2010 Budget

December 10, 2009

THE PORT AUTHORITY OF NY & NJ

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, 2009

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, 2009. 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 2010 Budget of The Port Authority of New York and New Jersey. The pages that follow describe a $6.3 billion budget that responds to the historic recession while maintaining investments in the region's most critical priorities.

Like all public agencies, the Port Authority has been hit hard by the economic downturn. 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.

As a result, activity levels at all Port Authority facilities are projected to be significantly lower in 2010 than was projected less than two years ago when we adopted the current ten-year capital plan. Passenger traffic is expected to be 10 percent lower at our airports than our original projections and 11.8 percent lower on the PATH system. At our bridges and tunnels, vehicular traffic is expected to be 6.1 percent lower, and at our ports, cargo volume is expected to be 15.6 percent lower. This decline in activity levels has led to a significant deterioration in the agency's operating revenues. In addition, the economic downturn has forced the agency to incur higher debt service expense and earn lower financial income. As a result of these factors, the Port Authority's capital capacity for the 2007-2016 plan period has decreased by $5 billion – from $29.5 billion to $24.5 billion. To ensure the Port Authority meets its critical priorities but also lives within its means, we have taken aggressive action to control operating expenses and prioritize capital projects.

Zero-Growth Operating Budget and Headcount Reduction. Last year, the Port Authority introduced a zero-growth operating budget and kept the agency's headcount flat. This year, the agency will go even further, implementing the agency's second straight zero-growth operating budget and cutting authorized positions down to the lowest level in 40 years. This will require, among other cost control measures, reducing the agency's authorized positions by 150, cutting the external consulting budget by 32 percent, decreasing overtime by 20 percent, and closing Port Authority-funded operations such as the Ramada Hotel at JFK Airport.

Prioritization and Deferral of Capital Projects. In addition to belt-tightening 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, so must its capital expenditures. In order to

ensure that the Port Authority meets its most critical spending obligations, such as investing in state of good repair projects, the agency has had to defer certain discretionary spending items. The decision to defer these projects has not been made lightly, but these choices are necessary to make certain we can afford our most urgent priorities.

As a result of this financial discipline, the 2010 Budget calls for no increases in tolls and fares.

We believe our 2010 Budget meets the region's significant infrastructure challenges, but we can do so only because of aggressive efforts to control operating expenses and defer important, but discretionary, capital projects. That is something we must and will continue to do going forward to weather this economic storm.

We look forward to working with you and the public as the Port Authority implements its 2010 Budget.

Sincerely,

Anthony R. Coscia
Chairman

Christopher O. Ward
Executive Director

IMPACT OF THE ECONOMIC DOWNTURN ON THE PORT AUTHORITY

In order to give the Port Authority's 2010 Budget and long-term planning efforts greater context, this section details the significant challenges confronting the Port Authority today and in the future, and how the agency is responding. The first section, "Effect of the Economic Downturn," summarizes the economic downturn's overall impact on the Port Authority's net revenues and long-term capital capacity. The second section, "Port Authority Revenues and Capital Capacity Hit Hard by Recession," breaks down the three principal causes of the decline in the agency's capital capacity: reduced activity levels at the agency's facilities, increased debt service expense, and lower financial income. The final section, "Port Authority Response," discusses the ongoing need for transportation and infrastructure investment throughout the region and the kinds of actions the Port Authority is taking in order to meet those needs while weathering the financial storm.

EFFECT OF THE ECONOMIC DOWNTURN

While the Port Authority's economic condition remains fundamentally sound, the global and national economic downturn has had a significant impact on the agency – most reflected in the loss of net operating revenues (gross operating revenue less operating expenses) and the decline of the agency's long-term capital capacity. In less than two years, the Port Authority's ten-year capital capacity, from 2007 to 2016, has shrunk by $5 billion – from $29.5 billion, when the agency's Capital Plan was updated in January 2008, to $24.5 billion today. On the operating side of the budget, the Port Authority's net income from operations is expected to be negative $39 million in 2010 – a decline of $197 million from the 2009 Budget.

The Port Authority has taken a variety of measures over the past year to mitigate the impacts of the economic downturn – such as a zero-growth operating budget, reduced headcount and prioritization of capital spending. However, further actions will be required as the impact of the economic downturn continues to be felt. From an operating perspective, the downturn has required the Port Authority for the second straight year to operate on a zero-growth budget, to reduce headcount to the lowest level in 40 years and to curtail certain operations that can no longer be maintained in such a financially constrained environment.

From a capital budget perspective, the current fiscal context has forced a variety of difficult decisions regarding the allocation of constrained capital resources. This will result in a greater concentration on State of Good Repair projects over the near term, and the deferral of certain discretionary capital projects beyond the 2016 end date to the current Port Authority ten-year Capital Plan. In addition, the agency's reduced capital capacity will require continued prioritization and reassessment in the months and years ahead.

Detailed below are the main factors that have contributed to the agency's current capital capacity challenge, as well as a description of the actions the Port Authority has taken to ensure that, despite the economic downturn, the agency continues to live within its means.

PORT AUTHORITY REVENUES AND CAPITAL CAPACITY HIT HARD BY RECESSION

The historic recession of the past two years has affected the Port Authority as follows: (1) declining revenue due to falling activity levels at our bridges and tunnels, airports, PATH, and ports; (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

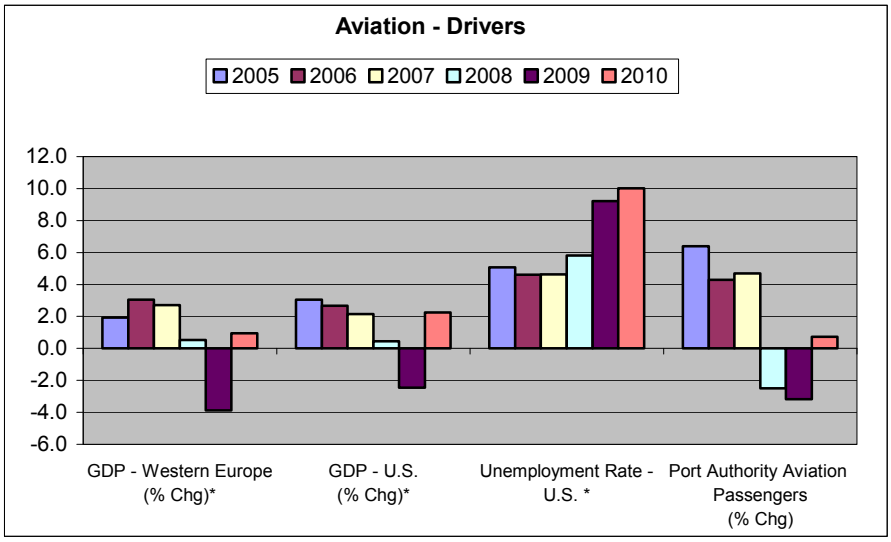
Activity levels in all Port Authority businesses – aviation passenger volume, container movements, vehicle crossings, PATH ridership – began to slow in 2008 and further erode in 2009. These declines have been driven by an interrelated set of global, national and regional economic forces – leading to an historic recession, second in magnitude only to the 1930's Great Depression. As a consequence, the regional unemployment rate has more than doubled since 2007, reaching 9.4% as of September 2009 with national unemployment rising into double digits. Based on forecasts from Economy.com, the region will lose 156,000 jobs by the end of 2009 compared with 2008, with an additional decline of 72,000 in 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 operating revenues over the current capital plan period (2007-2016) have declined by approximately $1.8 billion. The following graphs and tables show the key economic drivers that have led to declining activity levels and compare the projected activity levels that supported the Port Authority's ten-year $29.5 billion capital capacity as of January 2008 versus $24.5 billion in capital capacity as of today. These figures are based on actual results and revised projections as of November 2009.

<u>Aviation</u>

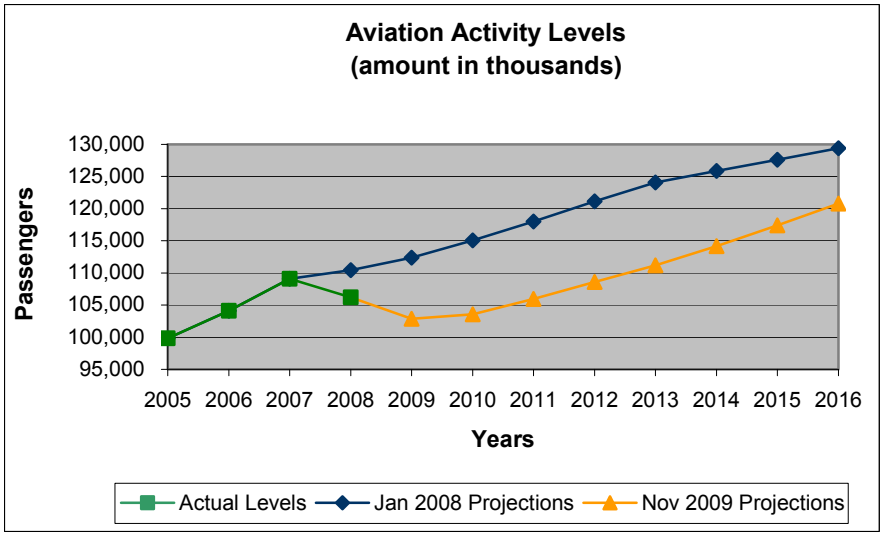
A steep climb in jet fuel prices in the first half of 2008, the slowdown in global GDP, and the drop in domestic consumer spending all contributed to the 2.6% decline in aviation passenger traffic for 2008 at our airports. Even as jet fuel prices stabilized, a continuation of the national and global recession led to a further decline of 3.2% for 2009. Most significantly as it relates to the agency's current capital capacity challenge, the Port Authority is now projecting a 10% decline in passenger traffic in 2010 as compared to

the agency's 2010 projection made in January 2008, which was used to form the basis of the agency's original $29.5 billion plan.



* Global Insight, October 2009

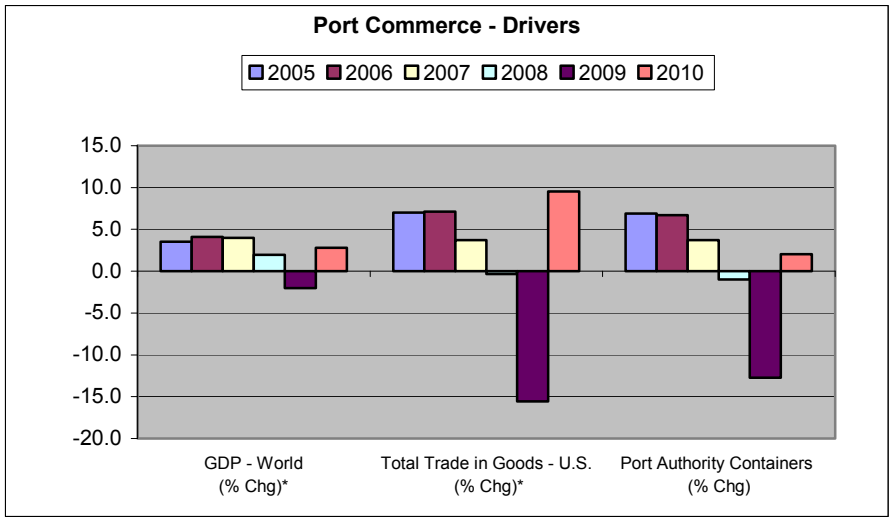
The following graph and table depict the lower growth rates under our current projection of passenger traffic at our airports compared with the prior projections that supported the $29.5 billion capital plan.



Aviation Activity Levels (amount in thousands)			
Year	**Jan 08**	**Nov 09**	**Variance**
2008	110,453	106,214	(4,239)
2009	112,392	102,847	(9,545)
2010	115,072	103,588	(11,484)
2011	117,997	105,961	(12,036)
2012	121,134	108,603	(12,531)
2013	124,068	111,186	(12,882)
2014	125,853	114,163	(11,690)
2015	127,619	117,417	(10,202)
2016	129,398	120,770	(8,628)

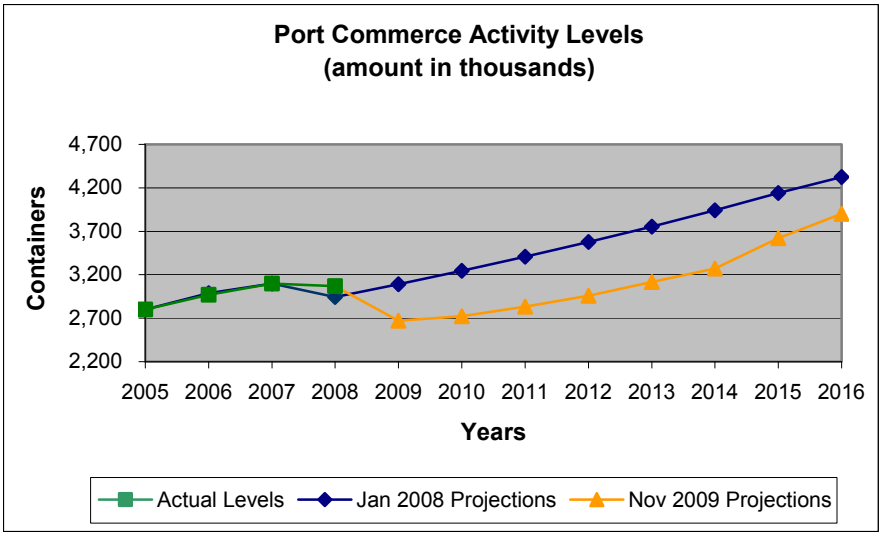
Port Commerce

As GDP has fallen in nearly every region of the world, the volume of trade handled at our marine facilities has declined – 1% in 2008 and a projected 13% drop in 2009. Most significantly as it relates to the agency's current capital capacity challenge, the Port Authority is now projecting a 15.6% decline in cargo volume in 2010 as compared to the agency's 2010 projection made in January 2008, which was used to form the basis of the agency's original $29.5 billion plan.



* Global Insight, October 2009

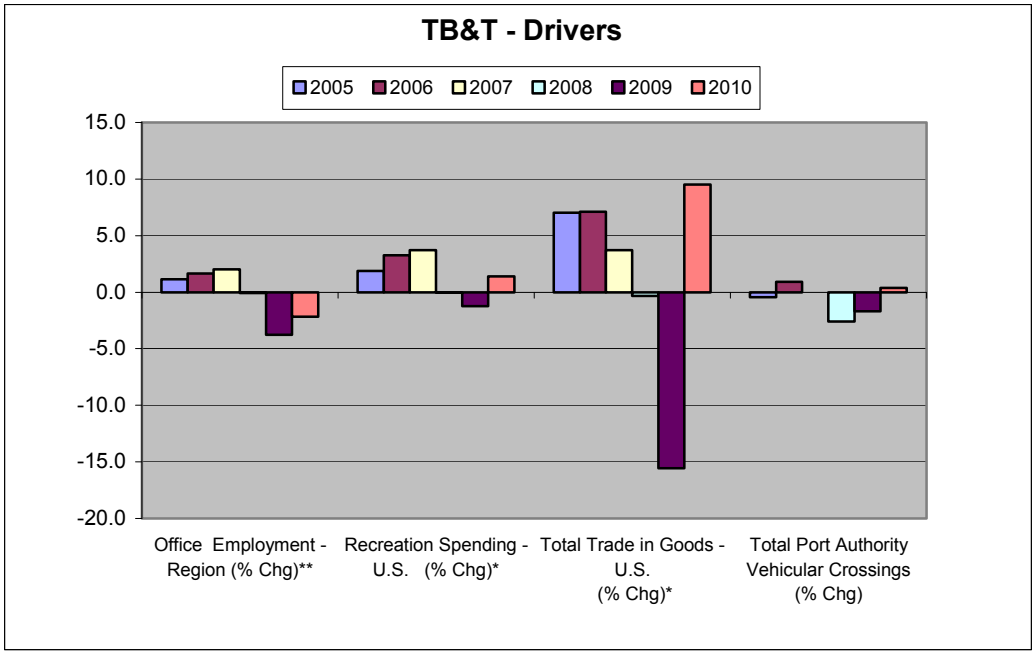
The following graph and table depict the deteriorating growth rates of our current projection of containers at our marine terminals compared with the prior projections that supported the $29.5 billion capital plan.



Port Commerce Activity Levels (amount in thousands)			
Year	**Jan 08**	**Nov 09**	**Variance**
2008	2,942	3,069	127
2009	3,090	2,670	(420)
2010	3,244	2,724	(520)
2011	3,406	2,832	(574)
2012	3,577	2,960	(617)
2013	3,755	3,115	(640)
2014	3,943	3,272	(671)
2015	4,140	3,620	(520)
2016	4,326	3,901	(425)

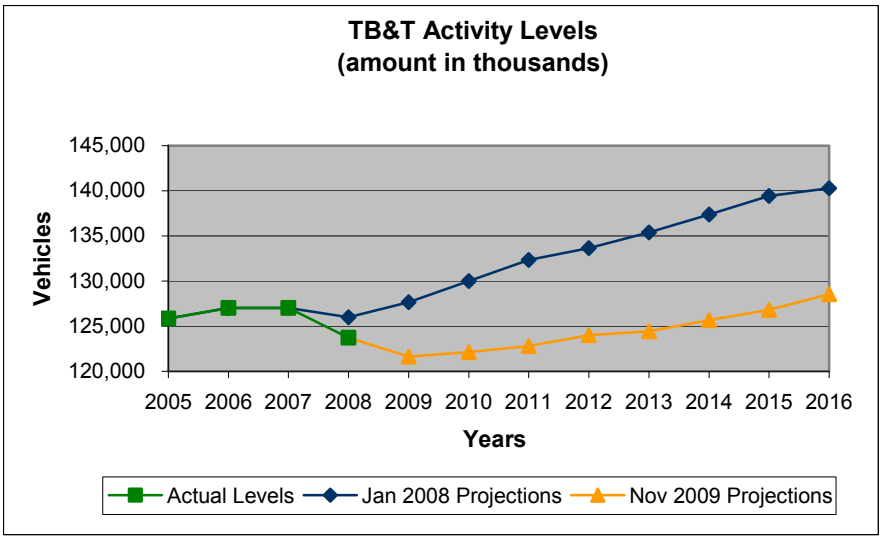
Tunnels, Bridges and Terminals

The fall in regional employment, particularly employment in Manhattan office space, 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. With the continuation of the recession, crossings are expected to decline by an additional 1.7% for 2009, with autos 1.1% lower and trucks – a key revenue driver – 9.5% lower. Most significantly as it relates to the agency's current capital capacity challenge, the Port Authority is now projecting a 6.1% decline in passenger traffic in 2010 as compared to the agency's 2010 projection made in January 2008, which was used to form the basis of the agency's original $29.5 billion plan.



* Global Insight, October 2009
** Economy.com, September 2009

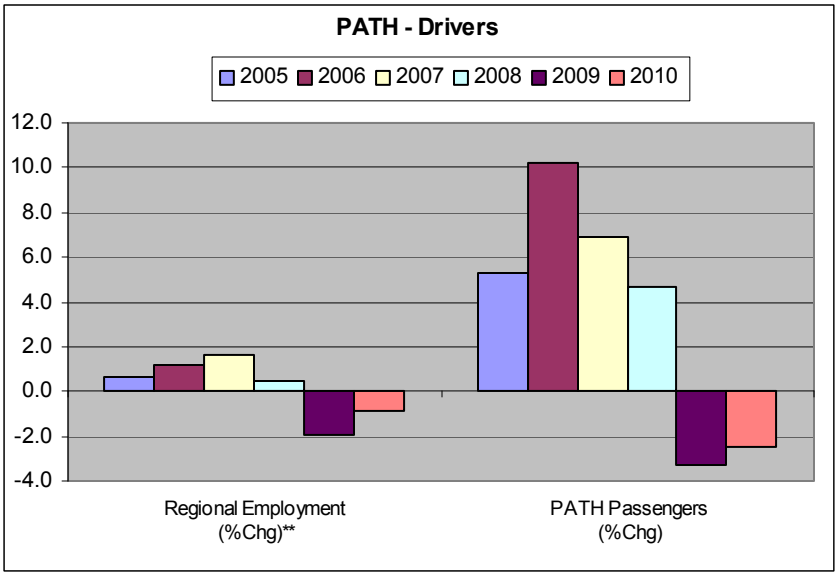
The following graph and table depict the deteriorating growth rates of our current projection of vehicular activity at our tunnels and bridges compared with the prior projections that supported the $29.5 billion capital plan.



TB&T Activity Levels (amount in thousands)			
Year	**Jan 08**	**Nov 09**	**Variance**
2008	126,009	123,725	(2,284)
2009	127,648	121,646	(6,002)
2010	129,998	122,125	(7,873)
2011	132,353	122,800	(9,553)
2012	133,665	124,024	(9,641)
2013	135,375	124,427	(10,948)
2014	137,380	125,665	(11,715)
2015	139,425	126,792	(12,633)
2016	140,296	128,549	(11,747)

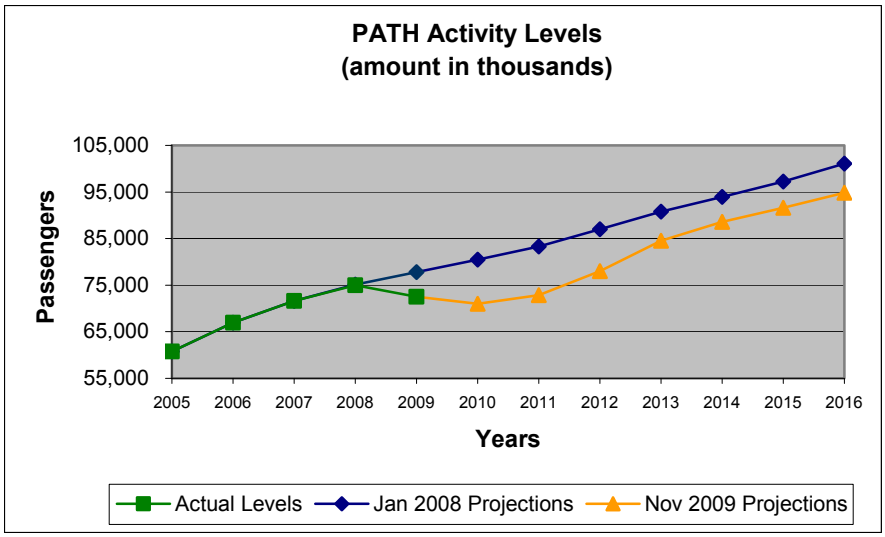
PATH Rail Transit

Regional employment is also a major driver of passenger volumes on the PATH system. PATH bucked the trend in 2008, rising 4.7% to 75 million, compared with 2007 levels, partly reflecting the switch to transit caused by the huge rise in gas prices in the first half of 2008. However, the decline in regional jobs has now taken its toll on ridership, with the PATH system expecting a decline of 3.1% in 2009. Most significantly as it relates to the agency's current capital capacity challenge, the Port Authority is now projecting an 11.8% decline in passenger traffic in 2010 as compared to the agency's 2010 projection made in January 2008, which was used to form the basis of the agency's original $29.5 billion plan.



** Economy.com, September 2009

The following graph and table depict the deteriorating growth rates of our current projection of PATH passengers compared with the prior projections that supported the $29.5 billion capital plan.



PATH Activity Levels (amount in thousands)			
Year	**Jan 08**	**Nov 09**	**Variance**
2008	75,102	74,954	(148)
2009	77,777	72,620	(5,157)
2010	80,499	70,986	(9,513)
2011	83,317	72,858	(10,459)
2012	86,987	78,027	(8,960)
2013	90,785	84,526	(6,259)
2014	93,963	88,606	(5,357)
2015	97,252	91,624	(5,628)
2016	101,077	94,806	(6,271)

Increasing Debt Service Expense

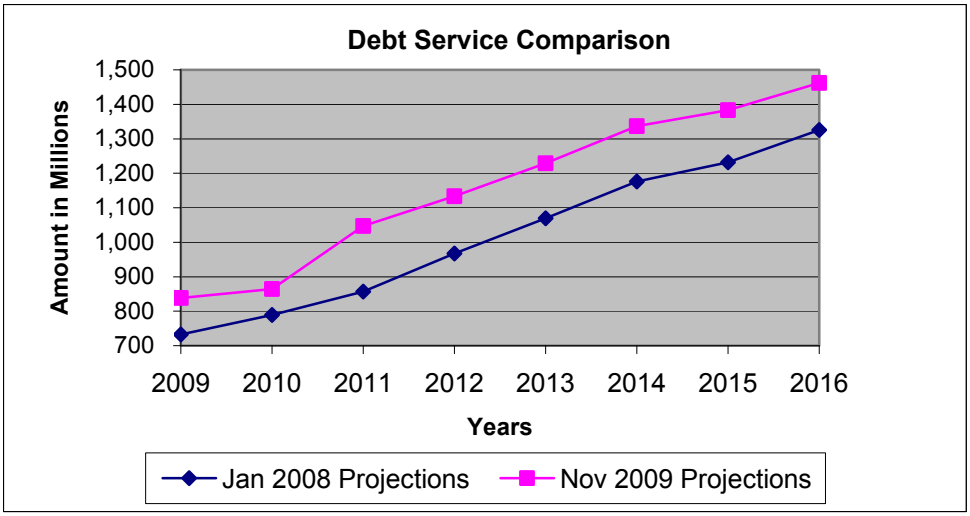
The economic downturn has not only caused activity levels at our facilities to drop, leading to a decline in the revenue that is generated from that activity, it has also meant higher debt service expense for the Port Authority. As an agency that relies on debt issuance as a primary source of funding capital investments, this increased debt service expense has had significant impacts on the agency's overall capital capacity.

Debt service expense increased primarily because of two factors related to the economic downturn: the collapse of the variable rate debt market and the collapse of 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 $29.5 billion capital plan assumed over $2.5 billion of funding from Special Project Bond proceeds to be 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, over the course of the past year, 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.

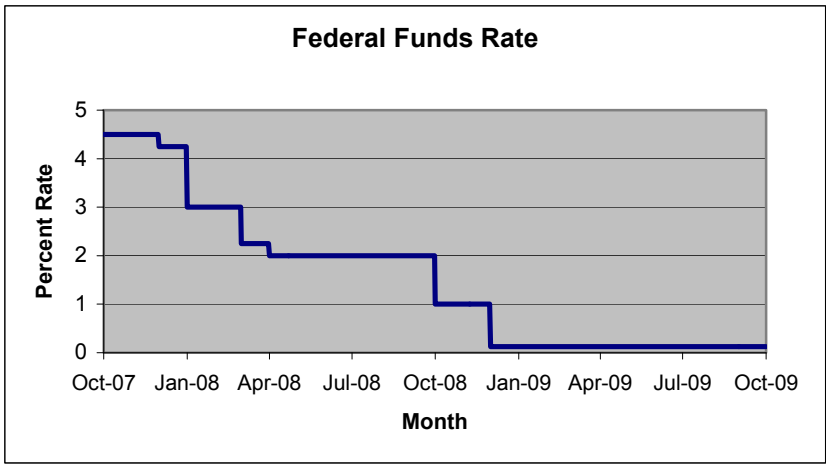
The effect of the above changes, coupled with increased construction costs at the World Trade Center site that also required the use of higher rate taxable debt, increased debt service costs by approximately $1 billion over the forecast period through 2016.



Lower Financial Income from the Port Authority's Investment Portfolio

Finally, in addition to decreasing facility revenues and increasing debt service expense, the Port Authority's capital capacity has declined due to reduced financial income from the agency's investment portfolio.

The Port Authority's investment portfolio is comprised primarily of low-risk United States Treasury notes and bills, in accordance with certain statutes and covenants. Historically, Treasury securities have been a time honored prudent investment and, remain secure relative to the rest of the securities market. However, even though the Port Authority has been protected relative to the rest of the securities market during this economic downturn, the agency has not escaped pain entirely. Because of the nationwide economic crisis, the U.S. Federal Funds Rate has been lowered to record-low levels as shown in the graph below and, as a result, the agency's anticipated financial income from Treasury securities has fallen as well. To put this in perspective, since September 2007, the U.S. Federal Funds Rate has dropped from nearly 4.75% to an extraordinary low of between 0% and 0.25%. This extremely low-interest rate environment is far below what was imagined by business or governmental entities when the existing $29.5 billion capital plan was adopted. As a result, the significant drop in the Federal Funds Rate has resulted in approximately $500 million of lower financial income over the forecast period through 2016.



PORT AUTHORITY RESPONSE

Perhaps the Port Authority's greatest challenge is to manage the negative impact of the historic economic downturn at a time when the region's infrastructure needs continue to rise. Investment in State of Good Repair projects to maintain near century-old bridges and tunnels needed to modernize our region's airports, drive ahead the World Trade Center redevelopment and begin the Access to the Region's Core mass transit tunnel project, among other transportation needs, continue to impose a great demand on the Port Authority's capital resources.

To ensure the Port Authority meets its critical priorities but also lives within its means, the agency has taken aggressive action to control operating expenses and prioritize capital spending.

Zero-Growth Operating Budget and Headcount Reduction

Last year, the Port Authority introduced a zero-growth operating budget and kept the agency's headcount flat. These initiatives built on the agency's efforts since 2004 that had reduced headcount by nearly 400 positions and kept the rate of operating budget growth significantly below the rate of inflation. This year, the agency will go even further, implementing the agency's second straight zero-growth operating budget and cutting authorized positions down to the lowest level in 40 years. That will require reducing the agency's authorized positions by 150, cutting the external consulting budget by 32%, decreasing overtime by 20%, and closing Port Authority-funded operations such as the Ramada Hotel at JFK Airport which given the significantly lower air traffic and need for substantial renovation, would result in losses of $1 million per month if it were to remain open.

Prioritization and Deferral of Capital Projects

In addition to 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 such as investing 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 only 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 as well. In addition, the replacement of the Lincoln Tunnel Helix must be restaged to ensure that we maintain its structural integrity while deferring its full replacement beyond 2016.

The decision to defer these projects has not been made lightly; and the agency is committed to completing these projects over the long term. But given the economic downturn and the significant impact it has had on the Port Authority's capital capacity, they were difficult choices that had to be made to live within our means.

Ongoing Prioritization and Austerity Required

Despite the significant 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 continue to 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.

2010 Budget Summary

2010 BUDGET SUMMARY

2010 Operating Budget Highlights

Despite the continuing decline in activity levels, the Port Authority's overall fiscal condition remains sound due in large part to numerous cost-cutting measures taken in anticipation of the economic downturn. That fiscal discipline continues in the agency's 2010 Budget. Major highlights of the Port Authority's 2010 operating budget include:

- Zero growth in operating expenses for the second consecutive year. The agency's operating expense growth has been well below inflation for several consecutive years:
  - 2010: 0%
  - 2009: 0%
  - 2008: 0.9%
  - 2007: 1.1%

- Cutting authorized position levels by 150 to a total of 6,977 compared to 7,127 in 2009 – the lowest level in 40 years. On top of previous headcount reductions dating back to 2004, the Port Authority has reduced non-police, mostly professional and managerial positions by 507 or nearly 9%.

- Cutting overtime by 20% or $24 million.

- Cutting the use of external consultants by 32% or $15 million.

- Closing the Ramada Plaza Hotel at JFK International Airport. Given significantly lower air traffic and need for substantial renovation, keeping the Ramada Hotel open would have resulted in losses of $1 million per month.

- Investing $444 million in security operating costs while implementing innovative patrol tactics and improved deployment of public safety resources.

- Providing $226 million in municipal rent payments and payments of amounts in lieu of taxes to cities, counties and municipalities under various property agreements.

- Committing $21 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.

2010 Capital Budget Highlights

The 2010 capital budget totals $3.1 billion and includes:

- $1.6 billion - World Trade Center redevelopment
- $504 million - ARC Tunnel project
- $180 million - Advancing the JFK flight delay reduction program
- $175 million - New PATH rail car purchases and signal system
- $70 million - Dredging Program at Port Authority Ports
- $21 million – Planning for the modernization of the Central Terminal Building at La Guardia Airport and Terminal A at Newark Liberty International Airport.
- $17 million – Completing a permanent ferry terminal in Hoboken, NJ.
- $16 million – Stewart International Airport modernization
- $15 million - Holland Tunnel rehabilitation of ventilation system
- $ 9 million - Continued planning efforts for the new Goethals Bridge

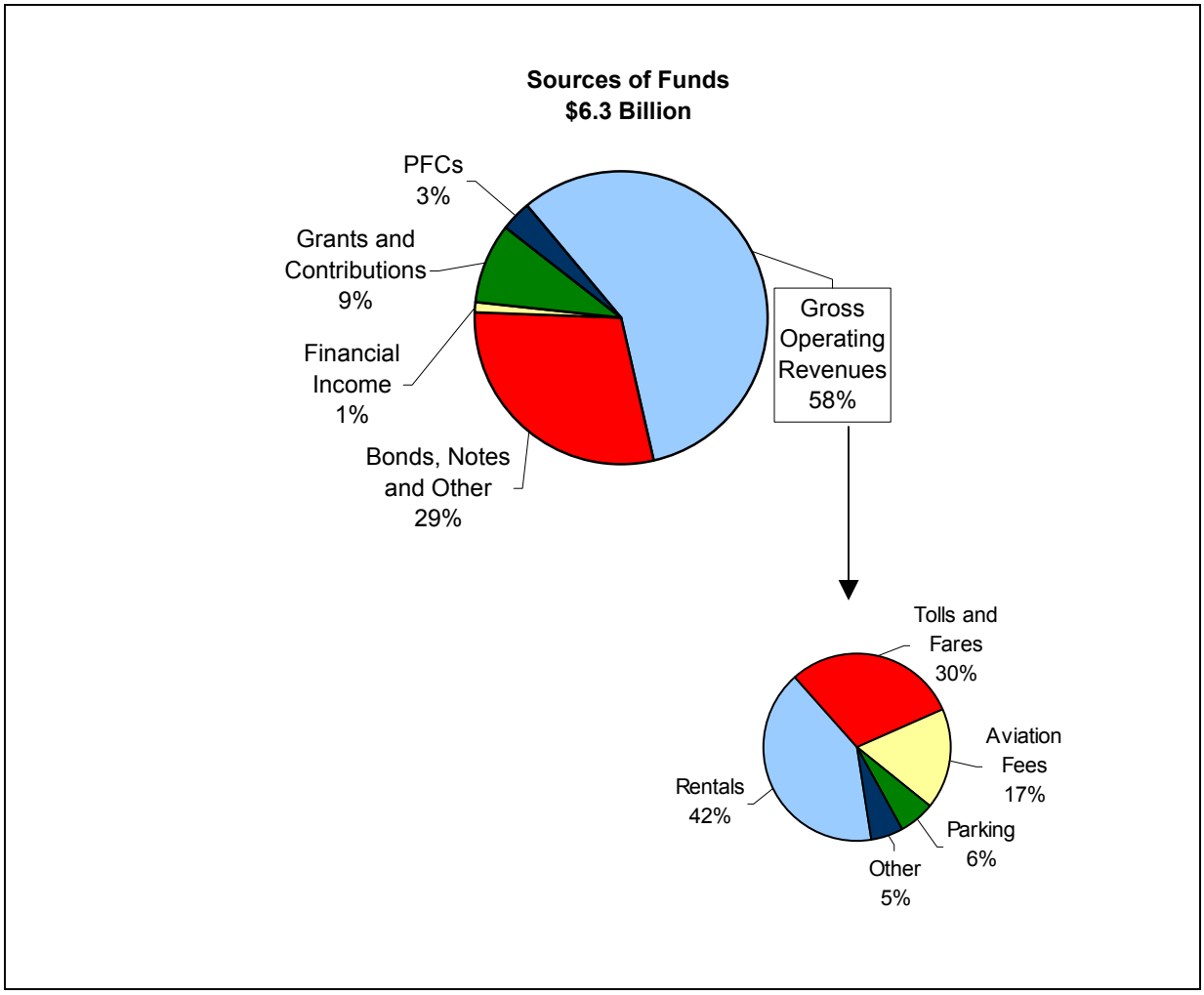
The capital budget also includes $326 million for essential security projects to protect the agency's facilities infrastructure and install state-of-the-art surveillance and detection equipment such as:

- $63 million - PATH tunnel mitigation project
- $15 million - In-line baggage screening for all airports

Combined with the $444 million in security operating costs, in 2010, the Port Authority will spend a total of $770 million on security-related expenditures in, bringing the agency's total investment in security to $5.2 billion since the terrorist attacks on September 11, 2001.

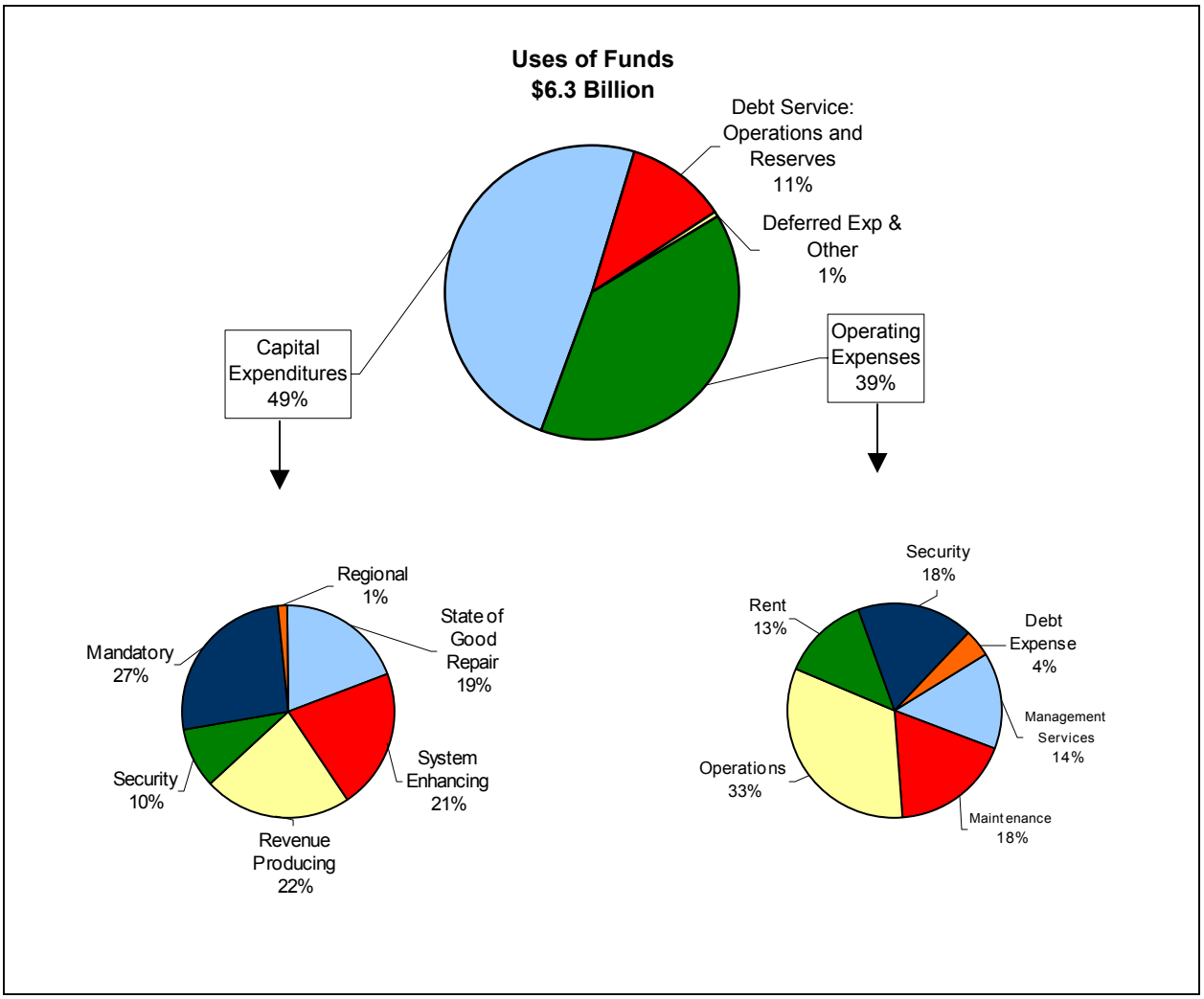
Sources of Funds

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

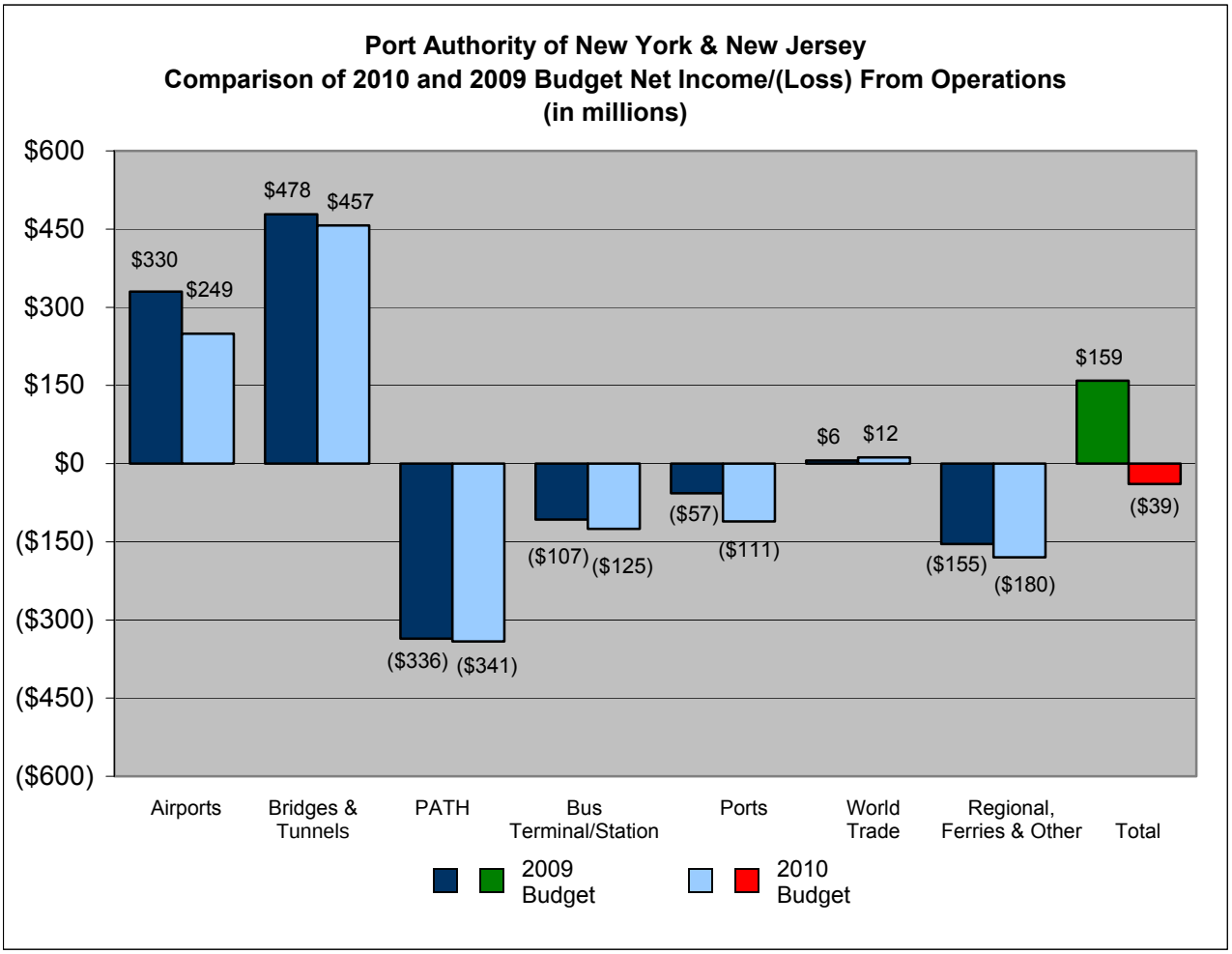
The 2010 Budget totals $6.3 billion and provides for $2.5 billion in expenses to operate the agency's facilities, $3.1 billion in capital expenditures to build and improve upon the region's transportation capacity and rebuild the World Trade Center site, $689 million for debt service on the agency's outstanding bonds, notes and other obligations, and $44 million for other expenditures, which are deferred and amortized in future periods.



Net Income

The decline in activity levels at Port Authority facilities has caused 2010 revenues to be lower by $76 million, compared with the 2009 budget. These declining revenues, combined with increased interest expense and lower financial income, result in an anticipated net loss to the agency of $39 million in 2010. 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.

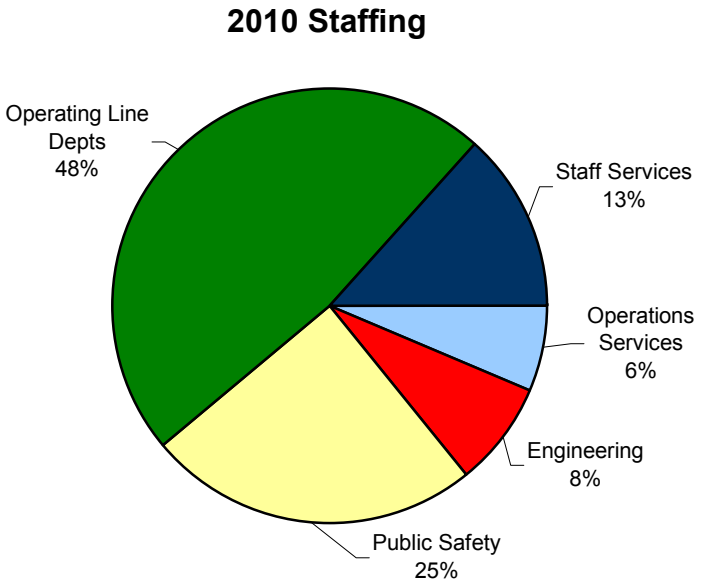
The graph below illustrates this split and compares 2010 net income to 2009.



Staffing

Staffing levels for 2010 decrease by 150 to a total of 6,977 – the lowest level in the 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:

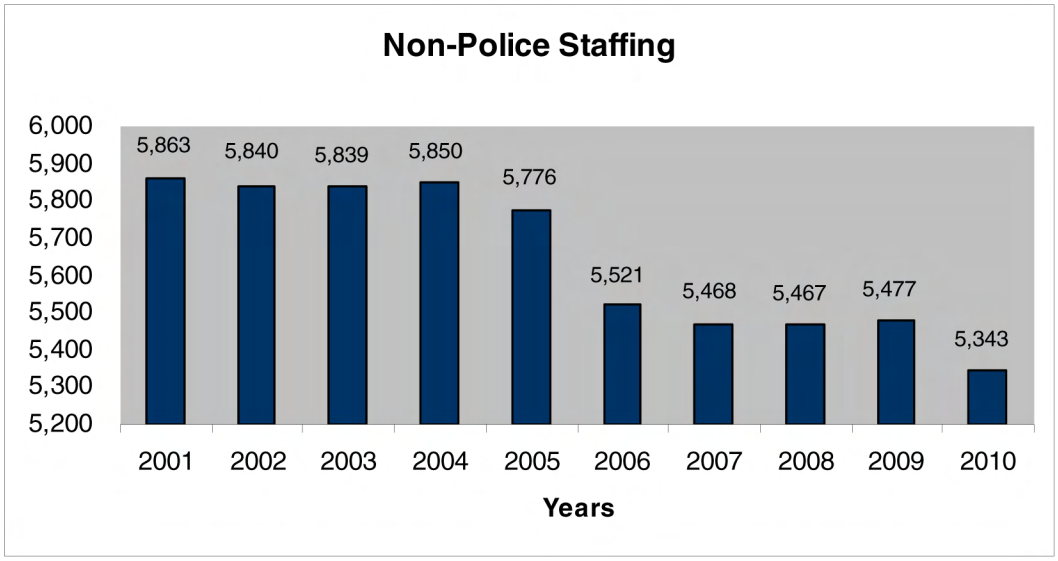
BUDGETED POSITIONS FOR 2010

DEPARTMENT BY FUNCTION	NUMBER
OPERATING LINE DEPARTMENTS	
Aviation	958
Real Estate & WTC Redevelopment	80
Port Commerce	172
Rail / PATH	1,081
Tunnels, Bridges & Terminals	911
WTC Construction	116
PUBLIC SAFETY	
Public Safety	1,725
Office of Emergency Management	18
ENGINEERING	
Chief Engineer/Engineering	557
GENERAL SERVICES	
Operations Services	444
STAFF SERVICES	
Audit	77
Capital Security Projects	25
Chief Administrative Officer	9
Chief, Capital Planning	7
Chief Financial Officer	4
Chief Operating Officer	8
Chief, Public & Government Affairs	2
Chief, Real Estate & Development	2
Chief Technology Officer/Technology Services	105
Comptroller's	103
Executive Offices	9
General Counsel/Law	132
Government and Community Affairs	12
Human Resources (including Medical Services)	66
Inspector General	30
Labor Relations	11
Management and Budget	40
Marketing	28
Media Relations	9
Office of Business and Job Opportunity	13
Office of Environmental & Energy Programs	12
Office of Financial Analysis	7
Office of the Secretary	17
Office of Strategic Initiatives	4
Operations Standards	7
Planning	19
Priority Programs	8
Procurement	94
Project Management Office	9
Treasury	46
TOTAL POSITIONS	6,977

Controlling Staffing Levels

The Port Authority has been able to reduce the number of non-police, mostly professional and managerial positions by 507 positions or by 9% 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, the ARC Tunnel project, the PATH modernization program, and key operational and security needs. In addition, controlling 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:



2010 Budget Summary by Line Department

2010 BUDGET SUMMARY BY LINE DEPARTMENT

AVIATION

Mission

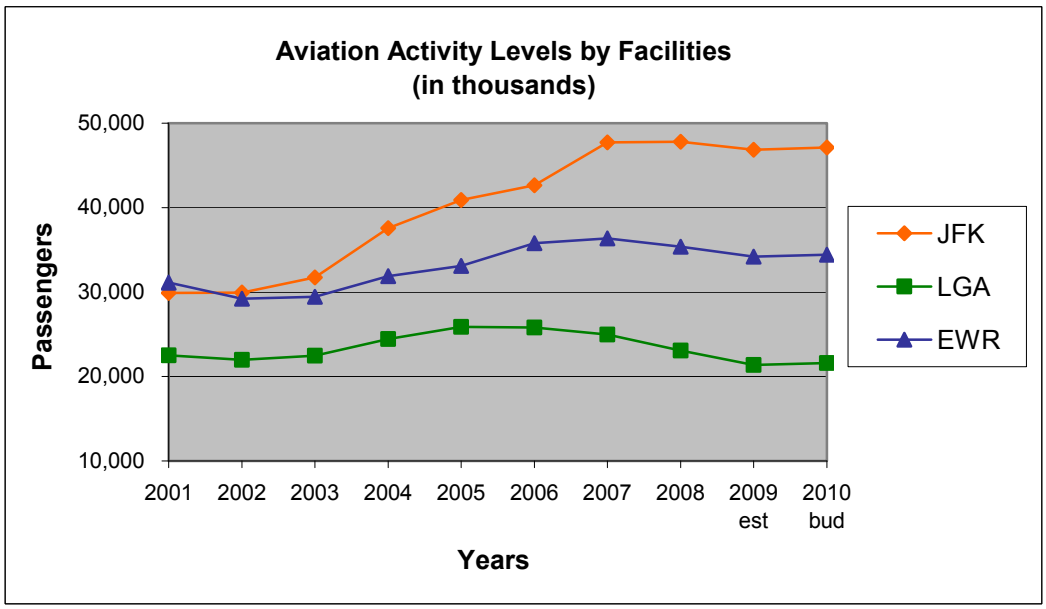
Aviation's mission aligns with the Port Authority's at large as it recognizes and accepts its charge to achieve regional prosperity through a unified system of airport facilities that have unsurpassed capacity and quality and that moves people and goods through its five airports as efficiently as possible, with a commitment to safety, security, unequalled customer service, and are environmentally sustainable and community friendly.

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 2010, approximately 104 million people are expected to use the Port Authority's aviation facilities compared to the revised estimate of 103 million people in 2009. While the anticipated increase in 2010 passenger levels is approximately 1 million, or 1%, it falls short of the projection of 106 million passengers stated in the 2009 Budget and is 10% lower than the projections used to develop the Port Authority's $29.5 billion 2007 – 2016 Capital Plan. This is largely attributable to the global economic downturn, which has adversely impacted the aviation industry at large. Passenger growth in the coming years is expected to be slower than that projected prior to the economic downturn.

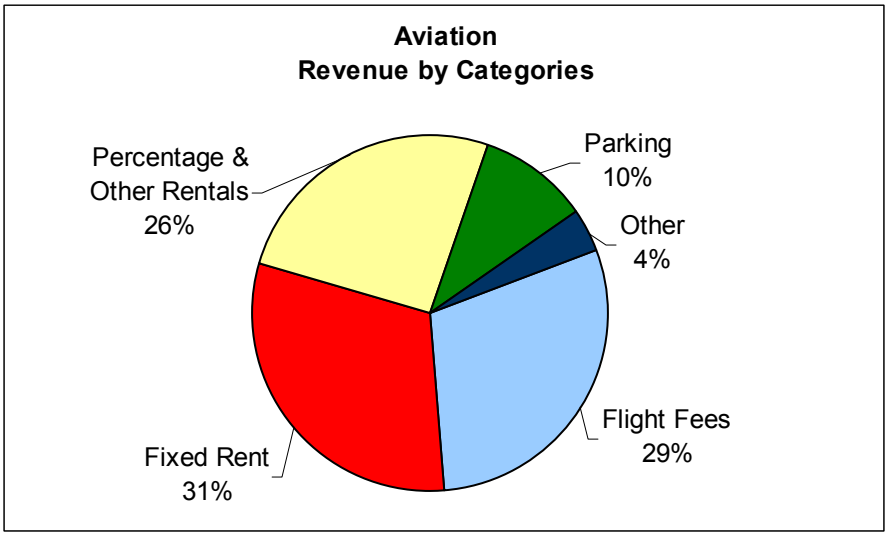


Staffing

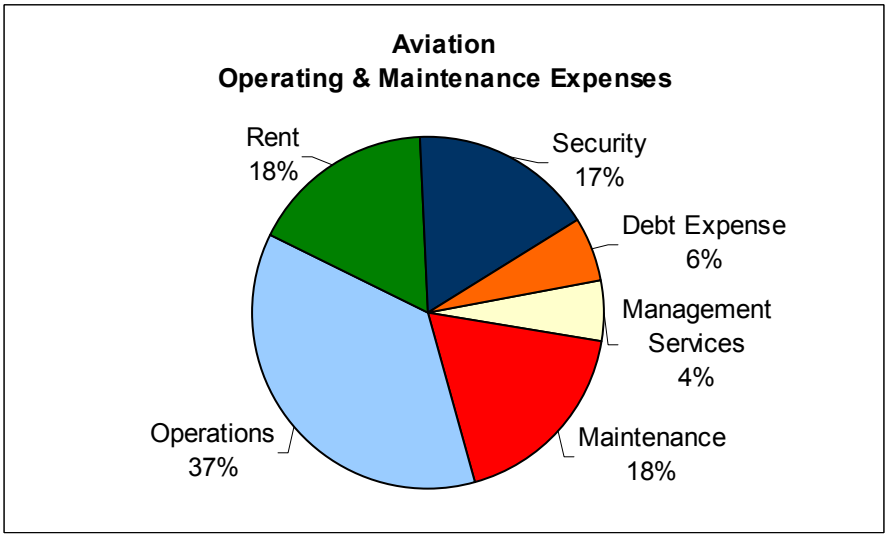
Aviation has a total of 958 staff, of which 783 are dedicated to operating and maintaining the airports. The operations staff operates and manages the aeronautical, landside, security and customer care functions, including compliance with Federal Aviation Administration rules and regulations. The maintenance 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.

Revenues and Expenses

Aviation's 2010 projected revenues of $2 billion are down $48 million from the 2009 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.



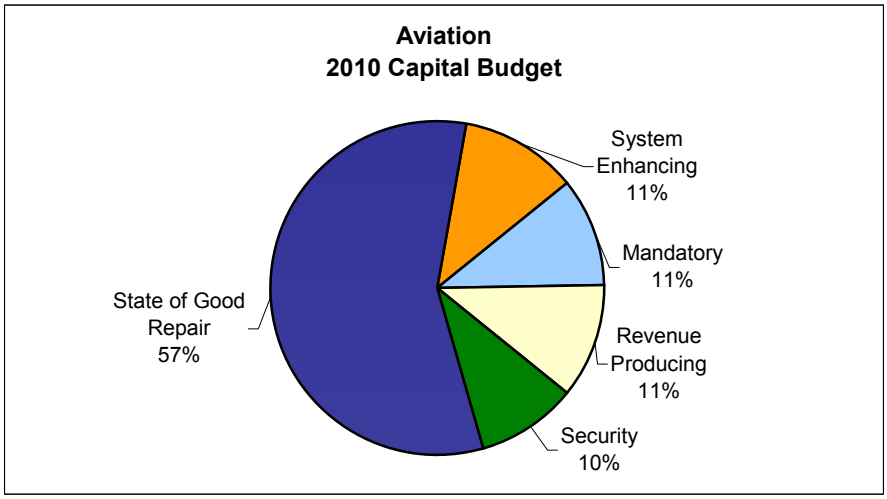
Aviation projects expenses for 2010 of $1.3 billion that include payroll, technology services, rent, contract services, and utilities. Through a significant cost-cutting effort, Aviation has been controlling expenses with productivity improvements, a diminished consultant budget, and cost reductions to certain low priority programs that are expected to offset contractual and inflationary increases.



2010 Capital Budget Overview

The 2010 Aviation capital budget provides for $520 million in expenditures. A large part of the budget will be used to enhance overall system capacity and security.

The 2010 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.



2010 Capital Budget Highlights

	Project	Description	2010 Budget	Outcomes
1	JFK Flight Delay Reduction Program	Replace the Bay runway as part of a flight delay reduction initiative.	$180 M	Reduce maintenance costs and flight delays.
2	EWR Modernization of Terminal B	Construct additional gates and provide for terminal expansion to meet expected growth in air passenger traffic.	$24 M	Increase capacity for the airlines and airport.
3	Stewart International Airport Modernization	Replace Airport Weather Instrumentation Power Circuit; rehabilitate taxiway lighting; Terminal Improvements; Customer Service Initiatives.	$16 M	Increased operating capability and reliability with replacement of aging infrastructure.
4	LGA Central Terminal Replacement Planning	Provide planning dollars to begin the modernization of the Central Terminal Building.	$15 M	Enhance facility operations and replace increasingly obsolete terminal building.
5	TEB Engineering Material Arresting System (EMAS) and Redneck Avenue Relocation	Begin construction for Runway 1-19 Safety Enhancements installing the arrestor system and relocating Redneck Avenue.	$15 M	Increase safety and meet FAA standards.
6	EWR Rehabilitation of Runways	Install modifications to drainage, milling, pavement, depth and upgrade of lighting per FAA standards.	$6.2 M	Reduce maintenance costs and flight delays.
7	EWR Terminal A Planning	Provide planning dollars for renewal or replacement of aging terminal building to increase airport capacity.	$6 M	Increase airport capacity and replace aging infrastructure.

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

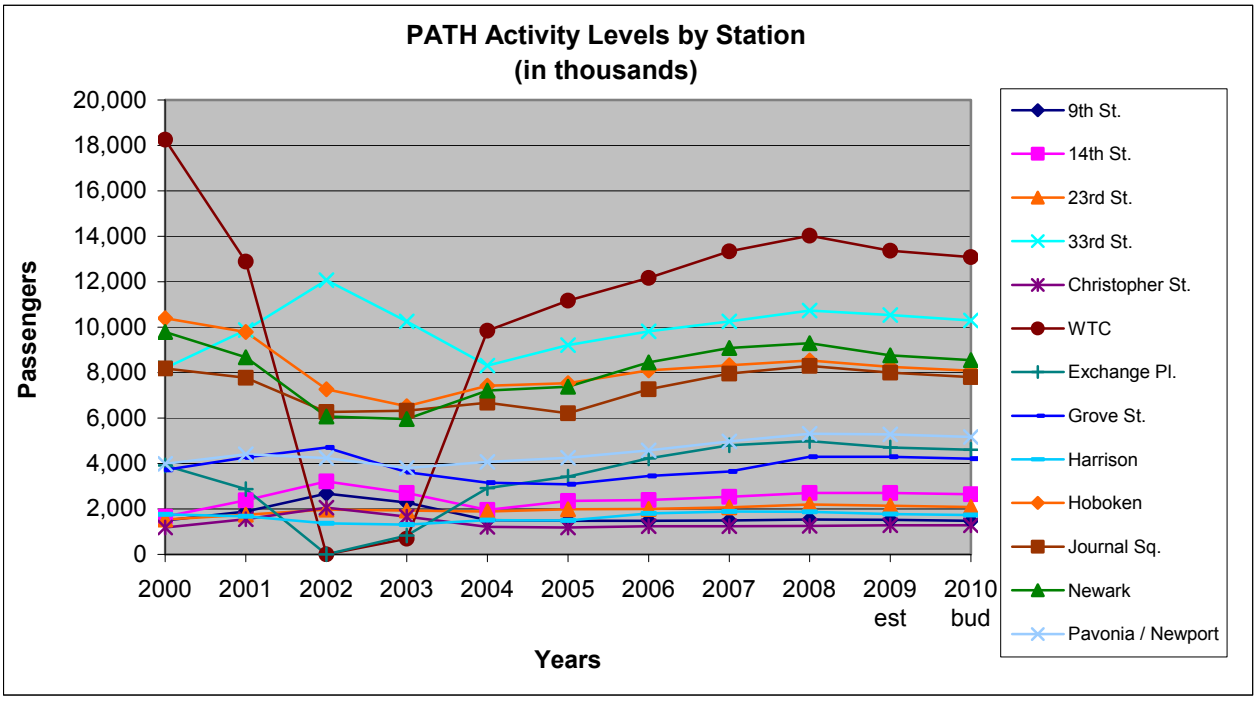
- PATH Rail Transit System

Stations in New York	**Stations in New Jersey**
9th Street	Exchange Place
14th Street	Grove Street
23rd Street	Harrison
33rd Street	Hoboken
Christopher Street	Journal Square
World Trade Center	Newark Penn Station
	Pavonia / Newport

- Journal Square Transportation Center

Activity Levels

PATH ridership is expected to decline by 2.3% in 2010 to approximately 71 million passenger trips compared to the estimated 73 million in 2009. This represents a 5.5% drop from the original projection of 77 million passenger trips in the 2009 budget and is 11.8% lower than the projections used to develop the Port Authority's $29.5 billion 2007 – 2016 Capital Plan. The rate of annual ridership growth is expected to decline through 2010 as the New York-New Jersey region continues to experience the impacts of the recession. However, the long-term demand for PATH service is expected to increase as the new World Trade Center Transportation Hub is completed and significant commercial development advances along the New Jersey waterfront and other areas within the PATH service region.

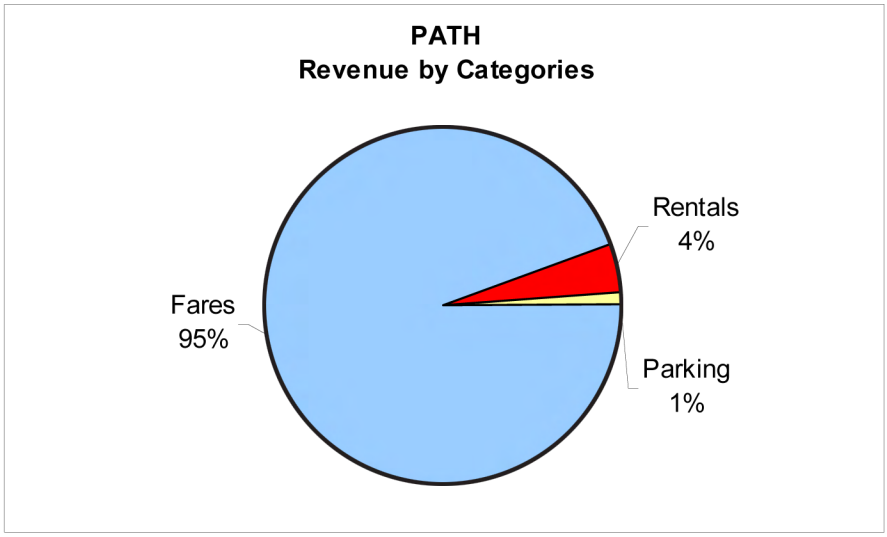


Staffing

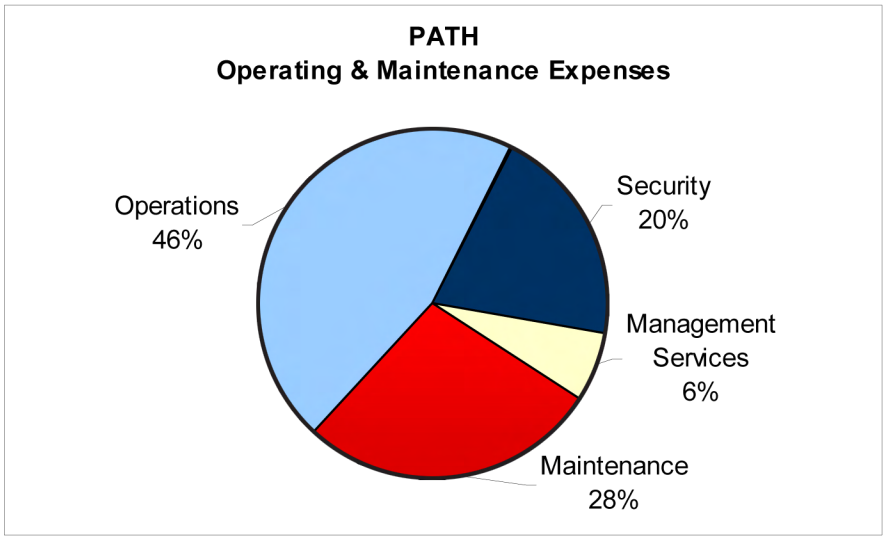
PATH has a total of 1,081 staff, of which 1,021 are dedicated to operating and maintaining a full service rail transit system and bus terminal. The operations staff operate and manage the dispatching and movement of trains in and out of the stations and yards, develop and maintain train schedules, and 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 distributions 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.

Revenues and Expenses

PATH projects 2010 gross revenues to reach $104 million, which is $13 million lower than the 2009 budget. Ninety-five percent of PATH revenues are from the collection of passenger fares. The decline in revenues is largely attributable to the economic downturn and cumulative job loss – strongly indicated by a 3.2% decline in 2010 Manhattan office employment from that of 2009, as PATH ridership activity is closely tied to the region's economic conditions and employment patterns.

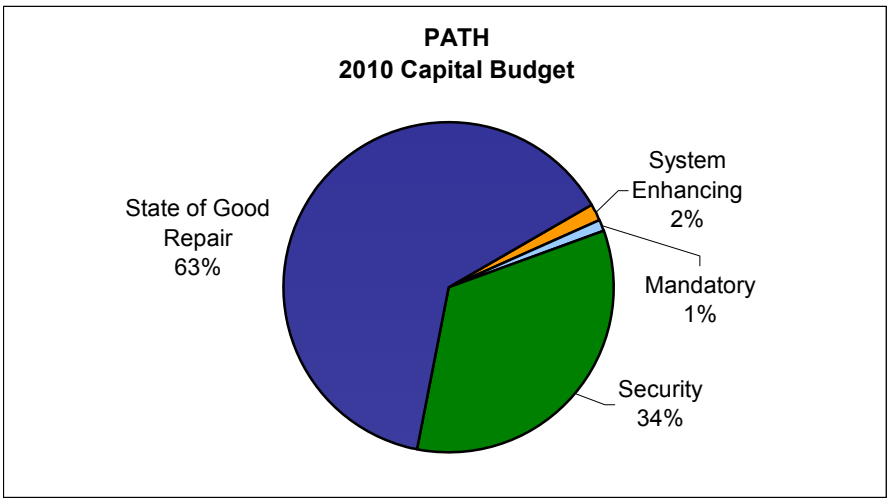


The PATH operating budget for 2010 is $286 million, allocated as follows:



2010 Capital Budget Overview

The 2010 PATH capital budget provides for a total of $357 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 all stations. The 2010 Capital Plan also includes projects designed to maintain PATH's aging assets, including track, substations, and communications equipment.



2010 Capital Budget Highlights

	Project	Description	2010 Budget	Outcomes
1	Safety and Security Projects	Enhance system access control and overall operational safety and security enhancements.	$120 M	Enhance the safety and security of the system.
2	New Car Purchase Program	Replacement of aging railcar fleet with 340 new rail cars.	$110 M	Improve service reliability and customer service.
3	Signal System Replacement Program	Replace outdated current signal system with a modern computerized system.	$65 M	Increase capacity due to shorter headways.
4	State of Good Repair Program	Comprehensive maintenance and rehabilitation program to ensure the integrity of the infrastructure	$52 M	Improve service reliability.
5	PATH Station Improvement Program	Enhanced information displays, install new lighting, and upgraded seating.	$6 M	Improve customer service.

PORT COMMERCE

Mission

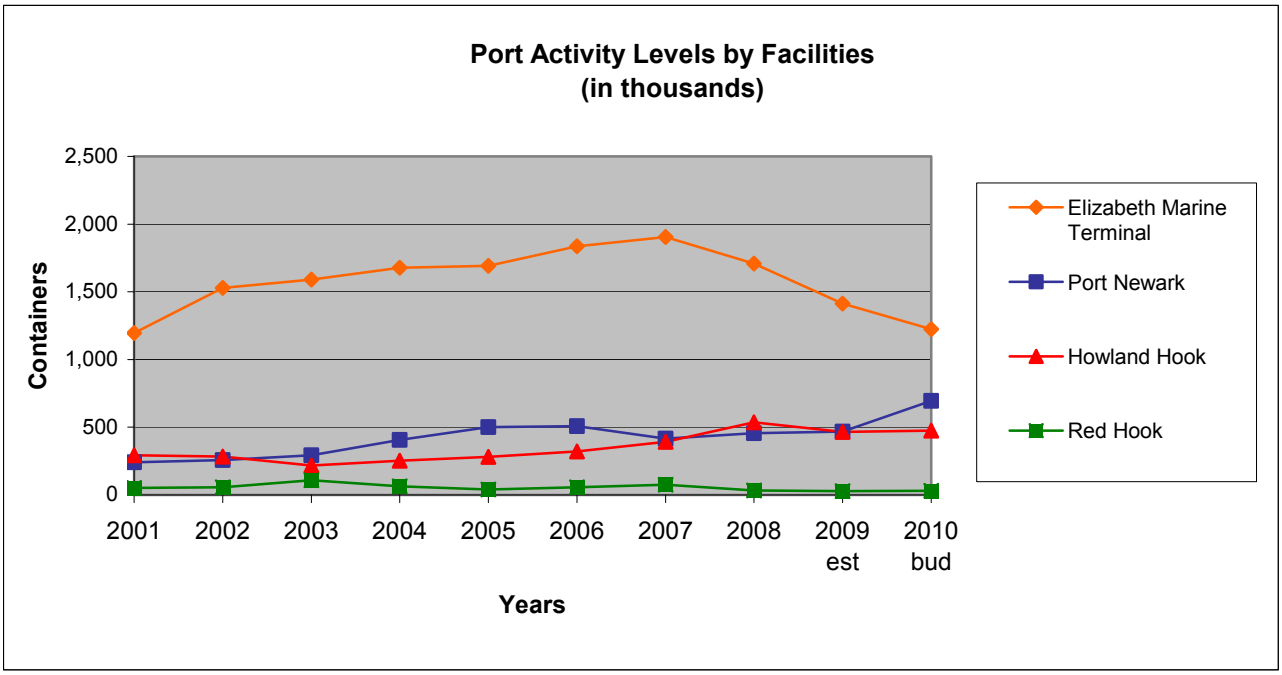
Port Commerce activities support the Port Authority's mission to develop and maintain secure, competitive port infrastructure and services for New York and New Jersey, expediting the movement of international cargo and supporting the regional economy in a financially sound manner. Port Commerce also 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
- NY/NJ Rail LLC
- Red Hook Container Terminal

Activity Levels

In 2010, the agency's port facilities expect to handle 2.7 million containers, a slight recovery of 2% from estimated 2009 container activity. However, this represents a 14.1% drop from the original projection of 3.2 million containers in the 2009 budget and is 15.6% lower than the projections used to develop the Port Authority's $29.5 billion 2007 – 2016 Capital Plan. While cargo volumes are expected to be significantly less than projected prior to the economic slowdown, a 3-4% annual growth rate is anticipated in the years ahead as the economy begins to recover.

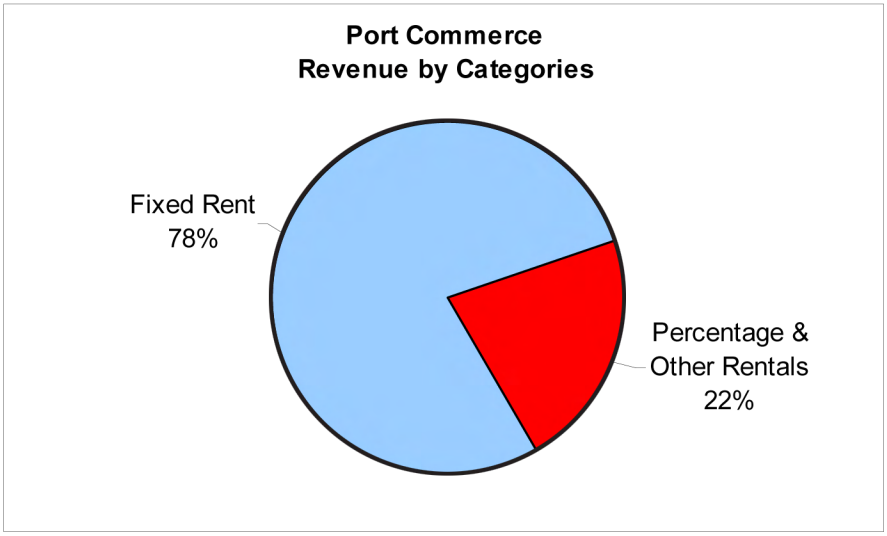


Staffing

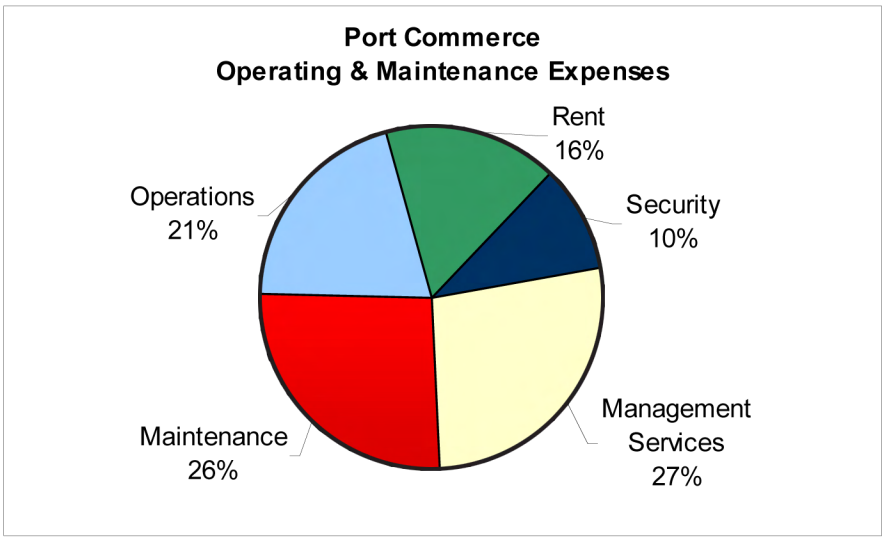
Port Commerce has a total of 172 staff, of which 105 are dedicated to operating and maintaining the marine terminals and port system. The operations and maintenance staff operate and manage the berths, roadways, rail facilities, multi-tenant properties, and common utilities at the marine terminals to expedite the movement of international cargo that supports the regional economy, including code and regulatory compliance. The remaining management services staff provides the functions that support the facilities and line business operations, including capital program delivery; asset management; terminal properties and waterways management; cargo and revenue management; strategic, business planning and financial functions; security and environmental management; as well as facility management and departmental oversight.

Revenues and Expenses

Port Commerce anticipates $213 million in gross revenues in 2010, which is almost $7 million lower than the 2009 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.

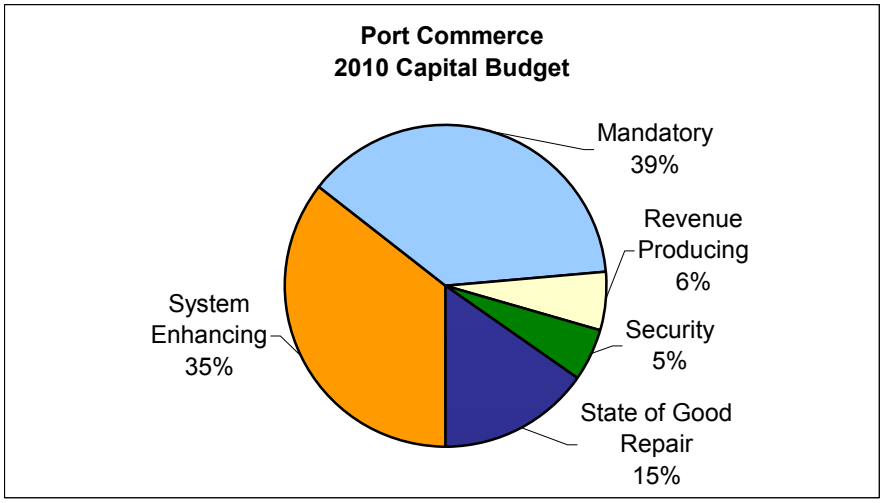


The 2010 Port Commerce operating budget is $168 million, allocated as follows:



2010 Capital Budget Overview

The Port Commerce 2010 capital plan of $200 million reflects the challenges posed by the economic downturn and its effects on the shipping industry. Port Commerce's capital plan 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.



2010 Capital Budget Highlights

	Project	Description	2010 Budget	Outcomes
1	Harbor Deepening Program	Continue deepening NY/NJ Harbor's main channels to 50 feet.	$70M	Improve navigational safety and provides waterside access for larger vessels, expediting the movement of international cargo.
2	Infrastructure Program	Maintain Port Commerce assets to ensure a state of good repair.	$35 M	Ensure the long-term safety and reliability of Port Commerce assets while reducing day-to-day maintenance costs.
3	Roadway Improvement Program	Improve and expand capacity of the port marine terminal roadway system.	$15 M	Reduce roadway congestion, reduce pollution, and improve roadway safety.
4	Security Program	Install Security ID System (TWIC) and complete the Closed Circuit TV implementation.	$10 M	Ensure compliance with Federal regulations and improve overall Port security.
5	Intermodal Rail Program	Continue construction of a comprehensive rail system throughout the Port.	$6 M	Diversify modes of transporting goods and prevent increased truck pollution and provide a growing revenue source.

TUNNELS, BRIDGES, AND TERMINALS (TB&T)

Mission

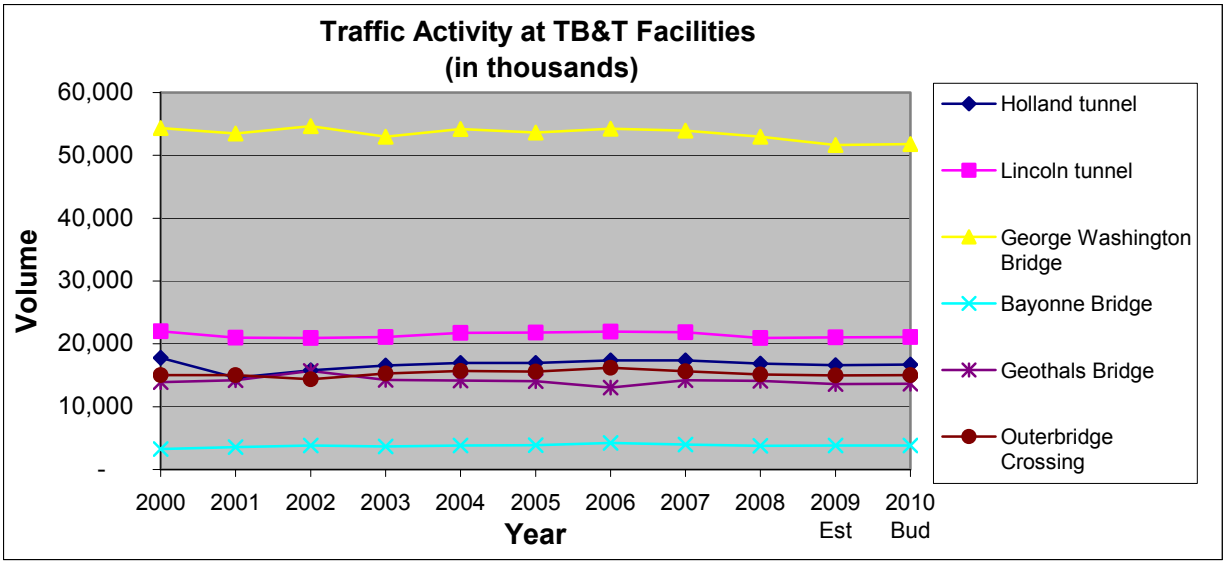
The heart of the TB&T mission is aligned with the Port Authority's goals by connecting the road networks of New York and New Jersey with tunnels, bridges and bus terminals that permit people and goods to move safely, efficiently and conveniently by operating facilities that are safe, secure, reliable, 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 2010, 6.1% lower than the projections used to develop the Port Authority's $29.5 billion 2007 – 2016 Capital Plan but 0.3% higher than the 2009 budget but is. While this is a slight increase in total vehicles, truck traffic is projected to decline by 5.3% in 2010 on top of a 6.2% drop estimated in 2009 activity compared to the 2009 budget. Despite this decline, TB&T continues to anticipate long-term growth in its business.

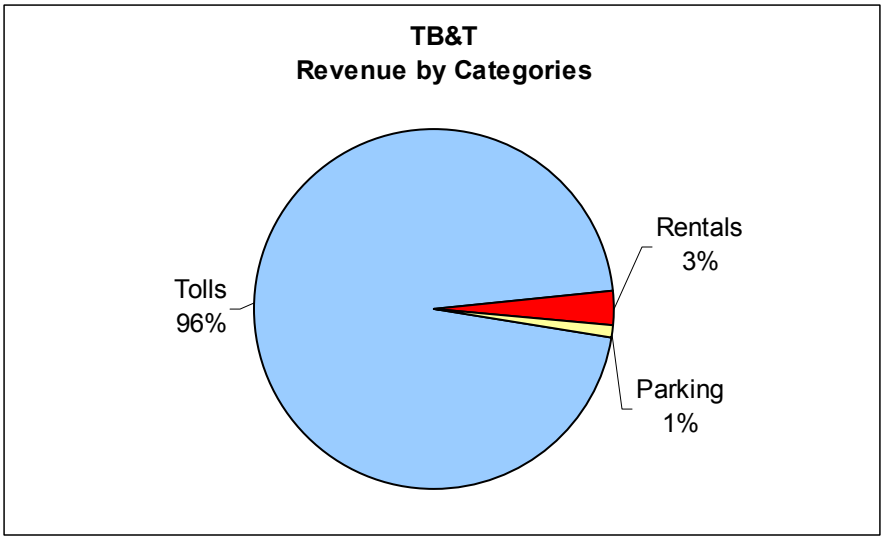


Staffing

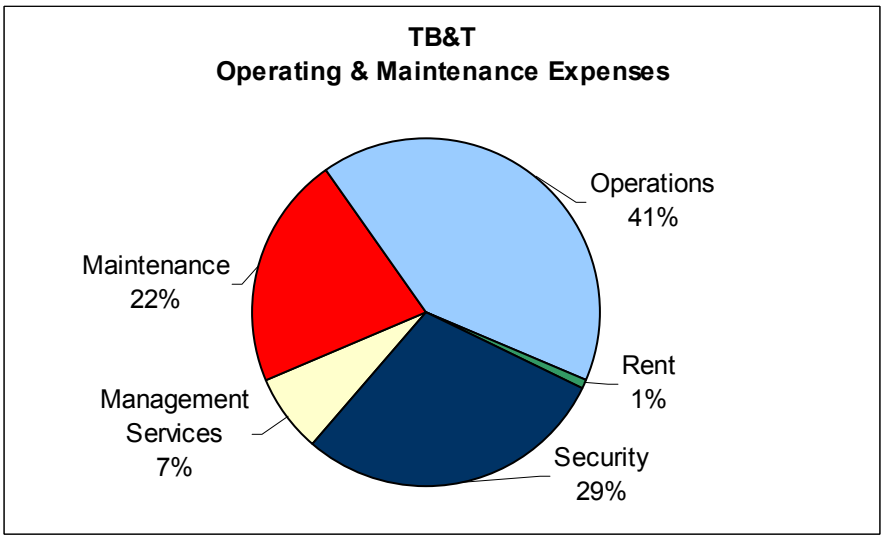
TB&T has a total of 911 staff, of which 770 are dedicated to operating and maintaining the bridges, tunnels and bus terminal facilities. The operations staff manages vehicular traffic through the bridges and tunnels and passenger traffic at our bus terminals, as well as toll collection, emergency response and customer care programs. The maintenance staff manages the facilities assets through a comprehensive preventive maintenance program to ensure that the integrity of the 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 manage and support the facilities and line business operations, including capital program delivery; asset management; operational and transportation planning; revenue management including oversight of our electronic tolling system; strategic business planning; security and environmental management; as well as facility management and departmental oversight.

Revenues and Expenses

TB&T forecasts 2010 revenues of $1 billion, consisting 96% of toll revenues from the bridge and tunnel crossings, along with rentals from the bus terminals, advertising and parking revenues. Revenues are expected to decline from 2009 levels mainly due to truck traffic declines associated with the depressed regional economic conditions.

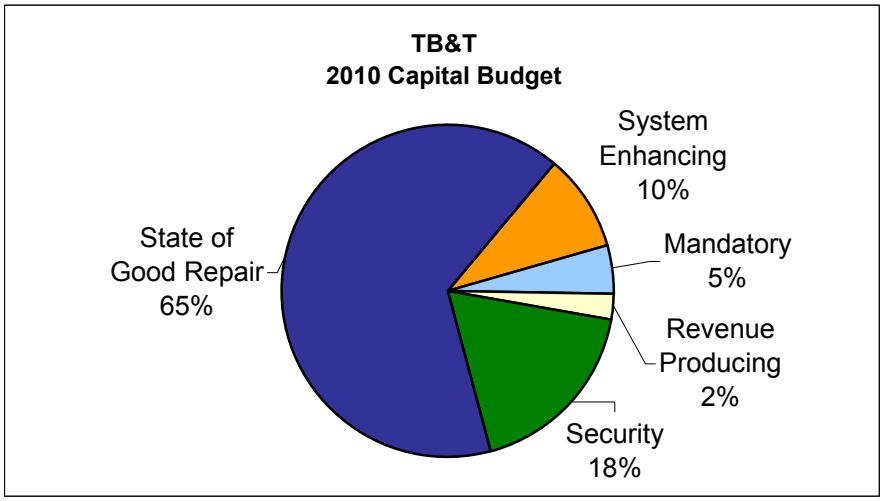


TB&T's total 2010 operating budget is $451 million, allocated as follows:



2010 Capital Budget Overview

The 2010 TB&T capital budget provides for expenditures totaling $161 million, 65% of which is geared toward rehabilitating and maintaining the facilities in a state of good repair.



2010 Capital Budget Highlights

	Project	Description	2010 Budget	Outcomes
1	Holland Tunnel Rehabilitation of Ventilation System	Rehabilitation of ventilation fan blowers and motors in all four vent buildings, new automatic control system, and new low and high voltage switch gear.	$15 M	Provide an upgraded and modernized tunnel ventilation system.
2	Goethals Bridge Replacement	Planning dollars to replace the existing Goethals Bridge with a new six-lane bridge.	$8.8 M	Create safer, more efficient mobility between New York and New Jersey once a new bridge is reconstructed.
3	All-Electronic Tolling (AET)	Prepare a new toll collection system with cashless (AET) capability.	$7.6 M	Enhance system capacity and seamless traffic flow when AET is fully implemented.
4	Bayonne Bridge Study	Provide a market driven cost-effective plan for determining the future of the Bayonne Bridge.	$5 M	Study alternatives to evaluate the replacement of the Bayonne Bridge.
5	Lincoln Tunnel Helix and Bus Ramp Rehabilitation	Replace approximately 44,000 sf of bus ramp concrete panels and complete the Helix design to ensure the structural integrity of the facility.	5.6 M	Ensure a state of good repair at the Lincoln Tunnel and prepare for future traffic growth.
6	Planning for the George Washington Bridge Suspender Rope Replacement and Main Cable Rehabilitation	Planning dollars for the replacement of all 592 suspender ropes and rehabilitate main cables to a state of good repair.	$2.1 M	Ensure the long-term safety and functionality of the George Washington Bridge.

DEVELOPMENT, REAL ESTATE and ARC

Mission

To identify and advance strategic business initiatives and operate facilities that enhance the Port Authority's financial capacity; stimulate private investment in agency facilities and host communities; promote safe and sustainable regional economic growth; and facilitate expansion of an efficient, safe, secure and reliable regional transit system by partnering with NJ Transit to develop and deliver a safe, secure and reliable high-quality transit system that significantly expands the Trans-Hudson commuter rail network and substantially increases station capacity in Midtown Manhattan.

Facilities

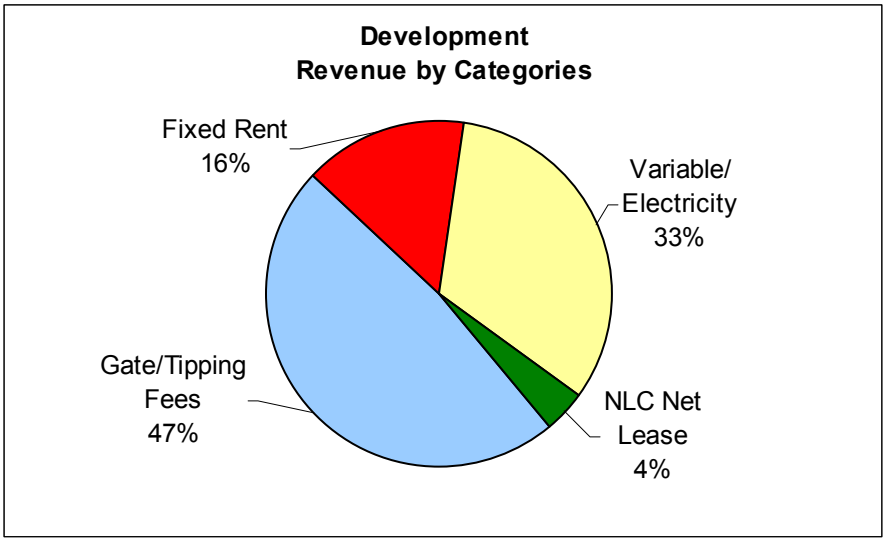
- Bathgate Industrial Park
- Essex County Resource Recovery Facility
- Ferry Transportation
- Industrial Park at Elizabeth
- The Legal Center
- The Teleport
- Waterfront Development
    - Queens West Waterfront Development
    - The South Waterfront at Hoboken
- Access to the Region's Core's Tunnel (ARC)

Staffing

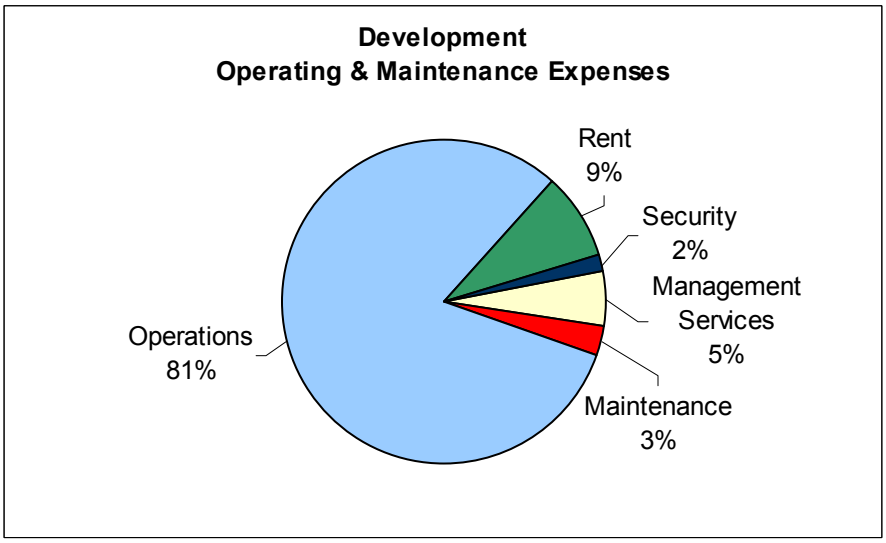
Development, Real Estate and ARC have a total of 64 staff, of which 55 are dedicated to identifying and advancing new revenue opportunities; negotiating cost-effective property acquisitions and sales, land swaps, development agreements and leases; and operating, maintaining and managing facilities and other programs aimed at optimizing financial return to the agency and supporting regional economic growth. This includes industrial and commercial properties, ferry transportation, and waterfront developments as well as partnering with New Jersey Transit to deliver the ARC Tunnel. The remaining management services staff provides the functions that support the development activities, including financial analysis, planning and human resource functions; and security and environmental management.

Revenues and Expenses

Projected 2010 revenues for development activities are $93 million, a decrease of almost $10 million from the 2009 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.

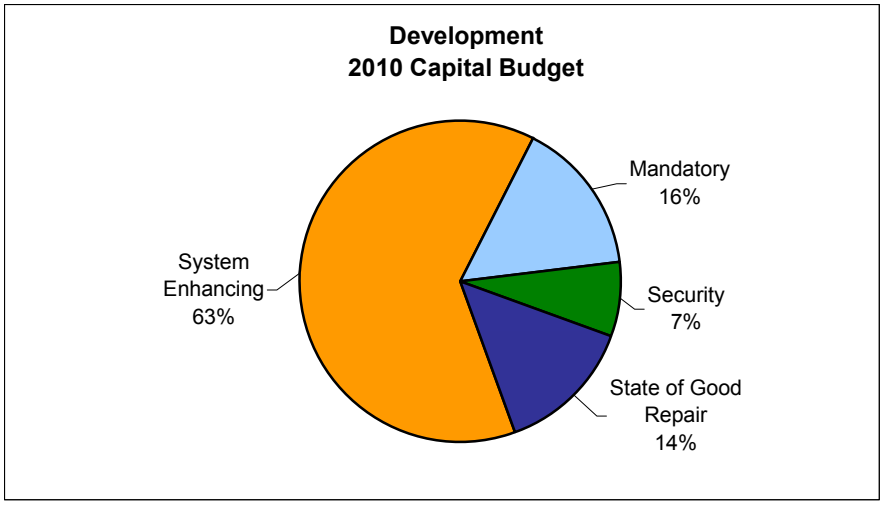


Development's operating budget for 2009 is $86 million.



2010 Capital Budget Overview

Development's 2010 capital budget totals $22 million, not including the ARC project. The 2010 ARC capital budget totals $504 million; nearly 80% of capital expenditures will be used for site acquisitions and is not reflected in the chart below.



2010 Capital Budget Highlights

	Project	Description	2010 Budget	Outcomes
1	Access to the Region's Core's Tunnel (ARC)	Partner with NJ Transit to construct a new commuter rail line under the Hudson River and expand NY Penn Station.	$504 M	ARC will double capacity between NJ and midtown Manhattan to meet growing ridership demand, improve service, reduce emissions and create new construction and permanent jobs.
2	Ferry Transportation	Advance PA share of work to rehabilitate and return ferry service to the Hoboken Ferry Terminal.	$17 M	Improve regional ferry service.
3	New York-New Jersey Harbor Estuary Program	Fund land acquisition for conservation, ecological enhancement, public access, or environmental mitigation to offset environmental impact of PA's port facilities.	$14M	Preserve open space throughout the Hudson-Raritan Estuary in the states of New Jersey and New York.
4	Queens West Waterfront Development	Fund remaining PA commitment for property acquisition, planning, infrastructure and other predevelopment costs.	$4.2M	Revitalize underutilized waterfront area into successful a residential, commercial, and recreational development, create new business opportunities, and stimulate development in the surrounding area.
5	George Washington Bridge Bus Station Redevelopment	Redevelop and construct a modernized bus station and retail complex bringing new construction and permanent jobs to the community as well as increased retail services.	$3 M	Higher quality transportation services, improvement in intermodal connections, new electronic communications, transit oriented retail and enhanced architectural qualities.

WORLD TRADE CENTER

Mission

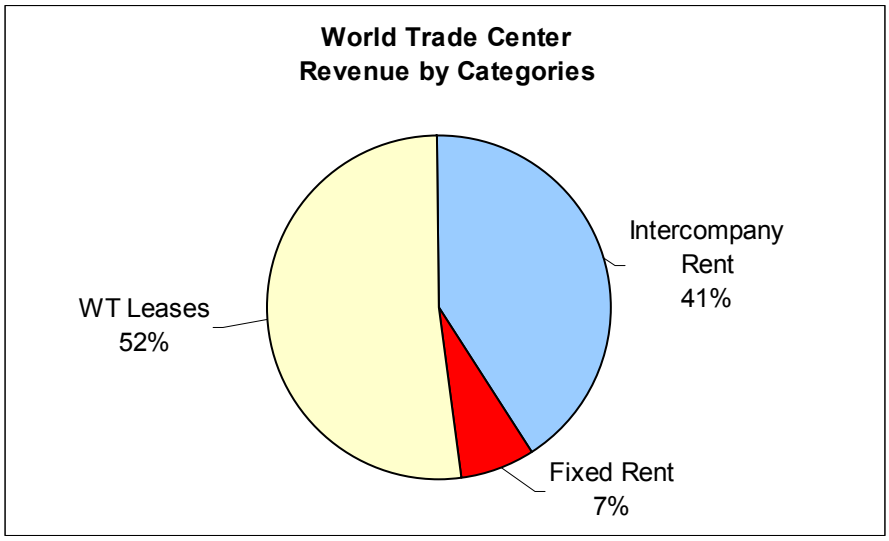
To redevelop and operate the World Trade Center site by directly managing projects controlled by the Port Authority, overseeing elements controlled by third parties, and constructing key site elements thereby creating a safe, secure, environmentally-sustainable, financially successful and physically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

Staffing

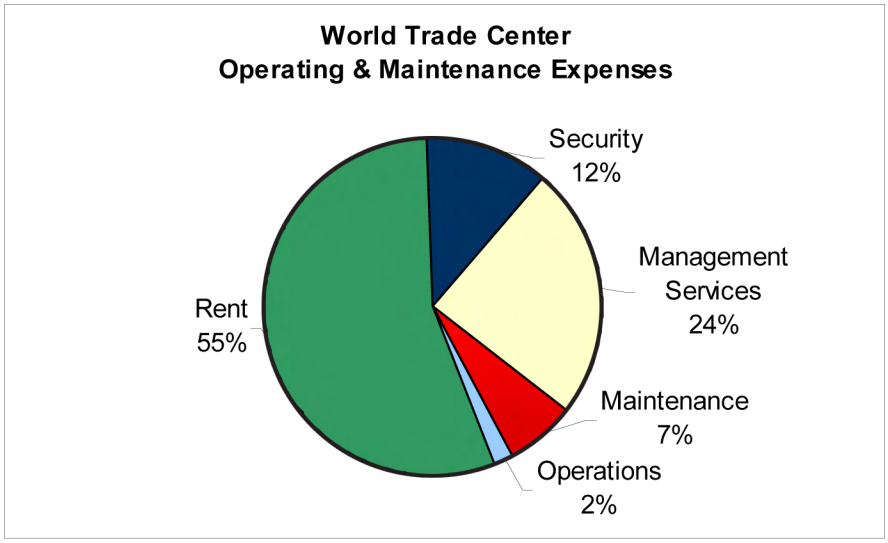
World Trade Center activities employ a total of 134 staff, of which 116 are dedicated to rebuilding the WTC Site by managing the design guidelines, contracting for and constructing capital program elements and overseeing the different construction managers and contractors on the site. The remaining staff manage all real estate issues associated with development of the entire site including oversight of Master Plan components controlled by the Agency and by third parties; development and leasing of One WTC and the 460,000-square-foot retail complex; other site development; financial analysis; as well as operations, management and maintenance of project components as they are completed.

Revenues and Expenses

World Trade Center projected revenues for 2010 are $152 million, which primarily consist of World Trade Center leases, intercompany rent and rentals. Revenue estimates are based on terms of existing agreements.

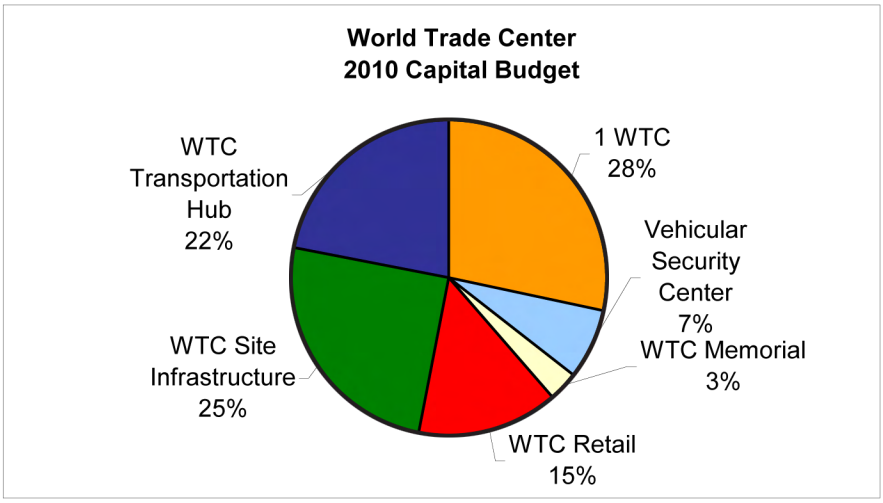


World Trade Center expenses for 2010 total $143 million, which includes intercompany rent, as well as, management services, maintenance, operations and security expenses during the rebuilding of the WTC site.



2010 Capital Budget Overview

The 2010 World Trade Center capital budget provides for expenditures totaling $1.6 billion to support the WTC rebuilding effort and is broken down as follows:



2010 Capital Budget Highlights

	Project	Description	2010 Budget	Outcomes
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.	$453M	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.	$350M	The Hub will increase capacity to accommodate over 200,000 daily commuters.
3	WTC Retail	Development of approximately 460,000 SF square feet of world-class retail and restaurant space to be available throughout the complex.	$232M	Successful retail will support revival of the Lower Manhattan economy and contribute to a healthy, well-rounded growth in the regional economy.
4	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.	$115M	The VSC is a critical component of the site's comprehensive police, security, and operational plan.
5	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.	$398M	Investment in the common infrastructure is required to support the massive development with significant interdependence.
6	National 9/11 Memorial and 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.	$48M	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.

2010 Budget Schedules

SUMMARY OF 2010 BUDGET

(In Millions)

SOURCES:	2010 Budget	2009 Budget	Variance	% Change
Gross Operating Revenues	**$3,639**	$3,715	($76)	-2.0%
Bonds, Notes and Other	**1,859**	1,830	29	1.6%
Financial Income	**65**	81	(16)	-20.0%
Grants and Contributions, Insurance, Third Party Recoveries and Miscellaneous Revenues	**567**	864	(297)	-34.3%
Allocated Passenger Facility Charges	**213**	216	(3)	-1.4%
Total Sources	**$6,343**	$6,706	($363)	-5.4%

Significant Highlights/Challenges:

- The economic crisis has negatively impacted our core businesses resulting in lower activity levels and an expected decrease in our gross operating revenues of 2% from the 2009 Budget.
- Bonds, Notes and Other are expected to increase by 1.6% due to a decline in operating income to fund capital programs.
- Financial income is expected to be lower by 20% mainly due to lower interest rates on investments.
- Grants and contributions, insurance, third party recoveries and miscellaneous revenues are expected to be lower by 34.3% mainly due to lower available funds related to the 1WTC/WTC Retail insurance proceeds.

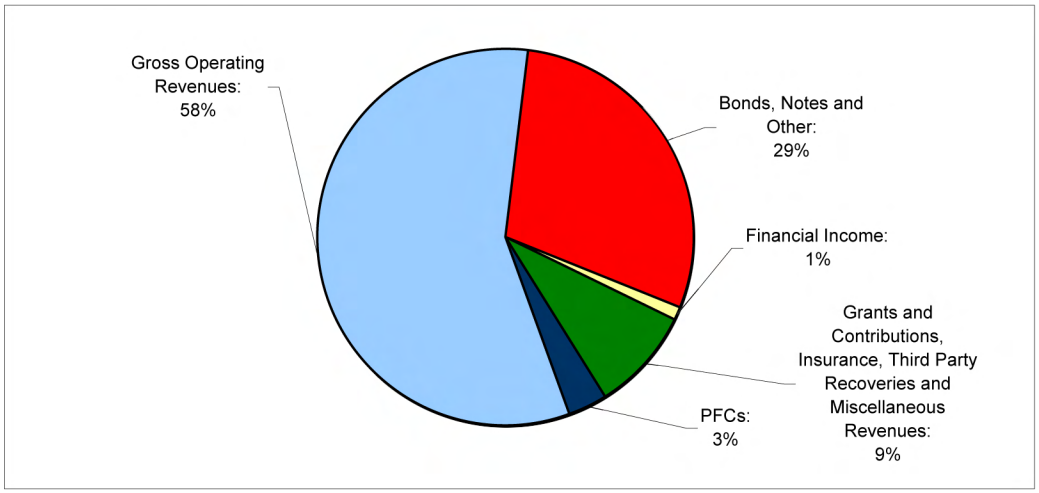
USES:	2010 Budget	2009 Budget	Variance	% Change
Expenses	**$2,483**	$2,489	$ (6)	-0.2%
Debt Service	**689**	825	(136)	-16.5%
Deferred & Other Expenses	**44**	87	(43)	-49.4%
Gross Capital Expenditures	**3,127**	3,305	(178)	-5.4%
Total Uses	**$6,343**	$6,706	($363)	-5.4%

Significant Highlights/Challenges:

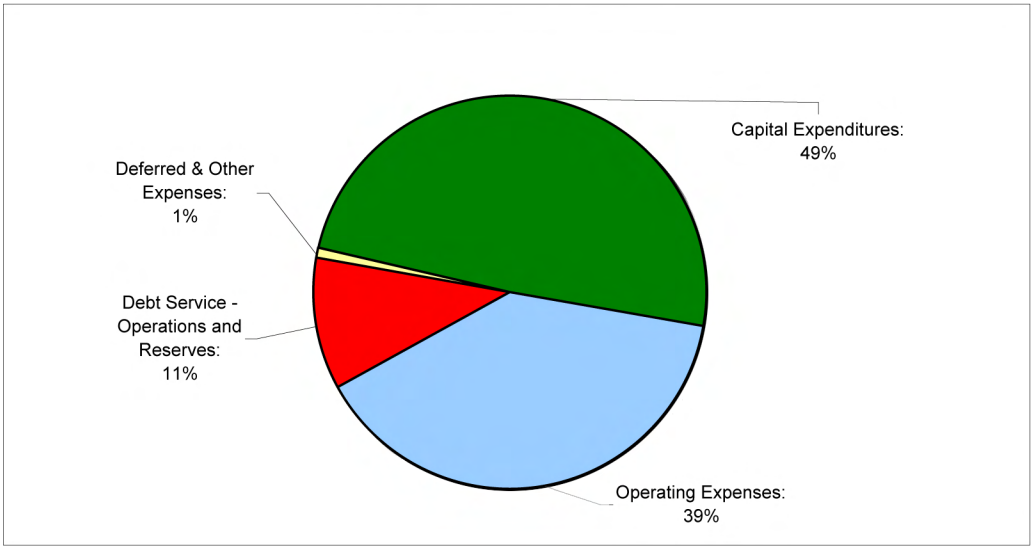
- The proposed decrease in the operating budget reflects aggressive cost containment efforts. Through these efforts, the agency's operating spending budget has been relatively flat for several years with increases of 0% in 2010 and 2009, 0.9% in 2008 and 1.1% in 2007.
- Authorized position levels in the 2010 Budget have decreased by 150 positions to a total of 6,977. This staffing level is the lowest level in 40 years and was achieved by efficiencies and strategic redeployment.
- Consultant provisions are lower by $15 million, reflecting prioritization of development studies and enhanced utilization of existing technology resources.
- Overtime is expected to be lower by $24 million due to efficiencies and implementation of management control strategies.
- Committing $770 million to provide safe and secure facilities, which include hardening our facilities infrastructure and installing state-of-the-art surveillance and detection equipment.
- Agency provides $21 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 2010 totals $3.1 billion for: major capital investment in the World Trade Center site ($1.6B); the ARC Tunnel project in partnership with New Jersey Transit ($504M); the Flight Delay Reduction program ($180M) which includes replacing the Bay runway at JFK; modernizing the PATH system with new railcars and signal system ($175M); continuing the Dredging Program at our Ports ($70M); completing a permanent ferry terminal in Hoboken ($17M); rehabilitation of the Holland Tunnel ventilation system ($15M); planning for the modernization of the Central Terminal Building at LaGuardia and Terminal A at Newark Liberty International ($21M); Stewart International Airport Modernization ($16M); and continued planning efforts for the new Goethals Bridge ($9M).

Summary of Sources and Uses - 2010 Budget

Sources: $6.343 Billion



Uses: $6.343 Billion



THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

(Including its wholly owned entities)

2010 BUDGET

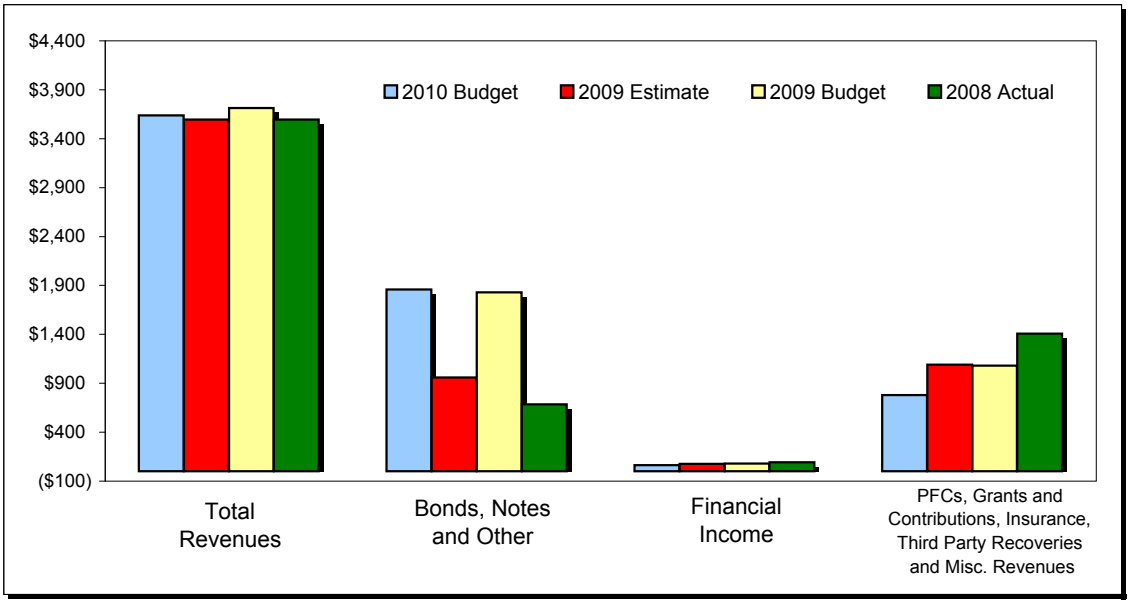
(In Thousands)

Item	Total Expenditures	Personal Services	Materials & Services
Audit	$13,256	$10,824	$2,432
Aviation	717,912	152,153	565,759
Chief Administrative Officer	1,068	933	135
Chief, Capital Planning	2,302	1,792	510
Chief Financial Officer	3,003	749	2,254
Chief Operating Officer	3,656	1,621	2,035
Capital Security Projects	20,683	5,019	15,664
Project Management Office	11,588	2,016	9,572
Chief of Public & Government Affairs	489	455	34
Chief, Real Estate & Development	2,363	1,977	386
Comptroller's	13,437	12,978	459
Engineering	273,632	96,842	176,790
Capital Construction Contracts	508,722	-	508,722
Executive Offices	2,826	2,512	314
Ferry Program	18,923	-	18,923
Government & Community Affairs	4,097	1,931	2,166
Human Resources	15,074	10,161	4,913
Medical Services	4,630	2,456	2,174
Inspector General	20,288	6,052	14,236
Labor Relations	2,248	1,643	605
Law	53,427	21,740	31,687
Management and Budget	7,797	6,605	1,192
Marketing	13,482	4,379	9,103
Media Relations	1,924	1,251	673
Office of Business and Job Opportunity	3,736	2,346	1,390
Office of Emergency Management	8,317	3,544	4,773
Office of Environmental & Energy Programs	7,400	2,394	5,006
Office of Financial Analysis	1,521	1,156	365
Office of the Secretary	4,401	2,737	1,664
Office of Strategic Initiatives	1,599	1,204	395
Operations Services	69,558	62,705	6,853 (1)
Operations Standards	1,757	1,326	431
Planning	5,400	3,261	2,139
Port Commerce	202,715	26,677	176,038
Procurement	16,234	13,205	3,029 (1)
Public Safety	374,979	342,400	32,579
Rail Transit	346,530	165,867	180,663
Real Estate & WTC Redevelopment	357,566	12,341	345,225 (1)
Technology Services	62,293	17,909	44,384 (1)
Corporate Enterprise Systems	24,091	-	24,091
Treasury	30,528	6,439	24,089
Tunnels, Bridges & Terminals	228,608	124,087	104,521
WTC Construction	1,219,168	24,955	1,194,213
Other:			
Access to the Region's Core (ARC Tunnel)	502,627	4,421	498,206
Amounts in Connection with Operating Asset Obligations	33,731	-	33,731
Bi-state Dredging Program	4,300	-	4,300
Debt Service - Operations	688,674	-	688,674
Debt Service - Capital	173,745	-	173,745
Insurance	180,002	-	180,002
Municipal Rents and Amounts in Lieu of Taxes	226,334	-	226,334
Port Authority Insurance Captive Entity, LLC	510	-	510
Provision for Efficiency and Phasing	(290,274)	-	(290,274)
Regional Programs - Operating	21,250	-	21,250
Regional Programs - Capital	49,922	-	49,922
Special Project Bonds Debt Service	68,484	-	68,484
Total Port Authority Budget	$6,342,533	$1,165,063	$5,177,470

(1) Net after charges to other departments.

Sources

SOURCES
(In Millions)

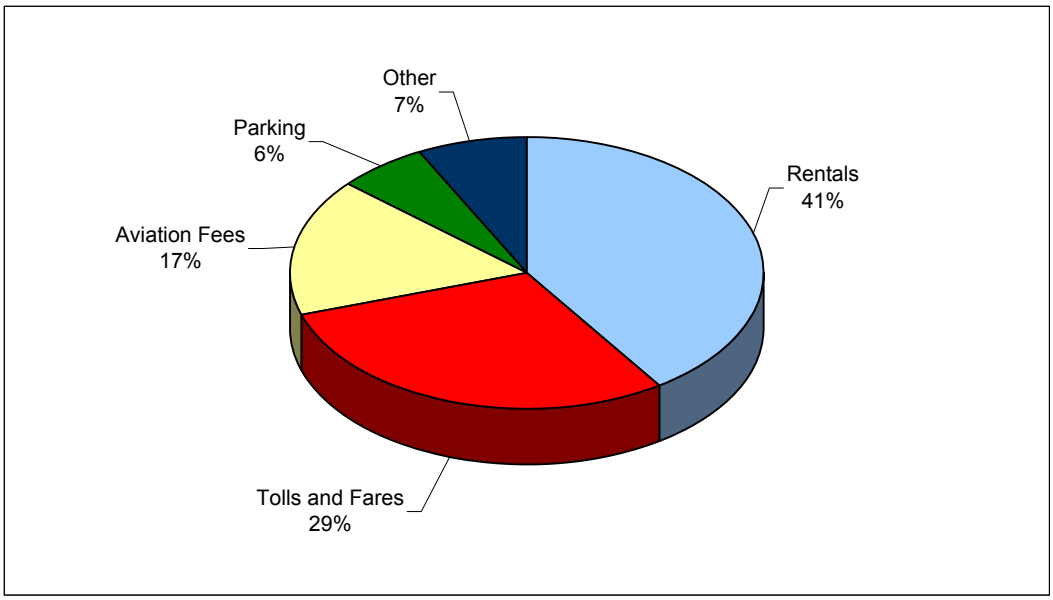


	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Revenues:				
Gross Operating Revenues:				
Rentals	**$1,473**	$1,449	$1,507	$1,468
Tolls and Fares	**1,073**	1,071	1,087	1,055
Aviation Fees	**601**	582	600	592
Parking	**219**	213	240	218
Other	**273**	282	280	262
Total Gross Operating Revenues	**3,639**	3,596	3,715	3,595
Bonds, Notes and Other	**1,859**	960	1,830	684
Financial Income:				
Interest Income	**65**	78	81	92
Net inc/(dec) in fair value of investments	**-**	43	-	(104)
Grants and Contributions, Insurance, Third Party Recoveries and Miscellaneous Revenues	**567**	883	864	1,193
Allocated Passenger Facility Charges	**213**	207	216	215
Total Sources	**$6,343**	$5,767	$6,706	$5,675

GROSS OPERATING REVENUES BY FACILITY
(In Thousands)

	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Aviation				
LaGuardia Airport	**$318,818**	$304,911	$319,046	$307,746
John F. Kennedy International Airport	**968,757**	955,993	988,557	950,583
Newark Liberty International Airport	**732,278**	722,423	755,876	718,451
Teterboro Airport	**31,490**	31,350	35,290	34,052
Stewart International Airport	**7,951**	7,488	8,961	10,518
Port Authority Heliport	**-**	-	-	4,531
Total - Aviation	**2,059,294**	2,022,165	2,107,730	2,025,881
Tunnels, Bridges & Terminals				
Holland Tunnel	**120,073**	119,395	119,273	115,006
Lincoln Tunnel	**158,824**	158,279	159,531	153,536
George Washington Bridge	**446,231**	443,456	449,976	437,389
George Washington Bridge Bus Station	**836**	811	1,266	1,578
Bayonne Bridge	**30,101**	29,912	30,371	27,976
Goethals Bridge	**115,938**	115,238	116,807	117,395
Outerbridge Crossing	**111,008**	110,386	111,280	105,938
Port Authority Bus Terminal	**34,877**	33,121	35,473	32,563
Total - Tunnels, Bridges & Terminals	**1,017,888**	1,010,598	1,023,977	991,381
Rail				
PATH Rapid Transit	**100,885**	104,725	110,465	108,464
Journal Square Transportation Center	**3,020**	2,745	6,621	6,279
Total - Rail	**103,905**	107,470	117,086	114,743
Port Commerce				
Port Newark	**85,022**	78,149	85,164	84,575
Elizabeth - PA Marine Terminal	**96,731**	97,094	108,518	88,692
Brooklyn - PA Marine Terminal	**5,790**	4,545	5,034	4,340
Red Hook Container Terminal	**2,866**	2,151	2,450	2,012
Howland Hook Marine Terminal	**13,953**	12,830	12,326	12,674
Greenville Yard	**346**	335	331	321
New York & New Jersey Rail, LLC	**1,377**	492	1,000	230
PA Auto Marine Terminal	**7,180**	7,138	4,948	9,131
Total - Port Commerce	**213,265**	202,734	219,771	201,976
Development				
Essex County Resource Recovery Facility	**62,563**	72,377	73,931	77,521
PA Industrial Park at Elizabeth	**1,005**	998	998	1,015
Bathgate Industrial Park	**4,802**	4,444	4,758	4,291
Teleport	**14,466**	14,338	12,611	14,942
Newark Legal & Communications Center	**3,493**	3,493	3,706	3,458
Ferry Transportation Services	**160**	160	160	173
Hoboken Waterfront	**5,726**	5,883	5,741	6,258
Queens West Waterfront	**420**	662	240	2,120
Total Development	**92,635**	102,355	102,145	109,777
World Trade				
World Trade Center	**152,222**	150,625	143,369	149,104
WTC Site	**105**	105	550	2,222
WTC Retail LLC	**-**	-	-	29
Total World Trade	**152,327**	150,730	143,919	151,355
Total Gross Operating Revenues	**$3,639,314**	$3,596,052	$3,714,628	$3,595,113

Operating Revenues by Major Category
(In Thousands)



	Total	Aviation	Tunnels, Bridges & Terminals	Rail Transit	Port Commerce	Develop-ment	World Trade
Rentals	$1,473,491	$1,170,549	$31,913	$4,276	$211,597	$44,693	$10,463
Tolls and Fares	1,073,411	-	975,145	98,267	-	-	-
Aviation Fees	600,985	600,985	-	-	-	-	-
Parking	218,908	206,955	10,830	1,123	-	-	-
Other	272,518	80,805	-	239	1,668	47,942	141,864
Total	$3,639,314	$2,059,294	$1,017,888	$103,905	$213,265	$92,635	$152,327

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.

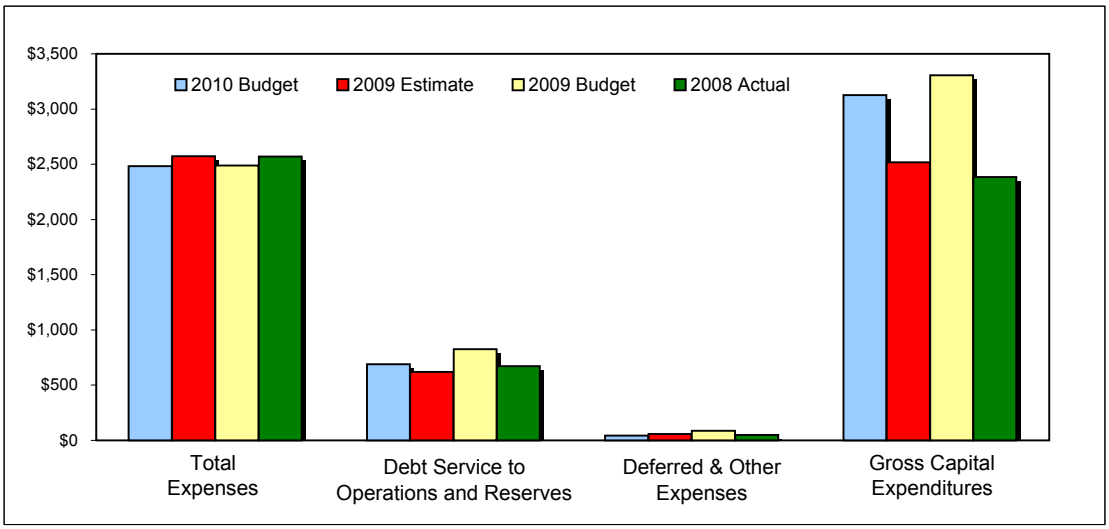
Aviation Fees - These fees are based on cost recovery agreements with airlines and are calculated on the basis of direct and allocated costs of operating and maintaining public aircraft facilities and the weight of aircraft using the runways.

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.

Uses

USES
(In Millions)

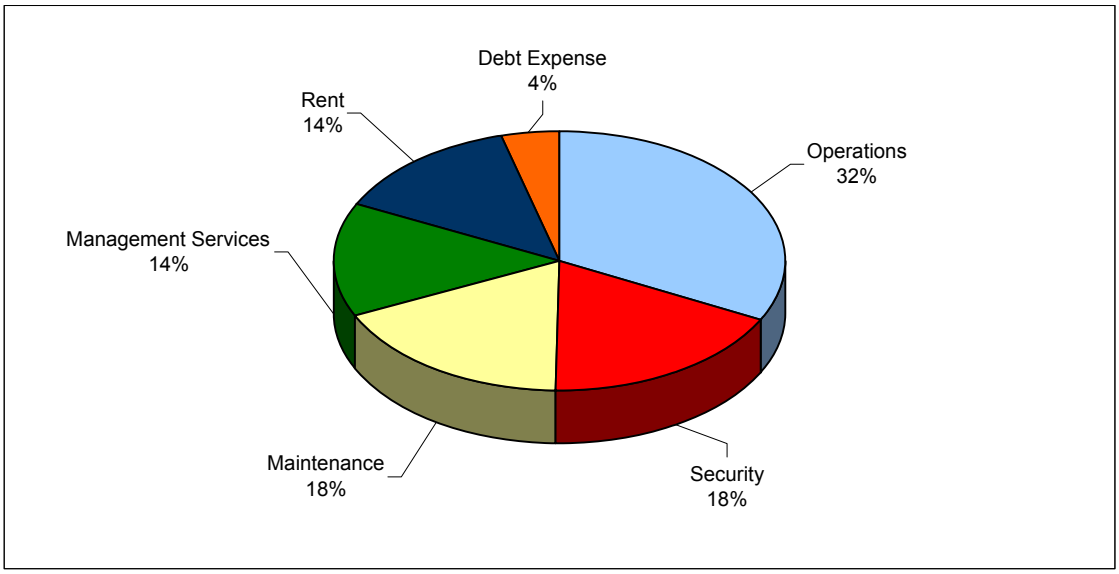


	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Expenses:				
Operating Expenses:				
Operations	**$810**	$817	$827	$804
Security	**442**	439	451	441
Maintenance	**440**	440	423	450
Management Services	**354**	407	348	413
Rent	**335**	341	330	342
Debt Expense (special project bond interest and operating asset financings)	**103**	130	111	120
Total Expenses	**2,483**	2,573	2,489	2,570
Debt Service Charged to Operations & Reserves:				
Interest on Bonds and Other Obligations	**516**	473	517	438
Debt Maturities and Retirements	**173**	147	152	152
Repayment of Asset Financing Obligations	**-**	-	156	81
Total Debt Service	**689**	620	825	671
Deferred & Other Expenses	**44**	58	87	50
Capital Expenditures:				
Line Departments (including PFCs)	**1,266**	1,275	1,454	1,266
WTC Site	**1,597**	1,191	1,426	986
Access to the Region's Core (ARC Tunnel)	**504**	15	340	37
Regional and Other	**50**	35	85	95
Provision for Efficiency and Phasing	**(290)**	-	-	-
Total Gross Capital Expenditures	**3,127**	2,516	3,305	2,384
Total Uses	**$6,343**	$5,767	$6,706	$5,675

EXPENSES BY FACILITY
(In Thousands)

	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Aviation				
LaGuardia Airport	**$212,098**	$202,752	$204,051	$214,851
John F. Kennedy International Airport	**586,911**	595,439	612,114	626,013
Newark Liberty International Airport	**380,250**	386,602	384,587	390,145
Teterboro Airport	**18,395**	19,357	19,780	17,849
Stewart International Airport	**16,976**	17,130	16,006	14,203
Port Authority Heliport	**62**	90	-	1,986
Total - Aviation	**1,214,692**	1,221,370	1,236,538	1,265,048
Tunnels, Bridges & Terminals				
Holland Tunnel	**65,419**	59,044	61,366	59,310
Lincoln Tunnel	**81,461**	79,584	80,871	78,241
George Washington Bridge	**91,300**	89,551	92,866	89,693
George Washington Bridge Bus Station	**7,542**	8,217	8,428	7,737
Bayonne Bridge	**16,947**	15,900	15,289	19,808
Goethals Bridge	**24,421**	22,079	22,697	22,458
Outerbridge Crossing	**22,580**	20,229	20,539	20,948
Port Authority Bus Terminal	**86,538**	87,521	86,186	94,180
Total - Tunnels, Bridges & Terminals	**396,208**	382,125	388,242	392,375
Rail				
PATH Rapid Transit	**234,614**	242,401	241,276	236,276
Journal Square Transportation Center	**10,993**	10,622	11,061	9,586
Total - Rail	**245,607**	253,023	252,337	245,862
Port Commerce				
Port Newark	**84,782**	70,927	66,908	63,160
Elizabeth - PA Marine Terminal	**32,168**	28,070	25,840	30,938
Brooklyn - PA Marine Terminal	**11,772**	11,292	9,630	14,635
Red Hook Container Terminal	**2,779**	2,454	2,825	6,574
Howland Hook Marine Terminal	**12,224**	10,485	10,866	9,413
Greenville Yard	**4**	3	3	29
New York & New Jersey Rail, LLC	**2,432**	2,513	2,400	1,191
PA Auto Marine Terminal	**13,350**	9,996	9,446	11,988
Total - Port Commerce	**159,511**	135,740	127,918	137,927
Development				
Essex County Resource Recovery Facility	**63,641**	65,247	65,767	64,795
PA Industrial Park at Elizabeth	**108**	106	122	114
Bathgate Industrial Park	**2,104**	1,687	1,749	1,861
Teleport	**13,476**	13,642	13,349	14,357
Newark Legal & Communications Center	**2,252**	4,022	1,375	1,098
Ferry Transportation Services	**3,648**	1,515	3,517	4,369
Hoboken Waterfront	**38**	228	45	328
Queens West Waterfront	**1**	6	6	-
Total Development	**85,268**	86,453	85,930	86,923
World Trade				
World Trade Center	**9,160**	15,411	13,490	14,604
WTC Site	**113,487**	181,433	133,731	172,578
WTC Retail LLC	**15,208**	17,045	9,647	15,516
Total World Trade	**137,855**	213,889	156,868	202,699
Regional & Other Programs	**21,250**	22,188	14,350	14,906
Port Authority Insurance Captive Entity, LLC	**510**	728	424	197
Total Operating & Maintenance Expenses	**2,260,901**	2,315,516	2,262,607	2,345,938
Allocated Expenses	**187,616**	185,999	187,049	183,192
Total Operating Expenses	**2,448,517**	2,501,515	2,449,656	2,529,130
Operating Asset Obligations	**33,731**	56,598	38,590	41,301
Net Expenses (Recoverables) related to 9-11-01	**750**	(204,675)	750	(457,918)
Total Expenses	**$2,482,998**	$2,353,438	$2,488,996	$2,112,513

Operating Expenses by Major Category
(In Thousands)



	Total	Aviation	Tunnels, Bridges & Terminals	Rail Transit	Port Commerce	Develop-ment	World Trade	Allocated & Other (1)
Operations	$809,728	$423,233	$148,970	$101,835	$31,807	$69,220	$2,622	$32,041
Security	440,627	193,495	105,153	45,922	15,520	1,460	15,518	63,559
Maintenance	440,727	205,925	79,461	63,044	40,112	2,587	8,694	40,904
Management Services	353,785	62,753	26,336	14,352	46,271	4,558	32,686	166,829
Rent	335,308	201,475	3,209	562	25,168	7,222	73,956	23,716
Debt Expense	102,823	68,484	-	-	-	-	-	34,339
Total	$2,482,998	$1,155,365	$363,129	$225,715	$158,878	$85,047	$133,476	$361,388

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	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Audit	**$9,937**	$10,148	$9,965	$10,095
Chief Administrative Officer	**1,068**	1,318	1,017	1,289
Chief, Capital Planning	**2,015**	1,629	1,630	2,486
Chief Engineer	**3,364**	3,095	3,067	2,686
Chief Financial Officer	**3,003**	2,998	3,187	2,415
Chief Operating Officer	**2,869**	4,010	2,615	3,796
Chief of Public & Government Affairs	**489**	468	709	525
Comptroller's	**10,514**	9,701	9,504	10,331
Chief, Real Estate & Development	**1,891**	1,936	1,666	1,526
Executive Offices	**2,826**	2,808	2,830	2,891
Government & Community Affairs	**4,097**	4,219	4,238	4,313
Human Resources	**17,521**	18,497	17,025	18,986
Inspector General	**7,512**	6,942	6,875	6,800
Labor Relations	**1,739**	2,031	2,030	1,520
Law	**21,488**	22,324	21,243	21,517
Management and Budget	**7,797**	7,821	8,085	7,525
Marketing	**6,478**	6,407	6,310	6,308
Media Relations	**1,924**	2,099	2,476	2,757
Office of Business & Job Opportunity	**3,736**	3,602	3,614	2,995
Office of Environmental and Energy Programs	**3,800**	3,881	4,239	4,854
Office of Financial Analysis	**1,521**	1,874	1,298	1,138
Office of the Secretary	**4,401**	3,938	3,981	3,723
Office of Strategic Initiatives	**1,600**	1,461	-	269
Operation Services	**5,739**	5,909	5,759	4,991
Planning	**5,300**	6,003	5,619	4,942
Procurement	**11,135**	11,010	11,140	10,708
Real Estate & WTC Redevelopment	**7,033**	7,730	6,816	6,684
Treasury	**10,622**	10,278	10,828	9,362
WTC Construction	**2,260**	1,686	2,810	3,019
Other (Revenue, Reclassifications, etc.)	**(636)**	(884)	(1,952)	(1,400)
Sub-total	**163,043**	164,940	158,623	159,051
Technology Services	**50,413**	48,905	47,004	42,599
Corporate Enterprise Systems	**15,261**	7,960	15,483	11,838
Sub-total	**65,674**	56,865	62,487	54,437
Grand Total	**$228,717**	$221,805	$221,110	$213,488
Overhead Allocation:				
Allocation to Operations	**$179,542**	$179,440	$179,983	$178,638
Allocation to Capital	**49,175**	42,365	41,127	34,850
Total Allocation	**$228,717**	$221,805	$221,110	$213,488

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

DEVELOPMENT EXPENSES
(In Thousands)

	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Programs and Studies:				
Study and Development Projects	**$1,774**	$1,288	$1,715	($73)
Overseas Operations	**1,000**	961	1,051	812
Pandemic Flu Preparedness Program	**1,000**	11	-	724
Sub-total	**3,774**	2,259	2,766	1,462
Bi-state Dredging Program	**4,300**	4,300	4,300	3,092
Total Development Expenses	**$8,074**	$6,559	7,066	$4,554

CAPITAL EXPENDITURES BY FACILITY
(In Thousands)

	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Aviation (including PFCs)				
LaGuardia Airport	**$103,807**	$129,041	$119,746	$136,414
John F. Kennedy International Airport	**268,641**	242,037	207,453	259,216
Newark Liberty International Airport	**106,789**	168,929	200,540	202,599
Teterboro Airport	**24,986**	32,356	36,596	24,116
Stewart International Airport	**15,866**	27,952	29,730	8,853
Total - Aviation	**520,089**	600,315	594,065	631,198
Tunnels, Bridges & Terminals				
Holland Tunnel	**30,794**	18,921	44,595	15,717
Lincoln Tunnel	**26,938**	16,783	22,375	22,861
George Washington Bridge	**47,964**	58,379	54,810	55,726
George Washington Bridge Bus Station	**3,322**	1,107	1,113	623
Bayonne Bridge	**9,519**	13,877	14,641	15,410
Goethals Bridge	**14,478**	12,754	23,239	22,369
Outerbridge Crossing	**650**	984	1,421	5,516
Port Authority Bus Terminal	**26,931**	46,890	49,121	40,638
Total - Tunnels, Bridges & Terminals	**160,596**	169,695	211,315	178,860
Rail				
PATH Rapid Transit	**347,920**	283,500	373,902	220,391
Journal Square Transportation Center	**9,022**	6,367	6,442	7,377
Total - Rail	**356,942**	289,867	380,344	227,768
Port Commerce				
Port Newark	**50,518**	77,631	72,322	88,887
Elizabeth - PA Marine Terminal	**44,875**	46,496	62,872	72,762
Brooklyn - PA Marine Terminal	**8,335**	5,927	986	182
Red Hook Container Terminal	**400**	200	-	14
Howland Hook Marine Terminal	**31,839**	40,807	47,882	15,119
NJ Marine Development	**-**	-	750	-
NY and NJ Rail LLC	**57,001**	2,324	-	5,117
PA Auto Marine Terminal	**6,830**	1,989	61,353	2,033
Total - Port Commerce	**199,798**	175,374	246,165	184,114
Development				
Hoboken Waterfront Development	**-**	4,143	362	8,590
Queens West Waterfront Development	**4,200**	18,926	11,280	12,326
Ferry Transportation Services	**17,085**	9,142	29,545	14,149
Teleport	**5,764**	2,888	1,803	544
Bathgate Industrial Park	**-**	-	360	577
Total - Development	**27,049**	35,099	43,350	36,185
World Trade Center				
WTC Transportation Hub	**349,731**	396,369	391,050	384,945
WTC Retail LLC	**232,208**	110,150	110,150	22,068
One World Trade Center	**453,300**	377,350	438,150	304,161
WTC Site (including infrastructure, memorial and VSC)	**561,174**	306,199	480,678	274,534
Total - World Trade Center	**1,596,413**	1,190,068	1,420,028	985,708
Net Capital Expenditures - Line Departments	**2,860,887**	2,460,418	2,895,267	2,243,834
Access to the Region's Core (ARC Tunnel)	**503,991**	15,000	340,000	36,808
Regional & Other Programs:				
Regional Development Facility	**25,222**	7,325	32,900	2,037
Other Regional Programs	**14,000**	7,750	10,000	53,136
New York Economic Development Program	**6,000**	9,000	10,000	14,000
Regional Transportation Initiatives	**4,700**	11,000	7,000	26,022
Total - Regional & Other Programs	**49,922**	35,075	59,900	95,195
Provision for Efficiency and Phasing	**(290,274)**	-	-	-
Total Net Capital Expenditures	**3,124,526**	2,510,493	3,295,167	2,375,837
Add Back - Financial Income	**2,022**	5,892	9,248	7,983
Total Gross Capital Expenditures	**$3,126,548**	$2,516,385	$3,304,415	$2,383,820

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

Revenues, Expenses and Changes in Net Assets
(In Thousands)

	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Gross Operating Revenues	**$3,639,314**	$3,596,052	$3,714,628	$3,595,113
Expenses:				
Operating & Maintenance Expenses	**(2,260,901)**	(2,315,516)	(2,262,607)	(2,348,061)
Allocated Expenses	**(187,616)**	(185,999)	(187,049)	(183,192)
Total Operating Expenses	**(2,448,517)**	(2,501,515)	(2,449,656)	(2,531,253)
Operating Asset Obligations	**(33,731)**	(56,598)	(38,590)	(41,301)
Net (Expenses) Recoverables related to 9-11-01	**(750)**	204,675	(750)	457,918
Total Expenses	**(2,482,998)**	(2,353,438)	(2,488,996)	(2,114,636)
Net Operating Revenues	**1,156,316**	1,242,614	1,225,632	1,480,477
Depreciation & Amortization	**(763,792)**	(708,266)	(713,414)	(646,992)
Financial Income:				
Interest Income	**63,284**	72,000	72,044	84,207
Net increase/(decrease) in fair value of investments	**-**	43,000	-	(103,744)
Interest and Other Expenses	**(494,553)**	(375,402)	(425,453)	(536,345)
Net Assets before Restricted Grants, Contributions and PFCs	**(38,745)**	230,945	158,809	381,347
Net PFC Program	**140,608**	135,317	149,780	143,198
Net Grants and Contributions in Aid of Construction	**479,331**	376,069	381,294	319,767
1 WTC / WTC Retail Insurance Proceeds	**57,135**	59,770	55,405	49,771
Third Party Contributions - WTC Site	**-**	15,107	72,192	-
Increase in Net Assets	**$638,329**	$817,207	$817,480	$894,083
Net Assets, January 1	**$10,648,571**	$9,831,364	$10,046,954	$8,937,281
Net Assets, December 31	**11,286,900**	10,648,571	10,864,434	9,831,364
Increase in Net Assets	$638,329	$817,207	$817,480	$894,083

Consolidated Statement of Net Assets

(In Thousands)

	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
ASSETS:				
Cash and Investments	$ 4,378,932	$ 4,559,840	$ 3,773,569	$ 4,028,313
Receivables, net	645,182	769,201	969,811	909,160
Restricted Receivables	35,324	35,324	24,683	35,324
Deferred charges and other noncurrent assets	1,341,003	1,357,693	1,477,328	1,677,847
Amounts receivable - Special Project Bonds	995,766	1,053,281	1,054,291	1,107,006
Unamortized costs for regional programs	757,252	774,982	809,759	789,682
Facilities, net	21,509,330	18,940,322	18,969,196	16,490,195
Total assets	**29,662,789**	27,490,643	27,078,637	25,037,527
LIABILITIES:				
Accounts payable	854,795	818,900	565,008	716,799
Accrued interest and other liabilities (including PAICE)	816,733	799,138	428,628	711,567
Accrued pension and other employee benefits	692,489	735,321	1,001,341	741,146
Amounts Payable - Special Project Bonds	995,766	1,053,281	1,054,291	1,107,006
Bonds and other asset financing obligations	15,016,106	13,435,432	13,164,935	11,929,645
Total liabilities	**18,375,889**	16,842,072	16,214,203	15,206,163
NET ASSETS	**$11,286,900**	$10,648,571	$10,864,434	$9,831,364
Net assets are composed of:				
Invested in capital assets, net of related debt	$ 8,813,641	$ 8,249,383	$ 8,025,605	$ 7,526,446
Restricted:				
1 WTC/WTC Retail insurance proceeds	50,000	120,000	-	305,470
Restricted Passenger Facility Charges	(25,000)	(25,000)	(50,000)	(20,938)
PA Insurance Captive Entity - PAICE	144,088	134,088	32,515	83,392
Unrestricted	2,254,171	2,120,100	2,756,314	1,895,118
Net assets	**$11,286,900**	$10,648,571	$10,864,434	$9,831,364

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	2010 Budget Net Income/ (Loss)	2009 Estimate Net Income/ (Loss)	2008 Actual Net Income/ (Loss)
Aviation										
LaGuardia Airport	$318,818	$212,098	$19,094	$49,382	$24,946	$13,298	$15,748	**$29,046**	$50,982	$59,416
John F. Kennedy International Airport	968,757	587,024	31,649	146,032	86,903	117,149	36,067	**153,216**	178,607	123,357
Newark Liberty International Airport	732,278	380,250	27,231	122,086	72,038	130,673	13,739	**144,412**	148,238	132,288
Teterboro Airport	31,490	18,395	1,388	9,527	4,404	(2,224)	178	**(2,046)**	2,706	7,983
Stewart International Airport	7,951	16,976	457	-	-	(9,482)	6,663	**(2,819)**	(9,451)	(3,473)
Total - Aviation	2,059,294	1,214,692	79,819	327,027	188,291	249,465	72,395	**321,860**	370,991	321,833
Tunnels, Bridges & Terminals										
Holland Tunnel	120,072	65,419	10,053	18,008	9,466	17,126	190	**17,316**	25,135	16,672
Lincoln Tunnel	158,824	81,461	11,670	36,376	17,421	11,896	229	**12,125**	19,484	7,978
George Washington Bridge	446,231	91,300	12,779	33,645	21,820	286,687	201	**286,888**	286,350	278,129
George Washington Bridge Bus Station	836	7,542	686	2,024	-	(9,416)	14	**(9,402)**	(10,317)	(9,106)
Bayonne Bridge	30,101	16,947	2,328	5,875	5,891	(940)	42	**(898)**	1,142	(7,418)
Goethals Bridge	115,938	24,421	3,595	9,830	6,484	71,608	56	**71,664**	75,607	79,332
Outerbridge Crossing	111,008	22,580	2,877	11,274	3,460	70,817	49	**70,866**	73,110	66,891
Port Authority Bus Terminal	34,877	86,538	10,521	24,941	12,491	(99,614)	4,556	**(95,058)**	(81,073)	(99,241)
Total - Tunnels, Bridges & Terminals	1,017,888	396,208	54,509	141,973	77,033	348,165	5,337	**353,502**	389,439	333,238
Rail										
PATH Rapid Transit	100,885	234,614	40,025	109,012	58,399	(341,165)	341,055	**(110)**	(65,300)	(143,519)
Journal Square Transportation Center	3,020	10,993	229	5,284	2,612	(16,098)	-	**(16,098)**	(16,167)	(16,182)
Total - Rail	103,905	245,607	40,254	114,296	61,011	(357,263)	341,055	**(16,208)**	(81,467)	(159,700)
Port Commerce										
Port Newark	85,022	84,782	4,803	25,710	19,795	(50,068)	7,644	**(42,424)**	(28,222)	(20,059)
Elizabeth - PA Marine Terminal	96,731	32,168	1,550	38,638	35,620	(11,245)	2,058	**(9,187)**	4,001	(13,820)
Brooklyn - PA Marine Terminal	5,790	11,772	686	386	889	(7,943)	1,872	**(6,071)**	(7,528)	(12,452)
Red Hook Container Terminal	2,866	2,779	229	27	-	(169)	-	**(169)**	(552)	(4,672)
Howland Hook Marine Terminal	13,953	12,224	457	16,146	14,779	(29,653)	-	**(29,653)**	(24,782)	(23,685)
Greenville Yard	346	4	-	-	-	342	-	**342**	332	318
New York & New Jersey Rail, LLC	1,377	2,432	-	690	120	(1,865)	48,882	**47,017**	5,750	(1,207)
PA Auto Marine Terminal	7,180	13,350	229	2,292	1,420	(10,111)	-	**(10,111)**	(6,404)	(7,476)
Total - Port Commerce	213,265	159,511	7,954	83,889	72,623	(110,712)	60,456	**(50,256)**	(57,405)	(83,053)
Development										
Essex County Resource Recovery Facility	62,563	63,641	-	1,412	(2,057)	(433)	-	**(433)**	6,680	10,998
PA Industrial Park at Elizabeth	1,005	108	8	286	266	337	-	**337**	420	201
Bathgate Industrial Park	4,802	2,104	8	1,466	330	894	-	**894**	970	150
Teleport	14,466	13,476	229	2,049	793	(2,081)	-	**(2,081)**	(2,097)	(3,966)
Newark Legal & Communications Center	3,493	2,252	-	3,012	1,038	(2,809)	-	**(2,809)**	(4,550)	(2,962)
Ferry Transportation Services	160	3,648	-	4,518	2,074	(10,080)	-	**(10,080)**	(7,121)	(4,873)
Hoboken Waterfront	5,726	38	32	1,903	2,999	754	-	**754**	1,871	619
Queens West Waterfront	420	1	-	721	5,524	(5,826)	-	**(5,826)**	(2,255)	(1,799)
Total Development	92,635	85,268	277	15,367	10,967	(19,244)	-	**(19,244)**	(6,083)	(1,632)
World Trade Center										
World Trade Center	152,222	9,160	-	414	(4,040)	146,688	36,480	**183,168**	179,162	95,221
WTC Site	105	113,487	4,803	1,753	(2,000)	(117,938)	16,518	**(101,420)**	(157,284)	(71,136)
WTC Retail LLC	-	15,208	-	1,443	(344)	(16,307)	4,225	**(12,082)**	(7,096)	8,687
World Trade Center	152,327	137,855	4,803	3,610	(6,384)	12,443	57,223	**69,666**	14,782	32,773
Regional and Other	-	21,250	-	77,630	65,459	(164,339)	-	**(164,339)**	(154,112)	(149,719)
Port Authority Insurance Captive Entity, LLC	-	510			(4,000)	3,490	-	**3,490**	1,072	4,311
Net Expenses (Recoverables) related to 9-11-01	-	-	-	-	750	(750)	-	**(750)**	204,675	457,918
Sub-total	3,639,314	2,260,901	187,616	763,792	465,750	(38,744)	536,466	**497,721**	681,891	755,969
PFC Program	-	-	-	72,392	-	(72,392)	213,000	**140,608**	135,317	138,115
Total Port Authority	$3,639,314	$2,260,901	$187,616	$836,184	$465,750	($111,136)	$749,466	**$638,329**	$817,207	$894,083

Revenues and Reserves
(In Thousands)

	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Gross Operating Revenues	**$3,639,314**	$3,596,052	$3,714,628	$3,595,113
Expenses:				
Operating & Maintenance Expenses	**2,260,901**	2,315,516	2,262,607	2,348,061
Allocated Expenses	**187,616**	185,999	187,049	183,192
Total Operating Expenses	**2,448,517**	2,501,515	2,449,656	2,531,253
Operating Asset Obligations	**33,731**	56,598	38,590	41,301
Net Expenses (Recoverables) related to 9-11-01	**750**	(204,675)	750	(457,918)
Total Expenses	**2,482,998**	2,353,438	2,488,996	2,114,636
Net Operating Revenues	**1,156,316**	1,242,614	1,225,632	1,480,477
Financial Income:				
Interest Income	**63,284**	72,000	72,044	84,207
Net increase/(decrease) in fair value of investments	**-**	43,000	-	(103,744)
Restricted Net Assets - Port Authority Insurance Captive Entity, LLC	**(3,490)**	(3,272)	(3,576)	(4,311)
Grants and contributions in aid of construction	**479,331**	376,069	381,294	319,758
1 WTC / WTC Retail Insurance Proceeds	**87,340**	271,458	387,500	411,278
Third Party Contributions - WTC Site	**-**	15,107	72,192	-
Allocated Passenger Facility Charges	**213,000**	207,000	216,440	215,407
Net Revenues Available for Debt Service and Reserves	**1,995,781**	2,223,975	2,351,526	2,403,072
Debt Service:				
Interest on Bonds and Other Obligations	**515,579**	472,630	517,230	437,972
Debt Maturities and Retirements	**173,095**	147,370	152,370	152,275
Repayment of Asset Financing Obligations	**-**	-	155,400	80,775
Total Debt Service	**688,674**	620,000	825,000	671,022
Increase in Reserves from Operations & Financial Income	**1,307,108**	1,603,975	1,526,526	1,732,050
Direct Investment in Facilities	**(1,179,000)**	(1,400,000)	(1,540,000)	(1,514,369)
Appropriation to / (from) Reserves for Self-Insurance	**-**	-	-	2,123
Net Increase / (Decrease) in Reserves for Year	**128,108**	203,975	(13,474)	219,805
Reserves, beginning of year	**2,596,704**	2,392,729	2,500,781	2,172,924
Reserves, end of year	**$2,724,812**	$2,596,704	$2,487,307	$2,392,729

ASSETS AND LIABILITIES

(Pursuant to Port Authority Bond Resolutions)
(In Thousands)

	2010 Budget	2009 Estimate	2009 Budget	2008 Actual
Assets				
Invested In Facilities	**$34,251,542**	$31,127,016	$32,037,182	$28,616,523
Cash and Investments	**4,378,932**	4,559,840	3,773,569	4,028,314
Other Assets	**3,491,102**	3,693,447	3,521,514	3,748,084
Total Assets	**42,121,576**	39,380,303	39,332,265	36,392,921
Liabilities				
Consolidated Bonds and Notes	**13,823,156**	12,283,161	12,045,774	10,794,831
Other Obligations	**2,199,775**	2,216,651	2,183,539	2,305,581
Accounts Payable and Other Liabilities	**1,987,846**	2,336,100	1,553,402	2,501,586
Total Liabilities	**18,010,777**	16,835,912	15,782,715	15,601,997
Net Assets	**$24,110,799**	$22,544,391	$23,549,550	$20,790,923
Net Assets Are Composed Of:				
Facility Infrastructure Investment	**$21,303,362**	$19,865,062	$20,979,618	$18,317,692
Reserves:				
General Reserve Fund	**1,564,857**	1,411,302	1,384,223	1,270,215
Consolidated Bond Reserve Fund	**1,159,955**	1,185,402	1,103,084	1,122,514
Total Reserve Funds	**2,724,812**	2,596,704	2,487,307	2,392,729
Appropriated Reserves for Self-insurance	**82,625**	82,625	82,625	80,502
Net Assets	**$24,110,799**	$22,544,391	$23,549,550	$20,790,923

Outstanding Obligations and Financing

SUMMARY OF DEBT TYPE
(In Thousands)

Type:	2010 Budget	Issued/ Accreted	Repaid/ Refunded	2009 Estimate	Issued/ Accreted	Repaid/ Refunded	2008 Actual
Consolidated Bonds	$13,823,156	$1,799,295	($259,300)	$12,283,161	$1,635,700	($147,370)	$10,794,831
Commercial Paper	300,000	50,000	(50,000)	300,000	188,960	(75,000)	186,040
Variable Rate Master Notes	77,900	-	(13,090)	90,990	-	-	90,990
Versatile Structure Obligations	175,200	-	(75,700)	250,900	-	(148,800)	399,700
PA Equipment Notes	123,645	25,000	(11,840)	110,485	-	(2,000)	112,485
Railroad Rehabilitation & Improvement Financing	123,000	123,000	-	-	-	-	-
Fund Buy-out Obligation	374,365	30,780	(43,211)	386,796	31,745	(43,211)	398,262
Sub-total	14,997,266	2,028,075	(453,141)	13,422,332	1,856,405	(416,381)	11,982,308
Special Project Bonds	1,006,865	-	(57,515)	1,064,380	-	(53,725)	1,118,105
Total Obligations	**$16,004,131**	**$2,028,075**	**($510,656)**	**$14,486,712**	**$1,856,405**	**($470,106)**	**$13,100,413**

DEBT OBLIGATIONS AND LIMITATIONS*

(In Thousands)

	2010 Budget			2009 Estimate		2008 Actual	
	Amount Outstanding	Available Debt**	Potential Remainder***	Amount Outstanding	Available Debt**	Amount Outstanding	Available Debt**
Consolidated Bonds & Notes (1)	$13,823,156	$20,339,251	$6,516,095	$12,283,161	$20,646,795	$10,794,831	$20,772,921
Versatile Structure Obligations (2)	175,200	4,867,167	4,691,967	250,900	6,845,000	399,700	6,890,000
Variable Rate Master Notes (2)	77,900	400,000	322,100	90,990	400,000	90,990	400,000
Commercial Paper (2)	300,000	500,000	200,000	300,000	500,000	186,040	500,000
Bonds, Notes and other Obligations	14,376,256	26,106,418	11,730,162	12,925,051	28,391,795	11,471,561	28,562,921
Port Authority Equipment Notes (2)	123,645	250,000	126,355	110,485	250,000	112,485	250,000
Railroad Rehabilitation & Improvement Financing (3)	123,000	n/a	n/a	n/a	n/a	n/a	n/a
Fund Buy-Out Obligation (4)	374,365	n/a	n/a	386,796	n/a	398,262	n/a
Total Port Authority Obligations	14,997,266	26,356,418	11,856,517	13,422,332	28,641,795	11,982,308	28,812,921
Special Project Bonds (2)	1,006,865	n/a	n/a	1,064,380	n/a	1,118,105	n/a
Total	$16,004,131	$26,356,418	$11,856,517	$14,486,712	$28,641,795	$13,100,413	$28,812,921

* 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 (see Appendix B, Debt Management Policies).

(3) **Railroad Rehabilitation & Improvement Financing (RRIF):** While RRIF financing has been anticipated in the budget process, neither the Port Authority's Board of Commissioners nor the Federal Railroad Administration have authorized or approved the application for or advancing of such funds.

(4) **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.

Staffing

BUDGETED POSITIONS

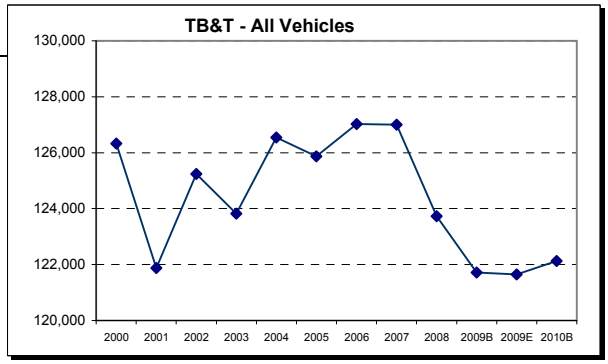
DEPARTMENT	2010 Budget	2009 Estimate	2008 Actual
CHIEF ADMINISTRATIVE OFFICER	9	9	10
Human Resources (including Medical Services)	66	69	70
Labor Relations	11	12	12
Operations Services	444	444	445
Operations Standards	7	7	7
Procurement	94	96	96
CHIEF, CAPITAL PLANNING	7	8	6
Office of Strategic Initiatives	4	--	--
Office of Business and Job Opportunity	13	13	13
Office of Environmental & Energy Programs	12	13	8
Planning	19	26	20
Project Management	--	--	162
WTC Construction	116	122	40
CHIEF ENGINEER/Engineering	557	573	604
CHIEF FINANCIAL OFFICER	4	5	8
Comptroller's	103	105	115
Management and Budget	40	44	79
Office of Financial Analysis	7	9	--
Priority Programs	8	--	--
Treasury	46	47	51
CHIEF OPERATING OFFICER	8	7	7
Aviation	958	978	921
Capital Security Projects	25	26	--
Port Commerce	172	179	168
Project Management Office	9	12	--
Rail / PATH	1,081	1,088	1,075
Tunnels, Bridges & Terminals	911	940	910
CHIEF, PUBLIC & GOVERNMENT AFFAIRS	2	2	2
Government and Community Affairs	12	13	15
Media Relations	9	11	14
Marketing	28	30	31
CHIEF, REAL ESTATE & DEVELOPMENT	2	2	2
Real Estate & WTC Redevelopment	80	84	71
CHIEF TECHNOLOGY OFFICER/TECHNOLOGY SERVICES	105	112	123
EXECUTIVE OFFICES	9	9	9
GENERAL COUNSEL/LAW	132	136	137
INSPECTOR GENERAL	30	30	29
Audit	77	76	78
OFFICE OF THE SECRETARY	17	16	16
PUBLIC SAFETY			
Office of Emergency Management	18	19	19
Public Safety	1,725	1,755	1,755
TOTAL POSITIONS	6,977	7,127	7,128

Activity Highlights

ACTIVITY HIGHLIGHTS
2000 - 2008 ACTUAL, 2009 ESTIMATE AND 2010 BUDGET
(in thousands)

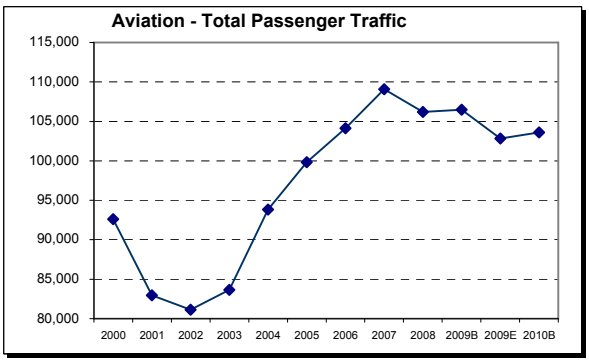
Tunnels, Bridges & Terminals
(Eastbound Vehicular Movements)

	Autos	Buses	Trucks	Total
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 Budget	110,431	3,187	8,097	121,715
2009 Estimate	110,942	3,110	7,594	121,646
2010 Budget	111,329	3,127	7,669	122,125



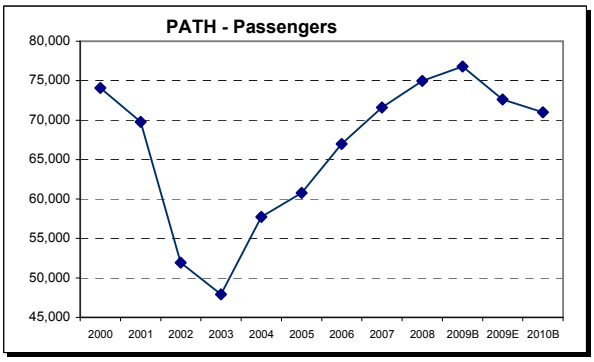
Aviation - Passengers

	International	Domestic	Total
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 Budget	35,294	71,182	106,476
2009 Estimate	33,999	68,848	102,847
2010 Budget	34,313	69,275	103,588



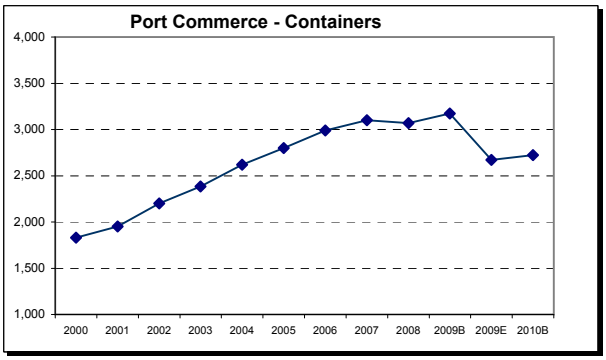
PATH - Passengers

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 Budget	76,808
2009 Estimate	72,620
2010 Budget	70,986



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 Budget	3,172
2009 Estimate	2,670
2010 Budget	2,724



2010 Capital Plan Project List

PORT AUTHORITY 2010 CAPITAL SPENDING

SUMMARY BY DEPARTMENTS

(In thousands)

		2010 Budget
Aviation		$ 520,090
Development		27,049
PATH		356,942
Port Commerce		199,798
Tunnels, Bridges & Terminals		160,595
World Trade Center		1,596,413
Access to the Region's Core		503,991
Regional Capital Programs		49,922
	Total	**3,414,799**
Provision for Efficiency and Phasing		(290,274)
	Grand Total	**$ 3,124,525**

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
2010 CAPITAL SPENDING
SORTED BY DEPARTMENT, FACILITY AND PROGRAM
(In thousands)

PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	AVIATION		
	CA02-LaGUARDIA AIRPORT		
	AERONAUTICAL		
CA02-066	RUNWAY DECK STRUCTURAL REHABILITATION	SGR	$ 546
CA02-083	AIRCRAFT RESCUE FF - BUILDING AND TECHNOLOGICAL SYSTEMS	SEP	9,500
CA02-118	REPLACEMENT OF DECK EPOXY WEARING COURSE ON RUNWAY SURFACE PHASE III	SGR	270
CA02-127	PRIORITY REPAIRS ITEMS - PHASE III - RUNWAY DECK REHAB	SGR	2,715
CA02-128	TRANSFER CIRCUIT TO EXT. CONDUITS AND DECOMMISSION EMBED. PHASE III	SGR	348
CA02-129	REHABILITATION OF THE EXPANSION JOINTS. PHASE III - RUNWAY DECK REHAB	SGR	371
CA02-138	RUNWAY 4-22 OVERLAY AND TAXIWAY REHAB	SGR	5,821
CA02-341	TAXIWAY PAVEMENT & LIGHTING REHABILITATION	SGR	1,119
CA02-342	AIRFIELD LIGHTING UPGRADE	SGR	601
CA02-343	REHAB CTB CONCOURSE ALLEYWAY PAVEMENT	SGR	383
CA02-351	INSTRUMENT LANDING SYSTEM PIERS	SGR	357
CA02-366	MICROSURFACING OF TAXIWAY E	SGR	503
CA02-368	REHABILITATION OF TAXIWAY F, D, Y AND RESTRICTED VEHICLE SERVICE ROAD	SGR	1,122
CA02-369	LGA - RUNWAY WEATHER INFORMATION SYSTEM	MAND	172
			23,828
	INFRASTRUCTURE		
CA02-053	SCHOOL SOUNDPROOFING - PHASE III	MAND	11,048
CA02-054	WESTSIDE DOMESTIC WATER LATERAL UPGRADE	SGR	301
CA02-055	REHAB OF THE DIKE WALL ALONG\D BOWERY BAY & 13-31	SGR	183
CA02-063	REMOVAL OF LOW TO HIGH PRESSURE CROSSOVER CONNECTIONS	MAND	1,489
CA02-075	REHAB OF CTB AIR HANDLING UNITS	SGR	2,090
CA02-076	UPGRADE HVAC IN CTB EAST	SGR	1,460
CA02-080	REHAB OF SANITARY EJECTOR PITS AT CTB	SGR	554
CA02-081	CTB UPGRADE OF HOT WATER SYSTEM IN MECH. ELEC. ROOM NO. 3	SGR	1,076
CA02-132	STORM WATER DRAINAGE IMPROVEMENTS	SGR	345
CA02-144	PUMP HOUSE #6, REPLACEMENT OF PUMPS AND APPURTANCES	SGR	858
CA02-185	RUNWAY SAFETY ENHANCEMENTS	MAND	1,098
CA02-189	FIRE PUMP STATION UPGRADE	SGR	1,021
CA02-192	CENTRAL ELECTRICAL SUBSTATION REPLACEMENT	SGR	497
CA02-193	CTB CONCOURSES-CONCRETE PLANK REHAB	SGR	197
CA02-227	REHAB 22 ELECTRICAL TRANSFORMERS	SGR	1,199
CA02-328	UPGRADE PUMPS IN PUMP HOUSE #4	SGR	504
CA02-336	PUMP HOUSE 4 & 5 UPGRADE	SGR	858
CA02-345	PUMP HOUSE ELECTRICAL UPGRADES	SGR	747
CA02-370	GENERGY ADVANCED METERING INFRASTRUCTURE DEPLOYMENT	RPP	500
PA02-001	CAPITAL MAJOR WORK PROGRAM	SGR	6,736
			32,761
	LANDSIDE		
CA02-078	REHAB OF STRUCTURES L1 AND L2	SGR	421
CA02-347	WEST END ROADWAY IMPROVEMENTS	SGR	172
CA02-348	AIR TERMINAL HIGHWAY REHAB	SGR	2,010
			2,603
	SECURITY		
CA02-059	IN LINE BAGGAGE SCREENING PROGRAM	SEC	5,000
CA02-114	INSTALLATION OF BOLLARDS AT TENANT TERMINALS	SEC	920
CA02-117	LGA UPGRADE OF GUARD POST ANTI-RAM VEHICLE	SEC	222
CA02-231	PERIMETER INTRUSION DETECTION SYSTEM	SEC	923
CA02-246	TERMINAL SECURITY ENHANCEMENTS	SEC	1,170
CA02-330	INSTALLATION OF BIOMETRIC SYSTEM	SEC	736
CA02-331	PERIMETER HARDENING	SEC	1,379
CA02-332	INSTALLATION OF BOLLARDS	SEC	6,577
CA02-333	INSTALLATION OF UNMANNED SECURITY GATES	SEC	1,731
			18,657

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
2010 CAPITAL SPENDING
SORTED BY DEPARTMENT, FACILITY AND PROGRAM
(In thousands)

PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	TERMINALS		
CA02-004	CTB - UPGRADE 19 HVAC CONCOURSE CORRIDORS UNITS	SGR	6,449
CA02-035	CUSTOMER SERVICE INITIATIVES	SEP	876
CA02-250	CTB ROOF REPLACEMENT & STRUCTURAL REHAB.	SGR	2,626
CA02-251	CTB ARRIVALS LEVEL ROOF REHAB.	SGR	1,180
CA02-339	CTB MODERNIZATION - PLANNING	RPP	14,827
			25,958
	CA02-LaGUARDIA AIRPORT		103,807
	CA03-JFK AIRPORT		
	AERONAUTICAL		
CA03-019	REHAB CTA ROADWAY MILL & OVERLAY	SGR	3,719
CA03-029	REHAB TAXIWAY F-MILL & OVERLAY	SGR	3,946
CA03-032	REHAB TAXIWAYS FA & FB- MILL & OVERLAY	SGR	504
CA03-033	TAXIWAY Q SLAB REHAB	SGR	363
CA03-035	REHAB TAXIWAYS R,SC & SD-MILL & OVERLAY	SGR	101
CA03-082	TAXIWAY YA EXTENSION	SEP	524
CA03-083	TAXIWAY FB EXTENSION - ZA to E	SEP	455
CA03-087	TAXIWAY KK EXTENSION	SEP	8,281
CA03-088	TAXIWAY J PAD	SEP	13,625
CA03-089	TAXIWAY P PAD	SEP	11,043
CA03-164	RUNWAY WEATHER INFORMATION SYSTEM	MAND	266
CA03-376	REHAB TAXIWAY S, SC, SD & SR	SGR	24
CA03-380	BUILDING 161 FIRE PUMP STATION REHABILITATION	SGR	1,754
CA03-381	REHAB TAXIWAY E	SGR	1,155
CA03-514	REHAB RUNWAY 13R-31L	SGR	147,005
CA03-564	REHAB TAXIWAYS Y & PORTION OF T/W F, H,G,J- MILL & OVERLAY	SGR	1,550
CA03-565	CONSTRUCT CENTRALIZED DE-ICING FACILITY	RPP	1,921
CA03-575	REHAB RESTRICTED VEHICLE SERVICE ROAD INTERIOR MILL & OVERLAY	SGR	1,683
CA03-576	RESTRICTED VEHICLE SVS RD BRIDGES	SEP	2,216
			200,133
	INFRASTRUCTURE		
CA03-001	INSTALLATION OF BACKFLOW PREVENTERS AND METER UPGRADES – PHASE II	MAND	3,893
CA03-002	INSTALLATION OF BACKFLOW PREVENTERS AND METER UPGRADES – PHASE III	MAND	783
CA03-016	EMERGENCY FUEL SHUTOFF SYSTEM	MAND	1,226
CA03-017	FUEL FARM TANK MOAT REHAB (PH 2 & 3)	MAND	2,196
CA03-039	HIGH PRESSURE VALVE REPLACEMENT PHASE III	SGR	1,606
CA03-043	REHAB BULK FUEL FARM COMMISSARY ROAD-MILL & OVERLAY	SGR	1,364
CA03-067	REHABILITATION OF OUTFALLS 10 AND 13	SGR	1,599
CA03-078	SCHOOL SOUNDPROOFING - PHASE III	MAND	4,385
CA03-080	BACKFLOW PREVENTERS INSTALLATION AND WATER METER UPGRADES	MAND	1,259
CA03-112	CENTRAL SUBSTATION REHAB (A,B,C&D)	RPP	64
CA03-148	GENERGY ADVANCED METERING INFRASTRUCTURE DEPLOYMENT	RPP	1,200
CA03-339	REHAB BULK FUEL FARM FUEL TANK BOTTOMS AND ROOFS - PHASE II	MAND	869
CA03-459	REHABILITATION OF BUILDING 141 OFFICE AREA ROOF	SGR	130
CA03-538	REPLACE JFK OVERHEAD B-14 DOORS	SGR	470
CA03-539	REPLACEMENT OF GEOCOMPOSITE LINERS AT BULK FUEL FARM	MAND	49
CA03-540	BUILDING 215 NEW ROOF SYSTEM	SGR	119
CA03-541	REPLACEMENT OF EMERGENCY TELEPHONE	SEP	1,176
CA03-548	REPLACE 5KV SWITCHGEAR AT SATELITE FUEL FARM BLDG 241 & 269	SGR	3,645
CA03-567	H15 ROOF REHAB	SGR	315
CA03-573	BUILDING 254 GEOTHERMAL	SEP	154
CA03-574	BLDG 156 (CONTROL TOWER) ROOFING	SGR	1,284
PA03-001	CAPITAL MAJOR WORK PROGRAM	SGR	13,473
			41,256
	LANDSIDE		
CA03-388	UPGRADE JFK TRAFFIC SIGNAL SYSTEMS PHASE I	SGR	116
			116

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
2010 CAPITAL SPENDING
SORTED BY DEPARTMENT, FACILITY AND PROGRAM
(In thousands)

PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	SECURITY		
CA03-141	INSTALLATION OF BOLLARDS AT TENANT TERMINALS	SEC	1,664
CA03-145	JFK-UPGRADE OF GUARD POST ANTI-RAM VEHICLE	SEC	560
CA03-146	IN LINE BAGGAGE SCREENING PROGRAM	SEC	5,000
CA03-389	AIRPORT PERIMETER SECURITY	SEC	923
CA03-390	AERO OPS AREA GUARD POST SECURITY ENHANCEMENTS	SEC	1,325
CA03-391	INSTALL COMPUTERIZED ACCESS CONTROL SYSTEM	SEC	6,296
CA03-420	800 MHZ RADIO SYSTEM	SEC	735
CA03-504	800 MHZ REPLACE T1 LINES WITH MICRO ANTENNE	SEC	748
CA03-505	INSTALLATION OF BIOMETRIC SYSTEM	SEC	743
CA03-506	PERIMETER HARDENING	SEC	97
CA03-507	INSTALLATION OF UNMANNED SECURITY GATES	SEC	637
CA03-510	JFK SECURITY PROTOTYPE PROJECTS	SEC	117
			18,845
	TERMINALS		
CA03-072	BUILDING 60 TWA ADAPTIVE USE - EXTERIOR RENOVATIONS	RPP	192
CA03-075	TWA FLIGHT CENTER INTERIOR RENOVATION	RPP	3,937
			4,129
	CA03-JFK AIRPORT		264,479
	CA32-KENNEDY AIRPORT REDEVELOPMENT		
	TERMINALS		
CA32-048	NEW DOMESTIC TERMINAL	RPP	3,347
			3,347
	CA32-KENNEDY AIRPORT REDEVELOPMENT		3,347
	CA39-JFK AIRTRAIN		
	LANDSIDE		
CA39-001	JFK AIRTRAIN	SEP	815
			815
	CA39-JFK AIRTRAIN		815
	KENNEDY AIRPORT TOTAL		268,641
	CA04-NEWARK LIBERTY AIRPORT		
	AERONAUTICAL		
CA04-285	TAXIWAY FILLET IMPROVEMENTS	SEP	2,207
CA04-309	EWR - NAVIGATION AID IMPROVEMENTS	SEP	247
CA04-499	REHAB OF TAXIWAY A BETWEEN T/W RA & RC AND SECTIONS OF T/W K, M, Q, & PA	SGR	6,064
CA04-500	REHAB OF T/W W	SGR	150
			8,668

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
2010 CAPITAL SPENDING
SORTED BY DEPARTMENT, FACILITY AND PROGRAM
(In thousands)

PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	INFRASTRUCTURE		
CA04-036	CH&RP - REPLACE TRANSFORMERS	SGR	230
CA04-038	CH&RP - REPLACE CHILLERS	SGR	2,482
CA04-073	TERM B FIRE ALARM SYSTEM UPGRADE	MAND	644
CA04-084	GARAGE LIFT AT BUILDING 11	SGR	925
CA04-294	FIRE ALARM UPGRADE	MAND	500
CA04-314	NEC WAYSIDE ECOMMUNICATION	MAND	4,296
CA04-320	REHABILIATION OF SWITCH HOUSE #2	SGR	405
CA04-419	BUILDING MANGEMENT SYS - TERMINALS A, B & C	SGR	1,697
CA04-468	COMPLETE 27KV LOOP - CTA	SEP	1,812
CA04-472	INSTALL FIBER OPTIC INFRASTRUCTURE	SEP	289
CA04-489	GROUND BASED AUGMENTATION SYSTEM (GBAS)	SEP	379
CA04-495	TERMINAL B FIS SUBSTATION EMERGENCY GENERATOR CAPACITY UPGRADE	SEP	2,532
CA04-496	SNOW AND SAND STORAGE BLDG 81	SGR	2,350
CA04-498	HTHW GENERATOR REPLACEMENT (4 GENERATORS)	SGR	2,606
CA04-501	TSD DATA CENTER	SEP	882
CA04-505	RUNWAY WEATHER INFORMATION SYSTEM	MAND	279
PA04-001	CAPITAL MAJOR WORK PROGRAM	SGR	9,464
			31,771
	LANDSIDE		
CA04-248	MONORAIL MID LIFE OVERHAUL - VEHICLE SUB	MAND	336
CA04-287	IMPROVEMENTS TO BREWSTER & N. A/P EXIT	SGR	9,899
CA04-306	REFURBISH CTA TOLL PLAZA	SGR	2,585
			12,820
	SECURITY		
CA04-316	PERIMETER SECURITY SYSTEM	SEC	923
CA04-318	ELECTRICAL SUBSTATION SECURITY ENHANCEMENT	SEC	301
CA04-319	TERMINAL SECURITY ENHANCEMENTS	SEC	3,882
CA04-397	INSTALLATION OF BIOMETRIC SYSTEM	SEC	388
CA04-398	INSTALLATION OF BOLLARDS	SEC	210
CA04-399	PHYSICAL ENHANCEMENT OF AOA PERIMETER	SEC	179
CA04-400	INSTALLATION OF UNMANNED SECURITY GATES	SEC	125
CA04-481	IN LINE BAGGAGE SCREENING PROGRAM	SEC	5,000
CA04-482	INSTALLATION OF BOLLARDS AT TENANT TERMINALS	SEC	920
CA04-483	UPGRADE OF GUARD POST ANTI-RAM VEHICLE BARRIER CONTROL PANELS	SEC	414
			12,343
	TERMINALS		
CA04-078	TERM B REHABILITATION OF SATELLITE FEEDERS AND SWITCHGEAR	MAND	713
CA04-079	TERM B REPLACEMENT OF AC12, AC13 AND HOT WATER HEATING SYSTEM PUMPS	MAND	4,704
CA04-222	TERMINAL A VERTICAL CIRCULATION	SEP	2,286
CA04-445	INSTALL NEW BIDS SYS - TERMINAL B FIS	SGR	763
CA04-473	TERMINAL B REHAB ELECT. & MECH. SYSTEMS PHASE II	SGR	1,900
			10,365
	CA04-NEWARK LIBERTY AIRPORT		75,968
	CA44-NEWARK LIBERTY REDEVELOPMENT		
	TERMINALS		
CA44-010	TERMINAL A MODERNIZATION	RPP	6,000
CA44-017	LOWER LEVEL EXPANSION & B1 VERTICAL CIRC.	RPP	6,728
CA44-018	UPPER LEVEL INTERNATIONAL DEPARTURES	RPP	13,839
CA44-025	CONNECTOR EXPANSION	RPP	4,254
			30,821
	CA44-NEWARK LIBERTY REDEVELOPMENT		30,821
	NEWARK LIBERTY AIRPORT TOTAL		106,789

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	CA05-TETERBORO AIRPORT		
	AERONAUTICAL		
CA05-085	REHAB RUNWAY 1-19	SGR	596
CA05-086	REHAB RUNWAY 6-24	SGR	8,744
CA05-107	RUNWAY 1-19 SAFETY ENHANCEMENTS (EMAS)	MAND	5,462
CA05-108	REDNECK AVENUE RELOCATION	MAND	8,481
			23,283
	INFRASTRUCTURE		
PA05-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,159
			1,159
	SECURITY		
CA05-049	AIRPORT PERIMETER SECURITY ENHANCEMENT	SEC	468
CA05-113	RUNWAY WEATHER INFORMATION SYSTEM	MAND	77
			545
	CA05-TETERBORO AIRPORT		24,986
	CA06-STEWART AIRPORT		
	AERONAUTICAL		
CA06-004	REPLACE AIRPORT WEATHER INSTRUMENTATION POWER CIRCUIT	SGR	2,654
CA06-010	REHABILITATE TAXIWAY LIGHTING	SGR	5,878
CA06-028	APPROACH LIGHTING, FIXTURES & CABLES	SGR	2,721
CA06-043	RUNWAY INCURSION MITIGATION	MAND	100
CA06-049	RUNWAY WEATHER INFORMATION SYSTEM	MAND	191
			11,544
	INFRASTRUCTURE		
CA06-029	LONG TERM PARKING LOT EXPANSION AND STEWART BOULEVARD REALIGNMENT	SGR	2,092
PA06-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,204
			3,296
	LANDSIDE		
CA06-039	REHAB OF BRUENIG ROAD AND 1ST, 2ND AND Y STREETS	SGR	400
			400
	TERMINALS		
CA06-007	TERMINAL IMPROVEMENTS	RPP	503
CA06-030	CUSTOMER SERVICE INITIATIVES	SEP	123
			627
	CA06-STEWART AIRPORT		15,866
	AVIATION TOTAL		520,090

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	DEVELOPMENT		
	CD12-QUEENS WEST		
	INFRASTRUCTURE		
CD12-005	QUEENS WEST - STAGE 1 DEVELOPMENT	MAND	4,200
			4,200
	CD12-QUEENS WEST		4,200
	CH02-FERRY TRANSPORTATION		
	INFRASTRUCTURE		
CH02-006	HOBOKEN PERMANENT FERRY TERMINAL	SEP	17,085
			17,085
	CH02-FERRY TRANSPORTATION		17,085
	CW03-TELEPORT		
	INFRASTRUCTURE		
PW03-001	CAPITAL MAJOR WORK PROGRAM	SGR	3,780
			3,780
	SECURITY		
CW03-027	MODIFICATIONS TO TELEPORT ENTRANCE	SEC	1,984
			1,984
	CW03-TELEPORT		5,764
	DEVELOPMENT TOTAL		27,049
	PATH		
	CR02-PATH		
	CARS		
CR02-345	PURCHASE 340 NEW PA5 CARS	SGR	109,909
CR02-406	MASTER PLAN FOR NEW RAILCARS	SGR	4,997
			114,906
	INFRASTRUCTURE		
CR02-259	INSTALLATION OF CONTINUOUS WELDED RAIL SYSTEM	SGR	287
CR02-328	TUNNEL DRAINAGE SYSTEM - PHASE II	SGR	660
CR02-336	CHRISTOPHER ST SUBSTATION REPLACEMENT AND UPGRADE	SGR	4,127
CR02-378	SUBSTATION #8 UPGRADE - KEARNY NJ	SGR	1,959
CR02-462	SUBSTATION UPGRADE # 7 - JERSEY CITY	SGR	3,276
PR02-001	CAPITAL MAJOR WORK PROGRAM	SGR	20,295
			30,604
	SECURITY		
CR02-394	800 MHZ RADIO PROGRAM - POLICE	SEC	6,534
			6,534
	SIGNALS/COMMUNICATIONS		
CR02-150	SIGNAL REPLACEMENT PROGRAM	SGR	65,427
			65,427
	STATIONS		
CR02-253	COMPREHENSIVE SIGNING STATIC	SEP	4,055
CR02-312	CONSTRUCT PATH 9TH ST ENTRANCE	SEP	500
CR02-440	PATHVISION & PUBLIC ADDRESS SYSTEM REPLACEMENT	SGR	1,095
CR02-447	HOBOKEN CORRIDOR MODERNIZATION IMPROVEMENTS	SGR	1,865
CR02-451	PAVONIA/NEWPORT WATERPROOFING	SGR	2,481
CR02-496	HARRISON PROPERTY ACQUISITION AND REMEDIATION	SEP	1,254
CR02-497	PROPERTY ACQUISITION SUBSATION 9 - HARRISON	SEP	500
			11,750

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	TRACKS		
CR02-212	TIE REPLACEMENT IN OUTSIDE AREAS	SGR	451
CR02-258	REPLACEMENT OF TURNOUTS-PHASE III	SGR	709
CR02-261	REPLACEMENT OF 3RD RAIL	SGR	511
CR02-358	U69 GUARD RAIL	SGR	691
			2,362
	CR02-PATH		231,584
	CR08-PATH SAFETY		
	INFRASTRUCTURE		
CR08-022	VENT SYSTEM - FAN BLADE REPLACEMENT	SGR	922
			922
	SECURITY		
CR08-051	SECURITY & CONTROL CENTER BUILDING	SEC	22,098
CR08-058	PURCHASE EMERGENCY RESPONSE EQUIPMENT - UTV	SEC	487
CR08-061	INSTALL DIGITAL VIDEO RECORDING SYSTEM	SEC	370
CR08-065	CCTV & ACCESS CONTROL - EXCHANGE PLACE	SEC	136
CR08-066	EXCHANGE PLACE LAND SIDE SECURITY	SEC	796
CR08-067	RAM BARRIER / GUARD BOOTH - JSTC	SEC	38
CR08-068	JSTC HARDENING & PHYSICAL PROTECTION	SEC	535
CR08-078	FLOOD GATES / FLOOD MITIGATION	SEC	19,647
CR08-079	TUNNEL EXTERIOR MITIGATION	SEC	63,446
CR08-080	INSTALL (LIDS) LASER INTRUSION DET. SYS AT PAV, HOB & CHRIS. ST.	SEC	276
CR08-087	UPGRADE BADGING	SEC	563
CR08-088	INTEGRATED SECURITY SYSTEMS AND GRAPHIC USER INTERFACE	SEC	741
CR08-092	INSTALLATION OF 800MHz FREQUENCY CONVERTERS	SEC	2,531
			111,661
	TRACKS		
CR08-060	INSTALLATION OF TUNNEL BARRIER DOOR	MAND	3,753
			3,753
	CR08-PATH SAFETY		116,336
	CR21-JOURNAL SQUARE		
	INFRASTRUCTURE		
CR21-032	JSTC - BUS TERMINAL ESCALATOR REPLACEMENT	SGR	3,198
PR21-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,710
			4,908
	SECURITY		
CR21-068	UPGRADE PATH PAPD COMMAND AT JSTC	SEC	1,645
			1,645
	STATIONS		
CR21-054	REPLACE SIX AIR HANDLERS AT JSTC	SGR	2,469
			2,469
	CR21-JOURNAL SQUARE		9,022
	PATH TOTAL		356,942

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	PORT COMMERCE		
	CP05-PORT NEWARK		
	DREDGING		
CP05-120	CONSOLIDATED PROJECT TO 50 FT - NY/NJ HARBOR DEEPENING	MAND	17,000
			17,000
	INFRASTRUCTURE		
CP05-134	BERTH 8 REPLACEMENT	SGR	5,100
CP05-169	BERTHS 36 & 63 WHARF RECONSTRUCTION	SGR	4,597
CP05-172	BERTH 6 REPLACEMENT	SGR	2,980
CP05-191	BACKFLOW PREVENTERS	SGR	1,264
CP05-192	WAREHOUSE REHAB OR DEMOLITION AT NJMT	SGR	221
CP05-193	UPGRADE WATER LINES AT NJMT	SGR	1,000
CP05-206	NJMT - FAPS BUILDING DEMOLITION 301 & 305	SGR	666
PP05-001	CAPITAL MAJOR WORK PROGRAM	SGR	3,519
			19,347
	INTERMODAL		
CP05-129	EXPRESSRAIL/CORBIN INTERMOD R-SUPPORT 1B	RPP	790
CP05-148	EXPRESSRAIL/CORBIN INTERMOD R-SUPPORT IIA	RPP	500
CP05-195	CORBIN STREET FLYOVER	RPP	2,500
			3,790
	ROADWAYS		
CP05-154	CORBIN & TYLER STREETS INTERSECTION IMPROVEMENTS	SEP	1,813
CP05-155	PORT STREET AND DOREMUS INTERSECTION IMPROVEMENTS	SEP	230
CP05-156	PORT STREET AND PORT STREET CONNECTOR	SEP	1,836
CP05-187	PORT STREET CAPACITY IMPROVEMENT	RPP	1,000
			4,879
	SECURITY		
CP05-122	CCTV MONITOR SYSTEM & OPERATIONS CENTER	SEC	1,443
CP05-124	PORT SECURITY PROGRAM - BADGE, ID SYSTEM	SEC	4,060
			5,503
	CP05-PORT NEWARK		50,518
	CP08-PORT AUTHORITY MARINE TERMINAL AT ELIZABETH		
	DEVELOPMENT		
CP08-071	MAHER TERMINAL - PA FUNDED TENANT IMPROVEMENTS	RPP	1,128
			1,128
	DREDGING		
CP08-111	UTILITIES RELOCATION KVK/NB 50' CHANNEL	MAND	13,500
CP08-112	CONSOLIDATED PROJECT TO 50 FEET - NY/NJ HARBOR DEEPENING	MAND	18,000
			31,500
	INFRASTRUCTURE		
PP08-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,813
			1,813
	INTERMODAL		
CP08-115	MCLESTER ST DUAL LEAD TRACK/ROAD RECONFIGURATION	RPP	501
CP08-140	UTILITIES - EXPRESSRAIL ELIZ. LEAD TRACKS & SOUTH BAY AVE.	RPP	264
			765
	ROADWAYS		
CP08-086	MCLESTER ST. CURVE REALIGNMENT	SEP	6,970
CP08-096	MCLESTER STREET ROADWAY WIDENING	SEP	1,000
CP08-127	NORTH AVE ROADWAY CAPACITY IMPROVEMENTS	SEP	499
CP08-139	UTILITY RELOCATION MCLESTER STREET WIDENING	SEP	1,200
			9,669
	CP08-PORT AUTHORITY MARINE TERMINAL AT ELIZABETH		44,875

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	CP09-BROOKLYN PIERS		
	INFRASTRUCTURE		
CP09-035	BROOKLYN PIERS INFRASTRUCTURE	SGR	935
CP09-105	REHABILITAITON OF PILES AT PIERS 7, 8 & 9B	SGR	801
CP09-106	REPLACE BULKHEAD BETWEEN 7 AND 8	SGR	2,000
CP09-108	CRUISE TERMINAL SHORE POWER	SEP	1,500
			5,236
	SECURITY		
CP09-085	PORT SECURITY PROGRAM NYAMT-BADGE, ID SYSTEM	SEC	3,099
			3,099
	CP09-BROOKLYN PIERS		8,335
	CP11-HOWLAND HOOK		
	DEVELOPMENT		
CP11-056	PORT IVORY EXPANSION-PARCEL C DEVELOPMENT	SEP	1,500
			1,500
	DREDGING		
CP11-039	CONSOLIDATED PROJECT TO 50 FEET - NY/NJ HARBOR DEEPENING	MAND	8,000
CP11-044	UTILITY RELOCATION - ARTHUR KILL 50' CHANNEL	MAND	13,500
			21,500
	INFRASTRUCTURE		
CP11-058	HOWLAND HOOK PAVING AND UTILITY PHASE 2	SGR	140
CP11-071	HOWLAND HOOK PAVING AND UTITLITY PHASE 2A	MAND	3,940
PP11-001	CAPITAL MAJOR WORK PROGRAM	SGR	4,359
			8,439
	INTERMODAL		
CP11-030	SI RAILWAY/CHEMICAL COAST LINE NORTH BOUND	RPP	400
			400
	CP11-HOWLAND HOOK		31,839
	CP16-AUTO MARINE TERMINAL		
	DEVELOPMENT		
CP16-027	AUTOMARINE TERMINAL DEVELOPMENT	RPP	3,000
			3,000
	INFRASTRUCTURE		
PP16-001	CAPITAL MAJOR WORK PROGRAM	SGR	146
			146
	INTERMODAL		
CP16-035	INTERMODAL FACILITY AT GREENVILLE YARDS	RPP	1,500
			1,500
	ROADWAYS		
CP16-038	ACCESS IMPROVEMENT PORT JERSEY	MAND	500
			500
	SECURITY		
CP16-024	INSTALLATION OF CCTV SECURITY SYSTEM	SEC	1,237
CP16-031	INSTALL CCTV AT NJMT - PHASE IV (AMT)	SEC	447
			1,684
	CP16-AUTO MARINE TERMINAL		6,830

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	CP17-NY/NJ RAIL LLC		
	INTERMODAL		
CP17-003	CROSS HARBOR PERMITTING, PLANNING, DESIGN (MASTER PLAN)	SEP	696
CP17-005	CROSS HARBOR RAIL FREIGHT	SEP	55,605
CP17-007	LIFTBRIDGE EMERGENCY REHABILITATION- NJ	SGR	700
			57,001
	CP17-NY/NJ RAIL LLC		57,001
	CP91-RED HOOK TERMINAL		
	INFRASTRUCTURE		
PP91-001	CAPITAL MAJOR WORK PROGRAM	SGR	400
			400
	CP91-RED HOOK TERMINAL		400
	PORT COMMERCE TOTAL		199,798
	TUNNELS, BRIDGES & TERMINALS		
	CB02-HOLLAND TUNNEL		
	INFRASTRUCTURE		
CB02-040	REHABILATION OF TUNNEL VENT SYS MECHANICAL / ELECTRICAL	SGR	15,185
CB02-123	REPLACEMENT OF PIER 9/204	SGR	261
CB02-156	SUPERVISORY CONTROL SYSTEM REPLACEMENT	SGR	618
CB02-162	REPLACE FLOOR DRAINS/PIPING OF 4 VENT BLDGS	SGR	1,241
CB02-166	REPLACE HVAC SYS. AT NJ ADMIN. BUILDING & SVC GARAGE	SGR	2,090
CB02-171	LED LIGHTING UPGRADE	SEP	2,124
CB02-172	REHABILITATION OF CATWALK CAR RAIL	SGR	165
CB02-174	REPLACEMENT OF PIER 9/204- PHASE 2	SGR	257
PB02-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,915
			23,857
	SECURITY		
CB02-126	ACCESS CONTROL SYSTEM	SEC	209
CB02-153	INSTALLATION OF CROSS PASSAGE DOORS	SEC	6,727
			6,937
	CB02-HOLLAND TUNNEL		30,794
	CB03-LINCOLN TUNNEL		
	BRIDGE		
CB03-149	REHAB. GALVIN PLAZA & DYER AVE. BRIDGES	SGR	3,023
CB03-211	STRUCTURAL REHAB AND REPAVING OF HELIX	SGR	2,064
CB03-213	RECONSTRUCTION OF HELIX	SGR	1,303
			6,389
	INFRASTRUCTURE		
CB03-093	REPAINTING TUNNEL VENTILATION FANS	SGR	1,519
CB03-131	REHAB NJ VENT BUILDING EXIT	SGR	2,660
CB03-167	EXPLOSION PROOF EQUIPMENT	SGR	262
CB03-204	UPGRADE LIFE SAFETY MONITORING SYSTEM	SGR	204
CB03-228	REPLACE CRITICAL HVAC SYS AT NJ ADMIN. BLDG.	SGR	483
CB03-230	NORTH AND SOUTH TUBE - UNDERSIDE OF ROADWAY REHABILITATION	SGR	355
CB03-231	REPLACE VENTILATION LOUVERS IN NY VENT. BLDGS	SGR	361
CB03-233	INSTALLATION OF BACKFLOW PREVENTERS	MAND	885
CB03-239	REHAB DYER PLAZA, SUMP CEILING SLAB & 34TH TO 36TH ST.	SGR	1,474
CB03-245	LT RESURFACE EXPRESSWAY BTWN 31ST & 33RD STS.	SGR	244
PB03-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,836
			10,283

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	ROADWAYS		
CB03-214	BUS RAMP SLAB REPLACEMENT	SGR	3,492
CB03-250	RESURFACING OF DYER AVENUE BETWEEN 34TH & 36TH STS.	SGR	156
			3,648
	SECURITY		
CB03-163	UPGRADE/ACCESS CONTROL SYSTEM	SEC	355
CB03-208	INSTALLATION OF CROSS PASSAGE DOORS	SEC	5,329
CB03-235	UPGRADE CCTV SURVEILLANCE EQUIPMENT	SEC	934
			6,618
	CB03-LINCOLN TUNNEL		26,938
	CB04-GEORGE WASHINGTON BRIDGE		
	BRIDGE		
CB04-061	CENTER AND LEMOINE AVENUE REHABILITATION	SGR	403
CB04-132	RECOATING UNDERSIDE OF LOWER LEVEL	SGR	1,040
CB04-159	NY & NJ ANCHORAGE-DEHUMIDIFICATION SYSTEM	SGR	30
CB04-165	LEAD REMOVAL/RECOATING NY/NJ ANCHORAGE	SGR	378
CB04-207	SUSPENDER ROPE REPLACEMENT AT GWB	SGR	2,154
CB04-221	RECOAT RAMP LX1,LX2 & LL I-95 RAMPS 3&4	SGR	4,395
CB04-258	FORT LEE STREET IMPROVEMENTS	SGR	1,628
CB04-261	REHAB NJ ANCHORAGE AND HUDSON TERRACE OVERPASS	SGR	533
CB04-270	REHAB UL R/WAY ORTHOTROPIC DECK & SUPP STEEL	SGR	2,318
CB04-272	REHAB OF NY/NJ ANCHOR MAIN CABLE STRANDS	SGR	899
CB04-285	GWB REHAB OF PIP HELIX	SGR	395
CB04-286	NY HUDSON RAMP 1 & 2 - STRUCTURAL STEEL REHAB AND LEAD ABATEMENT	SGR	300
CB04-287	GWB - PRIORITY STEEL AND CONCRETE REHABILITATION	SGR	1,941
CB04-290	GWB REHAB OF UPPER LEVEL SIDEWALK	SGR	946
CB04-296	LLWB-MAIN SPAN & TME LLEB/WB ROADWAYS - PAVEMENT REPLACEMENT	SGR	3,221
CB04-313	REHABILITATION OF TME OVERPASSES	SGR	1,827
			22,409
	INFRASTRUCTURE		
CB04-219	REHAB NJ ADMINISTRATION BUILDING HVAC SYSTEM	SGR	618
CB04-228	REPLACE FIRE HYDRANT SYS LL BRIDGE SPAN	SGR	403
CB04-241	NJ/NY HIGH TENSION ELECT SWITCHGEAR REHAB	SGR	628
CB04-262	IMPACT ATTENUATOR GUIDERAILS & BARRIER REPLACEMENT- FACILITY WIDE	SGR	579
CB04-288	PRIORITY CRASH LOCATIONS TRAFFIC SAFETY IMPROVEMENT	SGR	470
PB04-001	CAPITAL MAJOR WORK PROGRAM	SGR	2,094
			4,792
	ROADWAYS		
CB04-133	RECOAT BUS TURNAROUND, RAMPS,& PLAZA	SGR	537
CB04-260	ALL ELECTRONIC TOLLING (MULTI-FACILITY)	SEP	7,605
CB04-276	REHAB 178TH/179TH STREET RAMP DECKS	SGR	688
CB04-297	ULWB MAIN SPAN, ULWB DEPARTURE & RAMPS-PAVEMENT REPLACEMENT	SGR	366
CB04-298	ULEB APPROACH, RAMPS & PIP HELIX-PAVEMENT REPLACEMENT	SGR	838
			10,034
	SECURITY		
CB04-189	UPGRADE/REPL ACCESS CONTROL SYSTEM	SEC	524
CB04-292	MAIN CABLES SHIELDING & FAN FENCING	SEC	2,058
CB04-293	UPPER LEVEL DRAINAGE	SEC	6,700
CB04-294	SUSPENDER ROPE SOCKET PROTECTION	SEC	1,448
			10,730
	CB04-GEORGE WASHINGTON BRIDGE		47,964

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	CB06-BAYONNE BRIDGE		
	BRIDGE		
CB06-038	RECOATING UNDERSIDE NY & NJ VIADUCTS	SGR	722
CB06-077	STRUCTURAL STEEL REHABILITATION	SGR	195
CB06-081	PRIORITY STEEL REHABILITATION	SGR	138
CB06-087	BAYONNE BRIDGE STUDY	SEP	4,968
CB06-101	BAYONNE BRIDGE FINGER JOINTS	SGR	395
			6,417
	INFRASTRUCTURE		
CB06-073	FIRE STANDPIPE REHABILITATION (BB)	SGR	431
CB06-100	CCTV CAMERA SYSTEM REPLACEMENT	SGR	247
PB06-001	CAPITAL MAJOR WORK PROGRAM	SGR	624
			1,302
	SECURITY		
CB06-080	NJ ARCH ABUTMENT PROTECTION	SEC	1,800
			1,800
	CB06-BAYONNE BRIDGE		9,519
	CB07-GOETHALS BRIDGE		
	BRIDGE		
CB07-103	GOETHALS BRIDGE MODERNIZATION	SGR	8,803
			8,803
	INFRASTRUCTURE		
CB07-093	HVAC REHAB, FIRE ALARM/SUPPRESSION INSTALLATION	SGR	3,231
CB07-108	REPLACE ADMINISTRATION BUILDING FAÇADE PANELS	SGR	699
CB07-114	FIRE STANDPIPE REPLACEMENT	SGR	387
PB07-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,058
			5,375
	SECURITY		
CB07-135	SECURITY FENCING	SEC	300
			300
	CB07-GOETHALS BRIDGE		14,478
	CP08-OUTERBRIDGE CROSSING		
	INFRASTRUCTURE		
PB08-001	CAPITAL MAJOR WORK PROGRAM	SGR	650
			650
	CP08-OUTERBRIDGE CROSSING		650
	CB48-GWB BUS STATION		
	INFRASTRUCTURE		
CB48-056	GWBBS DEVELOPMENT	RPP	3,022
PB48-001	CAPITAL MAJOR WORK PROGRAM	SGR	300
			3,322
	CB48-GWB BUS STATION		3,322

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	CT06-PORT AUTHORITY BUS TERMINAL		
	INFRASTRUCTURE		
CT06-059	REHABILITATION OF ENCLOSED PULL THROUGH PLATFORMS	SGR	4,057
CT06-120	REPLACEMENT OF BUILDING AUTOMATED MGMT CONTROL SYSTEM	SEP	657
CT06-130	REHABILITATE SPRINKLER PIPING SYSTEM	SGR	1,027
CT06-161	PABT-ADA GATE MODIFICATIONS	MAND	546
CT06-166	INSTALLATION OF ADDITIONAL SMOKE DETECTOR SYSTEM	MAND	2,510
CT06-181	REPLACEMENT OF EXHAUST FANS 19, 70 & 71	SGR	2,792
CT06-195	SEISMIC RETROFIT	MAND	3,668
CT06-196	3RD FLOOR SW WEARING COURSE REPLACEMENT	SGR	2,155
CT06-199	REPLACEMENT OF FIRE PUMPS	SGR	299
CT06-200	INSTALLATION OF FIRE ALARM VOICE EVACUATION SYSTEM	SGR	308
CT06-202	REPLACEMENT OF PRIMARY ELECTRIC SERVICE PHASE I	SGR	532
CT06-230	REPLACEMENT OF 58 HVAC UNITS	SGR	2,303
CT06-235	CONCRETE REHABILITATION	SGR	730
CT06-236	AIR RIGHTS DEVELOPMENT	RPP	600
PT06-001	CAPITAL MAJOR WORK PROGRAM	SGR	1,752
			23,935
	SECURITY		
CT06-124	PABT CONTROL CENTER	SEC	1,601
CT06-194	INSTALLATION OF BARRIER GATES	SEC	24
CT06-222	INSTALLATION OF BOLLARDS	SEC	1,030
CT06-238	INSTALL PERIMETER BOLLARDS S/WING 9TH AVE. ENTRANCE	SEC	341
			2,996
	CT06-PORT AUTHORITY BUS TERMINAL		26,931
	TUNNELS, BRIDGES & TERMINALS TOTAL		160,595

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PROJECT ID	TITLE	CATEGORY	2010 BUDGET
	WORLD TRADE CENTER		
CR12-001	WTC TRANSPORTATION HUB	MAND	349,731
CW11-003	WTC VEHICULAR SEC CTR&TOUR BUS PKNG FAC	SEC	115,196
CW11-008	WTC MEMORIAL	SEP	47,665
CW11-010	WTC SITE COMMON INFRASTRUCTURE	MAND	398,313
CW30-001	WTC RETAIL REDEVELOPMENT - PHASE 1	RPP	232,208
CW31-555	ONE WTC - CONSTRUCTION	RPP	453,300
	WORLD TRADE CENTER TOTAL		1,596,413
	ACCESS TO THE REGION'S CORE		
CF92-001	ACCESS TO THE REGION'S CORE (ARC)	SEP	503,991
	ACCESS TO THE REGION'S CORE TOTAL		503,991
	REGIONAL CAPITAL PROGRAMS		
CF81-002	NY ECONOMIC DEVELOPMENT PROGRAM	SRP	6,000
CF82-014	REGIONAL TRANSPORTATION PROGRAM - NJ PORTION	SRP	4,700
CF84-008	HUDSON-RARITAN ESTUARY PROGRAM - NJ	SRP	6,000
CF85-007	HUDSON-RARITAN ESTUARY PROGRAM - NY	SRP	8,000
CF99-001	REGIONAL TRANSPORTATION AND ECONOMIC DEVELOPMENT PROJECTS	SRP	10,000
CF99-003	REGIONAL DEVELOPMENT FACILITY	SRP	2,000
CF99-022	NJ PROJECT DEVELOPMENT FUNDS	SRP	3,222
CF99-024	NY APPROACH ROADWAYS	SRP	10,000
	REGIONAL CAPITAL PROGRAMS TOTAL		49,922
	SUBTOTAL		3,414,799
	PROVISION FOR EFFICIENCY AND PHASING		(290,274)
	CAPITAL PROGRAM TOTAL	$	3,124,525

Appendices

APPENDIX A: AGENCY OVERVIEW

PORT AUTHORITY OF NEW YORK AND NEW JERSEY FACILITIES

Legend:

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

International Business Development
Representatives in Hong Kong, London, Shanghai and Tokyo

Region

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:	17.4 Million (estimate for 2008)

ORIGINS

History

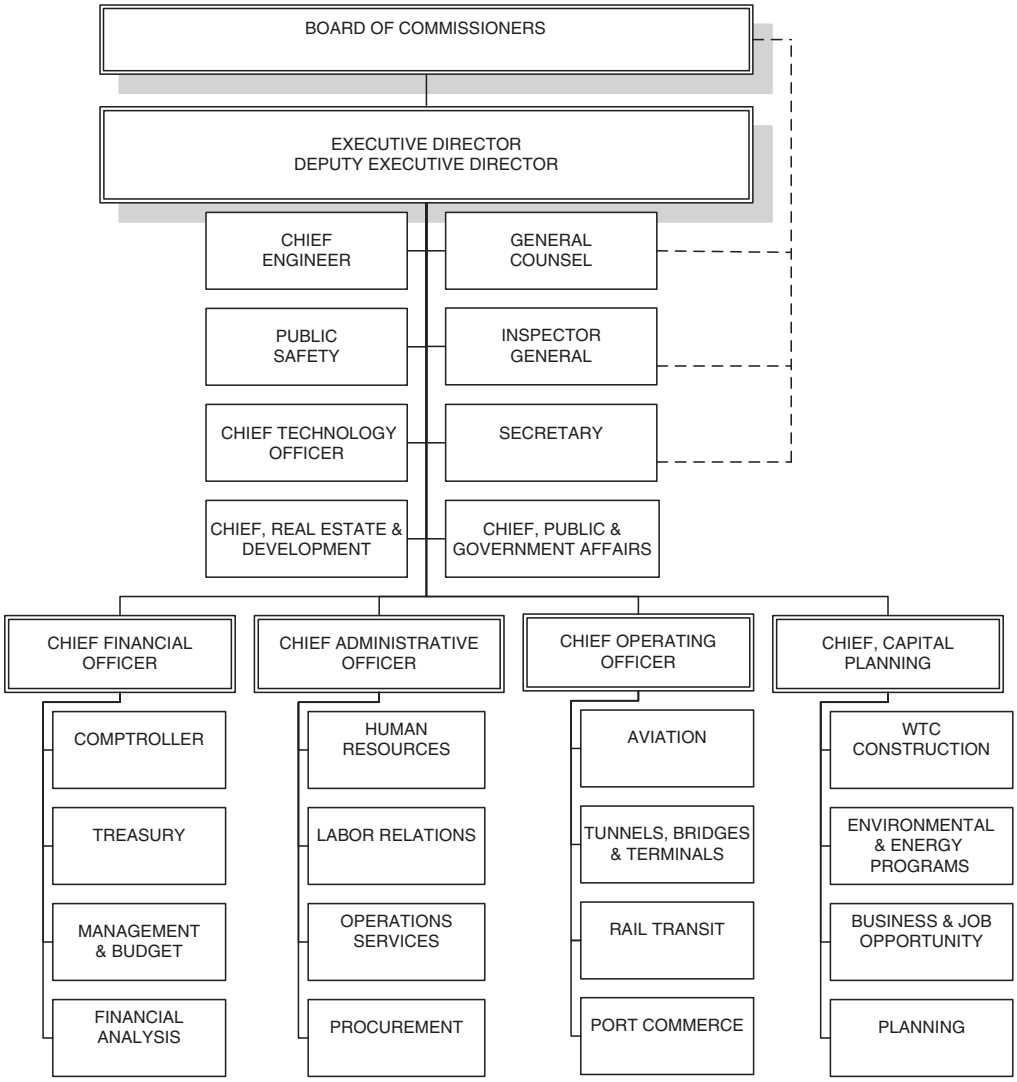
The Port Authority of New York and New Jersey (the "Port Authority") was established by Compact between New York and New Jersey on April 30, 1921, as the first interstate agency created under the clause of the United States Constitution permitting compacts between states with the consent of Congress. 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.

Organization Chart

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
Organization Chart



APPENDIX B: BUDGET PROCESS AND FINANCIAL POLICIES

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 several 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.

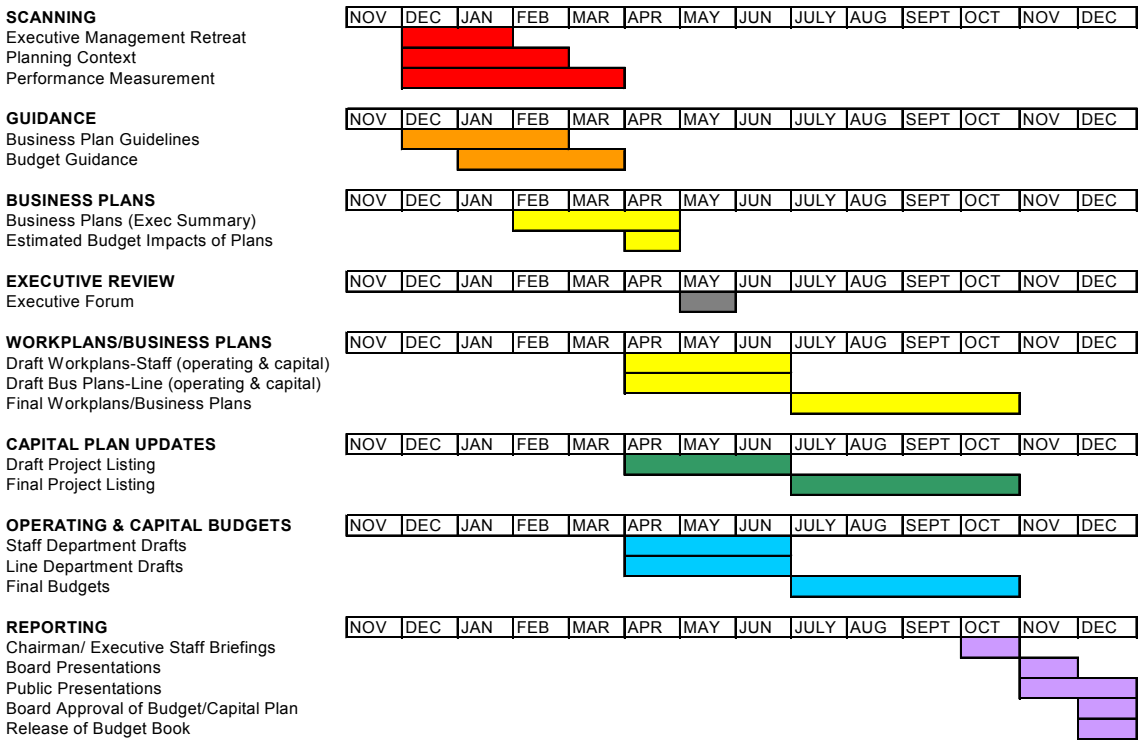
Developing the Budget

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 segments 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 plans 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 and executive staff, 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 (including 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 – Established pursuant to the Port Authority Variable Rate Master Notes Resolution – Modification, adopted November 18, 1999. Variable rate master notes may be issued in aggregate principal amounts outstanding at any one time not to exceed $400 million.

- Commercial Paper – Established by the Port Authority Commercial Paper Obligations – Resolution, adopted May 26, 2005. The maximum aggregate principal of commercial paper obligations outstanding at any one time is $300,000,000 for Series A and $200,000,000 for Series B.

- Port Authority Equipment Notes – Established by the Port Authority Equipment Notes Resolution – Modification, adopted November 18, 1999. 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. The outstanding aggregate principal amount at any one time may not exceed $250,000,000.

- Special Project Bonds – Issued only for the purpose of providing funds for a single project for a lessee or for refunding a prior series of Special Project Bond. These bonds are not secured by the full faith and credit of the Port Authority, nor are the Reserve Funds pledged to the payment of debt service on such bonds. They shall not be issued in an amount that is greater than the amount determined by the Port Authority to be necessary to accomplish the tenant project for which each series of Special Project Bonds is issued.

APPENDIX C:
Agency Goals, Projects, Outcomes, and Deliverables

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.

GOALS	PROJECTS	2009 MAJOR OUTCOMES	2010 PROJECT MILESTONES	2010 BUDGET	PROJECT DELIVERABLES
Building the Region and Investing in the Future	World Trade Center Redevelopment	· Erected over 90% of Memorial Steel; · Brought 1WTC concrete slabs to grade and erected steel to over 160 ft above street level; and · Structured Hub procurement for greater cost and schedule control	· Start erection of the Memorial Pavilion steel; · Install 1WTC steel above 50 floors; and · Begin erection of the PATH Hall steel.	$1.6 B	· WTC Memorial & Museum; · One World Trade Center; · Third largest transportation hub in New York; Liberty Park and common infrastructure; and · A vehicle security center.
	LGA Central Terminal Replacement Planning	· Completed Phase 1 Planning work. · Received Board Authorization for Phase 2 Planning work.	· Award Program Management Services Agreement and Architectural & Engineering Services Agreement.	$15 M	· State-of-the-art facility for domestic air travel.
	EWR Terminal A Planning	· Completed Phase I planning work. · Received Board Authorization for Phase II planning work.	· Advance Phase II Planning work.	$6 M	· State-of-the-art facility for domestic air travel.
	Goethals Bridge Replacment	· Completed Draft Environmental Impact Statement and public hearing; · Began Major Permits design and application process; and · Explored alternative means of financing.	· Issue final Environmental Impact Statement.	$8.8 M	· A new, expanded bridge.
	Access to the Region's Core (ARC)	· Completed the General Project Agreement between the Port Authority and New Jersey Transit; · Received NYC ULURP approval; · FTA issued Record of Decision; and · Began the first construction project at the Tonnelle Avenue Underpass.	· Begin Hudson River Tunnel work and Dyer Avenue interlocking & cavern excavation.	$504 M	· New trans-Hudson rail transportation link that will double passenger rail capacity into New York Penn Station.
Moving Travelers and Commuters	JFK Flight Delay Reduction Program	· Construction at five of the eleven taxiways.	· Complete reconstruction of the Bay runway and · Widen the runway to 200 feet.	$180 M	· Reconstruction of JFK's runways 13-31 and · Reduction of flight delays.
	EWR Modernization of Terminal B	· Opened the new TSA screening checkpoint / queuing area; · Finalized the modified layout for the B1 connector; and · Completed the placement of the terrazzo flooring in the future concessions area.	· Create domestic departures on midlevel and · Develop reconfiguration of the meet and greet area.	$24 M	· Increase existing capacity the airport.
	All Electronic Tolling (AET)	· Formed an intra-agency team to deliver AET; · Selected a program management consultant; and · Initiated the preparation of a Concept of Operations Document to guide the development of the program.	· Secure Project Authorization; · Issue an RFQ and RFP to deploy the new toll system; and · Finalize the Concept of Operations Document and the financial analysis to assess the impacts of AET.	$7.6 M	· A cashless tolling system to enhance capacity of existing facilities.
	Lincoln Tunnel Helix Rehabilitation	· Finalized the design. · Developed a RFP to obtain design services for design and construction.	· Award design agreement for design and construction. · Complete 90% Stage Design work.	$2.1 M	· Rehabilitation of the helix roadway. · Ensures the structural integrity of the facility.
	PATH New Car Purchase Program	· Completed the Qualification Test for the first 8 Cars. · Received the conditional acceptance of 34 of the 44 Cars at the Harrison Car Maintenance Faciilty.	· Delivery of additional new railcars and acceptance testing.	$110 M	· Complete delivery of 340 new railcars; improved service reliability and customer service.
	PATH Signal System Replacement Program	· Granted re-authorization and award of contract at the October 2009 Board Meeting.	· Award the contract for the purchase and installation of the new signal system.	$65 M	· Increase capacity by 20% when fully deployed by providing for shorter headways.
	PATH Station Improvement Program	· Installed the Public Address System at Journal Square, Pavonia Newport headhouse, and the WTC north access; · Continued design work at Hoboken Station; · Completed the platform survey at Newark Penn Station; and · Submitted contract documents for agency-wide review.	· Complete planning efforts for Grove Street and Exchange Place.	$6 M	· Enhanced information displays, new lighting, and upgraded seating.
Connecting Cargo to Customers	New York / New Jersey Rail Float Bridge Program	· Began emergency repairs on float bridges at both Greenville and Brooklyn. · Began rehabilitating the barge.	· Complete a major property purchase in New Jersey. · Advance State of Good Repair work on existing infrastructure.	$57 M	· Rail transfer system across the Hudson River.
	Harbor Deepening Program	· Awarded three dredging contracts . · Received Board approval for the Water Siphon cost sharing agreement with NYCEDP.	· Continue dredging to create a 50 foot channel. · Begin relocation of underground utilities.	$70 M	· Improved navigational safety. · Increased capacity to accommodate future cargo vessels.
	Port Commerce Infrastructure Program	· Commenced construction on Berths 8, 10, 36, and 53; · Began design work on Berth 6; and · Began design work for bulkhead 7 and 8.	· Replace Berths 6, 8, 10, 36 & 53 at Port Newark. · Rehabilitate bulkhead at piers 7 and 8.	$35 M	· Reduced maintenance costs. · Expanded capacity.
	Intermodal Rail Program	· Completed the design for the Corbin Street Flyover. · Began planning efforts for the Greenville Yard intermodal facility.	· Advance design work for additional support track at Port Newark, the Corbin Street Flyover, and the Greenville Yard intermodal facility .	$6 M	· Comprehensive rail system with on-dock intermodal facilities for all marine terminals.
Advancing Security & Sustainability Throughout the Region	Port Commerce Security Program	· Began implementation of Transportation Worker ID Card (TWIC) and the Reader Pilot Program. · Implemented the Lenel OnGuard access control system and its integration with the SEA LINK trucker identification system.	· Install TWIC identification system CCTV.	$10 M	· Enhanced safety and security of port operations.
	PATH Safety and Security Projects	· Awarded contract to in July 2009 for the Train Control Center. · Completed construction of the Train Control Center Building.	· Develop and implement 5-year security plan.	$120 M	· Enhanced security through system access control. · Increased operational safety.
	New York and New Jersey Harbor Estuary Program	· Released funds for the acquistion of .65 acre Idlewild Marsh property in Queens and 9.74 acre Adams Property.	· Work with agencies in both New York and New Jersey to evaluate potential sites.	$14 M	· Land acquisition and preservation in New York and New Jersey. · Enhanced green space and public access to the waterfront.

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. A balanced budget is one in which the planned Sources of Funds is equal to the planned Uses of Funds for the fiscal year.

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 Notes – A form of short-term (one to three years) 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 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.

Federal Caps – Limitations placed on flights in and out of an airport by the Federal Aviation Administration.

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, World Trade Center, and Development activities.

- 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 and other moneys 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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