Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts – LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport

Summary:

The Port Authority of New York and New Jersey has adopted a Minimum Wage Policy for workers performing under Non-Trade Labor Service Contracts ("Policy") at all Port Authority facilities. The Policy furthers the Port Authority's commitment to fair wages and benefits for service workers at Port Authority facilities and by these Rules is being implemented in the first instance at LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport ("Airports") to enhance safety, security and quality of service at those facilities. As set forth below, the Policy will apply to employees of all entities doing business at the Airports, in the defined "Covered Services"(see Addendum A), including employees of lessees, permittees and contractors and will be required to flow down to the respective subcontractors and sublessees of those entities.

Compensation:

Effective July 31, 2014, wages for workers performing Covered Services shall be increased $1.00 per hour for all such workers earning $9.00 per hour or less. Effective February 1, 2015, the wage for workers performing Covered Services shall be increased to $10.10 per hour.

The wage levels established under these rules will be reviewed by the Port Authority on an annual basis and adjusted, as appropriate, by input from affected stakeholders/contractors.

Additionally, once the wage level of $10.10 per hour is established, beginning February 1, 2016, such level shall be increased thereafter by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States city average, all items, not seasonally adjusted), or its successor publication, as determined by the Bureau of Labor Statistics and rounded to the nearest multiple of $0.05.

Applicability:

These rules shall apply to lessees, permittees, contractors, as well as the subcontractors and sublessees of those entities ("Contractors"), who provide the Covered Services at the Airports listed in the attached Addendum to these rules.

In all events, Covered Services shall include services provided by non-trade employees whose work requires that they obtain access to the Airfield Operations Area (AOA) whether such AOA access is obtained by the issuance of a badge or an escort.

Exclusions:

The Policy implemented by these rules will not apply in instances where other applicable laws or regulations provide minimum rates for employees falling within the Policy and rules, as demonstrated by the employer.

Tipped Employees:

A Contractor seeking to demonstrate compliance for employees, who receive tips, shall have the burden of proving that the employee received compensation (including tips) in amounts equal to the minimum wage levels set forth in these rules.

"Tipped Employees" are those who engage in occupations in which tips are customarily and regularly received from patrons.

Martin Luther King, Jr. Day:

All Contractors subject to the Policy and these rules shall provide its workers performing Covered Services a paid holiday for Martin Luther King, Jr. Day.

Implementation:

These rules are applicable to all existing employees of Contractors providing Covered Services at the Airports. Once these rules become effective, the Port Authority will take appropriate steps to implement these rules, including, but not limited to, the inclusion of appropriate provisions in new or amended agreements, permits and contracts, as a condition for such Contractors doing business at Port Authority facilities. In the future, all agreements entered into between the Port Authority and those Contractors, including leases, permits and contracts shall contain a clause which states that the Contractor has reviewed the Policy and rules and that it will comply with the Policy and rules, as amended by the Port Authority from time to time. Additionally, Contractors shall be required to include such a clause in its subleases and subcontracts.

The Port Authority acknowledges that there may be circumstances, which warrant an exception to the rules, which exception may be granted by the Port Authority, for good cause, at its sole and absolute discretion.

Wages and Benefits:

In accordance with the Policy, the Port Authority is currently developing a plan for enhanced wages and benefits, including health benefits for workers performing Covered Services and anticipates implementing such plan by the end of the third quarter of 2014. The Port Authority's existing policy for wages and benefits for certain Port Authority non-trade labor service contracts, which, as implemented, provides benchmarks for the inclusion of affordable health care, is being examined as a point of reference for such plan.

Certification:

Beginning no later than September 1, 2014 and on an annual basis thereafter, a responsible officer of each Contractor providing Covered Services shall deliver to the Port Authority a statement certifying, in a form to be approved by the Port Authority, that it is in compliance with the Policy and rules. The Port Authority reserves the right to audit such compliance at any time.

Amendments to Rules:

The Port Authority reserves the right to amend these rules, from time to time, including amendments to extend the implementation of the Policy to other Port Authority facilities as well as amendments for the inclusion of appropriate benefits, such as health benefits, for employees performing Covered Services.

ADDENDUM – COVERED SERVICES

Passenger Related Security Services

- Escorts
- Catering Security
- Passenger Aircraft Security
- Fireguards
- Terminal Security
- Traffic Security

Ramp Services

- Baggage and Cargo Handling
- Load Control and Ramp Communication
- Aircraft Mechanics and Fueling of Aircraft
- Provision of water, cooling/heating, power
- Equipment and toilet services to Aircraft
- Cabin Equipment Maintenance
- Guiding Aircraft in and out of Gates
- Gateside Aircraft Maintenance
- Ramp area cleaning

In-Terminal and Passenger Handling Services

- Baggage handling
- Skycap
- Wheelchair attendant
- Ticketing agent
- Customer Service Representatives
- Queue Managers
- ID Checkers
- Skycaps

- Wheelchair Attendants
- Passenger and Employee Shuttle Drivers

Cleaning Services

- Building Cleaning
- Cabin cleaning
- Plane washers