



Dredging Fleet Deepening NY/NJ Harbor

The largest dredging fleet to be working in New York Harbor since the Second World War is now assembled in the Port of New York and New Jersey.

This armada of dredges, drill boats, survey boats, tugs, and scows is supporting an unprecedented level of channel deepening, berth deepening and maintenance dredging projects.

In recent months, work began on the final contract in the Army Corps of Engineers' deepening of the Kill Van Kull/Newark Bay channels from 40 to 45 feet. The work is now under way in Newark Bay near the Elizabeth-PA Marine Terminal. When complete in 2004, both channels will have been deepened to at least 45 feet below mean low water (MLW).

These channels provide access to the container terminals at Port Newark/Elizabeth in New Jersey and connect with the Arthur Kill Channel that provides access to the Howland Hook Terminal in Staten Island, NY.

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The Army Corps of Engineers is continuing its deepening of the Kill Van Kull and Newark Bay channels from the current 40-foot depth to 45 feet. The section of the KVK channel above, near the Bayonne Bridge, is being deepened to 50 feet. The remainder of the KVK/Newark Bay channels will be deepened to 50 feet later in the decade under the proposed Harbor Navigation Project, which would also deepen several other key Port of New York and New Jersey channels to 50 feet (see map, page 3).

Port Redevelopment Update

Intermodal Rail Capacity to Increase

Intermodal rail development is a key factor in the Port of New York and New Jersey's comprehensive redevelopment program currently under way.

Two new on-dock rail terminals are now in construction at the port, and a third is in preliminary design.

The port's evolution as a major load center on the East Coast of North America has brought with it increasing demand for intermodal rail container movement.

From its rather basic beginnings in

1991, (see timeline, Pages 4-5) on-dock rail has grown to become an integral part of the Port of New York and New Jersey's container trade.

ExpressRail, the port's original on-dock rail terminal located at the Elizabeth-PA Marine Terminal, is operating at full capacity. It will be replaced in 2004 by a brand new ExpressRail at Elizabeth, built from the ground up. This new ExpressRail will ultimately have a capacity of up to 1 million container lifts per year. It will

feature direct access from the new consolidated Maher Terminal and the expanded APM terminal.

A new rail overpass and lead track into the new ExpressRail will eliminate a grade crossing on the busy McLester/Corbin Street corridor at Port Newark/Elizabeth. This improvement will help speed both truck and rail moves through the facility.

In Staten Island, NY, the location of the Howland Hook Marine Terminal,

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The Port Authority of New York and New Jersey operates some of the busiest and most important transportation links in the region. They include Kennedy International, Newark Liberty International, LaGuardia and Teterboro airports; the George Washington Bridge; the Lincoln and Holland tunnels; the three bridges between Staten Island and New Jersey; the PATH rapid-transit system; the Downtown Manhattan Heliport; Port Newark; the Elizabeth-Port Authority Marine Terminal; the Howland Hook Marine Terminal on Staten Island; the Brooklyn Piers/Red Hook Container Terminal; the Auto Marine Terminal and the Port Authority Bus Terminal in midtown Manhattan. The agency is financially self-supporting and receives no tax revenue from either state.

NY/NJ Port Activity Increases During First Half of 2003

Continuing growth in Asian trade boosted container volumes in the Port of New York and New Jersey by 14.6 percent during the first half of 2003.

Imports from Far East Asia grew by 38 percent, while imports from Southeast Asia grew by 31 percent. Asian cargo imports, which include furniture, clothing, linens, toys and lighting products, now account for 41 percent of all containerized cargo handled by the New York-New Jersey port. These cargo volumes make Asia the port's largest market, surpassing Europe for the first time.

Total general cargo rose from 10,195,000 metric tons in the first half of 2002 to 11,582,000 metric tons in 2003, a 13.6-percent increase, according to an analysis of data from the U.S. Census Bureau.

General cargo imports rose by 16.8 percent, from 7,195,000 metric tons in the first half of 2002 to 8,404,000 in 2003. General cargo exports rose 5.9 percent, from 3,000,000 in the first half of 2002 to 3,178,000 in 2003.

"We are continuing a pattern of steady, measured growth," said R.M. Larrabee director of the Port

Commerce Department for The Port Authority of New York and New Jersey. "We continue to project annual port growth of approximately 4 percent a year over the next 40 years. That takes into account years when we might not experience the same levels of growth that are now occurring."

According to data reported by the Port Import-Export Reporting System (PIERS), imports and exports from the Port of New York and New Jersey measured in 20-foot equivalent units (TEUs), rose 14.6 percent during the first half of 2003 compared to the same period in 2002.

Container volumes for imports rose from 823,881 TEUs during the first half of 2002 to 961,151 in 2003, a 16.7-percent increase. Container volumes for exports rose from 364,162 TEUs during the first half of 2002 to 400,085 in 2003, a 9.9-percent increase.

In addition to Asia, the Port of New York and New Jersey also reported significant increases in trade with Latin America, up 19 percent; Africa, up 32 percent; and Australia, up 38 percent. Trade with Europe grew by 3 percent.

New CD Provides Info on the Port of NY/NJ

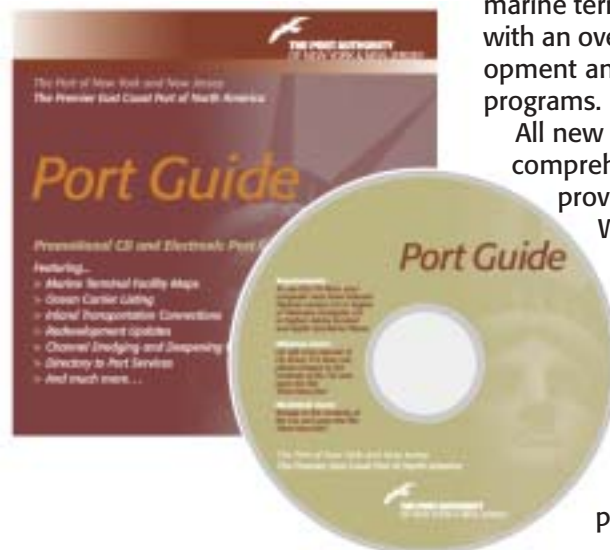
The Port Authority of New York and New Jersey is offering a new electronic guide to the Port of New York and

New Jersey. This is the latest update of the Port's CD-ROM, and it contains maps and specifications for all the marine terminals in the region along with an overview of the Port's redevelopment and channel deepening programs.

All new for this issue of the CD is a comprehensive directory of service providers, many with e-mail and Web site links.

To get your copy of the CD, which works in both Windows and Macintosh computers, send an e-mail with your address to: portofnynj@panynj.gov, or call: (212) 435-4252.

Please allow 4-6 weeks for processing of your request.



Dredging Fleet

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Work also began this summer on the deepening of the Arthur Kill Channel from 35 to 41 feet MLW, and work began earlier this year on the deepening of the Port Jersey Channel leading to Global Container Terminal and the Port Authority's Auto Marine Terminal in Jersey City, from 35 to 41 feet MLW.

The Army Corps and the Port Authority are also working to begin the Harbor Navigation Project, which would deepen several of the key channels in the harbor to at least 50 feet MLW later in this decade.

A portion of the harbor is already being deepened to 50 feet. In early 2002, the Corps approved the Port Authority's request to consolidate a portion of the 45-foot KVK project with 50-foot deepening in the area around the Bayonne Bridge.

The Corps and the Port Authority expect to sign a Project Cooperation Agreement in 2004, which will get the work under way.

Port of New York & New Jersey Deepening Projects



Kill Van Kull/Newark Bay 45-foot Project

- █ Completed
- █ Under Way/Planned
- █ Consolidated 45/50' Contract Under Way

Arthur Kill Channel 41-foot Project

- █ Under Way
- █ Planned

Port Jersey Channel 41-foot Project

- █ Under Way
- █ Planned

Harbor Navigation Project (50-foot deepening)

Includes These Channels:

Anchorage	Ambrose
Arthur Kill	Bay Ridge
Elizabeth	Kill Van Kull
Newark Bay	Port Jersey
	South Elizabeth



A massive fleet of dredges, drill boats, scows, and other work boats is currently working on three major channel deepening and several berth deepening projects in the New York/New Jersey harbor. (Photo above) The 41-foot deepening of the Arthur Kill Channel, where it joins with the Kill Van Kull and Newark Bay just north of Howland Hook began this summer. Work is also under way south of the Goethals Bridge in a portion of the channel that serves tankers and other bulk ships. (Above right) Work is continuing towards a 2004 completion date for the 45-foot deepening of the Newark Bay Channel, just off the wharf of the Elizabeth-PA Marine Terminal. (Right) Work began earlier this year on the deepening of the Port Jersey Channel to 41 feet. Port Jersey serves the Auto Marine Terminal (foreground, right) and the Global Container Terminal (background, right). On the left is the former Military Ocean Terminal in Bayonne, NJ, now known as The Peninsula at Bayonne.

Intermodal Rail

Continued from Page 1

work is under way on a new on-dock facility. Both phases of the development are expected to be complete in 2005. When fully built, the on-dock terminal will have a capacity of some 250,000 container lifts per year.

The Port Authority will build a new direct connection between the Staten Island Railroad and Conrail just across the Arthur Kill from Howland Hook in New Jersey. This will give Howland Hook access to the NS and CSX freight networks when the connection is complete in 2005.

At Port Newark, the location of P&O Ports' Port Newark Container Terminal (PNCT), a three-acre "interim" intermodal rail terminal opened in October 2002. This facility was designed to provide lines calling PNCT with direct access to intermodal rail without the need to dray to ExpressRail. Volumes have been growing at the interim terminal throughout the year.

The Port Authority and PNCT are working on preliminary designs for a permanent on-dock terminal which could be open by 2006.



ExpressRail (Elizabeth-PA Marine Terminal): A new 70-acre ExpressRail intermodal terminal is under construction at the Elizabeth-PA Marine Terminal (above). The new on-dock rail facility will have direct access from both the consolidated Maher Terminal and the expanded APM Terminal. The first phase of the new ExpressRail will open in 2004. When fully completed in 2005, the terminal will have a capacity of up to 1 million container lifts per year.

Timeline: A brief history of intermodal rail development



1986

1991

1992

1993

1994

1995

1996

1986: Double-stack intermodal rail service comes to the Port of New York and New Jersey at Portside, a Conrail terminal on the westernmost edge of the Elizabeth-PA Marine Terminal.

August 1991: Double-stack operations move from the low-volume Portside Yard to an "interim" intermodal rail terminal, dubbed ExpressRail, at Maher Fleet Street Terminal in Elizabeth. The Port Authority introduces a Container Incentive Program. 1991 volume: (combined Portside and ExpressRail) 27,741 lifts.

1992: In its first full year of operation, ExpressRail handles 43,016 container lifts.

Oct. 19, 1993: ExpressRail handles its 100,000th container lift since August 1991.

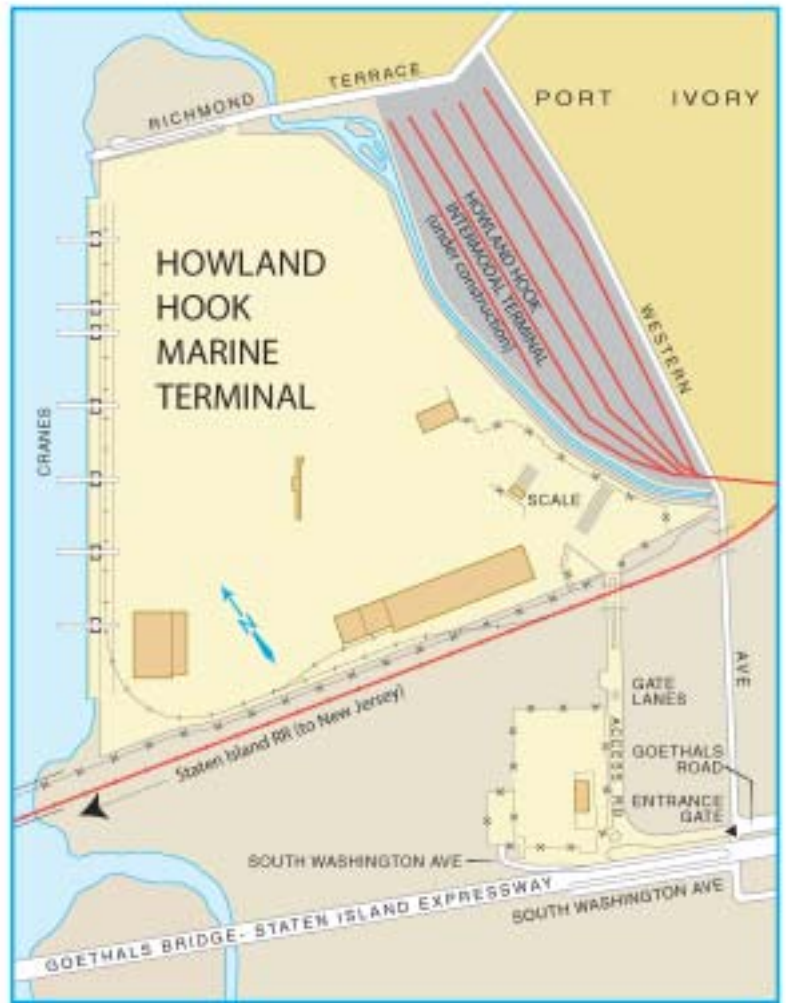
1994: Port Authority authorizes the construction of a permanent ExpressRail at Elizabeth.

January 1995: Ground breaking ceremony for the new terminal held.

January 1996: Permanent ExpressRail terminal opens. Annual volume in 1996: 102,527 container lifts.



Port Newark: A three-acre interim intermodal rail terminal opened in late 2002 in Port Newark (above), adjacent to Corbin Street and the Port Newark Container Terminal. It is expected that the Port Authority and PNCT will design a new permanent terminal in Port Newark which could be operational by 2006.



Howland Hook/Port Ivory: In Staten Island (right), the Port Authority is constructing a new intermodal rail terminal to serve the Howland Hook Marine Terminal. Work began in November 2002 and the first phase of the project is expected to be complete in 2004. The Port Authority is also working with the states of New York and New Jersey to reactivate the Staten Island Railroad, which runs just south of Howland Hook, and connect it with the Conrail system (Chemical Coast Line) in New Jersey. This would provide Howland Hook with direct access the NS and CSX freight networks.

Development at the Port of New York and New Jersey



1997

1998

1999

2000

2001

2002

2003

June 23, 1997: Norfolk Southern and CSX file an application with the Surface Transportation Board to purchase Conrail. When the purchase is approved in 1998, ExpressRail becomes a joint asset, served by both railroads.

Jan. 23, 1998: ExpressRail marks its 500,000th container lift.

2001: Port Redevelopment program begins with the reconstruction of Portside Yard as an overflow facility to accommodate ExpressRail traffic during the construction of the new terminal.

March 29, 2001: ExpressRail marks its 1 millionth container lift.

Sept. 30, 2002: The Port Authority announces the start of construction for an intermodal rail terminal at Howland Hook in Staten Island.

October 2002: Interim intermodal rail terminal opens in Port Newark to serve the Port Newark Container Terminal.

April 29, 2003: N.J. Gov. James E. McGreevey drives the first spike in the construction of the new ExpressRail at Elizabeth, NJ.

Port Scenes



Heroic Ace Marks Maiden Voyage

The Mitsui O.S.K. Bulk Shipping (USA) Inc. vessel Heroic Ace (photo below) recently made its maiden voyage to the Port of New York and New Jersey, calling at the Auto Marine Terminal in Jersey City, NJ. To mark the occasion (left photo) Robert Gaffney (left), manager of external relations and labor for the Port Authority of New York and New Jersey presented a commemorative plaque to Capt. Devendra Chauchan, master of the Heroic Ace.



ExpressBarge Promoted in Utica, NY

The Port of Albany recently hosted a reception (photo at left) for shippers in the Greater Utica, NY, area to promote the benefits of the new Albany ExpressBarge service between Albany and the Port of New York and New Jersey. Pictured (left to right) are Tony Balio of TLC Trucking, Utica; William Cronin, manager of shipper sales for The Port Authority of NY & NJ; Beverly Seif, import director for Northern Safety Inc., Utica; Tom Delaney, senior vice president for Columbia Coastal, the operator of the ExpressBarge; and Frank Keane, general manager of the Albany Port District Commission.



From Piccadilly to Port Jersey

A shipment of London taxis, destined for use in Massachusetts, were shipped through the Port of NY and NJ aboard the MOL vessel Glorious Ace and unloaded at the Northeast Automarine Terminal in Jersey City, NJ on Aug. 10.



'K' Line President Visits NY/NJ

Toshio Suzuki (center), president and CEO of "K" Line America Inc, recently visited the Port of New York and New Jersey and met with R.M. Larrabee (left), director of Port Commerce for the Port Authority of NY & NJ. With them was C. Thomas Burke, assistant to the president, for "K" Line.



Capt. Eric Krupicka (left photo), of the National Cargo Bureau, presents a slide show on proper methods for lashing flat racks and blocking and bracing hazardous containers during a demonstration Sept. 17 at Harbor Freight Transport's warehouse in Port Newark, NJ. (Photo above) Participants view a live demonstration of proper container bracing.

Cargo Bureau, Harbor Freight Sponsor Demonstration on Cargo Packing

More than 150 port users attended a live demonstration of the proper methods for lashing flat racks and blocking and bracing hazardous containers Sept. 17 at Port Newark.

The event was sponsored by the National Cargo Bureau, based in New York City, and Harbor Freight Transport, a public warehousing operator at Port Newark that specializes in a variety of break bulk, project, and oversize cargoes. The demonstration, which included a slide presentation by the National Cargo Bureau, was held at Harbor Freight's warehouse on Craneway Street in Port Newark.

The program was designed to increase awareness of international regulations regarding the packing of hazardous and over-dimensional cargo all with the aim of creating safer work environments for port and maritime workers. Attendees, some of whom came from as far away as St. Louis and even Belgium, included brokers, forwarders, shippers, and ocean carriers.

Representatives of the U.S. Coast Guard and port captains and sales representatives for several steamship lines were on hand to answer questions.

All attendees were presented with certificates of participation by the National Cargo Bureau and were also treated to a luncheon courtesy of Steve Liberti, president of Harbor Freight.

The National Cargo Bureau is a

non-for-profit organization, founded in 1952, dedicated to making maritime transportation more safe. NCB is qualified to perform numerous inspection and survey services and assists in the administration of international cargo loading regulations.

PA Names Saporito to Manage NJMT

Andrew Saporito, a 22-year veteran of The Port Authority of New York and New Jersey, has been named manager of New Jersey Marine Terminals (NJMT).

In his new position, Saporito will manage the operations, maintenance, construction, and tenant service activities for the Port Authority's 2,300-acres of marine terminal properties in New Jersey.

NJMT includes Port Newark, the Elizabeth-Port Authority Marine Terminal, and the Auto Marine Terminal. He manages a staff of 85 employees, who perform operations, maintenance, technical, support and administration functions.

"Andy is a consummate professional who has spent more than 15 years of his career in key management positions at the port,

said Port Commerce Director Richard M. Larrabee. "His experience and knowledge of port operations will be a major asset as we move forward with our ambitious \$1 billion port redevelopment plan."

Saporito began his Port Authority career in 1981. He joined the Port Authority's Port Commerce Department in 1986, and has held management positions in port sales, leasing, facility operations and management. In 2001, he was appointed assistant manager of NJMT.

"New Jersey Marine Terminals are the birthplace of containerized shipping, and a world-renowned port facility," Saporito said. "The port community and thousands of port employees help us to continue that proud tradition."

Around the Port

Security Expo: The US Maritime Security Expo will be held Oct. 29-30 at the Jacob Javits Convention Center in New York. A national event, the conference will focus on protecting ports, harbors, bridges and power plants. It will include exhibitions by more than 150 companies and a high-level, conference with keynotes and presentations by government and industry leaders. Sponsored by the John Jay College of Criminal Justice and the U.S. Merchant Marine Academy, the conference has been organized by E.J. Krause Associates. For information, visit the event's Web site: www.maritimesecurityexpo.com. You can register by calling Cory Capps at (301) 493-5500; or on-line via the Web site listed above.

* * *

Do you know your tenant, operations reps? Each of the Port Authority's nearly 100 marine terminal tenants in the Port of New York and New Jersey is assigned dedicated representatives for

both leasing and operations issues. Among the findings of Port Authority's recent customer satisfaction survey was a need to clarify the main points of contact between the Port Authority and our marine terminal tenants. As a result, the Port Commerce Dept. recently sent tenants a letter listing the names and contact numbers of their representatives. If you are a tenant of the Port Authority and did not receive a letter, please call New York Marine Terminals at (718) 330-2950, or New Jersey Marine Terminals at (973) 589-7100. Also as a follow-up to the Satisfaction Study, the Port Authority earlier this summer sent all marine terminal tenants a package of promotional materials that the Port Authority produces on behalf of the Port. If you wish to order additional promotional materials, please call (212) 435-4250.

* * *

ABSMC Awards Re-Scheduled: The Association of Bi-State Motor Carriers'

annual awards luncheon and golf outing at the Forsgate Country Club in Cranbury, postponed on Sept. 23 due to poor weather, has been rescheduled on Oct. 28. The event recognizes marine terminals and individuals at the terminals who have helped make the past year successful through outstanding contributions towards improving service relationships for the truckers. The New Jersey State Senate and Assembly had honored ABSMC by naming September 23 as "Intermodal Day." The proclamation salutes the association "which is highly esteemed in the Garden State" which, it noted, "is known and respected for its praiseworthy efforts in the safe and efficient movement of goods through the Port of New York and New Jersey." Information on the event is available from Dick Jones, Association Executive Director, at (973) 466-0014; e-mail at www.djbistate@aol.com; or by fax at (973) 466-0085.



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