

May 13, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Charles E. Schumer
Democratic Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

The undersigned write to support the urgent need for federal assistance for the Port Authority of New York and New Jersey to avoid deep cuts in its capital spending program. Economic recovery of the region and the nation desperately needs these job-creating capital projects to move forward promptly, not be cancelled or delayed for years. These projects are poised to proceed and will leverage billions of dollars in private investment through public-private partnerships.

The Port Authority operates much of New York and New Jersey's essential infrastructure -- including three major airports; the PATH commuter train system; the seaport; the bus terminal; and numerous tunnels and bridges. The Port Authority is critical to the economy of a region that includes 20 million people and represents 15 percent of the national GDP. Our airports are also the gateway to America, with one out of every five international passengers traveling through John F. Kennedy or Newark Liberty International Airports.

Throughout the COVID-19 crisis, the Port Authority has kept all of its facilities operating. This is critical to get necessary food, fuel, and medical supplies into the region -- and to get essential workers safely to their jobs and back home. But the crisis has been enormously damaging.

- Airport traffic is down 97%,
- PATH commuter rail ridership is down 95%,
- Bridge and tunnel traffic is down 50%.

This collapse in traveler volume is producing enormous revenue declines. Current estimates show the Port Authority will have a reduction in revenue of approximately \$3 billion due to the COVID-19 crisis over the next twenty-four months.

As a result of its very large revenue losses, the Port Authority is being forced to urgently reconsider its capital plan -- including drastic cuts to a variety of critical infrastructure projects. These projects, as currently planned, include public-private partnerships that would leverage more than \$10 billion in committed private capital, while creating more than 100,000 good local

jobs. When you combine both public and private investment, the Port Authority capital plan would drive \$20 billion of capital spending in the next five years -- beginning this summer. Our region cannot afford, now, to walk away from these jobs or these billions of dollars of construction spending that would drive the recovery.

As it considers aiding states and other local governmental units, Congress should assist financially independent multi-state entities like the Port Authority.

These entities take enormous pressure off the states by performing critical services the states would otherwise be forced to undertake. And they do so without relying on state taxpayers or state budgets. The Port Authority is a financially free-standing and independent entity. The Port Authority does not rely on funding from New York or New Jersey. The Port Authority has no power to tax. It is subject to the discipline of the private market. The Port Authority earns money from customer user fees and from contractually-required payments from business partners. And it is these revenues that have so dramatically dried up.

Our understanding is that federal funding is being contemplated for three sets of local government entities: 1) states, 2) counties, and 3) municipalities.

The Congress must add a fourth category of "multi-state agency" that would include the Port Authority. This category is highly limited in number, but is critically important in light of the role the Port Authority plays in our region. Congress has done this before. Congress made multi-state agencies eligible for federal support in creating the Municipal Bond Stabilization program in the CARES Act. The Federal Reserve embraced this eligibility in its most recent Municipal Liquidity Facility by making a multi-state agency with an investment-grade bond rating eligible to participate.

The Congress should now allow federal financial assistance to be provided directly to such a multi-state entity that has maintained strong credit ratings and that has had large revenue losses - and the Port Authority fits into this category. Federal aid to the Port Authority must be separate from assistance that New York and New Jersey receive as states.

As the legislative process continues to develop, the Port Authority intends to work with the Congress to develop a specific allocation formula that ensures the Port Authority receives from this fourth fund an allocation equal to its revenue losses for the next twenty-four months, currently estimated at \$3 billion.

We urge you to support this very targeted fiscal assistance that will be critically important to a strong regional and national recovery.

Sincerely,

Steve Morriss, President, Design and
Consulting Services, Americas
AECOM

John E. Harmon, Sr., IOM
Founder, President & CEO
African American Chamber of Commerce
of New Jersey

Joseph A. Fiordaliso, President
American Council of Engineering Companies
of New Jersey

Hon. Henry G. Cisneros, Chairman
American Triple I Partners

Lisa Yakomin, President
Association of Bi-State Motor Carriers

Elliot G. Sander
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Heather C. Briccetti, President & CEO
Business Council of New York State, Inc.

Jose Lozano, President & CEO
Choose New Jersey, Inc

Anthony Russo, President & CEO
Commerce and Industry Association of New
Jersey

Lino Santiago, President
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Eric Nowoslawski, Executive Director
Gateway Warehouse Association

Michael Sweeney, P.E., Eastern US President
HNTB

Patrick Kelleher, President
Hudson County Building & Construction
Trades Council

Vincent A. Cassano, PE, Senior Director
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Kevin S. Law, President & CEO
Long Island Association

Jay J. Simson, President & CEO
American Council of Engineering Companies
of New York

Steven Rubenstein, Chairman
Association for a Better New York

Ricky Sabato, President
Bergen County Building & Construction
Trades Council

Gary LaBarbera, President
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Jonathan Bowles, Executive Director
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David Muhammad, Manager
City of Newark Office of Affirmative Action

William O'Dea, Executive Director
Elizabeth Development Company

Jim Coyle, President
Gateway Regional Chamber of Commerce

Robert Wessels, Executive Director
General Contractors Association of NY, Inc.

Vijay Dandapani, President & CEO
Hotel Association of New York City

Harold Daggett, International President
International Longshoreman's Association

Marlon Smith, Managing Director
JLC Infrastructure

Edward J. Kelly, Executive Director
Maritime Association of the Port of New York
and New Jersey

Tyler Morse, Chairman & CEO
MCR Development

Jim Kirkos, President
Meadowlands Regional Chamber of
Commerce

Joseph Ragusa, President
Metropolitan Marine Maintenance Contractors'
Association

Chip Hallock, President & CEO
Newark Regional Business Partnership

Philip K. Beachem, President & CEO
New Jersey Alliance for Action

William T. Mullen, President
New Jersey Building & Construction Trades
Council

Michele Siekerka, President & CEO
New Jersey Business & Industry Association

Gail E. Toth, Executive Director
New Jersey Motor Truck Association

Carlo Scissura, President & CEO
New York Building Congress

Julie Tighe, President
New York League of Conservation Voters

William B. Skinner III, President
New York New Jersey Foreign Freight
Forwarders & Brokers Association

John Nardi, President
New York Shipping Association

Mitchell L. Moss, Director
NYU Rudin Center for Transportation

Kathryn Wylde, President & CEO
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Tom Grech, President & CEO
Queens Chamber of Commerce

James Whelan, President
Real Estate Board of New York

Thomas K. Wright, President & CEO
Regional Plan Association

Kevin Brown, Vice President
SEIU 32BJ

Richard Kennedy, President & CEO
Skanska USA

Carlos Medina, President
Statewide Hispanic Chamber of Commerce of
New Jersey

Felicia Park-Rogers, Director of Regional
Infrastructure Projects
Tri-State Transportation Campaign

Rich Malcolm, President
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Council

Vivian Cox Fraser, President & CEO
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David F. Adam, Chairman & CEO
U.S. Maritime Alliance, Ltd.

Robert A. Briant Jr., CEO
Utility & Transportation Contractors
Association of New Jersey

John D. Porcari, President, U.S. Advisory
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