

THOMAS P. DiNAPOLI
STATE COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 13, 2007

Mr. Robert C. Lieber
President
New York City Economic Development Corporation
110 William Street
New York, NY 10038

Re: Downtown Manhattan Heliport
Safety and Security
Report 2007-S-7

Dear Mr. Lieber:

Pursuant to the State Comptroller's authority as set forth in Article 3 of the General Municipal Law; and Chapter 648 of the Laws of 1929, we reviewed the adequacy of safety and security-related practices and procedures for the Downtown Manhattan Heliport (Downtown Heliport) and for helicopters using the facility. The audit covered the period from January 1, 2004 to September 30, 2006. Companion audits (Reports 2006-S-23 and 2007-S-8) were done at the two other public heliports based in New York City, the West 30th Street Heliport and the East 34th Street Heliport, respectively.

A. Background

The Downtown Heliport is managed by the Port Authority of New York and New Jersey (PA) pursuant to a lease agreement with the New York City Economic Development Corporation (EDC). The Downtown Heliport hosts thousands of landings and take-offs each year. Most of those using these facilities are sightseeing, corporate, and charter helicopter carriers. In addition, the Downtown Heliport hosts passenger shuttle flights to Kennedy Airport. Each helicopter can carry several passengers, including a pilot, and can hold at a minimum dozens of gallons of combustible fuel.

The New York State Anti-terrorism Preparedness Act of 2004 requires general aviation airports and heliports to register and file a triennial security plan with the New York State Department of Transportation (DOT). The plan should contain a self-prepared risk assessment and prescribe safety and security enhancements (i.e., security measures such as lighting, fencing, etc.) based on the assessment. The PA is exempt from filing a plan with DOT for the Downtown Heliport since it is a bi-state agency. However, because the Downtown Heliport provides an airport shuttle, the PA is required to file a similar security plan with the Federal Transportation Security Administration (TSA). We utilized several of the enhancements in the plan as criteria for our audit.

All helicopter operators must register their craft with the Federal Aviation Administration (FAA). Such registration requires trained pilots, periodic inspection, and required maintenance of the helicopters. Since a federal agency is responsible for this aspect of helicopter safety, we did not include it in our audit scope.

B. Audit Scope, Objective and Methodology

We audited safety and security practices at the Downtown Heliport. Our audit covered the period from January 1, 2004 to September 30, 2006. The objective of our audit was to determine the adequacy of safety and security-related practices and procedures for the Downtown Heliport and for the helicopters using the facility. To achieve this objective, we met with sightseeing operators, and EDC, PA, and Downtown Heliport officials. We also met with DOT, FAA, and TSA officials to determine their respective roles in heliport safety and security. We reviewed available policies, procedures, and safety and security plans, and observed actual security operating practices at the site between April 4, 2006 and September 7, 2006. We conducted our performance audit in accordance with generally accepted government auditing standards.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

C. Results of Audit

Detailed results of our audit were provided to EDC, PA, and heliport operating officials during the conduct of our audit. The details of our findings and recommendations are not included here due to the security-sensitive nature of the information and the potential risk associated with the release of such information. We also provided our detailed results to the appropriate federal, State, and local authorities charged with homeland security and law enforcement.

Recommendation

Implement the specific recommendations that were provided to EDC officials during the audit.

Within 90 days of the final release of this report, we request that EDC report to the State Comptroller advising what steps were taken to implement the recommendation contained herein, and, if not implemented, the reasons therefor.

A draft copy of this report was provided to EDC officials for their review and comment. Their comments were considered in preparing this report, and are included as Appendix A.

Major contributors to this report include Frank Patone, Anthony Carbonelli, Salvatore D'Amato, Anthony Carlo, and Sue Gold.

We wish to express our appreciation to the management and staff at the EDC and heliports for the courtesies and cooperation extended to our auditors during this audit.

Very truly yours,

William P. Challice
Audit Director



110 William Street
New York, NY 10038
212.619.5000

www.nycedc.com

August 30, 2007

Mr. William P. Challice
Audit Director
Office of the State Comptroller
Division of State Government Accountability
123 William Street – 21st Floor
New York, NY 10038

Dear Mr. Challice:

This is in response to the draft report 2007-S-7, addressing the safety and security-related practices and procedures for the Downtown Manhattan Heliport. Thank you for the opportunity to comment on your draft findings and recommendations.

We appreciate your comments and recommendations and look forward to working with your office and Federal Aviation Administration, Transportation Securities Administration, United States Coast Guard, New York State Department of Transportation and the general aviation industry to identify the appropriate security and safety measures to be implemented at the Downtown Manhattan Heliport.

As stated in previous meetings with your staff, we plan to issue a Request For Proposals for a Heliport fixed based operator at the Downtown Manhattan Heliport in September 2007. In the interim, we have asked the Port Authority of New York and New Jersey to continue to operate the Heliport for up to 6 months pending the selection of an operator.

Sincerely,

A handwritten signature in black ink, appearing to read "Deo Singh".

Deo Singh
Controller