

March 19, 2020

Members of the New York and New Jersey Congressional Delegations:

Like many transportation entities that this region—and the nation—depend upon, the Port Authority confronts an extraordinary challenge in the face of the novel coronavirus pandemic. As a fundamental component of the New York and New Jersey metropolitan region's transportation network, the Port Authority will require federal assistance to continue fulfilling its mission at the service levels the region depends upon and requires. Federal assistance will ensure that we can continue serving the more than 20.5 million people who live and work in the region, as well as the employers that rely on those workers, be they private sector, not-for-profit, public sector, multi-national, or mom and pop. We strongly encourage this assistance be a part of a broader, comprehensive package to support the good functioning of our nation's transportation infrastructure.

First and foremost, the Port Authority must continue to operate through this crisis. Whether by air, land, rail or sea, we are dedicated to getting critical healthcare workers, first responders, and other essential workers where they need to be to address those most impacted by this crisis and to keep the supply chains open to ensure goods and supplies keep flowing throughout the region. Further, our critical infrastructure must be ready to play a vital role in helping the region recover when the spread of the virus is contained. Rapid recovery will be essential to getting employers and the region back in operation as quickly as possible without precipitating a devastatingly extended crisis.

The Port Authority's facilities include: (1) the nation's busiest airport system whose economic impact on the region exceeds \$100 billion annually; (2) the East Coast's largest marine terminals and port system which processes more than 7 million TEUs of cargo each year, supporting supply chains throughout the U.S. and the world; (3) the PATH commuter rail transit system whose ridership exceeds 84 million people annually; (4) six bistate bridge and tunnel crossings that accommodate over 120 million eastbound vehicles annually; and, (5) the world's busiest bus terminal (along with the George Washington Bridge Bus Station) which accommodate over 81 million passengers annually. In addition to the 8,000 employees of the Port Authority, these vital facilities support 1 million regional jobs.

In the last 30 years, the Port Authority has been tested beyond all reasonable measure—the 1993 World Trade Center bombing, 9/11, Superstorm Sandy. In each of these catastrophes, this agency has risen to the challenge and kept the region moving. And, in each of these cases we have partnered with federal agencies to recover from the incident and restore our facilities. Without that partnership, the recovery would have been substantially prolonged and inflicted catastrophically greater negative impacts.

Today, we obviously face another crisis where transportation infrastructure is on the frontlines of any recovery. This challenge, however, is different. This is not a contained event where one can see and measure the physical damage. Here, the extent and duration of the pandemic is unclear, and the damage, beyond the tragic health outcomes for some, has enormous economic dangers.

While the Port Authority continues to operate so that essential people and goods get where they need to go, we are facing precipitous drops in passenger and cargo volumes. Additionally, our tenants are requesting fiscal relief from rents and charges as their industries contract under the strain of this pandemic.

Based on the most recent daily reports, vehicular volumes have fallen over 22 percent at our bridge and tunnel crossings. Ridership on our PATH commuter rail system has fallen over 75 percent. In addition, passenger volumes at our airports have fallen by more than half as compared to March 2019 average weekday levels and threaten to continue to decline. And, many of our airline partners are facing financial hardship, threatening America's busiest airport system. We emphasize that decreases in airline passenger volumes are felt deeply at our airports and those across the country, affecting the economic growth and jobs these facilities provide. Finally, cargo volumes at our Ports are forecasted to decrease by 30 percent in March as compared to March 2019 average weekday levels, (though we are hoping for some degree of recovery in April).

Financially, the Port Authority depends on user fees from this activity and revenues from these industries to operate, maintain, and invest in our vital facilities. The Port Authority is self-sustaining and raises the funds it needs primarily on the basis of its own credit. The reductions in activity have significantly reduced the Port Authority's revenues, on which our operations and projects totally depend. And yet we must continue to provide the services the public expects of us. Furthermore, our expenses are increasing as we enhance cleanings across all our facilities with EPA-approved and CDC-endorsed disinfectants to ensure the well-being of our customers and employees.

We recognize that the impact of this crisis is felt by all our partners in the transportation sector. And we believe relief must consider this sector as a whole. As an example, the economic well-being of airlines and airports are inextricably linked. Therefore, we completely endorse the proposals of our trade associations, American Association of Airport Executives and Airports Council International-North America, aimed at ensuring airports remain a healthy link in our nation's transportation system both during the crisis and as our economy fights to recover in the coming months.

To begin to quantify the financial impact on the Port Authority and provide that to you immediately, we have developed an estimate and extrapolation of what could occur utilizing an approach similar to that used by of our sister agency, the MTA. If the current level of reduction in activity continues for six-months followed by a partial recovery of activity levels thereafter, we would require federal support to cover the Port Authority's direct revenue losses and incremental expenses of \$1.9 billion associated with the pandemic that we could incur through the end of 2020. We will keep you updated as our analysis evolves and welcome a dialogue regarding these estimates. We urgently need a rapid federal commitment to prevent this impact from rippling through with a domino effect on critical employment levels on which the region's economy depends. The livelihood of tens of thousands of employees across the region is at stake.

This is a national disaster that impacts public sector transportation entities across the nation and requires a national response. As with prior disasters faced by the Port Authority, the pace of recovery in the region will be substantially slowed absent a partnership with federal agencies. Without federal assistance, we will be forced to make decisions that will adversely impact our efforts to rebuild the region's aging infrastructure. These investments will directly and indirectly support tens-of-thousands of jobs that will be essential to the economic recovery of the region and the nation. And while we continue to be fiscally prudent with our resources and identify savings in response to this changing landscape, no agency of our size can find additional billions in savings equivalent to the damages we have and will sustain as a result of this pandemic. Furthermore, the region will struggle to reopen businesses and bring back jobs if the entire burden is left to be borne by user fees and charges.

The bi-state region produces nearly 15 percent of the entire U.S. GDP, and the nation will need the region to fully rebound from the current crisis. Without federal assistance we risk a terribly prolonged recovery as we, along with our peer agencies across the nation, would need to reduce investments that are critical in getting people back to work and moving. Given the key role the Port Authority plays in the regional economy it is essential that the Port Authority has the resources to help the region, the nation, and the world to jumpstart its recovery as soon as this pandemic is contained. So, to repeat, we ask that you provide assistance to the Port Authority as part of a broader, comprehensive package for national transportation infrastructure.

Sincerely,



Kevin O'Toole  
Chairman



Richard Cotton  
Executive Director

**cc:**

Governor Andrew M. Cuomo  
Senator Charles E. Schumer  
Senator Kristen E. Gillibrand  
Representative Lee Zeldin  
Representative Peter King  
Representative Thomas Suozzi  
Representative Kathleen M. Rice  
Representative Gregory Meeks  
Representative Grace Meng  
Representative Nydia Velazquez  
Representative Hakeem Jeffries  
Representative Yvette D. Clarke  
Representative Jerrold Nadler  
Representative Max Rose  
Representative Carolyn Maloney  
Representative Adriano Espaillat  
Representative Alexandria Ocasio-Cortez  
Representative Jose E. Serrano  
Representative Eliot Engel  
Representative Nita Lowey  
Representative Sean Patrick Maloney  
Representative Antonio Delgado  
Representative Paul D. Tonko  
Representative Elise M. Stefanik  
Representative Anthony Brindisi  
Representative Tom Reed  
Representative John M. Katko  
Representative Joseph Morelle  
Representative Brian Higgins

Governor Phil Murphy  
Senator Bob Menendez  
Senator Cory Booker  
Representative Donald Norcross  
Representative Jeff Van Drew  
Representative Andy Kim  
Representative Chris Smith  
Representative Josh Gottheimer  
Representative Frank Pallone  
Representative Tom Malinowski  
Representative Albio Sires  
Representative Bill Pascrell  
Representative Donald M. Payne Jr.  
Representative Mikie Sherrill  
Representative Bonnie Watson Coleman