

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, March 20, 2003

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, March 20, 2003,
at 225 Park Avenue South, City, County and State of New York.**

PRESENT:

NEW JERSEY

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

NEW YORK

Hon. Charles A. Gargano, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. David S. Mack
 Hon. Henry R. Silverman

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

Gwendolyn Archie, Staff Administrator, Office of the Secretary
 Catherine Bergamini, Senior Administrator, Port Commerce
 Kayla M. Bergeron, Director, Public Affairs
 A. Paul Blanco, Chief of Regional and Economic Development
 Bruce D. Bohlen, Treasurer
 John D. Brill, Director, Audit
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Janice Chiantese, Special Advisor to the Chairman
 Anthony B. Ciavolella, Public Information Officer, Public Affairs
 Arthur J. Cifelli, Assistant 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
 Charles D. DeRienzo, Superintendent of Police/Director, Public Safety
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Nancy J. Ertag-Brand, Executive Advisor to the Chief Financial Officer
 Michael G. Fabiano, Comptroller
 Linda C. Handel, Assistant Secretary
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 Kevin Kirchman, Assistant Director, Marketing and Communication, Public Affairs
 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
 Stephen Marinko, Attorney, Law
 Gloria Martinez, Administrator, Office of the Secretary
 Charles F. McClafferty, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Allen M. Morrison, Supervisor, Public Affairs
 Lynn A. Nerney, Staff Administrator, Office of the Secretary
 Catherine F. Pavelec, Executive Assistant to the Secretary, Office of the Secretary
 Michael A. Petralia, Chief of Public and Government Affairs
 Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
 Alan L. Reiss, Deputy Director, Aviation

Edmond F. Schorno, Chief of Staff

Harry Spector, Deputy Director, Public Affairs

Gerald B. Stoughton, Assistant Director, Office of Forecasting and Capital Planning

Antoinette Tahan, Executive Secretary, Office of the Secretary

Tiffany A. Townsend, Public Information Officer, Public Affairs

Gregory J. Trevor, Senior Public Information Officer, Public Affairs

Sean P. Walsh, Director, Government and Community Affairs

Guests:

Noreen Giblin, Authorities Unit, Office of the Governor of New Jersey

Jay Hector, New York Empire State Development Corporation

The public session was called to order by Chairman Sinagra at 1:41 p.m. and ended at 1:49 p.m. The Board met in executive session prior to the public session.

The Chairman requested a moment of silence in support of the men and women serving in our armed forces in the Middle East.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of February 20, 2003. 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 of March 20, 2003, which included discussion of internal audit matters, and the report was received.

Report of Committee on Finance

The report of the Committee on Finance, for information, 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 action taken at its meeting of March 20, 2003, which included an item relating to the final terms of an agreement with the Albany Port District Commission to effectuate container-on-barge service between the Port of New York and New Jersey and the Port of Albany, as well as matters discussed in executive session, 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 of March 20, 2003, which included discussion of a project for the rehabilitation of the New York Exit Plaza at the Holland Tunnel and a contract for the rehabilitation of Runway 41-22R at Newark Liberty International Airport, 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 of March 20, 2003, which included discussion of lease and contract matters, property 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.

Staff Report

A report was given by the Chief Operating Officer outlining the enhanced security measures that have been put in place at all Port Authority facilities.

JOHN F. KENNEDY INTERNATIONAL, NEWARK LIBERTY INTERNATIONAL AND LAGUARDIA AIRPORTS – AUTHORIZATION TO SUBMIT AN APPLICATION TO THE FEDERAL AVIATION ADMINISTRATION TO IMPOSE AND USE PASSENGER FACILITY CHARGES FOR CERTAIN PROJECTS

It was recommended that the Board authorize the Executive Director to submit an application to the Federal Aviation Administration (FAA) to impose and use a Passenger Facility Charge (PFC) at the \$4.50 level at John F. Kennedy International (JFK), Newark Liberty International (EWR), and LaGuardia (LGA) Airports for projects at those airports that will increase terminal and airside capacity, reduce delays, increase airline competition, enhance security and improve safety. At the same time, in order to secure a uniform collection level for all outstanding projects at the \$4.50 level, FAA guidance provides that a request must be made, at the time of a new application to impose and use PFCs at the \$4.50 level, to collect at the same level for any outstanding projects for which collection authority is now set at \$3. Accordingly, it was also recommended that a request be made to the FAA to combine the authority to impose and use PFCs for existing projects with the authority to impose and use for these new projects at the \$4.50 level.

The Aviation Safety and Capacity Expansion Act of 1990 amended the Federal Aviation Act of 1958 to authorize a public agency to impose a PFC of up to \$3 per departing passenger at a commercial service airport it controls, subject to FAA approval. The proceeds from such PFCs are to be used to finance eligible airport-related projects that preserve or enhance safety, capacity or security of the national air transportation system, reduce noise from an airport that is part of that system, or furnish opportunities for enhanced competition among air carriers.

Since 1992, the Port Authority has been granted FAA approval for collection and use of PFCs totaling \$1.569 billion for airport access projects at JFK and EWR. In addition, the Port Authority will soon be submitting an amendment to the FAA to collect and use an additional \$172 million of PFC funding for AirTrain JFK.

In 2000, the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) granted new PFC collection authority. A public agency may now apply to the FAA to increase the PFC level that it may charge to \$4 or \$4.50. Under AIR-21, to be eligible to collect at the \$4 or \$4.50 level, the project must meet new criteria, such as it must make a “significant contribution” to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport.

The eligible projects at LGA may include projects such as security, aircraft rescue, fire fighting, rehabilitation of runways, and planning and preliminary engineering for the modernization of terminal buildings. At JFK, the eligible projects may include security and rehabilitation of runways, as well as airside improvements to improve runway safety and enhance capacity. At EWR, eligible projects may include security, rehabilitation of a runway/taxiway and projects to expand the airside capacity of the airport, as well as the modification and/or expansion of terminals. The application will be accompanied by an

appropriate request to combine existing authority to impose and use PFCs for existing projects with any new authority given to impose and use for these new projects. Thereby, a PFC at the level of \$4.50 would be sought for all PFC projects.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, 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 submit an application to the Federal Aviation Administration (FAA) to impose and use a Passenger Facility Charge (PFC) at the \$4.50 level for projects at John F. Kennedy International (JFK), Newark Liberty International (EWR) and LaGuardia (LGA) Airports that will increase terminal and airside capacity, reduce delays, increase airline competition, enhance security and improve safety; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, by way of application, amendment or other appropriate request to the FAA, to combine existing authority to impose and use PFCs for existing projects with any new authority given to impose and use PFCs at the \$4.50 level for projects at JFK, EWR and LGA that will increase terminal airside capacity, reduce delays, increase airline competition, or enhance security and improve safety; and it is further

RESOLVED, that the form of the foregoing applications, amendment or other request shall be subject to the approval of General Counsel or his authorized representative.

**ALL AIRPORTS – AIRCRAFT NOISE ABATEMENT PROGRAM – YEAR 2003 –
SCHOOL SOUNDPROOFING PROGRAM**

It was recommended that the Board authorize the Executive Director to: a) expend an additional amount of \$44.5 million for the soundproofing of thirty-two schools, including two schools to be added to the School Soundproofing Program (Program); and b) enter into agreements necessary to accomplish the soundproofing of the schools affected by noise from aircraft operating at the four Port Authority airports.

In order for the Port Authority's airports to continue to operate effectively in the most densely populated region in the nation, the Port Authority must do everything necessary to win the support of the communities we serve, including reducing the impact of noise on students in the schools most directly affected. The Program is a joint effort of the Port Authority and the Federal Aviation Administration (FAA), and continued action on these schools is contingent upon the availability of corresponding federal funds. In order for a school to be eligible for inclusion in the Program, it must meet the federal criteria established by the FAA. These guidelines require that the schools must either be located within an area surrounding the airport that is deemed significantly noise impacted as measured by a perceived noise level of 65 decibels or greater, or that speech interference levels must be at least 55 decibels. The Program reduces the impact of aircraft noise on the students in schools near the Port Authority airports and improves the good will between the Port Authority and its neighbors.

The total scope of the Program from inception through the current authorization includes 78 schools, 45 in the vicinity of John F. Kennedy International Airport (JFK) and LaGuardia Airport (LGA) and 33 in the vicinity of Newark Liberty International Airport (EWR) and Teterboro Airport (TEB). Soundproofing of 42 schools has been completed, while 36 schools are in various stages of construction. Additional funding is currently required for 30 of those schools, as well as initial funding for two new schools in the Program. The Program has been in existence since 1983, when the federal government began the Program, and is proposed to remain in effect until such time that federal funding is no longer available or all schools that meet federal eligibility guidelines are completed.

Soundproofing of all schools that lie within the 65-day-night average noise contour has either been completed or is currently underway. Future work will focus on a smaller number of schools eligible under the FAA's secondary speech interference criteria. All contracts must meet federal and Port Authority goals of 14.3 percent participation for minority and disadvantaged businesses. The FAA reimburses the Port Authority for 80 percent of the costs incurred at LGA, JFK and EWR, with the remaining 20 percent recovered from the air carriers through the flight fee. At TEB, 90 percent of the costs incurred are provided by federal funds, with the balance provided by the Port Authority.

The schools to be added to the Program this year are Becton High School, Carlstadt and East Rutherford, New Jersey, and the Sylvan School, Rutherford, New Jersey.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, 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: a) expend an additional amount of \$44.5 million for the soundproofing of thirty-two schools in the vicinity of the four Port Authority airports under the School Soundproofing Program; and b) enter into agreements necessary to accomplish the soundproofing of the schools; the form of the agreements shall be subject to the approval of General Counsel or his authorized representative.

ADDENDUM

YEAR 2003 SCHOOL SOUNDPROOFING PROGRAM – SCHOOLS

| School | Location | Phase | Amount Being Allocation |
|---------------------------|------------------------|-------|-------------------------|
| East Side High School | Newark, NJ | VI | 40,000 |
| McKinley | Newark, NJ | VI | 40,000 |
| St. Stephen | Kearny, NJ | V | 40,000 |
| Sacred Heart | Kearny, NJ | IV | 100,000 |
| Lincoln Elementary | Kearny, NJ | IV | 100,000 |
| Kearny HS | Kearny, NJ | IV | 200,000 |
| Beach Channel HS | Rockaway Park, NY | IV | 12,100,000 |
| Hebrew Acad. 5 Towns | Cedarhurst, NY | V | 25,000 |
| Lawrence #2 | Lawrence, NY | IV | 25,000 |
| PS 146Q | Howard Beach, NY | V | 40,000 |
| IS 180Q | Rockaway Park, NY | IV | 4,000,000 |
| PS 195Q | Rosedale, NY | V | 40,000 |
| IS 198Q | Arverne, NY | IV | 4,500,000 |
| St. Joachim | Cedarhurst, NY | IV | 40,000 |
| St. Pius X | Rosedale, NY | IV | 25,000 |
| College of Aeronautics | Flushing, NY | IV | 40,000 |
| John Bowne HS | Flushing, NY | IV | 8,000,000 |
| Lexington School for Deaf | Jackson Heights, NY | III | 40,000 |
| Mmgr. McClancy Mem. | Flushing, NY | V | 25,000 |
| PS 146B | Bronx, NY | VI | 40,000 |
| PS 5 | Bronx, NY | V | 1,500,000 |
| Samuel Gompers Vocat'l | Bronx, NY | IV | 5,500,000 |
| St. Anselm | Bronx, NY | V | 40,000 |
| St. Athanasius | Bronx, NY | III | 100,000 |
| St. Michael | Flushing, NY | V | 25,000 |
| St. Pius V | Bronx, NY | IV | 25,000 |
| Bergen Co. Vocational | Teterboro, NJ | IV | 1,800,000 |
| Jackson Avenue | Hackensack NJ | IV | 2,100,000 |
| Memorial | S. Hackensack, NJ | V | 50,000 |
| St. Francis | Hackensack, NJ | IV | 1,900,000 |
| Becton HS* | Carlst't-E.Ruthf'd, NJ | I | 1,400,000 |
| Sylvan* | Rutherford, NJ | I | 600,000 |
| Total: | | | \$44,500,000 |

*Additional schools to the Soundproofing Program.

**PORT NEWARK AND THE ELIZABETH–PORT AUTHORITY MARINE TERMINAL
– CORBIN STREET INTERMODAL RAIL FACILITY – PLANNING
AUTHORIZATION**

It was recommended that the Board authorize: (1) the planning and preliminary design of the Corbin Street intermodal rail facility at Port Newark and the Elizabeth-Port Authority Marine Terminal at an estimated cost of \$3.7 million; and (2) the Executive Director to take actions with respect to the award of an agreement, with a consultant selected after a publicly advertised Request for Proposals process, for professional and advisory services as may be necessary to effectuate the planning and preliminary design phase, at an estimated cost of \$2 million.

Significant growth in overall harbor container traffic through the Port District is projected to increase from a level of 3.3 million Twenty-foot Equivalent Units (TEUs) in 2001 to 6.0 million TEUs by 2015. During the same period, rail volume through the New Jersey Marine Terminal (NJMT) is projected to more than double -- from 228,000 rail moves in 2002, to 430,000 in 2015, to over a million rail moves by 2030. Port Newark Container Terminal, LLC's (PNCT's) rail traffic is forecasted to increase to 20 percent of total cargo operations by 2010 and 30 percent by 2020, thus exceeding the capacity of PNCT's present interim facility. The compounding effect of this overall port containerized cargo growth will increase rail service demand beyond harbor growth rate projections.

In anticipation of this growth, authorization is requested for planning and preliminary design work for the development of an intermodal rail facility to be leased as part of PNCT, additional trackwork to support overall port rail operations at the Corbin Street yards, a railroad crossing structure over Elizabeth's Bound Creek (a tidal waterway that flows into the Port Elizabeth Channel), a truck flyover bridge over Corbin Street to connect the marine terminal with the new rail terminal, and other improvements required to support the facility. Additionally, the Corbin Street rail project will improve rail service at the NJMT by providing sufficient rail cargo capacity to support overall port containerized cargo growth, additional container traffic generated by the new ExpressRail intermodal facility, and PNCT's expanding rail cargo operations. Reduced traffic on local and main roadways should also result.

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

RESOLVED, that planning and preliminary design of the Corbin Street intermodal rail facility at Port Newark and the Elizabeth-Port Authority Marine Terminal at an estimated cost of \$3.7 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 the award of a contract for professional and advisory services with a consultant selected after a publicly advertised Request For Proposals process, in an estimated amount of \$2 million, for planning and preliminary design of support tracks, intermodal facility

structures and appurtenances, engineering associated with the Corbin Street flyover and Bound Creek crossing structure, and various site work, environmental engineering and underground utilities services related to the foregoing as he deems in the best interest of the Port Authority, and to enter into such other agreements as may be necessary to effectuate the planning and design; 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.

HOWLAND HOOK MARINE TERMINAL – HOWLAND HOOK CONTAINER TERMINAL, INC. – LEASE AMENDMENT – HHT-4 PORT IVORY – LEASE AGREEMENT – HHT-6

It was recommended that the Board authorize the Executive Director to: 1) declare the existing seven Howland Hook Marine Terminal Cranes: Peiner No. 0101, IHI Nos. 8851, 8852, 8853, 8855, and Paceco Nos. 1253 and 1254, surplus; 2) enter into an agreement with Howland Hook Container Terminal, Inc. (HHCT) for the sale of the seven cranes to HHCT for the sum of \$6.68 million and the elimination of the minimum crane rental and crane throughput rental under Lease No. HHT-4 with HHCT; and 3) enter into Lease No. HHT-6 with HHCT for the letting of Building 74/75 and associated open area at Port Ivory to provide services for shipping lines and HHCT's customers for cross-dock operations, freight consolidation, distribution and storage of waterborne general cargo.

HHCT's crane purchase is pending the Port Authority's purchase of five of the cranes from the City of New York for the sum of \$5.68 million, which was approved by the Board at its meeting of June 2, 2000.

Building 74/75 is a long-term vacant structure previously used for manufacturing and warehousing purposes. It will be leased for an approximate 16-year term, expiring at the same time as Lease No. HHT-4, at an annually increasing rental rate. The Port Authority will perform site work and priority repairs at an estimated cost of \$2 million. The Port Authority will remain responsible for environmental remediation on the property. The property constitutes approximately 18 percent of a larger parcel which is among those acquired from Procter & Gamble Manufacturing Company in late 2000. Remediation costs for the entire parcel are estimated at \$2 million. The Port Authority will have the right to terminate the lease in the event the property is required for terminal redevelopment, in which case it shall be obligated to reimburse HHCT for its unamortized capital investment in the premises, calculated on a straight-line basis over the lease term.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, 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: 1) declare the existing seven Howland Hook Marine Terminal Cranes: Peiner No. 0101, IHI Nos. 8851, 8852, 8853, 8855, and Paceco Nos. 1253 and 1254, surplus; 2) enter into an agreement with Howland Hook Container Terminal, Inc. (HHCT) for the sale of the seven cranes to HHCT for the sum of \$6.68 million and the elimination of the minimum crane rental and crane throughput rental under Lease No. HHT-4 with HHCT; and 3) enter into Lease No. HHT-6 with HHCT for the letting of Building 74/75 and associated open area at Port Ivory, in each case substantially in accordance with the terms and conditions outlined to the Board; the form of the agreements shall be subject to the approval of General Counsel or his authorized representative.

HOWLAND HOOK MARINE TERMINAL – PORT IVORY INTERMODAL RAIL FACILITY – PROJECT AUTHORIZATION AND AWARD OF CONTRACTS

It was recommended that the Board authorize: (1) a project at the Howland Hook Marine Terminal (HHMT) Port Ivory site to develop the first of two phases of an intermodal rail facility at an estimated project cost of \$72.5 million; (2) the Executive Director to take action with respect to the award of construction contracts and other agreements related to the implementation of the project to accommodate cargo volume growth at the HHMT through 2015; and (3) the establishment of an Intermodal Usage Fee for rail shipments through port facilities, with the Executive Director to review, approve and establish future Marine Terminal Tariff provisions, rates, escalations, and adjustments.

Since the reopening of the HHMT in 1996, the volume of containerized cargo passing through the terminal has grown steadily. In addition, the growth in rail cargo generated at this facility has made it necessary and cost effective for the development of an on-dock intermodal rail transfer facility in lieu of transporting this cargo by truck to the ExpressRail facility at the Elizabeth-Port Authority Marine Terminal. Based on various feasibility studies, the site of the proposed intermodal facility was identified and acquired as part of the purchase of the Procter & Gamble Manufacturing, Inc. (P&G) 124-acre former Port Ivory plant in December 2000.

The proposed project will consist of a two-phased development of an approximate 38-acre parcel of the former P&G site to include an initial installation of approximately 8,600 feet of working tracks, installation of concrete runway pads to support a rubber-tired gantry crane operation, associated yard lighting and utilities, and a bridge spanning Bridge Creek to facilitate cargo movements from the existing HHMT to the new intermodal facility. Construction of the entire facility will consist of 11 tracks that will be installed in two phases. This authorization is for the first phase to develop the first seven tracks in two stages (Phase 1A and Phase 1B). Completion of Phase 1A (installation of five tracks for initial operating purposes) and Phase 1B (installation of the remaining two tracks to complete the first phase of development) is currently scheduled to occur in 2005 and 2007, respectively, to accommodate cargo volume growth up to 2015. Project authorization for the second developmental phase, to handle cargo volume growth beyond 2015, will be requested at a future date.

Separate authorization is being sought concurrently for: (1) an increase in project authorization of \$16 million, from \$41 million to \$57 million, for the planning, design and construction of a new north freight rail connector between the Staten Island Railroad (SIRR) and the CSX and Norfolk Southern Chemical Coast Line in Elizabeth, New Jersey; and for the Executive Director to take action with respect to the award of a related construction contract for the SIRR North Connection to the Chemical Coast Line; and (2) the Executive Director to negotiate and enter into an agreement with the New York City Economic Development Corporation (NYCEDC) for the Port Authority to provide approximately \$32 million for the rehabilitation of portions of the SIRR in New York; and to provide for future continuity of rail service to the HHMT, including the Port Ivory intermodal rail facility.

Of the alternatives developed by Port Authority consultants, it was determined that the development of an intermodal rail facility at the HHMT was the most viable solution to accommodate the forecasted growth in containerized and rail cargo. Not providing an

intermodal rail facility would place the terminal operator at a competitive disadvantage and preclude this facility from handling significant portions of the port's anticipated volume growth.

This action will improve rail cargo distribution and flexibility, reduce environmental impacts of highway and bridge congestion, improve air quality, and result in a savings to the Port Authority of approximately \$80,000 per month in lease credits when rail service is restored to the HHMT.

It is therefore necessary to provide for the prompt start of construction. Thus, it was recommended that the Executive Director be authorized to take action with regard to the award of the following three contracts in connection with the Port Ivory site, all procurements to be by means of a publicly advertised bid process:

1. Contract HH-234.952, Howland Hook Marine Terminal – Port Ivory - Phase 1A – Site Surcharge, at an estimated total construction cost of \$3.3 million;
2. Contract HH-234.927, Howland Hook Marine Terminal – Port Ivory – Phase 1A – Intermodal Facility, at an estimated total construction cost of \$34 million; and
3. Contract HH-233.964, Howland Hook Marine Terminal – Port Ivory – Phase 1B - Site Surcharge, at an estimated total construction cost of \$12.7 million.

Staff proposes to recover all rail development expenses through the creation of an Intermodal Usage Fee in FMC Schedule No. PA-10 (Marine Terminal Tariff), which would be filed with the Federal Maritime Commission. The tariff rate would be the same at the Port Authority intermodal facilities at the Elizabeth-Port Authority Marine Terminal, Port Newark and the HHMT, and would be collected from the rail intermodal facility operators.

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

RESOLVED, that a project at the Howland Hook Marine Terminal Port Ivory site to develop the first of two phases of an intermodal rail facility at an estimated project cost of \$72.5 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses and a contingency (if necessary), be and it hereby is authorized; and it is further

RESOLVED, that the establishment of an Intermodal Usage Fee for rail shipments through port facilities 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 review, approve and establish future Port Authority Marine Terminal Tariff provisions, rates, escalations and adjustments; 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 purchase and construction contracts and contracts for professional and advisory services related to the foregoing as he deems in the best interest of the Port Authority, including, without limitation, award to the lowest bidder(s) qualified by reason of responsibility, experience and capacity to perform the work and whose bid price(s) the Executive Director deems reasonable, or to reject all proposals, solicit new proposals on revised or the same requirements or negotiate with one or more proposers or other contractors as he deems in the best interest of the Port Authority; and to order extra work (if necessary) and net cost work in connection with each contract, including supplemental agreements thereto, and enter into such other agreements as may be necessary to effectuate the project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award the following contracts after a publicly advertised bid process, to the lowest qualified responsible bidders:

Contract HH-234.952, Howland Hook Marine Terminal – Port Ivory - Phase 1A – Site Surcharge, at an estimated total construction cost of \$3.3 million;

Contract HH-234.927, Howland Hook Marine Terminal – Port Ivory – Phase 1A – Intermodal Facility, at an estimated total construction cost of \$34 million; and

Contract HH-233.964, Howland Hook Marine Terminal – Port Ivory – Phase 1B – Site Surcharge, at an estimated total construction cost of \$12.7 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with other public agencies and third parties and to acquire property interests, as needed, and to enter into such other agreements as are necessary to effectuate the work of the project; 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.

FREIGHT RAIL CONNECTION TO THE CHEMICAL COAST LINE – INCREASE IN PROJECT AUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board authorize: (1) an increase in project authorization of \$16 million, from \$41 million to \$57 million, for the planning, design and construction of a new north freight rail connector between the Staten Island Railroad (SIRR) and the CSX and Norfolk Southern Railway (NS) Chemical Coast Line in Elizabeth, New Jersey; and (2) the Executive Director to take action with respect to the award of a construction contract for the SIRR North Connection to the Chemical Coast Line to accommodate cargo volume growth at the Howland Hook Marine Terminal (HHMT).

The SIRR right-of-way currently extends westward from the vicinity of the Port Authority's Howland Hook Marine Terminal in Staten Island, crossing the Arthur Kill on a lift bridge and continuing on an elevated structure over the Chemical Coast Line and the New Jersey Turnpike. It then extends westward, approximately five miles, to a junction with CSX and NS in Cranford, Union County, New Jersey.

After extensive discussions with NS and CSX, an analysis of the proposed rail operation through Union County was performed. It was concluded that the optimal solution was to build the northern connection to the Chemical Coast Line rather than operating trains over the line west of the New Jersey Turnpike that includes portions at ground level with eight at-grade crossings of local streets.

The Chemical Coast Line is a heavily used industrial track running roughly north-south primarily serving the chemical industry, intermodal facilities in Elizabeth and the Port Authority's New Jersey Marine Terminals. It connects directly with all major NS and CSX routes linking the region with inland markets. This project would establish a new northern connection to the Chemical Coast Line. The \$16 million increase in project authorization for the SIRR north connection to the Chemical Coast Line is required due to changes which were not anticipated when the project was first authorized in June 2000, and reflects the expected outcome of final construction bid amounts. These items include the major realignment of the track and reconstruction of Bayway Avenue (bridge and roadway) necessitated by changes in the property acquisition plan, design modifications resulting from additional Conrail requirements, the addition of 11 spans of structure that connect to the Arthur Kill Lift Bridge, and an increase in the net cost allowance to provide for unforeseen subsurface conditions, temporary traffic control on public roadways, coordination with public and private utilities, miscellaneous unknown utility modifications, demolition of 220 Bayway Avenue and potential construction acceleration. It is anticipated that work will commence in May 2003 and be completed in May 2005.

Staff is also seeking concurrent authorization for: (1) a project for the development of the initial phase of an intermodal facility at the HHMT/Port Ivory site at an estimated project cost of \$72.5 million, and the award of contracts to implement the project; and (2) the Executive Director to negotiate and enter into an agreement with the City of New York Economic Development Corporation (NYCEDC) for the Port Authority to provide approximately \$32 million for the rehabilitation of portions of the SIRR in New York; and to provide for future continuity of rail service to the HHMT, including the Port Ivory intermodal rail facility.

This action will improve rail cargo distribution and flexibility, reduce environmental impacts of highway and bridge congestion, improve air quality, and result in a savings to the Port Authority of approximately \$80,000 per month in lease credits when rail service is restored to the HHMT.

It is necessary to fully fund the entire project and to allow for the start of construction and the completion of the rail connection to provide rail service providers access to the SIRR and the new Port Ivory intermodal facility at the HHMT. In addition, provisions of the lease with the operator of the HHMT, Howland Hook Container Terminal, Inc., obligate the Port Authority to provide approximately \$80,000 in rental credits per month until rail service is established to the facility. It was therefore recommended that the Executive Director be authorized to take action with regard to the award of Contract HH-334.007, Howland Hook Marine Terminal – Staten Island Railroad North Connection to Chemical Coast Line, at an estimated total construction cost of \$36.6 million, with procurement to be by means of a publicly advertised bid process.

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

RESOLVED, that an increase in the authorization for the project for the planning, design and construction of a new north freight rail connector between the Staten Island Railroad and the CSX and Norfolk Southern Railway Chemical Coast Line in Elizabeth, New Jersey, of \$16 million, from \$41 million to \$57 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 award the following contract after a publicly advertised bid process, to the lowest qualified responsible bidders: Contract HH-334.007, Howland Hook Marine Terminal – Staten Island Railroad North Connection to Chemical Coast Line, at an estimated total construction cost of \$36.6 million; 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.

STATEN ISLAND RAILROAD – AGREEMENT FOR FUNDING AND ACCESS WITH NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

It was recommended that the Board authorize the Executive Director to: (1) negotiate an agreement with the New York City Economic Development Corporation (NYCEDC) for the Port Authority to provide an estimated \$32 million in funding for the rehabilitation of portions of the Staten Island Railroad (SIRR) in New York, and to provide for future continuity of rail service to the Howland Hook Marine Terminal (HHMT), including the new Port Ivory intermodal rail facility; and (2) enter into an agreement with the NYCEDC based upon the terms negotiated, subject to the review and approval of the Committee on Operations.

On June 6, 1996, the Board authorized the Executive Director to enter into agreements with the NYCEDC and the New Jersey Department of Transportation (NJDOT) to lease certain railroad property necessary to restore rail service to Staten Island and the HHMT. Since that time, although the nature of the proposed NJDOT agreement has not significantly changed, discussions with the NYCEDC have redefined the Port Authority's role and have identified additional improvements needed to restore the railroad in New York. Specifically, the NYCEDC has decided to take the lead in the rehabilitation and management of the portion of the rail line located in New York. In addition, increased traffic at the HHMT, acquisition of the Port Ivory site and identification of new, non-port customers with rail business potential make it necessary to rehabilitate and/or construct additional rail lines and support yard track on property owned by the NYCEDC.

A partnership is proposed whereby the Port Authority and the NYCEDC would concur in the selection of the rail operator(s), with provisions to assure future rail access to the HHMT, including Port Ivory. The Port Authority and the NYCEDC would share capital costs, with NYCEDC managing the project and providing approximately \$19 million for new construction, in addition to \$11 million previously invested for rehabilitation and \$10.3 million expended for acquisition of the rail line. The Port Authority would provide approximately \$32 million for rail improvements on NYCEDC property, required specifically to support the HHMT/Port Ivory site, including possible structural reinforcements for the Arthur Kill Lift Bridge.

The agreement would establish rail access to the HHMT/Port Ivory and provide a mechanism for the Port Authority to recover its capital investment of approximately \$32 million in the SIRR, including the cost of property acquisition, planning, design and construction of a new freight rail connector between the SIRR and the CSX and Norfolk Southern (formerly Conrail) Chemical Coast Line in Elizabeth, New Jersey. Construction of the connector and related projects is scheduled to begin this year. The additional railroad segment to be funded will include the main line and a parallel sidetrack from the Arthur Kill Lift Bridge eastward approximately 10,000 feet to Union Avenue, approximately eight additional tracks in the Arlington Yard, and one lead track connecting the Arlington Yard with the new Port Ivory intermodal facility.

Establishing rail service to the HHMT relates to the mobility objective contained in the Port Authority's business plan, and will result in reduced highway congestion, improved efficiency and an enhanced competitive position of the terminal. The agreement will also

provide potential rail access to other users on Staten Island, including the New York City Department of Sanitation and private customers.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, 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: (1) negotiate an agreement with the New York City Economic Development Corporation (NYCEDC) for the Port Authority to provide an estimated \$32 million in funding for the rehabilitation of portions of the Staten Island Railroad in New York, and to provide for future continuity of rail service to the Howland Hook Marine Terminal, including the new Port Ivory intermodal rail facility; and (2) enter into an agreement with the NYCEDC based upon the terms negotiated, subject to the review and approval of the Committee on Operations; and it is further

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

HOLLAND TUNNEL – REHABILITATION OF THE NEW YORK EXIT PLAZA – PROJECT AUTHORIZATION AND AWARD OF CONTRACTS

It was recommended that the Board authorize: (1) a project at the Holland Tunnel to rehabilitate the New York exit plaza, redistribute traffic flow within the exit Rotary and enhance pedestrian safety, at an estimated project cost of \$12 million; and (2) the Executive Director to take action with respect to the award of construction contracts related to the implementation of the project, including the award, after a publicly advertised bid process, of Contract HT-412 and Contract HT-412M.

The New York exit plaza, commonly referred to as the Rotary, was constructed in the 1950s as a temporary exit plaza until a permanent connection from the Holland Tunnel to the proposed Westway could be built. This permanent connection was never built, due to the cancellation of the Westway project. The lack of a proper sub-base is the probable cause of many of the prior and current problems with the pavement. The existing traffic signage does not meet current federal standards. The electrical and communication duct banks, as well as the roadway lighting, have exceeded their useful life and need to be replaced. This project will restore integral infrastructure components to maintain the Holland Tunnel in a state of good repair.

The construction of an additional exit onto Varick Street will significantly improve traffic flow and reduce delays in the Rotary. Pedestrian safety and vehicular movement will also be significantly upgraded through the permanent elimination of right turns at the exits on Hudson Street and Laight Street and on Varick Street and Beach Streets. Small park areas will be formed to provide more open green areas for pedestrians and residents.

The Tribeca community, which is adjacent to the Rotary, is experiencing an increase in residents due to the conversion of industrial buildings into residences. As a result, pedestrian safety and traffic are becoming issues of concern to the community. Construction of the new exit and changes to the existing traffic patterns, which are supported by both the New York City Department of Transportation (NYCDOT) and the local Community Board, will enhance pedestrian safety and provide needed open space around the perimeter of the Rotary.

Contract HT-412 provides for the replacement of the existing roadway wearing surface, curb and sidewalk replacement, installation of a new electrical and communication duct bank, new traffic signs and support structures, new street and roadway lighting, fencing, construction of a new signalized exit (between existing exits 3 and 4), landscaping and modifications to existing traffic flow, at an estimated total construction cost of \$6.6 million.

Contract HT-412M provides for routine scheduled maintenance of the landscaping for a period of two years and will commence upon the completion of construction, at an estimated cost of \$60,000.

A reciprocal Right-of-Entry Agreement between the Port Authority and NYCDOT is being prepared. This agreement will provide for the Port Authority to install signalization, signage and pavement markings for the new exit on New York City property and to re-align existing curb lines on Varick Street. In addition, it will allow NYCDOT to enter onto Port Authority property for the purpose of removing existing signage and completing other work related to this project.

The New York City Department of Environmental Protection (NYCDEP) is seeking an easement from the Port Authority for use of the areas between exits 1 and 2 and exits 2 and 3 for a period of three to five years, beginning in the fall of 2005. This easement is required for the construction of access shaft 29B to Water Tunnel No. 3. In return for the granting of this easement, NYCDEP has agreed to complete the landscaping of these areas at its expense.

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

RESOLVED, that a project at the Holland Tunnel to rehabilitate the New York exit plaza, redistribute traffic flow within the Rotary and enhance pedestrian safety at an estimated project cost of \$12 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses and a contingency (if necessary), 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 purchase and construction contracts and contracts for professional and advisory services related to the foregoing as he deems in the best interest of the Port Authority, including, without limitation, award to the lowest bidder(s) qualified by reason of responsibility, experience and capacity to perform the work and whose bid price(s) the Executive Director deems reasonable, or to reject all proposals, solicit new proposals on revised or the same requirements or negotiate with one or more proposers or other contractors as he deems in the best interest of the Port Authority; and to order extra work (if necessary) and net cost work in connection with each contract, including supplemental agreements thereto, and enter into such other agreements as may be necessary to effectuate the project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to award Contract HT-412, "Holland Tunnel - Rehabilitation of New York Exit Plaza," at an estimated total construction cost of \$6.6 million, and Contract HT-412M, "Holland Tunnel - Agreement to Perform Maintenance of Landscaping for the New York Exit Plaza," at an estimated total cost of \$60,000, to Columbus Construction Corporation, the lowest qualified bidder after public advertisement; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with other public agencies and third parties and to acquire property interests, as needed, to effectuate the work of the project; 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.

WATER TAXI SITES - AUTHORIZATION TO ENTER INTO MEMORANDA OF UNDERSTANDING AND RATIFICATION OF INCREASE IN AUTHORIZATION FOR CONTRACT MFP-900.513 WITH SPEARIN, PRESTON & BURROWS, INC. FOR THE CONSTRUCTION OF WATER TAXI LANDINGS

It was recommended that the Board: a) authorize the Executive Director to enter into Memoranda of Understanding (MOU) with the New York City Economic Development Corporation (NYCEDC), the Hudson River Park Trust (HRPT), and with other persons or entities who control the waters in the vicinity of the proposed ferry landing sites; and b) ratify the action of the Chief Engineer in increasing the authorization under Contract MFP-900.513 with Spearin, Preston & Burrows, Inc. (SPB) from \$2 million to \$3 million; all in connection with the construction of up to six ferry landings in various locations along the Hudson and East Rivers in Manhattan and Brooklyn. This work will expand commuter ferry options between Brooklyn, Manhattan and New Jersey.

Following the events of September 11, 2001, the Port Authority, in conjunction with the Federal Emergency Management Agency (FEMA) and the City of New York, developed a series of ferry transportation enhancements designed to improve access to lower Manhattan. The improvements will be fully funded by FEMA; the Port Authority will be the FEMA sponsor. Upon completion of construction, title to the improvements will be turned over to NYCEDC or HRPT, and either HRPT or the NYCEDC will manage the facilities, depending upon each landing's location. Installation of the new landings was initiated in September 2002 and is expected to be completed in April 2003.

Under the terms of the MOU, the Port Authority will be responsible for ensuring compliance with all applicable codes and regulations, managing the construction work through its engineering firm, McLaren, P.C. (McLaren), approving all completed construction and paying the construction contractor, SPB. McLaren was retained to perform design and construction management services associated with the construction of the ferry landings. SPB will be constructing the facilities. Their work includes the fabrication of barges and ramps and the installation of the barges and ramps onsite.

In September 2000, the Executive Director authorized the Chief Engineer to award contract MFP-900.513 for New York and New Jersey wharf repairs via work order to the low bidder, SPB, at an estimated contract amount of \$2 million. The increase of \$1 million is expected to cover the complete ferry landing construction cost.

Completion of these ferry transportation landings will provide greater access to Manhattan and further the Port Authority's objective to provide the region with flexible transportation alternatives.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, 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 Memoranda of Understanding (MOU) with the New York City Economic Development Corporation, the Hudson River Park Trust and other persons or entities controlling the waters in the vicinity of the proposed ferry landing sites, setting forth the terms and conditions under which the Port Authority will perform the design and construction of up to six ferry landings at various locations along the Hudson and East Rivers in Manhattan and Brooklyn; the form of the MOU shall be subject to the approval of General Counsel or his authorized representative; and it is further

RESOLVED, that the action of the Chief Engineer in increasing the authorization under Contract MFP-900.513 with Spearin, Preston & Burrows, Inc. from \$2 million to \$3 million to provide for the construction of the six ferry landings, be and it hereby is ratified.

OPERATION SAFE COMMERCE – PORT AUTHORITY PARTICIPATION AND AWARD OF CONTRACT

It was recommended that the Board authorize the Executive Director to solicit proposals and enter into a contract with a consulting firm to manage the Operation Safe Commerce (OSC) initiative on behalf of the Port Authority over the one-year term of the OSC initiative, at a reimbursable cost to the Port Authority of approximately \$10 million.

Since the attacks on The World Trade Center and Pentagon, the threat to the United States through acts of maritime terrorism has been particularly significant. The very nature of ports and the manner in which international commerce is conducted make the maritime industry extremely vulnerable. In response to this threat, Congress authorized funds totaling \$26 million for OSC, through the 2002 Supplemental Appropriations Act for Further Recovery from and Response to Terrorist Attacks on the United States. OSC is a public-private initiative to improve the security of international and domestic supply chains through discreet pilot projects involving the three largest port load centers in the United States (New York/New Jersey, Seattle/Tacoma, and Los Angeles/Long Beach). The goal of OSC is to explore business processes and technology prototypes that protect commercial shipments from the threats of terrorist attack, illegal immigration, and contraband, while minimizing the economic impact on the transportation system. The \$26 million appropriation will be shared among the three load centers, with New York/New Jersey likely to receive between one-third and one-half of these funds.

As local sponsor for the Port of New York and New Jersey OSC initiative, the Port Authority will enter into a contract with a consulting firm to manage the project on behalf of the agency. The scope of the consultant's work will include but not be limited to coordination with consultants hired by the other port load centers and the federal Executive Steering Committee for OSC, conducting a security gap analysis of the supply chain, performing operational technology tests, conducting a risk reduction analysis and cost-benefit analysis, and making final recommendations. These final recommendations, along with the recommendations of the other port load centers, will then be presented to the federal Executive Steering Committee for ultimate presentation to the Secretary of the Department of Homeland Security.

While the consultant will be selected as the result of a publicly advertised Request for Proposals process, the final contract award as well as the detailed scope and cost of the project will be contingent upon the review of the Port Authority's grant application and award of a contract to the Port Authority from the federal Transportation Security Administration (TSA). The consultant contract term will run from approximately June 1, 2003 to May 31, 2004, since the OSC initiative must be completed within one year from the date of grant award, which is expected in June 2003. Costs will be fully recoverable through the TSA grant.

In addition to reducing the likelihood that the Port of New York and New Jersey could be used as the avenue to introduce a weapon of mass destruction into the United States, the technology solutions and recommended changes in business practices examined under OSC will provide an alternative to the inspection of each container as it arrives at the Port, and expedite the movement of legitimate cargo. OSC will examine process solutions and technologies to secure the entire container supply chain from the point of origin to the final destination. Port Authority

participation in OSC will also allow the Port Authority to actively participate in the development of future regulations that may impact the Port Authority's customers.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, 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 solicit proposals and enter into a contract for management of a Transportation Security Administration-funded Operation Safe Commerce initiative on behalf of the Port Authority over an approximately one-year term at a cost of approximately \$10 million; and it is further

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

ALL FACILITIES WITHIN THE CITY OF NEW YORK – SMOKING POLICY

The New York City Smoke-Free Air Act of 2002, New York City Local Law No. 47 of 2002, adopted on December 30, 2002, and generally effective on April 1, 2003, substantially increased the restrictions on tobacco smoking in places of public assembly and places of employment within the City of New York (City).

The dangers to public health and negative effects on personal comfort and building maintenance costs of tobacco smoking are well known and have been recognized by prior Port Authority action. On July 13, 1995, the Committee on Operations adopted regulations restricting smoking at Port Authority airports and heliports, consistent with the New York City Smoke-Free Air Act of 1995. On September 10, 1997, internal Port Authority policy was promulgated to prohibit smoking within all enclosed areas within places of Port Authority employment.

It would be undesirable for Port Authority facilities within the City to permit smoking under circumstances not substantially different than those in which smoking is otherwise prohibited, and thereby fail to support this important public health initiative of the City. Accordingly, it was recommended that smoking at Port Authority facilities within the City be restricted in a manner consistent with the provisions of the New York City Smoke-Free Air Act of 2002.

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

RESOLVED, that it is the policy of the Port Authority that smoking at Port Authority facilities within the City of New York be restricted in a manner consistent with the provisions of the New York City Local Law No. 47 of 2002, also known as the New York City Smoke-Free Air Act of 2002; and it is further

RESOLVED, that the Executive Director and his designees be and they hereby are authorized, for and on behalf of the Port Authority, to issue or amend such new or existing regulations, policies or directives, as appropriate, with respect to any facility of the Port Authority to implement the foregoing policy; and it is further

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

SETTLEMENT OF CLAIM – MANUEL ORTIZ AND UDOSIA ORTIZ V. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to enter into an agreement with plaintiffs, Manuel Ortiz and Udosia Ortiz, for a settlement of their claims for personal injury and loss of consortium arising out of an accident at The World Trade Center. The settlement in the amount of \$550,000 would avoid the payment of a judgment in the sum of \$876,019, together with interest thereon, which continues to accrue at the statutory rate of 9 percent. In return, plaintiffs would provide general releases, a stipulation of discontinuance with prejudice, and a “hold harmless” letter with respect to an outstanding Workers’ Compensation lien.

On February 3, 1998, Manuel Ortiz, a supervisor for ABM, the cleaning service for The World Trade Center, fell down a staircase in the loading dock area. He slipped on an unknown substance and fell forward down the steps. The handrail for the staircase on which Mr. Ortiz fell was missing. Mr. Ortiz, who was 47 years of age at the time of the incident, suffered a severe fracture of the right knee. He has undergone two surgeries, which were unsuccessful, and he now needs a complete knee replacement. The knee replacement has not been performed, because Mr. Ortiz, who is currently 52 years of age, is not presently a suitable candidate due to his age. The prosthetic has only a 10-year life span and the surgery can only be done once. Mr. Ortiz has not been able to work since the accident, and has been found to be 100 percent disabled by the Workers’ Compensation Board. The liability portion of the case was tried in April 2001, and resulted in a verdict holding the Port Authority 100 percent liable. The damages portion of the trial was not conducted until October 2002, and resulted in a verdict of \$766,119, which, together with the present value of future damages in excess of \$250,000 and interest at the statutory rate of 9 percent from the date of the liability verdict, results in a judgment of approximately \$876,019. This amount includes the award to the wife of \$24,000. Interest continues to accrue until the judgment is paid.

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

RESOLVED, that General Counsel be and hereby is authorized, for and on behalf of the Port Authority, to enter into agreement with plaintiffs Manuel Ortiz and Udosia Ortiz to provide for the settlement of a lawsuit for personal injuries entitled Manuel Ortiz and Udosia Ortiz v. The Port Authority of New York and New Jersey by paying to the plaintiffs and their attorneys the sum of \$550,000.

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 January 1, 2003 to January 31, 2003.

| CONTRACT NUMBER | CONTRACT TITLE FACILITY AND CONTRACTOR | TOTAL AUTHORIZED | | TOTAL PAYMENTS | |
|------------------------|--|-----------------------------|-----|---------------------------|-----|
| BP364020 | PIER 6, 7 & 8 BULKHEAD REHABILITATION BROOKLYN PA MARINE TERMINAL REICON GROUP INC. | 1,857,155.00 | (A) | 1,857,155.00 | (A) |
| | | 200,000.00 | (B) | 200,000.00 | (B) |
| | | 350,000.00 | (C) | 212,035.00 | (C) |
| | | 131,019.00 | (D) | 50,800.00 | (D) |
| | | 28,377.00 | (E) | 28,377.00 | (E) |
| | | 326,500.00 | (F) | 294,284.00 | (F) |
| | | 2,893,051.00 | | 2,642,651.00 | |
| EP384040 | PORTSIDE YARD STORAGE TRACKS ELIZABETH PORT AUTHORITY MARINE TERMINAL SLATTERY SKANSKA, INC. | 2,240,173.00 | (A) | 2,240,173.00 | (A) |
| | | 398,000.00 | (B) | 398,000.00 | (B) |
| | | 450,000.00 | (C) | 450,000.00 | (C) |
| | | 158,290.00 | (D) | 21,212.00 | (D) |
| | | 500,000.00 | (G) | 495,840.00 | (G) |
| | | 129,740.00 | (H) | 129,740.00 | (H) |
| | | 52,774.00 | (I) | 9,595.00 | (I) |
| | | 3,928,977.00 | | 3,744,560.00 | |
| GWB440 | INSTALLATION OF ADDITIONAL CATWALKS TO SERVICE UTILITIES GEORGE WASHINGTON BRIDGE BUS STATION ARBEN CORPORATION | 439,000.00 | (A) | 439,000.00 | (A) |
| | | 50,000.00 | (C) | 16,481.00 | (C) |
| | | 35,120.00 | (D) | 15,865.00 | (D) |
| | | 4,741.00 | (E) | 4,741.00 | (E) |
| | | 528,861.00 | | 476,087.00 | |
| GWB455 | REPLACEMENT OF CIRCUIT BREAKER PANELBOARDS GEORGE WASHINGTON BRIDGE J.G. SALAS AND SONS, INC. | 367,300.00 | (A) | 367,300.00 | (A) |
| | | 90,000.00 | (C) | 75,807.00 | (C) |
| | | 29,384.00 | (D) | 29,384.00 | (D) |
| | | 13,316.00 | (J) | 9,724.00 | (J) |
| | | 500,000.00 | | 482,215.00 | |

| | | | | | |
|------------|--|--|---|--|---|
| JFK110115B | DESIGN & CONSTRUCTION OF AN AIRCRAFT RESCUE & FIREFIGHTING FUEL SPILL TRAINER JOHN F. KENNEDY INTERNATIONAL AIRPORT GRACE INDUSTRIES INC. & RUGG & KNOPP INC. | 10,013,647.00 1,505,000.00 99,788.00 723,000.00 72,000.00 440,886.00 250,000.00 500,000.00 1,950,000.00 15,554,321.00 | (A) (D) (E) (K) (L) (M) (N) (O) (P) | 9,918,647.00 1,505,000.00 99,788.00 723,000.00 72,000.00 440,886.00 250,000.00 89,131.00 1,950,000.00 15,048,452.00 | (A,Q) (D) (E) (K) (L) (M) (N) (O) (P) |
| LT437 | DYER PLAZA TRAFFIC SIGNS & SIGNAL UPGRADES LINCOLN TUNNEL HELLMAN ELECTRIC CORP. | 1,194,450.00 30,000.00 41,550.00 --0-- 1,266,000.00 | (A) (C) (D) (R) | 1,194,450.00 14,877.00 39,422.00 3,552.00 1,252,301.00 | (A) (C) (D) (R) |
| LT464 | LIGHTING UNDER THE HELIX LINCOLN TUNNEL SYMCOM CONTRACTING & ELECTRIC, INC. | 264,000.00 15,840.00 279,840.00 | (A) (D) | 264,000.00 15,286.00 279,286.00 | (A) (D) |
| LT487 | INSTALLATION OF BACKFLOW PREVENTERS OF WATER SUPPLY LINES IN NEW YORK LINCOLN TUNNEL MEGRANT PROPERTIES, INC. | 156,000.00 9,400.00 165,400.00 | (A) (D) | 142,392.00 3,077.00 145,469.00 | (A,S) (C) |
| MF200901 | FACILITY PRIORITY IMPROVEMENTS - SITWORK CONSTRUCTION GEORGE WASHINGTON BRIGDE & GEORGE WASHINGTON BRIDGE BUS STATION VISTA ENGINEERING CORP. | 2,000,000.00 2,000,000.00 | (C) | 657,868.00 657,868.00 | (C) |
| MF1110 | REPAIRS TO EXTERIOR WATER SUPPLY SYSEMS PORT AUTHORITY BRIDGES GARDNER M. BISHOP, INC. & JOSEPH M. SANZARI, INC. | 500,000.00 500,000.00 | (C) | 16,518.00 16,518.00 | (C) |

- (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 \$326,500 authorized on 12/13/2001.
- (G) Increase in net cost work in the amount of \$500,000 authorized on 12/19/2000.
- (H) Increase in classified work in the amount of \$129,740 authorized on 7/10/2001.
- (I) Classified work may exceed authorization amount limited to 10% or \$250,000 (whichever is less) without further authorization.
- (J) Increase in extra work in the amount of \$13,316 authorized on 6/27/2001.
- (K) Supplemental Agreement No.1 which included an increase in the amount of \$723,000 for lump sum work on 7/7/95.
- (L) Supplemental Agreement No.1 which included an increase in the amount of \$72,000 for extra work on 7/7/95.
- (M) Supplemental Agreement No. 2 which included an increase in the amount of \$440,886 for lump sum work on 5/7/96.
- (N) Supplemental Agreement No. 2 which included an increase in the amount of \$250,000 for extra work on 8/21/97.
- (O) Increase in extra work in the amount of \$500,000 authorized on 1/12/98.
- (P) Claim settlement in the amount of \$1,950,000 authorized on 10/29/98.
- (Q) The difference between "Total Authorized" and "Total Payments" represents credit change orders in the total amount of \$95,000 for changes in the scope of the work.
- (R) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$3,552, as provided for in the contract.
- (S) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$13,608 for the deletion of part of the 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, time accounts, interest rate exchange contracts and variable rate master note agreements during the period January 1, 2003 through January 31, 2003.

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> |
|---------------------------------|-----------------------------|---------------------------|-------------------------------|---------------------------------|----------------------------------|-----------------------------|------------------------------|------------------------------|-----------------------------------|----------------------|
|---------------------------------|-----------------------------|---------------------------|-------------------------------|---------------------------------|----------------------------------|-----------------------------|------------------------------|------------------------------|-----------------------------------|----------------------|

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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 01/02/03 | \$50,000,000 | USTB | -- | 01/30/03 | 99.91 | 1.165% | 1.172% | \$49,954,694.44 | ABN AMRO |
| 01/02/03 | 50,000,000 | USTB | -- | 01/30/03 | 99.91 | 1.165 | 1.172 | 49,954,694.44 | ABN AMRO |
| 01/02/03 | 50,000,000 | FHDN | -- | 01/29/03 | 99.91 | 1.210 | 1.218 | 49,954,625.00 | Mizuho Securities |
| 01/02/03 | 13,000,000 | FHDN | -- | 01/29/03 | 99.91 | 1.210 | 1.218 | 12,988,202.50 | Mizuho Securities |
| 01/02/03 | 50,000,000 | GE CORP CP | -- | 01/03/03 | 99.99 | 1.310 | 1.319 | 49,998,180.56 | G.E. Capital |
| 01/02/03 | 50,000,000 | GE CORP CP | -- | 01/03/03 | 99.99 | 1.310 | 1.319 | 49,998,180.56 | G.E. Capital |
| 01/02/03 | 50,000,000 | UBSFIN CP | -- | 01/03/03 | 99.99 | 1.310 | 1.319 | 49,998,180.56 | Lehman Brothers |
| 01/02/03 | 50,000,000 | UBSFIN CP | -- | 01/03/03 | 99.99 | 1.310 | 1.319 | 49,998,180.56 | Lehman Brothers |
| 01/02/03 | 4,000,000 | JFK-APO | 6.375% | 12/01/15 | 99.90 | -- | 6.386 | 3,996,000.00 | JFKIAT-APO |
| 01/03/03 | 50,000,000 | FHDN | -- | 01/31/03 | 99.91 | 1.210 | 1.218 | 49,952,944.44 | Mizuho Securities |
| 01/03/03 | 50,000,000 | FHDN | -- | 01/31/03 | 99.91 | 1.210 | 1.218 | 49,952,944.44 | Mizuho Securities |
| 01/03/03 | 50,000,000 | GECC CP | -- | 01/06/03 | 99.99 | 1.250 | 1.258 | 49,994,791.50 | 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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-----------------|
| 01/03/03 | \$50,000,000 | CITIGROUP CP | -- | 01/06/03 | 99.99 | 1.240% | 1.248% | \$49,994,833.33 | Citigroup |
| 01/03/03 | 50,000,000 | CITIGROUP CP | -- | 01/06/03 | 99.99 | 1.240 | 1.248 | 49,994,833.00 | Citigroup |
| 01/03/03 | 31,730,000 | UBSFIN CP | -- | 01/06/03 | 99.99 | 1.250 | 1.258 | 31,726,694.79 | Lehman Brothers |
| 01/06/03 | 50,000,000 | USTB | -- | 04/03/03 | 99.71 | 1.185 | 1.194 | 49,856,812.50 | Merrill Lynch |
| 01/06/03 | 6,250,000 | USTB | -- | 04/03/03 | 99.71 | 1.185 | 1.194 | 6,232,101.56 | Merrill Lynch |
| 01/06/03 | 30,456,000 | USTB | -- | 01/30/03 | 99.92 | 1.150 | 1.157 | 30,432,650.40 | Merrill Lynch |
| 01/06/03 | 34,370,000 | FMCDN | -- | 02/12/03 | 99.87 | 1.240 | 1.249 | 34,326,197.34 | ABN AMRO |
| 01/06/03 | 25,000,000 | FMCDN | -- | 02/18/03 | 99.85 | 1.240 | 1.249 | 24,962,972.22 | ABN AMRO |
| 01/06/03 | 25,000,000 | FMCDN | -- | 02/04/03 | 99.90 | 1.230 | 1.238 | 24,975,229.17 | Merrill Lynch |
| 01/06/03 | 50,000,000 | FNDN | -- | 02/07/03 | 99.89 | 1.230 | 1.238 | 49,945,333.33 | Merrill Lynch |
| 01/06/03 | 50,000,000 | GE CORP CP | -- | 01/07/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | G.E. Capital |
| 01/06/03 | 50,000,000 | GE CORP CP | -- | 01/07/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | 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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 01/06/03 | \$47,820,000 | UBSFIN CP | -- | 01/07/03 | 99.99 | 1.250% | 1.258% | \$47,818,339.58 | Merrill Lynch |
| 01/06/03 | 50,000,000 | CITIGROUP CP | -- | 01/07/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Citigroup |
| 01/06/03 | 50,000,000 | CITIGROUP CP | -- | 01/07/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Citigroup |
| 01/07/03 | 50,000,000 | GE CORP CP | -- | 01/08/03 | 99.99 | 1.190 | 1.197 | 49,998,347.22 | G.E. Capital |
| 01/07/03 | 50,000,000 | GE CORP CP | -- | 01/08/03 | 99.99 | 1.190 | 1.197 | 49,998,347.22 | G.E. Capital |
| 01/07/03 | 50,000,000 | UBSFIN CP | -- | 01/08/03 | 99.99 | 1.200 | 1.207 | 49,998,333.33 | Lehman Brothers |
| 01/07/03 | 50,000,000 | UBSFIN CP | -- | 01/08/03 | 99.99 | 1.200 | 1.207 | 49,998,333.33 | Lehman Brothers |
| 01/08/03 | 50,000,000 | FCDN | -- | 01/15/03 | 99.98 | 1.160 | 1.167 | 49,988,722.22 | Mizuho Securities |
| 01/08/03 | 50,000,000 | FCDN | -- | 01/15/03 | 99.98 | 1.160 | 1.167 | 49,988,722.22 | Mizuho Securities |
| 01/08/03 | 50,000,000 | GECC CP | -- | 01/09/03 | 99.99 | 1.202 | 1.207 | 49,998,333.33 | G.E. Capital |
| 01/08/03 | 50,000,000 | GECC CP | -- | 01/09/03 | 99.99 | 1.202 | 1.210 | 49,998,330.00 | G.E. Capital |
| 01/08/03 | 50,000,000 | CITIGROUP CP | -- | 01/09/03 | 99.99 | 1.190 | 1.197 | 49,998,347.22 | Citigroup |

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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 01/08/03 | \$50,000,000 | UBSFIN CP | -- | 01/09/03 | 99.99 | 1.202% | 1.207% | \$49,998,333.33 | Lehman Brothers |
| 01/08/03 | 50,000,000 | UBSFIN CP | -- | 01/09/03 | 99.99 | 1.202 | 1.207 | 49,998,333.33 | Lehman Brothers |
| 01/09/03 | 4,000,000 | USTB | -- | 01/30/03 | 99.93 | 1.135 | 1.142 | 3,997,351.67 | Mizuho Securities |
| 01/09/03 | 50,000,000 | USTB | -- | 02/06/03 | 99.91 | 1.135 | 1.142 | 49,955,861.11 | Legg Mason |
| 01/09/03 | 27,000,000 | USTB | -- | 02/06/03 | 99.91 | 1.135 | 1.142 | 26,976,165.00 | Legg Mason |
| 01/09/03 | 50,000,000 | USTB | -- | 02/06/03 | 99.91 | 1.135 | 1.142 | 49,955,861.11 | Legg Mason |
| 01/09/03 | 50,000,000 | USTB | -- | 02/06/03 | 99.91 | 1.135 | 1.142 | 49,955,861.11 | Legg Mason |
| 01/09/03 | 50,000,000 | GECC CP | -- | 01/10/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | G.E. Capital |
| 01/09/03 | 50,000,000 | GECC CP | -- | 01/10/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | G.E. Capital |
| 01/09/03 | 50,000,000 | UBSFIN CP | -- | 01/10/03 | 99.99 | 1.270 | 1.278 | 49,998,236.11 | Merrill Lynch |
| 01/09/03 | 50,000,000 | UBSFIN CP | -- | 01/10/03 | 99.99 | 1.270 | 1.278 | 49,998,236.11 | Merrill Lynch |
| 01/09/03 | 50,000,000 | CITIGROUP CP | -- | 01/10/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Citigroup |

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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-----------------|
| 01/09/03 | \$14,000,000 | CITIGROUP CP | -- | 01/10/03 | 99.99 | 1.260% | 1.268% | \$13,999,510.00 | Citigroup |
| 01/10/03 | 50,000,000 | GECC CP | -- | 01/13/03 | 99.99 | 1.220 | 1.228 | 49,994,916.67 | G.E. Capital |
| 01/10/03 | 50,000,000 | GECC CP | -- | 01/13/03 | 99.99 | 1.220 | 1.228 | 49,994,916.67 | G.E. Capital |
| 01/10/03 | 50,000,000 | UBSFIN CP | -- | 01/13/03 | 99.99 | 1.220 | 1.228 | 49,994,916.67 | Lehman Brothers |
| 01/10/03 | 17,200,000 | UBSFIN CP | -- | 01/13/03 | 99.99 | 1.220 | 1.228 | 17,198,251.28 | Lehman Brothers |
| 01/10/03 | 50,000,000 | CITIGROUP CP | -- | 01/13/03 | 99.99 | 1.200 | 1.207 | 49,995,000.00 | Citigroup |
| 01/10/03 | 50,000,000 | CITIGROUP CP | -- | 01/13/03 | 99.99 | 1.200 | 1.207 | 49,995,000.00 | Citigroup |
| 01/13/03 | 50,000,000 | GECC CP | -- | 01/14/03 | 99.99 | 1.270 | 1.278 | 49,998,236.11 | G.E. Capital |
| 01/13/03 | 50,000,000 | GECC CP | -- | 01/14/03 | 99.99 | 1.270 | 1.278 | 49,998,236.11 | G.E. Capital |
| 01/13/03 | 50,000,000 | UBSFIN CP | -- | 01/14/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Merrill Lynch |
| 01/13/03 | 50,000,000 | UBSFIN CP | -- | 01/14/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Merrill Lynch |
| 01/13/03 | 50,000,000 | CITIGROUP CP | -- | 01/14/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Citigroup |

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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 01/13/03 | \$34,000,000 | CITIGROUP CP | -- | 01/14/03 | 99.99 | 1.240% | 1.248% | \$33,998,828.89 | Citigroup |
| 01/14/03 | 50,000,000 | FNDN | -- | 02/03/03 | 99.93 | 1.220 | 1.228 | 49,966,111.11 | Mizuho Securities |
| 01/14/03 | 50,000,000 | GE CORP CP | -- | 01/15/03 | 99.99 | 1.230 | 1.238 | 49,998,291.67 | G.E. Capital |
| 01/14/03 | 50,000,000 | GE CORP CP | -- | 01/15/03 | 99.99 | 1.230 | 1.238 | 49,998,291.67 | G.E. Capital |
| 01/14/03 | 50,000,000 | UBSFIN CP | -- | 01/15/03 | 99.99 | 1.230 | 1.238 | 49,998,291.67 | Merrill Lynch |
| 01/14/03 | 50,000,000 | UBSFIN CP | -- | 01/15/03 | 99.99 | 1.230 | 1.238 | 49,998,291.67 | Merrill Lynch |
| 01/14/03 | 50,000,000 | CITIGROUP CP | -- | 01/15/03 | 99.99 | 1.220 | 1.227 | 49,998,305.56 | Citigroup |
| 01/14/03 | 20,000,000 | CITIGROUP CP | -- | 01/15/03 | 99.99 | 1.220 | 1.227 | 19,999,322.22 | Citigroup |
| 01/15/03 | 50,000,000 | FMCDN | -- | 01/16/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Lehman Brothers |
| 01/15/03 | 25,000,000 | FMCDN | -- | 01/16/03 | 99.99 | 1.250 | 1.258 | 24,999,131.94 | Lehman Brothers |
| 01/15/03 | 50,000,000 | FNDN | -- | 02/12/03 | 99.90 | 1.225 | 1.233 | 49,952,361.11 | Morgan Stanley |
| 01/15/03 | 50,000,000 | FNDN | -- | 02/12/03 | 99.90 | 1.225 | 1.233 | 49,952,361.11 | Morgan Stanley |

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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 01/15/03 | \$50,000,000 | GECC CP | -- | 01/16/03 | 99.99 | 1.280% | 1.288% | \$49,998,222.22 | G.E. Capital |
| 01/15/03 | 50,000,000 | GECC CP | -- | 01/16/03 | 99.99 | 1.280 | 1.288 | 49,998,222.22 | G.E. Capital |
| 01/15/03 | 20,000,000 | UBSFIN CP | -- | 01/16/03 | 99.99 | 1.280 | 1.288 | 19,999,288.89 | Merrill Lynch |
| 01/16/03 | 50,000,000 | USTB | -- | 02/13/03 | 99.91 | 1.135 | 1.142 | 49,955,861.11 | Legg Mason |
| 01/16/03 | 25,000,000 | USTB | -- | 02/13/03 | 99.91 | 1.135 | 1.142 | 24,977,930.56 | Legg Mason |
| 01/16/03 | 50,000,000 | FNDN | -- | 02/14/03 | 99.90 | 1.220 | 1.228 | 49,950,861.11 | Mizuho Securities |
| 01/16/03 | 25,000,000 | FNDN | -- | 02/14/03 | 99.90 | 1.220 | 1.228 | 24,975,430.56 | Mizuho Securities |
| 01/16/03 | 50,000,000 | GECC CP | -- | 01/17/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | G.E. Capital |
| 01/16/03 | 50,000,000 | GECC CP | -- | 01/17/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | G.E. Capital |
| 01/16/03 | 43,165,000 | UBSFIN CP | -- | 01/17/03 | 99.99 | 1.250 | 1.258 | 43,163,501.22 | Lehman Brothers |
| 01/16/03 | 50,000,000 | CITIGROUP CP | -- | 01/17/03 | 99.99 | 1.230 | 1.238 | 49,998,291.67 | Citigroup |
| 01/17/03 | 50,000,000 | FNDN | -- | 02/26/03 | 99.86 | 1.220 | 1.228 | 49,932,222.22 | 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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 01/17/03 | \$50,000,000 | FNDN | -- | 02/28/03 | 99.86 | 1.220% | 1.228% | \$49,928,833.33 | ABN AMRO |
| 01/17/03 | 50,000,000 | GE CORP CP | -- | 01/21/03 | 99.99 | 1.200 | 1.207 | 49,993,333.33 | G.E. Capital |
| 01/17/03 | 50,000,000 | GE CORP CP | -- | 01/21/03 | 99.99 | 1.200 | 1.207 | 49,993,333.33 | G.E. Capital |
| 01/17/03 | 37,700,000 | UBSFIN CP | -- | 01/21/03 | 99.99 | 1.190 | 1.197 | 37,695,015.22 | Merrill Lynch |
| 01/17/03 | 50,000,000 | CITIGROUP CP | -- | 01/21/03 | 99.99 | 1.190 | 1.197 | 49,993,388.89 | Citigroup |
| 01/21/03 | 50,000,000 | GE CORP CP | -- | 01/22/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | G.E. Capital |
| 01/21/03 | 50,000,000 | GE CORP CP | -- | 01/22/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | G.E. Capital |
| 01/21/03 | 50,000,000 | UBSFIN CP | -- | 01/22/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Merrill Lynch |
| 01/21/03 | 50,000,000 | CITIGROUP CP | -- | 01/22/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Citigroup |
| 01/21/03 | 14,000,000 | CITIGROUP CP | -- | 01/22/03 | 99.99 | 1.240 | 1.248 | 13,999,517.78 | Citigroup |
| 01/22/03 | 25,000,000 | FNDN | -- | 02/06/03 | 99.95 | 1.210 | 1.218 | 24,987,395.83 | Mizuho Securities |
| 01/22/03 | 50,000,000 | FNDN | -- | 02/06/03 | 99.95 | 1.210 | 1.218 | 49,974,791.67 | Mizuho Securities |

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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 01/22/03 | \$50,000,000 | UBSFIN CP | -- | 01/23/03 | 99.99 | 1.260% | 1.268% | \$49,998,250.00 | Lehman Brothers |
| 01/22/03 | 50,000,000 | UBSFIN CP | -- | 01/23/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Lehman Brothers |
| 01/22/03 | 50,000,000 | CITIGROUP CP | -- | 01/23/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Citigroup |
| 01/22/03 | 50,000,000 | CITIGROUP CP | -- | 01/23/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Citigroup |
| 01/23/03 | 50,000,000 | GE CORP CP | -- | 01/24/03 | 99.99 | 1.270 | 1.278 | 49,998,236.11 | G.E. Capital |
| 01/23/03 | 50,000,000 | GE CORP CP | -- | 01/24/03 | 99.99 | 1.270 | 1.278 | 49,998,236.11 | G.E. Capital |
| 01/23/03 | 50,000,000 | UBSFIN CP | -- | 01/24/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Lehman Brothers |
| 01/23/03 | 50,000,000 | UBSFIN CP | -- | 01/24/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Merrill Lynch |
| 01/23/03 | 50,000,000 | CITIGROUP CP | -- | 01/24/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Citigroup |
| 01/23/03 | 50,000,000 | CITIGROUP CP | -- | 01/24/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Citigroup |
| 01/24/03 | 39,000,000 | FMCDN | -- | 02/04/03 | 99.96 | 1.205 | 1.213 | 38,985,640.42 | ABN AMRO |
| 01/24/03 | 10,000,000 | FNDN | -- | 02/05/03 | 99.96 | 1.205 | 1.213 | 9,995,983.33 | Greenwich 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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|----------------------|
| 01/24/03 | \$50,000,000 | GECC CP | -- | 01/27/03 | 99.99 | 1.200% | 1.207% | \$49,995,000.00 | G.E. Capital |
| 01/24/03 | 50,000,000 | GECC CP | -- | 01/27/03 | 99.99 | 1.200 | 1.207 | 49,995,000.00 | G.E. Capital |
| 01/24/03 | 50,000,000 | CITIGROUP CP | -- | 01/27/03 | 99.99 | 1.170 | 1.177 | 49,995,125.00 | Citigroup |
| 01/24/03 | 50,000,000 | CITIGROUP CP | -- | 01/27/03 | 99.99 | 1.170 | 1.177 | 49,995,125.00 | Citigroup |
| 01/24/03 | 48,965,000 | UBSFIN CP | -- | 01/27/03 | 99.99 | 1.190 | 1.197 | 48,960,144.30 | Lehman Brothers |
| 01/24/03 | 50,000,000 | UBSFIN CP | -- | 01/27/03 | 99.99 | 1.190 | 1.197 | 49,995,041.67 | Merrill Lynch |
| 01/27/03 | 50,000,000 | GE CORP CP | -- | 01/28/03 | 99.99 | 1.270 | 1.278 | 49,998,236.11 | G.E. Capital |
| 01/27/03 | 50,000,000 | GE CORP CP | -- | 01/28/03 | 99.99 | 1.270 | 1.278 | 49,998,236.36 | G.E. Capital |
| 01/27/03 | 48,000,000 | SSBH CP | -- | 01/28/03 | 99.99 | 1.250 | 1.258 | 47,998,333.32 | Salomon Smith Barney |
| 01/28/03 | 50,000,000 | GECC CP | -- | 01/29/03 | 99.99 | 1.290 | 1.298 | 49,998,208.33 | G.E. Capital |
| 01/28/03 | 50,000,000 | GECC CP | -- | 01/29/03 | 99.99 | 1.290 | 1.298 | 49,998,208.33 | G.E. Capital |
| 01/28/03 | 50,000,000 | UBSFIN CP | -- | 01/29/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Merrill Lynch |

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> |
|----------------------|------------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|---------------------------|----------------------|
| 01/28/03 | \$50,000,000 | UBSFIN CP | -- | 01/29/03 | 99.99 | 1.260% | 1.268% | \$49,998,250.00 | Merrill Lynch |
| 01/28/03 | 50,000,000 | SSBH CP | -- | 01/29/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Salomon Smith Barney |
| 01/28/03 | 50,000,000 | SSBH CP | -- | 01/29/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Salomon Smith Barney |
| 01/29/03 | 50,000,000 | GECC CP | -- | 01/30/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | G.E. Capital |
| 01/29/03 | 50,000,000 | GECC CP | -- | 01/30/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | G.E. Capital |
| 01/29/03 | 50,000,000 | UBSFIN CP | -- | 01/30/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Lehman Brothers |
| 01/29/03 | 50,000,000 | UBSFIN CP | -- | 01/30/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Lehman Brothers |
| 01/29/03 | 49,800,000 | CITIGROUP CP | -- | 01/30/03 | 99.99 | 1.240 | 1.248 | 49,798,284.39 | Citigroup |
| 01/30/03 | 9,000,000 | UBSFIN CP | -- | 01/31/03 | 99.99 | 1.260 | 1.268 | 8,999,685.00 | Lehman Brothers |
| 01/31/03 | <u>36,800,000</u> | GE CORP CP | -- | 02/03/03 | 99.99 | 1.320 | 1.329 | <u>36,795,952.00</u> | G.E. Capital |
| | <u>\$5,790,256,000</u> | | | | | | | <u>\$5,788,793,013.07</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> |
|-------------------------|-------------------------|---------------------------|---------------------------|-----------------------------|--------------------------|-----------------------------|-------------------------|----------------------|
|-------------------------|-------------------------|---------------------------|---------------------------|-----------------------------|--------------------------|-----------------------------|-------------------------|----------------------|

No new 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 Securties | 01/02/03 | 01/06/03 | \$3,286,000 | 1.270% | \$ 463.69 |
| Mizuho Securties | 01/02/03 | 01/06/03 | 4,588,000 | 1.260 | 642.32 |
| Mizuho Securties | 01/02/03 | 01/06/03 | 5,795,000 | 1.260 | 811.30 |
| Nomura Securties | 01/02/03 | 01/06/03 | 6,612,000 | 1.260 | 925.68 |
| Mizuho Securties | 01/02/03 | 01/06/03 | 7,207,000 | 1.260 | 1,008.98 |
| Mizuho Securties | 01/02/03 | 01/06/03 | 8,188,000 | 1.260 | 1,146.32 |
| Mizuho Securties | 01/02/03 | 01/06/03 | 11,429,000 | 1.260 | 1,600.06 |
| Daiwa Securties | 01/02/03 | 01/06/03 | 12,216,000 | 1.270 | 1,723.81 |
| Mizuho Securties | 01/02/03 | 01/06/03 | 12,470,000 | 1.260 | 1,745.80 |
| Daiwa Securties | 01/02/03 | 01/06/03 | 17,727,000 | 1.270 | 2,501.48 |
| Nomura Securties | 01/02/03 | 01/06/03 | 22,799,000 | 1.260 | 3,191.86 |
| Lehman Brothers | 01/02/03 | 01/06/03 | 23,265,000 | 1.280 | 3,250.64 * |

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 | 01/02/03 | 01/06/03 | \$24,705,000 | 1.280% | \$ 3,451.84 * |
| Daiwa Securties | 01/02/03 | 01/06/03 | 24,747,000 | 1.270 | 3,492.08 |
| Lehman Brothers | 01/02/03 | 01/06/03 | 25,270,000 | 1.280 | 3,530.78 * |
| Lehman Brothers | 01/02/03 | 01/06/03 | 26,710,000 | 1.280 | 3,731.98 * |
| Nomura Securties | 01/02/03 | 01/06/03 | 33,835,000 | 1.260 | 4,736.90 |
| Nomura Securties | 01/02/03 | 01/06/03 | 36,432,000 | 1.260 | 5,100.48 |
| Nomura Securties | 01/02/03 | 01/06/03 | 48,755,000 | 1.260 | 6,825.70 |
| Mizuho Securties | 01/02/03 | 01/06/03 | 48,793,000 | 1.260 | 6,831.02 |
| Lehman Brothers | 01/02/03 | 01/06/03 | 49,975,000 | 1.280 | 6,982.62 * |
| Mizuho Securties | 01/02/03 | 01/06/03 | 50,765,000 | 1.260 | 7,107.10 |
| Mizuho Securties | 01/02/03 | 01/06/03 | 50,765,000 | 1.260 | 7,107.10 |
| Nomura Securties | 01/02/03 | 01/06/03 | 51,388,000 | 1.260 | 7,194.32 |

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 Securties | 01/02/03 | 01/06/03 | \$55,024,000 | 1.270% | \$ 7,764.50 |
| Lehman Brothers | 01/06/03 | 01/07/03 | 8,938,000 | 1.130 | 280.55 |
| BANC ONE | 01/06/03 | 01/07/03 | 22,802,000 | 1.200 | 760.07 |
| BANC ONE | 01/06/03 | 01/07/03 | 23,417,000 | 1.200 | 780.57 |
| BANC ONE | 01/06/03 | 01/07/03 | 26,583,000 | 1.200 | 886.10 |
| BANC ONE | 01/06/03 | 01/07/03 | 31,135,000 | 1.200 | 1,037.83 |
| BANC ONE | 01/06/03 | 01/07/03 | 33,839,000 | 1.200 | 1,127.97 |
| BANC ONE | 01/06/03 | 01/07/03 | 54,029,000 | 1.200 | 1,800.97 |
| Daiwa Securties | 01/07/03 | 01/08/03 | 3,290,000 | 1.150 | 105.10 |
| Daiwa Securties | 01/07/03 | 01/08/03 | 5,611,000 | 1.150 | 179.24 |
| Daiwa Securties | 01/07/03 | 01/08/03 | 6,191,000 | 1.150 | 197.77 |
| Daiwa Securties | 01/07/03 | 01/08/03 | 9,507,000 | 1.150 | 303.70 |

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 Securties | 01/07/03 | 01/08/03 | \$21,044,000 | 1.150% | \$ 672.24 |
| Daiwa Securties | 01/07/03 | 01/08/03 | 22,802,000 | 1.150 | 728.40 |
| Daiwa Securties | 01/07/03 | 01/08/03 | 28,609,000 | 1.150 | 913.90 |
| Nomura Securties | 01/07/03 | 01/08/03 | 42,800,000 | 1.150 | 1,367.22 |
| Daiwa Securties | 01/07/03 | 01/08/03 | 50,367,000 | 1.150 | 1,608.95 |
| Daiwa Securties | 01/07/03 | 01/08/03 | 52,389,000 | 1.150 | 1,673.54 |
| Nomura Securties | 01/08/03 | 01/09/03 | 17,970,000 | 1.180 | 589.02 |
| UBS Warburg | 01/08/03 | 01/13/03 | 22,803,000 | 1.180 | 3,737.16 |
| Lehman Brothers | 01/08/03 | 01/14/03 | 26,968,750 | 1.160 | 5,431.20 * |
| UBS Warburg | 01/08/03 | 01/13/03 | 33,842,000 | 1.180 | 5,546.33 |
| UBS Warburg | 01/08/03 | 01/13/03 | 34,715,000 | 1.180 | 5,689.40 |
| UBS Warburg | 01/08/03 | 01/13/03 | 50,490,000 | 1.180 | 8,274.75 |

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 | 01/09/03 | 01/10/03 | \$19,975,000 | 1.250% | \$ 693.58 * |
| Mizuho Securties | 01/10/03 | 01/16/03 | 19,975,000 | 1.200 | 3,994.99 * |
| Nomura Securties | 01/13/03 | 01/16/03 | 22,807,000 | 1.230 | 2,337.72 |
| Nomura Securties | 01/13/03 | 01/16/03 | 33,848,000 | 1.230 | 3,469.42 |
| Nomura Securties | 01/13/03 | 01/16/03 | 34,749,000 | 1.230 | 3,561.77 |
| Nomura Securties | 01/13/03 | 01/16/03 | 50,470,000 | 1.230 | 5,173.18 |
| Mizuho Securties | 01/16/03 | 01/23/03 | 1,070,000 | 1.250 | 245.20 * |
| Mizuho Securties | 01/16/03 | 01/23/03 | 1,070,000 | 1.250 | 245.20 * |
| UBS Warburg | 01/16/03 | 01/21/03 | 22,808,000 | 1.210 | 3,833.01 |
| UBS Warburg | 01/16/03 | 01/21/03 | 33,851,000 | 1.210 | 5,688.85 |
| UBS Warburg | 01/16/03 | 01/21/03 | 34,495,000 | 1.210 | 5,797.08 |
| Mizuho Securties | 01/16/03 | 01/23/03 | 48,867,500 | 1.250 | 11,198.80 * |

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> |
|----------------------|-----------------------------|-------------------------|-------------------------|-----------------------------|-------------------------------------|
| Mizuho Securities | 01/16/03 | 01/23/03 | \$48,867,500 | 1.250% | \$ 11,198.80 * |
| UBS Warburg | 01/16/03 | 01/21/03 | 50,735,000 | 1.210 | 8,526.30 |
| Nomura Securities | 01/21/03 | 01/22/03 | 22,812,000 | 1.230 | 779.41 |
| Nomura Securities | 01/21/03 | 01/22/03 | 33,857,000 | 1.230 | 1,156.78 |
| Nomura Securities | 01/21/03 | 01/22/03 | 36,307,000 | 1.230 | 1,240.49 |
| Nomura Securities | 01/21/03 | 01/22/03 | 48,938,000 | 1.230 | 1,672.05 |
| Nomura Securities | 01/22/03 | 01/27/03 | 22,813,000 | 1.210 | 3,833.85 |
| Nomura Securities | 01/22/03 | 01/27/03 | 33,858,000 | 1.210 | 5,690.03 |
| Nomura Securities | 01/22/03 | 01/27/03 | 36,555,000 | 1.210 | 6,143.27 |
| Nomura Securities | 01/22/03 | 01/27/03 | 48,693,000 | 1.210 | 8,183.13 |
| BNP Paribas | 01/23/03 | 01/27/03 | 22,249,000 | 1.220 | 3,015.98 |
| BNP Paribas | 01/23/03 | 01/27/03 | 29,219,000 | 1.220 | 3,960.80 |

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> |
|----------------------|-----------------------------|-------------------------|-------------------------|-----------------------------|-------------------------------------|
| BNP Paribas | 01/23/03 | 01/27/03 | \$48,000,000 | 1.220% | \$ 6,506.67 |
| Nomura Securities | 01/27/03 | 01/28/03 | 2,598,000 | 1.230 | 88.77 |
| Nomura Securities | 01/27/03 | 01/28/03 | 22,817,000 | 1.230 | 779.58 |
| Nomura Securities | 01/27/03 | 01/28/03 | 33,864,000 | 1.230 | 1,157.02 |
| Lehman Brothers | 01/27/03 | 01/28/03 | 35,490,000 | 1.230 | 1,212.58 |
| Nomura Securities | 01/27/03 | 01/28/03 | 36,556,000 | 1.230 | 1,249.00 |
| Nomura Securities | 01/27/03 | 01/28/03 | 48,706,000 | 1.230 | 1,664.12 |
| Nomura Securities | 01/27/03 | 01/28/03 | 48,877,000 | 1.230 | 1,669.96 |
| Lehman Brothers | 01/27/03 | 01/28/03 | 50,180,000 | 1.230 | 1,714.48 |
| Lehman Brothers | 01/27/03 | 01/28/03 | 57,165,000 | 1.230 | 1,953.14 |
| Lehman Brothers | 01/27/03 | 01/28/03 | 57,165,000 | 1.230 | 1,953.14 |
| BNP Paribas | 01/28/03 | 01/29/03 | 2,547,000 | 1.240 | 87.73 |

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 Securties | 01/28/03 | 01/29/03 | \$5,366,000 | 1.250% | \$ 186.32 |
| Daiwa Securties | 01/28/03 | 01/29/03 | 7,889,000 | 1.250 | 273.92 |
| Daiwa Securties | 01/28/03 | 01/29/03 | 14,929,000 | 1.250 | 518.37 |
| Daiwa Securties | 01/28/03 | 01/29/03 | 15,199,000 | 1.250 | 527.74 |
| Daiwa Securties | 01/28/03 | 01/29/03 | 18,666,000 | 1.250 | 648.13 |
| Daiwa Securties | 01/28/03 | 01/29/03 | 35,204,000 | 1.250 | 1,222.36 |
| BNP Paribas | 01/28/03 | 01/29/03 | 48,929,000 | 1.240 | 1,685.33 |
| Daiwa Securties | 01/28/03 | 01/29/03 | 50,061,000 | 1.250 | 1,738.23 |
| Daiwa Securties | 01/28/03 | 01/29/03 | 52,634,000 | 1.250 | 1,827.57 |
| Lehman Brothers | 01/29/03 | 01/30/03 | 22,818,000 | 1.230 | 779.62 |
| Lehman Brothers | 01/29/03 | 01/30/03 | 28,468,000 | 1.230 | 972.66 |
| UBS Warburg | 01/29/03 | 01/30/03 | 32,539,000 | 1.240 | 1,120.79 |

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 | 01/29/03 | 01/30/03 | \$33,866,000 | 1.230% | \$ 1,157.09 |
| UBS Warburg | 01/29/03 | 01/30/03 | 50,551,000 | 1.240 | 1,741.20 |
| Lehman Brothers | 01/29/03 | 01/30/03 | 51,478,000 | 1.230 | 1,758.83 |
| UBS Warburg | 01/29/03 | 01/30/03 | 54,901,000 | 1.240 | 1,891.03 |
| Lehman Brothers | 01/29/03 | 01/30/03 | 56,800,000 | 1.230 | 1,940.67 |
| UBS Warburg | 01/29/03 | 01/30/03 | 62,009,000 | 1.240 | 2,135.87 |
| Daiwa Securties | 01/30/03 | 02/03/03 | 3,294,000 | 1.260 | 461.16 |
| Daiwa Securties | 01/30/03 | 02/03/03 | 3,401,000 | 1.260 | 476.14 |
| Daiwa Securties | 01/30/03 | 02/03/03 | 4,168,000 | 1.260 | 583.52 |
| Daiwa Securties | 01/30/03 | 02/03/03 | 6,183,000 | 1.260 | 865.62 |
| BNP Paribas | 01/30/03 | 02/03/03 | 11,853,000 | 1.230 | 1,619.91 |
| BNP Paribas | 01/30/03 | 02/03/03 | 13,200,000 | 1.230 | 1,804.00 |

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> |
|----------------------|-----------------------------|-------------------------|-------------------------|-----------------------------|-------------------------------------|
| Daiwa Securties | 01/30/03 | 02/03/03 | \$13,293,000 | 1.260% | \$ 1,861.03 |
| Daiwa Securties | 01/30/03 | 02/03/03 | 18,650,000 | 1.260 | 2,611.00 |
| Daiwa Securties | 01/30/03 | 02/03/03 | 25,214,000 | 1.260 | 3,529.96 |
| Daiwa Securties | 01/30/03 | 02/03/03 | 27,515,000 | 1.260 | 3,852.10 |
| BNP Paribas | 01/30/03 | 02/03/03 | 28,642,000 | 1.230 | 3,914.41 |
| Daiwa Securties | 01/30/03 | 02/03/03 | 45,049,000 | 1.260 | 6,306.86 |
| UBS Warburg | 01/30/03 | 02/03/03 | 46,693,000 | 1.240 | 6,433.25 |
| BNP Paribas | 01/30/03 | 02/03/03 | 48,763,000 | 1.230 | 6,664.28 |
| BNP Paribas | 01/30/03 | 02/03/03 | 48,763,000 | 1.230 | 6,664.28 |
| BNP Paribas | 01/30/03 | 02/03/03 | 48,763,000 | 1.230 | 6,664.28 |
| Mizuho Securties | 01/30/03 | 02/03/03 | 49,910,000 | 1.220 | 6,765.58 |
| Mizuho Securties | 01/30/03 | 02/03/03 | 50,030,000 | 1.220 | 6,781.84 |

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 Securities | 01/30/03 | 02/03/03 | \$50,030,000 | 1.220% | \$ 6,781.84 |
| Mizuho Securities | 01/30/03 | 02/03/03 | 50,030,000 | 1.220 | 6,781.84 |
| Daiwa Securities | 01/30/03 | 02/03/03 | 50,306,000 | 1.260 | 7,042.84 |
| UBS Warburg | 01/30/03 | 02/03/03 | 50,367,000 | 1.240 | 6,939.45 |
| UBS Warburg | 01/30/03 | 02/03/03 | 51,470,000 | 1.240 | 7,091.42 |
| UBS Warburg | 01/30/03 | 02/03/03 | 51,470,000 | 1.240 | 7,091.42 |
| Lehman Brothers | 01/31/03 | Open | 1,020,000 * | Variable ** | 34.00 *** |
| Lehman Brothers | 01/31/03 | Open | 1,265,000 * | Variable ** | 42.17 *** |
| BANC ONE | 01/31/03 | 02/03/03 | 11,582,000 | 1.250 | 1,206.46 |
| BANC ONE | 01/31/03 | 02/03/03 | 24,377,000 | 1.250 | 2,539.27 |
| Lehman Brothers | 01/31/03 | Open | 24,906,250 * | Variable ** | 830.21 *** |
| BANC ONE | 01/31/03 | 02/03/03 | 26,811,000 | 1.250 | 2,792.81 |

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 | 01/31/03 | Open | \$48,710,000 * | Variable ** | \$ 1,623.67 *** |
| BANC ONE | 01/31/03 | 02/03/03 | 48,754,000 | 1.250% | 5,078.54 |
| Lehman Brothers | 01/31/03 | Open | 48,955,000 * | Variable ** | 1,631.83 *** |

* 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 | 01/02/03 | 01/06/03 | \$49,975,000 | 1.130% | \$ 6,149.70 |
| Lehman Brothers | 01/02/03 | 01/06/03 | 49,975,000 | 1.130 | 6,149.70 |
| Lehman Brothers | 01/02/03 | 01/06/03 | 49,975,000 | 1.130 | 6,149.70 |
| Lehman Brothers | 01/08/03 | 01/14/03 | 26,968,750 | 0.910 | 4,682.08 |
| Lehman Brothers | 01/09/03 | 01/10/03 | 19,975,000 | 1.000 | 554.86 |
| Mizuho Securities | 01/10/03 | 01/16/03 | 19,975,000 | 0.900 | 3,107.22 |
| Mizuho Securities | 01/16/03 | 01/23/03 | 49,937,500 | 1.050 | 9,502.00 |
| Mizuho Securities | 01/16/03 | 01/23/03 | 49,937,500 | 1.050 | 9,502.00 |
| Lehman Brothers | 01/31/03 | Open | 49,975,000 | 1.050 * | 1,457.60 ** |
| Lehman Brothers | 01/31/03 | Open | 49,975,000 | 1.050 * | 1,457.60 ** |

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) (Cont.)

| <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 | 01/31/03 | Open | \$24,906,250 | 1.000% * | \$ 691.84 ** |

* 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 January 1, 2003 through January 31, 2003, 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 |
|-----------------------------|------------------|--------------------|--------------|---------------------------|------------------------------------|---------------|---------------------------|
|-----------------------------|------------------|--------------------|--------------|---------------------------|------------------------------------|---------------|---------------------------|

No new transactions this period.

Options Transactions - Sold

| Transaction Date | Par Value | Description | Price | Exercise Price | Expirations/ Settlement | Dealer | Option Premium |
|-----------------------------|------------------|--------------------|--------------|---------------------------|------------------------------------|---------------|---------------------------|
|-----------------------------|------------------|--------------------|--------------|---------------------------|------------------------------------|---------------|---------------------------|

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 January 1, 2003 and January 31, 2003 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> |
|-------------|---------------------|------------------------|-------------------|-------------------------|---------------------------------|--|
|-------------|---------------------|------------------------|-------------------|-------------------------|---------------------------------|--|

No new transactions this period.

As of January 31, 2003, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$579 million, including \$379 million pertaining to refundings and \$200 million of reversals.

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 January 1, 2003 and January 31, 2003 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> |
|-------------------------|---------------|------------------|-------------|----------------------------|
|-------------------------|---------------|------------------|-------------|----------------------------|

No new transactions this period.

Whereupon, the meeting was adjourned.

Secretary