



THE PORT AUTHORITY
OF NY & NJ

AN AIRPORT SYSTEM
ON THE

GO



Kennedy • Newark Liberty • LaGuardia
Teterboro • Downtown Manhattan Heliport

12:00P	012	Beijing	21	12:24P	112	Miami	11	1:15P	612	Barcelona	20	1:29P	197	Nassau	09
12:05P	178	Melbourne	02	1:05P	126	Mexico City	17	1:25P	160	Memphis	18	2:15P	396	San Antonio	22
12:24P	112	Rome	11	1:15P	612	San Diego	20	1:29P	197	Antigua	09	2:30P	822	Charleston	06
1:05P	126	Québec City	17	1:25P	160	Shannon	18	2:15P	396	Stockholm	22	2:32P	778	Singapore	14
1:15P	612	Barcelona	20	1:29P	197	Dallas	09	2:30P	822	Wash DC–Dulles	06	3:17P	621	Salt Lake City	03
1:25P	160	Paris–CDG	18	2:15P	396	Prague	22	2:32P	778	Vienna	14	3:30P	116	Sydney	15
1:29P	197	Antigua	09	2:30P	822	Houston	06	3:17P	621	Sacramento	03	3:35P	212	Hong Kong	04
2:15P	396	Stockholm	22	2:32P	Newark Liberty International			3:30P	116	Cincinnati	15	3:50P	111	Nice	01
2:30P	822	Wash DC–Dulles	06	3:17P	621	Minneapolis	03	3:35P	212	Montreal	04	4:05P	711	Kuala Lumpur	32
2:32P	778	London	14	3:30P	116	Memphis	15	3:50P	111	Dublin	01	4:45P	102	Cairo	07
3:17P	621	Amsterdam	03	3:35P	212	Palm Springs	04	4:05P	711	Amsterdam	32	4:55P	024	Los Angeles	12
3:30P	116	Sydney	15	3:50P	111	Puerto Vallarta	01	4:45P	102	Miami	07	5:10P	176	Copenhagen	05
3:35P	212	Hong Kong	04	4:05P	711	Oslo	32	4:55P	024	Nantucket	12	12:00P	012	Acapulco	21
3:50P	111	St. Louis	01	4:45P	102	Portland	07	5:10P	John F. Kennedy International			12:05P	178	Tokyo	02
4:05P	711	Kuala Lumpur	32	4:55P	024	Los Angeles	12	12:00P	012	San Diego	21	12:24P	112	Sacramento	11
4:45P	102	Seattle	07	5:10P	176	Frankfurt	05	12:05P	178	Las Vegas	02	1:05P	126	Fort Lauderdale	17
4:55P	024	Vienna	12	12:00P	012	Vienna	21	12:24P	112	Naples	11	1:15P	612	Cancun	20
5:10P	176	San Francisco	05	12:05P	178	Orlando	02	1:05P	126	Atlanta	17	1:25P	160	Paris–CDG	18
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12:05P	178	Milan	02	1:05P	126	Salt Lake City	17	1:25P	160	Manchester	18	2:15P	396	Frankfurt	22
12:24P	112	Athens	11	1:15P	612	Munich	20	1:29P	197	Lisbon	09	3:50P	111	Pittsburgh	01
1:05P	126	Chicago–O’Hare	17	1:25P	160	Geneva	18	2:15P	396	Prague	22	4:12	913	Providence	11
1:15P	612	Cancun	20	1:29P	197	Aruba	09	3:50P	111	Charleston	01	12:00P	012	Hamburg	21
1:25P	160	Providence	18	2:15P	396	San Antonio	22	4:12	913	Zürich	11	12:05P	178	Melbourne	02
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AN AIRPORT SYSTEM ON THE GO. KENNEDY. NEWARK LIBERTY.
LAGUARDIA. TETERBORO. DOWNTOWN MANHATTAN HELIPORT.
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY.
SURPASSING ANY OTHER AIRPORT SYSTEM IN THE WORLD IN
GLOBAL REACH AND IN REGIONAL COMMITMENT. MODERN-
IZING AND EXPANDING CAPACITY. CREATING SAFER AND MORE
SECURE AIRPORTS. SERVING AS THE CARGO HUB OF CHOICE
FOR THE WORLD'S TRADING PARTNERS.
EXCEEDING CUSTOMER AND COMMUNITY
EXPECTATIONS. FROM THE WORD GO.



A MESSAGE FROM THE DIRECTOR



GOING ABOVE AND BEYOND

THAT'S THE PHILOSOPHY THAT DRIVES

THE PORT AUTHORITY'S MANAGEMENT OF THE NEW YORK-NEW JERSEY AIRPORTS. FROM AVIATION PLANNERS AND ENGINEERS TO FACILITIES MAINTENANCE CREWS AND CUSTOMER CARE REPRESENTATIVES, WE CONTINUE TO FORGE AHEAD TO DELIVER ON OUR PROMISE TO BRING MORE AND BETTER SERVICES TO OUR CUSTOMERS BY WORKING WITH OUR PARTNERS TO MEET THE TREMENDOUS CHALLENGES OF PASSENGER GROWTH.

Running the country's greatest airport system is not just about moving passengers and cargo in and out of our facilities. There's a different, more powerful bottom line. It's the bottom line of economic growth and prosperity for our region. How we serve and partner with our airline community directly and profoundly relate to the economic health of the New York-New Jersey economy. In 2006, the Port Authority airport system supported nearly 500,000 jobs that generated \$20 billion in wages, as well as \$57 billion in annual economic activity.

This is just one of those terrific – and from our perspective – highly motivating win-win situations: The better we are at supporting our airline partners' growth and profitability, the better the outlook will be for our regional economy and the millions of people who depend on it and benefit from it. With more flights and connections to more destinations than any other airport system in the world, our airports are a vital resource for the region.

Our airports provide unsurpassed choices for travel to our customers. Through long-term strategic planning, significant capital expenditures, and a commitment to innovation in technology and service, the Port Authority's airport system and its airline partners had an extraordinary year. In 2006, an astounding 104 million passengers came to our airports, exceeding 100 million passengers for the first time.

JOHN F. KENNEDY INTERNATIONAL SET A NEW PASSENGER RECORD OF 42.6 MILLION PASSENGERS, A GROWTH OF 4.3 PERCENT OVER LAST YEAR.

LAGUARDIA, HOME TO 23 AIRLINES, CARRIED A RECORD 25.8 MILLION PASSENGERS, SERVING 91 DESTINATIONS, UP FROM 85 IN 2005.

NEWARK LIBERTY INTERNATIONAL HANDLED 35.7 MILLION PASSENGERS, 2.6 MILLION MORE THAN 2005.

RIDERSHIP ON AIRTRAIN, THE PORT AUTHORITY’S RAIL LINKS TO KENNEDY AND NEWARK LIBERTY, INCREASED BY 15.4 PERCENT AND 8.5 PERCENT, RESPECTIVELY.

THE NEW YORK-NEW JERSEY REGION’S CARGO TURNED A PREDICTED 1.5 PERCENT NEGATIVE GROWTH INTO A YEAR-END GROWTH OF 0.08 PERCENT.

By 2016, the Port Authority’s airport system is expected to handle more than 127 million passengers a year. To ensure that the region is prepared for this growth, we are leading the way in building public-private partnerships that will provide the region with a reliable, efficient, and secure transportation network. Our 10-year strategic plan earmarks nearly \$4 billion for airport improvements and technological enhancements. These include initiatives to modernize existing terminals, provide efficient access, and manage airport infrastructure.

We stand undaunted in our efforts to ensure that our airline partners and the millions of customers who depend on them have the capacity, facilities, services, and support to thrive and succeed. As one of the greatest economic, commercial, and cultural centers in the world, the New York-New Jersey region depends on the success of a strong airport system. One that never hesitates to tackle the challenges it faces or to boldly implement plans to create a remarkable network of airports that serves everyone who lives, works, and travels in the region – now and in the future. This is our strongest commitment.



WILLIAM R. DECOTA
DIRECTOR, AVIATION DEPARTMENT

MISSION


To plan, develop, provide, promote, operate, maintain, and enhance a unified system of safe and secure regional airport facilities, providing the region with unsurpassed global access and restoring the region to its preeminent status as the nation’s gateway for passengers and cargo, and to do so with sensitivity for the community and the environment.

VISION

- Focus on Customer Care – Provide an airport environment where customers are safe and secure, while receiving quality service.
- Be a model for service, security, efficiency, safety, and effectiveness.
- Strive for truly satisfied customers, business partners, and a reputation for inspired leadership.

PORT AUTHORITY:

AN AIRPORT SYSTEM
ON THE
GO



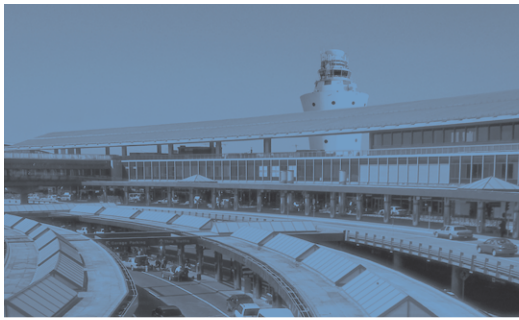
'06

PARTNERING WITH OUR AIRLINES

GOING ALL THE WAY

TO MODERNIZE AND EXPAND FACILITIES
TO HELP OUR AIRLINE PARTNERS GROW.

What does it take to move more than 104 million passengers each year in and out of one of the world's greatest economic and most exciting cultural centers? An unsurpassed and relentless commitment to create and maintain a superior transportation infrastructure of terminals and facilities for the region's airlines and passengers.



The Port Authority's airport system comprises John F. Kennedy International, Newark Liberty International, LaGuardia, and Teterboro airports and the Downtown Manhattan Heliport. In 2006, demand for air travel brought a record number of travelers – 104 million – to the region.

To better serve its airlines and passengers and to prepare for future growth, the Port Authority has embarked on a multibillion-dollar public-private partnership investment initiative to build new terminals and facilities, modernize and upgrade existing ones, and expand capacity to meet the demands of passenger growth. Last year, more than \$587 million was expended toward these efforts. Another \$4 billion is earmarked through 2016 for the region's airports in the Port Authority's Strategic Plan.

JOHN F. KENNEDY INTERNATIONAL

JFK, the nation's premier international passenger and cargo gateway, handled more than 42.6 million passengers last year. In 2006, the Port Authority invested in terminal expansions, runway improvements, and parking enhancements. Projects included: the new \$875-million,

26-gate Terminal 5, home to JetBlue, and its adjacent 1,500-space garage – slated for completion in 2008; construction of American Airlines' new Terminal 8 Customs and Immigration Hall and nearby Concourse B, completed in 2007 with an adjacent 1,940-space garage, which opened in November 2006; and the revamping of Taxiway A to make way for the first A380 flight, which arrived on its route-proving test flight to the U.S. in March 2007. It is estimated that A380 service, the latest innovation in aircraft technology at JFK, will generate \$82 million in economic activity, \$32 million in payroll, and about 1,040 full-time jobs in its first year of operation.

LaGUARDIA

LaGuardia is the region's leading airport for business travelers. Last year, the airport handled a record 25.8 million passengers.


In addition to a major \$29.4 million rehabilitation of runways and taxiways, a \$15 million study was initiated in 2006 to redevelop and modernize LaGuardia's Central Terminal Building. The plan envisions an airport infrastructure that will enable LaGuardia to support expanded air travel in the coming decades.

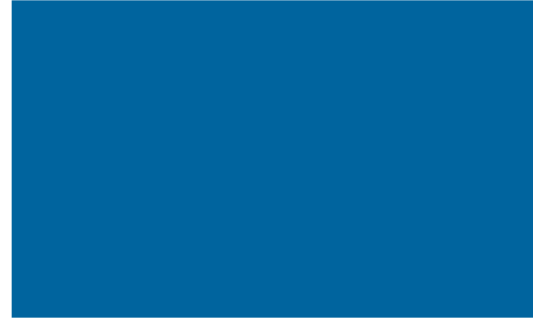
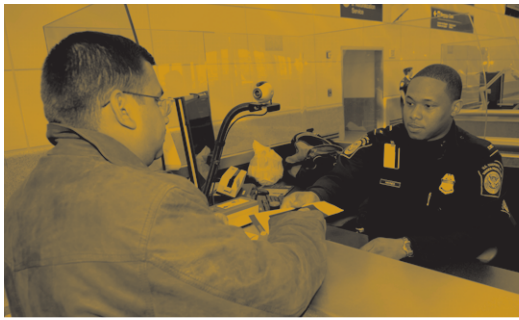
NEWARK LIBERTY INTERNATIONAL

Newark Liberty handled approximately 35.7 million passengers last year. In 2006, conceptual design and analysis for major redevelopment of Newark Liberty's Terminal A got under way. Also, the airport moved forward on its \$279 million modernization of Terminal B, which includes new departure areas, ticket counters, domestic baggage claim, an in-line baggage screening system, upgraded club lounges, and more.

HELPING AIRLINES GROW

The airline industry experienced a spectacular 4.2 percent growth over 2005 in the New York-New Jersey region, nearly four times the national average. At JFK, Delta added 15 new international non-stop services, resulting in a net increase of 17.5 percent in international seat capacity and a net growth of 400,000 international passengers. JetBlue increased its international departing seats by 62 percent, adding service to three Caribbean destinations. New international carriers, such as China Eastern, Harmony, and Etihad, were added. At Newark Liberty, Continental Airlines' international passengers grew 12.6 percent, and domestic traffic grew by 8.2 percent.

	PORT AUTHORITY:	INVESTING TO PROTECT AIRPORT VISITORS AND STAFF
HIGHLIGHTS	AN AIRPORT SYSTEM ON THE GO 	GOING ALL OUT TO CREATE SAFE AND SECURE AIRPORTS.
	'06	<p>As one of the world’s busiest airport systems, safety and security are overriding concerns – and the object of significant Port Authority investment. Working in constant partnership with the airline industry and federal, state, and city agencies, the Port Authority is bringing state-of-the-art technologies and security systems to its airports as they emerge.</p>



Through its vision and foresight, the Port Authority has incorporated many of today's most advanced technologies to implement innovative and efficient airport security and safety initiatives.

In 2006, the Port Authority continued to make considerable progress in security enhancements. A \$219 million investment was allocated to strengthen security systems at John F. Kennedy International, Newark Liberty International, LaGuardia, and Teterboro airports. The Port Authority also invested nearly \$115 million for runway safety upgrades, including the installation of Engineered Material Arresting Systems.

CRITICAL PARTNERSHIPS

As the nation's largest and busiest national and international airport system, the Port Authority works with the U.S. Department of Homeland Security to implement security guidelines.

The Port Authority partners with the Department of Homeland Security and the Transportation Security Administration to have its airports serve as test sites for innovative security programs.

The Port Authority airport network is also one of only 20 airport systems in the country selected

by the Transportation Security Administration to conduct the Airport Access Control Pilot Program, which utilizes biometric identification technologies to screen access to secure areas within the airports. In 2006, the program was expanded and upgraded with the latest state-of-the-art biometric technology.

AIRPORT SAFETY INITIATIVES

The Port Authority has the nation's most aggressive program to install arrestor beds, with a total investment to date of more than \$115 million. In 2006, a new Engineered Material Arresting System (EMAS) – a technology pioneered in part by the Port Authority and first used at JFK, and later at LaGuardia – was installed at Teterboro. This brings the total number of arrestor beds to seven – the most for any of the nation's airport operators. Newark Liberty is currently planning installation of a new EMAS, while new arrestor beds are planned for JFK and Teterboro as well.

The Port Authority completed construction on an efficient and environmentally friendly aircraft deicing system at JFK. The state-of-the-art system uses clean-burning natural gas to create infrared


energy that deices aircraft quicker and cheaper than conventional deicing, while reducing the amount of glycol-based fluids.

Construction began on a new police Crisis Command Center and Aircraft Rescue and Firefighting Facility at LaGuardia to further enhance airport safety and security. Newark Liberty deployed a video flashlight (Samoff) system that provides comprehensive surveillance of aeronautical areas.

PROTECTING OUR AIRPORTS

Securing facilities and improving employee identification programs were targeted for investment in 2006. Projects included state-of-the-art intrusion systems, integrated surveillance networks, and biometric identifiers. To protect the 46 miles of airside perimeter surrounding Port Authority airports, in 2006 the agency:

- strengthened perimeter intrusion systems at JFK, LaGuardia, Newark Liberty, and Teterboro; and
- deployed Federal Aviation Administration radar data for perimeter security surveillance.

	PORT AUTHORITY:	CONNECTING TO THE GLOBAL ECONOMY
HIGHLIGHTS	<div>AN AIRPORT SYSTEM ON THE GO</div>	<div>GOING THE DISTANCE</div> <div>TO BE THE IMPORT/EXPORT AIR CARGO HUB OF CHOICE FOR GLOBAL TRADE.</div>
	'06	
<p>Transportation of the world's goods through the Port Authority's airport system fuels the New York-New Jersey region's economy with jobs and fulfills consumer demand for international and national products. As a vital and integral component of the region's economic vitality, the agency supports its partners by providing the tools they need to do business efficiently, effectively, and safely.</p>		



The Port Authority is a critical instrument in enhancing the economic prosperity of the bistate region. Through its international and national cargo airport services and far-reaching transportation network, the Port Authority partners with the world's importers and exporters in the efficient delivery of air cargo to our region.

ECONOMIC IMPACT OF TRADE

As key conduits for national and international commerce, JFK, Newark Liberty, and LaGuardia give traders access to the largest consumer market in the United States – more than 110 million consumers all within a day's reach.

Nearly 3 million tons of international and domestic cargo – valued at more than \$200 billion – are handled by the Port Authority airports in a typical year. Twenty-five percent of all air cargo imported to the U.S. is shipped through one of the Port Authority's airports.

COMPREHENSIVE CARGO FACILITIES

The Port Authority air cargo system supports more than 1,000 cargo companies – including airlines, cargo handlers, brokers, truckers, and freight forwarders – that make up the region's aviation trade industry. Its facilities include JFK, which offers extensive international cargo clearance facilities; Newark Liberty, which provides major express carriers and expanding cargo facilities; and LaGuardia, which is geared toward fast short- and medium-haul domestic service.

INDUSTRY GROWTH

The region's cargo industry experienced a remarkable turnaround in the second half of 2006 and turned a predicted negative 1.5 percent growth into a year-end flat level of growth of 0.08 percent.

International cargo at JFK remained generally strong in 2006, with an average monthly growth of 2.1 percent. Gains were made in the transatlantic market, the largest international cargo market, and South and Central America, both of which experienced gains averaging 4.5 percent

each in 2006. Key international cargo carriers at JFK include Kalitta, South African, Japan Airlines, Air China International, Tam Brazilian Airlines, Emirates, and Korean Air.

Newark Liberty, which handles 35 percent of the region's cargo, witnessed a 2.1 percent growth increase. International cargo grew a remarkable 11.3 percent, with FedEx being the growth leader. Other airlines that contributed to this growth include Kalitta, CargoJet, KLM, Lufthansa, and Virgin Atlantic.

COMPREHENSIVE SERVICES

The Port Authority partners with its customers to facilitate the well-organized and rapid movement of goods through its airports. Importers and exporters can choose from more than 3,300 daily flights to more than 200 cities worldwide and more than 100 trucking companies, or in the case of integrated carriers, fleets of trucks.

The agency offers the industry on-site USDA inspection facilities and services to handle live animals, flowers, and other perishables.

PORT AUTHORITY:

PEOPLE HELPING PEOPLE

AN AIRPORT SYSTEM
ON THE
GO



GOING THE EXTRA MILE
TO EXCEED CUSTOMER AND COMMUNITY
EXPECTATIONS.

The Port Authority’s stature as one of the nation’s premier airport operators is driven by a high standard of quality and service excellence. Each day, the Port Authority is on the frontlines striving to bring first-class amenities and service to our customers and to elevate our working partnerships with airlines, passengers, and community members.



More than 72,000 individuals make up the airport system workforce. Whether a Port Authority or airline employee, these individuals are guided by the Port Authority *Airport Service Standards*. Airport staff are valued, respected, and trained to deliver exceptional customer service. In short, they are the engine that keeps our airports running smoothly and safely.

By 2016, the region's airports are expected to host a phenomenal 127 million air travelers a year. That's why the Port Authority is working today to bring about exceptional service.

HERE TO SERVE

Customer satisfaction surveys, mystery shopping, and quality inspections are just some of the tools the Port Authority uses to measure and monitor performance. Last year, the Port Authority's Customer Care Program was expanded to include more Customer Care representatives, improved ground transportation counters, and around-the-clock vehicle assistance in airport parking lots. New Customer Care Councils were added to identify customers' priorities, set standards for service and facilities, prioritize improvements, measure performance, and recognize achievement.

EASE OF TRAVEL

Interconnectivity is a vital component of any traveler's experience. For Port Authority passengers, there's AirTrain JFK, AirTrain Newark, and shuttle services. Last year, paid ridership on AirTrain JFK increased 15.4 percent and on AirTrain Newark, it increased 8.5 percent. AirTrain JFK connects to the Long Island Railroad and New York City public transit systems. AirTrain Newark connects with NJ TRANSIT and Amtrak.

Last year, the Port Authority spent \$21 million on an environmentally responsible "clean fleet," with 21 new hybrid electric-diesel buses and 30 new clean diesel buses. All 51 vehicles will arrive at the airports later in 2007.

ENHANCING THE EXPERIENCE

Customer satisfaction levels at Port Authority airports moved to the top of the United States rankings of air passenger traveler surveys conducted in 2006. In addition, Newark Liberty's Terminal C won three first-place awards for its concessions in *Airport Revenue News'* annual competition for Terminal with Best Concessions Design, Terminal with Best Customer Service, and Terminal with Most Unique Services. Also last year,

LaGuardia won top honors in the medium-sized airport category for highest customer satisfaction in the J.D. Power & Associates study.

Major customer-focused initiatives included more space for concessions at Delta's Terminal 2 concourse at JFK and the installation of power ports, called Power Poles, at Kennedy, the first airport in the world to provide such devices. The Power Poles enable travelers to recharge their electronic devices at no cost.

PARTNERING WITH OUR COMMUNITY

Partnering with community members in neighborhoods surrounding our airports continued with educational programs, career days, Aviation High School, internship programs, and environmental programs. Nearly \$400 million in federal and Port Authority funds continues to be expended to soundproof schools. Since 1983, 77 schools have been soundproofed.

Last year, Teterboro Airport's signature annual golf tournament, which provides scholarships in an aviation-related field to local students, raised more than \$40,000. The 5K "Runway Run," hosted by Teterboro to benefit the Bergen County United Way, drew 750 runners and raised \$33,000.

	2006	STATISTICAL SUMMARY			
				TOP 10 PASSENGER CARRIERS	
	REGION			EWR	
	Continental	20,746,130		Continental	19,689,289
	American	14,761,243		Continental Express	4,603,930
	JetBlue	13,566,780		American	1,782,760
	Delta	8,555,516		JetBlue	1,153,471
	Continental Express	4,715,893		United	1,139,136
	United	4,007,901		Delta	1,060,738
	US Airways	2,741,751		Northwest	689,371
	Northwest	2,576,595		AirTran Airways	453,171
	Comair, Inc.	2,046,928		America West	394,977
	American Eagle	1,880,014		US Airways	392,755
	JFK			LGA	
	JetBlue	11,646,090		American	5,110,679
	American	7,867,804		Delta	2,683,471
	Delta	4,811,307		US Airways	2,348,996
	British Airways	1,250,353		United	1,784,445
	Comair, Inc	1,116,202		Northwest	1,529,290
	United	1,084,320		Delta Shuttle	1,186,047
	Delta Song Airlines	886,254		USAir Exp-Chautauqua	1,173,816
	Air France	792,736		American Eagle	1,133,882
	Virgin Atlantic	605,344		Spirit Airlines	971,929
	American Eagle	601,717		AirTran Airways	954,064

	2006	STATISTICAL SUMMARY			
				TOP 10 FREIGHT CARRIERS (in short tons)	
	REGION			EWR	
	Federal Express	683,297		Federal Express	533,915
	United Parcel	181,062		United Parcel	148,534
	American	178,992		Continental	133,347
	Continental	134,175		ABX Air Inc.	24,653
	Korean	91,583		Virgin Atlantic	15,032
	China Airlines (CAL)	72,313		British Airways	14,862
	British Airways	68,961		SAS	14,576
	Asiana	66,623		Air Transport Int'l	13,716
	Delta	61,818		Kalitta Air LLC	8,553
	Lufthansa Cargo	54,525		EVA	7,365
	JFK			LGA	
	American	177,327		Delta	8,759
	Federal Express	149,382		United	1,558
	Korean	91,583		US Airways	892
	China Airlines (CAL)	72,313		Continental	828
	Asiana	66,623		Midwest Airlines	419
	Lufthansa Cargo	54,525		Frontier Airlines	329
	British Airways	54,099		ATA Airlines	308
	Japan Airlines	52,315		Northwest	222
	Delta	51,510		Air Canada	172
	Air France	48,909		JetBlue	120

Kennedy International, Newark Liberty International, and LaGuardia airports are aviation facilities operated by The Port Authority of New York and New Jersey, which also operates a general aviation airport and one heliport. The Port Authority also operates port facilities, bridges, tunnels, terminals, rail facilities and it may also engage in general economic development activities within a region designated as the “Port District,” an area encompassing a roughly 25-mile radius from the Statute of Liberty.

The Port Authority, which has no access to taxes or state and federal government guarantees, raises the necessary funds for the improvements, construction, and acquisition of these facilities on the basis of its own credit and revenues derived principally from the tolls, fares, landing and dockage fees, rentals, and other charges for the use of these facilities. Since the Authority is a self-supporting government agency, the Port Authority bond covenants require that the results of its operations be consolidated so that the revenues of one facility may be used to support development and operations of another.

The Port Authority of New York and New Jersey’s Comprehensive Annual Financial Report contains specific and detailed financial information on accounting practices, operating position, capital asset financing, and significant financial policies.

The pricing policies and approach to financial management employed at the Port Authority’s airports have been established in consultation, negotiation, and agreement with the airlines serving the New York regional airports. The Port Authority’s airports follow the compensatory approach to pricing of airside facilities. All users of airport facilities and services pay only the actual costs or value of the facilities and services they use and do not bear the burden of any that do not benefit them.

The schedules contained herein depict information on Port Authority operations and capital expenditures including detailed results for aviation facilities.

OPERATING EXPENSES							
	LGA	JFK	EWR	TEB	DMH	TOTAL	
Gross Operating Revenues	281,511	798,150	665,431	29,861	2,101	1,777,054	
Operating Expenses	216,644	576,169	372,632	15,658	2,533	1,183,636	
Amortization	28,064	89,887	102,000	5,161	701	225,813	
Gross Operating Income (Loss)	36,803	132,094	190,799	9,042	(1,133)	367,605	
Net Interest Expense (a)	3,059	16,168	27,482	(12,352)	28	34,385	
Net Income	33,744	115,926	163,317	21,394	(1,161)	333,220	

ASSET INFORMATION							
	LGA	JFK	EWR	TEB	DMH	PFC PROGRAM	TOTAL
Facilities Net – Beginning of Year	580,487	1,929,989	1,968,631	118,270	1,437	1,551,510	6,150,324
Net Capital Expenditures (b)	41,009	351,792	98,080	31,964	118	64,302	587,265
Depreciation	28,064	89,887	102,000	5,161	701	63,522	289,335
Facilities Net – End of Year	\$593,432	\$2,191,894	\$1,964,711	\$145,073	\$854	\$1,552,290	\$6,448,254

Source: The Port Authority of New York and New Jersey Consolidated Financial Statements, December 31, 2006

- (a) Amounts include net interest (interest expense less financial income) expense, Passenger Facility Charge revenues, grants, and gain or loss generated by the disposition of assets.
- (b) Amounts include performance bonds and discount and premium adjustments.

2006

FINANCIAL SUMMARY

FINANCIAL PERFORMANCE/CAPITAL PROGRAM

During 2006, The Port Authority of New York and New Jersey continued its commitment to the major capital program under way at its aviation facilities. Net capital expenditures in JFK, LGA, EWR, TEB, and DMH were \$587.3 million including Port Authority funds for airport projects and airport access projects. At our aviation facilities, 2006 saw work completed on a variety of projects. All of the airports finished or made substantial progress on runway and taxiway improvements, as well as the airport-wide security programs.

Newark Liberty made substantial progress on the switch house projects that are expanding aeronautical capacity, and the airport completed investment in security improvements (perimeter and guard post), new RCS equipment for parking fee payment, resurfacing of the CTA courtyards/frontage ramps, and made progress on various roadway, terminal, parking, and systems improvements.

Kennedy Airport made substantial progress on a new terminal for JetBlue and completed the Red Parking Garage construction in support of American Airlines' new Terminal 9. JFK continued to make substantial progress on aeronautical and security improvements in 2006, including taxiway bridge strengthening, rehabilitation of Taxiway A & B, and other work in support of commencing the operation of the Airbus A380 at JFK.

LaGuardia Airport completed a major rehabilitation of Runway 13-31, runway deck rehabilitation, security upgrades to the CTB, and upgrades to electrical transformers, roadways, and signage. There was also progress on other aeronautical, landside, roadway, and security projects.

Of the entire \$2.6 billion Port Authority capital investment budget, \$667.5 million is for aviation projects, including projects funded in part by passenger facility charges collected at the airports.

PFC PROGRAM

The Federal Aviation Administration (FAA) on January 17, 2006, approved the Port Authority's application to fund a host of capacity-enhancement, safety, and security projects at the region's three major airports with \$800.6 million in charges, known as Passenger Facility Charges (PFCs). The FAA also authorized the PA to increase the PFC from \$3 to \$4.50 for each passenger departing the three airports, which is expected to yield an additional \$60 million a year.

Previously, the FAA granted applications for \$1.8 billion submitted by the Port Authority in connection with the imposition and use of the \$3 per enplaned passenger charge, in July 1992, July 1995, November 1996, and August 1999.

PFCs are collected by the airlines on behalf of the Port Authority and can be expended only for certain projects that are authorized by the FAA. Pursuant to federal law, the collection and expenditure of the PFC is restricted to PFC-eligible projects undertaken with the prior approval of the FAA. Future applications may be submitted by the Port Authority to the FAA for authority to continue the PFC at the airports and for approval of PFC-funded airport-related capital construction projects, as appropriate.

	GROSS OPERATING REVENUES (in millions)	INCOME FROM OPERATIONS (in millions)	NET CAPITAL EXPENDITURES (in millions)	NET INVESTMENT IN FACILITIES (in millions)
2003	\$1,617	\$265	\$561	\$5,785
2004	\$1,670	\$329	\$411	\$5,930
2005	\$1,793	\$388	\$501	\$6,150
2006	\$1,777	\$368	\$587	\$6,448



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Governor, New York

THE HONORABLE JON S. CORZINE
Governor, New Jersey

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(on leave of absence)

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WARREN KROEPEL, *General Manager*
LaGuardia Airport

LANNY RIDER, *Manager*
Teterboro Airport

ENRIQUE WEGEL, *Manager*
Downtown Manhattan Heliport

2006 AIRPORT HIGHLIGHTS

JOHN OLBERDING, *Managing Editor*

CHARLENE WHITNEY, *Project Manager & Editor*

TINA HANSEN, *Contributing Editor*

	12:00P	012	Beijing	21	12:24P	112	Miami	11	1:15P	612	Barcelona	20	1:29P	197	Nassau	09
	12:05P	178	Melbourne	02	1:05P	126	Mexico City	17	1:25P	160	Memphis	18	2:15P	396	San Antonio	22
	12:24P	112	Rome	11	1:15P	612	San Diego	20	1:29P	197	Antigua	09	2:30P	822	Charleston	06
	1:05P	126	Québec City	17	1:25P	160	Shannon	18	2:15P	396	Stockholm	22	2:32P	778	Singapore	14
	1:15P	612	Barcelona	20	1:29P	197	Dallas	09	2:30P	822	Wash DC–Dulles	06	3:17P	621	Salt Lake City	03
	1:25P	160	Paris–CDG	18	2:15P	396	Prague	22	2:32P	778	Vienna	14	3:30P	116	Sydney	15
	1:29P	197	Antigua	09	2:30P	822	Houston	06	3:17P	621	Sacramento	03	3:35P	212	Hong Kong	04
	2:15P	396	Stockholm	22	2:32P	Newark Liberty International			3:30P	116	Cincinnati	15	3:50P	111	Nice	01
	2:30P	822	Wash DC–Dulles	06	3:17P	621	Minneapolis	03	3:35P	212	Montreal	04	4:05P	711	Kuala Lumpur	32
	2:32P	778	London	14	3:30P	116	Memphis	15	3:50P	111	Dublin	01	4:45P	102	Cairo	0
	3:17P	621	Amsterdam	03	3:35P	212	Palm Springs	04	4:05P	711	Amsterdam	32	4:55P	024	Los Angeles	12
	3:30P	116	Sydney	15	3:50P	111	Puerto Vallarta	01	4:45P	102	Miami	07	5:10P	176	Copenhagen	05
	3:35P	212	Hong Kong	04	4:05P	711	Oslo	32	4:55P	024	Nantucket	12	12:00P	012	Acapulco	21
	3:50P	111	St. Louis	01	4:45P	102	Portland	07	5:10P	John F. Kennedy International			12:05P	178	Tokyo	02
	4:05P	711	Kuala Lumpur	32	4:55P	024	Los Angeles	12	12:00P	012	San Diego	21	12:24P	112	Sacramento	11
	4:45P	102	Seattle	07	5:10P	176	Frankfurt	05	12:05P	178	Las Vegas	02	1:05P	126	Fort Lauderdale	17
	4:55P	024	Vienna	12	12:00P	012	Vienna	21	12:24P	112	Naples	11	1:15P	612	Cancun	20
	5:10P	176	San Francisco	05	12:05P	178	Orlando	02	1:05P	126	Atlanta	17	1:25P	160	Paris–CDG	18
	12:00P	012	Acapulco	21	12:24P	112	Singapore	11	1:15P	612	Dallas	20	1:29P	197	Naples	09
	12:05P	178	Milan	02	1:05P	126	Salt Lake City	17	1:25P	160	Manchester	18	2:15P	396	Frankfurt	22
	12:24P	112	Athens	11	1:15P	612	Munich	20	1:29P	197	Lisbon	09	3:50P	111	Pittsburgh	01
	1:05P	126	Chicago–O’Hare	17	1:25P	160	Geneva	18	2:15P	396	Prague	22	4:12	913	Providence	11
	1:15P	612	Cancun	20	1:29P	197	Aruba	09	3:50P	111	Charleston	01	12:00P	012	Hamburg	21
	1:25P	160	Providence	18	2:15P	396	San Antonio	22	4:12	913	Zürich	11	12:05P	178	Melbourne	02
	1:29P	197	Aruba	09	3:50P	111	Vancouver	01	12:00P	012	Shannon	21	12:24P	112	Denver	11
	2:15P	396	Stockholm	22	4:12	913	Tokyo	11	12:05P	178	Minneapolis	02	1:05P	126	Munich	17
	3:50P	111	Vancouver	01	12:00P	012	Tampa	21	12:24P	112	Seattle	11	1:15P	612	Puerto Vallarta	20
	4:12	913	Zürich	11	12:05P	178	Copenhagen	02	1:05P	126	St. Louis	17	1:25P	160	Houston	18
	12:00P	012	Nassau	21	12:24P	112	LaGuardia		1:15P	612	Savannah	20	1:29P	197	Vienna	09
	12:05P	178	Seattle	02	1:05P	126	Cincinnati	17	1:25P	160	Hamburg	18	2:15P	396	Stockholm	22
	12:24P	112	Las Vegas	11	1:15P	612	Barcelona	20	1:29P	197	Antigua	09	2:30P	822	Mexico City	06
	1:05P	126	Savannah	17	1:25P	160	Mexico City	18	2:15P	396	Miami	22	2:32P	778	Dallas	14
	1:15P	612	Montreal	20	1:29P	197	Antigua	09	2:30P	822	Palm Springs	06	3:17P	621	Amsterdam	03
	1:25P	160	Detroit	18	2:15P	396	Stockholm	22	2:32P	778	Oslo	14	3:30P	116	Geneva	15
	1:29P	197	Antigua	09	2:30P	822	Columbus	06	3:17P	621	Houston	03	3:35P	212	Minneapolis	04
	2:15P	396	San Antonio	22	2:32P	778	Lisbon	14	3:30P	116	Columbus	15	3:50P	111	Orlando	01
	2:30P	822	Fort Lauderdale	06	3:17P	621	Denver	03	3:35P	212	Hong Kong	04	4:05P	711	Kuala Lumpur	32
	2:32P	778	Sacramento	14	3:30P	116	Sydney	15	3:50P	111	Dublin	01	4:45P	102	Tampa	07
	3:17P	621	Pittsburgh	03	3:35P	212	Providence	04	4:05P	711	Frankfurt	32	4:55P	024	Memphis	12
	3:30P	116	Shannon	15	3:50P	111	Detroit	01	4:45P	102	Savannah	07	5:10P	176	San Francisco	05
	3:35P	212	Memphis	04	4:05P	711	Kuala Lumpur	32	4:55P	024	Portland	12	12:00P	012	Montreal	21
	3:50P	Downtown Manhattan Heliport			4:45P	102	Tampa	07	5:10P	176	Salt Lake City	05	12:05P	178	Columbus	02
	4:05P	711	Manchester	32	4:55P	024	Los Angeles	12	12:00P	012	Acapulco	21	12:24P	112	Prague	11
	4:45P	102	Nice	07	5:10P	176	San Francisco	05	12:05P	178	Milan	02	1:05P	126	Manchester	17
	4:55P	024	San Diego	12	12:00P	012	St. Louis	21	12:24P	112	Sacramento	11	1:15P	612	Shannon	20
	5:10P	176	Minneapolis	05	12:05P	178	Las Vegas	02	1:05P	126	Pittsburgh	17	1:25P	160	Copenhagen	18
	12:00P	012	Charleston	21	12:24P	112	Athens	11	1:15P	612	Geneva	20	1:29P	197	Cincinnati	09
	12:05P	178	Puerto Vallarta	02	1:05P	126	Fort Lauderdale	17	1:25P	160	Paris–CDG	18	Teterboro		San Antonio	22
	12:24P	112	Oslo	11	1:15P	612	Miami	20	1:29P	197	Aruba	09	3:50P	111	Vancouver	01
	1:05P	126	Palm Springs	17	1:25P	160	Hamburg	18	2:15P	396	Naples	22	4:12	913	Nice	11
	1:15P	612	Munich	20	1:29P	197	Salt Lake City	09	3:50P	111	Singapore	01	12:00P	012	Lisbon	21
	1:25P	160	Montreal	18	2:15P	396	Stockholm	22	4:12	913	Zürich	11	12:05P	178	Melbourne	02
	1:29P	197	Copenhagen	09	3:50P	111	Vancouver	01	12:00P	012	Denver	21	12:24P	112	Geneva	11
	2:15P	396	Nantucket	22	4:12	913	Seattle	11	12:05P	178	Melbourne	02	1:05P	126	Québec City	17
	3:50P	111	Vancouver	01	12:00P	012	Beijing	21	12:24P	112	Detroit	11	1:15P	612	Tokyo	20
	4:12	913	Portland	11	12:05P	178	Melbourne	02	1:05P	126	Charleston	17	1:25P	160	San Diego	18
	12:00P	012	Orlando	21	12:24P	112	Nassau	11	1:15P	612	Barcelona	20	1:29P	197	Antigua	09

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