

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**MINUTES
September 23, 2004**

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, September 23, 2004, 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. Charles A. Gargano, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. Christine A. Ferer
 Hon. David S. Mack
 Hon. Henry R. Silverman

Joseph J. Seymour, Executive Director
 Jeffrey S. Green, General Counsel
 Karen E. Eastman, Secretary

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Kayla M. Bergeron, Director, Public Affairs
 Catherine M. Bergamini, Senior Administrator, Port Commerce
 A. Paul Blanco, Acting Chief Financial Officer
 John D. Brill, Director, Audit
 Darrell B. Buchbinder, General Counsel-Elect
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Timothy Castano, Senior Business Consultant, Office of the Chairman
 Anthony B. Ciavolella, Public Information Officer, Public Affairs
 Arthur J. Cifelli, Acting Deputy Executive Director/Director, Government and Community Affairs
 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, Operations Services
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Iran H. Engel, Assistant Treasurer
 Michael G. Fabiano, Comptroller
 Michael B. Francois, Acting 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 Vice-Chairman
 Lawrence S. Hofrichter, Deputy General Counsel
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 Joshua Klevans, Executive Assistant to the Deputy Executive Director
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 Michael G. Massiah, Director, Human Resources
 James E. McCoy, Manager, Board Management Support, Office of the Secretary

Lynn A. Nerney, Senior Administrator, Office of the Secretary

Michael F. O'Connor, Chief of Public Safety and Emergency Management
Cecile O. Pace, Director, Procurement
Catherine F. Pavelec, Manager, Administration, Protocol and Executive Correspondence,
Office of the Secretary
Michael A. Petralia, Chief of Public and Government Affairs
Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
Samuel J. Plumeri, Jr., Superintendent of Police/Director, Public Safety
Alan L. Reiss, Deputy Director, Aviation
Cruz C. Russell, Director, Office of Policy and Planning
Edmond F. Schorno, Chief of Staff
Douglas L. Smith, Director, Office of Forecasting and Capital Planning
Harry Spector, Deputy Director, Public Affairs
Gerald B. Stoughton, Assistant Director, Office of Forecasting and Capital Planning
Tiffany A. Townsend, Public Information Officer, Public Affairs
Emery J. Ungrady, Deputy Chief of Staff
Robert E. Van Etten, Inspector General
Louis P. Venech, Senior Manager, Transportation Policy Development, Office of Policy and Planning
Thomas H. Wakeman III, General Manager, Waterways Development, Port Commerce
Peter J. Zipf, Deputy Chief Engineer

The public session was called to order by Chairman Coscia at 2:38 p.m. and ended at 3:02 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of August 4, 2004. 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.

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 September 21, 2004, 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 September 23, 2004, which included discussion of matters related to, or which could impact upon, the issuance, sale, resale, or redemption of Port Authority bonds, notes or other obligations, 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 at its meeting on September 23, 2004, which included discussion of an agreement to study the feasibility of developing domestic freight ferry service in the bi-state region and an agreement to fund engineering and design of improvements at Penn Station New York, and to support current interagency planning for improvements to the Penn Station New York complex and related connections, in conjunction with the Access to the Region's Core initiative, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on September 23, 2004, which included discussion of a project to rehabilitate the New Jersey abutment for the Bayonne Bridge, as well as matters discussed in executive session, which included discussion of contract matters, 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 September 23, 2004, which included discussion of personnel and lease matters, and the report was received.

Staff Reports

Presentations were made by staff on cargo statistics at the Port of New York and New Jersey for the first six months of 2004 and an update on the Port Authority's smart card program initiative.

Chairman's Report

On behalf of the entire Board, Chairman Coscia recognized Thomas Wakeman, who recently returned from a six-month assignment where he was responsible for overseeing the redevelopment of the port system in Iraq and welcomed him back.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – AGREEMENT WITH AMB JFK
208 AIR CARGO CENTER, LLC FOR THE LEASING AND REDEVELOPMENT
OF CARGO BUILDING 208**

It was recommended that the Board authorize the Executive Director to enter into an agreement with AMB JFK 208 Air Cargo Center, LLC (AMB), to renovate, redevelop, operate, lease and manage Cargo Building 208 at John F. Kennedy International Airport (JFK). AMB will be composed of two proposed members, AMB Property L.P., whose general partner is AMB Property Corporation, and International Airport Centers, LLC.

Building 208 (the Building) has been vacant since Pan American Airlines ceased operations there. The Port Authority's annual maintenance costs for the Building have been approximately \$500,000. The Port Authority issued a Request for Proposals (RFP) for renovation of the Building, and AMB submitted the highest-rated proposal.

AMB would renovate Cargo Building 208 in two phases. AMB would be obligated to invest at least \$40 million for the renovation project. The first phase of the project would be completed nine months after the lease commencement date. The three most southern bays in the existing high-bay warehouse would be demolished to create a cross-dock facility that would be divisible down to 25,000-square-foot increments with office space in each corner. Eighty-four new truck docks and a new façade would be added to the building. The existing two-story office area would be renovated to bring it up to current building code requirements. The parking area would be reconfigured to accommodate 575 vehicles, and a security checkpoint, truck staging area and truck-dock maneuvering area would be completed. The result of the phase one redevelopment would be approximately 307,000 rentable square feet (rsf), consisting of 195,000 rsf of warehouse space and 112,000 rsf of office space. The first phase would also include the demolition of certain portions of the existing building in order to construct new truck docks and a new façade and to facilitate the construction of new warehouse space. The second phase of the project would include approximately 105,000 rsf of new warehouse space, and construction would be completed no later than the end of the sixth year following the date of beneficial occupancy (DBO) of the first phase. The redevelopment project would also include the relocation of utility lines originating in Building 209 at JFK and servicing Hangar 19, the installation of new raised concrete floors in the high-bay warehouse, the rehabilitation of a majority of the building's existing systems and the installation of a new heating and ventilation system in the warehouse space and new rooftop heating, ventilation and air-conditioning units for the office portion of the space.

The 25-year term of the lease would commence on or about January 1, 2005 and expire on or about December 30, 2030. The lease would not be entered into until the extension to the Port Authority Airports Lease with the City of New York has been executed, or if the estimated costs of remediation identified as a result of the baseline environmental survey for the premises exceed \$1 million. If the estimated remediation costs do not exceed \$1 million, AMB would perform the required remediation and receive building and ground rental credits in an amount not to exceed \$1 million for these remediation costs. AMB would receive 10 percent of its costs as a credit over a period not to exceed 10 years with interest, and 90 percent of its costs credited without delay and without interest.

Ground rental would commence on the earlier to occur of nine months from the lease commencement date or on the DBO, and building rental would commence on the earlier to occur of the first anniversary of the DBO or 36 months from the lease commencement date. Additionally, AMB would pay a sublease fee equal to 10 percent of the base sublease building rentals, less the ground rental paid to the Port Authority by AMB. The Port Authority would receive a 32 percent share of net operating revenues generated from the premises after AMB has received a return of 11 percent on its redevelopment capital investment, including financial expense. The lease would permit AMB to mortgage its leasehold interest under the lease, provided that AMB pays a percentage fee to the Port Authority based upon annual debt service secured by the leasehold mortgage. The leasehold mortgage would be subordinate to the Port Authority ground lease. This fee would be 1.5 percent for the first year, 2 percent for the second year and 2.5 percent for each of the remaining years that the mortgage is in effect. AMB would be required to pay a transfer fee in the event the Port Authority consented to an assignment of the lease to other than a wholly owned affiliate of AMB Property Corporation. This fee would be equal to 5 percent of the purchase price for the lease.

Except as stated above, with respect to existing contamination, for which AMB would receive rental credits, AMB would be responsible for the environmental condition of the premises, except for: (1) the remediation of contaminants in the soil and groundwater that are identified in an agreed upon baseline, and (2) remediation of contaminants that are subsequently discovered in the soil and groundwater which AMB can prove to the satisfaction of the Port Authority existed on the premises prior to the effective date of the lease and were not caused by AMB.

AMB Property Corporation and International Airport Centers, LLC, the partners comprising AMB, would be required to provide a payment and performance bond during construction. After completion of the construction of the first phase, AMB would be required to provide a security deposit of approximately \$930,000.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Ferer, Gargano, 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 a lease agreement (the Lease) with AMB JFK 208 Air Cargo Center, LLC (AMB) pertaining to Cargo Building 208 at John F. Kennedy International Airport, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to execute and enter into all necessary consents and agreements in connection with the mortgaging of AMB's leasehold interest in the Lease, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the form of the foregoing agreements shall be subject to the approval of General Counsel or his authorized representative.

LAGUARDIA AIRPORT – POLICE, CRISIS COMMAND CENTER AND AIRCRAFT RESCUE AND FIREFIGHTING FACILITY – PLANNING AUTHORIZATION

It was recommended that the Board authorize planning and design development for a new 45,000-square-foot building at LaGuardia Airport (LGA) to replace the existing outdated, undersized and disparate facilities housing the police and aircraft rescue and firefighting (ARFF) functions, at a total estimated cost of \$2.67 million, composed of design work through Stage II at a total estimated cost of \$1.2 million and prior planning and Stage I design work, including feasibility studies, value engineering, alternatives analysis and financial analysis, totaling \$1.47 million.

A new, larger Police, Crisis Command Center, and ARFF facility is needed because the existing facilities are under-sized and not configured to current operational standards. This new facility would house the additional staff and equipment required to comply with LGA's heightened security requirements. This new facility also would provide all governmentally mandated emergency and security services, improve communications, dispatching and coordination of staff, and facilitate inter-agency coordination.

The existing ARFF facility was built in 1940, expanded in the 1970s and expanded once again in 1986. Increased responsibilities of the police since that time have resulted in insufficient space at the facility. The addition of personnel since September 11, 2001 has resulted in further constrained facilities. The current facility provides 23,500 square feet of space, which includes areas in the existing police building (Building 30), temporary trailers, and Hangar 7. A 45,000-square-foot facility is needed to accommodate LGA's police officers and the fleet of emergency response vehicles that are required by the federal government to maintain the airport's operating certification. This program also would accommodate the police and crisis command functions. The facility would improve response times to incidents on the airfield by situating the new facility closer to the midpoint of the runways, and would provide the maximum flexibility to redevelop the west end of LGA to a higher and better use.

LGA's proposed spatial program for this facility was compared to ARFF programs throughout the country and was deemed appropriate.

In March 2003, the Board authorized submittal of an application to the Federal Aviation Administration (FAA) to impose and use Passenger Facility Charges (PFCs) to increase capacity, reduce delays, enhance security and promote competition at Port Authority airports. Forty million dollars was allocated to the "Crisis Command Center/Police & Airfield Rescue and Firefighting Facility" as part of this PFC application. The final application is anticipated to be submitted to the FAA in September 2004. It is anticipated that approximately 32 percent of these expenditures will be recoverable through PFCs and approximately 33 percent through the renegotiated Flight Fee Formula.

It is anticipated that a Project Authorization will be presented for proceeding with final design, construction management services and construction contracts to implement the recommended project, at such time as the design is sufficiently completed to determine an accurate estimate to complete the work.

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

RESOLVED, that planning and design development for a new 45,000-square-foot building at LaGuardia Airport (LGA) to replace the existing outdated, undersized and disparate facilities housing the police and aircraft rescue and firefighting functions, at a total estimated cost of \$2.67 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning and design work, subject to advising the Commissioners of individual contracts or agreements to be acted on pursuant to this authorization prior to taking or authorizing such action; and it is further

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

**BROOKLYN-PORT AUTHORITY MARINE TERMINAL AND RED HOOK
CONTAINER TERMINAL – NEW YORK CITY ECONOMIC DEVELOPMENT
CORPORATION – NEW LEASE**

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with the New York City Economic Development Corporation (NYCEDC) for the development of a cruise terminal facility at the Brooklyn-Port Authority Marine Terminal (BPAMT) and the Red Hook Container Terminal (Red Hook). Pursuant to the agreement, NYCEDC would lease Pier 12 at the BPAMT and, subject to certain conditions, Pier 11 at Red Hook, and assume operating and capital maintenance for these properties. In addition, in lieu of the Port Authority's investment commitment for the construction of the Arlington Yard rail facility on Staten Island, pursuant to an agreement authorized by the Board on March 20, 2003, the final terms of which were reviewed and approved by the Committee on Operations on April 22, 2004, the Port Authority would reimburse NYCEDC for the construction of a cruise terminal at Pier 12, at an estimated cost of \$32 million. In consideration of the Port Authority's reimbursements for the cruise terminal facility, NYCEDC would be obligated to spend an equal amount on the construction of the Arlington Yard, which is necessary to restore rail service to the Howland Hook Marine Terminal.

Over the past year, the Port Authority has been working with NYCEDC to determine the long-term future uses for Brooklyn Piers 6 through 12. In addition to commissioning a Board-authorized joint study to evaluate the best and highest use alternatives for the piers, discussions between the parties have included the possibility of dedicating Pier 6 to a Brooklyn Bridge Park and the development of a cruise terminal at the facility. In light of other development initiatives underway in the vicinity of the Brooklyn Piers, staff advised that the City of New York (City) is in a better position to foster economic development on the piers, and recent discussions have focused on the possible transfer of Piers 7 through 12 to the City.

Earlier this year, the City announced its commitment of \$200 million to modernize and renovate the New York Cruise Terminal on Manhattan's west side, and to create a new terminal on the Brooklyn waterfront to meet the growing demand of the booming cruise industry. The number of passengers coming through the New York Cruise Terminal reached almost 900,000 in 2003, up from an average of 400,000 in the 1990s. It is anticipated that 50 ships carrying almost 68,000 passengers could use the Brooklyn cruise facility in 2005. NYCEDC's economic impact assessment of the City's cruise operations identified more than 3,300 jobs serving the industry in 2004, with total economic activity of about \$600 million. In addition, it is anticipated that the development of a cruise facility on Piers 11 and 12 would generate an additional 300 jobs.

The initial term of the lease for Pier 12 would become effective on or about October 13, 2004, and would expire on December 31, 2009, with NYCEDC to have the option to renew the term for two additional five-year periods expiring December 31, 2014, and December 31, 2019, respectively. Pier 11 would be added to the leasehold on or about January 1, 2005, subject to the existing operator vacating the premises at Red Hook and execution of an amendment to the Red Hook Marine Project Operating Agreement and Lease among the Port Authority, the State of New York and the City. The proposed lease would provide for a construction period during the first year of the lease, with rental commencing on the earlier of September 1, 2005 or the date of

the first ship call. NYCEDC would pay a base rental for the Pier 11 and 12 sheds and associated open area, with increases throughout the term of the lease. In addition, the NYCEDC would pay a per-passenger fee for all passengers handled at the cruise facility and a percentage of gross parking revenue receipts, concessions, and subleases.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Ferer, Gargano, 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 New York City Economic Development Corporation for the development of a cruise terminal facility at the Brooklyn-Port Authority Marine Terminal and the Red Hook Container Terminal, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the form of the foregoing agreement shall be subject to the approval of General Counsel or his authorized representative.

**JOINT NEW YORK UNIVERSITY AND RUTGERS, THE STATE UNIVERSITY OF
NEW JERSEY GRADUATE STUDENT SERVICES AGREEMENT/BI-STATE
DOMESTIC FREIGHT FERRIES STUDY**

It was recommended that the Board authorize the Executive Director to enter into a three-party agreement with the New York University (NYU) – Robert F. Wagner Graduate School of Public Service – Rudin Center for Transportation Policy & Management, and Rutgers, The State University of New Jersey – Edward J. Bloustein School of Planning and Public Policy – Alan M. Voorhees Transportation Center (hereinafter, each institution individually referred to as a "Center," and, collectively, as the "Centers"), to retain graduate student services over a maximum two-year program period at a cost not to exceed \$45,000 per Center, for a bi-state domestic freight ferries study. The total cost associated with the agreement would not exceed \$90,000.

An agreement with these institutions was recommended to meet the research and development needs to explore domestic freight ferries, which may ultimately serve as a strategy to achieve long-term strategic planning goals identified for the Port Authority. Those goals include the agency's ability to assess and pursue programs of economic value and opportunity to the region through new transportation investments and to develop leadership in regional transportation planning and implementation through public and private sector partnerships.

The agreement would provide for the performance of a study and issuance of a report on findings and next steps to foster potential markets for the development of domestic freight ferries within the bi-state area, the infrastructure requirements associated with any such ferry services, and the impact of such services on regional goods movement and related regional transportation policies and programs. The proposed action is sought to engage the services of graduate students as a cost-effective means by which the Port Authority may obtain quality research products to support its public policy and strategic planning agenda. The three-party agreement among the Port Authority and the Centers would provide for a graduate student program of study which would not exceed two years. The agreement would provide for a \$25,000 lump-sum payment to each Center upon the receipt of fully executed documents reflecting the specific scope of work to be performed and schedule of reports to be delivered, for a total initial outlay of \$50,000. Subsequent payments would not exceed \$20,000 per Center, or a total of \$40,000 over the remaining program period.

In New York, the NYU Wagner-Rudin Center for Transportation Policy and Management conducts research and provides education and public service in the field of urban transportation policy and management. It is jointly sponsored by Polytechnic University, the Institute of Public Administration, and the University Transportation Research Center and performs work on a regional, national, and international level. The Center was created in 1996 as a collaborative effort of its sponsors and advisory board, which represents every major private and non-profit sector organization in the downstate New York metropolitan area concerned with transportation policy.

In New Jersey, the Alan M. Voorhees Transportation Center is one of ten research centers within Rutgers, The State University of New Jersey - Edward J. Bloustein School of Planning and Public Policy, and it is a national leader in the research and development of innovative transportation policy. It was established in 1998 to facilitate informed public debate and conduct research on critical transportation issues not otherwise addressed by conventional sponsors. It also houses the National Transit Institute, which was created by the United States Congress to design and deliver training and education programs for the nation's transit industry.

These Centers will work jointly and cooperatively in reporting on the study areas, which include: collecting current information relevant to the planning, development, operation and funding of domestic freight ferries; assessing this information in terms of its applicability at the New York and New Jersey local, bi-state or inter-regional levels; and making recommendations for next steps which may be taken as means to improve the efficiency, costs and environmental sustainability of New York and New Jersey transportation systems, through private entrepreneurs, public agency action and/or public-private partnerships.

Both Centers are recognized national leaders in the area of innovative transportation management and policy, with expertise that is unsurpassed among regional universities, allowing the Port Authority to obtain research material equivalent to industry expert services on topics related to the objectives of the 2020 Strategic Plan.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a three-party agreement with the New York University – Robert F. Wagner Graduate School of Public Service – Rudin Center for Transportation Policy & Management, and Rutgers, The State University of New Jersey – Edward J. Bloustein School of Planning and Public Policy – Alan M. Voorhees Transportation Center (each institution individually referred to as a Center), to retain graduate student services over a maximum two-year program period, with the Port Authority to provide funding in an amount not to exceed \$45,000 per Center for a bi-state domestic freight ferries study; and it is further

RESOLVED, that the form of the foregoing agreement shall be subject to the approval of General Counsel or his authorized representative.

ACCESS TO THE REGION'S CORE – DRAFT ENVIRONMENTAL IMPACT STATEMENT AND JOINT PLANNING FOR PENN STATION NEW YORK IMPROVEMENTS – AGREEMENT WITH NEW JERSEY TRANSIT CORPORATION

It was recommended that the Board authorize the Executive Director to enter into an agreement with New Jersey Transit Corporation (NJ Transit) pursuant to which the Port Authority would provide NJ Transit with funding to advance engineering and design work for early-action improvements at Penn Station New York (PSNY) that would support expanded peak-period NJ Transit commuter rail service. In addition, the Port Authority would augment funds available to support current interagency planning for improvements to the PSNY complex and related connections to the Northeast Corridor rail line in conjunction with the Access to the Region's Core (ARC) Draft Environmental Impact Statement (DEIS) process. Expenditures of Port Authority funds authorized pursuant to this action would not exceed a total amount of \$10 million.

This recommendation reflects progress in identifying potential short-term improvements at PSNY that would allow incremental expansion of NJ Transit peak-period service, as well as coordinated efforts by the region's transportation agencies to plan long-term improvements in the region's passenger rail network. These efforts build on the conclusions of the ARC Major Investment Study, jointly sponsored and funded by the Port Authority, NJ Transit and the Metropolitan Transportation Authority (MTA). The Board authorized Port Authority participation in the study in December 1993 and in November 1998, when staff presented interim findings affirming that growing trans-Hudson commutation demand would exceed available capacity well before 2020.

The ARC partnership endorsed expanded commuter-rail service linked to PSNY as the best strategy for New York and New Jersey in meeting the need to create additional trans-Hudson transit capacity serving Midtown Manhattan. In October 2002, the Board authorized the Executive Director to enter into an agreement or agreements with NJ Transit and/or other entities to coordinate federal funding for the development of an Environmental Impact Statement, in accordance with applicable law, related to the proposed ARC capacity improvement project. In 2003, NJ Transit initiated a DEIS review overseen by the Federal Transit Administration, with the Port Authority as a cooperating DEIS sponsor. The goal of the DEIS is to complete the process of identifying and assessing a preferred alternative incorporating short-term and long-term improvements.

The ARC DEIS process is ongoing. Consultation with Amtrak, the MTA, the City of New York, and the Moynihan Station Development Corporation (which is responsible for developing the proposed Moynihan Station rail facility adjacent to PSNY) has led to refinement of short-term proposals to relieve rush-hour congestion at PSNY by 2010, to be followed by the eventual construction of a new trans-Hudson rail tunnel linked both to the existing PSNY and additional tracks and platforms to be constructed in the immediate vicinity of the station. These proposals have been reviewed recently by interagency and public stakeholder committees participating in the DEIS process.

The requested Port Authority funding would allow NJ Transit to carry out preliminary engineering work for the extension of the PSNY central corridor over platforms used by NJ Transit. The central corridor project and the planned connection to the Moynihan Station would improve passenger flow to and from existing PSNY platforms now experiencing congested conditions during peak periods. The improvements would help accommodate additional passenger volumes expected with the introduction of bi-level rail cars now on order by NJ Transit. The new western concourse connections also would create direct access for NJ Transit riders, including AirTrain Newark passengers, between the affected platforms and the proposed Moynihan Station and West Midtown destinations. Accelerating the completion of engineering plans for the PSNY circulation improvements would assure coordination with design of the Moynihan Station and other PSNY-area improvements, and address potential construction coordination issues.

An additional phase of the short-term improvements involves the identification of potential property requirements and coordination issues with proposed development initiatives in the vicinity of PSNY and on the Northeast Corridor rail line. A portion of the funding to be provided by the Port Authority pursuant to this proposed agreement would be allocated to ensure timely assessment of these issues in conjunction with the ARC DEIS and ongoing interagency mechanisms for coordination of project planning at the PSNY complex and connecting railroad facilities. This work will include financial and real estate analyses to investigate options for acquisition of properties or easements to implement the project.

Port Authority support for the ARC's proposed phased expansion of trans-Hudson commuter-rail service would continue to be predicated on a succession of planning studies demonstrating that this strategy best meets transportation, growth, and air quality goals established by the States of New York and New Jersey. The staged approach for expanding rail capacity directly addresses Port Authority concerns regarding relief of anticipated congestion on the Exclusive Bus Lane network serving the Lincoln Tunnel and the Port Authority Bus Terminal.

At its meeting of June 2, 2000, the Board authorized the Executive Director to enter into an agreement with the New York State Urban Development Corporation and/or its subsidiaries (collectively, the Empire State Development Corporation, or ESDC) for the letting of space in the James A. Farley Building and related or associated facilities, which is being developed by the ESDC into an intermodal transportation and commerce center serving the New York–New Jersey region. The Farley Building is the site of the proposed Moynihan Station, adjacent to PSNY. Pursuant to that authorization, the Port Authority is to use the leased space to provide enhanced airport access for passengers and others using John F. Kennedy International Airport and Newark Liberty International Airport. The leased space is to include areas in an intermodal transportation hall, including passenger waiting and baggage check-in areas, as well as those necessary for passenger information systems. Additional leased space may be necessary in the future to accommodate airline ticket counters and baggage check-in areas.

On May 30, 2002, the Board authorized the provision of capital expenditures in an aggregate amount not to exceed \$500 million, with \$250 million to be provided to each of the States of New York and New Jersey, for regional transportation projects in each state to be designated by the respective governor thereof. The Governor of the State of New Jersey requested commitment of its entire allocation of these expenditures to New Jersey's program of acquiring bi-level rail cars for NJ Transit, and the Port Authority entered into an agreement with NJ Transit to provide it with \$250 million for the purchase of bi-level rail cars. These cars are intended to help relieve overcrowding on NJ Transit rail service into PSNY, and, as noted above, the improvements to PSNY presently planned by NJ Transit would facilitate the introduction of these cars.

In addition, the Port Authority has agreed previously to provide ESDC with funding in the amount of \$145 million for development of the Farley Building/Moynihan Station project as part of its commitment to provide the State of New York with a total of \$250 million for transportation, economic development and infrastructure renewal projects in the State of New York through the New York Economic Development Program authorized by the Board at its June 2, 2000 meeting.

Moreover, PSNY's role as a regional asset includes its new function as a terminus for AirTrain JFK/Long Island Rail Road and AirTrain Newark/NJ Transit service. PSNY also is the anchor for Amtrak intercity rail service that moderates total passenger demand for short-haul airline connections using Port Authority airports, thereby preserving airport capacity for service to more distant destinations. Current peak-period capacity at PSNY falls short of projected requirements for the various rail services using this complex. Progress on a strategy for phased expansion of PSNY capacity is designed to lead to increased use of rail service for regional trips and to capture over time the highest feasible levels of federal support to NJ Transit, Amtrak, and the MTA for investments in PSNY and its connecting tunnels and facilities in New York and New Jersey.

NJ Transit would be responsible for determining the scope and procuring engineering and design services to prepare plans for these improvements, in consultation with the Port Authority and other partner agencies. Subject to execution of the proposed agreement with NJ Transit, work could be started as early as late 2004, with an estimated duration of approximately two years.

This authorization would not obligate the Port Authority to fund construction of any of the improvements under development.

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

RESOLVED, that, subject to further actions, if any, required under the Port Authority's existing agreements with the holders of its obligations, the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with New Jersey Transit Corporation (NJ Transit) for NJ Transit to

advance engineering and design work for improvements at Penn Station New York (PSNY) that would support expanded peak-period NJ Transit commuter rail service, to augment current interagency planning for improvements to the PSNY complex and related connections to the Northeast Corridor rail line, and for the Port Authority to provide funding in connection with the agreement in a total amount not to exceed \$10 million; and it is further

RESOLVED, that the form of the foregoing agreement shall be subject to the approval of General Counsel or his authorized representative.

SETTLEMENT OF CLAIM – THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY V. COLUMBIA COASTAL TRANSPORT, INC., ET AL.

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to accept payment from the defendants of \$365,000 in full settlement of an action entitled The Port Authority of New York and New Jersey v. Columbia Coastal Transport, Inc., et al. The Port Authority would provide defendants with a General Release and Stipulation of Dismissal with Prejudice.

On June 11, 1996, a tug and a barge collided with Pier 64 at the Elizabeth Port Authority Marine Terminal. In the Port Authority's resulting claim in the United States District Court for the District of New Jersey, several defendants contested liability and all defendants contested the reasonableness of the costs incurred in making the repairs. Settlement of the Port Authority's claim for \$365,000 was recommended by the judge in a pretrial conference, and would represent an equitable resolution of this matter on a basis favorable to the Port Authority.

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

RESOLVED, that the General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to settle the lawsuit entitled The Port Authority of New York and New Jersey v. Columbia Coastal Transport, Inc., et al., by accepting payment from the defendants in the amount of \$365,000.

**TRIBUTE TO JEFFREY S. GREEN AND AWARD OF HOWARD S. CULLMAN
DISTINGUISHED SERVICE MEDAL**

The following resolution was unanimously adopted by the Board of Commissioners in connection with the upcoming retirement of Jeffrey S. Green, General Counsel.

WHEREAS, Jeffrey S. Green, Esq., has served with distinction as General Counsel of the Port Authority, Counsel to its subsidiary corporations, and Bond Counsel to the Port Authority for 13 years; and

WHEREAS, Jeffrey S. Green has provided legal advice and guidance as General Counsel over the years for seven Executive Directors and 44 Commissioners; and

WHEREAS, after a career in public service of more than 39 years, Jeffrey S. Green's retirement from the Port Authority is to be effective October 1, 2004; and

WHEREAS, Jeffrey S. Green joined the Port Authority as an Electronics IDP Systems Trainee in 1965; transferred to the Finance Division of the Law Department in 1969 upon graduation from law school; and held progressively more responsible positions within the Law Department until his election as the Port Authority's fifth General Counsel in 1991; and

WHEREAS, over the course of his career, Jeffrey S. Green has been involved in the major decision-making and financing activities of the Port Authority during periods of growth and development, as well as adversity; and

WHEREAS, Jeffrey S. Green was instrumental in obtaining and shaping legislation in New York and New Jersey involving Port Authority activities, facilities, and projects, including the industrial development legislation of 1978, the urban bus transportation legislation of 1979-1981 and the mixed use waterfront development legislation of 1984; and

WHEREAS, during the course of his legal career with the Port Authority, Jeffrey S. Green has been instrumental in developing new facilities and projects of the agency, new and innovative financing techniques in addition to the traditional and stalwart Consolidated Bonds which continue to provide a dynamic financial framework for the Port Authority's many contributions to the people of the States of New York and New Jersey; and

WHEREAS, as President of the New York Chapter of the Association of Corporate Counsel, America; as Executive Board member, member of the Task Force on Disclosure, and Chairman of the Committee on Governmental Debt and Fiscal Policy of the Government Finance Officers Association; and as member and principal drafter of the report of the Commission on Public Finance (organized by Congressman Beryl Anthony), over the course of his professional career Jeffrey S. Green represented the Port Authority in outstanding fashion; and

WHEREAS, after the attacks on The World Trade Center in 1993 and 2001, Jeffrey S. Green was among the senior officials of the Port Authority providing leadership and guidance for the staff in the efforts to recover, and since September 11, 2001, to rebuild; and

WHEREAS, based on experience and the lessons learned after the 1993 World Trade Center bombing, Jeffrey S. Green assured that the Port Authority's Law Department was fully operational within days of the September 11, 2001, destruction of the Port Authority's headquarters, and that the legal representation of the Port Authority's interests, both in connection with the destroyed facility and in the broader scope of the other operations and facilities of the Port Authority, would go forward at the high professional level that the Commissioners and agency have come to expect; and

WHEREAS, under Jeffrey S. Green's leadership, the attorneys, paralegals, and support staff of the Port Authority's Law Department have continued to demonstrate professionalism and commitment, talent and tenacity, and the tradition of excellence which have earned the recognition of their peers in the legal profession, receiving the first Jefferson B. Fordham Award for Law Office Accomplishment (from the American Bar Association's Section on State and Local Government Law) in 1998 and the Hodson Award for Public Service from the Association's Government and Public Sector Lawyers' Division only last month; and

WHEREAS, in recognition of his career of accomplishments and contributions to the field of public finance and public securities law, Jeffrey S. Green received the Bernard P. Friel Medal for Excellence in Public Finance of the National Association of Bond Lawyers in 2003; and

WHEREAS, in recognition of his contributions to the Port Authority and the public of the States of New York and New Jersey, the Board of Commissioners awarded the Robert F. Wagner Distinguished Public Service Medal to Jeffrey S. Green in June 2000; and

WHEREAS, in view of the importance of his expertise and experience, his judgment and counsel, the Port Authority has retained Jeffrey S. Green to provide services after his retirement, pursuant to which he will act as Special Counsel to the Port Authority;

AND, in addition,

WHEREAS, by resolution adopted by the Board on March 14, 1957, the Howard S. Cullman Distinguished Service Medal was established, which award is the highest award for service given by the Port Authority to a Port Authority employee who has performed the most outstanding service; and

WHEREAS, in the case of Jeffrey S. Green, it is recommended that the Howard S. Cullman Distinguished Service Medal be awarded to Jeffrey S. Green for his exemplary performance in providing counsel to this agency, his integrity and dedication to a career in public service which has not only benefited the Port Authority but the entire region it serves,

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to Jeffrey S. Green their sincere appreciation for the years of service and leadership he has provided to the agency and the region it serves and for continued service as Special Counsel; and it is further

RESOLVED, that the Howard S. Cullman Distinguished Service Medal be awarded to Jeffrey S. Green for the performance of outstanding service; and it is further

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

FINAL CONTRACT PAYMENTS

The Comptroller's Department 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 June 1, 2004 to June 30, 2004.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
HT440	12TH STREET PAVEMENT REHABILITATION HOLLAND TUNNEL TILCON NEW YORK, INC.	1,112,243 (A) 450,000 (B) 150,000 (C) <u>93,734 (D)</u> 1,805,977	1,112,243 485,500 (F) 150,000 <u>993,734 (G)</u> 2,741,477	1,069,243 (H) 485,460 26,260 <u>825,129</u> 2,406,092
HWD544012	UPLAND INFRASTRUCTURE IMPROVEMENTS HOBOKEN SOUTH WATERFRONT DEVELOPMENT CONTI ENTERPRISES, INC.	3,552,639 (A) 768,595 (B) 350,000 (C) <u>259,275 (D)</u> 4,930,509	3,552,639 840,801 700,000 (I) <u>1,002,275 (J,K)</u> 6,095,715	3,552,639 840,801 (L) 637,419 <u>986,400</u> 6,017,259
JFK908	REHABILITATION OF CARGO SERVICE ROAD JOHN F. KENNEDY INTERNATIONAL AIRPORT OVAN CONSTRUCTION INC.	216,800 (A) 343,200 (B) 50,000 (C) 33,600 (D) <u>14,000 (E)</u> 657,600	216,800 343,200 50,000 33,600 <u>14,000</u> 657,600	186,790 (M) 335,246 13,009 5,537 <u>14,000</u> 554,582
JFK991905	PRIORITY SITEWORK CONSTRUCTION JOHN F. KENNEDY INTERNATIONAL AIRPORT RAEBECK CONSTRUCTION CORP.	<u>4,000,000 (C)</u> 4,000,000	<u>4,000,000</u> 4,000,000	<u>3,999,650</u> 3,999,650
LGA990509	IMMEDIATE REPAIRS LAGUARDIA AIRPORT T. MORIARTY & SON, INC.	<u>1,000,000 (C)</u> 1,000,000	<u>1,500,000 (N)</u> 1,500,000	<u>1,415,384</u> 1,415,384
MFB204012	FACILITY PRIORITY IMPROVEMENTS HOLLAND & LINCOLN TUNNELS GARDNER M. BISHOP & JOSEPH M. SANZARI, INC.	<u>4,000,000 (C)</u> 4,000,000	<u>4,000,000</u> 4,000,000	<u>3,415,397</u> 3,415,397

A JOINT VENTURE

LGA687	SIGN BRIDGE INSTALLATION	927,000 (A)	927,000	927,000
	LAGUARDIA AIRPORT	50,000 (C)	50,000	31,831
	T. MORIARTY & SON, INC.	<u>55,620 (D)</u>	<u>255,620 (O)</u>	<u>133,024</u>
		1,032,620	1,232,620	1,091,855
LT489	MAINTENANCE PAVEMENT	227,250 (B)	227,250	--0--
	REPAIRS	316,800 (C)	316,800	130,944
	LINCOLN TUNNEL	32,643 (D)	32,643	--0--
	PERFETTO CONTRACTING CO, INC.	<u>--0--</u>	<u>--0--</u>	<u>10,672 (P)</u>
		576,693	576,693	141,616
GWB423	REPLACEMENT OF ALUMINUM	359,000 (A)	359,000	359,000
	CATWALKS AT NEW YORK	<u>21,540 (D)</u>	<u>21,540</u>	<u>5,535</u>
	LOWER LEVEL	380,540	380,540	364,535
	GEORGE WASHINGTON BRIDGE			
	L.E.V INCORPORATED OF			
	SOUTH JERSEY			

(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 classified work in the amount of \$35,500 authorized on 8/22/2001.

(G) Increase in extra work in the amount of \$900,000 authorized on 10/25/2001.

(H) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$43,000 for the deletion of part of the work .

(I) Increase in net cost work in the amount of \$350,000 authorized on 11/30/2001.

(J) Increase in extra work in the amount of \$250,000 authorized on 2/11/2002.

(K) Increase in extra work in the amount of \$493,000 authorized on 2/26/2002.

(L) Classified work.

(M) The difference between "Total Authorized" and "Total Payments" represents deductions from the contractor's compensation due to deficiencies in asphalt pavement density totaling \$30,010 as provided for in the contract.

(N) Increase in net cost work in the amount of \$500,000 authorized on 3/14/2002.

(O) Increase in extra work in the amount of \$200,000 authorized on 4/23/2002.

(P) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$10,672 as provided for in the contract.

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

The Committee on Finance reported, for information only, that in accordance with the authority granted by the Committee, the Executive Director had authorized the following security transactions, time accounts, interest rate exchange contracts and variable rate master note agreements during the period of June 1, 2004 through June 30, 2004.

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>
06/01/04	\$25,000,000	FCDN	--	07/01/04	99.92	0.980%	0.985%	\$24,979,583.33	Mizuho
06/01/04	50,000,000	UBSFIN CP	--	06/02/04	99.99	1.020	1.025	49,998,583.35	Lehman Brothers
06/01/04	13,185,000	UBSFIN CP	--	06/02/04	99.99	1.020	1.025	13,184,626.43	Lehman Brothers
06/01/04	50,000,000	CITIGLOBAL	--	06/02/04	99.99	1.030	1.035	49,998,569.44	Citiglobal
06/01/04	800,000	JFK-APO	6.375%	12/01/15	99.90	--	6.387	799,200.00	JFKIAT-APO
06/02/04	28,000,000	FHDN	--	08/04/04	99.81	1.105	1.112	27,945,855.00	BANC ONE
06/02/04	32,000,000	FHDN	--	06/25/04	99.94	0.990	0.995	31,979,760.00	Merrill Lynch
06/02/04	21,000,000	FHDN	--	08/18/04	99.75	1.170	1.178	20,947,447.50	Mizuho
06/02/04	17,000,000	FHDN	--	08/04/04	99.81	1.110	1.117	16,966,977.50	Mizuho
06/02/04	12,000,000	FHDN	--	08/20/04	99.74	1.165	1.173	11,969,321.67	Mizuho
06/02/04	40,000,000	FCDN	--	06/21/04	99.95	0.950	0.955	39,979,944.44	Mizuho
06/02/04	50,000,000	GECC CP	--	06/03/04	99.99	1.000	1.005	49,998,611.11	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>
06/02/04	\$50,000,000	GECC CP	--	06/03/04	99.99	1.000%	1.005%	\$49,998,611.11	G.E. Capital
06/02/04	25,000,000	UBSFIN CP	--	06/03/04	99.99	1.000	1.005	24,999,305.55	Banc of America
06/02/04	29,870,000	UBSFIN CP	--	06/03/04	99.99	1.000	1.005	29,869,170.27	Banc of America
06/03/04	30,000,000	USTB	--	08/05/04	99.82	1.005	1.011	29,947,237.50	ABN AMRO
06/03/04	26,000,000	USTB	--	10/14/04	99.54	1.245	1.256	25,880,410.83	Greenwich Capital
06/03/04	15,575,000	UBSFIN CP	--	06/04/04	99.99	1.000	1.005	15,574,567.36	Lehman Brothers
06/03/04	50,000,000	UBSFIN CP	--	06/04/04	99.99	1.000	1.005	49,998,611.10	Lehman Brothers
06/03/04	50,000,000	DBKFIN CP	--	06/04/04	99.99	0.980	0.985	49,998,638.90	Deutsche Bank
06/03/04	50,000,000	DBKFIN CP	--	06/04/04	99.99	0.980	0.985	49,998,638.90	Deutsche Bank
06/03/04	50,000,000	CITIGLOBAL	--	06/09/04	99.98	1.000	1.005	49,991,666.67	Citiglobal
06/04/04	50,000,000	DBKFIN CP	--	06/07/04	99.99	0.970	0.975	49,995,958.35	Deutsche Bank
06/04/04	14,175,000	DBKFIN CP	--	06/07/04	99.99	0.970	0.975	14,173,854.19	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>
06/04/04	\$50,000,000	UBSFIN CP	--	06/07/04	99.99	0.990%	0.995%	\$49,995,875.00	Banc of America
06/04/04	47,800,000	UBSFIN CP	--	06/07/04	99.99	0.990	0.995	47,796,056.50	Banc of America
06/07/04	32,000,000	FHDN	--	08/06/04	99.81	1.140	1.148	31,939,200.00	Banc of America
06/07/04	50,000,000	GECC CP	--	06/08/04	99.99	0.980	0.985	49,998,638.89	G.E. Capital
06/07/04	50,000,000	UBSFIN CP	--	06/08/04	99.99	1.000	1.005	49,998,611.10	Lehman Brothers
06/07/04	35,040,000	DBKFIN CP	--	06/08/04	99.99	1.000	1.005	35,039,026.66	Deutsche Bank
06/07/04	10,000,000	USTN	2.500%	05/31/06	99.75	--	2.632	9,975,000.00	ABN AMRO
06/08/04	50,000,000	GE CORP CP	--	06/15/04	99.98	1.010	1.015	49,990,180.56	G.E. Capital
06/08/04	31,165,000	UBSFIN CP	--	06/09/04	99.99	0.990	0.995	31,164,142.96	Banc of America
06/08/04	50,000,000	UBSFIN CP	--	06/09/04	99.99	0.990	0.995	49,998,625.00	Banc of America
06/09/04	24,277,000	USTB	--	06/15/04	99.98	0.955	0.960	24,273,135.91	Lehman Brothers
06/09/04	29,453,000	USTB	--	06/15/04	99.98	0.955	0.960	29,448,312.06	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>
06/09/04	\$16,754,000	USTB	--	06/15/04	99.98	0.955%	0.960%	\$16,751,333.32	Deutsche Bank
06/09/04	28,571,000	USTB	--	06/15/04	99.98	0.958	0.962	28,566,440.55	JPMorgan
06/09/04	43,244,000	USTB	--	06/15/04	99.98	0.955	0.960	43,237,117.00	Deutsche Bank
06/09/04	40,500,000	USTB	--	06/15/04	99.98	0.958	0.962	40,493,536.88	Deutsche Bank
06/09/04	50,000,000	USTB	--	06/15/04	99.98	0.960	0.965	49,992,000.00	JPMorgan
06/09/04	50,000,000	FHDN	--	08/11/04	99.80	1.165	1.173	49,898,062.50	ABN AMRO
06/09/04	50,000,000	DBKFIN CP	--	06/10/04	99.99	0.980	0.985	49,998,638.90	Deutsche Bank
06/09/04	31,360,000	DBKFIN CP	--	06/10/04	99.99	0.980	0.985	31,359,146.32	Deutsche Bank
06/10/04	6,803,000	USTB	--	06/11/04	99.99	0.980	0.985	6,802,814.81	Deutsche Bank
06/10/04	15,000,000	USTB	--	06/15/04	99.99	0.955	0.960	14,998,010.42	Deutsche Bank
06/10/04	50,000,000	CITIGLOBAL	--	06/17/04	99.98	1.010	1.015	49,990,180.56	Citiglobal
06/10/04	25,680,000	UBSFIN CP	--	06/17/04	99.98	1.000	1.005	25,675,006.68	Banc of America

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>
06/11/04	\$50,000,000	GECC CP	--	06/14/04	99.99	0.980%	0.985%	\$49,995,916.67	G.E. Capital
06/11/04	9,000,000	CITIGLOBAL	--	06/14/04	99.99	1.000	1.005	8,999,250.00	Citiglobal
06/14/04	50,000,000	FHDN	--	08/13/04	99.79	1.240	1.249	49,896,666.67	Banc of America
06/14/04	25,000,000	GECC CP	--	06/15/04	99.99	1.000	1.005	24,999,305.56	G.E. Capital
06/14/04	43,587,000	UBSFIN CP	--	06/15/04	99.99	1.000	1.005	43,585,789.25	Banc of America
06/15/04	50,000,000	FHDN	--	07/09/04	99.93	1.100	1.106	49,963,333.33	Mizuho
06/15/04	16,200,000	UBSFIN CP	--	06/16/04	99.99	1.040	1.045	16,199,532.00	Lehman Brothers
06/15/04	50,000,000	DBKFIN CP	--	06/16/04	99.99	1.040	1.045	49,998,555.55	Deutsche Bank
06/15/04	10,000,000	USTN	2.500%	05/31/06	99.30	--	2.869	9,930,468.75	Greenwich Capital
06/16/04	50,000,000	FHDN	--	07/14/04	99.91	1.130	1.137	49,956,055.55	Merrill Lynch
06/16/04	50,000,000	GE CORP CP	--	06/17/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
06/16/04	27,990,000	GECC CP	--	06/17/04	99.99	1.010	1.015	27,989,214.73	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>
06/17/04	\$50,000,000	USTB	--	07/15/04	99.92	1.030%	1.036%	\$49,959,944.44	Deutsche Bank
06/17/04	50,000,000	USTB	--	07/15/04	99.92	1.030	1.036	49,959,944.44	Deutsche Bank
06/17/04	25,000,000	USTB	--	07/15/04	99.92	1.030	1.036	24,979,972.22	Deutsche Bank
06/17/04	25,000,000	USTB	--	07/15/04	99.92	1.030	1.036	24,979,972.22	Deutsche Bank
06/17/04	24,329,000	USTB	--	07/29/04	99.88	1.030	1.036	24,299,764.65	ABN AMRO
06/17/04	50,000,000	USTB	--	09/16/04	99.67	1.298	1.308	49,836,010.42	Deutsche Bank
06/17/04	50,000,000	GECS CP	--	06/18/04	99.99	1.000	1.005	49,998,611.11	G.E. Capital
06/17/04	50,000,000	GECS CP	--	06/18/04	99.99	1.000	1.005	49,998,611.11	G.E. Capital
06/17/04	25,000,000	UBSFIN CP	--	06/18/04	99.99	1.000	1.005	24,999,305.55	Banc of America
06/17/04	31,215,000	UBSFIN CP	--	06/18/04	99.99	1.000	1.005	31,214,132.91	Banc of America
06/18/04	50,000,000	FHDN	--	08/20/04	99.78	1.270	1.280	49,888,875.00	Greenwich Capital
06/18/04	50,000,000	GE CORP CP	--	06/21/04	99.99	0.990	0.995	49,995,875.00	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>
06/18/04	\$50,000,000	GE CORP CP	--	06/21/04	99.99	0.990%	0.995%	\$49,995,875.00	G.E. Capital
06/18/04	50,000,000	UBSFIN CP	--	06/21/04	99.99	1.000	1.005	49,995,833.33	Banc of America
06/18/04	2,946,000	UBSFIN CP	--	06/21/04	99.99	1.000	1.005	2,945,754.50	Banc of America
06/21/04	45,592,000	USTB	--	07/15/04	99.93	0.985	0.990	45,562,061.25	JPMorgan
06/21/04	40,000,000	FHDN	--	07/16/04	99.92	1.160	1.167	39,967,777.78	ABN AMRO
06/21/04	29,070,000	UBSFIN CP	--	06/22/04	99.99	1.000	1.005	29,069,192.49	Lehman Brothers
06/21/04	25,000,000	UBSFIN CP	--	06/22/04	99.99	1.000	1.005	24,999,305.55	Lehman Brothers
06/21/04	50,000,000	FHDN	--	06/24/04	99.99	0.940	0.944	49,996,083.33	Merrill Lynch
06/21/04	50,000,000	FHDN	--	06/28/04	99.98	0.950	0.955	49,990,763.90	Morgan Stanley
06/22/04	24,980,000	UBSFIN CP	--	06/23/04	99.99	0.980	0.985	24,979,319.99	Banc of America
06/22/04	50,000,000	UBSAM CP	--	06/23/04	99.99	0.980	0.985	49,998,638.90	Banc of America
06/23/04	50,000,000	FHDN	--	07/21/04	99.91	1.170	1.177	49,954,500.00	ABN AMRO

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>
06/23/04	\$50,000,000	GECC CP	--	06/24/04	99.99	0.980%	0.985%	\$49,998,638.89	G.E. Capital
06/23/04	23,510,000	UBSFIN CP	--	06/24/04	99.99	0.980	0.985	23,509,360.01	Lehman Brothers
06/24/04	50,000,000	USTB	--	07/01/04	99.98	0.938	0.942	49,990,885.42	Deutsche Bank
06/24/04	49,621,000	USTB	--	07/29/04	99.89	1.100	1.107	49,567,933.10	JPMorgan
06/24/04	50,000,000	USTB	--	07/15/04	99.94	1.040	1.046	49,969,666.67	JPMorgan
06/24/04	50,000,000	USTB	--	07/22/04	99.92	1.055	1.061	49,958,972.22	JPMorgan
06/24/04	23,235,000	UBSFIN CP	--	06/25/04	99.99	1.000	1.005	23,234,354.58	Merrill Lynch
06/24/04	50,000,000	CITIGROUP	--	06/25/04	99.99	1.000	1.005	49,998,611.11	Citigroup
06/25/04	32,000,000	FHDN	--	07/23/04	99.91	1.190	1.198	31,970,382.21	Merrill Lynch
06/25/04	50,000,000	UBSFIN CP	--	06/28/04	99.99	1.020	1.025	49,995,750.00	Banc of America
06/25/04	19,940,000	UBSFIN CP	--	06/28/04	99.99	1.020	1.025	19,938,305.10	Banc of America
06/28/04	15,172,000	USTB	--	08/05/04	99.88	1.155	1.162	15,153,502.80	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>
06/28/04	\$50,000,000	USTB	--	07/15/04	99.95	1.035%	1.041%	\$49,975,562.50	ABN AMRO
06/28/04	30,000,000	USTB	--	08/05/04	99.88	1.153	1.160	29,963,504.17	JPMorgan
06/28/04	41,220,000	UBSFIN CP	--	06/29/04	99.99	1.090	1.108	41,218,751.95	Lehman Brothers
06/29/04	23,000,000	UBSFIN CP	--	06/30/04	99.99	1.130	1.143	22,999,278.06	Banc of America
06/30/04	50,000,000	FHDN	--	07/21/04	99.93	1.240	1.241	49,963,833.33	ABN AMRO
06/30/04	<u>24,810,000</u>	DBKFIN CP	--	07/01/04	99.99	1.440	1.440	<u>24,809,007.60</u>	Deutsche Bank
	<u>\$3,709,669,000</u>							<u>\$3,707,849,353.17</u>	

BEY - Bond Equivalent Yield

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>
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No transactions this period.

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>
Daiwa	06/01/04	06/02/04	\$ 2,462,000	0.960%	\$ 65.65
Daiwa	06/01/04	06/02/04	6,552,000	0.960	174.72
Morgan Stanley	06/01/04	06/02/04	16,748,000	0.960	446.61
Morgan Stanley	06/01/04	06/02/04	29,443,000	0.960	785.15
Morgan Stanley	06/01/04	06/02/04	37,753,000	0.960	1,006.75
Morgan Stanley	06/01/04	06/02/04	39,303,000	0.960	1,048.08
Banc of America	06/01/04	06/03/04	39,960,000	0.970	2,131.20 *
Banc of America	06/01/04	06/03/04	39,960,000	0.970	2,131.20 *
Banc of America	06/01/04	06/03/04	39,960,000	0.970	2,131.20 *
Lehman Brothers	06/01/04	06/03/04	42,457,500	0.970	2,252.60 *
Lehman Brothers	06/01/04	06/03/04	42,457,500	0.970	2,252.60 *
Lehman Brothers	06/01/04	06/03/04	42,457,500	0.970	2,252.60 *

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	06/01/04	06/03/04	\$ 42,457,500	0.970%	\$ 2,252.60 *
Daiwa	06/01/04	06/02/04	49,448,000	0.960	1,318.61
Daiwa	06/01/04	06/02/04	49,448,000	0.960	1,318.61
Morgan Stanley	06/02/04	06/03/04	4,720,000	0.950	124.56
BNP Paribas	06/02/04	06/03/04	16,749,000	0.940	437.34
BNP Paribas	06/02/04	06/03/04	29,444,000	0.940	768.82
BNP Paribas	06/02/04	06/03/04	37,754,000	0.940	985.80
BNP Paribas	06/02/04	06/03/04	39,304,000	0.940	1,026.27
Morgan Stanley	06/02/04	06/03/04	51,280,000	0.950	1,353.22
Morgan Stanley	06/02/04	06/03/04	51,392,000	0.950	1,356.18
Mizuho	06/03/04	06/24/04	945,000	0.960	525.26 *
Mizuho	06/03/04	06/07/04	16,749,000	0.960	1,786.56

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	06/03/04	06/07/04	\$ 29,444,000	0.960%	\$ 3,140.69
Mizuho	06/03/04	06/07/04	32,011,000	0.960	3,414.51
Citiglobal	06/03/04	06/17/04	36,427,000	0.950	13,589.30 *
Citiglobal	06/03/04	06/17/04	36,427,000	0.950	13,589.30 *
Citiglobal	06/03/04	06/08/04	36,427,000	0.950	4,887.29 *
Citiglobal	06/03/04	06/07/04	36,427,000	0.950	3,905.79 *
Banc of America	06/03/04	06/08/04	37,265,625	0.970	4,999.81 *
Banc of America	06/03/04	06/08/04	37,265,625	0.970	4,999.81 *
Mizuho	06/03/04	06/07/04	37,653,000	0.960	4,016.32
Banc of America	06/03/04	06/10/04	39,800,000	0.970	7,429.34 *
BNP Paribas	06/03/04	06/07/04	47,162,000	0.950	4,978.21
Mizuho	06/03/04	06/24/04	48,980,000	0.960	27,224.72 *

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	06/03/04	06/04/04	\$ 50,469,000	0.980%	\$ 1,373.88
Daiwa	06/04/04	06/07/04	1,022,000	0.960	81.76
Lehman Brothers	06/04/04	06/09/04	29,887,500	0.960	3,976.70 *
Lehman Brothers	06/04/04	06/09/04	39,850,000	0.960	5,302.27 *
Lehman Brothers	06/04/04	06/09/04	39,850,000	0.960	5,302.27 *
Daiwa	06/04/04	06/07/04	49,448,000	0.960	3,955.84
Mizuho	06/07/04	06/08/04	16,751,000	0.960	446.69
Mizuho	06/07/04	06/08/04	27,960,000	0.960	745.60
Mizuho	06/07/04	06/08/04	29,448,000	0.960	785.28
Mizuho	06/07/04	06/08/04	30,233,000	0.960	806.21
Lehman Brothers	06/07/04	06/08/04	40,494,000	0.960	1,079.84
Mizuho	06/07/04	06/08/04	43,236,000	0.960	1,152.96

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>
BNP Paribas	06/08/04	06/09/04	\$ 16,751,000	0.950%	\$ 442.04
BNP Paribas	06/08/04	06/09/04	24,273,000	0.950	640.54
Banc of America	06/08/04	06/10/04	24,718,750	0.950	1,297.73 *
Banc of America	06/08/04	06/18/04	24,887,500	0.950	6,567.53 *
Citiglobal	06/08/04	06/21/04	25,857,000	0.970	8,978.13 *
BNP Paribas	06/08/04	06/09/04	28,566,000	0.950	753.83
BNP Paribas	06/08/04	06/09/04	29,448,000	0.950	777.10
Lehman Brothers	06/08/04	06/29/04	29,662,500	0.950	16,578.04 *
Lehman Brothers	06/08/04	06/29/04	29,662,500	0.950	16,578.04 *
Banc of America	06/08/04	06/18/04	29,865,000	0.950	7,881.03 *
BNP Paribas	06/08/04	06/09/04	40,495,000	0.950	1,068.62
BNP Paribas	06/08/04	06/09/04	43,237,000	0.950	1,140.98

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	06/09/04	06/10/04	\$ 42,436,250	0.950%	\$ 1,119.85 *
Mizuho	06/09/04	06/10/04	42,436,250	0.950	1,119.85 *
Banc of America	06/10/04	06/23/04	24,687,500	0.940	8,448.61 *
Lehman Brothers	06/10/04	06/17/04	27,972,000	0.940	5,174.82 *
Lehman Brothers	06/10/04	06/17/04	29,587,500	0.940	16,832.01 *
Banc of America	06/10/04	06/14/04	29,887,500	0.940	3,121.58 *
Mizuho	06/10/04	06/25/04	29,940,000	0.950	11,851.25 *
Citiglobal	06/10/04	06/17/04	44,910,000	0.950	8,333.31 *
Daiwa	06/15/04	06/16/04	14,187,000	0.990	390.14
Daiwa	06/15/04	06/16/04	23,573,000	0.990	648.26
Daiwa	06/15/04	06/16/04	28,571,000	0.990	785.70
Daiwa	06/15/04	06/16/04	29,454,000	0.990	809.99

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	06/15/04	06/17/04	\$ 34,868,750	1.000%	\$ 1,888.73 *
Banc of America	06/15/04	06/16/04	39,850,000	1.000	1,106.94 *
Daiwa	06/15/04	06/16/04	40,966,000	0.990	1,126.57
Mizuho	06/15/04	Open	42,436,250 *	Variable **	18,389.03 ***
Mizuho	06/15/04	Open	42,436,250 *	Variable **	18,389.03 ***
Daiwa	06/15/04	06/16/04	45,559,000	0.990	1,252.87
ABN AMRO	06/16/04	06/17/04	10,025,000	0.950	264.55
ABN AMRO	06/16/04	06/17/04	13,112,000	0.950	346.01
ABN AMRO	06/16/04	06/17/04	14,190,000	0.950	374.46
ABN AMRO	06/16/04	06/17/04	15,460,000	0.950	407.97
ABN AMRO	06/16/04	06/17/04	19,430,000	0.950	512.74
ABN AMRO	06/16/04	06/17/04	20,463,000	0.950	540.00

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>
ABN AMRO	06/16/04	06/17/04	\$ 20,504,000	0.950%	\$ 541.08
ABN AMRO	06/16/04	06/17/04	23,574,000	0.950	622.09
Banc of America	06/16/04	06/17/04	39,860,000	0.950	1,051.86 *
ABN AMRO	06/16/04	06/17/04	45,560,000	0.950	1,202.28
BNP Paribas	06/17/04	06/21/04	23,652,000	0.960	2,522.88
Citiglobal	06/17/04	06/24/04	27,376,250	0.970	5,117.84 *
Citiglobal	06/17/04	06/24/04	27,376,250	0.970	5,117.84 *
BNP Paribas	06/17/04	06/21/04	28,573,000	0.960	3,047.79
BNP Paribas	06/17/04	06/21/04	29,475,000	0.960	3,144.00
Lehman Brothers	06/17/04	06/28/04	29,850,000	0.970	8,739.42 *
BNP Paribas	06/17/04	06/21/04	38,631,000	0.960	4,120.64
Banc of America	06/17/04	06/22/04	39,900,000	0.950	5,231.34 *

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>
BNP Paribas	06/17/04	06/21/04	\$ 40,486,000	0.960%	\$ 4,318.51
Lehman Brothers	06/17/04	06/21/04	44,887,500	0.970	4,800.47 *
ABN AMRO	06/17/04	06/18/04	45,561,000	0.960	1,214.96
Banc of America	06/18/04	06/25/04	27,293,750	0.940	5,011.43 *
Banc of America	06/18/04	06/25/04	27,293,750	0.940	5,011.43 *
ABN AMRO	06/18/04	06/21/04	45,562,000	0.960	3,644.96
Daiwa	06/21/04	06/24/04	23,123,000	0.960	1,849.84
Daiwa	06/21/04	06/24/04	28,576,000	0.960	2,286.08
Daiwa	06/21/04	06/24/04	29,479,000	0.960	2,358.32
Daiwa	06/21/04	06/24/04	37,760,000	0.960	3,020.80
Daiwa	06/21/04	06/24/04	37,986,000	0.960	3,038.88
Banc of America	06/23/04	06/25/04	19,925,000	0.940	1,051.59 *

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	06/24/04	Open	\$ 1,325,000 *	Variable **	\$ 262.43 ***
ABN AMRO	06/24/04	06/25/04	15,153,000	0.970	408.29
Citiglobal	06/24/04	06/29/04	20,610,000	0.980	2,879.68 *
Citiglobal	06/24/04	06/25/04	20,770,000	0.980	565.41 *
Citiglobal	06/24/04	06/28/04	20,770,000	0.980	2,296.24 *
ABN AMRO	06/24/04	06/28/04	22,516,000	0.960	2,401.71
Citiglobal	06/24/04	06/29/04	24,310,000	0.980	3,396.64 *
Citiglobal	06/24/04	06/29/04	24,718,375	0.980	3,453.70 *
ABN AMRO	06/24/04	06/28/04	26,855,000	0.960	2,864.53
Citiglobal	06/24/04	06/25/04	29,180,000	0.980	794.34 *
Citiglobal	06/24/04	06/28/04	29,180,000	0.980	3,226.01 *
Citiglobal	06/24/04	06/29/04	29,180,000	0.980	4,077.09 *

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>
ABN AMRO	06/24/04	06/28/04	\$ 29,481,000	0.960%	\$ 3,144.64
ABN AMRO	06/24/04	06/28/04	36,851,000	0.960	3,930.77
ABN AMRO	06/24/04	06/28/04	37,317,000	0.960	3,980.48
Mizuho	06/24/04	Open	42,478,750 *	Variable **	8,318.75 ***
Mizuho	06/24/04	Open	42,478,750 *	Variable **	8,318.75 ***
Banc of America	06/24/04	06/28/04	44,977,500	0.960	4,835.08 *
Lehman Brothers	06/24/04	Open	48,650,000 *	Variable **	9,689.46 ***
Morgan Stanley	06/25/04	06/28/04	15,123,000	0.970	1,222.44
Citiglobal	06/25/04	06/28/04	34,965,000	1.000	2,913.75 *
BNP Paribas	06/28/04	07/01/04	22,621,000	1.010	1,903.93
BNP Paribas	06/28/04	07/01/04	26,857,000	1.010	2,260.46
BNP Paribas	06/28/04	07/01/04	28,189,000	1.010	2,372.57

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>
BNP Paribas	06/28/04	07/01/04	\$ 34,859,000	1.010%	\$ 2,933.97
BNP Paribas	06/28/04	07/01/04	35,538,000	1.010	2,991.12
Lehman Brothers	06/29/04	Open	29,662,500 *	Variable **	1,862.15 ***
Lehman Brothers	06/29/04	Open	29,662,500 *	Variable **	1,862.15 ***

* 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	06/01/04	06/03/04	\$42,457,500	0.800%	\$ 1816.24
Lehman Brothers	06/01/04	06/03/04	42,457,500	0.800	1,816.24
Lehman Brothers	06/01/04	06/03/04	42,457,500	0.800	1,816.24
Lehman Brothers	06/01/04	06/03/04	42,457,500	0.800	1,816.24
Banc of America	06/01/04	06/03/04	39,960,000	0.850	1,831.50
Banc of America	06/01/04	06/03/04	39,960,000	0.850	1,831.50
Banc of America	06/01/04	06/03/04	39,960,000	0.850	1,831.50
Mizuho	06/03/04	06/24/04	49,925,000	0.860	21,398.39
Banc of America	06/03/04	06/10/04	39,800,000	0.750	6,301.67
Banc of America	06/03/04	06/08/04	37,265,625	0.750	4,047.46
Banc of America	06/03/04	06/08/04	37,265,625	0.750	4,047.46
Citiglobal	06/03/04	06/17/04	36,427,000	0.850	10,361.45

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>
Citiglobal	06/03/04	06/17/04	\$36,427,000	0.850%	\$10,361.45
Citiglobal	06/03/04	06/08/04	36,427,000	0.850	4,320.65
Citiglobal	06/03/04	06/07/04	36,427,000	0.850	3,440.33
Lehman Brothers	06/04/04	06/09/04	39,850,000	0.835	4,544.01
Lehman Brothers	06/04/04	06/09/04	39,850,000	0.835	4,544.01
Lehman Brothers	06/04/04	06/09/04	29,887,500	0.835	3,408.01
Banc of America	06/08/04	06/18/04	29,865,000	0.850	6,769.42
Lehman Brothers	06/08/04	06/29/04	29,662,500	0.800	14,378.07
Lehman Brothers	06/08/04	06/29/04	29,662,500	0.800	14,378.08
Citiglobal	06/08/04	06/21/04	25,857,000	0.770	7,721.19
Banc of America	06/08/04	06/18/04	24,887,500	0.850	5,641.16
Banc of America	06/08/04	06/10/04	24,718,750	0.800	1,091.75

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>
Mizuho	06/09/04	06/10/04	\$42,436,250	0.700%	\$ 825.15
Mizuho	06/09/04	06/10/04	42,436,250	0.700	825.15
Citiglobal	06/10/04	06/17/04	44,910,000	0.750	5,301.88
Mizuho	06/10/04	06/25/04	29,940,000	0.800	9,522.58
Banc of America	06/10/04	06/14/04	29,887,500	0.800	2,656.67
Lehman Brothers	06/10/04	06/17/04	29,587,500	0.800	14,670.48
Lehman Brothers	06/10/04	06/17/04	27,972,000	0.700	3,069.15
Banc of America	06/10/04	06/23/04	24,687,500	0.800	7,365.11
Mizuho	06/15/04	Open	42,436,250 *	Variable **	14,512.01 ***
Mizuho	06/15/04	Open	42,436,250 *	Variable **	14,512.01 ***
Banc of America	06/15/04	06/16/04	39,850,000	0.850	940.90
Lehman Brothers	06/15/04	06/17/04	34,868,750	0.800	1,501.29

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>
Banc of America	06/16/04	06/17/04	\$39,860,000	0.700%	\$ 775.06
Lehman Brothers	06/17/04	06/21/04	44,887,500	0.800	4,177.03
Banc of America	06/17/04	06/22/04	39,900,000	0.800	4,621.75
Lehman Brothers	06/17/04	06/28/04	29,850,000	0.770	7,188.88
Citiglobal	06/17/04	06/24/04	27,376,250	0.870	4,053.21
Citiglobal	06/17/04	06/24/04	27,376,250	0.870	4,053.21
Banc of America	06/18/04	06/25/04	27,293,750	0.690	3,692.24
Banc of America	06/18/04	06/25/04	27,293,750	0.690	3,692.24
Banc of America	06/23/04	06/25/04	19,925,000	0.650	664.17
Lehman Brothers	06/24/04	Open	49,975,000	Variable *	8,204.24 **
Citiglobal	06/24/04	06/25/04	49,950,000	0.850	1,179.38
Citiglobal	06/24/04	06/28/04	49,950,000	0.850	4,925.63

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>
Citiglobal	06/24/04	06/29/04	\$49,790,000	0.880%	\$6,265.24
Citiglobal	06/24/04	06/29/04	49,028,375	0.880	6,169.40
Banc of America	06/24/04	06/28/04	44,977,500	0.810	4,272.86
Mizuho	06/24/04	Open	42,478,750	Variable *	6,076.81 **
Mizuho	06/24/04	Open	42,478,750	Variable *	6,076.81 **
Citiglobal	06/25/04	06/28/04	34,965,000	0.900	2,622.38
Lehman Brothers	06/29/04	Open	29,662,500	Variable *	1,647.91 **
Lehman Brothers	06/29/04	Open	29,662,500	Variable *	1,647.91 **

* 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 June 1, 2004 through June 30, 2004, 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 June 1, 2004 through June 30, 2004 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 June 30, 2004, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$377 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 June 1, 2004 through June 30, 2004 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

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.

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

Report E: In addition to the transactions described in Report A, B, C, and D, the Executive Director also reports the following activity under the Futures Program authorized by the Board of Commissioners on December 10, 1987, during the period April 1, 2004 through June 30, 2004 involving the use of the Municipal Bond Futures Contracts (Muni) and the United States Treasury Bond Futures Contracts (T-Bonds) traded on the Chicago Board of Trade to manage the interest rate exposure on the future issuance of Consolidated Bonds and Notes.

Hedge for Consolidated Bonds:

<u>Date</u>	<u>Action</u>	<u>Number of Contracts</u>	<u>Short Position</u>	<u>Gains/(Losses) on Series Hedge*</u>	<u>Amount of Prospective Port Authority Debt Hedged</u>	<u>Estimated (Increase)/Decrease in Borrowing Costs on Portion of Debt Hedged</u>
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No outstanding Hedge during the 2nd Quarter 2004

Whereupon, the meeting was adjourned.

Secretary