

LEGISLATIVE HISTORY CHECKLIST

WJSA 32:2-23.27 to 32:2-23.42 (Port Authority NY - NJ Bus transportation)

LAWS OF 1979 CHAPTER 33

Bill No. A1508

Sponsor(s) Call and others

Date Introduced June 12, 1978

Committee: Assembly Transportations & Communications

Senate Transportation & Communications

Amended during passage Yes ~~XX~~ Amendments during passage denoted by asterisks. Substituted for S1233. (Not attached since identical to A1508)

Date of Passage: Assembly June 26, 1978  
Senate September 18, 1978

Date of approval March 1, 1979

Following statements are attached if available:

- Sponsor statement Yes ~~XX~~
- Committee Statement: Assembly Yes ~~XX~~
- Senate Yes ~~XX~~
- Fiscal Note ~~XX~~ No
- Veto message ~~XX~~ No
- Message on signing Yes ~~XX~~

Following were printed:

- Reports ~~XX~~ No
- Hearings ~~XX~~ No

med

2/1/78

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 1508

STATE OF NEW JERSEY

INTRODUCED JUNE 12, 1978

By Assemblymen CALI, BURNS, ADUBATO, Assemblywoman BERMAN, Assemblymen FORTUNATO, JANISZEWSKI, COWAN, MAYS, PASCULLI, T. GALLO, SCHWARTZ, BROWN, Assemblywoman SCANLON, Assemblymen THOMPSON and HOLLENBECK

Referred to Committee on Transportation and Communications

AN ACT relating to the acquisition, development, financing and transfer of buses and related facilities by the Port Authority of New York and New Jersey and the utilization thereof and the facilities of said authority and agreeing with the state of New York with respect thereto.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. The states of New York and New Jersey hereby find and  
2 determine that:

3 a. The efficient, economical and convenient mass transportation  
4 of persons to, from and within the Port of New York District as  
5 defined in the compact between the two states dated April 30, 1921  
6 (hereinafter called the "port district") is vital and essential to the  
7 preservation and economic well-being of the northern New Jersey-  
8 New York metropolitan area;

9 b. In order to deter the economic deterioration of the northern  
10 New Jersey-New York metropolitan area adequate facilities for  
11 the mass transportation of persons must be provided and buses are  
12 and will remain of extreme importance in such transportation;

13 c. The provision of mass transportation including bus transporta-  
14 tion in urban areas \***[without additional governmental assistance]**\*  
15 has become \***[so]**\* financially burdensome \***[as to threaten the**  
16 **continuation of and make imminent]**\* *\*and may result in\** the  
17 additional curtailment of significant portions of this essential  
17A public service;

EXPLANATION—Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

18 d. The economic viability of the existing facilities operated by  
19 the port authority of New York and New Jersey (hereinafter called  
20 the "port authority") is dependent upon the effective and efficient  
21 functioning of the transportation network of the northern New  
22 Jersey-New York metropolitan area and access to and proper  
23 utilization of such port authority facilities would be adversely  
24 affected if users of bus transportation were to find such trans-  
25 portation unavailable or significantly curtailed;

26 e. Buses serving regional bus routes and feeder bus routes and  
27 ancillary bus facilities constitute an essential part of the mass  
28 commuter facilities of the port district;

29 f. The continued availability of bus transportation requires sub-  
30 stantial replacement of and additions to the number of buses pres-  
31 ently in use in the northern New Jersey-New York metropolitan  
32 area;

33 g. The port authority which was created by agreement of the  
34 two states as their joint agent for the development of transportation  
35 and terminal facilities and other facilities of commerce of the port  
36 district and for the promotion and protection of the commerce of  
37 their port, is a proper agency to provide such buses to each of the  
38 two states and such provision of buses by the port authority is in  
39 the interest of the continued viability of the facilities of the port  
40 authority, and is in the public interest;

41 h. The operation of the facilities of the port authority, in-  
42 cluding but not limited to the port authority bus terminal at  
43 41st street and Eighth avenue in New York county in the city  
44 and state of New York and the extension thereto currently under  
45 construction (hereinafter called the "bus terminal"), the George  
46 Washington bridge bus station and the provision of buses and  
47 ancillary bus facilities pursuant to this act involve the exercise of  
48 public and essential governmental functions \*\*[which may  
49 include appropriate and reasonable limitations on competition  
50 and]\*\* which must be performed by the two states or any  
51 municipality, public authority, agency, or commission of either or  
52 both states;

53-62 i. The revision to the port authority bridge and tunnel toll  
63 schedules which was effective May 5, 1975, is expected to result in  
64 additional revenues to the port authority sufficient to support the  
65 financing with consolidated bonds of the port authority of approxi-  
66 mately \$400,000,000.00 for passenger mass transportation capital  
67 projects (hereinafter called "passenger facilities"), approximately  
68 \$160,000,000.00 thereof being allocated to the extension to the bus  
69 terminal, with the remaining \$240,000,000.00 to be allocated on the

70 basis of \$120,000,000.00 in each state for passenger facilities,  
 71 including but not limited to the acquisition, development and  
 72 financing of buses and related facilities, as determined by each such  
 73 state and the port authority acting pursuant to legislative autho-  
 74 rization and commitments to the holders of port authority obliga-  
 75 tions; and

76 j. The port authority's function as a regional agency of the  
 77 two states makes it appropriate that line haul regional bus route  
 78 passenger facilities be equipped pursuant to this act with buses  
 79 and ancillary bus facilities and that the need for development and  
 80 equipment of such routes be satisfied on a priority basis.

1 2. For the purpose of this act:

2 a. "Ancillary bus facilities" means any facilities useful in the  
 3 provision of service on line haul regional or feeder bus routes,  
 4 including but not limited to (1) fare collection, communication,  
 5 signal and identification equipment, *\*(2) equipment to aid in the*  
 5A *provision of bus service to the elderly and handicapped,\* \*[(2)]\**  
 6 *\*(3)\** maintenance, repair and storage facilities and equipment,  
 7 and *[(3)]\* \*(4)\** bus stations for use primarily by passengers  
 8 traveling between New York and New Jersey; automobile parking  
 9 lots for use by people who transfer to buses on line haul regional  
 10 bus routes or feeder bus routes; and shelters at roadside bus stops  
 11 to afford waiting bus passengers protection from precipitation and  
 11A wind;

12 b. "Buses" means vehicles containing seats for 12 or more  
 13 passengers which are designed for and regularly used in scheduled  
 14 common carrier passenger mass transportation service on streets,  
 15 highways and exclusive busways and which are not designed or  
 16 used for railroad purposes;

17 c. "Consolidated bonds" shall mean consolidated bonds of the  
 18 issue established by the resolution of the port authority, adopted  
 19 October 9, 1952.

20 d. "Develop" means plan, design, construct, improve or re-  
 21 habilitate;

22 e. "Feeder bus routes" means those bus routes entirely within  
 23 the regional bus area which connect within the port district with a  
 24 bus stop on a line haul regional bus route, a passenger ferry, or a  
 25 railroad station;

26 f. "Line haul regional bus routes" means bus routes which are  
 27 entirely within the regional bus area and which extend from a point  
 28 outside the county in which the bus terminal is located to a point  
 29 in such county;

30 g. "Municipality" means a county, city, borough, village, town,  
31 township, or other similar political subdivision of New York or  
32 New Jersey;

33 h. "Person" means any person, including individuals, firms,  
34 partnerships, associations, societies, trusts, public utilities, public  
35 or private corporations, or other legal entities, including public  
36 or governmental bodies, which may include the port authority, as  
37 well as natural persons;

38 i. "Railroad station" means a stop on a rail or subway system  
39 at which passengers embark or disembark; and

40 j. "Regional bus area" means that area in the states of New  
41 York and New Jersey which lies within a radius of 75 miles of the  
42 bus terminal.

1 3. The port authority is authorized and empowered to acquire,  
2 develop, finance, and transfer buses and ancillary bus facilities for  
3 the purpose of leasing, selling, transferring or otherwise disposing  
4 of such buses and ancillary bus facilities only to the state of New  
5 York and the State of New Jersey or to any public authority,  
6 agency \***[or]** \*,\* commission\*, *city or county*\* thereof and desig-  
7 nated by such state (hereinafter called the "lessee"). Such buses  
8 may be used only on line haul regional bus routes or on feeder bus  
9 routes and such ancillary bus facilities shall be developed for and  
10 used in connection with buses which travel on line haul regional bus  
11 routes or feeder bus routes; provided, however, that (a) such buses  
12 may be used for charter bus trips which originate in the regional  
13 bus area, which take place when such buses are not needed for  
14 service on line haul regional bus routes or feeder bus routes, and  
15 which comply with all applicable requirements including but not  
16 limited to those of the port authority and the lessee; and (b) pro-  
17 vided that the fare collection, communication and identification  
18 equipment and maintenance, repair and storage facilities and  
19 equipment acquired pursuant to this act may be utilized in connec-  
20 tion with bus service which is not on line haul regional or feeder  
21 bus routes to the extent that such utilization complies with all appli-  
22 cable requirements including but not limited to those of the port  
23 authority and the lessee.

23A Ancillary bus facilities which are not located on buses or which  
24 are not otherwise intended to be moved from place to place shall  
25 be located only within the port district.

1 4. Any such lease, sale, transfer or other disposition of buses  
2 and ancillary bus facilities shall be on such terms and conditions,  
3 including consideration, consistent with this act as the port au-  
4 thority shall deem in the public interest and which shall be accept-

5 able to the port authority and the lessee. Notwithstanding any  
6 contrary provision of law, general, special or local, part of the  
7 consideration for any such lease or transfer shall consist of an  
8 agreement by the lessee to maintain and use such buses and ancil-  
9 lary bus facilities, or cause such buses and ancillary bus facilities to  
10 be maintained and used by others under agreement with the lessee,  
11 in the effective and efficient transportation of passengers in  
12 accordance with this act and the port authority may accept such  
13 agreement in lieu of any other consideration for such lease or  
14 transfer. The lessee shall be responsible for the proper operation,  
15 maintenance, repair and use of the buses and ancillary bus facilities  
16 and the port authority shall not be liable in any respect by reason  
17 of the ownership, development, operation, maintenance, repair or  
18 use of such buses and ancillary bus facilities. **\*[Development]\***  
19 *\*Anything contained in this act to the contrary notwithstanding,*  
20 *development\** of such buses and ancillary bus facilities and intro-  
21 duction into service of such buses shall be subject to the approval of  
22 the lessee.

1 5. The two states covenant and agree with each other and with  
2 the holders of the present and future obligations of the port  
3 authority that (a) the lessee of buses or ancillary bus facilities  
4 leased, transferred or otherwise disposed of pursuant to this act  
5 shall be required to defend and to provide for indemnification\*,  
6 subject to appropriations *\*or other funds\**, which are or **\*[may]\***  
7 become *\*legally\** available *\*for this purpose\**, of the port authority  
7A against any liability of whatsoever form or nature as may be  
8 imposed upon the port authority by reason of the ownership,  
9 development, operation, maintenance, repair or use thereof  
10 or arising otherwise out of the port authority's interest therein;  
11 (b) the lessee shall be required to provide for and be respon-  
12 sible for the proper operation, maintenance, repair, and use  
13 of such buses and ancillary bus facilities leased, transferred or  
14 otherwise disposed of pursuant to this act and the port authority  
15 shall have no responsibility as to such operation, maintenance,  
16 repair or use; and (c) neither the states nor the port authority  
17 will apply to any purpose in connection with or relating to the  
18 operation, maintenance, repair or use of such buses or ancillary  
19 bus facilities leased, transferred or otherwise disposed of pursuant  
20 to this act, other than purposes in connection with the utilization  
21 of other port authority **\*[services]\*** *\*facilities\** by such buses and  
22 passenger information purposes, any of the rentals, tolls, fares,  
23 fees, charges, revenues, reserves or other funds of the port author-  
24 ity which have been or shall be pledged in whole or in part as

25 security for obligations as security for which there may be or shall  
26 be pledged, in whole or in part, the general reserve fund of the  
27 port authority.

1 6. Any capital expenditures by the port authority for buses  
2 and ancillary bus facilities to be leased, sold, transferred or other-  
3 wise disposed of pursuant to this act shall be made with the pro-  
4 ceeds of consolidated bonds of the port authority, which may be  
5 issued to finance such capital expenditures, and such capital  
6 expenditures shall be a part of and shall not exceed the allocations  
7 for passenger facilities to be made from time to time as determined  
8 in accordance with subsection i. of section 1 of this act.

1 7. The port authority is authorized and empowered to cooperate  
2 with the States of New York and New Jersey, with any municipality  
3 thereof, with the Federal Government and any public authority,  
4 agency or commission of the foregoing or with any one or more  
5 of them or with any other person to the extent that it finds it  
6 necessary and desirable to do so in connection with the acquisition,  
7 development, financing, leasing, sale, transfer or other disposition  
8 of buses and ancillary bus facilities and to enter into an agreement  
9 or agreements, and from time to time to enter into agreements  
10 amending or supplementing the same, with said states, munici-  
11 palities, Federal Government, public authorities, agencies, com-  
12 missions and persons or with any one or more of them for or  
13 relating to such purposes.

1 8. Notwithstanding any contrary provision of law, general,  
2 special or local, either state or any municipality, public authority,  
3 agency, or commission of either or both of said two states or any  
4 other person is authorized and empowered to cooperate with the  
5 port authority and to enter into an agreement or agreements, and  
6 from time to time to enter into agreements amending or supple-  
7 menting the same, with the port authority \*\***[for or in connection**  
8 **with the operation of any of the facilities of the port authority]**\*\*,  
9 including but not limited to agreements with respect to buses and  
10 ancillary bus facilities leased, transferred or otherwise disposed  
11 of pursuant to this act \*\***[or any other bus facilities owned or**  
12 **operated by the port authority]**\*\*, upon such reasonable terms and  
13 conditions as determined by such state, municipality, public  
14 authority, agency, commission or person and the port authority.  
15 \*\***[Such agreements shall include but shall not be limited to agree-**  
16 **ments which now or shall provide inter alia for the establishment of**  
17 **prices or rates, a requirement that any person sell, lease, or pur-**  
18 **chase any commodity or service from any other person, the**  
19 **exclusive use of any facilities provided pursuant to this act or any**

20 other port authority facility, payment to the port authority or other  
21 governmental entity of a fee for any or all sales and services relat-  
22 ing to the use of any such facility or any other similar arrange-  
23 ment. ]\*\*

1 9. Any consent by a municipality shall be given and the terms,  
2 conditions and execution by a municipality of any agreement, deed,  
3 lease, conveyance or other instrument pursuant to this section or  
4 any other section of this act shall be authorized in the manner  
5 provided in article 22 of the compact of April 30, 1921 between  
6 the two states creating the port authority, except that as to towns  
7 in the state of New York, such consent shall be authorized in the  
8 manner provided in the town law and as to counties in the State  
9 of New Jersey, such consent shall be authorized in the manner pro-  
10 vided by law.

11 The terms and conditions and execution by either state of any  
12 agreement, consent, designation, determination, deed, lease, con-  
13 veyance or other instrument pursuant to this section or any other  
14 section of this act shall be effective if authorized by the governor  
15 of such state. The powers herein granted to either state or any  
16 municipality, public authority, agency or commission shall be  
17 construed to be in aid of and not in limitation or in derogation of  
18 any such powers heretofore or hereafter conferred upon or granted  
19 to such state, municipality, public authority, agency or commission.  
20 Any consent by a public authority, agency or commission shall be  
21 effective if given by such public authority, agency or commission.

1 10. The port authority shall be required to pay no taxes or  
2 assessments upon any of the property real or personal acquired or  
3 used by it for any purpose of this act or upon any lease, deed,  
4 mortgage or other instrument affecting such property or upon the  
5 recording of any instrument made in connection with the acquisi-  
6 tion, development, financing, lease, sale, transfer or other disposi-  
7 tion or use of such property.

1 11. The port authority shall not be subject to the jurisdiction of  
2 any municipality, public authority, agency or commission of either  
3 or both of the two states in connection with the acquisition, develop-  
4 ment, financing, lease, sale, transfer or other disposition of buses,  
5 ancillary bus facilities or otherwise in connection with the purposes  
6 of this act.

1 12. The acquisition, development, financing, leasing, sale, transfer  
2 or other disposition by the port authority of buses and ancillary bus  
3 facilities in accordance with this act are and will be in all respects  
4 for the benefit of the people of the said two states, for the increase  
5 of their commerce and prosperity and for the improvement of their



6 health, safety and living conditions and shall be deemed to be public  
7 purposes; and the port authority shall be regarded as performing  
8 an essential governmental function in undertaking such acquisition,  
9 development, financing, leasing, sale, transfer or other disposition  
10 or otherwise carrying out the provisions of this act.

1 13. Any declarations contained herein with respect to the govern-  
2 mental nature and public purposes of the facilities authorized by  
3 this act and to the exemption of such facilities and instruments  
4 relating thereto from taxation and to the discretion of the port  
5 authority with respect to said facilities shall not be construed to  
6 imply that other port authority facilities, property and operations  
7 are not of a governmental nature or do not serve public purposes,  
8 or that they are subject to taxation, or that the determinations of  
9 the port authority with respect thereto are not conclusive.

1 14. This section and the preceding sections hereof constitute an  
2 agreement between the States of New York and New Jersey supple-  
3 mentary to the compact between the two states dated April 30, 1921  
4 and shall be liberally construed to effectuate the purposes of said  
5 compact and of the comprehensive plan heretofore adopted by the  
6 two states, and the powers granted to the port authority shall be  
7 construed to be in aid of and not in limitation or in derogation of  
8 any other powers heretofore conferred upon or granted to the port  
9 authority.

1 15. If any section, part, phrase, or provision of this act or the  
2 application thereof to any person or circumstances be adjudged  
3 invalid by any court of competent jurisdiction, such judgment shall  
4 be confined in its operation to the section, part, phrase, provision or  
5 application directly involved in the controversy in which such  
6 judgment shall have been rendered and shall not affect or impair  
7 the validity of the remainder of this act or the application thereof  
8 to other persons or circumstances and the two states hereby declare  
9 that they would have entered into this act or the remainder thereof  
10 had the invalidity of such provision or application thereof been  
11 apparent.

1 16. This act shall take effect upon the enactment into law by the  
2 state of New York of legislation having an identical effect with this  
3 act, but if the state of New York has already enacted such legis-  
4 lation, this act shall take effect immediately.

---

ASSEMBLY, No. 1508

STATE OF NEW JERSEY

INTRODUCED JUNE 12, 1978

By Assemblymen CALI, BURNS, ADUBATO, Assemblywoman BERMAN, Assemblymen FORTUNATO, JANISZEWSKI, COWAN, MAYS, PASCULLI, T. GALLO, SCHWARTZ, BROWN, Assemblywoman SCANLON, Assemblymen THOMPSON and HOLLENBECK

Referred to Committee on Transportation and Communications

AN ACT relating to the acquisition, development, financing and transfer of buses and related facilities by the Port Authority of New York and New Jersey and the utilization thereof and the facilities of said authority and agreeing with the state of New York with respect thereto.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. The states of New York and New Jersey hereby find and  
2 determine that:

3 a. The efficient, economical and convenient mass transportation  
4 of persons to, from and within the Port of New York District as  
5 defined in the compact between the two states dated April 30, 1921  
6 (hereinafter called the "port district") is vital and essential to the  
7 preservation and economic well-being of the northern New Jersey-  
8 New York metropolitan area;

9 b. In order to deter the economic deterioration of the northern  
10 New Jersey-New York metropolitan area adequate facilities for  
11 the mass transportation of persons must be provided and buses are  
12 and will remain of extreme importance in such transportation;

13 c. The provision of mass transportation including bus transporta-  
14 tion in urban areas without additional governmental assistance has  
15 become so financially burdensome as to threaten the continuation  
16 of and make imminent the additional curtailment of significant  
17 portions of this essential public service;

18 d. The economic viability of the existing facilities operated by  
19 the port authority of New York and New Jersey (hereinafter called  
20 the "port authority") is dependent upon the effective and efficient

21 functioning of the transportation network of the northern New  
22 Jersey-New York metropolitan area and access to and proper  
23 utilization of such port authority facilities would be adversely  
24 affected if users of bus transportation were to find such trans-  
25 portation unavailable or significantly curtailed;

26 e. Buses serving regional bus routes and feeder bus routes and  
27 ancillary bus facilities constitute an essential part of the mass  
28 commuter facilities of the port district;

29 f. The continued availability of bus transportation requires sub-  
30 stantial replacement of and additions to the number of buses pres-  
31 ently in use in the northern New Jersey-New York metropolitan  
32 area;

33 g. The port authority which was created by agreement of the  
34 two states as their joint agent for the development of transportation  
35 and terminal facilities and other facilities of commerce of the port  
36 district and for the promotion and protection of the commerce of  
37 their port, is a proper agency to provide such buses to each of the  
38 two states and such provision of buses by the port authority is in  
39 the interest of the continued viability of the facilities of the port  
40 authority, and is in the public interest;

41 h. The operation of the facilities of the port authority, in-  
42 cluding but not limited to the port authority bus terminal at  
43 41st street and Eighth avenue in New York county in the city  
44 and state of New York and the extension thereto currently under  
45 construction (hereinafter called the "bus terminal"), the George  
46 Washington bridge bus station and the provision of buses and  
47 ancillary bus facilities pursuant to this act involve the exercise of  
48 public and essential governmental functions which may include  
49 appropriate and reasonable limitations on competition and which  
50 must be performed by the two states or any municipality, public  
51 authority, agency, or commission of either or both states;

52-62 i. The revision to the port authority bridge and tunnel toll  
63 schedules which was effective May 5, 1975, is expected to result in  
64 additional revenues to the port authority sufficient to support the  
65 financing with consolidated bonds of the port authority of approxi-  
66 mately \$400,000,000.00 for passenger mass transportation capital  
67 projects (hereinafter called "passenger facilities"), approximately  
68 \$160,000,000.00 thereof being allocated to the extension to the bus  
69 terminal, with the remaining \$240,000,000.00 to be allocated on the  
70 basis of \$120,000,000.00 in each state for passenger facilities,  
71 including but not limited to the acquisition, development and  
72 financing of buses and related facilities, as determined by each such  
73 state and the port authority acting pursuant to legislative autho-

74 rization and commitments to the holders of port authority obliga-  
75 tions; and

76 j. The port authority's function as a regional agency of the  
77 two states makes it appropriate that line haul regional bus route  
78 passenger facilities be equipped pursuant to this act with buses  
79 and ancillary bus facilities and that the need for development and  
80 equipment of such routes be satisfied on a priority basis.

1 2. For the purpose of this act:

2 a. "Ancillary bus facilities" means any facilities useful in the  
3 provision of service on line haul regional or feeder bus routes,  
4 including but not limited to (1) fare collection, communication,  
5 signal and identification equipment, (2) maintenance, repair and  
6 storage facilities and equipment, and (3) bus stations for use  
7 primarily by passengers traveling between New York and New  
8 Jersey; automobile parking lots for use by people who transfer to  
9 buses on line haul regional bus routes or feeder bus routes; and  
10 shelters at roadside bus stops to afford waiting bus passengers  
11 protection from precipitation and wind;

12 b. "Buses" means vehicles containing seats for 12 or more  
13 passengers which are designed for and regularly used in scheduled  
14 common carrier passenger mass transportation service on streets,  
15 highways and exclusive busways and which are not designed or  
16 used for railroad purposes;

17 c. "Consolidated bonds" shall mean consolidated bonds of the  
18 issue established by the resolution of the port authority, adopted  
19 October 9, 1952.

20 d. "Develop" means plan, design, construct, improve or re-  
21 habilitate;

22 e. "Feeder bus routes" means those bus routes entirely within  
23 the regional bus area which connect within the port district with a  
24 bus stop on a line haul regional bus route, a passenger ferry, or a  
25 railroad station;

26 f. "Line haul regional bus routes" means bus routes which are  
27 entirely within the regional bus area and which extend from a point  
28 outside the county in which the bus terminal is located to a point  
29 in such county;

30 g. "Municipality" means a county, city, borough, village, town,  
31 township, or other similar political subdivision of New York or  
32 New Jersey;

33 h. "Person" means any person, including individuals, firms,  
34 partnerships, associations, societies, trusts, public utilities, public  
35 or private corporations, or other legal entities, including public  
36 or governmental bodies, which may include the port authority, as  
37 well as natural persons;

38 i. "Railroad station" means a stop on a rail or subway system  
39 at which passengers embark or disembark; and

40 j. "Regional bus area" means that area in the states of New  
41 York and New Jersey which lies within a radius of 75 miles of the  
42 bus terminal.

1 3. The port authority is authorized and empowered to acquire,  
2 develop, finance, and transfer buses and ancillary bus facilities for  
3 the purpose of leasing, selling, transferring or otherwise disposing  
4 of such buses and ancillary bus facilities only to the state of New  
5 York and the State of New Jersey or to any public authority,  
6 agency or commission thereof and designated by such state (here-  
7 inafter called the "lessee"). Such buses may be used only on line  
8 haul regional bus routes or on feeder bus routes and such ancillary  
9 bus facilities shall be developed for and used in connection with  
10 buses which travel on line haul regional bus routes or feeder bus  
11 routes; provided, however, that (a) such buses may be used for  
12 charter bus trips which originate in the regional bus area, which  
13 take place when such buses are not needed for service on line haul  
14 regional bus routes or feeder bus routes, and which comply with  
15 all applicable requirements including but not limited to those of the  
16 port authority and the lessee; and (b) provided that the fare collec-  
17 tion, communication and identification equipment and maintenance,  
18 repair and storage facilities and equipment acquired pursuant to  
19 this act may be utilized in connection with bus service which is not  
20 on line haul regional or feeder bus routes to the extent that such  
21 utilization complies with all applicable requirements including but  
22 not limited to those of the port authority and the lessee.

23 Ancillary bus facilities which are not located on buses or which  
24 are not otherwise intended to be moved from place to place shall  
25 be located only within the port district.

1 4. Any such lease, sale, transfer or other disposition of buses  
2 and ancillary bus facilities shall be on such terms and conditions,  
3 including consideration, consistent with this act as the port au-  
4 thority shall deem in the public interest and which shall be accept-  
5 able to the port authority and the lessee. Notwithstanding any  
6 contrary provision of law, general, special or local, part of the  
7 consideration for any such lease or transfer shall consist of an  
8 agreement by the lessee to maintain and use such buses and ancil-  
9 lary bus facilities, or cause such buses and ancillary bus facilities to  
10 be maintained and used by others under agreement with the lessee,  
11 in the effective and efficient transportation of passengers in  
12 accordance with this act and the port authority may accept such

13 agreement in lieu of any other consideration for such lease or  
14 transfer. The lessee shall be responsible for the proper operation,  
15 maintenance, repair and use of the buses and ancillary bus facilities  
16 and the port authority shall not be liable in any respect by reason  
17 of the ownership, development, operation, maintenance, repair or  
18 use of such buses and ancillary bus facilities. Development of such  
19 buses and ancillary bus facilities and introduction into service of  
20 such buses shall be subject to the approval of the lessee.

1 5. The two states covenant and agree with each other and with  
2 the holders of the present and future obligations of the port  
3 authority that (a) the lessee of buses or ancillary bus facilities  
4 leased, transferred or otherwise disposed of pursuant to this act  
5 shall be required to defend and to provide for indemnification  
6 subject to appropriations, which are or may become available, of  
7 the port authority against any liability of whatsoever form or  
8 nature as may be imposed upon the port authority by reason of  
9 the ownership, development, operation, maintenance, repair or use  
10 thereof or arising otherwise out of the port authority's interest  
11 therein; (b) the lessee shall be required to provide for and be  
12 responsible for the proper operation, maintenance, repair, and use  
13 of such buses and ancillary bus facilities leased, transferred or  
14 otherwise disposed of pursuant to this act and the port authority  
15 shall have no responsibility as to such operation, maintenance,  
16 repair or use; and (c) neither the states nor the port authority  
17 will apply to any purpose in connection with or relating to the  
18 operation, maintenance, repair or use of such buses or ancillary  
19 bus facilities leased, transferred or otherwise disposed of pursuant  
20 to this act, other than purposes in connection with the utilization  
21 of other port authority services by such buses and passenger  
22 information purposes, any of the rentals, tolls, fares, fees, charges,  
23 revenues, reserves or other funds of the port authority which have  
24 been or shall be pledged in whole or in part as security for obliga-  
25 tions as security for which there may be or shall be pledged, in  
26 whole or in part, the general reserve fund of the port authority.

1 6. Any capital expenditures by the port authority for buses  
2 and ancillary bus facilities to be leased, sold, transferred or other-  
3 wise disposed of pursuant to this act shall be made with the pro-  
4 ceeds of consolidated bonds of the port authority, which may be  
5 issued to finance such capital expenditures, and such capital  
6 expenditures shall be a part of and shall not exceed the allocations  
7 for passenger facilities to be made from time to time as determined  
8 in accordance with subsection i. of section 1 of this act.

1 7. The port authority is authorized and empowered to cooperate  
2 with the States of New York and New Jersey, with any municipality  
3 thereof, with the Federal Government and any public authority,  
4 agency or commission of the foregoing or with any one or more  
5 of them or with any other person to the extent that it finds it  
6 necessary and desirable to do so in connection with the acquisition,  
7 development, financing, leasing, sale, transfer or other disposition  
8 of buses and ancillary bus facilities and to enter into an agreement  
9 or agreements, and from time to time to enter into agreements  
10 amending or supplementing the same, with said states, munici-  
11 palities, Federal Government, public authorities, agencies, com-  
12 missions and persons or with any one or more of them for or  
13 relating to such purposes.

1 8. Notwithstanding any contrary provision of law, general,  
2 special or local, either state or any municipality, public authority,  
3 agency, or commission of either or both of said two states or any  
4 other person is authorized and empowered to cooperate with the  
5 port authority and to enter into an agreement or agreements, and  
6 from time to time to enter into agreements amending or supple-  
7 menting the same, with the port authority for or in connection  
8 with the operation of any of the facilities of the port authority,  
9 including but not limited to agreements with respect to buses and  
10 ancillary bus facilities leased, transferred or otherwise disposed  
11 of pursuant to this act or any other bus facilities owned or operated  
12 by the port authority, upon such reasonable terms and conditions  
13 as determined by such state, municipality, public authority, agency,  
14 commission or person and the port authority. Such agreements  
15 shall include but shall not be limited to agreements which now or  
16 shall provide inter alia for the establishment of prices or rates,  
17 a requirement that any person sell, lease, or purchase any com-  
18 modity or service from any other person, the exclusive use of  
19 any facilities provided pursuant to this act or any other port  
20 authority facility, payment to the port authority or other govern-  
21 mental entity of a fee for any or all sales and services relating to  
22 the use of any such facility or any other similar arrangement.

1 9. Any consent by a municipality shall be given and the terms,  
2 conditions and execution by a municipality of any agreement, deed,  
3 lease, conveyance or other instrument pursuant to this section or  
4 any other section of this act shall be authorized in the manner  
5 provided in article 22 of the compact of April 30, 1921 between  
6 the two states creating the port authority, except that as to towns  
7 in the state of New York, such consent shall be authorized in the

8 manner provided in the town law and as to counties in the State  
9 of New Jersey, such consent shall be authorized in the manner pro-  
10 vided by law.

11 The terms and conditions and execution by either state of any  
12 agreement, consent, designation, determination, deed, lease, con-  
13 veyance or other instrument pursuant to this section or any other  
14 section of this act shall be effective if authorized by the governor  
15 of such state. The powers herein granted to either state or any  
16 municipality, public authority, agency or commission shall be  
17 construed to be in aid of and not in limitation or in derogation of  
18 any such powers heretofore or hereafter conferred upon or granted  
19 to such state, municipality, public authority, agency or commission.  
20 Any consent by a public authority, agency or commission shall be  
21 effective if given by such public authority, agency or commission.

1 10. The port authority shall be required to pay no taxes or  
2 assessments upon any of the property real or personal acquired or  
3 used by it for any purpose of this act or upon any lease, deed,  
4 mortgage or other instrument affecting such property or upon the  
5 recording of any instrument made in connection with the acquisi-  
6 tion, development, financing, lease, sale, transfer or other disposi-  
7 tion or use of such property.

1 11. The port authority shall not be subject to the jurisdiction of  
2 any municipality, public authority, agency or commission of either  
3 or both of the two states in connection with the acquisition, develop-  
4 ment, financing, lease, sale, transfer or other disposition of buses,  
5 ancillary bus facilities or otherwise in connection with the purposes  
6 of this act.

1 12. The acquisition, development, financing, leasing, sale, transfer  
2 or other disposition by the port authority of buses and ancillary bus  
3 facilities in accordance with this act are and will be in all respects  
4 for the benefit of the people of the said two states, for the increase  
5 of their commerce and prosperity and for the improvement of their  
6 health, safety and living conditions and shall be deemed to be public  
7 purposes; and the port authority shall be regarded as performing  
8 an essential governmental function in undertaking such acquisition,  
9 development, financing, leasing, sale, transfer or other disposition  
10 or otherwise carrying out the provisions of this act.

1 13. Any declarations contained herein with respect to the govern-  
2 mental nature and public purposes of the facilities authorized by  
3 this act and to the exemption of such facilities and instruments  
4 relating thereto from taxation and to the discretion of the port  
5 authority with respect to said facilities shall not be construed to  
6 imply that other port authority facilities, property and operations



7 are not of a governmental nature or do not serve public purposes,  
8 or that they are subject to taxation, or that the determinations of  
9 the port authority with respect thereto are not conclusive.

1 14. This section and the preceding sections hereof constitute an  
2 agreement between the States of New York and New Jersey supple-  
3 mentary to the compact between the two states dated April 30, 1921  
4 and shall be liberally construed to effectuate the purposes of said  
5 compact and of the comprehensive plan heretofore adopted by the  
6 two states, and the powers granted to the port authority shall be  
7 construed to be in aid of and not in limitation or in derogation of  
8 any other powers heretofore conferred upon or granted to the port  
9 authority.

1 15. If any section, part, phrase, or provision of this act or the  
2 application thereof to any person or circumstances be adjudged  
3 invalid by any court of competent jurisdiction, such judgment shall  
4 be confined in its operation to the section, part, phrase, provision or  
5 application directly involved in the controversy in which such  
6 judgment shall have been rendered and shall not affect or impair  
7 the validity of the remainder of this act or the application thereof  
8 to other persons or circumstances and the two states hereby declare  
9 that they would have entered into this act or the remainder thereof  
10 had the invalidity of such provision or application thereof been  
11 apparent.

1 16. This act shall take effect upon the enactment into law by the  
2 state of New York of legislation having an identical effect with this  
3 act, but if the state of New York has already enacted such legis-  
4 lation, this act shall take effect immediately.

---

#### STATEMENT

A. *Description*: This bill would authorize the Port Authority of New York and New Jersey to acquire, develop, finance, lease, sell, transfer or otherwise dispose of buses and ancillary bus facilities for use in connection with line haul regional bus routes and feeder bus routes as those terms are defined therein. By its terms, the bill would take effect upon enactment into law by the states of New York and New Jersey of legislation having an identical effect.

B. *Purposes and Need for the Legislation*: (1) The continued availability of bus transportation requires substantial replacement of and additions to the number of buses presently in use in the northern New Jersey-New York metropolitan area; (2) the buses and other related facilities authorized by this act are vital and essential to the preservation and economic well-being of the area and to existing port authority facilities; therefore, the port author-

ity is an appropriate agency of the two states to provide such buses and facilities; (3) the revision to the port authority bridge and tunnel toll schedules which was effective May 5, 1975, is expected to result in additional revenues to the port authority sufficient to support the financing with consolidated bonds of the port authority of approximately \$400,000,000.00 for passenger mass transportation capital projects (passenger facilities), approximately \$160,000,000.00 thereof being allocated to the extension now under construction of the port authority bus terminal at 41st street and Eighth avenue in New York county in the city and state of New York (bus terminal) with the remaining \$240,000,000.00 to be allocated on the basis of \$120,000,000.00 in each state for passenger facilities, including but not limited to the acquisition, development and financing of buses and related facilities, as determined by each such state and the port authority acting pursuant to legislative authorization and commitments to the holders of port authority obligations.

*C. Major Provisions of the Bill:* (1) The port authority would be authorized and empowered to acquire, develop, finance, and dispose of buses and ancillary bus facilities for the purpose of leasing, selling, transferring or otherwise disposing of such buses and ancillary bus facilities only to the State of New York and the State of New Jersey or any public authority, agency or commission thereof and designated by such state; (2) The buses and ancillary bus facilities would be authorized to be used on feeder bus routes which are in the regional bus area (within a 75-mile radius of the port authority bus terminal) and which connect with a railroad station, a passenger ferry, or a line haul regional bus route (routes into the county in which the bus terminal is located). The buses would be used particularly on such line haul regional routes. The buses may be used for chartered bus trips originating in the regional bus area as limited by applicable requirements. Ancillary bus facilities (including fare collection, communication, signal and identification equipment; maintenance, repair and storage facilities and equipment; bus stations for the New York-New Jersey traveler, park-ride lots for bus travelers, and roadside bus stop shelters) would also be authorized; (3) The state or state agency lessee would agree to maintain and use such buses and facilities or cause them to be utilized in effective and efficient transportation of passengers and the port authority could accept such agreement in lieu of any other consideration for the lease or transfer of such buses and facilities. Design of the buses and ancillary facilities

would be subject to approval of the state or state agency lessee; (4) The lessee would be responsible for the proper operation, maintenance, repair and use of the buses and special bus facilities and the two states would covenant and agree with port authority bondholders that the lessee would hold the port authority harmless from liability in connection with the buses or their use, be responsible for such operation, maintenance, repair and use and that the authority would not be responsible for such operations; (5) The authority would be authorized to enter into agreements with either state, municipality, public authority, agency, commission or person in connection with the operation of facilities of the authority including those authorized by this act including but not limited to agreements which now or shall provide *inter alia* for the establishment of prices or rates, a requirement that any person sell, lease, or purchase any commodity or service from any other person, the exclusive use of any facilities provided pursuant to this act or any other port authority facility, payment to the port authority or other governmental entity of a fee for any or all sales and services relating to the use of any such facility or any other similar arrangement.

D. *Financing*: Funds for the purposes authorized by the act would be derived from allocations to be made by the authority for passenger facilities in the amount of approximately \$120 million in each state. The port authority is an instrumentality of the states of New York and New Jersey created in 1921 by compact between the two states, with the consent of the Congress of the United States. The authority raises the necessary funds for the construction or acquisition of its facilities upon the basis of its own credit, its reserve funds and its future revenues. The authority has no power to levy taxes or assessments. Its bonds and other obligations are not obligations of the State of New York or the State of New Jersey or either of them and they are not guaranteed by the states or either of them. The authority would not, however, assume any costs of operation of the buses and other facilities provided pursuant to this act.

---

[OFFICIAL COPY REPRINT]  
**ASSEMBLY, No. 1508**

**STATE OF NEW JERSEY**

INTRODUCED JUNE 12, 1978

By Assemblymen CALI, BURNS, ADUBATO, Assemblywoman  
BERMAN, Assemblymen FORTUNATO, JANISZEWSKI,  
COWAN, MAYS, PASCULLI, T. GALLO, SCHWARTZ,  
BROWN, Assemblywoman SCANLON, Assemblymen THOMP-  
SON and HOLLENBECK

Referred to Committee on Transportation and Communications

AN ACT relating to the acquisition, development, financing and  
transfer of buses and related facilities by the Port Authority of  
New York and New Jersey and the utilization thereof and the  
facilities of said authority and agreeing with the state of New  
York with respect thereto.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. The states of New York and New Jersey hereby find and  
2 determine that:

3 a. The efficient, economical and convenient mass transportation  
4 of persons to, from and within the Port of New York District as  
5 defined in the compact between the two states dated April 30, 1921  
6 (hereinafter called the "port district") is vital and essential to the  
7 preservation and economic well-being of the northern New Jersey-  
8 New York metropolitan area;

9 b. In order to deter the economic deterioration of the northern  
10 New Jersey-New York metropolitan area adequate facilities for  
11 the mass transportation of persons must be provided and buses are  
12 and will remain of extreme importance in such transportation;

13 c. The provision of mass transportation including bus transporta-  
14 tion in urban areas \***[without additional governmental assistance]**\*  
15 has become \***[so]**\* financially burdensome \***[as to threaten the**  
16 **continuation of and make imminent]**\* *and may result in* the  
17 additional curtailment of significant portions of this essential  
18 public service;

18 d. The economic viability of the existing facilities operated by  
19 the port authority of New York and New Jersey (hereinafter called

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill  
is not enacted and is intended to be omitted in the law.**

20 the "port authority") is dependent upon the effective and efficient  
21 functioning of the transportation network of the northern New  
22 Jersey-New York metropolitan area and access to and proper  
23 utilization of such port authority facilities would be adversely  
24 affected if users of bus transportation were to find such trans-  
25 portation unavailable or significantly curtailed;

26 e. Buses serving regional bus routes and feeder bus routes and  
27 ancillary bus facilities constitute an essential part of the mass  
28 commuter facilities of the port district;

29 f. The continued availability of bus transportation requires sub-  
30 stantial replacement of and additions to the number of buses pres-  
31 ently in use in the northern New Jersey-New York metropolitan  
32 area;

33 g. The port authority which was created by agreement of the  
34 two states as their joint agent for the development of transportation  
35 and terminal facilities and other facilities of commerce of the port  
36 district and for the promotion and protection of the commerce of  
37 their port, is a proper agency to provide such buses to each of the  
38 two states and such provision of buses by the port authority is in  
39 the interest of the continued viability of the facilities of the port  
40 authority, and is in the public interest;

41 h. The operation of the facilities of the port authority, in-  
42 cluding but not limited to the port authority bus terminal at  
43 41st street and Eighth avenue in New York county in the city  
44 and state of New York and the extension thereto currently under  
45 construction (hereinafter called the "bus terminal"), the George  
46 Washington bridge bus station and the provision of buses and  
47 ancillary bus facilities pursuant to this act involve the exercise of  
48 public and essential governmental functions which may include  
49 appropriate and reasonable limitations on competition and which  
50 must be performed by the two states or any municipality, public  
51 authority, agency, or commission of either or both states;

52-62 i. The revision to the port authority bridge and tunnel toll  
63 schedules which was effective May 5, 1975, is expected to result in  
64 additional revenues to the port authority sufficient to support the  
65 financing with consolidated bonds of the port authority of approxi-  
66 mately \$400,000,000.00 for passenger mass transportation capital  
67 projects (hereinafter called "passenger facilities"), approximately  
68 \$160,000,000.00 thereof being allocated to the extension to the bus  
69 terminal, with the remaining \$240,000,000.00 to be allocated on the  
70 basis of \$120,000,000.00 in each state for passenger facilities,  
71 including but not limited to the acquisition, development and  
72 financing of buses and related facilities, as determined by each such

73 state and the port authority acting pursuant to legislative autho-  
74 rization and commitments to the holders of port authority obliga-  
75 tions; and

76 j. The port authority's function as a regional agency of the  
77 two states makes it appropriate that line haul regional bus route  
78 passenger facilities be equipped pursuant to this act with buses  
79 and ancillary bus facilities and that the need for development and  
80 equipment of such routes be satisfied on a priority basis.

1 2. For the purpose of this act:

2 a. "Ancillary bus facilities" means any facilities useful in the  
3 provision of service on line haul regional or feeder bus routes,  
4 including but not limited to (1) fare collection, communication,  
5 signal and identification equipment, *\*(2) equipment to aid in the*  
5A *provision of bus service to the elderly and handicapped,\** **\*(2)\***  
6 *\*(3)\** maintenance, repair and storage facilities and equipment,  
7 and **\*(3)\*** *\*(4)\** bus stations for use primarily by passengers  
8 traveling between New York and New Jersey; automobile parking  
9 lots for use by people who transfer to buses on line haul regional  
10 bus routes or feeder bus routes; and shelters at roadside bus stops  
11 to afford waiting bus passengers protection from precipitation and  
11A wind;

12 b. "Buses" means vehicles containing seats for 12 or more  
13 passengers which are designed for and regularly used in scheduled  
14 common carrier passenger mass transportation service on streets,  
15 highways and exclusive busways and which are not designed or  
16 used for railroad purposes;

17 c. "Consolidated bonds" shall mean consolidated bonds of the  
18 issue established by the resolution of the port authority, adopted  
19 October 9, 1952.

20 d. "Develop" means plan, design, construct, improve or re-  
21 habilitate;

22 e. "Feeder bus routes" means those bus routes entirely within  
23 the regional bus area which connect within the port district with a  
24 bus stop on a line haul regional bus route, a passenger ferry, or a  
25 railroad station;

26 f. "Line haul regional bus routes" means bus routes which are  
27 entirely within the regional bus area and which extend from a point  
28 outside the county in which the bus terminal is located to a point  
29 in such county;

30 g. "Municipality" means a county, city, borough, village, town,  
31 township, or other similar political subdivision of New York or  
32 New Jersey;

33 h. "Person" means any person, including individuals, firms,  
34 partnerships, associations, societies, trusts, public utilities, public  
35 or private corporations, or other legal entities, including public  
36 or governmental bodies, which may include the port authority, as  
37 well as natural persons;

38 i. "Railroad station" means a stop on a rail or subway system  
39 at which passengers embark or disembark; and

40 j. "Regional bus area" means that area in the states of New  
41 York and New Jersey which lies within a radius of 75 miles of the  
42 bus terminal.

1 3. The port authority is authorized and empowered to acquire,  
2 develop, finance, and transfer buses and ancillary bus facilities for  
3 the purpose of leasing, selling, transferring or otherwise disposing  
4 of such buses and ancillary bus facilities only to the state of New  
5 York and the State of New Jersey or to any public authority,  
6 agency \***[or]**\* \*, \*commission\*, *city or county*\* thereof and desig-  
7 nated by such state (hereinafter called the "lessee"). Such buses  
8 may be used only on line haul regional bus routes or on feeder bus  
9 routes and such ancillary bus facilities shall be developed for and  
10 used in connection with buses which travel on line haul regional bus  
11 routes or feeder bus routes; provided, however, that (a) such buses  
12 may be used for charter bus trips which originate in the regional  
13 bus area, which take place when such buses are not needed for  
14 service on line haul regional bus routes or feeder bus routes, and  
15 which comply with all applicable requirements including but not  
16 limited to those of the port authority and the lessee; and (b) pro-  
17 vided that the fare collection, communication and identification  
18 equipment and maintenance, repair and storage facilities and  
19 equipment acquired pursuant to this act may be utilized in connec-  
20 tion with bus service which is not on line haul regional or feeder  
21 bus routes to the extent that such utilization complies with all appli-  
22 cable requirements including but not limited to those of the port  
23 authority and the lessee.

24 Ancillary bus facilities which are not located on buses or which  
25 are not otherwise intended to be moved from place to place shall  
be located only within the port district.

1 4. Any such lease, sale, transfer or other disposition of buses  
2 and ancillary bus facilities shall be on such terms and conditions,  
3 including consideration, consistent with this act as the port au-  
4 thority shall deem in the public interest and which shall be accept-  
5 able to the port authority and the lessee. Notwithstanding any  
6 contrary provision of law, general, special or local, part of the

7 consideration for any such lease or transfer shall consist of an  
8 agreement by the lessee to maintain and use such buses and ancil-  
9 lary bus facilities, or cause such buses and ancillary bus facilities to  
10 be maintained and used by others under agreement with the lessee,  
11 in the effective and efficient transportation of passengers in  
12 accordance with this act and the port authority may accept such  
13 agreement in lieu of any other consideration for such lease or  
14 transfer. The lessee shall be responsible for the proper operation,  
15 maintenance, repair and use of the buses and ancillary bus facilities  
16 and the port authority shall not be liable in any respect by reason  
17 of the ownership, development, operation, maintenance, repair or  
18 use of such buses and ancillary bus facilities. \***Development**\*  
19 *\*Anything contained in this act to the contrary notwithstanding,*  
20 *development\** of such buses and ancillary bus facilities and intro-  
21 duction into service of such buses shall be subject to the approval of  
22 the lessee.

1 5. The two states covenant and agree with each other and with  
2 the holders of the present and future obligations of the port  
3 authority that (a) the lessee of buses or ancillary bus facilities  
4 leased, transferred or otherwise disposed of pursuant to this act  
5 shall be required to defend and to provide for indemnification\*,  
6 subject to appropriations *\*or other funds\**, which are or **may**  
7 become *\*legally\** available *\*for this purpose\**, of the port authority  
7A against any liability of whatsoever form or nature as may be  
8 imposed upon the port authority by reason of the ownership,  
9 development, operation, maintenance, repair or use thereof  
10 or arising otherwise out of the port authority's interest therein;  
11 (b) the lessee shall be required to provide for and be respon-  
12 sible for the proper operation, maintenance, repair, and use  
13 of such buses and ancillary bus facilities leased, transferred or  
14 otherwise disposed of pursuant to this act and the port authority  
15 shall have no responsibility as to such operation, maintenance,  
16 repair or use; and (c) neither the states nor the port authority  
17 will apply to any purpose in connection with or relating to the  
18 operation, maintenance, repair or use of such buses or ancillary  
19 bus facilities leased, transferred or otherwise disposed of pursuant  
20 to this act, other than purposes in connection with the utilization  
21 of other port authority **services** *\*facilities\** by such buses and  
22 passenger information purposes, any of the rentals, tolls, fares,  
23 fees, charges, revenues, reserves or other funds of the port author-  
24 ity which have been or shall be pledged in whole or in part as



25 security for obligations as security for which there may be or shall  
26 be pledged, in whole or in part, the general reserve fund of the  
27 port authority.

1 6. Any capital expenditures by the port authority for buses  
2 and ancillary bus facilities to be leased, sold, transferred or other-  
3 wise disposed of pursuant to this act shall be made with the pro-  
4 ceeds of consolidated bonds of the port authority, which may be  
5 issued to finance such capital expenditures, and such capital  
6 expenditures shall be a part of and shall not exceed the allocations  
7 for passenger facilities to be made from time to time as determined  
8 in accordance with subsection i. of section 1 of this act.

1 7. The port authority is authorized and empowered to cooperate  
2 with the States of New York and New Jersey, with any municipality  
3 thereof, with the Federal Government and any public authority,  
4 agency or commission of the foregoing or with any one or more  
5 of them or with any other person to the extent that it finds it  
6 necessary and desirable to do so in connection with the acquisition,  
7 development, financing, leasing, sale, transfer or other disposition  
8 of buses and ancillary bus facilities and to enter into an agreement  
9 or agreements, and from time to time to enter into agreements  
10 amending or supplementing the same, with said states, munici-  
11 palities, Federal Government, public authorities, agencies, com-  
12 missions and persons or with any one or more of them for or  
13 relating to such purposes.

1 8. Notwithstanding any contrary provision of law, general,  
2 special or local, either state or any municipality, public authority,  
3 agency, or commission of either or both of said two states or any  
4 other person is authorized and empowered to cooperate with the  
5 port authority and to enter into an agreement or agreements, and  
6 from time to time to enter into agreements amending or supple-  
7 menting the same, with the port authority for or in connection  
8 with the operation of any of the facilities of the port authority,  
9 including but not limited to agreements with respect to buses and  
10 ancillary bus facilities leased, transferred or otherwise disposed  
11 of pursuant to this act or any other bus facilities owned or operated  
12 by the port authority, upon such reasonable terms and conditions  
13 as determined by such state, municipality, public authority, agency,  
14 commission or person and the port authority. Such agreements  
15 shall include but shall not be limited to agreements which now or  
16 shall provide inter alia for the establishment of prices or rates,  
17 a requirement that any person sell, lease, or purchase any com-  
18 modity or service from any other person, the exclusive use of  
19 any facilities provided pursuant to this act or any other port

20 authority facility, payment to the port authority or other govern-  
21 mental entity of a fee for any or all sales and services relating to  
22 the use of any such facility or any other similar arrangement.

1 9. Any consent by a municipality shall be given and the terms,  
2 conditions and execution by a municipality of any agreement, deed,  
3 lease, conveyance or other instrument pursuant to this section or  
4 any other section of this act shall be authorized in the manner  
5 provided in article 22 of the compact of April 30, 1921 between  
6 the two states creating the port authority, except that as to towns  
7 in the state of New York, such consent shall be authorized in the  
8 manner provided in the town law and as to counties in the State  
9 of New Jersey, such consent shall be authorized in the manner pro-  
10 vided by law.

11 The terms and conditions and execution by either state of any  
12 agreement, consent, designation, determination, deed, lease, con-  
13 veyance or other instrument pursuant to this section or any other  
14 section of this act shall be effective if authorized by the governor  
15 of such state. The powers herein granted to either state or any  
16 municipality, public authority, agency or commission shall be  
17 construed to be in aid of and not in limitation or in derogation of  
18 any such powers heretofore or hereafter conferred upon or granted  
19 to such state, municipality, public authority, agency or commission.  
20 Any consent by a public authority, agency or commission shall be  
21 effective if given by such public authority, agency or commission.

1 10. The port authority shall be required to pay no taxes or  
2 assessments upon any of the property real or personal acquired or  
3 used by it for any purpose of this act or upon any lease, deed,  
4 mortgage or other instrument affecting such property or upon the  
5 recording of any instrument made in connection with the acquisi-  
6 tion, development, financing, lease, sale, transfer or other disposi-  
7 tion or use of such property.

1 11. The port authority shall not be subject to the jurisdiction of  
2 any municipality, public authority, agency or commission of either  
3 or both of the two states in connection with the acquisition, develop-  
4 ment, financing, lease, sale, transfer or other disposition of buses,  
5 ancillary bus facilities or otherwise in connection with the purposes  
6 of this act.

1 12. The acquisition, development, financing, leasing, sale, transfer  
2 or other disposition by the port authority of buses and ancillary bus  
3 facilities in accordance with this act are and will be in all respects  
4 for the benefit of the people of the said two states, for the increase  
5 of their commerce and prosperity and for the improvement of their

6 health, safety and living conditions and shall be deemed to be public  
7 purposes; and the port authority shall be regarded as performing  
8 an essential governmental function in undertaking such acquisition,  
9 development, financing, leasing, sale, transfer or other disposition  
10 or otherwise carrying out the provisions of this act.

1 13. Any declarations contained herein with respect to the govern-  
2 mental nature and public purposes of the facilities authorized by  
3 this act and to the exemption of such facilities and instruments  
4 relating thereto from taxation and to the discretion of the port  
5 authority with respect to said facilities shall not be construed to  
6 imply that other port authority facilities, property and operations  
7 are not of a governmental nature or do not serve public purposes,  
8 or that they are subject to taxation, or that the determinations of  
9 the port authority with respect thereto are not conclusive.

1 14. This section and the preceding sections hereof constitute an  
2 agreement between the States of New York and New Jersey supple-  
3 mentary to the compact between the two states dated April 30, 1921  
4 and shall be liberally construed to effectuate the purposes of said  
5 compact and of the comprehensive plan heretofore adopted by the  
6 two states, and the powers granted to the port authority shall be  
7 construed to be in aid of and not in limitation or in derogation of  
8 any other powers heretofore conferred upon or granted to the port  
9 authority.

1 15. If any section, part, phrase, or provision of this act or the  
2 application thereof to any person or circumstances be adjudged  
3 invalid by any court of competent jurisdiction, such judgment shall  
4 be confined in its operation to the section, part, phrase, provision or  
5 application directly involved in the controversy in which such  
6 judgment shall have been rendered and shall not affect or impair  
7 the validity of the remainder of this act or the application thereof  
8 to other persons or circumstances and the two states hereby declare  
9 that they would have entered into this act or the remainder thereof  
10 had the invalidity of such provision or application thereof been  
11 apparent.

1 16. This act shall take effect upon the enactment into law by the  
2 state of New York of legislation having an identical effect with this  
3 act, but if the state of New York has already enacted such legis-  
4 lation, this act shall take effect immediately.

---

ASSEMBLY TRANSPORTATION AND COMMUNICATIONS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 1508**  
with Assembly committee amendments

---

**STATE OF NEW JERSEY**

---

DATED: JUNE 22, 1978

A. *Description:* This bill would authorize the Port Authority of New York and New Jersey to acquire, develop, finance, lease, sell, transfer or otherwise dispose of buses and ancillary bus facilities for use in connection with line haul regional bus routes and feeder bus routes as those terms are defined therein. By its terms, the bill would take effect upon enactment into law by the states of New York and New Jersey of legislation having an identical effect.

B. *Purposes and Need for the Legislation:* (1) The continued availability of bus transportation requires substantial replacement of and additions to the number of buses presently in use in the northern New Jersey-New York metropolitan area; (2) the buses and other related facilities authorized by this act are vital and essential to the preservation and economic well-being of the area and to existing port authority facilities; therefore, the port authority is an appropriate agency of the two states to provide such buses and facilities; (3) the revision to the port authority bridge and tunnel toll schedules which was effective May 5, 1975, is expected to result in additional revenues to the port authority sufficient to support the financing with consolidated bonds of the port authority of approximately \$400,000,000.00 for passenger mass transportation capital projects (passenger facilities), approximately \$160,000,000.00 thereof being allocated to the extension now under construction of the port authority bus terminal at 41st street and eighth avenue in New York county in the city and state of New York (bus terminal) with the remaining \$240,000,000.00 to be allocated on the basis of \$120,000,000.00 in each state for passenger facilities; including but not limited to the acquisition, development and financing of buses and related facilities, as determined by each such state and the port authority acting pursuant to legislative authorization and commitments to the holders of port authority obligations.

C. *Major Provisions of the Bill:* (1) The port authority would be authorized and empowered to acquire, develop, finance, and dispose of buses and ancillary bus facilities for the purpose of leasing, selling, transferring or otherwise disposing of such buses and ancillary bus facilities only to the State of New York and the State of New Jersey or any public authority, agency or commission thereof and designated by such state; (2) The buses and ancillary bus facilities would be authorized to be used on feeder bus routes which are in the regional bus area (within a 75-mile radius of the port authority bus terminal) and which connect with a railroad station, a passenger ferry, or a line haul regional bus route (routes into the county in which the bus terminal is located). The buses would be used particularly on such line haul regional routes. The buses may be used for chartered bus trips originating in the regional bus area as limited by applicable requirements. Ancillary bus facilities (including fare collection, communication, signal and identification equipment; maintenance, repair and storage facilities and equipment; bus stations for the New York-New Jersey traveler, park-ride lots for bus travelers, and roadside bus stop shelters) would also be authorized; (3) The State or State agency lessee would agree to maintain and use such buses and facilities or cause them to be utilized in effective and efficient transportation of passengers and the port authority could accept such agreement in lieu of any other consideration for the lease or transfer of such buses and facilities. Design of the buses and ancillary facilities would be subject to approval of the State or State agency lessee; (4) The lessee would be responsible for the proper operation, maintenance, repair and use of the buses and special bus facilities and the two states would covenant and agree with port authority bondholders that the lessee would hold the port authority harmless from liability in connection with the buses or their use, be responsible for such operation, maintenance, repair and use and that the authority would not be responsible for such operations; (5) The authority would be authorized to enter into agreements with either State, municipality, public authority, agency, commission or person in connection with the operation of facilities of the authority including those authorized by this act including but not limited to agreements which now or shall provide *inter alia* for the establishment of prices or rates, a requirement that any person sell, lease, or purchase any commodity or service from any other person, the exclusive use of any facilities provided pursuant to this act or any other port authority facility, payment to the port authority or other governmental entity of a fee for any or all sales and services relating to the use of any such facility or any other similar arrangement.

D. *Financing*: Funds for the purposes authorized by the act would be derived from allocations to be made by the authority for passenger facilities in the amount of approximately \$120 million in each state. The port authority is an instrumentality of the States of New York and New Jersey created in 1921 by compact between the two states, with the consent of the Congress of the United States. The authority raises the necessary funds for the construction or acquisition of its facilities upon the basis of its own credit, its reserve funds and its future revenues. The authority has no power to levy taxes or assessments. Its bonds and other obligations are not obligations of the State of New York or the State of New Jersey or either of them and they are not guaranteed by the states or either of them. The authority would not, however, assume any costs of operation of the buses and other facilities provided pursuant to this act.

The bill, as amended, includes an added definition of ancillary bus facilities to include equipment to aid in the provision of bus service to the elderly and handicapped. Furthermore, an additional amendment provides that the lessee of buses or ancillary bus facilities leased, transferred or otherwise disposed of pursuant to this act shall be required to defend and to provide for indemnification, subject to appropriations or other funds which are or become legally available for this purpose, of the port authority against any liability of whatsoever form or nature as may be imposed upon the authority by reason of the ownership, development, operation, maintenance, repair or use thereof or arising otherwise out of the authority's interest therein.

---

ASSEMBLY COMMITTEE AMENDMENTS TO  
**ASSEMBLY, No. 1508**

**STATE OF NEW JERSEY**

ADOPTED JUNE 22, 1978

Amend page 1, section 1, line 14, omit "without additional governmental assistance".

Amend page 1, section 1, line 15, omit "so".

Amend page 1, section 1, lines 15-16, omit "as to threaten the continuation of and make imminent", insert "and may result in".

Amend page 3, section 2, line 5, after "equipment," insert "(2) equipment to aid in the provision of bus service to the elderly and handicapped,".

Amend page 4, section 2, line 5, omit "(2)", insert "(3)".

Amend page 4, section 2, line 6, omit "(3)", insert "(4)".

Amend page 4, section 3, line 6, omit "or", insert ",".

Amend page 4, section 3, line 6, after "commission", insert ", city or county".

Amend page 5, section 4, line 18, omit "Development", insert "Anything contained in this act to the contrary notwithstanding, development".

Amend page 5, section 5, line 5, after "indemnification", insert ",".

Amend page 5, section 5, line 6, after "appropriations", insert "or other funds".

Amend page 5, section 5, line 6, omit "may".

Amend page 5, section 5, line 6, before "available", insert "legally".

Amend page 5, section 5, line 6, after "available", insert "for this purpose".

Amend page 5, section 5, line 21, omit "services", insert "facilities".

SENATE TRANSPORTATION AND COMMUNICATIONS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 1508**

[OFFICIAL COPY REPRINT]

---

**STATE OF NEW JERSEY**

---

DATED: JULY 19, 1978

This legislation authorizes the Port Authority of New York and New Jersey to acquire, develop, finance, and dispose of buses and ancillary bus facilities for the purpose of leasing, selling, transferring or otherwise disposing of such buses and ancillary bus facilities to the states New York and New Jersey or any public authority, agency or commission thereof and designated by them. The buses and ancillary bus facilities would be used within a 75-mile radius of the port authority bus terminal on line haul regional and feeder routes and for charter purposes. Ancillary bus facilities include such items as fare collection, communication, signal and identification equipment; maintenance, repair and storage facilities and equipment; bus stations, park-ride lots, and roadside bus stop shelters. The State or State agency lessee would agree to maintain and use such buses and facilities or cause them to be utilized for the transportation of passengers and the port authority could accept such agreement in lieu of any other consideration for the lease or transfer of such buses and facilities. Design of the buses and ancillary facilities would be subject to approval of the State or State agency lessee. The lessee would be responsible for the proper operation, maintenance, repair and use of the buses and bus facilities and the two states would covenant and agree with port authority bondholders that the lessee would: (1) hold the port authority harmless from liability in connection with the buses or their use; (2) be responsible for such operation, maintenance, repair and use and; (3) that the authority would not be responsible for such operations.

The authority would be authorized to enter into agreements with either state, municipality, public authority, agency, commission or person in connection with the operation of facilities of the authority, including those authorized by this act, including but not limited to agreements which now or shall provide *inter alia* for the establishment of prices or rates, a requirement that any person sell, lease, or purchase any commodity or service from any other person, the exclusive use of any facilities provided pursuant to this act or any other port



authority facility, payment to the port authority or other governmental entity of a fee for any or all sales and services relating to the use of any such facility or any other similar arrangement.

The legislation further provides that the port authority shall not be required to pay taxes or assessments upon any of the real or personal property acquired or used by it for any purpose of this act. In addition, the port authority shall not be subject to the jurisdiction of any municipality, public authority, agency or commission of either or both states.

Funds for the purposes authorized by this act will be derived from allocations made by the port authority. The May 1975 bridge and tunnel toll schedule increase provided the port authority additional revenues which, in part, will be used to support the financing, with consolidated bonds, of approximately \$40,000,000.00 worth of passenger mass transportation capital projects. Approximately \$160,000,000.00 of this money will be used to construct the extension to the port authority bus terminal in Manhattan. The remaining \$240,000,000.00 is to be evenly divided between each state for buses and bus passenger facilities. The authority will not assume any costs of operation of the buses and other facilities provided pursuant to this act.

The bill, as amended, includes an added definition of ancillary bus facilities to include equipment to aid in the provision of bus service to the elderly and handicapped. An additional amendment provides that the lessee of buses or ancillary bus facilities leased, transferred or otherwise disposed of pursuant to this act shall be required to defend and to provide for indemnification, subject to appropriations or other funds which are or become legally available for this purpose, of the port authority against any liability of whatsoever form or nature as may be imposed upon the authority by reason of the ownership, development, operation, maintenance, repair or use thereof or arising otherwise out of the authority's interest therein. Furthermore, the bill was amended to provide that notwithstanding any other provision of this act, the development of buses and ancillary bus facilities shall be subject to the approval of the lessee.

This legislation shall take effect upon enactment into law by New York of legislation having an identical effect.

---

SENATE AMENDMENTS TO  
**ASSEMBLY, No. 1508**  
[OFFICIAL COPY REPRINT]

---

**STATE OF NEW JERSEY**

---

ADOPTED AUGUST 14, 1978

Amend page 2, section 1, lines 48-49 after "functions", omit remainder of line 48 and "appropriate and reasonable limitations on competition and" on line 49.

Amend page 6, section 8, lines 7-8, after "authority", omit remainder of line 7 and "with the operation of any of the facilities of the port authority" on line 8.

Amend page 6, section 8, lines 11-12, after "act", omit remainder of line 11 and "by the port authority", on line 12.

Amend page 6, section 8, lines 14-22, after "authority.", omit remainder of section.

[SENATE REPRINT]  
**ASSEMBLY, No. 1508**  
[OFFICIAL COPY REPRINT]

with Senate amendments adopted August 14, 1978

**STATE OF NEW JERSEY**

INTRODUCED JUNE 12, 1978

By Assemblymen CALI, BURNS, ADUBATO, Assemblywoman  
BERMAN, Assemblymen FORTUNATO, JANISZEWSKI,  
COWAN, MAYS, PASCULLI, T. GALLO, SCHWARTZ,  
BROWN, Assemblywoman SCANLON, Assemblymen THOMP-  
SON and HOLLENBECK

Referred to Committee on Transportation and Communications

AN ACT relating to the acquisition, development, financing and  
transfer of buses and related facilities by the Port Authority of  
New York and New Jersey and the utilization thereof and the  
facilities of said authority and agreeing with the state of New  
York with respect thereto.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. The states of New York and New Jersey hereby find and  
2 determine that:

3 a. The efficient, economical and convenient mass transportation  
4 of persons to, from and within the Port of New York District as  
5 defined in the compact between the two states dated April 30, 1921  
6 (hereinafter called the "port district") is vital and essential to the  
7 preservation and economic well-being of the northern New Jersey-  
8 New York metropolitan area;

9 b. In order to deter the economic deterioration of the northern  
10 New Jersey-New York metropolitan area adequate facilities for  
11 the mass transportation of persons must be provided and buses are  
12 and will remain of extreme importance in such transportation;

13 c. The provision of mass transportation including bus transporta-  
14 tion in urban areas \***[without additional governmental assistance]**\*  
15 has become \***[so]**\* financially burdensome \***[as to threaten the**  
16 **continuation of and make imminent]**\* *and may result in* the  
17 additional curtailment of significant portions of this essential  
17A public service;

**EXPLANATION**—Matter enclosed in bold-faced brackets **[thus]** in the above bill  
is not enacted and is intended to be omitted in the law.

18 d. The economic viability of the existing facilities operated by  
19 the port authority of New York and New Jersey (hereinafter called  
20 the "port authority") is dependent upon the effective and efficient  
21 functioning of the transportation network of the northern New  
22 Jersey-New York metropolitan area and access to and proper  
23 utilization of such port authority facilities would be adversely  
24 affected if users of bus transportation were to find such trans-  
25 portation unavailable or significantly curtailed;

26 e. Buses serving regional bus routes and feeder bus routes and  
27 ancillary bus facilities constitute an essential part of the mass  
28 commuter facilities of the port district;

29 f. The continued availability of bus transportation requires sub-  
30 stantial replacement of and additions to the number of buses pres-  
31 ently in use in the northern New Jersey-New York metropolitan  
32 area;

33 g. The port authority which was created by agreement of the  
34 two states as their joint agent for the development of transportation  
35 and terminal facilities and other facilities of commerce of the port  
36 district and for the promotion and protection of the commerce of  
37 their port, is a proper agency to provide such buses to each of the  
38 two states and such provision of buses by the port authority is in  
39 the interest of the continued viability of the facilities of the port  
40 authority, and is in the public interest;

41 h. The operation of the facilities of the port authority, in-  
42 cluding but not limited to the port authority bus terminal at  
43 41st street and Eighth avenue in New York county in the city  
44 and state of New York and the extension thereto currently under  
45 construction (hereinafter called the "bus terminal"), the George  
46 Washington bridge bus station and the provision of buses and  
47 ancillary bus facilities pursuant to this act involve the exercise of  
48 public and essential governmental functions \*\***[**which may  
49 include appropriate and reasonable limitations on competition  
50 and**]**\*\* which must be performed by the two states or any  
51 municipality, public authority, agency, or commission of either or  
52 both states;

53-62 i. The revision to the port authority bridge and tunnel toll  
63 schedules which was effective May 5, 1975, is expected to result in  
64 additional revenues to the port authority sufficient to support the  
65 financing with consolidated bonds of the port authority of approxi-  
66 mately \$400,000,000.00 for passenger mass transportation capital  
67 projects (hereinafter called "passenger facilities"), approximately  
68 \$160,000,000.00 thereof being allocated to the extension to the bus  
69 terminal, with the remaining \$240,000,000.00 to be allocated on the

70 basis of \$120,000,000.00 in each state for passenger facilities,  
 71 including but not limited to the acquisition, development and  
 72 financing of buses and related facilities, as determined by each such  
 73 state and the port authority acting pursuant to legislative autho-  
 74 rization and commitments to the holders of port authority obliga-  
 75 tions; and

76 j. The port authority's function as a regional agency of the  
 77 two states makes it appropriate that line haul regional bus route  
 78 passenger facilities be equipped pursuant to this act with buses  
 79 and ancillary bus facilities and that the need for development and  
 80 equipment of such routes be satisfied on a priority basis.

1 2. For the purpose of this act:

2 a. "Ancillary bus facilities" means any facilities useful in the  
 3 provision of service on line haul regional or feeder bus routes,  
 4 including but not limited to (1) fare collection, communication,  
 5 signal and identification equipment, *\*(2) equipment to aid in the*  
 5A *provision of bus service to the elderly and handicapped,\** **\*(2)\***  
 6 *\*(3)\** maintenance, repair and storage facilities and equipment,  
 7 and **\*(3)\*** *\*(4)\** bus stations for use primarily by passengers  
 8 traveling between New York and New Jersey; automobile parking  
 9 lots for use by people who transfer to buses on line haul regional  
 10 bus routes or feeder bus routes; and shelters at roadside bus stops  
 11 to afford waiting bus passengers protection from precipitation and  
 11A wind;

12 b. "Buses" means vehicles containing seats for 12 or more  
 13 passengers which are designed for and regularly used in scheduled  
 14 common carrier passenger mass transportation service on streets,  
 15 highways and exclusive busways and which are not designed or  
 16 used for railroad purposes;

17 c. "Consolidated bonds" shall mean consolidated bonds of the  
 18 issue established by the resolution of the port authority, adopted  
 19 October 9, 1952.

20 d. "Develop" means plan, design, construct, improve or re-  
 21 habilitate;

22 e. "Feeder bus routes" means those bus routes entirely within  
 23 the regional bus area which connect within the port district with a  
 24 bus stop on a line haul regional bus route, a passenger ferry, or a  
 25 railroad station;

26 f. "Line haul regional bus routes" means bus routes which are  
 27 entirely within the regional bus area and which extend from a point  
 28 outside the county in which the bus terminal is located to a point  
 29 in such county;

30 g. "Municipality" means a county, city, borough, village, town,  
31 township, or other similar political subdivision of New York or  
32 New Jersey;

33 h. "Person" means any person, including individuals, firms,  
34 partnerships, associations, societies, trusts, public utilities, public  
35 or private corporations, or other legal entities, including public  
36 or governmental bodies, which may include the port authority, as  
37 well as natural persons;

38 i. "Railroad station" means a stop on a rail or subway system  
39 at which passengers embark or disembark; and

40 j. "Regional bus area" means that area in the states of New  
41 York and New Jersey which lies within a radius of 75 miles of the  
42 bus terminal.

1 3. The port authority is authorized and empowered to acquire,  
2 develop, finance, and transfer buses and ancillary bus facilities for  
3 the purpose of leasing, selling, transferring or otherwise disposing  
4 of such buses and ancillary bus facilities only to the state of New  
5 York and the State of New Jersey or to any public authority,  
6 agency \***[or]**\* \*,\* commission\*, *city or county*\* thereof and desig-  
7 nated by such state (hereinafter called the "lessee"). Such buses  
8 may be used only on line haul regional bus routes or on feeder bus  
9 routes and such ancillary bus facilities shall be developed for and  
10 used in connection with buses which travel on line haul regional bus  
11 routes or feeder bus routes; provided, however, that (a) such buses  
12 may be used for charter bus trips which originate in the regional  
13 bus area, which take place when such buses are not needed for  
14 service on line haul regional bus routes or feeder bus routes, and  
15 which comply with all applicable requirements including but not  
16 limited to those of the port authority and the lessee; and (b) pro-  
17 vided that the fare collection, communication and identification  
18 equipment and maintenance, repair and storage facilities and  
19 equipment acquired pursuant to this act may be utilized in connec-  
20 tion with bus service which is not on line haul regional or feeder  
21 bus routes to the extent that such utilization complies with all appli-  
22 cable requirements including but not limited to those of the port  
23 authority and the lessee.

23A Ancillary bus facilities which are not located on buses or which  
24 are not otherwise intended to be moved from place to place shall  
25 be located only within the port district.

1 4. Any such lease, sale, transfer or other disposition of buses  
2 and ancillary bus facilities shall be on such terms and conditions,  
3 including consideration, consistent with this act as the port au-  
4 thority shall deem in the public interest and which shall be accept-

5 able to the port authority and the lessee. Notwithstanding any  
6 contrary provision of law, general, special or local, part of the  
7 consideration for any such lease or transfer shall consist of an  
8 agreement by the lessee to maintain and use such buses and ancil-  
9 lary bus facilities, or cause such buses and ancillary bus facilities to  
10 be maintained and used by others under agreement with the lessee,  
11 in the effective and efficient transportation of passengers in  
12 accordance with this act and the port authority may accept such  
13 agreement in lieu of any other consideration for such lease or  
14 transfer. The lessee shall be responsible for the proper operation,  
15 maintenance, repair and use of the buses and ancillary bus facilities  
16 and the port authority shall not be liable in any respect by reason  
17 of the ownership, development, operation, maintenance, repair or  
18 use of such buses and ancillary bus facilities. \***Development**\*  
19 *\*Anything contained in this act to the contrary notwithstanding,*  
20 *development\** of such buses and ancillary bus facilities and intro-  
21 duction into service of such buses shall be subject to the approval of  
22 the lessee.

1 5. The two states covenant and agree with each other and with  
2 the holders of the present and future obligations of the port  
3 authority that (a) the lessee of buses or ancillary bus facilities  
4 leased, transferred or otherwise disposed of pursuant to this act  
5 shall be required to defend and to provide for indemnification\*,  
6 subject to appropriations *\*or other funds\**, which are or **may**  
7 become *\*legally\** available *\*for this purpose\**, of the port authority  
7A against any liability of whatsoever form or nature as may be  
8 imposed upon the port authority by reason of the ownership,  
9 development, operation, maintenance, repair or use thereof  
10 or arising otherwise out of the port authority's interest therein;  
11 (b) the lessee shall be required to provide for and be respon-  
12 sible for the proper operation, maintenance, repair, and use  
13 of such buses and ancillary bus facilities leased, transferred or  
14 otherwise disposed of pursuant to this act and the port authority  
15 shall have no responsibility as to such operation, maintenance,  
16 repair or use; and (c) neither the states nor the port authority  
17 will apply to any purpose in connection with or relating to the  
18 operation, maintenance, repair or use of such buses or ancillary  
19 bus facilities leased, transferred or otherwise disposed of pursuant  
20 to this act, other than purposes in connection with the utilization  
21 of other port authority **services** *\*facilities\** by such buses and  
22 passenger information purposes, any of the rentals, tolls, fares,  
23 fees, charges, revenues, reserves or other funds of the port author-  
24 ity which have been or shall be pledged in whole or in part as

25 security for obligations as security for which there may be or shall  
26 be pledged, in whole or in part, the general reserve fund of the  
27 port authority.

1 6. Any capital expenditures by the port authority for buses  
2 and ancillary bus facilities to be leased, sold, transferred or other-  
3 wise disposed of pursuant to this act shall be made with the pro-  
4 ceeds of consolidated bonds of the port authority, which may be  
5 issued to finance such capital expenditures, and such capital  
6 expenditures shall be a part of and shall not exceed the allocations  
7 for passenger facilities to be made from time to time as determined  
8 in accordance with subsection i. of section 1 of this act.

1 7. The port authority is authorized and empowered to cooperate  
2 with the States of New York and New Jersey, with any municipality  
3 thereof, with the Federal Government and any public authority,  
4 agency or commission of the foregoing or with any one or more  
5 of them or with any other person to the extent that it finds it  
6 necessary and desirable to do so in connection with the acquisition,  
7 development, financing, leasing, sale, transfer or other disposition  
8 of buses and ancillary bus facilities and to enter into an agreement  
9 or agreements, and from time to time to enter into agreements  
10 amending or supplementing the same, with said states, munici-  
11 palities, Federal Government, public authorities, agencies, com-  
12 missions and persons or with any one or more of them for or  
13 relating to such purposes.

1 8. Notwithstanding any contrary provision of law, general,  
2 special or local, either state or any municipality, public authority,  
3 agency, or commission of either or both of said two states or any  
4 other person is authorized and empowered to cooperate with the  
5 port authority and to enter into an agreement or agreements, and  
6 from time to time to enter into agreements amending or supple-  
7 menting the same, with the port authority \*\***[for or in connection**  
8 **with the operation of any of the facilities of the port authority]**\*\*,  
9 including but not limited to agreements with respect to buses and  
10 ancillary bus facilities leased, transferred or otherwise disposed  
11 of pursuant to this act \*\***[or any other bus facilities owned or**  
12 **operated by the port authority]**\*\*, upon such reasonable terms and  
13 conditions as determined by such state, municipality, public  
14 authority, agency, commission or person and the port authority.  
15 \*\***[Such agreements shall include but shall not be limited to agree-**  
16 **ments which now or shall provide inter alia for the establishment of**  
17 **prices or rates, a requirement that any person sell, lease, or pur-**  
18 **chase any commodity or service from any other person, the**  
19 **exclusive use of any facilities provided pursuant to this act or any**



20 other port authority facility, payment to the port authority or other  
21 governmental entity of a fee for any or all sales and services relat-  
22 ing to the use of any such facility or any other similar arrange-  
23 ment. ]\*\*

1 9. Any consent by a municipality shall be given and the terms,  
2 conditions and execution by a municipality of any agreement, deed,  
3 lease, conveyance or other instrument pursuant to this section or  
4 any other section of this act shall be authorized in the manner  
5 provided in article 22 of the compact of April 30, 1921 between  
6 the two states creating the port authority, except that as to towns  
7 in the state of New York, such consent shall be authorized in the  
8 manner provided in the town law and as to counties in the State  
9 of New Jersey, such consent shall be authorized in the manner pro-  
10 vided by law.

11 The terms and conditions and execution by either state of any  
12 agreement, consent, designation, determination, deed, lease, con-  
13 veyance or other instrument pursuant to this section or any other  
14 section of this act shall be effective if authorized by the governor  
15 of such state. The powers herein granted to either state or any  
16 municipality, public authority, agency or commission shall be  
17 construed to be in aid of and not in limitation or in derogation of  
18 any such powers heretofore or hereafter conferred upon or granted  
19 to such state, municipality, public authority, agency or commission.  
20 Any consent by a public authority, agency or commission shall be  
21 effective if given by such public authority, agency or commission.

1 10. The port authority shall be required to pay no taxes or  
2 assessments upon any of the property real or personal acquired or  
3 used by it for any purpose of this act or upon any lease, deed,  
4 mortgage or other instrument affecting such property or upon the  
5 recording of any instrument made in connection with the acquisi-  
6 tion, development, financing, lease, sale, transfer or other disposi-  
7 tion or use of such property.

1 11. The port authority shall not be subject to the jurisdiction of  
2 any municipality, public authority, agency or commission of either  
3 or both of the two states in connection with the acquisition, develop-  
4 ment, financing, lease, sale, transfer or other disposition of buses,  
5 ancillary bus facilities or otherwise in connection with the purposes  
6 of this act.

1 12. The acquisition, development, financing, leasing, sale, transfer  
2 or other disposition by the port authority of buses and ancillary bus  
3 facilities in accordance with this act are and will be in all respects  
4 for the benefit of the people of the said two states, for the increase  
5 of their commerce and prosperity and for the improvement of their

6 health, safety and living conditions and shall be deemed to be public  
7 purposes; and the port authority shall be regarded as performing  
8 an essential governmental function in undertaking such acquisition,  
9 development, financing, leasing, sale, transfer or other disposition  
10 or otherwise carrying out the provisions of this act.

1 13. Any declarations contained herein with respect to the govern-  
2 mental nature and public purposes of the facilities authorized by  
3 this act and to the exemption of such facilities and instruments  
4 relating thereto from taxation and to the discretion of the port  
5 authority with respect to said facilities shall not be construed to  
6 imply that other port authority facilities, property and operations  
7 are not of a governmental nature or do not serve public purposes,  
8 or that they are subject to taxation, or that the determinations of  
9 the port authority with respect thereto are not conclusive.

1 14. This section and the preceding sections hereof constitute an  
2 agreement between the States of New York and New Jersey supple-  
3 mentary to the compact between the two states dated April 30, 1921  
4 and shall be liberally construed to effectuate the purposes of said  
5 compact and of the comprehensive plan heretofore adopted by the  
6 two states, and the powers granted to the port authority shall be  
7 construed to be in aid of and not in limitation or in derogation of  
8 any other powers heretofore conferred upon or granted to the port  
9 authority.

1 15. If any section, part, phrase, or provision of this act or the  
2 application thereof to any person or circumstances be adjudged  
3 invalid by any court of competent jurisdiction, such judgment shall  
4 be confined in its operation to the section, part, phrase, provision or  
5 application directly involved in the controversy in which such  
6 judgment shall have been rendered and shall not affect or impair  
7 the validity of the remainder of this act or the application thereof  
8 to other persons or circumstances and the two states hereby declare  
9 that they would have entered into this act or the remainder thereof  
10 had the invalidity of such provision or application thereof been  
11 apparent.

1 16. This act shall take effect upon the enactment into law by the  
2 state of New York of legislation having an identical effect with this  
3 act, but if the state of New York has already enacted such legis-  
4 lation, this act shall take effect immediately.

---

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

MARCH 1, 1979

JOE SANTANGELO

Governor Brendan Byrne today signed A-1508 authorizing the Port Authority of New York and New Jersey to assist in the financing of mass transit projects for New Jersey and New York.

The signing took place at the Port Authority Bus terminal on 41st Street in New York, where Governor Hugh L. Carey also signed a similar New York measure.

The legislation allows the Port Authority to provide \$120 million for each of the states to purchase buses and bus facilities.

Under an 80-20 matching formula, the Port Authority funds will be used in New Jersey to generate an additional \$480 million in federal funds for mass transit improvement projects.

The Port Authority funds have been committed to the two states since 1975 and have resulted from an increase in the Port Authority's bridge and tunnel tolls which took effect May 5, 1975.

Byrne said, "This \$600 million New Jersey transportation package represents the largest single mass transit capital program in the State's history."

"These funds and the federal money they will generate will permit a major revitalization of New Jersey mass transit, which includes the third largest commuter rail system in the country and a daily bus ridership of more than 600,000 people.

"This innovative financing arrangement is most timely in view of the heightened uncertainty about the supply and cost of gasoline, and the consequent importance of mass transportation as an alternative to automobile travel."

-more-

The Governor said that the State will file applications with the federal Urban Mass Transportation Administration (UMTA) for the purchase of 1,100 new, air-conditioned buses totaling \$139 million, and for new equipment and station upgrading on the Raritan Valley Line (former Central New Jersey Railroad) totaling \$74 million.

TRANSPAC will also provide \$110 million for the completion of the electrification of the North Jersey Coast Line (former New York and Long Branch), and the reelectrification of the Morris and Essex Line (former Erie Lackawanna), both of which are already underway.

The balance of TRANSPAC will consist of bus equipment improvements, track and station rehabilitation on all New Jersey commuter rail lines and other projects designed to improve mass transit in the Garden State.

Details of the suggested TRANSPAC projects will be made public within the next two weeks and will be followed by public meetings throughout the State.

The New Jersey bus purchase will include approximately 732 new, long-haul commuter buses and 368 transit buses for intra-urban routes, and will allow the replacement of all peak hour buses more than 12 years old operating in New Jersey. All new buses will be equipped with the "kneeling" feature to accommodate elderly and handicapped passengers.

The upgrading of the Raritan Valley Line will provide for a new fleet of 65 modern, air-conditioned cars and 10 locomotives, replacing obsolete cars currently in service which are between 30 and 50 years old.

The Governor praised U.S. Senator Harrison Williams, Congressman James Howard, and the entire New Jersey Congressional Delegation for its efforts in securing passage of the 1978 Surface Transportation Act, and State Senator John Gregorio and Assemblyman John Cali for sponsoring the TRANSPAC enabling legislation in the New Jersey Legislature.

###