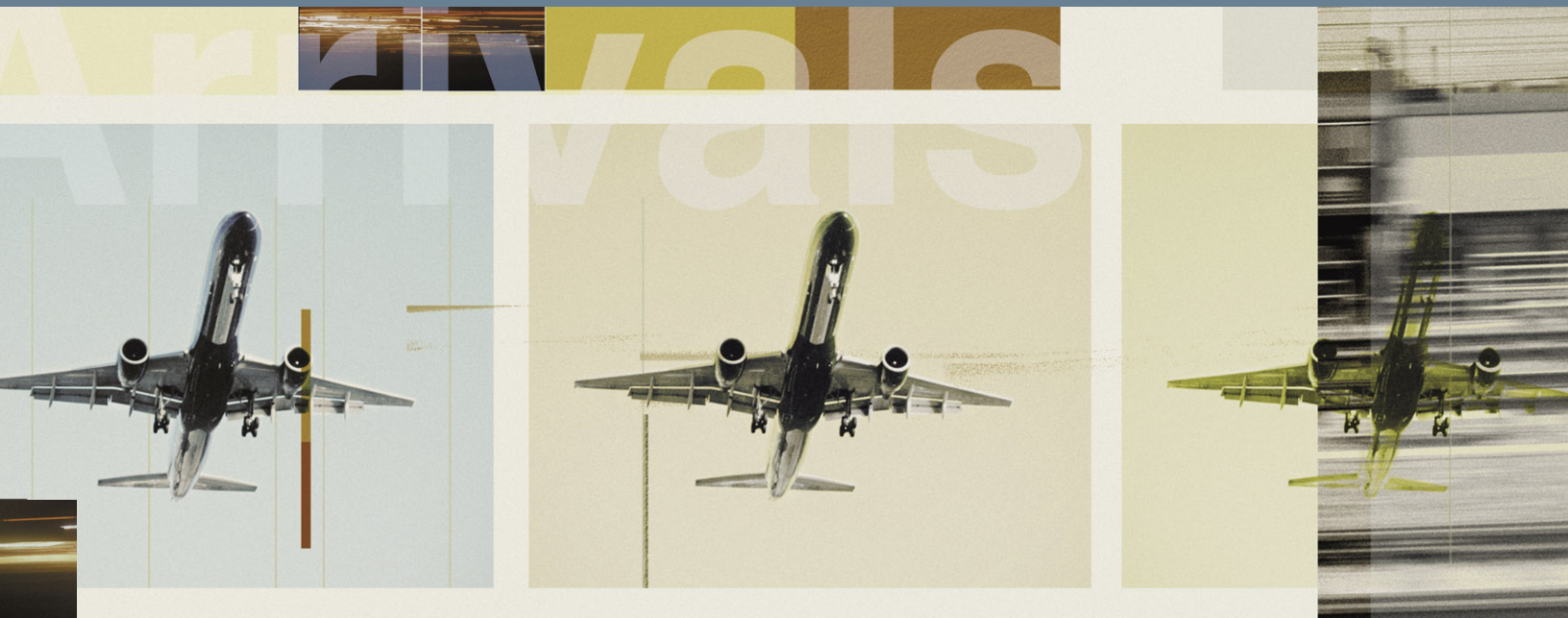


THE PORT AUTHORITY OF NY & NJ

AVIATION
DEPARTMENT
HIGHLIGHTS **20
08**



NOW MORE THAN EVER
KEEPING OUR COMMITMENTS

*Kennedy • Newark Liberty • LaGuardia
Stewart • Teterboro*

NOW MORE THAN EVER

KEEPING OUR COMMITMENTS

In 2008, The Port Authority of New York and New Jersey marked a year of significant anniversaries. We commemorated the opening of two airports, the acquisition of another, and the successful operation of our AirTrains at JFK and Newark Liberty.



Newark Liberty International Airport Turns 80

Newark Liberty International Airport marked its 80th year of operation as a major international and domestic hub serving the passenger and cargo needs of the metropolitan New York-New Jersey area.



John F. Kennedy International Airport Reaches 60

Celebrating its 60th year of operation, John F. Kennedy International Airport continues to be the United States airport that handles the most international traffic. Within the past two years, two new terminals opened at JFK.



Stewart International Airport Marks First Year

Celebrating its first anniversary of operation by the Port Authority is Stewart International. The Port Authority is investing millions to prepare Stewart for its challenging new roles as a reliever of congestion at the agency's other metropolitan airports, economic driver for the mid-Hudson Valley, and an aviation leader in the use and implementation of green technology.



AirTrain JFK Hits 5

Since beginning service five years ago, AirTrain JFK has sustained year-to-year increases in growth, providing convenient, economical "train-to-plane" service to passengers in the New York City area. Operating around the clock, seven days a week, AirTrain JFK offers fast connections to the Long Island Rail Road and New York City's subways and buses.

As we navigate a severe economic downturn, one thing is certain: Now more than ever the Port Authority of New York and New Jersey must keep its commitment to build strong and prosperous airports. With swift action and record investment in 2008 we continued to enhance our airports and terminals, increase capacity, improve infrastructure, advance safety and security initiatives, expand our award-winning customer service, boost community relations, and achieve environmental sustainability. These are the essential components of a powerful and innovative aviation system. And this is the system that our airline industry partners need now more than ever.

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NOW MORE THAN EVER FAST-TRACKING OUR INVESTMENTS

A MESSAGE FROM THE DIRECTOR



The aviation industry has endured tremendous challenges over the past several years: record-high fuel costs, unprecedented consumer demand, flight delays, mounting airline losses, and air traffic that seems to become more congested every day. Add to this the current economic downturn, and you might conclude that we are in the midst of a perfect storm.

And in some ways, we are. For the first time since the beginning of this decade, we saw our annual passenger totals decline, and cargo tonnage continues its downward trend. Still, customers and cargo keep coming in great numbers to our airports. In 2008, Port Authority airports offered more non-stop flights to more destinations than any other airport system in the world. We welcomed 1.3 million flights, 107 million passengers, and more than 2.3 million tons of cargo. Our airports – JFK International, Newark Liberty International, LaGuardia, Teterboro, and Stewart International – are gateways to one of the greatest economic capitals in the world. That is why the Port Authority is fast tracking our investments, so that our airline partners have the infrastructure, the capacity, and the services they need to handle the 127 million passengers who are expected to use our airports by 2018.

STIMULATING THE REGIONAL ECONOMY

When the Port Authority invests in its airports and airline partners, we are investing in the economic health and well-being of our entire region. About 100,000 people work at our airports, either as employees of airlines, government agencies or other on-site businesses. Millions of businesses in our region depend on the airline industry to move a steady stream of customers and clients. Millions of others depend on the cargo commodities that come through our airports such as machinery, apparel, food and other perishables, and pharmaceuticals.

Overall, seven percent of the economic activity in our region is derived from our airport industry. It's an industry that is vital to the community. So every dollar invested by the Port Authority in its airports is money that goes directly or indirectly to stimulate the local and regional economies.

TACKLING INDUSTRY DELAYS AND CONGESTION

Air congestion, flight delays, aging facilities, security issues, and the need to expand air capacity: these are challenges that continue to impact the viability of our airline partners. Despite the current economic condition, last year we made significant progress on all these fronts.

JetBlue opened its new Terminal 5 at JFK International; work continued on the Terminal B modernization at Newark

Liberty International; renovations were made to the Central Terminal Building at LaGuardia Airport; and major upgrades were made at Stewart International Airport. We added new Emergency Materials Arresting Systems (EMAS), advanced work on perimeter intrusion detection systems at our airports, and added a host of new customer service initiatives and community outreach services.

We also worked with our industry partners to address the bane of airline travel – flight delays. In 2008, the Port Authority invested \$150 million in technical and customer-service initiatives that were identified last year by the Flight Delay Task Force, a group of industry and business leaders convened by the agency to study airport delays. In 2009, the Board of Commissioners approved \$15 million to continue this effort.

FIGHTING TODAY FOR TOMORROW'S NEXTGEN TECHNOLOGY

This year, we created the National Alliance to Advance NextGen to bring the latest technological advances in air traffic control to our airports. NextGen utilizes satellite technology to allow for more efficient use of existing airspace. With less distance needed between aircraft, more flights can operate simultaneously, thus reducing congestion and flight delays at our airports. Airports in Beijing, Singapore, and all over Europe already are using NextGen technology. For the safety of our passengers and our sustained growth, we cannot sit back and let other countries continue to build the airports of the future while we depend on an outmoded and outdated air traffic control system that still relies on radar to move aircraft, just as it did 60 years ago.

The Port Authority has stood on the precipice of economic instability before. Each time we have rebounded, adjusted, improved, and grown. This time will be no different although we face greater challenges in the future. The Port Authority is staying the course and keeping its long-term commitments on track – readying itself for a new day of economic growth for our airlines, our region, and all of the people who depend on us.

A handwritten signature in dark ink, appearing to read 'William R. DeCota'.

William R. DeCota
Director, Aviation Department

NOW MORE THAN EVER

MAJOR CAPITAL INVESTMENTS

FOR 2009

Despite the current economic downturn, fiscal discipline, strong leadership, and strategic planning are enabling us to maintain our vision for our multi-year capital plan, which was launched in 2007.

In 2008, the Port Authority continued its commitment to the major capital program under way at our aviation facilities. Net capital expenditures at LaGuardia, JFK, Newark Liberty, Teterboro, and Stewart totaled \$625 million, including Port Authority funds and passenger facility charges for airport projects.

The Port Authority's overall budget for 2009 is \$6.7 billion. A healthy \$3.3 billion of this budget is earmarked for investment in capital projects.

By holding the line on operating expenses and staffing levels and by prioritizing long-term investments, the 2009 budget allocates \$1.3 billion for aviation and \$594 million for capital investments, including projects funded in part by passenger facility charges collected at the airports. Our initiatives include building new terminals and facilities; modernizing and upgrading existing ones; supporting the growth of new markets, products, and services; and improving safety, security, and service.

KEY CAPITAL PROJECTS

FACILITIES

- \$85 million to rehabilitate JFK International's taxiways and apron area
- \$64 million to modernize Terminal B at Newark Liberty International
- \$23 million to rehabilitate Newark Liberty International's runways
- \$18 million to rehabilitate Teterboro's runways, taxiways, and apron areas
- \$16 million to rehabilitate LaGuardia's runways, taxiways, and airfield lighting
- \$14 million for landside projects at Newark Liberty International
- \$12 million to modernize LaGuardia's Central Terminal Building
- \$10 million to renovate the TWA Flight Center at JFK International
- \$5 million to improve access roads to Teterboro
- \$4 million to improve access roads to Stewart International
- \$2 million to expand Stewart International's terminal and new Federal Inspection Services area

SAFETY

- \$39 million to install perimeter intrusion detection systems at JFK International, LaGuardia, Newark Liberty International, and Teterboro
- \$28.4 million to install security bollards at LaGuardia and Newark Liberty International
- \$13 million to rehabilitate Runway 4-22 at LaGuardia
- \$10 million for in-line baggage screening systems at JFK International, LaGuardia, and Newark Liberty International
- \$5 million to replace an airport weather instrumentation power circuit at Stewart International
- \$4.4 million for perimeter hardening at JFK International and LaGuardia
- \$6 million to install 800MHZ radio systems at JFK International, Newark Liberty International, and Teterboro

- \$1.8 million to install an Engineering Materials Arresting System at Teterboro
- \$1.4 million to improve perimeter security fencing at Teterboro
- \$986,000 to demolish Hangar 12 at JFK International and build a centralized radiant de-icing facility

FLIGHT DELAYS, CUSTOMER SERVICE, AMENITIES

- \$15 million to implement JFK International's Flight Reduction Program
- \$3.8 million to upgrade HVAC systems at LaGuardia
- \$3 million to improve Newark Liberty International's AirTrain Newark
- \$3 million to rehabilitate parking lots at Newark Liberty International
- \$1.2 million to make terminal improvements at Stewart International
- \$950,000 for customer service initiatives at Newark Liberty International

COMMUNITY

- \$15 million to soundproof schools surrounding LaGuardia
- \$8 million to soundproof schools surrounding Newark Liberty International
- \$7.6 million to soundproof schools surrounding JFK International
- \$4 million to rehabilitate roads, cargo areas, and parking at Stewart International
- \$3.5 million to soundproof schools surrounding Teterboro
- \$1 million to rehabilitate air terminal highways at LaGuardia
- \$956,000 to make roadway improvements at Newark Liberty International
- \$857,000 to rehabilitate the Van Wyck Expressway leading to JFK

KEEPING OUR COMMITMENTS

- NEW TERMINALS
- LARGER FACILITIES
- INFRASTRUCTURE IMPROVEMENTS

Now more than ever, given the difficulties our airline industry partners face, the Port Authority is investing in state-of-the-art facilities and systems that will create the new capacity that is essential to our global competitiveness.



Together, our five airports – JFK International, Newark Liberty International, LaGuardia, Teterboro, and Stewart International – served more than 107 million passengers in 2008. This was the third year in a row that we exceeded the 100 million passenger mark, a record we first set in 2006. The number of passengers at our airports is expected to climb to 127 million by 2018 and 145 million by 2025.

Infrastructure gains in 2008 made way for new capacity. JetBlue’s stunning new 26-gate, 635,000-square-foot Terminal 5 opened in September 2008 at JFK International behind the landmark TWA Flight Center. The new terminal, which was financed in part by \$800 million from the Port Authority, can handle up to 20 million passengers each year. Adjacent to this state-of-the-art terminal is a brand new \$82 million, six-level garage, which was built by the Port Authority. Also at JFK, taxiways E and S were rehabilitated, and the overlay of the on-airport Van Wyck Expressway was completed. Work continues on the rehabilitation of other taxiways and roadways to maintain them in a state of good repair.

An exciting \$318 million modernization of Terminal B at Newark Liberty International neared completion in 2008. The larger Terminal B will handle increased international traffic and provide for a more comfortable, efficient, and safe operation for passengers of international and domestic flights. In 2008, we also began work to widen 32 taxiway intersections at Newark Liberty to accommodate larger aircraft, and create greater efficiency on our airport taxiways and runways to curb delays and cut queuing times. Further progress was made on the CTA access roads improvement program and the rehabilitation of runway 11-29 at Newark Liberty.

At LaGuardia Airport, work continued on the Airfield Rescue and Firefighting Project. Progress was made on other aeronautical and infrastructure projects, including completion of the rehabilitation of runway 4-22 and the upgrading of the Pump House.

On August 1, JFK International welcomed the world’s largest passenger aircraft, the Airbus A380, for its first scheduled U.S. flight. Nearly \$180 million in infrastructure improvements at JFK paved the way for Airbus A380

and the next generation of large aircraft to land in New York.

While traffic fell at Stewart International Airport, the Port Authority maintained its focus on its future development. The Port Authority hired a consulting firm to help the agency create a strategic, long-term plan for expanding air service at Stewart. And to encourage airlines at Stewart to stay the course during these difficult economic conditions, the Port Authority waived fees that airlines pay to land, park, and use terminal facilities at Stewart for six months.

Also in 2008, the Port Authority authorized a \$20 million planning study for the redevelopment of JFK International’s Terminals 2 and 3, which are operated by Delta Airlines. The Port Authority Board of Commissioners also approved \$40 million to advance to the second phase of a study to modernize and redevelop LaGuardia’s Central Terminal Building. The study is expected to be completed in 2010. These studies are the first step in delivering on a commitment by the Port Authority to provide our customers with the best facilities possible at all our airports.

KEEPING OUR COMMITMENTS

- SECURING OUR FACILITIES
- NEW SCREENING TECHNOLOGIES
- PASSENGER SAFETY

The safety and security of our passengers, employees, visitors, and cargo are top Port Authority priorities. Despite a weakened economy, now more than ever, the Port Authority must advance the efforts we have built up since September 11, 2001, to make certain our airports are the safest in the world.



The safety of our passengers is paramount. In 2008, partnerships with federal agencies enabled the Port Authority to stay on the cutting edge of new technology and to acquire the funding needed to boost security at all our airports. Working diligently, both in public view and behind the scenes on security initiatives that by their nature must remain hidden, our staff is utilizing new technologies that have paved the way for greater security capabilities. Perimeter intrusion detection systems, perimeter hardening, and new security fencing at our airports keep us apprised of all that occurs within our airports' boundaries.

In 2008, the Port Authority executed agreements with the U.S. Transportation Security Administration to replace or renovate the explosive detection screening and baggage handling

systems at selected passenger terminals at LaGuardia, JFK International, and Newark Liberty International. We also received a \$400 million grant from the U.S. Transportation Security Administration to make in-line baggage screening improvements at each of the agency's five airports.

Also in 2008, the Port Authority authorized \$12 million for phase 2 of the perimeter strengthening program at JFK International, Newark Liberty International, and LaGuardia to replace segments of perimeter fences, and \$1 million for planning and design development of a perimeter barrier system for certain areas of the airports. A \$28.4 million project was approved to expand bollard protection at terminal frontages at Newark Liberty and LaGuardia

to stop explosives from being transported into terminals. In 2008, the Port Authority approved \$19.75 million for navigational aid improvements to allow more arrivals at our airports in inclement weather, and in 2009, Newark Liberty International will be the first major hub to test NextGen technology. Teterboro Airport became the first general aviation airport to pilot the National Air Transportation Association's Safety 1st interactive Web program. By year's end, the program, which acquaints crews flying into and out of Teterboro with the airport's unique characteristics, had been viewed 80,000 times.

At Stewart International, work advanced on the weather instrumentation power circuit.



KEEPING OUR COMMITMENTS

- FLIGHT DELAY TASK FORCE
- CUSTOMER SERVICE
- AIRPORT AMENITIES

With increased air traffic, now more than ever, The Port Authority is intensifying its efforts to reduce departure and arrival delays. Innovative customer service initiatives, along with infrastructure investments, are going a long way in making flying more convenient, efficient, and comfortable for our passengers.



In mid-2008, the Port Authority reconvened its Flight Delay Task Force and authorized \$15 million to assist in the development of a comprehensive delay reduction program for our airports. Major initiatives included fast-tracking the implementation of a NextGen satellite-technology-based air traffic control system at Newark Liberty International. In 2009, Newark Liberty will become the first major hub in the nation to test this new technology with Continental Airlines that will enable additional arrivals and departures.

In 2008, we instituted an “early warning” alert system at our airports to provide timely information to passengers in nearby hotels via their cell phones, PDAs, pagers, or e-mail accounts. We opened up links to travel-related Web sites at the terminals. We added seating to terminals at LaGuardia, Newark Liberty International, and Stewart International. We expanded parking lots at Stewart. Handicapped-accessible taxicabs began receiving priority dispatching at JFK International in a joint program of the Port Authority, the New York City Mayor’s Office of Operations, and the NYC Taxi and Limousine Commission.

We also made it easier for customers to use technology while waiting at our airports by installing power poles at Newark Liberty International’s three terminals and at LaGuardia’s Central Terminal Building. Each pole enables users to recharge batteries for portable electronic devices free of charge. Similar poles were installed at JFK International in 2006. To help passengers better navigate JFK International and Newark Liberty International before their trip, the Port Authority unveiled new video and audio podcasts that can be downloaded.

In 2008, we inaugurated new Welcome Centers at LaGuardia Airport’s Central Terminal Building and the new JFK Terminal 5, giving passengers an on-site resource to make arrangements for transportation, hotels and car rentals; check flight information; and access New York City tourism information.

Dozens of new retail, food and beverage, and concessions outlets arrived at our airport terminals – many of which received awards from Airports Council International-North America. Newark Liberty’s Terminal C received two first-place awards: Best Specialty

Retail Program for Large Airports and Best Convenience Retail Program for Large Airports. JFK International’s Terminal 7 won first place for its Sapphire Lounge in the Best New Food and Beverage Concept category. JFK International’s Terminal 8 won second-place accolades for Best Convenience Retail program for Large Airports. Terminal 8’s Solstice Sunglass Boutique placed third in the Best New Retail Concept category. Also, JFK International and Newark Liberty International received top awards for their concessions programs from *Airport Revenue News’* annual best airport concessions competition.

AirTrain JFK celebrated its fifth anniversary with a record year of ridership. In 2008, 6.7 million people used the wallet-friendly AirTrain JFK and AirTrain Newark to travel to and from the airport quickly, safely, and reliably. Millions more used AirTrain free of charge to travel between terminals and rental car and long-term parking areas. Seats and flooring were replaced on the entire AirTrain JFK fleet in 2008.

KEEPING OUR COMMITMENTS

- CREATING JOBS
- NOISE ABATEMENT
- ENVIRONMENTAL STEWARDSHIP

Operating a major airport in the midst of a community creates economic, environmental, and humanitarian benefits for both the aviation industry and our neighbors. Now more than ever, this economic partnership is needed to stabilize and grow our neighboring communities.



As leading gateways for international and domestic business and leisure flights from all over the world, our airports and industry partners help to generate major spending in our economy. Each year, our five airports generate thousands of new construction and permanent jobs, resulting in billions of dollars in wages.

Our airports enrich local businesses and service enterprises, both big and small. In 2008, the Queens Air Services Development Office, which coordinates the purchase of products and services near LaGuardia and JFK International, awarded \$40 million in contracts with the two airports to Queens vendors and contractors. The Port Authority awarded more than \$25 million in contracts for airport-related work at Stewart International, with about one-third of the total going to Hudson Valley firms. Several businesses from outside the Hudson Valley employed local workers and firms to help fulfill their airport contracts.

Noise abatement is an ongoing mission of the Port Authority. Along with federal

and local agencies and organizations, we have committed nearly \$400 million to soundproofing 77 schools in our surrounding communities.

The Teterboro Airport Industry Working Group – a voluntary group formed in 2006 to proactively bridge the interests of the aviation community and the airport’s neighbors – continued to be a major force in responding to the concerns of its community. In 2008, the Working Group reported a 43 percent decrease in Stage 2 operations, a 35 percent decrease in noise complaints, and a 20 percent decrease in non essential nighttime operations.

As the Port Authority develops Stewart International Airport, we have involved our Hudson Valley community for input by creating a Citizens Advisory Panel made up of community members to seek feedback on the airport’s role in the region.

Environmental initiatives that benefit all of humanity have included becoming carbon-neutral at our

airports by 2010, using hybrid buses at our airports, building the world’s first geothermal-powered building at an airport at JFK International, investing \$60 million to buy and preserve environmentally sensitive land for public use, installing thermal windows at our terminals, and committing to make Stewart International the nation’s first carbon-negative airport. In 2008, we awarded five contracts totaling \$2.5 million to several carbon brokerage teams to identify high-quality and regionally generated carbon offsets for purchase.

Our airports continued to offer educational and scholarship opportunities in 2008. Airport tours, visits by schoolchildren to the Aviation Hall of Fame and Museum of New Jersey at Teterboro Airport, and scholarships and internships for those pursuing careers in aviation-related industries help us kindle a lifelong devotion to the “friendly skies” in our next generation.

TOP TEN PASSENGER CARRIERS

REGION	
Continental	20,725,455
JetBlue Airways	14,193,871
American	13,297,821
Delta	11,648,952
Continental Express/Exp. Jet	3,767,644
United	3,479,992
US Airways	3,260,938
Northwest	2,683,736
Comair, Inc.	2,666,233
Airtran Airways	1,736,349

EWR	
Continental	19,742,113
Continental Express/Exp. Jet	3,737,812
American	1,422,644
Continental:Exp:Colgan Air	1,131,687
United	1,010,775
JetBlue Airways	996,335
Delta	980,784
US Airways	835,117
Northwest	722,526
Lufthansa	426,894

SWF	
JetBlue Airways	293,444
Airtran Airways	208,349
Delta: ASA	100,253
NW Airlink: Pinnacle	56,792
US Air Exp: Air Wisconsin	48,328
US Air Exp: Piedmont	47,307
Skybus	34,834

JFK	
JetBlue Airway	12,192,799
Delta	7,897,794
American	7,379,392
Comair, Inc.	1,628,131
British Airways	1,324,670
Delta Connect:Mesa-Freedom	925,950
United	900,709
Air France	860,669
Virgin America	703,227
Virgin Atlantic	645,126

LGA	
American	4,495,785
Delta	2,770,374
US Airways	1,926,846
United	1,568,508
Northwest	1,519,105
Airtran Airways	1,193,021
American Eagle	981,337
Spirit Airlines	975,176
Comair, Inc.	916,917
US Air Exp: Air Wisconsin	862,247

TOP TEN FREIGHT CARRIERS (IN SHORT TONS)

REGION	
Federal Express	589,067
United Parcel	183,895
American	151,539
Continental	121,402
British Airways	72,621
Lufthansa Cargo	72,284
Delta	70,701
Korean	68,149
China Airlines (CAL)	62,928
Asiana	56,735

EWR	
Federal Express	452,261
United Parcel	143,909
Continental	120,838
ABX Air Inc.	26,180
Virgin Atlantic	15,991
British Airways	14,046
SAS	13,267
Air Transport Int'l (BAX Inc.)	11,820
Kalitta Air LLC	10,207
Lufthansa	9,421

SWF	
Federal Express	8,417
ABX Air Inc.	5,086
United Parcel	4,108
Air Transport Int'l (BAX Inc.)	104
US Air Exp: Piedmont	3

JFK	
American	150,573
Federal Express	128,390
Lufthansa Cargo	72,284
Korean	68,149
Delta	64,459
China Airlines (CAL)	62,928
British Airways	58,575
Asiana	56,735
Cathay Pacific	53,623
Japan Airlines	52,401

LGA	
Delta	4,642
United	1,498
US Airways	628
Continental	564
Frontier Airlines	365
Midwest Airlines, Inc.	278
JetBlue Airways	240
Northwest	192
Air Canada	147
American Eagle	117

AVIATION DEPARTMENT

John F. Kennedy International (JFK), Newark Liberty International (EWR), LaGuardia (LGA), and Stewart International (SWF) Airports are aviation facilities operated by The Port Authority of New York and New Jersey. 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'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. JFK, EWR, and LGA airports follow the compensatory approach to pricing of airside facilities. Pricing at Stewart Airport is controlled by the terms of the lease with the State of New York. 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.

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 Port Authority 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.

2008 OPERATING RESULTS							
	LGA	JFK	EWR	TEB	DMH	SWF	TOTAL
Gross Operating Revenues	307,746	950,583	718,451	34,052	4,531	10,518	2,025,881
Operating Expenses	237,414	657,492	415,712	18,998	2,262	14,319	1,346,197
Amortization	29,728	106,119	105,431	8,445	7	–	249,730
Gross Operating Income (Loss)	40,604	186,972	197,308	6,609	2,262	(3,801)	429,954
Net Interest Expense (a)	18,811	(63,615)	(65,020)	1,374	–	328	(108,122)
Net Income	59,415	123,357	132,288	7,983	2,262	(3,473)	321,832

ASSET INFORMATION								
	LGA	JFK	EWR	TEB	DMH	SWF	PFC Program	Total
Facilities Net – Beginning of Year	647,707	2,466,262	2,006,372	161,593	7	503	1,553,366	6,835,810
Net Capital Expenditures (b)	117,564	162,202	106,868	24,105	0	8,850	205,111	624,700
Depreciation	29,728	106,119	105,431	8,445	7	0	68,469	318,199
Facilities Net – End of Year	\$735,543	\$2,522,345	\$2,007,809	\$177,253	\$0	\$9,353	\$1,690,00	\$7,142,311

Source: The Port Authority of New York and New Jersey Consolidated Financial Statements, December 31, 2008
(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.

NET INVESTMENT IN FACILITIES (IN MILLIONS)				
	Gross Operating Revenues	Income from Operations	Net Capital Expenditures	Net Investment in Facilities
2005	\$1,793	\$388	\$501	\$6,150
2006	\$1,777	\$368	\$587	\$6,448
2007	\$1,918	\$440	\$686	\$6,836
2008	\$2,026	\$430	\$625	\$7,142

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GOVERNOR, NEW YORK

The Honorable
Jon S. Corzine
GOVERNOR, NEW JERSEY

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*THROUGH AUGUST 2008
**FROM SEPTEMBER 2008

2008 AIRPORT HIGHLIGHTS

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OUR 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.

OUR VISION

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



THE PORT AUTHORITY OF NY & NJ

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