



The Port of New York and New Jersey

PortViews

A Newsletter for Port Customers and Tenants

www.portnynj.info

Volume 6, Number 2, May/June 2007

PA Invests \$2 Billion to Hold Competitive Advantage

Cargo volumes are at an all-time high at the Port of New York and New Jersey and projections for future port growth are extremely promising. Port Authority Chairman Anthony Coscia announced that the Agency has allocated \$2 billion over the next 10 years to ensure that the Port remains the East Coast's leading destination for international shippers.

At a recent press event held at the Port, Chairman Coscia said, "During the past 10 years, our cargo volume has doubled and our rail volume has nearly tripled. The dramatic increases require us to take immediate steps to ensure that our port continues to grow and prosper. We've made a substantial \$2 billion commitment to the port that not only will allow larger ships to call on port terminals, but will enhance the flow of cargo on and off the port. These investments will also ensure that the port remains a leading generator of jobs and economic activity."

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With Berth 50 as a backdrop, Port Authority Chairman Anthony Coscia unveils the 2006 trade statistics to the media.

Cargo Volumes Hit Record Levels in 2006

During a press conference at Port Newark on March 30, Port Authority Chairman Anthony Coscia, New Jersey Commerce Secretary Virginia Bauer and Port Commerce Director Richard M. Larrabee discussed the 2006 statistics. The highlights include:

- Containerized cargo volumes in the Port of New York and New Jersey rose nearly 8 percent in 2006 to a new record high, led by continued growth in trade with the Far East, North Europe and Southeast Asia. The dollar value of all cargo moving through the port in 2006 exceeded \$149 billion for the first time, up 13 percent from 2005.

The number of loaded and empty TEUs (20-foot equivalent units) handled in the port exceeded 5 million for the first time.

- ExpressRail, the Port Authority's on-dock rail terminals in New Jersey, set a new record in 2006, handling 338,882 containers, 11.8 percent more than in 2005.

Mr. Larrabee said that in 2006, the total container volume (loaded and empty) handled in the Port of New York and New Jersey was 5,092,806 TEUs, a 6.4 percent increase over the 2005 total of 4,785,318 TEUs and a new annual record. The total

value of all cargo handled in 2006—more than \$149 billion—surpassed the previous record of \$132 billion, Mr. Larrabee said.

The Port Import-Export Reporting System (PIERS) reported that loaded TEUs in 2006 totaled 3,650,926, a 7.9 percent increase over the 3,385,003 loaded TEUs handled in the port in 2005. Loaded imports and exports totaled 2,599,554 and 1,051,372 TEUs respectively.

The port's total general cargo volume, according to data from the U.S. Bureau of Census, increased to 31,194,421 metric tons

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Established in 1921, The Port Authority of NY & NJ is a bistate public agency that strives to meet the transportation and commerce needs of the region. It operates some of the busiest and most important transportation links in the region. They include: John F. Kennedy International, Newark Liberty International, LaGuardia and Teterboro airports; the Downtown Manhattan Heliport; AirTrain JFK and AirTrain Newark; the George Washington Bridge; the Lincoln and Holland tunnels; the three bridges between Staten Island and New Jersey; the PATH rapid-transit system; Port Newark; the Elizabeth-Port Authority Marine Terminal; the Howland Hook Marine Terminal on Staten Island; the Auto Marine Terminal, the Brooklyn Piers/Red Hook Container Terminal; and the Port Authority Bus Terminal in midtown Manhattan. Economic Development operations include The Teleport, waterfront development; and ferry transportation. The Port Authority also owns the 16-acre World Trade Center site and is developing the WTC Transportation Hub and permanent PATH terminal, the Freedom Tower, and the WTC Memorial and Memorial Museum. The Port Authority is self-supporting and receives no tax revenues from either state.

Friend of the Port—Harbor Ops

FRIEND OF THE PORT IS A REGULAR FEATURE IN PORTVIEWS

Just the word “dredging” and people often roll their eyes in boredom, but without superior ocean access, the Port would not be able to accommodate the surge in international cargo. So, it’s a good thing businesses in the Port have the Army Corps of Engineers to rely on for this extremely cumbersome task. The United States Army Corps of Engineers (Corps) is made up of more than 34,500 Civilian and 650 military personnel. While most notably responsible for military construction, its diverse workforce of biologists, engineers, geologists, hydrologists, natural resource managers and other professionals are tasked with planning, designing, building and operating water resource work projects for vessel navigation, flood control and environmental protection.

Locally, under the leadership of Colonel Aniello Tortora, the New York District is involved in many facets of preparing the port for future cargo projections. Colonel Tortora assumed command of the New York District in August 2006. The New York District jurisdiction covers water resource development, navigation, and regulatory activities in northeastern New Jersey, eastern and south-central New York State—including the New York Harbor and Long Island—and parts of Vermont, Massachusetts, and Connecticut. The District is also responsible



With the 45-foot deepening in place, the Corps has begun the next phase of dredging channels in the Port to 50 feet.

for design and construction at Army and Air Force installations in New Jersey, New York, and, interestingly, overseas in Greenland.

As sponsor for major dredging initiatives, a strategic part of the Port Authority’s capital plan is channel and berth deepening. The Agency works closely with the Corps to deepen the harbor in order to accommodate larger, deeper draft vessels. Navigation projects for the Port of New York and New Jersey have included the recently completed 45-foot Kill van Kull Channel, the 41-foot Arthur Kill Channel, Howland Hook Marine Terminal deepening and the 41-foot Port Jersey Channel deepening.

With the 45-foot deepening in place, the Corps has continued to the next phase—deepening key channels to 50 feet. The Corps has already initiated work in the Kill van Kull, deepening the western two thirds of this waterway, and in the Ambrose Channel, the main entrance channel to the Port. Work in Newark Bay and the Anchorage Channel is expected to begin this year.

Together, the two agencies are faced with the challenge of deepening while preserving its natural estuary, and working with other agencies and organizations, to identify ways to prevent further sediment from reaching the harbor. ☺



The schedule for the Harbor Deepening Project calls for completion of all channels to 50 feet by 2014. The Corps and the PA are investigating alternatives to provide one-way access to the Port by as early as 2009.

PA Invests \$2 Billion

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To meet the demand, the Port Authority will continue to invest in the 50-foot harbor deepening project and the ExpressRail on-dock rail facilities. The Plan also includes \$285 million for various port roadway improvement projects which will increase capacity and improve safety on North Avenue, McLester, Corbin and Port Streets. Investments also are planned to develop an Intelligent Transportation System for the Port and to improve inland access. The budget includes investments to support for future terminal expansion.

Construction of the port's ExpressRail system continues to advance at an accelerated pace for completion in 2011. In March, the \$40

million installation of new support track was completed. This will double the capacity of ExpressRail Port Newark to more than 100,000 containers annually, and provide a 9,000-foot arrival and departure track that will improve capacity on the port's rail network. Construction on a second lead track into ExpressRail Elizabeth began in March. The new track will allow Norfolk Southern and CSX trains to depart and arrive simultaneously into ExpressRail Elizabeth and also will eliminate conflicts between road and rail traffic on the port. This \$51 million will be completed by December 2008. When fully built, the ExpressRail system will be able to handle 1.3 million containers per year.

"Our new \$2 billion, 10-year capital plan will prepare the port to meet the projected cargo demand in a way that protects the environment and quality of life of those who work at the port and live in nearby communities," Mr. Larrabee said. "Our rail enhancement investments will reduce congestion and associated air emissions, and will also increase traffic safety.

"These investments, combined with those of our private terminal operators, underscore our commitment to meet our environmental responsibilities while accommodating future cargo growth," Mr. Larrabee said. ☺

International Cargo Volumes Hit Record Levels in 2006

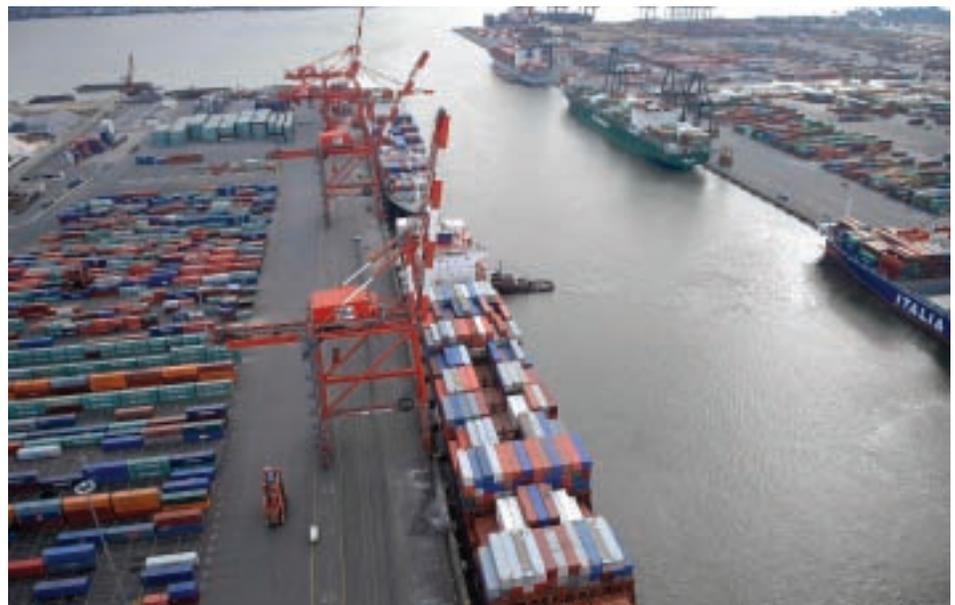
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in 2006, compared with 28,132,497 metric tons in 2005. General cargo imports totaled 22,126,272 metric tons, a 9.3 percent increase over the 2005 import volume of 20,236,519 metric tons. General cargo exports also increased, by 14.8 percent, from 7,895,978 metric tons in 2005 to 9,068,149 metric tons in 2006.

Total bulk cargo was down 2.9 percent to 54,968,141 metric tons in 2006, compared to 56,621,526 metric tons in 2005. Total bulk cargo imports decreased from 53,449,638 metric tons in 2005 to 49,168,042 metric tons in 2006. Total bulk cargo exports increased by 83 percent, from 3,171,888 in 2005 to 5,800,099 metric tons in 2006. The changes in bulk cargo imports and exports were due primarily to refined petroleum products. Total cargo volume by weight (bulk and general cargo combined) grew by 1.7 percent, from 84,754,023 metric tons in 2005 to 86,162,562 metric tons in 2006. The number of vehicles handled, including small trucks, vans, SUVs and other personal vehicles, was 852,297, up 18 percent for the year. Imports increased to 690,636 in 2006 from 578,694 in 2005. Exports increased to 161,661 in 2006 from 143,717 in 2005.

Other 2006 trade highlights include:

- The top five containerized import commodities by volume were furniture, paper and paperboard, beer and ale, general cargo, and women and children's clothing.
- The top five containerized export commodities by volume were paper and paperboard, automobiles, auto parts, general cargo and mixed metal scrap.



There were 5,577 ship calls in the Port of New York/New Jersey in 2006, compared to 5,322 in 2005.

- Imported containerized commodities showing major growth by volume were general cargo, beer and ale, apparel, paper and paperboard, and sheets, towels and blankets.
- Top import trading partners in general cargo tonnage were China, Italy, Germany, India and Brazil.
- Exported containerized commodities showing major growth by volume were auto parts, plastic products, synthetic resins and plastics, machinery and automobiles.
- The top five trading partners in general cargo tonnage were China, Italy, India, Germany and Brazil.
- Top export trading partners in general cargo tonnage were China, India, Japan, United Kingdom and South Korea. ☺

Technology Enhances Maher Terminals Operations

The hum and buzz around Maher Terminals can be best described as sounding like a 1950's sci-fi movie. But don't be mistaken, the more than 180 straddle carriers traversing the terminal are very high tech and so are many of the terminal improvements Maher has undertaken.

“Employing new IT and engineering technologies have been key factors in revamping this 450-acre terminal...”

Modernizing terminals at the Port of New York and New Jersey is a tremendous and complex challenge. “Unlike terminals in other parts of the world, our port does not have the green space for property expansion,” explained Dr. Roger Nortillo, Executive Vice President at Maher Terminals. “Employing new IT and engineering technologies have been key factors in revamping this 450-acre terminal.”

Maier Terminals has invested \$235 million over the past five and a half years. It began with the consolidation of two terminals—Fleet Street and Tripoli Street—into a single, consolidated facility. Nearly 60 buildings were removed, a new gate was



The 100-foot gauge cranes, manufactured by ZPMC in China, have an outreach of 200 feet and a lifting capacity of 65 tons.

constructed, berths were redeveloped and a new gate system was constructed. While these structural changes were necessary for efficiency, they have also laid the foundation for a number of new technology initiatives that have enabled the operator to ensure smoother and quicker throughput for its customers.

“Without increasing our acreage, our terminal now processes more containers than five years ago...”



On March 8, the M/V ZEN HUA 18 arrived at the Elizabeth-Port Authority Marine Terminal with four new Post-Panamax cranes for Maher Terminals. A team from ZPMC was on hand to help assemble the cranes.

Beyond the bricks and mortar, “smart development” allows cargo to be maneuvered like a choreographed symphony. “New technologies—from paperless gate systems to digital processing of trucks to a dynamic queuing system that lets straddle carriers around the terminal move like pieces on a chessboard—contribute to maximizing the terminal’s practical capacity,” explained Dr. Nortillo. “Without increasing our acreage, our terminal now processes more containers than five years ago. And, we’re prepared to handle more.”

To complement the facility, Maher has installed four new Post-Panamax cranes. These cranes will enhance Maher’s ability to handle the new generation deep-draft containerships with as many as 22 containers across the deck. The cranes will become fully operational this Summer. 🌀

All Water Service Continues to Expand

The tide of new All Water Services at the Port of New York & New Jersey continues to roll-in. One new service has been inaugurated and three other have been announced.

In April of this year, Evergreen, Zim and Emirates extended their Asia-USA Express Service (AUX) to New York. The AUX, which calls at Maher Terminals, has eastbound transit times to New York of 27, 25 and 24 days from Qingdao, Shanghai and Ningbo respectively.

The New World Alliance (APL, MOL and Hyundai Merchant Marine) has recently announced two new services, in conjunction with other partners, to start this summer. The Suez Express Service (SZX), a joint New World Alliance, CMA-CGM and Evergreen service, originating in Port Klang, will have a transit time of 21, 24, 24, 25 and 25 days from Singapore, Port Klang, Jakarta, Ho Chi Minh City and Laem Chabang via the Suez Canal.

The second new service announced by the NWA, in conjunction with CMA-CGM, is a new all water service via the Panama Canal called the ESX, which is also to start this



The AUX, which includes Zim and calls at Maher Terminals, has eastbound transit times to New York of 27, 25 and 24 days from Qingdao, Shanghai and Ningbo respectively.

summer. The ESX will have eastbound transit times to New York of 24, 25, 27 and 29 days from Hong Kong, Chiwan, Shanghai and Ningbo respectively.

The Grand Alliance comprised of Hapag Lloyd, NYK and OOCL have also announced a new AWS to New York that it to start this summer and is called the South China East Coast Express (SCE). The SCE will service Kaohsiung,

Shekou and Hong Kong with an eastbound transit time from Hong Kong of 23 days. Several existing AWS such as the Grand Alliance's North & Central China East Coast Express (NCE) have been reconfigured to reduce transit times to New York. The NCE now has a 21 day voyage from Shanghai to New York. In addition, the CMA-CGM, China Shipping PEX-1 has changed its port rotation to improve transit time to New York. ☺

The Coast Guard Sector Organization – Building Unity of Effort



By Captain Robert R. O'Brien Jr.

Coast Guard Sector New York's fundamental mission is to provide for maritime safety, security, mobility, protection of natural resources, and national defense in the maritime region surrounding the Port of New York-New Jersey. In executing these duties, we exercise the Federal regulatory authorities assigned to the Captain of the Port of New York/New Jersey; the Federal Maritime Security Coordinator; the Officer in Charge, Marine Inspection; the Federal On-Scene Coordinator; and the Search and Rescue Mission Coordinator.

In doing so, our charge is to provide a unified port command that is nimble, increases coordination between operational commands and port partners, develops a common operating picture, and shares

information and intelligence more rapidly than ever before. Combining programs allows the Coast Guard to realize efficiencies through consolidation of resources and standardization of shared processes. Our top priority is to ensure that the command does everything possible to assist all waterway users. Our intention is to be safe, secure, environmentally responsible and fiscally sound; through reasonable and consistent application and enforcement of laws and regulations.

The new organizational structure for Sector New York is divided along process lines: Operations (Prevention and Response-related activities), Support (Logistics), and Management/Administration (Management, Planning, Command and Control, Policy). With this realignment, the distinction between the Prevention and Response Departments has merged. For example, a ship may be boarded at anchorage by teams comprised of personnel trained and qualified to conduct both security and safety compliance examinations. These teams will

possess the flexibility to perform both roles concurrently, or to rapidly shift from one mode to the other in response to changing conditions. This unified effort is further enhanced by a robust planning staff that facilitates the development of operations plans, ensuring that all field personnel, including our law enforcement partners, understand the strategic and operational objectives of their respective activities. Similarly, the Sector Command Center has become the hub for maintaining a common operating picture and building maritime domain awareness, capable of providing real-time analysis and sharing information and intelligence for the benefit of all port stakeholders.

As Captain of the Port of New York, one of my top priorities is to maintain open lines of communication with port stakeholders. I look forward to continuing our partnership and working together as we continue to serve our port and our communities. ☺

NYCT Works to Reduce Emissions

ENVIRONMENTAL PROGRESS REPORT FOR THE PORT OF NY & NJ

New York Container Terminal (NYCT), The Port Authority of New York and New Jersey and the New York Power Authority (NYPA), have collaborated on two projects to reduce emissions at Howland Hook, and plan to do more. The first is a pilot project to equip two yard tractors with "active" diesel particulate filters, the second a locomotive idle reduction project using a Kim Hotstart unit. The Port Authority team helped bring together NYPA and NYCT. The projects are being funded by NYPA, with some funding from NYCT. NYCT is also contributing vehicles, maintenance services and performance data.

"The active diesel particulate filters," explained Joe Monaco, Manager of the Port's Green Practices Task Force, "were installed to replace the muffler pipes and to filter out particulate matter or soot." Diesel particulate filter technology is commonly applied to vehicles that operate under highway conditions, which brings the exhaust temperature up high enough to burn away the trapped particles. Since yard tractors typically operate under stop-and-go conditions, the diesel particulate filters used in this pilot project needed to be equipped with an electrical heating coil that, when plugged in, burns off the particulate matter. The goal was to determine whether retrofitted yard tractors can operate effectively under container terminal conditions.

"The performance of these test tractors over the last several months demonstrates that this type of technology can be successfully applied to off-road applications," notes Kerry-Jane King



Port Commerce Director Rick Larrabee and Mayor Michael R. Bloomberg officially reactivated the SI Railroad on April 17, an eight-mile railway that connects to the national rail freight network.

of NYPA. "The emissions reductions are significant, as yard tractors tend to idle for extended periods." NYCT anticipates operating the test yard tractors to their useful service life, which may extend well into 2010.

In its latest initiative, the operator of this New York-based terminal has purchased, with co-funding from NYPA, a Kim Hotstart System for its on-dock switcher locomotive. Since locomotives do not have antifreeze, they are typically left to idle for long periods of time when not in use. The Kim Hotstart allows the engine to be plugged into the power grid when the engine is not in use without worry of temperature-related engine damage. The result is significant fuel savings, reduced emissions and a quieter operation. A 2004 study conducted by the Environmental Protection Agency reported that locomotive engine idling

was reduced by 80 percent using similar equipment, resulting in annual fuel savings of 12,738 gallons. In addition nitrogen oxide was reduced by 2.1 tons annually.

"New York Container Terminal is an excellent match for these projects because of its history of championing environmental causes and initiatives," said Atef Ahmed, Manager of Port Environmental Programs at the PA. Charles Priscu of NYCT noted: "We are already using clean burning, on-road Tier III engine technology for our new fleet of off-road yard tractors. Also, all terminal equipment is running on ultra low sulfur diesel fuel, even though the government regulations don't go into effect until 2010."



The Kim Hotstart System allows the engine to be plugged into the power grid for easy start-up.



Jessica Jaszy, Power Shop Superintendent for NYCT, boards the switch engine at ExpressRail Staten Island.

NYCT's efforts aren't just limited to its yard tractors though. Just about everywhere you look on the terminal, green initiatives are actively at work. Dockside post-Panamax cranes generate power back into the terminal's grid on the downswing for energy savings, plus these electrical cranes are environmentally friendly as opposed to their diesel counterparts. Emissions at the terminal have been reduced further by minimizing vehicular idling. The Association of Bi-State Motor Carriers has recognized NYCT two years in a row for its efficient gate movements. "We are doing everything we can to save fuel and reduce emissions at the terminal. It is our goal to make our operation as energy-efficient and as clean as possible because it is good for business, good for the environment, and good for our neighboring community," said Charles Priscu. ☺

Maiden Voyages



The Favorite Ace sailed into the Port of New York and New Jersey in January 2007. Presenting a commemorative Maiden Voyage Plaque to the Captain of the Favorite Ace is Bob Gaffney, Manager, Industry Relations and John Lomba, Operations Manager, MOL Bulk USA.



Maiden voyage plaque presentation by Brigadier General Todd Semonite, Commander and Division Engineer of the U.S. Army Corps of Engineers, North Atlantic Division to Captain Sang Yeol Lee, of the Williamsburg Bridge. From left to right are Brigadier Semonite, Henry Andrews, Assistant VP K-Line, Captain Sang Yeol Lee and R.M. Larrabee, Director Port Commerce Department for the Port Authority.



M.V. Kaptan Ergun at New York Container Terminal

A maiden voyage plaque was presented to Captain Alpay Buyuktunca, Master of the M.V. Kaptan Ergun of Turkon America Line at the New York Container Terminal, Staten Island at a Turkon hosted reception held on board on Thursday, March 1, 2007. Also present was Mr. Alkin Kalkavan of the owner's family, from the home office in Istanbul, Turkey. Approximately twenty shippers were also invited, as well as representatives from New York Container Terminal. The vessel was built in Turkey and loaded at several Turkish ports before making its maiden voyage arrival to the United States and New York. This vessel will now be one of the regular Turkon vessels in the weekly service between the Eastern Mediterranean and the United States. ☺

FBI Academy Graduate

Port Authority Police Captain Ray Losak, Commanding Officer of the New Jersey Marine Terminals Command, graduated from the FBI National Academy Program in Quantico, VA. Internationally known for its academic excellence, the 10-week program comprises advanced investigative, management, and fitness training for selected professionals within their agencies. Captain Losak received his graduation certificate from FBI Director Robert Mueller. ☺



From left to right are Serdar Ektik, Account Executive for Turkon America Line, Alpay Buyuktunca, Master MV Kaptan Ergun, Bill Cronin, Manager, Shipper Sales for the Port Authority and Alkin Kalkavan, Owner, Turkon Line, Istanbul.

Foreign Trade Zone Award

Representative Charles B. Rangel (D-NY) was honored as National Association of Foreign Trade Zones Person of the Year at the Association's Legislative and Regulatory Seminar in Washington DC. Congratulating him is NAFTZ Board Member Ellen Nesheiwat, Manager FTZ 49. The award is given annually to a person who has made significant contributions to the promotion of international trade and the principles of free and fair trade. Congressman Rangel has been a consistent advocate for the foreign-trade zone program in the New York Metropolitan area. Congressman Rangel's leadership in international trade throughout his congressional tenure and his support for the U.S. Foreign-Trade Zones Program has led to many new economic opportunities for U.S. businesses, manufacturers, consumers, and American workers. ☺



The Honorable Charles B. Rangel, Chairman, Committee on Ways & Means received the National Association of Foreign-Trade Zones (NAFTZ) Person of the Year Award in Washington, DC. Board Member Ellen Nesheiwat congratulates him.

Maiden Voyage



Bob Gaffney, Manager, Industry Relations at the Port Authority presents the traditional Maiden Voyage plaque to Ralph Mattiello, Director of Operations and Security for China Shipping and the Master of the China Shipping vessel, "M/V Xin Chang Sha," which docked at the Port Newark Container Terminal. The 826 foot long vessel has a carrying capacity of 4,200 plus TEUs and will be joined on the service calling to the United States by a number of new sister ships. Sailing on the AMAX service, 10 dedicated vessels call at 12 Far East and Mediterranean ports prior to proceeding through the Suez Canal.



THE PORT AUTHORITY
OF NEW YORK & NEW JERSEY

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