

***Port of New York and New Jersey –
Establishment of Cargo Facility Charge –
Elimination of Intermodal Container Lift Fee
and Sea Link Container Terminal Subscription
Fee – Amendment of Agreements***

**Committee on Operations
December 7, 2010**

Background

- **The Port Authority:**
 - **is constructing the ExpressRail System – an important link in our Port’s logistics chain – which creates a more efficient transportation network for the movement of containers, while mitigating negative environmental impacts to the region**
 - **must provide sufficient capacity on our Port’s roadway system since the truck is and will remain the dominant mode of transport in our Port due to the large local market we serve**
 - **has been and continues to be faced with the need to make the Port safer and more secure by implementing a number of operational and physical security improvements at the marine terminal facilities, including those required by federal mandates**

Proposed Cargo Facility Charge

- **Comprised of three components:**
 - **All containers would be charged a fee to recover the capital expenditures incurred to construct the Port Authority's ExpressRail infrastructure**
 - **All cargoes would be charged proportionately to recover the cost of important roadway projects at the Port**
 - **All cargoes would be charged proportionately for the partial recovery of the Port Authority's non-reimbursed incremental post-9/11 security-related operations and maintenance costs and to recover a portion of previously unamortized capital investments**

Requested Authorization

- Amend the Marine Terminal Tariff to establish a new Port Authority cargo-based port infrastructure and security fee, to be known as the Cargo Facility Charge
- Timing of the implementation of the Cargo Facility Charge to be determined by the Executive Director and the Chairman consistent with the By-Laws
- Eliminate the Intermodal Container Lift Fee and the Sea-Link Container Terminal Subscription Fee from the current Marine Terminal Tariff
- Amend the railroad operating agreements for ExpressRail Elizabeth, ExpressRail Staten Island and ExpressRail Port Newark to reflect the elimination of the Intermodal Container Lift Fee
- Approve future adoption of and adjustments to the rates with respect to the Cargo Facility Charge and existing fees contained in the Marine Terminal Tariff

Benefits of Cargo Facility Charge

- **Allow a fairer and broader sharing of the cost of capital investment for actual beneficiaries**
- **Provide a source of funding to increase the operational efficiency for the movement of goods at the Port and throughout the region**
- **Allow for the undertaking of important Port roadway projects**
- **Partially recover the Port Authority's non-reimbursed incremental post-9/11 security-related operations and maintenance costs, and recover a portion of previously unamortized capital investments and future security-related capital costs**
- **Create a simplified and adjustable fee structure to meet future infrastructure needs**