

July 28, 1970

LEGISLATIVE HISTORY OF R.S. 32:23-6
(Airport Commission - Compact)

July 2

Legislation to expand the Waterfront Commission to include airports was proposed in:

974.90 N.J. Joint Commission to Study Crime and the System
C929 of Criminal Justice in N.J.
1968d Public hearings p. 176-187.
vol. 6

974.90 Recommendations to the 1970 session of the New
C929 Jersey Legislature concerning legislation which
1970 might be enacted to curb the power and influence
of organized crime in New Jersey.
Frederick B. Lacey, U.S. Attorney for the District
of New Jersey. p. 9-12.

Similar bills introduced earlier (1965-1969).

1968 - S575 (Forsythe & others).
Reached 2d reading in Senate.
Bill had statement (copy enclosed).

1970 - S612 (McDermott, Forsythe, Crabiel)
In Committee.
Bill has statement (copy enclosed).

Bill which became law:

L. 1970, Chapter 53 - S791
Introduced April 20 by McDermott, Forsythe, Bateman & others.
Bill had statement (copy enclosed).
May 11 - Passed Assembly, amended (copy enclosed).

Hearing on the bill:

974.90 N.J. Legislature. Special Committee Appointed in
A252 Accordance with Senate Resolution passed 4-30-70.
1970 Public hearing on S. 791 [Waterfront and Airport
Commission Act]. Held ... May 4, 1970.

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Periodical article located:

"Moran plea nets assurances on coverage of airport bill".
574.905 N.J. Motor Truck Association.
1916 Bulletin, vol. VII, no. 10,
May 15, 1970.

Newspaper clippings (N.J.--Organized Crime--Legislation).

"Governors join to fight airport thefts." NSL 3/21/70.
"Cahill seeking wider powers for Attorney General" NSL 4/17/70.
"Key Crime bill passes Senate." TET 5/8/70.
"Crime bill passes, widens power of Attorney General." NEM 5/8/70.
"Anti-crime bill ready for signing." CP 5/8/70.
"Cahill signs broad anti-crime legislation into law." TET 5/22/70.

Copies of the above-mentioned articles are enclosed.

Clippings located (V.F.--N.J.--Airports)

"Hughes fights air cargo rackets." NEM 2/10/68.
"Rocky urges air freight bill." NSN 2/18/68.
"Bill would extend control to airports." NEM 2/20/68.
"PA num on airport controls." NEM 3/1/68.
"Bill introduced to combat thefts of airport cargo." S.L. 3/15/68.
"Airlines form council to fight cargo hijackers." SL 6/3/68.
"Newark airport looting rises 700 pct. in 3 years." TET 2/20/70.
"Cahill readies action on airport pilferage." NEM 2/22/70.
"Landing on airport crime ..." NSL 2/27/70.
"GOP accused of arrogance on air freight control bill." APP 5/1/70.
"Airport crime investigation bill is signed by Governor." TET 5/21/70.

RSL/PC

SENATE, No. 791

STATE OF NEW JERSEY

INTRODUCED APRIL 20, 1970

By Senators McDERMOTT, FORSYTHE, BATEMAN and SEARS

Referred to Committee on Labor Relations

AN ACT to amend the title of "An act to enter into a compact with the State of New York for the reduction of criminal and corrupt practices in the handling of waterborne freight within the Port of New York district and the regularization of the employment of waterfront labor, to provide for assessment of the expenses thereof against certain employers, and, in the absence of such compact, to accomplish such objectives within the New Jersey portion of the Port of New York district, and making an appropriation therefor," approved June 30, 1953 (P. L. 1953, c. 202), so that the same shall read "An act to enter into compacts with the State of New York for the reduction of criminal and corrupt practices in the handling of waterborne and air freight within New York and New Jersey and the regularization of the employment of waterfront and airport labor, to provide for assessment of the expenses thereof against certain employers, and, in the absence of such compact, to accomplish such objectives within New Jersey, and making an appropriation therefor,"; to amend, supplement and repeal parts of the body of said act; to amend and repeal certain acts which are amendatory and supplementary thereto; and to make an appropriation to carry out the purposes of this act.

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

1 § 1. The title of chapter 202 of the laws of 1953 is amended to read
2 as follows:

3 An act to enter into **[a compact]** *compacts* with the State of New
4 York for the reduction of criminal and corrupt practices in the
5 handling of waterborne *and air* freight within **[the Port of]** New
6 York **[district]** *and New Jersey* and the regularization of the em-

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

7 ployment of waterfront *and airport* labor, to provide for assess-
 8 ment of the expenses thereof against certain employers, and, in the
 9 absence of such compact, to accomplish such objectives within [the]
 10 New Jersey [portion of the Port of New York district], and making
 11 an appropriation therefor.

1 § 2. Article II, Part I of P. L. 1953, chapter 202 (C. 32:23-6) is
 2 amended to read as follows:

ARTICLE II

DEFINITIONS

3 As used in this compact:

4 "The Port of New York district" shall mean the district created
 5 by Article II of the compact dated April 30, 1921, between the
 6 States of New York and New Jersey, authorized by chapter 154 of
 7 the laws of New York of 1921 and chapter 151 of the laws of New
 8 Jersey of 1921.

9 "Commission" shall mean the waterfront *and airport* commis-
 10 sion of New York *and New Jersey* [harbor] established by Article
 11 III hereof.

12 "Pier" shall include any wharf, pier, dock or quay.

13 "Other waterfront terminal" shall include any warehouse, depot
 14 or other terminal (other than a pier) which is located within 1,000
 15 yards of any pier in the Port of New York district and which is
 16 used for waterborne freight in whole or substantial part.

17 "Person" shall mean not only a natural person but also any
 18 partnership, joint venture, association, corporation or any other
 19 legal entity but shall not include the United States, any State or
 20 territory thereof or any department, division, board, commission
 21 or authority of one or more of the foregoing.

22 "Carrier of freight by water" shall mean any person who may
 23 be engaged or who may hold himself out as willing to be engaged,
 24 whether as a common carrier, as a contract carrier or otherwise
 25 (except for carriage of liquid cargoes in bulk in tank vessels de-
 26 signed for use exclusively in such service or carriage by barge of
 27 bulk cargoes consisting of only a single commodity loaded or
 28 carried without wrappers or containers and delivered by the carrier
 29 without transportation mark or count) in the carriage of freight
 30 by water between any point in the Port of New York district and a
 31 point outside said district.

32 "Waterborne freight" shall mean freight carried by or consigned
 33 for carriage by carriers of freight by water.

34 "Longshoreman" shall mean a natural person, other than a hir-
35 ing agent, who is employed for work at a pier or other waterfront
36 terminal, either by a carrier of freight by water or by a stevedore.

37 (a) physically to move waterborne freight on vessels berthed at
38 piers, on piers or at other waterfront terminals, or

39 (b) to engage in direct and immediate checking of any such
40 freight or of the custodial accounting therefor or in the recording
41 or tabulation of the hours worked at piers or other waterfront
42 terminals by natural persons employed by carriers of freight by
43 water or stevedores, or

44 (c) to supervise directly and immediately others who are em-
45 ployed as in subdivision (a) of this definition.

46 "Pier superintendent" shall mean any natural person other than
47 a longshoreman who is employed for work at a pier or other water-
48 front terminal by a carrier of freight by water or a stevedore and
49 whose work at such pier or other waterfront terminal includes the
50 supervision, directly or indirectly, of the work of longshoremen.

51 "Port watchman" shall include any watchman, gateman, rounds-
52 man, detective, guard, guardian or protector of property employed
53 by the operator of any pier or other waterfront terminal or by a
54 carrier of freight by water to perform services in such capacity on
55 any pier or other waterfront terminal.

56 "Longshoremen's register" shall mean the register of eligible
57 longshoremen compiled and maintained by the commission pur-
58 suant to Article VIII.

59 "Stevedore" shall mean a contractor (not including an em-
60 ployee) engaged for compensation pursuant to a contract or
61 arrangement with a carrier of freight by water, in moving water-
62 borne freight carried or consigned for carriage by such carrier on
63 vessels of such carrier berthed at piers, on piers at which such
64 vessels are berthed or at other waterfront terminals.

65 "Hiring agent" shall mean any natural person, who on behalf
66 of a carrier of freight by water or a stevedore shall select any long-
67 shoreman for employment.

68 "Compact" shall mean this compact and rules or regulations
69 lawfully promulgated thereunder.

1 § 3. Article III, Part I of the act of which this act is amendatory
2 is amended to read as follows:

ARTICLE III

WATERFRONT *and airport* COMMISSION OF NEW YORK **[HARBOR]**
and New Jersey

3 1. There is hereby created the waterfront *and airport* commission
4 of New York **[harbor]** *and New Jersey*, which shall be a body
5 corporate and politic, an instrumentality of the States of New York
6 and New Jersey.

7 2. The commission shall consist of **[two]** *four* members, **[one]**
8 *two* to be chosen by the State of New Jersey and **[one]** *two* to be
9 chosen by the State of New York. The **[member]** *members* repre-
10 senting each State shall be appointed by the Governor of such State
11 with the advice and consent of the Senate thereof, without regard to
12 the State of residence of such **[member]** *members*, and shall receive
13 compensation to be fixed by the Governor of such State. The term
14 of office of each member shall be for **[3]** *4* years; provided, how-
15 ever, that the **[members first appointed shall be appointed for a**
16 **term to expire June 30, 1956]** *two present members of the commis-*
17 *sion heretofore appointed shall continue to serve as members until*
18 *the expiration of the respective terms for which they were*
19 *appointed, that the term of the two new members shall expire on*
20 *June 30, 1973, and that the term of the successors to the present*
21 *members shall expire on June 30, 1975. Each member shall hold*
22 *office until his successor has been appointed and qualified. Vacancies*
23 *in office shall be filled for the balance of the unexpired term in the*
24 *same manner as original appointments.*

25 3. **[The commission shall act only by unanimous vote of both**
26 **members thereof.]** *Three members of the commission shall con-*
27 *stitute a quorum; but the commission shall act only by a majority*
28 *vote of all its members. Any member may, by written instrument*
29 *filed in the office of the commission, designate any officer or em-*
30 *ployee of the commission to act in his place as a member whenever*
31 *he shall be unable to attend a meeting of the commission. A vacancy*
32 *in the office of a member shall not impair such designation until the*
33 *vacancy shall have been filled. The commission shall elect one of its*
34 *members to serve as chairman for a term of 1 year; provided, how-*
35 *ever, that the term of the first chairman shall expire on June 30,*
36 *1971. The chairman shall represent a State other than the State*
37 *represented by the immediately preceding chairman.*

1 § 4. The State of New Jersey hereby agrees with the State of
2 New York, upon the enactment by the State of New York of legisla-
3 tion having the same effect as this section, to the following compact:

PART IV

ARTICLE I

FINDINGS AND DECLARATIONS

4 1. The States of New York and New Jersey hereby find and de-
5 clare that the movement of freight through the two states is vital
6 to their economies and prosperity; that ever increasing amounts of
7 such freight are being carried by the air freight industry; that said
8 air freight industry in the two states constitutes an inseparable and
9 integral unit of the commerce of the two states; that criminal and
10 racketeer elements have infiltrated the air freight industry: that
11 such criminal infiltration is threatening the growth of said air
12 freight industry; that one of the means by which such criminal and
13 racketeer elements infiltrate the air freight industry is by posing
14 as labor relations consultants and that firms handling air freight
15 are often forced to employ or engage such persons; that the air
16 freight industry is suffering an alarming rise in the amount of
17 pilferage and theft of air freight; and that it is imperative to the
18 continued growth and economic well-being of the States of New
19 York and New Jersey that every possible effective measure be taken
20 to prevent the pilferage and theft of air freight and the criminal
21 infiltration of the air freight industry.

22 2. The States of New York and New Jersey hereby find and de-
23 clare that many of the evils existing in the air freight industry
24 result not only from the causes above described but from the lack
25 of regulation of the air freight industry in and about the port of
26 New York district; that the air freight industry is affected with a
27 public interest requiring regulation, just as the States of New York
28 and New Jersey have heretofore found and declared in respect to
29 the shipping industry; and that such regulation of the air freight
30 industry shall be deemed an exercise of the police power of the two
31 states for the protection of the public safety, welfare, prosperity,
32 health, peace and living conditions of the people of the states.

ARTICLE II

DEFINITIONS

33 As used in this compact:

34 "Commission" shall mean the waterfront and airport commis-
35 sion of New York and New Jersey established by part I, article III,
36 of this act.

37 "Airport" shall mean any area on land, water or building or any
38 other facility located within the States of New York and New

38A Jersey (except a military installation of the United States govern-
39 ment) (a) which is located within 100 miles of any point in the port
40 of New York district, (b) which is used, or intended for use, for the
41 landing and take-off of aircraft operated by an air carrier, and any
42 appurtenant areas which are used or intended for use, for airport
43 buildings or other airport facilities or rights of way, together with
44 all airport buildings, equipment, aircraft, and facilities located
45 thereon, and (c) where the total tonnage of air freight in a calendar
46 year loaded and unloaded on and from aircraft exceeds 20,000 tons.

47 "Air carrier" shall mean any person who may be engaged or
48 who may hold himself out as willing to be engaged, whether as a
49 common carrier, as a contract carrier or otherwise, in the carriage
50 of freight by air.

51 "Air freight" shall mean freight (including baggage, aircraft
52 stores and mail) which is, has been, or will be carried by or con-
53 signed for carriage by an air carrier.

54 "Air freight terminal" shall include any warehouse, depot or
55 other terminal (other than an airport) (a) any part of which is
56 located within an airport and any part of which is used for the
57 storage of air freight, or (b) which is operated by an air carrier
58 or a contractor of an air carrier and any part of which is used for
59 the storage of air freight and any part of which is located within
60 the Port of New York district.

61 "Air freight terminal operator" shall mean the owner, lessee, or
62 contractor or such other person (other than an employee) who is in
63 direct and immediate charge and control of an air freight terminal,
64 or any portion thereof.

65 "Air freight truck carrier" shall mean a contractor (other than
66 an employee) engaged for compensation pursuant to a contract or
67 arrangement, directly or indirectly, with an air carrier or air
68 carriers or with an air freight terminal operator or operators in
69 the moving of freight to or from an airport or air freight terminal
70 by a truck or other motor vehicle used primarily for the transporta-
71 tion of property.

72 "Air freight security area" shall mean any area located within
73 the airport to which the commission determines that limited ingress
74 and egress is required for the protection and security of any air
75 freight located within the airport.

76 "Airfreightman" shall mean a natural person who is employed
77 (a) by any person to physically move or to perform services in-
78 cidental to the movement of air freight at an airport or in an air
79 freight terminal or

80 (b) by an air carrier or an air freight terminal operator or an
81 air freight truck carrier to transport or to assist in the transporta-
82 tion of air freight to or from an airport or air freight terminal; or

83 (c) by any person to engage in direct and immediate checking
84 of any air freight located in an airport or in an air freight terminal
85 or of the custodial accounting therefor.

86 "Airfreightman supervisor" shall mean a natural person who is
87 employed to supervise directly and immediately the work of an air-
88 freightman at an airport or at an air freight terminal.

89 "Airfreightman labor relations consultant" shall mean any per-
90 son who, pursuant to any contract or arrangement, advises or
91 represents an air carrier, an air freight terminal operator, or an
92 air freight truck carrier, or an organization of such employers
93 (whether or not incorporated), or a labor organization representing
94 any airfreightmen or airfreightman supervisors, concerning the
95 organization or collective bargaining activities of airfreightmen or
96 airfreightman supervisors, but shall not include any person desig-
97 nated by any government official or body to so act or any person
98 duly licensed to practice law as an attorney in any jurisdiction. As
99 used in this paragraph, the term "labor organization" shall mean
100 and include any labor organization to which section 11 of part V of
101 this act is applicable.

102 "Person" shall mean not only a natural person but also any
103 partnership, joint venture, association, corporation or any other
104 legal entity but shall not include the United States, any state or
105 territory thereof or any department, division, board, commission
106 or authority of one or more of the foregoing or any officer or em-
107 ployee thereof while engaged in the performance of his official
108 duties.

109 "The Port of New York district" shall mean the district created
110 by article II of the compact dated April 30, 1921, between the States
111 of New York and New Jersey, authorized by chapter 154 of the laws
112 of New York of 1921 and chapter 151 of the laws of New Jersey of
113 1921, and any amendments thereto.

114 "Court of the United States" shall mean all courts enumerated
115 in section 451 of Title 28 of the United States code and the courts-
116 martial of the Armed Forces of the United States.

117 "Witness" shall mean any person whose testimony is desired in
118 any investigation, interview or other proceeding conducted by the
119 commission pursuant to the provisions of this act.

120 "Compact" shall mean this compact and rules and regulations
121 lawfully promulgated thereunder and shall also include any amend-
122 ments or supplements to this compact to implement the purposes

123 thereof adopted by the action of the Legislature of either the State
124 of New York or the State of New Jersey concurred in by the Legis-
125 lature of the other.

ARTICLE III

GENERAL POWERS OF THE COMMISSION

126 In addition to the powers and duties of the commission elsewhere
127 conferred in this act or in the act to which this act is amendatory
128 or supplementary, the commission shall have the power:

129 1. To administer and enforce the provisions of this compact;

130 2. To establish such divisions and departments within the com-
131 mission as the commission may deem necessary and to appoint such
132 officers, agents and employees as it may deem necessary, prescribe
133 their powers, duties and qualifications and fix their compensation
134 and retain and employ counsel and private consultants on a con-
135 tract basis or otherwise;

136 3. To make and enforce such rules and regulations as the com-
137 mission may deem necessary to effectuate the purposes of this
138 compact or to prevent the circumvention or evasion thereof includ-
138A ing, but not limited to, rules and regulations (which shall be appli-
139 cable to any person licensed by the commission, his employer, or
140 any other person within an airport) to provide for the maximum
141 protection of air freight, such as checking and custodial accounting,
142 guarding, storing, fencing, gatehouses, access to air freight, air
143 freight loss reports, and any other requirements which the com-
144 mission in its discretion may deem to be necessary and appropriate
145 to provide such maximum protection. The rules and regulations of
146 the commission shall be effective upon publication in the manner
147 which the commission shall prescribe and upon filing in the office of
148 the secretary of state of each state. A certified copy of any such
149 rules and regulations, attested as true and correct by the commis-
150 sion, shall be presumptive evidence of the regular making, adop-
151 tion, approval and publication thereof;

152 4. To have for its members and its properly designated officers,
153 agents and employees, full and free access, ingress and egress to
154 and from all airports, air freight terminals, all aircraft traveling
155 to or from an airport and all trucks or other motor vehicles or
156 equipment which are carrying air freight to or from any airport or
157 air freight terminal for the purposes of conducting investigations,
158 making inspections or enforcing the provisions of this compact; and
159 no person shall obstruct or in any way interfere with any such
160 member, officer, employee or agent in the making of such investiga-

161 tion or inspection or in the enforcement of the provisions of this
162 compact or in the performance of any other power or duty under
163 this compact;

164 5. To make investigations, collect and compile information con-
165 cerning airport practices generally, and upon all matters relating
166 to the accomplishment of the objectives of this compact;

167 6. To advise and consult with representatives of labor and in-
168 dustry and with public officials and agencies concerned with the
169 effectuation of the purposes of this compact, upon all matters which
170 the commission may desire, including but not limited to the form
171 and substance of rules and regulations and the administration of
172 the compact and the expeditious handling and efficient movement of
173 air freight consistent with the security of such air freight.

174 7. To make annual and other reports to the governors and legis-
175 latures of both states containing recommendations for the effectua-
176 tion of the purposes of this compact;

177 8. To issue temporary licenses and temporary permits under
178 such terms and conditions as the commission may prescribe;

179 9. In any case in which the commission has the power to revoke
180 or suspend any license or permit the commission shall also have the
181 power to impose as an alternative to such revocation or suspension,
182 a penalty, which the licensee or permittee may elect to pay the com-
183 mission in lieu of the revocation or suspension. The maximum
184 penalty shall be \$5,000.00 for each separate offense. The commis-
185 sion may, for good cause shown, abate all or part of such penalty;

186 10. To determine the location, size and suitability of field and
187 administrative offices and any other accommodations necessary and
188 desirable for the performance of the commission's duties under this
189 compact;

190 11. To acquire, hold and dispose of real and personal property,
191 by gift, purchase, lease, license or other similar manner, for its
192 corporate purposes, and in connection therewith to borrow money;

193 12. To recover possession of any card or other means of identi-
194 fication issued by the commission as evidence of a license or permit
195 in the event that the holder thereof no longer is a licensee or per-
196 mittee;

197 13. To require any licensee or permittee to exhibit upon demand
198 the license or permit issued to him by the commission or to wear
199 such license or permit.

200 The powers and duties of the commission may be exercised by
201 officers, employees and agents designated by them, except the power
202 to make rules and regulations. The commission shall have such

203 additional powers and duties as may hereafter be delegated to or
204 imposed upon it from time to time by the action of the Legislature
205 of either state concurred in by the Legislature of the other.

ARTICLE IV

AIRFREIGHTMEN AND AIRFREIGHTMAN SUPERVISORS

206 1. On and after the ninetieth day after the effective date of this
207 compact, no person shall act as an airfreightman or an airfreight-
208 man supervisor within the State of New York or the State of New
209 Jersey without having first obtained from the commission a license
210 to act as such airfreightman or airfreightman supervisor, as the
211 case may be, and no person shall employ another person to act as an
212 airfreightman or airfreightman supervisor who is not so licensed.

213 2. A license to act as an airfreightman or airfreightman super-
214 visor shall be issued only upon the written application, under oath,
215 of the person proposing to employ or engage another person to act
216 as such airfreightman or airfreightman supervisor, verified by the
217 prospective licensee as to the matters concerning him, and shall set
218 forth the prospective licensee's full name, residence address, social
219 security number, and such further facts and evidence as may be
220 required by the commission to determine the identity, the existence
221 of a criminal record, if any, and the eligibility of the prospective
222 licensee for a license.

223 3. The commission may in its discretion deny the application for
224 such license submitted on behalf of a prospective licensee for any
225 of the following causes:

226 (a) Conviction by a court of the United States or any state or
227 territory thereof, without subsequent pardon, of the commission of,
228 or the attempt or conspiracy to commit, treason, murder, man-
229 slaughter, coercion or any felony or high misdemeanor or any of the
230 following misdemeanors or offenses (excluding, however, any con-
231 viction for a misdemeanor or lesser offense arising out of physical
232 misconduct committed during the course of lawful organizational
233 or collective bargaining activities of any labor organization):
234 illegally using, carrying or possessing a pistol or other dangerous
235 weapon; making, manufacturing or possessing burglar's instru-
236 ments; buying or receiving stolen property; criminal possession of
237 stolen property; unlawful entry of a building; criminal trespass;
238 aiding an escape from prison; and unlawfully possessing, selling or
239 distributing a dangerous drug;

240 (b) Conviction by any such court, after having been previously
241 convicted by any such court of any crime or of the offenses herein-

242 after set forth, of a misdemeanor or any of the following offenses
243 (excluding, however, any conviction for a misdemeanor or lesser
244 offense arising out of physical misconduct committed during the
245 course of lawful organizational or collective bargaining activities
246 of any labor organization): assault, malicious injury to property,
247 criminal mischief, malicious mischief, criminal tampering, unlawful
248 use or taking of a motor vehicle, corruption of employees, promot-
249 ing gambling, possession of gambling records or devices, or
250 possession of lottery or number slips;

251 (c) Fraud, deceit or misrepresentation in connection with any
252 application or petition submitted to, or any interview, hearing or
253 proceeding conducted by the commission;

254 (d) Violation of any provision of this act or the commission of
255 any offense thereunder;

256 (e) Refusal on the part of the applicant, or prospective licensee,
257 to answer any material question or produce any material evidence
258 in connection with the application;

259 (f) As to an airfreightman, his presence at the airports or air
260 freight terminals is found by the commission on the basis of the
261 facts and evidence before it to constitute a danger to the public
262 peace or safety;

263 (g) As to an airfreightman supervisor, failure to satisfy the com-
264 mission that the prospective licensee possesses good character and
265 integrity;

266 (h) Conviction of a crime or other cause which would permit
267 reprimand of such prospective licensee or the suspension or revoca-
268 tion of his license if such person were already licensed.

269 4. When the application shall have been examined and such
270 further inquiry and investigation made as the commission shall
271 deem proper and when the commission shall be satisfied therefrom
272 that the prospective licensee possesses the qualifications and re-
273 quirements prescribed in this article, the commission shall issue
274 and deliver to the prospective licensee a license to act as an air-
275 freightman or as an airfreightman supervisor, as the case may be,
276 and shall inform the applicant of its action.

277 5. The commission shall have the power to reprimand any air-
278 freightman or airfreightman supervisor licensed under this article
279 or to revoke or suspend his license for such period as the commis-
280 sion deems in the public interest for any of the following causes;

281 (a) Conviction of a crime or other cause which would permit the
282 denial of a license upon original application;

- 283 (b) Fraud, deceit or misrepresentation in securing the license,
284 or in the conduct of the licensed activity;
- 285 (c) Transfer or surrender of possession to any person either
286 temporarily or permanently of any card or other means of identi-
287 fication issued by the commission as evidence of a license, without
288 satisfactory explanation;
- 289 (d) False impersonation of another person who is a licensee or
290 permittee of the commission under this compact;
- 291 (e) Willful commission of, or willful attempt to commit at an air-
292 port or at an air freight terminal or adjacent highway any act of
293 physical injury to any other person or of willful damage to or mis-
294 appropriation of any other person's property unless justified or
295 excused by law.
- 296 (f) Violation of any of the provisions of this act or inducing or
297 otherwise aiding or abetting any person to violate the terms of this
298 act;
- 299 (g) Addiction to the use of, or unlawful possession, sale or dis-
300 tribution of a dangerous drug;
- 301 (h) Paying, giving, causing to be paid or given or offering to
302 pay or give to any person any valid consideration to induce such
303 other person to violate any provision of this act or to induce any
304 public officer, agent or employee to fail to perform his duty under
305 this act;
- 306 (i) Consorting with known criminals for unlawful purposes;
- 307 (j) Receipt or solicitation of anything of value from any person
308 other than the licensee's or permittee's employer as consideration
309 for the selection or retention for employment of any person who is a
310 licensee or permittee of the commission under this compact;
- 311 (k) Coercion of any person who is a licensee or permittee of the
312 commission under this compact by threat of discrimination or
313 violent or economic reprisal to make purchases from or to utilize
314 the services of any person;
- 315 (l) Lending any money to or borrowing any money from any per-
316 son who is a licensee or permittee of the commission under this
317 compact for which there is a charge of interest or other considera-
318 tion which is usurious;
- 319 (m) Conviction of any criminal offense in relation to gambling,
320 bookmaking, pool selling, lotteries or similar crimes or offenses if
321 the crime or offense was committed at an airport or air freight
322 terminal or within 500 feet thereof;
- 323 (n) Refusal to answer any material question or produce any
324 material evidence lawfully required to be answered or produced at

325 any investigation, interview or other proceeding conducted by the
 326 commission pursuant to the provisions of this act, or, if such refusal
 327 is accompanied by a valid plea of privilege against self-incrimina-
 328 tion, refusal to obey an order to answer such question or produce
 329 such evidence made by the commission pursuant to the power of the
 330 commission under this act to grant immunity from prosecution;

331 (o) Refusal to exhibit his license or permit upon the demand of
 332 any officer, agent or employee of the commission or failure to wear
 333 such license or permit when required;

334 6. A license granted pursuant to this article shall expire on the
 335 expiration date (which shall be at least 1 year from the date of its
 336 issuance) set forth by the commission on the card or other means of
 337 identification issued by the commission as evidence of a license or
 338 upon the termination of employment with the employer who applied
 339 for the license. Upon expiration thereof, a license may be renewed
 340 by the commission upon fulfilling the same requirements as are set
 341 forth in this article for an original application.

ARTICLE V

AIR FREIGHT TERMINAL OPERATORS

AIR FREIGHT TRUCK CARRIERS

AND AIRFREIGHTMAN

LABOR RELATIONS CONSULTANTS

342 1. On and after the ninetieth day after the effective date of this
 343 compact, no person, except an air carrier, shall act as an air freight
 344 terminal operator or as an air freight truck carrier or as an air-
 345 freightman labor relations consultant within the state of New York
 346 or the state of New Jersey without having first obtained a license
 347 from the commission to act as an air freight terminal operator or
 348 as an air freight truck carrier or as an air freightman labor rela-
 349 tions consultant, as the case may be, and no person shall employ or
 350 engage another person to perform services as an air freight ter-
 351 minal operator or as an air freight truck carrier or as an airfreight-
 352 man labor relations consultant who is not so licensed.

353 2. Any person intending to act as an air freight terminal operator
 354 or as an air freight truck carrier or as an airfreightman labor rela-
 355 tions consultant within the State of New York or the State of New
 356 Jersey shall file in the office of the commission a written application
 357 for a license to engage in such occupation duly signed and verified
 358 as follows:

359 (a) If the applicant is a natural person, the application shall be
 360 signed and verified by such person and if the applicant is a partner-

361 ship, the application shall be signed and verified by each natural
362 person composing or intending to compose such partnership. The
363 application shall state the full name, age, residence, business
364 address (if any), present and previous occupations of each natural
365 person so signing the same, and any other facts and evidence as may
366 be required by the commission to ascertain the character, integrity,
367 identity and criminal record, if any, of each natural person so sign-
368 ing such application.

369 (b) If the applicant is a corporation, the application shall be
370 signed and verified by the president, secretary and treasurer
371 thereof, and shall specify the name of the corporation, the date and
372 place of its incorporation, the location of its principal place of
373 business, the names and addresses of, and the amount of the stock
374 held by stockholders owning 10% or more of any of the stock
375 thereof, and of all the officers (including all members of the board
376 of directors). The requirements of subdivision (a) of this section as
377 to a natural person who is a member of a partnership, and such
378 requirements as may be specified in rules and regulations promul-
379 gated by the commission, shall apply to each such officer or stock-
380 holder and their successors in office or interest as the case may be.

381 In the event of the death, resignation or removal of any officer,
382 and in the event of any change in the list of stockholders who shall
383 own 10% or more of the stock of the corporation, the secretary of
384 such corporation shall forthwith give notice of that fact in writing
385 to the commission, certified by said secretary.

386 3. No such license shall be granted

387 (a) If any person whose signature or name appears in the
388 application is not the real party in interest required by section 2
389 of this article to sign or to be identified in the application or if the
390 person so signing or named in the application is an undisclosed
391 agent or trustee for any such real party in interest or if any such
392 real party in interest does not sign the application;

393 (b) Unless the commission shall be satisfied that the applicant
394 and all members, officers and stockholders required by section 2 of
395 this article to sign or be identified in the application for license
396 possess good character and integrity;

397 (c) If the applicant or any member, officer or stockholder required
398 by section 2 of this article to sign or be identified in the application
399 for license has, without subsequent pardon, been convicted by a
400 court of the United States or any state or territory thereof of the
401 commission of, or the attempt or conspiracy to commit any crime
402 or offense described in subdivision (a) of section 3 of article IV of

403 this compact. Any applicant ineligible for a license by reason of
404 any such conviction may submit satisfactory evidence to the com-
405 mission that the person whose conviction was the basis of in-
406 eligibility has for a period of not less than 5 years, measured as
407 hereinafter provided and up to the time of application, so conducted
408 himself as to warrant the grant of such license, in which event the
409 commission may, in its discretion issue an order removing such in-
410 eligibility. The aforesaid period of 5 years shall be measured
411 either from the date of payment of any fine imposed upon such per-
412 person or the suspension of sentence or from the date of his un-
413 revoked release from custody by parole, commutation or termina-
414 tion of his sentence. Such petition may be made to the commission
415 before or after the hearing on the application ;

416 (d) If, on or after the effective date of this compact, the applicant
417 has paid, given, caused to have been paid or given or offered to pay
418 or give to any officer or employee of any other person employing or
419 engaging him in his licensed activity any valuable consideration
420 for an improper or unlawful purpose or to induce such officer or
421 employee to procure the employment of the applicant in his licensed
422 activity by such other person ;

423 (e) If, on or after the effective date of this compact, the applicant
424 has paid, given, caused to have been paid, or given or offered to pay
425 or give to any officer or representative of a labor organization any
426 valuable consideration for an improper or unlawful purpose or to
427 induce such officer or representative to subordinate the interest of
428 such labor organization or its members in the management of the
429 affairs of such labor organization to the interests of the applicant
430 or any other person ;

431 (f) If, on or after the effective date of this compact, the applicant
432 has paid, given, caused to have been paid or given or offered to pay
433 or give to any agent of any other person any valuable consideration
434 for an improper or unlawful purpose or, without the knowledge and
435 consent of such other person, to induce such agent to procure the
436 employment of the applicant in his licensed activity by such other
437 person.

438 4. When the application shall have been examined and such
439 further inquiry and investigation made as the commission shall
440 deem proper and when the commission shall be satisfied therefrom
441 that the applicant possesses the qualifications and requirements
442 prescribed in this article, the commission shall issue and deliver a
443 license to the applicant.

444 5. The commission shall have the power to reprimand any person
445 licensed under this article or to revoke or suspend his license for

446 such period as the commission deems in the public interest for any
447 of the following causes on the part of the licensee or of any person
448 required by section 2 of this article to sign or be identified in an
449 original application for a license:

450 (a) Any cause set forth in section 5 of article IV of this compact;

451 (b) Failure by the licensee to maintain a complete set of books
452 and records containing a true and accurate account of the licensee's
453 receipts and disbursements arising out of his licensed activities;

454 (c) Failure to keep said books and records available during
455 business hours for inspection by the commission and its duly
456 designated representatives until the expiration of the fifth calendar
457 year following the calendar year during which occurred the trans-
458 actions recorded therein;

459 (d) Failure to pay any assessment or fee payable to the com-
460 mission under this compact when due.

461 6. A license granted pursuant to this article shall expire on the
462 expiration date (which shall be at least 1 year from the date of its
463 issuance) set forth by the commission on the card or other means
464 of identification issued by the commission as evidence of a license.
465 Upon expiration thereof, a license may be renewed by the com-
466 mission upon fulfilling the same requirements as are set forth in
467 this article for an original application.

ARTICLE VI

AIR FREIGHT SECURITY AREA

468 1. On or after the effective date of this compact, the commission
469 shall have the power to designate any area located within an air-
470 port as an air freight security area. No person who is not licensed
471 by the commission pursuant to this compact shall have ingress to
472 an air freight security area unless issued a permit by the
473 commission.

474 2. Any person who is not licensed by the commission pursuant
475 to this compact and who desires upon any occasion ingress to an
476 air freight security area shall apply at the entrance to such area
477 for a permit for ingress for that particular occasion. In order to
478 secure a permit, a prospective permittee must show identification
479 establishing his name and address and he may be required by the
480 commission to sign a consent to the surrender of his permit upon
481 egress from such area and, if he is driving a motor vehicle, to an
482 inspection of his motor vehicle upon egress from such area. Any
483 person desiring a permit to enter an air freight security area may
484 be denied such permit by the commission in its discretion if the

485 commission determines that the presence of such person in such
486 area would constitute a danger to the public peace or safety.

487 3. Any person whose business, employment or occupation requires
488 him to have ingress upon a regular basis to an air freight security
489 area shall be required, in order to obtain ingress to such area, to
490 apply to the commission for a permit for a fixed period of duration
491 to be determined by the commission. Such applicant for a permit
492 of a fixed period of duration shall fulfill the same requirements as
493 the prospective licensee for an airfreightman's license. The com-
494 mission may in the exercise of its discretion suspend or revoke
495 such permit of a fixed period of duration for the same causes which
496 would permit the commission to revoke the license of an
497 airfreightman.

498 4. The commission shall have the power to inspect any truck
499 or any other motor vehicle within an air freight security area.

500 5. The provisions of this article shall not be applicable to any
501 person who is a member of the flight crew or flight personnel of
502 an aircraft which is operated by an air carrier and which is located
503 within an air freight security area upon a showing of such identi-
504 fication as may be required by the commission.

ARTICLE VII

HEARINGS, DETERMINATIONS AND REVIEW

505 1. The commission shall not deny any application for a license
506 or permit without giving the applicant or prospective licensee or
507 permittee reasonable prior notice and an opportunity to be heard.

508 2. Any application for a license or permit, and any license or
509 permit issued, may be denied, revoked or suspended, as the case
510 may be, only in the manner prescribed in this article.

511 3. The commission may on its own initiative or on complaint of
512 any person, including any public official or agency, institute pro-
513 ceedings to revoke or suspend any license or permit after a hearing
514 at which the licensee or permittee and any person making such
515 complaint shall be given an opportunity to be heard, provided
516 that any order of the commission revoking or suspending any
517 license or permit shall not become effective until 15 days subsequent
518 to the serving of notice thereof upon the licensee or permittee
519 unless in the opinion of the commission the continuance of the
520 license or permit for such period would be inimical to the public
521 peace or safety. Such hearings shall be held in such manner and
522 upon such notice as may be prescribed by the rules of the com-
523 mission, but such notice shall be of not less than 10 days and shall
524 state the nature of the complaint.

525 4. Pending the determination of such hearing pursuant to section
526 3 the commission may temporarily suspend a license or permit
527 if in the opinion of the commission the continuance of the license
528 or permit for such period is inimical to the public peace or safety.

529 5. The commission, or such member, officer, employee or agent
530 of the commission as may be designated by the commission for
531 such purpose, shall have the power to issue subpoenas throughout
532 both states to compel the attendance of witnesses and the giving
533 of testimony or production of other evidence and to administer
534 oaths in connection with any such hearing. It shall be the duty of
535 the commission or of any such member, officer, employee or agent
536 of the commission designated by the commission for such purpose
537 to issue subpoenas at the request of and upon behalf of the licensee,
538 permittee or applicant. The commission or such person conducting
539 the hearing shall not be bound by common law or statutory rules
540 of evidence or by technical or formal rules of procedure in the
541 conduct of such hearing.

542 6. Upon the conclusion of the hearing, the commission shall
543 take such action upon such findings and determinations as it deems
544 proper and shall execute an order carrying such findings into effect.
545 The action in the case of an application for a license or permit
546 shall be the granting or denial thereof. The action in the case of a
547 licensee or permittee shall be revocation of the license or permit
548 or suspension thereof for a fixed period or reprimand or a dismissal
549 of the charges.

550 7. The action of the commission in denying any application for
551 a license or permit or in suspending or revoking such license or
552 permit or in reprimanding a licensee or permittee shall be subject
553 to judicial review by a proceeding instituted in either state at the
554 instance of the applicant, licensee or permittee in the manner
555 provided by the law of such state for review of the final decision
556 or action of administrative agencies of such state, provided, how-
557 ever, that notwithstanding any other provision of law the court
558 shall have power to stay for not more than 30 days an order of
559 the commission suspending or revoking a license or permit.

560 8. At hearings conducted by the commission pursuant to this
561 article, applicants, prospective licensees and permittees, licensees
562 and permittees shall have the right to be accompanied and repre-
563 sented by counsel.

564 9. After the conclusion of a hearing but prior to the making of
565 an order by the commission, a hearing may, upon petition and in
566 the discretion of the hearing officer, be reopened for the presenta-

567 tion of additional evidence. Such petition to reopen the hearing
568 shall state in detail the nature of the additional evidence, together
569 with the reasons for the failure to submit such evidence prior to
570 the conclusion of the hearing. The commission may upon its own
571 motion and upon reasonable notice reopen a hearing for the pre-
572 sentation of additional evidence. Upon petition, after the making
573 of an order of the commission, rehearing may be granted in the
574 discretion of the commission. Such a petition for rehearing shall
575 state in detail the grounds upon which the petition is based and
576 shall separately set forth each error of law and fact alleged to
577 have been made by the commission in its determination, together
578 with the facts and arguments in support thereof. Such petition
579 shall be filed with the commission not later than 30 days after
580 service of such order unless the commission for good cause shown
581 shall otherwise direct. The commission may upon its own motion
582 grant a rehearing after the making of an order.

ARTICLE VIII

EXPENSES OF ADMINISTRATION

583 1. In addition to the budget of its expenses under the waterfront
584 commission compact, the commission shall annually adopt a budget
585 of its expenses under this compact for each year. The annual
586 budget shall be submitted to the governors of the 2 states and
587 shall take effect as submitted provided that either Governor may
588 within 30 days disapprove or reduce any item or items, and the
589 budget shall be adjusted accordingly.

590 2. After taking into account such funds as may be available to
591 it from reserves in excess of 10% of such budget under this com-
592 pact, federal grants, or otherwise, the balance of the commission's
593 budgeted expenses shall be obtained by fees payable under this
594 article and by assessments upon employers of persons licensed
595 under this compact as provided in this article.

596 3. With respect to airfreightmen and airfreightman supervisors
597 who are employed by an air freight truck carrier regularly to
598 move freight to or from an airport, the employers shall pay to
599 the commission for each such airfreightman and airfreightman
600 supervisor a license fee to be determined by the commission, not
601 in excess of \$100.00 for each year, commencing with April 1. The
602 employer of every person who is issued a permit of fixed duration
603 by the commission for ingress to an air freight security area, or
604 the permittee himself if he is self-employed, shall pay to the com-
605 mission a fee to be determined by the commission, not in excess of

606 \$75.00 for each year, commencing with April 1. The commission
607 shall reduce the maximum fees payable under this section pro-
608 portionately with any reduction in the maximum assessment rate
609 of 2% provided for by this article.

610 4. Every employer of airfreightmen and airfreightman super-
611 visors licensed by the commission, except as otherwise provided
612 in section 3 of this article, shall pay to the commission an assess-
613 ment computed upon the gross payroll payments made by such
614 employer to airfreightmen and airfreightman supervisors for work
615 performed as such, at a rate, not in excess of 2% computed by
616 the commission, in the following manner: the commission shall
617 annually estimate the fees payable under this article and the gross
618 payroll payments to be made by employers subject to assessment
619 and shall compute the fees and a rate of assessment which will
620 yield revenues sufficient to finance the balance of the commission's
621 budget for each year as provided in section 2 of this article. The
622 commission may hold in reserve an amount not to exceed 10% of
623 its total budgeted expenses for the year, which reserve shall not
624 be included as part of the budget. Such reserve shall be held for
625 the stabilization of annual assessments, the payment of operating
626 deficits and for the repayment of any advances made by the 2 states.

627 5. The amount required to balance the commission's budget in
628 excess of the estimated yield of the maximum fees and assessment,
629 shall be certified by the commission, with the approval of the
630 respective governors, to the Legislatures of the 2 states, in pro-
631 portion to the respective totals of the assessments and fees paid
632 to the commission by persons in each of the 2 states. The Legis-
633 latures shall annually appropriate to the commission the amount
634 so certified.

635 6. The assessments and fees hereunder shall be in lieu of any
636 other charge for the issuance of licenses or permits by the com-
637 mission pursuant to this compact.

638 7. In addition to any other sanction provided by law, the com-
639 mission may revoke or suspend any license or permit held by any
640 employer under this compact and/or the license or permit held
641 under this compact by any employees of such employer, or the
642 permit held under this compact by any permittee who is self-
643 employed, and in addition the commission may deny ingress to
644 such employers, employees or permittees to air freight security
645 areas, for nonpayment of any assessment or fee when due.

646 8. Every person subject to the payment of any assessment under
647 this compact shall file on or before the twentieth day of the first

648 month of each calendar quarter-year a separate return, together
649 with the payment of the assessment due, for the preceding calendar
650 quarter-year during which any payroll payments were made to
651 licensed persons for whom assessments are payable for work per-
652 formed as such. Returns covering the amount of assessment pay-
653 able shall be filed with the commission on forms to be furnished
654 for such purpose and shall contain such data, information or matter
655 as the commission may require to be included therein. The com-
656 mission may grant a reasonable extension of time for filing returns,
657 or for payment of assessment, whenever good cause exists. Every
658 return shall have annexed thereto a certification to the effect that
659 the statements contained therein are true.

660 9. Every person subject to the payment of assessment hereunder
661 shall keep an accurate record of his employment of licensed per-
662 sons for whom assessments are payable, which shall show the
663 amount of compensation paid and such other information as the
664 commission may require. Such records shall be preserved for a
665 period of 3 years and be open for inspection at reasonable times.
666 The commission may consent to the destruction of any such records
667 at any time after said period or may require that they be kept
668 longer but not in excess of 6 years.

669 10. (a) The commission shall audit and determine the amount
670 of assessment due from the return filed and such other information
671 as is available to it. Whenever a deficiency in payment of the
672 assessment is determined the commission shall give notice of any
673 such determination to the person liable therefor. Such determina-
674 tion shall finally and conclusively fix the amount due, unless the
675 person against whom it is assessed shall, within 30 days after the
676 giving of notice of such determination, apply in writing to the
677 commission for a hearing, or unless the commission on its own
678 motion shall reduce the same. After such hearing, the commission
679 shall give notice of its decision to the person liable therefor. A
680 determination of the commission under this section shall be subject
681 to judicial review, if application for such review is made within
682 30 days after the giving of notice of such decision. Any determina-
683 tion under this article shall be made within five years from the
684 time the return was filed and if no return was filed such determina-
685 tion may be made at any time.

686 (b) Any notice authorized or required under this article may
687 be given by mailing the same to the person for whom it is intended
688 at the last address given by him to the commission, or in the last
689 return filed by him with the commission under this article, or if

690 no return has been filed then to such address as may be obtainable.
691 The mailing of such notice shall be presumptive evidence of the
692 receipt of same by the person to whom addressed. Any period of
693 time, which is determined according to the provision of this section,
694 for the giving of notice shall commence to run from the date of
695 mailing of such notice.

696 11. Every person required to pay a fee for a license or a permit
697 under this article shall pay the same upon filing of the application
698 with the commission for such license or permit. The fee for such
699 license or permit shall be prorated for the fiscal year for which
700 the same is payable as of the date the application for such license
701 or permit is filed with the commission. The commission shall pro-
702 rate and make a refund of such fee for the period between the date
703 of application and the date of the issuance of such license or permit.
704 Upon surrender of such license or permit or upon the revocation
705 of any such license or permit issued to an employee before the
706 expiration of the fiscal year, the commission shall make a refund
707 prorated for the unexpired portion of the year, less 10% of such
708 refund. In the event of denial of any application for a license or
709 permit, the commission shall refund the fee paid upon application,
710 less 10% of such refund.

711 12. Whenever any person shall fail to pay, within the time limited
712 herein, any assessment or fee which he is required to pay to the
713 commission under the provisions of this article the commission may
714 enforce payment of such assessment or fee by civil action for the
715 amount of such assessment or fee with interest and penalties.

716 13. The employment by a nonresident of a licensed person or
717 permittee for whom assessments or fees are payable in either state
718 or the designation by a nonresident of a licensed person or per-
719 mittee to perform work in such state shall be deemed equivalent
720 to an appointment by such nonresident of the secretary of state
721 of such state to be his true and lawful attorney upon whom may
722 be served the process in any action or proceeding against him
723 growing out of any liability for assessments or fees, penalties or
724 interest, and a consent that any such process against him which
725 is so served shall be of the same legal force and validity as if
726 served on him personally within such state and within the territorial
727 jurisdiction of the court from which the process issues. Service of
728 process within either state shall be made by either (1) personally
729 delivering to and leaving with the Secretary of State or a Deputy
730 Secretary of State of such state duplicate copies thereof at the
731 office of the Department of State in the capitol city of such state,

732 in which event such Secretary of State shall forthwith send by
733 registered mail one of such copies to the person at the last address
734 designated by him to the commission for any purpose under this
735 article or in the last return filed by him under this article with the
736 commission or as shown on the records of the commission, or if
737 no return has been filed, at his last known office address within or
738 without such state, or (2) personally delivering to and leaving with
739 the Secretary of State or a Deputy Secretary of State of such state
740 a copy thereof at the office of the Department of State in the capitol
741 city of such state and by delivering a copy thereof to the person,
742 personally without such state. Proof of such personal service
743 without such state shall be filed with the clerk of the court in which
744 the process is pending within 30 days after such service and such
745 service shall be complete 10 days after proof thereof is filed.

746 14. Whenever the commission shall determine that any moneys
747 received as assessments or fees were paid in error, it may cause
748 the same to be refunded, provided an application therefor is filed
749 with the commission within 2 years from the time the erroneous
750 payment was made.

751 15. In addition to any other powers authorized hereunder, the
752 commission shall have power to make reasonable rules and regula-
753 tions to effectuate the purposes of this article.

754 16. When any person shall wilfully fail to pay any assessment
755 or fee due hereunder he shall be assessed interest at a rate of 1%
756 per month on the amount due and unpaid and penalties of 5% of
757 the amount due for each day or part thereof that the assessment
758 remains unpaid. The commission may, for good cause shown, abate
759 all or part of such penalty.

760 17. Any person who shall wilfully furnish false or fraudulent
761 information or shall wilfully fail to furnish pertinent information
762 as required, with respect to the amount of any assessment or fee
763 due, shall be guilty of a misdemeanor, punishable by a fine of not
764 more than \$1,000.00 or imprisonment for not more than 1 year,
765 or both.

766 18. All funds of the commission shall be deposited with such
767 responsible banks or trust companies as may be designated by the
768 commission. The commission may require that all such deposits
769 be secured by obligations of the United States or of the States of
770 New York or New Jersey of a market value equal at all times to
771 the amount of the deposits, and all banks and trust companies are
772 authorized to give such security for such deposits. The moneys
773 so deposited shall be withdrawn only by check signed by 2 members

774 of the commission or by such other officers or employees of the com-
775 mission as it may from time to time designate.

776 19. The accounts, books and records of the commission, in-
777 cluding its receipts, disbursements, contracts, leases, investments
778 and any other matters relating to its financial standing shall be
779 examined and audited annually by independent auditors to be re-
780 tained for such purpose by the commission.

781 20. The commission shall reimburse each state for any funds
782 advanced to the commission exclusive of sums appropriated pur-
783 suant to section 5 of this article.

ARTICLE IX

GENERAL VIOLATIONS; PROSECUTIONS; PENALTIES

784 1. The failure of any witness, when duly subpoenaed to attend,
785 to give testimony or produce other evidence in any investigation,
786 interview or other proceeding conducted by the commission pur-
787 suant to the provisions of this act, shall be punishable by the
788 Superior Court in New Jersey and the Supreme Court in New
789 York in the same manner as said failure is punishable by such court
790 in a case therein pending.

791 2. Any person who, having been duly sworn or affirmed as a
792 witness in any investigation, interview or other proceeding con-
793 ducted by the commission pursuant to the provisions of this act,
794 shall wilfully give false testimony shall be guilty of a misdemeanor
795 punishable by a fine of not more than \$1,000.00 or imprisonment
796 for not more than 1 year or both.

797 3. Any person who interferes with or impedes the orderly
798 licensing of or orderly granting of any permits to any other person
799 pursuant to this compact, or who attempts, conspires, or threatens
800 so to do, shall be guilty of a misdemeanor punishable by a fine of
801 not more than \$1,000.00 or imprisonment for not more than 1 year
802 or both.

803 4. Any person who directly or indirectly inflicts or threatens to
804 inflict any injury, damage, harm or loss or in any other manner
805 practices intimidation upon or against any person in order to
806 induce or compel such person or any other person to refrain from
807 obtaining a license or permit pursuant to this compact shall be
808 guilty of a misdemeanor punishable by a fine of not more than
809 \$1,000.00 or imprisonment for not more than 1 year or both.

810 5. Any person who, without justification or excuse in law, directly
811 or indirectly, intimidates or inflicts any injury, damage, harm, loss
812 or economic reprisal upon any person who holds a license or permit
813 issued by the commission pursuant to this compact, or any other
814 person, or attempts, conspires or threatens so to do, in order to

815 interfere with, impede or influence such licensee or permittee in
816 the performance or discharge of his duties or obligations shall be
817 guilty of a misdemeanor, punishable by a fine of not more than
818 \$1,000.00 or imprisonment of not more than 1 year or both.

819 6. Any person who shall violate any of the provisions of this
820 compact, for which no other penalty is prescribed, shall be guilty
821 of a misdemeanor, punishable by a fine of not more than \$1,000.00
822 or by imprisonment for not more than 1 year or both.

823 7. In any prosecution under this compact, it shall be sufficient
824 to prove only a single act (or a single holding out or attempt)
825 prohibited by law without having to prove a general course of
826 conduct, in order to prove a violation.

ARTICLE X

AMENDMENTS; CONSTRUCTION; SHORT TITLE

827 1. Amendments and supplements to this compact to implement
828 the purposes thereof may be adopted by the action of the Legis-
829 lature of either state concurred in by the Legislature of the other.

830 2. If any part or provision of this compact or the application
831 thereof to any person or circumstances be adjudged invalid by any
832 court of competent jurisdiction, such judgment shall be confined in
833 its operation to the part, provision or application directly involved
834 in the controversy in which such judgment shall have been rendered
835 and shall not affect or impair the validity of the remainder of this
836 compact or the application thereof to other persons or circum-
837 stances and the two states hereby declare that they would have
838 entered into this compact or the remainder thereof had the in-
839 validity of such provision or application thereof been apparent.

840 3. In accordance with the ordinary rules for construction of
841 interstate compacts this compact shall be liberally construed to
842 eliminate the evils described therein and to effectuate the purposes
843 thereof.

844 4. This compact shall be known and may be cited as the "Airport
845 Commission Compact."

PART V

1 § 5. Prohibition against unions having officers, agents or em-
2 ployees who have been convicted of certain crimes and offenses.
3 No person shall solicit, collect or receive any dues, assessments,
4 levies, fines or contributions, or other charges within the state for
5 or on behalf of any labor organization which receives, directly or
6 indirectly, 20% or more of its dues, assessments, levies, fines or
7 contributions, or other charges from persons who hold licenses
8 issued by the commission pursuant to the airport commission

9 compact, or for or on behalf of a labor organization which derives
10 its charter from a labor organization which received directly or
11 indirectly, 20% or more of its dues, assessments, levies, fines or
12 contributions, or other charges from persons who hold licenses
13 issued by the commission pursuant to the airport commission com-
14 pact, if any officer, agent or employee of such labor organization, or
15 of a welfare fund or trust administered partially or entirely by such
16 labor organization or by trustees or other persons designated by
17 such labor organization, has been convicted by a court of the
18 United States, or any state or territory thereof, of a felony, any
19 misdemeanor involving moral turpitude or any crime or offense
20 enumerated in subdivision (a) of section 3 of article IV of the air-
21 port commission compact, unless he has been subsequently pardoned
22 therefor by the Governor or other appropriate authority of the
23 state or jurisdiction in which such conviction was had or has
24 received a certificate of good conduct or other relief from disabilities
25 arising from the fact of conviction from a board of parole or
26 similar authority. No person so convicted shall serve as an officer,
27 agent or employee of such labor organization, welfare fund or trust
28 unless such person has been so pardoned or has received such
29 a certificate of good conduct. No person, including such labor
30 organization, welfare fund or trust, shall knowingly permit such
31 convicted person to assume or hold office, agency or employment
32 in violation of this section.

33 As used in this section, the term "labor organization" shall
34 mean and include any organization which exists and is constituted
35 for the purpose in whole or in part of collective bargaining, or
36 of dealing with employers concerning grievances, terms and con-
37 ditions of employment, or of other mutual aid or protection; but
38 it shall not include a federation or congress of labor organizations
39 organized on a national or international basis even though one of
40 its constituent labor organizations may represent persons who hold
41 licenses issued by the commission pursuant to the airport commis-
42 sion compact.

1 § 6. Prohibition against employer organizations having officers,
2 agents or employees who have been convicted of certain crimes and
3 offenses. No person shall solicit, collect or receive any dues, assess-
4 ments, levies, fines or contributions, or other charges within the
5 state for or on behalf of any organization of employers (whether in-
6 corporated or not) 20% or more of whose members have in their
7 employment any employees who are members of a labor organiza-
8 tion to which the prohibition of section 5 of this act is applicable, if

9 any officer, agent or employee of such employer organization or of
10 a welfare fund or trust administered partially or entirely by such
11 employer organization or by trustees or other persons designated
12 by such employer organization, has been convicted by a court of
13 the United States, or any state or territory thereof, of a felony,
14 any misdemeanor involving moral turpitude or any crime or offense
15 enumerated in subdivision (a) of section 3 of article IV of the
16 airport commission compact, unless he has been subsequently par-
17 doned therefor by the Governor or other appropriate authority
18 of the state or jurisdiction in which such conviction was had or has
19 received a certificate of good conduct or other relief from dis-
20-30 abilities arising from the fact of conviction from a board of parole
31 or similar authority. No person so convicted shall serve as an
32 officer, agent or employee of such employer organization, welfare
33 fund or trust unless such person has been so pardoned or has re-
34 ceived such a certificate of good conduct. No person, including
35 such employer organization, welfare fund or trust, shall knowingly
36 permit such convicted person to assume or hold any office, agency
37 or employment in violation of this section.

1 § 7. Exceptions to sections 5 and 6 for certain employees. If
2 upon application to the commission by an employee who has been
3 convicted of a crime or offense specified in section 5 or section 6
4 of part V of this act the commission, in its discretion, determines
5 in an order that it would not be contrary to the purposes and ob-
6 jectives of the airport commission compact for such employee to
7 work in a particular employment otherwise prohibited by section 5
8 or section 6, as the case may be, shall not apply to the particular
9 employment of such employee with respect to such conviction or
10 convictions as are specified in the commission's order. This section
11 is applicable only to those employees who for wages or salary
12 perform manual, mechanical or physical work of a routine or clerical
13 nature at the premises of the labor organization, employer or-
14 ganization, welfare fund or trust by which they are employed.

1 § 8. Civil penalties. The commission may maintain a civil action
2 on behalf of the State against any person who violates or attempts
3 or conspires to violate any provision of this act or who fails, omits
4 or neglects to obey, observe or comply with any order or direction
5 of the commission issued under this act, to recover a judgment for
6 a money penalty not exceeding \$500.00 for each and every offense.
7 Every violation of any such provision, order or direction shall be
8 a separate and distinct offense and, in case of a continuing viola-
9 tion, every day's continuance shall be and be deemed to be a

10 separate and distinct offense. Any such action may be settled or
11 discontinued on application of the commission upon such terms
12 as the court may approve and a judgment may be rendered for an
13 amount less than the amount demanded in the complaint as justice
14 may require.

1 § 9. Civil enforcement. The commission may maintain a civil
2 action against any person to compel compliance with any of the
3 provisions of this act or any order or direction of the commission
4 issued under this act or to prevent violations, attempts or con-
5 spiracies to violate any such provisions, or interference, attempts
6 or conspiracies to interfere with or impede the enforcement of
7 any such provisions or the exercise or performance of any power
8 or duty thereunder, either by mandamus, injunction or action or
9 proceeding in lieu of prerogative writ.

1 § 10. Exemption from arrest and service of process. If a per-
2 son in obedience to a subpoena, issued pursuant to this act directing
3 him to attend and testify comes into either state party to this act
4 from the other state, he shall not, while in that state pursuant to
5 such subpoena, be subject to arrest or the service of process, civil
6 or criminal, in connection with matters which arose before his
7 entrance into such state under the subpoena.

1 § 11. Nonresident witnesses. Any investigation, interview or
2 other proceeding conducted by the commission pursuant to the
3 provisions of this act shall be deemed to be a civil action pending
4 in the Superior Court in New Jersey so as to permit the commis-
5 sion to obtain disclosure, in accordance with the provisions govern-
6 ing disclosure in such civil actions, from any person who may be
7 outside the State.

1 § 12. Officers and employees. Any officer or employee in the
2 state, county or municipal civil service in either state who shall
3 transfer to service with the commission may be given one or more
4 leaves of absence without pay and may, before the expiration of
5 such leave or leaves of absence, and without further examination
6 or qualification, return to his former position or be certified by
7 the appropriate civil service agency for retransfer to a compara-
8 ble position in such state, county, or municipal civil service if such
9 a position is then available.

10 The commission may, by agreement with any Federal agency
11 from which any officer or employee may transfer to service with
12 the commission, make similar provision for the retransfer of such
13 officer or employee to such Federal agency.

14 Notwithstanding the provisions of any other law in either state,
15 any officer or employee in the state, county or municipal service in
16 either state who shall transfer to service with the commission and
17 who is a member of any existing state, county or municipal pension
18 or retirement system in New Jersey or New York, shall continue to
19 have all rights, privileges, obligations and status with respect to
20 such fund, system or systems as if he had continued in his state,
21 county or municipal office or employment, but during the period
22 of his service as a member, officer or employee of the commission,
23 all contributions to any pension or retirement fund or system to
24 be paid by the employer on account of such member, officer or
25 employee, shall be paid by the commission. The commission may,
26 by agreement with the appropriate Federal agency, make similar
27 provisions relating to continuance of retirement system member-
28 ship for any Federal officer or employee so transferred.

1 § 13. Penalties. Any person who shall violate any of the pro-
2 visions of this act, for which no other penalty is prescribed, shall
3 be guilty of a misdemeanor, punishable by a fine of not more than
4 \$1,000.00 or imprisonment for not more than 1 year or both.

1 § 14. Appropriation. The sum of \$250,000.00 or such part thereof
2 as may be necessary is hereby appropriated to the commission, out
3 of any available funds of the State Treasury, for the purposes of
4 the airport commission compact as provided for by this act, pay-
5 able on the audit and warrant of the comptroller on voucher certi-
6 fied by the commission. The amount so appropriated shall, together
7 with such amounts as may be similarly appropriated by the State
8 of New York, be held by the commission as an advance of operating
9 funds, repayable to the respective states in installments from time
10 to time, in proportion to their initial contributions.

1 § 15. Short title. This act shall be known and may be cited as
2 the "Waterfront and Airport Commission Act."

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

1 § 17. This act shall be liberally construed to eliminate the evils
2 described therein and to effectuate the purposes thereof, and the
3 powers vested in the waterfront and airport commission hereby
4 shall be construed to be in aid of and supplemental to and not in
5 limitation of or in derogation of any of the powers heretofore
6 conferred upon or delegated to the waterfront and airport com-
7 mission.

1 § 18. Section 3 of Part II (C. 32:23-75) and section 10 of Part III
2 (C. 32:23-82) chapter 202 of the laws of 1953, as amended; sections
3 5 and 6 of chapter 14 of the laws of 1954 (C. 32:23-89 and 32:23-90);
4 section 2 of chapter 19 of the laws of 1956 (C. 32:23-100) are hereby
5 repealed.

1 § 19. Section 4 of this act shall take effect upon the enactment
2 into law by the State of New York of legislation having an identical
3 effect with said section and upon consent of Congress given thereto;
4 but if the State of New York shall have already enacted such
5 legislation, then section 4 of this act shall take effect immediately
6 upon consent of Congress given thereto. The remaining sections
7 of this act shall take effect upon the effective date of section 4 of
8 this act.

STATEMENT

The proposed legislation provides for the establishment of an Airport Commission Compact between the states of New York and New Jersey and for the Waterfront and Airport Commission of New York and New Jersey (now the Waterfront Commission of New York Harbor) to administer such a Compact, with appropriate provisions for defraying the commission's expenses and for an interim advance by the State which the commission would repay and, in addition, to enact a penal prohibition against criminals holding positions in certain unions or employer organizations in the air freight industry.

The bill would amend the Waterfront Commission Act by changing it to the Waterfront and Airport Commission Act and by adding thereto a Part IV embodying an Airport Commission Compact between the states of New York and New Jersey. The Airport Compact contains provisions for licensing the employees handling air freight, the contract trucking firms, the operators of air freight terminals or warehouses, and labor relations consultants in the air freight industry. The Airport Compact also contains provision for enabling the commission to extend better protection

to airport areas where air freight is stored by providing that no one not licensed by the commission shall have access to any area in an airport designated by the commission as an air freight security area without a permit issued by the commission.

Investigations conducted by law enforcement agencies concerning the air freight industry at Kennedy Airport have adduced evidence documenting the pervasive existence of criminals and corrupt practices in the handling of air freight. It has been established that criminal and racketeer elements have infiltrated and are exercising a substantial measure of control over the air freight industry; that criminal and racketeer elements have obtained key positions in unions and in employer associations in the air freight industry; that criminals often pose as labor relations consultants to the air freight industry and that firms handling air freight are often forced to employ or engage such "consultants"; and that one of the incidents of such criminal and racketeer infiltration and control of the air freight industry is an alarming rise in the amount of pilferage and theft of valuable air freight.

The air freight industry in the New York area is inseparable from the air freight industry in New Jersey. The same airlines operate out of Kennedy Airport as do out of Newark; air freight forwarders who operate warehouses in Kennedy also operate warehouses in Newark Airport; freight is interchanged between New York airports and New Jersey airports; Newark functions as a distributing and receiving station for international freight; unions which have been shown to be dominated by criminals in the New York area also represent employees in New Jersey; and the transportation of goods by air constitutes an integral and inseparable unit of commerce of vital importance to the economic prosperity of New Jersey as well as New York. It is imperative to the continued growth and economic wellbeing of the air freight industry that criminal infiltration and control in that industry be eliminated and that every possible effective measure be taken to stop the alarming rise in the pilferage and theft of air freight which in Kennedy alone has increased in value from \$45,000.00 in 1952 to over three million dollars in the most recent year.

The air freight industry is in its infancy. Since 1956 the amount of tonnage handled at Kennedy alone has increased from 65,000 tons to 552,000 tons in 1967 and it is anticipated that by 1980 the volume of cargo will reach 2,500,000 tons at Kennedy alone. With the development of existing airports and the establishment of new international airports in the metropolitan areas, effective steps

must be taken so that the air freight industry will not degenerate to the deplorable and lawless state that existed on the waterfront before the establishment of the Waterfront Commission of New York Harbor when the underworld had a complete stranglehold over the commerce of the port.

SENATE, No. 612

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 16, 1970

By Senators McDERMOTT, FORSYTHE and CRABIEL

Referred to Committee on Labor Relations

AN ACT to amend the title of "An act to enter into a compact with the State of New York for the reduction of criminal and corrupt practices in the handling of water-borne freight within the Port of New York district and the regularization of the employment of waterfront labor, to provide for assessment of the expenses thereof against certain employers, and, in the absence of such compact, to accomplish such objectives within the New Jersey portion of the Port of New York district, and making an appropriation therefor," approved June 30, 1953 (P. L. 1953, c. 202), so that the same shall read "An act to enter into compacts with the State of New York for the reduction of criminal and corrupt practices in the handling of water-borne and air freight within the Port of New York district and the regularization of the employment of waterfront and airport labor, to provide for assessment of the expenses thereof against certain employers, and, in the absence of such compact, to accomplish such objectives within the New Jersey portion of the Port of New York district, and making an appropriation therefor,"; to amend, supplement and repeal parts of the body of said act; to amend and repeal certain acts which are amendatory and supplementary thereto; and to make an appropriation to carry out the purposes of this act.

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

1 1. The title of chapter 202 of the laws of 1953 is amended to read
2 as follows:

3 An act to enter into **[a compact]** *compacts* with the State of New
4 York for the reduction of criminal and corrupt practices in the
5 handling of water-borne *and air* freight within the Port of New

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

6 York district and the regularization of the employment of water-
 7 front *and airport* labor, to provide for assessment of the expenses
 8 thereof against certain employers, and, in the absence of such com-
 9 pact, to accomplish such objectives within the New Jersey portion
 10 of the part of New York district, and making an appropriation
 11 therefor.

1 2. Section 1 of Article III, Part I of the act of which this act is
 2 amendatory and supplementary is amended to read as follows:

3 1. There is hereby created the Waterfront *and Airport* Commis-
 4 sion of New York [harbor] *and New Jersey*, which shall be a body
 5 corporate and politic, an instrumentality of the States of New York
 6 and New Jersey.

1 3. The State of New Jersey hereby agrees with the State of New
 2 York, upon the enactment by the State of New York of legislation
 3 having the same effect as this section, to the following compact:

PART IV

ARTICLE I

FINDINGS AND DECLARATIONS

1 1. The States of New Jersey and New York hereby find and
 2 declare that the air freight industry within and about the Port of
 3 New York district is vital to the economies and prosperity of the
 4 two States; that said air freight industry in the two States con-
 5 stitute an inseparable and integral unit of the commerce of the two
 6 States; that criminal and racketeer elements have infiltrated and are
 7 attempting to control said air freight industry; that such criminal
 8 infiltration and control is threatening the growth of said air freight
 9 industry; that one of the means by which such criminal and
 10 racketeer elements infiltrate the air freight industry is by posing
 11 as labor relations consultants and that firms handling air freight
 12 are often forced to employ or engage such persons; that one of
 13 the incidents of such criminal and racketeer infiltration and control
 14 of the air freight industry is an alarming rise in the amount of
 15 pilferage and theft of air freight; and that it is imperative to the
 16 continued growth and economic well-being of the air freight indus-
 17 try in the States of New Jersey and New York that such criminal
 18 infiltration and control be eliminated and that every possible
 19 effective measure be taken to prevent the pilferage and theft of air
 20 freight.

1 2. The States of New Jersey and New York hereby find and
 2 declare that many of the evils above described result not only from

3 the causes above described but from the lack of regulation of the
 4 air freight industry in and about the Port of New York district;
 5 that the air freight industry is affected with a public interest re-
 6 quiring regulation; and that such regulation shall be deemed an
 7 exercise of the police power of the two States for the protection
 8 of the public safety, welfare, prosperity, health, peace and living
 9 conditions of the people of the States.

ARTICLE II

DEFINITIONS

1 As used in this compact:

2 "Commission" shall mean the Waterfront and Airport Commis-
 3 sion of New York and New Jersey established by Part I, Article
 4 III, of this act.

5 "Airport" shall mean any area on land, water or building or
 6 any other facility (except a military installation of the United
 7 States government) (a) which is located within 75 miles of any
 8 point in the Port of New York district, (b) which is used, or in-
 9 tended for use, for the landing and take-off of aircraft operated
 10 by an air carrier, and any appurtenant areas which are used or
 11 intended for use, for airport buildings, or other airport facilities
 12 or rights of way, together with all airport buildings, equipment,
 13 aircraft, and facilities located thereon, and (c) where the total
 14 tonnage of air freight in a calendar year loaded or unloaded on or
 15 from aircraft exceeds 20,000 tons.

16 "Air carrier" shall mean any person who may be engaged or who
 17 may hold himself out as willing to be engaged, whether as a com-
 18 mon carrier, as a contract carrier or otherwise, in the carriage of
 19 freight by air.

20 "Air freight" shall mean freight (including baggage, aircraft
 21 stores and mail) which is, has been, or will be carried by or con-
 22 signed for carriage by an air carrier.

23 "Air freight terminal" shall include any warehouse, depot or
 24 other terminal (other than an airport) (a) any part of which is
 25 located within an airport and any part of which is used for the
 26 storage of air freight, or (b) which is operated by an air carrier
 27 or a contractor of an air carrier and any part of which is used for
 28 the storage of air freight.

29 "Air freight terminal operator" shall mean the owner, lessee,
 30 or contractor or such other person (other than an employee) who
 31 is in direct and immediate charge and control of an air freight
 32 terminal.

33 “Air freight truck carrier” shall mean a contractor (other than
34 an employee) engaged for compensation pursuant to a contract or
35 an arrangement, directly or indirectly, with an air carrier or air
36 carriers or with an air freight terminal operator or operators in
37 the moving of freight to or from an airport or air freight terminal
38 by a truck or other motor vehicle used primarily for the transpor-
39 tation of property.

40 “Air freight security area” shall mean any area located within
41 the airport to which the commission determines that limited ingress
42 and egress is required for the protection and security of any air
43 freight located within the airport.

44 “Airfreightman” shall mean a natural person who is employed

45 (a) By any person physically to move or to perform services
46 incidental to the movement of air freight at an airport or in an
47 airfreight terminal; or

48 (b) By an air carrier or an air freight terminal operator or an
49 air freight truck carrier to transport or to assist in the transporta-
50 tion of air freight to or from an airport or air freight terminal; or

51 (c) By any person to engage in direct and immediate checking
52 of any air freight located in an airport or in an air freight terminal
53 or of the custodian accounting therefor.

54 “Airfreightman supervisor” shall mean a natural person who
55 is employed to supervise directly and immediately the work of an
56 airfreightman at an airport or at an air freight terminal.

57 “Airfreightman labor relations consultant” shall mean any per-
58 son who, pursuant to any contract or arrangement, advises or rep-
59 represents an air carrier, an air freight terminal operator, or an air
60 freight truck carrier, or an organization of such employers
61 (whether or not incorporated), or a labor organization representing
62 any airfreightmen or airfreightman supervisors concerning the
63 organization, or the concerted or collective bargaining activities,
64 of airfreightmen or airfreightman supervisors, but shall not in-
65 clude, however, any person designated by any government official
66 or body to so act or any person duly licensed to practice law as
67 an attorney in any jurisdiction. As used in this paragraph, the
68 term “labor organization” shall mean and include any organiza-
69 tion which exists and is constituted for the purpose in whole or in
70 part of collective bargaining, or of dealing with employers concern-
71 ing grievances, terms and conditions of employment, or of other
72 mutual aid or protection; but it shall not include a federation or
73 congress of labor organizations organized on a national or inter-
74 national basis even though one of its constituent labor organizations

75 may represent airfreightmen or airfreightman supervisors.

76 "Person" shall mean not only a natural person but also any
77 partnership, joint venture, association, corporation or any other
78 legal entity but shall not include the United States, any state or
79 territory thereof or any department, division, board, commission
80 or authority of one or more of the foregoing or any officer or
81 employee thereof while engaged in the performance of his official
82 duties.

83 "The Port of New York district" shall mean the district created
84 by Article II of the compact dated April 30, 1921, between the
85 States of New York and New Jersey, authorized by chapter 154 of
86 the laws of New York of 1921 and chapter 151 of the laws of New
87 Jersey of 1921, and any amendments thereto.

88 "Court of the United States" shall mean all courts enumerated
89 in section 451 of Title 28 of the United States Code and the courts-
90 martial of the Armed Forces of the United States.

91 "Witness" shall mean any person whose testimony is desired
92 in any investigation, interview or other proceeding conducted by
93 the commission pursuant to the provisions of this act.

94 "Compact" shall mean this compact and rules and regulations
95 lawfully promulgated thereunder and shall also include any amend-
96 ments or supplements to this compact to implement the purposes
97 thereof adopted by the action of the Legislature of either the State
98 of New York or the State of New Jersey concurred in by the Legis-
99 lature of the other.

ARTICLE III

GENERAL POWERS OF THE COMMISSION

1 In addition to the powers and duties of the commission elsewhere
2 conferred in this act or in the act to which this act is amendatory
3 and supplementary, the commission shall have the power:

4 1. To administer and enforce the provisions of this compact;

5 2. To establish such divisions and departments within the com-
6 mission as the commission may deem necessary and to appoint such
7 officers, agents and employees as it may deem necessary, prescribe
8 their powers, duties and qualifications and fix their compensation
9 and retain and employ counsel and private consultants on a contract
10 basis or otherwise;

11 3. To make and enforce such rules and regulations as the com-
12 mission may deem necessary to effectuate the purposes of this com-
12A pact or to prevent the circumvention or evasion thereof including,
13 but not limited to, rules and regulations (which shall be applicable

14 to any person licensed by the commission, his employer, or any
15 other person within an airport) to provide for the maximum pro-
16 tection of air freight, such as checking and custodial accounting,
17 guarding, storing, fencing, gatehouses, access to air freight, air
18 freight loss reports, and any other requirements which the com-
19 mission in its discretion may deem to be necessary and appropriate
20 to provide such maximum protection. The rules and regulations of
21 the commission shall be effective upon publication in the manner
22 which the commission shall prescribe and upon filing in the office
23 of the Secretary of State of each State. A certified copy of any
24 such rules and regulations, attested as true and correct by the com-
25 mission, shall be presumptive evidence of the regular making,
26 adoption, approval and publication thereof;

27 4. To have for its members and its properly designated officers,
28 agents and employees, full and free access, ingress and egress to
29 and from all airports, air freight terminals, all aircraft traveling
30 to or from an airport and all trucks or other motor vehicles or
31 equipment which are carrying air freight to or from any airport
32 or air freight terminal for the purposes of conducting investiga-
33 tions, making inspections or enforcing the provisions of this com-
33A pact; and no person shall obstruct or in any way interfere with
34 any such member, officer, employee or agent in the making of such
35 investigation or inspection or in the enforcement of the provisions
36 of this compact or in the performance of any other power or duty
37 under this compact;

38 5. To make investigations, collect and compile information con-
39 cerning airport practices generally, and upon all matters relating
40 to the accomplishment of the objectives of this compact;

41 6. To advise and consult with representatives of labor and in-
42 dustry and with public officials and agencies concerned with the
43 effectuation of the purposes of this compact, upon all matters which
44 the commission may desire, including but not limited to the form
45 and substance of rules and regulations and the administration of
46 the compact;

47 7. To make annual and other reports to the Governors and Leg-
48 islatures of both States containing recommendations for the effec-
49 tuation of the purposes of this compact;

50 8. To issue temporary licenses and temporary permits under such
51 terms and conditions as the commission may prescribe;

52 9. In any case in which the commission has the power to revoke
53 or suspend any license or permit the commission shall also have
54 the power to impose as an alternative to such revocation or sus-

55 pension, a penalty, which the licensee or permittee may elect to pay
 56 the commission in lieu of the revocation or suspension. The maxi-
 57 mum penalty shall be \$5,000.00 for each separate offense. The com-
 58 mission may, for good cause shown, abate all or part of such pen-
 59 alty;

60 10. To designate any officer, agent or employee of the commis-
 61 sion as a member of the police force of the commission who shall
 62 be vested with all the powers of a peace or police officer in the
 63 State of New York in that State, and of the State of New Jersey
 64 in that State;

65 11. To determine the location, size and suitability of field and
 66 administrative offices and any other accommodations necessary and
 67 desirable for the performance of the commission's duties under this
 68 compact;

69 12. To acquire, hold and dispose of real and personal property,
 70 by gift, purchase, lease, license or other similar manner, for its
 71 corporate purposes, and in connection therewith to borrow money;

72 13. To recover possession of any card or other means of identifi-
 73 cation issued by the commission as evidence of a license or permit
 74 in the event that the holder thereof no longer is a licensee or per-
 75 mittee;

76 14. To require any licensee or permittee to exhibit upon demand
 77 the license or permit issued to him by the commission or to wear
 78 such license or permit.

79 The powers and duties of the commission may be exercised by
 80 officers, employees and agents designated by them, except the power
 81 to make rules and regulations. The commission shall have such
 82 additional powers and duties as may hereafter be delegated to or
 83 imposed upon it from time to time by the action of the Legislature
 84 of either State concurred in by the Legislature of the other.

ARTICLE IV

AIRFREIGHTMEN AND AIRFREIGHTMAN SUPERVISORS

1 1. On and after the ninetieth day after the effective date of this
 2 compact, no person shall act as an airfreightman or an airfreight-
 3 man supervisor within the State of New York or the State of New
 4 Jersey without having first obtained from the commission a license
 5 to act as such airfreightman or airfreightman supervisor, as the
 6 case may be, and no person shall employ another person to act as
 7 an airfreightman or airfreightman supervisor who is not so li-
 8 censed.

1 2. A license to act as an airfreightman or airfreightman super-
 2 visor shall be issued only upon the written application, under oath,

3 of the person proposing to employ or engage another person to act
4 as such airfreightman or airfreightman supervisor, verified by the
5 prospective licensee as to the matters concerning him, and shall set
6 forth the prospective licensee's full name, residence address, social
7 security number, and such further facts and evidence as may be
8 required by the commission to determine the identity, the existence
9 of a criminal record, if any, and the eligibility of the prospective
10 licensee for a license.

1 3. The commission may in its discretion deny the application for
2 such license submitted on behalf of a prospective licensee for any
3 of the following causes:

4 (a) Conviction by a court of the United States or any state or
5 territory thereof, without subsequent pardon, of the commission
6 of, or the attempt or conspiracy to commit, treason, murder, man-
7 slaughter, coercion or any felony or high misdemeanor or any of
8 the following misdemeanors or offenses: illegally using, carrying
9 or possessing a pistol or other dangerous weapon; making, manu-
10 facturing or possessing burglar's instruments; buying or receiving
11 stolen property; criminal possession of stolen property; unlawful
12 entry of a building; criminal trespass; aiding an escape from
13 prison; and unlawfully possessing, selling, or distributing a dan-
14 gerous drug, including but not limited to hallucinogenic or habit-
15 forming narcotic drugs;

16 (b) Conviction by any such court, after having been previously
17 convicted by any such court of any crime or of the offenses herein-
18 after set forth, of a misdemeanor or any of the following offenses:
19 assault, malicious injury to property, criminal mischief, malicious
20 mischief, criminal tampering, unlawful use or taking of a motor
21 vehicle, corruption of employees, promoting gambling, possession
22 of gambling records or devices, or possession of lottery or number
23 slips;

24 (c) Fraud, deceit or misrepresentation in connection with any
25 application or petition submitted to, or any interview, hearing or
26 proceeding conducted by the commission;

27 (d) Violation of any provision of this act or the commission of
28 any offense thereunder;

29 (e) Refusal on the part of the applicant, or prospective licensee,
30 to answer any material question or produce any material evidence
31 in connection with the application;

32 (f) As to an airfreightman, his presence at the airports or air
33 freight terminals is found by the commission on the basis of the

34 facts and evidence before it to constitute a danger to the public
35 peace or safety;

36 (g) As to an airfreightman supervisor, failure to satisfy the
37 commission that the prospective licensee possesses good character
38 and integrity;

39 (h) Conviction of a crime or other cause which would permit
40 reprimand of such prospective licensee or the suspension or revo-
41 cation of his license if such person were already licensed.

1 4. When the application shall have been examined and such fur-
2 ther inquiry and investigation made as the commission shall deem
3 proper and when the commission shall be satisfied therefrom that
4 the prospective licensee possesses the qualifications and require-
5 ments prescribed in this article, the commission shall issue and
6 deliver to the prospective licensee a license to act as an airfreight-
7 man or as an airfreightman supervisor, as the case may be, and
8 shall inform the applicant of its action.

1 5. The commission shall have the power to reprimand any air-
2 freightman or airfreightman supervisor licensed under this article
3 or to revoke or suspend his license for such period as the commis-
4 sion deems in the public interest for any of the following causes:

5 (a) Conviction of a crime or other cause which would permit
6 the denial of a license upon original application;

7 (b) Fraud, deceit or misrepresentation in securing the license,
8 or in the conduct of the licensed activity;

9 (c) Transfer or surrender of possession to any person either
10 temporarily or permanently of any card or other means of identi-
11 fication issued by the commission as evidence of a license, without
12 satisfactory explanation;

13 (d) False impersonation of another person who is a licensee or
14 permittee of the commission under this compact;

15 (e) Willful commission of, or willful attempt to commit at an
16 airport or at an air freight terminal or adjacent highway any act
17 of physical injury to any other person or of willful damage to or
18 misappropriation of any other person's property, unless justified
19 or excused by law;

20 (f) Violation of any of the provisions of this act or inducing or
21 otherwise aiding or abetting any person to violate the terms of this
22 act;

23 (g) Addiction to the use of, or possession, sale or distribution of
24 a dangerous drug, including but not limited to hallucinogenic or
25 habit-forming narcotic drug;

26 (h) Paying, giving, causing to be paid or given or offering to
27 pay or give to any person any valid consideration to induce such
28 other person to violate any provision of this act or to induce any
29 public officer, agent or employee to fail to perform his duty under
30 this act;

31 (i) Consorting with known criminals for unlawful purposes;

32 (j) Receipt or solicitation of anything of value from any person
33 other than the licensee's or permittee's employer as consideration
34 for the selection or retention for employment of any person who
35 is a licensee or permittee of the commission under this compact;

36 (k) Coercion of any person who is a licensee or permittee of the
37 commission under this compact by threat of discrimination or
38 violation or economic reprisal to make purchases from or to utilize
39 the services of any person;

40 (l) Lending any money to or borrowing any money from any
41 person who is a licensee or permittee of the commission under this
42 compact for which there is a charge of interest or other considera-
43 tion which is usurious;

44 (m) Conviction of any crime or offense in relation to gambling,
45 bookmaking, pool selling, lotteries or similar crimes or offenses if
46 the crime or offense was committed at an airport or air freight
47 terminal or within 500 feet thereof;

48 (n) Refusal to answer any material question or produce any
49 material evidence lawfully required to be answered or produced
50 at any investigation, interview or other proceeding conducted by
51 the commission pursuant to the provisions of this act, or, if such
52 refusal is accompanied by a valid plea of privilege against self-
53 incrimination, refusal to obey an order to answer such question or
54 produce such evidence made by the commission pursuant to the
55 power of the commission under this act to grant immunity from
56 prosecution;

57 (o) Refusal to exhibit his license or permit upon the demand
58 of any officer, agent or employee of the commission or failure to
59 wear such license or permit when required.

1 6. A license granted pursuant to this article shall expire on the
2 expiration date (which shall be at least 1 year from the date of
3 its issuance) set forth by the commission on the card or other means
4 of identification issued by the commission as evidence of a license
5 or upon the termination of employment with the employer who
6 applied for the license. Upon expiration thereof, a license may be
7 renewed by the commission upon fulfilling the same requirements
8 as are set forth in this article for an original application.

ARTICLE V

AIR FREIGHT TERMINAL OPERATORS, AIR FREIGHT TRUCK CARRIERS
AND AIRFREIGHTMAN LABOR RELATIONS CONSULTANTS

1 1. On and after the ninetieth day after the effective date of this
2 compact, no person (except an air carrier) shall act as an air
3 freight terminal operator or as an air freight truck carrier or as
4 an airfreightman labor relations consultant within the State of New
5 York or the State of New Jersey without having first obtained a
6 license from the commission to act as an air freight terminal opera-
7 tor or as an air freight truck carrier or as an airfreightman labor
8 relations consultant, as the case may be, and no person shall employ
9 or engage another person to perform services as an air freight
10 terminal operator or as an air freight truck carrier or as an air-
11 freightman labor relations consultant who is not so licensed.

1 2. Any person intending to act as an air freight terminal opera-
2 tor or as an air freight truck carrier or as an airfreightman labor
3 relations consultant within the State of New York or the State of
4 New Jersey shall file in the office of the commission a written ap-
5 plication for a license to engage in such occupation duly signed and
6 verified as follows:

7 (a) If the applicant is a natural person, the application shall be
8 signed and verified by such person and if the applicant is a partner-
9 ship, the application shall be signed and verified by each natural
10 person composing or intending to compose such partnership. The
11 application shall state the full name, age, residence, business ad-
12 dress (if any), present and previous occupations of each natural
12A person so signing the same, and any other facts and evidence as
13 may be required by the commission to ascertain the character, in-
14 tegrity, identity and criminal record, if any, of each natural person
15 so signing such application.

16 (b) If the applicant is a corporation, the application shall be
17 signed and verified by the president, secretary and treasurer
18 thereof, and shall specify the name of the corporation, the date and
19 place of its incorporation, the location of its principal place of
20 business, the names and addresses of, and the amount of the stock
21 held by stockholders owning 10% or more of any of the stock
22 thereof, and of all the officers (including all members of the board
23 of directors). The requirements of subdivision (a) of this section
24 as to a natural person who is a member of a partnership, and such
25 requirements as may be specified in rules and regulations promul-
26 gated by the commission, shall apply to each such officer or stock-

27 holder and their successors in office or interest as the case may be.

28 In the event of the death, resignation or removal of any officer,
29 and in the event of any change in the list of stockholders who shall
30 own 10% or more of the stock of the corporation, the secretary of
31 such corporation shall forthwith give notice of that fact in writing
32 to the commission, certified by said secretary.

1 3. No such license shall be granted

2 (a) If any person whose signature or name appears in the ap-
3 plication is not the real party in interest required by section 2 of
4 this article to sign or to be identified in the application or if the
5 person so signing or named in the application is an undisclosed
6 agent or trustee for any such real party in interest or if any such
7 real party in interest does not sign the application;

8 (b) Unless the commission shall be satisfied that the applicant
9 and all members, officers and stockholders required by section 2
10 of this article to sign or be identified in the application for license
11 possess good character and integrity;

12 (c) If the applicant or any member, officer or stockholder re-
13 quired by section 2 of this article to sign or be identified in the
14 application for license has, without subsequent pardon, been con-
15 victed by a court of the United States or any state or territory
16 thereof of the commission of, or the attempt or conspiracy to com-
17 mit any crime or offense described in subdivision (a) of section 3
18 of Article IV of this compact. Any applicant ineligible for a license
19 by reason of any such conviction may submit satisfactory evidence
20 to the commission that the person whose conviction was the basis
21 of ineligibility has for a period of not less than 5 years, measured
22 as hereinafter provided and up to the time of application, so con-
23 ducted himself as to warrant the grant of such license, in which
24 event the commission may, in its discretion issue an order removing
25 such ineligibility. The aforesaid period of 5 years shall be measured
26 either from the date of payment of any fine imposed upon such
27 person or the suspension of sentence or from the date of his un-
28 revoked release from custody by parole, commutation or termina-
29 tion of his sentence. Such petition may be made to the commission
30 before or after the hearing on the application;

31 (d) If, on or after the effective date of this compact, the appli-
32 cant has paid, given, caused to have been paid or given or offered
33 to pay or give to any officer or employee of any other person em-
34 ploying or engaging him in his licensed activity any valuable con-
35 sideration for an improper or unlawful purpose or to induce such

36 officer or employee to procure the employment of the applicant in
37 his licensed activity by such other person ;

38 (e) If, on or after the effective date of this compact, the appli-
39 cant has paid, given, caused to have been paid, or given or offered
40 to pay or give to any officer or representative of a labor organiza-
41 tion any valuable consideration for an improper or unlawful pur-
42 pose or to induce such officer or representative to subordinate the
43 interest of such labor organization or its members in the manage-
44 ment of the affairs of such labor organization to the interests of
45 the applicant or any other person ;

46 (f) If, on or after the effective date of this compact, the appli-
47 cant has paid, given, caused to have been paid or given or offered
48 to pay or give to any agent of any other person any valuable con-
49 sideration for an improper or unlawful purpose or, without the
50 knowledge and consent of such other person, to induce such agent
51 to procure the employment of the applicant in his licensed activity
52 by such other person.

1 4. When the application shall have been examined and such fur-
2 ther inquiry and investigation made as the commission shall deem
3 proper and when the commission shall be satisfied therefrom that
4 the applicant possesses the qualifications and requirements pre-
5 scribed in this article, the commission shall issue and deliver a
6 license to the applicant.

1 5. The commission shall have the power to reprimand any per-
2 son licensed under this article or to revoke or suspend his license
3 for such period as the commission deems in the public interest for
4 any of the following causes on the part of the licensee or of any
5 person required by section 2 of this article to sign or be identified
6 in an original application for a license :

7 (a) Any cause set forth in section 5 of Article IV of this compact ;

8 (b) Failure by the licensee to maintain a complete set of books
9 and records containing a true and accurate account of the licensee's
10 receipts and disbursements arising out of his licensed activities ;

11 (c) Failure to keep said books and records available during busi-
12 ness hours for inspection by the commission and its duly designated
13 representatives until the expiration of the fifth calendar year fol-
14 lowing the calendar year during which occurred the transactions
15 recorded therein ;

16 (d) Failure to pay any assessment or fee payable to the com-
17 mission under this compact when due.

1 6. A license granted pursuant to this article shall expire on the
2 expiration date (which shall be at least 1 year from the date of

3 its issuance) set forth by the commission on the card or other means
4 of identification issued by the commission as evidence of a license.
5 Upon expiration thereof, a license may be renewed by the commis-
6 sion upon fulfilling the same requirements as are set forth in this
7 article for an original application.

ARTICLE VI

AIR FREIGHT SECURITY AREA

1 1. On or after the effective date of this compact, the commission
2 shall have the power to designate any area located within an air-
3 port as an air freight security area. No person who is not licensed
4 by the commission pursuant to this compact shall have ingress to
5 an air freight security area unless issued a permit by the com-
6 mission.

1 2. Any person who is not licensed by the commission pursuant
2 to this compact and who desires upon occasion ingress to an air
3 freight security area shall apply at the entrance to such area for
4 a permit for ingress for that particular occasion. In order to secure
5 a permit, a prospective permittee must show identification estab-
6 lishing his name and address and he may be required by the com-
7 mission to sign a consent to the surrender of his permit upon egress
8 from such area and, if he is driving a motor vehicle, to an inspec-
9 tion of his motor vehicle upon egress from such area. Any person
10 desiring a permit to enter an air freight security area may be
11 denied such permit by the commission in its discretion if the com-
12 mission determines that the presence of such person in such area
13 would constitute a danger to the public peace or safety.

1 3. Any person whose business, employment or occupation re-
2 quires him to have ingress upon a regular basis to an air freight
3 security area shall be required, in order to obtain ingress to such
4 area, to apply to the commission for a permit for a fixed period of
5 duration to be determined by the commission. Such applicant for
6 a permit of a fixed period of duration shall fulfill
7 the same requirements as the prospective licensee for an airfreight-
8 man's license. The commission may in the exercise of its discretion
9 suspend or revoke such permit of a fixed period of duration for
10 the same causes which would permit the commission to revoke the
11 license of an airfreightman.

1 4. The commission shall have the power to inspect any truck or
2 any other motor vehicle within an air freight security area.

ARTICLE VII

HEARINGS, DETERMINATIONS AND REVIEW

1 1. The commission shall not deny any application for a license
2 or permit without giving the applicant or prospective licensee or
3 permittee reasonable prior notice and an opportunity to be heard.

1 2. Any application for a license or permit, and any license or per-
2 mit issued, may be denied, revoked or suspended, as the case may
3 be, only in the manner prescribed in this article.

1 3. The commission may on its own initiative or on complaint
2 of any person, including any public official or agency, institute pro-
3 ceedings to revoke or suspend any license or permit after a hearing
4 at which the licensee or permittee and any person making such
5 complaint shall be given an opportunity to be heard, provided that
6 any order of the commission revoking or suspending any license
7 or permit shall not become effective until 15 days subsequent to
8 the serving of notice thereof upon the licensee or permittee unless
9 in the opinion of the commission the continuance of the license or
10 permit for such period would be inimical to the public peace or
11 safety. Such hearings shall be held in such manner and upon such
12 notice as may be prescribed by the rules of the commission, but such
13 notice shall be of not less than 10 days and shall state the nature
14 of the complaint.

1 4. Pending the determination of such hearing pursuant to section
2 3 the commission may temporarily suspend a license or permit if
3 in the opinion of the commission the continuance of the license or
4 permit for such period is inimical to the public peace or safety.

1 5. The commission, or such member, officer, employee or agent
2 of the commission as may be designated by the commission for such
3 purpose, shall have the power to issue subpoenas throughout both
4 States to compel the attendance of witnesses and the giving of
5 testimony or production of other evidence and to administer oaths
6 in connection with any such hearing. It shall be the duty of the
7 commission or of any such member, officer, employee or agent of
8 the commission designated by the commission for such purpose to
9 issue subpoenas at the request of and upon behalf of the licensee,
10 permittee or applicant. The commission or such person conducting
11 the hearing shall not be bound by common law or statutory rules
12 of evidence or by technical or formal rules or procedure in the
13 conduct of such hearing.

1 6. Upon the conclusion of the hearing, the commission shall take
2 such action upon such findings and determinations as it deems

3 proper and shall execute an order carrying such findings into effect.
4 The action in the case of an application for a license or permit shall
5 be the granting or denial thereof. The action in the case of a li-
6 censee or permittee shall be revocation of the license or permit or
7 suspension thereof for a fixed period or reprimand or a dismissal
8 of the charges.

1 7. The action of the commission in denying any application for
2 a license or permit or in suspending or revoking such license or
3 permit or in reprimanding a licensee or permittee shall be subject
4 to judicial review by a proceeding instituted in either State at the
5 instance of the applicant, licensee or permittee in the manner pro-
6 vided by the law of such State for review of the final decision or
7 action of administrative agencies of such State, provided, however,
8 that notwithstanding any other provision of law the court shall have
9 power to stay for not more than 30 days an order of the commission
10 suspending or revoking a license or permit.

1 8. At hearings conducted by the commission pursuant to this arti-
2 cle, applicants, prospective licensees and permittees, licensees and
3 permittees shall have the right to be accompanied and represented
4 by counsel.

1 9. After the conclusion of a hearing but prior to the making of
2 an order by the commission, a hearing may, upon petition and in
3 the discretion of the hearing officer, be reopened for the presenta-
4 tion of additional evidence. Such petition to reopen the hearing
5 shall state in detail the nature of the additional evidence, together
6 with the reasons for the failure to submit such evidence prior to
7 the conclusion of the hearing. The commission may upon its own
8 motion and upon reasonable notice reopen a hearing for the pres-
9 entation of additional evidence. Upon petition, after the making of
10 an order of the commission, rehearing may be granted in the dis-
11 cretion of the commission. Such a petition for rehearing shall state
12 in detail the grounds upon which the petition is based and shall
13 separately set forth each error of law and fact alleged to have been
14 made by the commission in its determination, together with the
15 facts and arguments in support thereof. Such petition shall be filed
16 with the commission not later than 30 days after service of such
17 order unless the commission for the good cause shown shall other-
18 wise direct. The commission may upon its own motion grant a
19 rehearing after the making of an order.

ARTICLE VIII

EXPENSES OF ADMINISTRATION

1 1. The commission shall annually adopt a budget of its expenses
2 under this compact for each year. The annual budget shall be sub-
3 mitted to the Governors of the two States and shall take effect as
4 submitted provided that either Governor may within 30 days dis-
5 approve or reduce any item or items, and the budget shall be
6 adjusted accordingly.

1 2. After taking into account such funds as may be available to
2 it from reserves in excess of 10% of such budget under this com-
3 pact, Federal grants, or otherwise, the balance of the commission's
4 budgeted expenses shall be obtained by fees payable under this
5 article and by assessments upon employers of persons licensed un-
6 der this compact as provided in this article.

1 3. With respect to airfreightmen and airfreightman supervisors
2 who are employed by an air freight truck carrier regularly to move
3 freight to or from an airport, the employers shall pay to the com-
4 mission for each airfreightman and airfreightman supervisor a
5 license fee to be determined by the commission, not in excess of
6 \$100.00 for each year, commencing with April 1. The employer of
7 every person who is issued a permit of fixed duration by the com-
8 mission for ingress to an air freight security area, or the permittee
9 himself if he is self-employed, shall pay to the commission a fee
10 to be determined by the commission, not in excess of \$60.00 for each
11 year, commencing with April 1. The commission shall reduce the
12 maximum fees payable under this section proportionately with any
13 reduction in the maximum assessment rate of 2% provided for by
14 this article.

1 4. Every employer of airfreightmen and airfreightman super-
2 visors licensed by the commission, except as otherwise provided
3 in section 3 of this article, shall pay to the commission an assess-
4 ment computed upon the gross payroll payments made by such
5 employer to airfreightmen and airfreightman supervisors for work
6 performed as such, at a rate, not in excess of 2%, computed by the
7 commission, in the following manner: the commission shall an-
8 nually estimate the fees payable under this article and the gross
9 payroll payments to be made by employers subject to assessment
10 and shall compute the fees and a rate of assessment which will
11 yield revenues sufficient to finance the balance of the commission's
12 budget for each year as provided in section 2 of this article. The
13 commission may hold in reserve an amount not to exceed 10% of

14 its total budgeted expenses for the year, which reserve shall not
15 be included as part of the budget. Such reserve shall be held for
16 the stabilization of annual assessments, the payment of operating
17 deficits and for the repayment of any advances made by the two
18 States.

1 5. The amount required to balance the commission's budget in
2 excess of the estimated yield of the maximum fees and assessment,
3 shall be certified by the commission, with the approval of the re-
4 spective Governors, to the Legislatures of the two States, in propor-
5 tion to the respective totals of the assessments and fees paid to
6 the commission by persons in each of the two States. The Legisla-
7 tures shall annually appropriate to the commission the amount so
8 certified.

1 6. The assessments and fees hereunder shall be in lieu of any
2 other charge for the issuance of licenses or permits by the com-
3 mission pursuant to this compact.

1 7. In addition to any other sanction provided by the law, the
2 commission may revoke or suspend any license or permit held by
3 any employer under this compact and/or the license or permit held
4 under this compact by any employees of such employer, or the
5 permit held under this compact by any permittee who is self-em-
6 ployed, and in addition the commission may deny ingress to such
7 employers, employees or permittees to air freight security areas,
8 for nonpayment of any assessment or fee when due.

1 8. Every person subject to the payment of any assessment under
2 this compact shall file on or before the twentieth day of the first
3 month of each calendar quarter-year a separate return, together
4 with the payment of the assessment due, for the preceding calendar
5 quarter-year during which any payroll payments were made to
6 licensed persons for whom assessments are payable for work
7 performed as such. Returns covering the amount of assessment
8 payable shall be filed with the commission on forms to be furnished
9 for such purpose and shall contain such data, information or matter
10 as the commission may require to be included therein. The commis-
11 sion may grant a reasonable extension of time for filing returns,
12 or for payment of assessment, whenever good cause exists. Every
13 return shall have annexed thereto a certification to the effect that
14 the statements contained therein are true.

1 9. Every person subject to the payment of assessment hereunder
2 shall keep an accurate record of his employment of licensed persons
3 for whom assessments are payable, which shall show the amount
4 of compensation paid and such other information as the commission

5 may require. Such records shall be preserved for a period of 3
6 years and be open for inspection at reasonable times. The com-
7 mission may consent to the destruction of any such records at any
8 time after said period or may require that they be kept longer
9 but not in excess of 6 years.

1 10. (a) The commission shall audit and determine the amount of
2 assessment due from the return filed and such other information
3 as is available to it. Whenever a deficiency in payment of the
4 assessment is determined the commission shall give notice of any
5 such determination to the person liable therefor. Such determina-
6 tion shall finally and conclusively fix the amount due, unless the
7 person against whom it is assessed shall, within 30 days after the
8 giving of notice of such determination, apply in writing to the
9 commission for a hearing, or unless the commission on its own
10 motion shall reduce the same. After such hearing, the commission
11 shall give notice of its decision to the person liable therefor. A
12 determination of the commission under this section shall be subject
13 to judicial review, if application for such review is made within 30
14 days after the giving of notice of such decision. Any determination
15 under this article shall be made within 5 years from the time the
16 return was filed and if no return was filed such determination may
17 be made at any time.

18 (b) Any notice authorized or required under this article may be
19 given by mailing the same to the person for whom it is intended
20 at the last address given by him to the commission, or in the last
21 return filed by him with the commission under this article, or if
22 no return has been filed then to such address as may be obtainable.
23 The mailing of such notice shall be presumptive evidence of the
24 receipt of same by the person to whom addressed. Any period of
25 time, which is determined according to the provision of this section,
26 for the giving of notice shall commence to run from the date of
27 mailing of such notice.

1 11. Every person required to pay a fee for a license or a permit
2 under this article shall pay the same upon filing of the application
3 with the commission for such license or permit. The fee for such
4 license or permit shall be prorated for the fiscal year for which
5 the same is payable as of the date the application for such license
6 or permit is filed with the commission. The commission shall
7 prorate and make a refund of such fee for the period between the
8 date of application and the date of the issuance of such license or
9 permit. Upon surrender of such license or permit or upon the
10 revocation of any such license or permit issued to an employee

11 before the expiration of the fiscal year, the commission shall make
12 a refund prorated for the unexpired portion of the year, less 10%
13 of such refund. In the event of denial of any application for a
14 license or permit, the commission shall refund the fee paid upon
15 application, less 10% of such refund.

1 12. Whenever any person shall fail to pay, within the time limited
2 herein, any assessment or fee which he is required to pay to the
3 commission under the provisions of this article the commission may
4 enforce payment of such assessment or fee by civil action for the
5 amount of such assessment or fee with interest and penalties.

1 13. The employment by a nonresident of a licensed person or
2 permittee for whom assessments or fees are payable in either State
3 or the designation by a nonresident of a licensed person or per-
4 mittee to perform work in such State shall be deemed equivalent
5 to an appointment by such nonresident of the Secretary of State
6 of such State to be his true and lawful attorney upon whom may
7 be served the process in any action or proceeding against him
8 growing out of any liability for assessments or fees, penalties or
9 interest, and a consent that any such process against him which
10 is so served shall be of the same legal force and validity as if
11 served on him personally within such State and within the ter-
12 ritorial jurisdiction of the court from which the process issues.
13 Service of process within either State shall be made by either (1)
14 personally delivering to and leaving with the Secretary of State
15 or a deputy Secretary of State of such State duplicate copies
16 thereof at the office of the Department of State in the capitol city
17 of such State, in which event such Secretary of State shall forthwith
18 send by registered mail one of such copies to the person at the
19 last address designated by him to the commission for any purpose
20 under this article or in the last return filed by him under this article
21 with the commission or as shown on the records of the commission,
22 or if no return has been filed, at his last known office address within
23 or without such State, or (2) personally delivering to and leaving
24 with the Secretary of State or a deputy Secretary of State of such
25 State a copy thereof at the office of the Department of State in the
26 capitol city of such State and by delivering a copy thereof to the
27 person, personally without such State. Proof of such personal
28 service without such State shall be filed with the clerk of the court
29 in which the process is pending within 30 days after such service
30 and such service shall be complete 10 days after proof thereof
31 is filed.

1 14. Whenever the commission shall determine that any moneys
2 received as assessments or fees were paid in error, it may cause
3 the same to be refunded, provided an application therefor is filed
4 with the commission within 2 years from the time the erroneous
5 payment was made.

1 15. In addition to any other powers authorized hereunder, the
2 commission shall have power to make reasonable rules and regu-
3 lations to effectuate the purposes of this article.

1 16. When any person shall willfully fail to pay any assessment
2 or fee due hereunder he shall be assessed interest at a rate of 1%
3 per month on the amount due and unpaid and penalties of 5% of
4 the amount due for each 30 days or part thereof that the assess-
5 ment remains unpaid. The commission may, for good cause shown,
6 abate all or part of such penalty.

1 17. Any person who shall willfully furnish false or fraudulent
2 information or shall willfully fail to furnish pertinent information
3 as required, with respect to the amount of any assessment or fee
4 due, shall be guilty of a misdemeanor, punishable by a fine of not
5 more than \$1,000.00, or imprisonment for not more than 1 year,
6 or both.

1 18. All funds of the commission shall be deposited with such
2 responsible banks or trust companies as may be designated by the
3 commission. The commission may require that all such deposits
4 be secured by obligations of the United States or of the States of
5 New York or New Jersey of a market value equal at all times to
6 the amount of the deposits, and all banks and trust companies are
7 authorized to give such security for such deposits. The moneys so
8 deposited shall be withdrawn only by check signed by both mem-
9 bers of the commission or by such other officers or employees of
10 the commission as it may from time to time designate.

1 19. The accounts, books and records of the commission, including
2 its receipts, disbursements, contracts, leases, investments and any
3 other matters relating to its financial standing shall be examined
4 and audited annually by independent auditors to be retained for
5 such purpose by the commission.

1 20. The commission shall reimburse each State for any funds
2 advanced to the commission exclusive of sums appropriated pur-
3 suant to section 5 of this article.

ARTICLE IX

GENERAL VIOLATIONS; PROSECUTIONS; PENALTIES

1 1. The failure of any witness, when duly subpoenaed to attend,
2 to give testimony or produce other evidence in any investigation,

3 interview or other proceeding conducted by the commission pur-
4 suant to the provisions of this act, shall be punishable by the Su-
5 perior Court in New Jersey and the Supreme Court in New York
6 in the same manner as said failure is punishable by such court in
7 a case therein pending.

1 2. Any person who, having been duly sworn or affirmed as a
2 witness in any investigation, interview or other proceeding con-
3 ducted by the commission pursuant to the provisions of this act,
4 shall willfully give false testimony shall be guilty of a misdemeanor
5 punishable by a fine of not more than \$1,000.00 or imprisonment
6 for not more than 1 year or both.

1 3. Any person who interferes with or impedes the orderly licens-
2 ing of or orderly granting of any permits to, any other person
3 pursuant to this compact, or who attempts, conspires, or threatens
4 so to do, shall be guilty of a misdemeanor punishable by a fine of
5 not more than \$1,000.00 or imprisonment for not more than 1 year
6 or both.

1 4. Any person who directly or indirectly inflicts or threatens to
2 inflict any injury, damage, harm or loss or in any other manner
3 practices intimidation upon or against any person in order to in-
4 duce or compel such person or any other person to refrain from
5 obtaining a license or permit pursuant to this compact shall be
6 guilty of a misdemeanor punishable by a fine of not more than
7 \$1,000.00 or imprisonment for not more than 1 year or both.

1 5. Any person who, without justification or excuse in law, di-
2 rectly or indirectly, intimidates or inflicts any injury, damage,
3 harm, loss or economic reprisal upon any person who holds a
4 license or permit issued by the commission pursuant to this com-
5 pact, or any other person, or attempts, conspires or threatens so
6 to do, in order to interfere with, impede or influence such licensee
7 or permittee in the performance or discharge of his duties or obli-
8 gations shall be guilty of a misdemeanor, punishable by a fine of
9 not more than \$1,000.00 or imprisonment of not more than 1 year
10 or both.

1 6. Any person who shall violate any of the provisions of this
2 compact for which no other penalty is prescribed, shall be guilty
3 of a misdemeanor, punishable by a fine of not more than \$1,000.00
4 or by imprisonment for not more than 1 year or both.

1 7. In any prosecution under this compact, it shall be sufficient
2 to prove only a single act (or a single holding out or attempt)
3 prohibited by law without having to prove a general course of
4 conduct, in order to prove a violation.

ARTICLE X

AMENDMENTS; CONSTITUTION; SHORT TITLE

1 1. Amendments and supplements to this compact to implement
2 the purposes thereof may be adopted by the action of the Legisla-
3 ture of either State concurred in by the Legislature of the other.

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

1 3. In accordance with the ordinary rules for construction of
2 interstate compacts this compact shall be liberally construed to
3 eliminate the evils described therein and to effectuate the purposes
4 thereof.

1 4. This compact shall be known and may be cited as the "Airport
2 Commission Compact."

PART V

1 4. Prohibition against unions having officers, agents or employees
2 who have been convicted of certain crimes and offenses. No person
3 shall solicit, collect or receive any dues, assessments, levies, fines
4 or contributions, or other charges within the State for or on behalf
5 of any labor organization 20% or more of whose members are
6 persons who hold licenses or permits issued by the commission
7 pursuant to the airport commission compact, if any officer, agent
8 or employee of such labor organization, or of a welfare fund or
9 trust administered partially or entirely by such labor organization
10 or by trustees or other persons designated by such labor organiza-
11 tion, has been convicted by a court of the United States, or any
12 state or territory thereof, of a felony, any misdemeanor involving
13 moral turpitude or any crime or offense enumerated in subdivision
14 (a) of section 3 of Article IV of the airport commission compact,
15 unless he has been subsequently pardoned therefor by the Governor
16 or other appropriate authority of the state or jurisdiction in which
17 such conviction was had or has received a certificate of good conduct
18 or other relief from disabilities arising from the fact of conviction
19 from a board of parole or similar authority. No person so con-

20 victed shall serve as an officer, agent or employee of such labor
21 organization, welfare fund or trust unless such person has been so
22 pardoned or has received such a certificate of good conduct. No
23 person, including such labor organization, welfare fund or trust,
24 shall knowingly permit such convicted person to assume or hold
25 any office, agency or employment in violation of this section.

26 As used in this section, the term "labor organization" shall mean
27 and include any organization which exists and is constituted for
28 the purpose in whole or in part of collective bargaining, or of
29 dealing with employers concerning grievances, terms and conditions
30 of employment, or of other mutual aid or protection; but it shall
31 not include a federation or congress of labor organizations organ-
32 ized on a national or international basis even though one of its
33 constituent labor organizations may represent persons who hold
34 licenses or permits issued by the commission pursuant to the airport
35 commission compact.

1 5. Prohibition against employer organizations having officers,
2 agents or employees who have been convicted of certain crimes
3 and offenses. No person shall solicit, collect or receive any dues,
4 assessments, levies, fines or contributions, or other charges within
5 the State for or on behalf of any organization of employers
6 (whether incorporated or not) 20% or more of whose members
7 have in their employment any employees who are members of a
8 labor organization to which the prohibition of section 4 of this act
9 is applicable, if any officer, agent or employee of such employer
10 organization or of a welfare fund or trust administered partially
11 or entirely by such employer organization or by trustees or other
12 persons designated by such employer organization, has been con-
13 victed by a court of the United States, or any state or territory
14 thereof, of a felony, any misdemeanor involving moral turpitude
15 or any crime or offense enumerated in subdivision (a) of section 3
16 of Article IV of the airport commission compact, unless he has
17 been subsequently pardoned therefor by the Governor or other
18 appropriate authority of the state or jurisdiction in which such
19 conviction was had or has received a certificate of good conduct
20 or other relief from disabilities arising from the fact of conviction
21 from a board of parole or similar authority. No person so con-
22 victed shall serve as an officer, agent or employee of such employer
23 organization, welfare fund or trust unless such person has been
24 so pardoned or has received such a certificate of good conduct. No
25 person, including such employer organization, welfare fund or
26 trust, shall knowingly permit such convicted person to assume

27 or hold any office, agency or employment in violation of this section.

1 6. Exceptions for certain employees. If upon application to
2 the commission by an employee who has been convicted of a crime
3 or offense specified in section 4 or section 5 of this act the com-
4 mission, in its discretion, determines in an order that it would not
5 be contrary to the purposes and objectives of the airport commis-
6 sion compact for such employee to work in a particular employment
7 otherwise prohibited by section 4 or section 5 of this act, the pro-
8 visions of section 4 or section 5 of this act, as the case may be,
9 shall not apply to the particular employment of such employee
10 with respect to such conviction or convictions as are specified in
11 the commission's order. This section is applicable only to those
12 employees who for wages or salary perform manual, mechanical
13 or physical work of a routine or clerical nature at the premises
14 of the labor organization, employer organization, welfare fund or
15 trust by which they are employed.

1 7. Civil penalties. The commission may maintain a civil action
2 on behalf of the State against any person who violates or attempts
3 or conspires to violate any provision of this act or who fails, omits
4 or neglects to obey, observe or comply with any order or direction
5 of the commission issued under this act, to recover a judgment for
6 a money penalty not exceeding \$500.00 for each and every offense.
7 Every violation of any such provision, order or direction shall be
8 a separate and distinct offense and, in case of a continuing viola-
9 tion, every day's continuance shall be and be deemed to be a
10 separate and distinct offense. Any such action may be settled or
11 discontinued on application of the commission upon such terms as
12 the court may approve and a judgment may be rendered for an
13 amount less than the amount demanded in the complaint as justice
14 may require.

1 8. Civil enforcement. The commission may maintain a civil ac-
2 tion against any person to compel compliance with any of the pro-
3 visions of this act or any order or direction of the commission
4 issued under this act or to prevent violations, attempts or con-
5 spiracies to violate any such provisions, or interference, attempts
6 or conspiracies to interfere with or impede the enforcement of any
7 such provisions or the exercise or performance of any power or
8 duty thereunder, either by mandamus, injunction or action or pro-
9 ceeding in lieu of prerogative writ.

1 9. Exemption from arrest and service of process. If a person
2 in obedience to a subpoena, issued pursuant to this act directing
3 him to attend and testify comes into either State party to this act

4 from the other State, he shall not, while in that State pursuant to
5 such subpoena, be subject to arrest or the service of process, civil or
6 criminal, in connection with matters which arose before his en-
7 trance into such State under the subpoena.

1 10. Nonresident witnesses. Any investigation, interview or
2 other proceeding conducted by the commission pursuant to the
3 provisions of this act shall be deemed to be a civil action pending
4 in the Superior Court in New Jersey so as to permit the commis-
5 sion to obtain disclosure, in accordance with the provisions govern-
6 ing disclosure in such civil actions, from any person who may be
7 outside the State.

1 11. Officers and employees. Any officer or employee in the State,
2 county or municipal civil service in either State who shall transfer
3 to service with the commission may be given one or more leaves
4 of absence without pay and may, before the expiration of such leave
5 or leaves of absence, and without further examination or qualifica-
6 tion, return to his former position or be certified by the appropriate
7 civil service agency for retransfer to a comparable position in such
8 State, county or municipal civil service if such a position is then
9 available.

10 The commission may, by agreement with any Federal agency
11 from which any officer or employee may transfer to service with the
12 commission, make similar provision for the retransfer of such
13 officer or employee to such Federal agency.

14 Notwithstanding the provisions of any other law in either State,
15 any officer or employee in the State, county or municipal service
16 in either State who shall transfer to service with the commission
17 and who is a member of any existing State, county or municipal
18 pension or retirement system in New Jersey or New York, shall
19 continue to have all rights, privileges, obligations and status with
20 respect to such fund, system or systems as if he had continued in
21 his State, county or municipal office or employment, but during the
22 period of his service as a member, officer or employee of the com-
23 mission, all contributions to any pension or retirement fund or
24 system to be paid by the employer on account of such member,
25 officer or employee, shall be paid by the commission. The commis-
26 sion may, by agreement with the appropriate Federal agency, make
27 similar provisions relating to continuance of retirement system
28 membership for any Federal officer or employee so transferred.

1 12. Penalties. Any person who shall violate any of the provi-
2 sions of this act, for which no other penalty is prescribed, shall be
3 guilty of a misdemeanor, punishable by a fine of not more than

4 \$1,000.00 or imprisonment for not more than 1 year or both.

1 13. Appropriation. The sum of \$200,000.00 or such part thereof
2 as may be necessary is hereby appropriated to the commission, out
3 of any available funds in the State Treasury, for the purposes of the
4 airport commission compact as provided for by this act, payable
5 on the audit and warrant of the comptroller on voucher certified
6 by the commission. The amount so appropriated shall, together
7 with such amounts as may be similarly appropriated by the State
8 of New York, be held by the commission as an advance of operating
9 funds, repayable to the respective States in installments from time
10 to time, in proportion to their initial contributions.

1 14. Short title. This act and the act to which this act is
2 amendatory and supplementary shall be known and may be cited
3 as the "Waterfront and Airport Commission Act."

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

1 16. This act shall be liberally construed to eliminate the evils
2 described therein and to effectuate the purposes thereof, and the
3 powers vested in the waterfront and airport commission hereby
4 shall be construed to be in aid of and supplemental to and not in
5 limitation of or in derogation of any of the powers heretofore con-
6 ferred upon or delegated to the waterfront and airport commission.

1 17. Section 2 of chapter 14 of the laws of 1954 is amended to read
2 as follows:

3 2. 5-b. Additional powers of the commission. In addition to the
4 powers and duties elsewhere described in this act, the commission
5 shall have the following powers:

6 (1) To issue temporary permits and permit temporary registra-
7 tions under such terms and conditions as the commission may pre-
8 scribe which shall be valid for a period to be fixed by the com-
9 mission not in excess of 6 months.

10 (2) To require any applicant for a license or registration or any
11 prospective licensee to furnish such facts and evidence as the
12 commission may deem appropriate to enable it to ascertain whether
13 the license or registration should be granted.

14 (3) In any case in which the commission has the power to re-
15 voke, cancel or suspend any stevedore license the commission shall
16 also have the power to impose as an alternative to such revoca-
17 tion, cancellation or suspension, a penalty, which the licensee may
18 elect to pay the commission in lieu of the revocation, cancellation
19 or suspension. The maximum penalty shall be \$5,000.00 for each
20 separate offense. The commission may, for good cause shown,
21 abate all or part of such penalty.

22 [(4) To designate any officer, agent or employee of the commis-
23 sion to be an investigator who shall be vested with all the powers
24 of a peace or police officer of the State of New York in that State,
25 and of the State of New Jersey in that State.

26 (5)] (4) To confer immunity, in the following manner: In any in-
27 vestigation, interview or other proceeding conducted under oath
28 by the commission or any duly authorized officer, employee or
29 agent thereof, if a person refuses to answer a question or produce
30 evidence of any other kind on the ground that he may be incrim-
31 inated thereby, and notwithstanding such refusal, an order is made
32 upon 24 hours' prior written notice to the appropriate Attorney
33 General of the State of New York or the State of New Jersey, and
34 to the appropriate district attorney or prosecutor having an offi-
35 cial interest therein, by the unanimous vote of both members of
36 the commission or their designees appointed pursuant to the pro-
37 visions of section 3 of Article III of this act, that such person
38 answer the question or produce the evidence, such person shall
39 comply with the order. If such person complies with the order,
40 and if, but for this subdivision, he would have been privileged to
41 withhold the answer given or the evidence produced by him, then
42 immunity shall be conferred upon him, as provided for herein.

43 "Immunity" as used in this subdivision means that such person
44 shall not be prosecuted or subjected to any penalty or forfeiture
45 for or on account of any transaction, matter or thing concerning
46 which, in accordance with the order by the unanimous vote of both
47 members of the commission or their designees appointed pursuant
48 to the provisions of section 3 of Article III of this act, he gave
49 answer or produced evidence, and that no such answer given or
50 evidence produced shall be received against him upon any crimi-
51 nal proceeding. But he may nevertheless be prosecuted or sub-
52 jected to penalty or forfeiture for any perjury or contempt com-
53 mitted in answering, or failing to answer, or in producing or failing
54 to produce evidence, in accordance with the order, and any
55 such answer given or evidence produced shall be admissible against

56 him upon any criminal proceeding concerning such perjury or
57 contempt.

58 Immunity shall not be conferred upon any person except in ac-
59 cordance with the provisions of this subdivision. If, after compli-
60 ance with the provisions of this subdivision, a person is ordered
61 to answer a question or produce evidence of any other kind and
62 complies with such order, and it is thereafter determined that the
63 appropriate Attorney General or district attorney or prosecutor
64 having an official interest therein was not notified, such failure or
65 neglect shall not deprive such person of any immunity otherwise
66 properly conferred upon him.

1 18. Section 3 of Part II and section 10 of Part III of chapter 202
2 of the laws of 1953, as amended; sections 5 and 6 of chapter 14 of
3 the laws of 1964; section 2 of chapter 19 of the laws of 1956 are
4 hereby repealed.

1 19. Except for sections 15 and 16 of the act which shall take effect
2 immediately, this act shall take effect upon the enactment into law
3 by the State of New York of legislation having an identical effect
4 as section 3 (airport commission compact) of this act, but if the
5 State of New York shall have already enacted such legislation, then
6 this entire bill shall take effect immediately.

STATEMENT

The proposed legislation provides for the establishment of an airport commission compact between the States of New York and New Jersey and for the Waterfront and Airport Commission of New York and New Jersey (now the Waterfront Commission of New York Harbor) to administer such a compact, with appropriate provisions for defraying the commission's expenses and for an interim advance by the State which the commission would repay and, in addition, to enact a penal prohibition against criminals holding positions in certain unions or employer organizations in the air freight industry.

The bill would amend the Waterfront Commission Act by changing it to the Waterfront and Airport Commission Act and by adding thereto a Part IV embodying an airport commission compact between the States of New York and New Jersey. The airport compact contains provisions for licensing the employees handling air freight, the contract trucking firms, the operators of air freight terminals or warehouses, and labor relations consultants in the air freight industry. The airport compact also contains provision for

enabling the commission to extend better protection to airport areas where air freight is stored by providing that no one not licensed by the commission shall have access to any area in an airport designated by the commission as an air freight security area without a permit issued by the commission.

Recent investigations conducted by the New York State Investigation Commission concerning the air freight industry at Kennedy Airport has adduced evidence documenting the pervasive existence of criminals and corrupt practices in the handling of air freight. It has been established that criminal and racketeer elements have infiltrated and are exercising a substantial measure of control over the air freight industry; that criminal and racketeer elements have obtained key positions in unions and in employer associations; in the air freight industry; that criminals often pose as labor relations consultants to the air freight industry and that firms handling air freight are often forced to employ or engage such "consultants"; and that one of the incidents of such criminal and racketeer infiltration and control of the air freight industry is an alarming rise in the amount of pilferage and theft of valuable air freight.

The hearings held by the State Investigation Commission show that there is already an investment of 606 million dollars in the four major airports of the metropolitan area, that since 1956 the amount of tonnage handled at Kennedy alone has increased from 65,000 tons to 552,000 tons in 1967 and that it is anticipated that by 1980 the volume of cargo will reach 2,500,000 tons at Kennedy alone. The estimated value of air freight has increased from 2.7 billion in 1962 to 6.3 billion in 1967.

The air freight industry in the New York area is inseparable from the air freight industry in New Jersey. The same airlines operate out of Kennedy Airport as do out of Newark; air freight forwarders who operate warehouses in Kennedy also operate warehouses in Newark Airport; freight is interchanged between New York Airports and New Jersey Airports; Newark functions as a distributing and receiving station for international freight; unions which have been shown to be dominated by criminals in the New York area also represent employees in New Jersey; and the transportation of goods by air constitutes an integral and inseparable unit of commerce of vital importance to the economic prosperity of New Jersey as well as New York. It is imperative to the continued growth and economic well-being of the air freight industry that criminal infiltration and control in that industry be eliminated and that every possible effective measure be taken to stop the

alarming rise in the pilferage and theft of air freight which in Kennedy alone has increased in value from \$45,000.00 in 1952 to over \$2,713,000.00 in the most recent year.

To date, New Jersey has not experienced the effects of serious criminal control and large scale thefts that have been taking place at the New York Airports. It is imperative, however, that adequate measures be taken to prevent similar serious conditions at Newark Airport. The air freight industry is in its infancy. With the development of existing airports and the establishment of new international airports in the metropolitan areas, effective steps must be taken so that the air freight industry will not degenerate to the deplorable and lawless state that existed on the waterfront before the establishment of the Waterfront Commission of New York Harbor when the underworld had a complete stranglehold over the commerce of the port.

There has been unanimous editorial support by all the major metropolitan newspapers in both New York and New Jersey for the enactment of this bill into law.

ASSEMBLY AMENDMENTS TO
SENATE, No. 791

STATE OF NEW JERSEY

ADOPTED MAY 7, 1970

Amend page 1, title, line 14, omit "and airport".

Amend page 1, title, line 15, omit ", and, in the".

Amend page 1, title, line 16, omit.

Amend page 1, title, line 17, omit "New Jersey".

Amend page 2, section 1, line 7, omit "and airport".

Amend page 2, section 1, line 8, omit ", and, in the".

Amend page 2, section 1, line 9, omit.

Amend page 2, section 1, line 10, omit "New Jersey".

Amend page 7, section 4, line 100, omit "11" insert "5".

Amend page 9, section 4, line 173, omit the period, insert a semicolon.

Amend page 11, section 4, line 280, omit the semicolon insert a colon.

Amend page 13, section 4, after line 341, in heading of Article V,
insert a comma after "Operators".

Amend page 23, section 4, line 757, omit "day", insert "30 days".

Amend page 26, section 5, line 10, omit "received", insert "receives".

Amend page 26, section 5, line 31, before "office", insert "any".

Amend page 27, section 7, line 8, after "6," insert "the provisions of
section 5 or section 6,".

Amend page 28, section 11, line 4, after "New Jersey", insert "or the
Supreme Court in New York".

Amend page 28, section 11, line 7, omit "State", insert "States".

S 791

Ch 58

FROM THE OFFICE OF THE GOVERNOR

MAY 20, 1970

FOR RELEASE:
THURSDAY, A.M.

Governor Cahill today announced he had signed a bill to strengthen the Waterfront Commission, combating the infiltration of organized crime and cargo thefts at the major New York - New Jersey metropolitan airports.

The Governor also said he had received word that Governor Nelson Rockefeller had signed a similar measure simultaneously in his state.

The measures had been proposed by both governors earlier this year. Since the Waterfront Commission is a bi-state instrumentality, approval was necessary in both states to carry out the program.

"It is important" Governor Cahill said "that the Commission cooperate with airlines in implementing a program that will give us maximum security while at the same time providing minimum interference with the overall speedy operation at the New York - New Jersey airports."

"I am particularly gratified by the cooperation extended by Governor Rockefeller in obtaining passage of this important measure in his state."

"Governor Rockefeller and I plan to join together in working for congressional approval of the legislation, and we will then be working with the federal government to insure cooperation of federal agencies in advancing the security of air cargo and the control of crime at the terminals."

Governor Cahill commended Senator Frank McDermott for his consistent leadership since 1968 in sponsoring this legislation. "The enactment of this law strengthening the Waterfront Commission in New York and New Jersey is really attributable to Senator McDermott's leadership," Cahill said.
