; however, a higher cost of commutation may negatively affect the activity volume at the Port Authority's bridges and tunnels.

Holland Tunnel

The Holland Tunnel, which opened to traffic in 1927 and control of which was vested in the Port Authority in 1931, provides a traffic link under the Hudson River between Lower Manhattan and I-78 (New Jersey Turnpike Extension) and other New Jersey highways at Jersey City, N.J. Each of its two tubes consists of two traffic lanes.

Lincoln Tunnel

The Lincoln Tunnel, also a Hudson River crossing, connects midtown Manhattan in the vicinity of West 39th Street to the New Jersey highway system including I-95 (New Jersey Turnpike) via N.J. Route 495 at Weehawken, N.J. Each of its three tubes consists of two traffic lanes. The first tube of the tunnel was opened to traffic in 1937, with the second and third tubes opened to traffic in 1945 and 1957, respectively. Six lanes of traffic can flow at one time and the direction of the two center tube lanes can be varied to accommodate demand.

In recognition of the ongoing needs of the Port Authority's facilities for efficient transportation access and egress for goods and people, at its meeting on March 29, 2011, the Board of Commissioners authorized the effectuation of the Port Authority's participation, in cooperation with the New Jersey Department of Transportation ("NJDOT"), in the Route 1&9 Pulaski Skyway, Route 139 (Hoboken and Conrail Viaducts), Route 7 Hackensack River (Wittpenn) Bridge, and Route 1&9T (New Road) projects (or suitable replacement projects mutually agreed upon with NJDOT) (collectively, the "Lincoln Tunnel Access Infrastructure Improvements"), on a basis consistent with the Port Authority's budget and capital plan. See discussion of Roadway Projects under "*SEC Settlement and Certain Other Matters*" in Section I hereof.

George Washington Bridge

The George Washington Bridge, which opened to traffic in 1931, is a fourteen-lane, two-level suspension bridge over the Hudson River joining upper Manhattan and Fort Lee, N.J. The bridge and its approaches provide connections via I-95 (New Jersey Turnpike), I-80 and other state highways in New Jersey to northern Manhattan, the Bronx and regional highway systems east of the Hudson River. The

George Washington Bridge Bus Station is situated over the approach to the bridge (see "*George Washington Bridge Bus Station*" in this Section II).

Beginning in 2011, the Board authorized individual projects associated with the "Restoring the George" program. The approximately $2 billion restoration program is comprised of 11 projects that will provide for the rehabilitation, replacement and modernization of bridge assets to extend their useful life and ensure a state-of-good-repair to protect safety, mobility and revenue generating capacity of the bridge. The schedule for completing portions of the Restoring the George program may be protracted, consistent with state-of-good-repair standards, in accordance with the current review of the Port Authority's 2017-2026 Capital Plan (see "*Biennial Reassessment of the 2017-2026 Capital Plan*" in Section I hereof).

Bayonne Bridge

The Bayonne Bridge, which opened in 1931 over the Kill Van Kull, connects Bayonne, N.J., and Port Richmond, N.Y., on Staten Island. The bridge accommodates four lanes of vehicular traffic. On April 24, 2013 and December 7, 2017, the Board of Commissioners authorized a project to replace and raise the main span roadway and approach structures at the Bayonne Bridge as part of the Bayonne Bridge Navigational Clearance Program ("BBNCP"). The BBNCP increased the navigational clearance of the Bayonne Bridge to 215 feet, allowing for the passage of larger cargo ships. In June 2019, the BBNCP was substantially completed at a total project cost of approximately $1.6 billion.

Goethals Bridge

The Goethals Bridge, which opened in 1928 over the Arthur Kill, between Elizabeth, N.J., and Howland Hook, N.Y., on Staten Island, furnishes a direct connection between I-95 (New Jersey Turnpike) and I-278 (Staten Island Expressway).

On April 24, 2013, the Board of Commissioners authorized a project for the Goethals Bridge Modernization Program to advance the implementation and delivery of a replacement Goethals Bridge (the "Replacement Bridge") as a public-private partnership, at an estimated total project cost of $1.521 billion, comprised of costs of the design and construction of the Replacement Bridge, financing during construction and other construction-related costs, and certain Port Authority-funded project costs. On August 30, 2013, the Port Authority and a private developer entered into an agreement (the "Project Agreement") for the design, construction, financing and maintenance of the Replacement Bridge, a cable stayed bridge consisting of two spans, with a total of six twelve foot wide travel lanes, twelve foot wide outer shoulders, and five foot wide inner shoulders, that will improve safety, alleviate congestion, and accommodate future traffic growth. On November 8, 2013, the private developer obtained certain financing for the construction of the Replacement Bridge through the issuance by the New Jersey Economic Development Authority of $460,915,000 in tax exempt private activity bonds, and a Transportation Infrastructure Finance and Innovation Act ("TIFIA") direct loan in the amount of $473,673,740 (excluding capitalized interest) from the United States Department of Transportation, acting by and through the Federal Highway Administration. The private developer contributed approximately $106.8 million of project equity. The remaining funds for construction were contributed by the Port Authority, based on achieving certain milestones. Pursuant to the Project Agreement which has a scheduled expiration date of June 30, 2053, the thirty-fifth anniversary of Substantial Completion, the private developer performs certain operation and maintenance work relating to the Replacement Bridge, and the Port Authority retains control over the toll collection system, including its operation and maintenance, and receives toll revenues. Substantial completion of the Replacement Bridge was achieved on June 30, 2018 ("Substantial Completion") and project completion, including the demolition of the existing bridge, occurred on December 31, 2018 ("D&C Completion").

The Port Authority has made approximately $150 million of milestone payments payable to the private developer. Upon achieving the Substantial Completion milestone, pursuant to a "Developer Financing Arrangement" the developer became entitled to receive from the Port Authority fixed payments in the principal amount of approximately $1.02 billion, subject to certain adjustments, to be paid in monthly payments (the "DFA Payments") over the term of the Project Agreement, which has a scheduled expiration date on the thirty-fifth anniversary of Substantial Completion. The Port Authority's obligation to make DFA Payments is memorialized as an interest-bearing loan from the developer to the Port Authority. Such monthly DFA Payments commenced in July 2018. The DFA Payments are subject to certain deductions for non-compliance and/or lane unavailability by the private developer pursuant to the terms of the Project Agreement. The DFA Payments are a special obligation of the Port Authority, payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes, or from net revenues (as defined below) deposited to the Consolidated Bond Reserve Fund, and in the event such net revenues are insufficient therefor, from other moneys of the Port Authority legally available for such payments when due. For purposes of the Project Agreement, "net revenues" are defined, with respect to any date of calculation, as the revenues of the Port Authority pledged under the Consolidated Bond Resolution, and remaining after (i) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (ii) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (iii) applications to the authorized purposes under Section 7 of the Consolidated Bond Resolution. Payment of the DFA Payments is subject in all respects to payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund statutes. The Port Authority's payment of the DFA Payments is not secured by or payable from the General Reserve Fund. Additionally, the Port Authority's special obligation with respect to the DFA Payments does not create any lien on, pledge of or security interest in any revenues, reserve funds or other property of the Port Authority. The Port Authority is also required to pay the private developer a monthly capital maintenance payment and a monthly operational maintenance payment, which are also subject to certain deductions for non-compliance by the private developer with the Project Agreement, and which are payable in the same manner as other Port Authority capital and operating expenses.

The Port Authority retained the right to terminate the Project Agreement for convenience upon payment of all of the DFA Payments discounted at the rate of 13.8% (the "Discounted Fee"). The Port Authority is considering whether to terminate the Project Agreement and pay the Discounted Fee.

In September 2021, the Port Authority and the developer entered into a settlement agreement for the final closeout of the design and construction portion of the Replacement Bridge project. The Board of Commissioners reauthorized the project with increased cost of $34 million, for a total project cost of $1.555 billion. The parties released each other from all pending claims and all related litigation was dismissed.

Outerbridge Crossing

The Outerbridge Crossing, which opened in 1928, spans the Arthur Kill between Perth Amboy, N.J., and Tottenville, N.Y., on Staten Island, and provides interconnections between I-95 (New Jersey Turnpike) and the Garden State Parkway via Route 440 to the West Shore Expressway, Richmond Parkway and I-278 (Staten Island Expressway), providing access to Long Island via the Verrazano Narrows Bridge. The bridge accommodates four lanes of vehicular traffic.

To strategize the long-term asset management and to maintain the Outerbridge Crossing in state-of-good repair, the Port Authority conducted a comprehensive condition assessment of the bridge, which assessment was completed in the second quarter of 2020 and identified certain priority repairs. In February 2022, the Port Authority announced that the agency would conduct a study to explore the feasibility of widening and improving the traffic flow of the Outerbridge Crossing, which study is ongoing. In February 2023, the Board authorized additional planning work for the design of a project to rehabilitate the concrete slab, roadway deck, catwalks, and perform miscellaneous steel repairs at the Outerbridge Crossing, and approved retention of architectural and engineering services to support the planning effort. Any program of repairs or redevelopment of the Outerbridge Crossing remains subject to Board authorization.

Port Authority Bus Terminal

The Port Authority Bus Terminal (the “Bus Terminal”), which occupies approximately one and one-half city blocks between West 40th and West 42nd Streets and between Eighth and Ninth Avenues in midtown Manhattan, one block west of Times Square, began operations in December 1950. The Bus Terminal has three bus operating levels and three automobile parking levels, and serves both commuter and long-haul intercity buses. The two upper bus levels have direct off-street ramp connections to the Lincoln Tunnel. The lower bus level has access to the Lincoln Tunnel via a connecting tunnel under Ninth Avenue, a street entrance on West 40th Street, and an exit on West 41st Street. The foundation of the North Wing, which was completed in 1981, was constructed to permit the development of a high-rise building in the air space above the North Wing.

On March 24, 2016, the Board of Commissioners committed, in establishing the Port Authority’s 2017-2026 Capital Plan, to allocate funds for the construction of a new Port Authority Bus Terminal, to be located on the West Side of Manhattan, in an amount sufficient to accommodate the anticipated future capacity needs of the new Port Authority Bus Terminal, with the understanding that no bus terminal will be built in New Jersey. On February 16, 2017, the Board of Commissioners authorized $70 million for the first phase of a comprehensive planning effort for the advancement and further definition of capital projects related to the development of a replacement for the Port Authority Bus Terminal, located on the West Side of Manhattan, including planning for support facilities, such as bus parking and storage facilities. In May 2019, the Port Authority issued a planning-level scoping document for public comment to advance the environmental review of the Port Authority Bus Terminal replacement project, and conducted a 120-day public outreach process, including public meetings, to solicit comment from elected officials in New York and New Jersey, the City of New York, neighborhood residents, other stakeholders and the public as part of the scoping process. On January 21, 2021, the Port Authority published the final scoping report, unveiling a new enhanced plan for the development of the replacement for the Port Authority Bus Terminal that will include bus storage and staging, open space, and commercial and residential development, and will provide for a nearly 30 percent increase in bus rider capacity. On June 4, 2021, the Federal Transit Administration (“FTA”) began the federal environmental review process with respect to the Port Authority Bus Terminal replacement project, consistent with the National Environmental Policy Act (“NEPA”) and FTA regulations, by publishing a Notice of Intent to prepare an Environmental Impact Statement based on the contents of the final scoping report. The Port Authority held virtual public scoping meetings on June 23, 2021 and June 24, 2021, to obtain input from the public regarding the enhanced plan for the Port Authority Bus Terminal replacement project and accepted comments through July 19, 2021. The Port Authority continues to work with stakeholders and the FTA on preparing the draft Environmental Impact Statement and anticipates a Final Environmental Impact Statement and Record of Decision in 2024. On June 24, 2021, the Board of Commissioners authorized $80 million for the second phase of planning for the Port Authority replacement project (a total of $150 million authorized for both planning phases) to move the project forward through the required federal environmental review under NEPA, as well as to complete the necessary planning to obtain all required state and city approvals. In August 2022, the Port Authority announced that it had engaged an architectural design team which has been tasked to assist with the NEPA process and to progress the design process to meet Port Authority and stakeholder expectations and to improve passenger experience, maximize operational efficiencies and foster sustainability.

George Washington Bridge Bus Station

The Port Authority owns the George Washington Bridge Bus Station (the "Bus Station"), a facility located in the Washington Heights section of Manhattan, and situated over the approach to the George Washington Bridge. The Bus Station provides bus terminal facilities to approximately 10,000 passengers currently traveling to and from upper Manhattan on a typical weekday. In addition, pursuant to a lease with a private developer entered into in 2011 and extending through 2060 with certain additional options to extend thereafter (the "GWBBS Lease"), new retail areas above the Bus Station were designed, substantially completed and opened to the public beginning in May 2017. Currently, the retail areas are approximately 83 percent leased. In 2019, the private developer filed for bankruptcy protection and following a court-supervised sale and subsequent assignment by the purchaser, the GWBBS Lease is now held by GWB Acquisition LLC with the requirement to complete certain minor remaining construction work and to operate the retail areas in accordance with the GWBBS Lease. A portion of the acquisition price was financed pursuant to a leasehold mortgage encumbering the lease pertaining to the retail areas.

In connection with the financial instability of the original developer, the general contractor responsible for the Bus Station project has sued the Port Authority requesting recovery of at least $100 million alleging that the developer failed to pay the general contractor what was owed for the Bus Station work and that the Port Authority was unjustly enriched by the work. In April 2022, the New York Supreme Court dismissed this claim because the general contractor failed to take action necessary to assert it against the Port Authority in accordance with state law. The general contractor has appealed this decision and the Port Authority is continuing to vigorously defend its position that it owes no funds to the general contractor.

Railroad — The Hudson Tubes Facility

The PATH system is an interurban rapid transit system with thirteen stations, including the World Trade Center Transportation Hub (see "World Trade and Economic Development—*The World Trade Center Transportation Hub*" in this Section II), and 350 passenger rail cars, which operates between Newark, N.J., and New York, N.Y., including a spur to and from Hoboken, N.J. In 1962, the two States enacted legislation authorizing the Port Authority to undertake a port development project consisting of a World Trade Center and the Hudson Tubes, the interurban rapid transit system described above which was formerly operated by the Hudson & Manhattan Railroad Company. The legislation, as subsequently amended, also provides for certain Hudson Tubes extensions pertaining to passenger railroad facilities in the State of New Jersey, as well as a series of improvements to Pennsylvania Station in the City of New York, and to its railroad approaches from the State of New Jersey. The legislation also provides for the Port Authority to acquire, rehabilitate and operate this rail transit property either directly or through a wholly owned subsidiary corporation.

The Port Authority Trans-Hudson Corporation was formed in May 1962 by the Port Authority, and on September 1, 1962, it acquired the Hudson Tubes railroad and equipment, including the former terminal buildings of the Hudson & Manhattan Railroad Company in Manhattan. Title to the Journal Square Station and related property was vested in the Port Authority Trans-Hudson Corporation in February 1970. The Commissioners of the Port Authority serve as the Directors of the Port Authority Trans-Hudson Corporation, and Richard Cotton is its President.

In its Certificate filed August 24, 1962 authorizing acquisition and operation of the Hudson Tubes by the Port Authority Trans-Hudson Corporation, the Interstate Commerce Commission stated in part: that "The Port of New York Authority is not a carrier under the provisions of the [Interstate Commerce] act and the effectuation of the proposed transaction by the Port Authority Trans-Hudson Corporation, a wholly owned subsidiary of the Port of New York Authority, will not make the Port of New York Authority a carrier under the act." Fares charged on PATH are not subject to federal regulation at the present time. PATH fares are indexed to inflation, based on CPI, with increases occurring when the cumulative increase in CPI, as measured from 2021, would, when applied to the single ride fares, result in an adjustment of at least $0.25.

To achieve positive train control compliance under a collection of federally mandated safety guidelines, PATH invested in a new signal system which enables it to more safely run additional trains per hour. The new signal system achieved federal compliance in November 2018.

In June 2019 PATH announced its multi-year "PATH Improvement Plan" pursuant to which incremental train service was added in September 2019 that resulted in a 10% increase in capacity across the Newark to World Trade Center and Journal Square to 33rd Street lines during the heaviest travel times. The PATH Improvement Plan also includes (i) upgrades to some stations to allow longer trains to platform; (ii) transition from 8-car train operations to 9-car train operations during peak times on the Newark to World Trade Center line; and (iii) a new fare payment system. To date, the required station improvements have been completed, 9-car operation during peak times began in March 2023 and will be phased in through early 2024 and the fare payment system will be piloted in Fall 2023. PATH has also purchased 72 new rail cars which will allow expansion of 9-car operation as cars are received over the next 18 months.

On April 27, 2017, the Directors of the Port Authority Trans-Hudson Corporation authorized a planning effort to support a project to extend the PATH system to the Newark Liberty International Airport Rail Link Station, at an estimated total planning cost of approximately $57 million. This "PATH Rail Extension Project" was originally included in the 2017-2026 Capital Plan with an estimated total project cost of $1.7 billion, $700 million of which was anticipated to be funded by grants that have not yet been secured. In March 2023, the Port Authority announced that the PATH Rail Extension Project would be deferred to a future capital plan, in light of the authorization of the EWR Station Access Project, which will provide neighborhood access for Newark residents to New York's Pennsylvania Station via New Jersey Transit trains serving the EWR AirTrain Station. The EWR Station Access Project will be specifically designed to allow for the PATH Rail Extension Project in the future.

The PATH annual operating deficit, representing the difference between operating revenues and the sum of direct and allocated operating expenditures, depreciation and amortization, but not including debt service, allocated financial income, grants and contributions in aid of construction, was $545,472,000 in 2022. It is anticipated that PATH will continue to generate annual operating deficits in future years. Port Authority revenues or reserves, including net revenues (as defined in the Consolidated Bond Resolution) deposited to the Consolidated Bond Reserve Fund, and the General Reserve Fund, are applicable to deficits resulting from the cost of operations or debt service allocable to this facility.

Trans-Hudson Ferry Service

Commuter ferry service, which commenced in October 1989, between Hoboken, N.J. (at a site adjacent to the New Jersey Transit Corporation's ("NJ Transit") rail and bus terminals and PATH's Hoboken station), and Battery Park City in Lower Manhattan (at a site adjacent to the World Financial Center), is provided by a private sector entity under various agreements with the Port Authority pertaining to such service.

From time to time, the Board of Commissioners has taken action in connection with the creation of new ferry service routes, operated by private sector entities under agreements with the Port Authority pertaining to such service, and the Port Authority has undertaken various ferry projects in the New York and New Jersey portions of the Port District to enhance interstate mass transit capacity.

2011 Tolls Litigation

An individual plaintiff instituted an action in September 2011 in the United States District Court for the Southern District of New York against the Port Authority and certain other entities of the States of New York and New Jersey seeking declaratory and injunctive relief stating that tolls collected and not used for purposes of the interstate transportation network could violate the Commerce Clause of the U.S. Constitution. The Port Authority disputes the plaintiff's allegations in this matter and is vigorously defending the Port Authority's position that the tolls schedule adopted by the Port Authority in 2011 does not violate the Commerce Clause.

Air Terminals

The Port Authority owns or operates five airports to serve the Port District. The Port Authority's airport revenues have historically been somewhat insulated against dramatic downturns in the aviation industry because they come from a variety of sources, including federal funding, cost recovery-based agreements, facility rentals and commercial activities at the airports.

Some of these sources are related to passenger and cargo volume at the airports and may be affected, over time, by trends in the airline industry, the desirability of the New York metropolitan region as a destination, the nature of federal legislation, governmental regulations and judicial proceedings affecting the airline industry, including with respect to security, and national economic conditions. The airports have operated in the challenging environment created by the COVID-19 pandemic, but the current activity volume at each airport in March 2023 has now recovered to 2019 levels. Notwithstanding the apparent recovery, the dramatic reductions in passenger volume experienced in the COVID-19 Period materially affected Port Authority airport revenues as well as the credit quality of the airlines which use the Port Authority's aviation facilities. The Port Authority has received federal funding under certain COVID-19 related federal recovery legislation which has not fully offset the Port Authority's projected losses from the pandemic.

The Port Authority expects to receive additional federal aviation-related assistance pursuant to the provisions of the Infrastructure Investment and Jobs Act, commonly referred to as the Bipartisan Infrastructure Law ("BIL") signed in November 2021. The BIL provides annual grant funding for new airport infrastructure (the "Airport Infrastructure Grants") totaling $15 billion, to be allocated among U.S. airports based on enplaned passengers, in the period 2022-2026. In federal fiscal year 2022, Port Authority airports received an aggregate allocation of approximately $130 million. The Airport Infrastructure Grants provide funding for projects that meet the eligibility requirements for the PFC program and the Airport Improvement Program administered by the FAA. In addition, the Port Authority's airports may also have the opportunity to competitively qualify for additional grants provided for in the BIL to be awarded by the U.S. Department of Transportation ("DOT").

In September 2019, the Board of Commissioners adopted certain toll and fare adjustments and other revenue initiatives, including an increase of the fares for AirTrain JFK and AirTrain Newark, as well as a new Ground Transportation Access fee at JFK Airport, LaGuardia Airport and Newark Airport effective April 5, 2021. A $0.25 fare increase for each of AirTrain JFK and AirTrain Newark went into effect in March 2023. The Ground Transportation Access fee is $2.50 for all for-hire vehicles other than taxis (such as limos and app-based providers) for each pick-up and drop-off, and $1.25 for each pooled for-hire-vehicle pick-up and drop-off (where two or more paying parties share a single pre-arranged ride and pay separately), and $1.25 for each taxi pick-up. The fee for each taxi pick-up increased to $1.75 on April 5, 2023.

Airlines operating at JFK Airport, LaGuardia Airport and Newark Airport are required to pay fees to the Port Authority, as compensation for the Port Authority's ongoing design, construction, operation and maintenance of certain public aircraft facilities, calculated on the basis of the direct and allocated costs of operating and maintaining such public aircraft facilities and the weight of aircraft using the airport. Airlines pay flight fees pursuant to an agreement with the Port Authority ("Flight Fee Agreement") which contains provisions setting forth the relevant flight fee formulations and methodologies or a non-consensual Schedule of Charges promulgated by the Port Authority. The Flight Fee Agreements which have been entered into by certain airlines operating at JFK Airport, Newark Airport and LaGuardia Airport expire on December 31, 2023.

Beginning in 1992, the FAA has approved applications submitted by the Port Authority in connection with the imposition and use of passenger facility charges established under federal law ("PFCs") at LaGuardia Airport, JFK Airport and Newark Airport, and, as of May 17, 2010, at Stewart Airport, to be collected by the airlines on behalf of the Port Authority, and to be expended by the Port Authority for certain authorized projects of the Port Authority. Pursuant to federal law, both the collection and expenditure of the PFCs requires prior approval of the FAA and are restricted to PFC eligible projects. On January 22, 2018, the FAA approved PFC collection authority of $1.78 billion for projects associated with the redevelopment of Terminal B at LaGuardia Airport and the replacement of Terminal A at Newark Airport. To date, use authority for $1.23 billion of the $1.78 billion has been approved by the FAA. The Port Authority submitted applications for use authority for the remaining $550 million in January 2023 (after notification to air carriers in December 2022) in accordance with the application deadline of January 21, 2023. The Port Authority also anticipates making a new application for the imposition and use of PFCs to ensure continuity of collection and use (subject to subsequent FAA approval) to cover development, design and construction costs for PFC-eligible airport projects.

In 2014, United Airlines, Inc. ("United") brought an action before the FAA under the Airport and Airways Improvement Act of 1982, as amended ("AAIA Action") claiming that the Port Authority's rates and charges for airlines at Newark Airport were not fair and reasonable. Although the Port Authority modified its rates and charges in consensual agreements with Newark Airport airlines (including United) effective in 2019, an order issued by the FAA Associate Administrator for Airports on January 11, 2021 (the "Order") affirmed a November 19, 2018 determination of the Director, FAA Office of Airport Compliance and Management Analysis ("FAA Director") regarding deficiencies in the reporting of the Port Authority's rates and charges. In particular, the Order required the Port Authority to make available annually to the FAA, additional information and reporting on its rates and charges, sufficient to confirm that it had not used net revenues generated through its airport operations to pay for projects it does not own or operate. Under the Order, the cost of such projects would be required to be paid from non-airport revenues.

The Order remanded certain matters to the FAA Director for a determination as to whether, under the federal Airport Improvement Act, the Port Authority remained eligible for an exemption allowing it to use net revenue generated at its airports for use in support of its non-airport, owned or operated facilities (up to a statutory cap), and to consider imposition of a civil penalty consistent with the Order. On May 3, 2022, in a determination in the remand action, the FAA Director found that the Port Authority was a "grandfathered airport sponsor" and had such an exemption, due to state laws controlling its financing and covenants in debt obligations enacted or issued not later than September 2, 1982. As a result, the Port Authority was entitled to support not only its airports, but also its other owned or operated facilities with a capped level of airport-generated revenues. The FAA Director also concluded that no civil penalty in the underlying complaint was warranted. On May 9, 2023, the Associate Administrator affirmed the FAA Director's remand decision in a final agency decision ("FAD").

The Order also required the Port Authority to propose changes to its current practices in a "Corrective Action Plan" that could be approved by the FAA. Although the Port Authority contested the Order (and has maintained a petition for review with the United States Court of Appeals, District of Columbia Circuit ("DC Circuit"), preserving its right to claim that the FAA had acted arbitrarily and capriciously in issuing the Order), it proposed a CAP plan to the FAA on July 12, 2021. The CAP plan has been subsequently revised in accordance with FAA requirements and the Port Authority and the FAA have conducted discussions with a view of rapidly resolving the matter. At its May 2023 meeting, the Board authorized the Port Authority to conclude a settlement with the FAA on the terms presented to it.

The Port Authority does not expect that the settlement as authorized by the Board will adversely affect the security pledge arrangements for the Consolidated Bonds or otherwise negatively impact the Port Authority's ability to pay debt service on the Consolidated Bonds or to meet any current contractual obligations.

Although a settlement is expected to resolve all claims between the Port Authority and the FAA with respect to the AAIA Action, United may, during a limited period, contest it or the FAD.

From time to time, Congress has formally considered the repeal of the provisions of the Airport Improvement Act that exempt the Port Authority and certain other airport sponsors from prohibitions on use of airport revenues for non-airport purposes. No such consideration is pending at this time.

Airport Runway Capacity and Slots

JFK, LaGuardia, and Newark Airports are identified by the FAA as capacity constrained – airports historically having more demand for runway operations than available capacity allows during certain peak-hours. To address this, the FAA limits operations during defined peak hours of operation. Both JFK Airport and LaGuardia Airport are designated as Level 3 airports under the International Air Transport Association (IATA) Worldwide Airport Slot Guidelines where demand significantly exceeds capacity. At Level 3 airports, the FAA allocates slots – advanced authorizations to either take-off or land at an airport on a particular day during a specified time – to limit scheduled air traffic during slot-controlled hours.

In October 2016, the FAA designated Newark Airport as a Level 2 schedule facilitated airport. Level 2 airports may have some periods when demand approaches one or more capacity limits. Level 2 airports do not have formal slot controls but remain subject to an advanced scheduling process for operations during specific hours, which is managed by the FAA and requires mutual cooperation of air carriers.

Certain Information with Respect to the Leases Relating to the Port Authority Airports and Other Related Matters

The Port Authority operates JFK Airport and LaGuardia Airport under a lease agreement with the City of New York and Newark Airport under a lease agreement with the City of Newark (which also covers Port Newark) and arrangements with the City of Elizabeth, each entered into in 1947 and amended and supplemented from time to time thereafter.

The City of New York and the Port Authority amended and restated the lease agreement in 2004 and, in early 2021, the parties further negotiated an amendment providing for the extension of the term of such lease agreement for ten years, through December 31, 2060 ("Extension"). Under the lease agreement, annual rentals, which are payable in equal monthly installments, shall be equal to the greater of the minimum annual rental as described below or 8% of the Port Authority's gross revenues from JFK Airport and LaGuardia Airport for such year. Gross revenues include substantially all revenues arising out of JFK Airport and LaGuardia Airport, but exclude federal grants or monies received as a result of any federal statute, regulation or policy, such as PFCs and amounts used for airport security. Beginning in 2007, and every five years thereafter, the minimum annual rental is reset to equal 10% of average gross revenues at JFK Airport and LaGuardia Airport over the prior five year period, so long as such adjustment does not result in a lower minimum annual rental than was payable for the prior five year period. In addition to the foregoing payments, the Port Authority agreed to pay the City of New York in consideration for the Extension, additional supplemental rent payments of $5 million per year continuing through 2050 as well as a one-time additional payment of $5 million in 2021, upon signing the Extension.

The Port Authority and the City of Newark entered into agreements dated as of January 1, 2002, pertaining to Newark Airport and Port Newark, providing for the Port Authority to pay a combined base rental equal to 10% of the average annual gross revenue for the preceding five-year period, but for any given year, no less than the greater of 8% of the annual gross revenue for such year or the combined base rental for the previous five-year period. Additionally, the agreements provide for an annual supplemental rental of $3 million to be paid by the Port Authority to the City of Newark. The agreements also provide for a marine terminal additional rental to be paid by the Port Authority to the City of Newark in the amount of $12.5 million for the first 35 years of the term of the leases, or, alternatively, the lump sum of $165 million. On June 2, 2004, the City of Newark elected, pursuant to the agreements, to receive such marine terminal additional rental as annual payments over the period 2002 to 2036, and designated the Housing Authority of the City of Newark as the entity to receive such payments. On October 22, 2019, the Port Authority and the City of Newark entered into a supplement to the agreements which provides for a term extension through December 31, 2075, in return for an up-front payment of $5 million, and an additional supplemental rental of $5 million per year through 2049.

The Port Authority and the City of Elizabeth have also entered into service/operating agreements directly relating to the portion of the airport located in the City of Elizabeth. On May 30, 2001, the Port Authority entered into an agreement amending such service/operating agreements to provide for annual payments to the City of Elizabeth to be increased from $1 million to $3 million beginning January 1, 2001 and continuing through 2031. Additionally, on May 23, 2001, the Port Authority entered into a lease and easement agreement with the City of Elizabeth with respect to certain additional property required for airport operations, for a term expiring on May 1, 2051, subject to a renewal option for an additional 50 years, providing for the City of Elizabeth to receive an initial payment in 2001 of $3,410,000, annual rentals of approximately $480,000, and, for the first 10 years of the lease, at least $800,000 annually in parking tax revenues.

LaGuardia Airport

LaGuardia Airport is located on approximately 680 acres adjacent to Flushing Bay in the Borough of Queens, New York, on the north shore of Long Island. Opened under New York City operation in December 1939, it has been leased since June 1, 1947, together with JFK Airport, to the Port Authority by the City of New York. LaGuardia Airport has two 7,000-foot runways, and currently three terminals in operation: Terminal A, Terminal B and Terminal C. The redevelopment of Terminal B was substantially completed in July 2022, and Terminal C is currently being redeveloped, as described below.

On March 24, 2016, the Board of Commissioners authorized a program for the redevelopment of certain components of LaGuardia Airport (the "LGA Redevelopment Program"), consisting of (i) the design, finance, construction, operation and maintenance of a new Terminal B ("New Terminal B") and related facilities at LaGuardia Airport by LaGuardia Gateway Partners LLC ("LGP"), a private consortium and (ii) construction of airport infrastructure both to enable use of New Terminal B and to benefit LaGuardia Airport more broadly. The Board of Commissioners authorized Port Authority expenditures of approximately $3.5 billion for supporting infrastructure which together with private sector funding from LGP of approximately $1.8 billion for the design and construction of the New Terminal B, resulted in total expenditure for the Terminal B portion of the LGA Redevelopment Program of approximately $5.3 billion.

On June 1, 2016, the Port Authority and LGP executed a lease for the operation and maintenance of the then-existing Terminal B, and for the design, construction, finance, operation and maintenance of the New Terminal B facilities, for a term commencing on June 1, 2016 through December 30, 2050 (the "LGP Lease"). Substantial completion of the New Terminal B occurred on July 8, 2022 to widespread praise for its aesthetics, incorporation of public art, advanced technology and improved customer experience.

Under the LGP Lease, LGP was required to design and construct certain of the supporting infrastructure described above for the benefit and at the cost of the Port Authority, including the West Garage (which opened for public use in 2018), improved roadways and a new Central Hall located adjacent to Terminal B. The remaining work is expected to be completed in 2023.

On January 5, 2017, the Board of Commissioners approved a lease agreement ("Delta Lease") with Delta Air Lines, Inc. ("Delta") pursuant to which Delta would design and construct a new 37-gate Terminal C, replacing the former LaGuardia Airport Terminals C and D (the "New Terminal C") at a projected aggregate cost of approximately $4 billion. The Board also authorized Port Authority expenditures not to exceed $600 million for airport infrastructure both to enable use of the New Terminal C and to otherwise benefit LaGuardia Airport (and not duplicative of the work performed by LGP). Pursuant to the Delta Lease, Delta is required to construct certain elements of this infrastructure for the Port Authority. The term of the Delta Lease extends to December 30, 2050. Construction of the New Terminal C began in September 2017 and is being completed in stages. The first concourse of the New Terminal C was opened for public use in November 2019, and the new arrivals and departure hall and second concourse were opened for public use on June 1, 2022. It is currently anticipated that the remaining portions of the New Terminal C will be completed in 2025.

In February 2017 and November 2017, the Board of Commissioners authorized initial planning work for a new AirTrain system serving LaGuardia Airport with a terminus at Willets Point, Queens. After issuance of a Final Environmental Impact Statement and Record of Decision by the FAA in the first half of 2021 which approved the Port Authority's proposed AirTrain route as its preferred alternative for the project, New York Governor Hochul requested that the Port Authority consider project alternatives. Following a review performed by a panel of independent transportation experts in consultation with the MTA, it was recommended that, in lieu of the AirTrain system, the Port Authority could achieve substantial improvements to airport access by improving the existing MTA Q70 LaGuardia Link bus service and creating new non-stop bus service with a connection from all three LaGuardia Airport terminals to the N/W subway line at Astoria-Ditmars Blvd Station. Based on the recommendations, the Port Authority does not intend to proceed with the AirTrain system project and instead intends to seek planning authorization from its Board for the two bus service improvements.

John F. Kennedy International Airport

Opened on July 1, 1948, JFK Airport is located in the southeastern section of Queens, New York, on Jamaica Bay. JFK Airport consists of approximately 4,956 acres, including 880 acres in the Central Terminal Area, and is currently the largest airport in the New York metropolitan region, by passenger volume and cargo volume. The Central Terminal Area contains five individual airline passenger terminals. The terminals are independently operated (some directly by airlines and some by private terminal operators) under leases from the Port Authority. The terminals include federal inspection services facilities for processing arriving international passengers. Cargo buildings, four runways ranging in length from approximately 8,400 feet to 14,600 feet, a cogeneration facility integrating an installation for the generation of electrical energy with the airport's central heating, refrigeration plant and thermal distribution system are also located on the airport. An automated light rail system ("AirTrain JFK") linking the terminals in the Central Terminal Area with each other and with existing transit lines in Jamaica, Queens and Howard Beach, Queens, respectively, provides exclusive airport access for passengers and others using the airport. A full service hotel containing approximately 500 guest rooms is located at the site of the TWA Flight Center at JFK Airport.

Beginning in 2017, the Port Authority began planning for the comprehensive improvement of JFK Airport, particularly in the central passenger terminal area, where existing passenger terminals are reaching the end of their useful lives. The JFK Airport-wide master plan provides for new state-of-the-art passenger facilities with a focus on customer-oriented, sustainable, and technologically advanced operations. As part of this effort, in October 2018 the Board of Commissioners approved exclusive negotiations with two different sponsor groups proposing privately-funded development of new passenger terminals (New Terminal 6, on the north side of JFK Airport, and New Terminal One, on the south side of JFK Airport, each as further described below) to replace outdated facilities, with the Port Authority investing in the necessary supporting infrastructure.

Building the proposed new terminals required: (i) demolition of Terminal 2 (occupied through December 31, 2022 by Delta); (ii) termination of aircraft parking at the adjacent site where Terminal 3 once stood (previously used primarily by Delta and other Terminal 4 airlines); (iii) demolition of Terminal 1 (managed by a consortium of international airlines known as Terminal One Group Association ("TOGA") under a lease through December 31, 2025) and relocation of the air carriers currently using Terminal 1 to the new terminal on the south or other terminal facilities at JFK Airport; and (iv) demolition of Terminal 7 operated by British Airways and relocation of British Airways to Terminal 8 and other Terminal 7 users to other premises at JFK Airport. The Port Authority advanced these activities through the onset of the COVID-19 pandemic in 2020 and successfully amended its terminal lease with American Airlines, Inc. effective as of June 1, 2020, to provide for an upgrade and expansion of Terminal 8 which enabled British Airways to move its operations from Terminal 7 to Terminal 8 on December 1, 2022.

Despite delays beginning in early 2020 related to the effects of the COVID-19 pandemic, the Port Authority has taken the following actions to date with its terminal operators to further effectuate the JFK redevelopment:

- The Port Authority entered into a supplement to the lease for Terminal 4 with JFK International Air Terminal LLC ("IAT") and consented to a related supplement to the sublease between IAT and its current anchor tenant, Delta, each in April 2022, to permit the redevelopment and expansion of Terminal 4 to allow Delta to consolidate its operations at JFK Airport in Terminal 4.

  The initial construction phase includes conversion and renovation of three widebody gates to narrowbody plane equivalents, conversion of existing Terminal 4 regional jet gates for use as seven full-size aircraft gates and construction of a new regional jet site and upgrade the Terminal 4 headhouse and common areas to accommodate its expanded operations. This phase was completed in a timely fashion and permitted Delta to vacate Terminal 2 as contemplated. This initial construction phase has a cost of $1.5 billion, which includes Delta's portion of the work described above and $150 million for upgrades for the remainder of Terminal 4 to be performed by IAT through December 2024. Bond funding was obtained in April 2022 for the Phase 1 work.

The Terminal 4 lease supplement also provided for a Delta option which may be exercised no later than July 2023, to undertake a second phase expansion to result in up to 12 additional narrowbody aircraft gates and an upgraded terminal frontage ("Second Phase Option"). If Delta exercises the Second Phase Option, the term of the IAT Terminal 4 lease and Delta's anchor tenant agreement will be extended from 2043 to 2050. In the event Delta does not exercise the Second Phase Option, IAT may undertake construction of the new gates with the Port Authority's consent (and without recourse to Delta). Finally, the supplemental agreements provide for IAT and the Port Authority to construct up to three new widebody gates in Terminal 4 after 2024, if IAT and the Port Authority agree that additional Terminal 4 passenger capacity is required, after considering the capacity created by the Second Phase Option (if it is exercised). It is anticipated that all subsequent work would be financed by the issuance of additional bonds by IAT, backed by Terminal 4 revenues, including Delta rents, if Delta exercises its Second Phase Option.

- On December 16, 2021, the Board of Commissioners approved a lease for New Terminal One with JFK NTO LLC ("NTO"), a development consortium comprised of The Carlyle Group ("Carlyle"), JLC Infrastructure, and The Union Labor Life Insurance Company. In February 2022, Ferrovial, S.A., a Spanish public company ("Ferrovial"), announced that it was in negotiations to purchase Carlyle's interest in the consortium, subject to the Port Authority's consent, among other things. On June 3, 2022, the Board of Commissioners, after diligently considering Ferrovial's financial condition and management capability, approved the acquisition by an affiliate of Ferrovial, of 96% of Carlyle's interest, giving Ferrovial a controlling position over most New Terminal One management decisions. On June 10, 2022, the Port Authority entered into a lease with NTO for the design and construction of New Terminal One on the terms previously approved by the Board of Commissioners.

  Under the lease, the new southern terminal (referred to as "New Terminal One") is to be constructed by NTO in three phases, subject to achievement of certain passenger activity triggers. The first phase of construction (Phase A) includes building the new arrivals and departures hall and 14 wide-body gates on a single concourse, and is expected to be in use by 2026. It is anticipated that two additional phases of construction will add a total of nine additional gates on a second concourse, with up to five gates added in the second phase and the remaining gates added in the third phase. Final New Terminal One capacity would be 23 gates. NTO is required to build each of the second and third above-described phases, so long as (i) it can achieve an investment grade rating for additional funding for the design and construction of the additional phases or (ii) international passenger enplanements at the airport or terminal reach 2019 levels. New Terminal One will comprise 2.4 million square feet at a total cost of approximately $9.6 billion (privately financed by NTO through loans and equity investments). Notice to proceed with construction was issued on June 10, 2022.

- Simultaneously with its approval of the New Terminal One transaction, the Board of Commissioners also approved an amendment to the existing Terminal 1 lease with TOGA, permitting continued use of the existing terminal through December 2025 or, if later, the date on which NTO requires the site for development of the latter two phases as described above.

On November 17, 2022, the Port Authority entered into a lease for a new passenger terminal on the north side of the airport on a site comprised of the existing Terminal 7 and an adjacent vacant site previously occupied by Terminal 6, as contemplated under, the Board of Commissioners' authorization in August 2021. The lessee is JFK Millennium Partners ("JMP"), a private consortium comprised of Vantage Airport Group, American Triple I Partners, RXR Realty and JetBlue Airways Corporation ("JetBlue"). The New Terminal 6 will be interconnected with JetBlue's Terminal 5. Construction of the approximately 1.2 million square foot passenger terminal project, referred to as "New Terminal 6," commenced in February 2023 and has an estimated total cost of $4.2 billion (privately financed by JMP through loans and equity investments). Construction will be completed in two continuous phases. In the first phase, expected to be completed in 2026, the New Terminal 6 headhouse, departure and arrivals area, including five new gates will be built on the vacant site previously occupied by Terminal 6. In the second phase of construction, expected to be completed in 2028, JMP will demolish Terminal 7 and construct an additional five gates and associated terminal space. At the end of the second phase, there will be a total of 10 gates in the New Terminal 6 (nine wide-body gates and one narrow-body gate). JMP is entitled to operate and maintain New Terminal 6 for the life of the lease through December 2060.

In December 2021, the Board of Commissioners authorized the Port Authority to undertake its planned infrastructure project at a cost of $2.9 billion, to enable the terminal developments to be incorporated into the JFK Airport Central Terminal Area. The project will include airfield improvements, JFK Airport roadways, a new ground transportation center and utility upgrades. Due to upward pressures on project costs, economy-wide increase in inflation, extraordinary increases in the cost of certain construction materials and fixed price hikes to address higher risk profiles of very large projects, cost proposals from contractors for design-build services for the Roadways, Utilities and Ground Transportation contract ("RUGTC Contract") and certain other utility contracts at JFK Airport exceeded cost estimates, which were developed prior to the initial program authorization. In March 2023, the Board of Commissioners authorized award of the RUGTC Contract to a joint venture composed of Skanska USA Civil Northeast Inc. and Halmar International, LLC at an amount not to exceed $1.240 billion and an increase to the total authorized program cost reflecting that price, in a total amount not to exceed $3.906 billion.

Also included in the JFK Redevelopment Program is the development by a subsidiary of TotalEnergies S.E. of a 12 MW carport canopy solar energy system incorporating battery storage. The project will interconnect with the Consolidated Edison distribution system and serve the power needs of AirTrain JFK operations while allowing the persons in the surrounding community to receive bill credits under the New York State Community Distributed Generation program (as well as generating bill credits for the Port Authority). The Port Authority will pay up to $12 million in project costs to the developer in connection with the project.

The Port Authority has obtained all required approvals under the National Environmental Policy Act to proceed with the JFK Redevelopment as described above.

Newark Liberty International Airport

Newark Airport consists of approximately 2,100 acres located in the Cities of Newark and Elizabeth, N.J., was opened under City of Newark operation in October 1928, and has been leased to the Port Authority by the City of Newark since October 22, 1947, together with the Port Newark marine terminal. Newark Airport consists of three passenger terminals and three runways, ranging in length from approximately 6,800 feet to 11,000 feet. Additionally, the following are located at the airport: cargo buildings (including an express package handling and sorting facility), a 590-room hotel and a fully automated monorail ("AirTrain Newark") (which began service on May 31, 1996) linking the airport terminals, parking lots and rental car areas with each other and, through an extension (which became operational on October 21, 2001), with the northeast corridor rail line used by NJ Transit and National Passenger Rail Corporation ("Amtrak").

On February 15, 2018, the Board of Commissioners reauthorized a program for the redevelopment of Newark Airport's Terminal A ("New Terminal A") at an estimated total program cost of $2.72 billion. The New Terminal A includes a new 1 million square-foot modern, state-of-the-art terminal building with 33 aircraft gates which will replace the current Terminal A and certain other airside and landside improvements. The notice to proceed with the construction of New Terminal A was issued in April 2018. On May 24, 2019, the Port Authority entered into an agreement with EWR Terminal One LLC, an affiliate of Munich Airport International GmbH to operate, maintain and manage concessions at both the current Terminal A, and the New Terminal A for a term of 15 years after its full opening. Opening of the first 21 of 33 new gates occurred in January 2023, with the remaining gates to open later in 2023. In March 2023, an additional incremental cost of the New Terminal A Program was authorized by the Board reflecting certain scope changes.

In connection with the New Terminal A, on May 8, 2019, the Port Authority entered into a lease with EWR Conrac, LLC ("Conrac") for the design, construction, financing, operation and maintenance of a three-story integrated consolidated car rental facility including customer intake, automobile parking, washing and fueling facilities for all rental car companies ("RACs") operating at Newark Airport ("Conrac Facility"). The Port Authority has mandated that a customer facility charge be collected by each RAC which is required to be remitted to Conrac to partially defray the design and construction costs for the Conrac Facility. Conrac has entered into subleases with the each of the RACs. Co-located on, and directly above, the site of the Conrac Facility is a three-story, 2,700-space public parking garage for New Terminal A, constructed by Conrac on behalf of the Port Authority at a cost of $110 million. The project broke ground in September 2019 with public parking which opened in January 2023 and the full opening of the Conrac Facility expected in late 2023. The term of the lease with Conrac was initially set at 35 years from the date of Conrac Facility completion and was extended for an additional 5-year term in August 2022.

A canopy over the top floor of the parking facility at the Conrac site has been constructed to support a 4 MW solar photovoltaic installation to supply most of the electricity needs of the Conrac Facility, which began commercial operation in January 2023.

On October 24, 2019, the Board of Commissioners authorized $35 million for vision planning to advance the additional master planning efforts for the redevelopment of Newark Airport and provide for planning work for the development of a new terminal to replace the existing Terminal B. On October 24, 2022, the Port Authority announced the selection of Arup, an aviation planning and design firm, to oversee this vision plan in partnership with architecture firm Skidmore, Owings & Merrill. The master planner will be tasked with developing a comprehensive development strategy and to accommodate future growth and demand, improve the travel experience and identify opportunities for enhancing the sustainability and resiliency of the facility.

On October 24, 2019, the Board of Commissioners authorized a program for the construction of a new AirTrain system at Newark Airport (replacing the existing system) at a total estimated cost of $2.05 billion, inclusive of $40 million in previously authorized planning work and a previously authorized project for the design and construction of a certain number of AirTrain Newark guideway foundations, which were located within the right-of-way of the redevelopment program, at an estimated cost of $75 million. The FAA issued a FONSI/ ROD for the AirTrain Newark project on August 13, 2021. A Request for Proposals to design, construct, operate and maintain the new AirTrain replacement was issued on May 5, 2022. The Port Authority determined to accept none of the committed proposals it received and on August 5, 2022 cancelled the procurement as issued. The Port Authority has now restructured its procurement in two stages, first to proceed to award of a AirTrain Newark systems designer and thereafter to procure civil engineering for the project as designed. A Request for Qualifications was released, and three systems designers were qualified. In March 2023, a Request for Proposals was issued to the qualified systems designers. Notwithstanding the restructuring, the project is expected to require a significant increase in total project cost over the original $2.05 billion estimate.

In March 2023, the Board of Commissioners approved planning and preliminary design work at an estimated amount of $12 million for a project associated with the AirTrain Newark Redevelopment, to develop direct, street level and elevated access to Newark Airport via the AirTrain Newark for neighboring communities and off-Airport businesses in Newark, New Jersey. The project will also provide access to the rail services available at the co-located Northeast Corridor Station ("NEC Station") provided by Amtrak and NJ Transit. Cost of the proposed Station Access Project is estimated at $125 million and the Port Authority has applied for a $45 million Federal Transit Administration grant to offset a portion of the cost. Once implemented, the proposed Station Access Project would improve transit access to the Airport for air travelers and Airport employees from the surrounding neighborhood and provide improved access to the NEC Station.

Teterboro Airport

Teterboro Airport was acquired by the Port Authority in April 1949 and is part of the Port Authority's regional system of air terminals. It occupies approximately 827 acres in Bergen County, N.J. A private airport operator is responsible for the day-to-day operation of the airport, subject to direct Port Authority oversight and control, under a management/services contract with the Port Authority with a term expiring on November 30, 2023, with certain options to extend thereafter.

The airport is devoted primarily to business and private aircraft operations, and has one 6,000-foot runway, one 7,000-foot runway, an administration building and twenty-three hangars. The FAA has begun a project to replace the air traffic control tower, which is expected to be fully operational in 2024.

By letter dated March 9, 2006, the United States Environmental Protection Agency ("EPA") advised the Port Authority that the EPA deems the Port Authority to be a "Potentially Responsible Party" ("PRP") (under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA")) that may be jointly and severally liable for the EPA's clean-up costs at the Berry's Creek Study Area, Bergen County, N.J., spanning from its headwaters to the Hackensack River, including upland properties in the Berry's Creek Watershed. On October 10, 2007, the Port Authority joined the Berry's Creek Study Area Cooperating PRP Group Organization and Joint Defense Agreement. As a member of this group, and pursuant to a voluntary settlement agreement and order on consent with EPA entered into on May 1, 2008, the Port Authority is participating in the performance of a Remedial Investigation/Feasibility Study.

New York Stewart International Airport

Stewart Airport, located in the Towns of Newburgh and New Windsor, New York, consists of approximately 2,466 acres of land with one 11,818-foot runway, one 6,000-foot runway, a terminal with 8 passenger gates, and a 192-acre industrial park located on the northwest side of the airport. Legislation passed by the State of New York in 1967 authorized the Port Authority to establish one additional air terminal in New York and one additional air terminal in New Jersey outside of the Port District, with the site of each such terminal to be approved by the governor of the state in which the air terminal is located. In May 2007, New Jersey enacted a statute identical in scope to the New York legislation (the New York and the New Jersey legislation, collectively, the "1967/2007 Airport Legislation"). On October 12, 2007, the Governor of the State of New York approved Stewart Airport as the additional air terminal in New York outside the Port District. On October 31, 2007, the Port Authority became the lessee of the airport under a lease with the State of New York, acting by and through the New York State Department of Transportation, for a term expiring on April 1, 2099. A private airport operator retained by the Port Authority is responsible for day-to-day airport operations and maintenance and concessions management, subject to direct Port Authority oversight and control.

A new federal inspection service facility that will increase the capacity of United States Customs and Border Protection to process international passengers arriving at Stewart Airport has been substantially completed at a cost to the Port Authority of $37 million and a Permit to Occupy was issued on November 5, 2020.

Beginning in 2017, a series of putative class actions and other lawsuits were brought by the City of Newburgh and other interested parties, including the Port Authority's predecessor in interest as airport lessee, relating to the discharge into the area water supply of certain chemicals which were federally mandated for use in firefighting applications (referred to generally as PFAS materials). The suits name some or all of the following defendants: the Port Authority as lessee and operator of Stewart Airport; the manufacturers of the chemicals (including Tyco Fire Products L.P. and the 3M Company); the New York State Department of Transportation, which owns the underlying property; and the Department of Defense and the New York State Air National Guard, which used the chemicals for testing and firefighting. On December 7, 2018, the cases were consolidated with the numerous cases across the country alleging damages from the use of the chemicals under multi-district litigation in the Federal District Court in South Carolina ("MDL Action"). On June 10, 2019, the City of Newburgh filed a third-party complaint against the Port Authority and other entities for defense and indemnification pertaining to an action brought against it by certain plaintiffs who are current and former residents of the City of Newburgh, arising out of the same circumstances addressed in the other actions; this matter has also been consolidated in the MDL Action. On May 4, 2021, the Town of New Windsor filed a complaint against the Port Authority and other entities for damages arising out of the same circumstances addressed in the other actions; this matter has also been consolidated in the MDL Action. The Port Authority disputes plaintiffs' allegations in each of these matters and is vigorously defending the Port Authority's interests. In 2016, the New York State Department of Environmental Conservation adopted emergency regulations identifying certain PFAS compounds as hazardous substances under state law, and in 2019-2020, both New York and New Jersey enacted bans on the use of PFAS compounds, except for federally-required purposes (such as the fire-fighting requirements of the Federal Aviation Administration). The Port Authority is instituting measures to limit the use of PFAS compounds at its facilities except as required by federal law.

Atlantic City International Airport

On March 18, 2013, the Governor of the State of New Jersey approved Atlantic City International Airport ("ACY") as the additional air terminal in New Jersey outside the Port District, pursuant to the 1967/2007 Airport Legislation. In July 2013, the Port Authority and the South Jersey Transportation Authority ("SJTA"), which owns and operates ACY, entered into a management agreement, where the Port Authority provided general management services to SJTA, at the direction and under the supervision of the SJTA, which both parties agreed to terminate as of December 31, 2017. A consultant has been retained to conduct a comprehensive due diligence review of commercial airports located in the State of New Jersey in order to determine the impact of assuming the operation of or otherwise acquiring an airport in New Jersey pursuant to the 1967/2007 Airport Legislation.

World Trade and Economic Development

The World Trade Center

The World Trade Center was authorized in 1962 by the same bi-state legislation that authorized the Port Authority's acquisition of the Hudson Tubes. In such legislation, the Port Authority was authorized to cooperate with other agencies of government in the rehabilitation and redevelopment of the Hudson Tubes World Trade Center areas, in part for the purpose of the renewal and improvement of such areas, as part of this port development project. The World Trade Center site, located on the lower west side of Manhattan, is comprised of approximately 16 acres, bounded generally by Church Street on the east, Liberty and Cedar Streets on the south, West Street on the west and Vesey and Barclay Streets on the north. The original World Trade Center, which consisted of five office towers, a United States Customs House building, a hotel, and a retail concourse and transportation hub below the Austin J. Tobin Plaza, was destroyed in two separate terrorist attacks on September 11, 2001.

The redevelopment of the World Trade Center site has proceeded pursuant to The World Trade Center Memorial and Cultural General Project Plan adopted in 2004 and amended in 2007 and 2022 ("GPP") by Lower Manhattan Development Corporation ("LMDC") which provides for approximately 10 million square feet of above grade office space with associated storage, mechanical, loading, below grade parking, and other non-office space, and was planned to consist of up to five office towers (one of which may instead be a multi-use building, including residential space at a mix of market and affordable rents), space for retail businesses, the World Trade Center Transportation Hub, a memorial and interpretive museum, The St. Nicholas Greek Orthodox Church and National Shrine, The Performing Arts Center at the World Trade Center and certain related infrastructure. The Port Authority owns fee title to the World Trade Center site and net leases portions of the site to various stakeholders.

On June 13, 2011, the Port Authority and The Durst Organization ("Durst") (through entities formed by such parties) entered into various agreements to create a joint venture relating to the construction, financing, leasing, management and operation of the One World Trade Center building through its current net lessee WTC Tower 1 LLC, a bankruptcy-remote, single purpose entity. The other office net lessees (the "Silverstein net lessees"), indirectly owned by separate bankruptcy-remote single purpose entities formed by Silverstein Properties, Inc. ("Silverstein Properties"), were given the right to develop three office towers (Tower 2, Tower 3 and Tower 4) on the eastern portion of the World Trade Center site, comprising, in the aggregate, approximately 6.2 million square feet of office space.

One World Trade Center

One World Trade Center contains approximately 3.0 million square feet of commercial office space and an indoor observation deck. As of March 31, 2023, WTC Tower 1 LLC has leased (i) approximately 2.8 million square feet of office space at One World Trade Center, representing approximately 95% of the leasable office space, (ii) certain portions of the One World Trade Center rooftop, together with ancillary space, for a broadcasting and communications facility, and (iii) the 100th through 102nd floors of One World Trade Center for an observation deck. In 2011, New York Liberty Development Corporation ("NYLDC") issued $672,480,000 in Liberty Bonds ("2011 Liberty Bonds"), the proceeds of which NYLDC used to purchase Port Authority Consolidated Bonds in like amount via private placement ("2011 Consolidated Bonds"). The proceeds of the 2011 Consolidated Bonds were used by the Port Authority to fund a portion of the development and construction costs of One World Trade Center. In 2021, the 2011 Liberty Bonds were refinanced by NYLDC through a public issuance of $638,805,000 of refunding bonds, the proceeds of which were used by NYLDC to privately purchase Port Authority Consolidated Bonds in like amount ("2021 Consolidated Bonds"). The Port Authority used the proceeds of the 2021 Consolidated

Bonds, together with other available monies, to redeem its 2011 Consolidated Bonds, the proceeds of which were in turn used by NYLDC to currently refund, and effect the defeasance and redemption of, NYLDC's outstanding 2011 Liberty Bonds.

In accordance with the joint venture agreement between the Port Authority and Durst, the parties are in the process of determining the percentage of the building's equity deemed to be held by Durst, based on its initial $100 million capital contribution to the joint venture and the rental and operating performance of the building to date.

Silverstein Net Lessees

A December 2010 World Trade Center Amended and Restated Master Development Agreement ("MDA"), among the Port Authority, PATH, and the office and retail net lessees, sets forth the respective rights and obligations of the parties thereto with respect to construction at the World Trade Center site, including the allocation of construction responsibilities and costs among the parties to the MDA. Under the MDA, the Silverstein net lessees were required to construct Tower 4, the Tower 3 podium and certain subgrade and foundation work required for Tower 2 and were also required to contribute an aggregate of $140 million toward certain common infrastructure costs. The MDA also provided for the implementation of a construction coordination and cooperation plan among the respective parties' construction teams to achieve reasonable certainty of timely project completion.

Tower 4 Net Lease

In December 2010, the Port Authority, as tenant, entered into a lease with the Tower 4 Silverstein net lessee, as landlord, for approximately 600,000 square feet of office space for use as the Port Authority's executive offices with an initial term of 30 years and four 5-year renewal options. In November 2014, such space lease was amended to provide for the surrender by the Port Authority of two floors to the Tower 4 Silverstein net lessee. Tower 4 was substantially completed in October 2013. As of March 31, 2023, 2.2 million square feet of space in Tower 4 has been leased, representing approximately 98% of the leasable office space.

Also, in December 2010, the Port Authority entered into certain agreements with the Tower 4 Silverstein net lessee providing for the Port Authority's support for construction of Tower 4 (the "Tower 4 Support Agreements") by participating in the November 15, 2011 financing for Tower 4 ("Debt Service Obligations") and providing additional rent deferrals and other concessions ("Tenant Support"). In particular, the Port Authority agreed to become a co-borrower/obligor for the Liberty Bonds issued by the NYLDC in the total aggregate principal amount of $1,225,520,000, to finance construction and development of Tower 4. On September 14, 2021, NYLDC issued two series of refunding bonds, in the principal amount of $1,225,520,000 as well as $11,385,000 to cover issuance costs, to refinance the original Tower 4 Liberty Bonds to achieve interest rate savings, with material terms of the original November 2011 Tower 4 financing remaining unchanged, including the Port Authority remaining a co-borrower/obligor for the refunding bonds (the original November 2011 Tower 4 financing and the September 2021 refinancing are hereafter referred to herein, interchangeably, as the "Tower 4 Liberty Bonds"). The Port Authority is obligated to make certain debt service payments on the Tower 4 Liberty Bonds (net of fixed rent paid or payable under the City of New York's Tower 4 space lease, which have been assigned by the Tower 4 Silverstein net lessee directly to the bond trustee for the payment of a portion of the debt service on the Tower 4 Liberty Bonds) as a special obligation of the Port Authority, payable from "net revenues" deposited to the Consolidated Bond Reserve Fund, and in the event such net revenues are insufficient therefor, from other moneys of the Port Authority legally available for such payments when due. For purposes of the Tower 4 Liberty Bonds, "net revenues" are defined as the revenues of the Port Authority pledged under the

Consolidated Bond Resolution and remaining after (i) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (ii) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (iii) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution. Payments of debt service on the Tower 4 Liberty Bonds by the Port Authority are subject in all respects to payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes. The Port Authority's payment of debt service on the Tower 4 Liberty Bonds is not secured by or payable from the General Reserve Fund. Additionally, the Port Authority's special obligation with respect to the payment of debt service on the Tower 4 Liberty Bonds does not create any lien on, pledge of or security interest in any revenues, reserve funds or other property of the Port Authority.

Originally, the Tower 4 Silverstein net lessee had the right to defer its payments of net lease rent payable under the Tower 4 net lease to provide cash flow to pay operating expense deficits, certain capital expenditures upon completion of Tower 4, and a limited amount of construction and leasing cost overruns. The Tower 4 Silverstein net lessee exercised its right to defer certain Tower 4 net lease rent payments to the Port Authority effective November 2016. The Debt Service Obligations and the Tenant Support are required to be reimbursed or paid to the Port Authority from Tower 4 cash flow, generally with interest at a rate of 7.5% per annum until reimbursed or paid, with the exception of deferred net lease rent that the Tower 4 Silverstein net lessee was allowed to deposit in a reserve account (limited to $40 million in aggregate at any given time (as adjusted annually by certain CPI increases) and which received earnings on certain permitted investments plus nominal interest). The overall term for reimbursement or payment of outstanding amounts is not to exceed 40 years from the issuance date of the original Tower 4 Liberty Bond financing. As security for such reimbursement or payment to the Port Authority, the Tower 4 Silverstein net lessee, the Port Authority and a third party banking institution entered into an account control agreement directing revenues derived from the operation of Tower 4 (excluding the fixed rents paid or payable under the City of New York's Tower 4 space lease) to be deposited into a segregated lockbox account in which the Port Authority had a security interest, and was administered and disbursed by the banking institution in accordance with such agreement. To provide additional security to the Port Authority, the Tower 4 Silverstein net lessee granted a first priority leasehold mortgage on the net lease for Tower 4 to the Port Authority, assigned all Tower 4 space leases and rents (other than the City of New York's Tower 4 space lease and the fixed rents paid or payable thereunder), and assigned Tower 4 developmental and operational contracts to the Port Authority. As of March 31, 2023, no Tower 4 Liberty Bond debt service repayments from the Tower 4 Silverstein net lessee to the Port Authority were outstanding, and no deferred rent was due from the Tower 4 Silverstein net lessee as further described below.

The Tower 4 Silverstein net lessee informed the Port Authority in 2022 that, in accordance with the Tower 4 Support Agreements, it had achieved the debt service coverage threshold which would allow it to terminate the Port Authority's Tenant Support obligations in return for terminating the account control lockbox described above. The termination which has now been effectuated, resulted in the repayment of Tower 4 deferred rent plus accrued interest to the Port Authority. Surplus revenues held in a Tower 4 operating account for the benefit of the Port Authority have been transferred to a similar account for Tower 3 to cover deferred amounts due to the Port Authority on account of its support for Tower 3, described below. The termination of the Tenant Support obligations did not affect the Port Authority's Debt Service Obligations or the pledge of rents and the leasehold mortgage which serve as security therefor.

Tower 3 Net Lease

Tower 3 was substantially completed in March 2018, and officially opened on June 11, 2018. As of March 31, 2023, approximately 2.1 million square feet of space in Tower 3 has been leased, representing approximately 89% of the leasable office space.

To assist the Tower 3 Silverstein net lessee in the construction of Tower 3, the Port Authority entered into a Tower 3 Tenant Support Agreement in 2010 (as subsequently amended in 2014, the "Tower 3 Support Agreement"). Under the Tower 3 Support Agreement, the Port Authority, together with New York State and New York City, was required to provide up to $600 million in overall support, comprised of: (i) $210 million for the construction of Tower 3 (paid for as a landlord capital improvement) and (ii) $390 million of backstop funding for construction overruns and certain leasing cost overruns, operating expense deficits and certain leasing cost overruns (provided as a rent deferral under the Tower 3 net lease), and senior debt service shortfalls (which would be paid by the Port Authority if necessary in the future, as limited co-obligor on the senior debt). The Port Authority is entitled to recover a portion of any support it pays from New York State and New York City, so that the total maximum backstop support provided by the Port Authority, after recovery, does not exceed $200 million.

As a special limited co-obligor with respect to the senior debt issued for Tower 3, the Port Authority would, subject to the overall $390 million backstop limit and only in the event that the Tower 3 Silverstein net lessee does not have sufficient funds, pay debt service on the senior debt issued for Tower 3 from "net revenues" deposited to the Consolidated Bond Reserve Fund, and in the event such net revenues are insufficient therefor, from other moneys of the Port Authority legally available for such payments when due. For purposes of the Tower 3 Support Agreement, "net revenues" are defined as the revenues of the Port Authority pledged under the Consolidated Bond Resolution and remaining after (i) payment or provision for payment of debt service on Consolidated Bonds, as required by the applicable provisions of the Consolidated Bond Resolution; (ii) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (iii) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution. The Port Authority's payments of debt service on the senior debt issued for Tower 3 would not be payable from the General Reserve Fund, and the payment thereof would be subject in all respects to payment of debt service on Consolidated Bonds, as required by the applicable provisions of the Consolidated Bond Resolution and payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes. The Port Authority's obligation with respect to the payment of such debt service would not create any lien on, pledge of, or security interest in, any revenues, reserve funds or other property of the Port Authority.

Under the Tower 3 Support Agreement, the Tower 3 Silverstein net lessee is responsible for the repayment of any outstanding balance of the $390 million backstop on a subordinated basis, without interest, from Tower 3 revenues, upon termination of the Tower 3 Support Agreement. All repayments of the Tower 3 backstop received by the Port Authority would be distributed among the Port Authority, the State of New York and the City of New York in accordance with their respective shares of the $390 million backstop payments. As security for such repayment, the Tower 3 Silverstein net lessee, the Port Authority and a third party banking institution entered into an account control agreement directing revenues derived from the operation of Tower 3 to be deposited into a segregated lockbox account and administered and disbursed by the banking institution in accordance with the Tower 3 Support Agreement. To provide additional security to the Port Authority, the Tower 3 Silverstein net lessee assigned to the Port Authority various contracts in connection with the development and construction of Tower 3, together with all licenses, permits, approvals, easements and other rights of the Tower 3 Silverstein net lessee, granted a first priority pledge of all of the ownership interests in the Tower 3 Silverstein net lessee to the Port Authority and granted a subordinated mortgage on the leasehold interest created under the Tower 3 net lease. The Tower 3 Silverstein net lessee exercised its right to defer certain Tower 3 net lease rent payments to the Port Authority effective November 2017. As of March 31, 2023, no Tower 3 Liberty Bond debt service repayments from the Tower 4 Silverstein net lessee to the Port Authority were outstanding and the aggregate deferred rent due from the Tower 3 Silverstein net lessee totaled approximately $48.6 million.

Tower 2 Net Lease

The MDA requires the Tower 2 Silverstein net lessee to complete subgrade and foundation work for Tower 2, which has been substantially completed by the Port Authority as part of the overall site improvements shared by all of the World Trade Center tenants. Upon closing of any future construction financing and commencement of above-grade construction of Tower 2, the Tower 2 Silverstein net lessee will be required to reimburse the Port Authority for the Tower 2 Silverstein net lessee's allocated costs for the subgrade and foundation work funded by the Port Authority at the site. Under the Tower 2 net lease, ground rent is payable by the Tower 2 Silverstein net lessee upon the earlier of (i) commencement of construction of Tower 2 and (ii) December 2022, whether or not construction is commenced. As of December 2022, construction of Tower 2 did not commence and the Port Authority asserts that ground rent is now due under the terms of the Tower 2 net lease, but Silverstein has not yet made payment thereof and has requested additional time to arrange financing before beginning to pay ground rent. Ground rent for the site until the commencement of construction is approximately $2.5 million per month, reducing to approximately $1.3 million per month when construction begins.

World Trade Center Site 5

World Trade Center Site 5 ("WTC Site 5") is an approximately 33,000 square foot lot located directly south of Liberty Park, which was formerly the location of the Deutsche Bank building that was extensively damaged on September 11, 2001. LMDC, a subsidiary of Empire State Development ("ESD"), purchased the site in 2004 and completed deconstruction, abatement and excavation in 2011, work which was funded by a U.S. Department of Housing and Urban Development grant. Pursuant to a Memorandum of Understanding, dated as of February 1, 2006, between LMDC, the Port Authority and The World Trade Center Memorial Foundation, Inc. (the "2006 MOU"), LMDC anticipated transferring to the Port Authority a real property interest in and to the location of WTC Site 5 for development of commercial space in exchange for real property interests required to implement the redevelopment of other elements of the World Trade Center site. The Port Authority and LMDC entered into a subsequent memorandum of understanding in February 2019 considering alternative uses for the site and outlining the process for soliciting proposals for the development of WTC Site 5 as well as the methodology for distributing the proceeds between the two agencies upon selection of a winning proposal, if an alternate use proposal is selected. In June 2019, LMDC and the Port Authority jointly issued a request for proposals seeking a development team to lease or purchase and redevelop WTC Site 5 with a commercial or mixed-use project. On February 11, 2021, the Board of Commissioners and LMDC each approved the selection of a partnership led by Brookfield Properties and Silverstein Properties ("Site 5 Developer") to enter into exclusive negotiations with the Port Authority and LMDC for the development of a mixed-use building at WTC Site 5 to include residential space (of which 30 percent would permanently be affordable units), office space, community facility space, public amenity space, and retail space. In order for the proposed project to proceed, the GPP was required to be amended to allow for non-office use. A public hearing on the GPP amendment was held on January 12, 2022 and public comments were collected on the proposed amendment through February 15, 2022. In April 2022, the LMDC and ESD boards approved the modifications to the GPP. LMDC and ESD each separately approved the transaction with the Site 5 Developer at their respective board meetings in May 2023. On May 25, 2023, the Board of Commissioners took certain actions to approve the transaction with the Site 5 Developer. ESD and LMDC boards' approvals are subject to review by New

York State's Public Authorities Control Board. If consummated, the WTC Site 5 would be transferred from LMDC to ESD and leased to the Site 5 Developer and its permitted assigns for 99 years, with rents payable to the Port Authority as compensation for the dedication of the sites of the National September 11 Memorial and Museum at the World Trade Center and the Performing Arts Center at the World Trade Center (each as described below) for public use.

Seven World Trade Center

Seven World Trade Center, a 52-story office building which was reconstructed in May 2006, is leased by the Port Authority to 7 World Trade Company, L.P., a limited partnership having as the general partner thereof, Silverstein – 7 World Trade Company, Inc., for a term expiring in 2026, with three 20-year extension options.

Retail

Through a series of transactions between the Port Authority and a single purpose entity formed by an affiliate of Westfield America, Inc., which was acquired by Unibail-Rodamco-Westfield SE (formerly Unibail-Rodamco SE) in June 2018 (such entity, together with its Westfield predecessor, "URW"), the Port Authority has been involved in the planning for the restoration of the retail components of the World Trade Center and the construction of such retail components. A URW entity has net leased the retail premises from the Port Authority for an upfront payment and a nominal annual amount. As a result, the Port Authority has received payments totaling $897 million from URW for the completed retail premises at the World Trade Center site. The Port Authority continues to be responsible for the construction of additional retail premises at other locations on the World Trade Center site and is obligated to fund the remaining project costs for their construction. Upon completion and lease up of such additional retail premises, the Port Authority expects to receive additional payments for the fair value of such additional retail space, to be determined according to the methodology specified in the agreement with URW, which is not expected to fully compensate the Port Authority for the cost of construction. URW is asking the Port Authority for relief on expenses that are its contractual responsibility, including campus wide expenses, insurance, and pass through of the City of New York's payment in-lieu- of taxes expenses, which total approximately $17 million a year. No agreement has been reached on this request.

The World Trade Center Transportation Hub

On July 28, 2005, the Board of Commissioners authorized the World Trade Center Transportation Hub project for the construction of a transportation hub and permanent PATH terminal, and construction commenced on September 6, 2005. On October 18, 2012, the Board of Commissioners reauthorized the World Trade Center Transportation Hub project from an estimated total project cost of $3.44 billion to an estimated total project cost range of approximately $3.74 billion to $3.995 billion, and ratified an agreement with the FTA to increase federal funding from $1.921 billion to a maximum of $2.872 billion for the project. On March 3, 2016, the World Trade Center Transportation Hub Oculus and underground pedestrian connections to certain mass transit lines opened to the public and on August 16, 2016, the retail portions opened to the public.

World Trade Center Infrastructure Projects

In addition to the World Trade Center Transportation Hub, the Port Authority continues to advance planning, design and construction of various infrastructure projects toward the full buildout of the World Trade Center site, including streets and utilities. The Port Authority has completed construction on a number of infrastructure projects, including a central chiller plant (which is being upgraded to comply with regulatory requirements at an estimated project cost of $42.8 million) and electrical infrastructure, that support the operations of the World Trade Center site. A vehicular security center for cars and delivery vehicles to access subgrade loading facilities is operational to support the commercial development throughout the World Trade Center site at a cost of approximately $670 million. The World Trade Center's Liberty Park was opened to the public on June 29, 2016. Liberty Park is an approximately 1-acre elevated green space located atop the vehicular security center, and provides seating and views of the World Trade Center site and a pedestrian route from Greenwich Street to the Brookfield Place South Bridge at West Street. As part of the construction of the vehicle security center and Liberty Park, the Port Authority completed certain below grade infrastructure required to allow for the construction of the new St. Nicholas Greek Orthodox Church and National Shrine at 130 Liberty Street by Greek Orthodox Church representatives, to replace an earlier structure that was destroyed in the attacks of September 11, 2001. The Port Authority was not responsible for the construction of the new church building, which opened to the public in December 2022. The Port Authority currently leases the site of the new church building to representatives of the Greek Orthodox Church.

The Memorial at the World Trade Center Site

On July 6, 2006, the Board of Commissioners authorized the Port Authority to enter into an agreement with LMDC, the National September 11 Memorial and Museum at the World Trade Center ("Memorial Foundation"), the City of New York and the State of New York for the construction by the Port Authority of the World Trade Center memorial and cultural project. The World Trade Center Memorial Plaza opened for public access on September 11, 2011. The Museum opened to the public on May 21, 2014.

The Performing Arts Center at the World Trade Center

On February 15, 2018, the Board of Commissioners authorized the Executive Director of the Port Authority to enter into a lease with The World Trade Center Performing Arts Center, Inc., d/b/a The Performing Arts Center at the World Trade Center ("WTC PAC"), providing for the construction and operation of a world-class performing arts center for an initial term of 99 years, with an option to extend the term for an additional 99 years. Under the lease authorized by the Board of Commissioners, WTC PAC is responsible for the construction of the performing arts center, while the Port Authority is responsible for the construction of certain below grade improvements and infrastructure. Upon execution of the lease on March 19, 2018, WTC PAC paid the Port Authority a one-time payment of $48 million for below-grade improvements constructed by the Port Authority, consistent with the terms of the February 2018 Board of Commissioners authorization. The performing arts center is currently under construction and is expected to be completed in 2023.

Newark Legal and Communications Center

The Newark Legal and Communications Center Urban Renewal Corporation ("NLCCURC") was formed in 1988 by the Port Authority to effectuate the development and construction of a legal and communications center and its related infrastructure in Newark, N.J., adjacent to Pennsylvania Station and the PATH terminus (the "Newark Legal and Communications Center").

On December 21, 2001, the NLCCURC entered into a net lease with respect to the Newark Legal and Communications Center with Matrix One Riverfront Plaza LLC ("Matrix"). The net lease is for a term of 50 years, with four 10-year renewal options and one 8-year 11-month 28-day renewal option. On December 4, 2013, after determining that the Newark Legal and Communications Center was no longer required for the purposes for which it was acquired, the Board of Directors of the NLCCURC authorized the President of the NLCCURC to enter into an agreement providing for the phased transfer of the

NLCCURC's interests in the Newark Legal and Communications Center to Matrix Affiliate, LLC, an affiliate of Matrix, in exchange for a total aggregate payment of approximately $42 million, subject to certain adjustments.

The Commissioners of the Port Authority serve as the Directors of the NLCCURC, and Richard Cotton is its President.

Marine Terminals

The Port Authority owns or leases six marine terminal facilities to serve the Port District, together with multi-modal transportation assets to move freight to and from the terminals. The Port Authority's revenues from the marine terminal facilities come primarily from fixed lease agreements and are therefore partially insulated from fluctuations in activity levels at these facilities. On July 9, 2019, the Port Authority announced a comprehensive 30-year plan (the "Port Master Plan 2050") that creates a flexible roadmap to develop a competitive, financially successful port that maximizes regional jobs and economic impacts while minimizing environmental effects at the Port Authority's marine terminal facilities. The Port Master Plan 2050 focuses on five guiding principles: (i) ensuring sustainability and resiliency in all operations and future developments; (ii) promoting regional economic generation; (iii) establishing state of the art facilities; (iv) providing a platform for partnership for all local stakeholders; and (v) shaping future growth of the region. The Port Authority began implementing key findings and recommendations in the second half of 2019, including exploring, with the U.S. Army Corps of Engineers (the "Corps"), the costs and benefits of further harbor deepening projects. An early Corps study completed in June 2022, which assessed deepening and improvements work on the federal channels surrounding the Port Authority's facilities, concluded that the additional improvements were feasible. The Port Authority has agreed to fund additional studies by the Corps to better define and quantify the costs of such projects. Neither the Corps nor the Port Authority is committed to proceeding at this time (see "*Channel Improvement Projects*" in this Section II).

A foreign-trade zone (Foreign-Trade Zone 49) has been established by the United States Department of Homeland Security (formerly by the Department of Commerce) and presently includes, in addition to other sites and sub-zones in New Jersey, all of the Port Newark/Elizabeth-Port Authority Marine Terminal complex, the Port Authority Industrial Park at Elizabeth and the Port Jersey-Port Authority Marine Terminal.

Port Newark

Port Newark is a waterfront terminal located on Newark Bay comprising approximately 930 acres adjacent to Newark Airport. The marine terminal includes wharves, deep water ship berths, container cranes, open storage areas, buildings, roadways and railroad trackage. It has been leased by the City of Newark to the Port Authority, along with Newark Airport, since October 22, 1947.

In October 2019, the Port Authority and the City of Newark entered into a lease supplement further extending the lease term through 2075, in consideration of certain additional rental payments. These agreements are described at "*Certain Information with Respect to the Leases Relating to the Port Authority Airports and Other Related Matters*."

Port Newark is the most diverse facility of the Port Authority's marine terminals. It serves a variety of operators handling a wide range of cargo types. Cargo is shipped both in containers and as bulk commodities. In addition, the terminal facilities are used for the importing and exporting of new and used automobiles.

Elizabeth-Port Authority Marine Terminal

The Elizabeth-Port Authority Marine Terminal occupies approximately 1,257 acres on Newark Bay in Elizabeth, N.J. The south side of Port Newark and the Elizabeth-Port Authority Marine Terminal are jointly served by the Elizabeth Channel forming a boundary between the two facilities. Container cranes and fully equipped vessel berths situated on the Elizabeth Channel and Newark Bay provide modern, efficient facilities for shipping lines and export-import shippers. Within the terminal are cargo distribution buildings with approximately 1.2 million square feet of space, ancillary service structures and intermodal connections.

Greenville Yard-Port Authority Marine Terminal

The Greenville Yard-Port Authority Marine Terminal is located in Jersey City, N.J., adjacent to the Port Jersey-Port Authority Marine Terminal. The facility currently occupies approximately 32 acres of land and pier area, in addition to riparian land. Approximately five acres of this facility are occupied by a single private tenant using this facility for the storage of barges and dredging equipment. The remaining 27 acres, along with certain riparian rights, are leased by New York New Jersey Rail, LLC from Conrail for cross-harbor rail freight operations (see "*Railroad Freight—New York New Jersey Rail, LLC*" in this Section II). In June 2019, the Port Authority and its private sector partners completed the redevelopment of Greenville Yard into a modern, multi-modal freight rail terminal. The Port Authority constructed two new carfloats (rail barges), a new transfer bridge, and a new support yard for the transfer bridge to improve efficiency and capacity of the cross-harbor rail freight system.

Port Jersey-Port Authority Marine Terminal

The Port Jersey-Port Authority Marine Terminal is located on approximately 373 acres on the Port Jersey Channel in Bayonne and Jersey City, N.J., and supports broad based marine terminal uses. The marine terminal includes wharves, deep water ship berths, container cranes, open storage areas, buildings, railroad trackage and barges to facilitate marine activities that support container terminal, dry dock, cruise terminal, and warehouse operations.

Brooklyn-Port Authority Marine Terminal

The Brooklyn-Port Authority Marine Terminal currently extends from Pier 7 at Atlantic Avenue to Pier 12 and includes the Atlantic Basin with waterfront access along the Buttermilk and East River Channels, and together with the Red Hook Container Terminal described below, includes approximately 122 acres, of which approximately 23 acres is pier shed space. Piers 11 and 12 are leased by the Port Authority to the New York City Economic Development Corporation ("NYCEDC") for a term expiring on December 31, 2029, with the Port Authority and NYCEDC having certain options to extend the lease through 2058. The Brooklyn Cruise Terminal is located at Pier 12.

On December 18, 1979, the Port Authority entered into an agreement with the City of New York and the State of New York related to a container terminal (the "Red Hook Container Terminal") which today comprises a portion of the existing Brooklyn-Port Authority Marine Terminal, including Piers 9A and 9B and related upland area, and approximately 22 acres of upland area which is owned by the City of New York. Under the agreement, the Port Authority is responsible for the Red Hook Container Terminal for a term expiring in 2031. The construction of a berth extension and the performance of certain terminal improvements at the Red Hook Container Terminal has been allocated against moneys made available through the Regional Economic Development Program (see Note H (Regional Facilities and Programs) in Appendix A hereto). A private terminal operator now manages the container terminal pursuant to an

Operating Agreement with a base term expiring on September 30, 2023 and one 5 year extension option on mutually agreeable terms expiring September 30, 2028 if exercised. This agreement covers the 66 acres of the Red Hook Container Terminal as well as 30 acres at Port Newark which supports a container-on-barge service between the two locations. Two Port Authority owned container barges with a combined carrying capacity of 870 twenty foot equivalent units (TEUs) and two mobile harbor gantry cranes support this service.

Under the terms of the December 1979 agreement, as revised by a supplemental agreement effective in September 1986, net revenues after payment of annual operating expenses are to be shared equally by the Port Authority and the City of New York.

Howland Hook Marine Terminal

The Howland Hook Marine Terminal, in Staten Island, N.Y., is leased to the Port Authority by the City of New York for a term expiring in 2058. This facility presently occupies 311 acres. The facility is used for a container terminal and interconnects with the ExpressRail Staten Island facility. Regular rail service is provided between this terminal and the national freight rail system through interchanges constructed by the Port Authority at the Garden State Secondary rail freight line in the vicinity of Elizabeth, N.J. As part of the effectuation of such rail freight services, effective August 1, 2003, the Port Authority and the New Jersey Department of Transportation entered into an agreement providing for the Port Authority to lease (for a term of 50 years with one 49-year 11-month renewal option) certain parcels of railroad property located in Union County, N.J., with the Port Authority to assume certain maintenance obligations for the leased trackage during the term of the lease. The agreement allows for the Consolidated Rail Corporation (“Conrail”) to provide rail service to and from Howland Hook.

ExpressRail

Beginning in 1991, the Port Authority has developed its original rail facilities to support efficient rail movements to and from its major container terminal facilities. The resulting ExpressRail system consists of four separate on/near dock intermodal rail terminals located in Elizabeth, Newark, and Jersey City, N.J. and Staten Island, N.Y., which connect the marine terminals to the national freight rail network. The ExpressRail facilities were designed to reduce the Port’s reliance on trucks to transport cargo and expand its geographic cargo reach to inland hubs. With 37 working tracks, ExpressRail provides dependable on-time performance, extended schedules, and same-day transfers between ship and rail. Since 1991, when the first terminal opened in Elizabeth, the Port Authority has invested approximately $600 million to expand the ExpressRail network and supporting infrastructure to ensure efficient transfer of cargo between the Port Authority’s major container terminal facilities and inland markets. The ExpressRail facilities are served by Conrail, which is jointly owned by the Class 1 railroads CSX Corporation and Norfolk Southern. Utilizing this operating structure, Conrail provides local intermodal switching and operational support in the Port area. Conrail connects directly to the CSX and Norfolk Southern mainlines allowing the Port to serve inland markets primarily in the Midwest, Ohio Valley, New England, Eastern Canada and elsewhere in a timely, efficient, and environmentally friendly manner. The ExpressRail system has the capacity to handle 1.5 million lifts a year.

Channel Improvement Projects

Throughout the years, the Port Authority has undertaken various channel improvements, some in conjunction with the Corps, that support and benefit the Port Authority’s marine terminal facilities, enhancing the ability of modern deep-draft containerships to navigate to the Elizabeth-Port Authority Marine Terminal, portions of Port Newark, the Howland Hook Marine Terminal, and the Port Jersey-Port

Authority Marine Terminal. In 2016, the Corps substantially completed deepening the federal channels serving these facilities to 50 feet (and to 53 feet in the Ambrose Channel).

The Corps is also proceeding into the preliminary engineering and design ("PED") phase of a project to deepen the Gravesend Anchorage (the "Anchorage") from 47 feet to 50 feet, in order to accommodate deep-draft vessels using the 50-foot-deep channels. The Port Authority has agreed to fund the non-federal portion of the PED phase, for approximately $375,000. Funding for construction of the Anchorage is subject to additional authorization by the Port Authority Board of Commissioners and necessary appropriation by the Congress of the United States.

In June 2022, the Chief Engineer for the Corps accepted a feasibility report (the "Report") resulting from a Harbor Deepening and Navigation Channel Improvement study conducted by the Port Authority and the Corps, which investigated additional navigation improvements (including deepening to a depth of 55 feet) to certain federal channels serving the Port facilities that will be needed to accommodate the ultra-large ships that have begun to call at the Port. The proposed project was authorized by the Congress of the United States in December 2022. Federal funds have been appropriated for the PED phase. Project construction would require necessary appropriation by the Congress of the United States and both inclusion in a future capital plan of the Port Authority and authorization by the Port Authority Board of Commissioners of expenditures therefrom to cover the non-federal portion.

Waterfront Development

Pursuant to legislation enacted in 1984 by the States of New York and New Jersey, the Port Authority is authorized to participate, in conjunction with affected municipalities, in effectuating certain mixed-use waterfront development projects in each of the States, initially, at a legislatively designated site in the City of Hoboken, N.J., and a legislatively designated site in the Hunters Point section of Long Island City in the Borough of Queens in New York City. The Port Authority may undertake such mixed-use waterfront development projects, including site preparation and other work necessary for the effectuation of the overall development program and to facilitate private sector investment in connection therewith, consistent with agreements with the holders of Consolidated Bonds, including those pertaining to the financing of additional facilities.

Hoboken South Waterfront Development Facility

On August 16, 1995, the Port Authority and the City of Hoboken entered into a municipal development agreement with respect to the development of a mixed-use waterfront development project at the legislatively designated site in the City of Hoboken. On November 30, 2000, the Board of Commissioners authorized an increase in the Port Authority's commitment with respect to this facility, bringing the Port Authority's total commitment to $128,000,000.

Queens West Waterfront Development Facility

In October 1992, the Port Authority, the Empire State Development Corporation ("ESDC"), the City of New York, and NYCEDC entered into a municipal agreement with respect to the development of a mixed-use waterfront development project at the legislatively designated Hunters Point site (the "Municipal Agreement"). On November 30, 2000, the Board of Commissioners authorized an increase in the Port Authority's commitments with respect to this facility, bringing the Port Authority's total commitment to $190,000,000.

On October 19, 2006, the Board of Commissioners authorized the sale to the City of New York, or a local development corporation designated by the City, of approximately 24 acres of Port Authority-owned property in the southern portion of the Queens West Waterfront Development site, after determining that this property was no longer required for the purposes for which it was acquired. The Port Authority and NYCEDC entered into a Contract of Sale dated December 12, 2007, providing for the sale of this property for a purchase price equal to $100 million plus the amounts spent by the Port Authority with respect to the property between October 19, 2006 and the closing of the sale. On March 26, 2009, the Board of Commissioners authorized the amendment of the Contract of Sale to provide for the offset of a $100 million portion of the purchase price for this property against the Port Authority's commitment to fund certain projects in the Borough of Queens. On May 20, 2009, this property was sold to NYCEDC as assignee of the City.

Railroad Freight

New York and New Jersey Railroad Corporation

On April 30, 1998, the New York and New Jersey Railroad Corporation was established as a wholly owned entity of the Port Authority to effectuate rail freight projects, including rail freight access to marine terminal facilities. Rail freight services are provided between the Howland Hook Marine Terminal in Staten Island, N.Y., and the national rail system through interchanges that were constructed by the Port Authority at Conrail's Chemical Coast rail freight line in the vicinity of Elizabeth, N.J. (See "*Marine Terminals—Howland Hook Marine Terminal*" in this Section II.) The Commissioners of the Port Authority serve as the Directors of the New York and New Jersey Railroad Corporation, and Richard Cotton is its President.

New York New Jersey Rail, LLC

On September 18, 2008, the Port Authority acquired from Mid-Atlantic New England Rail, LLC 100% of the membership interests in New York New Jersey Rail, LLC ("NYNJ Rail"). NYNJ Rail is part of the National Railroad System and holds a Surface Transportation Board Certificate of Convenience and Necessity for the movement of freight by rail and rail barge across New York Harbor, by means of float bridges located at Greenville Yard, Jersey City, N.J. and 65th Street Rail Yard in Brooklyn, N.Y. NYNJ Rail operates the only rail car float in the New York Harbor, providing a link for the movement of freight in and out of the New York City market. NYNJ Rail also currently leases approximately 27 acres of Conrail's property in Jersey City, N.J., which is part of the Greenville Yard-Port Authority Marine Terminal and which functions as an interchange facility for freight to and from the national railroad system.

On December 29, 2010, NYNJ Rail acquired certain assets of the Port Jersey Railroad Company ("PJRC"), a New Jersey corporation, including (among other things) approximately 6 acres of land in Jersey City, N.J.; all of PJRC's interests in certain railroad easements; the railroad tracks and switches located on such land and such easements; and the right (subject to appropriate governmental approvals) to operate a shortline railroad over such tracks, servicing several warehouses in an area adjacent to the Port Jersey-Port Authority Marine Terminal and the Greenville Yard-Port Authority Marine Terminal. The acquisition of such assets facilitates the movement of shipping containers between the Port Jersey-Port Authority Marine Terminal and the Greenville Yard-Port Authority Marine Terminal.

Industrial Development

In 1978, in recognition of the loss of manufacturing jobs and plants in the Port District and its serious negative impact on the regional economy, the Port Authority was authorized by the States of New York and New Jersey to undertake a program of industrial development, including the construction and operation of industrial parks in the inner cities of the Port District. In March 1981, the Board of Commissioners authorized three initial industrial development projects, to be located in Elizabeth, N.J., in the Howland Hook section of Staten Island, N.Y., and in the Bathgate section of the Bronx, N.Y. (the Port Authority no longer has any interest in the development at the Bathgate site). The site in the Howland Hook section of Staten Island is presently part of the Howland Hook Marine Terminal. The development by the Port Authority of specific industrial development projects requires appropriate authorizations and certifications by the Board of Commissioners.

Port Authority Industrial Park at Elizabeth

The Port Authority Industrial Park at Elizabeth consists of a 12-acre site (which is a former landfill) in the City of Elizabeth, N.J., located at the southern end of the Port Newark/Elizabeth-Port Authority Marine Terminal complex, and is leased to private tenants.

Teleport

The Teleport, originally designed and operated as a regional satellite communications center, is located in a portion of New York City's Staten Island Industrial Park and was leased to the Port Authority by the City of New York in June 1984 for a term ending in May 2024. The lease is administered by NYCEDC on behalf of the City of New York. The Teleport's fiber optic network includes links to several Port Authority facilities including the World Trade Center site. The Port Authority entered into a ground lease with Teleport Associates, a joint venture of Murray Teleport Associates and Silverstein Teleport Company, in order to develop such office space at the Teleport comprising, approximately 286,000 square feet, in July 1985 for a term ending in March 2024. Teleport Associates subsequently assigned its leasehold interest for such office space to The Corporate Commons of Staten Island, LLC, a subsidiary of The Nicotra Group, LLC, in December 2008.

Essex County Resource Recovery Facility

The Essex County Resource Recovery Facility is a mass burn waste-to-energy plant in the City of Newark, N.J., constructed and operated by a private full-service vendor pursuant to a lease agreement and a service agreement with the Port Authority. The lease agreement expires December 31, 2032, and automatically renews for four five-year periods, unless the lessee elects not to renew. The service agreement expires December 31, 2032. The private full-service vendor is responsible for all capital and operating expense liability at the plant. Ground rent is based on a percentage of gross revenues at the Facility, with a minimum annual guaranteed payment. The facility serves over 20 municipalities and has a long-term contract with New York City's Department of Sanitation for approximately 40 percent of the plant's disposal capability.

Certain environmental matters with respect to the condition of the site, the operation of the plant by the private full-service vendor or the composition of solid waste delivered to the plant, the liability or cost for which is presently uninsurable and not amenable to guaranteed limitation, may give rise to costs to the Port Authority. On August 13, 2004, the EPA advised the private full-service vendor that the EPA deems the full-service vendor to be a "potentially responsible party" (under CERCLA) that may be jointly and severally liable for the EPA's clean-up costs at the Diamond Alkali Superfund Site, in Newark, N.J. The Port Authority may have certain indemnification obligations with respect to the full-service vendor.

Pre-development Site Acquisition Program

On October 11, 1984, the Board of Commissioners established the Pre-development Site Acquisition Program, a centralized program of up to $75,000,000 at any one time through which the Port Authority may acquire real property in connection with the development of additional facilities prior to the actual formal certification of these facilities.

Appropriate approvals would be obtained prior to the purchase of any property intended to form a part of this facility. As a project is formally certified as an additional facility, the real property attributable to such additional facility (including the costs associated with the acquisition of such real property) would be transferred to the newly-certified additional facility and the amounts available under this facility would be recalculated, as appropriate.

Regional Development

From time to time, at the request of the Governors of the States of New York and New Jersey, the Port Authority participates in certain programs that are deemed essential to the continued economic viability of the two states and the region. These programs, which are generally non-revenue producing to the Port Authority and are not generally expended at facilities owned or operated by the Port Authority, are addressed by the Port Authority in its budget and business planning process in the context of the Port Authority's overall financial capacity. The Port Authority does not expect to derive any revenues from such regional development facilities. See Note H (Regional Facilities and Programs) in Appendix A hereto. In the Port Authority's 2017-2026 Capital Plan (see "*2017-2026 Capital Plan*" in this Section II), the Port Authority has included $250 million for such projects, which includes, among other things, $150 million for the Moynihan Station Transportation Program (see "*Moynihan Station Transportation Program*" below).

Moynihan Station Transportation Program

On September 22, 2016, the Board of Commissioners authorized the Executive Director, on behalf of the Port Authority, to provide, at the request of the State of New York, a one-time financial contribution of $150 million to the State of New York, acting through New York State Urban Development Corporation d/b/a Empire State Development and/or its subsidiary Moynihan Station Development Corporation ("MSDC"), to advance the Moynihan Station Transportation Program, a project to redevelop the James A. Farley United States Post Office Building (together with its Western Annex, the "Farley Building") into a new transportation facility serving the New York and New Jersey region, to be known as Moynihan Station. The final installment of the $150 million was paid in July 2018. The Port Authority has also entered into an agreement with MSDC to provide certain consulting and management services in connection with the Phase II redevelopment. Moynihan Station opened to the public on January 1, 2021.

The Gateway Program

The Gateway Program is a multi-phase project to improve rail transportation infrastructure between Newark Penn Station and New York Penn Station (the "NJNY Rail Segment"). The current NJNY Rail Segment is capacity-constrained, aging and prone to chronic breakdowns, causing train delays and cancellations on a critical stretch of track used by New York and New Jersey commuters and Amtrak customers. The Port Authority has included in its 2017-2026 Capital Plan $2.7 billion in funding for debt service for the design and construction of a new rail tunnel under the Hudson River to relieve the existing tunnel so it can be repaired, with the new tunnel thereafter available for providing additional reliability and resiliency ("Tunnel Project").

Gateway Commission

In 2019, the legislatures of New York and New Jersey established a new public authority, the Gateway Development Commission ("Gateway Commission"), to lead the Gateway Program. Prior to the establishment of the Gateway Commission, the Port Authority had served as Project Sponsor for the Tunnel Project and continued to do so until October 31, 2022, when the Gateway Commission assumed that role. As Project Sponsor, the Gateway Commission is responsible for all purposes under federal law and will be the signatory of, and obligated party under, any full funding grant agreement in connection with the Tunnel Project. The Port Authority continues to provide procurement assistance and technical support to the Gateway Commission on a contractual basis. The Gateway Commission has since proceeded with plans to secure the funds necessary to proceed with the Gateway Program (including the Tunnel Project) from the federal government, and from the States of New York and New Jersey and Amtrak.

Port Authority Role in Gateway Program

The Port Authority has included $2.7 billion in its 2017-2026 Capital Plan to support the Gateway Program through funding of Gateway Commission's debt service payments on low-cost borrowing for the Gateway Program, once all other financing has been obtained for the project and subject to facility certification. The 2017-2026 Capital Plan states that "[t]he Port Authority's commitment is capped at the agreed principal amount and [the Port Authority] will not be the primary obligor, nor will it be liable for any construction completion, cost overrun or project funding risk" (see "*2017-2026 Capital Plan*" in this Section II). In July 2022, as contemplated pursuant to the Gateway Commission legislation, the States of New York, New Jersey and the Port Authority entered into a Memorandum of Understanding ("MOU") detailing the timing and source of funding for their respective commitments to the initial phase of the Gateway Program (in the case of the Port Authority, limited to the Tunnel Project, as described above). The MOU states that the Port Authority's funding commitment is limited to $2.7 billion, inclusive of any capitalized interest and credit risk premium amounts.

On February 15, 2018, the Board of Commissioners certified $79 million for the Gateway Early Work Program, consisting of the expenditures described in this paragraph, as an additional facility of the Port Authority, and further authorized the issuance of Consolidated Bonds for purposes which include capital expenditures in connection with such Gateway Early Work Program. Under the Gateway Early Work Program, the Port Authority has provided $35 million to reimburse Amtrak for a portion of the preliminary engineering and planning costs for the Gateway Program. In addition, under the Gateway Early Work Program, the Port Authority is advancing up to $31.5 million for operating expenses for the Gateway Program and $12.5 million for certain early works projects, with the understanding that Amtrak will provide equal funding. Support under the Gateway Early Work Program is being provided in the form of direct transfer of funds to Gateway Commission as well as in-kind procurement assistance and technical support.

Port Authority participation in the Gateway Program (other than the Gateway Early Work Program which was certified by the Board of Commissioners as described above) is subject to approval by the Board of Commissioners, consistent with statutory, contractual and other commitments of the Port Authority, including agreements between the Port Authority and the holders of its obligations.

The Port Authority expects that its debt service support payments will need to be paid from revenues derived from sources other than its airport operations. (see "*Air Terminals*" in this Section II).

Tunnel Project Status

On May 28, 2021, certain agencies of USDOT issued a FEIS, a Final Section 4(f) Evaluation, and a Record of Decision ("ROD") for the following portions of the Tunnel Project: (1) the new Hudson River Tunnel and (2) the rehabilitation of the existing North River Tunnel. Previously, the Hudson Yards Concrete Casing – Section 3 portion of the Tunnel Project had received federal approvals to move forward.

In March 2023, USDOT recommended federal fiscal year 2024 FTA grant funding for the Tunnel Project, although additional program requirements remain to be satisfied for receipt of federal funds. The Gateway Commission is undertaking efforts to receive USDOT loan financing for the Tunnel Project.

Additional Facilities, Capital Improvements and Certain Programs

The Port Authority is now engaged in providing various capital improvements to certain of its existing facilities and has undertaken studies for other such improvements and for other new construction and acquisitions, which are expected to require the issuance of obligations in addition to the Bonds or the provision of other capital funds by the Port Authority from time to time. These include, but are not limited to, improvements and construction outlined herein, and in some cases are in fulfillment of contractual commitments assumed by the Port Authority in leases and other agreements or are undertaken pursuant to existing legislation at the request of the two States. The estimated costs of improvements to Port Authority facilities have been revised from time to time to reflect cost increases attributable to, among other factors, lengthy strikes and other unforeseen construction delays, extraordinary inflationary increases in the cost of labor and materials, unanticipated claims by contractors, changes in project specifications and resolution of environmental matters and associated proceedings which arise during the course of construction, including those related to channel improvements and dredging. No attempt is made to enumerate all such improvements or projects under study by the Port Authority at the present time.

Certification in Connection with Additional Facilities

Agreements between the Port Authority and holders of currently outstanding Consolidated Bonds impose certain requirements on the Port Authority relative to the financing of any additional facility for the first time by Consolidated Bonds or other bonds sharing in the pledge of the General Reserve Fund. Before the Port Authority can issue any such obligations for purposes in connection with such an additional facility, it must first certify its opinion that such issuance will not, during a specified period, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds. Unless and until, having first made such certification, the Port Authority does in fact issue Consolidated Bonds or other bonds secured by the General Reserve Fund for purposes in connection with such an additional facility, neither the General Reserve Fund nor the Consolidated Bond Reserve Fund may be applied for purposes in connection with such additional facility.

Certain Additional Projects Under Study

The Port Authority presently has under study a number of additional projects or facilities. As stated above, no attempt is made to enumerate all projects under study by the Port Authority at the present time. The Port Authority is presently participating in evaluating certain projects or facilities under study with appropriate government officials and agencies in both States. In order for the Port Authority to undertake certain additional projects or facilities under study, in addition to authorization by the Board of Commissioners, appropriate legislation may be required and such projects could, if undertaken, involve capital expenditures by the Port Authority. Furthermore, in the case of additional facilities, no Port Authority capital funds are committed to capital projects without appropriate certifications and authorizations.

The Fund for Regional Development Buy-Out Obligation

In 1983, the Fund for Regional Development was established to sublease space in the World Trade Center previously held by the State of New York as tenant. The agreement among the States of New York and New Jersey and the Port Authority, which established the Fund for Regional Development, provided that net revenues from the subleasing of such space were to be accumulated subject to disbursements to be made upon the concurrence of the Governors of the States of New York and New Jersey. The assets, liabilities, revenues, expenses and reserves of the Fund for Regional Development were not consolidated with those of the Port Authority. In 1990, the Port Authority and the States of New York and New Jersey agreed to terminate the Fund for Regional Development. In consideration of the transfer of the interest of the Fund for Regional Development in such subleased space in the World Trade Center, the Port Authority agreed to make a series of 59 semiannual payments to the States of New York and New Jersey beginning in March 1992 and ending in March 2021 (see also Note D (Outstanding Financing Obligations)-subsection E (Fund for Regional Development Buy-Out Obligation) in Appendix A hereto). Such payments were payable in the same manner and out of the same revenues as operating expenses of the Port Authority. Pursuant to the terms of such 1990 agreement, effective March 1, 2004, the State of New York and the Empire State Development Corporation entered into an agreement providing, among other things, for the assignment to the Empire State Development Corporation of all rights to the March 1, 2004 payment and all subsequent semiannual payments to be made to the State of New York under such 1990 agreement. The cost to the Port Authority in connection with the termination of the Fund for Regional Development was approximately $430,500,000, which included the net present value of the payments to the States of New York and New Jersey of $326,000,000, the assumption of the Fund for Regional Development's net liabilities of $101,000,000 and additional liabilities of $3,500,000 to the State of New York as a result of the termination agreement. As of March 2021 this Fund for Regional Development Buy-Out Obligation is no longer outstanding.

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Information on Capital Investment in Certain Port Authority Facilities

	Facilities, net Dec 31, 2022	Capital Investment [(a)]	Depreciation (In thousands)	Dispositions	Facilities, net Mar 31, 2023
INTERSTATE TRANSPORTATION NETWORK					
George Washington Bridge & Bus Station	$ 1,742,520	$ 35,639	$ 17,426	$ -	$ 1,760,733
Holland Tunnel	619,552	12,829	6,912	-	625,469
Lincoln Tunnel	1,732,525	9,207	21,455	-	1,720,277
Bayonne Bridge	1,507,700	(13)	8,613	-	1,499,074
Goethals Bridge	1,456,266	271	11,062	-	1,445,475
Outerbridge Crossing	109,693	595	2,066	-	108,222
Port Authority Bus Terminal	606,417	15,528	8,659	-	613,286
Subtotal - Tunnels, Bridges & Terminals	7,774,673	74,056	76,193	-	7,772,536
PATH	3,443,656	71,370	35,466	-	3,479,560
WTC Transportation Hub	3,214,740	1,557	20,562	-	3,195,735
Journal Square Transportation Center	58,776	2,123	1,029	-	59,870
Subtotal - PATH	6,717,172	75,050	57,057	-	6,735,165
Ferry Transportation	72,728	-	1,249	-	71,479
Access to the Region's Core ("ARC")	30,227	-	-	-	30,227
Moynihan Transportation Station	99,128	-	2,500	-	96,628
Gateway Early Work Program	52,496	3,590	583	-	55,503
Total Interstate Transportation Network	14,746,424	152,696	137,582	-	14,761,538
AVIATION[(b)]					
LaGuardia[(c)]	2,931,115	29,943	37,801	-	2,923,257
JFK International	3,661,502	80,527	52,943	-	3,689,086
Newark Liberty International	4,631,438	60,181	42,433	-	4,649,186
Teterboro	201,196	392	3,489	-	198,099
New York Stewart International	140,322	60	2,942	-	137,440
Total Aviation	11,565,573	171,103	139,608	-	11,597,068
PORT DEPARTMENT					
Port Newark	721,455	2,766	7,845	-	716,376
Elizabeth Port Authority Marine Terminal	872,403	450	5,109	-	867,744
Brooklyn Port Authority Marine Terminal / Red Hook Terminal	74,316	2,513	802	-	76,027
Howland Hook Marine Terminal	425,354	(25)	2,589	-	422,740
Greenville Yard Port Authority Marine Terminal / NY NJ Rail LLC	186,000	535	1,366	-	185,169
Port Jersey-Port Authority Marine Terminal	473,642	1,399	3,688	-	471,353
Total Port	2,753,170	7,638	21,399	-	2,739,409
DEVELOPMENT					
Essex County Resource Recovery Facility	5,805	-	-	-	5,805
Industrial Park at Elizabeth	4,289	-	62	-	4,227
Teleport	1,780	2	384	-	1,398
Queens West Waterfront Development	80,793	-	144	-	80,649
Hoboken South Waterfront Development	50,937	-	594	-	50,343
Total Development	143,604	2	1,184	-	142,422
WORLD TRADE CENTER					
WTC Campus[(c)]	3,862,178	12,568	29,369	-	3,845,377
One World Trade Center	2,996,024	2,127	32,693	-	2,965,458
WTC Towers 2, 3 & 4[(d)]	2,581,699	380	19,643	-	2,562,436
WTC Retail LLC	1,628,101	(498)	11,570	-	1,616,033
Total World Trade Center	11,068,002	14,577	93,275	-	10,989,304
FACILITIES, net	40,276,773	346,016	393,048	-	40,229,741
LGA Terminal B landlord leasehold improvements	1,135,986	1,970	15,397	-	1,122,559
Total	$ 41,412,759	$ 347,986	$ 408,445	$ -	$ 41,352,300
REGIONAL FACILITIES & PROGRAMS	$ 14,907	$ -	$ 2,152	$ -	$ 12,755

[(a)] Capital investment includes contributed capital amounts and is reduced by capital write-offs.
[(b)] Facility capital investment amounts include projects funded with Passenger Facility Charges.
[(c)] Capital investment includes campus wide infrastructure primarily related to utilities, roadways, WTC Memorial, WTC Vehicular Security Center and the WTC Chiller Plant.
[(d)] Includes WTC net lessee required capital contributions related to the construction of WTC Towers 2, 3 and 4.

Significant Capital Projects
(as of March 31, 2023)*
(Dollars in Millions)

Facility	Project Name	Current Authorization/ Reauthorization	Mar-23 Total Expended
AVIATION			
JFK	JFK Redevelopment	03/2023	$600.0
JFK	Rehabilitation of Taxiways A and B East and Taxiways A and B South	11/2019	4.4
JFK	Replacement of Bergen and Van Wyck Electrical Substations and Switchgears at Central Substation	03/2019	69.1
JFK	Replacement of Fire Alarm Systems Phase I	05/2019	4.6
JFK	Replacement of Farmers Substation	02/2020	3.9
LGA	Terminal B Redevelopment	03/2016	3,410.3
LGA	Redevelopment of Terminals C and D	07/2016	436.8
LGA	New AirTrain LaGuardia	10/2019	90.0
EWR	New AirTrain Newark	10/2019	183.0
EWR	Redevelopment of Terminal A	02/2018	2,510.0
EWR	Rehabilitation of Runway 4R-22L**	11/2019	78.3
EWR	Terminal A Redevelopment Program - South Airfield Paving	12/2017	133.5
TEB	Rehabilitation of Runway 6-24**	06/2019	23.2

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* See footnote (*) to this chart.
**Project substantially completed in Q1 2023.

(Significant Capital Projects as of March 31, 2023 continued on next page)

Facility	Project Name	Current Authorization/ Reauthorization	Mar-23 Total Expended
INTERSTATE TRANSPORTATION NETWORK			
HT	Latent Salt Damage Repairs and Mitigation Program	02/2018	$149.2
LT	Access Infrastructure Improvements	03/2011	1,581.8
BB/GB/GWB HT/LT/OBX	Replacement of Toll Collection System	06/2016	140.3
HT/LT/GWB	Implementation of Cashless Tolling**	07/2019	148.7
GWB	Restoring the George Program - Replacement of Suspender Ropes	03/2014	549.0
GWB	Restoring the George Program - Rehabilitation of Center Ave and Lemoine Ave Bridge	03/2023	42.1
GWB	Restoring the George Program - Rehabilitation of Main Span Upper-Level Structural Steel - Phase II	04/2017	63.5
GWB	Restoring the George Program - Rehabilitation of Lower-Level Structural Steel	09/2019	43.2
GB	Construction of Interchange Ramps	07/2013	7.5
GB/OBX	Implementation of Cashless Tolling	06/2018	45.2
PABT	Replacement of Port Authority Bus Terminal - Planning	06/2021	122.8
PATH	Replacement and Upgrade of Harrison Station	03/2012	241.3
PATH	Infrastructure Repairs to Tunnels E and F between Exchange Place and World Trade Center Stations	09/2016	220.9
PATH	C-Yard Vehicle Storage Facility & Additional Track	10/2019	13.1
PATH	Replacement of Substation #8	06/2019	64.4
PATH	Preliminary Planning for PATH Rail Extension to Newark Liberty Rail Link Station	04/2017	51.4
PATH	Overhaul Program for PA-5 Railcars	12/2017	61.7
PATH	Expansion of Railcar Fleet	06/2018	72.6
PATH	Replacement of Substation #14	06/2019	62.2
PATH	Replacement of Tracks in Open Areas	06/2018	22.0
PATH	Restoration of Hoboken, Newport, Exchange Place and Grove Street Stations	09/2018	19.1
PATH	Replacement of Substation #2	07/2022	66.0
PATH	Fare Collection System Replacement	11/2021	31.2

**Project substantially completed in Q1 2023.

(Significant Capital Projects as of March 31, 2023 continued on next page)

Facility	Project Name	Current Authorization/ Reauthorization	Mar-23 Total Expended
PORT COMMERCE			
PN	Rehabilitation of Port Street Capacity and Corbin Street Ramps	10/2016	$36.8
PJPAMT	Rehabilitation of Berths E-1 and E-2	11/2022	20.6
GPAMT	Greenville Yard Program	09/2014	309.8

Explanation of Facility Abbreviations:

BB	Bayonne Bridge	LGA	LaGuardia Airport
EPAMT	Elizabeth — Port Authority Marine Terminal	LT	Lincoln Tunnel
EWR	Newark Liberty International Airport	OBX	Outerbridge Crossing
GB	Goethals Bridge	PATH	The Hudson Tubes Facility
GPAMT	Greenville Yard — Port Authority Marine Terminal	PABT	Port Authority Bus Terminal
GWB	George Washington Bridge	PJPAMT	Port Jersey—Port Authority Marine Terminal
HCMF	Harrison Car Maintenance Facility	PN	Port Newark
HH	Howland Hook	SWF	Stewart International Airport
HT	Holland Tunnel	TEB	Teterboro Airport
JFK	John F. Kennedy International Airport		

* Construction costs in connection with Port Authority facilities are subject, among other items, to the effects of national and regional economic conditions and the nature of governmental regulations with respect to transportation, security, commerce, energy, and environmental permits and approvals and environmental impact analyses. Additionally, resolution of environmental matters and associated proceedings which arise during the course of construction, including those pertaining to channel improvements and dredging, the costs for which are not presently quantifiable, may result in substantial delays in such construction and may give rise to substantially increased costs to the Port Authority. Projects provided through the issuance by the Port Authority of special project bonds, projects related to facility security, and projects pertaining to the World Trade Center site are not included within the definition of "Significant Capital Projects" for purposes of this chart. See also "*Impacts from the COVID-19 Pandemic*" in Section I hereof and "*2017-2026 Capital Plan*" in Section II hereof.

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SECTION III—BONDS, NOTES AND OTHER OBLIGATIONS

Consolidated Bonds

References to Consolidated Bonds herein are equally applicable to and include Consolidated Notes.

On October 9, 1952, the Port Authority adopted the Consolidated Bond Resolution establishing the issue of Consolidated Bonds. A copy of the Consolidated Bond Resolution is set forth at "*Consolidated Bond Resolution*" in this Section III. Each series of Consolidated Bonds is issued pursuant to the Consolidated Bond Resolution. The resolutions pertaining to the establishment and the authorization of the issuance of, and the authorization of the sale of, the Bonds are set forth at "*Resolution Establishing and Authorizing the Issuance of Certain Series of Consolidated Bonds – 2023*" in Section VI hereof. Each of such resolutions must be studied for a precise understanding of its provisions.

Establishment and Issuance

Consolidated Bonds are direct and general obligations of the Port Authority and the full faith and credit of the Port Authority are pledged to the payment of debt service thereon.

Consolidated Bonds may be issued from time to time in such series and installments (in addition to the Bonds) as the Port Authority may determine, but only for purposes for which the Port Authority is authorized by law to issue bonds secured by a pledge of its General Reserve Fund. So long as Consolidated Bonds presently outstanding are outstanding, Consolidated Bonds may be issued for purposes in connection with additional facilities (in addition to those for which the Port Authority has already issued bonds secured by a pledge of the General Reserve Fund) only if the Port Authority has first certified its opinion that such issuance will not, among other things, materially impair its ability to fulfill its undertakings to the holders of Consolidated Bonds.

The Port Authority may not issue any Consolidated Bonds (except such Consolidated Bonds issued to refund other Consolidated Bonds) except under one or another of three conditions, each of which requires that a certain future calendar year's debt service is met at least one and three-tenths (1.3) times by certain revenues. The method of computation of revenues and debt service and of the application of the conditions is set forth in Section 3 of the Consolidated Bond Resolution.

Security

All Consolidated Bonds, including any which may hereafter be issued, are equally and ratably secured by a pledge of the net revenues (as defined in the Consolidated Bond Resolution) of all existing facilities of the Port Authority and any additional facility which may hereafter be financed in whole or in part through the medium of Consolidated Bonds, in the manner and to the extent provided in Sections 4 and 5 of the Consolidated Bond Resolution. The prior liens and pledges with respect to certain of such net revenues in favor of General and Refunding, Air Terminal and Marine Terminal Bonds of the Port Authority referred to in Sections 4 and 5 of the Consolidated Bond Resolution have been satisfied.

All Consolidated Bonds are further secured by a pledge of the moneys in the Consolidated Bond Reserve Fund established by Section 7 of the Consolidated Bond Resolution, in the manner and to the extent set forth in said section, and by a pledge of the General Reserve Fund on an equal footing with other obligations of the Port Authority secured by a pledge of the General Reserve Fund, in the manner and to the extent provided in Section 6 of the Consolidated Bond Resolution.

Consolidated Bond Reserve Fund

A special fund is created by Section 7 of the Consolidated Bond Resolution as additional security for all Consolidated Bonds. Into this fund is to be paid the balance remaining of all net revenues (as defined in the Consolidated Bond Resolution), after deducting payment of debt service upon all Consolidated Bonds and such amounts as may be required to maintain the General Reserve Fund at its statutory amount. Consolidated Bonds have a first lien upon the net revenues (as defined in the Consolidated Bond Resolution) of all existing facilities of the Port Authority and any additional facility financed by Consolidated Bonds. The prior liens and pledges with respect to certain of such net revenues in favor of General and Refunding, Air Terminal and Marine Terminal Bonds of the Port Authority referred to in Sections 4 and 5 of the Consolidated Bond Resolution have been satisfied.

The moneys in the Consolidated Bond Reserve Fund may be accumulated or applied only to the purposes stated in Section 7 of the Consolidated Bond Resolution, which include the payment of debt service and retirement of Consolidated Bonds (with certain limitations) and certain other purposes. Such other purposes, so long as Consolidated Bonds presently outstanding are outstanding, must be related to bonds or notes secured by a pledge of the General Reserve Fund or facilities financed by such bonds or notes, but not necessarily related to Consolidated Bonds or facilities the net revenues of which are pledged in support of Consolidated Bonds. Moneys in the Consolidated Bond Reserve Fund are available for such other purposes, which include application to the payment of debt service on Versatile Structure Obligations, Commercial Paper Obligations, Institutional Loans and Variable Rate Master Notes.

No representation is made as to the future payments to be made from the Consolidated Bond Reserve Fund; however, the Consolidated Bond Reserve Fund is not available to pay debt service on Special Project Bonds.

Amortization

The manner and rate of retirement of each such series of Consolidated Bonds is specified in or pursuant to the resolution establishing such series.

If a series of Consolidated Bonds is to be issued for refunding purposes, and cannot be issued so as to meet one or another of the conditions of debt service coverage by net revenues set forth in Section 3 of the Consolidated Bond Resolution, the series resolution must specify the principal amount thereof to be retired during each year of the term of such series commencing not later than the eleventh anniversary of the series. Furthermore, in each such case, the schedule of retirement must be so arranged that the annual debt service during the term of retirement shall be level on one or another of three bases set forth in Section 8 of the Consolidated Bond Resolution, with ten percent (10%) variations permitted between the amounts of debt service for any two years in the schedule.

Except for series described in the preceding paragraph, there is no limitation on the Port Authority's power to arrange retirement of any series of Consolidated Bonds in any manner or amount at or before maturity except insofar as it may be necessary to arrange future debt service on such series in such a manner as to meet one or another of the conditions of debt service coverage by net revenues set forth in Section 3 of the Consolidated Bond Resolution.

Modifications

The Port Authority may from time to time and at any time, without authorization, consent or other action by any of the holders of Consolidated Bonds, modify or amend the Consolidated Bond Resolution, or any other resolution relating to Consolidated Bonds, but only for the purpose of curing any ambiguity or of curing or correcting any defective or inconsistent provision, or for any other purpose not inconsistent with the Consolidated Bond Resolution or with any other resolution relating to Consolidated Bonds; provided, that no such amendment shall alter or impair the obligation of the Port Authority, which is absolute and unconditional, to pay the principal and interest of any bond at the time and place and at the rate or amount and in the medium of payment prescribed therein, or shall alter or impair the security of any bond, or otherwise alter or impair any rights of any bondholder.

In addition, any of the terms or provisions of the Consolidated Bond Resolution (or of any resolution amendatory thereof or supplemental thereto) may be amended, repealed or modified in the manner set forth in Section 16 of the Consolidated Bond Resolution, for the purpose of modifying or amending in any particular any of the terms or provisions (including, without limiting the generality of the foregoing, any provisions regarding amortization and retirement) of any of the Consolidated Bonds or of any of the coupons pertaining thereto; provided, that no such amendment, repeal or modification shall alter or impair the obligation of the Port Authority, which is absolute and unconditional, to pay the principal and interest of any Consolidated Bond at the time and place and at the rate or amount and in the medium of payment prescribed therein, without the express consent of the holder of such bond.

General Reserve Fund

Statutory Authorization and Establishment

The General Reserve Fund was established pursuant to Chapter 5 of the Laws of New Jersey of 1931 and Chapter 48 of the Laws of New York of 1931, which have been amended and supplemented. The resolutions of the Board of Commissioners pertaining to the establishment of the General Reserve Fund (see "*Resolution Establishing General Reserve Fund*" in this Section III), the establishment of the issue of Consolidated Bonds (see "*Consolidated Bond Resolution*" in this Section III) and the establishment and authorization of the issuance of the Bonds (see "*Resolution Establishing and Authorizing the Issuance of Certain Series of Consolidated Bonds – 2023*" in Section VI hereof), constitute the entire agreement between the Port Authority and registered holders of the Bonds, including with respect to the General Reserve Fund; and the statutes relating to the General Reserve Fund and such resolutions govern the rights of such holders with respect to the purposes for which moneys in the General Reserve Fund may be applied and the limitations upon investment of such moneys.

Under the statutes authorizing the establishment and pledge of the General Reserve Fund ("General Reserve Fund Statutes"), in all cases where the Port Authority has raised or may raise moneys to finance or refinance its facilities by the issue and sale of bonds legal for investment, as limited and defined in the applicable statutes, the surplus revenues, as defined therein, from such facilities are required to be pooled by the Port Authority and applied to the establishment and maintenance of a General Reserve Fund in an amount equal to ten percent (10%) of the par value of all such outstanding bonds legal for investment, as so defined. The outstanding bonds and notes of the Port Authority, other than Port Authority Equipment Notes, Commercial Paper Obligations and Variable Rate Master Notes issued for certain purposes, are bonds legal for investment within the statutory definitions; also, all of the Port Authority's existing facilities have been financed in whole or in part by bonds legal for investment within the meaning of the General Reserve Fund Statutes. The Port Authority currently takes into account all outstanding bonds and notes in determining the funding of the General Reserve Fund.

Purposes for Which the Fund is Available

The General Reserve Fund Statutes permit the General Reserve Fund to be pledged in whole or in part by the Port Authority or applied by it to the repayment with interest of any moneys raised upon any such bonds legal for investment, and permit the Port Authority to apply such moneys in the General Reserve Fund to the fulfillment of any other undertakings assumed to or for the benefit of the holders of any such bonds.

Under the aforesaid agreement between the Port Authority and the registered holders of the Bonds, the Port Authority's power to use and invest the moneys in the General Reserve Fund at any time is curtailed within narrower limits than the maximum which the statutes permit. Application of the General Reserve Fund is by such agreement restricted to purposes in connection with bonds secured by a pledge of the General Reserve Fund, and except to the extent that the combined balances in certain debt reserve funds of the Port Authority (currently the General Reserve Fund and the Consolidated Bond Reserve Fund) may at the time exceed the amount necessary to meet the next two (2) years' debt service (computed as set forth in Section 6 of the Consolidated Bond Resolution) on all bonds then outstanding which are secured by a pledge of the General Reserve Fund, the Port Authority covenants (subject to certain prior pledges in connection with General and Refunding, Air Terminal and Marine Terminal Bonds, the debt service requirements on which the Port Authority has fully satisfied, when due, as scheduled) that General Reserve Fund moneys may not be used for any purpose if at the time there are any other moneys of the Port Authority available for that purpose and may not be used for the prepayment of debt service before due, and must be held in the form of cash or in obligations of (or guaranteed by) the United States. The Port Authority currently meets the two years' debt service test as described above.

Bonds Secured by Pledge of the General Reserve Fund

At the present time, the General Reserve Fund is pledged in support of all outstanding Consolidated Bonds and all Consolidated Bonds now or hereafter issued. The General Reserve Fund is not available to pay debt service on Special Project Bonds, Versatile Structure Obligations, Institutional Loans, Commercial Paper Obligations or Variable Rate Master Notes.

In connection with the pledge of the General Reserve Fund made in support of Consolidated Bonds, as aforesaid, the Port Authority has reserved the right to pledge the General Reserve Fund as security for any bonds, notes or other evidences of indebtedness whatsoever hereafter issued by the Port Authority as security for which it may at the time be authorized by law to pledge the General Reserve Fund and to use the moneys in the General Reserve Fund to fulfill any of its undertakings in connection with bonds, notes or other evidences of indebtedness secured by a pledge of the General Reserve Fund, except that the General Reserve Fund may not so long as Consolidated Bonds presently outstanding are outstanding be pledged in support of bonds or notes to be issued in connection with any additional facility (in connection with which the Port Authority has not previously issued bonds secured by such pledge) unless the Port Authority has first certified its opinion that such pledge will not, among other things, materially impair its ability to fulfill its undertakings to the holders of Consolidated Bonds.

All Consolidated Bonds are secured by a pledge of the General Reserve Fund on an equal footing and the Consolidated Bond Resolution provides that no greater rights in or to the General Reserve Fund may hereafter be granted to the holders of any other obligations than are now granted to the holders of the bonds issued pursuant to the Consolidated Bond Resolution.

Sources of Payments into the Fund

The surplus revenues of all facilities of the Port Authority are payable into the General Reserve Fund to the extent required by the General Reserve Fund Statutes. Certain of the facilities of the Port Authority operate at a deficit or do not generate surplus revenue.

Size of the Fund

The statutory amount of the General Reserve Fund, to the establishment and maintenance of which the Port Authority is required to apply the surplus revenues of its facilities financed or refinanced by bonds legal for investment, as defined in the General Reserve Fund Statutes, is ten percent (10%) of the par value of such bonds currently outstanding. The statutory amount has varied with the issuance and retirement of the various bonds upon the par value of which it is calculated. Through calendar year 2003, as of the close of each calendar year, the Port Authority determined such amount and applied any surplus revenues available therefor, to the extent required, to maintain the General Reserve Fund at its then statutory amount. Commencing in 2004, the Port Authority determined the statutory amount of the General Reserve Fund at the close of each calendar quarter and in 2006, in connection with monthly closings of the Port Authority's financial accounts the Port Authority began determining the statutory amount to the General Reserve Fund at the close of each calendar month, applying any surplus revenues available at such time, to the extent required, to maintain the General Reserve Fund at its then statutory amount, subject to reconciliation at the close of the calendar year.

On December 31, 1946, the statutory amount was $18,932,900 and payments into the General Reserve Fund on that date brought its balance up to that amount. On each December 31 thereafter, the General Reserve Fund was maintained at not less than its then statutory amount. The amount in the General Reserve Fund on March 31, 2023 was $2,553,416,679.

Anticipated Payments from the Fund

The Port Authority anticipates that certain payments will be made out of the General Reserve Fund from time to time to fulfill undertakings assumed to or for the benefit of the holders of bonds in support of which the General Reserve Fund has been pledged. As noted at "*Purposes for Which the Fund is Available*," the General Reserve Fund is applicable, if necessary, to fulfill undertakings assumed to or for the benefit of the holders of bonds of the Port Authority legal for investment, including those undertakings incurred by the Port Authority in connection with the existing facilities of the Port Authority. No representation is made as to the future payments to be made from the General Reserve Fund. The General Reserve Fund is not available to pay debt service on Special Project Bonds, Versatile Structure Obligations, Institutional Loans, Commercial Paper Obligations or Variable Rate Master Notes.

Rate Powers and Covenants

As a result of legislation contained in Chapter 47 of the Laws of New York of 1931 and Chapter 4 of the Laws of New Jersey of 1931; in Chapter 802 of the Laws of New York of 1947 and Chapter 43 of the Laws of New Jersey of 1947; in Chapter 209 of the Laws of New York of 1962 and Chapter 8 of the Laws of New Jersey of 1962; and in Chapter 651 of the Laws of New York of 1978 and Chapter 110 of the Laws of New Jersey of 1978, the two States covenanted with each other and with the holders of any bonds of the Port Authority which may be secured by its General Reserve Fund (including Consolidated Bonds) that the two States will not diminish or impair the power of the Port Authority to establish, levy and collect tolls, rents, fares, fees or other charges in connection with any facility owned or operated by the Port Authority, the revenues of which shall have been pledged in whole or in part as security for such bonds. All present facilities of the Port Authority and the charges therefor are covered by these statutory covenants, so long as such bonds remain outstanding.

Under the 1962 and 1978 statutes, the States also have covenanted that they will not diminish or impair the Port Authority's power to determine the quantity, quality, frequency or nature of the service provided in connection with each such facility.

The Port Authority has covenanted with the holders of Consolidated Bonds to establish charges in connection with facilities the net revenues (as defined in the Consolidated Bond Resolution) of which are pledged as security for such bonds (all present Port Authority facilities) to the end that at least sufficient net revenues may be produced therefrom to provide for the debt service on all Consolidated Bonds, and in the event that such net revenues are insufficient to provide for the debt service on Consolidated Bonds, to make good any deficiency out of the General Reserve Fund or other available revenues, moneys or funds and for that purpose to establish charges in connection with facilities the surplus revenues of which are payable into the General Reserve Fund, which include all present Port Authority facilities, to the end that combined surplus revenues may be produced therefrom at least sufficient to cover debt service on Consolidated Bonds.

Port Authority Equipment Notes

On June 10, 1993, the Port Authority established an issue of special obligations known as Port Authority Equipment Notes. The Port Authority's equipment notes program presently provides, as a result of the November 18, 1999 modification, for the issuance of Port Authority Equipment Notes under agreements to be entered into with selected purchasers, in an aggregate principal amount at any one time outstanding not in excess of $250,000,000. Each series of Port Authority Equipment Notes is issued pursuant to the Port Authority Equipment Note Resolution.

The payment of the principal of and interest on Port Authority Equipment Notes shall be a special obligation of the Port Authority payable from the proceeds of obligations of the Port Authority issued for such purposes or from the same revenues and in the same manner as operating expenses of the Port Authority.

Proceeds of Port Authority Equipment Notes are authorized, subject to allocation to some but not all of the following purposes, to be used in connection with the purchase of Equipment (as defined in the Port Authority Equipment Note Resolution) by the Port Authority, to refund obligations issued by the Port Authority in connection with the purchase of Equipment and/or for incidental purposes, including certain costs of, and relating to, such Port Authority Equipment Notes.

Special Project Bonds

On June 9, 1983, the Port Authority established an issue of special limited obligations known as Special Project Bonds. Each series of Special Project Bonds is issued pursuant to the Special Project Bond Resolution.

Neither the full faith and credit of the Port Authority nor the General Reserve Fund or the Consolidated Bond Reserve Fund are pledged to the payment of interest on or the repayment of the principal of Special Project Bonds, which are underlying mortgage bonds within the meaning of the Consolidated Bond Resolution. Each series of Special Project Bonds is to be secured solely by a mortgage by the Port Authority, in favor of the holders of such bonds, of facility rental as set forth in a lease with respect to the project to be provided with the proceeds of such bonds, by a mortgage by the applicable lessee, in favor of the holders of such bonds, of the lessee's leasehold interests under the lease with respect to such project and by a security interest granted by the applicable lessee to the Port Authority and mortgaged by the Port Authority, in favor of the holders of such bonds, in certain items of the lessee's personalty to be located at such project, and such other security in addition to the foregoing as may be required by the Port Authority from time to time as appropriate to the particular project.

Special Project Bonds of any particular series may be issued only for the purpose of providing a single project for a lessee or for the purpose of refunding all or any part of a prior series of Special Project Bonds or a combination of such purposes. Each series of Special Project Bonds is to be issued under a separate resolution and may be issued in one or more installments as the Port Authority may determine.

There are currently no series of Special Project Bonds outstanding.

Versatile Structure Obligations

On June 11, 1992, the Port Authority established an issue of special obligations known as Port Authority Versatile Structure Obligations. The Port Authority's versatile structure obligations program, presently provides, as a result of the November 18, 1999 modification, for the sale of such obligations, from time to time, in one or more series. Each series of Versatile Structure Obligations is issued pursuant to the Port Authority Versatile Structure Obligations Resolution.

The payment of the principal of and interest on Versatile Structure Obligations shall be a special obligation of the Port Authority payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes or from net revenues as defined for purposes of Versatile Structure Obligations, deposited to the Consolidated Bond Reserve Fund, and, in the event such proceeds or net revenues are insufficient therefor, from other moneys of the Port Authority legally available for such payments when due. For purposes of Versatile Structure Obligations, "net revenues" are defined, with respect to any date of calculation, as the revenues of the Port Authority pledged under the Consolidated Bond Resolution and remaining after (i) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (ii) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (iii) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution.

Payment of the principal of and interest on Versatile Structure Obligations is subject in all respects to the payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and to the payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes. Versatile Structure Obligations, and the interest thereon, are not secured by or payable from the General Reserve Fund.

Proceeds of Versatile Structure Obligations are authorized, subject to allocation to some but not all of the following purposes, to be used (a) for purposes of, or with respect to the financing of, capital expenditures in connection with any one or more of the facilities of the Port Authority, provided, that subject to agreements with the holders of obligations of the Port Authority, all or any portion of the unspent proceeds of a series of Versatile Structure Obligations may be allocated to any purpose for which at the time of issuance of such series the Port Authority is authorized by law to issue its obligations, including for purposes of, or with respect to the financing of, capital expenditures in connection with additional facilities of the Port Authority certified or to be certified after issuance of such series, (b) for purposes of refunding, directly, by offers to exchange, or otherwise, all or any part of any bonds, notes or other obligations of the

Port Authority, and (c) for certain incidental purposes, including certain costs of, and relating to, such Versatile Structure Obligations.

The Port Authority shall not issue new Versatile Structure Obligations, for purposes other than to refund outstanding bonds, notes or other obligations of the Port Authority (other than Commercial Paper Obligations and Variable Rate Master Notes), if at the time of issuance of such new Versatile Structure Obligations, either: (a) the total principal amount of all bonds, notes or other obligations of the Port Authority outstanding as of such time of issuance, including the new Versatile Structure Obligations and excluding Consolidated Bonds, Special Project Bonds, Commercial Paper Obligations and Port Authority Equipment Notes, exceeds twenty-five percent (25%) of the total principal amount of all bonds, notes and other obligations of the Port Authority outstanding as of such time of issuance, including the new Versatile Structure Obligations and excluding Special Project Bonds, Commercial Paper Obligations and Port Authority Equipment Notes; or (b) net revenues (computed as hereinafter set forth) of the Port Authority for any period of twelve (12) consecutive months during the thirty-six (36) month period preceding such time of issuance shall not have amounted to at least one and fifteen one-hundredths (1.15) times the prospective debt service (computed as hereinafter set forth) for the calendar year after such time of issuance, for which the combined debt service (so computed) upon all obligations outstanding as of such time of issuance which are secured by or payable from net revenues, including the new Versatile Structure Obligations and excluding Commercial Paper Obligations, would be at a maximum. In calculating such prospective debt service there may, at the Port Authority's option, be substituted for the actual prospective interest payable on any of such obligations secured by or payable from net revenues of the Port Authority, including the new Versatile Structure Obligations, prospective interest on any of such obligations, as follows: in the event that any of such obligations (i) bears interest at a fixed interest rate and has a remaining term to maturity of less than three (3) years from such time of issuance, then the interest rate on such obligation shall be deemed to be the higher of the interest rate on such obligation as of such time of issuance and the interest rate on the most recent series of Port Authority obligations with a term to maturity of at least thirty (30) years, or (ii) bears interest on the basis of an interest payment schedule providing for payments less frequently than annually, then the interest rate on such obligation shall be deemed to be the interest rate equal to the yield to maturity of such obligation as of such time of issuance, or (iii) bears interest at a variable interest rate, then the interest rate on such obligation shall be deemed to be the higher of the rate as published in the Revenue Bond Index of *The Bond Buyer* in effect as of such time of issuance (and in the event such Revenue Bond Index is not published as of such time of issuance, then such rate determined on the basis of a comparable index selected in the sole discretion of the Committee on Finance of the Board of Commissioners) and the average interest rate on such obligation for the twelve (12) calendar months preceding such time of issuance (and in the event such obligation has not been outstanding for a full twelve (12) calendar months preceding such time of issuance, then such average interest rate determined on the basis of the period of time during which such obligation has been outstanding), or (iv) is associated with an interest rate exchange contract, then the interest rate on such obligation shall be deemed to be the effective interest rate for such obligation determined by reference to such interest rate exchange contract, or (v) is convertible from one interest rate mode to another, then the interest rate on such obligation shall be deemed to be the interest rate in effect as of such time of issuance. In addition, in calculating such prospective debt service, in the event that any of such obligations secured by or payable from net revenues of the Port Authority, including the new Versatile Structure Obligations, has (i) a term to maturity from such time of issuance of less than three (3) years or (ii) no stated periodic repayment schedule, there may at the Port Authority's option be substituted for the actual prospective debt service upon any of such obligations, the debt service which would be payable if such obligation was forthwith refunded by a series of Versatile Structure Obligations having the following characteristics: maturity — thirty (30) years from the time of issuance of the new Versatile Structure Obligations; interest — at the rate of interest determined in accordance with the provisions of the immediately preceding sentence and payable semiannually beginning six (6) months from such time of issuance; amortization — in such annual amounts as would be required to retire the principal amount of such obligation by the thirtieth anniversary of such time of issuance if such annual retirement were effected at par at each anniversary of such time of issuance and if the annual debt service thereon would be equal for all years thereafter until the thirtieth anniversary of such time of issuance.

Net revenues (as defined in the Consolidated Bond Resolution) for purposes of the above calculation may include in the case of fare and tolls increases adopted by the Port Authority which have not yet been put into effect or have not been in effect for a full year, the additional net revenues estimated by the Port Authority to be derived annually from such increases.

Additionally, net revenues (as defined in the Consolidated Bond Resolution) for purposes of the above calculation may also include, in the case of facilities (including additions or improvements to facilities) which have not been in operation, in each case during the entire period of the twelve (12) consecutive months selected for the purposes of such calculation (including facilities under construction as of such time of issuance of the new Versatile Structure Obligations or which are to be acquired, established or constructed by the Port Authority), the average annual net revenues which the Port Authority estimates will be derived from each of such facilities during the first thirty-six (36) months of operation thereof after such time of issuance; provided, however, that debt service on all additional obligations estimated to be issued to complete such facilities prior to the date any such facilities (including the addition or improvement thereto) become fully operational, is included in calculation of prospective debt service; and provided, further that the amount of any net revenues attributable to estimates described in this paragraph shall in no event exceed twenty-five percent (25%) of the net revenues of the Port Authority including any net revenues attributable to estimates of fare and tolls increases as aforesaid.

In the event that the new Versatile Structure Obligations are issued solely for the purpose of refunding bonds, notes or other obligations of the Port Authority (other than Commercial Paper Obligations and Variable Rate Master Notes), then no calculations shall be required. In the event that the new Versatile Structure Obligations are issued in part for purposes of refunding bonds, notes or other obligations of the Port Authority (other than Commercial Paper Obligations and Variable Rate Master Notes), then no calculations shall be required to include the principal amount of such new Versatile Structure Obligations allocated to refunding bonds, notes or other obligations of the Port Authority (other than Commercial Paper Obligations and Variable Rate Master Notes) or the prospective debt service associated therewith.

Commercial Paper Obligations

On September 9, 1982, the Port Authority established an issue of special obligations now known as Port Authority Commercial Paper Obligations. The Port Authority's commercial paper program presently provides for Commercial Paper Obligations to be issued in three separate series known as Series A, Series B and Series C. Port Authority Commercial Paper Obligations are currently issued under the resolution of the Board of Commissioners adopted on October 29, 2020, which authorizes their issuance through December 31, 2025.

Under the October 29, 2020 resolution, the total aggregate principal amount of all Port Authority Commercial Paper Obligations outstanding at any one time may not exceed $750,000,000, with the total aggregate principal amount of each series that may be outstanding at any one time not to exceed $250,000,000. Pursuant to the resolution adopted on November 17, 2022 pertaining to the Special Obligation Institutional Loan Program, the Port Authority established a limit on the total amount of obligations that may be outstanding at any one time under the Special Obligations Institutional Loan Program, taking into account the amount of Commercial Paper Obligations outstanding at the time of calculation (see "Special Obligation Institutional Loan Program", below).

Proceeds of Commercial Paper Obligations of each series are authorized to be allocated to capital projects in connection with certain facilities of the Port Authority and for purposes of refunding certain obligations of the Port Authority.

The payment of the principal of and interest on Commercial Paper Obligations shall be a special obligation of the Port Authority payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes or from net revenues as defined for purposes of Commercial Paper Obligations, deposited to the Consolidated Bond Reserve Fund, and, in the event such proceeds or net revenues are insufficient therefor, from other moneys of the Port Authority legally available for such payments when due. For purposes of Commercial Paper Obligations, "net revenues" are defined, with respect to any date of calculation, as the revenues of the Port Authority pledged under the Consolidated Bond Resolution and remaining after (i) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (ii) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (iii) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution.

Payment of the principal of and interest on Commercial Paper Obligations is subject in all respects to the payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and to the payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes. Commercial Paper Obligations, and the interest thereon, are not secured by or payable from the General Reserve Fund. Commercial Paper Obligations, and the interest thereon, are secured by and are payable from the Consolidated Bond Reserve Fund. To increase the availability of sufficient liquidity for the Port Authority to pay the maturing principal amount of Series A Notes, Series B Notes and Series C Notes, and the interest due at maturity, the Port Authority has entered into liquidity facilities for each of Series A, Series B and Series C, respectively.

Special Obligation Institutional Loan Program

On November 17, 2022, the Board of Commissioners adopted a resolution establishing the Special Obligation Institutional Loan Program, which provides for the issuance of alternative debt instruments to borrow funds from financial institutions (including banks) (a) when and so long as a line of credit or revolving credit facility (together with any loan deemed to have been entered into in the event of the failure to repay any drawing thereunder, a "Bank Line") is determined by the Treasurer to be more efficient and cost effective than the Port Authority's Commercial Paper Program in providing liquidity support for the Authority's capital program and (b) when and so long as a term loan ("Bank Loan"), is determined by the Treasurer to be more efficient and cost effective than issuing a like amount of Consolidated Bonds. Any Bank Line would be limited to five years. No Bank Loan would have a term in excess of fifteen years and could bear interest at a fixed or variable rate (or either, from time to time, during the term.)

Under the November 17, 2022 resolution, the total maximum amount that may be outstanding at any time under the Special Obligation Institutional Loan Program is limited to $1,250,000,000, calculated by adding the following items in existence at the time of calculation (without duplication): (i) the principal amount of outstanding Commercial Paper Notes; *plus* (ii) outstanding amounts under liquidity facilities pertaining to Commercial Paper Notes; *plus* (iii) outstanding amounts drawn under Bank Lines; *plus* (iv) the outstanding principal amount of any Bank Loans.

On January 20, 2023, the Port Authority entered into two separate Revolving Credit Agreements, each establishing a Bank Line, for a combined total of $750,000,000 available to draw thereunder, and used $501 million on January 24, 2023, to refund the principal and interest of all outstanding Commercial Paper Obligations as of such date.

A temporary, two-year $1 billion increase in the maximum short term borrowing capacity under the Special Obligation Institutional Loan Program was authorized on May 25, 2023, for the sole purpose of refinancing existing Consolidated Notes, Series AAA and for planned capital spending in the event that bond market disequilibrium makes it difficult or prohibitively costly to access the municipal bond market in accordance with the Port Authority's customary practices.

The proceeds of any borrowing under the Special Obligation Institutional Loan Program are authorized to be allocated to the payment of expenses for, or investment in, facilities of the Port Authority or for purpose of refunding other obligations of the Port Authority.

The payment of the principal of and interest on any Bank Lines or Bank Loans (collectively, "Institutional Loans") entered into under the Special Obligation Institutional Loan Program, and any fees, costs or expenses or other obligations due pursuant to an Institutional Loan shall be a special obligation of the Port Authority, and shall be payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes, or from net revenues as defined for purposes of the Special Obligation Institutional Loan Program deposited to the Consolidated Bond Reserve Fund, and in the event such proceeds or net revenues are insufficient therefor, from other moneys of the Port Authority legally available for such payments when due. Such amounts shall not be payable from the General Reserve Fund, and the payment of such amounts shall be subject in all respects to (1) payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and (2) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes. For purposes of the Special Obligation Institutional Loan Program, "net revenues" are defined, with respect to any date of calculation, as the revenues of the Port Authority pledged under the Consolidated Bond Resolution and remaining after (x) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (y) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (z) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution. An Institutional Loan shall be secured through a pledge of assets of the Port Authority only to the extent permitted under the Consolidated Bond Resolution and applicable law.

Variable Rate Master Notes

On July 14, 1988, the Port Authority established an issue of special obligations now known as Port Authority Variable Rate Master Notes. The Port Authority's variable rate master notes program presently provides, as a result of the November 18, 1999 modification, for the issuance of Variable Rate Master Notes under agreements to be entered into with selected banks, trust companies and financial institutions, in an aggregate principal amount, at any one time outstanding not in excess of $400,000,000. Each series of Variable Rate Master Notes is issued pursuant to the Port Authority Variable Rate Master Note Resolution. The principal amount of each series of Variable Rate Master Notes presently outstanding is subject to prepayment at the option of the Port Authority or upon demand of the holders of the notes of such series.

The payment of the principal of and interest on Variable Rate Master Notes shall be a special obligation of the Port Authority payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes or from net revenues as defined for purposes of Variable Rate Master Notes, deposited to the Consolidated Bond Reserve Fund, and, in the event such proceeds or net revenues are insufficient therefor, from other moneys of the Port

Authority legally available for such payments when due. For purposes of Variable Rate Master Notes, "net revenues" are defined, with respect to any date of calculation, as the revenues of the Port Authority pledged under the Consolidated Bond Resolution and remaining after (i) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (ii) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (iii) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution.

Payment of the principal of and interest on Variable Rate Master Notes is subject in all respects to the payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and to the payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes. Variable Rate Master Notes, and the interest thereon, are not secured by or payable from the General Reserve Fund.

Proceeds of Variable Rate Master Notes are authorized, subject to allocation to some but not all of the following purposes, to be used (a) for purposes of, or with respect to the financing of, capital expenditures in connection with any one or more of the facilities of the Port Authority, provided, that subject to agreements with the holders of obligations of the Port Authority, all or any portion of the unspent proceeds of any note may be allocated to any purpose for which at the time of issuance of such note the Port Authority is authorized by law to issue its obligations, including for purposes of, or with respect to the financing of, capital expenditures in connection with facilities of the Port Authority certified or to be certified after issuance of such note, (b) for purposes of refunding, directly, by offers to exchange, or otherwise all or any part of any issue of bonds, notes or other obligations of the Port Authority, and (c) for incidental purposes, including certain costs of, and relating to, such Variable Rate Master Notes.

General and Refunding, Air Terminal and Marine Terminal Bonds

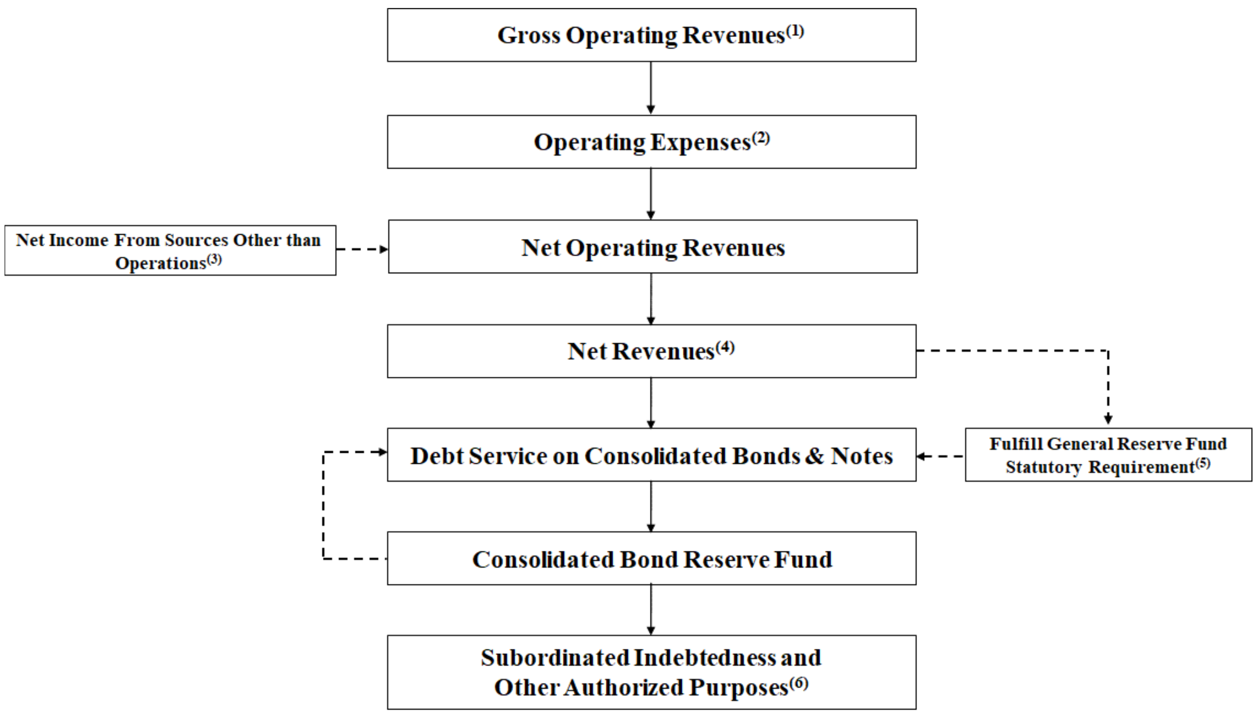
At the time of the adoption of the Consolidated Bond Resolution in 1952, the Port Authority had outstanding certain General and Refunding, Air Terminal and Marine Terminal Bonds. The Port Authority has fully satisfied, when due, as scheduled, all debt service requirements on all such prior lien bonds.

By the Consolidated Bond Resolution, the Port Authority covenanted that no additional General and Refunding, Air Terminal or Marine Terminal Bonds would be issued. It is the present intention of the Port Authority that Consolidated Bonds will be the only bonds secured by a pledge of the General Reserve Fund that will be used as a medium of financing the balance of its capital requirements or long-term refunding of outstanding Consolidated Bonds or of Consolidated Bonds hereafter issued.

Flow of Funds Chart

The following is a simplified graphic illustration of the flow of funds for the payment of Consolidated Bonds and other Port Authority obligations, as set forth in the Consolidated Bond Resolution of 1952. This chart, and the presentation of the information provided herein, is qualified in all respects by reference to the Consolidated Bond Resolution.

Flow of Funds



(1) Examples include but are not limited to tolls and fares, rentals, aviation fees, parking fees, flight fees, etc.

(2) Examples include but are not limited to employee compensation (including benefits), contract services, materials and equipment, rents and payments-in-lieu-of taxes (PILOTs), utility costs.

(3) Examples include but are not limited to financial income (including interest on investments) and certain money collected by the Port Authority, such as grants and Passenger Facility Charges ("PFCs"). See Section 1 of the Consolidated Bond Resolution – definition of "Income from Sources Other than Operation" for more detail.

(4) Defined in the Consolidated Bond Resolution, as used with reference to any facility or group of facilities, as the "net operating revenues thereof, together with all net income pertaining thereto derived from sources other than operation which may be pledged or applied to the payment of debt service upon bonds issued for purposes in connection with such facility or group of facilities."

(5) Maintain the General Reserve Fund in an amount equal to ten percent (10%) of the par value of all such outstanding bonds legal for investment, as so defined.

(6) The Consolidated Bond Reserve Fund may be used for the purposes set forth in Section 7 of the Consolidated Bond Resolution.

Resolution Establishing General Reserve Fund

(Adopted March 9, 1931, as amended May 5, 1932)

WHEREAS, by Chapter 48 of the Laws of New York of 1931 and Chapter 5 of the Laws of New Jersey of 1931, The Port of New York Authority is directed to pool all surplus revenues, as defined in said statutes, received by it from certain terminal and/or transportation facilities, and to apply such surplus revenues to the establishment and maintenance of a general reserve fund in an amount equal to one-tenth (1/10th) of the par value of all outstanding bonds of the Port Authority, legal for investment, as defined and limited in said statutes, and

WHEREAS, by the aforesaid statutes, The Port of New York Authority is authorized to pledge the moneys in said general reserve fund as security for the repayment with interest of any moneys heretofore or hereafter raised by it upon its bonds, legal for investment, as defined and limited in said statutes, and to apply said moneys to the fulfillment of any other undertakings heretofore or hereafter assumed to or for the benefit of the holders of any such bonds,

Now, THEREFORE, after due consideration had, it is

RESOLVED, that the General Manager be and he hereby is authorized and directed to establish and maintain the general reserve fund prescribed by Chapter 48 of the Laws of New York of 1931 and Chapter 5 of the Laws of New Jersey of 1931, and to do so as promptly as may be practicable, and it is further

RESOLVED, that The Port of New York Authority hereby irrevocably pledges the said general reserve fund and all moneys which may be or become part thereof as security for the repayment with interest of moneys heretofore or hereafter raised by it upon bonds, legal for investment as defined and limited in said statutes, and as security for the fulfillment of any other undertakings heretofore or hereafter assumed by it to or for the benefit of the holders of such bonds, and it is further

RESOLVED, that the aforesaid pledge of the said general reserve fund and the moneys therein is made and shall be deemed to be made by The Port of New York Authority to induce investors and others to purchase its bonds, whether such bonds have heretofore been issued or shall be hereafter issued, and whether such bonds be purchased from The Port of New York Authority or from prior purchasers thereof, and it is further

RESOLVED, that the aforesaid pledge is made and shall be deemed to be subject to the right, which The Port of New York Authority hereby reserves to itself, to use the said general reserve fund or any part thereof, at any time, in its sole discretion, to meet, pay or otherwise fulfill any of its obligations under or in connection with the aforesaid bonds, or any of said bonds, including its obligations to pay interest and principal when due, and to make payments into sinking funds, and it is further

RESOLVED, that the said pledge is made and shall be deemed to be subject to the right, which The Port of New York Authority hereby reserves to itself, to pledge the said general reserve fund or any part thereof in its sole discretion, as security for the fulfillment of any obligations heretofore or hereafter assumed by it under or in connection with any other of its bonds whatsoever, by which is meant bonds other than those described, specified or mentioned in said Chapter 48 of the Laws of New York of 1931 and said Chapter 5 of the Laws of New Jersey of 1931 and to apply the said general reserve fund or any part thereof to the fulfillment of such obligations, the intent thereof being to reserve the right to use the said general reserve fund to support such other and additional bonds or types of bonds as the States of New York and New Jersey may hereafter determine or authorize, provided, that the right hereby reserved to pledge the said general reserve fund as security for such other bonds, not described, specified or mentioned in said statutes, and to apply the moneys therein to the fulfillment of obligations under or in connection with such bonds shall be exercised only if and to the extent that the said two States may hereafter authorize its exercise, and *provided*, *further*, that no greater rights in or to the said general reserve fund shall be granted to or conferred upon the holders of any other bonds of The Port of New York Authority than are hereby or are hereafter granted to or conferred upon holders of the bonds in support of which said general reserve fund is hereby pledged, and it is further

RESOLVED, that until otherwise directed by The Port of New York Authority, the moneys in said General Reserve Fund, shall be invested in such bonds, securities or other obligations of the States of New York and New Jersey, of New York and New Jersey municipalities, of the United States of America, and of The Port of New York Authority, as may be approved for investment by the Port Authority or a majority of the members of its Committee on Finance.

(NOTE: By resolution adopted September 22, 1932, it was provided that the resolution establishing the General Reserve Fund should be ineffective and inapplicable with respect to bonds or other obligations thereafter authorized or issued, unless thereafter especially made applicable to such new bonds or other obligations. By resolution adopted October 9, 1952, the foregoing resolution of March 9, 1931, as amended May 5, 1932, was further amended to conform to the provisions of Section 6 of the resolution of October 9, 1952 and the General Reserve Fund Resolution was made applicable to all Consolidated Bonds (see Section 6 (General Reserve Fund) of "*Consolidated Bond Resolution*" in Section III hereof)).

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Consolidated Bond Resolution

(Adopted October 9, 1952)

WHEREAS, by Chapter 48 of the Laws of New York of 1931, as amended, and Chapter 5 of the Laws of New Jersey of 1931, as amended, The Port of New York Authority (hereinafter called the Authority) has been authorized and empowered to establish and maintain a certain General Reserve Fund, and to pledge said fund as security for certain of its bonds or other securities or obligations, and

WHEREAS, there are now outstanding several issues of bonds of the Authority, which although secured by said General Reserve Fund, nevertheless differ as to form, security, terms and conditions, and

WHEREAS, the Authority has determined to authorize and establish an issue of Consolidated Bonds, and to use such Bonds (and the proceeds derived from the sale thereof) from time to time for the purpose of refunding bonds heretofore or hereafter issued and to serve as a unified medium for financing for any and all purposes for which the Authority is or shall be authorized to issue bonds secured by a pledge of the General Reserve Fund, to the exclusion of bonds of prior issues,

NOW, THEREFORE, after due consideration had, be it resolved by The Port of New York Authority:

SECTION 1. **Interpretation**.

As used in this resolution, the following words and phrases shall have the meanings hereinafter set forth unless the context shall clearly indicate that another meaning is intended:

The term "additional facilities" shall mean facilities other than the Holland Tunnel, the Lincoln Tunnel, the George Washington Bridge, the Bayonne Bridge, the Goethals Bridge, the Outerbridge Crossing, Port Authority Inland Terminal No. 1 (also known as the Port Authority Building), the New York Union Motor Truck Terminal, the Newark Union Motor Truck Terminal, the Port Authority Bus Terminal, La Guardia Airport, New York International Airport, Newark Airport, Teterboro Airport, the Port Authority Grain Terminal, Port Newark and the Hoboken-Port Authority Piers.

The term "bond" shall include a bond, a note and any other evidence of indebtedness.

The terms "bonds of prior issues" and "prior issues of bonds" shall mean General and Refunding Bonds issued pursuant to the Authority's Basic Resolution adopted March 18, 1935, as amended; Air Terminal Bonds issued pursuant to its Air Terminal Bond Resolution adopted June 18, 1948; Marine Terminal Bonds issued pursuant to its Marine Terminal Bond Resolution adopted November 23, 1948; General Reserve Fund Notes, Series X, issued pursuant to its resolution adopted November 8, 1951; General Reserve Fund Notes issued pursuant to its resolution adopted October 9, 1952; and Marine Terminal Notes issued pursuant to its resolution adopted August 14, 1952.

The term "Consolidated Bond Resolution" shall mean this resolution.

The term "Consolidated Bonds" shall mean bonds of the issue established by this resolution.

The term "debt reserve funds" shall mean the Consolidated Bond Reserve Fund established by Section 7 of this resolution, the General Reserve Fund and all other funds which the Authority is obligated to establish or maintain as security for or for the benefit of any of its bonds secured by a pledge of the General Reserve Fund, the moneys in which are available for the payment of debt service upon such bonds.

The term "debt service," as used with reference to bonds, shall mean the interest payable thereon and the amounts which the Authority is obligated by agreements with the holders of such bonds to pay or set aside for the amortization and/or retirement thereof.

The term "facility" shall mean one or more improvements, structures, projects, works, buildings or properties owned, leased or operated, or to be owned, leased or operated by the Authority, including such appliances, appurtenances and equipment as the Authority may deem necessary or desirable for the proper operation or maintenance thereof, except that the Holland Tunnel, the Lincoln Tunnel, the George Washington Bridge, the Bayonne Bridge, the Goethals Bridge, the Outerbridge Crossing, Port Authority Inland Terminal No. 1 (the Port Authority Building), the New York Union Motor Truck Terminal, the Newark Union Motor Truck Terminal, the Port Authority Bus Terminal, La Guardia Airport, New York International Airport, Newark Airport, Teterboro Airport, the Port Authority Grain Terminal, Port Newark and the Hoboken-Port Authority Piers shall each be deemed to be a separate facility.

The term "General Reserve Fund" shall mean the General Reserve Fund of the Authority authorized by Chapter 5 of the Laws of New Jersey of 1931 and Chapter 48 of the Laws of New York of 1931, as amended; and said statutes are hereinafter called the "General Reserve Fund Statutes."

The term "income from sources other than operation" shall include but not be limited to interest on investments, capital gains and any moneys collected by the Authority (or paid by others to meet its expenses, including debt service on its bonds, or to reimburse it for its payment of such expenses) pursuant to rights created or vested in the Authority by contract and/or statute.

The term "net operating revenues," as used with reference to any facility or group of facilities, shall mean the amount remaining after deducting the following amounts from the gross operating revenues thereof:

i. All expenses incurred for the operation, maintenance, repair and administration thereof (including renewals and replacements of and expenditures for equipment, and minor capital expenditures deemed necessary by the Authority for the proper and economical operation or maintenance thereof, and an appropriate allowance for depreciation of ancillary equipment, and debt service upon underlying mortgage bonds, and payments into reserves for operating or maintenance contingencies, all as computed in accordance with sound accounting practice), and

ii. In the case of a facility under operation by the Authority, a proper proportion of the general expenses of the Authority;

without allowance for depreciation other than of ancillary equipment, and without including any income from sources other than operation; *provided*, *however*, that in computing the aggregate amount of the aforesaid expenses for the purpose of this definition, there shall be excluded the amount of any such expenses which are paid (or reimbursed to the Authority) out of income from sources other than operation in case such income is not included in the net revenues of such facility or group of facilities.

The term "net revenues," as used with reference to any facility or group of facilities, shall mean the net operating revenues thereof, together with all net income pertaining thereto derived from sources other than operation which may be pledged or applied to the payment of debt service upon bonds issued for purposes in connection with such facility or group of facilities.

The term "outstanding," as used with reference to bonds of the Authority, shall include bonds held in any capacity by the Authority (as well as those held by others), and shall include bonds which the Authority may be obligated to issue and sell pursuant to a contract for the purchase thereof by and the sale thereof to the other party to such contract, but shall not include any past due bonds not presented for payment or any bonds called for redemption but not presented for redemption if the moneys for such payment or redemption shall have been duly provided; provided, however, that in the event the Authority shall enter into a contract with the holders of any of its bonds (hereinafter in this definition called "convertible bonds") to issue other bonds (hereinafter in this definition called "exchange bonds") and to exchange such convertible bonds for such exchange bonds upon the happening of specified events, then the convertible bonds shall be deemed outstanding until but not beyond the time at which such events shall have happened, and the exchange bonds shall be deemed outstanding beginning with but not prior to such time.

The term "refunding," as used with reference to bonds, shall mean the retirement and cancellation thereof, after their acquisition by the Authority (before, at or after maturity) either in exchange for other bonds or by payment, purchase or redemption with the proceeds of the sale of other bonds; and the term "refunded," as used with reference to bonds, shall mean the refunding thereof accomplished.

The term "short-term bonds" shall mean bonds which mature no more than three years from their date and which do not form part of a series of bonds which includes bonds which mature more than three years from their date.

The term "surplus revenues," as used with reference to any facility, shall mean the surplus revenues thereof as defined in the General Reserve Fund statutes.

The term "underlying mortgage bonds" in respect of a facility shall mean bonds secured by mortgage on or pledge of all or any part of the property constituting such facility.

SECTION 2. **Establishment and Issuance**.

An issue of bonds of the Authority to be known as "Consolidated Bonds" is hereby authorized and established. The bonds of said issue shall be direct and general obligations of the Authority and the full faith and credit of the Authority are hereby pledged for the prompt payment of the debt service thereon and for the fulfillment of all other undertakings of the Authority assumed by it to or for the benefit of the holders thereof. This resolution shall constitute a contract with the holders of such bonds.

Said Consolidated Bonds shall be issued only for purposes for which at the time of issuance the Authority is authorized by law to issue bonds secured by a pledge of the General Reserve Fund and only in such amounts as are permitted by Section 3 of this resolution. Said Consolidated Bonds shall be secured by revenues of the facilities of the Authority in the manner and to the extent provided in Sections 4 and 5 of this resolution and by the General Reserve Fund of the Authority in the manner and to the extent provided in Section 6 of this resolution and by the Consolidated Bond Reserve Fund in the manner and to the extent provided in Section 7 of this resolution.

Said Consolidated Bonds may be issued from time to time in such series as the Authority may hereafter determine. The bonds of each series may be issued in one or more installments as the Authority may hereafter determine.

All Consolidated Bonds constituting a particular series shall be uniform in respect of (a) dates of payment of interest, (b) place or places of payment of principal and interest, (c) medium of payment, (d) whether issuable as coupon bonds, or as registered bonds without coupons, or both, (e) provisions, if any, in respect of their exchangeability for bonds of different denominations, and of the interchangeability of coupon bonds and registered bonds without coupons, and (f) provisions, if any, for redemption and the terms and conditions thereof, *provided*, *however*, that bonds constituting a particular series may be made redeemable either in the direct or the inverse order of their maturities if such bonds have differing dates of maturity or by lot. All bonds constituting the whole or a part of a particular series and maturing on the same date shall be uniform in respect of interest rate or rates. All bonds of a series consisting only of bonds having the same date of maturity shall be uniform in respect of provisions, if any, in respect of amortization and retirement of bonds of such series.

Any resolution establishing a series or authorizing the issue of an installment of bonds of a series may contain terms and provisions not inconsistent with this resolution.

SECTION 3. **Limitations on Amount**.

The Authority shall not issue new Consolidated Bonds at any time unless one or another of the following four conditions shall exist, either (Condition 1) Unless the new Consolidated Bonds are to be issued (a) for the acquisition, rehabilitation or improvement of an additional facility or group of additional facilities which is or are in operation at the time of issuance of such bonds and/or (b) for the purpose of refunding bonds which constitute or are secured by a lien or charge upon the revenues of such additional facility or group of additional facilities and/or which constitute underlying mortgage bonds in respect of such additional facility or group of additional facilities; and unless the net revenues (computed as hereinafter set forth in this Section 3) derived from such additional facility or group of additional facilities during any period of twelve consecutive months selected by the Authority out of the thirty-six months next preceding such time of issuance shall have amounted to at least one and three-tenths times the prospective debt service (computed on the assumptions hereinafter set forth in this Section 3) for the calendar year after such time of issuance for which the combined debt service (so computed) upon the following bonds would be at a maximum, to wit:

i. The new Consolidated Bonds, and

ii. All Consolidated Bonds outstanding at such time of issuance which shall have been issued for purposes in connection with such additional facility or group of additional facilities not including, however, any bonds which the resolution authorizing the issuance of the new Consolidated Bonds shall specifically designate are to be refunded by the new Consolidated Bonds, *provided*, *however*, that if any of the bonds otherwise included under this subdivision ii shall have been issued for several purposes including but not restricted to purposes in connection with such additional facility or group of additional facilities (hereinafter in this paragraph called "multi-purpose bonds"), then only such proportion of such multi-purpose bonds shall be included under this subdivision ii in computing the aforesaid maximum prospective debt service as is equal to the ratio between (a) the principal amount of those multi-purpose bonds the proceeds of which the Authority shall determine have been expended for purposes in connection with the additional facility or group of additional facilities, plus those the proceeds of which the Authority shall estimate will be expended for purposes in connection with the additional facility or group of additional facilities and (b) the principal amount of all of such multi-purpose bonds;

or, in the alternate,

(Condition 2) Unless at the time of issuance of such new Consolidated Bonds the sum of the net revenues specified in the following subdivisions, i, ii, iii and iv (computed as hereinafter set forth in this Section 3) of all facilities upon the net revenues of which all Consolidated Bonds shall constitute a first lien and charge after the fulfillment of the purposes for which the new Consolidated Bonds are to be issued, to wit:

i. In the case of facilities which have been in operation during the entire period of thirty-six months next preceding such time of issuance, — the combined net revenues derived from all such facilities during any period of twelve consecutive months selected by the Authority out of the thirty-six months next preceding such time of issuance, plus

ii. In the case of facilities which have been in operation during the entire period of twelve months but not during the entire period of thirty-six months next preceding such time of issuance, — the net revenues derived from each such facility during any period of twelve consecutive months (which need not necessarily be the same for each such facility) selected by the Authority out of such period of operation, plus

iii. In the case of facilities which have not been in operation during the entire period of twelve months next preceding such time of issuance (including facilities under construction at such time or which are to be acquired, established or constructed with the proceeds of the sale of the new Consolidated Bonds), — the average annual net revenues which the Authority estimates will be derived from each of such facilities during the first thirty-six months after such time of issuance, but if in the opinion of the Authority any such facility will not be placed in operation until after such time of issuance, then as to each such facility, the average annual net revenues which the Authority estimates will be derived during the first thirty-six months of operation thereof after such time of issuance; *provided*, *however*, that no revenues estimated under this subdivision iii shall be included in the sum of all net revenues computed under this Condition 2 unless at the time of issuance of the new Consolidated Bonds there shall be in or available for payment into the General Reserve Fund an amount equal to the full amount prescribed in the General Reserve Fund statutes, calculated without the new Consolidated Bonds, and *provided*, further, that the amounts of any revenues estimated under this subdivision iii plus the amounts of any revenues estimated under the next following subdivision iv shall in no event exceed twenty-five per centum of the sum of all net revenues computed under the preceding subdivisions i and ii of this Condition 2, plus

iv. In the case of each capital improvement to any of such facilities if such capital improvement is either under construction at such time of issuance or has been completed less than twelve months prior to such time or, in case it has not yet been commenced, if the Authority has either issued bonds or has entered into a contract for the issuance of bonds or has authorized the issuance of the new Consolidated Bonds for the financing of all or part of such capital improvement, — the average annual amount which the Authority estimates that the net revenues of the facility to which such improvement appertains will be increased during the first thirty-six months after the completion of such improvement, over and above the amount of net revenues included for such facility in the foregoing subdivisions i, ii or iii of this Condition 2; *provided*, *however*, that no revenues estimated under this subdivision iv shall be included in the sum of all net revenues computed under this Condition 2 unless at the time of issuance of the new Consolidated Bonds there shall be in or available for payment into the General Reserve Fund an amount equal to the full amount prescribed in the General Reserve Fund statutes, calculated without the new Consolidated Bonds; and *provided*, further, that the amounts of any revenues estimated under this subdivision iv plus the amounts of any revenues estimated under the next preceding subdivision iii shall in no event exceed twenty-five per centum of the sum of all net revenues computed under the preceding subdivisions i and ii of this Condition 2, shall have amounted to at least one and three-tenths times the prospective debt service (computed on the assumptions hereinafter set forth in this Section 3) for the calendar year after such time of issuance for which the combined debt service (so computed) upon the following bonds would be at a maximum, to wit:

i. The new Consolidated Bonds,

ii. All Consolidated Bonds outstanding at such time of issuance not including, however, any bonds which the resolution authorizing the issuance of the new Consolidated Bonds shall specifically designate are to be refunded by the new Consolidated Bonds, and

iii. Additional Consolidated Bonds having annual debt service in amounts estimated by the Authority, if estimated revenues and/or estimated revenue increases in connection with any facility or capital improvement have been included under the next preceding subdivisions iii and/or iv in the computation of the sum of the net revenues under this Condition 2 in connection with the particular new Consolidated Bonds to be issued and if the Authority is of the opinion at the time of issuance of such new Consolidated Bonds that such additional Consolidated Bonds will be issued in connection with such facility or improvement and will be outstanding during the thirty-six months for which the revenues and/or revenue increases have been estimated under said subdivisions iii and/or iv;

or, in the alternate,

(Condition 3) Unless at the time of issuance of such new Consolidated Bonds the sum of the net revenues specified in the following subdivisions i, ii, iii and iv (computed as hereinafter set forth in this Section 3) in the case of all facilities the surplus revenues of which shall be payable into the General Reserve Fund after the fulfillment of the purposes for which the new Consolidated Bonds are to be issued, to wit:

i. In the case of facilities which have been in operation during the entire period of thirty-six months next preceding such time of issuance, — the combined net revenues derived from all such facilities during any period of twelve consecutive months selected by the Authority out of the thirty-six months next preceding such time of issuance, plus

ii. In the case of facilities which have been in operation during the entire period of twelve months but not during the entire period of thirty-six months next preceding such time of issuance, — the net revenues derived from each such facility during any period of twelve consecutive months (which need not necessarily be the same for each such facility) selected by the Authority out of such period of operation, plus

iii. In the case of facilities which have not been in operation during the entire period of twelve months next preceding such time of issuance (including facilities under construction at such time or which are to be acquired, established or constructed with the proceeds of the sale of the new Consolidated Bonds), — the average annual net revenues which the Authority estimates will be derived from each of such facilities during the first thirty-six months after such time of issuance, but if in the opinion of the Authority any such facility will not be placed in operation until after such time of issuance, then as to each such facility, the average annual net revenues which the Authority estimates will be derived during the first thirty-six months of operation thereof after such time of issuance; *provided*, *however*, that no revenues estimated under this subdivision iii shall be included in the sum of all net revenues computed under this Condition 3 unless at the time of issuance of the new Consolidated Bonds there shall be in or available for payment into the General Reserve Fund an amount equal to the full amount prescribed in the General Reserve Fund statutes, calculated without the new Consolidated Bonds; and *provided*, further, that the amounts of any revenues estimated under this subdivision iii plus the amounts of any revenues estimated under the next following subdivision iv shall in no event exceed twenty-five per centum of the sum of all net revenues computed under the preceding subdivisions i and ii of this Condition 3, plus

iv. In the case of each capital improvement to any of such facilities if such capital improvement is either under construction at such time of issuance or has been completed less than twelve months prior to such time or, in case it has not yet been commenced, if the Authority has either issued bonds or has entered into a contract for the issuance of bonds or has authorized the issuance of the new Consolidated Bonds for the financing of all or part of such capital improvement, — the average annual amount which the Authority estimates that the net revenues of the facility to which such improvement appertains will be increased during the first thirty-six months after the completion of such improvement, over and above the amount of net revenues included for such facility in the foregoing subdivisions i, ii or iii of this Condition 3; *provided*, *however*, that no revenues estimated under this subdivision iv shall be included in the sum of all net revenues computed under this Condition 3 unless at the time of issuance of the new Consolidated Bonds there shall be in or available for payment into the General Reserve Fund an amount equal to the full amount prescribed in the General Reserve Fund statutes, calculated without the new Consolidated Bonds; and *provided*, further, that the amount of any revenues estimated under this subdivision iv plus the amounts of any revenues estimated under the next preceding subdivision iii shall in no event exceed twenty-five per centum of the sum of all net revenues computed under the preceding subdivisions i and ii of this Condition 3,

shall have amounted to at least one and three-tenths times the prospective debt service (computed on the assumptions hereinafter set forth in this Section 3) for the calendar year after such time of issuance for which the combined debt service (so computed) upon the following bonds would be at a maximum, to wit:

i. The new Consolidated Bonds,

ii. All bonds outstanding at such time of issuance which are secured by a pledge of the General Reserve Fund, not including, however, any bonds which the resolution authorizing the issuance of the new Consolidated Bonds shall specifically designate are to be refunded by the new Consolidated Bonds, and

iii. Additional bonds secured by a pledge of the General Reserve Fund and having annual debt service in amounts estimated by the Authority, if estimated revenues and/or estimated revenue increases in connection with any facility or capital improvement have been included under the next preceding subdivisions iii and/or iv in the computation of the sum of the net revenues under this Condition 3 in connection with the particular new Consolidated Bonds to be issued and if the Authority is of the opinion at the time of issuance of such new Consolidated Bonds that such additional bonds will be issued in connection with such facility or improvement and will be outstanding during the thirty-six months for which the revenues and/or revenue increases have been estimated under said subdivisions iii and/or iv;

or, in the alternate,

(Condition 4) Unless such new Consolidated Bonds are to be issued for the purpose of refunding other Consolidated Bonds and/or bonds of prior issues.

The time of issuance of new Consolidated Bonds, as used in this Section 3, shall mean the time at which such bonds are delivered upon original issue to the initial purchaser thereof, *provided*, *however*, that if a contract is entered into by the Authority, prior to the delivery of such bonds, for their sale to and purchase by the other party to such contract upon original issue, in such event the time of issuance of such bonds, as used in this Section 3, shall mean the time at which such contract is entered into; and *provided*, further, that in the event the Authority is required by statute or contract to exchange any bonds for the new Consolidated Bonds upon the happening of specified events, then the time of issuance of the new Consolidated Bonds so to be exchanged, as used in this Section 3, shall mean the time at which such events shall have happened. The exchanges designated in the next preceding proviso clause shall not include exchanges of interim certificates or temporary bonds for definitive bonds evidencing the same debt and shall not include exchanges of bonds for bonds of other denominations evidencing the same debt. Nothing herein contained shall be construed to limit the right of the Authority to issue and deliver Consolidated Bonds at any time if any one of the above four numbered conditions in this Section 3 exists at the time of issuance as above defined notwithstanding that none of such conditions may exist at the time of delivery of such bonds if such time of delivery is subsequent to such time of issuance.

Whenever, in connection with the issuance of any new Consolidated Bonds, it is necessary for the purposes of this Section 3 to compute or estimate the amount of the net revenues of any facility or group of facilities, such net revenues shall be computed or estimated

(a) without deducting from the gross operating revenues any taxes, assessments or other governmental charges, or any other charges, which may have been paid in connection with such facility or group of facilities prior to their acquisition by the Authority, but which, in the opinion of the Authority or its General Counsel, the Authority would not have been required to pay had it been the owner or operator of such facility or facilities during the time for which such charges were levied or made;

(b) without deducting from gross operating revenues debt service upon underlying mortgage bonds which are to be refunded by the new Consolidated Bonds, and in the case of other underlying mortgage bonds without deducting the actual debt service thereon, but with the deduction (in substitution for such actual debt service) of the debt service (whether it be more or less than such actual debt service) which would have been payable or which would be payable upon such underlying mortgage bonds if they had the following characteristics: date — the first day of the period for which the computation or estimate of net revenues is to be made; maturity — thirty years from the assumed date; interest — at the same rate as borne by such underlying mortgage bonds and payable semi-annually beginning six months from their assumed date; amortization — in such annual amounts as would be required to retire the principal amount of the underlying mortgage bonds outstanding at the time of issuance of the new Consolidated Bonds or, in the case of estimated net revenues, to retire the maximum principal amount of the underlying mortgage bonds to be outstanding during the period for which the estimate of net revenues is to be made, by the thirtieth anniversary of such assumed date if such annual retirement were effected at par at each anniversary of such assumed date and if the annual debt service thereon would be equal for all years thereafter until such thirtieth anniversary; and

(c) without including in net income from sources other than operation any moneys collected or to be collected by the Authority (or paid or to be paid by others to meet its expenses or to reimburse it for its payment of such expenses) pursuant to rights created or vested in the Authority by contract and/or statute in excess of the average annual amount prescribed by such contract and/or statute to be so collected or paid during the fifteen years next succeeding the time of issuance of said new Consolidated Bonds in case such contract and/or statute prescribes a limitation on the annual amounts so to be collected or paid; but in case such contract and/or statute prescribes such a limitation in terms of percentages of annual deficits or expenses or valuations or other quantities, then said net revenues shall be computed or estimated without including in net income from sources other than operation any such moneys so collected or paid or to be collected or paid in excess of the sum derived by multiplying the average of the annual limiting percentages during such fifteen years by the amount of such deficits, expenses, valuations or other quantities during the twelve months for which such computation is to be made (or by the average annual amount of such quantities estimated for the thirty-six months for which such estimate is to be made).

In computing the aforesaid maximum prospective debt service upon any short-term bonds under any of the above Conditions 1, 2 or 3 of this Section 3, there may at the Authority's option be substituted for the actual prospective debt service upon such short-term bonds the debt service which would be payable if such short-term bonds were forthwith refunded by bonds having the following characteristics: maturity — thirty years from the time of issuance of the aforesaid new Consolidated Bonds; interest — at one and one-half times the rate upon such short-term bonds and payable semi-annually beginning six months from such time of issuance; amortization — in such annual amounts as would be required to retire the principal amount of the short-term bonds outstanding at such time of issuance (or, in the case of the new Consolidated Bonds if they are short-term bonds, the principal amount thereof to be issued) by the thirtieth anniversary of such time of issuance if such annual retirement were effected at par at each anniversary of such time of issuance and if the annual debt service thereon would be equal for all years thereafter until such thirtieth anniversary; *provided*, *however*, that if the new Consolidated Bonds are short-term bonds such substitution for their actual debt service shall not be made with respect to such portion thereof (designated by the Authority) the principal amount of which when added to the principal amount of all short-term bonds outstanding at the time of issuance of the new Consolidated Bonds and secured by a pledge of the General Reserve Fund (including any remaining portion of the new Consolidated Bonds but not including bonds to be refunded by the new Consolidated Bonds) shall result in an aggregate principal amount exceeding five per centum of the principal amount of all bonds outstanding at such time which are secured by a pledge of the General Reserve Fund (including all the new Consolidated Bonds and all other short-term bonds of the Authority so secured but not including any bonds to be refunded by the new Consolidated Bonds).

Prospective debt service upon any bonds shall be computed for the purpose of determining the calendar year for which such debt service will be at a maximum and the amount of such debt service for such year, within the meaning of this Section 3, upon the assumptions that the principal amount of such bonds will not be paid prior to maturity except in fulfillment of contractual obligations by the Authority to the holders thereof for the redemption thereof prior to maturity, and that in those cases such redemption will be effected at the latest date permitted by such agreement.

SECTION 4. **Pledge of Revenues**.

The payment of the debt service upon all Consolidated Bonds, regardless of the series or installment of which they form a part, and regardless of the dates of their issuance or maturity or the purposes for which issued, shall be secured equally and ratably by the net revenues of the Authority from each of the following:

i. The Holland Tunnel, the Lincoln Tunnel, the George Washington Bridge, the Bayonne Bridge, the Goethals Bridge, the Outerbridge Crossing, Port Authority Inland Terminal No. 1 (also known as the Port Authority Building), the New York Union Motor Truck Terminal, the Newark Union Motor Truck Terminal, the Port Authority Bus Terminal, La Guardia Airport, New York International Airport, Newark Airport, Teterboro Airport, the Port Authority Grain Terminal, Port Newark and the Hoboken-Port Authority Piers, and

ii. Any additional facilities, the establishment, acquisition, effectuation, construction, rehabilitation or improvement of which is financed or refinanced in whole or in part by the issuance of Consolidated Bonds;

and, except as otherwise provided herein, the net revenues of each of said facilities are hereby irrevocably pledged to the payment of the debt service upon all Consolidated Bonds as the same may fall due, and shall be applied as provided in Section 5 hereof, and all Consolidated Bonds shall constitute a lien and charge thereon.

The foregoing pledge and lien are, however, subject to and shall be subordinate to (but only to) the following prior pledges and liens:

(a) In the case of the revenues of the Holland Tunnel, the Lincoln Tunnel, the George Washington Bridge, the Bayonne Bridge, the Goethals Bridge, the Outerbridge Crossing, Port Authority Inland Terminal No. 1 (the Port Authority Building), the New York Union Motor Truck Terminal, the Newark Union Motor Truck Terminal, the Port Authority Bus Terminal and the Port Authority Grain Terminal, — to pledges heretofore made and liens heretofore created in favor of the aforesaid General and Refunding Bonds;

(b) In the case of the revenues of La Guardia Airport, New York International Airport, Newark Airport and Teterboro Airport, — to pledges heretofore made and liens heretofore created in favor of the aforesaid Air Terminal Bonds;

(c) In the case of the revenues of Port Newark, — to pledges heretofore made and liens heretofore created in favor of the aforesaid Marine Terminal Bonds.

Consolidated Bonds shall not be issued for any purpose in connection with any facility unless after the accomplishment of such purpose the debt service upon all Consolidated Bonds shall constitute a first lien and charge upon the net revenues of the Authority from such facility subject, however, to (but only to) the prior liens recited in the preceding paragraph.

SECTION 5. **Application of Revenues**.

Subject to the prior pledges and liens described in Section 4 of this resolution, all net revenues pledged as security for Consolidated Bonds shall be applied to the following purposes in the following order:

(a) To the payment of debt service upon all Consolidated Bonds;

(b) All remaining balances of net revenues pledged as security for Consolidated Bonds shall be paid into the Consolidated Bond Reserve Fund established by Section 7 of this resolution, except such amounts as may be necessary to maintain the General Reserve Fund in the amount prescribed by the General Reserve Fund statutes.

The pledge of net revenues made in Section 4 of this resolution (and the lien and charge of Consolidated Bonds upon such net revenues) shall be subject to the right of the Authority to make payments into the General Reserve Fund to the extent above provided in this Section 5, and to that extent only.

SECTION 6. **General Reserve Fund**.

The payment of the debt service upon all Consolidated Bonds, regardless of the series or installment of which they form a part, and regardless of the dates of their issuance or maturity or the purposes for which issued, shall be further secured equally and ratably by the General Reserve Fund; and the pledge thereof and of the moneys which may be or become part thereof, contained in the resolution of the Authority, adopted March 9, 1931, establishing said General Reserve Fund, as amended May 5, 1932, is hereby expressly extended to and made applicable to (and for such purpose the General Reserve Fund is hereby irrevocably pledged as security for) all Consolidated Bonds for the benefit of the holders thereof, in the manner and to the extent set forth in the aforesaid resolution of March 9, 1931, as amended May 5, 1932, *pari passu* with bonds heretofore issued by the Authority and with the holders of such bonds; *provided*, that nothing herein shall be construed to grant or confer greater rights in or to said General Reserve Fund upon the holders of Consolidated Bonds than are now granted or conferred upon the holders of the bonds of prior issues.

The foregoing pledge is subject to (but only to) the following separate rights which the Authority hereby reserves to itself:

(a) The right to pledge said General Reserve Fund as security for any bonds whatsoever hereafter issued by the Authority as security for which it may at the time be authorized by law to pledge the General Reserve Fund; and

(b) The right to use the moneys in said General Reserve Fund to meet, pay or otherwise fulfill any of the undertakings which it has assumed, does now assume by this resolution or shall hereafter assume to or for the benefit of the holders of any bonds as security for which said General Reserve Fund has heretofore been or is now pledged, or for which said General Reserve Fund may hereafter be pledged as above provided;

provided, that no greater rights in or to the General Reserve Fund shall hereafter be granted to or conferred upon the holders of any bonds now outstanding or any bonds hereafter issued than are granted to and conferred upon the holders of all Consolidated Bonds.

Except as provided in the next sentence of this paragraph, the moneys in the General Reserve Fund shall not be used for any purpose at any time if there are any other moneys of the Authority available for that purpose at such time, and shall not be used for the payment of debt service prior to the time when the interest, sinking fund payments, redemption prices, principal amounts and other items constituting such debt service shall be required to be paid or set aside by the Authority; and the moneys in said General Reserve Fund shall be deposited in such depositories as the Authority may designate or invested in obligations of or guaranteed by the United States. If, however, there shall at any time be in or available for payment into all debt reserve funds of the Authority an aggregate amount of moneys in excess of an amount equal to two years' debt service upon all those bonds of the Authority which are secured by a pledge of the General Reserve Fund and which are outstanding at that time, to the extent that such moneys in or available for payment into such debt reserve funds will be available to pay debt service upon such bonds during the ensuing twenty-four calendar months, then and in any such event such excess moneys may be used at such time for any purpose for which said moneys may be used under the General Reserve Fund statutes, whether or not there are other moneys available for that purpose; and such excess moneys may be deposited in such depositories as the Authority may designate or invested in bonds, notes or other obligations of or guaranteed by the United States, the State of New York or the State of New Jersey, and any bonds of the Authority theretofore actually issued and negotiated and secured by a pledge of the General Reserve Fund. Two years' debt service, when used in this paragraph with respect to bonds outstanding at any time shall mean the amounts which the Authority is obligated by contract with the holders of such bonds to pay as debt service upon such bonds during the ensuing twenty-four calendar months; *provided*, *however*, that in computing such two years' debt service on any such outstanding bonds which are short-term bonds there shall be substituted for the actual debt service on such short-term bonds during said ensuing twenty-four calendar months the debt service which would be payable during said twenty-four calendar months if such short-term bonds were forthwith refunded by bonds having the following characteristics: maturity — thirty years from such time; interest — at the same rate as upon the short-term bonds and payable semi-annually beginning six months from such time; amortization — in such annual amounts as would be required to retire the principal amount of the short-term bonds outstanding at such time by the thirtieth anniversary of such time if such annual retirement were effected at par at each anniversary of such time and if the annual debt service thereon would be equal for all years thereafter until such thirtieth anniversary.

The resolution of the Authority, adopted March 9, 1931, establishing said General Reserve Fund, as amended May 5, 1932, is hereby further amended to conform to the provisions of this Section 6; *provided*, *however*, that nothing contained in this Section 6 shall be construed to limit, curtail or impair any pledge of the General Reserve Fund or regarding its administration, investment and use made in favor of or for the benefit of the holders of any bonds of prior issues or to prevent the Authority from doing any act or thing required to be done in the fulfillment of any such pledge.

SECTION 7. **Consolidated Bond Reserve Fund**.

There is hereby established a special fund (herein called the Consolidated Bond Reserve Fund) the moneys in which are hereby pledged as additional security for all Consolidated Bonds, into which shall be paid all balances of net revenues pledged as security for Consolidated Bonds, remaining after deducting the amounts for which provision is made in subdivisions (a) and (b) of Section 5 of this resolution. The moneys in the Consolidated Bond Reserve Fund shall be accumulated or in the discretion of the Authority shall be applied to any of the following purposes and to such purposes only:

(a) To the payment of Consolidated Bonds at maturity, but in case a sinking fund has been established for the retirement of bonds of the series of which such bonds form a part only if the available moneys in such sinking fund are insufficient for such purpose, and in the case of other Consolidated Bonds, only if the net revenues pledged as security for Consolidated Bonds for the calendar year in which such payment shall be due and which are available for such payment are insufficient for such purpose.

(b) To the payment of debt service upon Consolidated Bonds then outstanding (other than the payment of such bonds at maturity), but only if the net revenues pledged as security for Consolidated Bonds for the calendar year in which such payment shall be due and which are available for such payment are insufficient for such purpose.

(c) To the purchase for retirement of Consolidated Bonds of any series as determined by the Authority at such prices as the Authority may determine to be reasonable; *provided*, *however*, that in case all of the bonds of such series are subject to redemption six months or less from the date on which the bonds are to be purchased for retirement, then such prices shall not exceed the highest price at which all of the bonds of such series might be redeemed at or prior to the expiration of said six months. Such purchases may be made at the discretion of the Authority, at public or private sale, with or without advertisement and with or without notice to other holders of Consolidated Bonds, and bonds theretofore issued and negotiated and then held by the Authority for investment may be purchased, as well as bonds held by others. In ascertaining whether the purchase price of any bond comes within the maximum above specified, brokerage commissions and similar items shall not be taken into consideration. The bonds so purchased shall be forthwith cancelled.

(d) To the redemption of Consolidated Bonds of any one or more series as may be determined by the Authority, if such bonds are subject to redemption. The bonds so redeemed shall be forthwith cancelled.

(e) To the payment of expenses incurred for the operation, maintenance, repair and administration of any facility the net revenues of which are pledged as security for Consolidated Bonds (including the expenses specified in the definition of net operating revenues in Section 1 of this resolution), but only to the extent that the gross operating revenues of such facility for the calendar year in which such payment shall be due, are insufficient or unavailable for such purpose.

(f) To the payment of debt service upon bonds other than Consolidated Bonds which are described in the last paragraph of this Section 7.

(g) To any other or additional purposes for which the Authority is now or may hereafter be authorized by law to expend the revenues of its facilities.

The pledge hereinbefore made of net revenues as security for Consolidated Bonds (and the lien and charge of Consolidated Bonds thereon) shall be subject to the right of the Authority to make payments into the Consolidated Bond Reserve Fund to the extent above provided in this Section 7, and said pledge and the aforesaid pledge of the moneys in the Consolidated Bond Reserve Fund shall be subject to the right of the Authority to apply said moneys as above provided in this Section 7 and to issue bonds other than Consolidated Bonds which are secured by a pledge of or lien or charge upon the Consolidated Bond Reserve Fund which is prior or equal to the pledge, lien and charge in favor of Consolidated Bonds, but only if such other bonds are issued solely to fulfill obligations undertaken by the Authority to or for the benefit of the holders of Consolidated Bonds and if such other bonds are also secured by a pledge of the General Reserve Fund.

SECTION 8. **Amortization and Retirement**.

The resolution establishing each series of Consolidated Bonds which includes bonds which at the time of their issuance are issuable only under Condition 4 of Section 3 of this resolution, shall provide, and resolutions establishing other series of Consolidated Bonds may provide, a schedule of mandatory periodic retirement of bonds of such series. Such schedule shall specify the total principal amount of bonds of such series which shall be retired at any time before or during each calendar year, and on or before a stated date during such calendar year, beginning, in the case of series which include bonds issuable as aforesaid only under said Condition 4, not later than the first calendar year following the calendar year in which occurs the tenth anniversary of the date of bonds of such series, and beginning, in the case of other series, at any time prior to maturity designated by the Authority in the resolution establishing such series.

The Authority's obligation to retire bonds as aforesaid in the principal amount specified in any such schedule on or before the stated date during each calendar year shall be separate and distinct from and in addition to its obligation to retire bonds in the total principal amounts specified in such schedule on or before the stated dates during other calendar years. Any resolution establishing a series which provides such a schedule of retirement shall either prescribe that such retirement shall be accomplished by periodic serial maturities specified therein or it shall provide that such retirement may be accomplished in the discretion of the Authority by either or both of the following methods, to wit: by the redemption of bonds in the manner, upon the notice and at the prices set forth in said resolutions, or by the purchase of bonds at such prices as the Authority may deem reasonable and proper (which said prices may, in the discretion of the Authority, be specified in such resolution), which said purchases may in the discretion of the Authority be made at public or private sale, with or without advertisement and with or without notice to any person other than the seller, and bonds theretofore issued and negotiated and then held by the Authority may be purchased as well as bonds held by others.

The said schedule of retirement provided with respect to any series which includes bonds issuable as aforesaid only under said Condition 4 shall specify mandatory periodic retirements of bonds of such series as aforesaid at such times and in such amounts that the prospective debt service upon bonds of such series (computed with the substitutions and upon the assumptions provided in the last two paragraphs of Section 3 of this resolution) shall be such that either (a) the debt service, so computed, upon bonds of such series for any one calendar year shall not be more than 10% greater than the debt service so computed upon bonds of such series for any other calendar year beginning with the first calendar year on account of which said schedule of retirement shall specify any principal amount of bonds of such series to be retired and ending with the calendar year in which shall occur the latest maturity date of bonds of such series, or (b) the combined debt service, so computed, upon all Consolidated Bonds outstanding at the time such series is established (not including, however, any bonds to be refunded by the bonds of such series) and upon the bonds of such series themselves for any one calendar year shall not be more than 10% greater than the debt service, so computed, upon all such bonds for any other calendar year beginning with the first calendar year on account of which said schedule of retirement shall specify any principal amount of bonds of such series to be retired and ending with the calendar year in which shall occur the latest maturity date of bonds of such series, or (c) the combined debt service, so computed, on all bonds outstanding at the time such series is established which are secured by a pledge of the General Reserve Fund (not including, however, any bonds to be refunded by the bonds of such series) and upon the bonds of such series themselves for any one calendar year shall not be more than 10% greater than the debt service, so computed, on all such bonds for any other calendar year beginning with the first calendar year on account of which said schedule of retirement shall specify any principal amount of bonds of such series to be retired and ending with the calendar year in which shall occur the latest maturity date of bonds of such series.

With respect to series of Consolidated Bonds other than those which include bonds issuable as aforesaid only under said Condition 4, the Authority in its discretion may or may not provide for amortization and retirement before maturity, and if it does so provide, it may in its discretion select a sinking fund of any type or any other method to effect such amortization and retirement; but nothing herein contained shall in any way be deemed to eliminate the requirement that one or another of the four numbered conditions in Section 3 must exist in connection with any new Consolidated Bonds to be issued.

SECTION 9. **Form and Execution**.

Consolidated Bonds may be issued in such form (not inconsistent with this resolution) and executed in such manner as the Authority may determine.

Pending the execution and delivery of definitive bonds there may be executed and delivered (to the purchaser or purchasers of any Consolidated Bonds) interim receipts or temporary bonds in such form as the Authority may prescribe, which shall be exchangeable for definitive bonds in accordance with their terms. Until such interim receipts or temporary bonds are so exchanged, the rights of the holders thereof shall be the same as though they held the definitive bonds for which they are exchangeable.

SECTION 10. **Investments**.

The moneys in the Consolidated Bond Reserve Fund shall from time to time be deposited in such depositories as the Authority may designate or invested in bonds, notes or other obligations of (or fully guaranteed by) the United States, the State of New York or the State of New Jersey, and in bonds of the Authority itself, theretofore actually issued and negotiated, if secured by a pledge of the General Reserve Fund (including Consolidated Bonds).

The moneys derived from the sale of Consolidated Bonds shall from time to time be deposited in such depositories as the Authority may designate or invested in obligations of (or fully guaranteed by) the United States, *provided*, that such obligations shall mature not later than the date upon which the Authority intends to apply the proceeds so invested for the purpose for which such Consolidated Bonds were issued.

The moneys in each of the several sinking funds which may be established for the retirement of bonds of the various series of Consolidated Bonds, shall be deposited in such depositories as the Authority may designate or invested only in direct obligations of the United States, *provided*, that such obligations shall mature (or shall be redeemable at the option of the holder) at least five days prior to any date upon which such moneys must be applied to the retirement of Consolidated Bonds as provided in the resolutions establishing such series.

The net revenues pledged as security for Consolidated Bonds shall be deposited in such depositories as the Authority may designate or invested as provided in the next preceding paragraph for sinking fund moneys, *provided*, that any excess over debt service on all bonds secured by a pledge of such revenues for the year during which such revenues are derived may be invested as provided for Consolidated Bond Reserve Fund moneys.

Except as otherwise provided in Section 16 of this resolution, Consolidated Bonds held by the Authority shall have the same rights as though purchased or held by others.

SECTION 11. **Sinking Funds and Special Reserve Funds of Bonds of Prior Issues**.

Upon the cancellation, at or prior to maturity, of all of the then outstanding bonds of any particular series of any prior issue of bonds, any remaining balances of any sinking fund established for such particular series shall be paid into the Consolidated Bond Reserve Fund subject to the pledge thereof in favor of the holders of Consolidated Bonds, to be accumulated or applied as provided in Section 7 hereof. Upon the cancellation, at or prior to maturity, of all of the then outstanding bonds of each of the prior issues of bonds, any remaining balances of any special reserve fund established for the benefit of the bonds of such particular prior issue of bonds shall be paid into the Consolidated Bond Reserve Fund subject to the pledge thereof in favor of the holders of Consolidated Bonds, to be accumulated or applied as provided in Section 7 hereof.

SECTION 12. **Miscellaneous Covenants**.

The Authority covenants and agrees with the holders of Consolidated Bonds, and with each such holder, as follows:

(a) Fully and faithfully to perform all duties required by the Constitutions and Statutes of the United States and of the States of New York and New Jersey, and by the Compact of April 30, 1921, between said two States, with reference to all facilities the net revenues of which are pledged as security for Consolidated Bonds, — those hereafter established, constructed or acquired by it, as well as those presently owned, leased or operated by it.

(b) Not to issue any more General and Refunding Bonds of the issue established March 18, 1935, Air Terminal Bonds of the issue established June 18, 1948 or Marine Terminal Bonds of the issue established November 23, 1948 in addition to the bonds of those issues outstanding at the adoption of this resolution. This covenant and agreement shall not only be with and for the benefit of holders of Consolidated Bonds but shall also be with and for the benefit of holders of outstanding bonds of prior issues and shall not be subject to modification except in accordance with the provisions of the resolutions establishing such prior issues in addition to the provisions of Section 16 of this resolution.

(c) To proceed promptly and in an economical and efficient manner with the effectuation, establishment, acquisition, construction, rehabilitation or improvement of all facilities, the effectuation, establishment, acquisition, construction, rehabilitation or improvement whereof is financed with Consolidated Bonds.

(d) To maintain in good condition all facilities the surplus revenues of which are payable into the General Reserve Fund, and to operate them in an efficient and economical manner, making all such renewals and replacements and acquiring and using all such equipment as the Authority shall determine to be necessary or desirable for the proper and economical maintenance and operation thereof.

(e) To make such improvements as part of or in connection with facilities the surplus revenues of which are payable into the General Reserve Fund as the Authority shall determine to be necessary or desirable as incidental to or in connection with the operation of said facilities.

(f) To establish and collect flight fees, wharfage, dockage, rents, tolls and other charges in connection with facilities the net revenues of which are pledged as security for Consolidated Bonds, to the end that at least sufficient net revenues may be produced therefrom at all times to provide for the debt service upon all Consolidated Bonds.

(g) In the event the net revenues pledged as security for Consolidated Bonds are insufficient to provide for the debt service upon any or all Consolidated Bonds, to make good any deficiency out of the General Reserve Fund or other available revenues, moneys or funds; and for that purpose to establish, maintain and collect flight fees, wharfage, dockage, rents, tolls and other charges in connection with facilities the surplus revenues of which are payable into the General Reserve Fund (including facilities the net revenues of which are not pledged as security for Consolidated Bonds), to the end that combined surplus revenues may be produced therefrom at least sufficient to make good (through the medium of the General Reserve Fund) any deficiency in the debt service upon Consolidated Bonds, *provided*, *however*, that nothing herein contained shall be deemed to constitute an agreement or covenant by the Authority to make any payments into the General Reserve Fund in excess of the payments required to be made pursuant to the General Reserve Fund statutes.

(h) To keep all facilities the surplus revenues of which are payable into the General Reserve Fund (and all structures, equipment and properties forming part thereof) insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts and with such deductibles as the Authority shall deem necessary for the protection of the holders of Consolidated Bonds.

(i) Duly and punctually to pay or cause to be paid the debt service upon all underlying mortgage bonds outstanding in connection with all or any part of any facility the surplus revenues of which are payable into the General Reserve Fund, in strict conformity with the terms of such bonds.

(j) To make all such expenditures as the Authority shall determine are necessary or desirable for, in connection with or incidental to the fulfillment of any of the covenants or other undertakings assumed by the Authority to or for the benefit of the holders of any Consolidated Bonds in this Section 12 or in any other section of this resolution or in any other resolution relating to Consolidated Bonds.

(k) In case any facility or any real property constituting a portion of a facility, the net revenues of which are pledged as security for Consolidated Bonds, is sold by the Authority or is condemned pursuant to the power of eminent domain, to apply the net proceeds of such sale or condemnation to capital expenditures upon facilities the net revenues of which are pledged as security for Consolidated Bonds, or to the retirement of Consolidated Bonds or bonds of prior issues after satisfying any prior obligations in respect of such facilities or in respect of the disposition of such proceeds; provided, however, that nothing herein contained shall be construed to prevent the Authority from applying the award in any condemnation proceeding in accordance with the Agreement with respect to the Newark Marine and Air Terminals between the City of Newark and the Authority, dated October 22, 1947, or the Agreement with respect to Municipal Air Terminals between the City of New York and the Authority, dated April 17, 1947, or any lease or other agreement for the use of real property heretofore or hereafter entered into by the Authority whether as landlord, tenant, licensor, licensee or otherwise.

SECTION 13. **Registrars and Paying Agents**.

The Authority shall designate one or more Registrars and Paying Agents to act as such for and in connection with each series of Consolidated Bonds, and may in its discretion, from time to time, terminate such appointments or designations, designate new, substitute or additional Registrars and Paying Agents, designate separate and different Registrars and Paying Agents in connection with different series or installments of Consolidated Bonds, and designate itself to act as Registrar or Paying Agent; provided, that if the Authority shall provide for the authentication of the bonds of any series by the Registrar thereof, it shall not designate itself to act as such Registrar.

SECTION 14. **Evidence of Ownership**.

Any notice to the contrary notwithstanding, the Authority and its Registrars and Paying Agents may, at the option of the Authority, treat the following persons as the absolute owners of Consolidated Bonds or coupons for the purpose of paying principal or interest and for all other purposes whatsoever:

(a) In the case of bonds not registered as to principal, — the person or persons in possession of such bonds.

(b) In the case of the coupons of any bonds not registered as to interest, — the person or persons in possession of such coupons.

(c) In the case of bonds registered as to both principal and interest in accordance with the provisions established by the Authority for such registration, — the person or persons in whose name such bonds are registered.

(d) In the case of bonds registered as to principal only in accordance with the provisions established by the Authority for such registration, — the person or persons in whose name such bonds are registered, except for the purpose of paying interest represented by outstanding coupons.

SECTION 15. **Liability**.

No Commissioner, officer, agent, representative, employee, Registrar or Paying Agent of the Authority shall be held personally liable to any purchaser or holder of any Consolidated Bond under or upon such bond, or under or upon this resolution or any resolution hereafter adopted relating to Consolidated Bonds, or because of the issuance or attempted issuance of any Consolidated Bonds, or because of any act or omission in connection with the construction, acquisition, effectuation, operation or maintenance of any facility of the Authority, or because of any act or omission in connection with the investment or management of the revenues, funds or moneys of the Authority, or otherwise in connection with the management of its affairs, excepting solely for things willfully done with an intent to defraud or willfully omitted to be done with an intent to defraud.

SECTION 16. **Modifications**.

(a) The Authority may from time to time and at any time, without authorization, consent or other action by any of the holders of Consolidated Bonds, modify or amend this resolution, or any other resolution relating to Consolidated Bonds, but only for the purpose of curing any ambiguity or of curing or correcting any defective or inconsistent provision, or for any other purpose not inconsistent with this resolution or with any other resolution relating to Consolidated Bonds; *provided*, that no such amendment made pursuant to this sub-section (a) shall alter or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal and interest of any bond at the time and place and at the rate or amount and in the medium of payment prescribed therein, or shall alter or impair the security of any bond, or otherwise alter or impair any rights of any bondholder.

(b) In addition to the power given in sub-section (a) of this Section 16, any of the terms or provisions of this resolution (or of any resolution amendatory of or supplemental to this resolution) may be amended, repealed or modified in the manner hereinafter set forth in this Section 16, for the purpose of modifying or amending in any particular any of the terms or provisions (including, without limiting the generality of the foregoing, any provisions regarding amortization and retirement) of any of the Consolidated Bonds or of any of the coupons pertaining thereto; *provided*, that no such amendment, repeal or modification shall alter or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal and interest of any Consolidated Bond at the time and place and at the rate or amount and in the medium of payment prescribed therein, without the express consent of the holder of such bond.

i. Whenever the Authority shall desire any such amendment, repeal or modification of any of the provisions of this resolution (or of any resolution amendatory of or supplemental to this resolution), it shall call a meeting of the holders of Consolidated Bonds (or if the amendment, repeal or modification proposed shall affect the rights of the holders of such bonds of only one or more particular series or installments, then of the holders of all Consolidated Bonds of each such series or installment so to be affected) for the purpose of considering and acting upon any such proposed amendment, repeal or modification. A notice specifying the purpose, place, date and hour of such meeting shall be published by the Authority in a daily newspaper of general circulation in the City of New York, State of New York, and also in one or more daily newspapers of general circulation in one or more of the following cities: the City of Boston, Commonwealth of Massachusetts; the City of Philadelphia, Commonwealth of Pennsylvania; the City of Chicago, State of Illinois; and the City of San Francisco, State of California. Such notice shall be published once a week for four consecutive weeks, the first publication to be not less than thirty days nor more than ninety days prior to the date fixed for the meeting. Such notice shall briefly set forth the nature of the proposed amendment, repeal or modification, and shall give notice that a copy thereof is on file with the Authority for inspection by the holders of the bonds. On or before the date of the first publication of the notice, a similar written or printed notice shall be mailed by the Authority, postage prepaid, to the holders of such bonds registered either as to principal or as to both principal and interest, at the addresses appearing on the registry books of the Authority, and who are to be affected by the proposed amendment, repeal or modification. The actual receipt by any bondholder of notice of such meeting shall not be essential to the validity of such meeting, and a certificate by the Authority, duly executed by its Chairman or Vice-Chairman, that the meeting has been called and notice thereof given as herein provided, shall be conclusive as against all parties, and it shall not be open to any bondholder to show that he failed to receive notice of such meeting or to object to the form of such notice, *provided*, that such notice shall conform substantially to the provisions of this subdivision i of this sub-section (b) of this Section 16.

ii. No person shall be entitled to vote at such meeting unless he shall be a holder of a Consolidated Bond or shall hold a proxy duly executed by such a bondholder, and (1) he shall present at the meeting his Consolidated Bond or Bonds (or in the case of the holder of a proxy, the Consolidated Bond or Bonds of his principal), or (2) he shall present at the meeting a certificate of the character herein described in subdivision iii of this sub-section (b) of this Section 16, or (3) his name (or, in the case of the holder of a proxy, the name of his principal) shall appear as a registered bondholder on the list prepared and presented to the meeting by the Registrar as provided in subdivision iii of this sub-section (b) of this Section 16.

iii. Any holder of Consolidated Bonds may, prior to any such meeting, deliver his Consolidated Bond or Bonds, at his own expense, to any Registrar of Consolidated Bonds, or to such bank, banking firm or trust company as shall be satisfactory to the Authority, and thereupon shall be entitled to receive an appropriate receipt for the bonds so deposited, calling for the re-delivery of such bonds at any time after the meeting. A certificate signed by any such Registrar, or by any such bank, banking firm or trust company that the bonds have been so deposited, and giving the amount, denomination, series and numbers thereof, shall be sufficient evidence to permit the holder of any such certificate, including the holder of a proxy who shall produce such certificate, to be present and to vote at any meeting. The Registrar or Registrars of Consolidated Bonds shall prepare and deliver to the Authority at the time of the convening of the meeting, a list of the names and addresses of the registered holders of the bonds proposed to be affected by said amendment, repeal or modification, as of the close of business on the day before the date set for the meeting, or the date to which such meeting shall have been adjourned, together with a statement of the denominations, series and numbers of the bonds registered in the name of each such registered holder.

iv. The Authority shall present to the meeting at the convening thereof, a statement in writing duly executed by its Chairman or Vice-Chairman or by the Chairman or Vice-Chairman of its Committee on Finance, listing the denominations, series and numbers of all bonds of all series proposed to be affected by said amendment, repeal or modification, owned by it or held for its account directly or indirectly, including any bond registered in the name of the Authority or held for the account of any debt reserve fund of the Authority, and no person shall be permitted at the meeting to cast any vote or give any consent because of any bonds listed on such statement, and no such bonds (hereinafter referred to as Authority-owned bonds) shall be counted in determining any vote at such meeting, including the determination of whether or not a quorum is present.

v. A representation of at least 60% in aggregate principal amount of the Consolidated Bonds then outstanding (exclusive of Authority-owned bonds) or, if the amendment, repeal or modification proposed shall only affect the rights of the holders of one or more particular series or installments of Consolidated Bonds, then 60% in aggregate principal amount of the bonds outstanding (exclusive of Authority-owned bonds) of each such series or installment so to be affected, shall be necessary to constitute a quorum at any such meeting of bondholders; but less than a quorum may adjourn the meeting from time to time and the meeting may be held as adjourned without further notice, whether such adjournment shall have been held by a quorum or by less than a quorum. The Authority shall designate a Commissioner or officer of the Authority to preside as temporary chairman, and such temporary chairman shall immediately call for nominations for a permanent chairman for such meeting. Such permanent chairman shall be some person who shall be a bondholder, or the holder of a proxy, entitled to vote at the meeting. At such meeting each person shall be entitled to one vote for each $1,000 principal amount of such bonds held or represented by him as provided in subdivision ii of this sub-section (b) of this Section 16, and such vote shall be cast by ballot. Except as herein provided, the meeting may adopt its own rules of procedure.

vi. At any such meeting held as aforesaid, the Authority shall submit for consideration and action of the holders of Consolidated Bonds or, if the amendment, repeal or modification proposed shall only affect the rights of the holders of one or more particular series or installments of Consolidated Bonds, then of the bondholders of each such series or installments to be affected, a proposed resolution embodying the amendment, repeal or modification to be considered by the meeting. If such proposed resolution shall be consented to and approved (either in person or by proxy) by the holders of at least 60% in aggregate principal amount of the bonds to be affected thereby outstanding at the time (exclusive of Authority-owned bonds), then, and in such case, the Authority shall thereby be authorized and empowered to adopt such resolution, and any such resolution so adopted by the Authority shall be binding upon all bondholders, whether or not present at such meeting in person or by proxy, *provided* that no such amendment, repeal or modification shall affect the rights of the holders of one or more series or installments of Consolidated Bonds in a manner or to an extent differing from that in or to which the rights of holders of any other series or installments of Consolidated Bonds are affected unless such resolution shall be approved (either in person or by proxy) by the holders of at least 60% in aggregate principal amount of the Consolidated Bonds then outstanding (exclusive of Authority-owned bonds) of each such series or installment so affected; and no bondholder shall have any right or cause to object to the adoption of any such resolution by the Authority or to object to any of the terms or provisions therein contained or the exercise thereof or of the authorizations contained therein, or in any manner to question the propriety of the adoption thereof or to enjoin or restrain the Authority from executing the same or from taking any action pursuant to the provisions thereof.

vii. Upon the adoption by the Authority of any resolution pursuant to the provisions of this Section 16, this resolution (and any resolution supplemental to or amendatory of this resolution) shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the Authority and all holders of outstanding bonds shall be thereafter determined, exercised and enforced subject, in all respects, to such modifications and amendments.

viii. Minutes of all resolutions adopted and proceedings had at every such meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Authority, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, shall be prima facie evidence of the matters therein stated, and until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been so made and signed shall be deemed to have been duly held and conveyed, and all resolutions passed thereat or proceedings had thereat shall be deemed to have been duly passed and had.

As used above in this Section 16, the terms "bond" and "Consolidated Bond" shall include any interim receipt therefor; and the terms "bondholder" and "holder" of a "Consolidated Bond" shall include the holder of such an interim receipt.

SECTION 17. **Determinations**.

Whenever in this resolution it is provided that any selection, designation, determination or estimate shall or may be made by the Authority or that any action may be taken or withheld by the Authority or that any action shall or may be taken or withheld at the option of or dependent upon the opinion, discretion or judgment of the Authority, then the Authority's such selection, designation, determination, estimate, action, option, opinion, discretion or judgment expressed by its Board of Commissioners or by a committee or officer or other person duly authorized shall be conclusive for the purposes of this resolution.

SECTION IV—PERTINENT STATUTES AND GENERAL RESOLUTIONS

General

An important function of the Port Authority is the effectuation of the Comprehensive Plan for the development of the Port District, which was adopted by the two States in 1922 and supplemented from time to time thereafter.

By legislation adopted in 1931, the two States declared that the vehicular traffic moving across interstate waters within the Port District constitutes a general movement of traffic which follows the most accessible and practicable routes, and that the users of each such vehicular bridge or tunnel across these waters benefit by the existence of every vehicular bridge or tunnel, since all of the bridges or tunnels relieve congestion and facilitate the movement of traffic. Accordingly, the two States provided that the construction and operation of such bridges and tunnels authorized by State law should be unified under the Port Authority. The legislation referred to leaves the Congress of the United States free to exercise its powers with respect to interstate crossings.

In 1947, the two States adopted legislation authorizing municipalities in the Port District to cooperate with the Port Authority in the development of marine terminals and empowered them to consent to the use by the Port Authority of any municipally owned marine terminal development, including the right to convey, lease or otherwise transfer such marine terminal development to the Port Authority. The Port Authority may also acquire privately owned marine terminal properties under the original Compact.

The two States also adopted legislation in 1947 declaring that the problem of furnishing proper and adequate air terminal facilities within the Port District is a regional and interstate problem and that it should be the policy of the two States to encourage the integration of air terminals so far as practicable in a unified system. In furtherance of said policy and in partial effectuation of the Comprehensive Plan, the Port Authority was authorized to proceed with air terminal development within the Port District. These statutes were amended during 1971-1973 to authorize the Port Authority to provide mass transportation facilities connecting with JFK Airport and Newark Airport. These statutes, and the marine terminal statutes noted above, were amended in 1978 to authorize the Port Authority to participate in the effectuation of legislatively designated highway projects in the vicinity of an air or marine terminal providing improved access to such air or marine terminal and in 1980 to authorize the Port Authority to participate in the effectuation of certain port-related railroad freight projects related or of benefit to Port Authority marine or air terminals or to the protection or promotion of the commerce of the Port District.

In 1962, the two States authorized the Port Authority to proceed with the acquisition, rehabilitation and operation of the Hudson Tubes, consisting of the properties formerly operated by the Hudson & Manhattan Railroad Company, and certain extensions to the Hudson Tubes; also the States authorized a new facility of commerce known as the World Trade Center. Additionally, the Port Authority was authorized to cooperate with other agencies of government in the rehabilitation and redevelopment of the Hudson Tubes-World Trade Center areas, in part for the purpose of the renewal and improvement of such areas, as part of this port development project. These statutes were amended during 1972-1974 to authorize the Port Authority to effectuate an extension of the Hudson Tubes from the City of Newark to the vicinity of the City of Plainfield in New Jersey and to undertake a series of New Jersey rail improvements with respect to direct Erie-Lackawanna Railroad service into Pennsylvania Station in New York City. The amendments also provided for the repeal of the provisions of the statutory covenant with the holders of affected bonds of the Port Authority contained in the 1962 legislation which limited the Port Authority's financial participation in additional deficit passenger railroad facilities. The Supreme Court of the United States determined that the retroactive application of the repeal to affected bonds issued prior to May 10, 1973, was invalid as a violation of the United States Constitution. The last series of Consolidated Bonds to which this statutory covenant applied was redeemed on September 1, 2001.

In 1967, the State of New York adopted legislation, and in 2007, the State of New Jersey adopted concurrent legislation, which authorized the Port Authority to acquire and operate one air terminal in New York and one air terminal in New Jersey, located outside the Port District, with the site of each such air terminal subject to the approval of the Governor thereof.

In 1978, the two States adopted legislation declaring that to prevent further deterioration of the economy of the Port District and to promote, preserve and protect trade and commerce in and through the Port District, it is the policy of the two States actively to promote, attract, encourage and develop economically sound commerce and industry through governmental action. In furtherance of said policy and in partial effectuation of the Comprehensive Plan, the Port Authority was authorized to proceed with the development of industrial development projects, including resource recovery and industrial pollution control facilities.

In 1979, the two States adopted legislation which, as amended in 1982, authorized the Port Authority to acquire, develop, finance and transfer, subject to appropriate certifications, up to $440,000,000 of buses and ancillary bus facilities in the States of New York and New Jersey, with up to $220,000,000 allocated in each State, for the purpose of leasing, selling, transferring or otherwise disposing of such buses and ancillary bus facilities to either State or to any public authority, agency, commission, city or county thereof. The legislatures determined that the economic viability of the existing facilities operated by the Port Authority is dependent upon the effective and efficient functioning of the transportation network of the northern New Jersey-New York metropolitan area and that access to and proper utilization of such Port Authority facilities would be adversely affected if users of bus transportation were to find such transportation unavailable or significantly curtailed.

In 1984, the Port Authority was authorized to participate in effectuating certain mixed-use waterfront development projects in each of the States. The legislatures determined that the Port Authority, in view of its extensive experience both in waterfront construction and administration of waterfront projects, is a proper agency to act on behalf of either State in the redevelopment of specific waterfront areas in the Port District which are no longer utilized in the movement of cargo or which are related to the movement of passengers and their vehicles or to the operation or development of any other Port Authority project or facility.

Statutes

Chapter 154 of the Laws of New York of 1921, as amended by Chapter 419 of the Laws of New York of 1930, by Chapter 531 of the Laws of New York of 1972 and by Chapter 275 of the Laws of New York of 1992 (McK. Unconsol. Laws §§ 6401-6423), and Chapter 151 of the Laws of New Jersey of 1921, as amended by Chapter 244 of the Laws of New Jersey of 1930, by Chapter 69 of the Laws of New Jersey of 1972 and by Chapter 395 of the Laws of New Jersey of 1991 (N.J.S.A. 32:1-1 to 24), containing the Compact between the two States creating the Port Authority, and S.J. Res. 88, 67th Cong., 42 Stat. 174 (1921) [Public Resolution No. 17], consenting thereto.

Chapter 9 of the Laws of New Jersey of 1922 (N.J.S.A. 32:1-25 to 35), and Chapter 43 of the Laws of New York of 1922 (McK. Unconsol. Laws §§ 6451-6461), adopting a Comprehensive Plan for the development of the Port District, and H.R.J. Res. 337, 67th Cong., 42 Stat. 822 (1922) [Public Resolution No. 66], consenting thereto.

Chapter 333 of the Laws of New Jersey of 1927, as amended by Chapter 20 of the Laws of New Jersey of 1972 (N.J.S.A. 32:2-6 to 9), and Chapter 700 of the Laws of New York of 1927, as amended by Chapter 215 of the Laws of New York of 1956 and Chapter 602 of the Laws of New York of 1972 (McK. Unconsol. Laws §§ 7151-7154), relating to the time period for gubernatorial action with respect to minutes of the Board of Commissioners.

Chapter 114 of the Laws of New Jersey of 1930 (N.J.S.A. 32:2-24), and Chapter 486 of the Laws of New York of 1928, and Chapter 46 of the Laws of New York of 1931, as amended by Chapter 635 of the Laws of New York of 1951 (McK. Unconsol. Laws § 312), making certain inland and marine terminal bonds legal for investment* and eligible for deposit as security with certain public officers and agencies.

Chapter 4 of the Laws of New Jersey of 1931 (N.J.S.A. 32:1-118 to 140), and Chapter 47 of the Laws of New York of 1931 (McK. Unconsol. Laws §§ 6501-6525), relating to the construction, operation and financing of interstate vehicular bridges and tunnels, as amended by Chapter 11 of the Laws of New Jersey of 1954, and Chapter 180 of the Laws of New York of 1954, relating to the third tube of the Lincoln Tunnel, as further amended by Chapter 156 of the Laws of New Jersey of 1956, and Chapter 807 of the Laws of New York of 1955, relating to the second deck of the George Washington Bridge.

Chapter 5 of the Laws of New Jersey of 1931, as amended by Chapter 197 of the Laws of New Jersey of 1945 (N.J.S.A. 32:1-141 to 143), and Chapter 48 of the Laws of New York of 1931, as amended by Chapter 163 of the Laws of New York of 1945 (McK. Unconsol. Laws §§ 7001-7003), relating to the use of Port Authority revenues.

Sections 98, 105 and 106 of the New York State Finance Law, relating to the investment of state funds in bonds of the Port Authority, and authorizing Port Authority bonds as security for deposit of moneys by state officers and by certain others.

Chapter 24 of the Laws of New York of 1937, as amended by Chapter 141 of the Laws of New York of 1953 (McK. Unconsol. Laws § 313), and Chapter 83 of the Laws of New Jersey of 1937, as amended by Chapter 81 of the Laws of New Jersey of 1953 (N.J.S.A. 32:2-24.1), making General and Refunding Bonds and Consolidated Bonds legal for investment* and eligible for deposit as security with certain public officers and agencies.

Chapter 410 of the Laws of New York of 1944, as amended by Chapter 899 of the Laws of New York of 1945 and by Chapter 432 of the Laws of New York of 1949, relating to the Port Authority Grain Terminal.

Chapter 163 of the Laws of New York of 1945 (McK. Unconsol. Laws § 6731), relating to motor truck terminals and making motor truck terminal bonds legal for investment* and eligible for deposit as security with certain public officers and agencies.

Chapter 197 of the Laws of New Jersey of 1945 (N.J.S.A. 32:1-141.1), relating to motor truck terminals and making motor truck terminal bonds and grain terminal bonds legal for investment* and eligible for deposit as security with certain public officers and agencies.

* *I.e.* securities in which public officers, banks and savings banks, insurance companies, trustees and other fiduciaries may legally invest funds.

Chapter 95 of the Laws of New Jersey of 1946 (N.J.S.A. 32:2-23.1 to 23.5), and Chapter 443 of the Laws of New York of 1946 (McK. Unconsol. Laws §§ 6701-6706), relating to the financing and effectuation of a motor bus terminal.

Chapter 43 of the Laws of New Jersey of 1947, as amended by Chapter 214 of the Laws of New Jersey of 1948, by Chapter 245 of the Laws of New Jersey of 1971, by Chapter 207 of the Laws of New Jersey of 1972, by Chapter 365 of the Laws of New Jersey of 1977, by Chapter 157 of the Laws of New Jersey of 1980 and by Chapter 75 of the Laws of New Jersey of 2007 (N.J.S.A. 32:1-35.1 to 35.27f) and by Chapter 75 of the Laws of New Jersey of 2007 (N.J.S.A. 32:1-35.27e to 1-35.27f), and Chapter 802 of the Laws of New York of 1947, as amended by Chapter 785 of the Laws of New York of 1948, by Chapter 717 of the Laws of New York of 1967 (McK. Unconsol. Laws § 6631), by Chapters 474 and 475 of the Laws of New York of 1971, by Chapter 317 of the Laws of New York of 1973, by Chapter 792 of the Laws of New York of 1978 and by Chapter 470 of the Laws of New York of 1980 (McK. Unconsol. Laws §§ 6631-6647), relating to the financing and effectuation of air terminals.

Chapter 44 of the Laws of New Jersey of 1947, as amended by Chapter 212 of the Laws of New Jersey of 1948, by Chapter 365 of the Laws of New Jersey of 1977 and by Chapter 157 of the Laws of New Jersey of 1980 (N.J.S.A. 32:1-35.25 to 35.36), and Chapter 631 of the Laws of New York of 1947, as amended by Chapter 784 of the Laws of New York of 1948, by Chapter 792 of the Laws of New York of 1978 and by Chapter 470 of the Laws of New York of 1980 (McK. Unconsol. Laws §§ 6671-6678), relating to marine terminals. This legislation was further amended by Chapter 9 of the Laws of New Jersey of 1983 (N.J.S.A. 32:1-35.36c to 35.36k) and Chapters 676 and 677 of the Laws of New York of 1984, respectively, relating to the acquisition, development and financing of waterfront development projects.

Chapter 301 of the Laws of New York of 1950, as amended by Chapter 938 of the Laws of New York of 1974 (McK. Unconsol. Laws §§ 7101-7112), Chapter 143 of the Laws of New York of 1953 (McK. Unconsol. Laws §§ 7131-7136) and Chapter 599 of the Laws of New York of 1977 (McK. Unconsol. Laws §§ 7141-7142); and Chapter 204 of the Laws of New Jersey of 1951 (N.J.S.A. 32:1-157 to 168), Chapter 172 of the Laws of New Jersey of 1953 (N.J.S.A. 32:1-169 to 174), and Chapter 363 of the Laws of New Jersey of 1977 (N.J.S.A. 32:1-175, 176), relating to suits against the Port Authority.

Chapter 51 of the Laws of New Jersey of 1955 (N.J.S.A. 32:119.2), and Chapter 810 of the Laws of New York of 1955 (McK. Unconsol. Laws § 6504), relating to the construction of a peripheral automobile parking lot as an improvement to any bridge or tunnel.

Chapter 16 of the Laws of New Jersey of 1956 (N.J.S.A. 32:2-34 to 36), and Chapter 444 of the Laws of New York of 1956 (McK. Unconsol. Laws §§ 6751-6754), authorizing the Port Authority to contribute to the cost of certain extensions to the New Jersey Turnpike.

Chapter 8 of the Laws of New Jersey of 1962, as amended by Chapter 208 of the Laws of New Jersey of 1972 and by Chapter 25 of the Laws of New Jersey of 1974 (N.J.S.A. 32:1-35.50 to 35.68), and Chapter 209 of the Laws of New York of 1962, as amended by Chapter 1003 of the Laws of New York of 1972, by Chapter 318 of the Laws of New York of 1973 and by Chapter 993 of the Laws of New York of 1974 (McK. Unconsol. Laws §§ 6601-6618), relating to the World Trade Center, the Hudson Tubes and the Hudson Tubes extensions, and the use of Port Authority revenues.

Chapter 110 of the Laws of New Jersey of 1978 (N.J.S.A. 32:1-35.72 to 35.93) and Chapter 651 of the Laws of New York of 1978 (McK. Unconsol. Laws §§ 7171-7192), relating to the effectuation of industrial development projects and facilities and the use of Port Authority revenues, and Public Law No. 96-163, 96th Congress, First Session (93 Stat. 1242), consenting thereto.

Chapter 33 of the Laws of New Jersey of 1979, as amended by Chapter 407 of the Laws of New Jersey of 1981 (N.J.S.A. 32:2-23.27 to 23.42) and Chapter 12 of the Laws of New York of 1979, as amended by Chapter 314 of the Laws of New York of 1981 (McK. Unconsol. Laws §§ 7201-7217), relating to the acquisition, development, financing and transfer of buses and ancillary bus facilities.

Certain Other Relevant Federal Statutes

Act of March 23, 1906 (commonly known as the Bridge Act of 1906), Pub. L. No. 65, 34 Stat. 84 (1906), *as amended by* the Federal-Aid Highway Act of 1987, Pub. L. No. 100-17 § 135, 101 Stat. 132, 174 (1987) (codified in pertinent part at 33 U.S.C. § 508), relating to the establishment of tolls for passage or transit over bridges constructed under the authority of the Bridge Act of 1906.

Act of Oct. 17, 1978, Pub. L. No. 95-473, 92 Stat. 1337, 1360 (1978*), as amended by and restated in* the ICC Termination Act of 1995, Pub. L. No. 104-88 § 102(a), 109 Stat. 807 (1995) (codified in pertinent part at 49 U.S.C. § 10501(c)), relating to the exclusion, with certain limited exceptions, for mass transportation provided by local government authorities from the jurisdiction of the Surface Transportation Board.

Airport and Airway Improvement Act of 1982, Pub. L. No. 97-248, 96 Stat. 324 (1982), *as amended by and restated in* the Federal Aviation Reauthorization Act of 1996, Pub. L. No. 104-264, 110 Stat. 3213 (1996) (codified in pertinent part at 49 U.S.C. § 47133(b)), relating to the ability of certain airport owners and operators to use the revenues generated by an airport that is the subject of federal assistance for general debt obligations or other facilities of the owner or operator of such airport.

Air Transportation Safety and System Stabilization Act, Pub. L. No. 107-42 § 408, 115 Stat. 230 (2001), *as amended by* the Aviation and Transportation Security Act, Pub. L. No. 107-71 § 201(b), 115 Stat. 597 (2001), relating to the limitation on liability for claims arising from the terrorist attacks of September 11, 2001.

Aviation and Transportation Security Act, Pub. L. No. 107-71 § 101(a), 115 Stat. 597 (2001), *as amended by* the Homeland Security Act of 2002, Pub. L. No. 107-296, 116 Stat. 2135 (2002), relating to the creation of the Transportation Security Administration.

Pub. L. No. 107-230, 116 Stat. 1469 (2002), providing in pertinent part for a temporary waiver from certain transportation conformity requirements and metropolitan transportation planning requirements under the Clean Air Act of 1990 for certain areas in New York where the planning offices and resources have been destroyed by acts of terrorism.

National Construction Safety Team Act, Pub. L. No. 107-231, 116 Stat. 1471 (2002) (codified in pertinent part at 15 U.S.C. § 7311), relating to the establishment of teams to investigate certain building disasters.

Maritime Transportation Security Act of 2002, Pub. L. No. 107-295, 116 Stat. 2064 (2002), relating to security of port facilities.

Intelligence Authorization Act for Fiscal Year 2003, Pub. L. No. 107-306, 116 Stat. 2408, relating to the establishment of the National Commission on Terrorist Attacks Upon the United States.

National Historic Preservation Act of 1966, as amended, 16 U.S.C.A. § 470 *et seq*.

Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9601 *et seq*.

National Environmental Policy Act of 1969 Pub. L. No. 91-190, § 102, 42 U.S.C. § 4332 (1994).

Terrorism Risk Insurance Program Reauthorization Act of 2019, Pub. L. No. 116-94, 133 Stat. 2534 (2019).

Resolutions

Resolution of March 9, 1931, as amended May 5, 1932, as further amended by the Resolution of October 9, 1952, establishing issue of Consolidated Bonds, and Resolution of September 22, 1932, relating to the General Reserve Fund.

Basic Resolution adopted March 18, 1935, as amended March 25, 1935, September 16, 1943, March 6, 1947, and October 23, 1947, establishing issue of General and Refunding Bonds.

Resolution of November 13, 1947, and Resolution of October 9, 1952, relating to the administration of the General Reserve Fund.

Resolution of June 18, 1948, establishing issue of Air Terminal Bonds.

Resolution of November 23, 1948, establishing issue of Marine Terminal Bonds.

Resolution of October 9, 1952, establishing issue of Consolidated Bonds.

Resolution of November 13, 1958, relating to the effect of the application of Consolidated Bonds, Twelfth Series, to the acquisition of the Erie Basin-Port Authority Marine Terminal.

Resolution of June 14, 1962, relating to the certification of the Hudson Tubes as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds or Consolidated Notes for purposes of capital expenditures in connection with that facility.

Resolution of September 9, 1965, relating to the certification of the World Trade Center as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of March 8, 1979, relating to the certification of the Port Authority Bus Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility; and resolution of May 13, 1982, relating to the certification of the extension of the Port Authority Bus Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of April 29, 1981, relating to the certification of the Oak Point Rail Freight Link as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of October 28, 1981, relating to the certification of the Bathgate Industrial Development Project as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolutions of September 9, 1982, as amended and supplemented by Resolutions of June 9, 1983, October 13, 1983, July 11, 1985, November 14, 1985, January 7, 1988, October 11, 1990, November 9, 1995, June 29, 2000, May 26, 2005, June 22, 2010, July 23, 2015, and October 29, 2020 with respect to the establishment and authorization of issuance of Port Authority Commercial Paper Obligations.

Resolution of June 9, 1983, relating to the certification of the Teleport as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of June 9, 1983, establishing issue of Special Project Bonds.

Resolution of June 14, 1984, relating to the certification of the Elizabeth Industrial Park as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of October 11, 1984, relating to the certification of the Pre-development Site Acquisition Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of October 11, 1984, relating to the certification of the Newark Legal and Communications Center as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of October 11, 1984, relating to the certification of the Greenville Yard-Port Authority Marine Terminal as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of May 9, 1985, as amended November 14, 1985, relating to the certification of the Essex County Resource Recovery Facility as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of June 13, 1985, relating to the certification of the Howland Hook Marine Terminal as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of December 11, 1986 (a portion of which appears in the Official Minutes of January 22, 1987), relating to the certification of an Imported Automobile Marine Terminal as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of May 14, 1987, relating to the certification of the Newark South Ward Industrial Park as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of September 10, 1987, relating to the certification of the Regional Development Facility as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolutions of July 14, 1988, March 8, 1989, May 11, 1989 (of the Committee on Finance of the Board of Commissioners of the Port Authority), November 14, 1991, April 9, 1992 (of the Committee on Finance of the Board of Commissioners of the Port Authority), October 13, 1994 and December 12, 1996, as modified by Resolution of November 18, 1999, relating to Port Authority Variable Rate Master Notes.

Resolutions of July 14, 1988, December 10, 1992 and April 27, 2005, as modified by Resolution of March 30, 2006, with respect to Interest Rate Exchange Contracts.

Resolution of September 14, 1989, relating to the certification of the New Jersey Marine Development Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolutions of September 14, 1989 and July 11, 1991, relating to the certification of the Regional Economic Development Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of September 14, 1989, relating to the certification of the Trans-Hudson Ferry Service as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolutions of November 14, 1991, establishing Consolidated Bonds, Eighty-fifth Series, Due 2029, and authorizing the issue and sale thereof; as a result of action taken at the time of sale of such Series, it is now known as “Consolidated Bonds, Eighty-fifth Series.”

Resolution of June 11, 1992, as modified by Resolutions of October 13, 1994, December 12, 1996 and November 18, 1999, with respect to the establishment and authorization of issuance of Port Authority Versatile Structure Obligations.

Resolution of June 11, 1992 (and procedures and subject matter exceptions of August 13, 1992, as modified by Resolution of December 14, 2006), relating to public attendance at meetings of the Board of Commissioners of the Port Authority and its committees.

Resolutions of June 10, 1993, in pertinent part establishing and authorizing the issuance of Consolidated Bonds, Ninety-third Series (as amended March 10, 1994 solely with respect to Consolidated Bonds, Ninety-third Series), and authorizing the sale thereof.

Resolutions of June 10, 1993, October 13, 1994 and December 12, 1996, as modified by Resolution of November 18, 1999, with respect to the establishment and authorization of issuance of Port Authority Equipment Notes.

Resolution of December 15, 1994, relating to the authority of the Committee on Operations of the Board of Commissioners of the Port Authority to take actions on behalf of the Board of Commissioners of the Port Authority.

Resolution of September 25, 1997, relating to the certification of the Hoboken South Waterfront Development project as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of September 25, 1997, relating to the certification of the Queens West Waterfront Development project as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of November 21, 2002, relating to the certification of the Regional Rail Freight Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of November 21, 2002, relating to the certification of the New York Transportation, Economic Development and Infrastructure Renewal Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of November 21, 2002, relating to the certification of the Regional Transportation Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of November 21, 2002, relating to the certification of the Hudson-Raritan Estuary Resources Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility; and resolution of April 23, 2014, relating to the certification of the Hudson-Raritan Estuary Resources Program II as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of February 23, 2006, relating to the certification of the Meadowlands Passenger Rail Facility as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of July 26, 2007, relating to the certification of Stewart International Airport as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolutions of July 26, 2007, May 22, 2008, July 28, 2011, March 29, 2012, June 28, 2012, August 1, 2012, and September 20, 2012 relating to the By-Laws of the Port Authority.

Resolutions of November 15, 2007, in pertinent part establishing and authorizing the issuance of Consolidated Bonds, One Hundred Fiftieth Series and Consolidated Bonds, One Hundred Fifty-third Series through Consolidated Bonds, One Hundred Sixty-first Series and authorizing the sale thereof (as amended pursuant to the resolution of January 22, 2009, solely with respect to the sale of Consolidated Bonds, One Hundred Fifty-fourth Series through Consolidated Bonds, One Hundred Sixty-first Series).

Resolution of June 30, 2008, relating to the certification of the Access to the Region’s Core Project as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolutions of November 19, 2009, in pertinent part establishing and authorizing the issuance of Consolidated Bonds, One Hundred Sixty-second Series through Consolidated Bonds, One Hundred Seventy-third Series and authorizing the sale thereof (as amended pursuant to the resolution of May 25, 2011, solely with respect to the sale of Consolidated Bonds, One Hundred Sixty-eighth Series through Consolidated Bonds, One Hundred Seventy-third Series).

Resolution of August 19, 2011, relating to changes in the tolls schedule for the Port Authority's vehicular crossings (as amended pursuant to the resolution of February 16, 2017 with respect to the discontinuance of the Port Authority Carpool Plan at the Bayonne Bridge, and pursuant to the resolution of June 28, 2018 with respect to the discontinuance of the Port Authority Carpool Plan at the Outerbridge Crossing and Goethals Bridge).

Resolution of August 19, 2011, relating to changes in the fare schedule for the Port Authority Trans-Hudson System.

Resolutions of August 1, 2012, in pertinent part establishing and authorizing the issuance of Consolidated Bonds, One Hundred Seventy-fourth Series through Consolidated Bonds, One Hundred Ninety-first Series and authorizing the sale thereof (as amended pursuant to the resolution of October 16, 2013, solely with respect to the sale of Consolidated Bonds, One Hundred Seventy-eighth Series through Consolidated Bonds, One Hundred Ninety-first Series).

Resolution of February 19, 2015, endorsing the recommendations of the bi-state Special Panel on the Future of the Port Authority.

Resolution of March 19, 2015, establishing a Whistleblower Protection Policy for Port Authority employees.

Resolution of March 19, 2015, relating to the designation of the Port Authority's offices at 4 World Trade Center, 150 Greenwich Street, New York, New York 10007 as the location for service of process in the State of New York.

Resolutions of July 23, 2015, establishing and authorizing the issuance of Consolidated Bonds, One Hundred Ninety-second Series through Consolidated Bonds, Two Hundred Eleventh Series and authorizing the sale thereof.

Resolutions of April 28, 2016, relating to the enhanced transparency and efficiency of Port Authority public records access policy and access to personal information policy, as amended by the Resolution of December 7, 2017, relating to the Port Authority public records access policy.

Resolution of February 16, 2017, relating to the adoption of the 2017-2026 Capital Plan for the Port Authority.

Resolution of February 16, 2017, relating to further measures to improve Port Authority governance-oaths, conflicts of interest, and affirmative cooperation with investigations.

Resolution of February 16, 2017, relating to the certification of the Moynihan Station Transportation Program as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolution of September 28, 2017, relating to implementation of a comprehensive integrity program.

Resolution of October 26, 2017, relating to a Code of Ethics for the Commissioners of the Port Authority.

Resolution of February 15, 2018, relating to the certification of the Port Authority Gateway Support Program, Early Work as an additional facility of the Port Authority and authorizing the issuance of Consolidated Bonds for purposes of capital expenditures in connection with that facility.

Resolutions of July 26, 2018, establishing and authorizing the issuance of Certain Series of Consolidated Bonds Commencing with the Two Hundred Twelfth Series and authorizing the sale thereof.

Resolutions of July 26, 2018, establishing and authorizing the issuance of Certain Series of Consolidated Notes Commencing with Series AAA and authorizing the sale thereof.

Resolution of July 26, 2018, recognizing the continued issuance, within the scope of existing authorizations, of Versatile Structure Obligations, Variable Rate Master Notes, Equipment Notes, and Commercial Paper Obligations.

Resolution of September 26, 2019, relating to changes in the tolls schedule for vehicular interstate crossings and other fees.

Resolution of September 26, 2019, relating to the reassessment and changes to the 2017-2026 Capital Plan.

Resolution of October 29, 2020, relating to the access fee for for-hire vehicles and taxis – adjustment of implementation date.

Resolutions of March 17, 2022, establishing and authorizing the issuance of Certain Series of Consolidated Bonds in 2022 and authorizing the sale thereof.

Resolutions of March 17, 2022, establishing and authorizing the issuance of Certain Series of Consolidated Notes in 2022 and authorizing the sale thereof.

Resolution of November 17, 2022, establishing and authorizing the Special Obligation Institutional Loan Program.

Resolution of December 15, 2022, relating to the approval and adoption of the Port Authority's Budget for 2023 with respect to capital and operating expenses.

Resolution of December 15, 2022, relating to the Port Authority Plan of Finance and Public Approval Process for Plan of AMT Debt Issuance.

Resolutions of December 15, 2022, establishing and authorizing the issuance of Certain Series of Consolidated Bonds in 2023 and authorizing the sale thereof.

Resolutions of December 15, 2022, establishing and authorizing the issuance of Certain Series of Consolidated Notes in 2023 and authorizing the sale thereof.

SECTION V—SCHEDULES OF OUTSTANDING DEBT

The following schedule of Consolidated Bonds (as of June 6, 2023)* includes all mandatory payments (including sinking fund requirements and serial maturities) whether payable from revenues or other sources upon the assumptions that: (1) the presently outstanding bonds or notes will not be retired prior to maturity except in accordance with the mandatory retirement provisions of such bonds or notes; (2) the payment into each sinking fund will be made on the latest permissible date of each year for which such sinking fund payment is required to be made; and (3) such payments will be in the amounts scheduled to be made for such year. Interest shown is accrued on the assumption that principal payments for the presently outstanding bonds or notes will be made to the bondholders each year on the date when due. Amounts shown for the year 2023 include interest and mandatory payments expected to be paid in 2023 and accrued interest on Consolidated Bonds issued in 2023, and have not been adjusted to reflect payments made in 2023 other than to reflect the refundings of series of Consolidated Bonds that occurred in 2023 prior to the date of this schedule.

Consolidated Bonds (as of June 6, 2023)* (in thousands)	**TOTAL ALL ISSUES**		
	Total Principal Amount $25,683,175		
Year	**Total**	**Interest**	**Amortization**
2023	$2,690,458	$1,112,403	$1,578,055
2024	1,623,736	1,102,621	521,115
2025	1,602,005	1,074,390	527,615
2026	1,599,575	1,049,585	549,990
2027	1,599,348	1,025,053	574,295
2028	1,593,612	999,377	594,235
2029	1,616,905	973,195	643,710
2030	1,624,003	934,818	689,185
2031	1,640,331	903,431	736,900
2032	1,642,439	869,139	773,300
2033	1,667,040	831,295	835,745
2034	1,634,823	792,688	842,135
2035	1,655,171	752,696	902,475
2036	1,563,136	709,041	854,095
2037	1,482,442	668,392	814,050
2038	1,400,726	631,001	769,725
2039	1,414,560	592,525	822,035
2040	1,276,333	556,588	719,745
2041	1,217,323	522,853	694,470
2042	1,219,480	491,865	727,615
2043	1,193,843	459,718	734,125
2044	1,156,792	428,212	728,580
2045	1,159,858	391,658	768,200
2046	1,012,144	359,519	652,625
2047	1,003,349	330,419	672,930
2048	969,687	298,967	670,720
2049	844,397	269,212	575,185
2050	754,684	242,624	512,060
2051	753,234	217,979	535,255
2052	510,462	195,937	314,525
2053	609,243	180,878	428,365
2054	541,327	162,257	379,070
2055	532,325	144,825	387,500
2056	506,230	127,190	379,040
2057	576,235	108,500	467,735
2058	483,834	89,974	393,860
2059	474,815	73,835	400,980
2060	455,970	57,495	398,475
2061	304,985	43,465	261,520
2062	264,717	32,462	232,255
2063	58,012	24,287	33,725
2064	57,996	22,731	35,265
2065	131,856	20,076	111,780
2066	100,360	16,195	84,165
2067	100,323	13,378	86,945
2068	93,055	10,510	82,545
2069	93,015	7,760	85,255
2070-2094	224,746	124,746	100,000
TOTAL	**$46,730,940**	**$21,047,765**	**$25,683,175**

Footnotes on next page

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* "Total All Issues" includes (i) the Bonds; (ii) $100,000,000 Consolidated Bonds, Ninety-third Series with interest included in each of the years 2023 through 2069, and with principal and interest included on a cumulative basis during the period 2070 through 2094; and (iii) $1,100,000,000 Consolidated Notes, Series AAA that the Port Authority anticipates repaying in part with (A) a portion of the Bonds and (B) the proceeds of a future issuance of Consolidated Bonds in 2023 and/or other available funds of the Port Authority. Not included are: (i) the Institutional Loans; and (ii) Variable Rate Master Notes.

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Principal Amounts of Certain Port Authority Obligations Outstanding (as of June 6, 2023)*

Consolidated Bonds:	Par Value
Eighty-fifth Series, 5.2%-5.375%, Serial/Term, due 2022-2028	$41,800,000
Ninety-third Series, 6.125%, Term, due 2094	100,000,000
One Hundred Fifty-eighth Series, 5.859%, Term, due 2024 (A)	250,000,000
One Hundred Fifty-ninth Series, 6.04%, Term, due 2029 (A)	350,000,000
One Hundred Sixty-fourth Series, 5.647%, Term, due 2040 (A)	425,000,000
One Hundred Sixty-fifth Series, 5.647%, Term, due 2040 (A)	425,000,000
One Hundred Sixty-eighth Series, 4.926%, Term, due 2051 (A)	1,000,000,000
One Hundred Seventy-first Series, 4%-5%, Serial/Term, due 2030-2042	400,000,000
One Hundred Seventy-fourth Series, 4.458%, Term, due 2062 (A)	2,000,000,000
One Hundred Seventy-fifth Series, 3%-5%, Serial/Term, due 2022-2042	338,185,000
One Hundred Seventy-seventh Series, 3%-5%, Serial/Term, due 2022-2043 (C)	293,980,000
One Hundred Seventy-eighth Series, 5%, Serial/Term, due 2022-2043 (C)	329,690,000
One Hundred Seventy-ninth Series, 4%-5%, Serial/Term, due 2022-2043	656,080,000
One Hundred Eighty-first Series, 4.96%, Term, due 2046 (A)	500,000,000
One Hundred Eighty-second Series, 5.31%, Term, due 2046 (A)	500,000,000
One Hundred Eighty-third Series, 3%-5%, Serial/Term, due 2025-2044	400,000,000
One Hundred Eighty-fourth Series, 4%-5%,Serial/Term, due 2022-2039	345,175,000
One Hundred Eighty-fifth Series, 4%-5%, Serial, due 2022-2034 (C)	319,250,000
One Hundred Eighty-sixth Series, 5%, Serial/Term, due 2022-2044 (C)	241,490,000
One Hundred Eighty-seventh Series, 2.529%-4.426%, Serial/Term, due 2022-2034 (A)	201,885,000
One Hundred Eighty-eighth Series, 5%, Serial, due 2022-2035 (C)	27,965,000
One Hundred Eighty-ninth Series, 3%-5%, Serial/Term, due 2022-2045	367,885,000
One Hundred Ninety-first Series, 4.823%, Term, due 2045 (A)	250,000,000
One Hundred Ninety-second Series, 4.81%, Term, due 2065 (A)	500,000,000
One Hundred Ninety-third Series, 5%, Serial, due 2022-2035 (C)	227,965,000
One Hundred Ninety-fourth Series, 4%-5.25%, Serial/Term, due 2022-2055	1,109,320,000
One Hundred Ninety-fifth Series, 1.45%-5%, Serial/Term, due 2022-2036 (C)	155,495,000
One Hundred Ninety-seventh Series, 5%, Serial/Term, due 2022-2041 (C)	144,880,000
One Hundred Ninety-eighth Series, 5%-5.25%, Serial/Term, due 2027-2056	350,000,000
One Hundred Ninety-ninth Series, 1.58%-3.05%, Serial, due 2022-2031 (C)	209,945,000
Two Hundredth Series, 5%-5.25%, Serial/Term, due 2027-2057	250,000,000
Two Hundred First Series, 4.229%, Term, due 2057 (A)	300,000,000
Two Hundred Second Series, 4.875%-5.0%, Serial, due 2022-2037 (C)	160,210,000
Two Hundred Third Series, 3.0%, Term, due 2032 (C)	50,000,000
Two Hundred Fourth Series, 1.91%-5.0%, Serial, due 2023-2028 (C)	138,105,000
Two Hundred Fifth Series, 5%-5.25%, Serial/Term, due 2022-2057	676,650,000
Two Hundred Sixth Series, 5%, Serial/Term, due 2028-2047 (C)	100,000,000
Two Hundred Seventh Series, 4%-5%, Serial/Term, due 2022-2048 (C)	647,875,000
Two Hundred Ninth Series, 5%, Serial, due 2022-2038	407,495,000
Two Hundred Tenth Series, 4.031%, Term, due 2048 (A)	300,000,000
Two Hundred Eleventh Series, 4%-5%, Serial/Term, due 2029-2048	400,000,000
Two Hundred Twelfth Series,4%-5%, Serial, due 2022-2039	274,565,000
Two Hundred Thirteenth Series, 5%, Serial, due 2022-2039	302,005,000
Two Hundred Fourteenth Series, 4%-5%, Serial/Term, due 2030-2043 (C)	200,000,000
Two Hundred Fifteenth Series, 3.287%, Term, due 2069 (A)	400,000,000
Two Hundred Sixteenth Series, 4%, Term, due 2045-2049	100,000,000
Two Hundred Seventeenth Series, 4%-5%, Serial/Term, due 2030-2049	400,000,000
Two Hundred Eighteenth Series, 4%-5%, Serial/Term, due 2030-2049 (C)	525,000,000
Two Hundred Nineteenth Series, 3.5%, Term, due 2060-2061 (C)	50,000,000
Two Hundred Twentieth Series, 4%, Term, due 2050-2059 (C)	125,000,000
Two Hundred Twenty First Series, 4%-5%, Serial/Term, due 2022-2060 (C)	654,065,000
Two Hundred Twenty Second Series, 4%-5%, Serial, due 2022-2040	436,085,000
Two Hundred Twenty Third Series, 4%-5%, Serial/Term, due 2022-2061 (C)	464,695,000
Two Hundred Twenty Fourth Series, 4%-5%, Serial/Term, due 2030-2061	420,020,000
Two Hundred Twenty Fifth Series, 3.175%, Term, due 2057-2060 (A)	400,000,000
Two Hundred Twenty Sixth Series, 5%,Serial, due 2022-2041 (C)	194,615,000
Two Hundred Twenty Seventh Series, 2%-3% Serial, due 2027-2034 (C)	186,920,000

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Two Hundred Twenty Eighth Series A, 2.25%, Serial, due 2041 (B)	70,000,000
Two Hundred Twenty Eighth Series B, 3%, Serial, due 2042 (B)	175,000,000
Two Hundred Twenty Eighth Series C, 4%, Serial, due 2043 (B)	160,000,000
Two Hundred Twenty Eighth Series D, 2.75%, Term, due 2040-2044 (B)	233,805,000
Two Hundred Twenty Ninth Series, 0.767%-3.139%, Serial/Term, due 2023-2051 (A)	417,930,000
Two Hundred Thirtieth Series, 3%-5.25%, Serial/Term, due 2022-2052	326,925,000
Two Hundred Thirty-First Series, 5%-5.5%, Serial/Term, due 2022-2052 (C)	501,765,000
Two Hundred Thirty-Second Series, 4.625%, Term, due 2052 (C)	50,000,000
Two Hundred Thirty-Third Series, 4.5%-5.25%, Serial/Term, due 2033-2052	150,000,000
Two Hundred Thirty-Fourth Series, 5%-5.5%, Serial/Term, due 2038-2052 (C)	250,000,000
Two Hundred Thirty-Fifth Series, 4.805%-5.055%, Serial, due 2033-2037 (A)	50,000,000
Two Hundred Thirty-Sixth Series, 5.000%, Serial/Term, due 2033-2052 (C)	300,000,000
Two Hundred Thirty-Seventh Series, 5.000%, Serial/Term, due 2033-2052	100,000,000
Two Hundred Thirty-Eighth Series, 5.000%, Serial, due 2034-2040 (C) *	248,300,000
Two Hundred Thirty-Ninth Series, 5.072%, Term, due 2053 (A) *	463,445,000
Consolidated Notes:	
AAA Taxable Notes, 1.086% Term (A) 2023 **	1,100,000,000
Total	$25,621,465,000
Equipment Notes	$ —
Versatile Structure Obligations	$ —
Commercial Paper Obligations	$ —
Institutional Loans	$526,182,372.06
Variable Rate Master Notes	$44,600,000

(A) Subject to federal taxation.
(B) The entire series was acquired by the New York Liberty Development Corporation in connection with its issuance of the New York Liberty Development Corporation Liberty Revenue Refunding Bonds, Series 1WTC-2021 (Secured by Port Authority Consolidated Bonds).
(C) The obligations noted with a "(C)", as well as certain of the Equipment Notes, Commercial Paper Obligations and Variable Rate Master Notes, on original issuance were subject to the alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended with respect to individuals and corporations.
*This schedule has been adjusted to reflect the issuance of the Bonds.
**The Port Authority anticipates applying a portion of the proceeds of the Bonds towards the refunding of Consolidated Notes, Series AAA (which mature on July 1, 2023). The Port Authority also anticipates applying a portion of the proceeds of a future issuance of Consolidated Bonds in 2023, and/or other available funds of the Port Authority, to refund any remaining Consolidated Notes, Series AAA.

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SECTION VI—BOND RESOLUTIONS AND LEGAL OPINION

Resolution Establishing and Authorizing the Issuance of Certain Series of Consolidated Bonds – 2023

(Adopted December 15, 2022)

This resolution constitutes a contract with the holders in whose names the Bonds are registered on the books and records of the Registrar. During the period in which a book-entry system is applicable to the Bonds, the Depository or its nominee shall be the sole registered holder of the Bonds.

WHEREAS, heretofore and on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the "Authority") adopted a resolution (hereinafter called the "Consolidated Bond Resolution"), constituting a contract with the holders of the obligations issued thereunder, providing for the issuance of certain direct and general obligations of the Authority (hereinafter called "Consolidated Bonds"), from time to time, in conformity with the Consolidated Bond Resolution for the purposes therein set forth; and

WHEREAS, the Consolidated Bond Resolution provides that Consolidated Bonds shall be issued in such series as the Authority may determine, and that the characteristics of each such series shall be determined by the Authority by and in the resolution establishing such series, and that the resolution establishing such series may contain other terms and provisions not inconsistent with the Consolidated Bond Resolution; and

WHEREAS, the Authority has heretofore established various series of Consolidated Bonds and has now determined that it is appropriate to establish certain additional series of Consolidated Bonds which shall be sold on or after January1, 2023 through December 31, 2023, without prejudice to its right hereafter to establish and issue further series of Consolidated Bonds.

NOW, THEREFORE, be it resolved by the Authority:

SECTION 1. As used in this resolution, any words or phrases specifically defined in the Consolidated Bond Resolution shall be read and construed in accordance with such specific definitions. As used in this resolution, the term "Authorized Officer" shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice- Chairman; Chairman of the Committee on Finance; Executive Director; Chief Financial Officer; or Treasurer of the Authority, or their respective successors in office or duties.

SECTION 2. To the extent the authority to spend additional funds under the resolutions dated March 17, 2022 entitled "*Establishment and Issuance of Certain Series of Consolidated Bonds - 2022*" and "*Sale of Certain Series of Consolidated Bonds - 2022"* has not been used by December 31, 2022, such authority is deemed extinguished as of December 31, 2022. Each series of Consolidated Bonds issued pursuant to this resolution, which shall have one or more distinguishing feature(s) at the discretion of the Authority including but not limited to interest payment dates, redemption provisions if any, issuance date and/or federal tax treatment under the Internal Revenue Code of 1986 and the regulations thereunder, is established as a separate series of Consolidated Bonds and the issuance of each such series with a term to maturity not in excess of 50 years is authorized; *provided, however*, that the total aggregate principal amount of Consolidated Bonds issued pursuant to this resolution as may be amended from time to time, Port Authority Consolidated Notes issued pursuant to the resolution entitled "*Establishment and Issuance of Certain Series of Consolidated Notes - 2023*" dated the date hereof as may be amended from time to time, when added to the principal amount of Port Authority Versatile Structure Obligations sold after the date of this resolution through December 31, 2023 pursuant to the "*Port Authority Versatile Structure Obligations Resolution- Modification*" dated November 18, 1999 as may be amended from time to time, shall not exceed $4.8 billion. It is anticipated that the Board may amend the cap on such total aggregate principal amount on an annual basis, or more frequently as necessary. Each of such series of Consolidated Bonds shall be issued in conformity with the Consolidated Bond Resolution for the purposes specified in this resolution. This resolution shall apply with equal force and effect to each of such series on an individual basis (each of such series hereinafter called the "Bonds"). This resolution shall constitute a contract with the registered holders of the Bonds and with each such registered holder.

SECTION 3. The Committee on Finance of the Authority (hereinafter called the "Committee on Finance") is authorized to establish, fix and determine the terms of the Bonds and, in connection therewith, to make such changes and adjustments to the provisions set forth in the third paragraph of this Section 3 and in Sections 4, 5, 6, 9 and 10 of this resolution as in the opinion of the Committee on Finance will effectuate the issuance of the Bonds, and to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

The proceeds of the Bonds may be used for any purpose for which at the time of issuance of the Bonds the Authority is authorized by law to issue its obligations. The Committee on Finance may allocate the proceeds of the Bonds, from time to time, to certain of the authorized purposes, including the specific designation of any obligations to be refunded with the proceeds of the Bonds.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America; principal of the Bonds shall be payable upon presentation and surrender thereof by the registered holders, at the office or offices, designated by the Authority, of the Paying Agent (or Paying Agents) appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District; and interest on the Bonds shall be payable when due to the registered holders thereof by check or draft drawn on the Paying Agent (or Paying Agents) appointed for the purpose by the Authority and mailed to said registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Bonds.

SECTION 4. The Bonds shall be issued only in registered form, registered as to both principal and interest and not as to either alone, in authorized denominations.

The Authority will keep or cause to be kept at the offices, designated by the Authority, of a Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient Registry Books for the registration of the Bonds. The Bonds shall be transferable only upon such Registry Books by the registered holder thereof or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution. Upon the written request of the registered holder or registered holders thereof and upon surrender thereof, a bond or bonds may be exchanged for a bond or bonds of like tenor, registered as designated in such request, of any other authorized denominations. All requests for registration, transfer, exchange and delivery pertaining to the Bonds as above provided shall be filed with the Registrar of the Authority; all bonds to be surrendered pursuant to such requests shall be surrendered to the Registrar; and all bonds delivered in exchange as aforesaid shall be delivered by the Registrar. All bonds surrendered to the Registrar in exchange for other bonds or for transfer as above provided shall be cancelled by the Registrar upon such surrender. The Authority shall bear the cost incurred by the Authority in connection with the registration, authentication (if any), transfer, cancellation, exchange and delivery of bonds, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

SECTION 5. The Bonds shall be redeemable at the option of the Authority, on prior notice, in whole, or, from time to time, in part, at such redemption price and on such date set forth in the applicable notice to redeem the Bonds.

If less than all of the Bonds then outstanding are to be called for redemption at the option of the Authority, and if the Bonds then outstanding include bonds of any serial maturities, the bonds so to be called shall be in inverse order of maturity, and if bonds constituting a particular maturity are to be called for redemption, but not all bonds constituting such maturity are to be called for redemption, the bonds so to be called shall be determined by lot by the Registrar.

If bonds are to be called for redemption to meet the schedule of mandatory periodic retirement for the Bonds, the bonds so to be called shall be determined by lot by the Registrar.

Notice to redeem any of the Bonds shall be given by the Registrar not less than 30 nor more than 45 days prior to the date fixed for redemption, to the registered holders of the bonds to be called for redemption, by deposit of a copy of such notice, postage prepaid by certified or registered mail, in a United States Post Office, addressed to such registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Bonds.

On or before the date fixed for redemption specified in the notice to redeem any of the Bonds, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the bonds which are to be redeemed, at the respective redemption price thereof, which, in each case, shall include the accrued interest until the date fixed for redemption and the premium (if any), such principal amount and premium (if any), to be held by the Paying Agent (or Paying Agents) in trust for the account of the registered holders of the bonds so called for redemption and to be paid to them respectively upon presentation and surrender of such bonds with accrued interest included in such redemption price to be paid to the registered holders in accordance with the provisions of this resolution. On and after the date fixed for redemption, the notice to redeem having been completed as above provided, the bonds so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such bonds on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the bonds so called on and after the date fixed for their redemption, and such bonds shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of bonds of denominations greater than the minimum authorized denomination, for all purposes in connection with redemption, each unit of face value representing the minimum authorized denomination shall be treated as though it were a separate bond of the minimum authorized denomination, and the word "bond" as used in the foregoing provisions of this Section 5 shall be deemed to refer to such unit of face value representing the minimum authorized denomination. If it is determined as above provided that one or more but not all of the units of face value representing the minimum authorized denomination of any bond are to be called for redemption, then upon notice to redeem such unit or units, the registered holder of such bond shall forthwith present such bond to the Registrar who shall issue a new bond or bonds of like tenor of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 4 of this resolution, including a new bond or bonds with the aggregate principal amount of the unit or units of face value called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption without further notice to the registered holder thereof. If the registered holder of such bond of a denomination greater than the minimum authorized denomination shall fail to present such bond to the Registrar for the issuance of new bonds of smaller denominations in exchange therefor, as aforesaid, such bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent (or Paying Agents), as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such bond represented by such unit or units of face value on and after the date fixed for redemption, and such bond shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon until the date fixed for redemption and premium, if any) represented by such unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 6. The Bonds shall be retired at or prior to maturity, by purchase, call or payment, by the dates and in at least the cumulative principal amounts set forth on the schedule of mandatory periodic retirement for the Bonds.

If, at least 45 days prior to the mandatory periodic retirement date in each year (except the year of maturity) set forth in the schedule of mandatory periodic retirement for the Bonds, the Authority shall not have purchased or redeemed (at any prior time or times during such year or at any time or times during any prior years) a principal amount of the Bonds at least equal to the principal amount of the Bonds to be retired on such mandatory periodic retirement date, then the Authority shall call a principal amount of the Bonds equal to such deficiency, at the respective redemption price thereof, in the manner and upon the notice set forth in Section 5 of this resolution. Any of the Bonds purchased by the Authority as aforesaid may be purchased at such prices as the Authority may deem reasonable and proper and, in the discretion of the Authority, at public or private sale, with or without advertisement and with or without notice to any person other than the seller, and such of the Bonds as are theretofore issued and negotiated and then held by the Authority may be purchased for such purpose as well as bonds held by others.

Nothing herein contained shall be construed in any way to prevent the Authority from retiring the Bonds more rapidly than is set forth in the schedule of mandatory periodic retirement for the Bonds.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund except for purposes and upon conditions which are authorized by the Consolidated Bond Resolution.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing 10 years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. The Authority shall appoint a bank or trust company as trustee for and in connection with the Bonds (hereinafter called the "Trustee"). The Trustee is authorized to (i) institute any action or proceeding on behalf of the registered holders of the Bonds against the Authority or others, or (ii) intervene in any pending action or proceeding, or (iii) take any other action which it shall in its sole discretion determine to be necessary or advisable in order to protect the rights of the registered holders of the Bonds. The rights of the Trustee in this respect and in all other respects shall be in addition to and not in substitution of any and all rights which would otherwise inure to the registered holder or registered holders of the Bonds. It is understood that the Trustee in its sole discretion may, but shall be under no obligation to, review the activities or operations of the Authority or any of the contracts or agreements of the Authority or exercise any of the rights or powers vested in it by this Section 8 whether on the Trustee's initiative or at the request or direction of any of the registered holders of the Bonds.

The Trustee (which shall include any successor Trustee) appointed under the provisions of this Section 8 shall be a bank or trust company organized under the laws of the State of New York or the State of New Jersey or a national banking association doing business and having its principal office in the Port of New York District and having a total capital (including capital stock, surplus, undivided profits and capital notes, if any) aggregating at least $25 million, which is willing and able to accept the office on reasonable and customary terms and is authorized by law to perform all the duties imposed upon it by this resolution.

The Trustee shall not be liable for any action taken or suffered upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this resolution in good faith and in accordance therewith. The Trustee shall not be liable in connection with the performance or nonperformance of its duties except for its own willful misconduct, negligence or bad faith.

If the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this resolution, such matter (unless other evidence in respect thereof be specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this resolution upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

The Authority shall annually, within 120 days after the close of each calendar year make available to the Trustee its financial statement(s) for such year accompanied by an opinion signed by an independent public accountant or firm of public accountants of recognized standing selected by the Authority and satisfactory to the Trustee.

The Authority shall annually, after the close of each calendar year, make available to the Trustee a copy of its annual report when such annual report is published.

The Authority shall make available to the Trustee a copy of any Official Statement hereafter issued by the Authority in connection with the issuance of bonds by the Authority.

The Authority shall hereafter make available to the Trustee a copy of the minutes of every meeting of the Authority and of its subsidiary corporations hereafter held, at the time said minutes are transmitted to the Governor of New York and the Governor of New Jersey.

The Authority shall not be required to make available to the Trustee (except when requested to do so by the Trustee) and the Trustee shall not be required to review any document, instrument, report or paper other than those which the Authority is expressly required hereunder to make available to the Trustee. The Trustee shall not be bound to make any investigation into the facts or matters stated in any document, instrument, report or paper supplied to it, but the Trustee in its sole discretion may make such further inquiry or investigation into such facts or matters as the Trustee may deem advisable, and, if the Trustee shall determine to make such further inquiry or investigation, the Trustee is authorized to examine such books and records of and properties owned or operated by the Authority as the Trustee may deem advisable, personally or by agent or attorney.

The Authority agrees (i) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder, (ii) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the exercise or performance of any of its powers or duties hereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel), and (iii) to indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without willful misconduct, negligence or bad faith on its part, arising out of or in connection with the exercise or performance of the Trustee's powers and duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with such exercise or performance.

The Trustee may become the owner or holder of any bonds of the Authority with the same rights as it would have were it not a Trustee. To the extent permitted by law, the Trustee may act as depositary for the Authority, act as Paying Agent and Registrar of bonds of the Authority and act itself and permit any of its officers or directors to act in any other capacity with respect to the Authority, the bonds of the Authority and the holders of bonds of the Authority as it or its officers or directors would be able to act were it not a Trustee.

The Trustee may at any time resign and be discharged of the duties and obligations created by this resolution by giving not less than 60 days' written notice to the Authority and publishing notice thereof, specifying the date when such resignation shall take effect, once in each week for two successive calendar weeks in a newspaper of general circulation in the City of New York, State of New York, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the Authority in which event such resignation shall take effect immediately on the appointment of such successor.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed and acknowledged by the registered holders of a majority in principal amount of the Bonds then outstanding or by their attorneys duly authorized, excluding the principal amount of any of the Bonds held by or for the account of the Authority. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the holders of a majority in principal amount of the Bonds then outstanding, excluding the principal amount of any of the Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such registered holders of the Bonds or by their attorneys duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; *provided, however*, nevertheless, the Authority shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the registered holders of the Bonds as authorized in this Section 8. The Authority shall publish notice of any such appointment made by it once in each week for two consecutive calendar weeks, in a newspaper of general circulation in the City of New York, State of New York, the first publication to be made within 20 days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the registered holders of the Bonds.

Any company into which any Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Trustee may sell or transfer all or substantially all of its corporate trust business (*provided, however*, such company shall be a bank or trust company located in the Port of New York District and shall be authorized by law to perform all the duties imposed upon it by this resolution), shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

The failure of the Authority to take any action required by this Section 8 shall not invalidate any bond or bonds issued pursuant to this resolution or hereafter issued by the Authority, or affect any other actions of the Authority. The Authority shall in no way be restricted by this Section 8 from entering any defense to an action or proceeding instituted by the Trustee or by the registered holder or registered holders of the Bonds.

SECTION 9. The form of the bond, including provisions with respect to assignment, for the Bonds shall be determined by the Committee on Finance or by an Authorized Officer. The bonds shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be manually signed by an Authorized Officer. In case any Authorized Officer who shall have signed any of the bonds shall cease to be an Authorized Officer before such bonds shall have been actually issued, such bonds may nevertheless be issued as though such Authorized Officer who signed such bonds had not ceased to be an Authorized Officer.

SECTION 10. In case any bond shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new bond of like tenor in exchange or substitution for and upon cancellation of such mutilated bond or in lieu of or in substitution for such destroyed or lost bond; or if such bond shall have matured, instead of issuing a substitute bond the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute bond shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such bond and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute bond or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute bond, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new bond so issued in substitution. Any bond issued under the provisions of this Section 10 in lieu of any bond alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the bond so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 11. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance).*

SECTION 12. This resolution is intended to be annually amended upon approval from the Board or at such other time, by an Authorized Officer with approval from the Board.

* See footnote (*) at the end of "Resolution Authorizing the Sale of Certain Series of Consolidated Bonds – 2023" in this Section VI.

Resolution Authorizing the Sale of Certain Series of Consolidated Bonds – 2023

(Adopted December 15, 2022)

SECTION 1. To the extent the authority to spend additional funds under the resolutions dated March 17, 2022 entitled "*Establishment and Issuance of Certain Series of Consolidated Bonds - 2022*" and "*Sale of Certain Series of Consolidated Bonds - 2022"* has not been used by December 31, 2022, such authority is deemed extinguished as of December 31, 2022. This resolution shall apply with equal force and effect to each series of Consolidated Bonds sold on or after January 1, 2023 through December 31, 2023 pursuant to this resolution, on an individual basis, which shall have one or more distinguishing feature(s) at the discretion of the Authority, including but not limited to, interest payment dates, redemption provisions if any, issuance date and/or federal tax treatment under the Internal Revenue Code of 1986 and the regulations thereunder (each such series hereinafter called the "Bonds").

SECTION 2. The Committee on Finance of the Authority (hereinafter called the "Committee on Finance") is authorized, in the name of and on behalf of the Authority, to sell the Bonds at a true interest cost to the Authority not in excess of eight percent, with a term to maturity not in excess of 50 years, at public or private sale, with or without advertisement, at one or more times, and to apply the proceeds of such sale or sales as provided in the resolution authorizing the establishment and issuance of the Bonds; *provided, however*, that the total aggregate principal amount of the Bonds sold pursuant to this resolution as may be amended from time to time, Port Authority Consolidated Notes sold pursuant to the resolution entitled "*Sale of Certain Series of Consolidated Notes - 2023*" dated the date hereof as may be amended from time to time, when added to the principal amount of Port Authority Versatile Structure Obligations sold after the date of this resolution through December 31, 2023, pursuant to the "*Port Authority Versatile Structure Obligations Resolution- Modification*" dated November 18, 1999 as may be amended from time to time, shall not exceed $4.8 billion.

SECTION 3. The Committee on Finance is authorized, in the name of and on behalf of the Authority, in connection with the Bonds, to fix the time or times of sale of the Bonds, to determine the terms and conditions upon which such sales shall be made and to accept or reject offers in connection with such sales.

SECTION 4. The Committee on Finance is authorized, in the name of and on behalf of the Authority, in connection with the Bonds, to enter into any contracts or agreements pertaining to the Bonds; to fix the time or times and determine the terms and conditions of delivery of the Bonds; to appoint one or more Paying Agents and a Registrar and a Trustee, and to designate the office or offices of any such Paying Agent (or Paying Agents) at which payments shall be made and the office or offices of any such Registrar at which the Authority's Registry Books for the Bonds shall be kept; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised in connection with the Bonds, the Authority adopting all such selections, designations, determinations, estimates, actions, withholdings of action, formulations and expressions of opinions and exercises of discretion or judgment, including those pursuant to Section 3 of the Consolidated Bond Resolution, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

SECTION 5. The Committee on Finance is authorized to arrange, from time to time (i) for the preparation and distribution of disclosure documents, including official statements, offering statements or other offering materials in connection with the Bonds, and (ii) for the preparation and distribution of such other documents giving pertinent data with respect to the Authority and its finances as it deems appropriate, in each case, in the name of and on behalf of the Authority.

SECTION 6. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance).[*]

SECTION 7. The Committee on Finance or any Authorized Officer is authorized, in connection with the issuance of the Bonds on the basis that the Bonds are to be in conformity with, and that the interest on the Bonds is not to be includible for federal income tax purposes in the gross income of the recipients thereof under, Section 103(a) of the Internal Revenue Code of 1986, or successor provisions of law, and the regulations thereunder, to take any action which may be appropriate to assure that the Bonds are issued, and during their term are outstanding, on such basis, and any such actions taken in connection therewith are ratified. Any Authorized Officer is authorized to certify on behalf of the Authority as to the need for the issuance of the Bonds, as to the status of the projects for which the proceeds of the Bonds are to be used, as to the Authority's intentions with respect to the application and investment of the proceeds of the Bonds, and as to such other matters as such Authorized Officer deems appropriate.

SECTION 8. As used in this resolution, the term "Authorized Officer" shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Chief Financial Officer; or Treasurer of the Authority, or their respective successors in office or duties.

SECTION 9. This resolution is intended to be annually amended upon approval from the Board or at such other time, by an Authorized Officer with approval from the Board.

[*] In connection with the acceptance by an Authorized Officer of an offer to purchase the Bonds represented by the Bond Purchase Agreement (see "*Underwriting*" in Section I hereof), the terms of the Bonds have been established, fixed and determined, and the provisions of this resolution have been changed and adjusted, to the extent required, to conform the terms of the Bonds to the summary description of the Bonds as set forth in and pursuant to the Bond Purchase Agreement; such description is reflected at "*Description of the Bonds*," and at "*Additional Information Pertaining to the Bonds*" in Section I hereof.

Form of Legal Opinion of Bond Counsel

In connection with the delivery upon original issuance of the Bonds by the Port Authority, Bond Counsel will render a legal opinion on such date of delivery relating to the Bonds substantially in the following form.

[Letterhead of Bond Counsel]

(Date of delivery upon original issuance)

The Port Authority of New York and New Jersey
4 World Trade Center
150 Greenwich Street, 23rd Floor
New York, New York 10007

The Port Authority of New York and New Jersey
Consolidated Bonds, Two Hundred Thirty-Eighth Series and
Consolidated Bonds, Two Hundred Thirty-Ninth Series

Ladies and Gentlemen:

We have acted as bond counsel to The Port Authority of New York and New Jersey (the "Issuer") in connection with issuance of $248,300,000 aggregate principal amount of The Port Authority of New York and New Jersey Consolidated Bonds, Two Hundred Thirty-Eighth Series (the "Series 238 Bonds") and $463,445,000 aggregate principal amount of The Port Authority of New York and New Jersey Consolidated Bonds, Two Hundred Thirty-Ninth Series (the "Series 239 Bonds" and, collectively with the Series 238 Bonds, the "Bonds"), issued pursuant to resolutions of the Issuer dated as of October 9, 1952, establishing the issue of Consolidated Bonds, and of December 15, 2022, pertaining to the establishment and the authorization of the issuance of, and the authorization of the sale of, the Bonds (collectively, the "Resolutions"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

In such connection, we have reviewed the Resolutions, an opinion of counsel to the Issuer, certificates of the Issuer and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinion referred to in the paragraph above. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions. We call attention to the fact that the rights and obligations under the Bonds and the Resolutions and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Resolutions or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding obligations of the Issuer.

2. The Resolutions have been duly adopted and delivered by, and constitute the valid and binding obligations of, the Issuer. The Resolutions create a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Net Revenues and any other amounts held in any fund or account established pursuant to the Resolutions, subject to the provisions of the Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolutions.

3. Interest on the Series 238 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any Series 238 Bonds for any period of time that such Series 238 Bond is held by a "substantial user" of the facilities financed or refinanced by the Series 238 Bonds or by a "related person" within the meaning of Section 147(a) of the Code and the regulations thereunder. Interest on the Series 238 Bonds is a specific preference item for purposes of the federal individual alternative minimum tax, and, for tax years beginning after December 31, 2022, interest on the Series 238 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Series 239 Bonds is not excluded from gross income for federal income tax purposes under Section 103(a) of the Code.

The Bonds and the interest thereon are exempt under the Compact of April 30, 1921 and supplementary legislation, from any and all taxation (except estate, inheritance and gift taxes) now or hereafter imposed directly thereon by or under authority of the States of New York and New Jersey or by any political subdivision thereof. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds arising under the Code.

Very truly yours,

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APPENDIX A

Financial Statements as of and for the Years Ended December 31, 2022 and December 31, 2021 and Appended Notes

PORT AUTHORITY NY NJ

AIR LAND RAIL SEA

2022 FINANCIAL STATEMENTS & APPENDED NOTES

For the Year Ended December 31, 2022

Comptroller's Department

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CERTIFICATE WITH RESPECT TO
2022 FINANCIAL STATEMENTS

We, the undersigned officers of The Port Authority of New York and New Jersey, hereby certify, in connection with the release of the financial statements of The Port Authority of New York and New Jersey (the "Authority") and its component units for the years ended December 31, 2022 and December 31, 2021 (the "Financial Statements") that ***(a)*** to the best of our knowledge and belief, the financial and other information, including the summary of significant accounting policies described in the Financial Statements are accurate in all material respects and reported in a manner designed to present fairly the Authority's enterprise fund and fiduciary fund Net position, Changes in Net position, and Cash flows, in conformity with United States of America generally accepted accounting principles ("U.S. GAAP"); and ***(b)*** on the basis that the cost of internal controls should not outweigh their benefits, the Authority has established a comprehensive framework of internal controls to protect its assets from loss, theft, or misuse, and to provide reasonable (rather than absolute) assurance regarding the reliability of financial reporting and the preparation of the Financial Statements in conformity with U.S. GAAP.

Dated: New York, New York
March 20, 2023

R Cotton

Richard Cotton
Executive Director

Elizabeth M. McCarthy
Chief Financial Officer

Daniel G. McCarron

Daniel G. McCarron
Comptroller

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

Board of Commissioners
The Port Authority of New York and New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of The Port Authority of New York and New Jersey (the Port Authority), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Port Authority's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Port Authority, as of December 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of The Port Authority of New York and New Jersey Retiree Health Benefits Trust (the Trust), which represents 100% of the fiduciary activities as of and for the years ended December 31, 2022 and 2021. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Trust, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note A.3.o to the basic financial statements, in 2022, the Port Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the schedules listed under the heading Required Supplementary Information within the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits for the years ended December 31, 2022 and 2021 were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port Authority's basic financial statements. The supplementary information included in Schedules D-1, D-2, D-3, E and F, as listed in the table of contents, for the years ended December 31, 2022 and 2021 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information included in Schedules D-1, D-2, D-3, E and F is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the years ended December 31, 2022 and 2021.

We also previously audited, in accordance with GAAS, the basic financial statements of the Port Authority as of and for the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013 (not presented herein), and have issued our reports thereon dated March 3, 2021, March 4, 2020, March 6, 2019, March 20, 2018, March 1, 2017, March 7, 2016, March 13, 2015, and March 6, 2014, , respectively, which contained unmodified opinions on the respective basic financial statements. The supplementary information included in Schedules D-1 and D-2, as listed in the table of contents, for the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, and the supplementary information included in Schedule D-3, as listed in the table of contents, for the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013 basic financial statements, as applicable. The information was subjected to the audit procedures applied in the audit of the 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information included in Schedules D-1 and D-2 related to the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013 and the information included in Schedule D-3 related to the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, as applicable.

Other Information

Our audits were conducted for purposes of forming opinions on the basic financial statements as a whole. The supplementary information included in Schedule D-3 for fiscal year 2013 and Schedule G, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or any form of assurance thereon.

Report on the Audit of Schedules A, B, and C Prepared in Accordance with Port Authority Bond Resolutions

Opinion

We have audited the accompanying Schedules A, B, and C of the Port Authority, which present the assets and liabilities as of December 31, 2022 and revenues and reserves for the year then ended, of the Port Authority prepared in accordance with the requirements of the Port Authority's bond resolution.

In our opinion, the accompanying Schedules A, B, and C referred to above present fairly, in all material respects, the assets and liabilities of the Port Authority as of December 31, 2022, and its revenues and reserves for the year then ended in accordance with the requirements of the Port Authority's bond resolutions.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Schedules A, B, and C section of our report. We are required to be independent of the Port Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note A.4 of the basic financial statements, which describes the basis of accounting. As described in Note A.4 to the basic financial statements, Schedules A, B, and C are prepared by the Port Authority based on the requirements present in its bond resolutions, which is a basis of accounting other than U.S. generally accepted accounting principles. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for Schedules A, B, and C

Management is responsible for the preparation and fair presentation of Schedules A, B, and C in accordance with the requirements of the Port Authority's bond resolutions. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of Schedules A, B, and C

Our objectives are to obtain reasonable assurance about whether Schedules A, B, and C as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Port Authority's December 31, 2021 Schedules A, B, and C prepared in accordance with the requirements of the Port Authority's bond resolutions, and we expressed an unmodified audit opinion on those audited Schedules A, B, and C in our report dated March 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited Schedules A, B, and C from which they have been derived.

Restriction on Use

Our report on Schedules A, B, and C is intended solely for the information and use of the Port Authority and those who are a party to the Port Authority's bond resolutions, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

New York, New York
March 20, 2023

Introduction

The following discussion and analysis of business-type and fiduciary activities of The Port Authority of New York and New Jersey (the "Port Authority") and its component units described herein (see *Note A.1 – Nature of the Organization and Summary of Significant Accounting Policies*) is intended to provide an introduction to and understanding of the enterprise fund and fiduciary fund financial statements ("the financial statements") of the Port Authority for the year ended December 31, 2022, with selected comparative information for the years ended December 31, 2021 and December 31, 2020. This section has been prepared by management of the Port Authority and should be read in conjunction with the financial statements and appended note disclosures that follow the Management's Discussion and Analysis section of this report.

Impacts from the COVID-19 Pandemic

The information provided in this section represents the Port Authority's current assessments based on the data it had available at the time the financial statements were compiled. Such data may ultimately prove to be incomplete or misleading, especially when reviewed over a longer period of time. The trajectory and ultimate impact of the COVID-19 pandemic continue to be uncertain and are subject to many developments and actions outside of the Port Authority's control. The operating and financial performance of the Port Authority during the COVID-19 pandemic and forecasted future performance beyond the pandemic, in light of its lingering effects, are dependent in part on the actions of facility users, governmental actors, and the regional economy as a whole. Activity volume recoveries are expected to vary by type of facility, ultimately impacted by the progression of the COVID-19 pandemic and its variants, immunization rates, treatment methods, the public's perception of when the COVID-19 pandemic has abated, how growth of the regional economy is affected, and any restrictions, or easing of restrictions, on activities imposed by local, state, federal, and international governments, among other factors. Actual results may differ significantly from forecasts due to the current unpredictability of such factors. The Port Authority's financial results and any information which might be considered as a "forward-looking statement" should be reviewed in light of the effects of COVID-19, as further described below.

Update to Operational Results During COVID-19

Activity Volume

Beginning in March 2020, the Port Authority's facilities experienced significantly reduced usage compared to previous years. Since the nadir of activity volumes in April 2020, the Port Authority has seen activity volumes rising across its facilities. However, activity volume recoveries are varying by type of facility, with bridge and tunnel vehicular volumes near 2019 levels and cargo shipping activity well above 2019 activity volumes. The positive trend of recovery of passengers at the Port Authority's airports was negatively impacted in December 2021 and into January 2022 during the Omicron variant surge affecting the region. However, as the Omicron variant surge receded, aviation activity volumes have continued to recover since February 2022. Based on preliminary Transportation Security Administration checkpoint entries in December 2022, the total combined aviation passenger volume at the Port Authority's airports was approximately 96% of the total passenger volume during the same period pre-pandemic in December 2019, with the recovery of domestic travel outpacing international travel. The volume of riders of the Port Authority Trans-Hudson Corporation ("PATH") transit system during December 2022 was approximately 57% of the same period pre-pandemic in December 2019. It is not yet clear whether the pace of the recovery will be sustained, and the pattern of the recovery continues to be difficult to estimate and may continue to be volatile.

Because pre-pandemic approximately one third of the Port Authority's revenues were derived from tolls and fares, reduced utilization of its bridges and tunnels and its PATH transit system has had an ongoing negative effect on the Port Authority's revenues. As activity volumes return, revenues are expected to recover. Further, as a result of the adverse impacts of the COVID-19 pandemic, the Port Authority suspended, reduced or waived certain fees and rentals otherwise payable by tenants that locate and operate at its facilities—see "Rents and Property Use Charges" below for further information.

The Port Authority compared the most recently available total monthly use of its airports, its bridges and tunnels, its PATH transit system, and its cargo shipping activity for the month of December 2022 to the total monthly use in December 2019. Tracking total monthly operating volumes in 2022 compared to the equivalent period in 2019 allows comparison of current conditions against a similar pre-COVID-19 pandemic period.

Unaudited Monthly Activity Volumes for the Month of December			
(In thousands)	December 2022*	December 2019	December 2022 Volumes as a % of December 2019 Volumes
Total Passengers, Aviation	11,392	11,860	96.1%
Total Vehicles, Bridges and Tunnels	10,246	10,331	99.2%
Total Passengers, PATH	3,666	6,454	56.8%
Total Cargo Containers (TEU), Marine Terminals	613	585	104.8%

* December 2022 facility activity information contains estimated data based on available information and is subject to revision.

The unaudited annual activity volumes for 2019 through 2022 are provided in the table below. As highlighted in the variance comparison of 2022 volumes to 2019 volumes, activity volumes at the marine terminals are well above 2019 levels. Aviation and bridges and tunnels activity volumes continued their recovery in 2022 toward 2019 levels. PATH activity volume, like other mass transit systems, remains well below 2019 levels.

Unaudited Annual Activity Volumes (2019-2022)					
(In thousands)	2022*	2021	2020	2019	2022 Volumes as % of 2019 Volumes
Total Passengers, Aviation	128,149	75,574	40,866	140,498	91.2%
Total Vehicles, Bridges and Tunnels	120,717	116,053	97,829	122,228	98.8%
Total Passengers, PATH	42,582	29,245	27,005	82,220	51.8%
Total Cargo Containers (TEU), Marine Terminals	9,494	8,986	7,586	7,471	127.1%

* 2022 facility activity information contains estimated data based on available information and is subject to revision.

Future volume, which may not be sustained at the current level, will depend on a variety of factors including worldwide and regional economic conditions coupled with regional supply and demand for imported products, worldwide and domestic supply chain disruptions, the unpredictable and uncertain impacts of the war in the Ukraine, and the future domestic and global impacts of the pandemic. Based on current information, the Port Authority forecasts that its facilities will recover to 2019 levels at different times. Marine Terminals, as noted above, have already surpassed 2019 levels. Weekday activity at the Port Authority's bridges and tunnels is close to or at 2019 levels. Activity at the Port Authority's airports is expected to recover to pre-COVID-19 pandemic levels during 2023 with some modest growth versus 2019 in that year. Activity at the

PATH transit system is currently forecasted to recover more slowly in the next few years due to return to workplace trends.

The Port Authority also posts other activity volume information, including monthly data, in press releases on its public website which can be found at: https://www.panynj.gov/port-authority/en/press-room/press-release-archives.html.

Rents & Property Use Charges

Some tenants who operate businesses at Port Authority facilities have also been affected by the reduced activity levels or have otherwise been impacted by economic conditions. Such tenants may be unable to meet certain obligations to the Port Authority and some have requested rent relief.

The Port Authority is continuing to evaluate such requests in light of all the circumstances including the continuing lag in pedestrian and passenger traffic at Port Authority facilities and the related financial impact of reduced revenues and has provided relief for certain retail concessionaires and other counterparties at its facilities. For certain retail concessionaires, the Port Authority suspended or reduced fixed rent obligations from April 1, 2020 through December 31, 2021. Since the beginning of 2022, the Port Authority has continued to suspend or reduce fixed rents (at a more limited level than in 2020 and 2021) and currently expects that this emergency and temporary relief to be phased out by December 31, 2022, absent new adverse effects from COVID-19 or other occurrence of events which materially reduce passenger activity from current levels. The financial impact to the Port Authority of this relief totaled approximately $13 million, $72 million, and $74 million in lower revenues in 2022, 2021, and 2020, respectively.

Financial Position

Revenues

The Port Authority experienced a reduction in Gross Operating Revenue and Passenger Facility Charge ("PFC") collections compared to pre-COVID-19 pandemic projections of $3 billion for the twenty-four month period of March 2020 through March 2022, matching revised projections first developed in mid-2020.

Capital Program

The Port Authority is continuing to evaluate the extent to which and how the 2017-2026 Capital Plan should be modified to guide future capital spending given the adverse impacts of the COVID-19 pandemic on the agency's cash flow and capital capacity. This effort includes an intensive reevaluation of the elements of the overall Capital Plan, and of individual projects and the timing thereof.

The 2023 annual Capital Spending Budget totals $2.9 billion, which reflects an increase of nearly $1.0 billion, or approximately 50% versus 2022 Capital Spending. The 2023 Capital Spending Budget is still well below the agency's pre-pandemic level given the substantial reductions made to annual Capital Spending in 2020 through 2022 as a result of the COVID-19 pandemic.

Federal Support

The Port Authority's airports were allocated approximately $450 million under the airport funding provision contained in the federal Coronavirus Aid, Relief, and Economic Security ("CARES") Act in April 2020. Due to a portion of these funds being applied to expenses associated with cost recovery agreements between the Port

Authority and airlines operating at its airports, more than half of these funds (approximately $232 million) were credited to airlines operating under these cost recovery agreements. The balance of these funds ($218 million) accrued to the benefit of the Port Authority and are reflected in 2020 financial results.

The CARES Act also provided funding through the Federal Emergency Management Agency ("FEMA") to cover the incremental costs of responding to the COVID-19 pandemic at its facilities. The Port Authority currently expects cost recovery from FEMA funding to total approximately $20 million.

The Port Authority's airports were awarded approximately $107 million under the airport funding provision contained in the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA") in December 2020, in addition to approximately $15 million attributable to financial relief to in-terminal concessionaires, on-airport rental car companies, and on-airport parking operations (collectively referred to as "Concessionaires"). To date the Port Authority has drawn down all of its $107 million allocation, of which approximately $14 million was credited to airlines operating under cost recovery agreements. The balance of these funds accrued to the benefit of the Port Authority and are reflected in 2021 financial results.

The Port Authority's airports were awarded approximately $433 million under the airport funding provision contained in the America Rescue Plan Act allocated to eligible U.S. airports in March 2021 for eligible operating and development costs, in addition to approximately $60 million attributable to financial relief to Concessionaires. As of December 31, 2022, the Port Authority has drawn down approximately $258 million of its $433 million allocation, of which approximately $86 million was credited to airlines operating under cost recovery agreements. The remaining funds are expected to be drawn down through 2024.

Prospective Financial Condition Due To COVID-19 Pandemic Impacts

The Port Authority has analyzed various possible scenarios that consider the range of potential impacts that the pandemic may have on its financial condition, both in the short-term and over time, which assume a wide variety of possible economic recoveries, federal support and Port Authority actions. To date, the Port Authority has experienced a significant loss of revenue and, given both the lost growth over pre-pandemic assumptions and the current slow recovery of PATH ridership, it may not achieve revenues equal to its pre-COVID-19 pandemic projections for several years. Recovering volumes may not be sustained over time and the region may suffer COVID-19 pandemic related shocks in the future which may further adversely affect the Port Authority's revenues.

However, and subject to the foregoing, based on its current financial position and forecasts, the Port Authority expects to meet its obligations as they become due, including both short-term operating expenses and debt service on its Consolidated Bonds and Consolidated Notes.

The Port Authority of New York and New Jersey Enterprise Fund Financial Statements Comparison for the Years Ended December 31, 2022, December 31, 2021 and December 31, 2020

The Port Authority of New York and New Jersey Enterprise Fund Statements of Net Position

In 2022 the Port Authority adopted Government Accounting Standard Board ("GASB") Statement No. 87, "*Leases*" ("GASB Statement No. 87"). Adoption of GASB Statement No. 87 resulted in the Port Authority recording certain leases containing fixed rents as financing arrangements of the right to use a third party's capital asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use capital asset (herein referred to as lease asset) and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Accordingly, the 2021 Statement of Net Position and Statement of

Revenues, Expenses and Changes in Net Position, presented herein, have been restated to reflect the cumulative impact of adopting GASB Statement No. 87.

The Statements of Net Position present the financial position of the Port Authority at the end of the fiscal year and include all Port Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources as applicable. Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. A summarized comparison of the Port Authority's enterprise fund Statements of Net Position follows:

	2022	2021 (Restated)	2020
		(In thousands)	
ASSETS			
Current assets*	**$ 3,443,302**	$ 2,589,251	$ 2,408,317
Noncurrent assets:			
Facilities, net	**40,276,773**	40,168,584	39,812,810
LaGuardia Terminal B landlord leasehold investment	**1,135,986**	1,034,390	985,965
Other noncurrent assets*	**16,666,247**	16,597,868	5,480,301
Total assets	**61,522,308**	60,390,093	48,687,393
DEFERRED OUTFLOWS OF RESOURCES			
Loss on debt refundings	**49,769**	57,497	62,317
Pension related amounts	**774,172**	1,059,884	556,005
OPEB related amounts	**844,222**	139,346	157,234
Total deferred outflows of resources	**1,668,163**	1,256,727	775,556
LIABILITIES			
Current liabilities*	**4,081,460**	3,041,087	2,974,044
Noncurrent liabilities:			
Bonds and other asset financing obligations	**26,311,943**	26,647,422	25,683,241
Other noncurrent liabilities*	**10,402,000**	9,404,464	4,319,516
Total liabilities	**40,795,403**	39,092,973	32,976,801
DEFERRED INFLOWS OF RESOURCES			
Gain on debt refundings	**118,757**	103,875	75,368
Pension related amounts	**870,614**	996,876	40,210
OPEB related amounts	**197,735**	477,044	462,460
Leases, as lessor*	**5,158,110**	5,354,698	-
Total deferred inflows of resources	**6,345,216**	6,932,493	578,038
NET POSITION			
Net investment in capital assets	**14,938,081**	15,406,620	14,954,997
Restricted	**851,723**	606,816	538,552
Unrestricted*	**260,048**	(392,082)	414,561
Net position, December 31st	**$ 16,049,852**	$ 15,621,354	$ 15,908,110

* In accordance with GASB Statement No. 87, as described in Note A.3.o, "*Nature of the Organization and Summary of Significant Accounting Policies*", the cumulative impact of adopting GASB Statement No. 87 has been incorporated as a restatement to the Port Authority's 2021 Statement of Net Position. 2020 Statement of Net Position has not been restated.

2022 vs. 2021

Port Authority assets totaled $61.5 billion at December 31, 2022, an increase of $1.1 billion from December 31, 2021. This overall increase was primarily a result of:

Facilities, net of $40.3 billion increased $108 million from December 31, 2021 due to the continued capital investment in Port Authority facilities as outlined in the 2017-2026 ten-year capital plan, less annual depreciation. For additional information related to capital investment by facility and business segment, see *Schedule F - Information on Capital Investment in Port Authority Facilities* contained in this report.

Receivables, including restricted amounts (excluding lease receivables) of $1.4 billion increased $78 million from December 31, 2021 primarily due to: ***a.)*** an increase in Federal Transit Administration ("FTA") Superstorm Sandy restoration and resiliency capital contributions at PATH; ***b.)*** an increase in amounts due from the Tower 4 World Trade Center ("WTC") net lessee due to timing of debt service payments; and, ***c.)*** an increase in PFC amounts due to timing differences related to the receipt of payments from airlines. These increases were partially offset by; ***d.)*** a decrease in amounts due for American Rescue Plan Act ("ARPA") federal funding due to higher cash receipts; and, ***e.)*** a decrease for the continued recovery of aviation fees that were deferred in 2020.

Lease assets, **(as lessee),** of $7.1 billion related to lease financings containing fixed rents payable by the Port Authority and are subject to GASB Statement No. 87 decreased $158 million primarily due to the amortization of long-term leases with the Cities of New York and Newark for the leasing of municipal Air and Marine Terminals. Lease assets are amortized on a straight-line basis over the term of the lease agreement. For additional information related to lease assets, see *Note G Leasing Activities.*

Lease receivables, (as lessor) of $4.6 billion related to lease financings containing fixed rent payments due the Port Authority and are subject to GASB Statement No. 87 decreased $124 million from December 31, 2021, primarily due to the amortization of fixed rents received from tenants, primarily at the WTC. For additional information related to lease receivables, see *Note G Leasing Activities.*

Cash and Investment balances of $4.9 billion increased $1.1 billion from December 31, 2021, primarily due to the investment of available consolidated bond funds in short term U.S. securities that are available to fund future capital investment in Port Authority facilities.

Cash flows from operations of $2.8 billion increased $788 million when compared to the same twelve-month period of 2021 primarily due to increases in activity-based rentals, the commencement of certain aviation terminal rents, aviation fees, airport parking, bridge and tunnel tolls and PATH fares as activity levels at Port Authority facilities continue to recover from the COVID-19 pandemic.

Port Authority liabilities totaled $40.8 billion at December 31, 2022, an increase of $1.7 billion from December 31, 2021. This increase was primarily due to:

Bonds and other asset financing obligations of $29.7 billion, including amounts payable associated with Tower 4 Liberty Bonds, increased $703 million from December 31, 2021, primarily due to the issuance of $1.8 billion of Consolidated Bonds for purposes of funding capital construction activities at Port Authority facilities and the refunding of certain outstanding Consolidated Bonds series and Commercial Paper notes. Partially offsetting this increase was a $977 million decrease related to the refunding and scheduled retirement of certain outstanding Consolidated Bonds series and a $75 million decrease related to retirement of certain Commercial Paper notes.

Lease liabilities (as lessee) of $6.5 billion for lease financings containing fixed rent payables to third-parties and are subject to GASB Statement No. 87 decreased $79 million from December 31, 2021, due to the scheduled payment of fixed rents to the Cities of New York and Newark for the leasing of municipal Air and Marine Terminals. For additional information related to lease liabilities, see *Note G Leasing Activities.*

Accrued pension and other postemployment benefits ("OPEB") of $2.4 billion increased $1.1 billion primarily due to an increase in the Port Authority's actuarially determined OPEB net liability due to losses on plan investments in excess of their calculated expected rate of return measured at December 31, 2022 and changes in actuarial assumptions. These increases were partially offset by a decrease in the Port Authority's proportionate share of the New York State and Local Retirement System ("NYSLRS") net pension liability ("NPL") due to gains on plan investments in excess of their actuarially calculated expected rate of return measured at March 31, 2022.

Accounts payable of $913 million decreased $9 million primarily due to the timing of third-party contractor payments related to capital construction projects at Aviation facilities.

Accrued payroll and other employee benefits of $255 million decreased $72 million primarily due to the payment of retro-active wage increases paid to represented PATH employees under collective bargaining agreements that have been settled and the release of previously recognized reserves for expected wage increase related to PATH collective bargaining agreements that are now settled.

Accrued interest and other current liabilities of $725 million increased $116 million from December 2021 primarily due to an increase in advanced rental payments received from tenants and flight fees, and the timing of scheduled debt service payments on outstanding Consolidated Bonds.

Deferred outflows of resources totaled $1.7 billion at December 31, 2022, an increase of $411 million from December 31, 2021. This net increase was primarily due to losses on OPEB plan investments in excess of their expected rate of return measured at December 31, 2022 and changes in actuarial assumptions utilized in the actuarial valuation of the Port Authority's net OPEB liability. Deferred outflows of resources related to OPEB are amortized on a straight-line basis as an increase to OPEB expense over a closed period of time.

Deferred inflows of resources totaled $6.3 billion at December 31, 2022, a net decrease of $587 million from December 31, 2021. This net decrease resulted from the amortization of: ***a.)*** lease financings containing fixed rents due the Port Authority, as lessor under GASB Statement No. 87; and, ***b.)*** previously recognized gains on NYSLRS and OPEB plan investments in excess of their expected rate of return. Amortization of deferred inflows of resources related to pensions and OPEB are amortized on a straight-line basis as a reduction to pension and OPEB expense over a closed period of time. Amortization of deferred inflows of resources related to lease receivables are recognized as a component of rental income on a straight-line basis over the remaining term of the lease agreement.

2021 vs. 2020

Port Authority assets totaled $60.4 billion at December 31, 2021, an increase of $11.7 billion from December 31, 2020, primarily due to the recognition of approximately $12.0 billion of lease assets and receivables, resulting from the 2022 adoption of GASB Statement No. 87 (2020 assets have not been restated). The remainder of the changes are the result of:

Facilities, net of $40.2 billion increased $356 million from December 31, 2020 due to the continued capital investment in Port Authority facilities as outlined in the 2017-2026 ten-year capital plan, less annual depreciation. For additional information related to capital investment by facility and business segment, see *Schedule F - Information on Capital Investment in Port Authority Facilities* contained in this report.

Receivables, including restricted amounts (excluding lease receivables) of $1.3 billion increased $203 million from December 31, 2020 primarily due to: ***a.)*** an increase in amounts due from FTA for Superstorm Sandy restoration and resiliency capital projects for PATH; ***b.)*** an increase in federal funding under the ARPA for John F. Kennedy International ("JFK"), LaGuardia ("LGA"), and Newark Liberty International ("EWR") airports; ***c.)*** an increase in E-ZPass® tolls due from other tolling agencies; and, ***d.)*** an increase in percentage rents due from tenants at Aviation facilities. These increases are partially offset by a decrease in 2020 aviation fees due the Port Authority that were deferred in 2020 as a result of COVID-19 and are being recovered over a three- year period covering 2021-2023.

Other noncurrent assets of $669 million decreased $1.0 billion due to the Port Authority's adoption of GASB Statement No. 87, as described in Note A.3.o *Nature of the Organization and Summary of Significant Accounting Policies*.

Cash and Investment balances of $3.8 billion increased $190 million from December 31, 2020, primarily due to increases in tolls, rentals and aviation fees as activity levels at Port Authority facilities continue to recover from the nadir of activity levels in April 2020 as a result of COVID-19. These increases are partially offset by the drawdown of consolidated bond funds for purposes of funding capital construction at Port Authority facilities.

Cash flows from operations of $2.0 billion increased $988 million when compared to the same twelve-month period of 2020 primarily due to: ***a.)*** increases in tolls, activity-based rentals and aviation fees as activity levels at Port Authority facilities continue to recover from the nadir of activity levels in April 2020 as a result of COVID-19; and, ***b.)*** the collection of 2020 aviation fees that were deferred in 2020 as a result of COVID-19 and are being recovered over a three-year period covering 2021-2023. Due to the adoption of GASB Statement No. 87, certain cash inflows and outflows previously reported as an operating activity are now classified as a capital and related financing activity (see Note A.3.o *Nature of the Organization and Summary of Significant Accounting Policies*).

Port Authority liabilities totaled $39.1 billion at December 31, 2021, an increase of $6.1 billion from December 31, 2020, primarily due to the recognition of $6.6 billion lease liabilities, resulting from the 2022 adoption of GASB Statement No. 87 (2020 liabilities have not been restated). The remaining changes in liabilities are the result of:

Bonds and other asset financing obligations of $29.0 billion, including $1.2 billion associated with Tower 4 Liberty Bonds, increased $911 million from December 31, 2020, primarily due to the issuance of $1.3 billion of Consolidated Bonds for purposes of funding capital construction activities, partially offset by $437 million for the scheduled retirement of outstanding Consolidated Bonds.

Accrued pension and other postemployment benefits ("OPEB") of $1.3 billion decreased $671 million primarily due to a decrease in the Port Authority's proportionate share of the NYSLRS net pension liability ("NPL") and the Port Authority's net Other Postemployment Benefit ("OPEB") liability due to gains on plan investments, in excess of their actuarially calculated expected rate of return, measured at March 31, 2021 and December 31, 2021, respectively.

Accounts payable of $923 million decreased $135 million primarily due to a decrease in accrued capital construction contract payments for the Lincoln Tunnel Access Program, LGA Airport Redevelopment Program and Super Storm Sandy capital projects at PATH.

Accrued interest and other current liabilities of $609 million increased $164 million primarily due to; ***a.)*** the prepayment of 2022 aviation fees by airlines; ***b.)*** the recognition of lease interest payable resulting from the adoption of GASB Statement No. 87; ***c.)*** increased prepaid tolls from E-ZPass® tag holders; and, ***d.)*** the timing of the scheduled debt service payments on outstanding Consolidated Bonds.

Deferred outflows of resources totaled $1.3 billion at December 31, 2021, an increase of $481 million from December 31, 2020. This increase was primarily due to changes in actuarial assumptions used in the valuation of the Port Authority's proportionate share of the actuarially determined NYSLRS NPL. Deferred outflows of resources related to pensions are amortized as an increase to pension expense on a straight-line basis over a closed period of time.

Deferred inflows of resources totaled $6.9 billion at December 31, 2021, an increase of $6.4 billion from December 31, 2020. This increase was primarily due to; ***a.)*** the 2022 adoption of GASB Statement No. 87 and the recognition of $5.4 billion in deferred inflows of resources relating to lease receivables; and, ***b.***) a decrease in the Port Authority's proportionate share of the actuarially determined NYSLRS NPL and the Port Authority's actuarially determined net OPEB liability resulting from gains on plan investments, in excess of their expected rate of return. Amortization of deferred inflows of resources related to pensions and OPEB are amortized on a straight-line basis as a reduction to pension and OPEB expense over a closed period of time. Amortization of deferred inflows of resources related to lease receivables are recognized as a component of rental income on a straight-line basis over the term of the lease agreement.

The Port Authority of New York and New Jersey Enterprise Fund Statements of Revenues, Expenses and Changes in Net Position

The year-to-year change in net position is an indicator of whether the overall fiscal condition of an organization has improved or worsened during the year. The following is a summary of the Statements of Revenues, Expenses and Changes in Net Position:

(In thousands)	**2022**	2021 (Restated)	2020
Gross operating revenues**	**$ 5,977,356**	$ 5,095,242	$ 4,334,074
Operating expenses**	**(3,125,523)**	(2,769,308)	(3,263,009)
Depreciation and amortization**	**(1,908,692)**	(1,796,485)	(1,566,484)
Net insurance recoverables	**-**	-	4,033
Income/(Loss) from operations	**943,141**	529,449	(491,386)
Non-operating revenues/(expenses), net			
Grants, in connection with operating activities and pass-through grant program payments	**160,290**	253,996	462,375
Financial (loss)/income, including changes in fair value of investments	**(83,167)**	(13,544)	81,961
Interest expense in connection with bonds and other asset financings, net*	**(1,076,995)**	(1,086,163)	(946,603)
Interest income, as lessor**	**140,978**	140,611	-
Interest expense, as lessee**	**(220,654)**	(214,019)	-
Loss on disposition of assets	**-**	(4,623)	-
Capital contributions and PFCs	**564,905**	433,033	334,434
Increase/(Decrease) in net position**	**428,498**	38,740	(559,219)
Net position, January 1st	**15,621,354**	15,908,110	16,467,329
Cumulative effect of a change in accounting principle, January 1st	**-**	(325,496)	-
Net position, December 31st	**$ 16,049,852**	$ 15,621,354	$ 15,908,110

* Includes $32.5 million, $66.7 million and $65.3 million in 2022, 2021 and 2020, respectively, related to Tower 4 Liberty Bonds debt service payments due the Port Authority from the WTC Tower 4 net lessee.

** In accordance with GASB Statement No. 87, as described in Note A.3.o, "*Nature of the Organization and Summary of Significant Accounting Policies,*" 2021 change in net position has been restated.

Financial results of an individual facility and business segment for 2022 can be found in *Schedule E – Information on Port Authority Operations* located in the Statistical and Other Supplemental Information section of this report.

Gross Operating Revenues

A summary of gross operating revenues by source and business segment follows:

	2022	2021 (Restated)	2020
		(In thousands)	
Bridge and tunnel tolls	**$ 1,829,220**	$ 1,759,244	$ 1,500,669
Rentals*	**1,978,706**	1,565,609	1,421,467
Aviation fees	**1,395,424**	1,213,743	907,314
Parking and other	**478,337**	353,261	240,329
Utilities	**182,163**	125,937	112,008
PATH fares	**113,506**	77,448	71,158
Rentals - Special Project Bonds	**-**	-	81,129
Total	**$ 5,977,356**	$ 5,095,242	$ 4,334,074

* Includes the amortization of deferred inflows of resources related to lease receivables recognized under GASB Statement No. 87.

	2022* **	2021 (Restated)***	2020
		(In thousands)	
Aviation	**$ 3,223,841**	$ 2,507,776	$2,032,359
Tunnels, Bridges & Terminals	**1,879,336**	1,796,696	1,542,081
Port Department	**396,977**	386,622	327,665
World Trade Center	**331,699**	299,533	328,455
PATH*	**124,003**	85,998	82,110
Other**	**21,500**	18,617	21,404
Total	**$ 5,977,356**	$ 5,095,242	$ 4,334,074

* PATH includes WTC Transportation Hub.
** Other includes Development Facilities and Ferry Transportation.
*** Includes the amortization of deferred inflows of resources related to lease receivables recognized under GASB Statement No. 87.

2022 vs. 2021

Gross operating revenues, excluding PFCs totaled $6.0 billion in 2022, an increase of $882 million, or 17% as compared to 2021.

Bridge and Tunnel Tolls of $1.8 billion increased $70 million or 4% as compared to 2021 primarily due to a 4% increase in vehicular activity at the Port Authority's six vehicular crossings.

Rentals, including the amortization of deferred inflows of resources related to lease financings containing fixed rents and that are subject to GASB Statement No. 87 of $2.0 billion increased $413 million, or 26% as compared to 2021 primarily due to: ***a.)*** an increase in activity-based rental income at Aviation facilities due to increased passenger activity in 2022 compared to 2021; ***b.)*** the commencement of the New Terminal One ("NTO") and Terminal 6 lease agreements in June 2022 and December 2022, respectively, at JFK Airport; ***c.)*** a non-recurring receipt of $32 million for unused construction contingencies at LGA Airport's Terminal B; and, ***d.)*** the non-recurring receipt of a $25 million reserve that is no longer required following the refinancing of certain John F. Kennedy International Air Terminal ("JFKIAT") Terminal 4 debt obligations.

Aviation fees of $1.4 billion increased $182 million, or 15% as compared to 2021 primarily due to: ***a.)*** increased for-hire-vehicle ("FHV") airport access fees which commenced in April 2021 and increased

FHV vehicular activity; ***b.)*** an increase in AirTrain fares at JFK and EWR Airports due to an increase in passenger activity and a fare increase in March 2022; ***c.)*** an increase in rental car contributions due to increased activity; and ***d.)*** an increase in fees for the usage of federal inspection facilities at EWR Airport, Terminal B due to increased passenger activity and a rate increase implemented during 2021.

Parking and other fees of $478 million increased $125 million, or 35% as compared to 2021 primarily due to: ***a.)*** an increase in public parking activity at Aviation facilities due to increased passenger activity and increased parking rates; ***b.)*** an increase in recoverable tenant service charges at One WTC; and ***c.)*** an increase in Port Authority Marine Terminal Cargo Facility Charges ("CFCs") due to increased cargo container activity levels.

PATH fares of $114 million increased $36 million or 47% compared to 2021, primarily due to a 46% increase in PATH passenger ridership as compared to ridership levels of 2021. PATH ridership in 2022 was 52% of pre-COVID-19 levels.

2021 vs. 2020

Gross operating revenues, excluding PFCs totaled $5.1 billion in 2021, an increase of $761 million from 2020, primarily due to the restatement of previously published 2021 Gross operating revenues, resulting from the 2022 adoption of GASB Statement No. 87 (2020 gross operating revenues have not been restated). For additional information, related to GASB Statement No. 87, see Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies.*

Bridge and Tunnel Tolls of $1.8 billion increased $258.6 million or 17% as compared to 2020 primarily due to a 19% increase in vehicular activity at the Port Authority's six vehicular crossings due to the continued recovery of vehicular activity from the nadir of activity levels in April 2020 as a result of COVID-19. 2021 bridge and tunnel tolls are $80 million or 5% higher than 2019, primarily due to bridge and tunnel toll increases that became effective in January 2020 that was partially offset by a 5% decrease in vehicular activity, resulting from COVID-19.

Rentals, excluding the amortization of deferred inflows of resources related to lease financings containing fixed rents and that are subject to GASB Statement No. 87, of $1.6 billion increased $144 million, or 10% as compared to 2020 primarily due to: ***a.)*** an increase in activity-based rental income at Aviation facilities due to an 85% increase in passenger activity from 2020; ***b.)*** an increase in activity-based rental income at Port Authority Marine Terminals due to an 18% increase in cargo container activity; ***c.)*** the Port Authority's 2022 adoption of GASB Statement No, 87; ***d.)*** an increase in fixed rent at Aviation facilities due to scheduled rent increases; and, ***e.)*** an increase in percentage rentals at the One WTC Observation Deck, which reopened to the public in June 2021. These increases are partially offset by COVID-19 rent relief granted to various tenants at Port Authority facilities, which have been granted for the period April 1, 2020 through December 31, 2021.

Aviation fees of $1.2 billion increased $306.4 million, or 34% as compared to 2020. Aviation fees paid by airlines operating at certain Port Authority Aviation facilities provide for the recovery of eligible capital investment and operating expenses incurred by the Port Authority. The increase in aviation fees was primarily due to: ***a.)*** a reduction in the amount of federal funding credits, provided as a result of COVID-19, to be applied against recoverable operating expenses as compared to 2020; ***b.)*** an increase in fees for the usage of federal inspection facilities at EWR Airport, Terminal B due to a 2021 rate increase and increased passenger activity; and, ***c.)*** the implementation of the for-hire-vehicle airport access fee in April 2021.

Parking and other fees of $353.3 million increased $112.9 million, or 47% as compared to 2020 primarily due to: ***a.)*** an increase in Port Authority Marine Terminal CFCs due to increased cargo container activity levels; and, ***b.)*** increased public parking activity at Aviation facilities as a result of an 85% increase in aviation passengers due to the continued recovery from the nadir of activity levels in April 2020 as a result of COVID-19 and aviation passengers electing to park at Port Authority airport public parking facilities rather than electing to use other forms of public transportation. However, 2021 parking and other fees were $56 million or 14% lower when compared to 2019 pre-COVID-19 levels.

PATH fares of $77.4 million increased $6.3 million or 9% compared to 2020, primarily due to an 8% increase in ridership as mass transit systems in the region are recovering slower than vehicular traffic from the adverse impacts of COVID-19. However, fares generated from PATH ridership in 2021 remained $120 million lower than 2019 as 2021 ridership was only 36% of 2019 pre-COVID-19 levels. This impact would have been higher if PATH fares had not increased in November 2019 and 2020.

Rentals – Special Project Bonds decreased $81.1 million due to the cessation of rental revenue due to the retirement of JFKIAT Special Project Bonds, Series 6 and Series 8 in 2020. This bond retirement resulted in a corresponding decrease in operating expenses. (See *Interest on Special Project Bonds* below in discussion of Operating Expenses incurred in 2021).

Operating Expenditures

A summary of operating expenditures by type and business segment follows:

	2022	2021 (Restated)	2020
		(In thousands)	
Employee compensation, including benefits	**$ 1,438,403**	$ 1,296,724	$ 1,395,588
Contract services	**1,059,209**	938,408	929,520
Rents and payments in-lieu-of taxes ("PILOT")*	**47,434**	59,715	403,661
Materials, equipment and other	**336,727**	289,810	290,033
Utilities	**243,750**	184,651	163,078
Interest on Special Project Bonds	**-**	-	81,129
Total	**$ 3,125,523**	$ 2,769,308	$ 3,263,009

* Amounts exclude the amortization of lease assets recognized under GASB Statement No. 87.

	2022***	2021 (Restated)***	2020
		(In thousands)	
Aviation	**$ 1,606,263**	$ 1,345,891	$ 1,752,439
Tunnels, Bridges & Terminals	**569,275**	524,422	552,976
PATH*	**481,245**	466,844	447,034
World Trade Center	**296,135**	275,268	335,014
Port Department	**160,966**	145,723	163,395
Other**	**11,639**	11,160	12,151
Total	**$ 3,125,523**	$ 2,769,308	$ 3,263,009

* PATH includes WTC Transportation Hub.

** Other includes Development Facilities Access to the Regions Core, Ferry Transportation, Gateway Early Work Program and Moynihan Station Transportation Program.

*** Amounts exclude the amortization of lease assets recognized under GASB Statement No. 87.

2022 vs. 2021

Operating expenses totaled $3.1 billion in 2022, an increase of $356 million or 13% from 2021.

Employee compensation of $1.4 billion increased approximately $142 million, or 11% from 2021 primarily due to: ***a.)*** an increase in actuarially determined OPEB expense due to losses on plan investment measured at December 31, 2022 and changes in actuarial assumptions; ***b.)*** an increase in operational and public safety support services at Port Authority facilities due to increased activity levels; ***c.)*** contractually scheduled salary increases; and, ***d.)*** the hiring and training of additional police officers to address attrition. These increases were partially offset by: ***e.)*** lower actuarially determined NYSLRS pension expense due to investment gains on plan investments measured at March 31, 2022; ***f.)*** the settlement of various collective bargaining agreements; and, ***g.)*** decreased snow and ice removal activities due to milder weather conditions.

Contract services of $1.1 billion increased $121 million, or 13% as compared to 2021 primarily due to increased payments to third-party contractors for operational, contract security and maintenance services at Port Authority facilities, resulting from increased activity levels and scheduled billing rate increases. These increases were partially offset by decreased snow and ice removal activities due to milder weather conditions.

Rents and payments in-lieu-of-taxes ("PILOT") of $47 million decreased $12 million when compared to 2021 primarily due to a decrease in PILOT payments to the City of New York for the WTC Campus as a result of lower assessed property values.

Materials, equipment and other of $337 million increased $47 million, or 16% from 2021 primarily due to; ***a.)*** increased purchases of electrical and mechanical equipment supplies; ***b.)*** recognition of environmental remediation expense provisions at Port Authority facilities; and, ***c.)*** increased insurance premiums and self-insurance loss reserves for public liability and workers compensation claims.

Utilities of $244 million increased $59 million, or 32% as compared to 2021 primarily due to increased utility rates and usage at Port Authority facilities.

2021 vs. 2020

Operating expenses totaled $2.8 billion in 2021, a decrease of $494 million or 15% from 2020 primarily due to the restatement of previously published 2021 operating expenses, resulting from the 2022 adoption of GASB Statement No. 87 (2020 Operating expenses have not been restated). For additional information, related to GASB Statement No. 87, see Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies.*

Employee compensation, excluding the $178 million year over year decrease related to lower actuarially determined non-cash NYSLRS pension and OPEB expense, increased approximately $79 million from 2020 due to ***a.***) an increase in overtime for snow and ice removal activities at Port Authority facilities due to inclement winter weather conditions; ***b.***) increases in operational and maintenance support at Port Authority facilities due to incremental increases in activity volumes at Port Authority facilities; and ***c.)*** scheduled contractual increases for represented employees. Partially offsetting these increases were ***d***.) position reduction initiatives which began mid-2020 in response to the adverse impacts of COVID-19. After consideration of NYSLRS and OPEB expense credits, employee compensation decreased $99 million, or 7% as compared to 2020.

Contract services of $938.4 million increased $8.9 million, or 1.0% as compared to 2020 primarily due to an increase in snow and ice removal activities at Port Authority facilities due to inclement winter weather conditions and higher EZ Pass credit card fees due to increased vehicular activity at Port Authority bridge and tunnel crossings. Partially offsetting these increases are decreases in payments to third-party contractors for operations and maintenance support services, primarily at Aviation facilities, due to cost saving measures implemented in 2020 resulting from COVID-19 that carried forward into 2021.

Rents and payments in-lieu-of-taxes ("PILOT") of $60 million decreased $344 million, or 85% as compared to 2020, primarily due to the Port Authority's 2022 adoption of GASB Statement No. 87 and decreased PILOT payments to the City of New York for the WTC Campus as a result of lower assessed property values.

Materials, equipment and other of $289.8 million remained constant from 2020 due to: ***a.)*** an increase in materials and equipment for snow and ice removal activities; and, ***b.)*** higher property damage insurance premiums and public liability self-insured loss reserves. These increases are offset by a decrease in non-cash capital expense write-offs and bad debt expense.

Utilities of $184.7 million increased $21.6 million, or 13.2% as compared to 2020 primarily due to increased billing rates and consumption at Aviation facilities and PATH.

Interest on Special Project Bonds decreased $81.1 million due to the retirement of JFKIAT Special Project Bonds, Series 6 and Series 8 in 2020. Offsetting this decrease is a corresponding decrease in *Rentals – Special Project Bonds* in the Gross Operating Revenue section above.

Amortization of Lease Financings, (Port Authority as lessee)

In 2022, the Port Authority adopted GASB Statement No. 87. Under this statement, a lessee is required to recognize a lease asset, measured at the present value of expected payments to be made to lessors. Lease assets are amortized on a straight-line basis over the lease term, as described in Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*. For additional information related to lease liabilities see *Note G Leasing Activities.*

2022 vs. 2021

Amortization of leases (as lessee) of approximately $173 million increased $6 million from 2021 due to fixed amortization of lease assets related to lease agreements with the cities of New York and Newark for the leasing of air and marine terminals.

A summary of amortization of lease assets related to lease financings containing fixed rents payable and subject to GASB Statement No. 87 by business segment follows:

	2022	2021 (Restated)
	(In thousands)	
Aviation	**$ 155,704**	$ 151,200
Port Department	**8,434**	8,434
Other*	**8,340**	7,418
PATH	**161**	207
Tunnels, Bridges & Terminals	**137**	137
Total	**$ 172,776**	$ 167,396

* Other includes Development Facilities and Ferry Transportation.

Depreciation and Amortization

A summary of depreciation and amortization of capital infrastructure assets by business segment follows:

	2022	2021	2020
		(In thousands)	
Aviation*	**$ 696,130**	$ 595,609	$ 566,703
World Trade Center	**373,944**	356,659	342,059
Tunnels, Bridges & Terminals	**307,961**	302,754	279,167
PATH**	**228,069**	227,911	214,513
Port Department	**88,697**	96,523	101,553
Other***	**41,115**	49,633	62,489
Total	**$ 1,735,916**	$ 1,629,089	$ 1,566,484

* Includes LGA Terminal B landlord leasehold depreciation of $63 million in 2022, $47 million in 2021, and $30 million in 2020.
** PATH includes WTC Transportation Hub.
***Other includes Regional Facilities and Programs, Development Facilities, Access to the Regions Core, Ferry Transportation, Gateway Early Work Program and Moynihan Station Transportation Program.

2022 vs. 2021

Depreciation and amortization of $1.7 billion related to capital infrastructure investments increased $107 million, or 7%, as compared to 2021 due to the scheduled completion of approximately $4.0 billion of capital construction projects in 2021 and 2022. These capital infrastructure assets have been placed into operational service and are now being depreciated over their estimated useful lives, including elements of the: ***a.)*** LGA Airport Redevelopment Program; ***b.)*** EWR Airport runways and taxiway rehabilitation; ***c.)*** EWR Airport Redevelopment Program; and ***d.)*** the scheduled retirement of certain LGA Airport Central Terminal Building ("CTB") related capital assets that have been replaced under the LGA Airport Redevelopment Program.

2021 vs. 2020

Depreciation and amortization of $1.6 billion related to capital infrastructure investments increased $63 million, or 4% as compared to 2020 due to the scheduled completion of approximately $5.0 billion of capital construction projects in 2020 and 2021. These capital infrastructure projects have been placed into operational service and are now being depreciated over their estimated useful lives, including elements of the: ***a.)*** LGA Airport Redevelopment Program; ***b.)*** the replacement of the suspender ropes at the George Washington Bridge ("GWB"); ***c.)*** the PATH rail car fleet expansion and signal replacement programs and, ***d.)*** EWR Airport runways and taxiway rehabilitation.

Additional information related to capital investment in Port Authority facilities can be found in *Note B – Facilities, net*, *Schedule D-3 – Selected Statistical Financial Data by Business Segment* and *Schedule F – Information on Capital Investment in Port Authority Facilities* located in this report.

Income/(Loss) from Operations

Income/(Loss) from operations is comprised of gross operating revenues, less the sum of: ***a.)*** operating expenses; ***b.)*** depreciation and amortization; and ***c.)*** net insurance recoverables.

A summary of income/(loss) from operations by business segment follows:

	2022	2021 (Restated)****	2020
		(In thousands)	
Tunnels, Bridges & Terminals	**$ 1,001,963**	$ 969,383	$ 709,938
Aviation*	**765,744**	415,076	(286,783)
Port Department	**138,880**	135,942	62,717
Other**	**(39,594)**	(49,594)	(49,203)
World Trade Center	**(338,380)**	(332,394)	(348,618)
PATH***	**(585,472)**	(608,964)	(579,437)
Income/(Loss)	**$ 943,141**	$ 529,449	$ (491,386)

* Includes LGA Terminal B landlord leasehold depreciation of $63 million in 2022, $47 million in 2021 and $30 million in 2020.

** Other includes Regional Facilities and Programs, Development Facilities, Access to the Regions Core, Moynihan Station Transportation Program, Ferry Transportation, Gateway Early Work Program and Net insurance recoverables.

*** PATH includes WTC Transportation Hub.

****In accordance with GASB Statement No. 87 as described in Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*, the cumulative impact of adopting GASB Statement No. 87 has been incorporated as a restatement to the Port Authority's 2021 Statement of Revenues, Expenses and Changes in Net Position.

2022 Income from operations of $943 million increased $414 million from 2021 primarily as a result of increased activity levels at Port Authority facilities due to the continued recovery from COVID-19; and the receipt of rents from certain terminal leases at JFK Airport that commenced in 2022.

2021 Income from operations of $529 million increased $1.0 billion from 2020 as a result of increased activity levels at Port Authority facilities due to the continued recovery from COVID-19 and the restatement of previously published 2021 Income from operations amounts resulting from the 2022 adoption of GASB Statement No. 87 (2020 Income from operations has not been restated), which increased 2021 income from operations by $120 million. For additional information, related to GASB Statement No. 87, see Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*.

Non-Operating Revenues and Expenses

A summary of non-operating revenues and expenses follows:

	2022	2021 (Restated)	2020
		(In thousands)	
Financial income	**$ 55,000**	$ 54,223	$ 63,555
Net (decrease)/increase in fair value of investments	**(138,167)**	(67,767)	18,406
Interest expense in connection with bonds and other asset financings, net*	**(1,076,995)**	(1,086,163)	(946,603)
Interest income, as lessor**	**140,978**	140,611	-
Interest expense, as lessee**	**(220,654)**	(214,019)	-
Net loss on disposal of assets	**-**	(4,623)	-
Pass-through grant program payments	**-**	(2,613)	(26,853)
Grants, in connection with operating activities	**160,290**	256,609	489,228
Non-operating expenses, net	**$ (1,079,548)**	$ (923,742)	$ (402,267)

* Includes amounts related to Tower 4 Liberty Bonds debt service payments due the Port Authority from the WTC Tower 4 net lessee.

** In accordance with GASB Statement No. 87 as described in Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*, 2021 Non-Operating Revenue and Expenses have been restated for comparison purposes.

2022 vs. 2021

Financial income, comprised of interest income and the net change in fair value of investments totaled $(83) million in 2022, a decrease of $70 million when compared to 2021. This decrease was primarily due to the recognition of unrealized losses for the change in the fair value of United States securities held in Port Authority investment accounts, as a result of increasing interest rates in 2022.

Interest expense in connection with bonds and other asset financings, net in connection with bonds and other asset financings of $1.1 billion decreased $9 million from 2021 primarily due to debt service savings achieved through the refunding of certain outstanding consolidated bond series, partially offset by higher interest rates on commercial paper.

Interest income (as lessor) primarily related to lease financings containing fixed rents due the Port Authority at the WTC, that are subject to GASB Statement No. 87, of $141 million remained constant when compared to 2021.

Interest expense (as lessee) primarily related to lease financings containing fixed rents due the cities of New York and Newark for the leasing of air and marine terminals, that are subject to GASB Statement No. 87, of $221 million increased $7 million when compared to 2021 due to the execution of new space leases.

Grants, in connection with operating activities of $160 million decreased $96 million from 2021 primarily due to an approximately $111 million decrease in ARPA and CRRSAA COVID-19 federal funding of aviation operating expenses. Partially offsetting these amounts was an approximately $6 million increase from the Department of the Army (Army Corps of Engineers) for maintenance dredging at the Port facilities and a $4 million increase in Transportation Security Administration ("TSA") funding for baggage screening at LGA Airport.

2021 vs. 2020

Financial income, comprised of interest income and the net change in fair value of investments totaled $(13.5) million in 2021, a decrease of $96 million when compared to 2020. This decrease was primarily due to the recognition of unrealized losses for changes in fair value of United States securities held in Port Authority investment accounts.

Interest expense, net in connection with bonds and other asset financings of $1.1 billion increased $139.6 million from 2020 primarily due to a $138 million increase in interest expense resulting from the 2021 adoption of GASB Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"* which prospectively eliminated the capitalization of interest expense incurred during a construction period.

Grants, in connection with operating activities of $257 million decreased $232.6 million from 2020 primarily due to the timing and sizing of COVID-19 related federal relief programs. In 2020, $450 million of federal CARES Act funding was received at JFK, LGA, and EWR airports. In 2021, $237 million of CRRSAA and ARPA COVID-19 federal funding was received at the Port Authority's JFK, LGA, and EWR airports.

Pass-through grant program payments to sub-grantees of $2.6 million decreased $24.2 million when compared to 2020 primarily due to decreased federal funding for baggage screening equipment at LGA that is passed through to the terminal lessee.

Pass-through grant program payments are offset in their entirety by either a ***Contribution in aid of construction*** *or a* ***Grant, in connection with an operating activity***.

Capital Contributions and Passenger Facility Charges

A summary of Capital Contributions and Passenger Facility Charges follows:

	2022	2021	2020
		(In thousands)	
Contributions in aid of construction	**$ 290,491**	$ 273,179	$ 258,925
PFCs	**274,414**	159,854	75,509
Total	**$ 564,905**	$ 433,033	$ 334,434

2022 vs. 2021

Contributions in aid of construction of $290 million increased $17 million from 2021 primarily due to the receipt of approximately $78 million in capital contributions related to the redevelopment of JFK Airport NTO which reached financial close in June 2022; partially offset by a decrease in FTA funding for PATH Superstorm Sandy restoration and resiliency capital projects.

PFCs of $274 million increased $115 million from 2021 due to a 70% increase in passenger activity compared to 2021. PFCs collections, in 2022 are 94% of pre-COVID-19 levels.

2021 vs. 2020

Contributions in aid of construction of $273.2 million increased $14.3 million from 2020 primarily due to: ***a.)*** a $37.4 million increase in FTA and FEMA funding for PATH Superstorm Sandy restoration and resiliency capital projects; and, ***b.)*** a $21.8 million increase in Airport Improvement Program ("AIP") funding related to the rehabilitation of certain runways at Port Authority airports. These increases are partially offset by: ***a.)*** a $24 million decrease related to One WTC capital construction claims received in 2020; ***b.)*** a $7.3 million decrease in required net lessee capital contributions related to the construction of WTC Tower 3; and, ***c.)*** a $7.2 million decrease in Federal Highway Administration ("FHWA") federal funding for the Cross Harbor Freight Movement Program at Greenville Yard, Port Authority Marine Terminal.

PFCs of $159.9 million increased $84.3 million from 2020 due to an 85% increase in passenger activity related to the partial recovery of aviation passenger activity resulting from COVID-19. However, when compared to pre-COVID-19 levels, PFC collections in 2021 are $133 million or 45% lower than 2019.

Capital Construction Activities

Port Authority capital investment, including capital contributions, accrued amounts related to capital construction activities and landlord leasehold improvements in LGA Terminal B totaled $1.9 billion in 2022, $2.0 billion in 2021 and $2.6 billion in 2020. The overall decrease in capital spending over this period has been driven by slowed capital spending for capital projects not already in construction in response to a decrease in net revenues for the three-year period ending December 31, 2022, resulting from the impacts of COVID-19.

A summary of capital investment by business segment follows:

	2022	2021	2020
		(In millions)	
Aviation*	**$ 1,251**	$ 1,148	$ 1,379
Tunnels, Bridges & Terminals	**298**	393	582
PATH	**252**	313	325
WTC (including WTC Transportation Hub)	**92**	123	232
Port Department	**30**	38	44
Other**	**5**	3	5
Total	**$ 1,928**	$ 2,018	$ 2,567

* Includes LGA Terminal B landlord leasehold capital investment of $164 million in 2022, $95 million in 2021, and $277 million in 2020.

** Other includes Regional Facilities and Programs, Development Facilities, Moynihan Station Transportation Program, Gateway Early Work Program, and Ferry Transportation.

Capital Funding Sources 2022*

	(In thousands)	
Consolidated bonds and commercial paper obligations**	$ 1,099,153	56%
Port Authority Consolidated Bond Reserve Funds**	719,421	37%
Other contributions in aid of construction	99,735	5%
Passenger Facility Charges	48,474	2%
WTC Tower 3 net lessee capital contributions	1,799	<1%
FTA Contributions in aid of construction	160	<1%
Total	**$ 1,968,742**	

* Capital funding sources exclude accrued amounts in connection with capital construction activities.
** Includes funding for LGA Terminal B landlord leasehold capital investment.

Additional information related to capital investment in Port Authority facilities can be found in ***Note B*** *– Facilities, net,* ***Schedule D-3*** *– Selected Statistical Financial Data by Business Segment,* and ***Schedule F*** *– Information on Capital Investment in Port Authority Facilities*.

Capital Financing and Debt Management

As of December 31, 2022, bonds and other asset financing obligations of the Port Authority, including $1.2 billion associated with Tower 4 Liberty Bonds for which the Port Authority is a co-borrower/obligor, totaled approximately $29.7 billion. For additional information related to bonds and other asset financing obligations of the Port Authority see *Note D- Outstanding Financing Obligations*.

During 2022, the Port Authority issued approximately $1.9 billion of Consolidated Bonds, including $107 million in net issuance premiums. Of this amount $1.3 billion was allocated for purposes of funding capital construction projects at Port Authority facilities, $514 million was utilized to refund outstanding Consolidated Bonds to achieve savings on future debt service payments and $75 million was used to retire existing commercial paper obligations.

During 2022, the Port Authority issued approximately $75 million of commercial paper obligations to fund capital construction project expenditures.

Credit Ratings

Listed below is a summary of credit ratings assigned to outstanding debt obligations of the Port Authority as of December 31, 2022.

DEBT OBLIGATION	S&P	Fitch Ratings	Moody's Investors Service
Consolidated Bonds	AA-	AA-	Aa3
Commercial Paper Obligations	A-1+	F1+	P-1

The following revisions were made to Port Authority credit ratings during 2022:

- On May 06, 2022, Standard and Poor's ("S&P") raised its long-term rating on the Port Authority of New York & New Jersey's consolidated bonds and notes to "AA-" from "A+". At the same time, S&P also raised the short-term rating on the authority's Commercial Paper Obligations to "A-1+" from "A-1".

- On December 9, 2022, Fitch Ratings upgraded their rating on Port Authority Consolidated Bonds and Consolidated Notes to "AA-" from "A+" and affirmed their "F1+" rating on Port Authority Commercial Paper Obligations.

Each rating reflects only the view of the ratings service issuing such rating and is not a recommendation by such ratings service to purchase, sell, or hold any maturity of Port Authority obligations or as to market price or suitability of any maturity of the obligations for a particular investor. An explanation of the significance of a rating may be obtained from the ratings service issuing such rating. There is no assurance that any rating will continue for any period of time or that it will not be revised or withdrawn. A revision or withdrawal of a rating may have an effect on market price. Additional information on Port Authority debt obligations can be found in *Note D- Outstanding Financing Obligations*.

Other Activities

Toll & Fare Increases

On September 26, 2019, the Port Authority's Board of Commissioners authorized certain adjustments to the schedule of tolls, fares, and other fees at Port Authority facilities ("Revised Schedule"). The Revised Schedule incorporates the previously authorized CPI ("Consumer Price Index") inflation adjustment for bridge and tolls, as well as changes to PATH's fare structure, increases to AirTrain fares, and new airport ground transportation access fees. The Revised Schedule also provides for a series of periodic increases to bus tolls through January 2026 and for bus tolls to thereafter be determined by the CPI inflation adjustment. On November 17, 2022, the Port Authority announced that the CPI adjustment formula had been triggered, resulting in a $1.00 toll increase at the Port Authority bridges and tunnels beginning in January 2023, and a $0.25 increase to AirTrain fares at JFK and EWR Airports beginning in March 2023. For additional information related to tolling rates, E-ZPass® discounts and designated user programs, please refer to the following link: http://www.panynj.gov/bridges-tunnels/tolls.html.

PATH fares are indexed to inflation, based on CPI, with increases occurring when the cumulative increase in CPI, as measured from 2021, would, when applied to the single ride fares, result in an adjustment of at least $0.25. For additional information related to PATH fares please refer to the following link: http://www.panynj.gov/path/fares.html.

Cashless Tolling

Cashless toll collection is in effect at the Bayonne Bridge, the Outerbridge Crossing, the Goethals Bridge, the Holland Tunnel, the George Washington Bridge, and most recently, effective as of December 11, 2022 at the Lincoln Tunnel. Implementation of cashless tolling reduces travel times, enhances safety, improves traffic flow and provides environmental benefits by limiting idling and reducing delays, as vehicles no longer have to stop at a toll plaza. Over time, implementation of cashless tolling may impact toll revenues previously collected in cash, by, among other things, shifting customers to E-ZPass® tags (which provide for toll discounts), and requiring additional collection efforts for customers that are billed by mail. The Port Authority is committed to increasing delinquent toll collection, together with related fees, and will closely monitor any changes in overall toll recovery at facilities with cashless tolling but does not expect the implementation of cashless tolling to have a material impact on Port Authority revenues.

2023 Budget

On December 15, 2022, the Board of Commissioners approved a 2023 budget that provides for capital and operating expenditures during calendar year 2023 totaling $8.3 billion. To obtain a copy of the 2023 budget, please refer to the following link: https://www.panynj.gov/corporate/en/financial-information/budget.html.

The Port Authority of New York and New Jersey Retiree Health Benefit Trust Fiduciary Fund Financial Statements Comparison for the Years Ended December 31, 2022 and December 31, 2021

The year-to-year change in fiduciary net position is an indicator of whether the overall financial condition of The Port Authority of New York and New Jersey Retiree Health Benefit Trust ("the Trust") has improved or worsened during the year. A comparison of the Port Authority's Fiduciary Net Position follows:

	2022	2021	2020
		(In thousands)	
Financial position			
Total assets	**$ 1,508,099**	$ 1,987,015	$ 1,906,735
Total liabilities	**40,221**	19,329	974
Net position, December 31	**$ 1,467,878**	$ 1,967,686	$ 1,905,761

A comparison of the Port Authority's Fiduciary Fund Statements of Changes in Fiduciary Net Position follows:

	2022	2021	2020
		(In thousands)	
Total contributions*	**$ -**	$ -	$ 30,061
Total net investment (loss)/income	**(310,021)**	235,963	225,006
Total deductions**	**(189,787)**	(174,038)	(148,932)
(Decrease)/Increase in net position	**(499,808)**	61,925	106,135
Net position – January 1	**1,967,686**	1,905,761	1,799,626
Net position – December 31	**$ 1,467,878**	$ 1,967,686	$ 1,905,761

* 2020 contributions are comprised of OPEB benefit payments totaling $30.1 million made from available Port Authority operating funds. The Port Authority did not make advanced funding contributions to the Trust in 2020, 2021 and 2022.

**2022 and 2021 OPEB benefits payments were paid in their entirety out of Trust funds. 2020 amounts include OPEB benefit payments totaling $30.1 million paid from available Port Authority operating funds and $118.7 million from Trust funds.

2022 vs. 2021

Net position of the Trust totaled $1.5 billion at December 31, 2022, a decrease of $500 million when compared to December 31, 2021. This year-to-year decrease in the Trust's fiduciary net position was comprised of $310 million in investment losses on Trust investments measured at December 31, 2022 and $190 million in OPEB benefit payments paid from Trust funds.

Trust assets totaled $1.5 billion at December 31, 2022, a decrease of $479 million from December 31, 2021. This decrease in Trust assets is primarily due to a $514 million decrease in the fair value of Trust investments, partially offset by an $18 million increase in cash and cash equivalents and a $17 million increase in receivables.

Trust liabilities totaled $40 million at December 31, 2022, an increase of $21 million from December 31, 2021. This increase in Trust liabilities is due to increased payables to brokers for investment purchases.

Net investment (loss) income totaled $(310) million in 2022, a decrease of $546 million from 2021, primarily due to losses on Trust investments. The money-weighted rate of return on the Trust investments was a loss of (16.59)% in 2022 and a gain of 13.00% in 2021.

2021 vs. 2020

Net position of the Trust totaled \$2.0 billion at December 31, 2021, an increase of \$61.9 million when compared to December 31, 2020. This year-to-year increase in the Trust's fiduciary net position was comprised of \$236 million in investment income partially offset by \$174 million in OPEB benefit payments paid from Trust funds.

Trust assets totaled \$2.0 billion at December 31, 2021, an increase of \$80.3 million from December 31, 2020. This increase in Trust assets is primarily due to a \$58.6 million increase in cash and cash equivalents, an \$11.6 million increase in fair value of Trust investments and a \$10 million increase in receivables.

Trust liabilities totaled \$19.3 million at December 31, 2021, an increase of \$18.4 million from December 31, 2020. This increase in Trust liabilities is due to higher payables to brokers for investment purchases.

Net investment income totaled \$236 million in 2021, an increase of \$11 million from 2020, primarily due to higher gains on Trust investments. The money-weighted rate of return on Trust investments was a gain of 13.00% in 2021 and a gain of 13.48% in 2020.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
(Enterprise Fund)

Statements of Net Position

		December 31, 2022		December 31, 2021 (Restated)
		(In thousands)		
ASSETS				
Current assets:				
Cash	**$**	**261,534**	$	343,762
Restricted cash		**75,155**		74,121
Investments		**1,475,688**		677,079
Restricted investments - PAICE		**11,219**		4,998
Restricted investments - PFC		**187,109**		4,600
Lease receivables, as lessor		**178,076**		192,928
Current receivables, net		**1,050,894**		1,061,751
Other current assets		**146,504**		165,707
Restricted receivables and other assets		**57,123**		64,305
Total current assets		**3,443,302**		2,589,251
Noncurrent assets:				
Restricted cash		**4,560**		4,628
Investments		**2,804,280**		2,622,781
Restricted investments - PAICE		**86,683**		61,860
Lease receivables, as lessor		**4,394,657**		4,503,368
Other amounts receivable, net		**260,863**		198,304
Other noncurrent assets		**755,426**		668,665
Restricted noncurrent assets - PAICE		**4,795**		5,503
Amounts receivable - Tower 4 Liberty Bonds		**1,234,705**		1,236,905
Lease assets		**7,105,371**		7,263,008
Unamortized costs for regional programs		**14,907**		32,846
Landlord leasehold investment-LGA Terminal B		**1,135,986**		1,034,390
Facilities, net		**40,276,773**		40,168,584
Total noncurrent assets		**58,079,006**		57,800,842
Total assets		**61,522,308**		60,390,093
DEFERRED OUTFLOWS OF RESOURCES				
Loss on debt refundings		**49,769**		57,497
Pension related amounts		**774,172**		1,059,884
OPEB related amounts		**844,222**		139,346
Total deferred outflows of resources		**1,668,163**		1,256,727
LIABILITIES				
Current liabilities:				
Accounts payable		**913,469**		922,541
Accrued interest and other current liabilities		**724,959**		609,286
Restricted other liabilities - PAICE		**386**		348
Accrued payroll and other employee benefits		**255,089**		326,904
Lease liabilities, as lessee		**61,019**		95,841
Current portion bonds and other asset financing obligations		**2,126,538**		1,086,167
Total current liabilities		**4,081,460**		3,041,087
Noncurrent liabilities:				
Accrued pension and other postemployment benefits		**2,404,193**		1,348,892
Other noncurrent liabilities		**299,258**		310,104
Restricted other noncurrent liabilities - PAICE		**27,051**		27,546
Amounts payable - Tower 4 Liberty Bonds		**1,234,705**		1,236,905
Lease liabilities, as lessee		**6,436,793**		6,481,017
Bonds and other asset financing obligations		**26,311,943**		26,647,422
Total noncurrent liabilities		**36,713,943**		36,051,886
Total liabilities		**40,795,403**		39,092,973
DEFERRED INFLOWS OF RESOURCES				
Gain on debt refundings		**118,757**		103,875
Pension related amounts		**870,614**		996,876
OPEB related amounts		**197,735**		477,044
Leases, as lessor		**5,158,110**		5,354,698
Total deferred inflows of resources		**6,345,216**		6,932,493
NET POSITION	**$**	**16,049,852**	$	15,621,354
Net position is comprised of:				
Net investment in capital assets	**$**	**14,938,081**	$	15,406,620
Restricted:				
Passenger Facility Charges		**224,308**		12,568
Port Authority Insurance Captive Entity, LLC		**528,388**		497,847
Minority Interest in Tower 1 Joint Venture		**99,027**		96,401
Unrestricted		**260,048**		(392,082)
NET POSITION	**$**	**16,049,852**	$	15,621,354

See Notes to Financial Statements.

Statements of Revenues, Expenses and Changes in Net Position

	Year ended December 31, 2022	2021 (Restated)
	(In thousands)	
Gross operating revenues:		
Tolls and fares	**$ 1,942,726**	$ 1,836,692
Rentals	**1,978,706**	1,565,609
Aviation fees	**1,395,424**	1,213,743
Parking and other	**478,337**	353,261
Utilities	**182,163**	125,937
Total gross operating revenues	**5,977,356**	5,095,242
Operating expenses:		
Employee compensation, including benefits	**1,438,403**	1,296,724
Contract services	**1,059,209**	938,408
Rents and payments in-lieu-of taxes ("PILOT")	**47,434**	59,715
Materials, equipment and other	**336,727**	289,810
Utilities	**243,750**	184,651
Total operating expenses before depreciation, amortization and other operating expenses	**3,125,523**	2,769,308
Depreciation of facilities and landlord leasehold investment	**(1,717,977)**	(1,601,696)
Amortization of lease assets, as lessee	**(172,776)**	(167,396)
Amortization of costs for regional programs	**(17,939)**	(27,393)
Income from operations	**943,141**	529,449
Non-operating revenues and (expenses):		
Financial income	**55,000**	54,223
Net decrease in fair value of investments	**(138,167)**	(67,767)
Interest expense in connection with bonds and other asset financing	**(1,109,540)**	(1,152,878)
Interest income, as lessor	**140,978**	140,611
Interest expense, as lessee	**(220,654)**	(214,019)
Loss on disposition of assets	**-**	(4,623)
Pass-through grant program payments	**-**	(2,613)
4 WTC associated payments	**32,545**	66,715
Grants, in connection with operating activities	**160,290**	256,609
Non-operating expenses, net	**(1,079,548)**	(923,742)
Loss before capital contributions and passenger facility charges	**(136,407)**	(394,293)
Capital contributions and Passenger Facility Charges:		
Contributions in aid of construction	**290,491**	273,179
Passenger facility charges	**274,414**	159,854
Total capital contributions and passenger facility charges	**564,905**	433,033
Increase in net position	**428,498**	38,740
Net position, January 1	**15,621,354**	15,908,110
Cumulative effect of change in accounting principle	**-**	(325,496)
Net position, December 31	**$ 16,049,852**	$ 15,621,354

See Notes to Financial Statements.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
(Enterprise Fund)

Statements of Cash Flows

	Year ended December 31, 2022	2021 (Restated)
	(In thousands)	
1. Cash flows from operating activities:		
Cash received from operations	**$ 5,589,919**	$ 4,888,511
Cash paid to or on behalf of employees	**(1,279,653)**	(1,494,989)
Cash paid to suppliers	**(1,478,947)**	(1,337,710)
Cash paid to municipalities	**(47,721)**	(59,715)
Net cash provided by operating activities	**2,783,598**	1,996,097
Cash flows from noncapital financing activities:		
Payments for Fund for regional development buy-out obligation	**-**	(53,606)
Grants received in connection with operating activities	**174,133**	287,142
Pass-through grant payments	**(1,543)**	(24,056)
Net cash provided by noncapital financing activities	**172,590**	209,480
Cash flows from capital and related financing activities:		
Investment in facilities and construction of capital assets	**(1,986,976)**	(2,131,910)
Proceeds from capital obligations issued for refunding purposes (including commercial paper)	**3,995,409**	3,498,760
Principal paid through capital obligations refundings (including commercial paper)	**(4,070,409)**	(3,423,760)
Proceeds from sales of capital obligations allocated for construction	**1,352,347**	1,469,286
Principal paid on capital obligations	**(463,214)**	(461,905)
Interest paid on capital obligations	**(1,133,001)**	(1,144,429)
Amortization of lease financings, as lessee	**(94,185)**	(77,736)
Interest paid for lease financings	**(220,992)**	(198,707)
Amortization of lease financings, as lessor	**193,083**	159,252
Interest received for lease financings	**91,181**	78,343
Payments for MOTBY obligation	**(5,000)**	(5,000)
Contributions in aid of construction	**297,030**	76,154
Proceeds from passenger facility charges	**264,656**	147,557
Proceeds from disposition of assets	**11,924**	7,563
Financial income allocated to capital projects	**3,196**	21
Net cash (used for) capital and related financing activities	**(1,764,951)**	(2,006,511)
Cash flows from investing activities:		
Purchase of investment securities	**(23,728,477)**	(17,041,707)
Proceeds from maturity and sale of investment securities	**22,400,981**	16,803,365
Interest received on investment securities	**50,352**	58,317
Other interest income	**4,645**	5,135
Net cash (used for) investing activities	**(1,272,499)**	(174,890)
Net (decrease)/increase in cash	**(81,262)**	24,176
Cash at beginning of year	**422,511**	398,335
Cash at end of year	**$ 341,249**	$ 422,511

See Notes to Financial Statements.

Statements of Cash Flows (continued)

		Year ended December 31,	
		2022	2021 (Restated)
		(In thousands)	
2. Reconciliation of income from operations to net cash provided by operating activities:			
Income from operations		**$ 943,141**	$ 529,449
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation of facilities and landlord leasehold investment		**1,717,977**	1,601,696
Amortization of costs for regional programs		**17,939**	27,393
Amortization of other assets		**70,197**	67,500
Amortization of lease assets		**172,776**	167,396
Amortization of deferred inflows of resources related to leases		**(266,108)**	(259,370)
Change in operating assets and operating liabilities:			
(Increase) in receivables		**(94,532)**	(37,604)
(Increase) in deferred charges and other assets		**(18,430)**	(69,140)
Increase in payables		**43,582**	25,929
Increase in other liabilities		**38,306**	141,117
Increase/(Decrease) in accrued payroll, pension and other employee benefits		**158,750**	(198,269)
Total adjustments		**1,840,457**	1,466,648
Net cash provided by operating activities		**$ 2,783,598**	$ 1,996,097

3. Capital obligations:

Consolidated bonds and notes, commercial paper, variable rate master notes, Marine Ocean Terminal at Bayonne Peninsula (MOTBY) Obligation, WTC Tower 4 Liberty Bonds and Goethals Bridge Replacement Developer Financing Agreement

4. Noncash investing, capital and financing activities:

Noncash activity of $(81) million in 2022 and $(76) million in 2021 includes amortization of discount and premium on outstanding debt obligations.

Noncash capital financing did not include activities that required a change in fair value. The Silverstein net lessees contributed $2 million towards construction of WTC Tower 3 in both 2022 and 2021.

Noncash capital asset write-offs totaled $2.6 million in 2022 and $348 thousand in 2021.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
RETIREE HEALTH BENEFITS TRUST
(Fiduciary Fund)

Statements of Fiduciary Net Position

	December 31, 2022	December 31, 2021
	(In thousands)	
ASSETS		
Cash and cash equivalents	$ **104,958**	$ 86,759
Receivables:		
Due from employer	**19,728**	12,048
Due from broker for investments sold	**9,166**	952
Investment income	**4,184**	3,570
Total receivables	**33,078**	16,570
Investments, at fair value:		
Domestic equities	**477,718**	694,909
Fixed income	**537,417**	640,462
International equities	**310,754**	410,299
Real estate	**44,174**	138,016
Total investments, at fair value	**1,370,063**	1,883,686
Total assets	**1,508,099**	1,987,015
LIABILITIES		
Payable:		
Due to broker for investments purchased	**40,221**	19,329
Total liabilities	**40,221**	19,329
Net position restricted for other postemployment benefits	$ **1,467,878**	$ 1,967,686

See Notes to Financial Statements.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
RETIREE HEALTH BENEFITS TRUST
(Fiduciary Fund)

Statements of Changes in Fiduciary Net Position

	Year ended December 31, 2022	2021
	(In thousands)	
Additions:		
Employer contributions*	$ **-**	$ -
Investment income:		
Net (decrease)/increase in fair value of investments	**(349,261)**	195,105
Interest and dividends	**41,285**	42,798
(Less) investment expense	**(2,045)**	(1,940)
Net investment (loss)/income	**(310,021)**	235,963
Total (deductions)/additions	**(310,021)**	235,963
Deductions:		
Benefit payments**	**189,699**	173,920
Administrative expense	**88**	118
Total deductions	**189,787**	174,038
Net (decrease)/increase in net position	**(499,808)**	61,925
Net position restricted for other postemployment benefits:		
Beginning of year	**1,967,686**	1,905,761
End of year	$ **1,467,878**	$ 1,967,686

* The Port Authority did not make advanced funding contributions to the Trust in 2022 and 2021.

** 2022 and 2021 OPEB benefit payments were paid entirely out of Trust funds.

See Notes to Financial Statements.

Note A – Nature of the Organization and Summary of Significant Accounting Policies

1. Reporting Entity

a. The Port Authority of New York and New Jersey (the "Port Authority") was created in 1921 by Compact between the States of New York and New Jersey with the consent of the United States Congress. The Compact envisions the Port Authority as being financially self-sustaining. As such, the agency must raise the funds necessary for the improvement, construction, or acquisition of its facilities and their operation generally upon the basis of its own credit. Cash derived from Port Authority operations and other cash received may be disbursed only for specific purposes in accordance with provisions of various statutes and agreements with holders of its obligations and others. The costs of providing facilities and services to the general public on a continuing basis are recovered primarily from operating revenue sources, including rentals, tolls, fares, aviation and port fees, and other charges.

b. The Governor of each State, with the consent of the respective State Senate, appoints six of the twelve members of the governing Board of Commissioners. The Commissioners serve without remuneration for six-year overlapping terms. Meetings of the Commissioners of the Port Authority are open to the public in accordance with policies adopted by the Commissioners. The actions taken by the Commissioners at Port Authority meetings are subject to gubernatorial review and may be vetoed by the Governor of their respective State. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended, for financial reporting purposes, the Port Authority is a joint venture between the States of New York and New Jersey.

c. The Audit Committee, which consists of four members of the Board of Commissioners other than the Chairman and Vice Chairman of the Port Authority, provides oversight of the quality and integrity of the Port Authority's framework of internal controls, compliance systems and the accounting, auditing, and financial reporting processes. The Audit Committee retains independent auditors and reviews their performance and independence. The independent auditors are required to provide written disclosure of, and discuss with the Committee, any significant relationships or issues that would have a bearing on their independence. The Audit Committee meets directly, on a regular basis, with the independent auditors, general counsel of the Port Authority, and management of the Port Authority. The Audit Committee retained KPMG, LLP to perform the independent audit of the Port Authority's financial statements and Mitchell Titus, LLP to perform the independent audit of the Port Authority of New York and New Jersey Retiree Health Benefits Trust financial statements for the year ending December 31, 2022.

d. Enterprise fund financial statements and schedules include the accounts of the Port Authority and its blended component units, including:

Port Authority Blended Component Units*	Establishment or Acquisition Date
Port Authority Trans-Hudson Corporation	May 10, 1962
Newark Legal and Communications Center Urban Renewal Corporation	May 12, 1988
New York and New Jersey Railroad Corporation (inactive)	April 30, 1998
WTC Retail LLC	November 20, 2003
Port District Capital Projects LLC, (inactive)	July 28, 2005
Tower 5 LLC (formerly known as 1 WTC LLC)	September 21, 2006
Port Authority Insurance Captive Entity, LLC	October 16, 2006
New York New Jersey Rail, LLC	September 18, 2008
Tower 1 Member LLC	April 19, 2011
Tower 1 Joint Venture LLC	April 19, 2011
Tower 1 Holdings LLC	April 19, 2011
WTC Tower 1 LLC	April 19, 2011
PA Retail Newco LLC	May 7, 2012
Tower 1 Rooftop Holdings LLC	June 8, 2012

* The blended component units listed are included as part of the Port Authority's reporting entity because: **a.)** the Port Authority's Board of Commissioners serves as the overall governing body of these related entities; and, **b.)** there is a fiscal dependency and a financial benefit or burden relationship between the Port Authority and the respective component unit listed.

e. *The Port Authority of New York and New Jersey Retiree Health Benefits Trust* ("the Trust") was established on December 14, 2006 by the Port Authority on behalf of itself and its component unit, Port Authority Trans-Hudson Corporation ("PATH") for the exclusive benefit of eligible retired employees of the Port Authority and PATH and eligible dependents of such retired employees to facilitate all or part of the required funding of certain postemployment benefits, including group healthcare, dental, vision, prescription and term life insurance that are provided through healthcare plans administered by the Port Authority. The Trust was created under the common law of the State of New York, and all income derived is excludable from gross income pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The Port Authority's Board of Commissioners serve as the board of directors of the Trust. In accordance with GASB Statement No. 84, *"Fiduciary Activities,"* and GASB Statement No. 97 *"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,"* the Trust is a fiduciary component unit of the Port Authority.

Audited financial statements of the Trust for the year ended December 31, 2022 are available from the Comptroller's Department of The Port Authority of New York and New Jersey, 2 Montgomery Street, Jersey City, New Jersey 07302.

2. Basis of Accounting

a. Port Authority business-type activities are accounted for using the flow of economic resources measurement focus and accrual basis of accounting. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, including revenues and expenses, are accounted for in an enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

b. Port Authority fiduciary activities are accounted for using the flow of economic resources measurement focus and accrual basis of accounting. Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position are accounted for in a fiduciary fund with investments reported at fair value, advance fundings reported when paid and contributions related to pay-as-you go benefit payments reported when benefit payments come due.

c. The Port Authority follows accounting principles generally accepted in the United States of America as prescribed by the GASB.

3. Significant Accounting Policies

a. *Facilities, net* are carried at cost. Generally, projects in excess of $100,000 for additions, asset replacements, and/or asset improvements that benefit future periods or are expected to prolong the service life of the asset are capitalized (see *Note B – Facilities, net*). *Facilities, net* does not include regional programs undertaken at the request of the Governor of the State of New Jersey or the Governor of the State of New York (see *Note H – Regional Facilities and Programs*).

Prior to 2021, the cost of facilities included interest incurred during the period that related to the construction or production of the capital asset. The amount of capitalized interest was calculated by offsetting interest expense incurred with financial income earned on invested debt proceeds, from the date of the borrowing until the project is ready for its intended use. In accordance with GASB Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period,"* effective January 1, 2021 the Port Authority prospectively discontinued the capitalization of interest expense incurred during the construction period.

b. Depreciation of facilities is computed using the straight-line method during the estimated useful lives of the related assets (see *Note B – Facilities, net*). Estimated useful lives are reviewed periodically for each type of asset class. Asset lives used in the calculation of depreciation are generally as follows:

➢ Buildings, bridges, tunnels and other structures	25 to 100 years
➢ Machinery and equipment	5 to 35 years
➢ Runways, roadways and other paving	7 to 40 years
➢ Utility infrastructure	10 to 100 years

Assets at facilities leased by the Port Authority are depreciated over the lesser of: **i.)** the remaining lease term of the facility; or, **ii.)** the estimated useful life of the asset.

Costs of regional facilities and programs are amortized on a straight-line basis over the period benefited up to a maximum of 15 years (see *Note H – Regional Facilities and Programs*).

Costs related to the purchase of ancillary equipment, including: i.) operation and maintenance vehicles; and, ii.) corporate information technology software and hardware, each providing benefits for periods exceeding one-year are reported as a component of *Other noncurrent assets* and amortized over the period benefited, generally 3 to 15 years, depending on the useful life of the equipment or vehicle.

c. Cash consists of cash on hand and short-term cash equivalents. Cash equivalents are made up of negotiable order of withdrawal accounts, money market accounts and money market funds.

d. Restricted cash and investments are primarily comprised of Passenger Facility Charges ("PFCs"), cash restricted for use by the Port Authority Insurance Captive Entity, LLC ("PAICE"), and insurance proceeds that are restricted to business interruption and redevelopment expenditures.

e. Enterprise fund net position is comprised of:

- *Net investment in capital assets*, which consists of capital assets, net of accumulated depreciation, less the outstanding balances related to payables, bonds, notes, or other liabilities that are attributable to the acquisition, construction, or improvement of those assets.

- *Restricted*, which consists of net resources that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Port Authority's policy to use restricted resources first.

- *Unrestricted*, which consists of net resources that do not meet the definition of *Restricted* or *Net investment in capital assets*.

f. Statutorily mandated reserves held by PAICE are restricted for purposes of insuring certain Port Authority risk exposures.

g. Inventories are valued using an average cost method, which prices items on the basis of the average cost of all similar goods remaining in stock. Inventory is reported as a component of *Other noncurrent assets* on the Statements of Net Position.

h. Operating revenues are derived principally from rentals, tolls, fares, aviation and port fees, and other charges for the use of, and privileges at, Port Authority facilities. Operating expenses include those costs incurred for the operation, maintenance, and security of Port Authority facilities. All other revenues, including financial income, PFCs, contributions in aid of construction, grants in connection with operating activities, insurance proceeds and gains resulting from the disposition of assets, if any, are reported as non-operating revenues, and all other expenses, such as interest expense, losses resulting from the disposition of assets, and pass-through grant program payment costs are reported as non-operating expenses.

i. Amounts attributable to the collection and investment of PFCs are restricted and can only be used for The Federal Aviation Administration ("FAA") approved airport-related projects. Revenues derived from the collection of PFCs, net of the air carriers' handling charges, are recognized as capital contributions when the passenger activity occurs and the fees are due from the air carriers. Capital investment funded by PFCs is reflected as a component of *Facilities, net* and *Landlord Leasehold Investment-LGA Terminal B*.

j. Required capital contributions due the Port Authority from the World Trade Center ("WTC") Tower 2, 3 and 4 net lessees related to the replacement of the net leased premises owned by the Port Authority that were destroyed on September 11, 2001 are recognized as a component of *Facilities, net* on the Statements of Net Position and a *Contributions in aid of construction* on the Statements of Revenues, Expenses and Changes in Net Position as the construction occurs. WTC Tower 4 and WTC Tower 3 were placed into service in November 2014 and June 2018, respectively, and are being depreciated over their estimated useful life.

k. All Port Authority investment values that are affected by interest rate changes have been reported at their fair value, using published market prices. The Port Authority uses a variety of financial instruments to assist in the management of its financing and investment objectives and may also employ hedging strategies to minimize interest rate risk. The Port Authority may enter into various derivative instruments, including options on United States Treasury securities, repurchase and reverse repurchase (yield maintenance) agreements and United States Treasury and municipal bond futures contracts (see *Note C – Cash and Investments*).

l. In accordance with GASB Statement No. 23, "*Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities,*" as amended, when issuing new debt for refunding purposes, the difference between the reacquisition price and the net carrying amount of the refunded debt is recognized as either a deferred outflow of resources or deferred inflow of resources and amortized on a straight-line basis as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

m. Bond premiums received or discounts provided at issuance are deferred and amortized on a straight-line basis as a component of interest expense over the term of the bond, as this approximates the effective interest of the bond issuance. Unamortized premiums received or discounts provided are classified as a reduction of (discounts) or an addition to (premiums) the par value of the *Bonds and other asset financing obligations* on the Statements of Net Position.

n. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management, where necessary, to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates and assumptions are subject to various uncertainties, the occurrence of which may cause differences between those estimates and assumptions and actual results.

o. In 2022, the Port Authority adopted GASB Statement No. 87, "*Leases"* ("GASB Statement No. 87"). The objective of GASB Statement No. 87 is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments.

The adoption of GASB Statement No. 87 resulted in the Port Authority classifying certain lease agreements containing "fixed" lease payments as financing arrangements for the right to use a third party's asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset (herein referred to as lease asset) and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Receivables and liabilities related to lease agreements subject to GASB Statement No. 87 are measured at the present value of fixed lease payments expected to be made or received during the lease term. For leases that were in place at adoption (January 1, 2021), fixed lease payments were measured over the remaining lease term. Discount rates utilized in the valuation of lease agreements subject to GASB Statement No. 87 are based on the Port Authority's incremental cost of borrowing at the time of valuation. Lease assets and deferred inflows of resources related to leases are amortized on a straight-line basis over the remaining lease term.

In accordance with GASB Statement No. 87, certain lease agreements are excluded from the measurement of the lease receivable or liability, including regulated lease agreements (lessor exclusion only) at Port Authority aviation and marine terminal facilities, lease agreements with variable lease payments that are activity based, lease agreements with lease terms of less than twelve months, lease agreements that contain aggregate rent payments expected to be paid or received during the lease term totaling less than $100,000 and leases that transfer ownership of the underlying asset. For additional information related to leasing activities see Note G - *Leasing Activities.*

The cumulative effect of adopting GASB Statement No. 87 totaled $325 million and was recognized as a restatement of the Port Authority's January 2021 beginning net position. The following tables display the impact of implementing GASB Statement No. 87, including the required restatement of previously reported 2021 amounts:

Statement of Net Position

	December 31, 2021 Published	December 31, 2021 Restated	Change
		(In thousands)	
ASSETS			
Current assets:			
Lease receivables, as lessor	$ -	$ 192,928	$ 192,928
Other current assets	152,141	165,707	13,566
Total current assets	2,382,757	2,589,251	206,494
Noncurrent assets:			
Lease receivables, as lessor	-	4,503,368	4,503,368
Other noncurrent assets*	1,691,644	668,665	(1,022,979)
Lease assets	-	7,263,008	7,263,008
Total noncurrent assets	47,057,445	57,800,842	10,743,397
Total assets	49,440,202	60,390,093	10,949,891
LIABILITIES			
Current liabilities:			
Accrued interest and other current liabilities	(586,504)	(609,286)	(22,782)
Lease liabilities, as lessee	-	(95,841)	(95,841)
Total current liabilities	(2,922,464)	(3,041,087)	(118,623)
Noncurrent liabilities:			
Unearned income related to WTC Retail joint venture	(727,698)	-	727,698
Lease liabilities, as lessee	-	(6,481,017)	(6,481,017)
Total noncurrent liabilities	(30,298,567)	(36,051,886)	(5,753,319)
Total liabilities	(33,221,031)	(39,092,973)	(5,871,942)
DEFERRED INFLOWS OF RESOURCES			
Leases, as lessor	-	(5,354,698)	(5,354,698)
Total deferred inflows of resources	(1,577,795)	(6,932,493)	(5,354,698)
NET POSITION	$ 15,898,103	$ 15,621,354	$ (276,749)
Net investment in capital assets*	$ 14,720,470	$ 15,406,620	$ 686,150
Minority interest in Tower 1 Joint venture	78,913	96,401	17,488
Unrestricted*	588,305	(392,082)	(980,387)
NET POSITION	$ 15,898,103	$ 15,621,354	$ (276,749)

*2021 restated amounts include the reclassification of $744 million from *Unrestricted* to *Net investment in capital assets* as of January 1, 2021 due to reclassification of prepayments made to lessors from *Other noncurrent assets* to *Lease assets* in accordance with GASB Statement No. 87.

Statement of Revenues, Expenses and Changes in Net Position

	December 31, 2021 Published	December 31, 2021 Restated	Change
		(In thousands)	
Gross operating revenues:			
Rentals	$ 1,612,971	$ 1,565,609	$ (47,362)
Total gross operating revenues	5,142,604	5,095,242	(47,362)
Operating expenses:			
Rents and payments in-lieu-of taxes ("PILOT")	(396,628)	(59,715)	336,913
Total operating expenses before depreciation, amortization and other operating expenses	(3,106,221)	(2,769,308)	336,913
Amortization of lease assets, as lessee	-	(167,396)	(167,396)
Income from operations	407,294	529,449	122,155
Non-operating revenues and (expenses):			
Interest income, as lessor	-	140,611	140,611
Interest expense, as lessee	-	(214,019)	(214,019)
Non-operating expenses, net	(850,334)	(923,742)	(73,408)
Loss before capital contributions and passenger facility charges	(443,040)	(394,293)	48,747
(Decrease)/increase in net position	$ (10,007)	$ 38,740	48,747
Less: Cumulative effect of a change in accounting principle			(325,496)
Restated impact on 2021 Statement of Net Position			$ (276,749)

Statement of Cash Flows

	December 31, 2021 Published	December 31, 2021 Restated	Change
		(In thousands)	
Cash flows from operating activities:			
Cash received from operations	$ 5,192,419	$ 4,888,511	$(303,908)
Cash paid to suppliers	(1,352,068)	(1,337,710)	14,358
Cash paid to municipalities	(388,113)	(59,715)	328,398
Net cash provided by operating activities	1,957,249	1,996,097	38,848
Cash flows from capital and related financing activities:			
Amortization of lease financings, as lessee	-	(77,736)	(77,736)
Interest paid for lease financings	-	(198,707)	(198,707)
Amortization of lease financings, as lessor	-	159,252	159,252
Interest received for lease financings	-	78,343	78,343
Net cash (used for) capital and related financing activities	$ (1,967,663)	$ (2,006,511)	$ (38,848)

	December 31, 2021 Published	December 31, 2021 Restated	Change
		(In thousands)	
Reconciliation of income from operations to net cash provided by operating activities:			
Income from operations	$ 407,294	$ 529,449	$ 122,155
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Amortization of lease assets	-	167,396	167,396
Amortization of deferred inflows of resources related to leases	-	(259,370)	(259,370)
Change in operating assets and operating liabilities:			
(Increase) in deferred charges and other assets	(68,547)	(69,140)	(593)
(Decrease) in unearned income related to WTC retail joint venture	(9,260)	-	9,260
Total adjustments	1,549,955	1,466,648	(83,307)
Net cash provided by operating activities	$ 1,957,249	$ 1,996,097	$ 38,848

p. In March 2020, GASB issued Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements."* The requirements of GASB Statement No. 94 are effective for financial statements periods beginning after June 15, 2022. The objective of GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and providing guidance for accounting and financial reporting for availability payment arrangements. The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 94, as clarified by GASB Statement Number 99, "*Omnibus* 2022".

q. In May 2020, GASB issued Statement No. 96, *"Subscription-Based Information Technology Arrangements."* The requirements of GASB Statement No. 96 are effective for financial statements periods beginning after June 15, 2022. The objective of GASB Statement No. 96 is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements. The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 96.

r. In April 2022, GASB issued Statement No. 99, *"Omnibus 2022"*. The statement includes clarification of Statement No. 87, Statement No. 94 *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"* and Statement No. 96, *"Subscription-Based Information Technology Arrangements"*. The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 99.

s. In June 2022, GASB issued Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62"*. The requirements of GASB Statement No. 100 are effective for financial statements periods beginning after June 15, 2023. The objective of GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 100.

t. In June 2022, GASB issued Statement No. 101, *"Compensated Absences"*. The requirements of GASB Statement No. 101 are effective for financial statements periods beginning after December 15, 2023.

The objective of GASB Statement No. 101 is to modify guidance on the accounting and financial reporting for compensated absences. The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 101.

4. Reconciliation of the Financial Statements Prepared in Accordance with Accounting Principles Generally Accepted in the United States of America to Schedules Prepared Pursuant to Port Authority Bond Resolutions

Schedules A, B, C and D-2 which follow the Required Supplementary Information section of this report, have been prepared in accordance with Port Authority bond resolutions, which differ in some respects from accounting principles that are generally accepted in the United States of America, as follows:

a. Revenues and expenses of facilities are accounted for in the operating fund. The financial resources received and expended for the construction or acquisition of certified Port Authority facilities or capital infrastructure improvements are accounted for in the capital fund. Transactions involving the application of net revenues are accounted for in the reserve funds.

b. Port Authority bond resolutions provide that net operating revenues shall not include an allowance for depreciation on facilities other than depreciation of ancillary equipment. Thus, depreciation is not a significant factor in determining the net revenues and reserves of the Port Authority or their application as provided for in the Port Authority's bond resolutions. Instead, capital expenditures are provided for through deductions from net revenues available for debt service in amounts equal to principal payments on debt outstanding or through the application of monies previously deposited in the Consolidated Bond Reserve Fund for the purposes of funding capital investment in facilities. These amounts are credited at par to *Net Position – Facility infrastructure investment* in the capital fund on *Schedule B – Assets and Liabilities*.

c. Debt service in connection with operating asset obligations is paid from the same revenues and in the same manner as operating expenses of the Port Authority.

d. Capital costs for Regional Facilities and Programs are included in *Invested in facilities* in accordance with Port Authority bond resolutions.

e. Consolidated Bonds and Consolidated Notes are recorded as outstanding at their par value commencing on the date that the Port Authority is contractually obligated to issue and sell such obligations. Bond premiums received or discounts provided at issuance related to bonds issued for the purpose of funding capital construction or refunding existing capital debt obligations are recorded as either a reduction of (discount) or addition to (premium) *Net Position – Facility infrastructure investment* in the capital fund on *Schedule B – Assets and Liabilities* at the time of issuance.

f. To reflect the cumulative amount invested by the Port Authority since 1921 in connection with its facilities, the historical cost of capital assets removed from service due to retirement is not deducted from *Invested in facilities*. However, if a capital asset is sold, the proceeds received from the sale are deposited in the capital fund for purposes of funding future capital investment or retiring existing debt obligations and deducted from cumulative *Invested in facilities* on *Schedule B – Assets and Liabilities* at the time of the sale.

g. Contributed capital amounts resulting from non-exchange transactions, including contributions in aid of construction where the Port Authority does not receive a cash reimbursement for prior cash outlays, are included in *Invested in facilities*, and credited to *Net Position – Facility infrastructure investment* in the capital fund.

h. Amounts attributable to the collection and investment of PFCs are restricted and can only be used for FAA approved airport-related projects. Revenues derived from the collection and investment of PFCs, net of the air carriers' handling charges, are initially deferred as *Unapplied Passenger Facility Charges* on *Schedule B – Assets and Liabilities* and applied as revenue on *Schedule A – Revenues and Reserves* for the reimbursement of previous capital cash outlays by the Port Authority when the PFCs become available for application. Capital investment funded by PFCs is reflected as a component of *Invested in facilities* on *Schedule B – Assets and Liabilities*.

i. Amounts received in connection with the March 18, 2014 transfer of the Port Authority's interests in the WTC Retail Joint Venture to Westfield are recognized as revenue in their entirety when they are received and are recorded on that basis on *Schedule A – Revenues and Reserves*.

j. The cumulative impact of adopting GASB Statement No. 68, "*Pensions*" and GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*" was recognized as either an increase or decrease to the operating fund's net position in the year of adoption and is being amortized as an application from the Consolidated Bond Reserve Fund over a closed 30-year period.

k. In accordance with Port Authority bond resolutions, operating expenses provide for contingencies related to the application of future operating and maintenance expenses.

l. Rental income and rent expense, including leases containing fixed rent payments are recognized in accordance with the rental terms contained in their respective lease agreements.

m. Rent payments paid or received in advance are deferred and reported in *Other current assets* or *Other current* or *Other non-current liabilities,* respectively. Advance payments are amortized on a straight-line basis over the term of the lease agreement.

A reconciliation of the Statements of Net Position to Schedule B – Assets and Liabilities and the Statements of Revenues, Expenses and Changes in Net Position to Schedule A – Revenues and Reserves follows:

Statements of Net Position to Schedule B – Assets and Liabilities

	Years ended December 31, 2022	2021 (Restated)*
	(In thousands)	
Net position reported on Statements of Net Position (pursuant to U.S. GAAP)	**$ 16,049,852**	$ 15,621,354
Add: U.S. GAAP only liabilities and deferred inflows of resources		
Accumulated depreciation of facilities and landlord leasehold investment	**22,127,348**	21,194,721
GASB Statement No. 87 lease liabilities	**6,497,812**	6,576,858
GASB Statement No. 87 deferred inflows of resources, leases	**5,158,110**	5,354,698
Accumulated retirements and gains and losses on disposition of assets	**4,316,370**	3,531,020
Cumulative unamortized discount and premium	**1,934,498**	1,907,764
Cumulative amortization of costs for regional programs	**1,521,452**	1,503,513
GASB Statement No. 87 lease interest payable	**29,063**	22,782
Less: U.S. GAAP only assets		
GASB Statement No. 87 lease assets	**(7,105,371)**	(7,263,008)
GASB Statement No. 87 lease receivables	**(4,572,733)**	(4,696,296)
GASB Statement No. 87 lease interest receivable	**(112,065)**	(62,268)
Total U.S. GAAP adjustments	**29,794,484**	28,069,784
Add: Bond Resolution only assets		
Deferred rent payments and receivables	**1,074,626**	1,071,681
Less: Bond Resolution only liabilities		
Deferred income PFCs	**(224,308)**	(12,568)
Operating and maintenance contingencies	**(50,000)**	(50,000)
Total Bond Resolution adjustments	**800,318**	1,009,113
Total	**$ 46,644,654**	$ 44,700,251
Net position reported on Schedule B - Assets and Liabilities (pursuant to Port Authority bond resolutions)	**$ 46,644,654**	$ 44,700,251

* In accordance with GASB Statement No. 87, as described in Note A.3.o, *Nature of the Organization and Summary of Significant Policies*, the cumulative impact of adopting Statement No. 87 has been incorporated as a restatement to the Port Authority's 2021 Statement of Net Position.

Statements of Revenues, Expenses and Changes in Net Position to Schedule A – Revenues and Reserves

	Years ended December 31, 2022	2021 (Restated)*
	(In thousands)	
Increase in Net position reported on Statements of Revenues, Expenses and Changes in Net Position (pursuant to U.S. GAAP)	**$ 428,498**	$ 38,740
Less: U.S. GAAP only revenues		
PFC Collections and interest income/fair value adjustment	**(274,449)**	(159,858)
GASB Statement No. 87 amortization of leases, as lessor	**(266,108)**	(259,370)
GASB Statement No. 87 interest income, as lessor	**(140,978)**	(140,611)
Amortization of discount and premium	**(81,340)**	(75,534)
4 WTC Liberty Bond interest payments	**(32,545)**	(66,715)
WTC 2,3,4 Net Lessee capital contributions	**(1,799)**	(1,723)
Add: U.S. GAAP only expenses		
Depreciation of facilities and landlord leasehold investment	**1,717,977**	1,601,696
GASB Statement No. 87 amortization of leases, as lessee	**172,776**	167,396
GASB Statement No. 87 interest expense, as lessee	**220,654**	214,019
Amortization of costs for regional programs	**17,939**	27,393
Loss on disposition of assets	**-**	4,623
Total U.S. GAAP adjustments	**1,332,127**	1,311,316
Add: Bond Resolution only increases in reserves		
Fixed rentals received from lessees**	**322,582**	297,472
Application of PFCs	**63,664**	147,557
4 WTC Liberty Bond principal and interest payments	**34,745**	66,715
Application of WTC retail joint venture payments	**16,968**	-
Less: Bond Resolution only decreases in reserves		
Direct investment in facilities	**(867,790)**	(870,697)
Fixed lease payments paid to lessors**	**(360,896)**	(336,913)
Debt maturities and retirements	**(467,966)**	(425,278)
Change in accounting principle – Pensions / OPEB	**(22,511)**	(21,038)
Total Bond Resolution adjustments	**(1,281,204)**	(1,142,182)
Total	**$ 479,421**	$ 207,874
Increase in Reserves reported on Schedule A – Revenues and Reserves (pursuant to Port Authority bond resolutions)	**$ 479,421**	$ 207,874

* In accordance with GASB Statement No. 87, as described in Note A.3.o, *Nature of the Organization and Summary of Significant Policies*, the cumulative impact of adopting Statement No. 87 has been incorporated as a restatement to the Port Authority's 2021 Statement of Revenues, Expenses and Changes in Net Position.

** Related to lease agreements that are subject to GASB Statement No. 87.

Note B - Facilities, net

	Facilities, net Dec. 31, 2021	Additions	Transfers to Completed Construction	Depreciation**	Retirements/ Dispositions	Facilities, net Dec. 31, 2022
	(In thousands)					
Capital assets not being depreciated:						
Land	$ 1,481,610	$ -	$ 60,819	$ -	$ -	**$ 1,542,429**
Construction in progress*	5,461,660	1,763,311	(2,021,467)	-	-	**5,203,504**
Total capital assets not being depreciated	6,943,270	1,763,311	(1,960,648)	-	-	**6,745,933**
Depreciable capital assets:						
Buildings, bridges, tunnels, other structures	24,306,861	-	1,125,199	-	(171,088)	**25,260,972**
Machinery and equipment	13,113,530	-	346,784	-	(98,342)	**13,361,972**
Runways, roadways and other paving	8,508,822	-	157,548	-	(437,745)	**8,228,625**
Utility infrastructure	8,404,855	-	331,117	-	(78,175)	**8,657,797**
Total other capital assets being depreciated	54,334,068	-	1,960,648	-	(785,350)	**55,509,366**
Accumulated depreciation:						
Buildings, bridges, tunnels, other structures	(6,854,067)	-	-	(596,923)	171,088	**(7,279,902)**
Machinery and equipment	(6,303,813)	-	-	(431,898)	98,342	**(6,637,369)**
Runways, roadways and other paving	(4,335,793)	-	-	(289,914)	437,745	**(4,187,962)**
Utility infrastructure	(3,615,081)	-	-	(336,387)	78,175	**(3,873,293)**
Total accumulated depreciation	(21,108,754)	-	-	(1,655,122)	785,350	**(21,978,526)**
Facilities, net	$ 40,168,584	$ 1,763,311	$ -	$ (1,655,122)	$ -	**$ 40,276,773**

	Facilities, net Dec. 31, 2020	Additions	Transfers to Completed Construction	Depreciation**	Retirements/ Dispositions	Facilities, net Dec. 31, 2021
	(In thousands)					
Capital assets not being depreciated:						
Land	$ 1,487,657	$ -	$ 6,139	$ -	$ (12,186)	$ 1,481,610
Construction in progress*	5,217,739	1,922,951	(1,679,030)	-	-	5,461,660
Total capital assets not being depreciated	6,705,396	1,922,951	(1,672,891)	-	(12,186)	6,943,270
Depreciable capital assets:						
Buildings, bridges, tunnels, other structures	23,907,922	-	565,634	-	(166,695)	24,306,861
Machinery and equipment	12,737,896	-	470,209	-	(94,575)	13,113,530
Runways, roadways and other paving	8,304,069	-	234,218	-	(29,465)	8,508,822
Utility infrastructure	8,032,273	-	402,830	-	(30,248)	8,404,855
Total other capital assets being depreciated	52,982,160	-	1,672,891	-	(320,983)	54,334,068
Accumulated depreciation:						
Buildings, bridges, tunnels, other structures	(6,476,799)	-	-	(543,963)	166,695	(6,854,067)
Machinery and equipment	(5,980,425)	-	-	(417,963)	94,575	(6,303,813)
Runways, roadways and other paving	(4,090,328)	-	-	(274,930)	29,465	(4,335,793)
Utility infrastructure	(3,327,194)	-	-	(318,135)	30,248	(3,615,081)
Total accumulated depreciation	(19,874,746)	-	-	(1,554,991)	320,983	(21,108,754)
Facilities, net	$ 39,812,810	$ 1,922,951	$ -	$ (1,554,991)	$ (12,186)	$ 40,168,584

* Additions to construction in progress include deductions related to capital write-offs totaling $2.6 million in 2022 and $348 thousand in 2021.

** Excludes depreciation related to LaGuardia Terminal B landlord leasehold investment of $62.9 million in 2022 and $46.7 million in 2021.

Notes:

1. Projects that have been suspended pending determination of their continued viability totaled $131.1 million in 2022 and $165.7 million in 2021.
2. Depreciation includes accelerated depreciation of $86.1 million in 2022 and $13.9 million in 2021 related to capital assets that were retired and taken out of service.
3. Retirements/Dispositions include the book value, if any, related to capital assets that have been sold or otherwise disposed.

Note C – Cash and Investments

The components of Port Authority and PAICE cash and investments are:

Cash	Port Authority	PAICE	December 31, 2022 Total	2021 Total
		(In thousands)		
Cash	**$ 176,521**	**$ 11,601**	**$ 188,122**	$ 100,522
Cash equivalents	**106,669**	**46,458**	**153,127**	321,989
Total cash	**283,190**	**58,059**	**341,249**	422,511
Less restricted cash	**21,656**	**58,059**	**79,715**	78,749
Unrestricted cash	**$ 261,534**	**$ -**	**$ 261,534**	$ 343,762

Investments, at fair value*	Fair Value Hierarchy Levels**	Port Authority✦	PAICE	December 31, 2022 Total	2021 Total
			(In thousands)		
United States Treasury notes	**Level 1**	**$ 3,004,803**	**$ 54,425**	**$ 3,059,228**	$ 2,766,809
United States Treasury bills	**Level 1**	**587,010**	**-**	**587,010**	1,000
United States government agency obligations	**Level 2**	**109,785**	**-**	**109,785**	1,000
United States Treasury obligations held pursuant to repurchase agreements***	**-**	**747,747**	**-**	**747,747**	573,457
Corporate bonds	**Level 2**	**-**	**25,606**	**25,606**	11,479
Mortgage-backed securities	**Level 2**	**-**	**11,748**	**11,748**	5,171
Asset-backed securities	**Level 2**	**-**	**5,662**	**5,662**	2,442
Municipal bonds	**Level 2**	**4,502**	**-**	**4,502**	-
Accrued interest receivable		**13,230**	**461**	**13,691**	9,960
Total investments		**4,467,077**	**97,902**	**4,564,979**	3,371,318
Less current investments		**1,662,797**	**11,219**	**1,674,016**	686,677
Noncurrent investments		**$ 2,804,280**	**$ 86,683**	**$ 2,890,963**	$ 2,684,641

* Cash and investments of approximately $1.5 billion and $2.0 billion held in The Port Authority of NY and NJ Retiree Health Benefits Trust are not included in the Port Authority's Enterprise Fund Statements of Net Position as of December 31, 2022 and 2021, respectively.

** Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when relevant Level 1 and Level 2 inputs are unavailable.

Port Authority investments are valued at the closing price on the last business day of the fiscal year or last trade reported on the major market exchange on which the individual securities are traded.

*** Investments are valued at unamortized cost.

✦ Port Authority investments includes PFC restricted investments of $187.1 million and $4.6 million in 2022 and 2021, respectively.

Port Authority cash equivalents, excluding PAICE, at December 31, 2022 and 2021 of $106.7 million and $268.6 million, respectively, consist of negotiable order of withdrawal accounts.

PAICE cash equivalents at December 31, 2022 and 2021 of $46.5 million and $53.4 million, respectively, consist of money market accounts of $40.8 million and $46.4 million, respectively, and money market funds of $5.7 million and $7.0 million, respectively. The money market funds have ratings of AAAm and Aaa-mf by S&P and Moody's, respectively.

Port Authority Investment Policies

Port Authority policy provides for cash funds of the Port Authority to be deposited in banks with offices located in the Port District, provided that the total funds on deposit in any bank do not exceed 50% of the bank's combined capital and permanent surplus. These funds must be fully secured by deposit of collateral having a minimum fair value of 110% of actual daily balances in excess of that part of the deposits secured through the Federal Deposit Insurance Corporation ("FDIC") and the New Jersey Governmental Unit Deposit Protection Act ("GUDPA"). The collateral must consist of obligations of the United States of America, the Port Authority, the State of New York or the State of New Jersey held in custodial bank accounts in banks in the Port District having combined capital and surplus in excess of $1 million.

Total actual bank balances, excluding amounts held by third party trustees, were $243.4 million at December 31, 2022. Of that amount, $3.1 million was secured through the basic FDIC deposit insurance and/or pursuant to the GUDPA. The balance of $240.3 million was fully collateralized with collateral held by a third-party custodian acting as the Port Authority's agent and held by such custodian in the Port Authority's name.

The investment policies of the Port Authority are established in conformity with its agreements with the holders of its obligations, generally through resolutions of the Board of Commissioners or its Committee on Finance. For the Port Authority, but not necessarily its component units, individual investment transactions are executed with recognized and established securities dealers and commercial banks. Investment securities are maintained, in the Port Authority's name, by a third-party financial institution acting as the Port Authority's agent. Securities transactions are conducted in the open market at competitive prices. Transactions are completed when the Port Authority's securities custodian, in the Port Authority's name, makes or receives payment upon receipt of confirmation that the securities have been transferred at the Federal Reserve Bank of New York or other repository in accordance with the Port Authority's instructions. The notable exception is the execution of Tri-Party Repurchase Agreements. These transactions are completed when the Tri-Party custodian posts collateral to the Port Authority's account in exchange for investment funds.

Proceeds received in connection with Consolidated Bonds and other asset financing obligation issuances may be invested, on an interim basis, in conformance with applicable federal laws and regulations, in obligations of (or fully guaranteed by) the United States of America (including such securities held pursuant to repurchase agreements) and collateralized time deposit accounts.

Consolidated Bond Reserve Fund and General Reserve Fund amounts may be invested in obligations of (or fully guaranteed by) the United States of America. Additionally, amounts in the Consolidated Bond Reserve Fund and the General Reserve Fund (subject to certain limitations) may be invested in obligations of the State of New York or the State of New Jersey, collateralized time accounts, and Port Authority bonds actually issued and secured by a pledge of the General Reserve Fund.

Operating funds may be invested in various items including: **a.)** direct obligations of the United States of America, obligations of United States government agencies, and sponsored enterprises that have the highest short-term ratings by two nationally recognized firms; **b.)** investment grade negotiable certificates of deposit and negotiable Bankers' Acceptances with banks having AA or better long-term debt rating, and with issues actively traded in secondary markets; **c.)** commercial paper obligations having only the highest short-term ratings separately issued by two nationally recognized rating agencies; **d.)** United States Treasury and municipal bond futures contracts; **e.)** certain interest rate exchange contracts with banks and investment firms; and, **f.)** certain interest rate options contracts that are limited to $50 million of underlying securities with a maturity of no greater than five years with primary dealers in United States Treasury securities. The Board of Commissioners has from time-to-time authorized other investments of operating funds.

It is the general policy of the Port Authority to limit exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to less than two years. Extending the weighted average maturity beyond two years requires explicit written approval of the Chief Financial Officer of the Port Authority. Committee on Finance authorization is required to extend the weighted average maturity beyond five years.

The fair value and weighted average maturity of investments held by the Port Authority, excluding PAICE, at December 31, 2022 and 2021, follows:

	2022		2021	
Port Authority Investment Type	**Fair Value**	**Weighted Average Maturity**	Fair Value	Weighted Average Maturity
	(In thousands)	(In days)	(In thousands)	(In days)
United States Treasury notes	**$ 3,004,803**	**644**	$ 2,719,197	707
United States Treasury bills	**587,010**	**14**	1,000	46
United States government agency obligations	**109,785**	**16**	1,000	12
United States repurchase agreements	**747,747**	**3**	573,457	3
Municipal bonds	**4,502**	**1,170**	-	-
Total fair value of investments*	**$ 4,453,847**		$ 3,294,654	
Investment weighted average maturity		**438**		584

*Excludes accrued interest receivable amounts of $13.2 million in 2022 and $9.8 million in 2021.

The Port Authority has, from time to time, entered into reverse repurchase (yield maintenance) agreements under which the Port Authority contracted to sell a specified United States Treasury security to a counterparty and simultaneously agreed to purchase it back from that party at a predetermined price and future date. All reverse repurchase agreements sold are matched to repurchase agreements ("REPO") bought, thereby minimizing market risk. The credit risk is managed by a daily evaluation of the fair value of the underlying securities and periodic cash adjustments, as necessary, in accordance with the terms of the repurchase agreements. There were no investments in reverse repurchase agreements at December 31, 2022 and 2021, respectively.

PAICE Investment Policies

The investment policies of PAICE have been established and approved by the PAICE Board of Directors, which is comprised of Port Authority executive staff. Consistent with the Port Authority Board of Commissioners' authorization with respect to the establishment of PAICE as a wholly owned entity of the Port Authority, PAICE provides the Port Authority Board of Commissioners' Committee on Finance with periodic updates on PAICE's investment activities.

PAICE's investment policies consists of a three-tier set of investment accounts. First, PAICE is required to set aside assets equal to the actuarial loss reserve estimates in a "Minimum Reserve Account." Once this is satisfied, PAICE may establish a "Reserve Account" equal to the balance of all possible losses, less amounts invested in the Minimum Reserve Account. Finally, any excess funds that remain after both the Minimum Reserve Account and Reserve Account requirements are satisfied may be used to establish a "Reserve Surplus Account."

Allowable investments in the Minimum Reserve Account may consist of: **a.)** United States Treasury notes and United States Federal Agency debt; **b.)** repurchase agreements collateralized by United States Government securities or; **c.)** money market funds investing in United States Treasuries or United States Government Agency securities. The maximum maturity of any single investment is limited to 10 years from the date of purchase, and the duration of the Minimum Reserve Account is limited to 1 to 5 years.

Reserve Account allowable investments are the allowable investments in the Minimum Reserve Account, plus the following types of investments: **a.)** United States dollar-denominated issues of sovereigns, supranationals, and foreign government sponsored agencies; **b.)** money market instruments; **c.)** investment grade corporate obligations issued by United States domestic issuers and United States dollar-denominated issues of foreign issuers; **d.)** municipal notes and bonds; **e.)** agency mortgage backed securities and agency collateralized mortgage obligations; and, **f.)** AAA rated asset-backed securities ("ABS"). The maximum permissible maturity of any single investment in the Reserve Account is 30 years at time of purchase and the duration of the Reserve Account is limited to 1 to 8 years. The average credit rating of the Reserve Account investments may not fall below AA-.

Under conditions outlined above, PAICE may establish a Reserve Surplus Account comprised of all of the allowable investments in the Minimum Reserve Account and the Reserve Account, plus passive equity index investments that are traded on major exchanges.

In December 2018, the PAICE Board of Directors authorized PAICE to make intercompany loans as a permitted investment for the purpose of efficiently allocating capital resources among the Port Authority and its component units. As of December 31, 2022 and 2021, PAICE had $360 million in intercompany loans due from the Port Authority.

The fair value and weighted average maturity of investments held by PAICE at December 31, 2022 and 2021, follows:

	2022		2021	
PAICE Investment Type	**Fair Value**	**Weighted Average Maturity**	Fair Value	Weighted Average Maturity
	(In thousands)	(In days)	(In thousands)	(In days)
United States Treasury notes	**$ 54,425**	**1,117**	$ 47,612	1,789
Corporate bonds	**25,606**	**746**	11,479	2,991
Mortgage-backed securities	**11,748**	**404**	5,171	2,285
Asset-backed securities	**5,662**	**39**	2,442	980
Total fair value of investments*	**$ 97,441**		$ 66,704	
Investment weighted average maturity		**2,306**		2,004

*Excludes accrued interest receivable amounts of $461 thousand and $154 thousand in 2022 and 2021, respectively, and $360 million in intercompany loans due from the Port Authority in both 2022 and 2021.

The Port Authority of New York and New Jersey Retiree Health Benefits Trust

Investment Policies

The Port Authority, acting through or by authority of its Board of Commissioners, establishes investment guidelines consistent with the purpose of The Port Authority of New York and New Jersey Retiree Health Benefits Trust ("the Trust"). Such investment guidelines are written and may be changed from time to time only by means of a written document adopted by the Port Authority, acting through or by the authority of its Board of Commissioners.

An Investment Committee was established to provide oversight and management of the policies and procedures of the Trust. The Investment Committee is comprised of the: **a.)** Chief Financial Officer; **b.)** Chief, Human Capital; **c.)** Comptroller; and, **d.)** Treasurer of the Port Authority. Periodic updates on the portfolio structure, rate of return performance as compared to the benchmark indexes, and any changes to investment strategy are provided to the Committee on Finance of the Port Authority's Board of Commissioners.

The Trust's investment policy statement, approved by the Executive Director of the Port Authority, permits the Trust to invest in equities, fixed income assets, and cash equivalents. The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing the long-term rate of return on investments and minimizing risk of loss to fulfill the long-term Other Postemployment Benefits ("OPEB") obligations of the Port Authority and PATH. The investment objectives are based on a 15-year investment horizon so interim fluctuations should be viewed with appropriate perspective. Investments are managed in a style that seeks to minimize principal fluctuations over the established time horizon and that is consistent with the Trust's investment objectives. Investments are diversified with the intent to minimize the risk of investment losses.

Rate of Return

The annual money-weighted rate of return on Trust investments, net of investment expense, was a loss of (16.59)% in 2022 and a gain of 13.00% in 2021, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Diversification

The Trust's investment policy requires that Trust assets be invested using the following diversification percentages for each fund classification:

	Range
Cash and cash equivalents	0%-20%
Fixed income securities	25%-65%
Mutual fund asset classes:	
Equity mutual funds:	
Domestic equity	23%-43%
International equity	11%-31%
Real estate investment trusts	0%-12%

Market Risk

The Trust's investment policy is currently targeted to 60% equity and 40% fixed income asset weighting. The equity portion of the investments is in four funds focused on the international equity market, the broad domestic equity market, and publicly traded real estate investment trusts ("REITs"). The primary risk associated with this portion of the portfolio is volatility within the equity financial markets. However, dollar cost averaging provides a measure of risk mitigation by limiting the amount of investment on any one day at any particular valuation level.

Investment Type, at fair value	Fair Value Hierarchy Levels*	December 31, 2022	2021
		(In thousands)	
Cash and cash equivalents	**Level 1**	**$ 104,958**	$ 86,759
Investment at fair value:			
Fixed income securities:			
Corporate and foreign bonds	**Level 2**	**148,262**	224,842
U.S. Treasury securities	**Level 1**	**120,542**	119,350
Municipal bonds	**Level 2**	**38,655**	51,876
Mortgage and Asset-backed securities**	**Level 2**	**219,917**	226,540
Bond mutual funds	**Level 1**	**10,041**	17,854
Equity and real estate mutual funds			
Equity mutual funds:			
Domestic mutual funds	**Level 1**	**477,718**	694,909
International mutual funds	**Level 1**	**310,754**	410,299
Real estate mutual funds	**Level 1**	**44,174**	138,016
Total investments		**$ 1,370,063**	$ 1,883,686
Total cash, cash equivalents and investments		**$ 1,475,021**	$ 1,970,445

* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.
Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.
Level 3 inputs are unobservable inputs for the asset and should be used only when relevant Level 1 and Level 2 inputs are unavailable.
The Trust investments are valued at the closing price on the last business day of the fiscal year or last trade reported on the major market exchange on which the individual securities are traded.

** December 31, 2022 and December 31, 2021 includes U.S. Government agency securities totaling $149 million and $104 million, respectively.

Credit Risk

The Trust's investment policy generally requires the overall rating of fixed income assets to have an average credit quality of at least "A" and the Trust was in compliance with the investment policy in 2022 and 2021.

The fixed income portion of the portfolio is managed by a number of investment managers who have advised that the average credit quality rating associated with their investment accounts for the Trust have an average credit quality rating of AA, respectively.

As of December 31, 2022, fixed income investment types had the following credit ratings (in thousands):

Ratings**	Corporate and foreign bonds	Municipal bonds	Mortgage and Asset-backed securities	Bonds funds	Total
AAA	$ 654	$ 3,090	$ 14,437	$ -	$ 18,181
AA+/AA/AA-	3,753	24,962	5,579	-	34,294
A+/A/A-	54,933	8,136	8,629	-	71,698
BBB+/BBB/BBB-	66,686	369	8,038	-	75,093
BB+/BB/BB-	9,982	-	2,792	-	12,774
B+/B/B-	4,313	-	534	-	4,847
CC/CCC+/CCC/CCC-	188	-	3,991	-	4,179
N/A*	7,753	2,098	27,266	10,041	47,158
Total	$ 148,262	$ 38,655	$ 71,266	$ 10,041	$ 268,224

* N/A represents securities that were not rated.

** Fixed income investments exclude guaranteed U.S. Treasury and U.S. Government agency securities totaling $121 million and $149 million, respectively.

As of December 31, 2021, fixed income investment types had the following credit ratings (in thousands):

Ratings **	Corporate and foreign bonds	Municipal bonds	Mortgage and Asset-backed securities	Bonds funds	Total
AAA	$ 1,508	$ 3,767	$ 37,105	$ -	**$ 42,380**
AA+/AA/AA-	4,495	30,575	16,875	-	**51,945**
A+/A/A-	42,008	13,237	22,515	-	**77,760**
BBB+/BBB/BBB-	137,066	4,297	26,571	-	**167,934**
BB+/BB/BB-	26,688	-	4,005	-	**30,693**
B+/B/B-	11,070	-	1,277	-	**12,347**
CC/CCC+/CCC/CCC-	542	-	4,388	-	**4,930**
N/A*	1,465	-	9,644	17,854	**28,963**
Total	**$224,842**	**$51,876**	**$122,380**	**$17,854**	**$416,952**

* N/A represents securities that were not rated.

** Fixed income investments exclude guaranteed U.S. Treasury and U.S. Government agency securities totaling $119 million and $104 million, respectively.

Cash and cash equivalents held in the Trust, at December 31, 2022, of $105 million consist of $89.4 million of short-term U.S. Government Treasury securities, $15.5 million of commercial paper and $74 thousand of money market funds. The money market funds have ratings of AAAm and Aaa-mf by S&P and Moody's, respectively, and the commercial paper has a rating of A-.

Concentration of Credit Risk

Investments of Trust funds are diversified in accordance with the Trust's investment policy statement that defines guidelines for the portfolio including holding no individual company stock that exceeds 5% of the portfolio weighting, holding no more than 2% of the outstanding shares of an individual stock, and holding no more than 25% of the portfolio in any one industry. As of December 31, 2022, the Trust had no investments of more than 5% of its fiduciary net position with a single organization.

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the Trust's Trustee, the Trust will not be able to recover the value of its investments or collateral securities. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Trust. The Trust manages custodial credit risk by limiting its investments to highly rated institutions and/or requiring high quality securities be held by the Trustee in the name of the Trust.

Interest Rate Risk

Interest rate risk associated with the Trust is confined to the fixed income portion of the portfolio. The fixed income component of the portfolio is subject to interest rate risk due to the nature of the underlying securities. To mitigate fair value losses associated with the fluctuation of interest rates, the duration of the fixed income fund positions of the portfolio are monitored and adjusted accordingly.

The following is a listing of the Trust's fixed income investments and related maturity schedule as of December 31, 2022:

Investment Type	<1 Year	1 to 5 Yrs	5 to 10 Yrs	10+ Yrs	Total
			(In thousands)		
Corporate and foreign bonds	$ 736	$ 35,180	$ 74,875	$ 37,471	$148,262
U.S. Treasury securities	3,262	33,483	42,466	41,331	120,542
Municipal bonds	-	2,652	8,734	27,269	38,655
Asset-backed securities	-	6,980	12,384	200,553	219,917
Bonds funds	-	-	-	10,041	10,041
Total	$ 3,998	$ 78,295	$138,459	$ 316,665	$537,417

The following is a listing of the Trust's fixed income investments and related maturity schedule as of December 31, 2021:

Investment Type	<1 Year	1 to 5 Yrs	5 to 10 Yrs	10+ Yrs	Total
			(In thousands)		
Corporate and foreign bonds	$ 4,761	$ 44,741	$ 121,521	$ 53,819	**$224,842**
U.S. Treasury securities	19,728	42,964	14,351	42,307	**119,350**
Municipal bonds	-	2,737	10,775	38,364	**51,876**
Mortgage & Asset-backed securities	-	6,069	19,698	200,773	**226,540**
Bonds funds	-	-	-	17,854	**17,854**
Total	$ 24,489	$ 96,511	$ 166,345	$ 353,117	**$640,462**

Note D - Outstanding Financing Obligations

Outstanding bonds and other asset financing obligations

		December 31, 2022		
		Current	**Noncurrent**	**Total**
			(In thousands)	
A.	Consolidated Bonds and Consolidated Notes	$ 1,578,055	$ 25,253,499	**$ 26,831,554**
B.	Commercial Paper Obligations	499,060	-	**499,060**
C.	Variable Rate Master Notes	44,600	-	**44,600**
D.	Port Authority Equipment Notes	-	-	**-**
E.	Fund for Regional Development Buy-Out Obligation	-	-	**-**
F.	MOTBY Obligation	2,848	38,144	**40,992**
G.	Tower 4 Liberty Bonds	-	1,234,705	**1,234,705**
H.	Goethals Bridge Replacement Developer Financing Arrangement	1,975	1,020,300	**1,022,275**
		$ 2,126,538	$ 27,546,648	**$ 29,673,186**

		December 31, 2021		
		Current	**Noncurrent**	**Total**
			(In thousands)	
A.	Consolidated Bonds and Consolidated Notes	$ 463,850	$ 25,584,156	$ 26,048,006
B.	Commercial Paper Obligations	574,000	-	574,000
C.	Variable Rate Master Notes	44,600	-	44,600
D.	Port Authority Equipment Notes	-	-	-
E.	Fund for Regional Development Buy-Out Obligation	-	-	-
F.	MOTBY Obligation	2,706	40,991	43,697
G.	Tower 4 Liberty Bonds	-	1,236,905	1,236,905
H.	Goethals Bridge Replacement Developer Financing Arrangement	1,011	1,022,275	1,023,286
		$ 1,086,167	$ 27,884,327	$ 28,970,494

A. Consolidated Bonds and Consolidated Notes

	Dec. 31, 2021	Issued	Refunded/ Retired	Dec. 31, 2022
		(In thousands)		
Consolidated Bonds and Consolidated Notes - par value	$ 24,189,474	$ 1,759,200	$ 977,244	**$ 24,971,430**
Add unamortized premium and (discount)	1,858,532	107,116	105,524	**1,860,124**
Consolidated Bonds and Consolidated Notes - cost	$ 26,048,006	$ 1,866,316	$ 1,082,768	**$ 26,831,554**

	Dec. 31, 2020	Issued	Refunded/ Retired	Dec. 31, 2021
		(In thousands)		
Consolidated Bonds and Consolidated Notes - par value	$ 23,388,115	$ 2,757,675	$ 1,956,316	$ 24,189,474
Add unamortized premium and (discount)	1,677,716	289,346	108,530	1,858,532
Consolidated Bonds and Consolidated Notes - cost	$ 25,065,831	$ 3,047,021	$ 2,064,846	$ 26,048,006

Consolidated Bond Series *One Hundred Ninety-Ninth, Two Hundred Fourth,* and *Two Hundred Twenty-Eighth (A, B, C, D)* were direct placements with unrelated parties.

For information related to the payment of Consolidated Bonds and Consolidated Notes, *see Note E- General and Consolidated Bond Reserve Fund (pursuant to Port Authority bond resolutions)*.

Debt service requirements to maturity for Consolidated Bonds and Consolidated Notes outstanding at December 31, 2022 are as follows:

Year ending December 31:	Principal	Interest	Debt Service
		(In thousands)	
2023	$ 1,578,055	$ 1,092,846	**$ 2,670,901**
2024	521,115	1,066,700	**1,587,815**
2025	527,615	1,038,469	**1,566,084**
2026	549,990	1,013,665	**1,563,655**
2027	574,295	989,132	**1,563,427**
2028-2032	3,437,330	4,500,356	**7,937,686**
2033-2037	4,097,500	3,588,834	**7,686,334**
2038-2042	3,636,290	2,671,432	**6,307,722**
2043-2047	3,398,090	1,867,229	**5,265,319**
2048-2052	2,360,025	1,176,994	**3,537,019**
2053-2057	1,984,355	722,073	**2,706,428**
2058-2062	1,687,090	297,231	**1,984,321**
2063-2067	351,880	96,667	**448,547**
2068-2072	167,800	36,645	**204,445**
2073-2094	100,000	106,371	**206,371**
	$ 24,971,430	$ 20,264,644	**$ 45,236,074**

The most recent information, as of the date of this report, related to a specific consolidated bond series can be found in *Section V. Schedules of Outstanding Debt* in the Port Authority's Official Statement for Consolidated Bonds, Two Hundred Thirty-Sixth – Two Hundred Thirty-Seventh Series dated December 15, 2022, which can be located in the corporate information section on the Port Authority's website at: https://www.panynj.gov/corporate/en/financial-information/consolidated-bonds-and-notes.html.

During 2022, the Port Authority raised funds from the sale of Consolidated Bonds, to refund $514 million of outstanding Consolidated Bonds. As a result of these refundings, the Port Authority decreased its aggregate debt service payments by approximately $21.6 million over the life of the refunded Consolidated Bonds. The economic gain resulting from the 2022 debt refundings (the difference between the present value of the cash flows required to service the old debt and the present value of the cash flows required to service the new debt) totaled approximately $15.4 million in net present value savings, or 3% of the refunded par amount.

On July 26, 2018, the Board of Commissioners authorized additional series of Consolidated Bonds and Consolidated Notes, approved the continued issuance of Commercial Paper Obligations, Port Authority Equipment Notes, Versatile Structure Obligations and Variable Rate Master Notes, within the scope of the current authorizations and established and authorized a Plan of Financing. The total aggregate principal amount of Consolidated Bonds, Consolidated Notes and Versatile Structure Obligations to be issued and sold under this Plan of Financing, was not to exceed $8 billion. Actions in connection with the decision to sell such series of Consolidated Bonds and Consolidated Notes was subject to prior approval of the Committee on Finance.

On March 17, 2022, the Board of Commissioners approved a plan of finance for the April 1, 2022 through December 31, 2022 period to issue series of Consolidated Bonds and Consolidated Notes in a total aggregate principal amount not to exceed $3 billion (including any issuance of indebtedness under the Port Authority's Versatile Structure Obligations authorization). The March 17, 2022 plan of finance provided that as of its date, any authority to issue and sell Consolidated Bonds and Consolidated Notes under the previous July 26, 2018 authorization was deemed extinguished.

On December 15, 2022, the Board of Commissioners approved a plan of finance for Consolidated Bonds and Consolidated Notes sold during the period beginning January 1, 2023 through December 31, 2023. The plan of finance authorizes the issuance of Consolidated Bonds and Consolidated Notes in a total aggregate principal amount not to exceed $4.8 billion (including any issuance of indebtedness sold in 2023 under the Port Authority's Versatile Structure Obligations resolution). The December 15, 2022 plan of finance provided that as of December 31, 2022, any authority to issue and sell Consolidated Bonds and Consolidated Notes under the previous March 17, 2022 authorization was deemed extinguished.

B. Commercial Paper Obligations

Commercial paper obligations are special obligations of the Port Authority generally issued to provide interim financing for authorized capital projects. Port Authority commercial paper obligations are currently issued under the resolution of the Board of Commissioners adopted on October 29, 2020, which authorizes their issuance through December 31, 2025. Under the commercial paper program the maximum aggregate principal amount that may be outstanding at any one time is $250 million for Series A, $250 million for Series B and $250 million for Series C. For additional information related to the payment of special obligations of the Port Authority, see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)*.

To increase the availability of sufficient liquidity for the Port Authority to pay the maturing principal amounts and the interest due at maturity, the Port Authority entered into liquidity facilities for each of Series A, Series

B, and Series C. The liquidity facilities expired in connection with the refunding of then-outstanding commercial paper obligations in January 2023, as described below and were never drawn upon.

	Dec. 31, 2021	Issued	Repaid	Dec. 31, 2022
		(In thousands)		
Series A*	$ 164,315	$ 1,068,850	$ 1,070,920	**$ 162,245**
Series B	188,600	1,170,505	1,193,250	**165,855**
Series C**	221,085	1,167,075	1,217,200	**170,960**
	$ 574,000	$ 3,406,430	$ 3,481,370	**$ 499,060**

* Obligations are subject to the alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended with respect to individuals and corporations.
**Obligations are subject to federal taxation.

	Dec. 31, 2020	Issued	Repaid	Dec. 31, 2021
		(In thousands)		
Series A*	$ 140,845	$ 425,470	$ 402,000	$ 164,315
Series B	195,990	649,695	657,085	188,600
Series C**	220,490	845,860	845,265	221,085
	$ 557,325	$ 1,921,025	$ 1,904,350	$ 574,000

* Obligations are subject to the alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended with respect to individuals and corporations.
**Obligations are subject to federal taxation.

In 2022, interest rates for all Commercial Paper Obligations ranged from 0.25% to 4.38%.

On November 17, 2022, the Port Authority authorized a *Special Obligation Institutional Loan Program* that provides for the issuance of alternative debt instruments to borrow funds from financial institutions (including banks) (a) when and so long as a line of credit or revolving credit facility (together with any loan deemed to have been entered into in the event of the failure to repay any drawing thereunder, a "Bank Line") is determined by the Treasurer to be more efficient and cost effective than the Port Authority's Commercial Paper program in providing liquidity support for the Port Authority's capital program and (b) when and so long as a term loan ("Bank Loan"), is determined by the Treasurer to be more efficient and cost effective than issuing a like amount of Consolidated Bonds. Any Bank Line would be limited to five years. No Bank Loan would have a term in excess of fifteen years and could bear interest at a fixed or variable rate (or either, from time to time, during the term.) The total maximum amount that may be outstanding at any time under the Special Obligation Institutional Loan Program is limited to $1,250,000,000, calculated by adding the following items in existence at the time of calculation (without duplication): (i) the principal amount of outstanding Commercial Paper notes; *plus* (ii) outstanding amount under liquidity facilities pertaining to Commercial Paper notes; *plus* (iii) outstanding amounts drawn under Bank Lines; plus (iv) the outstanding principal amount of any Bank Loans. On January 24, 2023, the Port Authority entered into two separate revolving lines of credit, for a total combined amount of $750,00,000, and used $501 million to refund the principal and interest of all outstanding Commercial Paper Obligations as of such date.

C. Variable Rate Master Notes

Variable Rate Master Notes are direct placements and special obligations of the Port Authority and may be issued in aggregate principal amounts outstanding at any one time not to exceed $400 million (see *Note E –*

General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions) for additional information related to the payment of special obligations of the Port Authority).

	Dec. 31, 2021	Issued	Refunded/ Repaid	Dec. 31, 2022
		(In thousands)		
Agreements 1989 -1995*	$ 19,900	$ -	$ -	**$ 19,900**
Agreements 1989 -1998	24,700	-	-	**24,700**
	$ 44,600	$ -	$ -	**$ 44,600**

* Obligations are subject to the alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended with respect to individuals and corporations.

	Dec. 31, 2020	Issued	Refunded/ Repaid	Dec. 31, 2021
		(In thousands)		
Agreements 1989 -1995*	$ 44,900	$ -	$ 25,000	$ 19,900
Agreements 1989 -1998	24,700	-	-	24,700
	$ 69,600	$ -	$ 25,000	$ 44,600

* Obligations are subject to the alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended with respect to individuals and corporations.

Interest rates are determined weekly, based upon a spread added to a specific industry index (the Securities Industry and Financial Markets Association rate) as stated in each master note agreement, and ranged from 0.04% to 0.38% in 2022.

Annual debt service requirements on outstanding Variable Rate Master Notes, determined for presentation purposes at the rate in effect at December 31, 2022, would be as follows:

Year ending December 31:	Principal	Interest	Debt Service
		(In thousands)	
2023	$ -	$ 1,661	**$ 1,661**
2024	-	1,665	**1,665**
2025	19,900	1,451	**21,351**
2026	-	916	**916**
2027	24,700	45	**24,745**
	$ 44,600	$ 5,738	**$ 50,338**

Variable Rate Master Notes are subject to prepayment at the option of the Port Authority or upon demand of the holders.

D. Port Authority Equipment Notes

Port Authority Equipment Notes may be issued in aggregate principal amounts outstanding at any one time not to exceed $250 million. Equipment Notes are special obligations to the Port Authority and are payable in the same manner and from the same sources as operating expenses. For additional information related to the payment of obligations of the Port Authority, see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)*.

There were no outstanding Port Authority Equipment Notes as of December 31, 2022 and December 31, 2021.

E. Fund for Regional Development Buy-Out Obligation

In 1983, the Fund for Regional Development ("the Fund") was established to sublease space in the WTC held by the State of New York as lessee. An agreement among the Port Authority and the States of New York and New Jersey with respect to the Fund provided that net revenues from subleasing activities were to be accumulated subject to disbursements to be made upon the concurrence of the Governors of New York and New Jersey. The assets, liabilities, revenues, and expenses of the Fund were not consolidated with those of the Port Authority. In 1990, the Port Authority and the States of New York and New Jersey agreed to terminate the Fund. In consideration for purchasing the State of New York and the State of New Jersey interests in the Fund, the Port Authority was obligated to pay approximately $1.2 billion, equally divided between both states, in semi-annual payments through 2021. The aggregate cost to the Port Authority at the time of the Fund's termination of $431 million, including the assumption of the Fund's net liabilities of $101 million, $3.5 million payment to the State of New York related to the termination agreement and the net present value of future payments to both states of $326 million (at an implicit interest rate of 8.25% per annum) was recognized as a special obligation to the Port Authority in 1990. Payments related to the Fund obligation were payable in the same manner and from the same sources as operating expenses. As of December 31, 2021, the outstanding balance had been fully amortized. For additional information related to the payment of obligations of the Port Authority, see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)*.

	Dec. 31, 2020	Accretion	Amortization	Dec. 31, 2021
		(In thousands)		
Obligation outstanding	$ 52,898	$ -	$ 52,898	**$ -**

F. Marine Ocean Terminal at Bayonne Peninsula ("MOTBY") Obligation

On August 3, 2010, the Port Authority acquired approximately 131 acres of the former MOTBY from the Bayonne Local Redevelopment Authority ("BLRA") for $235 million. The acquired property is comprised of three parcels on the southern side of the peninsula and has been incorporated into the Port Jersey – Port Authority Marine Terminal for future marine terminal purposes. The $235 million total purchase price is payable to the BLRA in twenty-four annual installment payments through 2033.

The total purchase price of $235 million was discounted to a present value of $178.4 million at an implicit interest rate of 5.25% per annum and recognized as a special obligation of the Port Authority in 2010 (see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions),* for additional information related to the payment of special obligations of the Port Authority).

	Dec. 31, 2021	**Accretion**	**Amortization**	**Dec. 31, 2022**
		(In thousands)		
Obligation Outstanding	$ 43,697	$ -	$ 2,705	**$ 40,992**

	Dec. 31, 2020	**Accretion**	**Amortization**	**Dec. 31, 2021**
		(In thousands)		
Obligation Outstanding	$ 46,268	$ -	$ 2,571	$ 43,697

Payment requirements for the MOTBY obligation outstanding at December 31, 2022 are as follows:

Year ending December 31:	**Amortization**	**Implicit Interest**	**Total**
	(In thousands)		
2023	$ 2,848	$ 2,152	**$ 5,000**
2024	2,997	2,003	**5,000**
2025	3,155	1,845	**5,000**
2026	3,320	1,680	**5,000**
2027	3,495	1,505	**5,000**
2028-2032	20,426	4,574	**25,000**
2033	4,751	249	**5,000**
	$ 40,992	$ 14,008	**$ 55,000**

G. Tower 4 Liberty Bonds

The Port Authority is a co-borrower/obligor with respect to the New York Liberty Development Corporation, Liberty Revenue Bonds, Series 2011 (4 World Trade Center Project) issued by the New York Liberty Development Corporation on November 15, 2011 in the aggregate principal amount of approximately $1.2 billion. In connection with the issuance of such Tower 4 Liberty Bonds by the New York Liberty Development Corporation, the Port Authority entered into a Tower 4 Bond Payment Agreement with the Tower 4 bond trustee to make certain debt service payments of principal and interest on the bonds (net of fixed rent paid or payable under the City of New York's Tower 4 space lease, which has been assigned by the Tower 4 Silverstein net lessee directly to the Tower 4 bond trustee for the payment of a portion of the debt service on the Tower 4 Liberty Bonds).

On September 14, 2021, the New York Liberty Development Corporation issued $1.2 billion Tax-Exempt Liberty Revenue Refunding Bonds Series 2021A (4 World Trade Center Project) (Green Bonds) and $11.4 million Taxable Liberty Revenue Refunding Bonds Series 2021B (4 World Trade Center Project) (Green Bonds) to redeem all of the outstanding Liberty Bonds issued in 2011 and to pay certain issuance costs. The material terms of the original November 2011 Tower 4 financing remain unchanged, including, the Port Authority remaining co-borrower/obligor for the refunding bonds. The Port Authority's payment of debt service on the Tower 4 Liberty Bonds is a special obligation of the Port Authority to the trustee from May 11, 2012, through November 15, 2051. (see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions),* for additional information related to the payment of special obligations of the Port Authority).

Port Authority debt service payments related to Tower 4 Liberty Bonds in whole or in part are reimbursable to the Port Authority from Tower 4 cash flow and to the extent Tower 4 cash flow is not sufficient, would accrue interest until reimbursed or paid with an overall term for such reimbursement or payment not in excess of 40 years from the issuance date of the original Tower 4 Liberty Bond financing (see *Note L – Information with Respect to the Redevelopment of the World Trade Center Campus* for additional information related to the redevelopment of WTC Tower 4).

	Dec. 31, 2021	Issued	Repaid/ Amortized	Dec. 31, 2022
		(In thousands)		
Series 2021A	$ 1,225,520	$ -	$ 2,200	**$ 1,223,320**
Series 2021B	11,385	-	-	**11,385**
Total Tower 4 Liberty Bonds	$ 1,236,905	$ -	$ 2,200	**$ 1,234,705**

	Dec. 31, 2020	Issued	Repaid/ Amortized	Dec. 31, 2021
		(In thousands)		
Series 2021A	$ -	$ 1,225,520	$ -	$ 1,225,520
Series 2021B	-	11,385	-	11,385
Series 2011	1,225,520	-	1,225,520	-
Add: unamortized premium	18,893	-	18,893	-
Total Tower 4 Liberty Bonds	$ 1,244,413	$ 1,236,905	$ 1,244,413	$ 1,236,905

Annual debt service payment requirements on outstanding Tower 4 Liberty Bonds at December 31, 2022 are as follows:

Year ending December 31:	Principal	Interest	Debt Service
		(In thousands)	
2023	$ 2,200	$ 32,534	**$ 34,734**
2024	2,200	32,520	**34,720**
2025	2,200	32,499	**34,699**
2026	2,585	32,474	**35,059**
2027	25,370	32,437	**57,807**
2028-2032	147,190	156,905	**304,095**
2033-2037	188,030	140,289	**328,319**
2038-2042	240,360	112,994	**353,354**
2043-2047	308,605	75,373	**383,978**
2048-2051	315,965	24,359	**340,324**
Total	$ 1,234,705	$ 672,384	**$ 1,907,089**

H. Goethals Bridge Replacement Developer Financing Arrangement

On August 30, 2013, the Port Authority and a private developer entered into an agreement ("the Project Agreement") for the design, construction, financing, and maintenance of a replacement Goethals Bridge ("the Replacement Bridge"). Substantial completion of the Replacement Bridge was achieved on June 30, 2018 ("Substantial Completion") and project completion, including the demolition of the existing bridge, occurred on December 31, 2018. Pursuant to the Project Agreement, which has a scheduled expiration date of June 30, 2053, the thirty-fifth anniversary of Substantial Completion, the private developer performs certain operation and maintenance work relating to the Replacement Bridge, and the Port Authority retains control over the toll collection system, including its operation and maintenance, and receives toll revenues. The Port Authority controls all tolling activities, including the determination and approval of toll rates.

Pursuant to the Goethals Bridge Replacement Developer Financing Arrangement ("DFA") contained within the Project Agreement, upon Substantial Completion of the Replacement Bridge the private developer became entitled to receive from the Port Authority, fixed payments in the principal amount of approximately $1.02 billion, subject to certain adjustments, to be paid in monthly payments of principal and interest (DFA payments) over the term of the Project Agreement. The Port Authority's obligation to make DFA payments is memorialized as an interest-bearing loan from the private developer to the Port Authority. Monthly DFA payments commenced in July 2018. DFA payments are subject to certain deductions for non-compliance and/or lane unavailability by the private developer pursuant to the terms of the Project Agreement. DFA payments are a special obligation of the Port Authority, payable over a thirty-five-year term (see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions),* for additional information related to the payment of special obligations of the Port Authority).

	Dec. 31, 2021	**Accretion**	**Amortization**	**Dec. 31, 2022**
		(In thousands)		
Goethals Bridge Replacement Developer Financing Arrangement	$1,023,286	$ -	$ 1,011	**$1,022,275**

	Dec. 31, 2020	**Accretion**	**Amortization**	**Dec. 31, 2021**
		(In thousands)		
Goethals Bridge Replacement Developer Financing Arrangement	$1,023,398	$ -	$ 112	$1,023,286

In accordance with the Project Agreement, DFA payments to the private developer commenced in July 2018. Annual DFA payments required to be made to the private developer are as follows:

Year ending December 31:	**Amortization**	**Implicit Interest***	**Total DFA Payments**
		(In thousands)	
2023	$ 1,975	$ 58,417	**$ 60,392**
2024	2,844	58,454	**61,298**
2025	4,106	58,111	**62,217**
2026	5,290	57,860	**63,150**
2027	6,558	57,540	**64,098**
2028-2032	54,715	280,485	**335,200**
2033-2037	102,190	258,916	**361,106**
2038-2042	167,204	221,809	**389,013**
2043-2047	255,848	163,230	**419,078**
2048-2052	375,990	75,478	**451,468**
2053	45,555	1,291	**46,846**
Total	$ 1,022,275	$ 1,291,591	**$ 2,313,866**

* DFA loan implicit interest rate equals 5.64% per annum.

Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)

The Port Authority has no power to levy taxes or assessments. Port Authority bonds, notes and other debt obligations are not obligations of the States of New York and New Jersey or of either of them and are not guaranteed by said States or by either of them.

Consolidated Bonds and Consolidated Notes

Consolidated Bonds and Consolidated Notes are direct and general obligations of the Port Authority and the full faith and credit of the Port Authority are pledged to the payment of debt service thereon. Consolidated Bonds and Consolidated Notes are secured equally and ratably with all other Consolidated Bonds and Consolidated Notes heretofore or hereafter issued by a pledge of: **a.)** the net revenues (as defined in the Consolidated Bond Resolution of 1952 ("Consolidated Bond Resolution") of all existing facilities of the Port Authority and any additional facilities which may hereafter be financed or refinanced in whole or in part through the medium of Consolidated Bonds and Consolidated Notes; **b.)** the General Reserve Fund of the Port Authority equally with other obligations of the Port Authority secured by the General Reserve Fund; and, **c.)** the Consolidated Bond Reserve Fund established by the Consolidated Bond Resolution.

The General Reserve Fund is pledged in support of Consolidated Bonds and Consolidated Notes. Statutes, which require the Port Authority to create and maintain the General Reserve Fund ("General Reserve Fund Statutes"), established the principle of pooling revenues from all facilities and require the Port Authority to apply surplus revenues from all of its existing facilities to maintain the General Reserve Fund in an amount equal to at least 10% of the par value of outstanding bonds legal for investment. At December 31, 2022, the General Reserve Fund balance was $2,551,509,000 and met the prescribed statutory amount (see *Schedule C – Analysis of Reserve Funds*).

The balance remaining of all net revenues (as defined in the Consolidated Bond Resolution) of the Port Authority's existing facilities after deducting payments for debt service upon all Consolidated Bonds and Consolidated Notes and the amount necessary to maintain the General Reserve Fund at its statutorily required amount is to be paid into the Consolidated Bond Reserve Fund, which is pledged as additional security for all outstanding Consolidated Bonds and Consolidated Notes. Consolidated Bonds and Consolidated Notes have a first lien upon the net revenues (as defined in the Consolidated Bond Resolution) of all existing facilities of the Port Authority and any additional facility financed by Consolidated Bonds and Consolidated Notes.

Amounts deposited into the General Reserve Fund may be accumulated or applied only to purposes set forth in the General Reserve Fund Statutes and agreements with the holders of such Port Authority bonds secured by a pledge of the General Reserve Fund. Amounts deposited into the Consolidated Bond Reserve Fund may be accumulated or applied only to the purposes stated in the Consolidated Bond Resolution. At December 31, 2022, the Port Authority met the requirements of the Consolidated Bond Resolution to maintain both reserve funds in cash and specified securities.

In addition, the Port Authority has a long-standing policy of maintaining the aggregate amount of both reserve funds in an amount equal to at least the next two years' bonded debt service on outstanding debt secured by a pledge of the General Reserve Fund.

Special Obligations

Commercial paper obligations, Variable Rate Master Notes, the MOTBY obligation, Tower 4 Liberty Bonds, the *Goethals Bridge Replacement DFA,* and *Special Obligation Loan Program* are special obligations of the

Port Authority. The Port Authority is also a special limited co-obligor on the senior debt issued for WTC Tower 3, with a capped amount of debt service shortfalls payable as a special obligation of the Port Authority (see *Note L – Information with Respect to the Redevelopment of the World Trade Center Campus,* for additional information related to certain contingent obligations of the Port Authority with respect to the development of WTC Tower 3).

Special obligations of the Port Authority are payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds and Consolidated Notes issued in whole or in part for such purposes, or from net revenues (as defined below) deposited into the Consolidated Bond Reserve Fund, and in the event such net revenues are insufficient therefore, from other moneys of the Port Authority legally available for such payments when due.

Net revenues for purposes of special obligations of the Port Authority are defined, with respect to any date of calculation, as the revenues of the Port Authority pledged under the Consolidated Bond Resolution, and remaining after: i.) payment or provision for payment of debt service on Consolidated Bonds and Consolidated Notes as required by the applicable provisions of the Consolidated Bond Resolution; ii.) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and, iii.) applications to the authorized purposes under Section 7 of the Consolidated Bond Resolution.

Special obligations of the Port Authority are subject in all respects to payment of debt service on Consolidated Bonds and Consolidated Notes as required by the applicable provisions of the Consolidated Bond Resolution and payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes.

Special obligations of the Port Authority are not secured by or payable from the General Reserve Fund. Additionally, special obligations of the Port Authority do not create any lien on, pledge of or security interest in any revenues, reserve funds or other property of the Port Authority.

Equipment Notes and the *Fund buy-out obligation* are special obligations to the Port Authority, payable in the same manner and from the same sources as operating expenses.

Note F – Grants and Contributions in Aid of Construction

During 2022 and 2021 the Port Authority received reimbursements related to certain policing activities as well as federal, state, and local funding for operating and capital construction activities:

Policing programs

K-9 Program – The FAA and the Transportation Security Administration (“TSA”) provided limited funding for operating costs associated with the training and care of explosive detection dogs. Amounts received in connection with this program were approximately $1.0 million in 2022 and $1.3 million in 2021.

U.S. Department of State (“USDOS”) – The Port Authority recognized $1.7 million in 2022 from the USDOS to fund costs incurred by Port Authority police personnel for the United Nations General Assembly.

Amounts received in connection with the Port Authority Police Department providing services to a third-party are exchange transactions and recognized as operating revenues on the Statements of Revenues, Expenses and Changes in Net Position.

Grants, in connection with operating activities

Security Programs – In 2022 and 2021, the Port Authority recognized approximately $7.0 million and $5.5 million, respectively, from the TSA for security related programs, including Urban Area Security Initiatives programs, Transit Security, and the Port Security programs.

Federal Emergency Management Agency ("FEMA") – In 2022 and 2021, the Port Authority recognized approximately $12.5 million and $8.2 million, respectively, primarily from COVID-19 relief funding.

Airport Improvement Program ("AIP") – In 2021, the Port Authority recognized approximately $2.6 million in AIP discretionary funding at Aviation facilities.

Superstorm Sandy – In 2022 and 2021, the Port Authority recognized approximately $834 thousand and $900 thousand, respectively, from FEMA and the Federal Transit Administration ("FTA") for Superstorm Sandy immediate repair efforts.

Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") – In 2022 and 2021, the Port Authority recognized approximately $2.5 million and $104.5 million, respectively, in CRRSAA federal funding related to Port Authority aviation operating expenditures.

America Rescue Plan Act ("ARPA") – In 2022 and 2021, the Port Authority recognized approximately $124.3 million and $133.2 million, respectively, in ARPA federal funding related to Port Authority aviation operating expenditures.

LaGuardia Gateway Partners, LLC ("LGP") – In 2022, the Port Authority recognized approximately $3.7 million from LGP related to baggage screening at LaGuardia ("LGA") Airport.

Department of the Army (U.S. Army Corps of Engineers) – In 2022, the Port Authority recognized approximately $6.0 million from the Department of the Army for funding related to federal channel maintenance dredging at Port Authority Marine Terminals.

Contributions in Aid of Capital Construction

Superstorm Sandy – In 2022 and 2021, the Port Authority recognized approximately $186.0 million and approximately $219.2 million, respectively, in FTA and FEMA funding related to Superstorm Sandy permanent repairs and resiliency capital projects, primarily at PATH and the Holland Tunnel.

AIP – In 2022 and 2021, the Port Authority recognized approximately $16.9 million and $39.6 million, respectively, in AIP funding primarily related to rehabilitation of taxiways and runways at Port Authority Aviation facilities.

WTC Tower 3 – In 2022 and 2021, the Port Authority recognized approximately $1.8 million and $1.7 million, respectively, in required capital contributions due from the WTC Tower 3 net lessee for the construction of WTC Tower 3.

Federal Highway Administration ("FHWA") – In 2022 and 2021, the Port Authority recognized approximately $344 thousand and $1.8 million, respectively, in FHWA funding for the Cross Harbor Freight Movement Program at Greenville Yard, Port Authority Marine Terminal.

JFK New Terminal One ("NTO") – The Port Authority recognized approximately $77.5 million in 2022 from the JFK NTO net lessee for the construction of JFK Terminal One.

United States Economic Development Administration ("EDA") – In 2022 and 2021, the Port Authority recognized $3.7 million and $800 thousand, respectively, from the EDA for the stabilization and repairs at MOTBY.

Note G - Leasing Activities

Property leased to third-parties (Port Authority as lessor)

The Port Authority enters into lease arrangements with lessees for use of space at Port Authority facilities, including the World Trade Center, George Washington Bus Station, Air Terminals, Marine Terminals, Waterfront Development facilities, Industrial Development facilities, Journal Square Transportation Center and Port Authority Bus Terminal.

Lease Receivable and Deferred Inflow of Resources

In accordance with GASB Statement No. 87, the Port Authority, as lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for excluded leases. The lease receivable is measured at the present value of "fixed" lease payments, including escalations and minimum guarantees that are fixed in substance and expected to be received during the lease term. Rent escalations are defined in the respective lease agreements and are generally based on a fixed rate or referenced indexes, including the Consumer Price Index ("CPI"). Lease terms range from 1 to 79 years. Discount rates applied to expected fixed lease payments are based on the Port Authority's incremental cost of borrowing at the commencement of the lease term. Discount rates applied to expected fixed lease payments for 2022 and 2021 valuations ranged from 0.33% to 4.09%. Renewal and termination options are included in the lease valuation if the option is reasonably certain of being exercised. Deferred inflows of resources are measured at the amount of the initial measurement of the lease receivable, plus any payments received at or before the commencement of the lease term that relate to future periods and are amortized on a straight-line basis over the lease term as a component of *Rentals*. The Port Authority continually monitors changes in circumstances that would require the remeasurement of a lease agreement.

A summary of the change in the lease receivables follows:

Dec. 31, 2021	Additions	Amortization	Dec. 31, 2022
	(In thousands)		
$ 4,696,296	$ 69,520	$ 193,083	**$ 4,572,733**

Jan. 1, 2021	Additions	Amortization	Dec. 31, 2021
	(In thousands)		
$ 4,852,520	$ 3,028	$ 159,252	$ 4,696,296

A summary of the change in the deferred inflows of resources follows:

Dec. 31, 2021	Additions	Amortization	Dec. 31, 2022
	(In thousands)		
$ 5,354,698	$ 69,520	$ 266,108	**$ 5,158,110**

Jan. 1, 2021	Additions	Amortization	Dec. 31, 2021
	(In thousands)		
$ 5,611,040	$ 3,028	$ 259,370	$ 5,354,698

Fixed lease payments expected to be received by the Port Authority included in the measurement of the lease receivable are as follows:

Year ending December 31:	Amortization	Interest	Total
		(In thousands)	
2023	$ 193,958	$ 111,571	$ 305,529
2024	191,731	110,225	301,956
2025	187,028	107,691	294,719
2026	178,370	105,519	283,889
2027	167,197	103,516	270,713
2028-2032	664,940	500,790	1,165,730
2033-2037	543,105	475,028	1,018,133
2038-2042	236,398	461,187	697,585
2043-2047	37,951	506,122	544,073
2048-2052	47,091	539,410	586,501
2053-2057	60,188	501,559	561,747
2058-2062	62,208	579,732	641,940
2063-2067	77,976	610,706	688,682
2068-2072	74,237	967,232	1,041,469
2073-2077	52,735	1,170,593	1,223,328
2078-2082	63,477	1,313,697	1,377,174
2083-2087	87,948	1,468,317	1,556,265
2088-2092	120,126	1,642,144	1,762,270
2093-2097	1,195,995	804,063	2,000,058
2098-2102	1,093,223	54,125	1,147,348
2103-2107	13,088	2,372	15,460
2108-2113	7,187	415	7,602
Total	$ 5,356,157	$ 12,136,014	$ 17,492,171

Note: Amortization excludes $783 million of payables related to the Port Authority's leaseback of space in the WTC Tower 4, discussed below, which are netted against the receivables from the lease of WTC Tower 4 to Silverstein Properties, Inc.

Regulated Lease Agreements

In accordance with GASB Statement No. 87, *regulated leases* are lease agreements regulated by a governmental entity and subject to external laws, regulations or legal rulings. Lease agreements with third parties at Port Authority Aviation facilities regulated by the FAA and are aeronautical in nature, including terminals are excluded from the measurement of the lease receivable. Lease agreements with third parties at Port Authority Marine terminals regulated by the Federal Maritime Committee ("FMC") and are connected with the movement of cargo through the leasing of terminal, wharf, dock and warehouse space are excluded from the measurement of the lease receivable. Lease payments received in connection with regulated lease agreements are recognized as *Rentals* based on the rental terms contained in their respective lease agreement.

The Port Authority was lessor to approximately 300 regulated lease agreements and recognized rental revenue of approximately:

2022		2021	
Fixed Rent Regulated leases	**Variable Rent Regulated Leases**	Fixed Rent Regulated leases	Variable Rent Regulated Leases
	(In thousands)		
$ 872,072	**$ 411,110**	$ 808,402	$ 240,276

Future minimum lease payments related to "regulated" leases at Port Authority Aviation and Marine Terminal facilities are as follows:

Year ending December 31:	**Total Regulated Lease Payments**
	(In thousands)
2023	$ 837,466
2024	744,569
2025	701,480
2026	689,682
2027	689,719
2028-2032	3,085,638
2033-2037	1,904,694
2038-2042	2,153,264
2043-2047	1,365,808
2048-2052	1,305,582
2053-2057	1,294,303
2058-2062	865,317
2063-2067	87,411
2068-2072	48,076
Total	$ 15,773,009

Variable Rent Lease (excluding certain regulated leases)

In accordance with GASB Statement No. 87, lease agreements in which the lease payment paid by the lessee to the lessor is based on activity (excluding minimum guaranteed lease payments) are not included in the measurement of the lease receivable because they do not contain fixed lease payments. The Port Authority recognized rental revenue from non-fixed variable leases of $428 million and $257 million in 2022 and 2021, respectively.

Property leased by the Port Authority from third-parties (Port Authority as lessee)

The Port Authority enters into lease arrangements for land and office space with municipalities and other lessors in support of operating Port Authority facilities, including the Cities of New York and Newark for the leasing of the New York City Municipal Air Terminals and Newark Municipal Air and Marine Terminals.

Lease Liability and Lease Asset

In accordance with GASB Statement No. 87, the Port Authority, as lessee, recognizes a lease liability and lease asset at the commencement of the lease term. The lease liability is measured at the present value of "fixed" rent payments, including escalations based on fixed rates, indexes and minimum guarantees that are fixed in substance and expected to be paid during the lease term. Discount rates applied to these expected fixed lease payments are based on the Port Authority's incremental cost of borrowing at the commencement of the lease term. Lease terms range from 1 to 78 years. Discount rates applied to expected fixed lease payments in the 2022 and 2021 lease liability valuations ranged from 0.52% to 3.40%. Renewal and termination options are included in the lease valuation if the option is reasonably certain of being exercised. Lease assets are measured at the amount of the initial measurement of the lease liability, plus any payments made at or before the commencement of the lease term that relate to future periods and any ancillary costs to place the asset into service and are amortized on a straight-line basis over the lease term. The Port Authority continually monitors changes in circumstances that would require a remeasurement of a lease agreement.

A summary of changes in the lease liabilities follows:

Dec. 31, 2021	**Additions**		**Amortization**	**Dec. 31, 2022**
		(In thousands)		
$ 6,576,858	$ 15,139		$ 94,185	**$ 6,497,812**

Jan. 1, 2021	**Additions**		**Amortization**	**Dec. 31, 2021**
		(In thousands)		
$ 6,654,594	$ -		$ 77,736	$ 6,576,858

A summary of changes in the lease assets follows:

Dec. 31, 2021	**Additions**		**Amortization**	**Dec. 31, 2022**
		(In thousands)		
$ 7,263,008	$ 15,139		$ 172,776	**$ 7,105,371**

Jan. 1, 2021	**Additions**		**Amortization**	**Dec. 31, 2021**
		(In thousands)		
$ 7,430,404	$ -		$ 167,396	$ 7,263,008

Future rent payments included in the measurement of the lease liabilities, including amortization follows:

Year ending December 31:	Amortization	Interest	Total
		(In thousands)	
2023	$ 61,019	$ 213,626	$ 274,645
2024	89,145	210,860	300,005
2025	89,302	208,015	297,317
2026	91,100	205,111	296,211
2027	94,297	202,111	296,408
2028-2032	513,067	962,069	1,475,136
2033-2037	578,601	872,400	1,451,001
2038-2042	618,601	774,906	1,393,507
2043-2047	716,344	665,913	1,382,257
2048-2052	817,496	539,318	1,356,814
2053-2057	932,987	396,950	1,329,937
2058-2062	768,795	241,481	1,010,276
2063-2067	375,956	161,063	537,019
2068-2072	445,345	91,437	536,782
2073-2077	305,757	16,199	321,956
Total	$ 6,497,812	$ 5,761,459	$ 12,259,271

Lease-Leaseback Transactions

In accordance with GASB Statement No. 87, lease-leaseback transactions are accounted for as a “net” transaction. Under the terms of the December 2010 World Trade Center Amended and Restated Master Development Agreement (“MDA”), Silverstein Properties, Inc (Silverstein net lessee) is the WTC Tower 4 net lessee. In December 2010, the Port Authority, as tenant, entered into a space lease with the WTC Tower 4 Silverstein net lessee, as landlord, for approximately 600,000 square feet of office space for use as the Port Authority’s executive and corporate offices with an initial term of 30 years and four 5-year renewal options. In November 2014, such space lease was amended to provide for the surrender by the Port Authority of two floors to the Tower 4 Silverstein net lessee. For additional information related to the redevelopment of the WTC see Note L – *Information with Respect to the Redevelopment of the World Trade Center Campus*.

Fixed lease payments expected to be received and paid by the Port Authority for lease-leaseback transactions, included in the measurement of the lease receivable are as follows:

Year ending	WTC Tower 4 Net Lease		WTC Tower 4 Port Authority Space Leaseback		Net Receivable	
Dec. 31:	Amortization	Interest	Amortization	Interest	Amortization	Interest
			(In thousands)			
2023	$ -	$ 32,057	$ 15,882	$ 21,626	$ (15,882)	$ 10,431
2024	-	34,076	16,803	21,175	(16,803)	12,901
2025	-	34,885	20,617	20,643	(20,617)	14,242
2026	-	35,718	21,201	20,059	(21,201)	15,659
2027	-	36,576	21,801	19,458	(21,801)	17,118
2028-2032	-	208,292	132,129	87,069	(132,129)	121,223
2033-2037	-	244,111	175,459	65,660	(175,459)	178,451
2038-2042	-	282,565	227,638	37,596	(227,638)	244,969
2043-2047	-	333,871	151,894	6,000	(151,894)	327,871
2048-2052	-	373,844	-	-	-	373,844
2053-2057	-	348,185	-	-	-	348,185
2058-2062	-	434,330	-	-	-	434,330
2063-2067	-	475,063	-	-	-	475,063
2068-2072	-	843,698	-	-	-	843,698
2073-2077	-	1,054,037	-	-	-	1,054,037
2078-2082	-	1,204,151	-	-	-	1,204,151
2083-2087	-	1,378,533	-	-	-	1,378,533
2088-2092	-	1,581,048	-	-	-	1,581,048
2093-2097	1,044,987	771,191	-	-	1,044,987	771,191
2098-2100	1,010,433	49,191	-	-	1,010,433	49,191
Total	$ 2,055,420	$ 9,755,422	$ 783,424	$ 299,286	$ 1,271,996	$ 9,456,136

A summary of the lease-leaseback transaction for the WTC Tower 4 net lease for 2022 and 2021 follows:

	2022			2021		
	WTC Tower 4 lease	**WTC Tower 4 leaseback**	**Net**	WTC Tower 4 lease	WTC Tower 4 leaseback	Net
			(In thousands)			
Lease receivable	**$ 2,055,420**	**$ 783,424**	**$ 1,271,996**	$ 2,057,966	$ 798,868	$ 1,259,098
Deferred inflows of resources, leases	**2,006,220**	**748,449**	**1,257,771**	2,032,093	781,168	1,250,925
Lease amortization	**25,873**	**32,719**	**(6,846)**	25,873	32,719	(6,846)
Interest income	**77,516**	**22,064**	**55,452**	75,848	22,489	53,359

Note H – Regional Facilities and Programs

At the request of the Governors of the States of New York and New Jersey, the Port Authority participates in certain programs that are deemed essential to the continued economic viability of the two states and the region. These programs, which are generally non-revenue producing to the Port Authority, are addressed by the Port

Authority in its budget and business planning process in the context of the Port Authority's overall financial capacity. To the extent not otherwise associated with an existing Port Authority facility, these projects are effectuated through the certification of an additional Port Authority facility established solely for these purposes. The Port Authority does not expect to derive any revenues from regional development facilities and programs described below.

Regional Facilities

Regional Development Facility (certified in 1987) – This facility is a centralized program of certain economic development and infrastructure renewal projects. It was expected that $250 million of capital funds would be made available in connection with the Governors' Program of June 1983. As of December 31, 2022, approximately $249 million has been allocated under this program.

Regional Economic Development Program (certified in 1989) – This facility is comprised of up to $400 million for certain transportation, economic development and infrastructure renewal projects. Funds allocated under this program have been fully allocated.

New York Transportation, Economic Development and Infrastructure Renewal Program (certified in 2002) – This facility was established to provide up to $250 million for certain transportation, economic development and infrastructure renewal projects in the State of New York. All funds under this program have been fully allocated.

Regional Transportation Program (certified in 2002) – This facility was established in conjunction with a program to provide up to $500 million for regional transportation initiatives. All funds under this program have been fully allocated.

Hudson-Raritan Estuary Resources Programs (certified in 2002 and 2014) – These facilities were established to acquire certain real property in the Port District area of the Hudson-Raritan Estuary for environmental enhancement/ancillary economic development purposes, in support of the Port Authority's capital program. The cost of real property acquired under these programs are not to exceed $120 million. As of December 31, 2022, approximately $54 million has been allocated under these programs.

Regional Rail Freight Program (certified in 2002) – This facility provides for the Port Authority to participate, in consultation with other governmental entities in the States of New York and New Jersey, in the development of certain regional rail freight projects to provide for increased rail freight capacity. The Port Authority is authorized to provide up to $50 million. All funds under this program have been fully allocated.

Meadowlands Passenger Rail Facility (certified in 2006) – This facility, which links New Jersey Transit's ("NJT") Pascack Valley Rail Line to the Meadowlands Sports Complex, encourages greater use of PATH service since NJT runs shuttle bus service at peak times to Hoboken. The improved level of passenger rail service provided by the facility also serves to ease traffic congestion on the Port Authority's interstate tunnel and bridge crossings. The Port Authority is authorized to provide up to $150 million towards the project's capital costs. All funds under this program have been fully allocated.

Costs for these programs are deferred and amortized over the period benefited, up to a maximum of 15 years. The unamortized costs of the regional programs are as follows:

	Dec. 31, 2021	Project Expenditures	Amortization	Dec. 31, 2022
		(In thousands)		
Regional Development Facility	$ 284	$ -	$ 170	**$ 114**
Regional Economic Development Program	887	-	128	**759**
New York Transportation, Economic Development and Infrastructure Renewal Program	3,153	-	778	**2,375**
Regional Transportation Program	10,602	-	7,243	**3,359**
Hudson-Raritan Estuary Resources Program	9,672	-	3,058	**6,614**
Regional Rail Freight Program	70	-	67	**3**
Meadowlands Passenger Rail Facility	8,178	-	6,495	**1,683**
Total unamortized costs of regional programs	$ 32,846	$ -	$ 17,939	**$ 14,907**

Interstate Transportation Network Programs

Moynihan Station Transportation Program (certified in 2017) – On September 26, 2016, the Board of Commissioners authorized the Executive Director, on behalf of the Port Authority to provide, at the request of the State of New York, a one-time financial contribution of $150 million to the State of New York to advance the Moynihan Station Transportation Program, a project to redevelop the James A. Farley United States Post Office Building together with its Western Annex into a new transportation facility serving the New York and New Jersey region, to be known as Moynihan Station. Funds under this program have been fully allocated. See *Schedule F - Information on Capital Investment in Port Authority Facilities* for additional information on costs related to this program.

Gateway Early Work Program (certified in 2018) – On February 15, 2018, the Board of Commissioners certified: **i.)** up to $35 million in funds authorized by the Board in March 2016; and, **ii.)** up to $44 million in funds authorized by the Board in February 2018, for a total of $79 million (collectively, the "Gateway Early Work Program"), as an additional facility of the Port Authority for purposes of funding capital expenditures in connection with the Gateway Early Work Program. The Port Authority's participation in the Gateway Program is subject to approval by the Board of Commissioners, consistent with statutory, contractual and other commitments of the Port Authority, including agreements between the Port Authority and the holders of its obligations. As of December 31, 2022, approximately $57 million has been allocated under these program. See *Schedule F - Information on Capital Investment in Port Authority Facilities* for additional information on costs related to this program.

Note I - Pension Plans

Port Authority and PATH employees participate in different retirement plans, as described below.

Port Authority Employees

Generally, full-time employees of the Port Authority (but not its component units) are required to join one of two cost-sharing, multiple-employer defined benefit pension plans administered by the New York State

Comptroller's Office, the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"), collectively referred to as the New York State and Local Retirement System ("NYSLRS"). The New York State Constitution provides that membership in a pension plan or retirement system of the State or of a civil division thereof is a contractual relationship, the benefits of which may not be diminished or impaired.

NYSLRS Plan Benefits

Classes of employees covered under the NYSLRS range from Tiers 1–6. Date ranges determining tier membership follows:

	ERS Membership		PFRS Membership	
Tier	On or After:	Before:	On or After:	Before:
1	-	July 1, 1973	-	July 31, 1973
2	July 1, 1973	July 27, 1976	July 31, 1973	July 1, 2009
3	July 27, 1976	September 1, 1983	July 1, 2009	January 9, 2010
4	September 1, 1983	January 1, 2010	N/A	N/A
5	January 1, 2010	April 1, 2012	January 9, 2010	April 1, 2012
6	April 1, 2012	Present	April 1, 2012	Present

Members in Tiers 1–4 need five years of service to be 100% vested. In April 2022, new legislation was passed that reduced the number of years of service credit for Tier 5 and 6 members from ten years to five years. Therefore, all members are 100% vested when they reach five years of service credit.

Participating employers are required under the provisions of the New York State Retirement and Social Security Law ("RSSL") to contribute to the NYSLRS at an actuarially determined rate adopted annually by the State Comptroller of New York. The average contribution rate for ERS for the fiscal years ended March 31, 2022 and March 31, 2021 was approximately 16.2% and 14.6% of payroll. The average contribution rate for PFRS for the fiscal years ended March 31, 2022 and March 31, 2021 were approximately 28.3% and 24.4% of payroll, respectively.

Generally, Tiers 3, 4, and 5 members must contribute 3% of their salary to the respective NYSLRS plans. As a result of Article 19 of the RSSL, eligible Tiers 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the NYSLRS, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tiers 5 and 6 members are required to contribute for all years of service.

Benefits for each NYSLRS plan are established and may be amended under the provisions contained in the New York State RSSL.

Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62. Generally, the benefit for Tier 1 and Tier 2 members is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months. Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

Tiers 3, 4 and 5 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62. Generally, the benefit for Tier 3, Tier 4 and Tier 5 members is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tiers 3, 4 and 5 members with five or more years of service can retire as early as age 55 with reduced benefits. Tiers 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages earned in the three highest consecutive years of employment. For ERS Tiers 3, 4 and 5 members, each year used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years. For PFRS Tier 5 (there are no Port Authority members enrolled in PFRS Tiers 3 and 4), each year used in the final average salary calculation is limited to no more than 20% greater than the average of the previous two years.

Tier 6 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members. Generally, the benefit for Tier 6 members is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits. Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

Certain Port Authority PFRS members belong to 25-Year Plans, which allow for retirement after 25 years of service with a benefit of one-half of final average salary or 20-Year Plans, which allow for retirement after 20 years of service with a benefit of one-half of final average salary.

Port Authority contributions of $148.0 million, including $55.3 million to ERS and $92.7 million to PFRS for the period covering April 1, 2022 through March 31, 2023 were paid to NYSLRS on December 15, 2022.

Detailed information about the fiduciary net position and valuation methods related to ERS and PFRS can be found in the NYSLRS Annual Report as of and for the years ended March 31, 2022 and March 31, 2021, which is publicly available at the following web address:
https://www.osc.state.ny.us/files/retirement/resources/pdf/financial-statements-2022.pdf.

NYSLRS – Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

NYSLRS Net Pension Liability - 2022 and 2021

GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions,"* as amended, defines the Net Pension Liability/Asset ("NPL" "NPA") as the difference between the Total Pension Liability ("TPL") and the pension plan's fiduciary net position determined as of a measurement date established by the employer. For purposes of measuring the NPA/NPL, the plan's fiduciary net position has been determined on the same basis as it is reported for ERS and PFRS. Benefit payments are recognized when due and payable in accordance with the benefit terms and investments are measured at their fair value.

The Port Authority's proportionate share of the NYSLRS plans' NPA/NPLs totaled:

NPA/NPL	**December 31, 2022**	December 31, 2021
	(In thousands)	
ERS	**$ (118,530)**	$ 1,658
PFRS	**50,218**	169,991
Total Net Pension (Asset)/Liability	**$ (68,312)**	$ 171,649

The NPA/NPLs at December 31, 2022 and 2021 were measured as of March 31, 2022 and 2021, based on actuarial valuations as of April 1, 2021 and 2020, with update procedures used to roll forward the TPL to March 31, 2022 and 2021, respectively.

The Port Authority's proportion of the NYSLRS plans' NPA/NPL totaled:

	2022	2021
ERS	**1.4%**	1.7%
PFRS	**8.8%**	9.8%

The Port Authority's proportionate share of the ERS and PFRS NPA/NPLs were actuarially determined based on the projection of the Port Authority's long-term share of contributions to each respective plan relative to the projected long-term contributions of all participating employers of each plan.

NYSLRS Pension Expense - 2022 and 2021

The Port Authority's proportionate share of the NYSLRS plans' actuarially determined pension expense totaled:

Pension Expense	**2022**	2021
	(In thousands)	
ERS	**$ 13,298**	$ 50,448
PFRS	**52,729**	99,509
Total Pension Expense	**$ 66,027**	$ 149,957

NYSLRS Deferred Inflows/Outflows of Resources - 2022 and 2021

GASB Statement No. 68, as amended, requires certain changes in the NPA/NPL to be recognized as deferred outflows of resources or deferred inflows of resources. Deferred outflows and deferred inflows of resources are amortized as either an increase (deferred outflows) or decrease (deferred inflows), to future years' pension expense, using a systematic and rational method over a closed period.

The Port Authority reported deferred outflows of resources and deferred inflows of resources related to NYSLRS from the following sources at December 31, 2022:

	December 31, 2022		
Deferred Outflows of Resources	**ERS**	**PFRS**	**Total**
		(In thousands)	
Differences between expected and actual experience	$ 8,976	$ 27,073	**$ 36,049**
Changes in actuarial assumptions	197,814	300,568	**498,382**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	25,272	50,227	**75,499**
Subtotal - Deferred Outflows of Resources	232,062	377,868	**609,930**
Port Authority contributions subsequent to the measurement date*	55,306	92,716	**148,022**
Total Deferred Outflows of Resources	$ 287,368	$ 470,584	**$ 757,952**

* Contributions made by the Port Authority to NYSLRS after the measurement date to satisfy the pensions plan's NPA/NPL, but before the end of the financial statement period for the employer are recognized as deferred outflows of resources. These amounts will be recognized as a reduction to the Port Authority's ERS and PFRS NPA/NPL for the fiscal year ending December 31, 2023.

	December 31, 2022		
Deferred Inflows of Resources	**ERS**	**PFRS**	**Total**
		(In thousands)	
Differences between expected and actual experience	$ 11,643	$ -	**$ 11,643**
Changes in actuarial assumptions	3,338	-	**3,338**
Net difference between projected and actual earnings on pension plan investments	388,137	421,964	**810,101**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	16,351	27,193	**43,544**
Total Deferred Inflows of Resources	$ 419,469	$ 449,157	**$ 868,626**

The difference between reported deferred outflows of resources, excluding contributions made by the Port Authority after the measurement date, and deferred inflows of resources will be amortized as either an increase (deferred outflows) or decrease (deferred inflows) to future years' pension expense (benefit) as follows:

Year ended December 31:	ERS	PFRS	Total
		(In thousands)	
2023	$ (23,416)	$ (14,562)	**$ (37,978)**
2024	(38,584)	(27,319)	**(65,903)**
2025	(101,306)	(91,254)	**(192,560)**
2026	(24,101)	64,895	**40,794**
2027	-	(3,049)	**(3,049)**
Total	$ (187,407)	$ (71,289)	**$ (258,696)**

		December 31, 2021	
Deferred Outflows of Resources	**ERS**	**PFRS**	**Total**
		(In thousands)	
Differences between expected and actual experience	$20,243	$ 37,720	**$ 57,963**
Changes in actuarial assumptions	304,760	417,650	**722,410**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	31,793	63,140	**94,933**
Subtotal - Deferred Outflows of Resources	356,796	518,510	**875,306**
Port Authority contributions subsequent to the measurement date*	71,150	91,287	**162,437**
Total Deferred Outflows of Resources	$ 427,946	$ 609,797	**$ 1,037,743**

* Contributions made by the Port Authority to NYSLRS after the measurement date to satisfy the pension plan's NPA/NPL, but before the end of the financial statement period for the employer are recognized as deferred outflows of resources. These amounts will be recognized as a reduction to the Port Authority's ERS and PFRS NPA/NPL for the fiscal year ending December 31, 2023

		December 31, 2021	
Deferred Inflows of Resources	**ERS**	**PFRS**	**Total**
		(In thousands)	
Changes in actuarial assumptions	$ 5,748	$ -	**$ 5,748**
Net difference between projected and actual earnings on pension plan investments	476,130	499,849	**975,979**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	-	9,516	**9,516**
Total Deferred Inflows of Resources	$ 481,878	$ 509,365	**$ 991,243**

NYSLRS Actuarial Assumptions - 2022 and 2021

The TPL for each plan was determined using an actuarial valuation as of April 1, 2021 for fiscal year 2022 and April 1, 2020 for fiscal year 2021, with update procedures used to roll forward the TPL to the measurement dates of March 31, 2022 and March 31, 2021, respectively. These actuarial valuations used the following actuarial assumptions:

ERS	**2022**	2021
Investment rate of return	5.9% compounded annually, net of investment expenses, including inflation	5.9% compounded annually, net of investment expenses, including inflation
Salary scale	4.4%, indexed by service	4.4%, indexed by service
Inflation	2.7%	2.7%
Cost of living adjustment	1.4%	1.4%

PFRS	**2022**	2021
Investment rate of return	5.9% compounded annually, net of investment expenses, including inflation	5.9% compounded annually, net of investment expenses, including inflation
Salary scale	6.2%, indexed by service	6.2%, indexed by service
Inflation	2.7%	2.7%
Cost of living adjustment	1.4%	1.4%

Mortality rates for both fiscal years 2022 and 2021 actuarial valuation were based on the experience study for each plan for the period April 1, 2015, through March 31, 2020, with adjustments for mortality improvement based on the Society of Actuaries' Scale MP-2020.

The long-term expected rate of return on pension plan investments for each actuarial valuation for ERS and PFRS was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the determination of the investment rate of return for each actuarial valuation are summarized in the following table:

	2022*		2021*	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32%	3.30%	32%	4.05%
International equity	15%	5.85%	15%	6.30%
Private equity	10%	6.50%	10%	6.75%
Real estate	9%	5.00%	9%	4.95%
Opportunistic/Absolute return strategies**	3%	4.10%	3%	4.50%
Credit	4%	3.78%	4%	3.63%
Real assets	3%	5.58%	3%	5.95%
Fixed Income	23%	0.00%	23%	0.00%
Cash	1%	(1.00%)	1%	0.50%
Inflation-indexed bonds	0%	0.00%	0%	0.00%
Total	100%		100%	

* The real rate of return is net of the long-term inflation assumption of 2.5% in 2022 and 2.0% in 2021.

** Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity, respectively.

NYSLRS Discount Rate Analysis - 2022 and 2021

The discount rate used to calculate the TPL for ERS and PFRS was 5.9% for 2022 and 2021. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rates and that employer contributions will be made at their contractually required rates, as actuarially determined.

Based upon these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for both ERS and PFRS. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL for each plan.

The following tables present the Port Authority's proportionate share of the NPA/NPL for ERS and PFRS calculated for 2022 and 2021 using a discount rate that is 1 percentage point lower or 1 percentage point higher than the discount rate actually used.

		2022	
	1% Decrease (4.9%)	**Discount Rate (5.9%)**	**1% Increase (6.9%)**
		(In thousands)	
ERS - Port Authority's proportionate share of the (NPA)/NPL	**$ 305,095**	**$ (118,530)**	**$ (472,872)**
PFRS - Port Authority's proportionate share of the NPL/(NPA)	**558,600**	**50,218**	**(370,587)**
Total	**$ 863,695**	**$ (68,312)**	**$ (843,459)**

		2021	
	1% Decrease (4.9%)	**Discount Rate (5.9%)**	**1% Increase (6.9%)**
		(In thousands)	
ERS - Port Authority's proportionate share of the NPL/(NPA)	$ 460,056	$ 1,658	$ (421,094)
PFRS - Port Authority's proportionate share of the NPL/(NPA)	722,898	169,991	(287,673)
Total	$1,182,954	$ 171,649	$ (708,767)

Additional information related to the Port Authority's proportionate share of the net pension liability for ERS and PFRS and the Port Authority's contributions to ERS and PFRS can be found in the Required Supplementary Information ("RSI") section of this report following the appended notes.

New York State Voluntary Defined Contribution Program ("VDC")

Non-represented New York State public employees hired on or after July 1, 2013 with annual wages of $75,000 or more are eligible to participate in the VDC by electing out of the ERS defined benefit pension plan. The VDC plan is administered by TIAA-CREF. System benefits and contribution requirements are established and may be amended under provisions of the RSSL.

An electing VDC employee contributes up to 6% of their annual gross wages with an additional employer contribution of 8% of the employee's annual gross wages.

As of December 31, 2022 and 2021, 357 and 356 employees, respectively, were enrolled in the VDC program. The following table shows employee and employer contributions (reported as pension expense):

	2022		2021
		(In thousands)	
Employer Contributions	**$ 3,293**		$ 3,282
Employee Contributions	**2,449**		2,437
Total	**$ 5,742**		$ 5,719

Port Authority Trans-Hudson Corporation ("PATH") Employees

Federal Railroad Retirement Program

PATH employees are not eligible to participate in NYSLRS. In accordance with Federal Railroad Retirement legislation enacted in 1935, and amended thereafter, PATH represented and non-represented employees are members of a two tiered Federal Railroad Retirement Program administered by the United States Railroad Retirement Board. The Federal Railroad Retirement Program is a cost-sharing defined benefit pension plan, providing benefits to employees of governmental and private sector railroad entities. Program benefits are established and may be amended by federal legislation. Under the Federal Railroad Retirement Program, employees are entitled to retirement benefits related to years of railroad service, age and salary. Survivor and disability benefits are also available to members based on program eligibility requirements. Vesting of benefits is determined after a set period of credited railroad service. Funding of the Federal Railroad Retirement Program is legislatively determined through the collection of employer and employee Railroad Retirement Taxes. In 2022 and 2021, 1,218 and 1,203 PATH employees, respectively, participated in the Federal Railroad Retirement Program.

Employer and employee contributions to the Federal Railroad Retirement Program were as follows:

Railroad Retirement Tier I	Employee Tax Rate	Employee Taxes	Employer Tax Rate	Employer Taxes	Total Taxes
			($ In thousands)		
2022	**7.65%**	**$ 11,191**	**7.65%**	**$ 11,191**	**$ 22,382**
2021	7.65%	$ 9,329	7.65%	$ 9,329	$ 18,658

Railroad Retirement Tier II	Employee Tax Rate	Employee Taxes	Employer Tax Rate	Employer Taxes	Total Taxes
			($ In thousands)		
2022	**4.9%**	**$ 5,620**	**13.1%**	**$ 15,025**	**$ 20,645**
2021	4.9%	$ 5,130	13.1%	$ 13,714	$ 18,844

Detailed information about the Federal Railroad Retirement Program can be found in the U.S. Railroad Retirement Board Performance and Accountability Report, which is publicly available at the following web address: https://www.rrb.gov/sites/default/files/2022-11/par2022_0.pdf.

PATH Employees Supplemental Pension Plans

In addition to pension benefits provided under the Federal Railroad Retirement Program, PATH employees are eligible to participate in certain supplemental pension plans.

PATH Represented Employees

For PATH employees covered under collective bargaining agreements, PATH makes defined contributions to supplemental pension plans administered exclusively by trustees comprised of and appointed by union members. Benefits are established and may be amended at the sole discretion of the trustees. PATH is not responsible for funding deficiencies or entitled to funding surpluses related to these supplemental pension plans. PATH's sole responsibility related to these supplemental pension plans are contributions that are defined in various collective bargaining agreements. Contributions by PATH to these supplemental pension plans totaled approximately $11.1 million in 2022 and $7.5 million in 2021.

PATH Non-Represented Employees

Employees of PATH who are not covered by collective bargaining agreements (PATH Exempt Employees) are members of the PATH Exempt Employees Supplemental Pension Plan, amended and restated as of January 1, 2011 ("the Plan"). The Plan is a non-contributory, unfunded, single-employer, defined benefit, qualified governmental pension plan administered by PATH. The Plan provides retirement benefits related to years of service as a PATH Exempt Employee and final average salary, death benefits for active PATH Exempt Employees, vesting of retirement benefits after a set period of credited service as a PATH Exempt Employee, and optional methods of retirement benefit payment. Depending upon the date of membership, retirement benefits differ as to the qualifying age or years of service requirement and the benefit formula used in calculating retirement benefits.

On August 22, 2013, the Port Authority established the PATH Exempt Employees Supplemental Pension Plan Trust with Wells Fargo Bank, N.A. as Trustee. As of December 31, 2022, no amounts have been deposited into the trust to fund future pension payments. In July 2019, Principal Financial Group ("Principal") acquired Wells Fargo's Institutional Retirement & Trust business. Migration of the Trust to Principal was completed on February 22, 2022.

PATH Exempt Employee Supplemental Pension Plan – Total Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

PATH Exempt Employee Supplemental Pension Plan Total Pension Liability - 2022 and 2021

GASB Statement No. 68, as amended, defines the NPL as the difference between the TPL and the pension plan's fiduciary net position. As the Plan is unfunded and has no plan assets, the TPL and NPL are of equal amounts. Changes in the TPL from the previous measurement date are as follows:

Total Pension Liability	**2022***	2021**
	(In thousands)	
Beginning Balance	**$ 116,053**	$ 94,720
Changes recognized for the fiscal year:		
Service cost	**5,709**	3,905
Interest on the total pension liability	**2,534**	2,649
Changes of benefit terms	**-**	9,607
Differences between expected and actual experience	**915**	1,082
Changes in assumptions	**937**	8,015
Benefit payments	**(4,495)**	(3,925)
Net change in TPL	**5,600**	21,333
TPL recognized at December 31	**$ 121,653**	$ 116,053

* The Plan's TPL reported at December 31, 2022 was measured as of January 1, 2022 based on an actuarial valuation as of the same date.

** The Plan's TPL reported at December 31, 2021 was measured as of January 1, 2021 based on an actuarial valuation as of the same date.

PATH Exempt Employee Supplemental Pension Plan Pension Expense - 2022 and 2021

Pension expense related to the Plan totaled:

	2022	2021
	(In thousands)	
Pension Expense	**$ 11,949**	$ 19,739

PATH Exempt Employee Supplemental Pension Plan Deferred Outflows/Inflows of Resources - 2022 and 2021

GASB Statement No. 68, as amended, requires certain changes in the TPL to be recognized as deferred outflows of resources or deferred inflows of resources. These deferred outflows and deferred inflows of resources are amortized as either an increase (deferred outflows) or decrease (deferred inflows) to future years' pension expense using a systematic and rational method over a closed period.

At December 31, 2022 and December 31, 2021, the Port Authority reported deferred outflows of resources totaling:

Deferred Outflows of Resources	2022	2021
	(In thousands)	
Differences between actual and expected experience	**$ 2,491**	$ 3,056
Changes in actuarial assumptions	**9,655**	14,590
Subtotal - Deferred Outflows of Resources	**12,146**	17,646
Contributions subsequent to the measurement date*	**4,074**	4,495
Total Deferred Outflows of Resources	**$ 16,220**	$ 22,141

* Contributions made by Port Authority to the Path Exempt Employee Supplemental Pension Plan after the measurement date to satisfy the pension plan's TPL, but before the end of the financial statement period for the employer, are recognized as deferred outflows of resources. These amounts will be recognized as a reduction to the TPL for the fiscal year ended December 31, 2023.

At December 31, 2022 and December 31, 2021, the Port Authority reported deferred inflows of resources totaling:

Deferred Inflows of Resources	2022	2021
	(In thousands)	
Differences between actual and expected experience	**$ -**	$ 217
Changes in actuarial assumptions	**1,988**	5,416
Total Deferred Inflows of Resources	**$ 1,988**	$ 5,633

The difference between reported deferred outflows of resources, excluding contributions made by the Port Authority after the measurement date, and deferred inflows of resources as of December 31, 2022 will be amortized as either an increase (deferred outflows) or decrease (deferred inflows) to future years' pension expense as follows:

Year ended December 31,	Total Amortization
	(In thousands)
2023	$ 4,350
2024	3,775
2025	1,745
2026	288
Total	$ 10,158

PATH Exempt Employee Supplemental Pension Plan Actuarial Assumptions- 2022 and 2021

The TPL measured as of January 1, 2022 and January 1, 2021, based on an actuarial valuation as of the same date was determined using the following actuarial assumptions:

	2022	2021
Inflation	2.20%	2.20%
Salary increases	4.25%	3.00%
Investment rate of return	N/A	N/A

Actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period of January 1, 2017 to January 1, 2022. Actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2014 to January 1, 2017. Mortality rates used in the 2022 and 2021 valuations were based on Pub-2010 General Employees mortality table projected on a generational basis with Scale MP-2021 and MP-2020 from 2010, respectively. Projections of benefits for financial reporting purposes are based on the terms of the Plan as described by PATH to participants and include the types of benefits provided at the time of each valuation.

As of the January 1, 2022 and January 1, 2021 valuation date, Plan participants comprised:

	2022	2021
Retired PATH Exempt Employees (or their beneficiaries)	**118**	115
Active PATH Exempt Employees	**101**	103
Terminated but vested employees who are not currently receiving benefits	**16**	17
Total participants	**235**	235

PATH Exempt Employee Supplemental Pension Plan Discount Rate Analysis- 2022 and 2021

As the Plan is unfunded, the discount rate used in the actuarial valuation is based on the 20-year municipal Bond Buyer Index for general obligations which equaled 2.06% as of the January 1, 2022 measurement date and 2.12% as of the January 1, 2021 measurement date.

The following tables present the 2022 and 2021 Plan's TPL calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the discount rate actually used.

	1% Decrease (1.06%)	2022 Discount Rate (2.06%)	1% Increase (3.06%)
		(In thousands)	
Total Pension Liability	**$ 139,514**	**$ 121,653**	**$ 107,009**

	1% Decrease (1.12%)	2021 Discount Rate (2.12%)	1% Increase (3.12%)
		(In thousands)	
Total Pension Liability	$ 132,886	$ 116,053	$ 102,226

Note J – Other Postemployment Benefits ("OPEB")

Plan Description and Organization

The Port Authority and PATH, pursuant to Board of Commissioners action or as contemplated thereby, administer a single-employer healthcare plan ("the Plan") that provides certain group health care, prescription, dental, vision and term life insurance benefits to eligible retired employees of the Port Authority and PATH (includes eligible dependents and survivors of retired employees). These benefits are often referred to as OPEB. Benefits are provided through a third-party insurer. Benefits are paid: **a.)** directly by the Port Authority or PATH from available operating funds; **b.)** by insurance companies on the basis of premiums paid by the Port Authority or PATH with or without employee contributions; or, **c.)** from a dedicated trust established for such purposes. The Port Authority and PATH also reimburse eligible retirees and dependents for the cost of certain Medicare premiums.

Participants in the Plan at January 1st consisted of the following:

	2022	2021
Retirees and surviving spouses currently receiving benefits	**8,420**	8,302
Covered spouses of retired employees receiving benefits	**4,295**	4,129
Active employees plan participants	**7,487**	7,924
Total plan members	**20,202**	20,355

Contributions toward OPEB costs are required of certain non-represented and represented participants. In 2019, certain Plan provisions relating to represented employees' contributions toward OPEB were changed due to the amendment of certain collective bargaining agreements. Retiree contributions are dependent on a number of factors including type of benefit, hire date, years of service, pension earnings and retirement date.

On December 14, 2006, the Port Authority on behalf of itself and its component unit, PATH, established The Port Authority of New York and New Jersey Retiree Health Benefits Trust (the "Trust") for the exclusive benefit of eligible retired employees of the Port Authority and PATH and the eligible dependents of such retired employees to facilitate all or part of the funding for OPEB benefits, which are provided through the Plan.

Employer contributions in relation to the Trust include advance funding of the Trust as well as pay-as-you-go benefit payments that are made to or on behalf of OPEB plan members or their beneficiaries from available Port Authority operating funds. The Port Authority is not required by law to provide funding for its OPEB obligations, other than the pay-as-you-go amount necessary to provide current benefits to eligible retired employees and the eligible dependents of such retired employees. No advanced funding contributions were made to the Trust in 2022 or 2021. Current year's benefits were paid out of available Trust funds.

Net OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,"* defines the Net OPEB Liability ("NOL") as the liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. For purposes of measuring the NOL, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net OPEB Liability – 2022 and 2021	**Total OPEB Liability (a)**	**The Trust Fiduciary Net Position (b)**	**Net OPEB Liability (a) - (b)**
		(In thousands)	
Balance at December 31, 2021	$ 3,028,876	$ 1,967,686	$ 1,061,190
Changes Increase/(Decrease) for the year:			
Service cost	35,107	-	35,107
Interest cost on the total OPEB liability	196,063	-	196,063
Changes in benefit terms	6,233	-	6,233
Differences between expected and actual experience	116,370	-	116,370
Changes in assumptions	557,468	-	557,468
Benefit payments*	(189,699)	(189,699)	-
Contributions-employer	-	-	-
Net investment income	-	(310,021)	310,021
Administrative expenses	-	(88)	88
(Decrease)/Increase	721,542	(499,808)	1,221,350
Balance at December 31, 2022	$ 3,750,418	$ 1,467,878	$ 2,282,540

* 2022 benefit payment includes $189.7 million paid from the Trust.

	Total OPEB Liability (a)	The Trust Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
		(In thousands)	
Balance at December 31, 2020	$ 2,987,268	$ 1,905,761	**$ 1,081,507**
Changes Increase/(Decrease) for the year:			
Service cost	34,851	-	**34,851**
Interest cost on the total OPEB liability	196,750	-	**196,750**
Differences between expected and actual experience	31,334	-	**31,334**
Changes in assumptions	(47,407)	-	**(47,407)**
Benefit payments*	(173,920)	(173,920)	**-**
Net investment income	-	235,963	**(235,963)**
Administrative expenses	-	(118)	**118**
(Decrease)/Increase	41,608	61,925	**(20,317)**
Balance at December 31, 2021	$ 3,028,876	$ 1,967,686	**$ 1,061,190**

* 2021 benefit payment includes $173.9 million paid from the Trust.

The discount rate used to measure the total OPEB liability as of December 31, 2022 and 2021 was 6.6%. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The assumed contributions are based on the Port Authority paying current year benefit payments outside of the trust starting in 2023 and by 2027, recommencing their advance funding of the trust at least equal to the minimum amount projected to ensure the trust can fully pay all future benefit payments. The Port Authority has started making current year benefit payments from its own operating funds for January and February 2023 and intends to continue making those payments. Further, the Port Authority continually evaluates the need to make additional contributions in order for the trust to be fully funded in the future.

The following presents the NOL of the Port Authority, as well as what the Port Authority's NOL would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate for the year ending December 31:

	2022			2021		
	1% Decrease (5.6%)	**Discount Rate (6.6%)**	**1% Increase (7.6%)**	1% Decrease (5.6%)	Discount Rate (6.6%)	1% Increase (7.6%)
			(In thousands)			
Net OPEB Liability	**$2,807,919**	**$2,282,540**	**$1,854,091**	$1,480,951	$1,061,190	$720,156

The following presents the NOL of the Port Authority, as well as what the Port Authority's NOL would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the healthcare cost trend rates used in the January 1 actuarial valuation disclosed above:

	2022			2021		
	1% Decrease	**Healthcare Cost Trend Rate**	**1% Increase**	1% Decrease	Healthcare Cost Trend Rate	1% Increase
			(In thousands)			
Net OPEB Liability	**$1,850,232**	**$2,282,540**	**$2,822,657**	$740,772	$1,061,190	$1,457,291

OPEB Expense

OPEB expense related to the Plan totaled $244 million in 2022 and $12 million in 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2022 and 2021, the Port Authority reported deferred outflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	**2022**	2021
	(In thousands)	
Changes in actuarial assumptions	**$ 457,920**	$ -
Net difference between projected and actual earnings on OPEB plan investments	**200,587**	-
Differences between actual and expected experience	**185,715**	139,346
Total Deferred Outflows of Resources	**$ 844,222**	$ 139,346

At December 31, 2022 and 2021, the Port Authority reported deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows of Resources	**2022**	2021
	(In thousands)	
Changes in actuarial assumptions	**$ 197,735**	$ 285,650
Net difference between projected and actual earnings on OPEB plan investments	-	191,394
Total Deferred Inflows of Resources	**$ 197,735**	$ 477,044

The difference between reported deferred outflows of resources and deferred inflows of resources related to OPEB will be amortized as either an increase (deferred outflows) or decrease (deferred inflows) to future year's OPEB expense over a closed period, as follows:

Year ended December 31,	**Total Amortization**
	(In thousands)
2023	$ 85,143
2024	115,402
2025	168,397
2026	205,348
2027	72,197
Total	**$ 646,487**

Actuarial Methods and Assumptions

The actuarially determined valuation of OPEB is reviewed annually for the purpose of estimating the present value of postemployment benefits earned by plan participants as of the valuation. Projections of benefits for financial reporting purposes are based on the benefit plans as described by the Port Authority and PATH to participants, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrence of events far into the future, including future employment with a salary scale at a rate of 3% per year, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Port Authority's total OPEB liabilities were measured as of December 31, 2022 and 2021 based on actuarial valuations as of January 1, 2022 and 2021 with update procedures used to roll forward the total OPEB liability to the measurement date. The actuarial assumptions used in these valuations were based on the results of an actuarial experience study for the period January 1, 2017 to January 1, 2022 and January 1, 2014 to January 1, 2017, respectively. Mortality rates for the January 2022 and 2021 actuarial valuations were based on the PUB-2010 Safety Classification headcount-weighted table projected generationally with Scale MP-2021 from the central year for Port Authority Police employees and PUB-2010 General Classification headcount-weighted table projected generationally with Scale MP-2021 from the central year for civilian employees, for years 2022 and 2021, respectively.

The entry age normal cost method based on a level percentage of pay was used in both actuarial valuations of the Port Authority and PATH OPEB obligation for all participants. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

	2022	2021
Inflation	**2.40%**	2.20%
Salary increases	**4.47%**	3.00%
Discount rate *	**6.60%**	6.60%
Medical healthcare cost trend rates (Pre-65 year old participant)**	**5.75%**	5.75%
Medical healthcare cost trend rates (Post-65 year old participant)**	**5.25%**	5.25%
Pharmacy benefit cost trend rate***	**6.00%**	6.00%
Dental benefit cost trend rate	**3.00%**	4.00%
Employer Group Waiver Plan savings	**3.00%**	3.00%
Medicare Part B	**5.00%**	5.00%

* Represents the expected long-term rate of return on investments expected to be used for the payment of benefits.
** Declining to an ultimate medical healthcare cost trend rate of 4.50% in 2032 (including inflation factors of 2.4% for 2022 and 2.2% for 2021).
*** Decreasing to 4.50% in 2032.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31 is summarized in the following table:

	Target Asset Allocation		**Long-Term Expected Real Rate of Return***	
Asset Class	**2022**	2021	**2022**	2021
Domestic Equity	**33%**	33%	**5.2%**	5.4%
International Equity	**21%**	21%	**4.9%**	5.1%
Real Estate Investment Trust	**6%**	6%	**4.2%**	4.4%
Fixed Income	**40%**	40%	**1.5%**	1.7%

* The long-term expected real rate of return is net of the long-term inflation assumption of 2.4% in 2022 and 2.2% in 2021.

Note K– Commitments and Certain Charges to Operations

1. Approval of a budget by the Board of Commissioners does not in itself authorize any specific expenditures, which are authorized from time to time by or as contemplated by other actions by the Board of Commissioners of the Port Authority consistent with statutory, contractual and other commitments of the Port Authority, including agreements with the holders of its obligations.

2. At December 31, 2022, the Port Authority had entered into various construction contracts totaling approximately $2.7 billion, which are expected to be completed within the next three years.

3. Other amounts receivable, net recognized on the Statements of Net Position at December 31, 2022, is comprised of the following:

	Dec. 31, 2021	Additions	Deductions	Dec. 31, 2022
		(In thousands)		
Deferred amounts due from WTC Tower 4 and WTC Tower 3 net lessees	$ 86,750	$ 35,758	$ 28,308	**$ 94,200**
Long-term receivables from tenants	54,696	35,285	14,128	**75,853**
Amounts due – Goethals Bridge Replacement Bridge Developer	28,238	-	-	**28,238**
Tower 4 Liberty Bonds debt service	12,130	32,545	-	**44,675**
Other receivables	16,490	1,415	8	**17,897**
Total other amounts receivable, net	$ 198,304	$ 105,003	$ 42,444	**$ 260,863**

4. The 2022 balance of Other noncurrent liabilities consists of the following:

	Dec. 31, 2021	Additions	Deductions	Dec. 31, 2022
		(In thousands)		
Self-Insured Public Liability Claims	$ 71,695	12,134	13,559	**$ 70,270**
Self-Insured Worker's Compensation Claims	80,779	27,610	21,248	**87,141**
Other payables	89,782	693	15,047	**75,428**
Pollution remediation obligation	21,339	19,657	9,387	**31,609**
Asset forfeiture program	27,958	1,547	2,598	**26,907**
Reinsurance premium payable	12,114	-	12,114	**-**
Surety and security deposits	4,583	179	241	**4,521**
WTC Joint Venture Preferred Returns	14,037	2,093	-	**16,130**
Deferred Gain/Loss on NLCC	4,761	-	-	**4,761**
Total Liabilities	$ 327,048	$ 63,913	$ 74,194	**$ 316,767**
Less: Current worker's compensation liability	16,944	-	-	**17,509**
Total other non-current liabilities	$ 310,104			**$ 299,258**

5. In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, an operating expense provision and corresponding liability measured at its current value using the expected cash flow method is recognized when an obligating event occurs. In 2022, the Port Authority recognized an additional $19.7 million in pollution remediation obligations, primarily related to asbestos abatement at certain Aviation facilities and Marine Terminals. Cumulative operating expense remediation provisions through December 31, 2022 totaled $120.3 million, net of $2.1 million in recoveries.

As of December 31, 2022, the outstanding pollution remediation liability totaled $31.6 million, primarily consisting of future remediation activities associated with asbestos removal, lead based paint abatement, ground water contamination, and soil contamination at Port Authority facilities.

Note L – Information with Respect to the Redevelopment of the World Trade Center Campus

Conceptual Framework for the Redevelopment of the Office, Retail and Other Components of the World Trade Center

The terms of the original July 2001 net leases established both an obligation and concomitant right for the net lessees, at their sole cost and expense, to restore their net leased premises following a casualty whether or not the damage is covered by insurance proceeds in accordance, to the extent feasible, prudent and commercially reasonable, with the plans and specifications as they existed before the casualty or as otherwise agreed to with the Port Authority.

The redevelopment of the WTC site has proceeded pursuant to The World Trade Center Memorial and Cultural General Project Plan adopted in 2004 and amended in 2007 and 2022 ("GPP") by Lower Manhattan Development Corporation ("LMDC") which provides for approximately 10 million square feet of above-grade office space with associated storage, mechanical, loading, below-grade parking, and other non-office space, and was planned to consist of up to five office towers (one of which may instead be a multi-use building, including residential space at a mix of market and affordable rents), space for retail businesses, the World Trade Center Transportation Hub, a memorial and interpretive museum, The St. Nicholas Greek Orthodox Church and National Shrine, The Performing Arts Center at the World Trade Center and certain related infrastructure. A December 2010 World Trade Center Amended and Restated Master Development Agreement ("MDA"), among the Port Authority, PATH, 1 WTC LLC, WTC Retail LLC, and the Silverstein net lessees, sets forth the respective rights and obligations of the parties thereto with respect to construction on the WTC site, including the allocation of construction responsibilities and costs between the parties to the MDA.

One World Trade Center

On June 13, 2011, the Port Authority and The Durst Organization through entities formed by such parties entered into various agreements in connection with the establishment of a joint venture with respect to the construction, financing, leasing, management and operation of One World Trade Center. In June 2011, The Durst Organization contributed $100 million for a minority equity interest in the joint venture related to One World Trade Center through the current net lessee WTC Tower 1 LLC. One World Trade Center contains 3.0 million square feet of space, comprised of commercial office space and an indoor observation deck. As of December 31, 2022, WTC Tower 1 LLC has leased, (i) approximately 2.8 million square feet of office space at One World Trade Center, representing approximately 95% of the leasable office space, (ii) certain portions of the One World Trade Center rooftop, together with ancillary space, for a broadcasting and communications facility, and (iii) the 100th through 102nd floors of One World Trade Center for an observation deck, which opened to the public in 2015.

World Trade Center Tower 2

The MDA requires the Tower 2 Silverstein net lessee to complete subgrade and foundation work for Tower 2, which has been substantially completed by the Port Authority as part of the overall site improvements shared by all of the World Trade Center tenants. Upon closing of any future construction financing and commencement of above-grade construction of Tower 2, the Tower 2 Silverstein net lessee will be required to reimburse the Port Authority for the Tower 2 Silverstein net lessee's allocated costs for the subgrade and foundation work funded by the Port Authority at the site. Under the Tower 2 net lease, ground rent is payable by the Tower 2 Silverstein net lessee upon the earlier of (i) commencement of construction of Tower 2 and (ii) December 2022, whether or not construction is commenced. As of December 2022, construction of Tower 2 has not commenced. Accordingly, ground rent is due the Port Authority under the terms of the Tower 2 net lease but has not yet been received.

World Trade Center Tower 3

To assist the Silverstein net lessee of Tower 3 in the construction of the Tower 3 office tower following satisfaction of certain private real estate and capital markets triggers, the Port Authority entered into a Tower 3 Tenant Support Agreement in 2010 (as subsequently amended in 2014, the "Tower 3 Tenant Support Agreement"). Under the Tower 3 Tenant Support Agreement, the Port Authority, together with New York State and New York City, was required to provide up to $600 million in overall support, comprised of: (x) $210 million for the construction of Tower 3 (paid for as a landlord capital improvement) and (y) backstop funding of $390 million for construction overruns and certain leasing cost overruns, operating expense deficits and certain leasing cost overruns (provided as a rent deferral under the Tower 3 net lease), and senior debt service shortfalls (which would be paid by the Port Authority if necessary in the future, as a special limited co-obligor on the senior debt issued for Tower 3), with such senior debt service shortfalls payable as a special obligation of the Port Authority, subject in each case to the overall limit of $390 million for the backstop (See *Note E- General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)* for additional information related to the payment of special obligations of the Port Authority). The State of New York and the City of New York have each agreed to reimburse the Port Authority for up to $200 million of the $600 million provided under the Tower 3 Tenant Support Agreement for a combined reimbursement to the Port Authority from the State of New York and the City of New York of up to $400 million. To date, the Port Authority has applied $83 million of the $93.4 million received from the State of New York as a capital contribution for the partial reimbursement of the $210 million landlord capital improvement the Port Authority made in December 2014 towards the construction of Tower 3 and for Tower 3 backstop funding. In addition, under a Public Support Agreement with the City of New York, the Port Authority will receive $130 million plus accrued interest in WTC PILOT credits as reimbursement for the remaining share of the Port Authority's landlord capital improvement. WTC payments in lieu of taxes ("PILOT") credits from City of New York commenced in July 2019.

Under the Tower 3 Support Agreement, the Tower 3 Silverstein net lessee is responsible for the repayment of any outstanding balance of the $390 million backstop on a subordinated basis, without interest, from Tower 3 revenues, upon termination of the Tower 3 Support Agreement. All repayments of the Tower 3 backstop received by the Port Authority would be distributed among the Port Authority, the State of New York and the City of New York in accordance with their respective shares of the $390 million backstop payments. As security for such repayment, the Tower 3 Silverstein net lessee, the Port Authority and a third-party banking institution entered into an account control agreement directing revenues derived from the operation of Tower 3 to be deposited into a segregated lockbox account and administered and disbursed by the banking institution in accordance with the Tower 3 Support Agreement. To provide additional security to the Port Authority, the Tower 3 Silverstein net lessee assigned to the Port Authority various contracts in connection with the development and construction of Tower 3, together with all licenses, permits, approvals, easements and other rights of the Tower 3 Silverstein net lessee, granted a first priority pledge of all of the ownership interests in the Tower 3 Silverstein net lessee to the Port Authority and granted a subordinated mortgage on the leasehold interest created under the Tower 3 net lease. The Tower 3 net lessee exercised its right to defer certain Tower 3 net lease rent payments due the Port Authority effective November 2017.

As of December 31, 2022, deferred rent due from the Tower 3 net lessee totaled approximately $46.8 million. As of December 31, 2022, the Silverstein Tower 3 net lessee has repaid the approximately $9.0 million in senior debt service shortfalls previously provided under the WTC Tower 3 Tenant Support Agreement.

Tower 3 was substantially completed in March 2018, and officially opened on June 11, 2018. As of December 31, 2022, 89% of leasable office space has been leased to tenants.

World Trade Center Tower 4

In December 2010, the Port Authority, as tenant, entered into a lease with the Tower 4 Silverstein net lessee, as landlord, for approximately 600,000 square feet of office space for use as the Port Authority's executive offices with an initial term of 30 years and four 5-year renewal options. In November 2014, such space lease was amended to provide for the surrender by the Port Authority of two floors to the Tower 4 Silverstein net lessee. Tower 4 was substantially completed in October 2013. As of December 31, 2022, approximately 98% of the leasable office space has been leased to tenants.

Also, in December 2010, the Port Authority entered into certain agreements with the Silverstein net lessee of Tower 4, providing for the Port Authority's support for the construction of Tower 4 (the "Tower 4 Support Agreements") by participating in the November 15, 2011 financing for Tower 4 ("Debt Service Obligations") and providing additional rent deferrals and other concessions ("Tenant Support"). In particular, the Port Authority agreed to become a co-borrower/obligor for the Tower 4 Liberty Bonds which were issued on November 15, 2011, in the aggregate principal amount of approximately $1.2 billion, by the New York Liberty Development Corporation to finance construction and development of WTC Tower 4. On September 14, 2021, the New York Liberty Development Corporation issued Series 2021A bonds for approximately $1.2 billion and Series 2012B bonds for approximately $11.4 million to cover issuance costs, to refinance the original Tower 4 Liberty Bonds to achieve interest rate savings, with the material terms of the original November 2011 Tower 4 financing remaining unchanged, including the Port Authority remaining a co-borrower/obligor for the refunding bonds (the original November 2011 Tower 4 financing and the September 2021 refinancing are hereafter referred to herein, interchangeably, as the "Tower 4 Liberty Bonds").

The Port Authority's payment of debt service on the Tower 4 Liberty Bonds is a special obligation of the Port Authority, evidenced by a separate Tower 4 Bond Payment Agreement between the Port Authority and the Tower 4 Liberty Bond trustee (See *Note E - General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)* for additional information related to the payment of special obligations of the Port Authority).

Additionally, the Silverstein net lessee of Tower 4 has the right to defer payment of net lease rent payable to the Port Authority under the Tower 4 net lease, to provide cash flow to pay certain operating expense deficits, certain capital expenditures upon completion of Tower 4 and a limited amount of construction and leasing cost overruns. The Tower 4 net lessee exercised its right to defer certain Tower 4 net lease rent payments due the Port Authority effective November 2016. As of December 31, 2022, deferred rent due from the Tower 4 net lessee totaled approximately $47.4 million. The Debt Service Obligations and Tenant Support are currently required to be reimbursed or paid to the Port Authority from Tower 4 cash flow, generally with interest at a rate of 7.5% annum until reimbursed or paid, with the exception of deferred net lease rent that the Tower 4 Silverstein net lessee may elect to deposit in a reserve account (which is limited to $40 million in aggregate at any given time (as adjusted annually by certain CPI increases) and which receives earnings on certain permitted investments plus nominal interest), with an overall term for such reimbursement or payment not to exceed 40 years from the issuance date of the original Tower 4 Liberty Bond financing.

The Tower 4 Silverstein net lessee has informed the Port Authority that, in accordance with the Tower 4 Support Agreements, it has achieved the debt service coverage threshold which would allow it to terminate the Port Authority's Tenant Support obligations in return for terminating certain account control lockboxes for Tower 4. The parties have determined on a mid-2022 effective date for the termination. The termination will result in the repayment of Tower 4 deferred rent plus accrued interest to the Port Authority. Surplus revenues held in a Tower 4 operating account for the benefit of the Port Authority will be transferred to a similar account for Tower 3 to cover deferred amounts due to the Port Authority on account of its support for Tower 3. The termination of the Tenant Support obligations will not affect the Port Authority's Debt Service Obligations or the pledge of rents and the leasehold mortgage which serve as security therefor.

The World Trade Center Transportation Hub

On July 28, 2005, the Board of Commissioners of the Port Authority authorized the WTC Transportation Hub project for the construction of a transportation hub and permanent PATH terminal. Construction commenced on September 6, 2005. On October 18, 2012, the Board of Commissioners reauthorized the WTC Transportation Hub project at an estimated total project cost range of approximately $3.74 billion to $3.995 billion. The Port Authority reached the maximum funding amount of $2.872 billion from the FTA towards the construction of the WTC Transportation Hub in 2017. On March 3, 2016, the World Trade Center Transportation Hub Oculus and underground pedestrian connections to certain mass transit lines opened to the public and on August 16, 2016, the retail portions opened to the public.

World Trade Center Infrastructure Projects

In addition to the WTC Transportation Hub, the Port Authority continues to construct various WTC site infrastructure projects toward full build out of the WTC site. In 2014, certain portions of these infrastructure projects, including portions of the vehicular security center for cars and delivery vehicles to access subgrade loading facilities became operational to support commercial operations and development throughout the WTC site. Other WTC infrastructure projects include street configurations, utilities, a central chiller plant and related electrical distribution systems that support operations of the WTC site.

World Trade Center Retail

Through a series of transactions between the Port Authority and Westfield, the Port Authority has been involved in the planning and construction of the retail components of the World Trade Center. A Westfield entity has net leased the retail premises from the Port Authority for an upfront payment and a nominal annual amount. The Port Authority continues to be responsible for the construction of additional retail premises at the World Trade Center and is obligated to fund the remaining project costs for their construction. Upon completion and lease up of such additional retail premises, the Port Authority expects to receive additional payments for the fair value of such additional retail space, to be determined according to the methodology specified in the agreement with Westfield, which is not expected to fully compensate the Port Authority for the cost of construction.

As of December 31, 2022, including Westfield's 2012 initial joint venture membership capital contribution of $100 million, the Port Authority has received $897 million for the transfer of its interests in the WTC retail joint venture to Westfield, which is recognized as a deferred inflow of resources related to leases.

WTC Memorial and Museum, The St. Nicholas Greek Orthodox Church and National Shrine, and The Performing Arts Center at the World Trade Center

The Port Authority does not have any responsibility for the operation and maintenance of the WTC Memorial and Museum, The St. Nicholas Greek Orthodox Church and National Shrine, or The Performing Arts Center at the World Trade Center. The WTC Memorial Plaza opened for public access on September 11, 2011and the Museum opened to the public on May 21, 2014. The St. Nicholas Greek Orthodox Church and National Shrine opened to the public in December 2022 and The Performing Arts Center at the World Trade Center, which is currently under construction, is expected to be completed in 2023.

Note M – Risk Financing Activities

The Port Authority carries insurance or requires insurance to be carried (if available) on or in connection with its facilities and those under construction to protect against direct physical loss or damage and resulting loss of revenue and against liability in such amounts as it deems appropriate, considering deductibles, retentions, and exceptions or exclusions of portions of facilities and the scope of insurable hazards. A portion of the insurance under the programs described below is provided by the Port Authority's captive insurer, the Port Authority Insurance Captive Entity, LLC ("PAICE") (see "Port Authority Insurance Captive Entity, LLC" in this Section).

Property Damage and Loss of Revenue Insurance Program

The property damage and loss of revenue insurance program on Port Authority facilities (which was renewed effective June 1, 2022 and expires on June 1, 2023) covers all Port Authority facilities, excluding the World Trade Center (except for the area of the PATH station inside the fare zone). Portions of the property damage and loss of revenue insurance program on the Port Authority facilities is insured through PAICE and reinsured through commercial reinsurers.

Property damage and loss of revenue insurance on the operating portions of the World Trade Center[1] and related infrastructure is provided in a separate program (which was renewed effective June 1, 2022 and expires on June 1, 2023). Portions of the property damage and loss of revenue insurance on the operating portions of the World Trade Center[1] are insured through PAICE and reinsured through commercial reinsurers.

The Port Authority also purchased property terrorism insurance with respect to all Port Authority facilities for a two-year term, effective June 1, 2021. The terrorism coverage is insured through PAICE and reinsured through the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("TRIPRA")[2] and commercial reinsurers.

Public Liability Insurance Programs

The public liability insurance program for Port Authority Aviation facilities (which was renewed effective October 27, 2022 and expires October 27, 2023) includes insurance for aviation war risk, which includes terrorism.

The public liability insurance program for "non-aviation" facilities (which was renewed effective October 27, 2022, and expires October 27, 2023) applies to such facilities, including components of the World Trade Center[1].

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1 The Port Authority's insurance programs do not provide coverage for World Trade Center Towers 2, 3, 4 (except for the Port Authority's Tower 4 leased space), Tower 5, the World Trade Center Memorial/Museum, the St. Nicholas Greek Orthodox Church and National Shrine, the Performing Arts Center at the World Trade Center and the net leased retail components (except for certain retail infrastructure) of the World Trade Center site. Coverage for these assets is the responsibility of the net lessees.

2 Under TRIPRA, the formula provides that the federal government generally reinsures 80% of certified terrorism losses subject to aggregate industry insured losses of at least $200 million and a 20% insurance carrier/captive deductible, in an amount not to exceed an annual cap on all such losses payable under TRIPRA of $100 billion. In the event of a certified act of terrorism, the law allows the United States Treasury to recoup 140% of the amount of federal payments for insured losses during that calendar year.

Terrorism insurance with respect thereto is insured through PAICE and reinsured through TRIPRA[2] and commercial reinsurers, and was renewed effective October 27, 2021 and expires October 27, 2023.

The Port Authority also carries terrorism and/or malicious acts insurance for losses to property and liability resulting from nuclear, biological, chemical or radiological material for all Port Authority facilities. The program is insured through a combination of PAICE, commercial reinsurers and TRIPRA[2] and was renewed effective October 27, 2021 and expires October 27, 2023.

Construction Insurance Programs

The Port Authority maintains an ongoing wrap-up contractors' insurance program for all Port Authority operated facilities under construction (excluding the World Trade Center), which was renewed effective June 1, 2020, and expires June 1, 2023, including builders' risk, construction general liability insurance, and statutory workers' compensation coverage. PAICE provides portions of the construction general liability insurance while statutory workers' compensation insurance is provided through commercial insurance.

The Port Authority began a standalone wrap-up contractors' insurance program on March 27, 2018, and expires March 27, 2024, for construction of Terminal A at Newark Liberty International ("EWR") Airport, which includes builders' risk, construction general liability insurance, and statutory workers' compensation insurance provided through commercial insurance. PAICE provides portions of the construction general liability insurance while statutory workers' compensation insurance is provided through commercial insurance.

Port Authority Insurance Captive Entity, LLC

In 2006, the Port Authority established a captive insurance company, known as the "Port Authority Insurance Captive Entity, LLC," for insuring certain risk exposures of the Port Authority and its related entities. Under its current Certificate of Authority issued by the District of Columbia, PAICE is authorized to transact insurance business in connection with workers' compensation, general liability, builders' risk, property and terrorism insurance coverages for the Port Authority and its related entities. With the passage of TRIPRA, PAICE assumed coverage for acts of terrorism under the Port Authority's public liability, and property damage and loss of revenue insurance programs.

Effective June 1, 2020, PAICE provides the first $500,000 in coverage under the general liability aspect of the Port Authority's contractors' insurance program and 34.5% of the next $4.5 million of losses that are in excess of the primary $500,000 and is further reinsured in the $3 million layer excess of $2 million.

Effective June 1, 2021, PAICE provides $5 billion of property terrorism insurance for World Trade Center facilities for Certified Acts of Terrorism, and $1.02 billion for Non-Certified Acts of Terrorism. In addition, PAICE provides $2 billion of property terrorism insurance for all other facilities for Certified Acts of Terrorism, and $420 million for Non-Certified Acts of Terrorism. PAICE is fully reinsured for property terrorism by TRIPRA and commercial reinsurers.

In addition, renewed for two years effective October 27, 2021 (expiring October 27, 2023), PAICE provides $600 million in coverage under the terrorism liability program, which is fully reinsured by TRIPRA and commercial reinsurers.

Further, renewed for two years effective October 27, 2021 (expiring October 27, 2023), PAICE provides $500 million in coverage under the nuclear, biological, chemical, and radiological terrorism and malicious acts program, which is fully reinsured by TRIPRA and commercial reinsurers, and insures $1.1 billion in excess of $500 million, which is partially reinsured by TRIPRA.

The financial results for PAICE for the year ended December 31, 2022 are set forth below. As PAICE is a blended component unit of the Port Authority, restricted amounts associated with PAICE recorded on the Port Authority's financial statements have been adjusted to eliminate intercompany transfers related to insurance premiums paid to PAICE from the Port Authority.

	Amounts (In thousands)
Financial Position	
Total Assets	$ 496,342
Total Liabilities	34,009
Net Position, December 31, 2022	**$ 462,333**
Operating Results 2022	
Revenues	$ 34,181
Expenses	5,165
Change in Net Position	$ 29,016
Net Position at January 1, 2022	$ 433,317
Net Position at December 31, 2022	**$ 462,333**

The audited financial statements for the years ended December 31, 2022 and December 31, 2021 of PAICE, which provides additional information concerning PAICE assets and liabilities, are available from the Comptroller's Department of the Port Authority of New York and New Jersey, 2 Montgomery Street, Jersey City, New Jersey 07302.

Self-Insured Loss Reserves

A liability is recognized when it is probable that the Port Authority has incurred an uninsured loss and the amount of the loss can be reasonably estimated. The liability for self-insured claims is based upon the estimated cost of settling the claim, which includes an actuarial review of estimated claims expenses, estimated recoveries, retention thresholds, and a provision for incurred but not reported ("IBNR") claims. Workers Compensation and public liability IBNR self-insured loss reserves were discounted to their present value using a 5.25% discount rate. Changes in the self-insured public liability self-insured loss reserves and self-insured worker's compensation loss reserves are as follows:

Self-insured public liability loss reserves:

Year	Beginning Balance	Changes in Loss Reserves	Payments	Year End Balance*
		(In thousands)		
2022	**$ 71,695**	**$ 12,134**	**$ 13,559**	**$ 70,270**
2021	$ 71,073	$ 11,954	$ 11,332	$ 71,695

* Loss reserves exclude loss adjustment expenditures.

Self-insured workers' compensation loss reserves:

Year	Beginning Balance	Changes in Loss Reserves	Payments	Year End Balance*
		(In thousands)		
2022	**$ 80,779**	**$ 27,610**	**$ 21,248**	**$ 87,141**
2021	$ 76,352	$ 25,207	$ 20,780	$ 80,779

* Loss reserves exclude loss adjustment expenditures.

NEW YORK STATE AND LOCAL EMPLOYEES RETIREMENT SYSTEM ("ERS")

Schedule of Proportionate Share of Net Pension (Asset) Liability*

	2022	2021	2020
		($ In thousands)	
Port Authority's proportion of the net pension liability	**1.4%**	1.7%	1.6%
Port Authority's proportionate share of the net pension (asset) liability	**$(118,530)**	$ 1,658	$430,993
Covered payroll (April 1 – March 31)	**$ 461,420**	$461,634	$536,527
Port Authority's proportionate share of the net pension liability, as a percentage of its covered payroll	**(25.7)%**	0.4%	80.3%
Plan fiduciary net position as a percentage of the total pension liability	**103.7%**	99.95%	86.4%

Schedule of Employer Contributions*

	2022	2021	2020
		($ In thousands)	
Contractually required contribution	**$55,306**	$71,150	$77,635
Contributions in relation to the contractually required contribution	**$55,306**	$71,150	$77,635
Contribution deficiency (excess)	**$ -**	$ -	$ -
Port Authority's covered payroll (January 1 – December 31)	**$452,650**	$461,539	$462,194
Contributions as a percentage of covered payroll	**12.2%**	15.4%	16.8%

NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM ("PFRS")

Schedule of Proportionate Share of Net Pension Liability*

	2022	2021	2020
		($ In thousands)	
Port Authority's proportion of the net pension liability	**8.8%**	9.8%	7.7%
Port Authority's proportionate share of the net pension liability	**$ 50,218**	$169,991	$412,870
Covered payroll (April 1– March 31)	**$349,395**	$329,673	$467,638
Port Authority's proportionate share of the net pension liability, as a percentage of its covered payroll	**14.4%**	51.6%	88.3%
Plan fiduciary net position as a percentage of the total pension liability	**98.7%**	95.8%	84.9%

Schedule of Employer Contributions*

	2022	2021	2020
		($ In thousands)	
Contractually required contribution	**$92,716**	$91,287	$123,221
Contributions in relation to the contractually required contribution	**$92,716**	$91,287	$123,221
Contribution deficiency (excess)	**$ -**	$ -	$ -
Port Authority's covered payroll (January 1 – December 31)	**$350,440**	$340,538	$398,506
Contributions as a percentage of covered payroll	**26.5%**	26.8%	30.9%

*Information provided for Required Supplementary Information will be provided for ten years, as the information becomes available in subsequent years.

See accompanying independent auditors' report.

2019	2018	2017	2016	2015
1.3%	1.3%	1.3%	1.3%	1.3%
$ 91,792	$ 41,500	$120,672	$212,555	$ 44,906
$515,065	$408,384	$395,378	$392,529	$309,571
17.8%	10.2%	30.5%	54.2%	14.5%
96.2%	98.2%	94.7%	90.7%	97.9%

2019	2018	2017	2016	2015
$70,582	$56,866	$56,743	$57,530	$63,072
$70,582	$56,866	$56,743	$57,530	$63,072
$ -	$ -	$ -	$ -	$ -
$536,454	$500,841	$404,701	$395,725	$409,234
13.2%	11.4%	14.0%	14.5%	15.4%

2019	2018	2017	2016	2015
7.7%	7.6%	7.4%	8.0%	8.9%
$129,920	$ 77,081	$152,806	$236,004	$ 24,490
$271,764	$263,292	$256,168	$246,060	$248,631
47.8%	29.3%	59.7%	95.9%	9.8%
95.1%	96.9%	93.5%	90.2%	99.0%

2019	2018	2017	2016	2015
$ 61,277	$ 59,931	$ 60,797	$ 57,807	$ 53,652
$ 61,277	$ 59,931	$ 60,797	$ 57,807	$ 53,652
$ -	$ -	$ -	$ -	$ -
$393,630	$ 262,701	$260,867	$253,096	$253,597
15.6%	22.8%	23.3%	22.8%	21.2%

.

FEDERAL RAILROAD RETIREMENT PROGRAM

Schedule of Employee and Employer Railroad Contributions*

Railroad Retirement Tier I	Employee Tax Rate	Employee Taxes	Employer Tax Rate	Employer Taxes	Total Taxes
			($ In thousands)		
2022	**7.65%**	**$ 11,191**	**7.65%**	**$ 11,191**	**$ 22,382**
2021	7.65%	9,329	7.65%	9,329	18,658
2020	7.65%	9,384	7.65%	9,384	18,768
2019	7.65%	8,466	7.65%	8,466	16,932
2018	7.65%	8,197	7.65%	8,197	16,394
2017	7.65%	8,150	7.65%	8,150	16,300
2016	7.65%	8,086	7.65%	8,086	16,172
2015	7.65%	7,747	7.65%	7,747	15,494
2014	7.65%	8,119	7.65%	8,119	16,238
2013	7.65%	7,551	7.65%	7,551	15,102
Total Taxes		$ 86,220		$ 86,220	$ 172,440

Railroad Retirement Tier II	Employee Tax Rate	Employee Taxes	Employer Tax Rate	Employer Taxes	Total Taxes
			($ In thousands)		
2022	**4.9%**	**$ 5,620**	**13.1%**	**$ 15,025**	**$ 20,645**
2021	4.9%	5,130	13.1%	13,714	18,844
2020	4.9%	5,170	13.1%	13,823	18,993
2019	4.9%	4,832	13.1%	12,918	17,750
2018	4.9%	4,687	13.1%	12,530	17,217
2017	4.9%	4,659	13.1%	12,455	17,114
2016	4.9%	4,475	13.1%	11,964	16,439
2015	4.9%	4,379	13.1%	11,707	16,086
2014	4.4%	3,971	12.6%	11,371	15,342
2013	4.4%	3,714	12.6%	10,636	14,350
Total Taxes		$ 46,637		$ 126,143	$ 172,780

*Information provided for Required Supplementary Information will be provided for ten (10) years, as the information becomes available in subsequent years.

See accompanying independent auditors' report.

PATH EXEMPT EMPLOYEES SUPPLEMENTAL PENSION PLAN

Schedule of Changes to Total Pension Liability and Related Ratios*

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	($ In thousands)							
Service cost	**$ 5,709**	$ 3,905	$ 2,401	$ 1,720	$ 1,585	$ 1,323	$ 1,280	$ 900
Interest cost	**2,534**	2,649	3,155	3,070	3,169	2,961	2,850	3,271
Changes of benefit terms	**-**	9,607	-	-	-	-	-	-
Differences between expected and actual experience	**915**	1,082	2,926	1,778	(1,449)	5,478	(945)	51
Changes in assumptions	**937**	8,015	13,667	(15,700)	5,676	(5,496)	3,809	10,632
Benefit payments	**(4,495)**	(3,925)	(3,927)	(3,751)	(3,691)	(3,563)	(4,701)	(3,389)
Net change in total pension liability	**5,600**	21,333	18,222	(12,883)	5,290	703	2,293	11,465
Total Pension Liability (Beginning)	**116,053**	94,720	76,498	89,381	84,091	83,388	81,095	69,630
Total Pension Liability (Ending)	**$121,653**	$116,053	$94,720	$76,498	$89,381	$84,091	$83,388	$81,095
Covered Payroll	**$16,106**	$16,364	$14,872	$13,052	$13,913	$13,590	$13,187	$12,356
Total Pension Liability as a % of Covered Payroll	**755.3%**	709.2%	636.9%	586.1%	642.4%	618.8%	632.4%	656.3%

*Information provided for Required Supplementary Information will be provided for ten years, as the information becomes available in subsequent years.
Note: As of December 31, 2022, there are no plan assets accumulated in a trust for purposes of making future pension payments to members.

See accompanying independent auditors' report.

OTHER POSTEMPLOYMENT BENEFITS ("OPEB") PLAN

Schedule of Changes in the Port Authority's Net OPEB Liability and Related Ratios

	2022	2021	2020	2019	2018	2017
			($ In thousands)			
Total OPEB liability:						
Service cost	**$ 35,107**	$ 34,851	$ 32,566	$ 33,132	$ 25,442	$ 23,778
Interest cost	**196,063**	196,750	209,925	213,607	202,303	196,930
Changes in benefit terms	**6,233**	-	(2,928)	(4,046)	(6,948)	-
Differences between expected and actual experience	**116,370**	31,334	58,916	99,585	90,986	-
Changes in assumptions	**557,468**	(47,407)	(201,908)	(241,555)	(5,903)	-
Benefit payments	**(189,699)**	(173,920)	(148,836)	(156,536)	(147,761)	(143,528)
Net change in total OPEB liability	**721,542**	41,608	(52,265)	(55,813)	158,119	77,180
Total OPEB liability-beginning	**3,028,876**	2,987,268	3,039,533	3,095,346	2,937,227	2,860,047
Total OPEB liability-ending (a)	**3,750,418**	3,028,876	2,987,268	3,039,533	3,095,346	2,937,227
Plan fiduciary net position:						
Contributions-employer	**-**	-	30,061	256,536	247,761	243,528
Net investment (loss)/income	**(310,021)**	235,963	225,006	285,996	(86,274)	175,795
Benefit payments	**(189,699)**	(173,920)	(148,836)	(156,536)	(147,761)	(143,528)
Administrative expenses	**(88)**	(118)	(96)	(106)	(94)	(94)
Net change in plan fiduciary net position	**(499,808)**	61,925	106,135	385,890	13,632	275,701
Plan fiduciary net position-beginning	**1,967,686**	1,905,761	1,799,626	1,413,736	1,400,104	1,124,403
Plan fiduciary net position-ending (b)	**1,467,878**	1,967,686	1,905,761	1,799,626	1,413,736	1,400,104
Net OPEB liability-ending (a) – (b)	**$2,282,540**	$1,061,190	$1,081,507	$1,239,907	$1,681,610	$1,537,123
Plan fiduciary net position as a percentage of the total OPEB liability	**39.14%**	64.96%	63.80%	59.21%	45.67%	47.67%
Covered-Employee payroll	**$ 975,057**	$ 927,676	$ 987,081	$1,041,188	$ 870,525	$ 772,549
Net OPEB liability as a percentage of Covered-Employee payroll	**234.09%**	114.39%	109.57%	119.09%	193.17%	198.97%

Notes to Schedule:

*Information provided for Required Supplementary Information will be provided for ten years, as the information becomes available in subsequent years.

See accompanying independent auditors' report.

Schedule A - Revenues and Reserves

(pursuant to Port Authority bond resolutions)

	Year ended December 31, 2022			2021
	Operating Fund	**Reserve Funds**	**Combined Total**	Combined Total
	(In thousands)			
Gross operating revenues:				
Tolls and fares	$ 1,942,726	$ -	**$ 1,942,726**	$ 1,836,692
Rentals	2,035,180	-	**2,035,180**	1,603,711
Aviation fees	1,395,424	-	**1,395,424**	1,213,743
Parking and other	478,337	-	**478,337**	353,261
Utilities	182,163	-	**182,163**	125,937
Total gross operating revenues	6,033,830	-	**6,033,830**	5,133,344
Operating expenses:				
Employee compensation, including benefits	1,438,403	-	**1,438,403**	1,296,724
Contract services	1,059,209	-	**1,059,209**	938,408
Rents and payments in-lieu-of taxes ("PILOT")	408,330	-	**408,330**	396,628
Materials, equipment and other	336,727	-	**336,727**	289,810
Utilities	243,750	-	**243,750**	184,651
Total operating expenses	3,486,419	-	**3,486,419**	3,106,221
Amounts in connection with operating asset obligations	-	-	**-**	708
Net operating revenues	2,547,411	-	**2,547,411**	2,026,415
Financial income:				
Interest income	8,063	46,899	**54,962**	54,221
Net (decrease) increase in fair value of investments	(5,112)	(134,007)	**(139,119)**	(67,769)
Contributions in aid of construction	288,692	-	**288,692**	271,456
Application of WTC Retail Joint Venture Payments	16,968	-	**16,968**	-
Application of Passenger Facility Charges	63,664	-	**63,664**	147,557
Application of 4 WTC associated payments	34,745	-	**34,745**	66,715
Grants, in connection with operating activities	160,290	-	**160,290**	256,609
Pass-through grant program payments	-	-	**-**	(2,613)
Net revenues available for debt service and reserves	3,114,721	(87,108)	**3,027,613**	2,752,591
Debt service:				
Interest on bonds and other asset financing obligations	881,097	101,564	**982,661**	1,089,627
Interest expense incurred during construction	207,264	-	**207,264**	138,077
Debt maturities and retirements	463,107	-	**463,107**	398,600
Repayment of special obligations	-	4,859	**4,859**	26,678
Total debt service	1,551,468	106,423	**1,657,891**	1,652,982
Transfers to reserves	$ (1,563,253)	1,563,253	**-**	-
Revenues after debt service and transfers to reserves		1,369,722	**1,369,722**	1,099,609
Direct investment in facilities		(867,790)	**(867,790)**	(870,697)
Change in Accounting Principle - pension / OPEB		(22,511)	**(22,511)**	(21,038)
Increase/(decrease) in reserves		479,421	**479,421**	207,874
Reserve balances, January 1		3,408,882	**3,408,882**	3,201,008
Reserve balances, December 31		$ 3,888,303	**$ 3,888,303**	$ 3,408,882

See Notes to Financial Statements.

Schedule B - Assets and Liabilities

(pursuant to Port Authority bond resolutions)

	December 31, 2022				2021
	Operating Fund	**Capital Fund**	**Reserve Funds**	**Combined Total**	Combined Total
			(In thousands)		
ASSETS					
Current assets:					
Cash	$ 243,615	$ 5	$ 17,914	**$ 261,534**	$ 343,762
Restricted cash:					
Passenger Facility Charges	7,812	-	-	**7,812**	2,181
Port Authority Insurance Captive Entity, LLC	58,059	-	-	**58,059**	62,415
Other, including Asset Forfeiture Funds	9,284	-	-	**9,284**	9,525
Investments	610,574	535,635	329,479	**1,475,688**	677,079
Restricted Investments - PAICE	11,236	-	-	**11,236**	4,998
Restricted investments - PFC	187,109	-	-	**187,109**	4,600
Interfund balances	(778,549)	43,338	735,211	**-**	-
Current receivables, net	1,065,521	922	1,419	**1,067,862**	1,061,751
Other current assets	89,836	43,068	-	**132,904**	152,141
Restricted receivables and other assets	57,123	-	-	**57,123**	64,305
Total current assets	1,561,620	622,968	1,084,023	**3,268,611**	2,382,757
Noncurrent assets:					
Restricted cash	4,560	-	-	**4,560**	4,628
Investments	-	-	2,804,280	**2,804,280**	2,622,781
Restricted investments - PAICE	86,666	-	-	**86,666**	61,860
Other amounts receivable, net	224,225	36,638	-	**260,863**	198,304
Other noncurrent assets	1,715,342	4,663	-	**1,720,005**	1,694,500
Restricted other noncurrent assets - PAICE	4,795	-	-	**4,795**	5,503
Amounts receivable - Tower 4 Liberty Bonds	-	1,234,705	-	**1,234,705**	1,236,905
Invested in facilities	-	69,388,077	-	**69,388,077**	67,460,313
Total noncurrent assets	2,035,588	70,664,083	2,804,280	**75,503,951**	73,284,794
Total assets	3,597,208	71,287,051	3,888,303	**78,772,562**	75,667,551
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	774,172	-	-	**774,172**	1,059,884
OPEB related amounts	844,222	-	-	**844,222**	139,346
LIABILITIES					
Current liabilities:					
Accounts payable	379,310	534,159	-	**913,469**	922,541
Accrued interest and other current liabilities	718,365	27,531	-	**745,896**	636,504
Restricted other liabilities - PAICE	386	-	-	**386**	348
Accrued payroll and other employee benefits	255,089	-	-	**255,089**	326,904
Unapplied Passenger Facility Charges	224,308	-	-	**224,308**	12,568
Current portion bonds and other asset financing obligations	1,134,871	991,667	-	**2,126,538**	1,086,167
Total current liabilities	2,712,329	1,553,357	-	**4,265,686**	2,985,032
Noncurrent liabilities:					
Accrued pension and other postemployment benefits	2,404,193	-	-	**2,404,193**	1,348,892
Other noncurrent liabilities	278,161	16,338	-	**294,499**	305,345
Restricted other noncurrent liabilities - PAICE	27,051	-	-	**27,051**	27,546
Amounts payable - Tower 4 Liberty Bonds	-	1,234,705	-	**1,234,705**	1,236,905
Consolidated Notes, series AAA	1,100,000	-	-	**1,100,000**	1,100,000
Bonds and other asset financing obligations	(719,816)	24,071,635	-	**23,351,819**	23,688,890
Total noncurrent liabilities	3,089,589	25,322,678	-	**28,412,267**	27,707,578
Total liabilities	5,801,918	26,876,035	-	**32,677,953**	30,692,610
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	870,614	-	-	**870,614**	996,876
OPEB related amounts	197,735	-	-	**197,735**	477,044
NET POSITION	$ (1,654,665)	$ 44,411,016	$ 3,888,303	**$ 46,644,654**	$ 44,700,251
Net position is comprised of:					
Facility infrastructure investment	$ -	$ 44,411,016	$ -	**$ 44,411,016**	$ 42,968,055
Change in accounting principle - pension / OPEB	(1,654,665)	-	-	**(1,654,665)**	(1,676,686)
Reserves	-	-	3,888,303	**3,888,303**	3,408,882
NET POSITION	$ (1,654,665)	$ 44,411,016	$ 3,888,303	**$ 46,644,654**	$ 44,700,251

See Notes to Financial Statements.

Schedule C - Analysis of Reserve Funds
(pursuant to Port Authority bond resolutions)

	Year ended December 31, 2022			2021
	General Reserve Fund	**Consolidated Bond Reserve Fund**	**Combined Total**	Combined Total
		(In thousands)		
Balance, January 1	$ 2,480,806	$ 928,076	**$ 3,408,882**	$ 3,201,008
Increase in reserve funds *	70,703	1,405,442	**1,476,145**	1,255,069
	2,551,509	2,333,518	**4,885,027**	4,456,077
Applications:				
Repayment of commercial paper	-	-	**-**	25,000
Principal on asset financing obligation	-	4,859	**4,859**	1,678
Interest on asset financing obligations	-	101,564	**101,564**	128,782
Direct investment in facilities	-	867,790	**867,790**	870,697
Change in Accounting Principle - pension / OPEB	-	22,511	**22,511**	21,038
Total applications	-	996,724	**996,724**	1,047,195
Balance, December 31	$ 2,551,509	$ 1,336,794	**$ 3,888,303**	$ 3,408,882

*Combined increase in reserve funds consists of "Transfers to reserves" from the operating fund totaling $1.56 billion, plus financial loss generated on reserve funds of $(84.9) million in 2022.

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STATISTICAL AND OTHER SUPPLEMENTAL INFORMATION

For the year ended December 31, 2022

The Statistical and Other Supplemental Information section presents additional information as a means to provide context to the information contained in the financial statements, note disclosures and schedules.

Selected Statistical Financial Trends Data – Schedule D-1 (Pursuant to U.S. GAAP)

Trend information is provided to help the reader understand how the Port Authority's financial performance and fiscal condition has changed over time.

Selected Statistical Debt Service Data – Schedule D-2 (Pursuant to Port Authority bond resolutions)

The Port Authority has several forms of outstanding financing obligations.

Information on Port Authority revenues, outstanding financing obligations, debt service, and reserves is included here for statistical purposes (more detailed information about the various kinds of debt instruments used by the Port Authority can be found in *Note D - Outstanding Financing Obligations*, and reserve funds are described in *Note E - General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)* to the financial statements). Debt limitations, including in some cases, limits on total authorized amounts or requirements for the issuance of additional bonds, may be found in the various resolutions establishing and authorizing such obligations.

Selected Statistical Financial Data by Business Segment – Schedule D-3 (Pursuant to U.S. GAAP)

Schedule provides information on gross operating revenues, operating expenses and capital investment, summarized by Port Authority business segments.

Information on Port Authority Operations – Schedule E (Pursuant to U.S. GAAP)

Detailed information on Port Authority's operating results including income from operations, non-operating expenses, net interest expense, capital contributions, and net income is provided on a Port Authority operating facility level.

Information on Capital Investment in Port Authority Facilities – Schedule F (Pursuant to U.S. GAAP)

Schedule provides information on capital investment, summarized by Port Authority operating facilities, including current year capital investment and depreciation.

Port Authority Facility Traffic – Schedule G (Unaudited)

This schedule provides comparative information on Port Authority facility traffic relative to vehicles, passengers, containers, cargo, waterborne vehicles and plane movements.

Schedule D-1 - Selected Statistical Financial Trends Data (pursuant to GAAP)

	2022	2021 (Restated)	2020
Revenues, Expenses and Changes in Net Position:			
Gross operating revenues:			
Tolls and fares	**$ 1,942,726**	$ 1,836,692	$ 1,571,827
Rentals [(a)(d)]	**1,978,706**	1,565,609	1,421,467
Aviation fees	**1,395,424**	1,213,743	907,314
Parking and other	**478,337**	353,261	240,329
Utilities	**182,163**	125,937	112,008
Rentals - Special Project Bonds Projects	**-**	-	81,129
Gross operating revenues	**5,977,356**	5,095,242	4,334,074
Operating expenses:			
Employee compensation, including benefits [(c)]	**1,438,403**	1,296,724	1,395,588
Contract services	**1,059,209**	938,408	929,520
Rental and payments in-lieu-of taxes (PILOT) [(d)]	**47,434**	59,715	403,661
Materials, equipment and other	**336,727**	289,810	290,033
Utilities	**243,750**	184,651	163,078
Interest on Special Project Bonds	**-**	-	81,129
Operating expenses	**3,125,523**	2,769,308	3,263,009
Net insurance recoverables	**-**	-	4,033
Depreciation of facilities and landlord leasehold investment	**(1,717,977)**	(1,601,696)	(1,533,267)
Amortization of costs for regional programs	**(17,939)**	(27,393)	(33,217)
Amortization of lease assets, as lessee [(d)]	**(172,776)**	(167,396)	-
Income/(loss) from operations [(c)]	**943,141**	529,449	(491,386)
(Loss)/income on investments (including fair value adjustment) [(b)]	**(83,167)**	(13,544)	81,961
Interest expense on bonds and other asset financing [(b)]	**(1,109,540)**	(1,152,878)	(1,011,896)
Interest income, as lessor [(d)]	**140,978**	140,611	-
Interest expense, as lessee [(d)]	**(220,654)**	(214,019)	-
Net gain/(loss) on disposition of assets	**-**	(4,623)	-
Pass-through grant program payments	**-**	(2,613)	(26,853)
4 WTC associated payments	**32,545**	66,715	65,293
Grants in connection with operating activities	**160,290**	256,609	489,228
Contributions in aid of construction	**290,491**	273,179	258,925
Passenger facility charges	**274,414**	159,854	75,509
Increase/(decrease) in net position December 31, [(c)(d)]	**$ 428,498**	$ 38,740	$ (559,219)
Net position is comprised of			
Net investment in capital assets	**$ 14,938,081**	$ 15,406,620	$ 14,954,997
Restricted	**851,723**	606,816	538,552
Unrestricted [(c)(d)]	**260,048**	(392,082)	414,561
Net position December 31,	**$ 16,049,852**	$ 15,621,354	$ 15,908,110

(a) 2014 -2020 Rentals include amortization of unearned income related to the March 2014 transfer of the Port Authority's interests in the WTC Retail Joint Venture. 2021 and 2022 Rentals includes amortization of deferred inflows related to receivables recognized under GASB Statement No. 87, "*Leases* ."

(b) For presentation purposes, amortization of bond premiums received at issuance for the years ended 2013 through 2016 have been reclassified from Income on investments to Interest expense on bonds and other asset financing.

(c) 2017 restated amounts include the impact related to the adoption of GASB Statement No. 75, " *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."*

(d) 2021 amounts include impacts related to the adoption of GASB Statement No. 87, "*Leases."*

See accompanying independent auditors' report.

2019	2018	2017 (Restated)	2016	2015	2014	2013
	(In thousands)					
$ 1,876,911	$ 1,865,384	$ 1,873,622	$ 1,865,481	$ 1,718,770	$ 1,553,625	$ 1,462,957
1,748,683	1,673,994	1,618,439	1,564,527	1,446,980	1,300,818	1,228,491
1,287,263	1,192,454	1,128,352	1,112,436	1,063,902	1,058,416	934,459
408,609	384,088	377,421	399,178	359,631	321,760	315,111
144,176	149,008	139,502	138,987	144,580	149,052	139,835
74,073	79,080	83,053	86,755	92,719	98,141	103,186
5,539,715	5,344,008	5,220,389	5,167,364	4,826,582	4,481,812	4,184,039
1,413,979	1,338,277	1,318,935	1,290,334	1,178,967	1,187,877	1,114,397
1,046,216	934,821	880,331	852,926	833,903	797,516	684,411
388,462	396,048	390,576	352,293	356,162	362,627	301,582
315,676	298,121	252,533	264,977	252,071	277,174	220,859
191,770	195,968	183,482	165,802	186,830	199,919	171,833
74,073	79,080	83,053	86,755	92,719	98,141	103,186
3,430,176	3,242,315	3,108,910	3,013,087	2,900,652	2,923,254	2,596,268
175,678	-	18,323	-	123	53,530	28,229
(1,420,696)	(1,329,283)	(1,231,139)	(1,173,747)	(1,124,383)	(932,149)	(875,979)
(36,730)	(41,874)	(44,164)	(64,765)	(64,665)	(64,484)	(64,275)
-	-	-	-	-	-	-
827,791	730,536	854,499	915,765	737,005	615,455	675,746
87,948	89,304	35,326	(3,974)	4,215	20,060	(2,714)
(968,242)	(937,983)	(908,343)	(900,914)	(882,840)	(648,204)	(612,031)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	19,043	4,423
(3,142)	(1,438)	(19,717)	(10,695)	(51,429)	(107,606)	(176,848)
65,293	65,293	65,293	41,521	36,766	6,128	36,660
25,665	24,006	39,845	64,315	101,074	207,898	188,409
261,054	252,225	187,473	674,950	586,295	700,267	689,898
292,568	286,395	275,785	264,363	248,707	233,172	224,301
$ 588,935	$ 508,338	$ 530,161	$ 1,045,331	$ 779,793	$ 1,046,213	$ 1,027,844
$ 14,620,518	$ 14,190,682	$ 13,179,105	$ 12,746,144	$ 11,810,573	$ 10,402,894	$ 9,442,138
550,736	500,610	760,912	567,443	456,429	470,857	454,467
1,296,075	1,187,102	1,430,039	3,261,307	3,262,561	3,900,789	3,831,722
$ 16,467,329	$ 15,878,394	$ 15,370,056	$ 16,574,894	$ 15,529,563	$ 14,774,540	$ 13,728,327

Schedule D-2 - Selected Statistical Debt Service Data (Pursuant to Port Authority bond resolutions)

	2022	2021	2020
Gross operating revenues*:			
Tunnels, Bridges and Terminals	**$ 1,880,833**	$ 1,796,752	$ 1,542,081
PATH	**123,878**	85,221	82,110
Port	**398,541**	388,414	327,665
Aviation	**3,225,138**	2,508,088	2,032,359
Development	**24,593**	21,372	21,370
World Trade Center	**380,847**	333,497	319,195
Other ***	**-**	-	34
Total gross operating revenues	**6,033,830**	5,133,344	4,324,814
Operating expenses:*			
Tunnels, Bridges and Terminals	**(569,411)**	(524,557)	(552,976)
PATH	**(481,409)**	(467,051)	(447,034)
Port	**(182,529)**	(166,773)	(163,395)
Aviation	**(1,899,501)**	(1,617,594)	(1,752,439)
Development	**(11,070)**	(9,599)	(11,612)
World Trade Center	**(342,499)**	(320,647)	(335,014)
Other ***	**-**	-	(539)
Total operating expenses	**(3,486,419)**	(3,106,221)	(3,263,009)
Operating and maintenance contingencies	**-**	-	-
Net insurance recoverables	**-**	-	4,033
Amounts in connection with operating asset obligations	**-**	(708)	(5,851)
Net operating revenues	**2,547,411**	2,026,415	1,059,987
Financial income	**(84,157)**	(13,548)	81,867
Grants and contributions in aid of construction, net	**448,982**	525,452	712,295
Application of WTC Retail Joint Venture Payments**	**16,968**	-	-
Application of Passenger Facility Charges	**63,664**	147,557	131,149
Application of 4 WTC associated payments	**34,745**	66,715	65,293
Restricted Net Revenues - PAICE	**-**	-	-
Net revenues available for debt service and reserves (a)	**3,027,613**	2,752,591	2,050,591
DEBT SERVICE - OPERATIONS			
Interest on bonds and other asset financing obligations (b)	**(1,088,361)**	(1,098,922)	(940,309)
Times, interest earned (a/b)	**2.78**	2.50	2.18
Debt maturities and retirements (c)	**(463,107)**	(398,600)	(387,820)
Times, debt service earned [a/(b+c)]	**1.95**	1.84	1.54
APPLICATION OF RESERVES			
Direct investment in facilities	**(867,790)**	(870,697)	(1,398,366)
Debt retirement acceleration	**-**	-	-
Appropriations for self-insurance and changes in accounting principles	**(22,511)**	(21,038)	(19,662)
Interest on bonds and other asset financing obligations	**(101,564)**	(128,782)	(130,857)
Repayment of asset financing obligations	**(4,859)**	(26,678)	(608)
Acceleration of unamortized brokerage commissions	**-**	-	-
Net increase/(decrease) in reserves	**479,421**	207,874	(827,031)
RESERVE BALANCES			
January 1	**3,408,882**	3,201,008	4,028,039
December 31	**3,888,303**	3,408,882	3,201,008
Reserve funds balances represented by:			
General Reserve	**2,551,509**	2,480,806	2,401,503
Consolidated Bond Reserve	**1,336,794**	928,076	799,505
Total	**$ 3,888,303**	$ 3,408,882	$ 3,201,008
FINANCING OBLIGATIONS AT DECEMBER 31 (at par value)			
Consolidated Bonds and Notes	**$ 24,971,430**	$ 24,189,474	$ 23,388,115
Fund for regional development buy-out obligation	**-**	-	52,898
MOTBY obligation	**40,992**	43,697	46,268
Amounts payable - Special Project Bonds	**-**	-	-
Variable rate master notes	**44,600**	44,600	69,600
Commercial paper obligations	**499,060**	574,000	557,325
Versatile structure obligations	**-**	-	-
Port Authority equipment notes	**-**	-	-
Tower 4 Liberty Bonds	**1,234,705**	1,236,905	1,225,520
Goethals Bridge Replacement Developer Financing Arrangement	**1,022,275**	1,023,286	1,023,398
Total financing obligations	**$ 27,813,062**	$ 27,111,962	$ 26,363,124

* Gross operating revenues and operating expenses include fixed rental payments recognized in accordance with the terms of the underlying lease agreement.

** Commencing in 2014 amounts received in connection with the transfer of the Port Authority interests in the WTC Joint Venture are recognized in their entirety in the year in which they are received.

*** Includes Ferry Transportation, Access to the Regions Core, Moynihan Station Transportation Program, and Regional Facilities and Programs.

Note: This selected financial data is prepared primarily from information contained in Schedules A, B and C and is presented for general information only and is is not intended to reflect the specific applications of the revenues and reserves of the Port Authority, which are governed by statutes and its bond resolutions.

2019	2018	2017	2016	2015	2014	2013
(In thousands)						
$ 1,740,044	$ 1,737,458	$ 1,739,552	$ 1,742,028	$ 1,599,575	$ 1,447,896	$ 1,369,559
210,610	203,800	202,880	191,261	184,560	168,668	150,604
322,061	310,637	295,651	300,569	270,263	248,443	262,526
2,913,161	2,762,279	2,682,523	2,646,213	2,537,233	2,479,106	2,321,300
24,380	25,632	24,967	25,956	26,561	51,077	29,492
319,952	294,735	264,769	252,086	199,883	79,323	50,087
247	207	787	682	756	680	471
5,530,455	5,334,748	5,211,129	5,158,795	4,818,831	4,475,193	4,184,039
(553,759)	(524,212)	(525,862)	(509,529)	(499,873)	(510,383)	(493,429)
(457,515)	(447,552)	(423,384)	(415,251)	(389,276)	(401,273)	(338,926)
(174,213)	(166,405)	(160,495)	(167,724)	(175,976)	(172,545)	(176,459)
(1,886,112)	(1,754,801)	(1,693,563)	(1,612,470)	(1,557,926)	(1,623,190)	(1,466,692)
(11,475)	(11,786)	(12,399)	(10,853)	(13,659)	(15,737)	(15,497)
(346,535)	(333,848)	(312,242)	(293,864)	(258,748)	(192,789)	(94,312)
(567)	(3,711)	(4,973)	(3,396)	(5,194)	(7,337)	(10,953)
(3,430,176)	(3,242,315)	(3,132,918)	(3,013,087)	(2,900,652)	(2,923,254)	(2,596,268)
-	-	-	-	(50,000)	-	-
175,678	-	18,323	-	123	53,530	28,229
(9,529)	(12,921)	(16,050)	(18,871)	(21,387)	(23,734)	(25,908)
2,266,428	2,079,512	2,080,484	2,126,837	1,846,915	1,581,735	1,590,092
87,440	86,250	33,574	(4,784)	4,080	14,687	(2,964)
252,765	220,741	193,381	347,390	321,980	565,444	540,746
-	-	-	77,869	66,963	652,104	-
289,639	433,326	285,335	229,921	273,721	221,156	175,421
65,293	65,293	65,293	41,520	36,766	6,128	36,660
-	-	-	-	-	-	4,305
2,961,565	2,885,122	2,658,067	2,818,753	2,550,425	3,041,254	2,344,260
(872,275)	(868,510)	(858,694)	(824,586)	(810,356)	(635,262)	(556,824)
3.40	3.32	3.10	3.42	3.15	4.79	4.21
(334,500)	(319,090)	(300,905)	(268,520)	(259,315)	(226,205)	(204,000)
2.45	2.43	2.29	2.58	2.38	3.53	3.08
(1,550,920)	(1,771,900)	(1,623,347)	(1,132,915)	(1,949,785)	(1,473,432)	(1,059,756)
-	(8,300)	-	-	-	-	-
(18,375)	-	-	-	-	28,100	10,414
(133,537)	(103,056)	(69,570)	(81,601)	(66,461)	(11,542)	(38,689)
81	(188)	(1,276)	6,669	(51,928)	(105,562)	(15,701)
-	-	-	-	-	-	(46,863)
52,039	(185,922)	(195,725)	517,800	(587,420)	617,351	432,841
3,976,000	4,161,922	4,357,647	3,839,847	4,427,267	3,809,916	3,377,075
4,028,039	3,976,000	4,161,922	4,357,647	3,839,847	4,427,267	3,809,916
2,388,243	2,297,475	2,297,475	2,297,475	2,297,475	2,131,711	2,029,051
1,639,796	1,678,525	1,864,447	2,060,172	1,542,372	2,295,556	1,780,865
$ 4,028,039	$ 3,976,000	$ 4,161,922	$ 4,357,647	$ 3,839,847	$ 4,427,267	$ 3,809,916
$ 22,161,860	$ 20,898,775	$ 20,672,365	$ 20,429,565	$ 21,019,925	$ 19,229,020	$ 18,212,063
100,258	143,939	184,230	221,393	253,732	283,562	311,077
48,711	51,032	53,237	55,332	44,383	48,254	52,329
1,150,415	1,245,835	1,327,680	1,391,170	1,451,170	1,530,510	1,605,515
69,600	69,600	77,900	77,900	77,900	77,900	77,900
500,565	480,765	464,615	388,315	425,760	448,185	348,110
-	-	-	-	-	-	-
-	-	-	-	-	31,500	46,925
1,225,520	1,225,520	1,225,520	1,225,520	1,225,520	1,225,520	1,225,520
1,022,518	1,021,023	934,198	744,401	430,800	210,316	-
$ 26,279,447	$ 25,136,489	$ 24,939,745	$ 24,533,596	$ 24,929,190	$ 23,084,767	$ 21,879,439

Schedule D-3 Selected Statistical Financial Data by Business Segment (pursuant to GAAP)

		2022		2021 [h] (Restated)		2020		2019
Gross Operating Revenues: [b]								
Tunnels, Bridges and Terminals	**$**	**1,879,336**	$	1,796,696	$	1,542,081	$	1,740,044
PATH		**124,003**		85,998		82,110		210,610
Port		**396,977**		386,622		327,665		322,061
Aviation		**3,223,841**		2,507,776		2,032,359		2,913,161
Development		**21,346**		18,536		21,370		24,380
World Trade Center		**331,699**		299,533		328,455		329,212
Other [a]		**154**		81		34		247
Total	**$**	**5,977,356**	$	5,095,242	$	4,334,074	$	5,539,715
Operating Expenses: [b]								
Tunnels, Bridges and Terminals	**$**	**569,275**	$	524,422	$	552,976	$	553,759
PATH		**481,245**		466,844		447,034		457,515
Port		**160,966**		145,723		163,395		174,213
Aviation		**1,606,263**		1,345,891		1,752,439		1,886,112
Development		**10,933**		10,879		11,612		11,475
World Trade Center		**296,135**		275,268		335,014		346,535
Other [c] [f]		**706**		281		539		567
Total	**$**	**3,125,523**	$	2,769,308	$	3,263,009	$	3,430,176
Capital Investment: [d]								
Tunnels, Bridges and Terminals	**$**	**297,637**	$	393,208	$	582,366	$	697,449
PATH (including WTC Transportation Hub)		**263,945**		329,314		339,882		358,166
Port		**29,709**		37,834		43,999		120,019
Aviation [g]		**1,086,597**		1,053,077		1,101,960		1,588,820
Development		**-**		-		1		111
World Trade Center		**80,114**		106,809		216,441		266,795
Other [e]		**5,309**		2,709		5,182		6,307
Total	**$**	**1,763,311**	$	1,922,951	$	2,289,831	$	3,037,667

[a] Includes Ferry Transportation, Access to the Regions Core, Moynihan Station Transportation Program, and Regional Facilities and Programs

[b] Amounts include all direct and allocated operating expenses.

[c] Includes Ferry Transportation, Access to the Regions Core, Regional Facilities and Programs, Moynihan Station Transportation Program, and administrative expenses related to PAICE.

[d] Capital investment includes contributed capital amounts and is reduced by write-offs related to capital construction.

[e] Includes Ferry Transportation, Access to the Regions Core, Regional Facilities and Programs, Moynihan Station Transportation Program, and Gateway Early Work Program.

[f] 2017 restated amount includes $(24) million related to the adoption of GASB Statement No. 75, "*Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions.* "

[g] Excludes LaGuardia Terminal B landlord leasehold capital investment of $164 million in 2022, $95 million in 2021 and $277 million in 2020.

[h] 2021 amounts include impacts related to the adoption of GASB Statement No. 87, "Leases."

2018	2017 (Restated)	2016	2015	2014	2013
(In thousands)					
$ 1,737,458	$ 1,739,552	$ 1,742,028	$ 1,599,575	$ 1,447,896	$ 1,369,559
203,800	202,880	191,261	184,560	168,668	150,604
310,637	295,651	300,569	270,263	248,443	262,526
2,762,279	2,682,523	2,646,213	2,537,233	2,479,106	2,321,300
25,632	24,967	25,956	26,561	51,077	29,492
303,995	274,029	260,655	207,634	85,942	50,087
207	787	682	756	680	471
$ 5,344,008	$ 5,220,389	$ 5,167,364	$ 4,826,582	$ 4,481,812	$ 4,184,039
$ 524,212	$ 525,862	$ 509,529	$ 499,873	$ 510,383	$ 493,429
447,552	423,384	415,251	389,276	401,273	338,926
166,405	160,495	167,724	175,976	172,545	176,459
1,754,801	1,693,563	1,612,470	1,557,926	1,623,190	1,466,692
11,786	12,399	10,853	13,659	15,737	15,497
333,848	312,242	293,864	258,748	192,789	94,312
3,711	(19,035)	3,396	5,194	7,337	10,953
$ 3,242,315	$ 3,108,910	$ 3,013,087	$ 2,900,652	$ 2,923,254	$ 2,596,268
$ 931,539	$ 885,311	$ 1,179,307	$ 956,231	$ 961,854	$ 413,946
340,635	274,429	454,031	268,428	512,415	559,104
146,153	106,455	133,874	93,729	210,496	180,760
989,693	772,520	584,996	791,805	715,456	468,319
3,682	893	1,569	2,110	1,977	527
314,472	311,122	846,597	904,787	1,674,030	1,373,328
39,547	150,409	290	3,144	3,822	3,221
$ 2,765,721	$ 2,501,139	$ 3,200,664	$ 3,020,234	$ 4,080,050	$ 2,999,205

Schedule E - Information on Port Authority Operations (pursuant to GAAP)

	Year ended December 31, 2022								2021 (Restated)
	Gross Operating Revenues[(e)]	Operating Expenses[(a)]	Depreciation & Amortization	Amortization of Lease Assets	Income/(loss) from Operations	Interest, Grants & Other Expenses[(b)]	Capital Contributions & PFCs	Increase/ (decrease) in Net Position	Increase/ (decrease) in Net Position
					(In thousands)				
INTERSTATE TRANSPORTATION NETWORK									
George Washington Bridge & Bus Station	$ 850,870	$ 134,849	$ 71,132	$ -	$ 644,889	$ 46,718	$ -	**$ 598,171**	$ 609,269
Holland Tunnel	198,086	92,546	28,160	-	77,380	19,246	30,049	**88,183**	83,137
Lincoln Tunnel	295,102	122,546	87,219	137	85,200	77,103	(279)	**7,818**	(9,209)
Bayonne Bridge	48,721	21,314	34,455	-	(7,048)	73,219	-	**(80,267)**	(78,584)
Goethals Bridge	275,999	30,966	44,283	-	200,750	84,672	-	**116,078**	101,376
Outerbridge Crossing	174,942	18,791	8,305	-	147,846	4,658	-	**143,188**	139,585
Port Authority Bus Terminal	35,616	148,263	34,407	-	(147,054)	19,443	-	**(166,497)**	(153,247)
Subtotal - Tunnels, Bridges & Terminals	1,879,336	569,275	307,961	137	1,001,963	325,059	29,770	**706,674**	692,327
PATH [(c)]	118,767	448,672	141,639	161	(471,705)	250,636	136,056	**(586,285)**	(573,968)
WTC Transportation Hub [(c)]	-	13,091	82,210	-	(95,301)	-	-	**(95,301)**	(93,192)
Journal Square Transportation Center [(c)]	5,236	19,482	4,220	-	(18,466)	2,363	-	**(20,829)**	(17,115)
Subtotal - PATH	124,003	481,245	228,069	161	(585,472)	252,999	136,056	**(702,415)**	(684,275)
Ferry Transportation	154	706	4,995	21	(5,568)	3,546	-	**(9,114)**	(8,841)
Access to the Regions Core (ARC)	-	-	-	-	-	906	-	**(906)**	(896)
Moynihan Station Transportation Program	-	-	10,000	-	(10,000)	5,257	-	**(15,257)**	(15,428)
Gateway Early Work Program	-	-	2,333	-	(2,333)	1,591	-	**(3,924)**	(2,603)
Total Interstate Transportation Network	2,003,493	1,051,226	553,358	319	398,590	589,358	165,826	**(24,942)**	(19,716)
AVIATION									
LaGuardia [(d)]	526,006	324,079	204,518	29,436	(32,027)	117,717	76,897	**(72,847)**	(66,449)
JFK International [(d)]	1,486,100	712,677	220,838	70,022	482,563	94,274	202,872	**591,161**	226,693
Newark Liberty International [(d)]	1,142,235	511,945	173,568	55,400	401,322	137,467	103,014	**366,869**	329,530
Teterboro	61,058	31,494	22,545	-	7,019	7,025	532	**526**	(359)
New York Stewart International [(d)]	8,442	26,068	11,806	846	(30,278)	2,972	3,793	**(29,457)**	(27,196)
Total Aviation	3,223,841	1,606,263	633,275	155,704	828,599	359,455	387,108	**856,252**	462,219
PORT									
Port Newark	111,340	73,799	33,097	7,667	(3,223)	43,131	-	**(46,354)**	(40,247)
Elizabeth Port Authority Marine Terminal	200,914	29,207	21,597	-	150,110	27,926	-	**122,184**	111,858
Brooklyn Port Authority Marine Terminal	8,023	14,303	3,181	-	(9,461)	2,945	-	**(12,406)**	(11,486)
└Red Hook Terminal	2,443	5,328	37	-	(2,922)	-	-	**(2,922)**	(4,289)
Howland Hook Marine Terminal	27,292	10,261	10,526	767	5,738	17,018	-	**(11,280)**	(20,775)
Greenville Yard Port Authority Marine Terminal	1,121	164	-	-	957	-	-	**957**	901
└NYNJ Rail LLC	6,947	6,138	5,471	-	(4,662)	5,295	67	**(9,890)**	(10,447)
Port Jersey - Port Authority Marine Terminal	38,897	21,766	14,788	-	2,343	20,757	4,056	**(14,358)**	(10,720)
Total Port	396,977	160,966	88,697	8,434	138,880	117,072	4,123	**25,931**	14,795
DEVELOPMENT									
Essex County Resource Recovery Facility	2,901	50	-	-	2,851	62	-	**2,789**	2,569
Industrial Park at Elizabeth	1,075	198	249	-	628	(366)	-	**994**	(98)
Bathgate Industrial Park	-	53	-	-	(53)	4	-	**(57)**	54
Teleport	11,899	10,022	1,537	331	9	94	-	**(85)**	(1,311)
Newark Legal & Communications Center	10	114	-	-	(104)	-	-	**(104)**	(247)
Queens West Waterfront Development	1,257	-	1,675	-	(418)	2,444	-	**(2,862)**	(498)
Hoboken South Waterfront Development	4,204	496	2,387	-	1,321	(6,804)	-	**8,125**	7,655
Total Development	21,346	10,933	5,848	331	4,234	(4,566)	-	**8,800**	8,124
WORLD TRADE CENTER									
WTC Campus	3,307	98,164	117,762	-	(212,619)	23,109	7,848	**(227,880)**	(217,084)
One World Trade Center	231,021	139,823	131,314	-	(40,116)	94,184	-	**(134,300)**	(128,564)
WTC Towers 2, 3 & 4	37,245	32,958	78,570	-	(74,283)	(97,973)	-	**23,690**	16,154
WTC Tower 7	32,729	16,722	-	-	16,007	(4,335)	-	**20,342**	18,849
WTC Retail	27,397	8,468	46,298	-	(27,369)	2,093	-	**(29,462)**	(32,049)
Total World Trade Center	331,699	296,135	373,944	-	(338,380)	17,078	7,848	**(347,610)**	(342,694)
LaGuardia Terminal B landlord leasehold investment	-	-	62,855	-	(62,855)	-	-	**(62,855)**	(46,705)
Regional Facilities and Programs	-	-	17,939	7,988	(25,927)	1,151	-	**(27,078)**	(37,283)
Total	$5,977,356	$3,125,523	$ 1,735,916	$ 172,776	$ 943,141	$ 1,079,548	$ 564,905	**$ 428,498**	$ 38,740

[(a)] Amounts include direct and allocated operating expenses.

[(b)] Amounts include net interest expense (interest expense less financial income), Tower 4 Liberty Bond debt service reimbursements, Pass-through grant program payments, Grants in connection with operating activities and gains or losses generated by the disposition of assets, if any.

[(c)] PATH Gross operating revenues include PATH fares collected at the WTC and Journal Square Transportation Center PATH stations.

[(d)] Facility amounts include Passenger Facility Charge activities.

[(e)] Gross operating revenues includes the amortization of deferred inflows of resources related to lease receivables recognized under GASB Statement No. 87, "*Leases* ."

Schedule F - Information on Capital Investment in Port Authority Facilities

	Dec. 31, 2021	Capital Investment [a]	Depreciation	Dispositions	Dec. 31, 2022
			(In thousands)		
INTERSTATE TRANSPORTATION NETWORK					
George Washington Bridge & Bus Station	$ 1,659,597	$ 154,055	$ 71,132	$ -	$ 1,742,520
Holland Tunnel	599,415	48,297	28,160	-	619,552
Lincoln Tunnel	1,769,521	50,223	87,219	-	1,732,525
Bayonne Bridge	1,542,220	(65)	34,455	-	1,507,700
Goethals Bridge	1,499,661	888	44,283	-	1,456,266
Outerbridge Crossing	117,087	911	8,305	-	109,693
Port Authority Bus Terminal	597,496	43,328	34,407	-	606,417
Subtotal - Tunnels, Bridges & Terminals	7,784,997	297,637	307,961	-	7,774,673
PATH	3,337,137	248,158	141,639	-	3,443,656
WTC Transportation HUB	3,284,803	12,147	82,210	-	3,214,740
Journal Square Transportation Center	59,356	3,640	4,220	-	58,776
Subtotal - PATH	6,681,296	263,945	228,069	-	6,717,172
Ferry Transportation	77,723	-	4,995	-	72,728
Access to the Region's Core ("ARC")	30,227	-	-	-	30,227
Moynihan Station Transportation Program	109,128	-	10,000	-	99,128
Gateway Early Work Program	49,520	5,309	2,333	-	52,496
Total Interstate Transportation Network	14,732,891	566,891	553,358	-	14,746,424
AVIATION [b]					
LaGuardia	2,823,936	311,697	204,518	-	2,931,115
JFK International	3,647,334	235,006	220,838	-	3,661,502
Newark Liberty International	4,289,484	515,522	173,568	-	4,631,438
Teterboro	201,562	22,179	22,545	-	201,196
New York Stewart International	149,935	2,193	11,806	-	140,322
Total Aviation	11,112,251	1,086,597	633,275	-	11,565,573
PORT					
Port Newark	742,982	11,570	33,097	-	721,455
Elizabeth Port Authority Marine Terminal	893,931	69	21,597	-	872,403
Brooklyn Port Authority Marine Terminal / Red Hook Terminal	76,191	1,343	3,218	-	74,316
Howland Hook Marine Terminal	435,829	51	10,526	-	425,354
Greenville Yard Port Authority Marine Terminal / NY NJ Rail LLC	184,927	6,544	5,471	-	186,000
Port Jersey-Port Authority Marine Terminal	478,298	10,132	14,788	-	473,642
Total Port	2,812,158	29,709	88,697	-	2,753,170
DEVELOPMENT					
Essex County Resource Recovery Facility	5,805	-	-	-	5,805
Industrial Park at Elizabeth	4,538	-	249	-	4,289
Teleport	3,317	-	1,537	-	1,780
Queens West Waterfront Development	82,468	-	1,675	-	80,793
Hoboken South Waterfront Development	53,324	-	2,387	-	50,937
Total Development	149,452	-	5,848	-	143,604
WORLD TRADE CENTER					
WTC Campus [c]	3,918,200	61,739	117,761	-	3,862,178
One World Trade Center	3,112,141	15,197	131,314	-	2,996,024
WTC Towers 2, 3 & 4[d]	2,658,807	1,463	78,571	-	2,581,699
WTC Retail	1,672,684	1,715	46,298	-	1,628,101
Total World Trade Center	11,361,832	80,114	373,944	-	11,068,002
FACILITIES, net	40,168,584	1,763,311	1,655,122	-	40,276,773
LaGuardia Terminal B landlord leasehold investment	1,034,390	164,451	62,855	-	1,135,986
TOTAL	$ 41,202,974	$ 1,927,762	$ 1,717,977	$ -	$ 41,412,759
REGIONAL FACILITIES & PROGRAMS	$ 32,846	$ -	$ 17,939	$ -	$ 14,907

[a] Capital investment includes contributed capital amounts and is reduced by capital write-offs.

[b] Facility capital investment amounts include projects funded with Passenger Facility Charges.

[c] Capital investment includes campus wide infrastructure primarily related to utilities, roadways, WTC Memorial, WTC Vehicular Security Center and the WTC Chiller Plant.

[d] Includes WTC net lessee required capital contributions related to the construction of WTC Towers 3 and 4.

Schedule G - Port Authority Facility Traffic (Unaudited)*

		2022	2021	2020	2019
TUNNELS AND BRIDGES (Eastbound Traffic)	**AUTOMOBILES**				
	George Washington Bridge	**45,594,258**	45,107,088	38,784,553	47,700,000
	Lincoln Tunnel	**17,181,771**	15,631,752	11,513,663	15,317,000
	Holland Tunnel	**14,299,537**	13,647,628	11,061,685	15,033,000
	Staten Island Bridges	**33,557,483**	32,118,961	27,572,632	33,636,000
	Subtotal Automobiles	**110,633,049**	106,505,429	88,932,533	111,686,000
	BUSES				
	George Washington Bridge	**256,445**	277,876	253,278	440,000
	Lincoln Tunnel	**1,526,562**	1,399,329	1,395,997	2,186,000
	Holland Tunnel	**43,961**	38,187	53,052	159,000
	Staten Island Bridges	**156,059**	142,270	104,646	167,000
	Subtotal Buses	**1,983,027**	1,857,662	1,806,973	2,952,000
	TRUCKS				
	George Washington Bridge	**4,103,693**	3,887,376	3,704,358	3,821,000
	Lincoln Tunnel	**979,555**	870,595	772,995	1,031,000
	Holland Tunnel	**365,493**	335,758	324,381	443,000
	Staten Island Bridges	**2,652,206**	2,596,494	2,287,868	2,295,000
	Subtotal Trucks	**8,100,947**	7,690,223	7,089,602	7,590,000
	TOTAL VEHICLES				
	George Washington Bridge	**49,954,396**	49,272,340	42,742,189	51,961,000
	Lincoln Tunnel	**19,687,888**	17,901,676	13,682,655	18,534,000
	Holland Tunnel	**14,708,991**	14,021,573	11,439,118	15,635,000
	Staten Island Bridges	**36,365,748**	34,857,725	29,965,146	36,098,000
	Subtotal Vehicles	**120,717,023**	116,053,314	97,829,108	122,228,000
PATH	Total passengers	**42,582,013**	29,245,022	27,005,307	82,219,587
	Passenger weekday average	**137,016**	90,941	90,287	284,380
MARINE TERMINALS	General cargo [(a)] (Metric tons)	**39,736,739**	36,505,473	34,829,323	41,090,000
	Containers (in twenty foot equivalent units)	**9,493,664**	8,985,929	7,585,819	7,471,131
	International waterborne vehicles	**444,129**	458,026	469,529	570,023
	Waterborne bulk commodities (in metric tons)	**3,558,203**	4,037,804	3,010,322	3,639,822
	CONTAINERS				
	New Jersey Marine Terminals	**4,730,639**	4,550,386	4,038,301	3,950,890
	New York Marine Terminals	**522,008**	429,348	217,200	287,217
	Subtotal Containers	**5,252,647**	4,979,734	4,255,501	4,238,107
BUS TERMINALS	**BUS DEPARTURES**				
	Port Authority Bus Terminal	**865,400**	840,000	835,000	1,190,000
	George Washington Bridge Bus Station	**105,000**	105,000	103,000	166,000
	PATH Journal Square Transportation Center Bus Station	**289,000**	289,704	291,921	482,725
	Total Departures	**1,259,400**	1,234,704	1,229,921	1,838,725
AVIATION	**PLANE MOVEMENTS**				
	John F. Kennedy International Airport	**448,847**	290,778	199,767	456,060
	LaGuardia Airport	**349,298**	175,765	139,178	374,078
	Newark Liberty International Airport	**401,422**	282,280	211,460	446,320
	New York Stewart International Airport	**28,197**	25,951	22,513	33,222
	Subtotal Plane Movements	**1,227,764**	774,774	572,918	1,309,680
	DOMESTIC PASSENGERS				
	John F. Kennedy International Airport	**28,449,455**	18,037,803	8,267,666	28,233,791
	LaGuardia Airport	**27,984,278**	15,319,871	7,853,368	28,875,041
	Newark Liberty International Airport	**31,943,547**	22,446,527	12,121,093	32,004,140
	New York Stewart International Airport	**244,664**	135,144	97,392	366,124
	Subtotal Domestic Passengers	**88,621,944**	55,939,345	28,339,519	89,479,096
	INTERNATIONAL PASSENGERS				
	John F. Kennedy International Airport	**26,838,256**	12,750,519	8,362,976	34,317,281
	LaGuardia Airport	**1,013,314**	281,192	391,824	2,209,853
	Newark Liberty International Airport	**11,621,797**	6,603,025	3,771,799	14,332,312
	New York Stewart International Airport	**53,287**	-	-	159,591
	Subtotal International Passengers	**39,526,654**	19,634,736	12,526,599	51,019,037
	TOTAL PASSENGERS				
	John F. Kennedy International Airport	**55,287,711**	30,788,322	16,630,642	62,551,072
	LaGuardia Airport	**28,997,592**	15,601,063	8,245,192	31,084,894
	Newark Liberty International Airport	**43,565,344**	29,049,552	15,892,892	46,336,452
	New York Stewart International Airport	**297,951**	135,144	97,392	525,715
	Subtotal Passengers	**128,148,598**	75,574,081	40,866,118	140,498,133
	CARGO-TONS				
	John F. Kennedy International Airport	**1,532,289**	1,573,598	1,152,601	1,338,415
	LaGuardia Airport	**6,662**	6,328	5,826	6,376
	Newark Liberty International Airport	**749,559**	791,442	695,345	825,266
	New York Stewart International Airport	**24,707**	30,996	24,145	23,606
	Subtotal Cargo-tons	**2,313,217**	2,402,364	1,877,917	2,193,663
	Revenue mail-tons	**145,260**	146,672	135,733	177,413

* Certain 2022 numbers reflect estimated data based on available year-end information and are subject to revision.
(a) International oceanborne general and bulk cargo as recorded in the New York - New Jersey Customs District.

2018	2017	2016	2015	2014	2013
47,264,000	47,594,000	47,497,000	46,361,000	45,136,000	45,364,000
15,742,000	15,841,000	15,993,000	15,706,000	15,597,000	15,580,000
14,460,000	14,247,000	14,727,000	14,763,000	14,915,000	15,511,000
32,373,000	31,430,000	30,303,000	28,883,000	28,317,000	28,997,000
109,839,000	109,112,000	108,520,000	105,713,000	103,965,000	105,452,000
448,000	442,000	440,000	429,000	426,000	429,000
2,170,000	2,161,000	2,164,000	2,165,000	2,151,000	2,128,000
168,000	179,000	191,000	199,000	209,000	220,000
186,000	180,000	177,000	176,000	172,000	171,000
2,972,000	2,962,000	2,972,000	2,969,000	2,958,000	2,948,000
3,792,000	3,684,000	3,692,000	3,666,000	3,475,000	3,609,000
1,048,000	1,037,000	1,055,000	1,061,000	1,043,000	1,038,000
443,000	446,000	447,000	447,000	446,000	427,000
2,163,000	2,153,000	2,085,000	2,091,000	2,131,000	2,214,000
7,446,000	7,320,000	7,279,000	7,265,000	7,095,000	7,288,000
51,504,000	51,720,000	51,629,000	50,456,000	49,037,000	49,402,000
18,960,000	19,039,000	19,212,000	18,932,000	18,791,000	18,746,000
15,071,000	14,872,000	15,365,000	15,409,000	15,570,000	16,158,000
34,722,000	33,763,000	32,565,000	31,150,000	30,620,000	31,382,000
120,257,000	119,394,000	118,771,000	115,947,000	114,018,000	115,688,000
81,733,402	82,812,915	78,553,560	76,541,453	73,679,425	72,748,729
280,860	283,719	269,081	258,425	250,071	244,484
37,577,000	35,450,000	32,556,203	36,781,069	35,370,355	34,059,540
7,179,788	6,710,817	6,251,953	6,371,720	5,772,303	5,467,347
573,035	577,223	505,150	477,170	393,391	452,778
3,686,686	3,975,000	3,212,603	5,050,519	5,042,690	3,732,292
3,828,434	3,599,514	3,416,144	3,427,226	3,098,049	2,895,769
267,020	246,910	186,364	236,787	244,237	274,066
4,095,454	3,846,424	3,602,508	3,664,013	3,342,286	3,169,835
1,203,000	1,199,000	1,193,000	1,179,000	1,166,000	1,155,000
171,000	172,000	172,000	170,000	168,000	167,000
479,960	478,900	478,640	478,560	470,060	469,900
1,853,960	1,849,900	1,843,640	1,827,560	1,804,060	1,791,900
455,495	448,366	448,753	439,298	423,421	406,181
371,905	369,152	369,987	358,609	360,834	370,861
453,377	438,578	431,594	413,873	396,386	413,774
32,542	34,787	37,295	37,834	36,881	38,905
1,313,319	1,290,883	1,287,629	1,249,614	1,217,522	1,229,721
28,117,337	26,961,081	27,245,463	26,806,854	25,021,432	23,913,096
27,857,697	27,474,292	27,996,763	26,684,923	25,157,202	24,953,572
31,730,735	30,330,568	27,995,353	25,693,128	23,762,627	23,716,837
366,130	307,621	275,421	281,754	309,357	320,682
88,071,899	85,073,562	83,513,000	79,466,659	74,250,618	72,904,187
33,518,898	32,518,263	31,693,184	30,079,898	28,198,994	26,541,183
2,224,430	2,087,936	1,790,006	1,752,745	1,814,893	1,727,528
14,128,785	12,891,846	12,324,428	11,805,317	11,848,060	11,299,399
324,281	141,077	-	-	-	-
50,196,394	47,639,122	45,807,618	43,637,960	41,861,947	39,568,110
61,636,235	59,479,344	58,938,647	56,886,752	53,220,426	50,454,279
30,082,127	29,562,228	29,786,769	28,437,668	26,972,095	26,681,100
45,859,520	43,222,414	40,319,781	37,498,445	35,610,687	35,016,236
690,411	448,698	275,421	281,754	309,357	320,682
138,268,293	132,712,684	129,320,618	123,104,619	116,112,565	112,472,297
1,422,160	1,394,509	1,311,191	1,332,091	1,343,855	1,321,035
5,996	6,878	7,586	7,721	7,140	6,720
848,161	822,589	746,770	405,214	666,840	663,155
22,808	20,834	18,729	15,144	15,227	17,490
2,299,125	2,244,810	2,084,276	1,760,170	2,033,062	2,008,400
154,244	153,733	140,418	126,026	112,524	158,778

PORT AUTHORITY NY NJ

AIR LAND RAIL SEA

APPENDIX B

Condensed Enterprise Fund Financial Statements as of and for the Three-Month Period Ended March 31, 2023 (Unaudited)

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The Port Authority of New York and New Jersey

Condensed Enterprise Fund Financial Statements as of and for the Three-month Period Ended March 31, 2023 (Unaudited)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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1. OVERVIEW OF THE FINANCIAL STATEMENTS

The following is an overview of The Port Authority of New York and New Jersey (the "Port Authority") and its component units' business-type activities as of and for the three-month period ended March 31, 2023. This overview is intended to serve as an introduction to the unaudited condensed enterprise fund financial statements which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and should be read in conjunction with the Port Authority's audited financial statements and appended note disclosures for the year ended December 31, 2022, which are located in the corporate information section of the Port Authority's website.

Unaudited financial results for the three-month period ended March 31, 2023, contained in these schedules are not necessarily indicative of the results for the annual period ending December 31, 2023.

Management's Discussion and Analysis ("MD&A") provides an assessment of how the Port Authority's financial position has changed and identifies the factors that, in management's view, significantly affected the Port Authority's overall financial position.

Condensed Enterprise Fund Financial Statements follow the MD&A and include three specific Financial Statements. The Statement of Net Position provides information about the nature and amounts of investments in resources (Assets) and obligations (Liabilities) of the Port Authority, with the difference between the two reported as Net Position (Equity).

The Statement of Revenues, Expenses and Changes in Net Position shows how the Port Authority's overall Net Position changed during the three-month period ended March 31, 2023, and March 31, 2022.

The Statement of Cash Flows provides information about the Port Authority's cash receipts, cash payments, and net changes in cash resulting from operating activities, non-capital financing activities, capital and related financing activities, and investing activities for the three-month period ended March 31, 2023, and March 31, 2022.

2. FINANCIAL REPORTING ENTITY

The Port Authority was created in 1921 by Compact between the States of New York and New Jersey with the consent of the United States Congress. The Compact envisions the Port Authority as being financially self-sustaining. As such, the agency must raise the funds necessary for the improvement, construction or acquisition of its facilities and their operation primarily upon the basis of its own credit. Cash derived from Port Authority operations and other cash received may be disbursed only for specific purposes in accordance with provisions of various statutes and agreements with holders of its obligations and others. The costs of providing facilities and services to the general public on a continuing basis are recovered primarily from operating revenue sources, including rentals, tolls, fares, aviation and port fees, and other charges for the use of, and privileges at certain of the Port Authority's facilities.

3. BASIS OF ACCOUNTING

Port Authority business-type activities are accounted for using the flow of economic resources measurement focus and accrual basis of accounting. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, including revenues and expenses, are accounted for in an enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

The Port Authority follows U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB").

Preparation of the unaudited condensed enterprise fund financial statements in conformity with U.S. GAAP requires management, where necessary, to make estimates and assumptions that affect the amounts reported in the condensed financial statements and accompanying notes. Such estimates and assumptions are subject to various uncertainties, the occurrence of which may cause differences between those estimates and assumptions and actual results.

4. IMPACTS FROM THE COVID-19 PANDEMIC

Activity Volumes

As a result of the COVID-19 pandemic, beginning in March 2020, Port Authority facilities have experienced significantly reduced usage compared to previous years. Since the nadir of activity volumes in April 2020, the Port Authority has seen activity volumes rising across its facilities. As seen in the table below, activity volumes at the airports, bridges and tunnels and the marine ports have reached or exceeded 2019 volumes, with the airports reaching new records in this quarter. Activity levels on the PATH system continue to recovery more slowly and were 59% of 2019 levels in the first quarter of this year.

The Port Authority compared the most recently available total use of its airports, its bridges and tunnels, its PATH transit system, and its cargo shipping activity for the three-month periods of January through March of 2023, 2022 and 2019. Tracking total quarterly operating volumes in 2023 compared to the equivalent period in 2019 allows comparison of current conditions against a similar pre-COVID-19 pandemic period.

(In thousands)	**Three-Month Period Ended Mar. 31, 2023***	Three-Month Period Ended Mar. 31, 2022	Three-Month Period Ended Mar. 31, 2019	2023 Volumes as % of 2022 Volumes	2023 Volumes as % of 2019 Volumes
Total Passengers, Aviation	**32,033**	24,172	31,139	132.5 %	102.9 %
Total Vehicles, Bridges and Tunnels	**28,714**	27,063	27,913	106.1 %	102.9 %
Total Passengers, PATH	**11,333**	8,432	19,323	134.4 %	58.7 %
Total Cargo Containers (TEU), Marine Terminals	**1,791**	2,386	1,793	75.1 %	99.9 %

* 2023 facility traffic information contains estimated data based on available information and is subject to revision.

The Port Authority also posts other activity volume information, including monthly data, in press releases on its public website which can be found at: https://www.panynj.gov/port-authority/en/press-room/press-release-archives.html.

Financial Position

Revenues

The Port Authority experienced a reduction in Gross Operating Revenue and Passenger Facility Charge ("PFC") collections compared to pre-COVID-19 pandemic projections of $3 billion for the twenty-four-month period of March 2020 through March 2022, matching revised projections first developed in mid-2020.

Capital Program

The Port Authority continues to evaluate the extent to which and how the 2017-2026 Capital Plan should be modified to guide future capital spending given the adverse impacts of the COVID-19 pandemic on the agency's cash flow and capital capacity. This effort includes an intensive reevaluation of the elements of the overall Capital Plan, and of individual projects and the timing thereof.

The 2023 annual Capital Spending Budget totals $2.9 billion, which reflects an increase of nearly $1.0 billion, or approximately 50% versus 2022 Capital Spending. The 2023 Capital Spending Budget is still below the agency's pre-pandemic levels given the substantial reductions made to annual Capital Spending in 2020 through 2022 as a result of the COVID-19 pandemic.

5. FINANCIAL STATEMENT COMPARISON FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023 (in accordance with U.S. GAAP)

($ in thousands)	**Three-Month Period Ended March 31, 2023**	Three-Month Period Ended March 31, 2022 (Restated)	Variance
Gross operating revenues*	**$ 1,479,314**	$ 1,285,976	$ 193,338
Operating expenses*	**(809,634)**	(733,300)	(76,334)
Net operating income*	**669,680**	552,676	117,004
Depreciation of facilities and landlord leasehold improvements	**(408,445)**	(397,345)	(11,100)
Amortization of lease assets, as lessee*	**(42,513)**	(42,849)	336
Amortization of costs for regional programs	**(2,152)**	(5,290)	3,138
Income from operations*	**216,570**	107,192	109,378
Financial (loss) income**	**65,413**	(67,224)	132,637
Interest expense, net***	**(276,017)**	(261,246)	(14,771)
Intterest income, as lessor*	**41,553**	41,193	360
Intterest expense, as lessee*	**(58,365)**	(59,591)	1,226
Grants and other non-operating revenues (expenses)****	**30,764**	26,705	4,059
Capital contributions	**63,787**	50,396	13,391
Passenger facility charges ("PFCs")	**70,211**	56,232	13,979
Non-operating expenses, net*	**(62,654)**	(213,535)	150,881
Increase (decrease) in net position*	**$ 153,916**	$ (106,343)	$ 260,259

* In accordance with GASB Statement No. 87, "*Leases,*" 2022 amounts have been restated.
** Includes changes in fair market value of investments of $46.3 million in 2023 and $(77.9) million in 2022.
*** The three-month periods ended March 31, 2023 and 2022, are net of $8.1 million due the Port Authority for the reimbursement of Tower 4 Liberty Bond debt service payments from the World Trade Center ("WTC") Tower 4 net lessee.
**** Includes pass-through grant payments to sub-recipients of $1.6 million in 2022.

Operating Revenues and Expenses

Net operating income for the three-months ended March 31, 2023 of $670 million increased $117 million or 21% from the same three-month period of 2022 primarily due to the continued recovery of and growth in activity volumes across most facilities as the region moves beyond the COVID-19 pandemic. When compared to the 2023 budget, net operating income for the period was $22 million or 4% higher than plan, primarily due to; ***a.***) increased rentals and Aviation fees and ***b.***) lower spending related to snow and ice removal activities resulting from unseasonably mild winter weather conditions and lower spending related to construction support activities.

Gross operating revenues of $1.5 billion, are $194 million or 15% higher than the same three-month period of 2022.

- **Rentals**, including the amortization of deferred inflows of resources related to leases containing fixed rents that are subject to GASB Statement No. 87 of $482 million increased $63 million, or 15% as compared to the same three-month period of 2022 primarily due to: ***a.)*** an increase in activity-based rental income at Aviation facilities due to increased passenger activity in the first three months of 2023 compared to the first three months of 2022; ***b.)*** an increase in fixed rents at JFK Airport New Terminal One ("NTO") and Terminal 7 that commenced in June 2022 and December 2022, respectively; ***c.)*** added fixed rents at EWR Airport Terminal A commencing in January 2023; and, ***d.)*** an increase in percentage rentals at the WTC.

- **Bridge and tunnel tolls** of $464 million increased $47 million or 11% as compared to the same three-month period of 2022, primarily due to a 6% increase in vehicular activity at the Port Authority's six vehicular crossings and a scheduled toll rate increase effective January 2023.

- **Aviation fees** of $348 million increased $56 million, or 19% as compared to the same three-month period of 2022. Aviation fees paid by airlines operating at certain Port Authority Aviation facilities provide for the recovery of eligible capital investment and operating expenses incurred by the Port Authority. The increase in aviation fees was primarily due to: ***a.)*** an increase in flight fees due to an increase in recoverable operating expenses; ***b.)*** an increase in for-hire-vehicle ("FHV") airport access fees due to an increase in activity; ***c.)*** an increase in AirTrain fares at JFK and Newark Liberty International ("EWR") Airports due to an increase in passenger activity and a fare increase in March 2022; and, ***d.)*** an increase in fees for the usage of federal inspection facilities at EWR Airport, Terminal B due to increased passenger activity.

- **Parking and other fees** of $118 million increased $14 million, or 14% as compared to the same three-month period of 2022 primarily due to: ***a.)*** increased public parking activity at Aviation facilities due to increased aviation passenger activity levels and increases in parking rates; and, ***b.)*** an increase in recoverable tenant service charges at One WTC due to higher occupancy. Partially offsetting these increases is a decrease in Port Authority Marine Terminal Cargo Facility Charges ("CFCs") due to a slight decrease in cargo container activity in the 1st quarter of 2023 when compared to the same three-month period in 2022.

- **PATH fares** of $30 million increased $8 million or 34.8% compared to the same three-month period of 2022, due to a 34.4% increase in PATH passenger ridership as compared to the first three months ridership levels of 2022. However, PATH ridership for the first three months of 2022, remains at 59% of pre-COVID-19 levels.

Operating expenses of $810 million are $76 million, or 10% higher than the same three-month period in 2022.

- ***Employee compensation, including employer provided benefits*** of $396 million increased approximately $35 million, or 10% from the same three-month period of 2022 primarily due to: ***a.)*** an increase in the actuarily determined cost of employer provided fringe benefits; ***b.)*** an increase in operational and public safety support services at Port Authority facilities due to increased activity levels and related traffic management activities; and, ***c.)*** the hiring and training of additional police officers to address attrition. These increases are partially offset by decreased snow and ice removal activities due to milder weather conditions.

- ***Contract services*** of $262 million increased $22 million, or 9% from the same three-month period of 2022 primarily due to increased payments to third-party contractors for operational, contract security and maintenance services at Port Authority facilities, resulting from increased activity levels and scheduled billing rate increases. These increases were partially offset by a decrease in snow and ice removal activities due to milder weather conditions.

- ***Rents and Payments in Lieu of Taxes ("PILOT"***) of $14 million increased $6 million from the same three-month period of 2022 due to increased rental payments due the City of Newark and the City of New York for the leasing of Marine and Air Terminals as a result of higher revenues at the leased facilities and an increase in PILOT payments to the City of New York for the WTC Campus as a result of higher assessed property values.

- ***Materials, equipment and other*** of $83 million increased $8 million, or 10% from the same three-month period of 2022 primarily due to an increase in public liability self-insured loss reserves and purchased insurance premiums.

- ***Utilities*** of $55 million increased $6 million, or 11% from the same three-month period of 2022 primarily due to increased utility rates and usage at aviation facilities.

Non-Operating Revenue and Expense Activities

Depreciation and amortization of $453 million increased $8 million, or 2% as compared to the same three-month period of 2022 due to the scheduled completion of approximately $2.3 billion of capital construction projects during the fifteen months from January 2022 through March 2023. These capital infrastructure assets have been placed into operational service and are now being depreciated over their estimated useful lives, including elements of the LaGuardia ("LGA") Airport Redevelopment Program and EWR Airport Redevelopment Program.

Financial income of $65 million increased $133 million from the same three-month period of 2022 due to the recognition of unrealized gains related to the change in the fair value of United States securities held in Port Authority investment accounts resulting from decreased interest rates.

Grants in connection with operating activities of $31 million increased $4 million from the same three-month period of 2022 primarily due to an increase in American Rescue Plan Act ("ARPA") COVID-19 federal funding for aviation operating expenses.

Contributions in aid of construction of $64 million increased $13 million from the same three-month period of 2022, primarily due to a $41 million decrease in Federal Transit Administration ("FTA") and Federal Emergency Management Agency ("FEMA") funding for PATH Superstorm Sandy restoration and resiliency capital projects, partially offset by $24 million increase in capital contributions related to the redevelopment of JFK Airport.

Passenger facility charges ("PFCs") of $70 million increased $14 million, or 25% when compared to the same three-month period of 2022 due to a 33% increase in passenger activity. PFCs collections are 89% of pre-COVID-19 levels.

Interest expense, net of $276 million increased $15 million, or 6% when compared to the same three-month period of 2022, primarily due to the issuance of consolidated bonds to fund capital construction projects.

Assets

Port Authority assets totaled $61.6 billion at March 31, 2023, an increase of $51 million from December 31, 2022. This overall net increase is primarily due to:

- ***Facilities, net*** of $40.2 billion decreased approximately $47 million from December 31, 2022, primarily due to 1st quarter 2023 capital infrastructure investment of $348 million primarily at Aviation, Bridge and Tunnel facilities and PATH, less year-to-date depreciation of $393 million.

Capital Investment by Primary Business Segment, Year-to-Date March 31, 2023

($ in millions)	**2023***	2022*
Aviation**	**$ 173**	$ 316
Tunnels, Bridges & Terminals	**74**	49
PATH	**73**	65
WTC (including WTC Transportation Hub)	**16**	20
Port Department	**8**	5
Other***	**4**	1
Total	**$ 348**	$ 456

* Business segment capital investment includes Security capital projects of $2 million and non-Port Authority managed capital projects of $6 million in 2023, respectively and $3 million and $40 million, respectively, in 2022.

** Includes landlord leasehold capital investment related to LGA Terminal B of $2 million in 2023 and $13 million in 2022.

*** Other includes Regional Facilities and Programs, Development Facilities, Moynihan Station Transportation Program, Gateway Early Work Program, and Ferry Transportation.

- ***Receivables (including restricted amounts)*** of $1.3 billion decreased $36 million from December 2022 primarily due to: ***a.)*** the continued recovery of aviation fees that were deferred in 2020 as a result of COVID-19; and ***b.)*** a decrease in E-ZPass® tolls due from other tolling agencies. These decreases in receivables were partially offset by: ***c.)*** an increase in FTA Superstorm Sandy restoration and resiliency capital contributions at PATH; ***d.)*** an increase in amounts due from the Tower 4 WTC net lessee due to timing of debt service payments; ***e.)*** an increase in amounts due for tolls by mail due to the full phase in of electronic tolling at all crossings; and, ***f.)*** an increase in ARPA federal funding for the funding of aviation operating expenses.

- ***Cash and Investments (including PFCs and Port Authority Insurance Captive Entity ("PAICE") restricted investments)*** of $5.1 billion increased $215 million when compared to December 2022, primarily due to Income from Operations of $657 million partially offset by payments to third-parties related to capital construction projects.

  Cash flows from operations of $657 million decreased $67 million from the same three-month period of 2022 primarily due an increase in activity-based rentals and aviation fees and public parking at aviation facilities, offset by the increased cost of employee wages and employer provided fringe benefits.

Port Authority Investments

Port Authority's investments, summarized below, are allocated to: ***a.)*** United States Treasury notes (68%); ***b.)*** United States Treasury obligations held pursuant to repurchase agreements (16%); ***c.)*** United States Treasury bills (9%); ***d.)*** United States government agency obligations (7%); and ***e.)*** Municipal bonds (<1%).

Investment Type, at fair value*	**Fair Value Hierarchy Levels******	**March 31, 2023**	**Weighted Average Maturity**
		(In thousands)	(In days)
United States Treasury notes	Level 1	$ 2,853,529	668
United States Treasury obligations held pursuant to repurchase agreements****	-	783,231	3
United States Treasury bills	Level 1	576,137	40
United States government agency obligations	Level 1	507,275	15
Municipal bonds	Level 2	4,622	1,080
Total Investments**		**$ 4,724,794**	
Portfolio Weighted Average Maturity			411

* Excludes cash and investments of approximately $1.5 billion held in the Port Authority of NY and NJ Retiree Health Benefits Trust.

** Excludes accrued interest receivable amounts of $11 million.

*** Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets, and principle-to-principle markets.
Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

**** Investments are valued at unamortized cost.

PAICE Investments

PAICE's investments, summarized below, are allocated: ***a.)*** to United States Treasury notes (56%); ***b.)*** Corporate bonds (26%); ***c.)*** Mortgage-backed securities (12%); and, ***d.)*** Asset-backed securities (6%).

Investment Type, at fair value	**Fair Value Hierarchy Levels****	**March 31, 2023**	**Weighted Average Maturity**
		(In thousands)	(In days)
United States Treasury notes	Level 1	$ 56,302	2,097
Corporate bonds	Level 2	26,069	2,860
Mortgage-backed securities	Level 2	11,780	3,305
Asset-backed securities	Level 2	5,572	602
Total Investments*		**$ 99,723**	
Portfolio Weighted Average Maturity			2,355

* Excludes $360 million in intercompany loans to the Port Authority and accrued interest receivable of $520 thousand.

** Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets, and principle-to-principle markets.
Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Liabilities

Port Authority liabilities totaled $40.7 billion at March 31, 2023, a decrease of $89 million from December 31, 2022.

- ***Bonds and other asset financing obligations*** of $28.4 billion were essentially flat to the amount outstanding at December 31, 2022.

  Bonds and other financing obligations, excluding Tower 4 Liberty Bonds of $1.2 billion, are shown below.

($ in millions)	Opening Balance Jan. 1, 2023	Issued/ Accrued	Refunded/ Retired	Ending Balance Mar. 31, 2023
Consolidated Bonds	$ 23,871	$ -	$ 2	$ 23,869
Consolidated Notes, series AAA	1,100	-	-	1,100
Commercial Paper Notes	499	-	499	-
Special Obligation Institutional Loan Program	-	520	-	520
Variable Rate Master Notes	45	-	-	45
Marine Ocean Terminal at Bayonne Peninsula ("MOTBY") Obligation	41	-	-	41
Goethals Bridge Replacement Developer Financing Arrangement	1,022	-	-	1,022
Subtotal-Principal	**$ 26,578**	**$ 520**	**$ 501**	**$ 26,597**
Unamortized premium/(discount)	1,860	-	20	1,840
Total	**$ 28,438**	**$ 520**	**$ 521**	**$ 28,437**

- ***Accounts payable*** of $772 million decreased $141 million from December 31, 2022 primarily due to lower accrued amounts related to capital construction projects and third-party operations and maintenance support contracts at Port Authority facilities.

- ***Accrued payroll, pension and other employee benefits*** of $2.7 billion increased $46 million from December 31, 2022 primarily due to the timing of payments for employee wages and fringe benefits.

- ***Accrued Interest and Other Liabilities*** of $1.1 billion increased $29 million from December 31, 2022 primarily due to an increase related to the timing of scheduled debt service payments on outstanding Consolidated Bonds, partially offset by decrease in WTC related payments in-lieu-of taxes ("PILOT") owed to the City of New York.

CONDENSED STATEMENTS OF NET POSITION -- UNAUDITED*

	MARCH 31, 2023	DECEMBER 31, 2022 (Restated)
	($ in thousands)	
Assets		
Facilities, net	**$ 40,229,741**	$ 40,276,773
Cash and investments - unrestricted	**4,646,568**	4,541,502
Cash and investments - restricted, including PFC and PAICE	**474,471**	364,726
Receivables, including restricted amounts	**1,299,359**	1,335,520
Amounts receivable - Tower 4 Liberty Bonds	**1,234,705**	1,234,705
Unamortized costs for regional programs	**12,755**	14,907
Lease receivable, as lessor	**4,576,810**	4,572,732
Lease assets	**7,054,952**	7,105,371
Landlord leasehold investment-LGA Terminal B	**1,122,559**	1,135,986
Other assets	**921,402**	940,086
Total assets	**61,573,322**	61,522,308
Deferred outflows of resources		
Loss on debt refundings	**47,716**	49,769
Pension related amounts	**774,172**	774,172
OPEB related amounts	**844,222**	844,222
Total deferred outflows of resources	**1,666,110**	1,668,163
Liabilities		
Bonds and other asset financing obligations	**28,436,928**	28,438,481
Amounts payable - Tower 4 Liberty Bonds	**1,234,705**	1,234,705
Lease liabilities, as lessee	**6,477,533**	6,497,812
Accounts payable	**772,092**	913,469
Accrued payroll, pension and other employee benefits	**2,705,013**	2,659,282
Accrued interest and other liabilities	**1,080,600**	1,051,654
Total liabilities	**40,706,871**	40,795,403
Deferred inflows of resources		
Gain on debt refundings	**116,042**	118,757
Pension related amounts	**870,614**	870,614
OPEB related amounts	**197,735**	197,735
Leases, as lessor	**5,144,402**	5,158,110
Total deferred inflows of resources	**6,328,793**	6,345,216
Net position	**$ 16,203,768**	$ 16,049,852

***see footnote (*) on page 12**

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - UNAUDITED*

	THREE MONTHS ENDED MARCH 31, 2023	2022 (Restated)
	($ in thousands)	
Gross operating revenues:		
Bridge and tunnel tolls	**$ 460,274**	$ 417,340
PATH fares	**33,885**	22,373
Rentals	**482,367**	419,091
Aviation fees	**347,611**	291,273
Parking and other revenues	**117,961**	103,521
Utilities	**37,216**	32,378
Total gross operating revenues	**1,479,314**	1,285,976
Operating expenses:		
Employee compensation, including benefits	**395,533**	360,854
Contract services	**261,763**	239,682
Rents and payments in-lieu-of taxes ("PILOT")	**14,223**	7,726
Materials, equipment and other	**82,665**	75,163
Utilities	**55,450**	49,875
Total operating expenses before depreciation, amortization and other operating expenses	**809,634**	733,300
Depreciation of facilities and landlord leasehold improvements	**408,445**	397,344
Amortization of lease assets, as lessee	**42,513**	42,849
Amortization of costs for regional programs	**2,152**	5,291
Income from operations	**216,570**	107,192
Non-operating revenues and (expenses):		
Financial (loss) income	**65,413**	(67,225)
Grants, in connection with operating activities	**30,764**	26,705
Contributions in aid of construction	**63,787**	50,396
Passenger facility charges	**70,211**	56,232
Interest expense in connection with bonds and other asset financing	**(276,017)**	(261,245)
Interest income, as lessor	**41,553**	41,193
Interest expense, as lessee	**(58,365)**	(59,591)
Net non-operating revenues and (expenses)	**(62,654)**	(213,535)
Increase (decrease) in net position	**153,916**	(106,343)
Net position, January 1	**16,049,852**	15,621,354
Net position, March 31,	**$ 16,203,768**	$ 15,515,011

***see footnote (*) on page 12**

CONDENSED STATEMENTS OF CASH FLOWS – UNAUDITED*

	THREE MONTHS ENDED MARCH 31,	
	2023	2022 (Restated)
	($ in thousands)	
Net cash provided by operating activities	**$ 657,001**	$ 724,295
Net cash provided by noncapital financing activities	**28,039**	35,860
Net cash used for capital construction and related financing activities	**(538,456)**	(636,984)
Net cash used for investing activities	**(203,027)**	(228,813)
Net (decrease) increase in cash	**(56,443)**	(105,642)
Cash at beginning of year	**341,249**	422,511
Cash at March 31	**$ 284,806**	$ 316,869

* The unaudited Condensed Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows have been prepared, subject to audit, adjustment and reconciliation, solely for general information purposes, in accordance with U.S. generally accepted accounting principles. This unaudited condensed financial information should be read in conjunction with the Financial Statements of The Port Authority of New York and New Jersey, and its component units (collectively the Port Authority) and the accompanying note disclosures and schedules for the year ended December 31, 2022.

CONDENSED FINANCIAL INFORMATION ON PORT AUTHORITY FACILITIES – UNAUDITED

Three-month period ended March 31, 2023

($ in thousands)

	Gross Operating Revenues *	Operating Expenses	Depreciation and Amortization	Amortization of Lease Assets	Income (Loss) from Operations	Interest, Grants & Other Expenses **	Capital Contributions & PFC's	Increase/ (Decrease) in Net Position
Tunnels, Bridges, and Terminals	$ 473,411	$ 146,363	$ 76,194	$ 40	$ 250,814	$ 60,787	$ 8,773	$ 198,800
PATH	33,119	128,746	57,058	-	(152,685)	45,150	22,082	(175,753)
Aviation	795,777	421,038	155,003	38,289	181,447	75,736	99,070	204,781
Port Commerce	90,643	37,605	21,400	2,097	29,541	21,758	1,836	9,619
World Trade Center	80,941	83,064	93,274	-	(95,397)	(12,928)	2,237	(80,232)
Other***	5,423	(7,182)	7,668	2,087	2,850	6,149	-	(3,299)
Total	$ 1,479,314	$ 809,634	$ 410,597	$ 42,513	$ 216,570	$ 196,652	$ 133,998	$ 153,916

Three-month period ended March 31, 2022 (Restated)

($ in thousands)

	Gross Operating Revenues *	Operating Expenses	Depreciation and Amortization	Amortization of Lease Assets	Income (Loss) from Operations	Interest, Grants & Other Expenses **	Capital Contributions & PFC's	Increase/ (Decrease) in Net Position
Tunnels, Bridges, and Terminals	$ 428,165	$ 139,314	$ 75,736	$ 34	$ 213,081	$ 91,723	$ 9,261	$ 130,619
PATH	24,976	121,479	56,462	52	(153,017)	74,075	31,395	(195,697)
Aviation	658,416	371,069	147,683	38,810	100,854	107,414	63,630	57,070
Port Commerce	96,664	31,635	22,555	2,097	40,377	35,043	1,150	6,484
World Trade Center	73,240	67,909	89,381	-	(84,050)	9,461	1,192	(92,319)
Other***	4,515	1,894	10,818	1,856	(10,053)	2,447	-	(12,500)
Total	$ 1,285,976	$ 733,300	$ 402,635	$ 42,849	$ 107,192	$ 320,163	$ 106,628	$ (106,343)

* Gross Operating Revenues includes the amortization of deferred inflows of resources related to lease receivables recognized under GASB No. 87, "*Leases*."

** The amounts are net of $8 million due the Port Authority at March 31, 2023 and 2022 for the reimbursement of Tower 4 Liberty Bond debt service payments from the WTC Tower 4 net lessee. Amounts also include Grants in connection with operating activities, Pass-through grant program payments; and gains or losses generated by the disposition of assets, if any.

***Other includes Development Facilities, certified Regional Facilities, Ferry Transportation, Access to the Regions Core, Moynihan Station Transportation Program and expenses related to lease agreements, as lessee not directly associated with a specific facility.

Note: These unaudited schedules related to Port Authority Facilities have been prepared, subject to audit, adjustment and reconciliation, solely for general information purposes, in accordance with U.S. generally accepted accounting principles. This unaudited financial information should be read in conjunction with the Financial Statements of The Port Authority of New York and New Jersey, and its component units (collectively the Port Authority) and the accompanying note disclosures and schedules for the year ended December 31, 2022.

Revenue and Reserves-Unaudited (pursuant to Port Authority bond resolutions)

($ in thousands)	**Three-Month Period Ended March 31, 2023 (Actual)**	Three-Month Period Ended March 31, 2023 (Budget)	Three-Month Period Ended March 31, 2022 (Actual)
Gross operating revenues	**$ 1,498,956**	$ 1,493,502	$ 1,300,250
Total operating expenses	**(901,659)**	(917,726)	(826,088)
Net operating revenue	**597,297**	575,776	474,162
Grants and contributions in aid of construction	**94,171**	94,435	76,545
Application of Passenger Facility Charges	**-**	98,162	51,396
Financial income and other	**71,663**	32,228	(59,089)
Net revenues available for debt service	**763,131**	800,601	543,014
Interest expense - operations	**(270,091)**	(263,268)	(237,470)
Interest expense incurred during construction*	**(34,938)**	(43,535)	(51,607)
Debt retirement principal payments	**(2,564)**	(2,564)	(259)
Total Debt service**	**(307,593)**	(309,367)	(289,336)
Net Revenues after Debt Service and Transfers to Reserves***	**$ 455,538**	$ 491,234	$ 253,678

* In accordance with GASB Statement No. 89, effective January 1, 2021, interest expense incurred during construction can no longer be capitalized as a capital project cost; note, the 2023 budget includes capitalized interest in the capital budget and is shown above for comparison purposes.

** Includes debt service on Consolidated Bonds and Notes and Special obligations of the Port Authority including, Commercial Paper obligations, Variable rate master notes, the MOTBY obligation, Tower 4 Liberty Bonds and Goethals Bridge Replacement Developer Financing Arrangement.

*** Excludes the application of funds from the Consolidated Bond Reserve Fund for purposes of funding direct capital investment in Port Authority Facilities.

Facility Traffic – Unaudited

(In thousands)	**Three-Month Period Ended Mar. 31, 2023***	Three-Month Period Ended Mar. 31, 2022	Three-Month Period Ended Mar. 31, 2019	2023 Volumes as % of 2022 Volumes	2023 Volumes as % of 2019 Volumes
Total Passengers, Aviation	**32,033**	24,172	31,139	132.5 %	102.9 %
Total Vehicles, Bridges and Tunnels	**28,714**	27,063	27,913	106.1 %	102.9 %
Total Passengers, PATH	**11,333**	8,432	19,323	134.4 %	58.7 %
PATH Passengers, Average Weekday Ridership	**151**	111	277	136.0 %	54.5 %
Total Cargo Containers (TEU), Marine Terminals	**1,791**	2,386	1,793	75.1 %	99.9 %
Total Rail Lifts, Marine Terminals	**149**	169	165	88.2 %	90.3 %

* 2023 facility traffic information contains estimated data based on available information and is subject to revision.

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