THE PORT AUTHORITY OF NY & NJ

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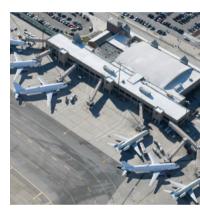














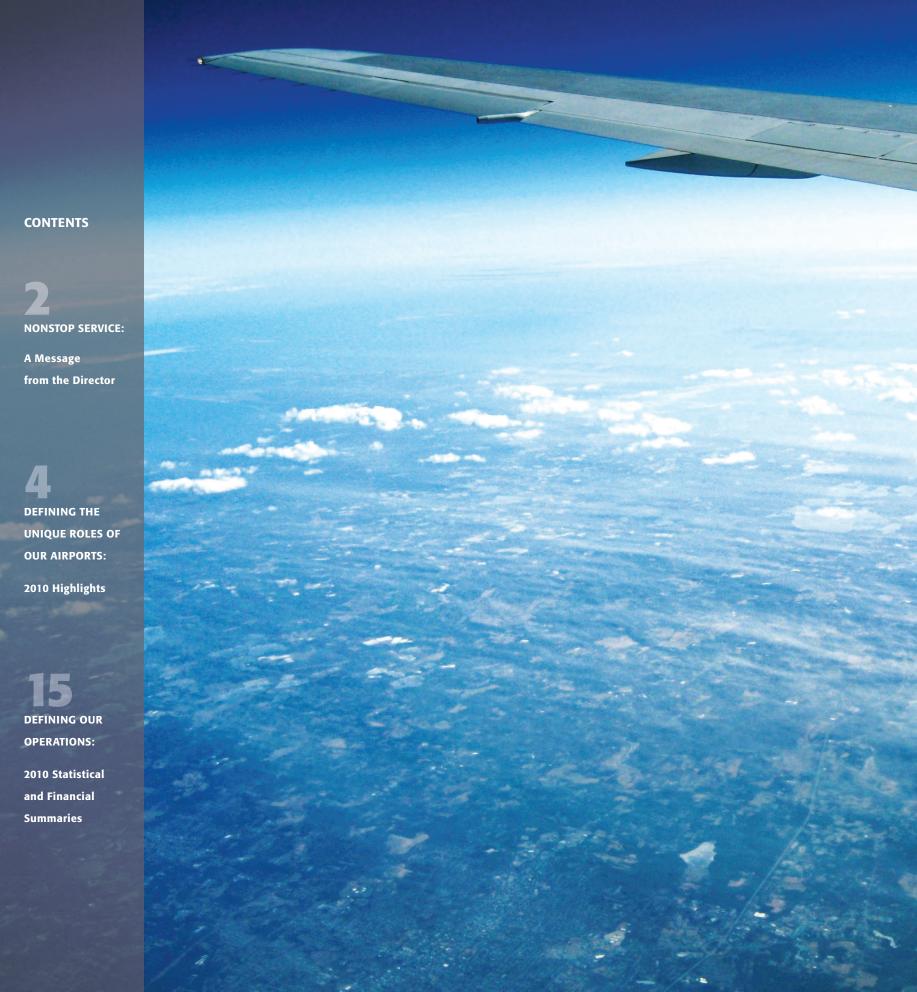




AVIATION HIGHLIGHTS 2010

THE PORT AUTHORITY OF NY & NJ

Kennedy • Newark Liberty LaGuardia • Stewart • Teterboro



Nonstop service. That's what The Port Authority of New York and New Jersey

JFK

airports deliver. Five airports. Each with a unique role. Together, handling a never-

LGA

ending current of air travel and trade. Airports for international and domestic flights.

EWR

Airports for general aviation and relief. Airports for cargo. An airport for every

SWF

purpose. John F. Kennedy International, LaGuardia, Newark Liberty International,

TEB

Stewart International, and Teterboro. A comprehensive system offering more nonstop

NONSTOP SERVICE

flights aboard more airlines to more destinations than anywhere else in the world.



NONSTOP SERVICE

A MESSAGE FROM THE DIRECTOR

In 2010, The Port Authority of New York and New Jersey aviation system experienced a passenger growth rate above the national average, serving 104 million passengers. Despite a stubborn economic recovery, the Port Authority aviation system experienced 2.1 percent growth, while the nation's airports averaged 1.7 percent. Cargo operations also excelled, with a sizeable increase of 17 percent, delivering the first year-over-year growth in cargo since 2005.

Our strong performance can be credited to the market positions of the five airports within our system:

- In 2010, JFK set a record for the most international passengers in its history, bringing its total number of travelers to 46.5 million.
- Our flagship domestic airport, LaGuardia Airport, grew the fastest last year, increasing its passengers by 8.3 percent to 24 million five times the national rate.
- Newark Liberty International Airport, a major international and domestic hub, served 33 million passengers last year.

- Teterboro Airport, the second busiest general aviation airport in the United States, handled approximately 600 flights a day.
- Stewart International, poised as a reliever airport for the region, last year announced new flights and increased passengers to 395,000.

To keep our whole system strong, we invest in all our airports. In 2010, \$333 million in construction projects were under way at our airports, and more than 30 contracts worth \$78 million were awarded. An additional 41 projects advanced through final design.

Major accomplishments in 2010 include:

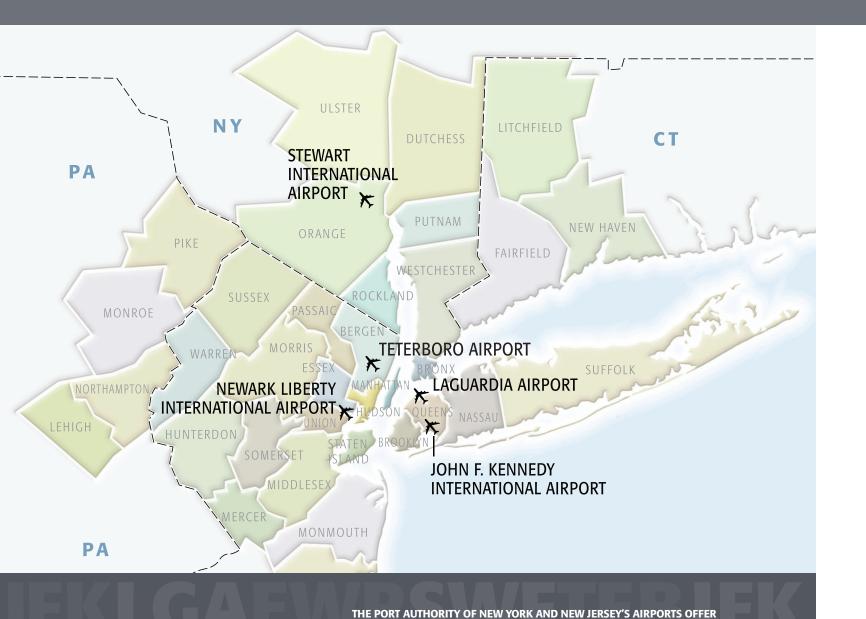
- The Bay Runway reconstruction at JFK
- A new FAA air traffic control tower and Police Crisis Command Center and Aircraft Rescue and Firefighting Facility at LaGuardia
- Newark Liberty Terminal B modernization
- Stewart International roadway realignment and rehabilitation, 800 new parking spaces, launching of an economic sustainability plan, and the opening of an Airport Service Development Office
- The relocation of a major roadway at Teterboro Airport to help create a new safety area

Operating on the national stage, we secured a spot on the U.S. Secretary of Transportation's Future of Aviation Advisory Committee. The Port Authority also was named to the Federal Aviation Administration's NextGen Advisory Committee, one of only two airport operators serving on an advisory panel to the FAA. Both appointments guarantee the Port Authority a platform on which we can advance initiatives that will improve our industry.

In this report, we are excited to share with you how our airports together deliver nonstop service to the aviation industry – and the investments we have made to keep them strong and competitive for our industry partners and the customers they serve.

SUSAN M. BAER

DIRECTOR, AVIATION DEPARTMENT



UNSURPASSED GLOBAL ACCESS TO BUSINESS AND LEISURE TRAVELERS.

AND MOST VIBRANT CULTURAL, MEDICAL, AND EDUCATIONAL CENTERS

OUR AIRPORTS SERVE 104 MILLION PASSENGERS ANNUALLY.

LOCATED IN THE HEART OF ONE OF THE WORLD'S MOST AFFLUENT MARKETS

NONSTOP SERVICE

DEFINING THE UNIQUE ROLES OF OUR AIRPORTS

John F. Kennedy International, LaGuardia, Newark Liberty International, Stewart International, and Teterboro. Each of these airports plays a unique role within the aviation industry. Whether working with a major international airline, a charter service operator, an importer/exporter, or a private jet owner, our airports provide nonstop service that fuels world travel and business.

The strength of the Port Authority aviation system depends on the vitality of each of our airports. That is why we invested in airport enhancements in 2010 that define new levels of customer service, terminal modernization, airport safety and security, and environmental sustainability. We executed projects that delivered new routes, increased cargo operations, built stronger community partnerships, and reduced airport delays. All this and more creates a system of nonstop service on the cutting edge of today's aviation industry.

CUSTOMER AMENITIES

Throughout 2010, the Port Authority invested heavily to make flying into and out of our airports a nonstop comfortable, convenient experience. Thirty-two new concessions opened in Newark's Terminals A and B. An agreement for a new food/beverage concession at AirTrain JFK's Jamaica Terminal began in January 2011. A new French bistro opened at LaGuardia, and Concourse D concessions were renovated to improve the flow of pedestrian traffic and circulation.

In many cases, our efforts were acknowledged with major national awards for customer service and amenities. Airports Council International-North America recognized concessions at John F. Kennedy International, Newark Liberty, and LaGuardia with seven Richard A. Griesbach Awards for Excellence. Honored were Terminal 5 at John F. Kennedy International, operated by JetBlue Airways, Terminal C at Newark Liberty, and Bobby Van's Grill and Steakhouse in Terminal 8 at

John F. Kennedy International. The Digital Signage Federation honored AirTrain JFK with its Gold Award for AirTrain's closed-circuit television network and upgrades to the entire AirTrain JFK system.

Highlights of other customer service enhancements include:

- Quick Connect program at John F. Kennedy International's Terminal 4, allowing passengers with connecting flights to get to their gates swiftly
- Express Pay for Parking machines, giving customers a timesaving way to pay for parking at John F. Kennedy International, Newark Liberty, LaGuardia, and Stewart
- Web-based advertising to promote on-airport parking at all our airports
- Online advance parking reservations at Newark Liberty that feature designated spaces in the P4 daily parking garage and in the Terminal C short-term parking garage, both adjacent to AirTrain Newark
- 800 new parking spaces at Stewart

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JOHN F. KENNEDY INTERNATIONAL AIRPORT

John F. Kennedy International Airport is one of the largest and busiest airports in the United States and the world. The airport handles 46.5 million passengers and 1.4 tons of air cargo per year.

Sparkling new terminals, state-of-the-art security, premier amenities, and ongoing investments make JFK the choice of millions for business and leisure travel every year.

The airport's Central Terminal Area boasts seven terminals with 125 aircraft gates. Eighty airlines fly into and out of JFK. As one of the world's busiest air cargo centers, JFK features two cargo facilities totaling 430,000 square feet of warehouse and office space.

Last year, the Port Authority tackled the No. 1 complaint in aviation – flight delays – by reconstructing JFK's Bay Runway. The \$348 million project widened the runway from 150 to 200 feet and added new taxiways to improve aircraft queuing, ease congestion, and reduce delays. The project, completed on budget, ahead of schedule, and with minimum disruption to air travel, also included an innovative aircraft-metering system that has further curbed delays at the airport.

An unprecedented natural disaster – the eruption of a volcano in Iceland that grounded flights within a 4,000-mile radius – provided a unique opportunity for John F. Kennedy International and Newark Liberty to spotlight our attention to customer service. As flights were cancelled between John F. Kennedy International/Newark and European airports, our central offices and airport-wide staff provided stranded passengers with cots, shower facilities, meals, and every available amenity. In 2010, as a result of these efforts and year-long exemplary service, 200 employees throughout all our airports were honored by our Airport Reward and Recognition Program.

DEFINING

AIRPORT SAFETY AND SECURITY

Port Authority airports utilize sophisticated technologies, stealth-driven strategies, and experienced personnel to protect our facilities, incoming cargo, and passengers.

In 2010, the Port Authority allocated \$444 million for security at our five airports, with \$326 million earmarked for capital projects. Keeping our workforce trained in the latest aeronautical, technical, and operations advances is crucial to the safety of our airports. A major accomplishment for all our airports was completion of Federal Aviation Administration (FAA) Part 139 Certification for supervisory staff. Other classes completed in 2010 include wildlife management and bird identification, wildlife awareness, and basic and advanced Airport Safety and Operations School (ASOS).

Starting with a point of entry for passengers, new closed-circuit cameras were installed at John F. Kennedy International, Newark Liberty, and LaGuardia's passenger checkpoints with workstations available to the Port Authority Police Department and the Transportation



Security Administration. Over the year, we worked closely with U.S. Customs and Border Protection (CBP) personnel to increase enrollment in CBP's trusted traveler program, Global Entry. Enrollment in Global Entry eliminates the need for these passengers to fill out I-94W forms, effectively moving them through customs procedures without delay.

The Port Authority Board of Commissioners authorized
Phase 3 of our ongoing project to install protective bollards
(barriers) at tenant-operated terminals at a cost of
\$120.4 million, after the first two phases of our project
provided protection of terminal frontages at Port Authorityoperated terminals. Other 2010 safety and security
highlights at individual airports include:

- a successful emergency drill involving 400 participants at Newark Liberty
- the installation of alarms on surveillance cameras at Newark Liberty
- a Newark Liberty-specific Web site that allows pilots to find safety-related data and other information about the airport prior to flying into congested airspace

- the Balchen/Post Award for Outstanding Achievement in Airport Snow and Ice Control for the 2009 2010 snow season to Teterboro
- the safe arresting of a G IV aircraft at Teterboro, with restoration of the arrestor bed within two weeks
- outstanding results by LaGuardia's Security ID Office on several audits and assessments, with federal authorities citing a number of security best practices employed at LaGuardia that can be shared with airports nationwide
- an agreement between Stewart and the New York
 State Police for continued police coverage at the airport

Keeping the airspace in which our airports' aircraft depart and land safe from bird strikes is the goal of the Port Authority's Wildlife Hazard Management Program.

A number of wildlife management initiatives were begun or continued in 2010, including consolidating our wildlife contracts with the United States Department of Agriculture (USDA) to provide on-site wildlife biologists and other

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services at each of our five airports. We also trained more than 800 employees in wildlife awareness, trained supervisors in wildlife management and bird identification, and created a Wildlife Hazard Task Force at Newark Liberty.

NEW ROUTES

The Port Authority works with its industry partners to add new routes that give passengers increased travel options. Delta Air Lines continued its strategic plan to make the New York region its domestic hub by adding new flights at LaGuardia, including an hourly shuttle service with 11 weekday flights to Chicago-O'Hare International. Delta also inaugurated nonstop service from John F. Kennedy International's Terminal 3 to Copenhagen, Denmark, and Stockholm, Sweden, and added thrice-weekly service to Abuja, Nigeria.

American Airlines added several nonstop flights from JFK's Terminal 8 to San Jose, Costa Rica, Madrid, and Manchester, U.K. Air Jamaica expanded summer service to the Bahamas from Terminal 4, while Caribbean Airlines increased its summer capacity by offering 30 weekly flights to Trinidad and Tobago.

At LaGuardia, Southwest Airlines celebrated its first full year of service, expanding into Canadian markets and the Bahamas. Southwest began service from Newark Liberty on March 27, 2011. In 2010 at Newark Liberty, Continental Airlines launched new nonstop service to Munich, Germany. Iceland Express began flying from Terminal B nonstop to Reykjavik.

At Stewart, we added a new air service in partnership with Apple Vacations and Allegiant Airlines, offering weekly seasonal international nonstop charter service to Cancun. Delta Air Lines added a new daily nonstop flight to Atlanta from Stewart in February 2011, with JetBlue adding a new nonstop flight to Orlando in June 2011. We also added military fares to and from Stewart to attract more business from West Point Military Academy and other area military facilities.

DEFINING

WAYS TO REDUCE AIRPORT DELAYS

Reducing delays at our five airports remained a top priority for the Port Authority in 2010 and was enhanced with several national appointments. The Port Authority's Director of Aviation is a member of the U.S. Secretary of Transportation's Future of Aviation Advisory Committee. The Port Authority also was named to the Federal Aviation Administration's NextGen Advisory Committee, one of only two airport operators serving on this advisory panel to the FAA.

Other airport delay reduction initiatives implemented last year include:

- A state-of-the-art departure management system at John F. Kennedy International, proven effective by the Port Authority during winter storms
- Reconstruction of the Bay Runway, which reduces the number of jets queuing on taxiways and lets passengers remain in the terminals longer before takeoff, saving the airlines money and lessening passengers' frustrations
- Advocating for accelerated implementation of NextGen technology, which utilizes satellite technology to help air traffic controllers move more aircraft more efficiently and safely in the skies. Currently, Newark Liberty is one of a handful of U.S. airports in the nation to test and begin implementing NextGen technologies
- Expanding the eligibility of projects that will reduce airport delays
- Advancing baseline airport-simulation models to analyze system capacity at John F. Kennedy International, Newark Liberty, and LaGuardia



LaGuardia Airport plays a leading role in national domestic business and leisure travel. In 2010, the airport handled 24 million passengers, an increase of 8.25 percent over 2009. In the coming decade, as passenger demand increases, LaGuardia is expected to take on a bigger regional function. Forecasts predict passenger demand will increase to 34 million by 2030.

Approximately 20 scheduled airlines operate out of LaGuardia. The airport consists of 72 gates and four terminals. In 1995, the Marine Air Terminal was designated an historic landmark.

Last year, the Port Authority invested \$150 million in LaGuardia Airport. It was the largest funding since the airport's US Airways Terminal opened in 1992. On January 21, 2011, a new state-of-the-art air traffic control tower was dedicated at LaGuardia. The \$100 million, 233-foot-tall control tower replaces one built in 1962. The new tower provides a 360-degree view for air traffic controllers watching runways and taxiways and is equipped with the latest aviation technology, including the Airport Surface Detection System Model X (ASDE-X), which allows controllers to track surface movement of aircraft and vehicles.



NEWARK LIBERTY INTERNATIONAL AIRPORT

When it opened October 1, 1928, Newark Liberty International Airport became the metropolitan region's first major airport and quickly became the world's busiest commercial airport. Today, Newark Liberty is the 14th busiest airport in the nation and 29th in the world. Last year, the airport handled 33.1 million passengers.

Newark Liberty is comprised of three terminals and features approximately 40 scheduled airlines. Newark Liberty is also the overnight small package center for the New York/New Jersey region, offering a full range of short-, medium-, and long-haul services to domestic and international destinations.

Newark Liberty's capital program combines \$3.8 billion in Port Authority, federal, and private funds and has delivered numerous improvements. Terminal B is currently nearing the completion of a \$347 million modernization project that will expand the two-level facility into three levels. Highlights include a new Welcome Center, new departure areas, new ticket counters, updated in-line baggage screening and passenger screening systems, additional passenger lounges, and concessions. The project will allow for increased international traffic and improve efficiency and operations for both international and domestic passengers.

DEFINING

MODERNIZED FACILITIES

Nonstop modernization is necessary to meet the technological, security, and environmental needs of the aviation industry, as well as meeting the aesthetic and convenience demands of passengers.

The past year witnessed a flurry of building, updating, and renovation as all of our five airports underwent modernization projects. Nearly \$333 million in construction is in place at our airports through engineering contracts managed at our airports and coordinated by project delivery staff. In 2010, more than 30 contracts worth \$78 million were awarded.

At John F. Kennedy International, the continued restoration of the landmark TWA Flight Center sets the stage for a hotel adaptive reuse request for proposal (RFP). In August, the Port Authority Board of Commissioners approved a plan for Delta Air Lines to build new state-of-the-art terminal space at John F. Kennedy International, replacing the antiquated space the airline now occupies in Terminal 3. Delta's traffic will move into Terminal 4, eventually occupying 16 of the expanded terminal's 25 gates. Terminal 3 will then be demolished to provide 16 additional aircraft parking spaces, thus allowing Delta and other airlines to alleviate congestion on airport runways and taxiways.

In 2010, JFK underwent a financial analysis to authorize the Demolition of Obsolete Building Structures Program, a \$42.3 million project that will create space to accommodate future growth, with savings estimated at \$2 million annually.

At LaGuardia, the Port Authority contracted with Skidmore, Owings, and Merrill to help plan and design replacement facilities for the 46-year-old Central Terminal Building



and related infrastructure that will increase capacity at the airport. This study will produce Stage 1 design and a business/financing plan by the end of 2012.

LaGuardia also welcomed three new facilities. The airport built a new Police Crisis Command Center and Aircraft Rescue and Firefighting Facility. The new facility serves as headquarters for the police force and consolidates police and ARFF functions at a single location. Also built were a fire pump station and the FAA's air traffic control tower.

At Newark Liberty, significant advancement continued on the Terminal B modernization project. We added 32 new concessions in Terminals A and B and a new multi-fuel service station. Terminal A also is earmarked for a number of upgrades, with two phases of concession redevelopment already completed.

We also completed the PSE&G Direct Install Program, including two 2,000-ton replacement chillers and a 4,000-ton chiller at the Central Heating and Refrigeration Plant. PSE&G funded 80 percent of these capital expenditures, saving the Port Authority \$5 million (in addition to an estimated \$500,000 in anticipated annual electricity savings).

In 2010, approximately \$16 million in capital projects were completed at Stewart International. The Port Authority completed and opened a temporary Federal Inspection Service (FIS) facility that allows the airport to process 200 international passengers per hour. The Port Authority Board of Commissioners also approved \$10 million in engineering design and construction as part of an eventual terminal expansion program that will include a permanent FIS facility. Other improvements and upgrades at Stewart include the reinstallation of a Category II approach for aircraft, which allows them to arrive in lower visibility conditions; the realignment and rehabilitation of airport roadways to complement work by the New York State Department of Transportation; and the doubling of flights by JetBlue Airways.

At Teterboro, we purchased and installed new noise monitors at six remote monitoring locations. We also completed the Redneck Road relocation portion of Runway 19's safety improvement project.

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DEFINING

CARGO

The best news in cargo operations for 2010 was the nonstop growth experienced at our four commercial airports. After five successive years of decline, our region's cargo grew 17 percent, for a total of 2.3 million tons.

International cargo led the recovery, sparked by the Asian Pacific region, where growth reached 31 percent. The topranked transatlantic region grew 27 percent. Domestic cargo grew by 5.5 percent, and all four of our commercial airports showed growth in 2010, with cargo up 13 percent at Newark Liberty, 19.4 percent at John F. Kennedy International, 12 percent at LaGuardia, and 20 percent at Stewart.

At JFK, cargo levels reached their highest (19.4 percent) since 2002. Cargo primarily grew in the international sector, with a gain of 23 percent, attributable to the transatlantic and Asian Pacific regions.

At Newark Liberty, after three successive years of decline, the airport's cargo registered growth of 13 percent, the first double-digit increase since 1997. Newark Liberty's cargo growth was powered by the international sector (35 percent of growth), with spectacular 32-percent gains for the transatlantic and Asian Pacific regions.

Domestic cargo growth at Newark came primarily from UPS, the airport's second largest cargo carrier. Stewart's cargo levels are expected to climb in 2011 as FedEx continues its practice of diverting Newark overflow freighter services to Stewart.

ENVIRONMENTAL STEWARDSHIP

Port Authority airports are taking bold steps to balance the need to protect our fragile environment with our mission to provide state-of-the-art aviation services for a growing population of passengers and cargo.

With a goal toward making Stewart the nation's first carbon-neutral airport, we unveiled an Environmental Sustainability Plan featuring 60 new strategies in 10 categories to foster environmental stewardship, economic growth, and social responsibility. Some of our environment-protecting initiatives include expanding the airport's recycling program, adding electrified passenger loading bridges, and upgrading our aeronautical electrical systems (including the installation of LED light fixtures on our taxiways).

The under-construction Taylor Biomass energy facility in Orange County, New York, will convert area municipal solid waste into electricity. The Port Authority is providing major assistance by purchasing 163,000 megawatts of renewable energy credits (RECs). The purchase of RECs helps offset our energy use at Stewart and other locations. We have also committed to purchasing 20,000 carbon offsets each year.

We began working on an Airport Bicycle Master Plan to comply with the Port Authority's policy to reduce carbon emissions. At all our airports, hybrid buses cut down on harmful emissions, while thermal windows reduce energy consumption. Our AirTrain JFK and AirTrain Newark offer travelers a "greener" alternative to driving and parking one's car.

COMMUNITY PARTNERSHIPS

The Port Authority's five airports work nonstop to be good neighbors, to join with their surrounding communities in supporting businesses and schools and bolstering the local economy.

Our airport system's regional economic benefit results in half a million jobs in a 26-county, 8,300-square-mile area, paying more than \$20 billion in annual wages and generating \$60 billion in annual economic activity.



STEWART INTERNATIONAL AIRPORT

Stewart International Airport is distinguished by its leadership role in investing in environmentally sustainable technologies and its potential as a reliever airport.

The airport is located less than 60 miles north of midtown Manhattan in New York City on 2,400 acres in the heart of the Hudson Valley in New York. Several commercial and charter airlines operate out of the airport. The airport also maintains 536,800 square feet of air cargo facilities and has one of the longest runways in the nation. In 2010, Stewart handled 395,000 passengers.

Since 2007, the Port Authority has invested about \$50 million in infrastructure, safety and security projects, parking, roadways, customer service, amenities, and terminal upgrades, including a new U.S. Customs processing facility. In December 2010, Phase I construction began on the Taylor Biomass Energy facility in Orange County, which will convert area municipal solid waste into electricity to power about 27,000 homes. The Port Authority is providing major assistance by purchasing 163,000 megawatts of renewable energy credits (RECs) that will help offset energy use at Stewart and other locations.



Teterboro Airport is the oldest operating airport in the New York/New Jersey metropolitan area. For nearly 100 years, Teterboro has been a vital part of the region's aviation industry and has been a leader in bridging the interests of the aviation community and airport neighbors.

Teterboro Airport is a general aviation airport that accommodates chartered flights, private aircraft, small package cargo shipments, and medical flights. Because it is a reliever airport and hosts independent aircraft, Teterboro prevents flight congestion at other New York-New Jersey airports.

In 2010, the Port Authority completed the Redneck Road relocation portion of Runway 19's safety improvement project to create a safety buffer zone. In 2006, the Port Authority spearheaded the formation of the Teterboro Airport Industry Working Group, which offers practical and workable local solutions that address safety, noise, and security at Teterboro.

The Aviation Hall of Fame and Museum of New Jersey, which serves as a tourist attraction, educational center, and cultural landmark, is located at Teterboro Airport.

Throughout 2010, we strengthened our relations with community partners, participating in the education and outreach efforts of the Queens Botanical Garden, the Boy Scouts and Girl Scouts of America, Boys and Girls Clubs in New York and New Jersey, the Newark Museum, and Big Brothers/Big Sisters of New York City, among other organizations. We worked closely within our network of business partners, including the Queens County and Orange County Chambers of Commerce, Patterns for Progress, the Newark Regional Business Partnership, the Wings Club, Vaughn College, and others. We collaborated with student members of the American Association of Airport Executives York College/CUNY Chapter on department objectives, including organizing a program to educate local aviation students on the importance of NextGen satellitebased technology.

At Teterboro, 24 companies and individuals earned our 2010 Good Neighbor Awards for helping to reduce aircraft noise. These annual awards – first presented in 2004 to acknowledge operators who avoid violations of airport noise rules and late-night operations – are a component of the Teterboro Airport Industry Working Group, an all-volunteer organization dedicated to improving safety and security and reducing noise at the airport. The 2010 Awards were presented at the annual convention of the National Business Aviation Association.

Our JFK control tower light displays captured national attention as we supported and honored noteworthy organizations, including the Breast Cancer Research Foundation and the St. Jude Children's Research Hospital.

DEFINING OUR OPERATIONS

The year 2010 is defined by growth in our operations. The Port Authority of New York and New Jersey aviation system experienced a **2.1 percent growth** after two successive declines in 2008 and 2009.

Our airports handled **104 million passengers**

compared to 101.9 million in 2009.

The top three passenger carriers for the region were

Continental Airlines, **Delta Air Lines**, and **JetBlue Airways**.

The region's cargo grew more significantly, **16.8 percent**,

after five successive years of decline.

The region's top freight carriers were

Federal Express, United Parcel, and **Continental**.

TOP PASSENGER CARRIERS

TOP FREIGHT CARRIERS IN TONS

2010 STATISTICAL SUMMARY

2010 STATISTICAL SUMMARY

REGION	
CONTINENTAL	24,388,410
DELTA	20,539,194
JETBLUE AIRWAYS	13,564,843
AMERICAN	13,522,444
US AIRWAYS	6,051,028
UNITED	3,626,857
AIRTRAN AIRWAYS	1,293,905
BRITISH AIRWAYS	1,261,873
AIR CANADA	1,131,821
SPIRIT AIRLINES	1,056,366

JFK	
DELTA	11,609,099
JETBLUE AIRWAYS	11,571,298
AMERICAN	7,410,355
UNITED	1,012,926
BRITISH AIRWAYS	942,458
AIR FRANCE	898,708
VIRGIN AMERICA	898,402
VIRGIN ATLANTIC	582,346
CATHAY PACIFIC	554,139
LUFTHANSA	532,374

EWR	
CONTINENTAL	23,522,965
DELTA	1,735,753
AMERICAN	1,132,977
US AIRWAYS	1,127,042
JETBLUE AIRWAYS	981,720
UNITED	973,974
LUFTHANSA	512,621
AIR CANADA	386,802
VIRGIN ATLANTIC	320,205
BRITISH AIRWAYS	319,415

7,071,978
4,979,112
4,341,803
1,639,957
1,293,905
1,056,366
865,445
826,294
745,019
622,930

JETBLUE AIRWAYS	185,531
JEIDEOL AIKWAIS	105,551
DELTA	122,364
US AIRWAYS	87,349

REGION	
FEDERAL EXPRESS	535,219
UNITED PARCEL	186,515
CONTINENTAL	132,661
AMERICAN	125,778
DELTA	101,046
LUFTHANSA	83,166
CHINA AIRLINES (CAL)	74,711
KOREAN	70,959
BRITISH AIRWAYS	70,104
ASIANA	57,278

JFK	
AMERICAN	124,709
FEDERAL EXPRESS	112,963
DELTA	92,735
CHINA AIRLINES (CAL)	74,711
KOREAN	70,959
LUFTHANSA	62,983
ASIANA	57,278
CATHAY PACIFIC	53,234
BRITISH AIRWAYS	48,947
EVA	47,469

SWF	
FEDERAL EXPRESS	9,3
UNITED PARCEL	3,6
JETBLUE AIRWAYS	

EWR

FEDERAL EXPRESS

UNITED PARCEL

KALITTA AIR LLC

BRITISH AIRWAYS

VIRGIN ATLANTIC

AIR TRANSPORT INT'L

SINGAPORE AIRLINES

LUFTHANSA

412,948

147,366 132,234

23,858

21,156

20,183

16,566 16,562

9,301

6,538

LGA	
DELTA	2,756
SOUTHWEST AIRLINE	1,066
UNITED	759
FRONTIER AIRLINES	442
CONTINENTAL	427
JETBLUE AIRWAYS	416
NORTHWEST	397
US AIRWAYS	395
AMERICAN	189
AMERICAN EAGLE	164

AVIATION DEPARTMENT

2010 FINANCIAL SUMMARY

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

support the 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 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. John F. Kennedy,

Newark Liberty, and LaGuardia airports follow the compensatory approach to pricing of airside facilities. Pricing at Stewart International Airport is governed by the terms of the lease with the State of New York. All users of airport facilities and services pay only the actual cost 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.

2010 OPERATING RESULTS

	LGA	JFK	EWR	TEB	SWF	DMH (a)	TOTAL
GROSS OPERATING REVENUES	\$319,663	\$1,012,673	\$748,973	\$35,302	\$8,344	-	\$2,124,955
OPERATING EXPENSES	234,076	626,066	410,128	18,183	17,818	2	1,306,273
AMORTIZATION	39,023	148,344	120,836	10,613	-	-	318,816
GROSS OPERATING INCOME (LOSS)	46,564	238,263	218,009	6,506	(9,474)	(2)	499,866
NET INTEREST EXPENSE (b)	4,099	50,722	64,431	(5,639)	(5,337)	-	108,276
NET INCOME	\$42,465	\$187,541	\$153,578	\$12,145	\$(4,137)	\$(2)	\$391,590

ASSET INFORMATION

						PFC		
	LGA	JFK	EWR	TEB	SWF	PROGRAM	DMH(a)	TOTAL
FACILITIES NET – BEGINNING OF YEAR	\$821,591	\$2,576,589	\$1,998,132	\$195,674	\$29,322	\$1,817,765	-	\$7,439,073
NET CAPITAL EXPENDITURES (c)	68,780	166,522	40,705	29,891	22,000	190,647	-	518,545
DEPRECIATION	39,023	148,344	120,836	10,613	-	79,926	-	398,742
FACILITIES NET – END OF YEAR	\$851,348	\$2,594,767	\$1,918,001	\$214,952	\$51,322	\$1,928,486	_	\$7,558,876

SOURCE: The Port Authority of New York and New Jersey Consolidated Financial Statements, December 31, 2010. (a) Miscellaneous revenues and expenses related to the transfer of the facility to NYC. (b) 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. (c) Amounts include performance bonds and discount and premium adjustments.

PFC PROGRAM

2010 FINANCIAL SUMMARY

In 2010, the Federal Aviation
Administration (FAA) granted the
Port Authority's request to fund
\$573.4 million of capacityenhancement, safety, and security
projects at the region's three
major airports with Passenger
Facility Charges (PFCs). This decision
increased the Port Authority's
total PFC collection authority to
\$3.2 billion, and extended its
collection authority to SWF.

The FAA also authorized the agency 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 authorization to continue PFC collection at the airports, and for approval of PFC-funded capital construction projects at the airports.

NET INVESTMENT IN FACILITIES

IN MILLION

	GROSS OPERATING REVENUES	INCOME FROM OPERATIONS	NET CAPITAL EXPENDITURES	NET INVESTMENT IN FACILITIES
2006	\$1,777	\$368	\$587	\$6,448
2007	1,918	440	686	6,836
2008	2,026	430	625	7,142
2009	2,043	448	658	7,439
2010	2,125	408	519	7,559

DEFINING OUR MISSION, VISION, AND LEADERSHIP

The Port Authority of New York and New Jersey is governed by a board of commissioners, who is charged with implementing the agency's mission to identify and meet the critical transportation infrastructure needs of the bistate region's businesses, residents, and visitors.

The Port Authority Aviation Department is among the largest in the world and is comprised of national experts in aviation planning and airport operations.

MISSION STATEMENT

To achieve regional and agency prosperity through a unified system of airport facilities that offer unsurpassed capacity and quality, a safe and secure environment, an excellent customer experience, and environmentally sustainable and community friendly services delivered by an available, capable and first-rate staff.

VISION STATEMENT

The Aviation Department will serve the region as the unsurpassed regional, national, and global gateway for air passengers and cargo.

GOVERNORS

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Andrew M. Cuomo
GOVERNOR, NEW YORK

The Honorable Chris Christie GOVERNOR, NEW JERSEY

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David S. Steiner

¹ David Samson was elected as the agency's Chairman on February 3, 2011.

²Anthony R. Coscia served as the agency's Chairman until February 3, 2011.

³Michael J. Chasanoff retired from the Board on December 9, 2010.

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