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CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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B E F O R E:  
DANIEL R. GARODNICK  
Chairperson

COUNCIL MEMBERS:  
Vincent J. Gentile  
Julissa Ferreras-Copeland  
Karen Koslowitz  
Donovan J. Richards  
Inez D. Barron  
I. Daneek Miller  
Joseph C. Borelli

## A P P E A R A N C E S (CONTINUED)

Max Taffet  
Vice President  
Ports and Transportation  
NYC Economic Development Corporation

Andrew Genn  
Senior Vice President  
Ports and Transportation  
NYC Economic Development Corporation

Matt Chaban  
Policy Director  
Center for an Urban Future

COMMITTEE ON ECONOMIC DEVELOPMENT

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[sound check]

[pause]

[gavel]

CHAIRPERSON GARODNICK: Good morning and welcome to the Economic Development Committee of the New York City Council; today is November 28th, 2017. My name is Dan Garodnick and I have the privilege of chairing this committee.

New York City has traditionally been a major hub for domestic and international air cargo; the New York metropolitan area has many competitive advantages over other places in North America: it's three major airports, it's proximity to developed European markets, as well as connections to emerging markets like the Middle East and Africa, and New York City itself represents a dense consumer market like nowhere else in the country; over 8.5 million people. The City is extremely diverse, over 35 percent of New Yorkers are foreign born, meaning; the residents of many of our city's communities have strong ties their home countries and often long for the products to be imported here in the city. And New York also has seen around 50 million tourists per year, which can

significantly add to any business potential customer base.

Since 1948, the Port Authority of New York and New Jersey has managed JFK, Newark, and LaGuardia Airports, and in the decades since it has invested billions of dollars in capital improvements into all three. Unfortunately, these capital improvements have not always kept pace with technology; specifically, many of the cargo facilities at JFK Airport are over 40 years old and are in dire need of renovation and modernization. While JFK does boast the nation's largest international freight gateway for air cargo, nearly 60 percent of the space available for cargo -- roughly 3.9 million square feet -- is deemed nonviable, which means it is unfit for modern screening, storage, and distribution. In other words, most of JFK Airport's cargo facilities are full of wasted space. This wasted space is having a measurable impact on JFK's standing as a cargo destination. According to a recent investigative report by the Center for an Urban Future, the functional cargo facilities at JFK exist alongside aging or obsolete buildings that can no longer be

used for cargo and scattered across several areas of the airport, making it difficult for freight clients to move or access their cargo.

JFK is one of only two major American airports that have seen an overall reduction in air cargo over the last five years, only one of two major American airports; that's a drop of 6.3 percent, and that's only the last few years. Since 2004, cargo volume at JFK is down 26 percent. This lost cargo may have a parallel measurable impact on the regional workforce and the City's economy.

The air cargo workforce at JFK sustains around 34,000 jobs citywide. These positions include 15,000 jobs at the airport itself, comprising around 20 percent of the total airport workforce, and these are solid, middle-class jobs; the average air cargo worker at JFK earns \$44,000 a year and has opportunities for upward mobility. Unfortunately, as cargo moves away from JFK, so do the jobs and the economic opportunities they present.

In 2004, JFK's air cargo industry sustained over 46,000 jobs; today that number has also dropped by 26 percent to just 34,000 jobs so that many fewer New Yorkers are today employed by the

air cargo industry. While the Port Authority has been slow to upgrade JFK's cargo facilities, the Economic Development Corporation and the Center for an Urban Future have made several suggestions of the most effective ways to do so, including the construction of updated cargo facilities at the airport and right-sizing of existing ones, changing business practices to better meet the needs of the air cargo industry, and expanding the marketing and public relations efforts at JFK as a destination for cargo.

We're so glad that EDC is here with us today and we look forward to hearing from them this morning. And before I turn the floor over to EDC, I'd like to thank my committee staff: Legislative Counsel Alex Paulenoff; Policy Analyst Nadia Johnson; Finance Analyst Aliya Ali; and my Chief of Staff, Marianna Vaidman Stone for their hard work in putting the hearing together.

And with that, we are going to first hear from Andrew Genn and Max Taffet of the New York City Economic Development Corporation. Gentlemen, we're glad you're here, and as soon as you are ready, please go ahead and begin.

MAX TAFFET: Good morning Chair Garodnick and member of the Economic Development Committee. My name is Max Taffet; I am a Vice President in the Ports and Transportation Department of the New York City Economic Development Corporation. I am joined by my colleague, Andrew Genn, Senior Vice President of Ports and Transportation.

I'd like to provide an overview of the air cargo industry's importance to New York City's economy and discuss the challenges and opportunities that the industry faces at John F. Kennedy Airport. I'll also review the study that NYCEDC and the Port Authority conducted on the industry, as well as highlight key initiatives and investments that both parties have made to position JFK for growth.

Historically, since 1947/1948 the City of New York has maintained a lease with the Port Authority of New York and New Jersey to operate JFK. New York City Economic Development Corporation administers the airport lease; most recently renewed in 2003 by Governor Pataki and Mayor Bloomberg. The current lease expires in 2050.

Domestic and international planes bring 59 million passengers a year to and from JFK. Over

JFK's long history as a center of American aviation, it developed a vibrant ecosystem of on- and off-airport industries. Today, plane traffic from the passenger and freight aviation operation employs 35,000 people in the air cargo industry.

As noted in both the 2013 EDC and Port Authority air cargo study and a 2017 report written by the Center for an Urban Future, air cargo is a critical part of the City's freight economy. In the 2013 air cargo study, EDC and the Port Authority found that cargo-related employment at JFK exceeded 34,000; this generated \$2.2 billion in wages and almost \$6.6 billion in sales. It's estimated that every additional thousand tons of air cargo handled at JFK creates up to 35 jobs in the city's supply chain. Needless to say, cargo is a significant job creator and boost to our economy.

JFK is currently the seventh largest airport for air cargo in the United States. Our key competitors are airports that focus on the import and export of international cargo, including Miami, Los Angeles and Chicago. Historically, Los Angeles focused on the Asian market, Miami on the Latin American market, and JFK on the European market.



With Open Skies policy that began in the late 1970s and an evolution in aircraft technology, both U.S. and foreign carriers have expanded international service to many more U.S. markets. This allows imported and exported cargo to fly directly to locations closer to points of production or distribution. Advancements in airplane fuel efficiency and lighter and larger aircraft has resulted in aircraft with increased air freight belly capacity in new passenger airplanes, expanding the number of potential U.S. air cargo parts of entry and exit.

Because of these challenges, we've seen Chicago, Washington Dulles, and Atlanta Hartsfield see to capture air cargo business from JFK, but JFK remains a formidable competitor and continues to be the nation's highest value port for import and export of air cargo. In 2016, \$184 billion worth of international goods were sent into or out of JFK, representing over 18 percent of the value of total U.S. international air cargo.

Moreover, the airport and New York City retain enormous competitive advantages which JFK continues to capitalize on. First, New York City

remains the nation's largest consumer market, with an affluent, well-educated and diverse population; shippers with goods destined for the New York metropolitan area, New England and Mid-Atlantic often make JFK their first choice.

Second, JFK has the most international passenger traffic of any airport in the United States; the majority of international flights to New York City derive revenue, carrying belly cargo along with passenger baggage.

Third, JFK has specialized facilities such as the newly built animal handling facility that can handle almost every type of cargo. The airport has an unparalleled network of freight forwarders, custom brokers and trucking companies that can process and ship cargo and are familiar with ever-changing customs and security regulations.

The fourth factor might come as a surprise to New Yorkers accustomed to living in dense, tight spaces; JFK actually has room for growth. With almost 5,000 acres, JFK can accommodate forecast demand for the air cargo facilities for the next 30 years. The airport is larger than Miami or LAX and is approximately the size of Atlanta

Hartsfield. Chicago O'Hare remains our only key competitor with more land.

When we recognized that there are several contributing factors for the recent decline in performance in JFK in relation to our peer airports. First and foremost, the growth of international traffic at competing airports due to Open Skies, evolving consumer markets, and changing technology has contributed to JFK's performance. This has shrunk JFK's catchment area, where in the past JFK had by far the greatest number of international flights, competing airports have pursued international routes, and airlines have responded with additional flights to more destinations, meeting passenger and cargo demand. Second, congested and constrained infrastructure had time and cost to shipping from JFK. Tolls, combined with limited cross New York City and Hudson River roadways can make it challenging for air cargo to get to and from JFK. Third, JFK's facilities have not kept pace with the modern standards and many of the facilities are considered obsolete.

Up until 1990, JFK was the largest airport port of entry into the United States, the

U.S. air cargo industry was born at JFK and consequently, JFK has an abundance of legacy infrastructure which complicates reinvestment.

Finally, business and leasing practices and the lack of aggressive cargo marketing has limited growth opportunities. Prior to 2013, JFK representation was lacking at international and domestic air cargo industry trade events, while on a larger scale, major investments and facility leasing initiatives are pending next steps on the Governor's January 2017 vision plan for JFK, which incorporates additional air cargo facility investment. Both EDC and the Port Authority recognize that the decline in cargo volumes needed to be addressed.

The first step in January 2013 was issuing a study of industry and airport competitive challenges. The goal of the study was to identify ways to increase cargo volumes at JFK and reap the benefits of increased employment, wages and sales. We recognized that supply chain jobs offered entry level employment and career opportunities for City residents and workers. The study found primarily that the demand for air cargo at JFK is projected to increase over the 20 years between 2010 and 2030, but

in order to arrive at this forecast, it required that the Port Authority and the City implement a host of initiatives to recruit new companies and carriers to JFK. As I'll now describe, there are critical opportunities underway to improve and replace obsolete and aging air cargo facilities, update business practices, and improve access to the airport and promote and market JFK as a premier air cargo destination.

On the facilities front, the ARK animal care facility at JFK, the JFK Airport Travel Plaza, and a new cargo building represent three examples of how obsolete and aging facilities are being updated to keep the airport competitive. This is especially important as the cargo business becomes increasingly specialized. Given the significant cost of air cargo compared to moving goods by land and sea, only goods that are high value or have to arrive at their destination quickly are shipped by air.

Shippers now require specialized facilities at major international cargo gateways to meet their evolving needs. The ARK at JFK is a specialized facility that provides state-of-the-art animal handling to shippers at JFK. The shipment of

live animals is a growing and lucrative niche market in air cargo -- JFK's prior facility was woefully inadequate.

Phase one of ARK opened January 2nd of this year and Phase two opened in June. The cargo facility is able to handle everything from horses and livestock to household pets; it includes quarantined facilities and inspection services that used to be housed near Stewart Airport in Upstate Orange County. The City's Industrial Development agency played a key role in making this facility a reality by helping to finance it.

JFK Airport Travel Plaza opened in 2014 and its parking facility opened in 2015. Amazingly enough, this is the first rest stop for trucks and buses in New York City and the lot is filled with trucks and buses on a regular basis. It offers the cargo industry a state-of-the-art fueling facility for trucks as well as biodiesel and charging facilities for electric cars. Restaurants and services are provided for airport employees and drivers. The 7-Eleven on-site serves more coffee than any other 7-Eleven in the United States. Perhaps most importantly, the Airport Plaza includes

a parking lot for tractors and trailers. The development responds to the industry need for truck layover location, with the intention of getting trucks off city streets.

While these facilities lay important groundwork, additional new facilities are still very much needed at JFK. Last week the Port Authority Board authorized its executive director to execute a lease for a new 346,000-square-foot on-airport cargo warehouse. The facility, the first to be built in over 15 years, will consolidate most of the operations of the largest cargo handler at JFK, Worldwide Flight Services. This will enable the company to provide better service to its airline customers and speed up delivery of cargo from planes to final destination.

These three facilities are essential improvements at JFK; continued investment in the remaining aging infrastructure is needed, as are additional specialized facilities.

With regard to business practices, while interviewing businesses for the study, we heard one refrain over and over -- Why is it prohibited to ship goods to JFK in 53-foot trailers when every other

airport in America allows them? EDC and the Department of Transportation cooperated on an analysis of JFK-bound trucks that led to the lifting of the restriction in March of 2015. By allowing industry standard tractor trailers to be used at the airport as opposed to the 48-foot trailers previously allowed, one additional pallet of cargo can be loaded onto each truck. An additional benefit to New York City residents is that this increased trailer capacity leads to a reduction in total volume of trucks on the roads. Following the adoption of the rule change, UPS changed out its fleet serving JFK and now carries the same volume of freight and fewer trucks.

EDC, along with the Department of Small Business Services has also supported the supported the creation of a business improvement district (BID) at Springfield Gardens. This area adjacent to the airport has over 6 million square feet of warehouse and distribution space, critical to the efficient functioning of JFK. The district and it surrounding area is where a good portion of the region's customs brokers and freight forwarder businesses are located. These businesses and their employees power an



industry that supports critical supply chain management for the JFK air cargo industry as well as the seaports in Brooklyn, Staten Island, and New Jersey. The district also features roughly 150 housing units, whose residents coexist with the supply chain industry.

Gateway JFK, as the BID is now called, was signed into law by Mayor de Blasio in December 2016, with the support of Council Member Richards and other local elected officials. As one of the few industrial business improvement districts in the city, it will work to ensure that City services, such as snow removal, are coordinated with the cargo businesses.

On the marketing front, both EDC and the Port Authority have made increased investments to market JFK's air cargo capabilities. EDC and the Port Authority have exhibited at the last three International Air Cargo Association trade shows and Port Authority representatives have attended additional trade shows to tell the JFK story and highlight our competitive advantages. EDC also promoted the trucking rule change in the media to

ensure the industry became aware of the new opportunity.

Maintaining JFK's role as a premier air cargo gateway:

While there have been a number of changes over the past few years, we at EDC are mindful of the competitive threats that continue to affect air cargo volumes at JFK and we remain dedicated to pursuing new opportunities to maintain JFK's role as a premier air cargo gateway. With improved facilities, good business practices and effective promotion, we see JFK continue to be the premier air cargo gateway for the entire northeast and Mid-Atlantic region. EDC's ultimate goal is to strengthen the city's economy and provide good jobs to our residents. We look forward to working with you, the Port Authority and industry partners to grow the business.

Thanks for your attention; we'll be glad to answer any questions that you may have.

CHAIRPERSON GARODNICK: Terrific. Well thank you very much for your testimony and it sounds like we've got a few challenges but that there are some steps that are already underway.

I want to just start by getting a handle on the terminology, about how we define cargo; what exactly is a fast-moving or valuable thing that needs to be transported that would go by air as opposed to say boat or truck or any other means. So just set the stage for us just a little bit more about how we define these terms and what exactly we're talking about here when we're thinking about those goods that are going to other places instead of say JFK.

ANDREW GENN: I want to start. I'm Andrew Genn; I'm the Senior Vice President for Ports and Transportation. I really want to thank the Committee, you, Chair Garodnick, for having this hearing today. You know we really care a lot about freight, so it's great for us to be able to talk about it, and when it comes to air cargo, air cargo wants to move things quickly, and one of the focuses of that is what we call just in time delivery, so oftentimes what you have at JFK is the export of a good that's going to say a -- like a precision instrument that's going to... that's being exported out of JFK to go to a factor in Europe or Asia would be an example of something that's exported out, and I think it's important to realize it's not just stuff

1 coming in, but it's also things that we send out.  
2 Another thing that goes out from JFK in volume are  
3 lobsters from Maine that come through JFK. But  
4 because JFK has so many destinations you know by far  
5 than any other airport, we are able to reach those  
6 markets, whether it's in Asia, Europe or Oceania, so  
7 that's our great advantage. Now coming in, a great  
8 story we can tell you is; things like precious gems  
9 and diamonds -- the diamond district in Manhattan  
10 relies on JFK to get uncut stones and you know we  
11 have a corner of the market in terms of the cutting  
12 of those stones and then sending them out to world  
13 markets. So it's an interesting... it doesn't get  
14 talked about a lot, but I think it really  
15 crystallizes I think the value of JFK to the city's  
16 economy.  
17

18 MAX TAFFET: I would add to that that  
19 regular flows of goods are fish from JFK coming in  
20 from abroad going directly to the new Fulton Fish  
21 Market. If you go up to Hunts Point you'll see air  
22 cargo containers that have just been discharged from  
23 trucks there. Similarly, there is a large  
24 pharmaceutical industry out in Long Island and JFK is  
25

the conduit to the globe for those perishable, highly sensitive exports. Yeah.

CHAIRPERSON GARODNICK: That's an outbound?

MAX TAFFET: Yeah, an export.

CHAIRPERSON GARODNICK: Okay, so pharmaceuticals. Okay, so the idea that JFK has lost some of its cargo over the last 13 years or so, a significant amount of its cargo, has it lost it in the outbound or the inbound direction? Because the reasons that you cited in your testimony for why we've had some competitive challenges here were: more opportunities to go to other airports, so that's an inbound; congestion related to JFK, which could inbound or outbound; and obsolete facilities. How are the inbound and the outbound affected by each of those competitive challenges for us?

ANDREW GENN: I think the first thing to point out is that knowing what our competitive challenges are is the first step; right, and I think that the work that we've been doing with the Port Authority has given us a great sense of what it is that we need to do. So I think our mantra really is to focus on the kinds of commodities that want to

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MAX TAFFET: And also just to add that shifts in manufacturing locations, both domestically and abroad, end up having a direct impact on transportation choices. As manufacturing has moved more westerly from the east coast, that has drawn some of the traffic that otherwise would be leaving the country through JFK into the catchment areas of other airports in the United States. Similarly, on the other end of the import, those goods coming into the United States, a shift in manufacturing locations

-- greater manufacturing taking place in East Asia and where specifically that manufacturing is taking place in East Asia or Southeast Asia results in different connecting flights into the U.S., which are being weighed and balanced versus size of planes and how much fuel capacity and where closer U.S. airports are that they are able to balance the weight of goods in their hull along with the fuel that they have to carry in order to transit that distance.

CHAIRPERSON GARODNICK: Okay, so I understand that there are some broader trends -- Open Skies, lighter airplanes, the ability to bring goods more directly to other marketplaces -- I get that; that's, sadly, somewhat out of our control as a municipality; the things that are not outside of our control are questions of congestion and obsolete facilities and marketing. Is that a fair statement?

MAX TAFFET: Yes.

CHAIRPERSON GARODNICK: Okay. It remind me a little bit of the commercial rent tax, right; we have vacant storefronts in Manhattan, in large degree caused by factors that involve online shopping and other things that are doing harm to retail and yet there is a tax that we're actually also imposing on

our local businesses that are things that we can control; in this case, commercial rent tax, and here it would be an example of the obsolete facilities or congestion, so let's talk about those for a second. Do we actually know that congestion to and from JFK is or has been a factor for those who are shipping in and out of to use JFK for cargo?

ANDREW GENN: It is a factor and one of the ways that we addressed it was by changing the rules and allowing the 53-foot trucks to go to JFK, and by doing that, we were saying to the industry, you can be more efficient; you can handle... you can be just like very other airport in the rest of the country and carry that additional pallet and therefore reduce your costs. I would say we're also interested in what New York State is proposing to improve access into JFK; they're just beginning that process of looking at the roads, the highways into and out of JFK and to address chronic congestion on the Van Wyck Expressway. So I think we have to be honest with ourselves, you know we have this congestion, but the question now is how do we deal with it effectively?



CHAIRPERSON GARODNICK: Congestion in and around JFK and he walks in on cue, Council Member Richards. Okay, [background comment] so let's... let's talk... let's talk about -- well that's the subject we were on; your timing is perfect. Did the change in rule from 53 to 48-foot... the other way, from 48 to 53-foot trucks; were we able to measure that that actually had an impact on congestion in and around JFK?

ANDREW GENN: It has. I mean it in terms of the number of trucks that a big generator like UPS is sending, they are sending... it results essentially like a 15-20 percent reduction in the number of trucks going to JFK, because that's the amount of additional space that the trucks are able to carry with that increase. So that kind of thing I think is the smart way to kind of address congestion in the near term and then look long-term at infrastructure improvement.

CHAIRPERSON GARODNICK: It sounds intuitive what you're saying, that congestion in and out would impact one's decision about using JFK as a place to bring or send cargo, and it also sounds like we have measured the number of trucks that are coming

in as a result of that change in the rule. But do we know that congestion is actually a factor for the various entities that would make the choice; the companies and carrier who send cargo are factoring that in in deciding whether to go to New York or one of our competitor airports?

MAX TAFFET: Sure. We do know that it is a factor, from having conducted interviews with freight forwarders who are kind of the travel agents for a shipper often, that congestion is a consideration. That said; the greater consideration for why a given airport is chosen is the cost of lift. From a relative standpoint, the cost of, the kind of equivalent of that seat on the airplane for a given distance has a proportionally much greater impact on what the overall cost of a good moving from one place to another, and when it comes to specific flight paths -- for instance, from JFK to Heathrow Airport, there is no airport in the world that has a more competitive position for transporting that leg there, and so JFK is the dominant actor in that space and its lift capacity -- the number and frequency of flights -- that is one of the most dominant and driving considerations for freight forwarders, but

it's also through initiatives like the 53-foot truck rule change that we are making efforts of changing the narrative around JFK by having a presence at international trade shows; having conversations with those freight forwarders; making them aware of the changes, that are underway that are juxtaposing that with our innate competitive advantages of lift capacity that we have.

CHAIRPERSON GARODNICK: So this is yet another factor in our list of factors as to why JFK may be more or less competitive, the cost of lift. Sounds like we do very well relative to Heathrow; how do we do compared to other airports to any other destination?

MAX TAFFET: Sure. Well... [interpose]

CHAIRPERSON GARODNICK: And how is it measured? I think you said frequent number and frequency are at least some of the components parts; I don't know if there are other factors.

MAX TAFFET: One of the elements is cost... I think specialization of facilities is another element that is a driver of why different types of commodities end up coming into the country in different locations. As mentioned earlier, some of

1                   our major competitors are Chicago O'Hare, as well as  
2                   Miami's airport. Miami, as an example, is really  
3                   focused on building its business with Latin America  
4                   and flow goods; you'll have flowers that are flying  
5                   in from Peru into Miami and then find their way being  
6                   trucked up the east coast all the way to New York  
7                   City; that is a market that Miami has really focused  
8                   on through specialized facility. In that same vein,  
9                   there are opportunities that we continue to look at,  
10                  assess the market for ensuring that perishables and  
11                  pharmaceuticals, things that are very temperature-  
12                  specific, are driven directly to JFK.

14                 CHAIRPERSON GARODNICK: So that's so  
15                  frustrating, the idea that flowers would be flown to  
16                  Miami and then trucked all the way up the east coast  
17                  to New York, for example, based on the existence of a  
18                  facility there, where we have an airport with room to  
19                  grow. I don't know if there are other categories --  
20                  I mean that's a really good example, I think, of what  
21                  we don't want to happen. Are there other examples  
22                  like that -- and I'll note we've been joined by  
23                  Council Member Borelli as well as Council Member  
24                  Richards, who I noted before -- are there other  
25                  examples like that that you would cite for us here?

ANDREW GENN: I'd like to give an example, and it's in the testimony, of the reverse of that, which is the ARK facility now, the animal handling facility, it means that you know cows from the Midwest are coming into JFK to be exported from New York. So you know we give as good as we get, I guess in some ways, but I think what Max is saying is if you build specialized facilities, like we did with ARK, you can capture those business opportunities and that's sort of the direction that we want to take JFK so that if there are markets like that that are untapped or not being fully explored, we can develop facilities to meet that market.

CHAIRPERSON GARODNICK: Well great, so two great examples; one where we're taking advantage and one where Miami is taking advantage. What are those areas -- and obviously at some point the Port Authority, EDC -- I don't know exactly who was responsible for that ARK handling facility, but decided that this was a good competitive move for one of our airports. How was that determined and what is our strategy to grab the flowers from Miami or -- fill in the blank -- whatever other example that we might see coming down the pike?

MAX TAFFET: Sure. EDC and the Port Authority, since 2013, have really been looking at opportunities, focused commodity areas where we do have a competitive advantage. On that basis, going out and reaching out to those surrounding counties where there are preponderances of industries that have historically been using air cargo services coming out of JFK, and ensuring that we are communicating the opportunities -- the flight frequency, the improvements to on-airport and adjacent to airport -- communicating that there are investments underway at JFK and ensuring that we really focus on those areas such as pharmaceuticals, such as precision machinery, things that are happening that are manufactured in our immediate geography that we want to ensure are not dissipating and driving off in the direction of Chicago in order to take flights elsewhere.

CHAIRPERSON GARODNICK: What is the example of, the best example of a flight that is now going to Chicago that should be coming to New York today?

ANDREW GENN: In the analysis that we've been doing, there are a number of commodities that

are destined for the New York market; they tend to be higher value commodities that are either related to the consumer market and what's happened is, in certain cases, you know Chicago will be all in, beating us on the price of that. One that we, you know, I guess we're a little bit reticent to share, is all of our information; we haven't provided so much detail on specific commodities because those are actually, uh let's say trade secrets, but they are certainly things that we are working on with the Port Authority to address. So we do have and we can share, offline, the kinds of specific commodities that we are looking at attracting to JFK, Council Member, uh... uh... [interpose]

CHAIRPERSON GARODNICK: So... Okay, I... I understand... [crosstalk]

ANDREW GENN: and I'm not, you know...

CHAIRPERSON GARODNICK: I understand your point, but... so it is fair to say then that EDC, working with the Port Authority, has a strategy on a variety of commodities... [interpose]

ANDREW GENN: Yeah.

CHAIRPERSON GARODNICK: that we think New York City might be able to capture with some... [interpose]

ANDREW GENN: Yeah.

CHAIRPERSON GARODNICK: good planning, renovation of outdated facilities, and marketing...

ANDREW GENN: Yes.

CHAIRPERSON GARODNICK: that's fair to say?

ANDREW GENN: Yes, it is.

CHAIRPERSON GARODNICK: We've been joined by Council Member Gentile, welcome. Is it also fair to say that the 346,000-square-foot cargo warehouse that has right now uh has just been announced..

ANDREW GENN: Yes.

CHAIRPERSON GARODNICK: is that for precision -- I'm sorry; what the right term is here -- uhm for precision cargo or for things that need particular handling, like pharmaceuticals or animals or is it for generic uses?

MAX TAFFET: All types of freight will be able to flow through that facility; what that facility is providing the opportunity of is centralizing the cargo operations of one of the



larger cargo handlers at JFK into a single location; that's gonna cause, result in efficiency, which -- this is a really time-sensitive industry; every minute, every half hour counts, so having all of those operations in one location is increasing the competitiveness of JFK in transit times of good moving through the facility.

CHAIRPERSON GARODNICK: Okay, so that's good; that's for one handler of cargo; is that correct, to allow them to consolidate operations at the airport?

MAX TAFFET: Correct; it's the dominant air cargo handler that I believe has roughly 70-80 percent of cargo handling operations at JFK... [crosstalk]

CHAIRPERSON GARODNICK: I'm sorry; what was the name again?

MAX TAFFET: Worldwide Flight Services.

CHAIRPERSON GARODNICK: I have a few more questions; then I wanna go to my colleagues, but I don't want to forget them. So today, Worldwide Flight Services, which does most of the handling of cargo for JFK. Give us the picture of what they're dealing with today in a situation where cargo is not

consolidated in a single 346,000-square-foot facility; what is happening when planes are coming to New York with a variety of things, whether it's precious gems or fish or anything else; what is happening? Lay it out for us.

ANDREW GENN: Well I think what's happening here is there are two old facilities, aged facilities, that Worldwide Flight Services is managing cargo currently at this site, at JFK; the new facility will have one single facility and more of an ideal floor plate so that the passage of cargo from the belly of the aircraft through to the processing and then the warehousing and distribution will just happen in a much more efficient manner than happens today, and that gives the ability to save money to the airlines and that's what they're looking for; that's why the modern facility is so important is because the less handling, the less touching of the cargo that takes place, and the more efficient movement from the plane to the truck takes place, the more competitive your facility is. So it will be freight of all kinds, as we say, the kinds of things that you cited, but it will just be handled more efficiently at the new facility.

CHAIRPERSON GARODNICK: And should we expect that there will be announcements for specialized facilities to handle those various other competitive opportunities for us in the near future?

ANDREW GENN: Yeah, that's exactly what we're working on with the Port Authority is more modernized facilities, just the way the passenger facilities have come online sort of chronologically at JFK, we would like to see the similar thing happen in the defined area at JFK where air cargo takes place; the modernization of facilities and ultimately, the increase in cargo through-put.

CHAIRPERSON GARODNICK: I guess I'm really asking about the specialized facilities, because it sounded like the specialized facilities are the ones where somebody in Nebraska is making a decision to ship... [crosstalk]

ANDREW GENN: Yeah.

CHAIRPERSON GARODNICK: an animal out of JFK and somebody from Peru is sending together New York flowers through Miami -- I'm really asking about those.

ANDREW GENN: What I'd like to suggest is that we do a detailed briefing, offline from a public

hearing, and walk you through kind of the findings and the types of facilities that we're talking about and the types of cargos so we can handle that. It is arguable more sensitive if we talk about those **[inaudible]**... [crosstalk]

CHAIRPERSON GARODNICK: I... Okay, and I understand that point; I'm really just... so for the purpose of this hearing...

ANDREW GENN: Yes.

CHAIRPERSON GARODNICK: is it accurate to say that after the development of a 346,000 more generic but efficient...

ANDREW GENN: Yeah.

CHAIRPERSON GARODNICK: cargo facility at JFK there will also be development of new cargo facilities for these specialized... [interpose]

ANDREW GENN: Yes, that...

CHAIRPERSON GARODNICK: specialized needs...

ANDREW GENN: Yes.

CHAIRPERSON GARODNICK: that would enhance our competitive advantage in specific industries?

ANDREW GENN: That is correct, yes.

CHAIRPERSON GARODNICK: Okay. I'm not going to go to Council Member Richards.

COUNCIL MEMBER RICHARDS: Thank... thank you, chair for having such an important hearing specifically on this area, which I know very well and I'm very happy about the work we're doing with EDC and others with the newly formed industrial BID, which is coming online. And one of the things we often hear from the cargo industry, in which I certainly understand why there's a decline, and I know there are several sort of pieces that add to this conversation, but quality of life is absolutely the number one issue for them; the lack of infrastructure, paving; congestion, those are absolutely three things that we consistently heard. I'm happy that DEP is finally moving to put some infrastructure in, but it's sort of hard to attract people to an area that floods, has historically flooded, and then the congestion issues that are just worsening, and I live ten minutes from the airport, so I certainly come up, if I'm driving into the city, such as today, you know and some days it could take two hours to get in here. So I'm interested in hearing a little bit more about the strategies, and

there are some success stories. I think we have... Elmhurst Dairy is coming back into the area, which I think is gonna bring about 200 jobs, majority union jobs and open up some opportunities, but I think the common thing we hear is that this is a forgotten area, so I'm interested in knowing; are there any incentives that you're gonna be offering to perhaps attract people to this area? One of the other things, as someone who's studied aviation, I know that there are specific funds out there, like the AIP funds, something called the Airport Improvement Program, unsure if you're really aware of that, but that may be dollars that we can tap into to ease congestion but to also make the area more appealing to actually lure more of the cargo industry in, so just interested in hearing a little bit more about the strategies around congestion. I am happy that DOT has completed I think a 200-page study on things that they can do to improve the area, and there's also this tension between the local neighborhood obviously and the cargo industry in which we hear no shortage of complaints on truck traffic in our neighborhoods, so just interested in hearing a little bit more about what infrastructure investments are

1                   you putting into this area that's been neglected for  
2                   a very long time which actually makes Atlanta and  
3                   other places more appealing to go to than this area,  
4                   because if I went to Atlanta and I saw that I can at  
5                   least have a street I can drive my truck on where the  
6                   wheels won't fall off, that may be a more appealing  
7                   place for me to go. But I think what we hear from  
8                   the leaders in that community, who now are finally at  
9                   the table talking to the local community, is that  
10                  qualify of life is the number one issue for them.

12                 ANDREW GENN: Council Member, I think we  
13                 have to start by acknowledging your leadership in  
14                 getting the JFK or the Springfield Gardens business  
15                 improvement district approved and that, in and of  
16                 itself, provides the needed focus for the Springfield  
17                 Gardens off-airport. You know we call it sort of the  
18                 air cargo ecosystem, you know that really supports  
19                 JFK. So our expectation is that working with the  
20                 businesses and some of the residents, we can come up  
21                 with infrastructure improvements to serve that entire  
22                 area. I think it starts with improved services,  
23                 which I think we're already starting to see; I think  
24                 it also involves focusing on jobs, which is key to  
25                 all of this is the connection of the community to

1 jobs in those businesses. And then on the  
2 infrastructure side, most importantly, we are looking  
3 you know high and low for the opportunities to  
4 partner with the private sector and that's why I  
5 think the new aero JFK facility that's opening you  
6 know on-airport is so important, you know and it  
7 sends a signal to the industry I think that JFK is  
8 back; I don't think, I know it sends that signal; the  
9 ARK facility sends that signal; I think the 53-foot  
10 truck rule, which you also were courageous in  
11 supporting **[inaudible]**... [crosstalk]

12  
13 COUNCIL MEMBER RICHARDS: Very  
14 courageous.

15 ANDREW GENN: Yeah. No, honestly you  
16 were, and that got to I think you know the work that  
17 we did collectively with DOT to understand the truck  
18 flows into and out of and making sure that they're  
19 going to the right... you know, they're staying on the  
20 highway, going to where they need to go and doing  
21 commerce. So those are examples of things with our  
22 focus we can continue to build on that, and Max; do  
23 you have...

24 MAX TAFFET: Sure. And to add, that EDC  
25 has provided industrial development authority,



1                   financing support for the ARK, which was a very  
2                   significant, successful investment that we're  
3                   expecting to have more than 200 jobs in impact; the  
4                   IDA is continually looking out for similar  
5                   opportunities in other air cargo facilities and  
6                   investments around the airport.  
7

8                   ANDREW GENN: And one other piece to this  
9                   is the JFK Airport Travel Plaza, which for the first  
10                  time gave the truckers, you know a safe place to go,  
11                  you know, so all that coffee -- we didn't realize  
12                  that we have the number one coffee distribution  
13                  location in the United States, but there is -- but  
14                  it's also a safe place at night... [interpose]

15                 COUNCIL MEMBER RICHARDS: Good coffee, by  
16                  the way; I was there, so... [crosstalk]

17                 ANDREW GENN: that's right, exactly, but  
18                  it's those kinds of things that collectively will  
19                  make JFK regain its status.

20                 COUNCIL MEMBER RICHARDS: And so... and I'm  
21                  interested in knowing the coordination -- you know  
22                  the Van Wyck is a horrible, horrible place to drive,  
23                  avoid it all costs if you're a New Yorker, but that's  
24                  where a majority of the trucks actually travel to as  
25                  well -- interested in knowing, so there's all of this

1 infrastructure work going on; what is the  
2 coordination between the City and the State -- I know  
3 the Governor has put some more money..

4 ANDREW GENN: Yeah.

5 COUNCIL MEMBER RICHARDS: seems like  
6 roadwork has been going on at least for 15 years  
7 there...

8 ANDREW GENN: Yeah.

9 COUNCIL MEMBER RICHARDS: but I think  
10 this adds to the challenges that we have..

11 ANDREW GENN: Yeah.

12 COUNCIL MEMBER RICHARDS: when it comes  
13 to moving goods on and off the airport, and I think  
14 if, you know, other cities are really looking at  
15 congestion more seriously, it's gonna be more  
16 appealing.. it's gonna be really hard to catch up  
17 without really investing and figuring out ways to  
18 creatively address congestion.

19 And then my last question is on parking.  
20 So you know, one of the things we often hear about --  
21 just yesterday, matter of fact, one of my  
22 constituents called again about the truck parking off  
23 of JFK, so have there been any strategies put in  
24 place to make sure that, you know, we're making the  
25

area parking-friendly on the airport; not on our residential streets? And I think that's a challenge too, right... [crosstalk]

ANDREW GENN: Yeah.

COUNCIL MEMBER RICHARDS: because I think if there is a lack of parking for trucks...

ANDREW GENN: Yeah.

COUNCIL MEMBER RICHARDS: you know, companies will more likely...

ANDREW GENN: Yeah.

COUNCIL MEMBER RICHARDS: not want to utilize the area as much as well.

ANDREW GENN: And we are talking to the operator of the truck stop about expanding that so that there are more places for the trucks to go off the streets, out of the community, so those are active discussion that are going on now, so we share that **[inaudible]**... [crosstalk]

COUNCIL MEMBER RICHARDS: And who is that... who is that...

ANDREW GENN: The operator of the airport travel plaza, you know, so it's uh... [crosstalk]

COUNCIL MEMBER RICHARDS: Oh, the travel plaza. Okay.

ANDREW GENN: We've seen... we've seen that the demand is there, you know, so...

COUNCIL MEMBER RICHARDS: Demand is certainly there.

ANDREW GENN: and... and it just makes sense; it's common sense to do that... [interpose]

COUNCIL MEMBER RICHARDS: Right. So I think these are little things, which are big things, you know if you're looking to lure people here -- parking (you know, companies have to have a place to park), the infrastructure, the lighting; all of the quality of life issues that I mentioned are issues for the industry and it's making it once again, and we hear it day in and day out, making it hard for them to survive, so we really look forward to talking [background comment] to you more offline on this, and obviously, you know the work of the BID, which I think we're about to finally select an executive director, is gonna be important and really finally having a space for their issues to actually be addressed as well, so I wanna thank you for the work that we are doing, but we have a long way to go.

And lastly, very important to us is the connection between local community and jobs.

ANDREW GENN: Yes. Yeah.

COUNCIL MEMBER RICHARDS: you know, and I don't think that connectivity is there the way I would like it to be yet, but I think the BID is gonna give us the space to really accomplish this more, so... so thank you.

ANDREW GENN: Yeah, thank you.

CHAIRPERSON GARODNICK: Thank you, Council Member. Council Member Borelli.

COUNCIL MEMBER BORELLI: Good morning. Can you explain the relationship between the lease... I guess the lease relationship between the Port Authority and EDC and what's their involvement in promoting cargo business on the airports are?

ANDREW GENN: So at JFK, the City of New York owns the land that JFK sits on; we also own LaGuardia Airport as well. We have a long-term lease, a 30-year lease that began in 2004 with the Port Authority, which really continued a relationship at JFK that the City had with the Port Authority from when Idlewild International was open in 1947, so it's a continuation of that, where in 2004, one of the major changes that took place was the value of the lease to the City, so we went from really a much

smaller financial position to a much greater financial position under that lease. So what we also maintained though is a degree of oversight and so our partnership with the Port Authority is really well-defined in that lease, so these studies that we undertake jointly with the Port Authority are co-funded on purpose so that we are doing those kinds of market research activities that we need to do to stay current or infrastructure improvements that are needed on airports. The partnerships that Max talked about between IDA and the Port Authority and with the private developer are discussed in that lease agreement as well. So it's a pretty effective document, from our perspective.

COUNCIL MEMBER BORELLI: And what is the scale of cargo operations at Newark and at Stewart Airports?

MAX TAFFET: Proportionally, both Newark Airport, Stewart and LaGuardia represent only a fraction of the amount of cargo that moves through JFK; the second largest player is Newark; however, JFK with its large number of direct flights, frequency in flights, and as a consequence, the large amount of belly space that is available for freight

beyond just passengers' bags makes JFK what it is as the seventh largest air cargo destination in the United States.

COUNCIL MEMBER BORELLI: And what is the percentage of cargo that gets trucked outside of New York City versus maintained in New York City?

MAX TAFFET: I don't have at my hand a specific stat on that; we can look into getting back to you on that, but I can say that New York City is the largest consumer market in the United States in a centralized area, and as a consequence, it's a very appealing destination, JFK is, for bringing in those high-value, high-perishable, fragile goods that need to be here just in time, be it an iPod or be it a piece of salmon from Chile; any of those items, especially if they are being consumed locally and have kind of a tight timeline on them, they're coming in through JFK.

COUNCIL MEMBER BORELLI: In the study, what have... trade shift [sic] was reported as some of the biggest costs that they incur here in New York City versus elsewhere.

ANDREW GENN: Can you repeat that,  
[inaudible]... [crosstalk]

COUNCIL MEMBER BORELLI: I read your testimony; I heard it, and we talk about the cost of business being higher in New York City; what specifically is causing the costs to be higher outside of sort of the airport fees that we encounter?

MAX TAFFET: Sure. Not unlike a lot of other businesses, wages in general are higher because cost of living is greater in New York City than other locations; tolls are something that we often hear from freight forwarders and truckers, although those tolls coming into New York are not disproportionate to those types of tolls going into and out of Chicago, so those are costs.

COUNCIL MEMBER BORELLI: Are shippers in JFK, are they required to follow the regulations that New York City places on its business with paid sick leaves, minimum wages, etc., and New York State, of course?

ANDREW GENN: They are similar; it falls more under state law than it does under city law...  
[interpose]



COUNCIL MEMBER BORELLI: But we have paid sick leave, I mean, but are they subject to is the question.

ANDREW GENN: Yeah, the Port Authority I think has pushed for similar guidelines in terms of wages and benefits at the airport, but it is different, it is different; I don't know off the top of my head how variable it is. But certainly, the minimum wage was one of the initiatives of the Port Authority, to get that minimum wage up to at least the \$11 an hour level.

COUNCIL MEMBER BORELLI: Do you think some of the legislation that the City Council and State Legislature passed has led to international shippers and national shippers choosing other airports?

MAX TAFFET: You know global air cargo is dictated by a myriad of trends, from technology to manufacturing locations; I think isolating one particular factor is hard to do in asserting as to why shippers choose specific ports of entry for entry or exit of goods.

COUNCIL MEMBER BORELLI: But I'm not isolating it, 'cause we said that tolls are part of

the problem and some of the warehouse space is part of the problem, the trucking issue, the size of the trucks was an issue; is the minimum wage and some of the other pieces of legislation that the City and State have passed, is that a factor?

ANDREW GENN: I think it's more of a combination of things that generally lead to higher costs, whether it's, in New York, the seaports, the airports; any of our ports of embarkation generally are known to be higher costs, but what sort of mitigates against that is the size of our consumer market and the need for shipping companies to serve this market. So I would say it wasn't something that jumped out in the surveys that we did as being sort of one factor; I think it's more just the overall costs, you know New York is always known to be a higher cost place, but you have to serve it.

COUNCIL MEMBER BORELLI: Thank you.

ANDREW GENN: Sure.

CHAIRPERSON GARODNICK: Thank you. I want to note we've been joined by Council Member Miller, welcome, and now for questions we go to Council Member Gentile.

COUNCIL MEMBER GENTILE: Thank you, Mr. Chair, and thank you for being here. I just quickly -- I see that for manufacturers to import products with lower duties and taxes, our briefing tells us that JFK, the entire air cargo area is designated as a Foreign Trade Zone; right? Who has the authority to designate it as such; is it Congress?

ANDREW GENN: The Department of Commerce controls Foreign Trade Zones and New York had the first Foreign Trade Zone in the United States and I'm kidding with my colleague, 'cause in his internship, that was the thing that he studied the most, and one of the things that we're proud of at EDC is we're designated as the host for Foreign Trade Zones in New York City and we've seen a lot of success in recent years in expansion of the Foreign Trade Zone, so I think a lot of it gets to just fundamental awareness that those benefits exist and making sure companies know, and we can in some ways hold their hands to get them those benefits, and I think that's one of the things that at JFK we really want to promote more widely.

COUNCIL MEMBER GENTILE: So it's used then as an incentive to... [crosstalk]

ANDREW GENN: Yeah. Yeah.

COUNCIL MEMBER GENTILE: to... to draw business to the particular airport. That being the case, the briefing also mentions that there are Foreign Trade Zones in all 50 states now and if that's the case, doesn't that negate the incentive?

ANDREW GENN: It doesn't negate it; it just means that you need to make sure New York City companies are aware of it, because it is a process. One of the things that actually Max's research led to was the creation of a faster process for which companies in New York City can apply and get those benefits, and so EDC applied through that process and now we are benefiting from it so that it is... we have taken a very time-consuming process and really boiled it down from really, from I would say half a year to a year to a couple of months to get those benefits. But I think you look at that with the suite of other things that we compete against other airports with, our toolkit, and that's one of the major things that we can use, but the number one thing is always gonna be market presence, you know the size of the consumer markets and the flights that we have in and out of JFK to all over the world.

COUNCIL MEMBER GENTILE: So it's fair to say that within the Foreign Trade Zones across the country, there are some better than others, based on work of your former intern, who's now your employee, right, I would think; right?

ANDREW GENN: Yes, well we have the best interns.

COUNCIL MEMBER GENTILE: Okay. Great, thank you very much.

CHAIRPERSON GARODNICK: Thank you. Now I'm gonna go to Council Member Miller.

COUNCIL MEMBER MILLER: Thank you, Chair. Good morning. And I apologize for tardiness, but part of being between two airports is airport traffic, right, and I hope that anything that -- and I'm sure my colleague brought it up -- that anything that talks about improving or just the existence of the airport includes that, and I know we have the renovations, the Van Wyck and expansion coming up as part of this as well to kind of accommodate the larger trucks and things like that, but the big part of that is making sure that we include the indigenous folks, those communities that are really being impacted by this, such as the communities that we

1 represent and speaking of the noise and the air  
2 quality and so forth like that is really a big deal  
3 and I think now is a great time for us to leverage  
4 that and I think it would be incumbent on your agency  
5 as well as others to be able to leverage this,  
6 because it's something that we've been working on  
7 forever. That being said; have we been managing and  
8 leveraging this opportunity here, and I hope it is  
9 not just because of the Governor's latest interest in  
10 JFK that we now have this interest, us knowing that  
11 there was an opportunity that has gone by the wayside  
12 in the areas of cargo and logistics in particular. I  
13 know when we first began to have the conversation  
14 about the JFK BID, some of those vendors around had  
15 come to us and suggested, number one, that they were  
16 having difficulties with workforce because of the  
17 logistics; that they couldn't get people in and out  
18 and that the locals didn't have the skill set that  
19 was necessary, so I think that that was an  
20 opportunity that we absolutely missed out on, but  
21 also, it was kind of indicative of the lack of  
22 attention that was being paid to this, because a lot  
23 of those businesses now operate in Miami, Brazil, and  
24 other places throughout the world where it's much  
25

easier for them to ship their product. What is EDC's plan to really capture not just the investment that's going on inside of the airport, but the surrounding areas in manufacturing and logistics?

ANDREW GENN: In terms of workforce development, I think that is an important I think initiative; we, you know are in total agreement, but connecting residents to good-paying jobs at the airport is really key to us, and the way to do that is with the opportunities that currently exist and it's sort of like, you know cradle to career is what we like to say, where you have Aviation High School, you have Vaughn College, you have York College, you have the Council for Airport Opportunity, which has been there, you know it was specifically meant to focus on jobs in the aviation industry and it's there for us, as well as Small Business Services' Workforce Center, which focuses in Jamaica Springfield Gardens on transportation and logistics. So those are all... and we our plan is to stay focused on those things so that residents will know of the opportunities and get the right skills so that they can get these jobs.

COUNCIL MEMBER MILLER: So theoretically that works, but I will tell you that the majority of the jobs in the JFK area are low-wage jobs; as the Chair of Civil Service and Labor, we did a hearing and a number of the workers testified that live in my district and Council Member Richards' district that they actually walk to work because of the low wages that they are earning over there; they can't afford to... you know, because of the cost of living, they sacrifice that and they walk to work, and so most of the jobs there that have been created, and including Airport Opportunity, we deal with them on a regular basis; in fact, I have their latest and they are all entry level, minimum wage, and sometimes even below, because they are tip-related, and so it has not been a good experience at all. And going back to the logistics standpoint, and we had sent a few folks out there and did some initial training and looked to work with your colleagues around the workforce development, because these are jobs that start at \$40-50,000 a year; a lot different from what we're seeing on the other end, but we weren't getting the type of support that we needed to make that happen, so we need to kinda look at this project more



1 holistically and look at some of the things that we  
2 have been attempting to address as a southeast Queens  
3 community and be able to incorporate that and not  
4 just look at the opportunity that is coming in,  
5 although I would say that I am immensely ecstatic  
6 that we're having this conversation in advance,  
7 because there was similar investment made in  
8 LaGuardia Airport and there was no community benefit  
9 there, and so which would lead me to my next  
10 question, and that would be the MWBE opportunities,  
11 number one, and two; whatever community basic  
12 maintenance that may come out of this as well.

14 ANDREW GENN: Well one of the hallmarks,  
15 and we are working on projects now, whether it's the  
16 industrial development agency or EDC directly, is we  
17 have standards for MWBE so that there are -- and  
18 we're held to them very strictly to make sure that  
19 local companies and companies are given the  
20 opportunities to compete for, whether it's  
21 construction jobs or for in bidding on RFPs, you know  
22 so I think one of our... one of our I think stated  
23 goals here is to increase those types of  
24 opportunities and at JFK there are many opportunities  
25 because the need is so great.

COUNCIL MEMBER MILLER: So we agree and what we have begun to do is amass a list of qualified vendors and developers in construction and workforce development and all of those sorts of things and then the other professional services that those opportunities may arise. Is there any support, technical support or otherwise that EDC can provide that will assist these vendors and MWBE businesses and these RFP opportunities and others?

ANDREW GENN: There are and we have an MWBE officer at EDC, and we could follow up so that we have that direct conversation with you and your office; we would welcome that.

COUNCIL MEMBER MILLER: And then community benefits as well?

ANDREW GENN: Yes, that's... you mean with respect to new projects or? That... [crosstalk]

COUNCIL MEMBER MILLER: No, just in general; we wanna make sure that there is a benefit, there are community benefits that are put in place, as well as even addressing some of the things that I initially mentioned, such as noise, sound and... and... [interpose]

ANDREW GENN: Sure.

COUNCIL MEMBER MILLER: and air, and.. and environmental concerns, as well as the economic opportunities. How do we sit down and really talk about **[inaudible]**... [crosstalk]

ANDREW GENN: One other thing I think in response, agreeing with all of that, is the Springfield Gardens Business Improvement District is a direct forum, you know we were talking about that earlier with Council Member Richards; that gives us boots on the ground to address those issues; not just sort of broadly, but sometimes it can be, you know much more on the micro level, so we should have that conversation and we can do that, you know as part of the... you know, the... the function of the BID, yeah.

COUNCIL MEMBER MILLER: Sure, absolutely. We'd be more than willing to sit down and there are... [crosstalk]

ANDREW GENN: Uhm-hm, same here [sic].

COUNCIL MEMBER MILLER: certainly a group of local community professionals that are very much interested in this and we wanna make sure that folks who have been, quite frankly, suffered through having... living next door to the airport is tough; it will knock you out of your bed in the morning, you

1 know and there has to be some benefits there as well,  
2 right, so appreciate it, [background comment] and  
3 look forward to working. Thank you so much, Mr.  
4 Chair.

5 CHAIRPERSON GARODNICK: Thank you,  
6 Council Member Miller. I'm just gonna wrap up with a  
7 few final questions; then we will go on to the Center  
8 for an Urban Future.

9 So in my opening I had cited the stat of  
10 63 percent of the available cargo space at JFK, or  
11 3.9 million square feet being considered nonviable,  
12 which my understanding is that it is unfit for modern  
13 storage, screening and distribution. Can you give us  
14 a sense of how nonviable space is actually being used  
15 at the airport today?

16 MAX TAFFET: So in the case of nonviable,  
17 some of it's nonviable due to the heights of the  
18 buildings; due to the number of columns in the  
19 buildings; due to not having functional or code-ready  
20 fire safety sorts of infrastructure due to being  
21 older structures. JFK is the heart of air cargo and  
22 was really the first airport in the country to be  
23 investing in facilities like this, going back to the  
24 1950s; therefore, we have many waves of buildings

that have come into existence over the years. As far as mothballed buildings, buildings that are waiting to be redeveloped, there's a balance that is in place of retaining structures because of FAA type restrictions, as well as identifying tenants for those structures, as well as viable businesses that will be able to use spaces and bring buildings up to code, reinvest in those facilities, or in some cases, the demolition of structures needs to take place and whole-scale kind of remediation of ground and then rebuilding a new structure needs to take place.

There are four separate subareas of cargo on-airport at JFK and the reinvestment in those four areas needing to be balanced with a reinvestment in the central passenger facilities at the same time.

CHAIRPERSON GARODNICK: So is 3.9 million square feet today not being used at all, this 63 percent, the nonviable, is it all -- I don't know what... you called it mothballed -- is it not being used at all or is it..

ANDREW GENN: We have an inventory of those spaces that we did as part of the 2013 study; we can share that, but it's a mix. I'd say you know if it's a life safety issue for an individual

1 building, then it may not be used at all; it's  
2 completely mothballed. A lot of what is sort of... a  
3 lot of dead storage or storage type uses take place  
4 in some of the structures that are you know  
5 marginally usable within that 3.9 million. But  
6 obviously that's not the direction we wanna go; we  
7 don't wanna have any of those structures at JFK,  
8 it's... our... I think our... our opportunity is to  
9 redevelop those areas. You know what we decided,  
10 collectively, was to focus on certain areas where the  
11 access was best where the conditions were best and  
12 the new facility, the aero JFK facility that was  
13 announced is right where we had hoped we would see  
14 kind of new modern facilities develop. So our focus  
15 will be in that area; we call it sort of Area D,  
16 which is along Rockaway Boulevard, and that will be  
17 where we would see more air cargo, new air cargo  
18 space start to come online.

20 CHAIRPERSON GARODNICK: So do you have a  
21 percentage of the 3.9 million square feet that is  
22 currently not used as a result of a...

23 ANDREW GENN: We can get that to you...  
24 yes, yes, sir.

CHAIRPERSON GARODNICK: Okay. In your testimony you had noted that JFK was responsible for 18 percent of the value, in 2006, 18 percent of the value of the total U.S. international air cargo, but at the same time, our tonnage of cargo has gone down. What percentage of the tonnage goes through JFK and should we measure it that way?

ANDREW GENN: Well there's clearly two ways of measure it; and one thing to keep in mind in measuring weight is that things tend to, especially air cargo, tend to get lighter over time, so one thing that I guess, from our perspective, the fact that value is holding steady is a good thing, you know and the right... the other trend in logistics worldwide has been more cargo on the heavier side moving to ocean shipping and then timing those ocean shipments, so things that used to arrive by plane into JFK are now going on vessels and some of it is timing of products, like for instance, if Apple comes out with a new iPhone, initially it will go by air, but then later on it will go by ocean carrier and it'll go to an area port, so that's something to keep in mind. But the fact that the value is holding steady and we are very much the number one airport by

value is something that is a good base to build on for us.

CHAIRPERSON GARODNICK: But if JFK and one other airport saw a decrease in the tonnage of cargo over time; I would think that everyone would see a decrease in the tonnage of cargo based on what... the rationale that you just describe; what am I missing?

ANDREW GENN: Well I think it gets at some of the things that Max was talking about on the ratio of sort of the lift to the port of entry, if you want to explain that some more, but generally what it is, because JFK may be more expensive overall through a shipper, if something weighs more, looking at the total value of that movement, it may shift to a lower cost airport, or aviation gateway that may have just started a new international flight to that market. So that's the kind of I think delicate balancing game that we play all the time, but as I said before, we do wanna focus... we have, you know focused on specific commodities that by no means should be flying over our heads; they should be coming into New York, and that's gonna be... you know and whether it's the weight or the value, I think all



of those commodities that should come into JFK we are gonna focus on getting them to JFK.

CHAIRPERSON GARODNICK: Okay. It's our understanding that a significant amount of the cargo into JFK comes through American Airlines and through Lufthansa; who are the other big players in air freight at JFK?

MAX TAFFET: You do have some integrators that fly flights in; I believe you have FedEx flying some flights in; we also have a real myriad of international airlines -- another freighter airline is Silk Airways, which is out of Central Asia that is a significant new player at JFK; we have a lot of the Middle Eastern carriers that fly into JFK, but definitely the strength area is with those European lines, in terms of what I'd mentioned earlier, that Heathrow to JFK, we have some of the most competitive prices for lift and frequency of flights coming from Europe and non-continental Europe into JFK. But we have an extremely wide array of airlines with direct flights coming into JFK, each of which has belly capacity that has goods coming into JFK.

CHAIRPERSON GARODNICK: There have been some suggestions about modernizing the air traffic

control system at JFK for GPS-based air traffic control, if that were in place at JFK, would that have an impact on the air cargo industry and is that a component part of... [crosstalk]

ANDREW GENN: Yeah.

CHAIRPERSON GARODNICK: your advocacy here to help enhance our position?

ANDREW GENN: It's usually important. You know the NextGen is you know really going from like say ground-based radar from the 1940s and 50s to something that's much more modern, and it would prevent sort of the unnecessary movement of planes in the air, the zigzagging that planes do, and also the proximity to each plane as it's taking off and landing. It's important; it's something we've focused on, but you know in terms of advocacy down in Washington, with the USDOT, the FAA, and I think, you know generally we're all on the same page, that it would have a tremendous impact on air space management if we go in the NextGen direction. Yeah.

CHAIRPERSON GARODNICK: Okay, last question from me. LaGuardia only has facilities for belly cargo and there is an ongoing discussion about the LaGuardia expansion plan; do you know if there is

additional capacity being planned at LaGuardia for expanded cargo facilities over there?

ANDREW GENN: Yeah, LaGuardia is extremely space constrained whereas JFK is not. LaGuardia is an amazing small airport; it also doesn't have... you know it has the 1500-mile rule too, so it's limited; doesn't have the international, so really limited I would say, to keep my answer brief, and JFK is the focus for air cargo... [crosstalk]

CHAIRPERSON GARODNICK: So it makes sense then, from your perspective, for the City, for the Port Authority to be investing almost all of its resources for the purpose of...

ANDREW GENN: Yeah.

CHAIRPERSON GARODNICK: cargo-enhancing capabilities at JFK?

ANDREW GENN: Yes, absolutely. Yeah. We even have more land than Newark; you know we finally have something that New Jersey doesn't, so.

CHAIRPERSON GARODNICK: Great; we should play on those strengths for sure. Well gentlemen, thank you very much for your testi... oh; you have another question? [background comment] Go ahead. Council Member Miller... [crosstalk]

COUNCIL MEMBER MILLER: While I have you here. EDC did have one project in the JFK area, the dairy, **[inaudible]** Dairy... [crosstalk]

ANDREW GENN: Yeah.

COUNCIL MEMBER MILLER: could you... did that come to fruition; do you know? So the... there was... there was a... [crosstalk]

ANDREW GENN: Uhm yes, dairy...

COUNCIL MEMBER MILLER: there was a dairy farm that was in Jamaica for about... close to 100 years; they moved to Jersey; they wanted to come back and were negotiating purchasing some land that was at the JFK area. Has that been completed?

ANDREW GENN: Uh...

MAX TAFFET: That... That project... it's Bartlett Dairy, I believe and... [crosstalk]

COUNCIL MEMBER MILLER: Bartlett, yes, so... [crosstalk]

MAX TAFFET: the... the property's...

COUNCIL MEMBER MILLER: eight acres or so?

MAX TAFFET: the Jug Handle just off of Rockaway Boulevard; it's actually inside of the

newly-established JFK BID, Gateway JFK, and I believe that's proceeding a pace.

COUNCIL MEMBER MILLER: Okay. That was some EDC properties over there [inaudible]... [crosstalk]

ANDREW GENN: Yes, yeah; we put out a request for proposals and we were happy, yeah, that... to your point, we were concerned about the dairy that was closing and this is a way of uh... [crosstalk]

COUNCIL MEMBER MILLER: Yeah, that was a big deal for the community, yeah.

ANDREW GENN: Yes.

COUNCIL MEMBER MILLER: Okay. Thank you.

CHAIRPERSON GARODNICK: Thank you, Council Member, and thanks again to...

ANDREW GENN: Thank you.

CHAIRPERSON GARODNICK: both of you; we look forward to continuing this conversation and we appreciate all of your hard work on this. Thank you.

ANDREW GENN: Thank you, Councilman.

CHAIRPERSON GARODNICK: Now we're gonna turn to Matt Chaban of the Center for an Urban Future. Mr. Chaban, whenever you're ready, come on up.

MATT CHABAN: Thank you, guys.

CHAIRPERSON GARODNICK: Welcome.

Welcome.

MATT CHABAN: Pleasure to be here.

Appreciate you doing this and taking up this important issue.

CHAIRPERSON GARODNICK: We thank you for your report; it was very helpful... [crosstalk]

MATT CHABAN: Well it's always nice to help when we can. So again, good morning, Chair Garodnick and members of the Committee, and thank you for this opportunity to testify. My name is Matt Chauvin and I'm Policy Director of the Center for an Urban Future. We're an independent, nonpartisan think tank based in Manhattan; our two-decade mission has been advancing policies to increase economic opportunity by growing the economy for all New Yorkers.

Most of us -- what few of us there are in the room at least -- have probably just returned from Thanksgiving trips to visit family and many likely pass through the region's three airports; they were almost certainly crowded and congested, since even on a typical day they're among the busiest in the world.

Those in the cargo industry would do just about anything to have such a problem. The fact is, as the Center revealed in our "Freight Forward" report released this July that while passenger levels at JFK International have reached a record 58.9 million passengers in 2016, air cargo tonnage has fallen to historic lows.

This imperils not only a link to the global economy and an engine for the local one, but a vital source of strong middle-class jobs. The City must work to stop JFK's air cargo freefall.

In the past five years, cargo volumes are down 6.3 percent, as we've been discussing, to 1.26 metric million tons and since 2004, when volume peaked at 1.7 million metric tons, air cargo is down by more than a quarter. Well that makes that still sound like a lot, 1.26 million; it's far from where it ought to be, considering JFK was once the leading air cargo destination in the world into the early 1990s, and now we rank seventh nationally and 22nd internationally, and this is despite companies like Amazon stoking record shipments of goods around the country and the globe, as we saw with their blockbuster sales this weekend.

In fact, JFK runs counter to the national trend. Airports ranging from LAX to Miami and Chicago and even Newark are all up over the past five years, with national air cargo volumes rising 6 percent; Chicago's rose a whopping 38 percent. Over the past two years Indianapolis is the only other of the top 15 airports not to see growing cargo volumes.

The decline in air cargo movements at JFK is a major problem for New York City's economy, particularly at a time when so few good-paying, middle-class jobs are being created in the five boroughs.

Over the past couple of years, the Center for an Urban Future has focused significant attention on the need to create more middle-class jobs in New York City. The City's economy has been booming, adding around 700,000 jobs over the past decade, but relatively few of those positions have been middle-income jobs that are accessible to a large segment of New Yorkers.

The air cargo sector should be a key part of the City's effort to preserve and grow middle-class jobs.



There is actually reason to believe that -- with the right support -- New York's air cargo sector has significant potential for growth in the decades ahead. According to the most recent aerospace forecasts from the Federal Aviation Administration, air cargo movements in and out of U.S. airports are projected to increase an average of 3.1 percent per year through 2037.

Much of this air traffic is expected to come from abroad, which is a particular strength for JFK. While domestic cargo movements are forecast to increase at only an average of 1.3 percent, international traffic is expected to rise by 3.8 percent annually.

If JFK could capture a proportional share of this growth, or even a fraction of it, it would mean hundreds if not thousands of new middle-class jobs for New Yorkers.

At a minimum, New York needs to hold onto the good-paying jobs already associated with the City's air cargo sector.

JFK's air cargo industry sustains some 34,000 jobs citywide, both on-airport and in off-airport warehouses, distribution facilities, and

regional suppliers, as Councilman Miller well knows, and on the airport there are at least 15,000 jobs that are directly supported, comprising roughly 20 percent of JFK's on-airport workforce.

Air cargo workers, it's a great job where people earn an average of \$44,000 annually and it provides pathways to supervisory roles and higher incomes. And yet, four out of five of these jobs are accessible to workers with no more than a high school degree.

City and state officials can help this industry take off again.

Over the years, the Center has put forth a number of recommendations for city and state economic development officials, as well as the Port Authority, to address the challenges facing New York's air cargo sector. Here are a few of our suggestions:

As we've talked about, we could improve traffic flow on the Van Wyck Expressway. We suggest closing one or two entrance ramps on the Van Wyck during certain peak hours. Doing so would help put an end to the common practice, used mostly by taxis,

of driving on and off service roads to get on and off the Van Wyck -- a ritual that slows down traffic.

You could open the Belt Parkway to commercial vans. Currently, it prohibits all commercial vehicles, from 53-foot trucks to commercial vans, which are often used for overnight deliveries. While we're not calling for, you know, huge trailers on there, it could certainly help move goods to lower Manhattan offices.

We've heard a lot about the need to modernize aging air cargo facilities; this has been mentioned. The facilities are on average 40 years old, and 63 percent is non-viable, and finally, modernizing air traffic control systems.

So those are our thoughts and I thank you for hearing them and welcome any questions you might have... [crosstalk]

CHAIRPERSON GARODNICK: Great, thank you very much. Let me just throw a few questions at you and we'll see if [bell] anybody else has any questions here too.

First is, the way to measure where we stand, [background comment] EDC gave figures of value

[background comment] and it sounds like most of the other measurements are about tonnage.

MATT CHABAN: Right.

CHAIRPERSON GARODNICK: What is the right way to do this measurement?

MATT CHABAN: I'm sure there is validity to the value; unfortunately, we didn't look at it in those terms and I'm not sure -- unless their testimony **[inaudible]** -- but they didn't talk about how the values change over time, right, they simply -- unless I'm forgetting -- right, we only talk about the value in 2016, so you know and I mean I'm happy to do this in concert with you guys and even in consultation with EDC, but I'd be curious to know how has that value changed over time, you know, because if the value has maintained or grown, then you know maybe there's still value there. Actually, we did have a char... I'm trying to remember now... if you hold on a second, I can... actually, I should have it up here. There was a chart in the original report. I do believe that the sales are down as well... let's see... wages... Yeah, total impact of JFK's air cargo initially on sales has fallen 31 percent since 2004, when adjusted for inflation. I think this is the

1 regional impact, but sales... I guess we didn't do all  
2 the math, but it was a high of \$7.4 billion -- oh  
3 wait a minute, I'm sorry; it's in here -- Right,  
4 sorry. So in 2016 we had \$6.5 billion in sales and  
5 in 2004, at the peak, it was \$7.4 billion, so there's  
6 a billion dollar spread there, and actually, if you  
7 adjust for inflation, it's closer to a \$3 billion  
8 spread; in 2016 dollars, that comes out to \$9.4  
9 billion of you know, region-wide economic impact. So  
10 with all due respect, yes, we still command a large  
11 portion; we are the largest market in the nation, but  
12 those values are also falling. So, you know, either  
13 way you look at it, we are losing market share.

14  
15 CHAIRPERSON GARODNICK: Okay. Let me ask  
16 you about this new facility, [background comment] and  
17 one of your recommendations of course was to  
18 modernize the facilities; the Port Authority Board  
19 authorized a lease for a 346,000-square-foot  
20 facility; [background comment] does that help to  
21 start address this challenge; do you have any  
22 particular concerns about that; is this nothing but  
23 good news; how would you...

24 MATT CHABAN: I mean I think it's  
25 definitely a step in the right direction, right; I

mean there's more than a million square feet that's non-viable, I believe, so that's certainly... I guess, what; that's about a third of that space, so it's certainly helpful, but the example that personally I have come back to a lot is if you look at what Chicago's done, [background comment], and I think Glen may have mentioned this; that they have more open land, you know I mean, one of the challenges, right, is that JFK is so constrained; not only can we not figure out what to do with the cargo facilities; we can't figure out what to do with the passengers, which some might argue is a greater economic driver for the City, I think -- I forget where I saw the recommendation -- but some were even saying let's take these non-viable facilities and somehow figure out a way to use them to actually help address the runways or something like that. But regardless, Chicago has a major multi-billion dollar investment going on in their air cargo facilities and as a result, over the past five years their traffic flows have increased 38 percent, you know while ours have fallen 6 percent over that same span, and a lot of that is attributed to... you know some of that was also attributed to the strikes at LAX; they managed to

pick up a lot of Asian flights sort of coming over the poles, you know we're hearing about the new fuel efficiency technologies that allow different routes and things. But regardless, there is a very, not only a major public commitment in dollars, but I think also in marketing, that they wanna be seen as a hub and I'm not sure that the same attention is being placed here. I mean if you look at all the talk the Governor's made around rebuilding JFK, even in... you know, it didn't once come up during his speech at Abney, and then in the document itself I think it's one or two lines in a like two-paragraph section about modernizing the air cargo facilities and it literally is basically like, we need to address this and it doesn't get anymore specific than that, whereas there is, you know, considerable specifics around other aspects of the airport. I mean one thing again that is, you know, promising about what the Governor is talking about is addressing some of the connectivity issues with the Van Wyck and such, you know, some... oftentimes you will hear that that's one of the biggest concerns actually for the truckers is that it is better to say go to Newark, because you're simply not gonna have trucks sitting on the

expressway for, you know, an hour, two hours wasting time and money; that that can be, you know, a consid... maybe the reason everyone's getting so caffeinated is they know the long slog they have ahead of them, so yeah.

CHAIRPERSON GARODNICK: Thank you. We're gonna go to Council Member Miller.

COUNCIL MEMBER MILLER: Thank you, Chair Garodnick. So I'm delighted that EDC and our city's academic now know what we've known in southeast Queens for decades, that we're sitting on a virtual jewel as in JFK; that it is then severely underutilized, and I'm glad that we're recognizing the potential to create these middle-class opportunities, because right now that has not happened. What I would like to see as a part of this discussion is labor agreements, PLAs, more conversation about MWBEs and just more local involvement. I mentioned now, having been engaged with some of the logistics people, going back three, nearly four years now, in an attempt to train and create a workforce; have we been able to drill down as to why folks are now in Miami and Brazil and other places outside of the country doing business as



opposed to doing business at JFK? These are folks who... these are Queens-bound people. [background comment] I'd love to have that conversation include local people who have actual practical experience in doing so, as well as, you know as I read through the report, we talk about some of the transportation impediments and what I would say is the worse idea possible would be to open up the Parkway [background comment] to commercial traffic, considering, as I said, it's a hour-and-a-half; two-hour ride from southeast Queens to City Hall drive now, and that is without the trucks. Certainly we are engaging expanding the Van Wyck Expressway, but I think this requires a little more local participation as well and there's some local expertise [background comment] on the ground; I'd love to be able to bring some of those folks in and really have them participate in this process, 'cause I think that, you know this is probably one of the city's greatest economic drivers and I agree that it is profoundly underutilized and we have to figure out a way to do that, but at the same time there is an indigenous population that is being disproportionately and negatively impacted environmentally, economically...

MATT CHABAN: Absolutely.

COUNCIL MEMBER MILLER: how do we include them as well...? [crosstalk]

MATT CHABAN: No, I... if I may, I actually think you raise, you know an excellent point, Councilman and it's something that actually, you know we didn't necessarily look specifically at with this report, but is something that actually touches on a lot of our recent work, particularly around the workforce development sector in the city and I think it's something we'd love to have a conversation with out about, but one of the things we're increasingly finding is that much of the city's workforce development sector is focused sort of on sector-based job placements, which is powerful and certainly with something as specific as air cargo handling or even logistics in general, you know we may wanna consider more of that, given how important logistics is becoming, but the greatest successes in job placement is in quality jobs, like the ones we're talking about here, where it's not just working as a **[inaudible]** for Chipotle or whatever, is the place-based models we see, like the Lower East Side Employment Network, the East Harlem... or... the name is escaping me right

1 now, but there's a couple great examples, East  
2 Harlem; the... perhaps the most relatable ones here, I  
3 mean Sunset Park and the Brooklyn Navy Yard both have  
4 LBCs that are very involved in job placement and  
5 perhaps there's a way to work with the JFK chamber or  
6 with EDC directly to sort of figure out a way to get  
7 some of the local groups in your community you know  
8 who do jobs work, to bring them together so that the  
9 City's, you know spending -- you know the  
10 Administration admirably has invested a lot in  
11 workforce development, but oftentimes it's going to  
12 help people get jobs at, you know, large corporations  
13 that don't necessarily have a career ladder and the  
14 more we can sort of focus those funds **[inaudible]**...  
15 [crosstalk]

17 COUNCIL MEMBER MILLER: If I may add, and  
18 I'm sure you've considered this in your research and  
19 so forth, that for folks that... in fact, I know we did  
20 a hearing on this last year [background comment] with  
21 EDC on whether or not the benefits of EDC were  
22 translating to those targeted populations and whether  
23 or not that those folks who were in receipt of those  
24 benefits were actually doing what they say they were  
25 doing, [background comment] and so I think that we

1 should have standards, community-based standards and  
2 particularly project labor agreements and other  
3 standards around... There is no way that some of the  
4 job... Listen, I remember growing up as a kid and my  
5 friends' families had jobs in the airport, which were  
6 good union jobs [background comment] that supported  
7 families that purchased homes and those same jobs now  
8 pay less than they did 30 years ago.

9  
10 MATT CHABAN: Yeah.

11 COUNCIL MEMBER MILLER: That is  
12 impossible and those are standards that we have to  
13 [background comment] make sure exist and we can't  
14 allow people to come in if they're gonna get us on  
15 the cheap, [background comment] and we have to figure  
16 that out and if this is about real middle-class jobs,  
17 not just living wage jobs, because what we define as  
18 living wage jobs won't rent you an apartment in New  
19 York City. So we have to figure out also how do we  
20 create higher standards for wages as well. But also,  
21 opportunities for local businesses as well and  
22 support though, and I think one of the ways is how do  
23 we drill down and figure out... because I know we're  
24 all talking about this exodus, but what caused the  
25 exodus; was it a lack of support; was it a lack of

infrastructure; they talked about the lack of  
workforce as well, [background comment] you know...

MATT CHABAN: Yeah.

COUNCIL MEMBER MILLER: how do we keep  
them here?

MATT CHABAN: Absolutely. Absolutely.

COUNCIL MEMBER MILLER: Thank you.

MATT CHABAN: Yeah. And just one other  
point of clarification; we're not advocating trucks  
on the Belt, only vans and perhaps only at times that  
ma... you know, not during rush hour, but maybe it  
would make sense to get them on the Belt before...  
[background comment] yeah, fair enough, fair enough.  
[background comment] Yeah. No, I hear you, I... I... I  
absolute... yeah, so anyway.

CHAIRPERSON GARODNICK: Thank you,  
Councilman. And with that we thank... thank you to  
Mr. Chaban and we thank EDC for their testimony today  
and for all of your advocacy; I think we certainly  
have put a spotlight on a very important issue and  
one that has real impacts for jobs, for economic  
development, and certainly for New York's standing as  
it relates to air cargo here and it clearly requires  
focus...

MATT CHABAN: Yeah, absolutely.

CHAIRPERSON GARODNICK: and we want to see the City and the Port Authority give the necessary focus... [interpose]

MATT CHABAN: Too bad the Port couldn't join us.

CHAIRPERSON GARODNICK: Yeah, that was... that... that was disappointing, agree. But with that, we will continue this conversation and continue to push on this issue and we appreciate your testimony; with that, this hearing is adjourned.

[gavel]

[background comments]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date December 18, 2017