

# *2011 Budget*

*December 7, 2010*

## **MISSION**

To identify and meet the critical transportation infrastructure needs of the bistate region's businesses, residents, and visitors: providing the highest quality, most efficient transportation and port commerce facilities and services that move people and goods within the region, providing access to the rest of the nation and to the world, while strengthening the economic competitiveness of the New York-New Jersey Metropolitan Region.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Port Authority of New York & New Jersey**

For the Fiscal Year Beginning

**January 1, 2010**

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Port Authority of New York & New Jersey, New York for its annual budget for the fiscal year beginning January 1, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

# **Message from the Chairman and Executive Director**

Dear Governors:

We respectfully present the 2011 Budget of The Port Authority of New York and New Jersey. The pages that follow describe a \$7.2 billion budget that keeps our operating expenses flat for the third consecutive year, drives our priority capital programs forward and maintains our facilities in a state of good repair.

Like all public agencies, the Port Authority's financial capacity has been impacted by the economic downturn. As a result of increased unemployment and reduced consumer spending, activity levels at all Port Authority facilities began to drop dramatically in 2008 and further erode in 2009. Despite modest gains in 2010, activity levels still remain lower than projections made in January 2008 when the current 10-year capital plan was formulated. To put this in perspective, in 2008, the Port Authority projected that 132 million vehicles would use the bi-state crossings by 2011. Now, the agency does not expect to reach that level until 2020.

In response to the economic downturn, the Port Authority has taken aggressive action to control operating expenses to ensure the agency meets its highest capital priorities but also lives within its means. To that end, the Port Authority's 2011 budget calls for a third consecutive year of zero growth in operating expenses and reduces headcount by 200 positions, bringing staffing levels to the lowest in 40 years, among other austerity measures.

As a result of the agency's ongoing financial discipline, prioritization of certain capital projects and the deferral of others, the 2011 Budget calls for no toll and fare increase. It should be noted that the Port Authority does not receive any tax revenue from either state.

The Port Authority's continued discipline on the operating side of the budget has allowed for \$3.9 billion in capital spending in 2011 – enough to continue the agency's robust safety and security programs, to keep its priority projects moving forward, and to maintain the agency's facilities in a state of good repair.

We believe our 2011 Budget meets the region's significant infrastructure challenges while holding the line on operating expenses. We must continue to live within our means in the years ahead.

We look forward to working with you and the public as the Port Authority implements its 2011 Budget.

Sincerely,



Anthony R. Coscia  
Chairman



Christopher O. Ward  
Executive Director



# **NEGATIVE IMPACT OF THE ECONOMIC DOWNTURN**

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In order to give the Port Authority’s 2011 Budget greater context, this section details the significant challenges confronting the Port Authority and how the agency is responding. Detailed below are the main factors that have contributed to the agency’s current financial challenge, as well as a description of the actions the Port Authority has taken to ensure that the agency continues to live within its means.

Like all public agencies, the Port Authority has been negatively impacted by the sharp economic decline that began in 2008. The effect on the Port Authority’s financial condition has been significant: (1) declining revenue due to falling activity levels at our bridges and tunnels, airports, PATH rail, and port terminals; (2) increasing debt service due to the collapse of the variable rate debt market and the real estate finance market; (3) lower financial income due to the historic drop in the U.S. Federal Funds rate, which drives the agency’s financial return given our investments in U.S. Treasury obligations. These impacts are explained in detail below:

**Declining Revenue**

Activity levels in all Port Authority businesses – aviation passenger volume, container movements, vehicle crossings and PATH ridership – began to drop in 2008 and further erode in 2009. For the year 2010, modest increases in activity levels have been experienced thus far. Despite these modest gains, activity levels remain significantly lower than projections made in January 2008 when the current 2007-2016 capital plan capacity was formulated. To put this in perspective, the Port Authority originally projected that 132 million vehicles would use our crossings in 2011 and based our 10 year capital capacity on that projection.

Now, the Port Authority does not expect to reach 132 million vehicles until 2020. As seen below, budgeted projections for our other line departments are similarly down from 2008 projections.

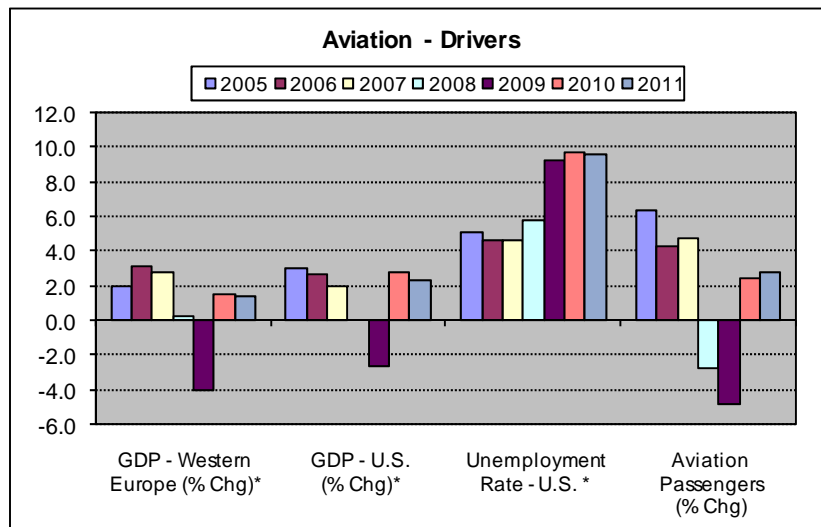
<b>Recession Benchmarks (amount in thousands)</b>				
	<b>2011 Forecast Activity</b>	<b>2008’s 2011 Forecast</b>	<b>% Change</b>	<b>Year Returns to 2008’s 2011 Forecast</b>
<b>T&amp;B Vehicles</b>	122,416	132,353	-7.5%	<b>2020</b>
<b>PATH Passengers</b>	73,298	83,317	-12.0%	<b>2015</b>
<b>Aviation Passengers</b>	107,180	117,997	-9.2%	<b>2015</b>
<b>Port Containers</b>	3,017	3,406	-11.4%	<b>2014</b>

Overall, these declines have been driven by an interrelated set of global, national and regional economic forces – leading to an historic recession, second in magnitude only to the 1930s Great Depression. The financial crisis hit the New York metropolitan area especially hard as layoffs and reduced compensation created negative impacts for the regional economy. As a consequence of the decline in business activity, the regional unemployment rate has more than doubled since 2007, reaching 9.2% as of July 2010.

These economic forces translate directly into declining Port Authority revenue. When consumer spending is down and unemployment is up, there are fewer goods being shipped and trucked, fewer people commuting to jobs that no longer exist and fewer people flying to destinations that are no longer affordable. Thus, toll and fare revenue is down, as is revenue derived from flight fees, airport parking and concessions, and container and other Port-related fees, among other facility revenue sources. As a result, projected net revenue from our core business activities over the current ten-year capital plan period has declined by approximately \$1.8 billion. The following charts show the key economic drivers that have led to declining activity levels and compare the projected activity levels that supported the Port Authority’s original ten-year \$29.5 billion capital capacity in December 2008 versus last year’s ten-year \$24.5 billion capital capacity based on actual results and revised projections.

Aviation

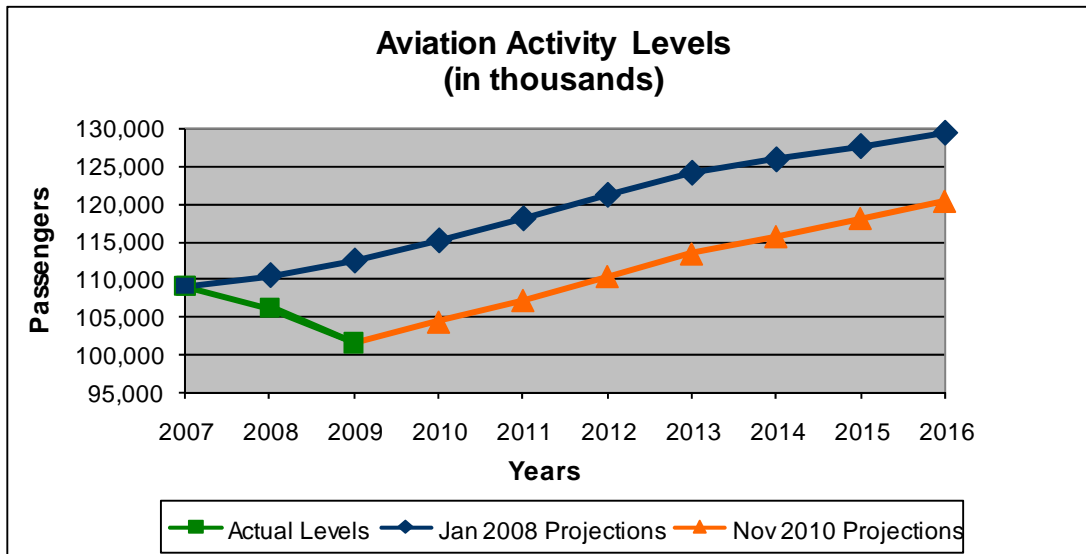
The decline in US and Global GDP combined with a near doubling of the unemployment rate had a significant impact on the Port Authority’s aviation business. The number of aviation passengers declined in two subsequent years, 2008 and 2009, and this year passenger numbers are expected to grow at under 2.5 percent.



\* Global Insight, September 2010

The following chart demonstrates the significant gap between the activity level projected in 2008 and what the Port Authority is actually experiencing. Although a slight improvement was seen in 2010, passenger growth is not projected to regain its original 2008 forecasted level until 2012.

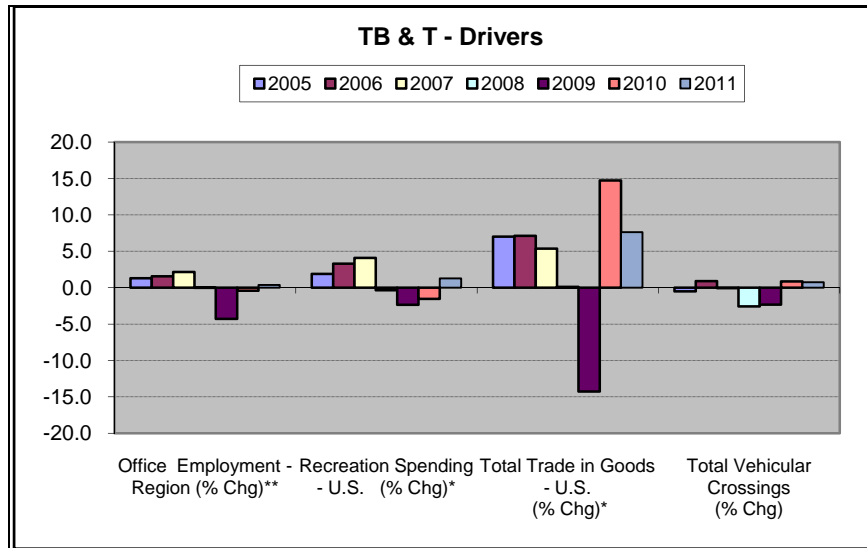




Year	Jan 2008	Nov 2010	Variance
2008	110,453	106,214	(4,239)
2009	112,392	101,481	(10,911)
2010	115,072	104,302	(10,770)
2011	117,997	107,180	(10,817)
2012	121,134	110,364	(10,770)
2013	124,068	113,367	(10,701)
2014	125,853	115,668	(10,185)
2015	127,619	118,080	(9,539)
2016	129,398	120,368	(9,030)

### Tunnels, Bridges and Terminals

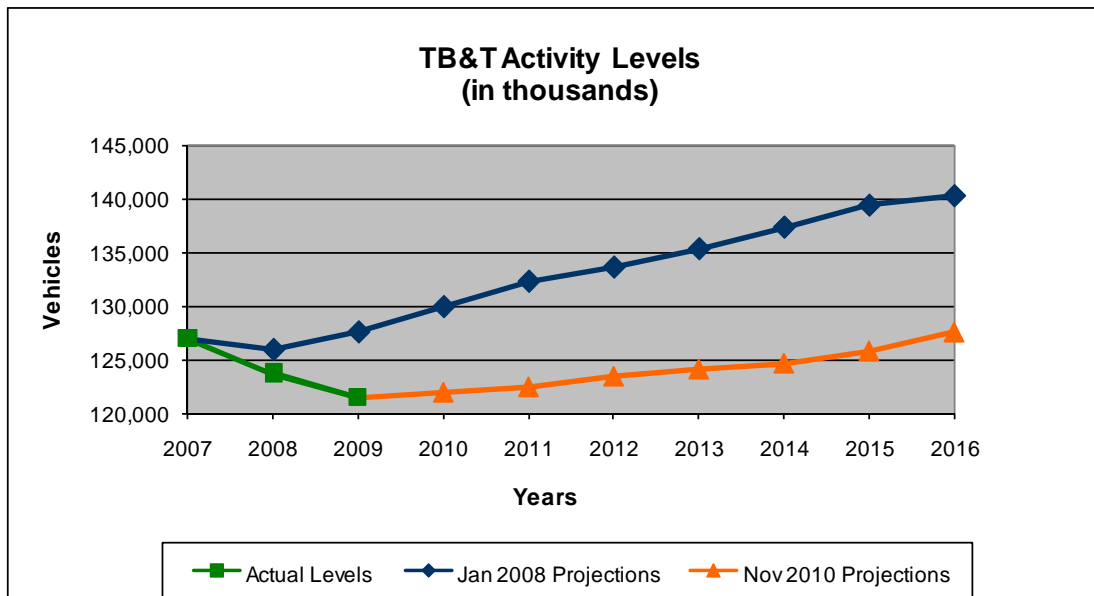
The decline in regional employment, particularly employment in Manhattan, lower consumer spending, and the drop in international trade combined to drive down vehicular crossings over the Port Authority controlled bridges and tunnels. Total vehicular crossings fell by 2.6% in 2008, with autos and trucks declining by 2.8% and 1.5%, respectively. In 2009, total crossings fell by 1.8%, split between 1.3% by autos and 9.1% by trucks. For 2010, traffic at all of our crossings is now projected to improve slightly, but it is expected that a complete recovery to its original 2008 forecasted levels will take at least five years.



\* Global Insight, September 2010

\*\* Economy.com, August 2010

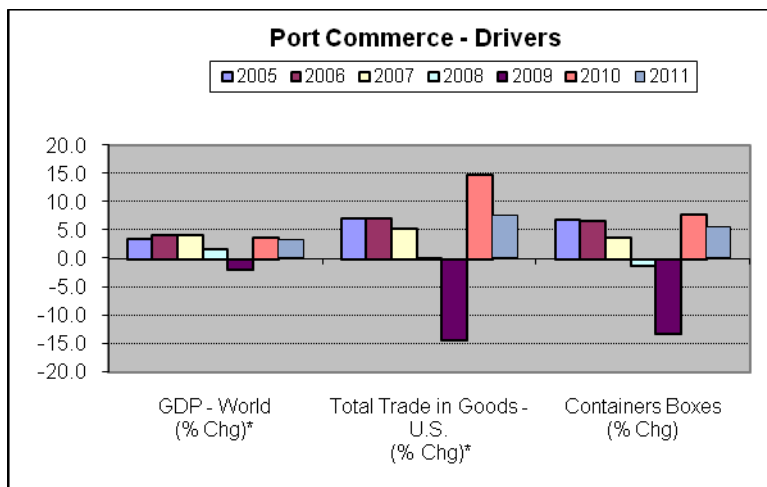
The chart below illustrates the significant gap between activity level forecasts made in January 2008 and what the Port Authority is actually experiencing. Currently, the Port Authority is forecasting slow growth in 2011 and 2012, with a revenue base that is significantly lower than previously forecasted. This creates additional pressure on the Port Authority's ability to finance capital projects over the long term.



<b>TB&amp;T Activity Levels (amount in thousands)</b>			
<b>Year</b>	<b>Jan 2008</b>	<b>Nov 2010</b>	<b>Variance</b>
2008	126,009	123,725	(2,284)
2009	127,648	121,500	(6,148)
2010	129,998	121,911	(8,087)
2011	132,353	122,416	(9,937)
2012	133,665	123,416	(10,249)
2013	135,375	124,086	(11,289)
2014	137,380	124,638	(12,742)
2015	139,425	125,790	(13,635)
2016	140,296	127,549	(12,747)

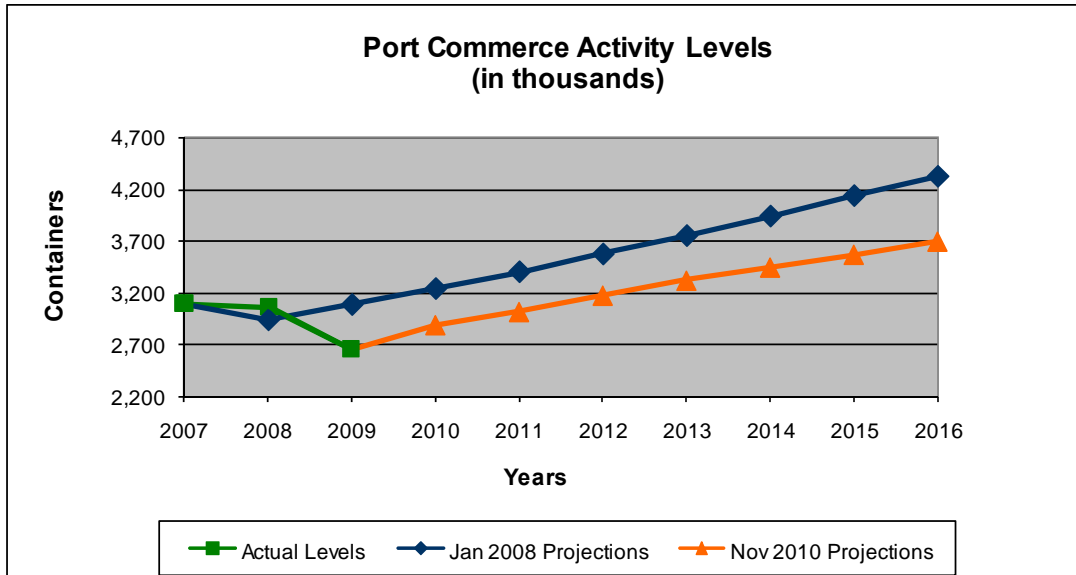
### Port Commerce

In 2009, global trade took a major hit as a result of the recession. Consumer markets were no longer the engine of the world economy as credit facilities froze and deleveraging took hold across the globe. Idle shipping capacity and increasing inventory levels further provided downward pressure and as a result, container traffic at the Port Authority facilities declined by double-digits.



\* Global Insight, September 2010

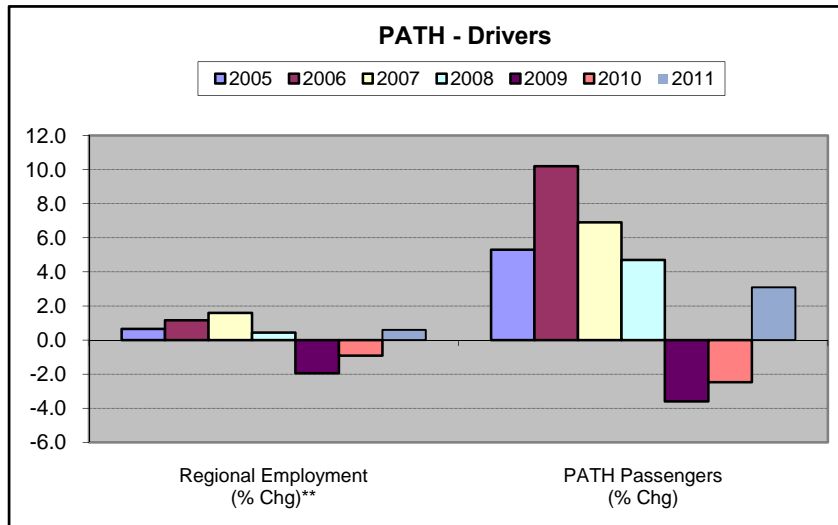
The following graph illustrates the change in the forecast from 2009 to 2010. Projected container volumes are well below the Port Commerce Department's original forecasts and are expected to reach its initial 2008 forecasted levels in 2011.



Year	Jan 2008	Nov 2010	Variance
2008	2,942	3,069	127
2009	3,090	2,652	(438)
2010	3,244	2,891	(353)
2011	3,406	3,017	(389)
2012	3,577	3,174	(403)
2013	3,755	3,317	(438)
2014	3,943	3,444	(499)
2015	4,140	3,566	(574)
2016	4,326	3,693	(633)

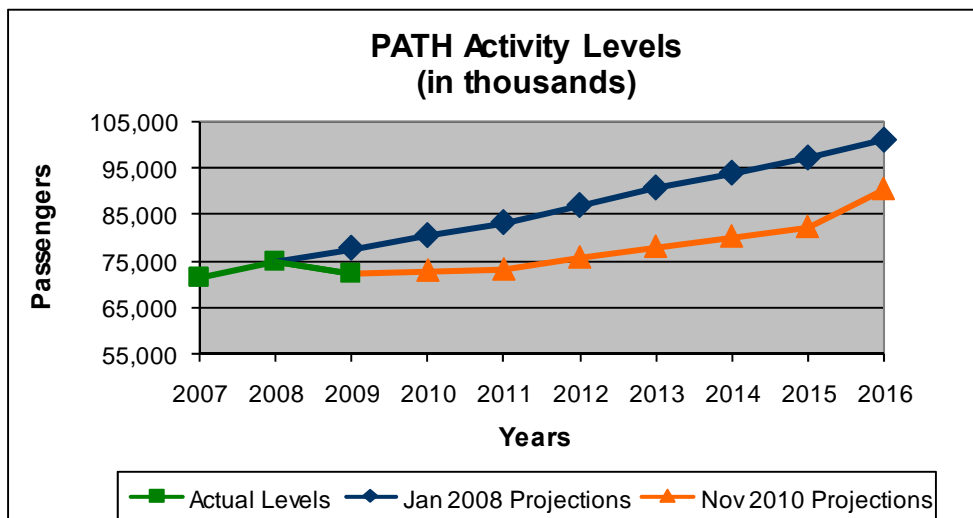
**PATH Rail Transit**

Regional employment is a major driver of passenger volumes on the PATH system. PATH bucked the trend in 2008, rising 4.7% to 75 million, partly reflecting the switch to transit caused by the rise in gas prices in the first half of the year. However, the recent decline in regional jobs has taken its toll on ridership, with ridership falling by 3.6% and 2.5% percent in 2009 and 2010 from 2008 levels, respectively. With continued sluggishness in the region’s employment recovery, we expect the recovery of PATH ridership also to be slow in 2011.



\*\* Economy.com, August 2010

PATH passenger forecasts remain well below projections made in January 2008.



PATH Activity Levels (amount in thousands)			
Year	Jan 2008	Nov 2010	Variance
2008	75,102	74,954	(148)
2009	77,777	72,281	(5,496)
2010	80,499	73,072	(7,427)
2011	83,317	73,298	(10,019)
2012	86,987	75,861	(11,126)
2013	90,785	78,152	(12,633)
2014	93,963	80,348	(13,615)
2015	97,252	82,381	(14,871)
2016	101,077	90,482	(10,595)

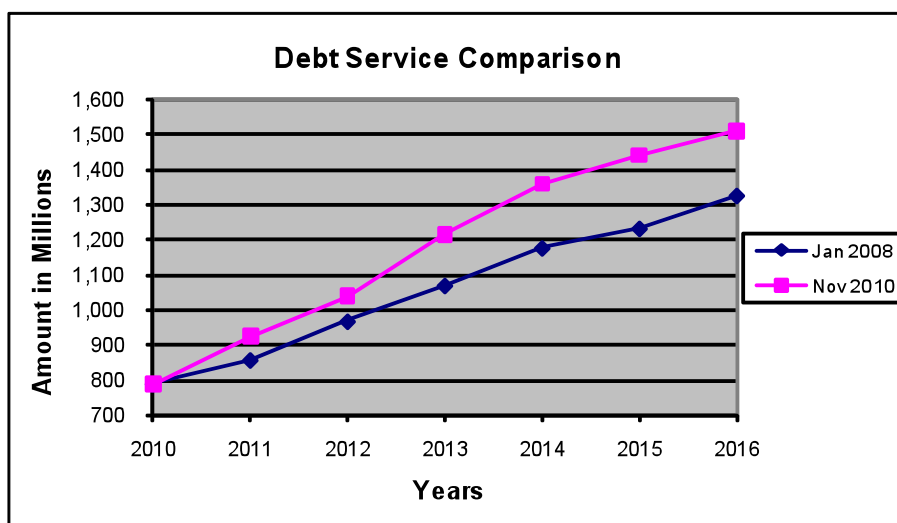
### Increasing Impact of Debt Service Expense

The economic downturn has not only caused activity levels at our facilities to drop, leading to a decline in the revenue generated from that activity, but it has also resulted in increased debt service expense. This in turn has constrained the Port Authority's ability to finance its long-term capital program, since the agency relies heavily on debt as one of the major sources of its capital investments.

Debt service expense increased primarily because of two factors related to the economic downturn: the collapse of both the variable rate debt market and the speculative real estate market. When the Port Authority's \$29.5 billion capital plan was adopted in January 2008, it was anticipated that \$4 billion of that amount would be funded through variable rate debt, rather than fixed rate debt. Historically, variable rate debt carried lower borrowing costs as compared to traditional long-term fixed rate obligations, which the Port Authority issues for the majority of its capital financing. However, as a result of the deterioration of the variable rate debt market, the Port Authority has had to replace its expected use of variable rate obligations with fixed rate bonds. This modification was essential in light of the current financial markets, but it came at a cost of nearly 2.5% higher in annual interest rates for approximately \$4 billion of planned borrowing.

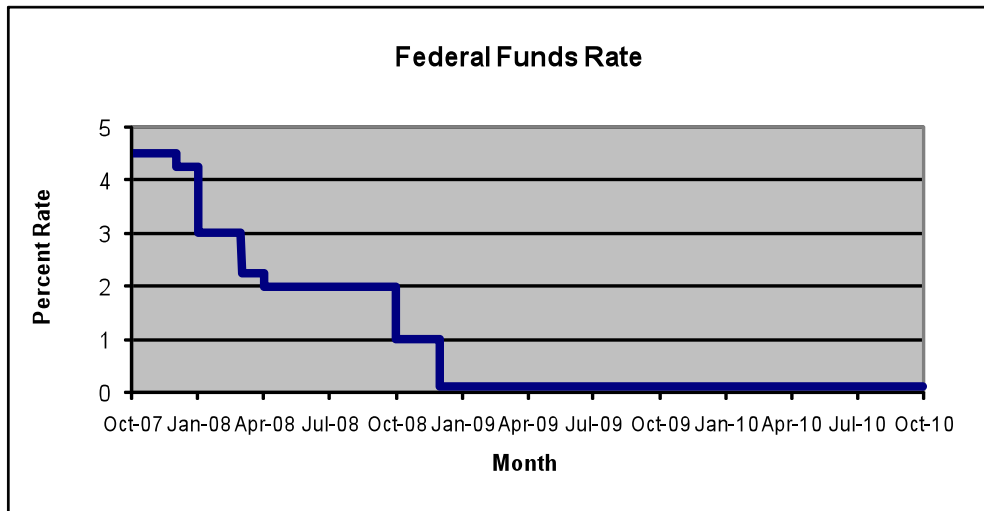
In addition, the Port Authority's original \$29.5 billion plan assumed over \$2.5 billion of funding from Special Project Bond proceeds issued and secured by the anticipated lease revenues to be generated by 1 WTC LLC on a tax-exempt basis. However, like the variable rate debt market, the bond market for financing speculative office space has also evaporated. For the Port Authority, this means that this form of borrowing has had to be replaced with higher-interest rate taxable debt.

The effect of the above changes, coupled with the previously disclosed construction cost increases at the World Trade Center site that also required the use of higher rate taxable debt, increased debt service costs by approximately \$1 billion through the forecast period through 2016.



### Lower Financial Income from the Port Authority's Investment Portfolio

Finally, in addition to decreasing revenues from lower activity levels at Port Authority facilities and increasing debt service expense from the collapse of the variable rate debt and speculative real estate finance markets, the Port Authority's capital capacity has been constrained by reduced financial income from its investment portfolio, which, in accordance with certain statutes, primarily consists of United States Treasury notes and bills. Historically, Treasuries have been a prudent investment and, relative to the rest of the securities market, continues to be a prudent investment. Unfortunately, because of the economic crisis, the U.S. Federal Funds Rate has been lowered to record-low levels. To put this in perspective, since September 2007, the U.S. Federal Funds Rate has dropped from nearly 4.75% to a historic low of between 0% and 0.25%. This low-interest environment, which is continuing through 2010, is far below what was anticipated when we issued our updated Capital Plan in 2008, and has resulted in approximately \$500 million of lower projected financial income over the ten-year period.



# **PA RESPONSE TO THE ECONOMIC DOWNTURN**

From the outset of the economic downturn, the Port Authority has taken aggressive action to live within the agency's means, both by controlling operating expenses and prioritizing capital spending. This section outlines these ongoing efforts.

## **Zero-Growth Operating Budget and Headcount Reduction**

For five consecutive years, the Port Authority has maintained near zero percent growth in the agency's annual operating budget.

2011: 0.0%  
2010: 0.0%  
2009: 0.0%  
2008: 0.9%  
2007: 1.1%

To achieve zero percent growth in prior years, the Port Authority has substantially reduced headcount to the lowest levels in 40 years, lowered consultant spending by 32%, cut overtime by 20% and closed Port Authority-funded operations such as the Ramada Hotel at JFK Airport.

This year, the agency will go even further, implementing the third consecutive zero-growth operating budget and reducing permanent positions by 200 to the lowest level in 40 years. Since 2004, the agency has reduced headcount by 12%. In addition, the agency is cutting budgets for external professional service contracts reducing consultant spending by another 17%, reducing utility costs by 4%, cutting various miscellaneous expenses such as the agency's helicopter fleet, and phasing out the employee E-ZPass benefit. As a result of these efforts, since 2008, the Port Authority has cut a total of \$409 million in spending growth.

## **Deferral of Capital Projects**

In addition to the fiscal discipline on the operating side of the budget, the Port Authority has had to make difficult choices to live within its means on the capital side of the budget. As the agency's capital capacity has shrunk from \$29.5 billion to \$24.5 billion, so must its capital expenditures. In order to ensure that the Port Authority meets its most critical spending obligations in State of Good Repair projects, the agency has had to defer certain discretionary spending items, even though these items remain critical to the region's growth.

Projects like the Bus Garage for the Port Authority Bus Terminal that will act as a traffic reliever to the Lincoln Tunnel and adjacent Manhattan streets must be deferred beyond the 2007-2016 capital plan period. Funding for the replacement of the LaGuardia Central Terminal Building and Newark Liberty International Airport's Terminal A has been restricted to planning dollars, allowing these projects to



advance as funding becomes available. Similarly, funding for Stewart Airport's modernization, while still committed over the long-term, has been slowed. In addition, rather than replace the obsolete Lincoln Tunnel Helix and the George Washington Bridge Suspender Ropes, the Port Authority will maintain a state of good repair until funding becomes available.

### **Alternative Ways of Financing Capital Projects**

The Port Authority cannot defer every major discretionary project if it is going to continue to provide a level of transportation infrastructure that sustains the region's economic growth and a high quality of life. For years, the agency has been at the forefront of innovative ways to finance infrastructure that could not be built otherwise. Projects like AirTrain, JFK's International Terminal – Terminal 4, and Essex County Resource Recovery facility have all been financed in non-traditional ways, which is to say that they have been financed using some other mechanism besides the Port Authority's consolidated bond instrument.

Our new plan to replace the Goethals Bridge is another prime example of how the Port Authority may rely on innovative financing to build the next generation of the region's critical infrastructure, despite the financial constraints described above. Constructed in 1928, the Goethals Bridge facilitates over \$33 billion in goods movement every year, and is projected to move 13.4 million eastbound vehicles in 2011. Given its age and functionally obsolete design, the Goethals is long overdue for replacement. Yet replacing the bridge is estimated to cost \$1.6 billion, a cost that is unaffordable at this time. That is why the Port Authority has undertaken an extensive analysis to develop an alternative financing mechanism for the cost of construction and maintenance of the bridge – one that will give the agency the ability to replace the bridge without ceding control of the toll structure or safety and operating standards. In 2010, the Port Authority began the procurement process for a private entity to design, build finance and maintain a new Goethals Bridge and hopes to make an award by the beginning of 2012.

### **Ongoing Prioritization and Austerity Required**

Despite the aggressive actions that the Port Authority has already taken to ensure its budget reflects the new economic and fiscal realities, if we are to continue to live within our means, we must make sure our operating budget is as lean as possible, make adjustments where necessary and continue to prioritize capital spending in recognition of a rapidly shifting economic landscape.





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# **2011 Budget Summary**

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# 2011 BUDGET SUMMARY

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## 2011 Operating Budget Highlights

The impact of the worst economic downturn since the Great Depression has continued to negatively impact the Port Authority. Yet, the Port Authority's overall fiscal condition remains sound due in large part to numerous cost-cutting measures. That fiscal discipline continues in the agency's 2011 Budget. Major highlights of the Port Authority's 2011 operating budget include:

- Zero growth in operating expenses for the third consecutive year. The agency's operating expense growth has been well below inflation for several consecutive years:
  - 2011: 0%
  - 2010: 0%
  - 2009: 0%
  - 2008: 0.9%
  - 2007: 1.1%
  
- Reduction in authorized position levels by 200 to a total of 6,777 compared to 6,977 in 2010 - the lowest level in 40 years resulting in savings of \$25 million. Since 2004, the agency has reduced headcount by 12%.
  
- The elimination of Port Authority Helicopters with cost savings of \$5 million per year.
  
- Continued reduction in consultant provisions of \$14 million in addition to the \$15 million decrease included in the 2010 Budget.
  
- Investing \$462 million in security operating costs while continuing the implementation of innovative patrol tactics and the improved deployment of public safety resources.
  
- Providing \$227 million in municipal rent payments and payments of amounts in lieu of taxes to cities, counties and municipalities under various property agreements.
  
- Committing \$25 million toward on-going activities for the Clean Air Program at our port facilities, and to reducing greenhouse gas emissions, promoting environmental protection, and conserving energy.

## **2011 Capital Budget Highlights**

The 2011 capital budget totals \$3.9 billion and includes:

- \$1.9 billion - World Trade Center Redevelopment
- \$138 million - New PATH rail car purchases
- \$109 million - PATH Signal Replacement Program
- \$81 million - Port Jersey-Port Authority Marine Terminal Redevelopment
- \$70 million - Dredging Program at Port Authority Ports
- \$46 million - Planning for Terminal A and continued Redevelopment of Terminal B at Newark Liberty International Airport
- \$38 million - Central Terminal Building Redevelopment at LaGuardia Airport and Delta Terminal Redevelopment at John F. Kennedy International Airport
- \$31 million - Continuing the advancement of the JFK flight delay reduction program
- \$16 million - Planning efforts at the Bayonne Bridge and Goethals Bridge Modernization Program
- \$16 million - Stewart International Airport modernization
- \$15 million - Holland Tunnel rehabilitation of ventilation system
- \$14 million - AirTrain mid-life rehabilitation at Newark Liberty International Airport
- \$13 million - GWB Upper Level Deck Rehabilitation
- \$9 million - Completing a permanent ferry terminal in Hoboken, NJ.

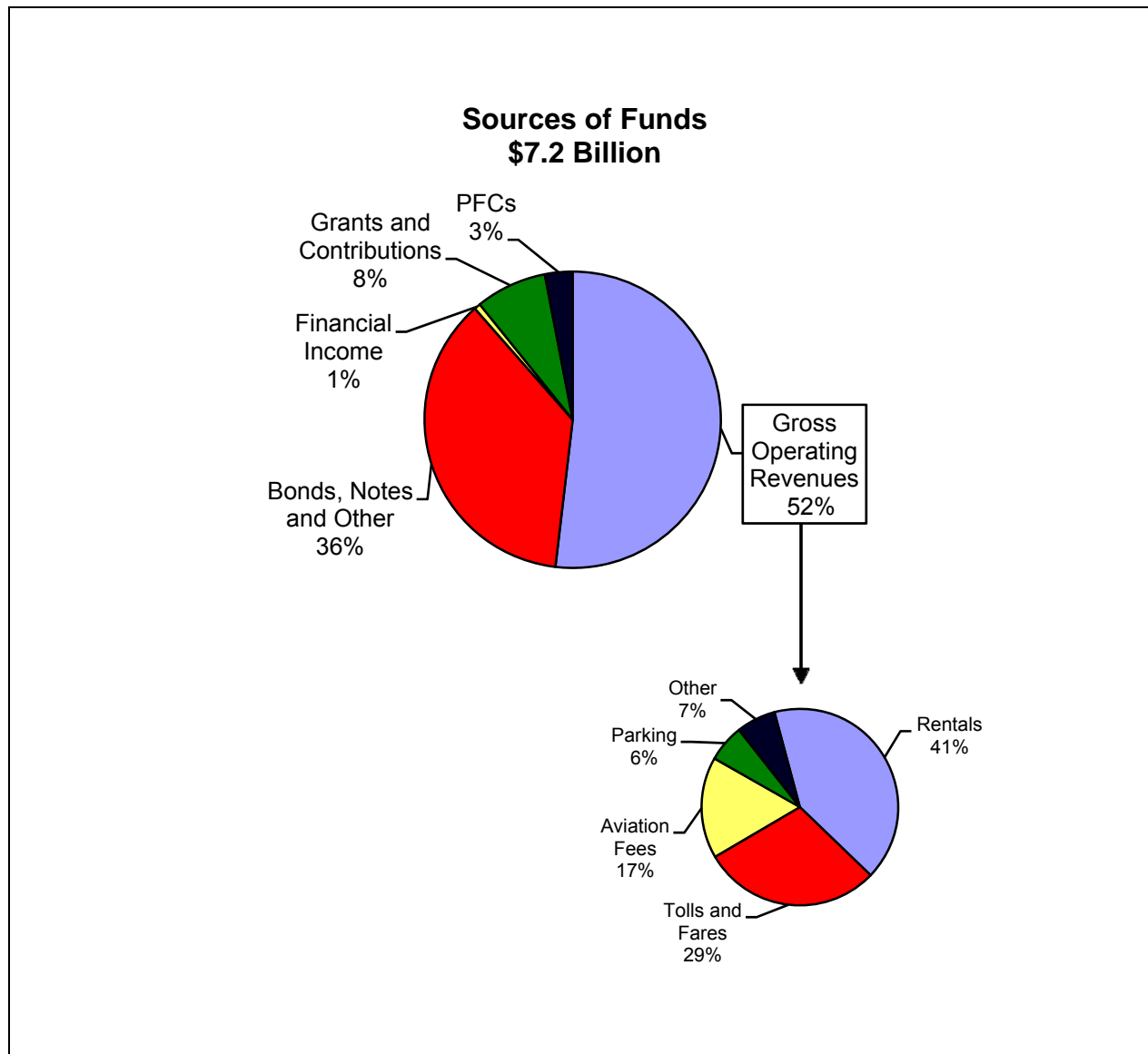
The capital budget also includes \$344 million for essential security projects to protect the agency's facilities infrastructure and install state-of-the-art surveillance and detection equipment such as:

- \$52 million - PATH Water Management System, Tunnel Improvements and Erosion Protection
- \$23 million - Facility wide access control projects
- \$15 million - Perimeter intrusion detection system at airports

Combined with the \$462 million in security operating costs, in 2011, the Port Authority will spend a total of \$806 million on security-related expenditures, bringing the agency's total investment in security to nearly \$6 billion since the terrorist attacks on September 11, 2001.

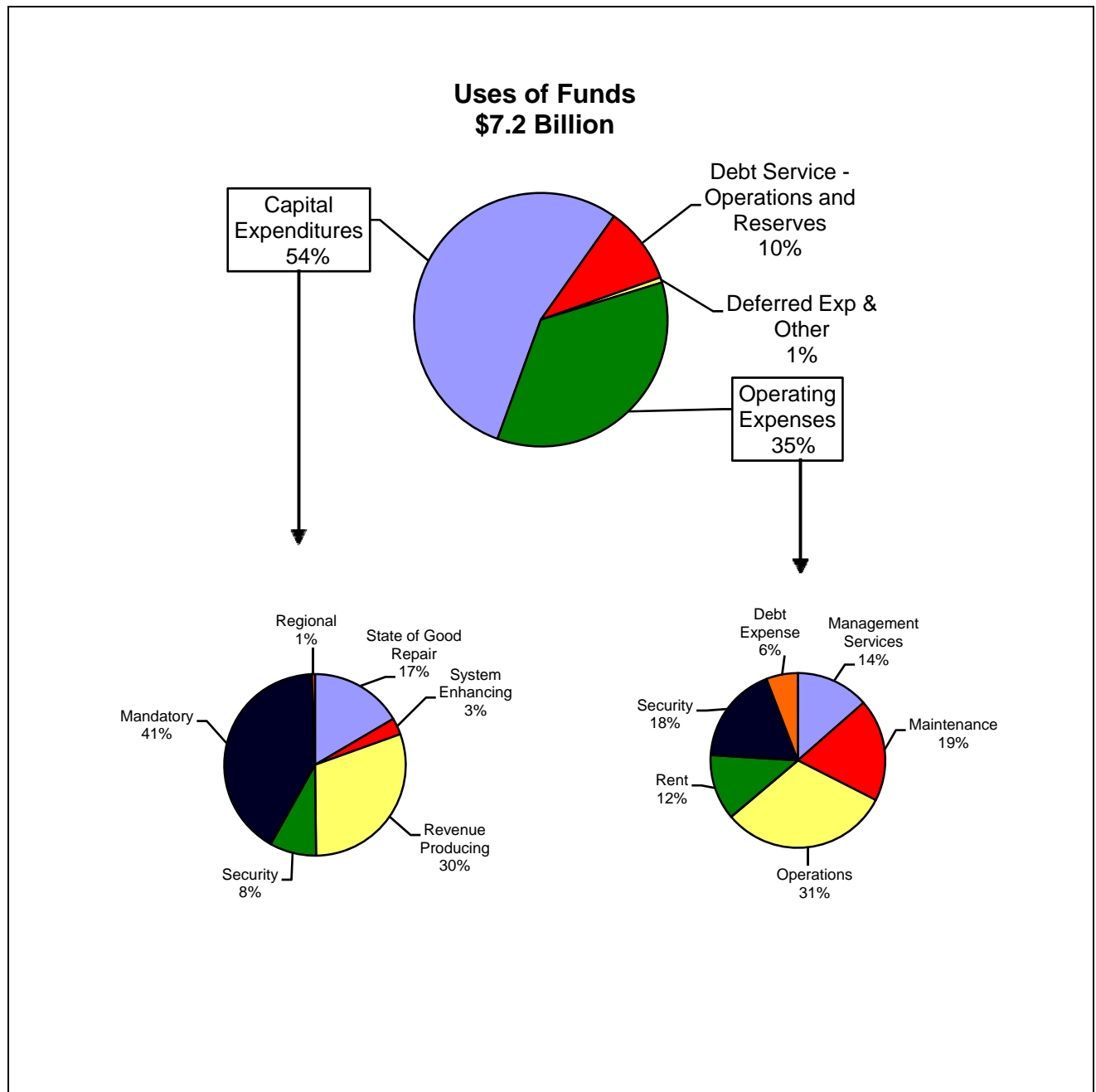
### Sources of Funds

The Port Authority is a self-sustaining agency that relies upon its own creditworthiness to access the capital markets to raise the necessary funds for the acquisition, operations and investment of its facilities. It is not dependent on state or local taxes from New York or New Jersey and has no power to levy its own taxes or assessments. The agency generally funds its operating and capital expenditures through revenues generated by its facilities, the issuance of bonds, notes and other obligations, receipt of grants, insurance proceeds and other contributions, financial income earned on its investments, and the collection of Passenger Facility Charges (PFCs) at its airports.



## Uses of Funds

The 2011 Budget totals \$7.2 billion and provides for \$2.5 billion in expenses to operate the agency's facilities, \$3.9 billion in capital expenditures to build and improve upon the region's transportation capacity and rebuild the World Trade Center site, \$701 million for debt service on the agency's outstanding bonds, notes and other obligations, and \$47 million for other expenditures, which are deferred and amortized in future periods.

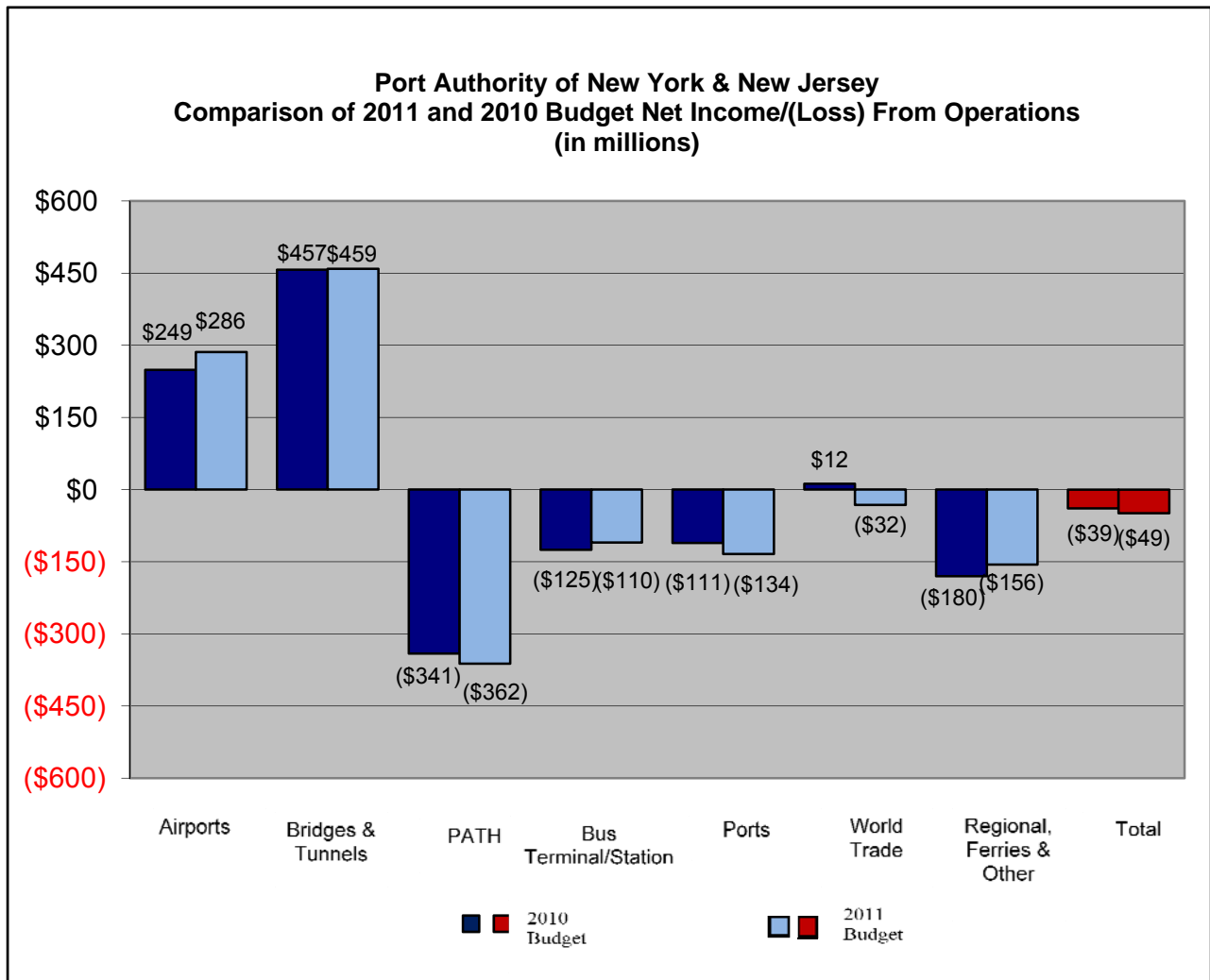




## Net Income

A slight increase in activity levels at Port Authority facilities will generate 2011 revenues in the amount of \$3.7 billion, representing a \$30 million increase over the 2010 budget. However, due to increased depreciation expense and lower financial income, the agency is anticipating a net loss of \$49 million in 2011. The facilities that generate net income - such as the airports, tunnels, and bridges - along with financial income help pay for those facilities that operate at a loss - primarily the mass transit-oriented operations, such as PATH, regional ferry services, and the bus terminals, as well as port terminals.

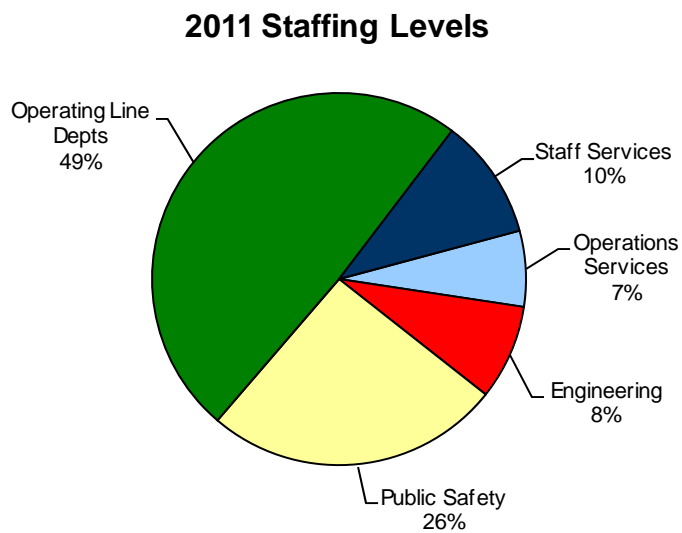
The graph below illustrates this split and compares 2011 net income to 2010.



## Staffing

Staffing levels for 2011 decrease by 200 to a total of 6,777 – the lowest level in 40 years – as the Port Authority continues to restructure staff functions, streamline operations, leverage technology, and reallocate positions to priority projects.

Seventy percent of Port Authority staff, in the functional areas of operations, security and maintenance, are represented by unions through the collective bargaining process. The remaining non-represented staff consists of engineering, technical, and management workforce.



The table on the next page shows staffing by major function:

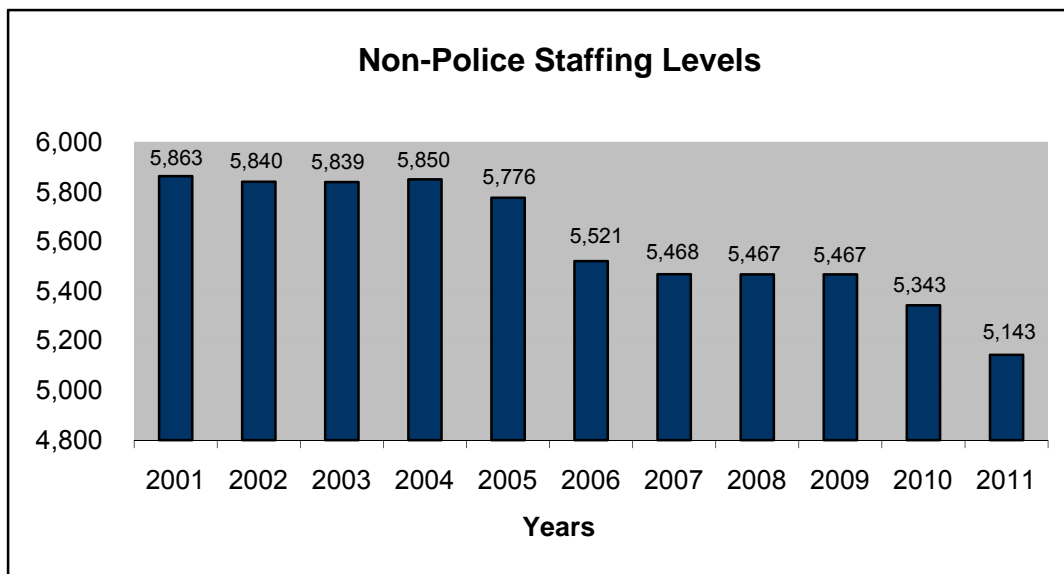
## BUDGETED POSITIONS FOR 2011

DEPARTMENT BY FUNCTION	NUMBER
<b>OPERATING LINE DEPARTMENTS</b>	
Aviation	963
Real Estate & WTC Redevelopment	80
Port Commerce	174
Rail Transit	1,081
Tunnels, Bridges & Terminals	912
WTC Construction	114
<b>PUBLIC SAFETY</b>	
Public Safety	1,725
Office of Emergency Management	17
<b>ENGINEERING</b>	
Engineering	557
<b>GENERAL SERVICES</b>	
Operations Services (including Facility Construction Support)	448
<b>STAFF SERVICES</b>	
Audit	77
Capital Security Projects	25
Chief Administrative Officer	4
Chief Capital Planning	6
Chief Financial Officer	4
Chief Operating Officer	9
Chief Public & Government Affairs	2
Chief Real Estate & Development	2
Comptroller's	103
Executive Offices	9
General Counsel/Law	132
Government and Community Affairs	11
Human Resources (including Medical Services)	66
Inspector General	30
Labor Relations	11
Management and Budget	37
Marketing	27
Media Relations	10
Office of Business and Job Opportunity	13
Environmental and Energy Programs	12
Financial Analysis	7
Office of the Secretary	17
Office of Strategic Initiatives	4
Operations Standards	6
Planning and Regional Development	22
Priority Programs	6
Procurement	94
Project Management Office	9
Technology Services	105
Treasury	46
Position Reductions Pending Retirements and Efficiencies	(200)
<b>TOTAL POSITIONS</b>	<b>6,777</b>

### Reducing Staffing Levels

The Port Authority has been able to reduce the number of non-police, mostly professional and managerial positions by 707 positions or by 12% since 2004, when the agency commenced an aggressive belt-tightening effort to reduce expenses through cost management. These reductions resulted from process improvements such as streamlining operations, reducing administration through automation and leveraging technology, restructuring staff functions. The agency has also reallocated resources to priority projects, such as World Trade Center redevelopment and the PATH modernization program, as well as key operational and security needs. In addition, reducing staffing levels has allowed the agency to contain operating expense growth to well below the rate of inflation.

The following chart shows the decline in non-police staffing levels:



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**2011 Budget Summary  
by Line Department**

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# 2011 BUDGET SUMMARY BY LINE DEPARTMENT

## AVIATION

### Mission

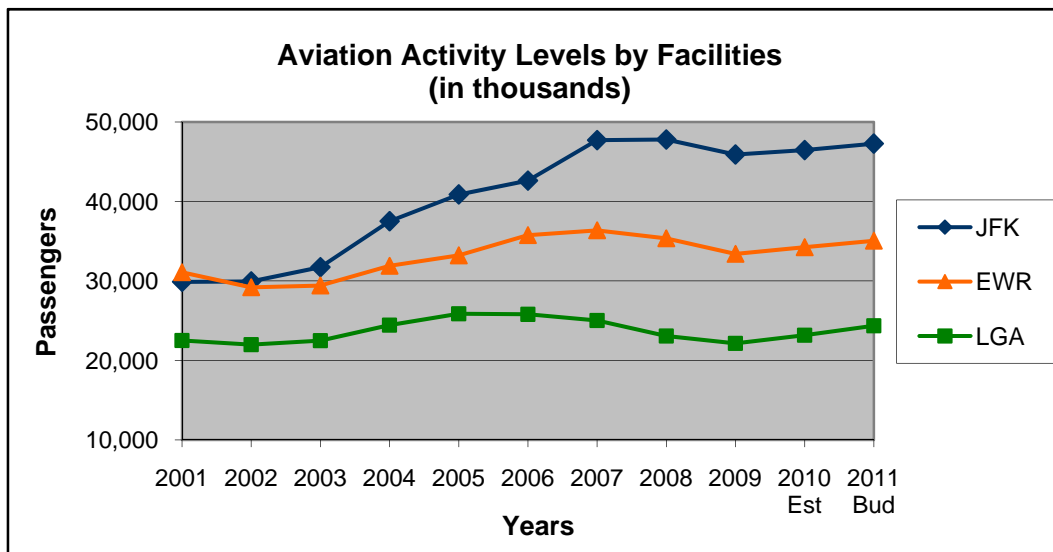
Aviation's mission aligns with the Port Authority's at large, recognizing and accepting its charge to achieve regional prosperity through a unified system of airport facilities that has unsurpassed capacity and quality and that moves people and goods through its five airports as efficiently as possible, with a commitment to safety, security, customer service, environmental sustainability, and community involvement.

### Facilities

- John F. Kennedy International Airport (JFK)
- LaGuardia Airport (LGA)
- Newark Liberty International Airport (EWR)
- Stewart International Airport (SWF)
- Teterboro Airport (TEB)

### Activity Levels

In 2011, approximately 107.2 million people are expected to use the Port Authority's aviation facilities compared to the revised estimate of 104.3 million people in 2010. The anticipated increase in 2011 passenger levels is approximately 3 million, or 2.8%, exceeding the projection of 106 million passengers stated in the 2010 Budget, but is 9.2% lower than the projections used to develop the Port Authority's \$29.5 billion 2007 – 2016 Capital Plan. This recent growth is largely attributable to the recovery in the global and U.S. economies, and the release of pent-up demand in the international sector. However, passenger growth in the coming years is expected to be slower than that projected prior to the economic downturn.



## Staffing

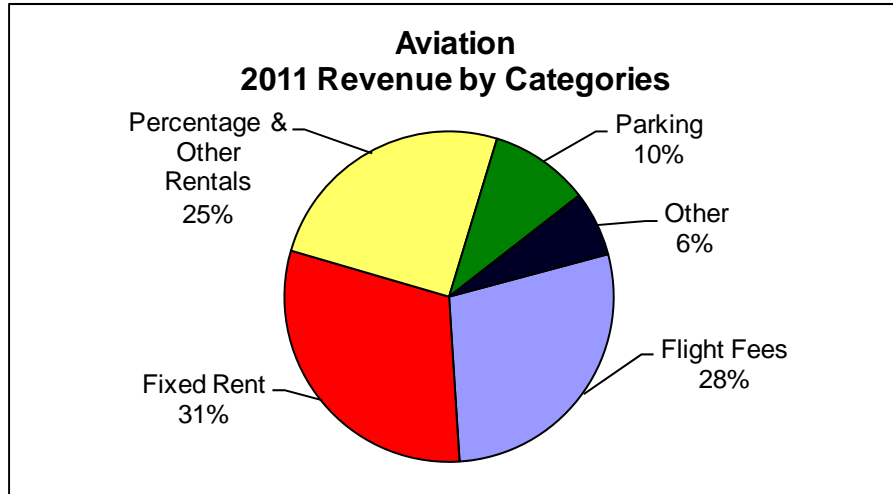
Aviation has 963 staff, of which 810 are dedicated to operating and maintaining the airports. The operations staff operates and manages the aeronautical, landside, security and customer care functions, including compliance with Federal Aviation Administration rules and regulations. The maintenance staff provides craft-based maintenance programs to ensure that the structural integrity of the facilities' assets, infrastructure and equipment are operating at a high level of performance, including code and regulatory compliance. The remaining management services staff provide the functions that support the facilities and line business operations, including capital program delivery; asset management; property and revenue management; strategic, business planning and financial functions; airspace modernization; security and environmental management; as well as facility management and departmental oversight.

<b>Aviation Staffing Summary</b>		
Operations	John F. Kennedy International Airport	116
	LaGuardia Airport	64
	Newark Liberty International Airport	115
	Stewart International Airport	5
	Teterboro Airport	3
<b>Operations SUBTOTAL</b>		<b>303</b>
Maintenance	John F. Kennedy International Airport	206
	LaGuardia Airport	134
	Newark Liberty International Airport	167
<b>Maintenance SUBTOTAL</b>		<b>507</b>
Director's Office		15
Property Development & Financial Management		39
Project Management		37
Customer/Marketing Services & Public Affairs		33
Security & Technical Services		15
Aviation Planning		14
<b>TOTAL</b>		<b>963</b>

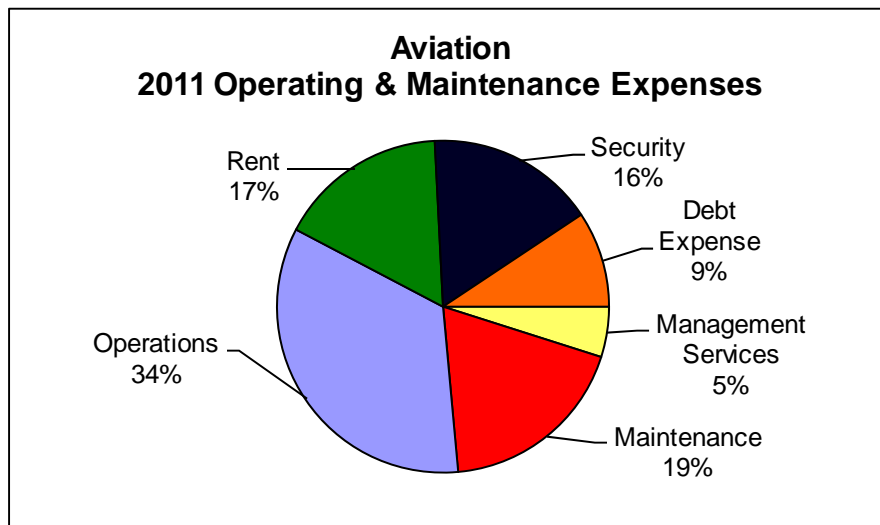
## Revenues and Expenses

Aviation's 2011 projected revenues of \$2.2 billion are up \$131 million from the 2010 budget. Significant revenue sources include: fixed rentals from leases for airline terminals, hangars and cargo facilities, concessions and aircraft services; flight fees from cost recovery agreements with airlines; fees and charges, such as the AirTrain's farebox revenues, utilities and fuel fees; and other airport activities such as parking.





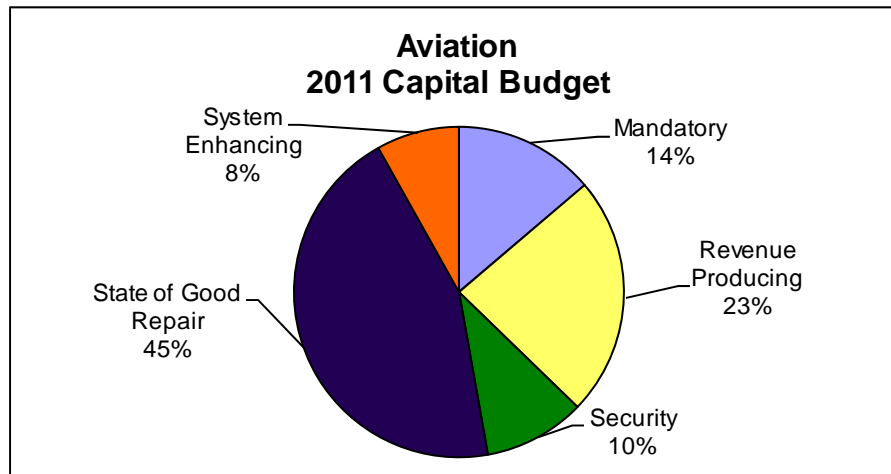
Projected 2011 expenses for the Aviation Department total \$1.4 billion, including payroll, technology services, rent, contract services, and utilities. Through a significant cost-cutting effort, Aviation is controlling expenses through lowering energy expenditures, consolidating contracts, mothballing/demolishing vacant buildings, using resources more efficiently, and reducing fees paid. Savings associated with these activities are expected to offset the necessary contractual and inflationary increases.



## 2011 Capital Budget Overview

The 2011 Aviation capital budget provides for \$432 million in expenditures, 45% of which will be used to help maintain the agency's airports in a state of good repair. A large part of the budget will also be used to enhance overall system capacity and security.

The 2011 capital priorities focus on addressing current challenges that include aging infrastructure, safety and security, congestion/delays and federal caps on flights per hour imposed by the FAA, and customer expectations.



## 2011 Capital Budget Highlights

Project	Description/Purpose	2011 Budget	Operational Impacts
1 EWR Modernization of Terminal B	Complete mid- and upper-level expansion to meet expected growth in air passenger traffic and increase terminal capacity.	\$37 M	Potential for increased activity-based revenue in the amount of approximately \$5 M annually.
2 JFK Delay Reduction Program	Complete Bay Runway replacement, including high-speed taxiways and taxiway pads to reduce flight delays.	\$31 M	Reduced pavement maintenance costs.
3 JFK Delta 2/3 and IAT Redevelopment	Project management and support to assist Delta with upgrading and expanding terminal facilities so that they better conform to their current business model.	\$26 M	Increased operational efficiencies aiding airline growth at JFK.
4 TEB Runway 1-19 Rehabilitation	Pavement rehabilitation and lighting upgrades to extend the useful life and maintain a state-of-good-repair.	\$18 M	50% reduction in rehabilitation costs by not allowing pavement to further deteriorate; execution of approved pavement management plan required for AIP grant funding.
5 EWR AirTrain Overhaul	Mid-life overhaul of major system components, including control and communication system and guideway to maintain safe operations and service levels.	\$14 M	Operations and maintenance cost avoidance of approximately \$2 M annually; completion of contractual obligation to Bombardier.
6 LGA CTB Modernization Planning	Upgrade airside and landside infrastructure to accommodate projected passenger demand.	\$13 M	Improved customer service and accommodation of projected passenger growth.
7 Bollards (all airports)	Major capital security initiative to install bollards (barriers) on tenant-controlled areas to protect terminal frontages.	\$10 M	Increased facility security.
8 EWR Terminal A Redevelopment Planning	Provide planning dollars for the redevelopment of Terminal A at the airport.	\$9 M	Accommodation of projected passenger growth.

# TUNNELS, BRIDGES, AND TERMINALS (TB&T)

## Mission

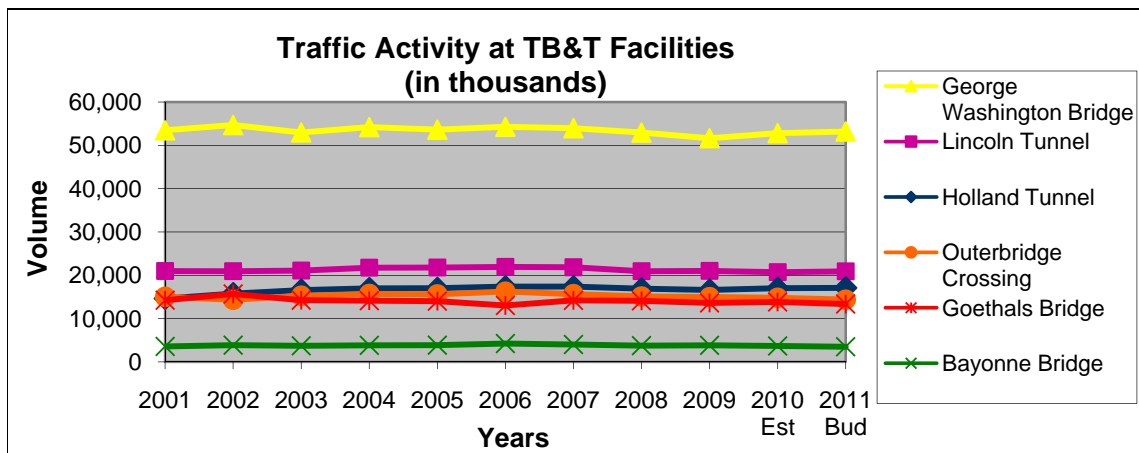
The heart of the TB&T mission is aligned with the Port Authority's goals by connecting the road networks of New York and New Jersey with tunnels, bridges and bus terminals that permit people and goods to move safely, efficiently and conveniently by operating facilities that are safe, secure, reliable, well maintained and easy to use; providing service levels that instill customer confidence and satisfaction; coordinating with other agencies to ensure integrated transportation systems; and improving traffic flow, efficiency and travel reliability through innovative technology and new work practices thereby strengthening the region's economic competitiveness.

## Facilities

- Bayonne Bridge
- Goethals Bridge
- George Washington Bridge (GWB)
- George Washington Bridge Bus Station (GWBBS)
- Holland Tunnel
- Lincoln Tunnel
- Outerbridge Crossing
- Port Authority Bus Terminal (PABT)

## Activity Levels

After record levels of traffic in recent years, it is expected that TB&T's facilities will handle 122 million eastbound cars, buses, and trucks in 2011. This reflects a 7.5% decrease from the projections used to develop the Port Authority's \$29.5 billion 2007 – 2016 Capital Plan and a less than 1% increase from 2010 traffic levels. Truck traffic for 2011 is projected to increase by 2% while auto traffic will remain relatively stable. Looking ahead, TB&T continues to anticipate long-term growth in its business.



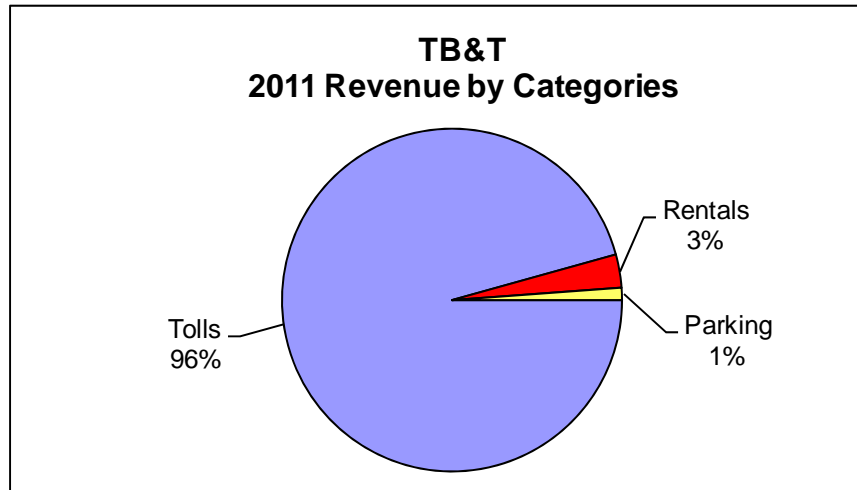
## Staffing

TB&T has a total of 912 staff, of whom 824 are dedicated to facility-based management, operations, and maintenance. Facility management directs operations and maintenance staff who are responsible for toll collection, traffic management, incident and emergency response, bus and passenger operations at bus terminals, and preventative maintenance and construction programs that ensure integrity of assets, infrastructure and equipment, as well as code and regulatory compliance. TB&T employs 88 management services staff responsible for managing business programs and facility support functions including capital program delivery; asset management; development programs at facilities and department properties; operations, transportation and business planning; financial services and analysis; revenue program management including the operations and maintenance of the toll collection system and customer service contracts; a variety of operating and maintenance agreements; and department-wide administrative services.

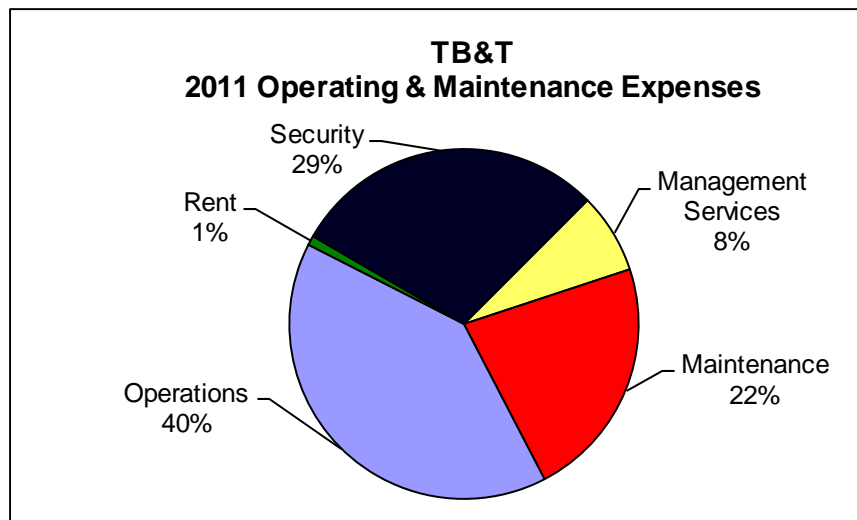
<b>TB&amp;T Staffing Summary</b>		
Operations	George Washington Bridge	136
	Holland Tunnel	129
	Lincoln Tunnel	141
	Port Authority Bus Terminal	48
	Staten Island Bridges	87
	Department-wide Facility Operations	16
<b>Operations SUBTOTAL</b>		<b>557</b>
Maintenance	George Washington Bridge	45
	Holland Tunnel	67
	Lincoln Tunnel	67
	Port Authority Bus Terminal	53
	Staten Island Bridges	35
<b>Maintenance SUBTOTAL</b>		<b>267</b>
Director's Office		9
Regional E-ZPass Programs		13
Business, Finance and Administration		8
Project Management		31
Technical Services		18
Transportation Planning and Development		9
<b>TOTAL</b>		<b>912</b>

## Revenues and Expenses

TB&T forecasts 2011 revenues of \$1 billion, 96% of which consists of projected toll revenues from the bridge and tunnel crossings, along with rentals from the bus terminals, advertising and parking revenues.

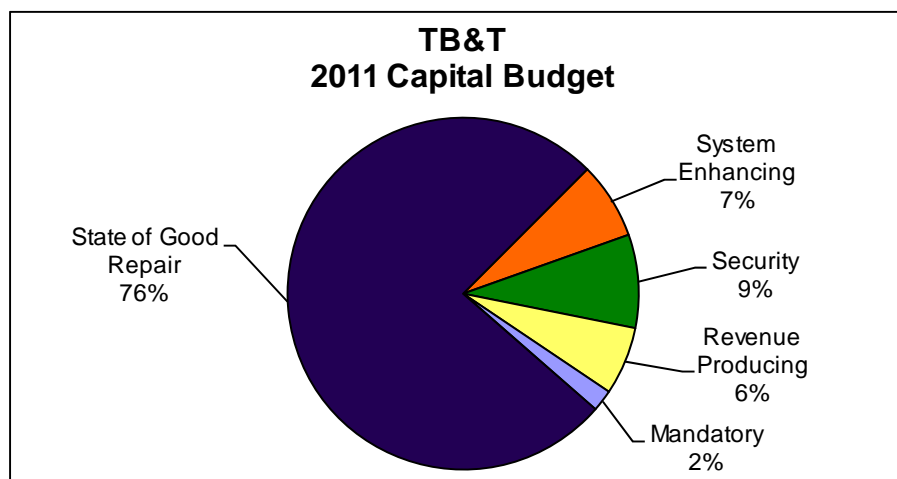


TB&T's total 2011 operating budget is \$470 million, allocated as follows:



## 2011 Capital Budget Overview

The 2011 TB&T capital budget provides for expenditures totaling \$177 million, 76% of which is geared toward rehabilitating and maintaining the facilities in a state of good repair.



### 2011 Capital Budget Highlights

Project	Description	2011 Budget	Operational Impacts
1 Lincoln Tunnel Helix and Bus Ramp Rehabilitation	Replace approximately 44,000 square feet of bus ramp concrete panels and complete the helix design to ensure the structural integrity and useful life of the existing facility.	\$17 M	Minimization of costly emergency repairs and unscheduled lane closures and enhanced safety of the helix roadway and bus ramps to the Port Authority Bus Terminal.
2 Holland Tunnel Electrical/Mechanical Rehabilitation of Ventilation Systems	Provide for an upgraded and modernized tunnel ventilation system including ventilation fan blowers and motors in all four vent buildings, a new automatic control system, and new low- and high-voltage switch gear.	\$15 M	The project will rehabilitate an existing ventilation system that is currently outdated and far beyond its useful life. Replacement of the system's fans & motors will prevent the PA from having to shut down the tunnel to all vehicles to address a non-functioning system.
3 GWB Upper Level Deck Rehabilitation	Rehabilitation of the structural steel of the GWB's Upper Level roadway deck and support structure to maintain structural integrity, ensure state of good repair, and extend useful life.	\$14 M	This project will extend the useful life of the deck another 15-20 years and reduce maintenance costs.
4 Goethals Bridge Modernization Planning	Planning dollars for the replacement of the existing bridge with a new six-lane bridge to address state of good repair and the functional and physical obsolescence of the current structure, while ensuring a safe efficient regional transportation network capable of accommodating projected travel demand growth in the region.	\$12 M	Accommodation of projected year 2034 demand of an additional 35 percent of vehicles, while improving traffic flow, creating environmental and economic benefits and enabling the agency to experience added safety as well as maintenance savings associated with a modern facility. Continued use of existing bridge would necessitate replacing the deck in approximately seven years at an estimated project cost range of \$600M to \$700M.
5 GWB Bus Station Redevelopment	Modernize bus operations on the upper level of the existing GWB Bus Station, as well as develop approximately 120,000 square feet of retail space resulting in a new revenue stream for the agency.	\$10 M	Provide a modernized intermodal transportation facility and services that promote reliable travel and seamless connectivity among modes, and more attractive transit alternatives for users of the GWB.
6 Toll Collection System Replacement	Provide a new toll collection system to replace the current system, which is beyond its useful life. Deploy a system that has the capability for All-Electronic Tolling, which will enable the Port Authority to eliminate cash payments in the toll lanes, enhancing system capacity and traffic flow at the interstate crossings.	\$9 M	Replacement of the aging toll collection system and equipment will serve to protect the nearly \$1B in toll revenue and help to recoup the estimated \$15M in annual revenue loss as a result of the antiquated system.
7 Bayonne Bridge Modernization Planning	Advance alternatives to alleviate the existing air-draft navigational clearance limitation of the Bayonne Bridge to allow larger container ships to serve Port Newark/Elizabeth.	\$4 M	Alleviation of the air-draft restriction will support regional economic growth and continued port competitiveness. Additionally, alternatives under consideration will provide for an upgrade to modern bridge safety and design standards.

# PATH

## Mission

PATH's mission is guided by the Port Authority's goals to excel in the delivery of a safe, reliable, and cost-effective transportation service that operates as a critical link in the regional transportation network, contributing to regional mobility and economic development and serving as stewards of the regional environment by providing efficient mass transit service and effectively managing energy resources.

## Facilities

- PATH Rail Transit System

### Stations in New York

9<sup>th</sup> Street  
 14<sup>th</sup> Street  
 23<sup>rd</sup> Street  
 33<sup>rd</sup> Street  
 Christopher Street  
 World Trade Center

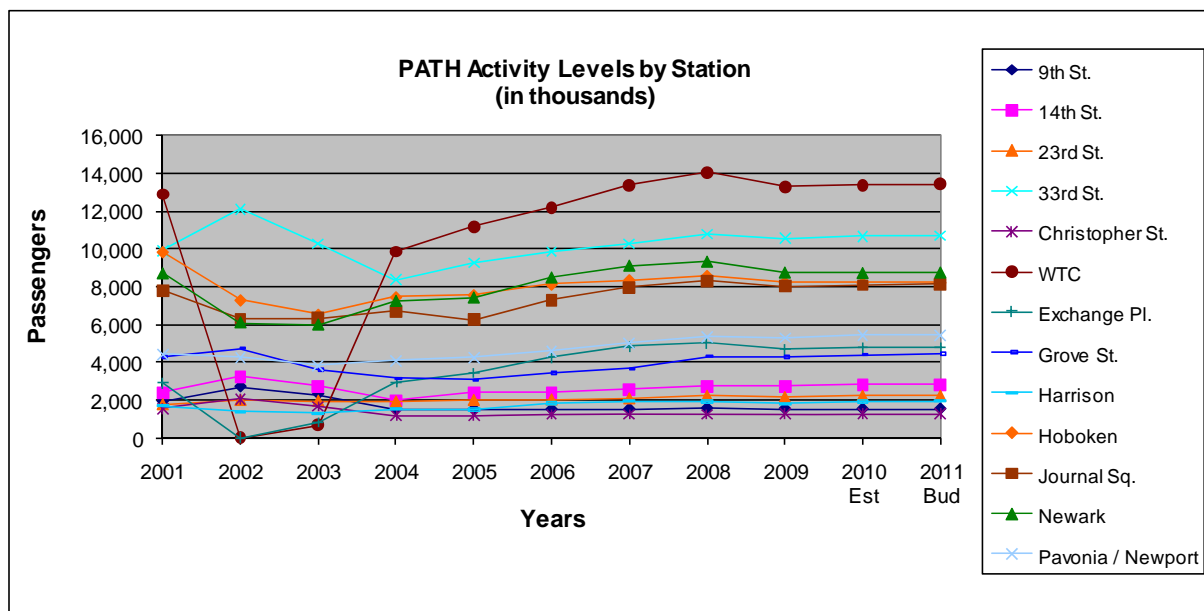
### Stations in New Jersey

Exchange Place  
 Grove Street  
 Harrison  
 Hoboken  
 Journal Square  
 Newark Penn Station  
 Newport

- Journal Square Transportation Center

## Activity Levels

PATH ridership is expected to remain relatively stable in 2011 with approximately 73 million passenger trips, which is on par with 2010's ridership levels.



## Staffing

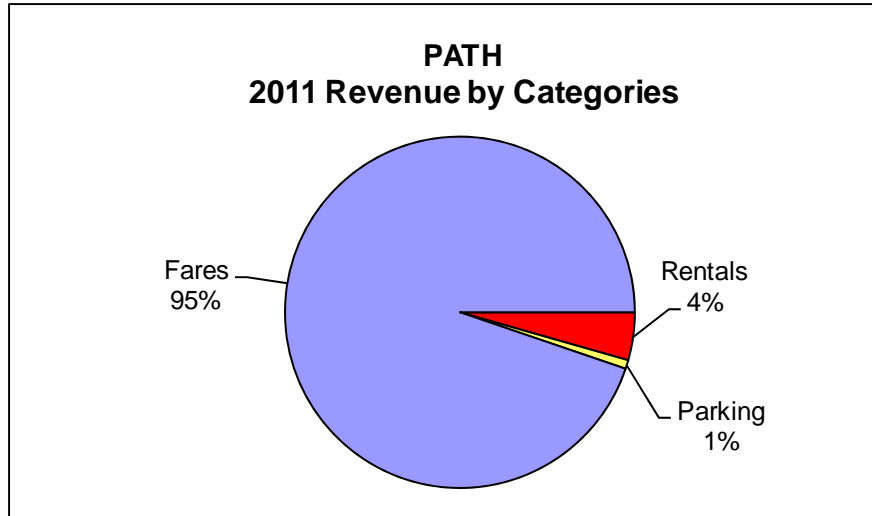
PATH has a staff of 1,081 permanent employees, of which 1,023 are dedicated to operating and maintaining a full service rail transit system and bus terminal. The operations staff operate and manage the dispatching and movement of trains in and out of the stations and yards, develop and maintain train schedules, and provide passenger information and customer care programs throughout the stations, including compliance with Federal Railroad Administration rules and regulations. The maintenance staff ensures that the railcars are inspected, repaired and perform at a high level; maintains and replaces tracks, station structures and operating equipment; and services the signals and power distribution systems to ensure safe and efficient train movement. The remaining management services staff provide the functions that support the facilities and line business operations, including capital program delivery; asset management; rail operations planning; property and revenue management; strategic business planning and financial functions; security and environmental management; and facility management and departmental oversight.

<b>PATH Staffing Summary</b>		
Transportation (Operations)		<b>425</b>
	Car Equipment	215
	Way and Structures	214
	Power, Signals, and Communications	169
<b>Maintenance SUBTOTAL</b>		<b>598</b>
Capital Project Management		26
Operations Support and Security		11
Director's Office		9
System Safety and Environmental Management		5
Business Process and Analysis		4
Financial Services		3
<b>PATH TOTAL</b>		<b>1,081</b>

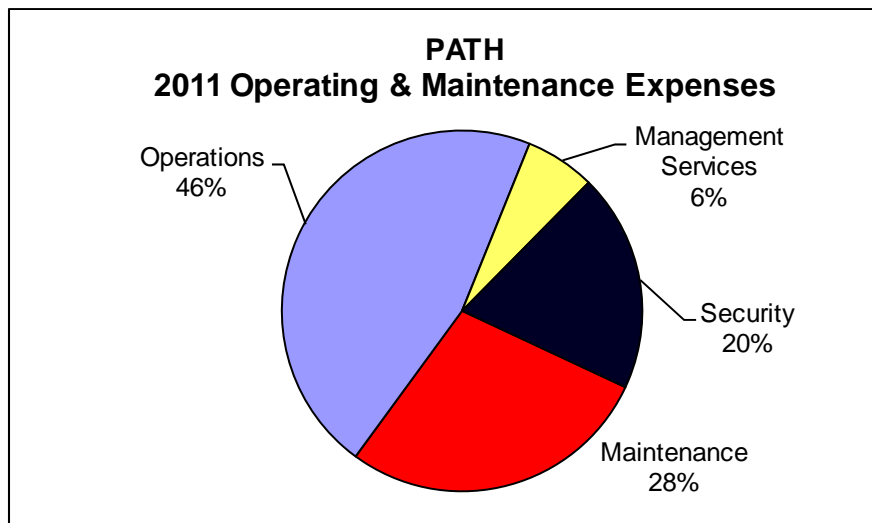
## Revenues and Expenses

PATH projects 2011 gross revenues to reach \$109 million, which is a \$5 million increase over the 2010 Budget. This increase in gross revenues is attributable to a projected \$5 million increase in fare revenues, as non-fare revenues are expected to remain relatively flat.



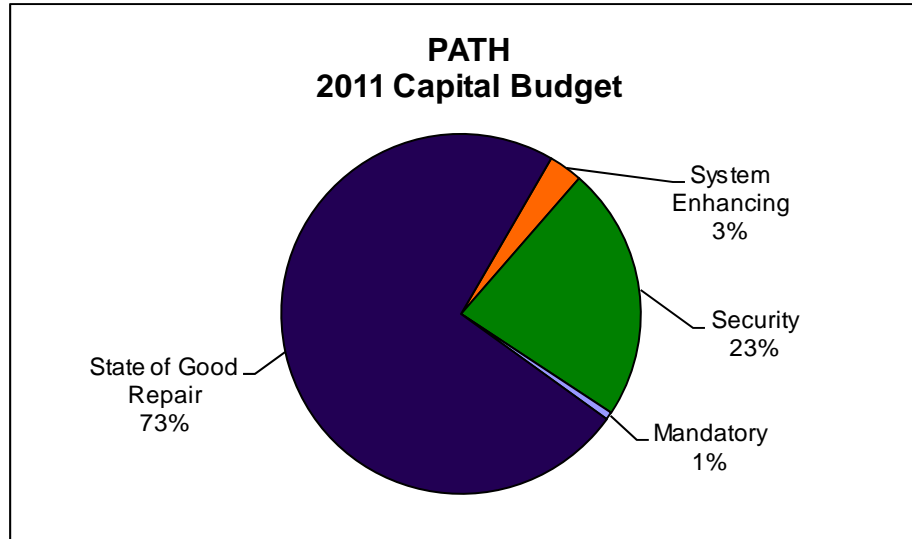


The PATH operating budget for 2011 is \$282 million, which represents a 1.4% decrease from PATH's 2010 operating budget.



**2011 Capital Budget Overview**

The 2011 PATH capital budget provides for a total of \$400 million in expenditures. A large part of the expenditures will be used towards the PATH modernization program, which includes replacing rail cars with a new, 340 car fleet, signal system, and upgrading PATH stations. The 2011 Capital Plan also includes projects designed to maintain PATH's aging assets, including track, substations, and communications equipment.



## 2011 Capital Budget Highlights

Project	Purpose	2011 Budget	Operational Impacts
1 Safety and Security Projects	Enhance system access control and overall operational safety to protect the PATH infrastructure.	\$100 M	Safe and effective operation of entire system.
2 New Car Purchase Program	Replace the aging railcar fleet with 340 new rail cars.	\$138 M	Improved service reliability, such as mean distance between failures and on-time performance as well as customer service.
3 Signal System Replacement Program	Replace outdated current signal system with a modern computerized system.	\$109 M	Increased capacity to meet growing ridership demand. The signal system will provide the capability to increase the system capacity by approximately 20% by permitting trains to safely run closer together.
4 State of Good Repair Program	Ensure the integrity of the infrastructure by maintaining the functionality of PATH assets.	\$27 M	Improved service reliability (e.g., on-time performance).
5 Substation Upgrades	Improve reliability and maintain substation equipment by upgrading and replacing certain components of the high-tension feeder sources.	\$9 M	Accommodation of increased electrical service needs. The existing traction power substation provides output voltage of 650VDC to support existing fleet. The new, upgraded substations will provide output voltage of 650VDC to support existing cars and will also accommodate future operating voltage of 750VDC when PATH transitions to its new PA5 cars.

To address PATH's future operational requirements (PA5 car fleet, operation of 10-car trains, operation at 3 minutes headways for Newark trains and 4 minutes for Journal Square 33<sup>rd</sup> Street trains), Substation #7 capacity will be upgraded from 4MW to 6MW.

# PORT COMMERCE

## Mission

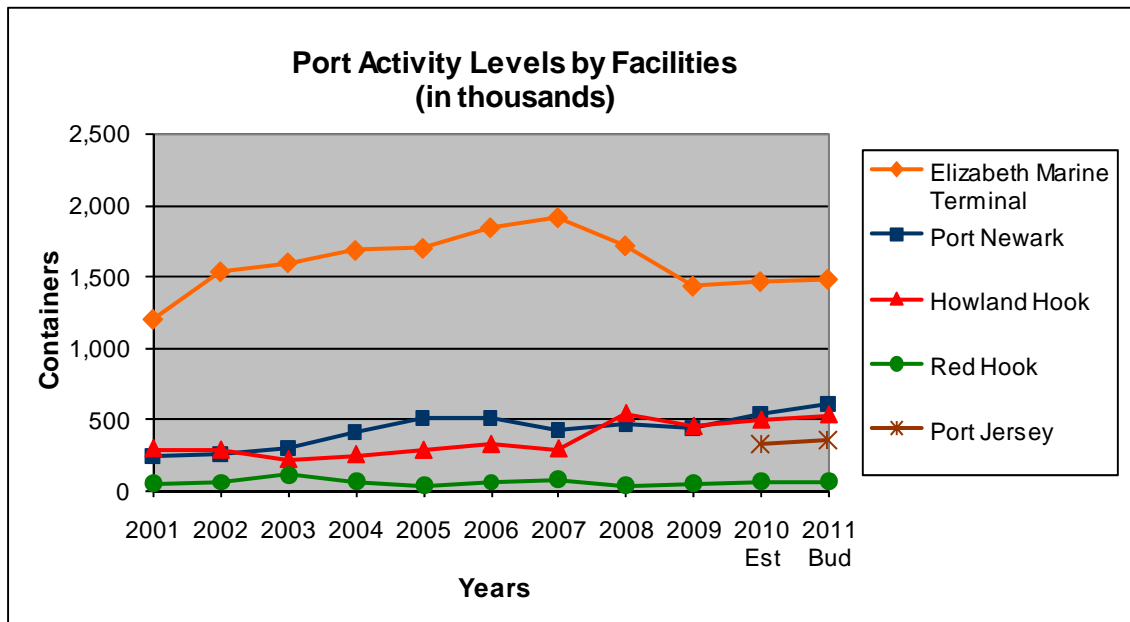
Port Commerce activities support the Port Authority's mission to develop and maintain secure, competitive port infrastructure and services for New York and New Jersey, expediting the movement of international cargo and supporting the regional economy in a financially sound manner. Port Commerce also aims to minimize the impact to the environment, conserve natural resources and support sustainable growth, particularly with respect to reducing pollutant air and greenhouse gas emissions.

## Facilities

- Port Newark
- Elizabeth – Port Authority Marine Terminal
- Brooklyn – Port Authority Marine Terminal
- Howland Hook Marine Terminal
- Greenville Yard – Port Authority Marine Terminal
- Port Jersey – Port Authority Marine Terminal
- Red Hook Container Terminal
- Military Ocean Terminal At Bayonne (MOTBY)

## Activity Levels

In 2011, the agency's port facilities expect to handle approximately 3 million containers, an increase of 4.3% from 2010 container activity. While cargo volumes are expected to be less than originally projected prior to the economic slowdown, a 3-4% annual growth rate is anticipated in the years ahead as the economy recovers.



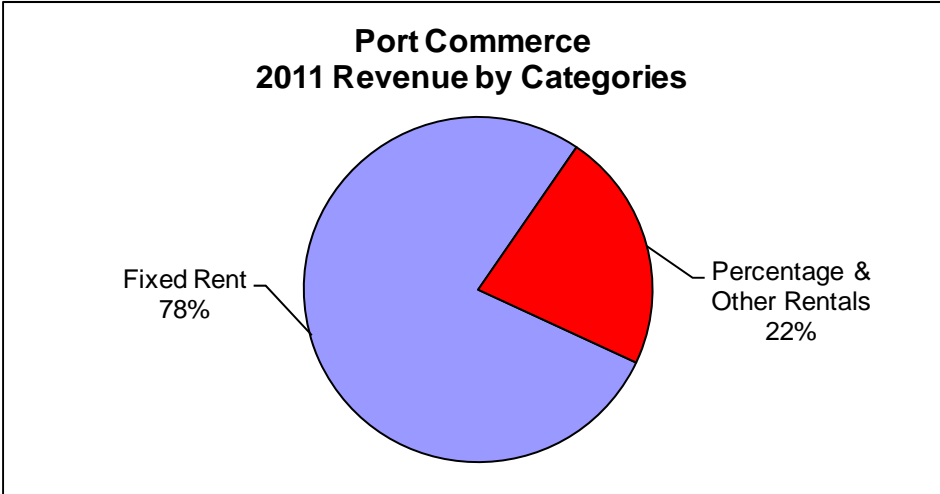
## Staffing

Port Commerce has a total of 174 permanent positions, of which 106 are dedicated to operating and maintaining the marine terminals and port system. The operations and maintenance staff ensure that the marine terminals' berths, waterways, roadways, rail facilities, multi-tenant properties, and common utilities are in compliance with applicable codes and regulations and are operated and maintained in a manner that allows for the safe and efficient movement of international cargo to and from our facilities. The remaining management staff provide the functions that support the facilities including capital program delivery; asset management; terminal properties and waterways management; cargo and revenue management; strategic analysis; maintenance of industry relations; business planning and financial functions; port security programs; environmental programs management; as well as facility management and overall departmental oversight.

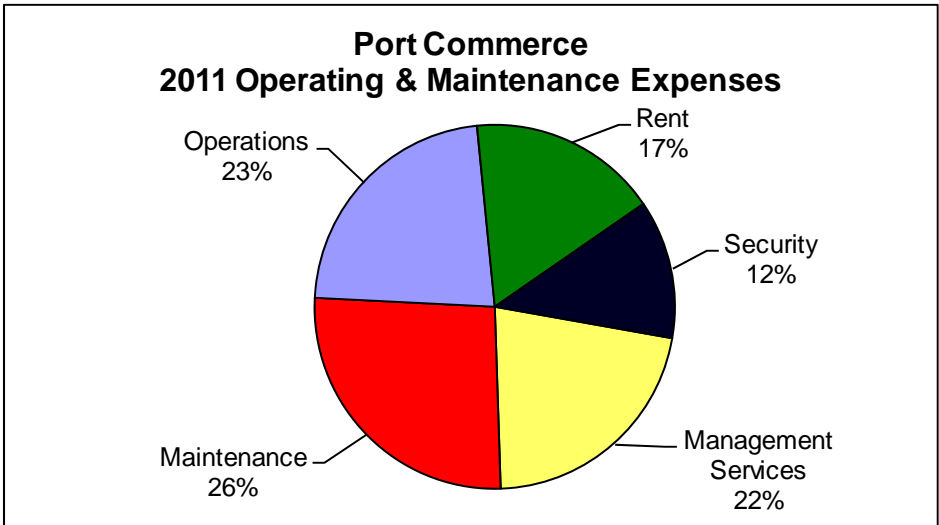
<b>Port Commerce Staffing Summary</b>		
Operations	New Jersey Marine Terminals	24
	New York Marine Terminals	7
<b>Operations SUBTOTAL</b>		<b>31</b>
Maintenance	New Jersey Marine Terminals	54
	New York Marine Terminals	21
<b>Maintenance SUBTOTAL</b>		<b>75</b>
Director's Office		18
Port Planning & Development		14
Strategic Analysis & Industry Relations		12
Leasing & Property Development		9
Environmental & Waterways		6
Project Management		6
Financial Services		3
<b>TOTAL</b>		<b>174</b>

## Revenues and Expenses

Port Commerce anticipates \$209 million in gross revenues in 2011, which represents a decrease of \$4 million from the 2010 budget. Seventy-eight percent of these revenues consist primarily of land and building rentals related to containers, autos, warehouse operations and bulk storage. The remaining sources of revenue are from percentage and other rentals that are derived from container throughput, intermodal rail and dockage and wharfage.

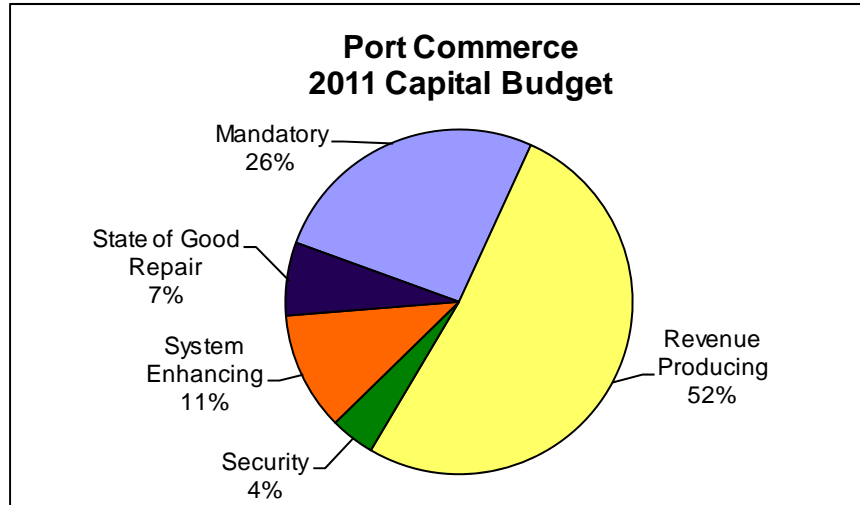


The 2011 Port Commerce operating budget is \$159 million, allocated as follows:



**2011 Capital Budget Overview**

The Port Commerce 2011 capital plan of \$283 million includes the necessary investments that will enable the Port Authority to sustain port growth over the next decade. This investment includes an improved transportation infrastructure that will alleviate truck traffic and port congestion and deepen channels and berths, allowing for more cost-efficient and environmentally conscious transportation of cargo.



## 2011 Capital Budget Highlights

Project	Description / Outcomes	2011 Budget	Operational Impacts
1 Development Program	Acquisition and development of new and existing marine terminal properties. Capacity for accommodating international marine cargo will be increased.	\$81 M	Increased capacity will eventually lead to increased revenues.
2 Harbor Deepening Program	Continue deepening NY/NJ Harbor's main channels to 50 feet. Navigational safety and waterside access for wider vessels will be improved and the movement of international cargo will be expedited.	\$70 M	Increased capacity for larger vessels and incremental cost savings to ocean carriers by their utilization of larger vessels will make the Port more competitive from a cost and efficiency perspective. When completed in 2012-2014, vessels will have the ability to enter into the harbor at 50 ft mean low water. Presently almost 45% of the vessels entering the harbor must enter the Port at high water.
3 Infrastructure Program	Maintain Port Commerce assets to ensure a state of good repair. The long-term reliability of Port Commerce assets will be ensured and day-to-day maintenance costs will be reduced.	\$50 M	Reductions in operating and capital major works programs costs associated with priority repair work.
4 Cross Harbor Program	Develop a barge to rail facility. Roadway congestion and pollution will be reduced and an important rail freight corridor will be reinvigorated.	\$45 M	It is anticipated that these improvements will allow for an increase of 40% in both rail car volumes and associated revenues by December 2011.
5 Roadway Improvement Program	Improve and expand capacity of the port marine terminal roadway system. Roadway congestion and pollution will be reduced and roadway safety will be improved.	\$26 M	Increased capacity and reduced congestion and accidents. Average peak hour network-wide interaction delays should be reduced by 20% and speeds along select corridors should increase by approximately 7%.
6 Intermodal Rail Program	Continue construction of a comprehensive rail system throughout the Port. The Port will be optimally positioned to service the mid-west market --- a market that is becoming more vulnerable as a result of increasing pressure from competing ports such as Norfolk and various Canadian ports.	\$24 M	Increased rail capacity will facilitate the movement of goods by rail thereby reducing the carbon footprint associated with the transport of port cargo and provide increased revenues to the PA. When the present intermodal rail program is completed by the end of 2016, an additional 50% in intermodal rail capacity will be added.
7 Security Program	Finalize design for Security ID System, and complete TWIC Pilot Program and Closed Circuit TV implementation. Compliance with Federal regulations will be ensured and overall port security will be improved.	\$13 M	Enhanced facility security.

# REAL ESTATE and DEVELOPMENT

## Mission

To identify and advance strategic business initiatives that enhance the Port Authority's financial capacity; stimulate private investment in agency facilities and host communities; support and drive sustainable regional economic growth; facilitate expansion of an efficient, high quality regional transportation system; and enhance the productivity of the Port Authority staff.

## Facilities

- Bathgate Industrial Park
- Essex County Resource Recovery Facility
- Ferry Transportation
- Industrial Park at Elizabeth
- The Legal Center
- The Teleport
- Waterfront Development
- Queens West Waterfront Development
- The South Waterfront at Hoboken

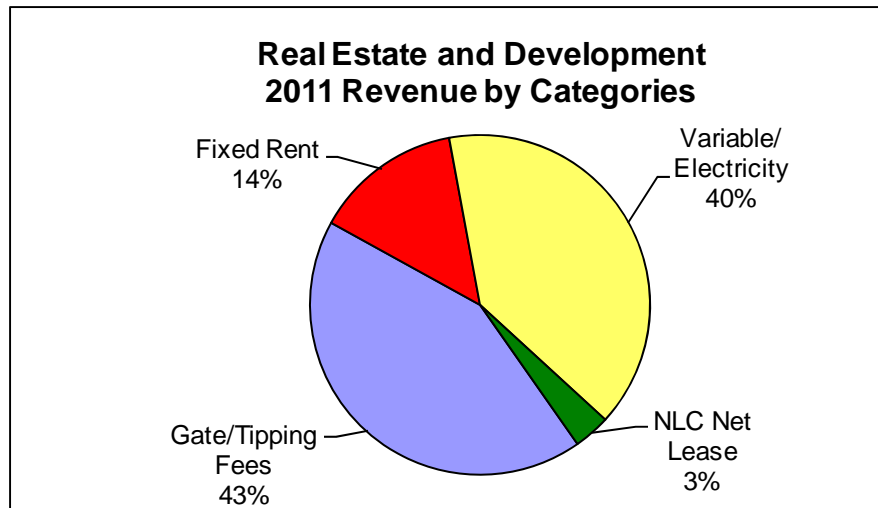
## Staffing

Real Estate and Development has a total of 66 staff, not including the 14 staff members that manage all real estate issues and business relationships associated with the development of the World Trade Center site. Real Estate and Development's staff are dedicated to managing the Port Authority's major real estate developments, other components of its commercial real estate portfolio and additional programs aimed at optimizing financial return to the agency and supporting regional economic growth. Real Estate and Development's staff identify and advance new revenue opportunities; negotiate cost-effective property acquisitions and sales, land swaps, development agreements and leases; manage the waterfront development program; operate, maintain and manage Port Authority commercial and industrial properties and office and operations space leased by the agency and provide the functions that manage and support these activities.

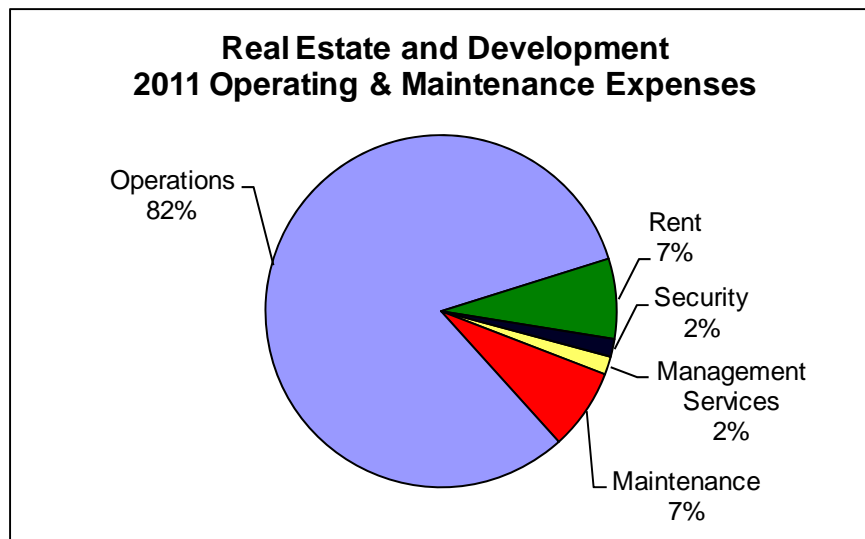
Real Estate and Development's Staffing Summary		
Real Estate Services	Asset Management	19
	Real Estate	11
	Planning and Project Development	6
	Facility Operations	6
<b>Real Estate Services SUBTOTAL</b>		<b>42</b>
Development		24
<b>TOTAL</b>		<b>66</b>

## Revenues and Expenses

Projected 2011 revenues for Real Estate and Development's operating facilities are \$103 million, an increase of \$10 million over the 2010 budget. Revenue largely consists of gate/tipping fees and the sale of electricity from the Essex County Resource Recovery Facility and rents generated by terms of existing agreements.



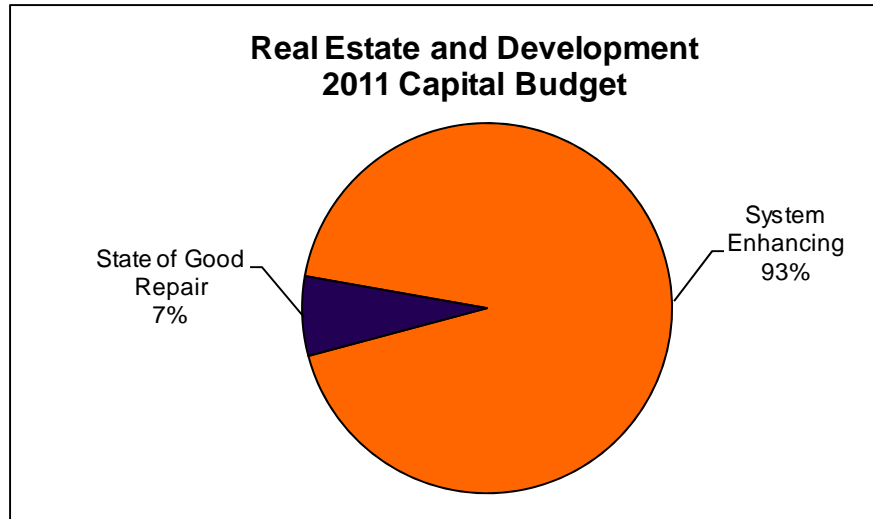
Real Estate and Development's operating budget for 2011 is \$87 million.





## 2011 Capital Budget Overview

Real Estate and Development's 2011 capital budget totals \$9.5 million, not including capital expenditures for the agency's Regional Transportation Initiative, an initiative to advance critical transportation projects throughout the region. Approximately 93% of the budget will be used to enhance overall system capacity through the development of a permanent ferry terminal in Hoboken, New Jersey.



## 2011 Capital Budget Highlights

Project	Purpose	2011 Budget	Operational Impacts
Ferry Transportation	Advance PA share to rehabilitate and return ferry service to the Hoboken Ferry Terminal.	\$9 M	Improve regional ferry service.

# WORLD TRADE CENTER

## Mission

To redevelop and operate the World Trade Center site by directly managing projects controlled by the Port Authority, overseeing elements controlled by third parties, and constructing key site elements thereby creating a safe, secure, environmentally sustainable, financially successful and physically integrated complex that anchors the revitalization of Lower Manhattan, supports regional prosperity and enhances the Port Authority's financial capacity while honoring those lost on 9/11.

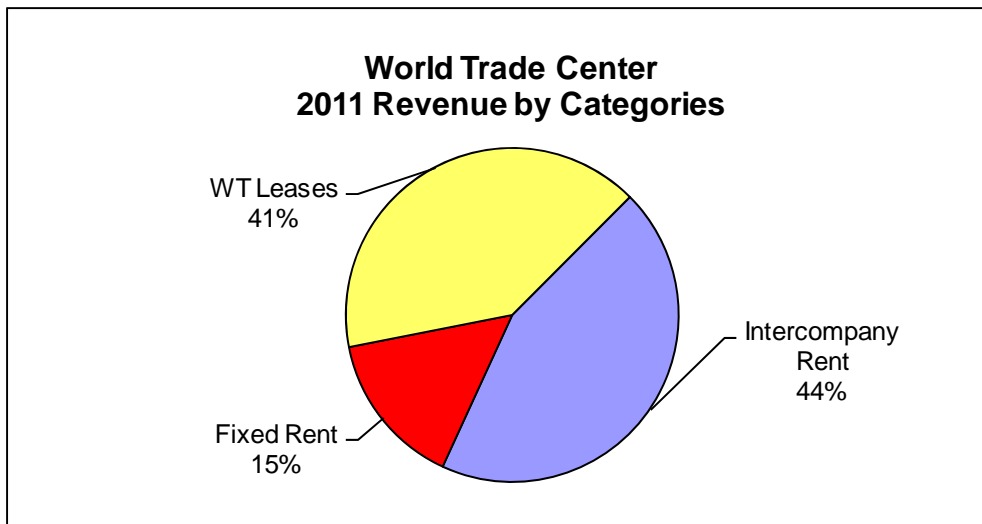
## Staffing

World Trade Center activities employ a total of 128 staff, of which 114 are dedicated to rebuilding the WTC Site by managing the design guidelines, contracting for and constructing capital program elements and overseeing the different construction managers and contractors on the site. A staff of 14 manages all real estate issues and business relationships associated with development of the entire site.

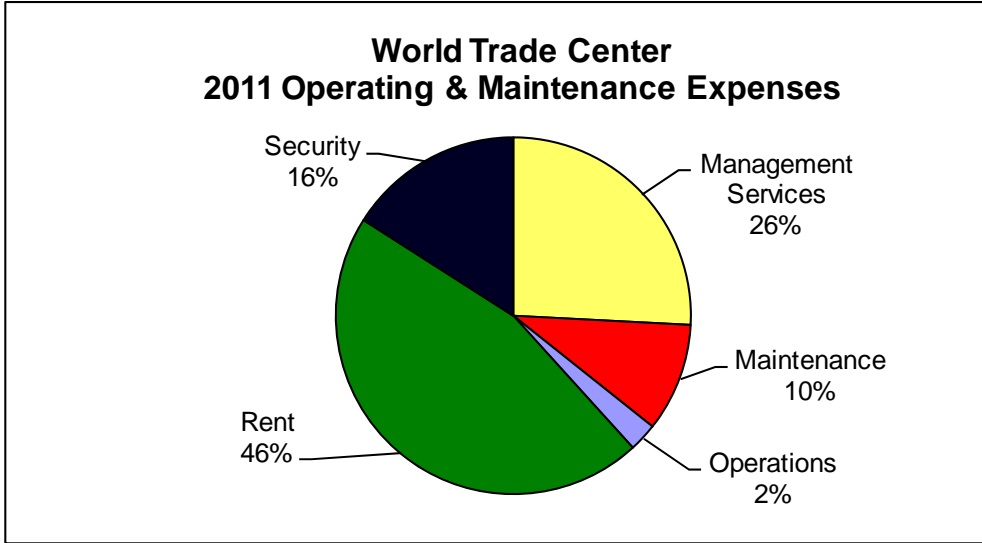
World Trade Center Staffing Summary	
WTC Construction	114
WTC Redevelopment	14
<b>TOTAL</b>	<b>128</b>

## Revenues and Expenses

World Trade Center projected revenues for 2011 are \$72 million, which primarily consist of World Trade Center leases, intercompany rent and rentals. Revenue estimates are based on terms of existing agreements and amendments to existing agreements agreed to in principle.

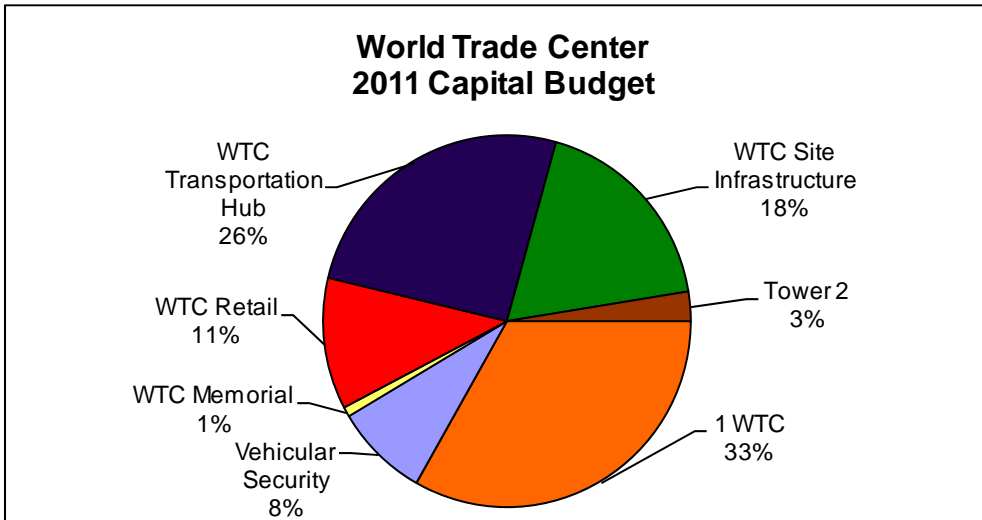


World Trade Center expenses for 2011 total \$101 million, which includes intercompany rent, as well as management services, maintenance, operations and security expenses during the rebuilding of the WTC site.



### 2011 Capital Budget Overview

The 2011 World Trade Center capital budget provides for expenditures totaling \$1.9 billion to support the WTC rebuilding effort and is broken down as follows:



## 2011 Capital Budget Highlights

	<b>Project</b>	<b>Description</b>	<b>2011 Budget</b>	<b>Operational Impacts</b>
1	One World Trade Center	Construction of signature office tower containing 2.6M SQF of commercial office space, 2-level observation deck, rooftop restaurant and retail.	\$644 M	1 WTC will add world-class commercial office space to the real estate market, reasserting downtown Manhattan's preeminence as a business center while establishing a new architectural icon for the city.
2	WTC Transportation Hub	Construction of a new 800,000 SQF facility that will provide access to 13 subway lines, PATH, ferries, the World Trade Financial Center, retail, and a range of amenities.	\$496 M	The Hub will increase capacity to accommodate over 200,000 daily commuters.
3	WTC Common Site Infrastructure	Underground parking, Chiller Plant, and other site-wide mechanical, electric, plumbing, and utilities; the construction of Greenwich and Fulton Streets; restaging Route 9A security infrastructure and contingencies; and foundation excavation among other site-wide infrastructure.	\$352 M	Investment in the common infrastructure is required to support the massive development with significant interdependence.
4	WTC Retail	Development of approximately 500,000 SF square feet of world-class retail and restaurant space to be available throughout the complex.	\$223 M	Successful retail will support revival of the Lower Manhattan economy and contribute to a healthy, well-rounded growth in the regional economy.
5	WTC Vehicular Safety Center (VSC) and Tour Bus Parking Facility	Construction of a secure screening facility of buses, trucks, and cars entering the WTC site and its facilities.	\$161 M	The VSC is a critical component of the site's comprehensive police, security and operational plan.
6	National 9/11 Memorial & Museum	A national memorial and museum to honor the people who lost their lives on 9/11/2001 and the WTC bombing of 2/26/1993.	\$17 M	Provide visitors with a place for contemplation, reflection and remembrance, together with a Museum to teach future generations of the events of both September 11, 2001, and February 26, 1993.



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# **2011 Budget Schedules**

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## SUMMARY OF 2011 BUDGET

(In Millions)

	2011 Budget	2010 Budget	Variance	% Change
<b>SOURCES:</b>				
Gross Operating Revenues	\$3,669	\$3,639	\$30	0.8%
New Special Project Bonds	47	-	47	n/a
Bonds, Notes and Other	2,626	1,859	767	41.3%
Financial Income	50	65	(15)	-23.4%
Grants and Contributions, Insurance Recoveries and Miscellaneous Revenues	556	567	(11)	-2.0%
Allocated Passenger Facility Charges	217	213	4	1.9%
<b>Total Sources</b>	<b>\$7,165</b>	<b>\$6,343</b>	<b>\$822</b>	<b>13.0%</b>

### Significant Highlights/Challenges:

- ⇒ Gross operating revenues are expected to increase moderately, rising by 0.8% and includes increases in fixed and percentage rentals, federal inspection, flight fees and vehicular parking at our airports along with increased activity based revenue at JFK. These increases were mostly offset by lower revenues attributable to the World Trade Center New Development Plan.
- ⇒ The 2011 Budget includes additional revenues associated with the issuance of new Special Project Bonds for the Redevelopment project of Terminal 4 at John F. Kennedy International Airport.
- ⇒ Bonds, Notes and Other are expected to increase by 41% due to higher bonds issued to accommodate our capital spending plan.
- ⇒ Financial income is expected to be lower by 23% mainly due to lower interest rates on investments.
- ⇒ Grants and contributions, insurance and miscellaneous revenues are expected to be lower by 2% mainly resulting from lower balances of insurance dollars available for 1WTC/WTC Retail.

	2011 Budget	2010 Budget	Variance	% Change
<b>USES:</b>				
Expenses	\$2,483	\$2,483	(\$0)	0.0%
New Special Project Bonds	47	-	47	n/a
Debt Service	701	689	12	1.7%
Deferred & Other Expenses	47	44	3	6.8%
Gross Capital Expenditures	3,887	3,127	760	24.3%
<b>Total Uses</b>	<b>\$7,165</b>	<b>\$6,343</b>	<b>\$822</b>	<b>13.0%</b>

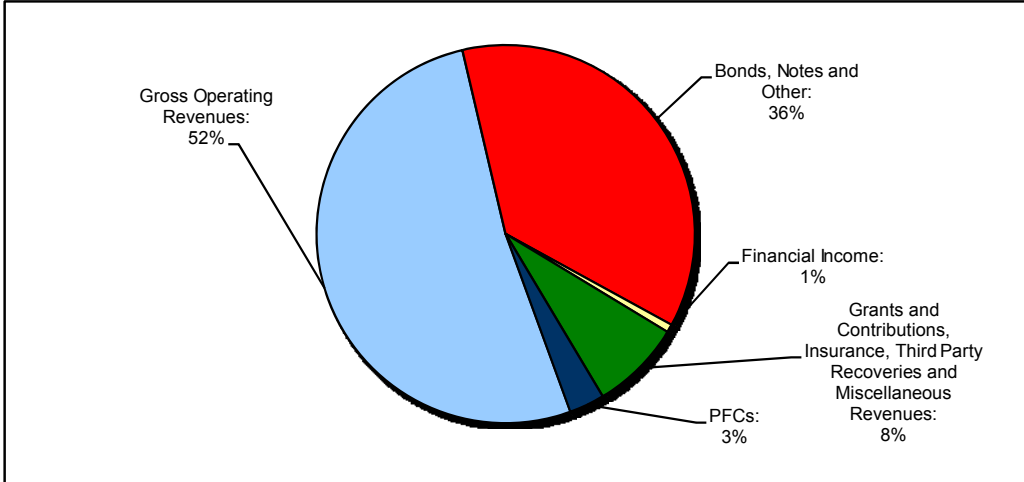
### Significant Highlights/Challenges:

- ⇒ Operating expense budget reflects the continuation of our aggressive cost containment efforts. Through these efforts, the agency's operating spending budget has been flat for several years with increases of 0% in 2011, 2010 and 2009, 0.9% in 2008 and 1.1% in 2007. We have achieved zero growth in this budget even while taking on new responsibilities for property redevelopment programs which include: MOTBY, JFK hanger demolition and the retail development rights at the Port Authority Bus Terminal.
- ⇒ The 2011 Budget includes additional expenses associated with the issuance of new Special Project Bonds for the Redevelopment project of Terminal 4 at John F. Kennedy International Airport.
- ⇒ Authorized position levels in the 2011 Budget have decreased by 200 positions to a total of 6,777. This staffing level is the lowest level exceeding 40 years and was achieved by position reductions related to the retirement incentive program and through efficiencies.
- ⇒ Continued reduction in consultant provisions of \$14 million, reflecting the agency's focus on prioritizing development studies and enhanced utilization of existing technology resources and other internal resources. This reduction is in addition to the \$15 million decrease included in the 2010 Budget.
- ⇒ This budget includes the elimination of Port Authority owned helicopters, with cost savings of \$5 million per year.
- ⇒ Committing \$806 million in security expenditures to provide safe and secure facilities, which include hardening our facilities infrastructure and installing state-of-the-art surveillance and detection equipment.
- ⇒ Agency provides \$25 million toward its on-going commitment to reducing greenhouse gas emissions, environmental protection and energy conservation including Port's Clean Air Program (Truck Replacement and Ocean Going Vessel Fuel Incentive Programs).
- ⇒ Capital spending for 2011 totals \$3.9 billion for: major capital investment in the World Trade Center site (\$1.9B); Capital Infrastructure Fund (\$595M); modernizing the PATH system with new railcars and signal system (\$247M); Port Jersey-Port Authority Marine Terminal Redevelopment (\$81M); continuing the Dredging Program at Port Authority Ports (\$70M); planning for Terminal A and continued development of Terminal B at Newark Liberty International Airport (\$46M); CTB terminal development at LaGuardia Airport and Delta at John F. Kennedy International Airport (\$38M); continuing the advancement of the JFK Flight Delay Reduction program (\$31M); Stewart International Airport modernization (\$16M); Planning efforts at the Bayonne Bridge and Goethals Bridge Modernization Program (\$16M); Holland Tunnel rehabilitation of ventilation system (\$15M); AirTrain mid-life rehabilitation program at Newark Liberty International Airport (\$14M); and completing a permanent ferry terminal in Hoboken, NJ (\$9M).

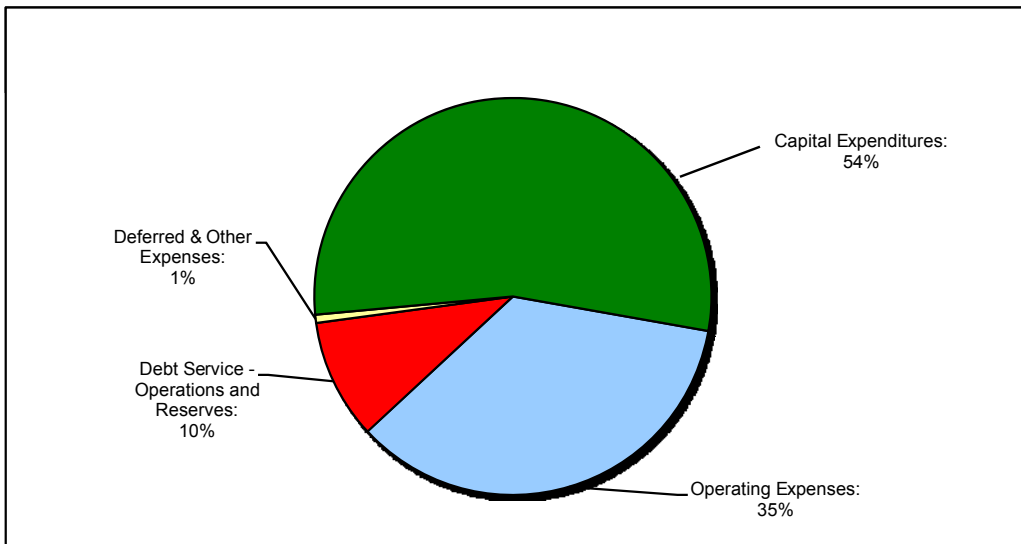
## Summary of Sources and Uses - 2011 Budget

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### Sources: \$7.165 Billion



### Uses: \$7.165 Billion





**THE PORT AUTHORITY OF NEW YORK & NEW JERSEY**  
(Including its wholly owned entities)

**2011 BUDGET**

(In Thousands)

Item	Total Expenditures	Personal Services	Materials & Services
Audit	\$13,722	\$11,713	\$2,009
Aviation	682,843	163,751	519,092
Chief Administrative Officer	1,215	985	230
Chief, Capital Planning	2,125	1,475	650
Chief Financial Officer	4,105	1,049	3,056
Chief Operating Officer	4,991	1,935	3,056
Capital Security Projects	12,643	5,385	7,258
Project Management Office	5,083	2,142	2,941
Chief of Public & Government Affairs	524	477	47
Chief, Real Estate & Development	3,280	2,341	939
Comptroller's	14,717	14,200	517
Engineering	302,198	103,485	198,713
Capital Construction Contracts	496,280	-	496,280
Executive Offices	3,081	2,755	326
Ferry Program	11,624	-	11,624
Government & Community Affairs	4,555	2,630	1,925
Human Resources	17,674	11,119	6,555
Medical Services	3,670	2,532	1,138
Inspector General	18,164	6,476	11,688
Labor Relations	2,387	1,850	537
Law	44,297	22,197	22,100
Management and Budget	7,785	6,594	1,191
Marketing	12,113	4,435	7,678
Media Relations	2,033	1,448	585
Office of Business and Job Opportunity	3,715	2,505	1,210
Office of Emergency Management	7,883	3,453	4,430
Office of Environmental & Energy Programs	5,065	2,538	2,527
Office of Financial Analysis	1,590	1,374	216
Office of the Secretary	4,617	2,884	1,733
Office of Strategic Initiatives	1,700	1,284	416
Operations Services	71,209	69,195	2,014 <sup>(1)</sup>
Operations Standards	1,606	1,254	352
Planning	5,287	4,186	1,101
Port Commerce	240,876	29,537	211,339
Procurement	17,442	14,294	3,148 <sup>(1)</sup>
Public Safety	393,302	361,261	32,041
Rail Transit	436,895	175,951	260,944
Real Estate & WTC Redevelopment	356,451	15,935	340,516 <sup>(1)</sup>
Technology Services	67,068	18,886	48,182 <sup>(1)</sup>
Corporate Enterprise Systems	18,219	-	18,219
Treasury	30,789	6,742	24,047
Tunnels, Bridges & Terminals	227,049	132,127	94,922
WTC Construction	1,525,153	27,625	1,497,528
Other:			
Amounts in Connection with Operating Asset Obligations	31,029	-	31,029
Bi-state Dredging Program	4,300	-	4,300
Capital Infrastructure Fund	594,519	-	594,519
Debt Service - Operations	701,432	-	701,432
Debt Service - Capital	215,538	-	215,538
Insurance	175,169	-	175,169
Municipal Rents and Amounts in Lieu of Taxes	227,437	-	227,437
Port Authority Insurance Captive Entity, LLC	530	-	530
Regional Programs - Operating	22,063	-	22,063
Regional Programs - Capital	20,159	-	20,159
Special Project Bonds Debt Service	115,953	-	115,953
Position Reductions	(29,789)	(29,789)	-
<b>Total Port Authority Budget</b>	<b>\$1,165,365</b>	<b>\$1,212,216</b>	<b>\$5,953,149</b>

(1) Net after charges to other departments.

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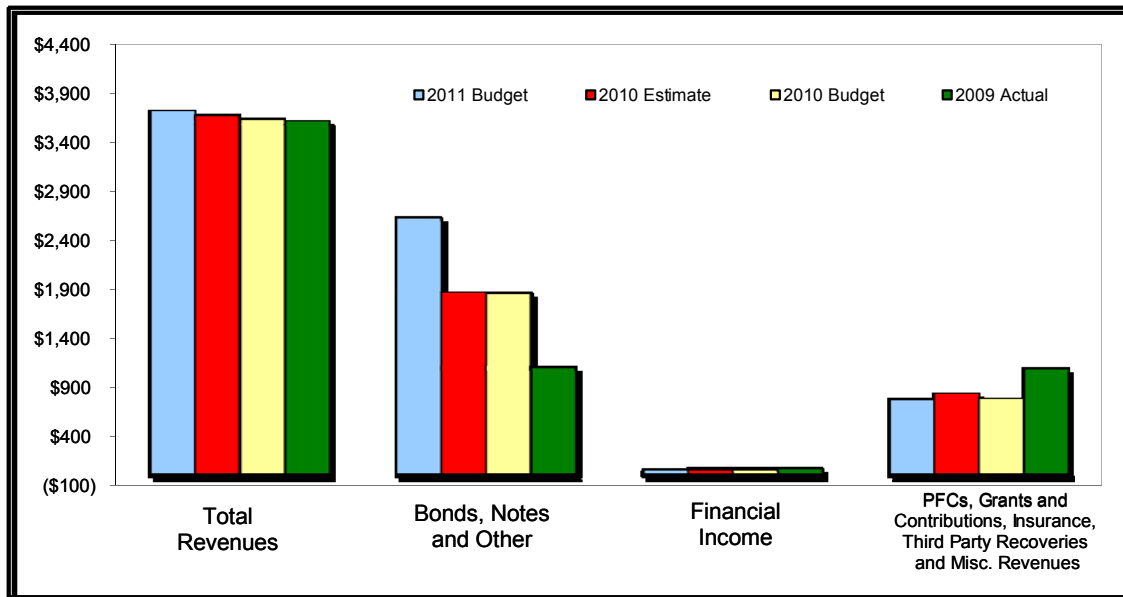
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## Sources

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## SOURCES (In Millions)



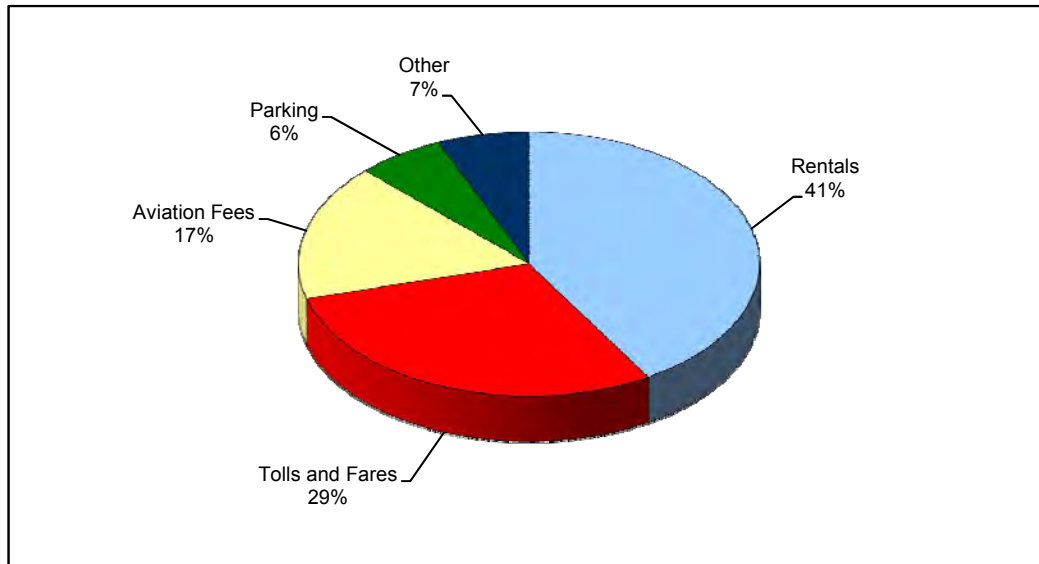
	2011 Budget	2010 Estimate	2010 Budget	2009 Actual
<b>Revenues:</b>				
<b>Gross Operating Revenues:</b>				
Rentals	\$1,537	\$1,497	\$1,473	\$1,452
Tolls and Fares	1,091	1,079	1,073	1,068
Aviation Fees	620	612	601	592
Parking	228	220	219	218
Other	240	265	273	285
<b>Total Gross Operating Revenues</b>	<b>3,716</b>	<b>3,673</b>	<b>3,639</b>	<b>3,615</b>
<b>Bonds, Notes and Other</b>	<b>2,626</b>	<b>1,861</b>	<b>1,859</b>	<b>1,099</b>
<b>Financial Income:</b>				
Interest Income	50	64	65	66
Net inc/(dec) in fair value of investments	-	(100)	-	79
<b>Grants and Contributions, Insurance, and Miscellaneous Revenues</b>	<b>556</b>	<b>620</b>	<b>567</b>	<b>880</b>
<b>Allocated Passenger Facility Charges</b>	<b>217</b>	<b>210</b>	<b>213</b>	<b>205</b>
<b>Total Sources</b>	<b>\$7,165</b>	<b>\$6,328</b>	<b>\$6,343</b>	<b>\$5,944</b>

## GROSS OPERATING REVENUES BY FACILITY

(In Thousands)

	2011 Budget	2010 Estimate	2010 Budget	2009 Actual
<b>Aviation</b>				
LaGuardia Airport	\$321,664	\$315,813	\$318,818	\$302,901
John F. Kennedy International Airport	1,064,754	991,358	968,757	972,394
Newark Liberty International Airport	764,772	751,298	732,278	729,120
Teterboro Airport	31,436	30,830	31,490	31,897
Stewart International Airport	7,788	7,681	7,951	7,346
Port Authority Heliport	-	-	-	(139)
<b>Total - Aviation</b>	<b>2,190,414</b>	<b>2,096,980</b>	<b>2,059,294</b>	<b>2,043,519</b>
<b>Tunnels, Bridges &amp; Terminals</b>				
Holland Tunnel	127,211	125,489	120,073	120,297
Lincoln Tunnel	156,659	154,003	158,824	154,593
George Washington Bridge	459,995	452,555	446,231	444,412
George Washington Bridge Bus Station	824	810	836	1,124
Bayonne Bridge	28,191	28,110	30,101	27,423
Goethals Bridge	115,695	114,661	115,938	120,121
Outerbridge Crossing	108,763	108,100	111,008	108,388
Port Authority Bus Terminal	35,582	33,159	34,877	32,954
<b>Total - Tunnels, Bridges &amp; Terminals</b>	<b>1,032,920</b>	<b>1,016,887</b>	<b>1,017,888</b>	<b>1,009,312</b>
<b>Rail</b>				
PATH Rapid Transit	105,802	105,147	100,885	103,652
Journal Square Transportation Center	3,043	2,872	3,020	2,648
<b>Total - Rail</b>	<b>108,845</b>	<b>108,019</b>	<b>103,905</b>	<b>106,299</b>
<b>Port Commerce</b>				
Port Newark	76,770	81,529	85,022	81,766
Elizabeth - PA Marine Terminal	95,095	103,246	96,731	96,058
Brooklyn - PA Marine Terminal	7,082	6,143	5,790	4,390
Red Hook Container Terminal	2,779	2,677	2,866	2,420
Howland Hook Marine Terminal	14,292	16,296	13,953	12,907
Greenville Yard	356	346	346	335
New York & New Jersey Rail, LLC	1,312	1,000	1,377	826
Port Jersey-PA Marine Terminal	11,610	8,876	7,180	7,159
<b>Total - Port Commerce</b>	<b>209,296</b>	<b>220,113</b>	<b>213,265</b>	<b>205,861</b>
<b>Development</b>				
Essex County Resource Recovery Facility	67,379	65,665	62,563	68,354
PA Industrial Park at Elizabeth	1,068	1,000	1,005	979
Bathgate Industrial Park	4,664	4,505	4,802	4,655
Ferry Transportation Services	277	270	160	123
Teleport	14,636	14,313	14,466	14,364
Newark Legal & Communications Center	3,575	3,575	3,493	3,575
Hoboken Waterfront	5,981	6,089	5,726	5,920
Queens West Waterfront	5,442	430	420	756
<b>Total Development</b>	<b>103,022</b>	<b>95,847</b>	<b>92,635</b>	<b>98,727</b>
<b>World Trade</b>				
World Trade Center	71,872	132,719	152,222	150,943
WTC Site	105	1,941	105	418
WTC Retail LLC	-	2	-	-
<b>Total World Trade</b>	<b>71,977</b>	<b>134,662</b>	<b>152,327</b>	<b>151,361</b>
<b>Total Gross Operating Revenues</b>	<b>\$3,716,474</b>	<b>\$3,672,508</b>	<b>\$3,639,314</b>	<b>\$3,615,080</b>

**Operating Revenues by Major Category**  
(In Thousands)



	Total	Aviation	Tunnels, Bridges & Terminals	Rail Transit	Port Commerce	Develop- ment	World Trade
<b>Rentals</b>	\$1,537,157	\$1,226,149	\$32,431	\$4,538	\$207,785	\$55,415	\$10,839
<b>Tolls and Fares</b>	1,091,753	-	988,573	103,180	-	-	-
<b>Aviation Fees</b>	619,933	619,933	-	-	-	-	-
<b>Parking</b>	228,061	215,268	11,916	877	-	-	-
<b>Other</b>	239,570	129,064	-	250	1,511	47,607	61,138
<b>Total</b>	<b>\$3,716,474</b>	<b>\$2,190,414</b>	<b>\$1,032,920</b>	<b>\$108,845</b>	<b>\$209,296</b>	<b>\$103,022</b>	<b>\$71,977</b>

**Rentals** - The Port Authority charges a rental fee for the use of its various facilities. There are primarily two types of rentals: Fixed Rentals, which are generated from leases; and Percentage Rentals, which are mostly generated by a percentage fee that is charged to all companies providing goods and services (mostly at our Aviation facilities).

**Tolls and Fares** - These revenues are a result of tolls imposed at tunnels and bridges and fares charged to passengers of the Port Authority Trans-Hudson railroad system.

**Aviation Fees** - These fees are based on cost recovery agreements with airlines and are calculated on the basis of direct and allocated costs of operating and maintaining public aircraft facilities and the weight of aircraft using the runways.

**Parking** - The Port Authority charges an hourly or daily rate for the use of parking lots located at the airports and bus terminals.

**Other** - This includes World Trade Center rent, gate and tipping fees at the Essex County Resource Recovery Facility and facility rentals related to Special Project Bonds.

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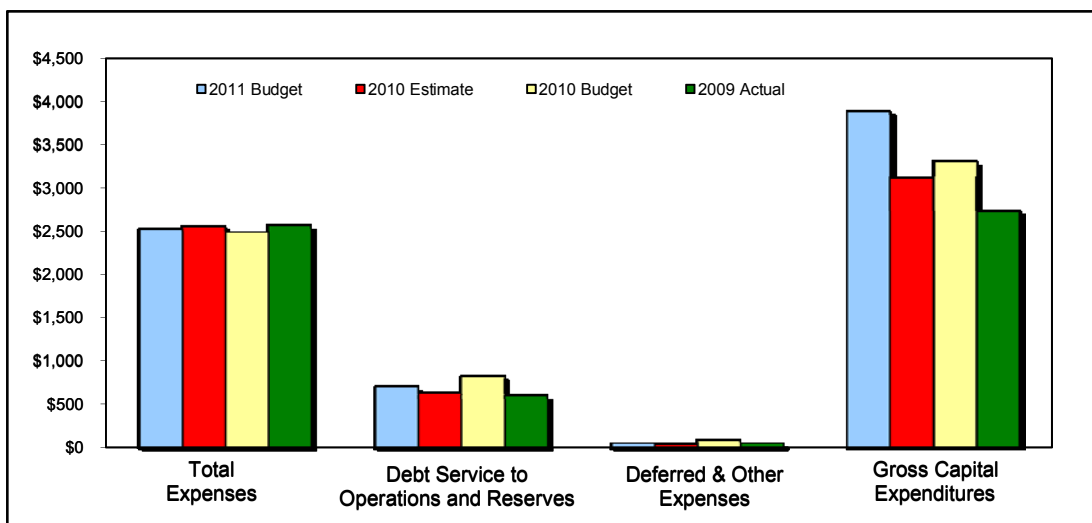
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## Uses

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**USES**  
(In Millions)



	2011 Budget	2010 Estimate	2010 Budget	2009 Actual
<b>Expenses:</b>				
<b>Operating Expenses:</b>				
Operations	\$793	\$869	\$810	\$804
Security	460	444	442	441
Maintenance	480	446	440	450
Management Services	342	335	354	412
Rent	307	335	335	342
Debt Expense (special project bond interest and operating asset financings)	148	128	103	120
<b>Total Expenses</b>	<b>2,530</b>	<b>2,557</b>	<b>2,483</b>	<b>2,568</b>
<b>Debt Service Charged to Operations &amp; Reserves:</b>				
Interest on Bonds and Other Obligations	520	444	516	436
Debt Maturities and Retirements	178	178	173	147
Repayment of Asset Financing Obligations	3	1	-	14
<b>Total Debt Service</b>	<b>701</b>	<b>623</b>	<b>689</b>	<b>597</b>
<b>Deferred &amp; Other Expenses</b>	<b>47</b>	<b>36</b>	<b>44</b>	<b>45</b>
<b>Capital Expenditures:</b>				
Line Departments (including PFCs)	1,326	1,289	1,266	1,374
WTC Site	1,946	1,561	1,597	1,322
Capital Infrastructure Fund	595	-	-	-
Access to the Region's Core (ARC Tunnel)	-	223	504	11
Regional and Other	20	39	50	26
Provision for Efficiency and Phasing	-	-	(290)	-
<b>Total Gross Capital Expenditures</b>	<b>3,887</b>	<b>3,112</b>	<b>3,127</b>	<b>2,734</b>
<b>Total Uses</b>	<b>\$7,165</b>	<b>\$6,328</b>	<b>\$6,343</b>	<b>\$5,944</b>

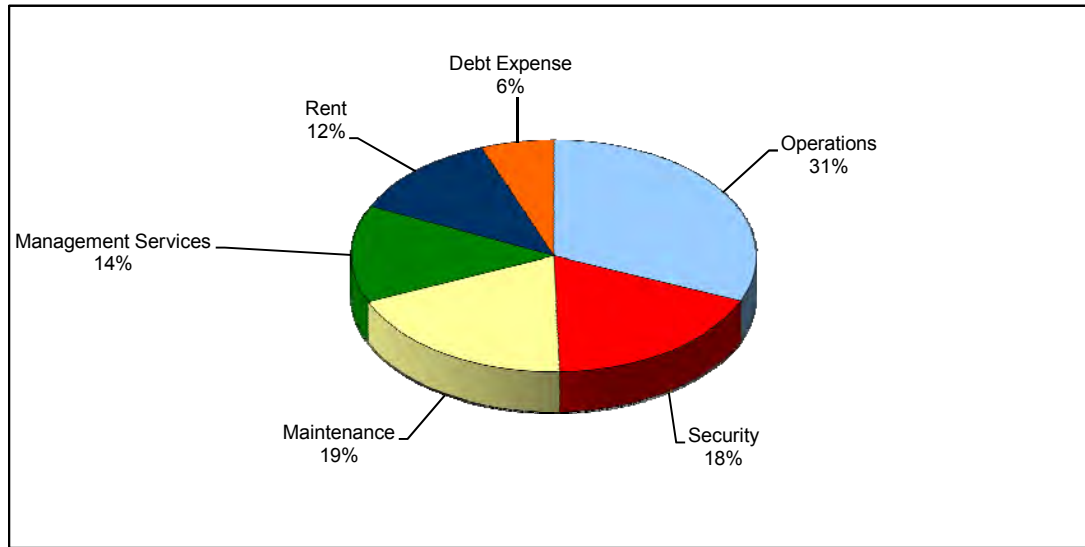
## EXPENSES BY FACILITY

(In Thousands)

	2011 Budget	2010 Estimate	2010 Budget	2009 Actual
<b>Aviation</b>				
LaGuardia Airport	\$214,008	\$211,079	\$212,098	\$205,815
John F. Kennedy International Airport	662,572	599,943	586,911	608,206
Newark Liberty International Airport	383,198	385,309	380,250	375,838
Teterboro Airport	19,212	16,656	18,395	16,853
Stewart International Airport	18,245	17,887	16,976	16,248
Port Authority Heliport	-	62	62	269
<b>Total - Aviation</b>	<b>1,297,235</b>	<b>1,230,936</b>	<b>1,214,692</b>	<b>1,223,229</b>
<b>Tunnels, Bridges &amp; Terminals</b>				
Holland Tunnel	67,840	61,520	65,419	59,359
Lincoln Tunnel	84,861	81,505	81,461	77,503
George Washington Bridge	97,037	94,595	91,300	98,562
George Washington Bridge Bus Station	8,016	8,063	7,542	6,575
Bayonne Bridge	17,811	20,871	16,947	22,937
Goethals Bridge	25,535	23,645	24,421	19,757
Outerbridge Crossing	23,854	22,816	22,580	18,950
Port Authority Bus Terminal	89,928	86,334	86,538	80,928
<b>Total - Tunnels, Bridges &amp; Terminals</b>	<b>414,882</b>	<b>399,349</b>	<b>396,208</b>	<b>384,571</b>
<b>Rail</b>				
PATH Rapid Transit	231,354	238,695	234,614	232,770
Journal Square Transportation Center	11,176	9,558	10,993	8,828
<b>Total - Rail</b>	<b>242,530</b>	<b>248,253</b>	<b>245,607</b>	<b>241,598</b>
<b>Port Commerce</b>				
Port Newark	74,674	68,384	84,782	62,200
Elizabeth - PA Marine Terminal	29,988	24,311	32,168	22,578
Brooklyn - PA Marine Terminal	12,371	9,252	11,772	9,839
Red Hook Container Terminal	2,300	2,277	2,779	3,250
Howland Hook Marine Terminal	11,252	11,816	12,224	8,624
Greenville Yard	4	4	4	2
New York & New Jersey Rail, LLC	2,754	2,588	2,432	4,004
Port Jersey-PA Marine Terminal	17,217	12,560	13,350	9,833
<b>Total - Port Commerce</b>	<b>150,560</b>	<b>131,192</b>	<b>159,511</b>	<b>120,329</b>
<b>Development</b>				
Essex County Resource Recovery Facility	64,720	64,058	63,641	66,337
PA Industrial Park at Elizabeth	112	109	108	101
Bathgate Industrial Park	2,090	2,088	2,104	1,795
Ferry Transportation Services	4,480	1,895	3,648	1,002
Teleport	13,803	13,517	13,476	13,480
Newark Legal & Communications Center	1,321	1,244	2,252	2,966
Hoboken Waterfront	51	69	39	182
<b>Total Development</b>	<b>86,577</b>	<b>82,980</b>	<b>85,268</b>	<b>85,863</b>
<b>World Trade</b>				
World Trade Center	8,750	13,611	9,160	14,086
WTC Site	71,968	144,647	113,487	185,998
WTC Retail LLC	16,519	14,695	15,208	14,365
<b>Total World Trade</b>	<b>97,237</b>	<b>172,953</b>	<b>137,855</b>	<b>214,449</b>
<b>Regional &amp; Other Programs</b>				
Port Authority Insurance Captive Entity, LLC	530	510	510	4,592
<b>Total Operating &amp; Maintenance Expenses</b>	<b>2,311,614</b>	<b>2,311,605</b>	<b>2,260,901</b>	<b>2,292,955</b>
<b>Allocated Expenses</b>	<b>187,494</b>	<b>196,036</b>	<b>187,616</b>	<b>202,089</b>
<b>Total Operating Expenses</b>	<b>2,499,108</b>	<b>2,507,641</b>	<b>2,448,517</b>	<b>2,495,044</b>
<b>Operating Asset Obligations</b>	<b>31,029</b>	<b>48,009</b>	<b>33,731</b>	<b>55,058</b>
<b>Net Expenses (Recoverables) related to 9-11-01</b>	<b>-</b>	<b>(53,825)</b>	<b>750</b>	<b>(202,978)</b>
<b>Total Expenses</b>	<b>\$2,530,137</b>	<b>\$2,501,825</b>	<b>\$2,482,998</b>	<b>\$2,347,124</b>



**Operating Expenses by Major Category  
(In Thousands)**



	Total	Aviation	Tunnels, Bridges & Terminals	Rail Transit	Port Commerce	Develop- ment	World Trade	Allocated & Other (1)
Operations	\$793,377	\$423,823	\$154,114	\$103,879	\$33,104	\$70,723	\$2,426	\$5,308
Security	459,691	204,314	112,398	44,108	18,097	1,406	15,016	64,352
Maintenance	479,905	231,374	86,250	63,429	38,473	6,450	9,236	44,693
Management Services	342,377	60,901	28,587	14,177	31,738	1,448	24,237	181,290
Rent	307,163	204,917	3,169	805	24,811	6,359	42,985	24,117
Debt Expense	147,625	115,953	0	0	0	0	0	31,672
<b>Total</b>	<b>\$2,530,137</b>	<b>\$1,241,281</b>	<b>\$384,518</b>	<b>\$226,397</b>	<b>\$146,223</b>	<b>\$86,385</b>	<b>\$93,899</b>	<b>\$351,432</b>

**Operations** - Non-maintenance operations spending, including customer service, facility management, facility operations, leases, revenue collection costs, and utilities.

**Security** - Providing safe and secure transportation services to the region and nation by vigilance over potential threats, investment in infrastructure and new technology, and employment of best practices in security and emergency preparedness operations.

**Maintenance** - Costs incurred to keep property, facility structures and equipment operating at a high level of performance, including conforming with applicable codes and regulations, thereby preventing injury to life and damage to property. Activities include Electrical, General Maintenance (Elevators and Escalators, Tunnel Subway Pump, Automotive Maintenance and Servicing, etc.), Inspections, Mechanical, Janitorial/Grounds Keeping, Snow and Ice Removal, Structural (inspections)

**Management Services** - Reflects functions that support line business operations as well as agency-wide management, including costs related to agency oversight, departmental management, audit, financial services, human resources management, insurance, legal services, planning, public and government affairs, technology support, and training.

**Rent** - Payments made periodically to governmental agencies and other landlords in return for the use of land, buildings, offices, or other property.

**Debt Expense** - Includes interest on special project bonds and operating asset acquisition.

(1) **Allocated & Other** is comprised of police headquarters, staff department and development expenses which are allocated to facilities.

**GENERAL ADMINISTRATIVE EXPENSES \***  
(In Thousands)

Department / Office	2011 Budget	2010 Estimate	2010 Budget	2009 Actual
Audit	\$10,382	\$10,935	\$9,937	\$10,432
Chief Administrative Officer	1,215	1,072	1,068	1,483
Chief, Capital Planning	2,003	2,051	2,015	2,224
Chief Engineer	3,615	3,511	3,364	3,323
Chief Financial Officer	3,863	3,257	3,003	3,018
Chief Operating Officer	3,564	3,278	2,869	4,358
Chief of Public & Government Affairs	524	498	489	405
Comptroller's	11,826	11,037	10,514	9,839
Chief, Real Estate & Development	2,720	2,958	1,891	1,921
Executive Offices	3,081	2,847	2,826	3,074
Government & Community Affairs	4,555	3,750	4,097	4,151
Human Resources	18,875	18,191	17,521	18,959
Inspector General	7,767	7,616	7,512	7,092
Labor Relations	1,818	1,698	1,739	1,517
Law	23,633	21,895	21,488	25,542
Management and Budget	7,785	7,864	7,797	7,619
Marketing	5,980	6,053	6,478	6,879
Media Relations	2,033	1,824	1,924	1,395
Office of Business & Job Opportunity	3,716	3,663	3,736	3,713
Office of Environmental and Energy Programs	3,631	3,923	3,800	3,600
Office of Financial Analysis	1,590	1,692	1,521	2,002
Office of the Secretary	4,617	4,410	4,401	4,054
Office of Strategic Initiatives	1,700	1,625	1,600	1,893
Operation Services	6,143	5,503	5,739	5,459
Planning	5,287	5,166	5,300	4,498
Procurement	11,417	11,313	11,135	11,554
Real Estate & WTC Redevelopment	6,197	7,052	7,033	6,160
Treasury	11,313	10,733	10,622	17,318
WTC Construction	2,333	2,247	2,260	1,860
Other (Revenue, Reclassifications, etc.)	(14,419)	(530)	(636)	307
Sub-total	158,765	167,132	163,043	175,648
Technology Services	57,728	53,444	50,413	47,227
Corporate Enterprise Systems	12,859	17,004	15,261	15,723
Sub-total	70,587	70,448	65,674	62,950
Grand Total	\$229,352	\$237,580	\$228,717	\$238,598
Overhead Allocation:				
Allocation to Operations	\$180,500	\$188,164	\$179,543	\$195,635
Allocation to Capital	48,852	49,416	49,174	42,963
Total Allocation	\$229,352	\$237,580	\$228,717	\$238,598

\* Does not include capital expenditures, development expenses and charges to operating facilities.

## DEVELOPMENT EXPENSES

(In Thousands)

	<b>2011 Budget</b>	<b>2010 Estimate</b>	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Programs and Studies:</b>				
Study and Development Projects	<b>\$1,179</b>	\$909	\$1,179	\$173
Overseas Operations	<b>1,020</b>	952	1,000	984
Pandemic Flu Preparedness Program	-	1,000	1,000	142
Other Programs & Studies	<b>495</b>	711	595	125
Sub-total	<b>2,694</b>	3,571	3,773	1,424
<b>Bi-state Dredging Program</b>	<b>4,300</b>	4,300	4,300	5,030
<b>Total Development Expenses</b>	<b>\$6,994</b>	\$7,872	\$8,073	\$6,454

## CAPITAL EXPENDITURES BY FACILITY

(In Thousands)

	2011 Budget	2010 Estimate	2010 Budget	2009 Actual
<b>Aviation (including PFCs)</b>				
LaGuardia Airport	\$87,211	\$79,228	\$103,807	\$148,346
John F. Kennedy International Airport	151,407	281,606	268,641	305,674
Newark Liberty International Airport	135,403	107,769	106,789	155,954
Teterboro Airport	43,576	32,744	24,986	28,233
Stewart International Airport	14,662	18,742	15,866	19,885
<b>Total - Aviation</b>	<b>432,259</b>	<b>520,089</b>	<b>520,089</b>	<b>658,092</b>
<b>Tunnels, Bridges &amp; Terminals</b>				
Holland Tunnel	24,378	23,396	30,794	21,518
Lincoln Tunnel	38,633	28,560	26,938	18,753
George Washington Bridge	49,371	43,584	47,964	55,614
George Washington Bridge Bus Station	9,848	3,608	3,322	935
Bayonne Bridge	7,011	6,688	9,519	15,826
Goethals Bridge	18,344	17,429	14,478	15,553
Outerbridge Crossing	1,085	579	650	969
Port Authority Bus Terminal	27,984	36,749	26,931	45,884
<b>Total - Tunnels, Bridges &amp; Terminals</b>	<b>176,654</b>	<b>160,593</b>	<b>160,596</b>	<b>175,052</b>
<b>Rail</b>				
PATH Rapid Transit	389,928	303,215	347,920	319,278
Journal Square Transportation Center	9,726	7,744	9,022	7,041
<b>Total - Rail</b>	<b>399,654</b>	<b>310,959</b>	<b>356,942</b>	<b>326,318</b>
<b>Port Commerce</b>				
Port Newark	66,672	58,680	50,518	84,941
Elizabeth - PA Marine Terminal	42,958	50,222	44,875	44,766
Brooklyn - PA Marine Terminal	13,400	5,027	8,335	3,858
Red Hook Container Terminal	181	263	400	(21)
Howland Hook Marine Terminal	33,704	32,427	31,839	36,888
NY and NJ Rail LLC	46,918	48,112	57,001	1,736
Port Jersey-PA Marine Terminal	79,294	62,779	6,830	1,543
<b>Total - Port Commerce</b>	<b>283,127</b>	<b>257,510</b>	<b>199,798</b>	<b>173,712</b>
<b>Development</b>				
Hoboken Waterfront Development	-	-	-	3,908
Queens West Waterfront Development	-	3,434	4,200	17,998
Ferry Transportation Services	8,796	16,765	17,085	7,397
Teleport	655	269	5,764	1,334
NY Regional Transportation Programs	22,875	-	-	-
<b>Total - Development</b>	<b>32,326</b>	<b>20,468</b>	<b>27,049</b>	<b>30,637</b>
<b>World Trade Center</b>				
WTC Transportation Hub	496,229	451,517	349,731	414,152
WTC Retail LLC	223,247	150,784	232,208	84,488
One World Trade Center	644,431	492,147	453,300	314,319
WTC Site (including infrastructure, memorial and VSC)	579,785	464,549	561,174	509,497
<b>Total - World Trade Center</b>	<b>1,943,692</b>	<b>1,558,997</b>	<b>1,596,413</b>	<b>1,322,456</b>
<b>Net Capital Expenditures - Line Departments</b>	<b>3,267,712</b>	<b>2,828,616</b>	<b>2,860,887</b>	<b>2,686,266</b>
<b>Capital Infrastructure Fund</b>	<b>594,519</b>	-	-	-
<b>Access to the Region's Core (ARC Tunnel)</b>	-	222,746	503,991	11,375
<b>Regional &amp; Other Programs:</b>				
Regional Development Facility	12,639	7,231	25,222	500
Other Regional Programs	5,232	16,706	14,000	9,488
New York Economic Development Program	2,288	5,800	6,000	4,200
Regional Transportation Initiatives	-	9,337	4,700	12,011
<b>Total - Regional &amp; Other Programs</b>	<b>20,159</b>	<b>39,074</b>	<b>49,922</b>	<b>26,199</b>
<b>Provision for Efficiency and Phasing</b>	-	-	(290,274)	-
<b>Total Net Capital Expenditures</b>	<b>3,882,390</b>	<b>3,090,436</b>	<b>3,124,526</b>	<b>2,723,841</b>
<b>Add Back - Financial Income</b>	<b>4,656</b>	<b>21,585</b>	<b>2,022</b>	<b>10,334</b>
<b>Total Gross Capital Expenditures</b>	<b>\$3,887,046</b>	<b>\$3,112,021</b>	<b>\$3,126,548</b>	<b>\$2,734,175</b>

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**Changes in Net Assets**  
**Consolidated Statement of Net Assets**  
**Information on P. A. Operations by Facility**  
**Revenues and Reserves**  
**Assets & Liabilities**

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## Revenues, Expenses and Changes in Net Assets

(In Thousands)

	2011 Budget	2010 Estimate	2010 Budget	2009 Actual
Gross Operating Revenues	\$3,716,474	\$3,672,506	\$3,639,314	\$3,615,080
Expenses:				
Operating & Maintenance Expenses	(2,311,614)	(2,311,605)	(2,260,901)	(2,299,418)
Allocated Expenses	(187,494)	(196,036)	(187,616)	(202,089)
Total Operating Expenses	(2,499,108)	(2,507,641)	(2,448,517)	(2,501,507)
Operating Asset Obligations	(31,029)	(48,009)	(33,731)	(55,058)
Net (Expenses) Recoverables related to 9-11-01	-	53,825	(750)	202,978
Total Expenses	(2,530,137)	(2,501,825)	(2,482,998)	(2,353,587)
Net Operating Revenues	1,186,337	1,170,681	1,156,316	1,261,492
Depreciation & Amortization	(796,460)	(764,259)	(763,792)	(714,540)
Financial Income:				
Interest Income	45,166	60,097	63,284	62,396
Net increase/(decrease) in fair value of investments	-	(100,250)	-	78,740
Interest and Other Expenses	(483,920)	(331,699)	(494,552)	(414,284)
Net Assets before Restricted Grants, Contributions and PFCs	(48,877)	34,570	(38,744)	273,805
Net PFC Program	138,621	133,191	140,608	129,329
Net Grants and Contributions in Aid of Construction	522,163	495,940	479,331	392,472
1 WTC / WTC Retail Insurance Proceeds	-	55,650	57,135	50,812
Increase in Net Assets	\$611,907	\$719,351	\$638,329	\$846,418
Net Assets, January 1	\$11,397,133	\$10,677,782	\$10,648,571	\$9,831,364
Net Assets, December 31	12,009,040	11,397,133	11,286,900	10,677,782
Increase in Net Assets	\$611,907	\$719,351	\$638,329	\$846,418

## Consolidated Statement of Net Assets

(In Thousands)

	2011 Budget	2010 Estimate	2010 Budget	2009 Actual
<b>ASSETS:</b>				
Cash and Investments	\$ 3,496,129	\$ 4,208,265	\$ 4,378,932	\$ 4,584,825
Receivables, net	560,130	668,892	645,182	730,884
Restricted Receivables	31,949	31,949	35,324	31,949
Deferred charges and other noncurrent assets	1,453,658	1,457,686	1,341,003	1,665,900
Amounts receivable - Special Project Bonds	1,768,054	1,825,569	995,766	1,054,294
Unamortized costs for regional programs	671,965	704,444	757,252	741,265
Facilities, net	22,817,608	19,749,793	21,509,330	18,398,356
<b>Total assets</b>	<b>30,799,493</b>	<b>28,646,598</b>	<b>29,662,789</b>	<b>27,207,473</b>
<b>LIABILITIES:</b>				
Accounts payable	926,928	818,900	854,795	744,737
Accrued interest and other liabilities (including PAICE)	514,912	514,007	816,733	604,791
Accrued pension and other employee benefits	597,274	680,106	692,489	730,025
Amounts Payable - Special Project Bonds	1,768,054	1,825,569	995,766	1,054,294
Bonds and other asset financing obligations	14,983,285	13,410,883	15,016,106	13,395,844
<b>Total liabilities</b>	<b>18,790,453</b>	<b>17,249,465</b>	<b>18,375,889</b>	<b>16,529,691</b>
<b>NET ASSETS</b>	<b>\$12,009,040</b>	<b>\$11,397,133</b>	<b>\$11,286,900</b>	<b>\$10,677,782</b>
<b>Net assets are composed of:</b>				
Invested in capital assets, net of related debt	\$ 9,746,978	\$ 9,046,312	\$ 8,813,641	\$ 8,415,993
Restricted:				
1 WTC/WTC Retail insurance proceeds	-	-	50,000	90,249
Restricted Passenger Facility Charges	(25,000)	(25,000)	(25,000)	(17,513)
PA Insurance Captive Entity - PAICE	124,303	114,303	144,088	103,963
Unrestricted	2,112,759	2,211,518	2,254,171	2,050,064
<b>Net assets</b>	<b>\$12,009,040</b>	<b>\$11,397,133</b>	<b>\$11,286,900</b>	<b>\$10,677,782</b>

## INFORMATION ON PORT AUTHORITY OPERATIONS BY FACILITY

(In Thousands)

	Gross Operating Revenues	O&M Expenses	Allocated Expenses	Depreciation & Amortization	Net Interest & Other Exp.	Net Income Before Grants Contributions & PFCs	Grants, Contributions, Insurance & PFCs	2011 Budget Net Income/ (Loss)	2010 Estimate Net Income/ (Loss)	2009 Actual Net Income/ (Loss)
<b>Aviation</b>										
LaGuardia Airport	\$321,664	\$214,008	\$18,857	\$43,991	\$22,974	\$21,834	\$15,774	\$37,608	\$51,739	\$44,242
John F. Kennedy International Airport	1,064,754	662,685	32,842	163,249	99,662	106,316	24,479	130,795	172,591	169,353
Newark Liberty International Airport	764,772	383,198	27,713	118,772	60,077	175,012	9,202	184,214	167,424	176,675
Teterboro Airport	31,436	19,212	1,383	9,918	4,716	(3,793)	15,783	11,990	10,109	7,004
Stewart International Airport	7,788	18,245	459	1,145	1,744	(13,805)	1,952	(11,853)	(5,027)	(4,992)
<b>Total - Aviation</b>	<b>2,190,414</b>	<b>1,297,235</b>	<b>81,254</b>	<b>337,075</b>	<b>189,173</b>	<b>285,676</b>	<b>67,190</b>	<b>352,867</b>	<b>396,774</b>	<b>391,812</b>
<b>Tunnels, Bridges &amp; Terminals</b>										
Holland Tunnel	127,211	67,840	10,065	17,526	9,094	22,686	490	23,176	28,299	25,672
Lincoln Tunnel	156,659	84,861	11,872	33,352	13,807	12,767	570	13,337	13,187	24,825
George Washington Bridge	459,995	97,037	12,878	34,130	26,558	289,392	525	289,917	285,529	273,264
George Washington Bridge Bus Station	824	8,016	917	1,912	-	(10,021)	45	(9,976)	(10,396)	(8,426)
Bayonne Bridge	28,191	17,811	2,301	6,648	7,063	(5,632)	107	(5,525)	(8,383)	(10,766)
Goethals Bridge	115,695	25,535	3,499	8,630	5,624	72,407	142	72,549	74,376	83,661
Outerbridge Crossing	108,763	23,854	2,991	11,256	3,440	67,222	125	67,347	68,012	72,603
Port Authority Bus Terminal	35,582	89,928	10,550	20,776	14,541	(100,213)	507	(99,706)	(80,150)	(86,131)
<b>Total - Tunnels, Bridges &amp; Terminals</b>	<b>1,032,920</b>	<b>414,882</b>	<b>55,073</b>	<b>134,230</b>	<b>80,127</b>	<b>348,608</b>	<b>2,511</b>	<b>351,119</b>	<b>370,472</b>	<b>374,703</b>
<b>Rail</b>										
PATH Rapid Transit	105,802	231,354	38,991	124,473	56,244	(345,260)	403,237	57,977	(17,480)	(52,686)
Journal Square Transportation Center	3,043	11,176	229	5,326	2,909	(16,597)	-	(16,597)	(14,764)	(14,972)
<b>Total - Rail</b>	<b>108,845</b>	<b>242,530</b>	<b>39,220</b>	<b>129,799</b>	<b>59,153</b>	<b>(361,857)</b>	<b>403,237</b>	<b>41,380</b>	<b>(32,245)</b>	<b>(67,658)</b>
<b>Port Commerce</b>										
Port Newark	76,770	74,674	4,816	28,680	21,665	(53,065)	8,663	(44,402)	(28,366)	(14,817)
Elizabeth - PA Marine Terminal	95,095	29,988	1,537	49,824	41,768	(28,022)	3,669	(24,353)	3,043	8,552
Brooklyn - PA Marine Terminal	7,082	12,371	688	660	2,072	(8,709)	2,947	(5,762)	(5,689)	(6,947)
Red Hook Container Terminal	2,779	2,300	229	78	-	172	-	172	131	(1,031)
Howland Hook Marine Terminal	14,292	11,252	459	16,123	15,105	(28,647)	-	(28,647)	(24,149)	(21,722)
Greenville Yard	356	4	-	-	-	352	-	352	342	317
New York & New Jersey Rail, LLC	1,312	2,754	-	783	348	(2,573)	30,150	27,577	26,207	(3,534)
Port Jersey-PA Marine Terminal	11,610	17,217	229	2,195	5,192	(13,223)	-	(13,223)	(10,667)	(6,255)
<b>Total - Port Commerce</b>	<b>209,296</b>	<b>150,560</b>	<b>7,958</b>	<b>98,343</b>	<b>86,150</b>	<b>(133,715)</b>	<b>45,429</b>	<b>(88,286)</b>	<b>(39,148)</b>	<b>(45,436)</b>
<b>Development</b>										
Essex County Resource Recovery Facility	67,379	64,720	7	1,410	(594)	1,836	-	1,836	1,222	1,427
PA Industrial Park at Elizabeth	1,068	112	7	286	251	412	-	412	380	380
Bathgate Industrial Park	4,664	2,090	7	1,445	290	832	-	832	651	911
Ferry Transportation Services	277	4,480	-	4,042	2,425	(10,670)	-	(10,670)	(9,468)	(6,804)
Teleport	14,636	13,803	229	1,967	517	(1,880)	-	(1,880)	(1,920)	(1,897)
Newark Legal & Communications Center	3,575	1,321	-	3,010	915	(1,671)	-	(1,671)	(1,556)	(3,536)
Hoboken Waterfront	5,981	48	21	2,825	2,734	353	-	353	1,134	697
Queens West Waterfront	5,442	3	49	605	1,473	3,312	-	3,312	(660)	25,105
<b>Total Development</b>	<b>103,022</b>	<b>86,577</b>	<b>320</b>	<b>15,590</b>	<b>8,011</b>	<b>(7,476)</b>	<b>-</b>	<b>(7,476)</b>	<b>(10,217)</b>	<b>16,283</b>
<b>World Trade Center</b>										
World Trade Center	71,872	8,750	229	527	617	61,749	-	61,749	169,972	85,047
WTC Site	105	71,968	3,440	2,877	(2,000)	(76,180)	196	(75,984)	(151,238)	(91,786)
WTC Retail LLC	-	16,519	-	1,443	(355)	(17,607)	-	(17,607)	(1,454)	7,598
<b>World Trade Center</b>	<b>71,977</b>	<b>97,237</b>	<b>3,669</b>	<b>4,848</b>	<b>(1,738)</b>	<b>(32,039)</b>	<b>196</b>	<b>(31,842)</b>	<b>17,280</b>	<b>859</b>
<b>Regional and Other</b>										
Port Authority Insurance Captive Entity, LLC	-	530	-	-	(4,000)	3,470	-	3,470	1,290	(3,178)
Net Expenses (Recoverables) related to 9-11-01	-	-	-	-	-	-	-	-	53,825	202,978
<b>Sub-total</b>	<b>3,716,474</b>	<b>2,311,614</b>	<b>187,494</b>	<b>796,460</b>	<b>469,783</b>	<b>(48,878)</b>	<b>522,163</b>	<b>473,286</b>	<b>586,161</b>	<b>722,087</b>
PFC Program	-	-	-	77,977	-	(77,977)	216,598	138,621	133,191	124,330
<b>Total Port Authority</b>	<b>\$3,716,474</b>	<b>\$2,311,614</b>	<b>\$187,494</b>	<b>\$874,437</b>	<b>\$469,783</b>	<b>(\$126,855)</b>	<b>\$738,761</b>	<b>\$611,907</b>	<b>\$719,351</b>	<b>\$846,418</b>



## Revenues and Reserves

(In Thousands)

	2011 Budget	2010 Estimate	2010 Budget	2009 Actual
<b>Gross Operating Revenues</b>	<b>\$3,716,474</b>	\$3,672,506	\$3,639,314	\$3,615,080
<b>Expenses:</b>				
<b>Operating &amp; Maintenance Expenses</b>	<b>2,311,614</b>	2,311,605	2,260,901	2,299,418
<b>Allocated Expenses</b>	<b>187,494</b>	196,036	187,616	202,089
<b>Total Operating Expenses</b>	<b>2,499,108</b>	2,507,641	2,448,517	2,501,507
<b>Operating Asset Obligations</b>	<b>31,029</b>	48,009	33,731	55,058
<b>Net Expenses (Recoverables) related to 9-11-01</b>	<b>-</b>	(53,825)	750	(202,978)
<b>Total Expenses</b>	<b>2,530,137</b>	2,501,825	2,482,998	2,353,587
<b>Net Operating Revenues</b>	<b>1,186,337</b>	1,170,681	1,156,316	1,261,492
<b>Financial Income:</b>				
<b>Interest Income</b>	<b>45,166</b>	60,097	63,284	62,396
<b>Net increase/(decrease) in fair value of investments</b>	<b>-</b>	(100,250)	-	78,740
<b>Restricted Net Assets - Port Authority Insurance Captive Entity, LLC</b>	<b>(3,970)</b>	(3,990)	(3,490)	3,177
<b>Grants and contributions in aid of construction</b>	<b>522,163</b>	495,940	479,331	392,471
<b>1 WTC / WTC Retail Insurance Proceeds</b>	<b>32,990</b>	68,109	87,340	266,676
<b>Allocated Passenger Facility Charges</b>	<b>216,598</b>	210,259	213,000	205,164
<b>Net Revenues Available for Debt Service and Reserves</b>	<b>1,999,284</b>	1,900,846	1,995,781	2,270,116
<b>Debt Service:</b>				
<b>Interest on Bonds and Other Obligations</b>	<b>520,122</b>	444,191	510,579	436,321
<b>Debt Maturities and Retirements</b>	<b>178,610</b>	178,095	178,095	147,370
<b>Repayment of Asset Financing Obligations</b>	<b>2,700</b>	700	-	13,525
<b>Total Debt Service</b>	<b>701,432</b>	622,986	688,674	597,216
<b>Increase in Reserves from Operations &amp; Financial Income</b>	<b>1,297,852</b>	1,277,860	1,307,108	1,672,900
<b>Direct Investment in Facilities</b>	<b>(1,590,000)</b>	(1,500,000)	(1,179,000)	(1,522,096)
<b>Appropriation to / (from) Reserves for Self-Insurance</b>	<b>-</b>	-	-	6,463
<b>Net Increase / (Decrease) in Reserves for Year</b>	<b>(292,148)</b>	(222,140)	128,108	157,267
<b>Reserves, beginning of year</b>	<b>2,327,857</b>	2,549,996	2,596,704	2,392,729
<b>Reserves, end of year</b>	<b>\$2,035,708</b>	\$2,327,857	\$2,724,812	\$2,549,996

**ASSETS AND LIABILITIES**  
(Pursuant to Port Authority Bond Resolutions)  
(In Thousands)

	<b>2011 Budget</b>	<b>2010 Estimate</b>	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Assets</b>				
Invested In Facilities	\$38,210,857	\$34,328,467	\$34,251,542	\$31,238,032
Cash and Investments	3,496,129	4,208,265	4,378,932	4,584,825
Other Assets	3,841,289	4,025,082	3,491,102	3,500,358
<b>Total Assets</b>	<b>45,548,274</b>	<b>42,561,814</b>	<b>42,121,576</b>	<b>39,323,215</b>
<b>Liabilities</b>				
Consolidated Bonds and Notes	15,249,850	13,341,610	13,823,156	12,284,449
Other Obligations	2,684,977	3,003,709	2,199,775	2,224,245
Accounts Payable and Other Liabilities	2,056,313	2,135,822	1,987,846	2,189,803
<b>Total Liabilities</b>	<b>19,991,140</b>	<b>18,481,141</b>	<b>18,010,777</b>	<b>16,698,497</b>
<b>Net Assets</b>	<b>\$25,557,134</b>	<b>\$24,080,673</b>	<b>\$24,110,799</b>	<b>\$22,624,718</b>
<b>Net Assets Are Composed Of:</b>				
Facility Infrastructure Investment	\$23,447,388	\$21,678,778	\$21,303,362	\$20,000,683
<b>Reserves:</b>				
General Reserve Fund	1,757,426	1,597,127	1,564,857	1,412,221
Consolidated Bond Reserve Fund	278,282	730,730	1,159,955	1,137,775
<b>Total Reserve Funds</b>	<b>2,035,708</b>	<b>2,327,857</b>	<b>2,724,812</b>	<b>2,549,996</b>
Appropriated Reserves for Self-insurance	74,038	74,038	82,625	74,038
<b>Net Assets</b>	<b>\$25,557,134</b>	<b>\$24,080,673</b>	<b>\$24,110,799</b>	<b>\$22,624,718</b>

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## **Outstanding Obligations and Financing**

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## SUMMARY OF DEBT TYPE

(In Thousands)

Type:	2011 Budget	Issued/ Accreted	Repaid/ Refunded	2010 Estimate	Issued/ Accreted	Repaid/ Refunded	2009 Actual
Consolidated Bonds	\$15,249,850	\$2,454,245	(\$546,005)	\$13,341,610	1,366,840	(\$309,679)	\$12,284,449
Commercial Paper	383,146	37,136	(100,000)	446,010	225,000	(100,000)	321,010
Variable Rate Master Notes	77,900	-	-	77,900	-	(13,090)	90,990
Versatile Structure Obligations	-	-	(175,200)	175,200	-	(75,700)	250,900
PA Equipment Notes	93,200	25,000	(30,485)	98,685	-	(11,800)	110,485
Fund Buy-out Obligation	360,571	29,733	(43,211)	374,049	30,780	(43,211)	386,480
Sub-total	16,164,667	2,546,114	(894,901)	14,513,454	1,622,620	(553,480)	13,444,314
Special Project Bonds	1,770,160	-	(61,705)	1,831,865	825,000	(57,515)	1,064,380
Total Obligations	<u>\$17,934,827</u>	<u>\$2,546,114</u>	<u>(\$956,606)</u>	<u>\$16,345,319</u>	<u>\$2,447,620</u>	<u>(\$610,995)</u>	<u>\$14,508,694</u>

**DEBT OBLIGATIONS AND LIMITATIONS\***  
(In Thousands)

	2011 Budget			2010 Estimate		2009 Actual	
	Amount Outstanding	Available Debt**	Potential Remainder***	Amount Outstanding	Available Debt**	Amount Outstanding	Available Debt**
<b>Consolidated Bonds &amp; Notes</b> <sup>(1)</sup>	\$15,249,850	\$22,116,984	\$6,867,134	\$13,341,610	\$20,669,148	\$12,284,449	\$21,741,395
<b>Versatile Structure Obligations</b> <sup>(2)</sup>	-	6,973,000	6,973,000	175,200	6,488,000	250,900	6,845,000
<b>Variable Rate Master Notes</b> <sup>(2)</sup>	77,900	400,000	322,100	77,900	400,000	90,990	400,000
<b>Commercial Paper</b> <sup>(2)</sup>	383,146	500,000	116,854	446,010	500,000	321,010	500,000
<b>Bonds, Notes and other Obligations</b>	15,710,896	29,989,984	14,279,088	14,040,720	28,057,148	12,947,349	29,486,395
<b>Port Authority Equipment Notes</b> <sup>(2)</sup>	93,200	250,000	156,800	98,685	250,000	110,485	250,000
<b>Fund Buy-Out Obligation</b> <sup>(3)</sup>	360,571	n/a	n/a	374,049	n/a	386,480	n/a
<b>Total Port Authority Obligations</b>	16,164,667	30,239,984	14,435,888	14,513,454	28,307,148	13,444,314	29,736,395
<b>Special Project Bonds</b> <sup>(2)</sup>	1,770,160	n/a	n/a	1,831,865	n/a	1,064,380	n/a
<b>Total</b>	\$17,934,827	\$30,239,984	\$14,435,888	\$16,345,319	\$28,307,148	\$14,508,694	\$29,736,395

\* This schedule reflects available debt and outstanding obligations, subject to limitations, contemplated by the Port Authority for the years shown.

\*\* Limitations applicable to Port Authority debt are not, unless otherwise indicated, "legal limits" established by State constitutions or laws but, rather, are set forth in, or calculated in accordance with, the contracts with the holders of such obligations, as adopted by the Port Authority's Board of Commissioners.

\*\*\* Subject to the issuance tests and limitations contained in the various resolutions and policies established by the Port Authority.

(1) **Consolidated Bonds:** (which includes Consolidated Notes) established pursuant to the Consolidated Bond Resolution of October 9, 1952, under which additional bonds may not be issued 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 1.3 times by certain revenues. Amount reflects capacity test calculation.

(2) **Versatile Structure Obligations, Variable Rate Master Notes, Commercial Paper, Port Authority Equipment Notes and Special Project Bonds:** Amount reflects cap or capacity established pursuant to the applicable resolution for each of such obligations.

(3) **Fund Buy-Out Obligation:** Represents the present value of amounts due to the States of New York and New Jersey upon the termination, in 1990, of the Fund for Regional Development.

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## **Staffing**

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## BUDGETED POSITIONS

DEPARTMENT	2011 Budget	2010 Estimate	2009 Actual
<b>CHIEF ADMINISTRATIVE OFFICER</b>	4	4	4
Human Resources (including Medical Services)	66	66	66
Labor Relations	11	11	11
Operations Services	448	448	449
Operations Standards	6	6	7
Procurement	94	94	94
<b>CHIEF, CAPITAL PLANNING</b>	6	6	7
Office of Business and Job Opportunity	13	13	13
Office of Environmental & Energy Programs	12	12	12
Office of Strategic Initiatives	4	4	4
Planning	22	22	19
WTC Construction	114	114	116
<b>CHIEF ENGINEER/Engineering</b>	557	557	557
<b>CHIEF FINANCIAL OFFICER</b>	4	4	4
Comptroller's	103	103	103
Management and Budget	37	37	40
Office of Financial Analysis	7	7	7
Priority Programs	6	6	8
Technology Services	105	105	105
Treasury	46	46	46
<b>CHIEF OPERATING OFFICER</b>	9	9	8
Aviation	963	963	958
Capital Security Projects	25	25	25
Port Commerce	174	174	172
Project Management Office	9	9	9
Rail / PATH	1,081	1,081	1,081
Tunnels, Bridges & Terminals	912	912	911
<b>CHIEF, PUBLIC &amp; GOVERNMENT AFFAIRS</b>	2	2	2
Government and Community Affairs	11	11	12
Media Relations	10	10	9
Marketing	27	27	28
<b>CHIEF, REAL ESTATE &amp; DEVELOPMENT</b>	2	2	2
Real Estate & WTC Redevelopment	80	80	80
<b>EXECUTIVE OFFICES</b>	9	9	9
<b>GENERAL COUNSEL/LAW</b>	132	132	132
<b>INSPECTOR GENERAL</b>	30	30	30
Audit	77	77	77
<b>OFFICE OF THE SECRETARY</b>	17	17	17
<b>PUBLIC SAFETY</b>	1,725	1,725	1,725
Office of Emergency Management	17	17	18
Position reductions pending Retirements and Efficiencies	(200)	--	--
<b>TOTAL POSITIONS</b>	<b>6,777</b>	<b>6,977</b>	<b>6,977</b>

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## **Activity Highlights**

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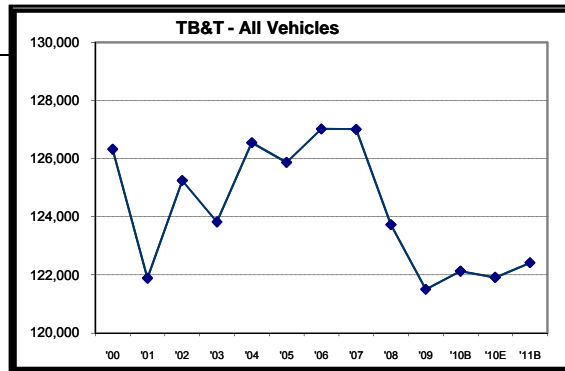
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**ACTIVITY HIGHLIGHTS**  
**2000 - 2009 ACTUAL, 2010 ESTIMATE AND 2010-2011 BUDGET**  
(in thousands)

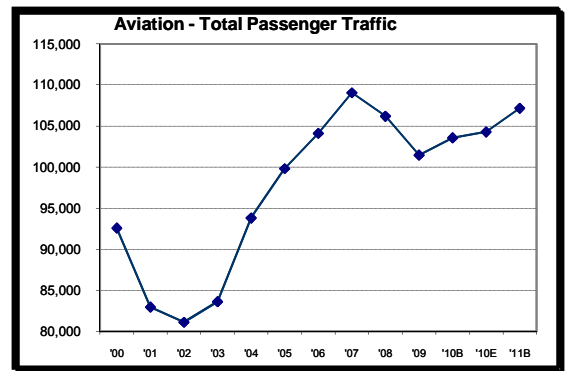
**Tunnels, Bridges & Terminals**  
**(Eastbound Vehicular Movements)**

	<b>Autos</b>	<b>Buses</b>	<b>Trucks</b>	<b>Total</b>
2000	115,149	2,571	8,603	126,323
2001	110,753	2,842	8,287	121,882
2002	114,005	3,121	8,118	125,244
2003	112,869	3,041	7,910	123,820
2004	115,219	3,123	8,205	126,547
2005	114,481	3,137	8,249	125,867
2006	115,506	3,140	8,374	127,020
2007	115,349	3,139	8,516	127,004
2008	112,176	3,158	8,391	123,725
2009	110,755	3,119	7,626	121,500
2010 Budget	111,300	3,152	7,673	122,125
2010 Estimate	111,124	3,121	7,666	121,911
2011 Budget	111,362	3,217	7,837	122,416



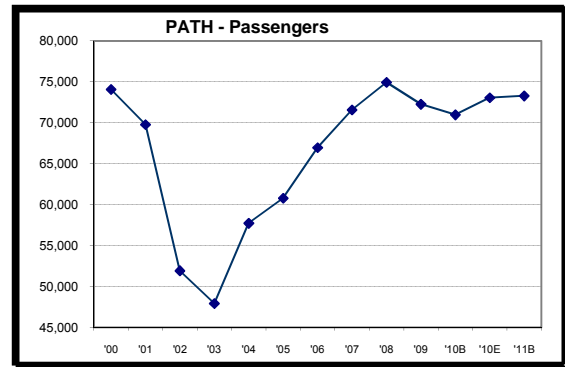
**Aviation - Passengers**

	<b>International</b>	<b>Domestic</b>	<b>Total</b>
2000	28,339	64,257	92,596
2001	24,750	58,225	82,975
2002	23,811	57,322	81,133
2003	24,014	59,630	83,644
2004	27,576	66,247	93,823
2005	29,621	70,211	99,832
2006	30,969	73,164	104,133
2007	33,523	75,546	109,069
2008	34,635	71,579	106,214
2009	33,561	67,920	101,481
2010 Budget	34,313	69,275	103,588
2010 Estimate	35,074	69,228	104,302
2011 Budget	35,965	71,215	107,180



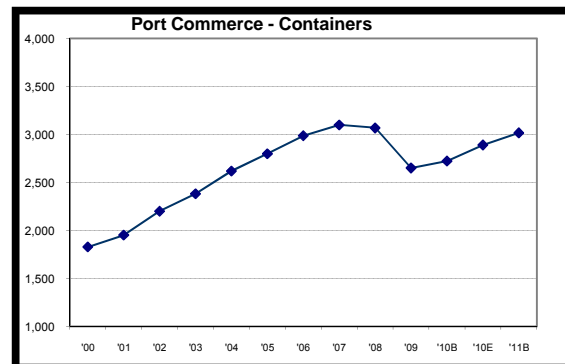
**PATH - Passengers**

2000	74,087
2001	69,791
2002	51,920
2003	47,920
2004	57,725
2005	60,787
2006	66,966
2007	71,592
2008	74,954
2009	72,281
2010 Budget	70,986
2010 Estimate	73,072
2011 Budget	73,298



**Port Commerce - Containers**

2000	1,829
2001	1,953
2002	2,201
2003	2,383
2004	2,620
2005	2,800
2006	2,988
2007	3,100
2008	3,069
2009	2,652
2010 Budget	2,724
2010 Estimate	2,891
2011 Budget	3,017







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**2011 Capital Spending  
Project List**

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# PORT AUTHORITY 2011 CAPITAL SPENDING

## SUMMARY BY DEPARTMENTS

(In thousands)

	<b>2011 Budget</b>
Aviation	\$ 432,259
Development	32,326
PATH	399,654
Port Commerce	283,127
Regional Capital Programs	20,159
Tunnels, Bridges & Terminals	176,654
World Trade Center	1,943,692
Capital Infrastructure Fund	594,519
<b>Total</b>	<b><u>\$ 3,882,390</u></b>

<b>Category Designations</b>	
Mandatory	(MAND)
Revenue Producing Projects	(RPP)
Security	(SEC)
State of Good Repair	(SGR)
System Enhancing Projects	(SEP)
Regional Projects	(SRP)

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
2011 CAPITAL SPENDING  
SORTED BY DEPARTMENT, FACILITY AND PROGRAM  
(In thousands)

PROJECT ID	TITLE	CATEGORY	2011 BUDGET
<b>AVIATION</b>			
<b>CA02-LaGUARDIA AIRPORT</b>			
<b>AERONAUTICAL</b>			
CA02-066	RUNWAY DECK STRUCTURAL REHABILITATION	SGR	\$ 19
CA02-083	AIRCRAFT RESCUE FF - BUILDING AND TECHNOLOGICAL SYSTEMS	SEP	2,604
CA02-118	REPLACEMENT OF DECK EPOXY WEARING COURSE ON RUNWAY SURFACE PHASE III	SGR	365
CA02-127	PRIORITY REPAIRS ITEMS - PHASE III - RUNWAY DECK REHAB	SGR	3,087
CA02-128	TRANSFER CIRCUIT TO EXT. CONDUITS AND DECOMMISSION EMBED. PHASE III	SGR	950
CA02-129	REHABILITATION OF THE EXPANSION JOINTS. PHASE III - RUNWAY DECK REHABILITATION	SGR	1,110
CA02-130	REHABILITATION OF TAXIWAYS R, S, P AND G PAVEMENT	SGR	713
CA02-138	RUNWAY 4-22 OVERLAY AND TAXIWAY REHABILITATION	SGR	807
CA02-341	TAXIWAY PAVEMENT & LIGHTING REHABILITATION	SGR	1,038
CA02-342	AIRFIELD LIGHTING UPGRADE	SGR	761
CA02-343	REHABILITATION OF CTB CONCOURSE ALLEYWAY PAVEMENT	SGR	3,633
CA02-351	INSTRUMENT LANDING SYSTEM PIERS	SGR	460
CA02-367	REHABILITATION OF EROSION PAVEMENTS BETWEEN RUNWAY 13-31 AND TAXIWAY B	SGR	1,004
CA02-368	REHABILITATION OF TAXIWAY F, D, Y AND RESTRICTED VEHICLE SERVICE ROAD	MAND	2,051
			<u>18,602</u>
<b>INFRASTRUCTURE</b>			
CA02-053	SCHOOL SOUNDPROOFING - PHASE III	MAND	9,492
CA02-054	WESTSIDE DOMESTIC WATER LATERAL UPGRADE	SGR	642
CA02-055	REHABILITATION OF THE DIKE WALL ALONGID BOWERY BAY & 13-31	SGR	412
CA02-063	REMOVAL OF LOW TO HIGH PRESSURE CROSSOVER CONNECTIONS	MAND	396
CA02-075	REHABILITATION OF CTB AIR HANDLING UNITS	SGR	382
CA02-076	UPGRADE HVAC IN CTB EAST	SGR	68
CA02-080	REHABILITATION OF SANITARY EJECTOR PITS AT CTB	SGR	329
CA02-081	CTB UPGRADE OF HOT WATER SYSTEM IN MECH. ELEC. ROOM NO. 3	SGR	329
CA02-084	REHABILITATION OF UTILITIES WEST OF 102 STREET	SGR	751
CA02-132	STORM WATER DRAINAGE IMPROVEMENTS	SGR	884
CA02-144	PUMP HOUSE #6, REPLACEMENT OF PUMPS AND APPURTANCES	SGR	1,596
CA02-189	FIRE PUMP STATION UPGRADE	SGR	27
CA02-192	CENTRAL ELECTRICAL SUBSTATION REPLACEMENT	SGR	57
CA02-193	CTB CONCOURSES-CONCRETE PLANK REHAB	SGR	637
CA02-227	REHABILITATION OF 22 ELECTRICAL TRANSFORMERS	SGR	1,364
CA02-328	UPGRADE PUMPS IN PUMP HOUSE #4	SGR	685
CA02-345	PUMP HOUSE ELECTRICAL UPGRADES	SGR	746
CA02-369	RUNWAY WEATHER INFORMATION SYSTEM	MAND	775
CA02-370	GENERGY ADVANCED METERING INFRASTRUCTURE DEPLOYMENT	RPP	1,020
CA02-372	CENTRAL HEATING & REFRIGERATION PLANT	SGR	609
CA02-377	ACCESS IMPROVEMENT TO CTB MECHANICAL ELECTRIC ROOM #3	SGR	367
CA02-381	EMERGENCY GENERATOR REPLACEMENT	SGR	1,476
CA02-382	HANGAR 3 SUBSTATION REHABILITATION	SGR	499
PA02-001	CAPITAL MAJOR WORK PROGRAM	SGR	7,787
			<u>31,331</u>
<b>LANDSIDE</b>			
CA02-347	WEST END ROADWAY IMPROVEMENTS	SGR	172
CA02-348	AIR TERMINAL HIGHWAY REHAB	SGR	5,093
CA02-360	REHABILITATION OF EAST END LGA ROAD PAVEMENT	SGR	276
CA02-361	REHABILITATION OF LGA ROAD PAVEMENT - PARKING LOT 3 TO EAST TAXI STACK	SGR	1,052
CA02-362	REHABILITATION OF LGA ROAD FROM PARKING LOT 1 TO PARKING LOT 3	SGR	644
CA02-378	REPAVING OF BOWERY BAY BLVD AND FIORELLO LANE	SGR	1,557
CA02-380	REHABILITATION OF PARKING LOT 1	SGR	1,503
			<u>10,296</u>
<b>SECURITY</b>			
CA02-114	INSTALLATION OF BOLLARDS AT TENANT TERMINALS	SEC	920
CA02-117	UPGRADE OF GUARD POST ANTI-RAM VEHICLE	SEC	920
CA02-231	PERIMETER INTRUSION DETECTION SYSTEM	SEC	3,065
CA02-246	TERMINAL SECURITY ENHANCEMENTS	SEC	526
CA02-330	INSTALLATION OF BIOMETRIC SYSTEM	SEC	11
CA02-331	PERIMETER HARDENING	SEC	308
CA02-332	INSTALLATION OF BOLLARDS	SEC	6,449
CA02-333	INSTALLATION OF UNMANNED SECURITY GATES	SEC	148
			<u>12,347</u>

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
2011 CAPITAL SPENDING  
SORTED BY DEPARTMENT, FACILITY AND PROGRAM  
(In thousands)

PROJECT ID	TITLE	CATEGORY	2011 BUDGET
<b>TERMINALS</b>			
CA02-004	CTB - UPGRADE 19 HVAC CONCOURSE CORRIDORS UNITS	SGR	1,848
CA02-035	CUSTOMER SERVICE INITIATIVES	SEP	675
CA02-243	CTB MODERNIZATION FEASIBILITY	SEP	73
CA02-250	CTB ROOF REPLACEMENT & STRUCTURAL REHAB.	SGR	6,161
CA02-251	CTB ARRIVALS LEVEL ROOF REHABILITATION	SGR	1,139
CA02-339	CTB MODERNIZATION - PLANNING	RPP	12,839
			<u>22,736</u>
CA02-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(8,102)
	CA02-LaGUARDIA AIRPORT		<u>87,211</u>
<b>CA03-JFK AIRPORT</b>			
<b>AERONAUTICAL</b>			
CA03-019	REHABILITATION OF CTA ROADWAY MILL & OVERLAY	SGR	2,075
CA03-029	REHABILITATION OF TAXIWAY F-MILL & OVERLAY	SGR	323
CA03-032	REHABILITATION OF TAXIWAYS FA & FB- MILL & OVERLAY	SGR	503
CA03-035	REHABILITATION OF TAXIWAYS R,SC & SD-MILL & OVERLAY	SGR	4,904
CA03-088	TAXIWAY J PAD	SEP	2,468
CA03-089	TAXIWAY P PAD	SEP	3,002
CA03-168	REHABILITATION OF RUNWAY 4L-22R	SGR	4,853
CA03-514	REHABILITATION OF RUNWAY 13R-31L	SGR	30,845
CA03-565	CONSTRUCT CENTRALIZED DE-ICING FACILITY	RPP	994
CA03-575	REHABILITATION OF RESTRICTED VEHICLE SERVICE ROAD INTERIOR MILL & OVERLAY	SGR	5,561
CA03-576	RESTRICTED VEHICLE SVS RD BRIDGES	SEP	3,227
			<u>58,754</u>
<b>INFRASTRUCTURE</b>			
CA03-001	INSTALLATION OF BACKFLOW PREVENTERS AND METER UPGRADES - PHASE II	MAND	3,249
CA03-002	INSTALLATION OF BACKFLOW PREVENTERS AND METER UPGRADES - PHASE III	MAND	2,020
CA03-016	EMERGENCY FUEL SHUTOFF SYSTEM	MAND	1,585
CA03-017	FUEL FARM TANK MOAT REHAB (PH 2 & 3)	MAND	4,820
CA03-043	REHABILITATION OF BULK FUEL FARM COMMISSARY ROAD-MILL & OVERLAY	SGR	212
CA03-067	REHABILITATION OF OUTFALLS 10 AND 13	SGR	1,514
CA03-078	SCHOOL SOUNDPROOFING - PHASE III	MAND	4,091
CA03-112	CENTRAL SUBSTATION REHAB (A,B,C&D)	RPP	5,974
CA03-148	GENERGY ADVANCED METERING INFRASTRUCTURE DEPLOYMENT	RPP	2,008
CA03-164	RUNWAY WEATHER INFORMATION SYSTEM	MAND	1,053
CA03-541	REPLACEMENT OF EMERGENCY TELEPHONE	SEP	319
CA03-548	REPLACE 5KV SWITCHGEAR AT SATELITE FUEL FARM BLDG 241 & 269	SGR	1,108
CA03-567	HANGAR 15 ROOF REHAB	SGR	2,901
PA03-001	CAPITAL MAJOR WORK PROGRAM	SGR	12,982
			<u>43,835</u>
<b>SECURITY</b>			
CA03-141	INSTALLATION OF BOLLARDS AT TENANT TERMINALS	SEC	1,756
CA03-145	UPGRADE OF GUARD POST ANTI-RAM VEHICLE	SEC	1,696
CA03-389	AIRPORT PERIMETER SECURITY	SEC	2,185
CA03-390	AERO OPS AREA GUARD POST SECURITY ENHANCEMENTS	SEC	4,515
CA03-391	INSTALL COMPUTERIZED ACCESS CONTROL SYSTEM	SEC	7,614
CA03-505	INSTALLATION OF BIOMETRIC SYSTEM	SEC	11
CA03-506	PERIMETER HARDENING	SEC	127
CA03-507	INSTALLATION OF UNMANNED SECURITY GATES	SEC	3,165
			<u>21,069</u>
<b>TERMINALS</b>			
CA03-053	CTA DEVELOPMENT	RPP	7,066
CA03-075	TWA FLIGHT CENTER INTERIOR RENOVATION	RPP	847
CA03-591	DELTA T3/T4 REDEVELOPMENT	RPP	25,459
CA03-592	DELTA T4 REDEVELOPMENT	RPP	896
			<u>34,268</u>
CA03-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(13,423)
	CA03-JFK AIRPORT		<u>144,504</u>
<b>CA32-KENNEDY AIRPORT REDEVELOPMENT</b>			
<b>TERMINALS</b>			
CA32-048	NEW DOMESTIC TERMINAL	RPP	4,685
			<u>4,685</u>
CA32-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(398)
	CA32-KENNEDY AIRPORT REDEVELOPMENT		<u>4,287</u>

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PROJECT ID	TITLE	CATEGORY	2011 BUDGET
<b>CA39-JFK AIRTRAIN</b>			
<b>LANDSIDE</b>			
CA39-001	JFK AIRTRAIN	SEP	2,860
			<u>2,860</u>
CA39-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(243)
			<u>2,617</u>
<b>CA39-JFK AIRTRAIN</b>			<b>2,617</b>
<b>KENNEDY AIRPORT TOTAL</b>			<b>151,407</b>
<b>CA04-NEWARK AIRPORT</b>			
<b>AERONAUTICAL</b>			
CA04-309	NAVIGATION AID IMPROVEMENTS	SEP	7,039
CA04-499	REHABILITATION OF TAXIWAY A BETWEEN TAXIWAY RA & RC AND SECTIONS OF TAXIWAY K, M, O, & PA	SGR	90
CA04-500	REHABILITATION OF TAXIWAY W	SGR	6,534
CA04-507	REHABILITATION OF TAXIWAY P (FROM N TO K)	SGR	997
CA04-508	REHABILITATION OF TAXIWAY B (RA TO EDGE OF CONCRETE AT R), D (FROM N TO B) & PA (FROM RB TO B)	SGR	798
CA04-511	MULTI-ENTRANCE TAXIWAYS FOR RUNWAY 22R	SEP	998
CA04-512	RELOCATE BREWSTER ROAD & SITEWORK PREPARATION FOR EMAS	MAND	763
CA04-516	RUNWAY 11 EMAS INSTALLATION FOR RUNWAY SERVICE AREA IMPROVEMENTS	MAND	158
			<u>17,377</u>
<b>INFRASTRUCTURE</b>			
CA04-038	CH&RP - REPLACE CHILLERS	SGR	248
CA04-073	TERM B FIRE ALARM SYSTEM UPGRADE	MAND	173
CA04-294	FIRE ALARM UPGRADE	MAND	2,479
CA04-468	COMPLETE 27KV LOOP - CTA	SEP	1,499
CA04-472	INSTALL FIBER OPTIC INFRASTRUCTURE	SEP	780
CA04-495	TERMINAL B FIS SUBSTATION EMERGENCY GENERATOR CAPACITY UPGRADE	SGR	4,313
CA04-496	SALT AND SAND STORAGE BUILDING 81	SGR	141
CA04-498	HTHW GENERATOR REPLACEMENT (4 GENERATORS)	SGR	2,791
CA04-505	RUNWAY WEATHER INFORMATION SYSTEM	MAND	849
CA04-506	AIRTRAIN MID-LIFE OVERHAUL OF CONTROL & COMM. - NEC EXTENSION - SA#4	MAND	4,222
CA04-510	REPLACEMENT OF HTHW EXPANSION JOINTS IN PIPE GALLERY FROM CHRPT TO TERMINAL A	SGR	2,736
PA04-001	CAPITAL MAJOR WORK PROGRAM	SGR	6,583
			<u>26,813</u>
<b>LANDSIDE</b>			
CA04-287	IMPROVEMENTS TO BREWSTER & N. A/P EXIT	SGR	15,970
CA04-306	REFURBISH CTA TOLL PLAZA	SGR	537
CA04-513	AIRTRAIN BASE GUIDEWAY MID-LIFE OVERHAUL	SGR	13,520
CA04-514	AIRTRAIN BASE VEHICLE SUBSYSTEM LIFECYCLE OVERHAUL	SGR	3,988
			<u>34,014</u>
<b>SECURITY</b>			
CA04-316	PERIMETER SECURITY SYSTEM	SEC	5,303
CA04-318	ELECTRICAL SUBSTATION SECURITY ENHANCEMENT	SEC	92
CA04-319	TERMINAL SECURITY ENHANCEMENTS	SEC	259
CA04-397	INSTALLATION OF BIOMETRIC SYSTEM	SEC	11
CA04-399	PHYSICAL ENHANCEMENT OF AOA PERIMETER	SEC	150
CA04-400	INSTALLATION OF UNMANNED SECURITY GATES	SEC	117
CA04-482	INSTALLATION OF BOLLARDS AT TENANT TERMINALS	SEC	1,788
CA04-483	UPGRADE OF GUARD POST ANTI-RAM VEHICLE BARRIER CONTROL PANELS	SEC	1,428
			<u>9,148</u>
<b>TERMINALS</b>			
CA04-061	TERMINAL B- B2 CONNECTOR, 2ND ELEVATOR	SEP	489
CA04-079	TERM B REPLACEMENT OF AC12, AC13 AND HOT WATER HEATING SYSTEM PUMPS	MAND	758
CA04-222	TERMINAL A VERTICAL CIRCULATION	SEP	4,749
CA04-419	BUILDING MANGEMENT SYS - TERMINALS A, B & C	SGR	405
CA04-473	TERMINAL B REHAB ELECT. & MECH. SYSTEMS PHASE II	SGR	7,034
CA04-509	REHABILITATION OF TERMINAL B ARRIVALS AND DEPARTURES LEVEL ROADWAYS	SGR	824
			<u>14,259</u>
CA04-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(8,637)
<b>CA04-NEWARK AIRPORT</b>			<b>92,975</b>



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PROJECT ID	TITLE	CATEGORY	2011 BUDGET
<b>CA44-NEWARK LIBERTY REDEVELOPMENT</b>			
<b>TERMINALS</b>			
CA44-017	LOWER LEVEL EXPANSION & B1 VERTICAL CIRC.	RPP	4,376
CA44-018	UPPER LEVEL INTERNATIONAL DEPARTURES	RPP	27,304
CA44-025	CONNECTOR EXPANSION	RPP	2,845
CA44-026	MID-LEVEL INTERNATIONAL MEETER/GREETER	RPP	2,881
CA44-030	OVERALL SITE AND INFRASTRUCTURE PLANNING - TERMINAL A REDEVELOPMENT PROGRAM	RPP	3,025
CA44-031	AIRSIDE PLANNING - TERMINAL A REDEVELOPMENT PROGRAM - PHASE II PLANNING	RPP	1,796
CA44-032	TERMINAL PLANNING - TERMINAL A REDEVELOPMENT PROGRAM - PHASE II PLANNING	RPP	1,178
CA44-033	LANDSIDE PLANNING - TERMINAL A REDEVELOPMENT PROGRAM - PHASE II PLANNING	RPP	<u>2,966</u>
			46,370
CA44-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(3,941)
	<b>CA44-NEWARK LIBERTY REDEVELOPMENT</b>		<u>42,428</u>
	<b>NEWARK LIBERTY AIRPORT TOTAL</b>		<u>135,403</u>
<b>CA05-TETERBORO AIRPORT</b>			
<b>AERONAUTICAL</b>			
CA05-084	IMPROVE RUNWAY 6-24 RUNWAY SERVICE AREA	MAND	9,988
CA05-085	REHABILITATION OF RUNWAY 1-19	SGR	17,715
CA05-107	RUNWAY 1-19 SAFETY ENHANCEMENTS (EMAS)	MAND	4,864
CA05-108	REDNECK AVENUE RELOCATION	MAND	7,258
CA05-112	RUNWAY 1 RUNWAY SERVICE AREA -1000 FT OVERRUN	MAND	229
CA05-116	INSTALLATION OF AIRFIELD LIGHTING CONTROL SYSTEM & ASSOCIATED EQUIPMENT	SEP	<u>1,179</u>
			41,234
<b>INFRASTRUCTURE</b>			
CA05-081	CONSTRUCTION OF SNOW EQUIPMENT BUILDING	SEP	1,550
CA05-113	RUNWAY WEATHER INFORMATION SYSTEM	MAND	<u>553</u>
			2,102
<b>SECURITY</b>			
CA05-049	AIRPORT PERIMETER SECURITY ENHANCEMENT	SEC	<u>4,288</u>
			4,288
CA05-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(4,048)
	<b>CA05-TETERBORO AIRPORT</b>		<u>43,576</u>
<b>CA06-STEWART AIRPORT</b>			
<b>AERONAUTICAL</b>			
CA06-004	REPLACE AIRPORT WEATHER INSTRUMENTATION POWER CIRCUIT	SGR	2,251
CA06-010	REHABILITATE TAXIWAY LIGHTING	SGR	4,623
CA06-043	RUNWAY INCURSION MITIGATION	MAND	2,229
CA06-051	TAXIWAY C OBJECT FREE AREA IMPROVEMENT	SEP	<u>2,245</u>
			11,348
<b>INFRASTRUCTURE</b>			
CA06-049	RUNWAY WEATHER INFORMATION SYSTEM	MAND	709
PA06-001	CAPITAL MAJOR WORK PROGRAM	SGR	<u>657</u>
			1,366
<b>LANDSIDE</b>			
CA06-039	REHABILITATION OF BRUENIG ROAD AND 1ST, 2ND AND Y STREETS	SGR	<u>192</u>
			192
<b>SECURITY</b>			
CA06-050	LAW ENFORCEMENT UPGRADES	SEP	<u>1,450</u>
			1,450
<b>TERMINALS</b>			
CA06-007	TERMINAL IMPROVEMENTS	RPP	<u>1,670</u>
			1,670
CA06-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(1,362)
	<b>CA06-STEWART AIRPORT</b>		<u>14,662</u>
<b>AVIATION TOTAL</b>			<u>432,259</u>

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PROJECT ID	TITLE	CATEGORY	2011 BUDGET
<b>DEVELOPMENT</b>			
<b>CH02-FERRY TRANSPORTATION</b>			
<b>INFRASTRUCTURE</b>			
CH02-006	HOBOKEN PERMANENT FERRY TERMINAL	SEP	9,613
			<u>9,613</u>
CH02-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(817)
	<b>CH02-FERRY TRANSPORTATION</b>		<u>8,796</u>
<b>CW03-TELEPORT</b>			
<b>INFRASTRUCTURE</b>			
CW03-020	ELECTRICAL SYSTEM UPGRADE	SGR	356
PW03-001	CAPITAL MAJOR WORK PROGRAM	SGR	360
			<u>716</u>
CW03-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(61)
	<b>CW03-TELEPORT</b>		<u>655</u>
<b>CF99-REGIONAL TRANSPORTATION INITIATIVE</b>			
<b>REGIONAL</b>			
CF99-227	NY REGIONAL TRANSPORTATION PROGRAMS	SRP	25,000
			<u>25,000</u>
CF99-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(2,125)
	<b>CF99-REGIONAL TRANSPORTATION INITIATIVE</b>		<u>22,876</u>
<b>DEVELOPMENT TOTAL</b>			<u><b>32,326</b></u>
<b>PATH</b>			
<b>CR02-PATH</b>			
<b>CARS</b>			
CR02-345	PURCHASE 340 NEW PA5 CARS	SGR	137,691
CR02-406	MASTER PLAN FOR NEW RAILCARS	SGR	19,767
			<u>157,458</u>
<b>INFRASTRUCTURE</b>			
CR02-259	INSTALLATION OF CONTINUOUS WELDED RAIL SYSTEM	SGR	2,048
CR02-290	PATH EXPANSION STUDY	SEP	1,000
CR02-328	TUNNEL DRAINAGE SYSTEM - PHASE II	SGR	3,829
CR02-336	CHRISTOPHER ST SUBSTATION REPLACEMENT AND UPGRADE	SGR	3,275
CR02-462	SUBSTATION UPGRADE # 7 - JERSEY CITY	SGR	5,146
PR02-001	CAPITAL MAJOR WORK PROGRAM	SGR	25,306
			<u>40,604</u>
<b>SECURITY</b>			
CR02-394	800 MHZ RADIO PROGRAM - POLICE	SEC	118
			<u>118</u>
<b>SIGNALS/COMMUNICATIONS</b>			
CR02-150	SIGNAL REPLACEMENT PROGRAM	SGR	108,824
CR02-352	RADIO BASE STATION/SIMULCAST RADIO SYS	SGR	512
			<u>109,336</u>
<b>STATIONS</b>			
CR02-253	COMPREHENSIVE SIGNING STATIC	SEP	2,238
CR02-312	CONSTRUCT PATH 9TH ST ENTRANCE	SEP	464
CR02-440	PATHVISION & PUBLIC ADDRESS SYSTEM REPLACEMENT	SGR	1,878
CR02-447	HOBOKEN CORRIDOR MODERNIZATION IMPROVEMENTS	SGR	1,849
CR02-451	PAVONIA/NEWPORT WATERPROOFING	SGR	2,149
CR02-496	HARRISON PROPERTY ACQUISITION AND REMEDIATION	SEP	1,609
CR02-497	PROPERTY ACQUISITION SUBSTATION 9 - HARRISON	SEP	874
CR02-499	HARRISON INTERMODAL	SEP	1,696
			<u>12,757</u>
<b>TRACKS</b>			
CR02-212	TIE REPLACEMENT IN OUTSIDE AREAS	SGR	3,077
CR02-258	REPLACEMENT OF TURNOUTS-PHASE III	SGR	3,529
CR02-261	REPLACEMENT OF 3RD RAIL	SGR	1,246
CR02-358	U69 GUARD RAIL	SGR	935
			<u>8,787</u>

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PROJECT ID	TITLE	CATEGORY	2011 BUDGET
CR02-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(27,970)
		CR02-PATH	301,090
<b>CR08-PATH SAFETY</b>			
<b>INFRASTRUCTURE</b>			
CR08-022	VENT SYSTEM - FAN BLADE REPLACEMENT	SGR	1,021
			1,021
<b>SECURITY</b>			
CR08-051	SECURITY & CONTROL CENTER BUILDING	SEC	19,050
CR08-061	INSTALL DIGITAL VIDEO RECORDING SYSTEM	SEC	912
CR08-066	EXCHANGE PLACE LAND SIDE SECURITY	SEC	1,867
CR08-068	JSTC HARDENING & PHYSICAL PROTECTION	SEC	1,103
CR08-078	FLOOD GATES / FLOOD MITIGATION	SEC	17,256
CR08-079	TUNNEL EXTERIOR MITIGATION	SEC	52,066
CR08-087	UPGRADE BADGING	SEC	447
CR08-088	INTEGRATED SECURITY SYSTEMS AND GRAPHIC USER INTERFACE	SEC	546
CR08-092	INSTALLATION OF 800MHZ FREQUENCY CONVERTERS	SEC	2,823
			96,069
CR08-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(8,253)
		CR08-PATH SAFETY	88,838
<b>CR21-JOURNAL SQUARE</b>			
<b>INFRASTRUCTURE</b>			
CR21-032	JSTC - BUS TERMINAL ESCALATOR REPLACEMENT	SGR	3,545
PR21-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,837
			5,382
<b>SECURITY</b>			
CR21-068	UPGRADE PATH PAPD COMMAND AT JSTC	SEC	4,090
			4,090
<b>STATIONS</b>			
CR21-054	REPLACE SIX AIR HANDLERS AT JSTC	SGR	1,157
			1,157
CR21-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(904)
		CR21-JOURNAL SQUARE	9,726
<b>PATH TOTAL</b>			<b>399,654</b>
<b>PORT COMMERCE</b>			
<b>CP05-PORT NEWARK</b>			
<b>DREDGING</b>			
CP05-120	CONSOLIDATED PROJECT TO 50 FT - NY/NJ HARBOR DEEPENING	MAND	12,100
			12,100
<b>INFRASTRUCTURE</b>			
CP05-134	BERTH 8 & PART BERTH 10 RECONSTRUCTION	SGR	77
CP05-169	BERTHS 36 & 63 WHARF RECONSTRUCTION	SGR	166
CP05-172	BERTH 6 WHARF RECONSTRUCTION	SGR	13,009
CP05-191	BACKFLOW PREVENTERS	MAND	1,609
CP05-192	WAREHOUSE REHABILITATION OR DEMOLITION AT NJMT	RPP	489
CP05-193	UPGRADE WATER LINES AT NJMT	SGR	711
CP05-206	FAPS BUILDING DEMOLITION 301 & 305	RPP	660
CP05-220	BERTHS 30 AND 32 FENDER SYSTEM UPGRADE	SGR	991
PP05-001	CAPITAL MAJOR WORK PROGRAM	SGR	3,765
			21,478
<b>INTERMODAL</b>			
CP05-129	EXPRESSRAIL/CORBIN INTERMOD R-SUPPORT 1B	RPP	35
CP05-148	EXPRESSRAIL/CORBIN INTERMOD R-SUPPORT IIA	RPP	8,047
CP05-195	CORBIN STREET FLYOVER	RPP	12,423
			20,505

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<b>ROADWAYS</b>			
CP05-152	EXPORT CALCUTTA ROADWAY IMPROVEMENTS	SEP	400
CP05-154	CORBIN & TYLER STREETS INTERSECTION IMPROVEMENTS	SEP	953
CP05-156	PORT STREET AND PORT STREET CONNECTOR	SEP	8,007
CP05-187	PORT STREET CAPACITY IMPROVEMENT	SEP	1,415
			10,775
<b>SECURITY</b>			
CP05-122	CCTV MONITOR SYSTEM & OPERATIONS CENTER	SEC	654
CP05-124	PORT SECURITY PROGRAM - BADGE, ID SYSTEM	SEC	3,720
CP05-210	PORT SECURITY PROGRAM - NJMT ACCESS CONTROL HEAD-END EQUIPMENT (TWIC PILOT)	SEC	670
CP05-211	PORT SECURITY PROGRAM - NJMT ACCESS CONTROL EQUIPMENT FOR TENANT AREAS	SEC	2,963
			8,007
CP05-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(6,194)
	CP05-PORT NEWARK		66,672
<b>CP08-PORT AUTHORITY MARINE TERMINAL AT ELIZABETH</b>			
<b>DREDGING</b>			
CP08-111	UTILITIES RELOCATION KVK/NB 50' CHANNEL	MAND	20,000
CP08-112	CONSOLIDATED PROJECT TO 50 FEET - NY/NJ HARBOR DEEPENING	MAND	12,100
			32,100
<b>INFRASTRUCTURE</b>			
PP08-001	CAPITAL MAJOR WORK PROGRAM	SGR	531
			531
<b>ROADWAYS</b>			
CP08-086	NORTH AVE./MCLESTER ST. CURVE REALIGNMENT	SEP	4,440
CP08-096	MCLESTER ST. ROADWAY WIDENING	SEP	6,525
CP08-127	NORTH AVE ROADWAY CORRIDOR IMPROVEMENTS	SEP	1,000
CP08-139	UTILITY RELOCATION NORTH AVE./MCLESTER ST. WIDENING	SEP	2,352
			14,317
CP08-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(3,991)
	CP08-PORT AUTHORITY MARINE TERMINAL AT ELIZABETH		42,958
<b>CP09-BROOKLYN PIERS</b>			
<b>INFRASTRUCTURE</b>			
CP09-035	BROOKLYN PIERS INFRASTRUCTURE IMPROVEMENTS	SGR	1,385
CP09-106	REPLACE BULKHEAD BETWEEN PIERS 7 AND 8	SGR	81
CP09-108	CRUISE TERMINAL SHORE POWER	SEP	6,913
PP09-001	CAPITAL MAJOR WORK PROGRAM	SGR	2,949
			11,328
<b>SECURITY</b>			
CP09-085	PORT SECURITY PROGRAM NYAMT-BADGE, ID SYSTEM	SEC	2,500
CP09-110	NYMT ACCESS CONTROL HEAD-END EQUIPMENT (TWIC PILOT)	SEC	76
CP09-111	NYMT ACCESS CONTROL EQUIPMENT FOR TENANT AREAS	SEC	741
			3,317
CP09-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(1,245)
	CP09-BROOKLYN PIERS		13,400
<b>CP11-HOWLAND HOOK</b>			
<b>DEVELOPMENT</b>			
CP11-056	PORT IVORY EXPANSION-PARCEL C DEVELOPMENT	SEP	333
			333
<b>DREDGING</b>			
CP11-039	CONSOLIDATED PROJECT TO 50 FEET - NY/NJ HARBOR DEEPENING	MAND	5,800
CP11-044	UTILITY RELOCATION - ARTHUR KILL 50' CHANNEL	MAND	20,000
			25,800
<b>INFRASTRUCTURE</b>			
CP11-031	HOWLAND HOOK - PORT IVORY EXPANSION	SGR	71
CP11-071	HOWLAND HOOK PAVING AND UTILITY PHASE 2A	MAND	64
CP11-075	HOWLAND HOOK PAVING AND UTILITY PHASE III	MAND	6,044
PP11-001	CAPITAL MAJOR WORK PROGRAM	SGR	4,524
			10,703

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CP11-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(3,131)
		CP11-HOWLAND HOOK	33,704
<b>CP16-PORT JERSEY-PORT AUTHORITY MARINE TERMINAL DEVELOPMENT</b>			
CP16-012	MOTBY PROPERTY ACQUISITION	RPP	35,000
CP16-027	GLOBAL TERMINAL DEVELOPMENT	RPP	21,100
CP16-033	ACQUISITION OF STRATEGIC PROPERTIES	RPP	25,000
			81,100
<b>INTERMODAL</b>			
CP16-035	EXPRESSRAIL INTERMODAL FACILITY AT GREENVILLE YARDS	RPP	3,561
			3,561
<b>ROADWAYS</b>			
CP16-038	ACCESS IMPROVEMENT PORT JERSEY	SEP	500
			500
<b>SECURITY</b>			
CP16-024	INSTALLATION OF CCTV SECURITY SYSTEM	SEC	985
CP16-031	INSTALL CCTV AT NJMT - PHASE IV (AMT)	SEC	514
			1,499
CP16-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(7,366)
		CP16-PORT JERSEY-PORT AUTHORITY MARINE TERMINAL	79,294
<b>CP17-NY/NJ RAIL LLC INFRASTRUCTURE</b>			
CP17-012	FENDER REHABILITATION AT GREENVILLE YARD	RPP	699
CP17-013	EXISTING YARD TRACK REPAIRS AT GREENVILLE YARD	RPP	721
CP17-014	TRANSFER BRIDGE #11 (STRUCTURAL/MECHANICAL) REPAIRS AT GREENVILLE YARD	RPP	901
CP17-015	REHABILITATE BARGE #29 AT GREENVILLE YARD	RPP	1,498
CP17-016	INSTALLATION OF SUPPORT TRACKS FOR FLOAT BRIDGE # 9 - NJ	RPP	475
CP17-017	REPLACEMENT OF FLOAT BRIDGE # 9 - NJ	RPP	273
CP17-018	RECONFIGURE OFFSITE TRACKS - NJ	RPP	162
CP17-019	NEW BARGE AT GREENVILLE YARD	RPP	998
CP17-020	BRIDGE REPAIRS AT 65TH STREET YARD BROOKLYN	RPP	410
CP17-021	EXISTING TRACK REPAIRS - 65TH STREET TERMINAL NJ	RPP	74
			6,210
<b>INTERMODAL</b>			
CP17-003	CROSS HARBOR PERMITTING, PLANNING, DESIGN (MASTER PLAN)	RPP	369
CP17-005	CROSS HARBOR RAIL FREIGHT	RPP	44,332
CP17-007	LIFTBRIDGE EMERGENCY REHABILITATION- NJ	RPP	365
			45,066
CP17-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(4,358)
		CP17-NY/NJ RAIL LLC	46,918
<b>CP91-RED HOOK TERMINAL INFRASTRUCTURE</b>			
PP91-001	CAPITAL MAJOR WORK PROGRAM	SGR	198
			198
CP91-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(17)
		CP91-RED HOOK TERMINAL	181
<b>PORT COMMERCE TOTAL</b>			<b>283,127</b>

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
2011 CAPITAL SPENDING  
SORTED BY DEPARTMENT, FACILITY AND PROGRAM  
(In thousands)

PROJECT ID	TITLE	CATEGORY	2011 BUDGET
<b>REGIONAL CAPITAL PROGRAMS</b>			
CF81-002	NY ECONOMIC DEVELOPMENT PROGRAM	SRP	2,500
CF84-008	HUDSON-RARITAN ESTUARY PROGRAM - NJ	SRP	2,000
CF85-007	HUDSON-RARITAN ESTUARY PROGRAM - NY	SRP	3,718
CF99-001	REGIONAL TRANSPORTATION AND ECONOMIC DEVELOPMENT PROJECTS - NY	SRP	8,853
CF99-003	REGIONAL DEVELOPMENT FACILITY	SRP	739
CF99-017	ENVIRONMENT LAND ACQUISITION PROGRAM - NY	SRP	1,000
CF99-022	NJ PROJECT DEVELOPMENT FUNDS	SRP	3,222
CF99-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(1,873)
<b>REGIONAL CAPITAL PROGRAMS TOTAL</b>			<b>20,159</b>
<b>TUNNELS, BRIDGES &amp; TERMINALS</b>			
<b>CB02-HOLLAND TUNNEL</b>			
<b>INFRASTRUCTURE</b>			
CB02-040	REHABILITATION OF TUNNEL VENT SYSTEM MECHANICAL/ELECTRICAL	SGR	14,513
CB02-156	SUPERVISORY CONTROL SYSTEM REPLACEMENT	SGR	558
CB02-162	REPLACE FLOOR DRAINS/PIPING OF 4 VENT BUILDINGS	SGR	1,272
CB02-166	REPLACE HVAC SYS. AT NJ ADMIN BUILDING & SERVICE GARAGE	SGR	3,276
CB02-172	REHABILITATION OF CATWALK CAR RAIL	SGR	1,379
PB02-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,943
			<b>22,941</b>
<b>SECURITY</b>			
CB02-153	INSTALLATION OF CROSS PASSAGE DOORS	SEC	3,107
CB02-184	ACCESS CONTROL SYSTEM ENHANCEMENT	SEC	594
			<b>3,701</b>
CB02-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(2,265)
<b>CB02-HOLLAND TUNNEL</b>			<b>24,378</b>
<b>CB03-LINCOLN TUNNEL</b>			
<b>BRIDGE</b>			
CB03-149	REHABILITATION OF GALVIN PLAZA & DYER AVE. BRIDGES	SGR	4,845
CB03-211	STRUCTURAL REHAB AND REPAVING OF HELIX	SGR	1,965
CB03-213	RECONSTRUCTION OF HELIX - PLANNING	SGR	2,677
			<b>9,487</b>
<b>INFRASTRUCTURE</b>			
CB03-093	REPAINTING TUNNEL VENTILATION FANS	SGR	1,783
CB03-131	REHABILITATION OF NJ VENT BUILDING EXIT	SGR	2,926
CB03-167	EXPLOSION PROOF EQUIPMENT	SGR	631
CB03-228	REPLACE CRITICAL HVAC SYSTEM AT NJ ADMIN BUILDING	SGR	1,327
CB03-230	NORTH AND SOUTH TUBE - UNDERSIDE OF ROADWAY REHABILITATION	SGR	786
CB03-231	REPLACE VENTILATION LOUVERS IN NY VENT. BUILDINGS	SGR	384
CB03-233	INSTALLATION OF BACKFLOW PREVENTERS	MAND	1,239
CB03-245	RESURFACE EXPRESSWAY BETWEEN 31ST & 33RD STS.	SGR	592
CB03-253	UPGRADE LIFE SAFETY MONITORING SYSTEM	SGR	350
PB03-001	CAPITAL MAJOR WORK PROGRAM	SGR	955
			<b>10,972</b>
<b>ROADWAYS</b>			
CB03-214	BUS RAMP SLAB REPLACEMENT	SGR	14,367
			<b>14,367</b>
<b>SECURITY</b>			
CB03-208	INSTALLATION OF CROSS PASSAGE DOORS	SEC	5,216
CB03-235	UPGRADE CCTV SURVEILLANCE EQUIPMENT	SEC	1,637
CB03-252	ACCESS CONTROL SYSTEM ENHANCEMENT	SEC	543
			<b>7,396</b>
CB03-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(3,589)
<b>CB03-LINCOLN TUNNEL</b>			<b>38,633</b>

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
2011 CAPITAL SPENDING  
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(In thousands)

PROJECT ID	TITLE	CATEGORY	2011 BUDGET
<b>CB04-GEORGE WASHINGTON BRIDGE</b>			
<b>BRIDGE</b>			
CB04-132	RECOATING UNDERSIDE OF LOWER LEVEL	SGR	1,394
CB04-165	LEAD REMOVAL/RECOATING NY/NJ ANCHORAGE	SGR	571
CB04-207	SUSPENDER ROPE REPLACEMENT	SGR	1,944
CB04-221	RECOAT RAMP LX1,LX2 & LL I-95 RAMPS 3&4	SGR	802
CB04-261	REHABILITATION OF NJ ANCHORAGE AND HUDSON TERRACE OVERPASS	SGR	788
CB04-270	REHABILITATION OF UL ROADWAY ORTHOTROPIC DECK & SUPP STEEL	SGR	14,001
CB04-272	REHABILITATION OF NY/NJ ANCHORAGE MAIN CABLE STRANDS	SGR	759
CB04-285	REHABILITATION OF PIP HELIX	SGR	704
CB04-286	NY HUDSON RAMP 1 & 2 - STRUCTURAL STEEL REHAB AND LEAD ABATEMENT	SGR	484
CB04-287	PRIORITY STEEL AND CONCRETE REHABILITATION	SGR	2,109
CB04-290	REHABILITATION OF UPPER LEVEL SIDEWALK	SGR	617
CB04-296	LLWB-MAIN SPAN & TME LLEB/WB ROADWAYS - PAVEMENT REPLACEMENT	SGR	3,799
CB04-313	REHABILITATION OF TME OVERPASSES	SGR	2,154
CB04-317	REHABILITATION OF CENTER AVE BRIDGE AND LEMOINE AVE BRIDGE	SGR	518
			30,641
<b>INFRASTRUCTURE</b>			
CB04-219	REHABILITATION OF NJ ADMINISTRATION BUILDING HVAC SYSTEM	SGR	793
CB04-228	REPLACE FIRE HYDRANT SYS LL BRIDGE SPAN	SGR	560
CB04-241	NJ/NY HIGH TENSION ELECT SWITCHGEAR REHAB	SGR	574
CB04-262	IMPACT ATTENUATOR GUIDERAILS & BARRIER REPLACEMENT- FACILITY WIDE	SGR	657
CB04-288	PRIORITY CRASH LOCATIONS TRAFFIC SAFETY IMPROVEMENT	SGR	355
PB04-001	CAPITAL MAJOR WORK PROGRAM	SGR	2,377
			5,315
<b>ROADWAYS</b>			
CB04-133	RECOAT BUS TURNAROUND, RAMPS, & PLAZA	SGR	1,095
CB04-258	FORT LEE STREET IMPROVEMENTS	SGR	2,837
CB04-260	ALL ELECTRONIC TOLLING (MULTI-FACILITY)	SEP	9,325
CB04-276	REHABILITATION OF 178TH/179TH STREET RAMP DECKS	SGR	816
CB04-297	ULWB MAIN SPAN, ULWB DEPARTURE & RAMPS-PAVEMENT REPLACEMENT	SGR	388
CB04-298	ULEB APPROACH & PIP HELIX-PAVEMENT REPLACEMENT	SGR	2,157
			16,618
<b>SECURITY</b>			
CB04-293	UPPER LEVEL DRAINAGE	SEC	591
CB04-318	GWB ACCESS CONTROL SYSTEM ENHANCEMENT	SEC	792
			1,383
CB04-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(4,586)
	<b>CB04-GEORGE WASHINGTON BRIDGE</b>		49,371
<b>CB06-BAYONNE BRIDGE</b>			
<b>BRIDGE</b>			
CB06-038	RECOATING UNDERSIDE NY & NJ VIADUCTS	SGR	871
CB06-081	PRIORITY STEEL REHABILITATION	SGR	44
CB06-087	BAYONNE BRIDGE MODERNIZATION - PLANNING	SEP	4,217
CB06-101	BAYONNE BRIDGE FINGER JOINTS	SGR	573
			5,704
<b>INFRASTRUCTURE</b>			
CB06-073	FIRE STANDPIPE REHABILITATION	SGR	660
PB06-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,140
			1,800
<b>SECURITY</b>			
CB06-100	CCTV CAMERA SYSTEM REPLACEMENT	SEC	158
			158
CB06-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(651)
	<b>CB06-BAYONNE BRIDGE</b>		7,011
<b>CB07-GOETHALS BRIDGE</b>			
<b>BRIDGE</b>			
CB07-103	GOETHALS BRIDGE MODERNIZATION - PLANNING	SGR	11,970
			11,970

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
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PROJECT ID	TITLE	CATEGORY	2011 BUDGET
<b>INFRASTRUCTURE</b>			
CB07-093	HVAC REHAB, FIRE ALARM/SUPPRESSION INSTALLATION	SGR	3,589
CB07-108	REPLACE ADMINISTRATION BUILDING FAÇADE PANELS	SGR	1,518
CB07-114	FIRE STANDPIPE REPLACEMENT	SGR	736
PB07-001	CAPITAL MAJOR WORK PROGRAM	SGR	<u>2,079</u>
			7,921
<b>SECURITY</b>			
CB07-134	CCTV CAMERA SYSTEM REPLACEMENT	SEC	<u>158</u>
			158
CB07-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(1,704)
	CB07-GOETHALS BRIDGE		<u>18,344</u>
<b>CB08-OUTERBRIDGE CROSSING</b>			
<b>INFRASTRUCTURE</b>			
PB08-001	CAPITAL MAJOR WORK PROGRAM	SGR	<u>1,028</u>
			1,028
<b>SECURITY</b>			
CB08-097	CCTV CAMERA SYSTEM REPLACEMENT	SEC	<u>158</u>
			158
CB08-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(101)
	CB08-OUTERBRIDGE CROSSING		<u>1,085</u>
<b>CB48-GWB BUS STATION</b>			
<b>INFRASTRUCTURE</b>			
CB48-008	UPGRADE OF FIRE ALARM SYSTEM	SGR	99
CB48-056	GWBBs DEVELOPMENT	RPP	10,031
PB48-001	CAPITAL MAJOR WORK PROGRAM	SGR	<u>633</u>
			10,763
CB48-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(915)
	CB48-GWB BUS STATION		<u>9,848</u>
<b>CT06-PORT AUTHORITY BUS TERMINAL</b>			
<b>INFRASTRUCTURE</b>			
CT06-059	REHABILITATION OF ENCLOSED PULL THROUGH PLATFORMS	SGR	1,351
CT06-120	REPLACEMENT OF BUILDING AUTOMATED MANAGEMENT CONTROL SYSTEM	SGR	4,974
CT06-130	REHABILITATE SPRINKLER PIPING SYSTEM	SGR	31
CT06-161	ADA GATE MODIFICATIONS	MAND	63
CT06-166	INSTALLATION OF ADDITIONAL SMOKE DETECTOR SYSTEM	MAND	1,361
CT06-181	REPLACEMENT OF EXHAUST FANS 19, 70 & 71	SGR	918
CT06-195	SEISMIC RETROFIT	MAND	143
CT06-196	3RD FLOOR SW WEARING COURSE REPLACEMENT	SGR	2,744
CT06-199	REPLACEMENT OF FIRE PUMPS	SGR	627
CT06-200	INSTALLATION OF FIRE ALARM VOICE EVACUATION SYSTEM	SGR	491
CT06-202	REPLACEMENT OF PRIMARY ELECTRIC SERVICE PHASE I	SGR	496
CT06-230	REPLACEMENT OF 58 HVAC UNITS	SGR	1,360
CT06-235	CONCRETE REHABILITATION	SGR	29
CT06-236	AIR RIGHTS DEVELOPMENT	RPP	2,080
CT06-248	FACADE IMPROVEMENTS – ENTRANCE CANOPIES PAINTING & REPLACEMENT LIGHTING	SGR	2,028
CT06-249	FACADE IMPROVEMENTS – EXTERIOR SOFFITS & LOBBY CEILINGS PAINTING & REPLACEMENT LIGHTING	SGR	1,664
CT06-250	FACADE IMPROVEMENTS – TRUSS PAINTING	SGR	6,025
PT06-001	CAPITAL MAJOR WORK PROGRAM	SGR	<u>1,101</u>
			27,487
<b>SECURITY</b>			
CT06-245	CCTV ENHANCEMENTS AND EXPANSION	SEC	2,520
CT06-246	ACCESS CONTROL SYSTEM ENHANCEMENT	SEC	<u>577</u>
			3,097
CT06-998	PROVISION FOR EFFICIENCY AND PHASING	PROV	(2,600)
	CT06-PORT AUTHORITY BUS TERMINAL		<u>27,984</u>
<b>TUNNELS, BRIDGES &amp; TERMINALS TOTAL</b>			<b>176,654</b>



THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
 2011 CAPITAL SPENDING  
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PROJECT ID	TITLE	CATEGORY	2011 BUDGET
<b>WORLD TRADE CENTER</b>			
CR12-001	WTC TRANSPORTATION HUB	MAND	496,229
CW11-003	WTC VEHICULAR SEC CTR & TOUR BUS PKNG FAC	SEC	160,736
CW11-008	WTC MEMORIAL	SEP	16,632
PW11-010	WTC SITE COMMON INFRASTRUCTURE	MAND	329,280
CW11-022	WTC PROPERTY MANAGEMENT FACILITY	MAND	8,487
CW11-023	CORTLANDT STREET STATION	MAND	14,650
CW30-001	WTC RETAIL REDEVELOPMENT - PHASE 1	RPP	223,247
CW31-001	ONE WTC - MARKETING, LEASING AND BASE BUILDING IMPROVEMENTS	RPP	23,378
CW31-555	ONE WTC - CONSTRUCTION	RPP	621,053
CW32-002	TOWER 2 STRUCTURE TO GRADE	RPP	50,000
<b>WORLD TRADE CENTER TOTAL</b>			<b>1,943,692</b>
<b>CAPITAL INFRASTRUCTURE FUND</b>			
CF92-001	CAPITAL INFRASTRUCTURE FUND	SRP	594,519
<b>CAPITAL INFRASTRUCTURE FUND TOTAL</b>			<b>594,519</b>
<b>CAPITAL PROGRAM TOTAL</b>			<b>\$ 3,882,390</b>





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# Appendices

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# APPENDIX A: AGENCY OVERVIEW

## PORT AUTHORITY OF NEW YORK AND NEW JERSEY FACILITIES



### Legend:

- Aviation
- Development
- Port Commerce
- Tunnels, Bridges & Terminals
- Port Authority Trans-Hudson

### International Business Development

Representatives in Hong Kong, London, Shanghai and Tokyo

# Region

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## THE NEW YORK-NEW JERSEY REGION

The New York-New Jersey Metropolitan Region, one of the largest and most diversified in the nation, consists of the five New York boroughs of Manhattan, Brooklyn, Queens, Staten Island and The Bronx; the four suburban New York counties of Nassau, Rockland, Suffolk and Westchester; and the eight northern New Jersey counties of Bergen, Essex, Hudson, Middlesex, Morris, Passaic, Somerset and Union.



Area:	3,900 Square Miles
Population:	17.5 Million (estimate for 2010)

# ORIGINS

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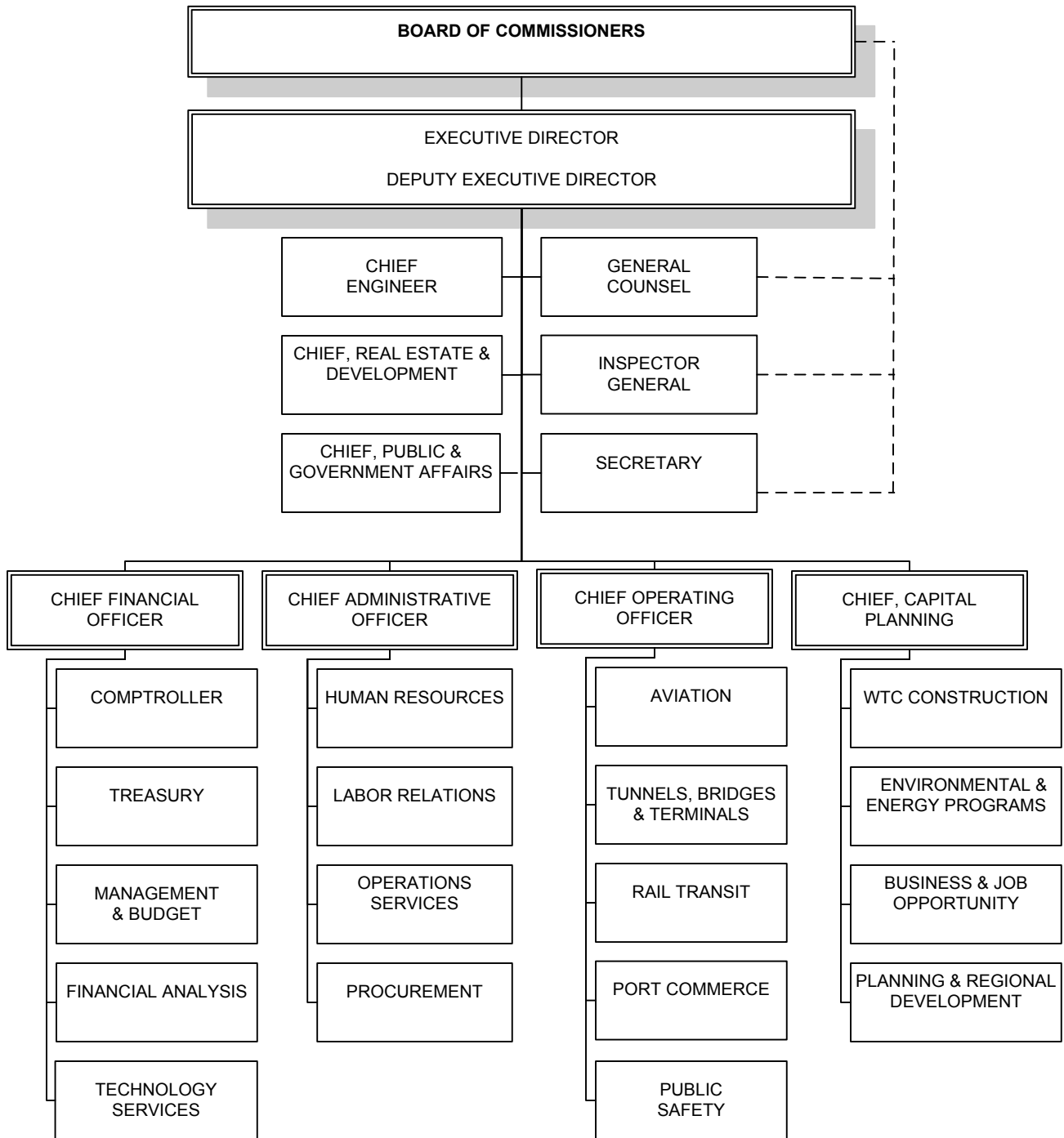
## History

The Port Authority of New York and New Jersey (the “Port Authority”) was established by Compact between New York and New Jersey on April 30, 1921, as the first interstate agency created under the clause of the United States Constitution permitting compacts between states with the consent of Congress. The Compact also created the Port District, an area of about 1,500 square miles in both states, centering about New York Harbor. Over the years, the mandate of the agency has developed to promote and protect the commerce of the bistate port and to undertake port and regional improvements not likely to be financed by private enterprise or to be attempted by either state alone: modern wharfage for the harbor shared by the two states, tunnel and bridge connections between the states, terminal and transportation facilities and, in general, trade and transportation projects to promote the region’s economic well-being.

## Governance

The Governor of each state appoints six Commissioners to the agency’s Board of Commissioners, for overlapping six year-terms; each appointment is subject to the approval of the respective state senate. Commissioners serve as public officials without remuneration. The Governors retain the right to veto the actions of the Commissioners from their respective state. The Port Authority undertakes projects and activities in accordance with the Port Compact of 1921 and amendatory and supplemental bistate legislation. An Executive Director, appointed by the Board of Commissioners, is responsible for managing the operation of the Port Authority in a manner consistent with the agency’s policies, as established by the Board. The Executive Director and the individual directors are responsible for operating within the budget and capital plan authorized by the Board of Commissioners by monitoring and controlling the fiscal performance of the Port Authority and its departments.

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY Organization Chart





## Key Organization Functions

**GENERAL COUNSEL** -- provides centralized management in connection with legal representation of Port Authority and its wholly owned corporate entities; oversees all practice areas within the Law Department, including corporate, risk management and litigation & corporate security.

**INSPECTOR GENERAL** -- promotes integrity, economy and efficiency in the Port Authority and its subsidiary corporations, as well with third-party individuals or organizations doing business with the Port Authority through its Office of Investigations and Audit Department, each responsible for critical aspects of Port Authority's corruption prevention and compliance efforts.

**SECRETARY** -- serves as liaison with Chairman and members of Board and provides support to Chairman, Board of Commissioners, and Executive staff in order to effectuate agency's critical business objectives, while ensuring that agency is conducting its business in accordance with Agency's By-Laws, statutory authority and Board policies.

**CHIEF ENGINEER** -- acts as corporate advisor to Executive Director, is the technical authority for structural integrity and code compliance, is agency's principal authority on engineering matters, and is responsible to Executive Director for ensuring that all existing and new Port Authority facilities are structurally sound, safe, and in conformance with applicable codes and Port Authority technical standards.

**CHIEF, REAL ESTATE & DEVELOPMENT** -- manages and coordinates all real estate issues and business relationships associated with development of World Trade Center and Port Authority's other major real estate development initiatives, including Bathgate Industrial Park, Essex County Resource Recovery Facility, Ferry Transportation, Industrial Park at Elizabeth, The Legal Center, The Teleport, Queens West Waterfront Development and South Waterfront at Hoboken.

**CHIEF FINANCIAL OFFICER** -- oversees financial operations of Port Authority, including developing, implementing, and monitoring agency wide policies and strategies governing investments, financing, resource planning, budgeting, capital planning, accounting, performance measurement, analysis, financial analysis and financial controls.

**CHIEF ADMINISTRATIVE OFFICER** -- assists management and advancement of overall Port Authority agenda by oversight of human resources management, labor relations, operations services and procurement and providing internal industrial engineering and management consulting services.

**CHIEF OPERATING OFFICER** -- oversees and ensures safe, efficient, secure and economically sound operation of Port Authority aviation, bus, tunnel, bridge, commercial and maritime facilities, and Port Authority Trans Hudson Corporation (PATH); and establishes and maintains consistent and best practice standards and procedures for management of agency's Capital and Operating Major Works projects.

**CHIEF, CAPITAL PLANNING** -- responsible for oversight of the capital program and the development of strategies, business practices and supporting systems that will increase the value of Port Authority capital investment. In order to carry out these functions, the office of the Chief oversees World Trade Center Construction, Environmental & Energy Programs, Business and Job Opportunity, Planning & Regional Development and Office of Strategic Initiatives.

## **APPENDIX B: BUDGET PROCESS AND FINANCIAL POLICIES**

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The Port Authority's annual budget is prepared on a basis consistent with the Port Authority's By-Laws. The Board approves an annual expenditure budget comprised of operating expenses, debt service, gross capital expenditures and other expenditures such as heavy vehicles and computer systems that are deferred and amortized in future periods. The Board also approves the long-term strategic plan and updated capital plan of the agency, and approves amendments to the current year budget as necessary.

A recent addition to the Port Authority's budget process has been the participation in the Government Finance Officers Association's (GFOA) Budget Awards Program. This program evaluates public sector budget documents using 27 rating criteria across four different categories, which include policy, financial, operations, and communications. The Port Authority received a GFOA Budget Presentation award for the 2009 Budget Book, the first year of its participation in the program. Successfully meeting the GFOA criteria helps to ensure that the Port Authority is continually making efforts to improve its budgeting process and to provide the public with a transparent and comprehensive budget document.

### **A Unified Planning Process**

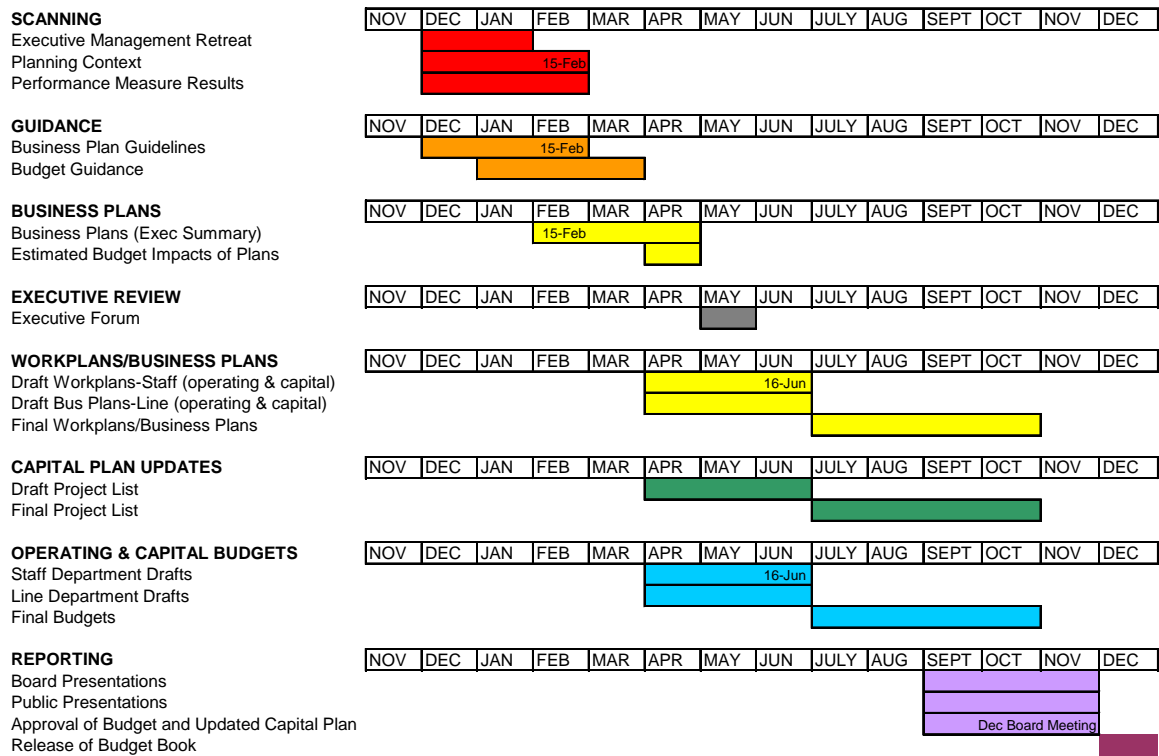
Each year, in conjunction with the development of its annual budget, Port Authority staff undertakes a comprehensive planning process designed to ensure that the agency is consistently moving towards achieving long-term goals. Over the past two years, the Port Authority has worked to unify this process by coordinating the development of business plans, capital programs, and the annual budget. This unified planning model allows for the agency's long-term Strategic Plan, adopted in 2005, to have a greater impact on each aspect of agency operations. The goals identified in the Strategic Plan are incorporated into both departmental business plans and the agency's capital program. In turn, business and capital plans drive resource allocation decisions.

### **Developing the Budget**

The budget process begins with the scanning process. This involves an effort on the part of Executive Director and senior staff to understand both agency performance over the past year and the environment in which the agency will be operating in the coming years. This information is then used to re-assess agency priorities and develop short-term strategies in line with agency-wide goals. The Executive Director's office then issues planning and budget guidance that includes agency wide priorities, the regional planning context, and budget targets for each department. This guidance informs the development of department business and work plans, the capital program, and the budget for the coming year.

Line Departments, the five departments that reflect the Port Authority's major lines of business (Port Commerce, Aviation, PATH, and Tunnels, Bridges, and Terminals, and Development), are asked to submit business plans that identify department wide strategies and initiatives, both operating and capital, that reflect over-arching agency goals and take into account the planning context and priorities identified in the Executive Director's planning guidance. Similarly, staff departments, which support the agency's major lines of business, submit work plans that identify the ways in which these departments will help line businesses achieve agency-wide goals given the pre-established regional planning context. The Executive Director, in conjunction with the Planning Department and the Management and Budget Department, provides feedback on departmental business/work plans as they are developed.

In conjunction with incorporating agency feedback into finalized business/work plans, departments develop updated capital project lists and budget proposals. Once these have been submitted, the Management and Budget Department assesses the financial impact of the submissions and works with departments to finalize a budget and capital plan that meets agency and department goals within the financial constraints of the agency. Following repeated review and analysis throughout the department, a final budget proposal is presented to the Board of Commissioners for approval. Once approved, the budget is presented to the public.



**Basis of Budgeting**

Revenues and expenses are budgeted in an enterprise fund using the accrual basis of accounting (excluding interdepartmental rents). The budgeted Revenues and Reserves schedule is prepared pursuant to Port Authority bond resolutions and differs in some respects from accounting principles generally accepted in the United States, with the primary difference being the inclusion of principal and interest payments on outstanding Port Authority debt in lieu of depreciation and amortization related to capital investment. This is intended to demonstrate to the bondholders that the agency is generating sufficient cash flows to meet current and future debt service. For presentation purposes, budgeted net income is also calculated on a basis consistent with generally accepted accounting principles. The Management and Budget Department prepares periodic financial reports, designed to inform all levels of executive management and individual directors, that measure and discuss actual and projected performance against budget and the capital plan. Financial reports are also presented to the Board of Commissioners that concisely describe the operating and capital results and financial position of the agency as a whole, highlight exceptions or significant changes impacting the agency's financial condition, and to suggest areas where management action may be necessary.

**Financial Policies**

The Port Authority is financially self-sustaining and must raise the moneys necessary to operate its facilities and provide services to the public at large through tolls, fares, rentals and other user charges. Funds needed for capital improvements, construction and acquisition of facilities are raised on the basis of the Port Authority's own credit rating. The Port Authority cannot pledge the credit of either of the States of New York and New Jersey or any municipality, nor can it levy taxes or assessments.

Within the context of programmatic agency-wide objectives, the Port Authority has established various financial measures designed to ensure that the agency is able to sustain its projects, plan for the future, and fund debt service. The Port Authority maintains two Reserve Funds, the General Reserve Fund and Consolidated Bond Reserve Fund, which were established in accordance with applicable laws and statutes. The agency has set specific targets for the Times to Debt Service Earned ratio, monies contained in the General Reserve Fund and the Operating Ratio.

The General Reserve Fund is pledged in support of Consolidated Bonds and Notes. Statutes which required the Port Authority to create the General Reserve Fund established the principle of pooling revenues from all facilities and require that the Port Authority apply surplus revenues from all of its existing facilities to maintain the General Reserve Fund in an amount at least equal to 10% of the par value of outstanding bonds legal for investment.

The balance remaining of all net revenues of the Port Authority's existing facilities after deducting payments for debt service upon all Consolidated Bonds and 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 Notes. Consolidated Bonds and 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.

Other asset obligations (versatile structure obligations, commercial paper obligations, variable rate master notes, and Interest Rate Exchange Contracts (swaps) executed after 2005), and the interest thereon, are not secured by or payable from the General Reserve Fund. Principal of, and interest on, other asset obligations are payable solely from the proceeds of obligations issued for such purposes or from net revenues paid into the Consolidated Bond Reserve Fund and, in the event such proceeds or net revenues are insufficient therefore, from other moneys of the Port Authority legally available for such payments. Operating asset obligations (equipment notes, Interest Rate Exchange Contracts (swaps) executed prior to 2005, and the Fund buy-out obligation) are paid in the same manner and from the same sources as operating expenses. Special Project Bonds are not secured by or payable from the General Reserve Fund or the Consolidated Bond Reserve Fund.

The Port Authority has a long-standing policy of maintaining total 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. The moneys in the reserve funds may be accumulated or applied only to purposes set forth in legislation and the agreements with the holders of the Port Authority's obligations pertaining thereto.

### **Debt Management Policies**

The Port Authority follows specific criteria when dealing with debt management, financing capital construction at the agency's facilities or refunding existing obligations. It does so by closely monitoring and controlling the flow of Variable Rate Master Notes, Commercial Paper, Equipment Notes, and Special Project Bonds. These debt management criteria are described in more detail below:

- Variable Rate Master Notes - Cannot be issued if the resulting aggregate principal amount at any one time outstanding is in excess of \$400 million.
- Commercial Paper - Cannot be issued if the resulting aggregate principal amount at any one time outstanding is in excess of \$500 million (\$300 million for Series A and \$200 million for Series B).

- Port Authority Equipment Notes - Proceeds are to be used in connection with the purchase of certain equipment by the Port Authority, to refund certain obligations issued by the Port Authority in connection with the purchase of equipment and for incidental purposes, including certain cost of such note obligations. These notes cannot be issued if the resulting aggregate principal amount at any one time outstanding is in excess of \$250 million.
- Special Project Bonds - Issued only for the purpose of providing funds for a single project for a lessee or for the purpose of refunding all or any part of a prior series of Special Project Bond obligations. These bonds shall not be issued in an amount that is greater than the amount determined by the Port Authority to be necessary to accomplish the purpose for which such Series of Special Project Bonds is issued.

**APPENDIX C:**  
**Strategic Performance**

**MISSION:** To identify and meet the critical transportation infrastructure needs of the bi-state region's businesses, residents, and visitors; providing the highest quality, most efficient transportation and port commerce facilities and services that move people and goods within the region, providing access to the rest of the nation and to the world, while strengthening the economic competitiveness of the New York-New Jersey Metropolitan Region.

GOALS	PROJECTS	2010 MAJOR OUTCOMES	2011 PROJECT MILESTONES	2011 BUDGET	PROJECT DELIVERABLES
<b>Building the Region and Investing in the Future</b>	World Trade Center Redevelopment	<ul style="list-style-type: none"> <li>Started erection of the Memorial Pavilion steel;</li> <li>Installed TWIC steel above 50 floors; and</li> <li>Began erection of the PATH Hall steel.</li> </ul>	<ul style="list-style-type: none"> <li>Open WTC Memorial on 9/11/11.</li> </ul>	\$1.9 B	<ul style="list-style-type: none"> <li>WTC Memorial &amp; Museum;</li> <li>One World Trade Center;</li> <li>Third largest transportation hub in New York; Liberty Park and common infrastructure; and</li> <li>A vehicle security center.</li> </ul>
	LGA Central Terminal Building	<ul style="list-style-type: none"> <li>Awarded Program Management Services Agreement and Architectural &amp; Engineering Services Agreement.</li> </ul>	<ul style="list-style-type: none"> <li>Develop design documents and advance Stage I design work;</li> <li>Undergo environmental review and issue FONSI Report; and</li> <li>Prepare CTB and concourses abatement and demolition design.</li> </ul>	\$13 M	<ul style="list-style-type: none"> <li>State-of-the-art facility for domestic air travel.</li> </ul>
	Goethals Bridge Replacement	<ul style="list-style-type: none"> <li>Issued final Environmental Impact Statement.</li> </ul>	<ul style="list-style-type: none"> <li>Advance planning work for the replacement of the existing bridge.</li> </ul>	\$12 M	<ul style="list-style-type: none"> <li>A new, expanded bridge.</li> </ul>
	EWR Terminal A Replacement	<ul style="list-style-type: none"> <li>Advanced Phase II Planning work.</li> </ul>	<ul style="list-style-type: none"> <li>Advance Phase II planning of overall site conditions, infrastructure development, terminal objectives, airside and landside operations, and environmental remediation.</li> </ul>	\$9 M	<ul style="list-style-type: none"> <li>State-of-the-art facility for domestic air travel.</li> </ul>
<b>Moving Travelers and Commuters</b>	PATH New Car Purchase Program	<ul style="list-style-type: none"> <li>Delivery of additional new railcars and acceptance testing.</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of all remaining railcars.</li> </ul>	\$138 M	<ul style="list-style-type: none"> <li>Complete delivery of 340 new railcars; improved service reliability and customer service.</li> </ul>
	PATH Signal System Replacement Program	<ul style="list-style-type: none"> <li>Awarded the contract for the purchase and installation of the new signal system.</li> </ul>	<ul style="list-style-type: none"> <li>Continue installation of the new signal system.</li> </ul>	\$109 M	<ul style="list-style-type: none"> <li>Increase capacity by 20% when fully deployed by providing for shorter headways.</li> </ul>
	EWR Terminal B Modernization	<ul style="list-style-type: none"> <li>Created domestic departures on midlevel and</li> <li>Developed reconfiguration of the meet and greet area.</li> </ul>	<ul style="list-style-type: none"> <li>Complete mid- and upper-level expansion to increase terminal capacity.</li> </ul>	\$37 M	<ul style="list-style-type: none"> <li>Increase existing capacity the airport.</li> </ul>
	All Electronic Tolling (AET)	<ul style="list-style-type: none"> <li>Secured Project Authorization;</li> <li>Issued an RFQ and RFP to deploy the new toll system; and</li> <li>Finalized the Concept of Operations Document and the financial analysis to assess the impacts of AET.</li> </ul>	<ul style="list-style-type: none"> <li>Complete RFP process and award construction contract for revenue system deployment; and</li> <li>Update financial analysis;</li> </ul>	\$9 M	<ul style="list-style-type: none"> <li>A cashless tolling system to enhance capacity of existing facilities.</li> </ul>
<b>Connecting Cargo to Customers</b>	Harbor Deepening Program	<ul style="list-style-type: none"> <li>Continued dredging to create a 50 foot channel.</li> <li>Began relocation of underground utilities.</li> </ul>	<ul style="list-style-type: none"> <li>Continue deepening of NY/NJ Harbor's main channels to 50 feet.</li> </ul>	\$70 M	<ul style="list-style-type: none"> <li>Improved navigational safety.</li> <li>Increased capacity to accommodate future cargo vessels.</li> </ul>
	Port Commerce Infrastructure Program	<ul style="list-style-type: none"> <li>Replaced Berths 6, 8, 10, 36 &amp; 53 at Port Newark.</li> <li>Rehabilitated bulkhead at piers 7 and 8.</li> </ul>	<ul style="list-style-type: none"> <li>Complete Berth 6 replacement;</li> <li>Advance planning work for Berths 22 and 24; and</li> <li>Advance work for Backflow Preventers project at NJMT and NYMT.</li> </ul>	\$50 M	<ul style="list-style-type: none"> <li>Reduced maintenance costs.</li> <li>Expanded capacity.</li> </ul>
	Intermodal Rail Program	<ul style="list-style-type: none"> <li>Advanced design work for additional support track at Port Newark, the Corbin Street Flyover, and the Greenville Yard Intermodal facility.</li> </ul>	<ul style="list-style-type: none"> <li>Advance Phase IIA design for track work at Corbin Street; and</li> <li>Advance work for PNCT Flyover and Greenville Yards.</li> </ul>	\$24 M	<ul style="list-style-type: none"> <li>Comprehensive rail system with on-dock intermodal facilities for all marine terminals.</li> </ul>
	PATH Safety and Security Projects	<ul style="list-style-type: none"> <li>Developed and implemented 5-year security plan.</li> </ul>	<ul style="list-style-type: none"> <li>Advance infrastructure improvements for the Tunnel Floodgates and Event Detection System;</li> <li>Advance tunnel mitigation work; and</li> <li>Complete system installation at PATH Train Control Center</li> </ul>	\$100 M	<ul style="list-style-type: none"> <li>Enhanced security through system access control.</li> <li>Increased operational safety.</li> </ul>
<b>Advancing Security &amp; Sustainability Throughout the Region</b>	Port Commerce Security Program	<ul style="list-style-type: none"> <li>Installed TWIC identification system CCTV.</li> </ul>	<ul style="list-style-type: none"> <li>Finalize design for Security ID System; and</li> <li>Complete TWIC Pilot Program and Closed Circuit TV implementation.</li> </ul>	\$13 M	<ul style="list-style-type: none"> <li>Enhanced safety and security of port operations.</li> </ul>
	Security Bollard Installation at all Port Authority Airports	<ul style="list-style-type: none"> <li>Completed installation of bollards on all 3 levels of frontage of EWR's Terminal B and LGA's Marine Air Terminal.</li> </ul>	<ul style="list-style-type: none"> <li>Complete installation of bollards at Port Authority controlled areas; and</li> <li>Award construction contracts and start construction at LGA, JFK and EWR tenant terminals.</li> </ul>	\$10 M	<ul style="list-style-type: none"> <li>Increased facility security at all Port Authority airports.</li> </ul>

**Operational Performance\***

<b>PORT AUTHORITY FACILITIES</b>	<b>PERFORMANCE MEASURE</b>	<b>OPERATING OBJECTIVE</b>	<b>2010 RESULTS</b>	<b>2011 TARGET</b>
<b>Airports</b>	Flight Delay Reduction	Improvement of year-to-year delay statistics for all airports.	4-7% reduction in delays at EWR, JFK and LGA for the 12 months ending July 2010, as compared to the same period ending July 2009.	Maintain or exceed 2010 level of reduction.
	Customer Satisfaction	Meet or exceed industry benchmark in annual customer satisfaction survey for all terminals at all Port Authority airports.	72% of arriving passengers and 56% of departing passengers were highly satisfied in 2010, which exceeds the industry benchmark of 55%.	Increase proportion of highly satisfied customers by 2 percentage points.
	Incident Response Time	Improve safety and travel time reliability by ensuring incidents are responded to and cleared in a timely and effective manner.	85 <sup>th</sup> percentile response time (in minutes) during the summer months of 2010 improved from 2009 figures for the same period at all facilities with the exception of the Staten Island Bridges.	Decrease in response time over the same time in the previous year.
<b>Tunnels, Bridges and Bus Terminals</b>	Reduction in Targeted Crimes at the Port Authority Bus Terminal	Minimize number of targeted crimes (robbery, assault, larceny, luggage theft, pickpocket) reported at the Port Authority Bus Terminal	27% reduction in targeted crimes over from 2009 to 2010.	5% reduction in the number of targeted crimes at the Port Authority Bus Terminal.
	On-Time Performance	Maintain high percentage of PATH trains operating on-time (within 3 minutes of scheduled departure/arrival time).	96.98% on-time performance during 24-hour periods (0.19% above 2010 target). 95.96% on-time performance during peak periods (0.46% above 2010 target).	97.75% on-time performance during 24-hour periods. 96.85% on-time performance during peak periods.
<b>PATH</b>	Service Reliability	Maintain high mean distance between failure (number of miles, on average, a PATH car travels before a breakdown or failure occurs that results in an annulment or delay).	51,695 miles between failure for the PA-4 railcar fleet (0.07% above 2010 target).	48,000 miles between failure for the PA-4 railcar fleet. 160,000 miles between failure for the new PA-5 railcar fleet.
	Port Competitiveness	Maintain high percentage of U.S. containerized cargo.	13% of U.S. containerized cargo goes through the Port Authority's port facilities.	13.5% of U.S. containerized cargo.
<b>Ports</b>	Clean Air Strategy	Reduce amount of air pollution emitted from Port Authority port facilities.	<2010 results not yet available -- will be reported on in 2011 >	3% reduction in Criteria Air Pollutants and 5% reduction in GHGs on an annual basis.

\*Note: These selected performance measures reflect the Port Authority's ongoing efforts to enhance operational performance across all facilities.



## APPENDIX D: GLOSSARY

**Allocated Expenses** – Expenses allocated to various business programs and facilities of the Port Authority, using labor as the basis for allocation, for the provision of centralized general management and administrative services and/or general services applicable to Port District development activities.

**Budget** – A formal financial estimate of expected revenues and expenditures setting forth the Port Authority's financial operations for a calendar year in a form compatible with the Port Authority's accounting system. The estimate is prepared by all departments and approved by the Board of Commissioners. It serves as the basis for producing the Financial Plan and becomes a means of achieving systematic review of program expenditures to ensure that they are made in accordance with the policies and financial decisions of the Board and the By-Laws of the Port Authority.

**Capital Expenditures** - Expenditures for projects that benefit future accounting periods and are expected to prolong the service lives of assets beyond the originally assigned life or result in a better or more efficient asset. Capital expenses are broken down into six categories that reflect the policy goals of the agency:

- **Mandatory (MAND)** – Projects required by law, governmental rule or regulation, or by a rule or policy of the Board of Commissioners.
- **Regional Projects (SRP)** – Projects undertaken by the Port Authority which advance the objectives of the Port Authority but unlike other Port Authority projects -- which are typically confined to a specific Port Authority operated facilities – are not operated by the Port Authority. They are generally initiated at the request of one of the two states.
- **Revenue Producing Projects (RPP)** – Projects which provide system enhancements, improved customer service levels, and/or regional benefits and which yield a positive financial return to the Port Authority on its invested capital.
- **Security (SEC)** – Projects that are necessary to meet the Agency's Security Plan. The Office of Emergency Management has reviewed the scope of the projects for consistency with Agency security goals.
- **State of Good Repair (SGR)** – Projects that are necessary to maintain the continued functioning of a Port Authority assets consistent with the Agency's business objectives,

especially those necessary to maintain critical structural integrity and operational capability of facilities.

- **System Enhancing Projects (SEP)** – Projects that provide system enhancements, improved customer service levels, and/or regional benefits but do not yield a positive financial return to the Port Authority.

**Capital Plan** – Reflects the current assessment of the potential need for capital expenditures for the modernization, renovation, rehabilitation, expansion or acquisition of existing and additional facilities in order to continue to maintain appropriate levels of service.

**Commercial Paper (CP)** – Short-term obligations authorized to be issued to provide interim financing for the payment of capital expenditures in connection with the facilities of the Port Authority or to refund prior obligations.

**Consolidated Bonds** – A form of long-term debt issued pursuant to the Consolidated Bond Resolution of 1952 and subsequent resolutions.

**Consolidated Bond Reserve Fund** – A special fund created by Section 7 of the Consolidated Bond Resolution. The balance remaining of all net revenues of the Port Authority's existing facilities after deducting payments for debt service upon all Consolidated Bonds and 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 Notes. Consolidated Bonds and 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.

**Debt Service** – Represents interest payments, accruals, and mandatory and accelerated amortization (by sinking fund payments, serial maturities, bank loan payments, etc.), on outstanding debt charged to the operating and reserve funds.

**Direct Investment in Facilities** – Represents application of moneys in the Consolidated Bond Reserve Fund to the Capital Fund, subject to statutory, contractual, and other commitments and financial policies of the Port Authority in addition to other capital funds carried forward and the proceeds of Port Authority obligations to be issued.

**Direct Prorated Expenses** – Centralized line department, operations and maintenance services, and engineering general expenses that are prorated directly to individual operating facilities and business programs based on their prorated share of direct labor costs.

**Facility** – A location classification defining a complete and self-contained unit operated by the Port Authority.

**Fund Balance** – Represents the balance of cash and certain specified securities, some of which are required Port Authority Statutes.

**Fund Buy-Out** – Represents the annual implicit interest cost (8.25%) contained in the present value of amounts due to the States of New York and New Jersey upon the termination, in 1990, of the Fund for Regional Development.

**General Reserve Fund** – A special fund established pursuant to Chapter 5 of the Laws of New Jersey of 1931 and Chapter 48 of the Laws of New York of 1931, as amended and supplemented. Under the statutes authorizing the pledge of the General Reserve Fund, the Port Authority may raise monies to finance or refinance any of its present facilities by the issue and sale of bonds legal for investment. Additional terminal or transportation facilities may also be financed this way. Surplus revenues from facilities are required to be pooled by the Port Authority and applied to the maintenance of a General Reserve Fund in an amount equal to at least 10% of the par value of all such outstanding bonds legal for investment, as so defined.

**Gross Operating Revenues** – Revenues from rentals, tolls, fares, aviation fees and other charges derived in connection with the use of and privileges granted at Port Authority facilities before the deduction of operating expenses.

**Net Operating Revenues** – Gross operating revenues less operating expenses and amounts in connection with operating asset obligations, adjusted by net recoverable/expense amounts related to the events of September 11, 2001.

**Operating Asset Financing** - Interest expense associated with the funding of operating assets such as the **Fund Buy-Out**, where the Port Authority assumed the assets and liabilities of the former Fund for Regional Development, which had been established to sub-lease World Trade Center space previously held by the State of New York; and **Equipment Notes**, which are obligations that are authorized to be issued to facilitate the purchase of operating equipment such as automotive vehicles, telephones, radios, computer equipment and office furnishings.

**Operating Expenses** – Expenses incurred in connection with the operation, maintenance, security, repair and administration of Port Authority facilities and business programs, including direct prorated and allocated expenses. Operating expenses are subdivided into six categories:

- Debt Expense – Interest costs for special project bonds and operating assets.

- Maintenance – Labor and materials to protect the agency’s capital investments and keep properties, facility structures and equipment operating at a high level of performance, including complying with applicable codes and regulations, thereby preventing injury to life and damage to property.
- Management Services – Support operations for all lines of business -- Aviation, PATH, Port Commerce, Tunnels, Bridges & Terminals, and World Trade Center.
- Operations – Staff and materials required to manage transportation facilities and provide support services to the traveling public throughout the Port Authority's regional transportation network, which includes airports, vehicular tunnels, bridges and terminals, rail transit system and port shipping facilities.
- Rent – Payments made periodically to governmental agencies and landlords in return for the use of land, a building, an office, or other property.
- Security – Providing safe and secure transportation services to the region and nation by vigilance over potential threats, investment in infrastructure and new technology, and employment of best practices in security and emergency preparedness operations. Adapting programs in response to changing conditions and meeting or exceeding government and industry standards while adding value to the business.

**Operating Ratio** - The resultant of dividing the Port Authority's gross operating revenues by operating expenses.

**Passenger Facility Charge (PFC)** – Pursuant to the Federal Aviation Safety and Capacity Expansion Act of 1990, the Port Authority has been authorized to impose a PFC on passengers utilizing its airports. PFC collections are restricted to projects undertaken with the prior approval of the FAA.

**Port Authority Equipment Notes (PAEN)** – Obligations authorized to be issued for purposes of payment for capital expenditures in connection with the facilities of the Port Authority or to refund prior obligations. PAEN carry variable interest rates set by a remarketing agent and are subject to prepayment at the option of the Port Authority or upon demand of the holders.

**Provision for Efficiency and Phasing** - a cost reduction incorporated for continuous improvement of project management through obtaining more favorable construction bids, value engineering, re-phasing stages of projects and containing planning and administrative costs.

**Return On Investment (ROI)** – The relationship, generally expressed as a percentage, between the net income and the investment required to earn the income.

**Special Project Bonds (SPB)** - Limited obligations issued for the purpose of providing specific projects for a lessee or to refund prior obligations. SPBs are secured solely by a pledge of facility rental derived by the Port Authority under a lease with the lessee. Neither the full faith and credit of the Port Authority nor any of its revenues, assets or reserve funds are pledged for the payment of debt service on the bonds.

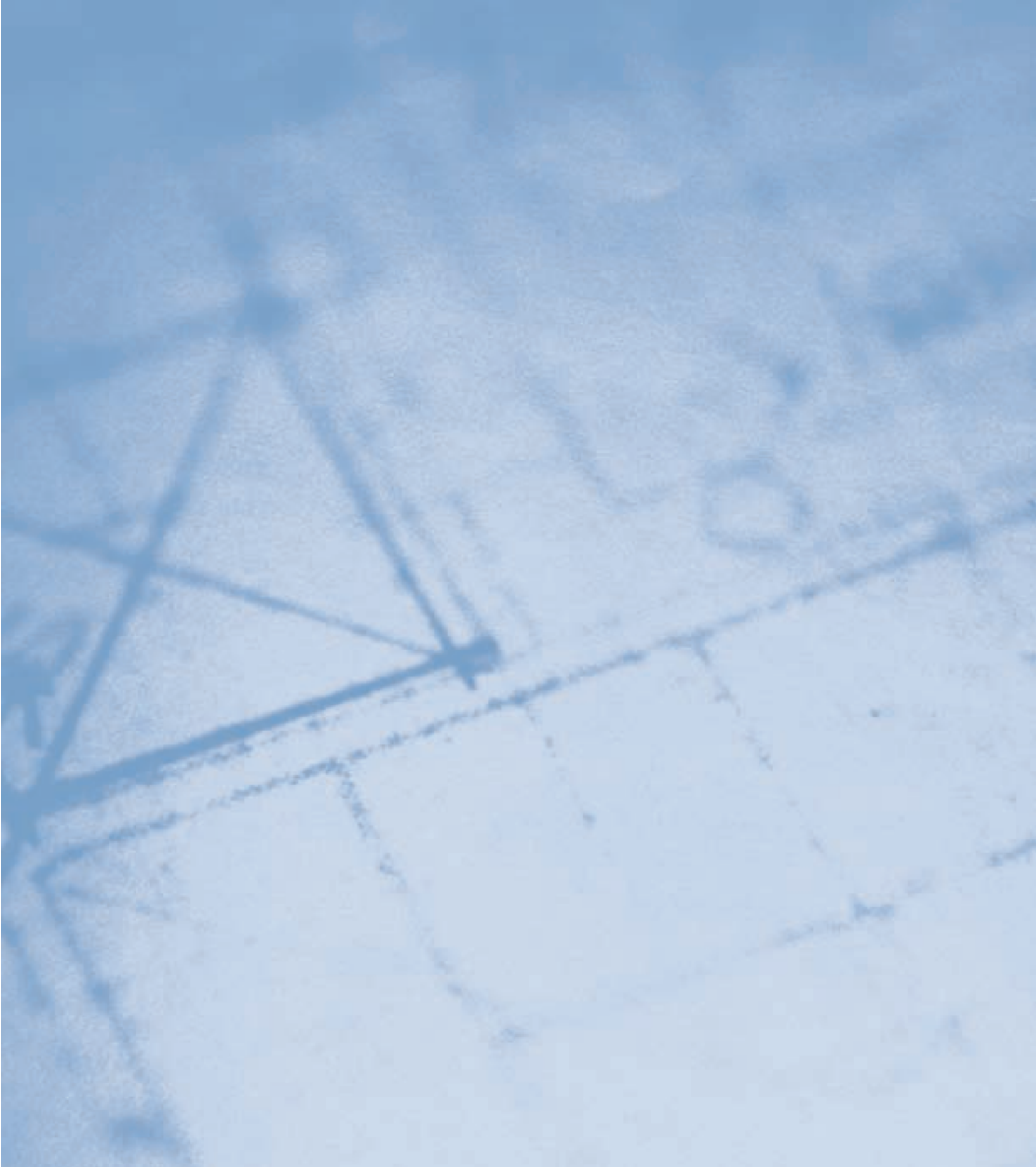
**Sources of Funds** - Gross operating revenues generated by Port Authority facilities as well as monies generated from the issuance of bonds, notes and other obligations, receipt of grants, insurance proceeds, earned income on investments and money drawn down from reserve funds, as well as the collection of Airport Passenger Facility charges. A balanced budget is achieved when the Sources of Funds is equal to the planned spending or Uses of Funds for the fiscal year.

**Times Debt Service Earned** – The relationship of net revenues available for debt service and reserves to the total obligatory bonded debt service. In this context, “total obligatory bonded debt service” excludes Fund for Regional Development buyout principal and interest expense, debt service on Special Project Bonds, operating equipment lease financing obligations and any PFC backed debt associated with investment in use.

**Uses of Funds** - The cost of operating expenses, capital expenditures, debt service on outstanding bonds, notes and others obligations, and other expenditures that are deferred and amortized in future periods. When the Uses of Funds is equal to revenues generated by the Sources of Funds, the budget is balanced.

**Variable Rate Master Notes (VRMN)** – Obligations authorized to be issued for purposes of payment for capital expenditures in connection with the facilities of the Port Authority or to refund prior obligations. VRMN carry variable interest rates in accordance with specified indices and are subject to prepayment at the option of the Port Authority or upon demand of the holders.

**Versatile Structure Obligations (VSO)** – Obligations authorized to be issued for purposes of payment for capital expenditures in connection with the facilities of the Port Authority or to refund prior obligations. VSO carry variable interest rates set by a remarketing agent and are subject to prepayment at the option of the Port Authority or upon demand of the holders.



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