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PORT AUTHORITY, ARMY CORPS SIGN HISTORIC AGREEMENT TO BEGIN MAJOR CHANNEL DEEPENING PROJECT IN PORT OF NY/NJ

Governors Laud Economic Benefits of Project

The Port Authority and the U.S. Army Corps of Engineers today launched a \$1.6 billion dollar project to deepen channels in the Port of New York and New Jersey to 50 feet – an action that will improve navigational safety and allow the port to accommodate the next generation of cargo vessels that require deep water to operate and can handle more than 8,000 truck-size containers.

During a signing ceremony at the Elizabeth-Port Authority Marine Terminal, witnessed by New Jersey Governor James E. McGreevey, representatives of the two government agencies finalized an agreement that outlines funding commitments and a timeline for the channel-deepening work. The Port Authority and the federal government will share the construction cost.

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The channel deepening program is scheduled for completion in 2014, but Port Authority and Army Corps officials have pledged to try to accelerate this timetable.

New Jersey Governor McGreevey said, “Our ports are vital to New Jersey’s economic success. Their contribution to everything that makes New Jersey strong – in the creation of jobs, and the infusion of money into our local businesses – can’t be overstated. In 2003, we made a record level of investments in capital improvements at our port. And we saw record volumes of cargo pass through our port as a result. Today, we are launching an even bigger investment that will lead to enormous economic benefits. This is a good day for New Jersey and New York.”

New York Governor George E. Pataki said, “The Port of New York and New Jersey plays a crucial role in New York State’s economy, bringing in more than \$100 billion worth of cargo last year into the biggest consumer market in the country. Our plans for deeper channels will provide a means for continued growth in cargo coming to this region, which means lower costs to consumers for such everyday products as automobiles, petroleum, furniture and beverages.”

John Paul Woodley Jr., Assistant Secretary of the Army for Civil Works, said, “This is an historic day for the Port of New York and New Jersey. This Port and the trade it represents are great engines of prosperity for the nation, and President Bush is committed to insuring that they continue to fulfill that role. Today the federal government, in partnership with the states

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of New York and New Jersey, has taken a critical step forward in providing improved access to this port for the latest class of cargo vessels while protecting the aquatic environment.”

Colonel John B. O’Dowd, the Army Corps’ New York District Engineer, said, “For more than 200 years, the Army Corps of Engineers has been committed to maintaining the navigation channels in the Port of New York and New Jersey. Channel deepening is just one component of our overall harbor improvement programs. All dredged material will be used beneficially, which will have a positive impact on the ecology of the region. At the same time, construction of 50-foot channels will reduce truck trips, noise, congestion and air emissions that would otherwise result from moving products to the largest market area in the country.”

Port Authority Chairman Anthony R. Coscia said, “Our continued commitment to invest in the port – including our plans to devote nearly \$1 billion toward the overall 50-foot channel-deepening program – is recognized worldwide by international shippers doing business in this country. The support we have received from Governors McGreevey and Pataki and our Congressional delegation will ensure that we continue to generate jobs and tax revenues for New Jersey and New York, and retain our designation as the leading port on the East Coast.”

Port Authority Vice Chairman Charles A. Gargano said, “The Howland Hook Marine Terminal on Staten Island has been a success story in our port since it reopened nearly 10

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years ago. The deeper harbor channels – together with the \$350 million we will spend at the New York facility over the next five years – will greatly improve the ability of Howland Hook to attract more business and provide an even greater economic boost to Staten Island and the New York region.”

U.S. Senator Jon Corzine said, “The signing of this Project Cooperation Agreement is one of the last steps necessary to ensure the dredging and deepening of the Port of New York and New Jersey channels, and I am proud to have worked with my colleagues in the New Jersey and New York delegation to secure the funding for this project. This dredging project guarantees that the Port of New York and New Jersey will continue to help drive our region’s economy.”

U.S. Congressman Bob Menendez said, “The deepening to 50 feet will not only ensure the competitiveness of the megaport of the East Coast in today’s global economy, but will help to continue its phenomenal growth, and expand its potential as an economic engine for our state and region.”

U.S. Congressman Rodney Frelinghuysen said, “The 50-foot deepening Project Cooperation Agreement is a milestone of national significance for the Port of New York and New Jersey. By increasing the depth of the harbor, we’re opening the door for more goods to be moved in and out of the region, while allowing us to become more competitive with other ports. It goes without saying that this port drives our regional economy. The increased and

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continued growth of international maritime trade means the creation of more jobs and ultimately a stronger economy here in New Jersey and New York as well.”

U.S. Congressman Jerrold Nadler said, “The 50-foot project is absolutely essential if we are to become the hub port on the East Coast and preserve the more than 229,000 jobs in New Jersey, Staten Island and Brooklyn.”

Port Authority Executive Director Joseph J. Seymour said, “This channel-deepening program is a critical part of the Port Authority’s aggressive, long-term commitment to the port. To make sure our port remains competitive, we also are investing millions of dollars in projects to build ship-to-rail facilities at our marine terminals, to strengthen wharfs and berths, and to create more terminal space. We are confident that our investments will result in major economic dividends in the future.”

Port Authority Port Commerce Director Richard M. Larrabee said, “In conjunction with our channel-deepening work, we are committed to providing the maximum amount of environmental benefits to the region. The material that we are removing as part of this project will be beneficially reused to cap landfill sites, to remediate brownfield sites, and to create artificial reefs. To mitigate the environmental impacts from our channel-deepening program, we also are proactively working on plans to retrofit the engines on Staten Island ferries to provide extensive emissions benefits that will benefit the region long after the channel-deepening work is completed.”

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Today's agreement will allow the Army Corp of Engineers to begin to award contracts for the deepening of the Ambrose, Anchorage, Kill van Kull, Newark Bay, Arthur Kill, Port Jersey and Bay Ridge channels to 50 feet.

The Army Corps is currently completing a project to deepen the Kill van Kull, Newark Bay and Elizabeth channels to 45 feet, which is scheduled for completion this summer. Additionally, the Army Corps is in the midst of deepening the Arthur Kill Channel to 41 feet, which is scheduled for completion next year.

The Port Authority of New York and New Jersey operates many of the busiest and most important transportation links in the region. They include John F. Kennedy International, Newark Liberty International, LaGuardia and Teterboro airports; AirTrain JFK and AirTrain Newark; the George Washington Bridge; the Lincoln and Holland tunnels; the three bridges between Staten Island and New Jersey; the PATH (Port Authority Trans-Hudson) rapid-transit rail 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; and the Port Authority Bus Terminal in midtown Manhattan. The agency also owns the 16-acre World Trade Center site in Lower Manhattan. The Port Authority is financially self-supporting and receives no tax revenue from either state.

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