

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**MINUTES
June 30, 2005**

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, June 30, 2005, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Angelo J. Genova
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. Jack G. Sinagra
 Hon. David S. Steiner

NEW YORK

Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. David S. Mack
 Hon. Henry R. Silverman

Kenneth J. Ringler Jr., Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Kayla M. Bergeron, Director, Chief of Public and Government Affairs
 A. Paul Blanco, Chief Financial Officer
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Rosemary Chiricolo, Assistant Director, Financial Services
 Timothy Castano, Senior Business Consultant, Office of the Chairman
 Anthony B. Ciavolella, Public Information Officer, Public Affairs
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public Affairs
 Anthony G. Cracchiolo, Director, Priority Capital Programs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Francis A. DiMola, Director, Real Estate
 John J. Drobny, Director, Project Management
 Michael G. Fabiano, Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 Gertrude Gilligan, Employee Communications Representative, Public Affairs
 Linda C. Handel, Assistant Secretary
 L. Jay Hector, Senior Policy Advisor to the Executive Director/Vice-Chairman
 Lawrence S. Hofrichter, Deputy General Counsel
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Kevin J. Kirchman, Deputy Director, Public Affairs
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Shawn K. Laurenti, Director, Government and Community Affairs
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Anne Marie C. Mulligan, Treasurer
 Lynn A. Nerney, Senior Administrator, Office of the Secretary

Milton H. Pachter, General Attorney and Senior Litigation Counsel, Law
Samuel J. Plumeri, Jr., Superintendent of Police/Director, Public Safety
Edmond F. Schorno, Chief of Staff
Kenneth W. Snapp, Senior Policy Advisor, Office of the Deputy Executive Director
Gerald B. Stoughton, General Manager, Forecasting and Capital Planning, Financial Services
Ralph Tragale, Client Manager, Government and Community Affairs
Sheree R. Van Duyne, Manager of Policies and Protocol, Office of the Secretary
Peter J. Zipf, Deputy Chief Engineer

Guests

Michael A. Petralia, Jacob Javits Center Redevelopment Corporation
Sam Stanton, Authorities Unit, Office of the Governor of New Jersey

The public session was called to order by Chairman Coscia at 2:00 p.m. and ended at 2:13 p.m. The Board met in executive session prior to the public session. Commissioner Blakeman was not present for the executive session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of May 26, 2005. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

The Secretary also reported that the actions set forth on pages 199 through 215 of the Minutes for May 26, 2005 in connection with Port Authority Commercial Paper Obligations were also approved for the purposes of the public approval provision of Section 147(f) of the Internal Revenue Code of 1986 and the regulations with respect thereto, upon expiration of the gubernatorial review period.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on June 28, 2005, which included discussion of internal audit matters, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on June 30, 2005, which included discussion of contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on June 30, 2005, which included discussion of contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on June 30, 2005, which included discussion of a contract to replace an existing switch house at Newark Liberty International Airport and an update on the status of a project in connection with the reactivation of the Staten Island Railroad to provide rail freight service to the Howland Hook Marine Terminal, in addition to matters filed with the Committee pursuant to

Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed and action taken in executive session at its meeting on June 30, 2005, which included discussion of certain personnel, lease and contract matters, and the report was received.

Staff Report

Due to the sensitive security information contained herein, this item will remain confidential for public safety reasons.

TRIBUTE TO MICHAEL A. PETRALIA

The following resolution was unanimously adopted by the Board of Commissioners upon the departure of Michael A. Petralia, Chief of Public and Government Affairs.

WHEREAS, from the time he joined the Port Authority on March 4, 2002 as Chief of Public and Government Affairs, Michael A. Petralia has served with great distinction in leading The Port Authority of New York and New Jersey's Government & Community Affairs and Public Affairs departments in order to better coordinate the flow of information on Port Authority projects, programs and issues to the media, elected officials and residents of the bi-state region during the most difficult time in the agency's history; and

WHEREAS, Michael A. Petralia has been a leader in developing key press and community strategies to foster consensus on myriad issues pertaining to the World Trade Center (WTC) site in the aftermath of the September 11, 2001 terrorist attacks, including the development of the WTC master plan, reopening of the Exchange Place and temporary World Trade Center PATH stations, unveiling of the design for the World Trade Center Transportation Hub and the laying of the cornerstone of the Freedom Tower; and

WHEREAS, Michael A. Petralia has ensured the Port Authority's continued participation and cooperation with the City of New York in remembering those who were lost on September 11, 2001 at annual memorial events at the WTC site; and

WHEREAS, Michael A. Petralia has ensured that the residents and media of this bi-state region have been kept informed of the agency's agenda and has overseen numerous outreach efforts associated with projects undertaken by the agency, including the opening of AirTrain JFK, maritime port dredging and expansion of intermodal rail service and other efforts relating to relieving congestion on roadways within the Port District, as well as outreach pertaining to the implementation of highway speed E-ZpassSM at certain of the Port Authority's bridge facilities, the modernization of the Goethals Bridge and the redevelopment of the WTC site;

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to Michael A. Petralia their sincere appreciation for his service to the agency and the region it serves; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Michael A. Petralia as a token of the high esteem in which he is held by the Board and staff alike.

TRIBUTE TO MILTON H. PACHTER, ESQ.

The following resolution was unanimously adopted by the Board of Commissioners as a tribute to Milton H. Pachter, Esq., General Attorney and Senior Litigation Counsel in the Law Department, in recognition of his fifty years of distinguished public service to The Port Authority of New York and New Jersey and the region it serves.

WHEREAS, Milton H. Pachter has served with distinction as General Attorney, Senior Litigation Counsel and Attorney of Record for lawsuits instituted in federal, state and local courts in the State of New York; and

WHEREAS, Milton H. Pachter has provided invaluable legal advice on lease, contract, insurance, real estate, real estate valuation and environmental matters and has personally and successfully handled numerous lawsuits involving major policy considerations, as well as those of significant economic importance to the Port Authority; and

WHEREAS, Milton H. Pachter was the lead counsel heading a team of lawyers, environmentalists, engineers and financial experts handling litigation that the Port Authority brought against the manufacturers of asbestos, which spanned from 1987 until the late 1990s and resulted in significant recoveries to the agency; and

WHEREAS, Milton H. Pachter prepared and personally tried the diverse valuations of almost 100 separate real estate parcels in connection with the original World Trade Center site, as well as numerous other real estate transactions necessary for the expansion of Port Authority facilities over his career; and

WHEREAS, during the course of his legal career with the Port Authority, Milton H. Pachter was instrumental in facilitating the agency's involvement in utility cases in both New York and New Jersey, saving the agency millions of dollars on an annual basis; and

WHEREAS, since 1995 Milton H. Pachter has devoted his considerable talent and acumen to the arbitration involving the New York Airports, and more recently, the acquisition and valuation of properties for the light rail to John F. Kennedy International Airport (AirTrain JFK), the transportation center in Jamaica, Queens, the Queens West Waterfront Development project, and matters involving the World Trade Center site; and

WHEREAS, during his distinguished Port Authority career, Milton H. Pachter has also served as an adjunct professor of real estate at New York University's Real Estate Institute; has organized and served as the first President of the New York Condemnation Conference and served as the Chair of the Association of the Bar of the City of New York's Committee on Condemnation and Tax Certiorari; and most notably has served more than 33 years with the United States Army and the United States Army Reserve; and

WHEREAS, Milton H. Pachter's selfless and unwavering dedication and faithful service to New York and New Jersey residents are a symbol of inspiration and encouragement to the countless individuals whose lives he touches; and

WHEREAS, Milton H. Pachter can be especially proud of his record of perfect attendance for forty-one years;

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to Milton H. Pachter, Esq., their sincere appreciation for the fifty years of distinguished service he has provided to the agency and the region it serves and for his continued service to this agency; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Milton H. Pachter, Esq., as a token of the high esteem in which he is held by the Board and the staff alike.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – AIRTRAIN NEWARK -
AMENDMENT TO MEMORANDUM OF AGREEMENT BETWEEN
THE PORT AUTHORITY AND NEW JERSEY TRANSIT
CORPORATION – ACCESS FEE INCREASE AND REVISION TO
SCHEDULE OF CHARGES FOR AIR TERMINALS**

It was recommended that the Board authorize the Executive Director to: (1) enter into Amendment No. 2 to an existing Memorandum of Agreement between the Port Authority and New Jersey Transit Corporation (NJ Transit) to revise the revenue sharing agreement therein to reflect an increase to the access fee for single-ride and ten-trip tickets used at the Newark Liberty International Airport Train Station (EWR Station); and (2) revise the Schedule of Charges for Air Terminals to include the AirTrain Newark access fee.

The Memorandum of Agreement between the Port Authority and NJ Transit stipulates that revisions to fare policies resulting in changes to the access fee shall not be made without the mutual approval of NJ Transit and the Port Authority. NJ Transit proposed an increase to the AirTrain Newark access fees for one-way and ten-trip tickets received at the EWR Station as part of a NJ Transit-proposed system-wide fare increase. Since opening the EWR Station in October 2001, neither the Port Authority nor NJ Transit has raised its share of the access fee. NJ Transit's proposed increase presents a financial advantage for the Port Authority, in that increasing our share of the access fee generates additional revenues, assists in offsetting station operating costs, and lowers the monorail fee charged to the airlines. This proposed amendment would result in an increase in the access fee for a single-ride ticket from \$7.00 to \$8.00 (for rides between EWR Station and New York Penn Station) and from \$5.00 to \$5.50 (for rides between EWR Station and points in New Jersey). The Port Authority's share of every access fee collected by NJ Transit would increase from \$3.50 to \$4.00. This amendment would also result in an increase in the access fee for ten-trip tickets from \$60.00 to \$69.00 (for rides between EWR Station and New York Penn Station) and from \$40.00 to \$44.00 (for rides between EWR Station and points in New Jersey). The Port Authority's share of every access fee collected by NJ Transit for ten-trip tickets would increase from \$25.00 to \$29.00.

Revising the Schedule of Charges for Air Terminals to include the AirTrain Newark access fee would ease the implementation of future changes to the access fees by delegating authority to the Executive Director.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Mack, Pocino, Silverman, Sinagra and Steiner voting in favor; none against; Commissioners Genova and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into Amendment No. 2 to the existing Memorandum of Agreement between the Port Authority and New Jersey Transit Corporation to revise the revenue sharing agreement therein to reflect an increase to the access fee of a single-ride ticket from \$7.00 to \$8.00 for rides between Newark Liberty International Airport Train Station (EWR Station) and New York Penn Station and from \$5.00 to \$5.50 for rides between EWR Station and points in New Jersey, with the Port Authority's share of every access fee collected by NJ Transit to increase from \$3.50 to \$4.00; and to increase the access fee for ten-trip tickets from \$60.00 to \$69.00 for rides between EWR Station and New York Penn Station and from \$40.00 to \$44.00 for rides between EWR Station and points in New Jersey, with the Port Authority's share of every access fee collected by NJ Transit for ten-trip tickets to increase from \$25.00 to \$29.00; and (2) revise the Schedule of Charges for Air Terminals to include the AirTrain Newark access fee; and it is further

RESOLVED, that the form of the amendment in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**AGREEMENT WITH THE NATIONAL OCEANIC AND ATMOSPHERIC
ADMINISTRATION FOR THE OPERATION AND MAINTENANCE OF
THE PHYSICAL OCEANOGRAPHIC REAL-TIME SYSTEM**

It was recommended that the Board authorize the Executive Director to enter into an agreement, on behalf of the States of New York and New Jersey (the States), with the National Oceanic and Atmospheric Administration (NOAA), an agency of the United States Department of Commerce, to extend the current contract for the operation and maintenance of the Physical Oceanographic Real-Time System (PORTS) for a one-year period at an estimated cost of \$195,000, with an option, exercisable by the Port Authority at the discretion of the States, to extend for an additional one-year period at an estimated cost of \$200,000.

PORTS is a hydrological data collection and dissemination system consisting of sensors, communication lines and computer software developed by NOAA. The program allows ships, berthed or underway, to access real-time data on currents, winds, waves, water levels (tides), depths, temperatures and salinity. The program provides continuous and consistent information to the harbor pilots, who are responsible for maneuvering large vessels through the channels, especially during logistically complex dredging operations. Maintaining confidence in port safety is a critical objective of the Port Authority, and it ultimately influences our port operations' reputation, credibility and competitiveness.

Start-up costs were absorbed by NOAA as the system was being developed. However, under the terms of the PORTS program, a local sponsor of the system must pay for its ongoing operation and maintenance. The Port Authority, as authorized by the Board at its meeting of October 25, 2001, funded the program directly from October 2001 through September 2002 at a cost of \$262,000. For the periods of May 1, 2003 through April 30, 2004 and May 1, 2004 through April 30, 2005, the States agreed to fund PORTS through the Bistate Dredging Program at a cost of \$190,000 per year, and requested that the Port Authority continue to administer the contract with NOAA on their behalf. These actions were approved by the Board in July 2003 and June 2004, respectively. This year, the States have again requested that the Port Authority administer the NOAA contract and that \$195,000 in Bistate Dredging Program monies be utilized to continue this program for the period of May 1, 2005 through April 30, 2006, and that \$200,000 in Bistate Dredging Program monies be utilized to extend the program from May 1, 2006 through April 30, 2007, should the Port Authority exercise the option to extend the NOAA contract for an additional year at the request of the States.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Genova, Mack, Pocino, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the National Oceanic and Atmospheric Administration (NOAA) to extend the current contract with NOAA to operate and maintain the Physical Oceanographic Real-Time System (PORTS) for an additional one-year period at an estimated cost of \$195,000, and to extend that contract for a second one-year period at the request of the States of New York and New Jersey at an estimated cost of \$200,000; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

REPLACEMENT OF THE INTEGRATED TOLL COLLECTION SYSTEM AT PORT AUTHORITY TUNNEL AND BRIDGE CROSSINGS – PLANNING AUTHORIZATION

It was recommended that the Board authorize planning for the replacement of the existing Integrated Toll Collection System (ITCS) with a new Port Authority Toll System (PATS) at all Port Authority tunnel and bridge crossings, at an estimated amount of \$3.2 million, to include the following: (1) continued planning for PATS; (2) development of the project proposal for project authorization, including business requirements, schedule and project costs; (3) development of a scope of work for inclusion in a Request for Proposals (RFP) for the procurement of a system integrator; and (4) procurement of a program consultant.

On December 14, 1995, the Board authorized the implementation of the Port Authority Electronic Toll Collection System (E-ZPassSM). The E-ZPassSM system is a computer-based toll collection system that allows customers to pay tolls electronically at the Port Authority's tunnel and bridge crossings. The Port Authority's toll system also processes, records and reports on tolls paid with cash or tickets, as well as with E-ZPassSM.

On June 27, 1996, the Chief Engineer authorized the award of Contract MF-274.038M to Lockheed Martin IMS/Parsons Brinckerhoff, a Joint Venture, for the maintenance of the E-ZPassSM system for the Port Authority's tunnel and bridge facilities.

On April 16, 1998, the Executive Director authorized the Chief Engineer to enter into Supplemental Agreement No. 2 to Contract MF-274.038 with Lockheed Martin IMS/Parsons Brinckerhoff, a Joint Venture, for converting the existing manual toll collection system to a manual toll collection system utilizing touch-screen technology.

The existing ITCS for the Port Authority's tunnel and bridge crossings, which was installed in 1998, combined the E-ZPassSM system and the manual (cash/ticket) toll collection system into a single system. The system is used to:

- Process tolls electronically, using E-ZPassSM.
- Record cash and ticket tolls indicated by toll collectors.
- Capture images of violating vehicles.
- Report un-audited revenue and traffic data.
- Control in-lane operations.
- Record equipment maintenance activities.
- Interface with the New York Customer Service Center for E-ZPassSM toll transactions.

The ITCS is used to account for \$700 million in toll revenue from approximately 126 million vehicles that pass through the tunnels and bridges annually. Although the system has operated successfully in the past, it is reaching the end of its useful life, and its ability to meet performance objectives is declining over time. Furthermore, equipment degradation and system anomalies that have been uncovered, if not addressed, represent potential revenue and customer service impacts over the long term. System replacement

would enable the agency to collect and account for toll revenue more accurately, eliminate additional costs incurred to maintain the existing system and enhance the agency's ability to identify toll violators.

The following alternatives for the replacement of the ITCS are currently under consideration:

1. **Maintain Existing System:** The existing ITCS would be left as is, with no upgrades in hardware or software other than standard preventive and corrective maintenance. However, as the system continues to age, component failures are expected to increase, which would impact the ability to collect revenue and impact facility throughput as lanes are closed more frequently for preventive and corrective maintenance.

2. **Replacement of ITCS Equipment:** Replace all of the equipment components of the current ITCS, with the exception of the Toll Collector Deposit System and the Automated Vehicle Identification (AVI) system. Components to be replaced include those components identified as those that are likeliest to contribute to poor system performance. This alternative would replace obsolete equipment, but would not provide added functionality.

3. **Upgrade of ITCS:** The current ITCS would be replaced/upgraded in two stages. Stage 1 of this alternative would be the same as Alternative 2, which would replace all of the equipment components of the current ITCS, with the exception of the Toll Collector Deposit System and the AVI system. Components to be replaced would include those components identified as being likeliest to contribute to poor system performance.

In Stage 2, plaza-level servers would be installed to support improved workflow and supervisory control, and a new toll collector deposit system would be installed to replace the existing approximately 16-year-old deposit system (the deposit system is left over from the toll system in place prior to ITCS) and to improve revenue control. Also to improve revenue control, a new digital video surveillance subsystem would be installed and the Integrated Toll Revenue Audit and Control System (ITRACS) reporting system used by Revenue Accounting to reconcile toll collector deposits would be integrated with the new toll collection system's reporting system. This alternative would provide substantial improvement over the existing system. The phased replacement would result in repeated operational disruptions for equipment replacement, staff training, etc.

4. **Completely New PATS:** A new PATS would be competitively procured and installed at all facilities. All existing equipment except AVI antennas and RF modules would be removed and replaced with new equipment. Plaza-level servers would be installed to improve supervisory control, and a new toll collector deposit system to improve revenue control would be included. New software would be developed at the lane, plaza and central levels. A simulated toll plaza would be installed in the training center. This alternative also would introduce additional functionality to better monitor toll collector performance and accuracy.

Replacing the ITCS with a new state-of-the-art revenue collection system would provide the following benefits in the most cost-effective manner: (1) protection of Port Authority revenue stream; (2) improvement of system accuracy and reliability; (3) recovery of uncollected toll revenue; (4) improvement of revenue security; (5) reduction of system operating, maintenance and Customer Service Center costs; (6) provision of added functionality; (7) implementation of an Organizational Effectiveness and Change Management recommendation to integrate the ITCS and ITRACS reporting systems, which will provide “near real-time” capability to audit toll collector deposits; and (8) improvement of vendor accountability.

It is estimated that the recommended planning process would take eight months to complete. A request for project authorization is therefore anticipated to be made in the first half of 2006.

Pursuant to the foregoing report, the following resolution was adopted with Commissioneers Blakeman, Chasanoff, Coscia, Genova, Mack, Pocino, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

RESOLVED, that planning for the replacement of the existing Integrated Toll Collection System with a new Port Authority Toll System (PATS) at all Port Authority tunnel and bridge crossings at an estimated amount of \$3.2 million, to include the following: (1) continued planning for PATS; (2) development of the project proposal for project authorization, including business requirements, schedule and project costs; (3) development of a scope of work for inclusion in a Request for Proposals (RFP) for the procurement of a system integrator; and (4) procurement of a program consultant, be and it hereby is authorized.

**AUTHORIZATION TO ACCEPT EASEMENTS ON TWO PROPERTIES FROM THE
CITY OF HOBOKEN, NEW JERSEY**

It was recommended that the Board authorize the Executive Director to accept easements (Easements) with respect to two properties (the Properties) owned by the City of Hoboken, New Jersey (Hoboken). In cooperation with the Port Authority, Hoboken is seeking to enhance our ability to respond to emergency situations. Hoboken would provide the Port Authority with Easements with respect to: (1) a parcel known as Pier A Park, being a part of Lot 1, Block 231.5, which includes a pier and water within fifty feet of the pier in each direction, and containing approximately 319,270 square feet (228,660-square-foot pier and 90,610 square feet under water), and (2) a parcel of land known as the 5th Street Soccer Field, being a part of Lot 2, Block 258 and containing 54,000 square feet of land. The Governor of the State of New Jersey has requested the allocation of \$3 million from available New Jersey Project Development Funds for payment to Hoboken in connection with the acceptance of the Easements.

The sole purpose of the Easements would be for the use and occupancy of these Properties for law enforcement and emergency purposes in connection with Port Authority facilities that are located adjacent to or in the vicinity of the Properties and for the right of entry for the purpose of ingress and egress to the permanent Easements. The Port Authority would be able to use the Properties, in connection with or related to its facilities, for the construction of temporary ancillary structures, as a command post and staging area for law enforcement and emergency response assets and/or for evacuation purposes, and/or for the performance of emergency practice drills and preparations, and, with respect to the 5th Street Soccer Field, for emergency helicopter landing operations.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Genova, Mack, Pocino, Silverman, Sinagra and Steiner voting in favor; none against; Commissioner Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to accept easements (the Easements) with respect to two properties owned by the City of Hoboken, New Jersey, substantially in accordance with the terms outlined to the Board, and to enter into any other agreements necessary to effectuate the Easements; the form of the Easements and any such related agreements shall be subject to the approval of General Counsel or his authorized representative.

MEMORANDUM OF UNDERSTANDING WITH NEW JERSEY TRANSIT CORPORATION FOR THE RESTORATION AND LONG-TERM LEASE OF PORTIONS OF THE HISTORIC HOBOKEN FERRY TERMINAL AND COMMITMENT OF FUNDING

It was recommended that the Board authorize the Executive Director to enter into a supplemental Memorandum of Understanding with the New Jersey Transit Corporation (NJT) that would: amend and improve previous terms and conditions for a long-term lease agreement; provide for a contribution by the Port Authority to NJT for the funding of certain construction costs, in the amount of \$20 million; and formalize the Port Authority's funding commitment associated with the restoration of the Historic Hoboken Ferry Terminal (the Terminal), which will accommodate trans-Hudson ferry operations. NJT would match the initial Port Authority contribution of \$20 million from existing federal funds.

In October 1988, the Board authorized an agreement with NJT for the development of ferry operations at Hoboken, New Jersey and for the construction of a temporary ferry terminal. The agreement also provided for the Port Authority to enter into a long-term lease agreement with NJT contingent upon NJT's commencement of the restoration of the Terminal. That lease agreement was for an initial term of five years, with provisions for three five-year options.

In October 1999, upon the expiration of the first five-year option period, the Port Authority agreed with NJT not to exercise a second option. Rather, discussions commenced concerning the restoration of the Terminal and the terms and conditions for a new long-term lease agreement (the New Lease) for portions of the restored Terminal to be utilized for ferry operations.

As a result of those discussions, a Memorandum of Understanding was negotiated and its execution was authorized by the Board in February 2002 (the 2002 MOU). The 2002 MOU provided for the Port Authority's continued lease of the "temporary terminal" rent-free, and for the Port Authority to provide funding in the amount of \$8 million for the design of the permanent ferry facility at the Terminal. Additionally, the 2002 MOU memorialized the Port Authority's commitment to fund the reasonable costs of the restoration work relating to the portion of the Terminal used in connection with ferry services. These costs were estimated at between \$50 million and \$65 million.

Following the execution of the 2002 MOU and prior to the completion of negotiations relating to the New Lease, NJT conducted separate negotiations with a private entity to develop additional retail spaces at the Terminal, impacting portions of the areas originally proposed to be leased to the Port Authority. Staff therefore renegotiated the terms of the Port Authority's New Lease, and was able to substantially improve upon the 2002 MOU's terms and conditions. These improved terms and conditions relating to the New Lease, as well as the Port Authority's agreement to fund \$20 million of its total funding commitment with respect to the restoration project, as discussed above, would be set forth in the proposed supplemental Memorandum of Understanding.

It is anticipated that staff will seek further authorization from the Board to enter into the New Lease when negotiations with NJT have been concluded.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Mack, Pocino, Silverman, Sinagra and Steiner voting in favor; none against; Commissioners Genova and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a supplemental Memorandum of Understanding with the New Jersey Transit Corporation, which, among other things, shall provide for the Port Authority to fund up to \$20 million of construction costs in connection with the restoration of the Historic Hoboken Ferry Terminal (the Terminal), and shall set forth the terms of a new lease to be negotiated for the Port Authority's use of portions of the Terminal in connection with the operation of ferry services; and it is further

RESOLVED, that the form of the supplemental Memorandum of Understanding shall be subject to the approval of General Counsel or his authorized representative.

**MEMORANDUM OF UNDERSTANDING AMONG THE PORT AUTHORITY,
THE METROPOLITAN TRANSPORTATION AUTHORITY AND NEW
JERSEY TRANSIT CORPORATION TO IMPLEMENT REGIONAL FARE
PAYMENT USING SMART CARDS**

It was recommended that the Board authorize the Executive Director to enter into a Memorandum of Understanding (MOU) with the Metropolitan Transportation Authority (MTA) and New Jersey Transit Corporation (NJT) to establish a strategic alliance for the purpose of implementing a mutually agreeable smart card payment solution for the New York – New Jersey region. The MOU would formalize that the three agencies are working together on standards for smart cards, back-office efficiencies, and potential revenue opportunities.

In December 2000, the Port Authority formed a regional (New York, New Jersey, Connecticut, Pennsylvania) committee composed of fourteen regional transit stakeholders, (Amtrak, Connecticut Department of Transportation, Connecticut South Western Regional Planning Authority, MTA, MTA/Bridges & Tunnels, MTA/Long Island Railroad, MTA/Metro-North Railroad, MTA/New York City Transit, New Jersey Department of Transportation, NJT, New York Waterways, the Port Authority, Southeastern Pennsylvania Transportation Authority and Westchester County Department of Transportation) to further the development of a regional smart card program. By integrating these transit services with one fare medium, the Port Authority will further the objective of connecting all the transit properties in the New York-New Jersey region with a convenient, seamless inter-modal fare collection instrument facilitated by using the regional smart card standard.

Staff has published the Regional Interoperability Standard for Electronic Transit Fare Payments that promotes an open standard for cards and data, such that fare collection systems software, hardware and networks can be procured on a competitive basis. A new fare collection system, including smart card compatibility for the Port Authority Trans-Hudson (PATH) rail system, has been procured, which will be completed via a phased rollout over the next year. An upgrade of the SmartLinkSM monthly pass at the Newark Liberty International Airport Station (AirTrain Newark) will be implemented shortly, making it compatible with the regional smart card standard and expanding it to include a 10-trip pass. Subsequently, a standard smart card fare collection component for AirTrain JFK at the Jamaica and Howard Beach stations will be procured.

Staff continues to develop a more enhanced version of the regional smart card standard in concert with the American Public Transportation Association. In addition, the Port Authority has developed a Proof of Concept based on the standard, in order to prove economic and performance feasibility. The Proof of Concept was proposed by staff as a shared-funding project opportunity to the I-95 Corridor Coalition (Coalition), which was approved. The Coalition is an alliance of transportation agencies, toll authorities, and related organizations, including law enforcement agencies, from the State of Maine to the State of Florida, with an affiliate member in Canada. Under the federal-aid highway program authorization acts, the Inter-modal Surface Transportation Efficiency Act (ISTEA) in 1991 and the Transportation Equity Act for the 21st Century (TEA-21) in 1998, the Coalition received federal funds to support its continuing efforts.

The Regional Smart Card Initiative Program was authorized by the Board at its December 9, 2004 meeting, at an estimated expenditure amount of \$3.3 million for 2005.

Staff is now ready to proceed with the Regional Smart Card Program. This authorization would enable staff to continue to work with the regional smart card strategic alliance, consisting of the Port Authority, MTA/New York City Transit and NJT, to develop and quantify potential business opportunities and revenues that could be derived from a regional smart card. The MOU contains the following joint tasks:

- Finalizing of the regional smart card standard;
- Exploring payment solutions for the regional transportation network;
- Demonstrations and/or pilots of various fare payment solutions;
- Evaluating the results of demonstrations and/or pilots and presenting to the respective agencies for consideration;
- Developing a comprehensive business plan that determines the funding requirements in support of a regional fare payment solution
- Providing joint recommendations to respective agencies; and
- Drafting necessary inter-agency agreements.

By December 2006, the New York/New Jersey transit strategic alliance will develop a financial plan for implementation of the regional smart card standard.

Regional smart card programs are being implemented globally. The smart card technology has proved to be more advanced regarding security and integrity of payment. In addition, the technology has proved to be more flexible and functionally capable for being able to provide a transit patron with one card (ticket media) for use across all modes of transportation within a region.

The open Regional Interoperability Standard provides for the future smart card fare collection systems to be competitively bid, including other contract awards that may be required by the strategic alliance, *e.g.*, business opportunity definition and prototype execution and other consulting services. However, due to legacy contracts and installed fare collection systems, some immediate partial system upgrade contract awards are dependent on the existing fare collection and service providers, *e.g.*, AirTrain Newark (Ascom Transport System, Inc.), AirTrain JFK (Bombardier/Cubic Transportation Systems), PATH (Cubic), and NJ Transit (Ascom).

The expected benefit of formalizing the strategic alliance effort is to accelerate the use of a smart card for fare payments across regional transit services. Use of a contactless smart card medium is expected to result in:

- Lower operating and capital cost as compared with other solutions (magnetic and paper);

- Lower fraud and abuse;

- Greater flexibility for fare structure and policy;
- Better customer convenience (faster, more secure, customer response);
- Broader capability to integrate among operators; and
- More reliability.

It is anticipated that the implementation of smart card technology may result in greater public utilization of mass transit and reduced traffic and pollution.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Pocino, Silverman, Sinagra and Steiner voting in favor; none against; Commissioners Genova, Mack and Sartor recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Memorandum of Understanding (MOU) with the Metropolitan Transportation Authority and New Jersey Transit Corporation to establish a strategic alliance for the purpose of implementing a mutually agreeable smart card payment solution for the New York – New Jersey region; the form of the MOU shall be subject to the approval of General Counsel or his authorized representative.

CONFIDENTIAL ITEM

This item shall not be available for public inspection until otherwise agreed to by the parties involved.

FINAL CONTRACT PAYMENTS

The Comptroller reported, for information only, that the contracts set forth hereafter have been completed satisfactorily by the contractors. Final payments have been made in the period of April 1, 2005 to April 30, 2005.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
EP384056	BUILDING 1400 MODIFICATIONS ELIZABETH-PORT AUTHORITY MARINE TERMINAL VRH CONSTRUCTION CORPORATION	984,000 (A) 100,000 (C) 78,000 (D) <u>6,986</u>	984,000 100,000 78,000 <u>6,986</u>	984,000 41,973 52,417 <u>6,986</u> (E)
		1,168,986	1,168,986	1,085,376
GWB244020	LIGHTING & ROADWAY REHABILITATION OF NEW YORK APPROACH RAMPS GEORGE WASHINGTON BRIDGE GRACE INDUSTRIES, INC.	18,834,000 (A) 7,529,000 (B) 2,000,000 (C) 1,582,000 (D) 143,463 <u>--0--</u>	18,834,000 7,529,000 2,000,000 1,582,000 143,463 <u>--0--</u>	18,834,000 7,261,599 213,997 1,025,413 143,463 (E) <u>101,388</u> (F)
		30,088,463	30,088,463	27,579,860
GWB452	ELEVATOR SYSTEM UPGRADE GEORGE WASHINGTON BRIDGE KOCH SKANSKA, INC.	6,450,875 (A) 250,000 (C) <u>387,053</u> (D)	6,450,875 2,219,000 (G) <u>387,053</u>	6,450,875 1,770,926 <u>384,643</u>
		7,087,928	9,056,928	8,606,444
GWB483	REHABILITATION OF ESCALATOR #30 GEORGE WASHINGTON BRIDGE BUS STATION MAINCO ELEVATOR & ELECTRICAL CORP.	178,153 (A) 30,000 (C) <u>14,252</u> (D)	178,153 30,000 <u>14,252</u>	178,153 <u>--0--</u> <u>--0--</u>
		222,405	222,405	178,153
MFP234921	HARBOR NAVIGATION IMPROVEMENT, CHANNEL DEEPENING KILL VAN KULL, NEWARK BAY - AREA 5 BEAN STUYVESANT, LLC	107,604,120 (B) 1,000,000 (C) 6,456,247 (D) <u>600,200</u>	107,604,120 1,000,000 6,456,247 <u>600,200</u>	102,063,875 <u>--0--</u> <u>--0--</u> <u>600,200</u> (E)
		115,660,567	115,660,567	102,664,075
PN914574	PAVEMENT REHABILITATION OF MARSH STREET FROM EXPORT STREET TO WHARF PORT NEWARK W. KELLY EQUIPMENT, INC.	139,730 (A) 105,515 (B) 25,000 (C) <u>14,718</u> (D)	139,730 182,648 (H) 25,000 <u>14,718</u>	139,730 153,276 17,428 <u>--0--</u>
		284,963	362,096	310,434

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
PN994555	WATER MAIN REPLACEMENT AT MARCAIBO AND CALCUTTA STREETS PORT NEWARK	688,615 (A) 250,000 (C) 41,317 (D)	688,615 250,000 41,317	688,615 216,625 --0--
	THE NEW HAMPSHIRE INSURANCE COMPANY	<u>9,386</u> 989,318	<u>9,386</u> 989,318	<u>9,386</u> (E) 914,626

- (A) Lump Sum.
- (B) Classified Work.
- (C) Net Cost - amount in the "Total Authorized" column represents the authorized estimated net cost amount. However, the amount in the "Total Payments" column is the actual net cost amount paid.
- (D) Extra Work.
- (E) Premium for furnishing performance and payment bond as provided for in the contract.
- (F) Increase in the contractor's compensation pursuant to the "Emergency Delays" clause, in the amount of \$101,388, as provided for in the contract.
- (G) Increase in net cost work in the amount of \$1,969,000 authorized on 7/16/2001.
- (H) Increase in classified work.

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

The Committee on Finance reported, for information only, that in accordance with authority granted by the Committee, the Executive Director had authorized the following security transactions during the period April 1, 2005 through April 30, 2005.

REPORT A:

Purchase of Port Authority Bonds

(Unless otherwise noted, all Port Authority Bonds are callable at par).

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Call Year</u>	<u>YTC @ Cost</u>	<u>BEY @ Cost</u>	<u>Total Principal</u>	<u>Dealer</u>
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No new transactions this period.

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
04/01/05	\$50,000,000	FHDN	--	07/01/05	99.26	2.940%	2.995%	\$49,628,416.65	Morgan Stanley
04/01/05	50,000,000	GE CORP CP	--	04/04/05	99.98	2.810	2.850	49,988,291.67	G.E. Capital
04/01/05	23,204,000	GE CORP CP	--	04/04/05	99.98	2.810	2.850	23,198,566.40	G.E. Capital
04/04/05	10,000,000	USTN	3.375%	02/15/08	98.43	--	3.954	9,842,968.75	Merrill Lynch
04/04/05	11,200,000	GECC CP	--	04/05/05	99.99	2.750	2.788	11,199,144.44	G.E. Capital
04/04/05	50,000,000	GECC CP	--	04/05/05	99.99	2.750	2.788	49,996,180.56	G.E. Capital
04/04/05	5,114,000	GECC CP	--	04/05/05	99.99	2.750	2.788	5,113,609.35	G.E. Capital
04/05/05	25,000,000	USTB	--	04/15/05	99.93	2.685	2.722	24,981,354.17	Deutsche Bank
04/05/05	50,000,000	USTB	--	04/15/05	99.93	2.685	2.722	49,962,708.34	Deutsche Bank
04/05/05	21,000,000	FCDN	--	04/29/05	99.82	2.660	2.698	20,962,760.01	Lehman Brothers
04/05/05	49,000,000	UBSFIN CP	--	04/06/05	99.99	2.730	2.768	48,996,284.18	Lehman Brothers
04/06/05	29,200,000	USTB	--	04/07/05	99.99	2.665	2.701	29,197,838.39	Deutsche Bank

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
04/06/05	\$50,000,000	GE CORP CP	--	04/07/05	99.99	2.720%	2.757%	\$49,996,222.22	G.E. Capital
04/06/05	50,000,000	GE CORP CP	--	04/07/05	99.99	2.720	2.757	49,996,222.22	G.E. Capital
04/06/05	4,000,000	UBSFIN CP	--	04/07/05	99.99	2.710	2.747	3,999,698.89	Merrill Lynch
04/07/05	30,000,000	USTB	--	04/15/05	99.94	2.660	2.697	29,982,266.67	Greenwich Capital
04/07/05	25,000,000	FHDN	--	06/07/05	99.53	2.800	2.846	24,881,388.90	Merrill Lynch
04/07/05	50,000,000	FHDN	--	04/18/05	99.92	2.630	2.666	49,959,819.45	Merrill Lynch
04/07/05	50,000,000	FHDN	--	05/31/05	99.59	2.750	2.794	49,793,750.00	Merrill Lynch
04/07/05	35,000,000	UBSFIN CP	--	04/08/05	99.99	2.730	2.768	34,997,345.85	Lehman Brothers
04/08/05	9,500,000	UBSFIN CP	--	04/11/05	99.98	2.730	2.768	9,497,838.75	Goldman Sachs
04/08/05	50,000,000	UBSFIN CP	--	04/11/05	99.98	2.730	2.768	49,988,625.00	Merrill Lynch
04/11/05	50,000,000	FHDN	--	04/15/05	99.97	2.630	2.665	49,985,388.89	Merrill Lynch
04/11/05	50,000,000	GE CORP CP	--	04/12/05	99.99	2.740	2.778	49,996,194.44	G.E. Capital

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
04/11/05	\$20,000,000	UBSFIN CP	--	04/12/05	99.99	2.750%	2.788%	\$19,998,472.22	JPMorgan
04/12/05	50,000,000	GE CORP CP	--	04/13/05	99.99	2.750	2.788	49,996,180.56	G.E. Capital
04/12/05	35,570,000	UBSFIN CP	--	04/13/05	99.99	2.740	2.778	35,567,292.73	Banc of America
04/13/05	50,000,000	GE CORP CP	--	04/14/05	99.99	2.740	2.778	49,996,194.44	G.E. Capital
04/13/05	50,000,000	GE CORP CP	--	04/14/05	99.99	2.740	2.778	49,996,194.44	G.E. Capital
04/13/05	43,725,000	UBSFIN CP	--	04/14/05	99.99	2.740	2.778	43,721,672.05	Banc of America
04/14/05	23,830,000	USTB	--	04/18/05	99.97	2.710	2.747	23,822,824.52	Deutsche Bank
04/14/05	4,880,000	USTB	--	04/18/05	99.97	2.710	2.747	4,878,530.58	Deutsche Bank
04/14/05	19,530,000	USTB	--	04/18/05	99.97	2.710	2.747	19,524,119.30	Deutsche Bank
04/14/05	21,240,000	USTB	--	04/18/05	99.97	2.710	2.747	21,233,604.40	Deutsche Bank
04/14/05	31,550,000	USTB	--	04/18/05	99.97	2.710	2.747	31,540,499.94	Deutsche Bank
04/14/05	32,665,000	USTB	--	04/18/05	99.97	2.710	2.747	32,655,164.21	Deutsche Bank

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
04/14/05	\$29,530,000	USTB	--	04/18/05	99.97	2.710%	2.747%	\$29,521,108.19	Deutsche Bank
04/14/05	43,000,000	UBSFIN CP	--	04/15/05	99.99	2.790	2.829	42,996,667.50	Merrill Lynch
04/14/05	50,000,000	DBKFIN CP	--	04/15/05	99.99	2.790	2.829	49,996,125.00	Deutsche Bank
04/14/05	50,000,000	DBKFIN CP	--	04/15/05	99.99	2.790	2.829	49,996,125.00	Deutsche Bank
04/15/05	50,000,000	FHDN	--	05/11/05	99.80	2.720	2.760	49,901,777.80	Morgan Stanley
04/15/05	50,000,000	GECC CP	--	04/18/05	99.98	2.820	2.860	49,988,250.00	G.E. Capital
04/15/05	40,000,000	CITIGLOBAL	--	04/21/05	99.95	2.800	2.840	39,981,333.32	Citiglobal
04/15/05	50,000,000	CITIGLOBAL	--	04/19/05	99.97	2.770	2.809	49,984,611.10	Citiglobal
04/15/05	28,000,000	UBSFIN CP	--	04/18/05	99.98	2.820	2.860	27,993,420.00	JPMorgan
04/18/05	15,000,000	USTB	--	09/15/05	98.76	2.965	3.028	14,814,687.50	Deutsche Bank
04/18/05	50,000,000	USTB	--	10/06/05	98.57	3.015	3.083	49,283,937.50	JPMorgan
04/18/05	25,000,000	FHDN	--	05/13/05	99.81	2.740	2.781	24,952,430.56	Lehman Brothers

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
04/18/05	\$15,000,000	FCDN	--	05/25/05	99.72	2.730%	2.772%	\$14,957,912.50	Mizuho
04/18/05	25,000,000	FCDN	--	05/17/05	99.78	2.720	2.760	24,945,222.22	Mizuho
04/18/05	50,000,000	UBSFIN CP	--	04/19/05	99.99	2.710	2.747	49,996,236.11	Lehman Brothers
04/18/05	26,000,000	UBSFIN CP	--	04/19/05	99.99	2.710	2.747	25,998,042.78	Lehman Brothers
04/19/05	50,000,000	GE CORP CP	--	04/20/05	99.99	2.720	2.757	49,996,222.22	G.E. Capital
04/19/05	50,000,000	GECC CP	--	04/20/05	99.99	2.720	2.757	49,996,222.22	G.E. Capital
04/19/05	25,922,000	UBSFIN CP	--	04/20/05	99.99	2.700	2.737	25,920,055.85	Lehman Brothers
04/20/05	50,000,000	GECS CP	--	04/26/05	99.95	2.720	2.758	49,977,333.33	G.E. Capital
04/20/05	18,530,000	CITIGLOBAL	--	04/21/05	99.99	2.720	2.757	18,528,599.95	Citiglobal
04/20/05	25,000,000	CITIGLOBAL	--	04/25/05	99.96	2.710	2.748	24,990,590.28	Citiglobal
04/21/05	50,000,000	USTB	--	05/05/05	99.90	2.560	2.594	49,950,222.22	JPMorgan
04/21/05	50,000,000	USTB	--	05/05/05	99.90	2.560	2.594	49,950,222.22	JPMorgan

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
04/21/05	\$50,000,000	USTB	--	05/05/05	99.90	2.560%	2.594%	\$49,950,222.22	JPMorgan
04/21/05	50,000,000	USTB	--	05/05/05	99.90	2.560	2.594	49,950,222.22	JPMorgan
04/21/05	25,000,000	USTB	--	10/20/05	98.46	3.045	3.099	24,615,145.83	Lehman Brothers
04/21/05	50,000,000	USTB	--	09/29/05	98.69	2.940	3.004	49,342,583.34	ABN AMRO
04/21/05	25,000,000	USTB	--	05/26/05	99.74	2.625	2.663	24,936,197.92	Goldman Sachs
04/21/05	50,000,000	DBKFIN CP	--	04/22/05	99.99	2.730	2.768	49,996,208.33	Deutsche Bank
04/21/05	30,000,000	DBKFIN CP	--	04/22/05	99.99	2.730	2.768	29,997,725.00	Deutsche Bank
04/22/05	50,000,000	UBSFIN CP	--	04/25/05	99.98	2.710	2.747	49,988,708.35	Lehman Brothers
04/22/05	50,000,000	DBKFIN CP	--	04/25/05	99.98	2.730	2.768	49,988,625.00	Deutsche Bank
04/25/05	50,000,000	DBKFIN CP	--	04/26/05	99.99	2.760	2.799	49,996,166.67	Deutsche Bank
04/25/05	50,000,000	DBKFIN CP	--	04/26/05	99.99	2.760	2.799	49,996,166.67	Deutsche Bank
04/25/05	25,000,000	UBSFIN CP	--	04/26/05	99.99	2.740	2.770	24,998,097.23	JPMorgan

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
04/26/05	\$25,000,000	USTB	--	05/19/05	99.83	2.600%	2.636%	\$24,958,472.00	Deutsche Bank
04/26/05	37,576,000	USTB	--	10/20/05	98.50	3.055	3.126	37,011,592.70	JPMorgan
04/26/05	25,000,000	FHDN	--	04/27/05	99.99	2.670	2.706	24,998,145.83	Merrill Lynch
04/26/05	50,000,000	GECC CP	--	04/27/05	99.99	2.790	2.829	49,996,125.00	G.E. Capital
04/26/05	30,000,000	GECC CP	--	04/27/05	99.99	2.790	2.829	29,997,675.00	G.E. Capital
04/26/05	30,000,000	CITICORP CP	--	04/27/05	99.99	2.750	2.788	29,997,708.33	Citicorp
04/26/05	50,000,000	DBKFIN CP	--	05/02/05	99.95	2.880	2.923	49,976,000.00	Deutsche Bank
04/27/05	50,000,000	USTB	--	05/12/05	99.89	2.620	2.656	49,945,416.67	Deutsche Bank
04/27/05	31,048,000	USTB	--	05/12/05	99.89	2.620	2.656	31,014,105.93	Deutsche Bank
04/27/05	50,000,000	USTB	--	05/26/05	99.79	2.630	2.668	49,894,069.44	Deutsche Bank
04/27/05	50,000,000	USTB	--	05/26/05	99.79	2.630	2.668	49,894,069.44	Deutsche Bank
04/27/05	18,997,000	USTB	--	05/26/05	99.79	2.630	2.668	18,956,752.74	Deutsche Bank

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
04/27/05	\$50,000,000	GECC CP	--	04/28/05	99.99	2.790%	2.829%	\$49,996,125.00	G.E. Capital
04/27/05	675,000	USTB	--	09/29/05	98.71	2.986	3.051	666,321.94	JPMorgan
04/27/05	50,000,000	GECC CP	--	04/28/05	99.99	2.790	2.829	49,996,125.00	G.E. Capital
04/27/05	27,000,000	UBSFIN CP	--	05/04/05	99.94	2.900	2.943	26,984,775.00	Merrill Lynch
04/27/05	50,000,000	CITIGLOBAL	--	04/28/05	99.99	2.780	2.819	49,996,138.90	Citiglobal
04/27/05	50,000,000	CITIGLOBAL	--	04/28/05	99.99	2.780	2.819	49,996,138.90	Citiglobal
04/28/05	33,355,000	USTB	--	08/25/05	99.03	2.925	2.983	33,032,498.84	Deutsche Bank
04/28/05	50,000,000	USTB	--	05/26/05	99.80	2.610	2.647	49,898,500.00	Lehman Brothers
04/28/05	50,000,000	USTB	--	07/28/05	99.28	2.835	2.886	49,641,687.50	JPMorgan
04/28/05	50,000,000	FHDN	--	05/05/05	99.95	2.700	2.738	49,973,750.00	Mizuho
04/28/05	50,000,000	FHDN	--	05/05/05	99.95	2.700	2.738	49,973,750.00	Mizuho
04/28/05	23,000,000	UBSFIN CP	--	05/03/05	99.96	2.910	2.953	22,990,704.16	Lehman Brothers

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
04/28/05	\$50,000,000	DBKFIN CP	--	04/29/05	99.99	2.890%	2.932%	\$49,995,986.11	Deutsche Bank
04/28/05	33,000,000	UBSFIN CP	--	04/29/05	99.99	2.870	2.912	32,997,369.17	Banc of America
04/29/05	40,000,000	GECC CP	--	05/02/05	99.98	2.940	2.984	39,990,200.00	G.E. Capital
04/29/05	40,000,000	GECC CP	--	05/02/05	99.98	2.940	2.984	39,990,200.00	G.E. Capital
04/29/05	<u>23,150,000</u>	UBSFIN CP	--	05/02/05	99.98	2.930	2.974	<u>23,144,347.53</u>	JPMorgan
	<u>\$3,748,991,000</u>							<u>\$3,743,351,808.86</u>	

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
04/04/05	\$10,000,000	USTN	3.375%	02/15/08	98.51	--	\$9,850,781.25	Merrill Lynch
04/05/05	<u>10,000,000</u>	USTN	3.375	02/15/08	98.64	--	<u>9,864,062.50</u>	Merrill Lynch
	<u>\$20,000,000</u>						<u>\$19,714,843.75</u>	

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Lehman Brothers	04/01/05	04/07/05	\$ 1,165,000	2.680%	\$ 520.69 *
Nomura	04/01/05	04/04/05	44,163,000	2.680	9,863.07
Lehman Brothers	04/01/05	04/07/05	48,710,000	2.680	21,770.67 *
Nomura	04/04/05	04/07/05	5,521,000	2.670	1,228.42
ABN AMRO	04/04/05	04/13/05	14,943,750	2.700	10,095.34 *
Nomura	04/04/05	04/07/05	20,578,000	2.670	4,578.61
Nomura	04/04/05	04/07/05	24,257,000	2.670	5,397.18
Nomura	04/04/05	04/07/05	29,874,000	2.670	6,646.97
Nomura	04/04/05	04/07/05	31,019,000	2.670	6,901.73
Nomura	04/04/05	04/07/05	32,640,000	2.670	7,262.40
Nomura	04/04/05	04/07/05	33,759,000	2.670	7,511.38
ABN AMRO	04/04/05	04/05/05	44,172,000	2.710	3,325.17

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	04/05/05	04/08/05	\$25,860,000	2.720%	\$5,832.87 *
Daiwa	04/05/05	04/06/05	29,200,000	2.710	2,198.11
Daiwa	04/05/05	04/08/05	39,850,000	2.720	8,988.39 *
Nomura	04/07/05	04/11/05	5,473,000	2.710	1,647.98
Nomura	04/07/05	04/11/05	20,246,000	2.710	6,096.30
Nomura	04/07/05	04/11/05	23,288,000	2.710	7,012.28
Nomura	04/07/05	04/11/05	25,212,000	2.710	7,591.61
Nomura	04/07/05	04/11/05	29,535,000	2.710	8,893.32
Nomura	04/07/05	04/11/05	32,647,000	2.710	9,830.37
Nomura	04/07/05	04/11/05	32,667,000	2.710	9,836.40
Daiwa	04/07/05	04/08/05	46,691,000	2.710	3,514.79
Lehman Brothers	04/08/05	04/28/05	29,565,000	2.700	44,175.06 *

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	04/08/05	04/11/05	\$46,695,000	2.720%	\$10,584.20
Nomura	04/11/05	04/14/05	5,475,000	2.700	1,231.88
Nomura	04/11/05	04/14/05	20,252,000	2.700	4,556.70
Nomura	04/11/05	04/14/05	23,295,000	2.700	5,241.38
Nomura	04/11/05	04/14/05	25,220,000	2.700	5,674.50
Nomura	04/11/05	04/14/05	29,543,000	2.700	6,647.18
Nomura	04/11/05	04/14/05	32,657,000	2.700	7,347.83
Nomura	04/11/05	04/14/05	32,676,000	2.700	7,352.10
ABN AMRO	04/11/05	04/12/05	46,700,000	2.710	3,515.47
Daiwa	04/12/05	04/13/05	46,703,000	2.720	3,528.67
Daiwa	04/13/05	04/18/05	46,700,000	2.700	17,512.50
Mizuho	04/14/05	04/19/05	10,390,000	2.750	3,968.40

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho	04/14/05	04/19/05	\$14,610,000	2.750%	\$ 5,580.21
Banc of America	04/15/05	04/18/05	6,418,000	2.740	1,465.44
Banc of America	04/15/05	04/18/05	48,582,000	2.740	11,092.89
Greenwich Capital	04/18/05	04/21/05	4,885,000	2.650	1,078.77
Greenwich Capital	04/18/05	04/21/05	19,536,000	2.650	4,314.20
Greenwich Capital	04/18/05	04/21/05	21,247,000	2.650	4,692.05
Greenwich Capital	04/18/05	04/21/05	23,839,000	2.650	5,264.45
Greenwich Capital	04/18/05	04/21/05	29,539,000	2.650	6,523.20
Greenwich Capital	04/18/05	04/21/05	31,559,000	2.650	6,969.28
Greenwich Capital	04/18/05	04/21/05	32,674,000	2.650	7,215.51
Daiwa	04/18/05	04/19/05	37,640,000	2.670	2,791.63
BNP Paribas	04/19/05	04/20/05	14,025,000	2.650	1,032.40

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho	04/19/05	04/21/05	\$29,910,000	2.650%	\$4,428.34 *
BNP Paribas	04/19/05	04/20/05	48,631,000	2.650	3,579.78
Banc of America	04/20/05	04/21/05	14,531,000	2.660	1,073.68
Banc of America	04/20/05	04/21/05	15,257,000	2.660	1,127.32
Banc of America	04/20/05	04/21/05	48,371,000	2.660	3,574.08
Banc of America	04/20/05	04/21/05	48,371,000	2.660	3,574.08
Banc of America	04/20/05	04/21/05	48,371,000	2.660	3,574.08
Banc of America	04/21/05	04/22/05	880,000	2.610	63.80
Nomura	04/21/05	04/25/05	4,410,000	2.600	1,274.00
Nomura	04/21/05	04/25/05	15,893,000	2.600	4,591.31
Nomura	04/21/05	04/25/05	18,178,000	2.600	5,251.42
Nomura	04/21/05	04/25/05	21,267,000	2.600	6,143.80

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	04/21/05	04/25/05	\$21,523,000	2.600%	\$ 6,217.76
Nomura	04/21/05	04/25/05	29,188,000	2.600	8,432.09
Mizuho	04/21/05	04/28/05	29,925,000	2.600	15,477.88 *
Nomura	04/21/05	04/25/05	32,731,000	2.600	9,455.62
Banc of America	04/21/05	04/22/05	37,000,000	2.610	2,682.50
Banc of America	04/21/05	04/22/05	48,880,000	2.610	3,543.80
Daiwa	04/22/05	04/25/05	1,114,000	2.630	244.15
ABN AMRO	04/22/05	04/29/05	24,962,500	2.650	12,966.63 *
Mizuho	04/22/05	04/28/05	25,935,000	2.650	11,541.07 *
Daiwa	04/22/05	04/25/05	37,000,000	2.630	8,109.17
ABN AMRO	04/22/05	Open	37,640,625 *	Variable **	25,198.30 ***
ABN AMRO	04/22/05	Open	37,640,625 *	Variable **	25,198.30 ***

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	04/22/05	04/25/05	\$48,651,000	2.630%	\$10,662.68
ABN AMRO	04/25/05	04/26/05	794,000	2.660	58.67
Nomura	04/25/05	04/28/05	4,273,000	2.660	947.18
Nomura	04/25/05	04/28/05	15,760,000	2.660	3,493.47
Nomura	04/25/05	04/28/05	16,946,000	2.660	3,756.36
Nomura	04/25/05	04/28/05	20,367,000	2.660	4,514.69
Nomura	04/25/05	04/28/05	21,215,000	2.660	4,702.66
Nomura	04/25/05	04/28/05	29,174,000	2.660	6,466.90
Nomura	04/25/05	04/28/05	32,741,000	2.660	7,257.59
ABN AMRO	04/25/05	04/26/05	37,000,000	2.660	2,733.89
ABN AMRO	04/25/05	04/26/05	48,981,000	2.660	3,619.15
Mizuho	04/26/05	05/02/05	24,821,000	2.750	9,480.24

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Lehman Brothers	04/26/05	04/29/05	\$24,825,000	2.700%	\$5,682.17 *
Lehman Brothers	04/26/05	04/28/05	26,797,500	2.700	4,049.40 *
Lehman Brothers	04/26/05	04/28/05	49,350,000	2.700	7,457.33 *
Banc of America	04/28/05	05/02/05	15,388,000	2.820	3,616.18
Banc of America	04/28/05	05/02/05	16,317,000	2.820	3,834.49
Banc of America	04/28/05	05/02/05	19,908,000	2.820	4,678.38
Banc of America	04/28/05	05/02/05	21,139,000	2.820	4,967.66
Banc of America	04/28/05	05/02/05	29,127,000	2.820	6,844.84
Banc of America	04/28/05	05/02/05	32,748,000	2.820	7,695.78
Lehman Brothers	04/29/05	Open	1,630,000 *	Variable **	253.55 ***
Lehman Brothers	04/29/05	Open	1,630,000 *	Variable **	253.55 ***
Lehman Brothers	04/29/05	Open	1,630,000 *	Variable **	253.55 ***

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	04/29/05	Open	\$ 1,752,000 *	Variable **	\$ 272.53 ***
Daiwa	04/29/05	Open	1,752,000 *	Variable **	272.53 ***
Daiwa	04/29/05	Open	38,211,250 *	Variable **	5,943.97 ***
Daiwa	04/29/05	Open	38,211,250 *	Variable **	5,943.97 ***
Daiwa	04/29/05	Open	48,223,000 *	Variable **	7,501.35 ***
Daiwa	04/29/05	Open	48,223,000 *	Variable **	7,501.35 ***
Lehman Brothers	04/29/05	Open	48,345,000 *	Variable **	7,520.33 ***
Lehman Brothers	04/29/05	Open	48,345,000 *	Variable **	7,520.33 ***
Lehman Brothers	04/29/05	Open	48,345,000 *	Variable **	7,520.33 ***

* This transaction was executed simultaneously with a like reverse/repurchase agreement.

** This rate subject to change daily.

*** Total interest earned is to the last day of the month.

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Reverse Repurchase Transactions (All transactions are executed simultaneously with a like repurchase agreement)

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	04/01/05	04/07/05	\$49,875,000	2.400%	\$19,257.30
ABN AMRO	04/04/05	04/13/05	14,943,750	2.250	8,476.43
Daiwa	04/05/05	04/08/05	39,850,000	2.120	7,660.05
Daiwa	04/05/05	04/08/05	25,860,000	2.470	5,401.87
Lehman Brothers	04/08/05	04/28/05	29,565,000	2.500	40,922.93
Mizuho	04/19/05	04/21/05	29,910,000	2.500	4,220.63
Mizuho	04/21/05	04/28/05	29,925,000	2.450	14,430.50
ABN AMRO	04/22/05	Open	37,640,625	2.500 *	23,755.42 **
ABN AMRO	04/22/05	Open	37,640,625	2.500 *	23,755.42 **
Mizuho	04/22/05	04/28/05	25,935,000	2.500	10,633.36
ABN AMRO	04/22/05	04/29/05	24,962,500	2.500	12,238.56
Lehman Brothers	04/26/05	04/28/05	49,350,000	2.450	6,840.46

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Reverse Repurchase Transactions (All transactions are executed simultaneously with a like repurchase agreement)

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	04/26/05	04/28/05	\$26,797,500	2.500%	\$3,528.34
Lehman Brothers	04/26/05	04/29/05	24,825,000	2.450	5,171.88
Daiwa	04/29/05	Open	49,975,000	Variable *	6,940.97 **
Daiwa	04/29/05	Open	49,975,000	Variable *	6,940.97 **
Lehman Brothers	04/29/05	Open	49,975,000	Variable *	6,940.97 **
Lehman Brothers	04/29/05	Open	49,975,000	Variable *	6,940.97 **
Lehman Brothers	04/29/05	Open	49,975,000	Variable *	6,940.97 **
Daiwa	04/29/05	Open	38,211,250	Variable *	5,413.26 **
Daiwa	04/29/05	Open	38,211,250	Variable *	5,413.26 **

* This rate subject to change daily.

** Total interest paid is to the last day of the month.

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

REPORT B: In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period of April 1, 2005 through April 30, 2005, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

Transaction Date	Par Value	Description	Price	Exercise Price	Expirations/ Settlement	Dealer	Option Premium
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No new transactions this period.

Options Transactions - Sold

Transaction Date	Par Value	Description	Price	Exercise Price	Expirations/ Settlement	Dealer	Option Premium
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No new transactions this period.

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period of April 1, 2005 through April 30, 2005 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

<u>Date</u>	<u>Counterparty</u>	<u>Notional Amount</u>	<u>Start Date</u>	<u>Termination Date</u>	<u>Fixed Interest Rate Paid</u>	<u>Variable Interest Rate Received</u>
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No new transactions this period.

As of April 30, 2005, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$369.8 million, all of which pertain to refundings.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period of April 1, 2005 through April 30, 2005 under the Variable Rate Master Note Program as amended and supplemented through November 18, 2004.

Variable Rate Master Note Placements

<u>Date of Issuance</u>	<u>Amount</u>	<u>Purchaser</u>	<u>Term</u>	<u>Variable Rate Index</u>
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No new transactions this period.

Whereupon, the meeting was adjourned.

Secretary