

Testimony by Patrick J. Foye, Executive Director

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U.S. House of Representatives

Committee on Transportation & Infrastructure

Panel on 21st Century Freight Transportation

“How Freight Transportation Challenges in Urban Areas Impact the Nation”

U.S. Customs House

New York, N.Y.

July 26, 2013

Chairman Duncan, Ranking Member Nadler, and members of the committee, thank you for holding this critical hearing on freight transportation challenges. My name is Pat Foye and I am Executive Director of the Port Authority of New York and New Jersey. Under the leadership of our Governors, Andrew Cuomo and Chris Christie, the Port Authority operates the most important and diverse multi-modal portfolio of any transportation operator in the world.

I welcome your visit to see first-hand what the Port Authority is doing to support the nation’s economy and its global competitiveness. Efficient freight service in the New York City region is critical to job creation and retention in our region, and to our country’s sustainable and prosperous future.

First, a quick profile of the Port Authority, and our role in the national freight network:

- We operate the nation’s busiest metropolitan airport system. Last year, it handled 109 million passengers, with 1.3 million tons of international air cargo, and three quarters of a million tons of domestic air freight.
- We are the largest maritime port on the East Coast, handling over 5 million containers, which is more than a 60 percent share of the North Atlantic market.
- Our six interstate bridges and tunnels handled 14.8 million truck crossings last year and nearly half of them used the George Washington Bridge, a critical link on the I-95 corridor.
- Other Port Authority facilities include the nation’s busiest bus terminal, the PATH rapid transit system, ferry and rail freight facilities, as well as the redevelopment of the 16-acre World Trade Center site and the redevelopment of One World Trade Center.

Our port assets and associated freight rail movements are critical to the health of our region and that of the nation. Today, freight passing through our port can reach 20% of the U.S. population, or more than 62 million people, in fewer than 8 hours and more than 30%, or over 94 million people, in fewer than 48 hours. All of our facilities play a distinct role in the delivery of goods within the region and beyond. For example, the Red Hook Container Terminal in Brooklyn is the only international maritime terminal with a direct land connection to Long Island and is uniquely positioned to receive and distribute international cargo to the approximately 11 million residents east of the Hudson River.

We work every day to meet the needs of the country's largest consumer market. Any slowdown of operations can result in an economic blow, not just to the regional economy but that of the nation. Studies indicate that a closure of our ports would cost the nation \$1 billion a day.

At the Port Authority, we recognize the impact our facilities have in the efficient movement of freight throughout the region and the country. In the past decade, we have made major investments to maintain our global competitiveness and ensure that we meet the demands of the region. Over the last ten years, the Port Authority and our partners have invested approximately \$2.6 billion to promote efficient movement of freight.

Over the past decade, we have also provided more than \$688 million in local matching funds for the Harbor Deepening Project, which will deepen the main harbor channel to 50 feet to improve navigational safety and pave the way for larger cargo vessels.

Earlier this year, we broke ground on a \$1.3 billion project to raise the roadway of the Bayonne Bridge to increase the navigational clearance above the main harbor channel to 215 feet to accommodate the new generation of larger and cleaner cargo vessels.

We have committed \$600 million to the development of our ExpressRail intermodal network at our port terminals to support expanded on-dock service by long haul railroads serving inland markets. The ExpressRail reaches up to 90 million customers within 24 hours in markets throughout the Midwest and eastern Canada. Through this service, it takes only 10 days to move cargo from Hamburg to Chicago by vessel and rail combined. Today, we have the capacity to handle more than 1 million containers at our on-dock rail facilities and by the end of the decade, we will have increased our capacity to 1.5 million containers.

Thanks to the support of Governor Cuomo and the tireless efforts of Congressman Nadler, the Port Authority, in partnership with the U.S. Department of Transportation will expand cross-harbor rail car barge service between Jersey City and Brooklyn. We are modernizing float bridges and barges that will speed the service, as well as providing new low-emission locomotives for use in both states. Though interrupted by damage from Superstorm Sandy, this operation continues to grow—1,600 railcars carried in the first half of this year—equivalent to removing more than 6,500 trucks from the area's roads. This represents volume equal to that for all of 2012.

In the coming months, the Port Authority will approve a ten-year capital program that will invest billions of dollars more in our freight infrastructure.

In addition to the capital investment we are undertaking to improve the efficient movement of freight, we are implementing measures to ensure that our investments benefit truckers who use Staten Island crossings to access the Howland Hook facility, thereby improving the movement of freight at this facility. The Port Authority will also invest in an additional expansion of ExpressRail in Staten Island to enhance the facility's competitiveness. Since 2000, we have made \$375 million investments in that facility alone.

The Port Authority is proud to be a leader in multi-modal freight movement, but there are opportunities at the federal level to address our nation's freight needs. The Port Authority is strongly supportive of efforts to redirect revenues from the Harbor Maintenance Trust Fund to harbor operations and maintenance dredging in order to protect our investment in deepened channels.

We are also strongly supportive of federal innovative financing and competitive grant programs, such as TIFIA, RRIF and TIGER in order to leverage public and private capital investment locally. TIFIA and RRIF loans, as well as TIGER grants, are smart ways to leverage local participation. The Port Authority has been approved for up to \$500 million in a low cost TIFIA loan for the replacement of the Goethals Bridge, a \$1.5 billion project, which connects Staten Island and New Jersey. The Port Authority is utilizing an innovative PPP structure for the Goethals, the first true surface transportation PPP in the northeast region, to access private capital.

We are also working on goods-movement improvements at our airports. The Port Authority recently completed a joint study of JFK cargo activity with New York City to zero in on strategies to preserve and expand this globally important cargo center. We are working to address obstacles for efficient truck access, as well as to modernize our facilities and better accommodate current industry needs.

There are additional challenges to address. Urban centers, like the New York City region, will be the "front line" of any national campaign to implement an effective national freight strategy. Metropolitan areas share of the nation's economic activity is only growing. Most of the nation's gateway ports, major air cargo centers, and other intermodal hubs are in metropolitan areas', where the movement of freight faces obstacles such as chronic congestion, obsolete infrastructure, competing land uses and any initiative must take into account potential community impacts.

This year, the Port Authority expects to complete a comprehensive regional goods movement plan for the greater metropolitan region in concert with the New Jersey and New York State Departments of Transportation. Our aim is to coordinate a strategic approach for improvements

across the region. As we progress on this effort, I look forward to working with this committee on a national approach for multi-modal freight movement.

Thank you.

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