Initiate Public Hearing Process for Proposed Changes in Tolls, Fares & Other Fees

June 27, 2019

Overview

Unprecedented infrastructure investment at Port Authority facilities fuels the economic engine of an ever-growing region

- A half century of neglect and inaction has led to a national infrastructure crisis
- The Port Authority's airports, trains, bridges, tunnels and terminals are vital to the regional and national economy
- Therefore, the Port Authority is:
  - Working to chart a different path, with the largest capital plan in the agency's history
  - Delivering on unprecedented level of investment as we seek to transform our legacy assets into modern, world-class facilities capable of meeting 21st century expectations

Overview (con't)

Record infrastructure investment carries a heavy cost, and inflation-based increases in tolls and fares are necessary, appropriate and the only responsible course of action available to the Port Authority

- The Port Authority is a self-funded, independent agency that does not rely on taxpayer dollars or funding from the states of New York or New Jersey
- Port Authority tolls, fares and other fees have not increased in years and are not keeping pace with inflation
- All the proposed increases and adjustments are rationally indexed to inflation or the actions of peer agencies and facilities throughout the region and the nation
- The actions follow through on prior Board commitments in 2008, 2011 and 2017

Record Volumes Across Facilities

All Port Authority facilities saw record or near-record levels in 2018 – and volumes continue to grow

- **Airports:** Set record passenger volumes each year for the last five years
- **Ports**: Achieving record growth; handled over 7 million TEUs in 2018
- **PATH**: Five years of consistent growth has led to record PATH ridership
- **Bridges & Tunnels**: Handles more than 120 million vehicles each year
- **AirTrains**: Ridership at an all-time high

Unprecedented Investment & Tangible Progress

Tangible progress in developing new and revitalized 21st century facilities is beginning to be visible throughout the region

Airports: More than $30 billion in public and private funding committed to transform the region's three major airports into world-class gateways

Tunnels, Bridges, & Terminals: More than $10 billion invested in rebuilding and fortifying the bridges, tunnels and bus commuter facilities

PATH: More than $4 billion invested to improve safety, reliability, capacity and customer experience

Port: More than $2 billion of public and private investments facilitating record growth

World Trade Center: More than $1 billion invested to complete infrastructure investments that support the revitalization of the WTC site and surrounding community

Continued Infrastructure Investment Cannot Be Sustained Without Sufficient Funding Sources

- While the Port Authority generates substantial, non-toll and non-fare revenue—which currently represents over 65% of our annual revenue—these sources are not enough to cover the full cost of building and operating the Port Authority's facilities

- To maintain the Port Authority's unprecedented investment and tangible progress in rebuilding and improving the region's infrastructure, additional funding is required from tolls, fares and other charges

- The proposed changes keep pace with inflation, are consistent with peer agencies, and remain true to prior Board actions. The changes address:
  1. Bridge and tunnel tolls
  2. PATH fares
  3. AirTrain fares, and
  4. A new airport ground transportation access fee

Prior Board Actions

2008

Board mandated an automatic inflation adjustment to increase tolls when the cumulative impact of inflation reached $1.00 – not requiring further Board action

2011

Board adopted specific annual toll increases from 2012 to 2015

- Tolls increased on a set schedule from 2011 to 2015 to their current rates
- Board reaffirmed the 2008 automatic inflation adjustment

2017

The 2017-2026 Capital Plan rested on the assumption “that the Board of Commissioners will take certain actions in the future to create or raise certain fees and charges at Port Authority facilities to maintain a balanced capital plan”

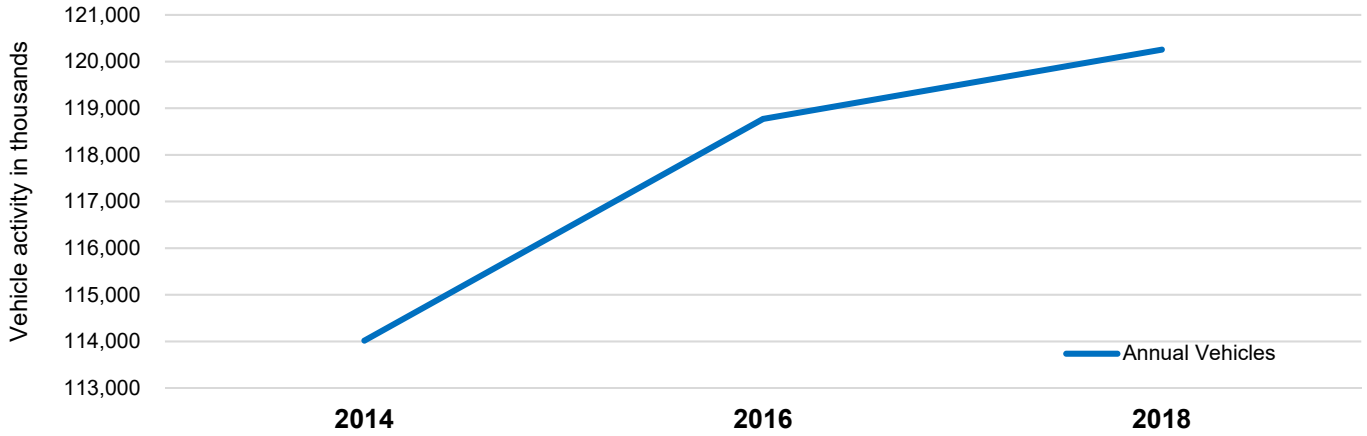
Bridge & Tunnel Tolls

Bridge & Tunnel tolls were last adjusted in 2015

- MTA recently adopted a toll adjustment that increased TbM to $19.00 for one-way tolls and $9.50 where tolls are charged in both directions

Bridge and tunnel vehicles are experiencing steady growth

- Annual vehicle activity has increased over 5% since 2014

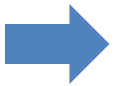


Continued investment is needed to address demand

Bridge & Tunnel Proposed Toll Changes*

Effective January 5, 2020:

- Increase auto cash/Toll by Mail (TbM) rate by $1.00
- Reduce E-ZPass Peak discount from $2.50 to $2.25 and E-ZPass Off-Peak discount from $4.50 to $4.25
  - Recognizes high level of E-ZPass usage
- Comparable toll adjustments to other vehicle classes



Vehicle Type	Current	Proposed 2020
Auto Cash/TbM	$15.00	$16.00
Auto E-ZPass Peak	$12.50	$13.75
Auto E-ZPass Off-Peak	$10.50	$11.75

- Inflation-based adjustment mechanism:
  - Increase when cumulative CPI reaches $1.00
  - One-time further reduction to the E-ZPass Peak discount from $2.25 to $2.00 and E-ZPass Off-Peak discount from $4.25 to $4.00
  - Inflation adjustments thereafter

*A complete Toll Schedule comparison chart will be available on the Port Authority's website

Bridge & Tunnel Proposed Toll Changes*

Effective January 5, 2020

Out-of-State E-ZPass Accounts

Proposal
Consistent with other tolling agencies in the region, limit E-ZPass toll discounts to users registered with a New York or New Jersey E-ZPass Customer Service Center account

Car Pool Discount Program

Proposal
In light of phasing-in All Electronic Tolling and ongoing safety issues, discontinue the Car Pool Discount Program

NY/NJ Staten Island Bridges Discount Program

Proposal
Modify the NY/NJ Staten Island Bridges discount program to target commuters by increasing the qualifying trips to 10 per month

*A complete Toll Schedule comparison chart will be available on the Port Authority's website

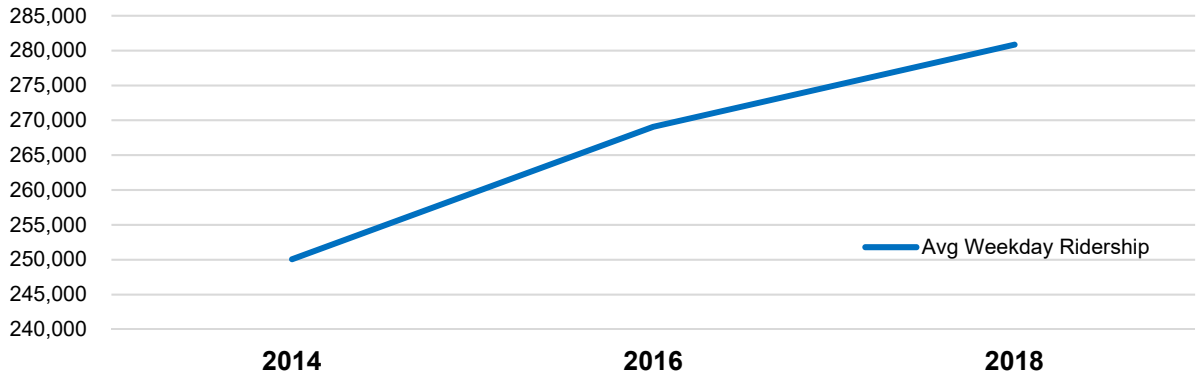
PATH Fares

PATH fares of $2.75 were last adjusted in 2014

- MTA recently adopted a fare adjustment that maintained the single-ride fare at $2.75, but eliminated discounts for multi-ride media

PATH ridership is at record levels

- Average weekday ridership has increased by over 30,000 riders since 2014



Substantial investment is needed to address demand

PATH Proposed Fare Changes*

Effective November 1, 2019:

- Single Ride Tickets unchanged
- Decrease multi-trip discount
- Tracks MTA pattern for Single Ride Tickets, but maintains multi-trip discount

Current	Proposed
$2.75	$2.75
$2.10	$2.50

Effective November 1, 2020:

- Single Ride Tickets unchanged
- Decrease multi-trip discount

$2.75	$2.75
$2.50	$2.60

Inflation adjustment mechanism

- Maintain inflation-based adjustment mechanism for all fares

*A complete PATH Fare Schedule comparison chart will be available on the Port Authority's website

AirTrain Fares

AirTrain Systems are a critical part of the airport infrastructure at John F Kennedy International (JFK) and Newark Liberty (EWR)

AirTrain fares were last adjusted in 2003 (JFK) and 2005 (EWR)

AirTrain Ridership is at record levels

- 2018 total annual ridership was:
  - 20.5 million at JFK
  - 11.0 million at EWR
- Since opening, the compounded annual growth of paid ridership was 8% at JFK and 6% at EWR—exceeding all expectations

Substantial investment is needed to increase capacity and improve customer experience

*Excludes 2014 AirTrain shutdown for repairs

AirTrain Fares Proposed Changes*

Effective November 1, 2019:

- Increase Single Ride Fares to and from JFK and EWR to $7.75

Inflation adjustment mechanism

- Maintain inflation-based fare adjustment

*A complete AirTrain Fare Schedule comparison chart will be available on the Port Authority's website

Airport Ground Transportation Access Fee Proposal

Implement fee in line with peer airports

U.S. peer airports collect trip-based fees

Airport	For-Hire-Vehicle (FHV)		Taxi	
	Pick Up	Drop Off	Pick Up	Drop Off
Los Angeles (LAX)	$4.00	$4.00	$4.00	-
Chicago	$5.60	$5.60	$4.00	-
San Francisco	$4.50	$4.50	$4.50	-
Washington DC	$4.00	$4.00	$3.00	$3.00 (IAD only)

Propose Adopting LAX's Rate Structure for the Airport Ground Transportation Access Fee

Effective by mid to late 2020

Airport	For-Hire-Vehicle (FHV)		Taxi	
	Pick Up	Drop Off	Pick Up	Drop Off
EWR, JFK, LGA	$4.00	$4.00	$4.00	-

Summary

- Unprecedented infrastructure investment at Port Authority facilities fuels the economic engine of an ever-growing region
- Record infrastructure investment carries a heavy cost and inflation-based increases in tolls and fares are necessary, appropriate and the only responsible course of action available to the Port Authority
- The proposed changes are estimated to generate $235 million of incremental annual revenue
- The Port Authority will conduct 6 public hearings on separate days with 3 hearings held in New York and 3 in New Jersey in both the evening and the morning to encourage robust participation
- Public comments will be accepted through September 13, 2019

Public Outreach

Six public hearings, including one viewable on the Port Authority's website, will be held during the last two weeks of July

	DATE	LOCATION	ADDRESS
Hearing #1	July 16, 8:00 am	4WTC	150 Greenwich St, 23rd Floor, New York, NY 10007
Hearing #2	July 17, 8:00 am	2 Montgomery	2 Montgomery St, 3rd Floor, Jersey City, NJ 07302
Hearing #3	July 18, 7:00 pm	EWR Terminal One Redevelopment Outreach Office	79 West Jersey St, Elizabeth, NJ 07202
Hearing #4	July 22, 7:00 pm	College of Staten Island	2800 Victory Blvd, Williamson Theatre, Staten Island, NY 10314
Hearing #5	July 29, 7:00 pm	Hilton Hasbrouck Heights	650 Terrace Ave, Hasbrouck Heights, NJ 07604
Hearing #6	July 30, 7:00 pm	JFK Building 14	Building 14, 3rd Floor, Jamaica, NY 11430

Public comments can be received at the public hearings, as well as submitted via the Port Authority's website through September 13, 2019