

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, July 31, 2003

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, July 31, 2003, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, 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
 Hon. Anastasia M. Song

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

Gwendolyn Archie, Staff Administrator, Office of the Secretary
 Catherine M. Bergamini, Senior Administrator, Port Commerce
 Kayla M. Bergeron, Director, Public Affairs
 Bruce D. Bohlen, Treasurer
 John D. Brill, Director, Audit
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Timothy Castano, Senior Business Consultant, Office of the Chairman
 Anthony B. Ciavolella, Public Information Officer, Public Affairs
 Arthur J. Cifelli, Assistant Director, Government and Community 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
 John J. Drobny, Assistant Director, Tunnels, Bridges and Terminals
 Nancy J. Ertag-Brand, Executive Advisor to the Chief Financial Officer
 Michael B. Francois, Director, Real Estate
 Linda C. Handel, Assistant Secretary
 Edward L. Jackson, Director, Financial Services
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Francis J. Lombardi, Chief Engineer
 Robert R. Lurie, Senior Policy Advisor, Office of the Chairman
 Stephen Marinko, Attorney, Law
 Calixto Martin, Senior Engineer, Tunnels, Bridges and Terminals
 Daniel S. Maynard, Client Manager, Public Affairs
 Charles F. McClafferty, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Catherine F. Pavelec, Manager, Administration, Protocol and Executive Correspondence,
 Office of the Secretary
 Michael A. Petralia, Chief of Public and Government Affairs
 Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
 Alan L. Reiss, Deputy Director, Aviation

Edmond F. Schorno, Chief of Staff

Douglas L. Smith, Director, Office of Forecasting and Capital Planning

Harry Spector, Deputy Director, Public Affairs

Joseph A. Tobia, Assistant Comptroller

Tiffany A. Townsend, Public Information Officer, Public Affairs

Ralph Tragale, Client Manager, Government and Community Affairs

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

Emery J. Ungrady, Deputy Chief of Staff

The public session was called to order by Chairman Coscia at 2:15 p.m. and ended at 2:29 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of June 26, 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 Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on July 31, 2003, which included discussion of lease matters, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed at its meeting on July 31, 2003, which included a discussion on extending an agreement, on behalf of the States of New York and New Jersey, for the operation and maintenance of the Physical Oceanographic Real-Time System, as well as matters discussed in executive session, which included discussion of contract and property matters, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on July 31, 2003, which included a discussion on upgrading the sign and signal systems for the ramps connecting the Port Authority Bus Terminal to the Lincoln Tunnel, as well as matters discussed in executive session, which included discussion of contract matters, in addition to matters filed with the Board 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 in executive session at its meeting on July 31, 2003, which included a discussion of contract and lease 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.

Chairman's Report

The Chairman provided a statement on behalf of the Board of Commissioners strongly opposing the Federal Aviation Administration's proposed policy which would require larger aircraft to be accommodated at Teterboro Airport, and supporting the Port Authority's long-standing restriction on aircraft over 100,000 pounds.

Staff Report

Staff provided an update on a program to install higher-speed E-ZPasssm equipment at Port Authority bridge toll plazas.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – BUILDING 67 – LEASE SUPPLEMENT TO AGREEMENT AYC-424 – DELTA AIR LINES, INC.

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement (the Supplement) to Lease AYC-424 (the Lease) that covers the Building 67 premises at John F. Kennedy International Airport (the Airport) with Delta Air Lines, Inc. (Delta) whereby the term of the letting under the Lease would be extended for a two-year term commencing on June 1, 2003 and expiring on May 31, 2005, and covering the surrender by Delta of a portion of Building 67, effective as of May 31, 2003, and the continued occupancy by Delta of the balance of the premises through the extended term.

The Lease, which commenced November 1, 1992, covers land and building premises at the Building 67 site at the Airport. Under the Supplement, Delta's surrender of portions of the interior building premises would be effective as of May 31, 2003, and Delta would continue to lease and occupy reduced interior space in Building 67 consisting of approximately 35,000 square feet of the total of approximately 65,900 square feet of office space, and approximately 140,000 square feet of the approximately 233,100 square feet of warehouse space, and Delta would continue to lease and occupy the entire approximately 20.812-acre site.

Under the Supplement, the ground and building rental under the Lease would be changed from a combined annual basic rental to a separate annual building rental and a separate annual ground rental. Ground rental would be at the annual rate of \$1,710,746, increased annually at one-half of the annual percentage increase in the Consumer Price Index or 4 percent, whichever is greater, and building rental would be at the annual rate of \$1,192,008. In addition, the Supplement will continue the subletting consent percentage rental at the rate of 10 percent of Delta's gross sublease rentals and the handling percentage rental of 5 percent of Delta's gross receipts derived from its existing agreements for provision of cargo services to other aircraft operators, and will increase the handling percentage rental from 5 percent to 7.5 percent of Delta's gross receipts derived from all new third-party cargo handling.

In addition to the building and ground rentals and the percentage rentals, under the Supplement Delta would also be obligated to pay a new activity rental based on the levels of cargo throughput at the premises. This new activity rental would be calculated at the monthly rate of \$0.02 per pound for the first two million pounds of air cargo (excluding mail) in excess of 13,125,000 pounds per month, plus \$0.01 per pound for air cargo (excluding mail) in excess of 15,125,000 pounds per month.

While Delta would continue to lease only a portion of the interior portions of Building 67, under the Supplement Delta would continue to be responsible for operating and maintaining the entire premises, including operating, maintaining and securing the entire building. In the event that in each annual period during the extension Delta's operation and maintenance expenses are less than a base budget annual amount of \$4,152,167, Delta would be obligated under the Supplement to pay to the Port Authority as additional rent the amount of such budget "savings" up to \$800,000, and if such budget "savings" exceed \$800,000, then Delta would be obligated under the Supplement to pay to the Port Authority as additional rent the amount of 50 percent of such excess.

All subleasing and third-party ground handling will continue to require the prior consent of the Port Authority. The Supplement will provide that the Lease would be further supplemented to add back to the premises such interior areas of Building 67 as might be needed to accommodate future subtenants of Delta, subject to the requirement for Port Authority prior consent.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a supplemental agreement to Lease AYC-424 with Delta Air Lines, Inc. at John F. Kennedy International Airport, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

TETERBORO AIRPORT – EXPRESSION OF SUPPORT FOR THE 100,000 POUND RULE

The Board of Commissioners of The Port Authority of New York and New Jersey unanimously adopted the following resolution:

The Department of Transportation, Federal Aviation Administration (FAA) has issued a Notice of Proposed Policy (Docket No. FAA 2003-15495) concerning Weight-Based Restrictions at Airports. The proposed policy seeks justification to require airports to accept aircraft that exceed the pavement weight limits of the airports' runways. For more than 30 years, the Port Authority has had a restriction on aircraft over the runway design weight of 100,000 pounds conducting operations at Teterboro Airport (Teterboro).

Under the Port Authority restriction, commonly referred to as "the 100,000 pound rule," the only overweight operations permitted at Teterboro are emergency operations, flights associated with emergency response and national defense, and diplomatic flights.

Other larger, heavier aircraft may freely use the three larger Port Authority airports, which are in close proximity to Teterboro, including Newark Liberty International Airport, John F. Kennedy International Airport and LaGuardia Airport. The Port Authority operates these facilities as a coordinated system, a fact recognized by the federal government.

This rule has worked well, and as an airport system operator, the Port Authority is opposed to federal requirements which would necessitate changes in the way the system is operated, require major upgrades to Teterboro infrastructure, and thereby dramatically change the manner in which Teterboro is operated.

In February 2002, the FAA's Eastern Region, Airports Division, upheld the weight restriction at Teterboro Airport, stating "we do not conclude that there is a public interest at stake warranting FAA action to require PANYNJ to permit aircraft exceeding the design pavement strength to use those areas." That decision was prompted by the Boeing Company's request for an FAA determination seeking to allow aircraft which exceed 100,000 pounds, such as 737 jets, to utilize Teterboro.

The proposed policy change, set forth in the Federal Register on July 1, 2003, seeks to justify a nationwide policy requiring airports to accept any aircraft that exceed the pavement weight limits of their runways, contrary to the February 2002 decision.

The Port Authority is strongly opposed to accommodating such aircraft on Teterboro's runways, which are not designed to handle larger aircraft, based on serious concerns about the adequacy of the runway facilities over the long term.

Over the last three decades, the Port Authority's 100,000 pound rule has been a valuable tool in the operation of Teterboro to help protect Teterboro's infrastructure and support Teterboro's obligations as a reliever airport as designated by the FAA in the National Airspace System. In addition, over this period of time, the Port Authority has been able to accomplish the airport system's goals and objectives, and service general aviation customers in an exceptional manner.

Now, therefore, it is

RESOLVED, that The Port Authority of New York and New Jersey opposes the Federal Aviation Administration's (FAA) proposed policy concerning Weight Based Restrictions at Airports, published in the Federal Register on July 1, 2003, since that policy, if put into place, would hamper the way in which the Port Authority, as proprietor of Teterboro Airport, maintains the airport in the public interest; and it is further

RESOLVED, that the Port Authority will aggressively work with elected officials to present unified opposition to the FAA's proposed policy change; and it is further

RESOLVED, that the Port Authority will continue Teterboro Airport's more than 30-year-old restriction on the operation of aircraft that exceed 100,000 pounds; and it is further

RESOLVED, that the Port Authority opposes the FAA's efforts to seek justification to require the airport to accept aircraft in excess of the aforementioned weight restriction; and it is further

RESOLVED, that the Port Authority will seek the support and input of all communities around Teterboro to help defeat any federal policy that would seek to invalidate the 100,000 pound rule; and it is further

RESOLVED, that in addition to comments for the record on the proposed policy to be submitted by the Port Authority to the FAA during the notice and comment period set forth in the Federal Register on July 1, 2003, this resolution is to be sent immediately to the FAA, the Congressional delegations, United States Senators and state legislators of the States of New York and New Jersey, and local legislators and mayors or other executive magistrates of all communities in the vicinity of Teterboro Airport.

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

It was recommended that the Board authorize the Executive Director, on behalf of the States of New York and New Jersey (the States), to enter into an agreement with the National Oceanic and Atmospheric Administration (NOAA), an agency of the United States Department of Commerce, to extend a contract for the operation and maintenance of the Physical Oceanographic Real-Time System (PORTS) for a one-year period, at an estimated cost of \$190,000.

PORTS is a hydrological data collection and dissemination system consisting of sensors, communication lines and computer software developed by NOAA. The program allows ships, berthed or underway, to access real-time data on currents, winds, waves, water levels (tides), depths, temperatures and salinity. The program provides continuous and consistent information to the harbor pilots, who are responsible for maneuvering large vessels through the channels, especially during logistically complex dredging operations.

Start-up costs for PORTS were absorbed by NOAA as the system was being developed. However, under the terms of the PORTS program, a local sponsor of the system must pay for its ongoing operation and maintenance. In 1998, PORTS funding was assumed by the States on a temporary basis, applying monies from the Bi-State Dredging Fund established by the Board at its meeting of May 9, 1996. Utilizing those funds, the Port Authority entered into a contract with the Maritime Association of the Port of New York and New Jersey, which in turn contracted with NOAA for PORTS operation and maintenance for a one-year period, through September 2001, at a cost of \$262,000. In October 2001, the Board authorized the Executive Director to enter directly into an agreement, on behalf of the Port Authority, with NOAA for the operation and maintenance of PORTS for a one-year period at a cost of \$262,000.

The States have again agreed to fund PORTS operation and maintenance utilizing Bi-State Dredging Fund monies, but have requested that the Port Authority extend its agreement with NOAA for a one-year period and administer the contract on their behalf. This action would bring the total funding requested by the State of New York to \$39,442,382 and the total funding requested by the State of New Jersey to \$55,885,800 from the \$130 million commitment authorized in May 1996. Payment for this program will be made in accordance with the terms of the Master Agreement with the States of New York and New Jersey dated November 1, 1997, pursuant to which the Port Authority agreed to spend up to \$65 million on projects to be agreed upon with each State from the \$130 million commitment.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the National Oceanic and Atmospheric Administration (NOAA) to extend the contract between the

Port Authority and NOAA for the operation and maintenance of the Physical Oceanographic Real-Time System for an additional one-year period at an estimated cost of \$190,000; and it is further

RESOLVED, that at the request of the States of New York and New Jersey, the funds required to pay NOAA under the foregoing contract shall be drawn from the Bi-State Dredging Fund established by the Board at its meeting of May 9, 1996; 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.

HARBOR DEEPENING (50-FOOT) PROJECT – COST-SHARING AGREEMENTS – UTILITY RELOCATIONS

It was recommended that the Board authorize the Executive Director to: (1) negotiate and enter into cost-sharing agreements with utility owners for the relocation of utilities that could be impacted by the 50-Foot Harbor Deepening Project (HDP) in the federal channels of the Upper New York Bay, the Lower New York Bay and the Ambrose Channel; and (2) pay, on behalf of the Port Authority, an estimated amount of \$21 million, which represents one-half of the estimated costs to relocate the utilities to a depth greater than 50 feet.

Pursuant to several actions, the Board has authorized the Port Authority to be the local sponsor of federal channel improvement projects in the Port of New York and New Jersey (Port). Among other things, local sponsorship requires that the Port Authority assure the relocation of utilities that may be impacted by the deepening projects. At its meeting of November 30, 2000, the Board authorized the Executive Director to negotiate and enter into cost-sharing agreements with utility owners for the relocation of utilities impacted by federal navigation improvement projects in the Kill Van Kull, Arthur Kill and Newark Bay federal channels and to pay one-half of the estimated costs to relocate utilities to a depth greater than 45 feet, such portion being estimated at \$32.5 million. In July 2001, the Board authorized the HDP to deepen various federal channels in the Port to depths of 50 feet and 53 feet.

A consultant has identified all potentially impacted utilities in the federal channels in the Upper New York Bay, the Lower New York Bay and the Ambrose Channel. Because the Water Resources Development Act of 1986 (WRDA) established utility relocation cost contribution requirements for the non-federal sponsor, the U.S. Army Corps of Engineers (the Corps) has been reluctant to enforce any rights it may have under the permits that it has issued to the utility owners to have them remove the utilities at their sole cost.

WRDA provides, with respect to harbors that will be dredged to depths greater than 45 feet, that “one-half of the cost of each such relocation shall be borne by the owner of the facility being relocated and one-half of the cost of each such relocation shall be borne by the non-federal interest.” This provision has been interpreted to require the Port Authority to pay 50 percent of the incremental costs for relocating the utilities below the depth of 45 feet.

Staff currently estimates that the relocations will be performed at a total incremental cost of \$42 million. Therefore, as the local sponsor, the Port Authority would contribute an estimated amount of \$21 million. Based on recent experience, construction may be accomplished either by directional drilling (tunneling) or trenching. The estimates are based on the use of directional drilling. Use of trenching methods may result in lower costs. The chosen method will be based on field conditions, scheduling, and existing environmental constraints. Environmental permits for utility relocation by directional drilling can be secured within six months. Obtaining similar permits for trenching could require additional time because of the potential for greater environmental impacts.

Planning to relocate the utilities – which include water lines owned by the City of New York - must commence in 2003 to ensure that the relocations do not delay the Corps' construction schedule. Therefore, staff currently plans to negotiate cost-sharing arrangements with affected utility owners at the earliest possible date, so that current channel deepening schedules will not be adversely impacted.

Utility owners will be responsible for all elements of the design and construction of the relocation and removal work. The Port Authority will seek the right to review and comment on design, construction and related documents.

WRDA provides that the amount contributed by the Port Authority for relocation costs can be offset against a payment equal to 10 percent of total channel construction costs, which will be payable by the Port Authority to the Corps in accordance with WRDA requirements after construction.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: 1) negotiate and enter into cost-sharing agreements with utility owners for the relocation of utilities impacted by federal navigation improvement projects in the Upper New York Bay, the Lower New York Bay and the Ambrose Channel; and 2) pay, on behalf of the Port Authority, one-half of the costs to relocate such utilities to depths greater than fifty feet, such payments being estimated at \$21 million; and it is further

RESOLVED, that the form of all documents necessary to effectuate the foregoing shall be subject to approval of General Counsel or his authorized representative.

WEST MIDTOWN MANHATTAN BUS PARKING AND STAGING ALTERNATIVE ANALYSIS AND CONCEPTUAL DESIGN – MULTI-AGENCY AGREEMENT

It was recommended that the Board authorize the Executive Director to: a) enter into an agreement with the New York City Economic Development Corporation (EDC), the New York City Department of Transportation (NYCDOT) and the New York City Department of City Planning (DCP) to evaluate current and future requirements for bus parking and staging in Far West Midtown Manhattan; and b) contribute a 75 percent share of the study funding, not to exceed \$825,000.

The City of New York (City) is advancing plans to rezone a 59-block area in West Midtown, referred to as the Hudson Yards, for potential redevelopment. The assessment of the impacts of this effort will also include plans to extend the New York City Transit #7 Subway line west of Times Square. The Hudson Yards area is generally located west of Eighth Avenue between West 42nd and West 24th Streets, and encompasses some of the region's vital transportation infrastructure, including the Port Authority Bus Terminal (PABT) and the Lincoln Tunnel, as well as the New York City Transit Eighth Avenue Subway lines, Pennsylvania Station, and the Metropolitan Transportation Authority rail yards. As the City progresses these efforts, there may be interest in alternative uses for many Port Authority properties currently used for bus parking and staging. EDC, NYCDOT, DCP and the Port Authority agree that an assessment of the requirements and options for bus parking and staging in Midtown Manhattan is an essential first step.

The proposed study will address two areas of interest. The first is to assess the needs and alternatives for bus storage and staging for the interstate bus activity that serves the PABT. The second element of the study would evaluate options to address a long-standing City concern regarding charter buses and transit express buses that park along the curbside of many streets in Midtown Manhattan. The involved agencies recognize the importance of locating bus parking and staging for the PABT in close proximity to the terminal, while accommodating charter bus requirements both within and outside the Hudson Yards area. The study will address data collection, transportation and operational analyses, demand projections, bus parking facility requirements, site identifications and assessments, and an evaluation of proposed alternatives, sites and security issues.

The multi-agency agreement calls for EDC to issue a Request For Proposals (RFP) and enter into the consultant agreement for the study. Both the RFP and consultant agreement would be subject to Port Authority approval. The study's oversight committee will consist of a representative from each of the four participating agencies and be responsible for the consultant selection, overall policy guidance for the effort, and reviews of work products throughout the study. Port Authority staff will be responsible for day-to-day management of the consultant effort.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Gargano, Mack, Pocino, Sartor, Silverman, Song 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) enter into an agreement with the New York City Economic Development Corporation, the New York City Department of Transportation and the New York City Department of City Planning, to evaluate current and future requirements for bus parking and staging in Far West Midtown Manhattan; and b) provide 75 percent of the cost of the study, not to exceed \$825,000; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

DOWNTOWN RESTORATION PROGRAM - WORLD TRADE CENTER SITE INFRASTRUCTURE – INCREASE IN PROJECT AUTHORIZATION AND AUTHORIZATION TO ENTER INTO AGREEMENTS AND CONTRACTS FOR PERIMETER WALKWAY IMPROVEMENTS

It was recommended that the Board authorize: 1) an increase in the project authorization for World Trade Center (WTC) site infrastructure of \$28 million, resulting in a total authorization of \$46 million for WTC site perimeter access improvements and structural improvements; 2) the Executive Director to enter into: a) an agreement with the Lower Manhattan Development Corporation (LMDC) providing for reimbursement to the Port Authority of up to \$10 million for Vesey Street and Liberty Street walkway construction; and b) agreements with other interested entities to provide for Port Authority participation in operations and maintenance responsibilities and expenditures associated with the perimeter walkways; and 3) the Chief Engineer to award Contract WTC-404.161 to the lowest qualified bidder for construction of the Vesey Street and Liberty Street walkway improvements.

At its meeting of December 13, 2001, the Board authorized: 1) continued planning for WTC site redevelopment and comprehensive Lower Manhattan transportation improvements; 2) limited temporary WTC site remediation measures at an estimated total cost of \$10.5 million; and 3) the Executive Director to: a) take action with respect to contracts for professional services and construction contracts related to WTC site planning and site remediation, and b) enter into such other agreements as may be necessary to effectuate the Downtown Restoration Program.

At its meeting of December 12, 2002, the Board authorized continued planning for the WTC site redevelopment and comprehensive Lower Manhattan transportation improvements, and a project for ongoing WTC site infrastructure restoration and planning work, in the total amount of \$17.5 million, resulting in a total authorization of \$28 million, including \$10 million for the WTC site planning and \$18 million for WTC site infrastructure. At that time, the Board was advised that for administrative purposes, the planning and project work associated with the authorization would be handled as two separate, distinct endeavors from that point forward.

On April 24, 2003, New York Governor George E. Pataki announced both short and longer-term initiatives to improve the quality of life in Lower Manhattan. Among these short-term initiatives was improved access across West Street and the WTC site, to better link the World Financial Center (WFC) and Battery Park City with the rest of Lower Manhattan. Pedestrian access across West Street is currently available via a temporary pedestrian bridge connection and a pedestrian path on Liberty Street. In early 2003, a narrow pedestrian path was also configured on Vesey Street between Church Street and West Street.

The temporary WTC Port Authority Trans-Hudson system (PATH) Station, which is currently under construction, is anticipated to open in November 2003. At that time, the number of pedestrians requiring access to the WFC, particularly at Vesey Street, is expected to more than double. The existing temporary Liberty Street pedestrian bridge would be inadequate to handle the increased traffic, and its location would also be inconvenient for a large number of WFC workers.

The New York State Department of Transportation (NYSDOT) is to install a second temporary pedestrian bridge connection over West Street at Vesey Street. In conjunction with that project, the Port Authority would enhance the Vesey Street walkway at grade, and provide an escalator from the NYSDOT bridge to street level. The Vesey Street walkway must also incorporate flexibility to adapt to the major construction ongoing on either side of (7 World Trade Center/Con Ed/Verizon and the WTC site), and beneath (slurry wall, utilities) Vesey Street. Both the Vesey Street pedestrian bridge and walkway are targeted to be completed in November 2003, in connection with restoration of PATH service to Lower Manhattan.

At Liberty Street, a new escalator (on the east side of West Street) would be installed from street level to connect with the existing temporary bridge connection. Other potential pedestrian walkway improvements are also being explored for Liberty Street. The Liberty Street improvements would be completed in early 2004. LMDC has agreed to provide funding to NYSDOT and the Port Authority for the construction costs of the Vesey Street and Liberty Street improvements.

Under a proposed agreement with LMDC, up to \$10 million in costs associated with the Vesey Street and Liberty Street walkways would be reimbursed to the Port Authority, as a subrecipient (to LMDC) of U.S. Department of Housing and Urban Development funds. Staff is also seeking recovery of certain costs related to the WTC site that may be eligible for recovery through Federal Emergency Management Agency and/or insurance reimbursements.

In addition, an agreement between the Port Authority, Battery Park City Authority, Brookfield Properties, and other public and private entities is being negotiated to share in the operating and maintenance responsibilities of the Vesey Street and Liberty Street perimeter walkways and pedestrian bridges. Under the agreement, the Port Authority is expected to contribute \$160,000 to the estimated \$600,000 total annual maintenance cost for security, cleaning, and lighting of the walkways.

Another \$18 million in increased project funding is also required to complete ongoing structural stabilization work at the WTC site under existing Contract WTC-404.160, including slurry wall repairs and structural rehabilitation work to be completed prior to restoration of PATH service.

All work is expected to be completed in early 2004.

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

RESOLVED, that an increase in the project authorization for World Trade Center site infrastructure of \$28 million, resulting in a total authorization of \$46 million for World Trade Center site perimeter access improvements and World Trade Center site structural improvements, 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 enter into: a) an agreement with the Lower

Manhattan Development Corporation providing for reimbursement to the Port Authority of up to \$10 million for Vesey Street and Liberty Street walkway construction; and b) agreements with other interested entities to provide for Port Authority participation in operations and maintenance responsibilities and expenditures associated with the perimeter walkways; and it is further

RESOLVED, that the Chief Engineer be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract WTC-404.161 to the lowest qualified bidder, following a competitive/low bid process for construction of the Vesey Street and Liberty Street walkway improvements at a total estimated construction cost of \$10 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.

DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER (WTC) SITE PLANNING – AWARD OF CONTRACT TO STUDIO DANIEL LIBESKIND FOR WTC SITE MASTER PLAN DESIGN REVIEWS AND DEVELOPMENT OF ARCHITECTURAL DESIGN GUIDELINES FOR THE PERMANENT WTC PATH TERMINAL

It was recommended that the Board authorize the Executive Director to enter into a contract with Studio Daniel Libeskind (SDL) to provide ongoing design review and professional advisory services to the Port Authority associated with the World Trade Center (WTC) site redevelopment, at the estimated cost of \$3.0 million for an initial term of two years, with the Port Authority having two options to extend the agreement for an additional two years each.

On February 27, 2003, the “Memory Foundations” site plan concept by SDL was selected by the Lower Manhattan Development Corporation (LMDC) and the Port Authority as the basis for redevelopment of the WTC site. In May 2003, the LMDC and the Port Authority jointly retained SDL to finalize the WTC Site Master Plan and draft commercial development design guidelines, as well as assist in associated public outreach. The total estimated amount of the joint Port Authority-LMDC contract with SDL for WTC Site Master Plan development is \$3.3 million including contingencies, with a cost to the Port Authority not to exceed \$2.0 million. The contract work is expected to be substantially completed by the end of 2003.

Each of the public and private entities responsible for individual site redevelopment components (transportation facilities, commercial development, memorial and cultural facilities, streets and public spaces) will be expected to implement their projects in a manner consistent with the overall WTC Site Master Plan framework. As the owner of the WTC site, the Port Authority has significant financial and legal interests that would benefit from planned redevelopment of the WTC site and adherence to a Site Master Plan and specific guidelines. SDL, as the Site Master Plan Architect, would provide essential design input and advice, particularly as the schematic designs of each of the immediate site redevelopment projects (Freedom Tower, WTC Port Authority Trans-Hudson (PATH) system Terminal, and WTC memorial) are developed.

Under this contract, SDL would review and evaluate plans and designs for various WTC site development components prepared by other architecture and engineering firms pursuant to the WTC Site Master Plan and any specific architectural guidelines. Subsequent to completion of the WTC Site Master Plan in 2003, SDL would also prepare and incorporate any appropriate and necessary revisions to the Site Master Plan. SDL would also provide Architectural Design Guidelines for the WTC PATH Terminal. These guidelines will provide a framework for other architectural and engineering consultants (to be retained separately) and in-house design staff to perform a complete schematic design for the WTC PATH Terminal. These WTC PATH Terminal Architectural Design Guidelines are expected to be completed by October 2003.

The proposed agreement would have an initial term of two years, with the Port Authority having two options to extend for an additional two years each. Failure to enter into this contract would jeopardize the design consistency and implementation of the WTC Site Master Plan as developed by SDL, and would also delay the completion of preliminary engineering for the permanent WTC PATH Terminal.

A further increase in the planning authorization for WTC site planning will be necessary to cover the future costs of this contract beyond 2003. Staff anticipates seeking such additional authorization in late 2003, in conjunction with other WTC site planning, design, and other redevelopment activities, as they become more defined.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a contract with Studio Daniel Libeskind (SDL) for SDL to provide ongoing design, review and professional advisory services to the Port Authority associated with the World Trade Center site redevelopment, at the estimated cost of \$3.0 million for an initial term of two years, with the contract to include two options for the Port Authority to extend the contract for an additional two years each; the form of the contract shall be subject to the approval of General Counsel or his authorized representative.

DOWNTOWN RESTORATION PROGRAM – PERMANENT WORLD TRADE CENTER PATH TERMINAL – INCREASE IN PLANNING AUTHORIZATION – PROJECT DEVELOPMENT AND GRANT AGREEMENTS WITH THE FEDERAL TRANSIT ADMINISTRATION

It was recommended that the Board authorize: 1) an increase of \$50 million in the planning authorization for a project to rebuild the World Trade Center (WTC) Port Authority Trans-Hudson system (PATH) Terminal, resulting in a total authorization of \$60 million, to provide for design development work (Stage II) and a public environmental review of the proposed project consistent with the National Environmental Policy Act (NEPA); and 2) the Executive Director to: a) enter into agreements with the Federal Transit Administration (FTA) for a permanent WTC PATH Terminal project (Terminal Project) to establish the overall project scope, schedule, budget, and grant management and oversight responsibilities; and b) take such action with respect to contracts for professional and advisory services related to the proposed Terminal Project as he deems in the best interest of the Port Authority.

At its meeting of December 13, 2001, the Board authorized conceptual design and engineering analysis work for the Terminal Project to fully restore and enhance the transportation functions at the WTC site that existed prior to September 11, 2001, at a total estimated cost of \$10 million. To facilitate the immediate recovery of Lower Manhattan, a temporary WTC PATH Station has been designed and is now being constructed. The temporary WTC PATH Station is a stand-alone transit facility that was designed only to provide the most basic services. The permanent WTC PATH Terminal is proposed to be a fully developed regional transportation hub that will be coordinated with existing and future transportation infrastructure, WTC site redevelopment, and the development of the surrounding area.

The permanent WTC PATH Terminal's tracks, platforms, and mezzanine levels would all be located in the WTC "bathtub," as they were prior to September 11, 2001. The terminal would include subgrade pedestrian connections to connect the PATH lines with the New York City Transit (NYCT) subway system and with Hudson River ferry services. Pedestrian connections would extend in all directions to connect the WTC site and PATH Terminal with surrounding neighborhoods, including the World Financial Center on the west and the planned NYCT Fulton Street Transit Center on the east.

The functional plans developed to date for the permanent WTC PATH Terminal have been well received publicly, and the project has the support of key constituents, including Lower Manhattan commuters, office workers, and businesses, as well as the local community and elected officials, including New York Governor George E. Pataki and New York City Mayor Michael R. Bloomberg.

In August 2002, the federal government announced the availability of up to \$4.55 billion in federal aid for Lower Manhattan transportation improvements, including combined Federal Emergency Management Agency and FTA funds, to be administered by the FTA. In February 2003, Governor Pataki identified priority projects for this funding, including the permanent WTC PATH Terminal. Staff has been working to establish a project partnership with the FTA, and to facilitate and adopt necessary organizational and administrative changes within the Port Authority to manage, monitor, and report on the project and expenditures, in accordance with federal requirements. In addition, the FTA is to be the lead agency for the environmental review process that will be performed, consistent with NEPA, for the Terminal Project.

Preliminary Engineering (equivalent to Port Authority Stage II Design Development) for the Terminal Project would be performed under an overall WTC Site Master Plan framework and specific Architectural Design Guidelines for the permanent WTC PATH Terminal (currently being established by Studio Daniel Libeskind). In order to advance this design work as expeditiously as possible for completion by mid-2004, internal Port Authority staff, as well as external architectural and engineering consultants, will perform the design work for different components of the overall project. The proposed Terminal Project also will advance through a public NEPA environmental review process, and will require significant coordination with other public agencies and the WTC net lessees to resolve numerous design, development, and property issues needed to finalize the project scope, schedule, and cost prior to the start of Final Design.

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

RESOLVED, that an increase in the planning authorization for the permanent World Trade Center (WTC) Port Authority Trans-Hudson system (PATH) Terminal of \$50 million, resulting in a total authorization of \$60 million, to provide for design development work (Stage II) and a public environmental review of the proposed project consistent with the National Environmental Policy Act, 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: a) enter into agreements with the Federal Transit Administration for a permanent WTC PATH Terminal project (Terminal Project) to establish the overall project scope, schedule, budget, and grant management and oversight responsibilities; and b) take such action with respect to contracts for professional and advisory services related to the proposed Terminal Project as he deems in the best interest of the Port Authority; and it is further

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

WORLD TRADE CENTER SITE – AGREEMENT WITH THE U.S. GENERAL SERVICES ADMINISTRATION – CUSTOMS HOUSE

It was recommended that the Board authorize the Executive Director to enter into an agreement with the U.S. General Services Administration (GSA) whereby the GSA would agree to waive any right it may have under its lease of the space comprising the entire building known as 6 World Trade Center (the Lease) for use by the U.S. Customs Service to have the building rebuilt at the specific location where it formerly stood prior to the events of September 11, 2001, and all rights, licenses, privileges and options of the lessee granted by the Lease with respect to the specific location of that building.

The GSA would retain all its other rights, rights of renewal, licenses, privileges and options under the Lease, including but not limited to, the right to have the building rebuilt on the World Trade Center (WTC) site and the right to occupy the building at the rental rates established in the Lease, as amended. In lieu of having the building rebuilt at its exact former location, the proposed agreement gives the GSA the option to occupy an equivalent amount of space in another building within the WTC site at the rental rates established in the Lease.

This agreement allows for the continued planning and redevelopment of not only the 1776-foot-high tower which has been planned for the location of the former Customs House building, but for the entire WTC site, including the memorial, Port Authority Trans-Hudson system Terminal and associated transit connections, and the commercial elements of the redevelopment, and provides the Port Authority and the WTC net lessees the ability to plan for the demands of the expedited reconstruction schedule that has been called for, without compromising the Port Authority's responsibility to the GSA.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Memorandum of Agreement with the U.S. General Services Administration (GSA) to relinquish the GSA's rights to redevelop their former building known as 6 World Trade Center in the location where it formerly stood, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

NEW JERSEY PARK-AND-RIDE FACILITIES – PORT AUTHORITY PARTICIPATION

It was recommended that the Board authorize the Executive Director to provide \$30 million towards the development of “Park-and-Ride” parking facilities at five locations in New Jersey, to serve commuters who use Port Authority facilities.

The provision of adequate parking facilities is critical to encouraging the use of mass transportation by trans-Hudson commuters, thereby reducing congestion on the Port Authority’s bridges and tunnels. Many users of the Port Authority Trans-Hudson (PATH) system use or are likely to use New Jersey Transit Corporation (NJ Transit) facilities as part of their commuting trips. Ridership levels on NJ Transit trains and buses have outpaced the availability of parking spaces for NJ Transit’s customers. The demand for commuter parking in New Jersey is expected to increase substantially with the opening of NJ Transit’s Secaucus Transfer Station, which will link 11 of NJ Transit’s 12 rail lines and is anticipated to open by late 2003.

The proposed funding would assist in the development of Park-and-Ride facilities at the following locations:

- Clifton, New Jersey – parking lot to be developed at an estimated cost of \$1,740,000 to serve commuters using NJ Transit’s Main Line, which, in addition to serving the Secaucus Transfer Station, continues on into Hoboken Terminal, where passengers can transfer to PATH. Construction of this lot is expected to be completed in August 2004
- Garfield, New Jersey – parking lot to be developed at an estimated cost of \$2,260,000 to serve users of NJ Transit’s Bergen Line, which also serves the Secaucus Transfer Station, the Hoboken Terminal and PATH. It is anticipated that construction of this lot will conclude in October 2004.
- Wayne, New Jersey – parking deck near Route 23 to be developed and built at an estimated cost of \$20,000,000. Peak-hour express bus service is to be provided from this parking deck to the Port Authority Bus Terminal (PABT). It is expected that construction of this parking deck will be completed by July 2005.
- Essex County – three-story parking facilities to be developed at South Mountain Arena in West Orange and Riverfront Stadium in Newark, respectively, at a total estimated cost of \$12,000,000, of which the Port Authority would provide \$6,000,000, with additional funds to be provided by NJ Transit, the County of Essex, and the New Jersey Casino Redevelopment Fund. Commuters using these facilities will be able to connect to PATH and buses traveling to the PABT.

Agreements would be negotiated with an appropriate public agency or agencies (including NJ Transit), which would be responsible for the design, engineering, environmental analysis and construction of the parking facilities, the operation and maintenance of the facilities, and negotiations with affected municipalities as required.

The public agency or agencies will also be responsible for ensuring that any agreement it enters into with any affected municipality is consistent and compatible with the funding agreement to be entered into with the Port Authority. Payments are to be made as costs for the work involved are incurred.

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

RESOLVED, that the Executive Director be and he hereby is authorized to provide \$30 million in funding for the development of “Park-and-Ride” parking facilities at five locations in the New Jersey municipalities of Clifton, Garfield, Wayne, South Orange and Newark; and it is further

RESOLVED, that, in connection with the foregoing, the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement or agreements with New Jersey Transit Corporation, or other public or private entities as he deems necessary or appropriate to govern the foregoing provision of funds by the Port Authority; and it is further

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

CONTRACT SETTLEMENT WITH THE PORT AUTHORITY MARITIME REPRESENTATIVE IN ANTWERP, BELGIUM

It was recommended that the Board authorize the Executive Director to enter into a severance agreement with Umno Bruns, the Port Authority's former maritime representative for Europe, the Middle East and Africa working out of an office in Antwerp, Belgium, pursuant to which the Port Authority would pay an additional amount of approximately 70,400 Euros (a portion of which would be paid to Mr. Bruns, with the remaining portion to cover Belgian tax liabilities resulting from the payment to Mr. Bruns) as part of a negotiated final severance package. Based on present exchange rates, the value of 70,400 Euros is approximately \$79,900. The additional payment to Mr. Bruns would result in a total severance package cost to the Port Authority of approximately 152,000 Euros, because of a previous payment made to Mr. Bruns as partial settlement.

Mr. Bruns was hired by the Port Authority on September 1, 1992 as a contract representative to promote the maritime business of the Port Authority in Europe, the Middle East and Africa. Since 1992, the maritime business market has changed, and the need for the Port Authority to retain a maritime business representative in the Antwerp, Belgium location has diminished greatly. In order to increase efficiency, reduce costs and obtain more effective representation in a market more critical to the Port Authority's maritime business, staff decided to close the office in Antwerp effective December 31, 2002, and, for the immediate future, to consolidate the activities with those of the Port Authority's existing Business Development Office in London. The costs of maintaining a representative office in Antwerp exceeded the office's business benefits to the Port Authority.

In April 2003, a payment in the amount of approximately 81,600 Euros was made as partial settlement of the Port Authority's severance obligations under Belgian law with respect to Mr. Bruns (part of this amount was paid directly to Mr. Bruns, and part was paid to the Belgian government to cover tax obligations), until the final terms could be negotiated. This payment represented the minimum amount of salary to which Mr. Bruns would be entitled as severance under Belgian law, and the payment was made to preclude Mr. Bruns from filing a proceeding in a Belgian court claiming that the Port Authority was avoiding its minimum severance obligations.

The additional severance payment to Mr. Bruns would include, in addition to a salary component, compensation for his agreeing to a "non-competition" clause, which would bar Mr. Bruns for a specified time from engaging in any activities in behalf of another person or entity that is in competition with the business of the Port Authority.

Belgium has strict severance laws protecting the rights of employees whose services are terminated. The proposed settlement with Mr. Bruns would avoid a potentially higher payment by the Port Authority that might be imposed by a Belgian court, as well as additional legal fees, if Mr. Bruns were to file a legal proceeding seeking greater severance benefits.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Ummo Bruns, the Port Authority's former maritime representative in Antwerp, Belgium, pursuant to which the Port Authority would pay an additional amount of approximately 70,400 Euros as part of a negotiated final severance package; and it is further

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

SETTLEMENT OF CLAIM – THE PORT AUTHORITY v. SYNDICATE 53 AND THACHER PROFFITT & WOOD

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to enter into an agreement with defendants Syndicate 53 and Thacher Proffitt & Wood to provide for settlement of the Port Authority's claims sounding in breach of contract and negligent interference with contract by payment to the Port Authority of the total sum of \$107,500. In return, the Port Authority would provide the defendants with a General Release and a Stipulation of Discontinuance, with prejudice.

This claim arises out of a settlement of a personal injury action entitled Noel Curran-Morris v. The Port Authority of New York and New Jersey, et al., wherein the Port Authority agreed to pay the amount of \$5,500,000 in full settlement of that claim.

The amount of that settlement was to be paid out as follows: the Port Authority to pay \$3,000,000 and the balance of the settlement (\$2,500,000) to be paid pursuant to an excess liability policy placed with a group of twelve underwriting members of Lloyds of London also known as Underwriters at Interest. Each underwriting member subscribed to a percentage share of excess liability above the self-insured retention pursuant to the aforementioned policy.

On March 2, 2001, the Port Authority became liable to pay the settlement, and on May 8, 2001, underwriting member Syndicate 53 disclaimed coverage and refused to pay its *pro rata* share under the policy, pursuant to the advice of their counsel, the law firm of Thacher Proffitt & Wood.

The Port Authority commenced suit in December 2002, alleging breach of contract as to Syndicate 53 and intentional interference with contract as to Thacher Proffitt & Wood, and seeking damages in the amount of Syndicate 53's *pro rata* share, to wit, \$100,000. Negotiations among the parties took place. The Port Authority took the position that because the monies were due in March 2001, two years of statutory interest was also due, bringing the total claim of the Port Authority to approximately \$118,000. Said negotiations resulted in the defendants offering \$107,500 in full settlement of the claim.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a settlement of a lawsuit entitled The Port Authority of New York and New Jersey v. Syndicate 53 and Thacher Proffitt & Wood by accepting the sum of \$107,500 from defendants Syndicate 53 and Thacher Proffitt & Wood.

SETTLEMENT OF CLAIM – LORRAINE LORENZO v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, et al.

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to enter into a settlement of a personal injury claim in the action entitled Lorraine Lorenzo v. The Port Authority of New York and New Jersey, et al. by payment of \$150,000, inclusive of attorneys' fees. In return, plaintiff will provide the Port Authority with a General Release and Stipulation of Discontinuance, with prejudice.

Plaintiff Lorraine Lorenzo (Plaintiff) was an underwriting employee of AIG Insurance Companies, with more than twenty-two years of service, assigned to an office in Lower Manhattan. On November 11, 1999, at about 1 p.m., she was crossing Liberty Street, at Church Street, in order to enter the World Trade Center (WTC) Concourse to shop. Plaintiff claims that in doing so she stepped onto a raised concrete island, which was wholly within the Port Authority's property line. (The island helped to form the parking area which ran on the east side of the WTC.) As she was crossing the concrete island, Plaintiff stepped into a depression in the concrete, adjacent to the curved metal curb of the island. The defect appeared to have been of longstanding duration and to have been the result of erosion over a long period of time. The existence of the defect was confirmed by photographs and by deposition of Port Authority maintenance personnel.

Plaintiff sustained a comminuted fracture of her patella. It has required three surgical procedures, and some hardware remains at the site of her injuries. Plaintiff has lost nine months from work and incurred medical expenses in excess of \$13,000.

In view of the potential of a substantially higher jury verdict should this matter proceed to trial, staff recommended that it would be in the best interest of the Port Authority for the proposed settlement to be authorized.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with plaintiff Lorraine Lorenzo and her attorneys to provide for the settlement of a lawsuit for personal injuries entitled Lorraine Lorenzo v. The Port Authority of New York and New Jersey, et al., by paying plaintiff and her attorneys the sum of \$150,000, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY v. M/V GENOA SENATOR, et al.

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to enter into an agreement with defendants M/V Genoa Senator, DSR Senator Lines, Santa Monica Beteiligung mbH & Co., Moran Towing Company, Tow Vessel Miriam Moran, Peter Donath, David Wood, Lynn P. Vanderwater, Jr., and Rodin J. Schlossberg to provide for the settlement of a claim for damages to a Port Authority pier caused by defendants, by accepting the sum of \$265,000, plus interest in an amount to be determined by a neutral arbitrator. In exchange, the Port Authority will tender a General Release and Stipulation of Dismissal of the action with prejudice.

On March 7, 1995, the M/V Genoa Senator struck the Port Authority pier at the Auto Marine Terminal in Bayonne, New Jersey, causing extensive damage to the pier. The ship was under the command of Captain Peter Donath. The Docking Master was Rodin Schlossberg. The ship was being assisted in the docking operation by the Tug Miriam Moran, which was being captained by David Wood. The Miriam Moran is owned by Moran Towing Corporation.

After pretrial motions were decided, the defendants offered to pay the Port Authority \$265,000 plus unspecified interest. The amount of the proposed settlement represents the quantum of the Port Authority's provable damages resulting from the incident. The parties have agreed to submit the remaining issue regarding the amount of interest due, if any, to a neutral arbitrator.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with defendants M/V Genoa Senator, DSR Senator Lines, Santa Monica Beteiligung mbH & Co., Moran Towing Company, Tow Vessel Miriam Moran, Peter Donath, David Wood, Lynn P. Vanderwater, Jr., and Rodin J. Schlossberg, to provide for the settlement of a lawsuit entitled The Port Authority of New York and New Jersey v M/V Genoa Senator, et al., for property damages by payment to the Port Authority of the amount of \$265,000, plus unspecified interest in an amount to be determined by a neutral arbitrator.

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 May 1, 2003 to May 31, 2003.

| CONTRACT NUMBER | CONTRACT TITLE FACILITY AND CONTRACTOR | TOTAL AUTHORIZED | TOTAL PAYMENTS |
|------------------------|---|-----------------------------|---------------------------|
| BP394013 | PIERS 9A & 9B PILES & BULKHEAD | 462,000 (A) | 462,000 (A) |
| | REHABILITATION | 2,022,541 (B) | 2,022,541 (B) |
| | BROOKLYN PORT AUTHORITY | 100,000 (C) | 96,640 (C) |
| | MARINE TERMINAL | 149,072 (D) | 54,401 (D) |
| | PHOENIX MARINE COMPANY | 202,254 (E) | 78,785 (E) |
| | | 2,935,867 | 2,714,367 |
| EWR154165 | FACILITY PRIORITY IMPROVEMENTS | 5,000,000 (C) | 4,666,977 (C) |
| | PHASE I NEWARK LIBERTY INTERNATIONAL AIRPORT D'ANNUNZIO & SONS, INC. | 5,000,000 | 4,666,977 |
| EWR244017 | EWR MONORAIL - NEC CONNECTION STATION | 6,000,000 (C) | 6,000,000 (C) |
| | CONNECTOR BRIDGE FINISHES & REMOTE BAGGAGE CHECK-IN NEWARK LIBERTY INTERNATIONAL AIRPORT GRANITE HALMAR CONSTRUCTION COMPANY | 6,000,000 | 6,000,000 |
| GWB244005 | REHABILITATION OF PIP/UPPER LEVEL INTERCHANGE | 4,280,000 (A) | 4,280,000 (A) |
| | GEORGE WASHINGTON BRIDGE | 868,300 (B) | 613,268 (B) |
| | GARDNER M. BISHOP, INC. & | 250,000 (C) | 28,183 (C) |
| | JOSEPH M. | 309,000 (D) | 109,727 (D) |
| | SANZARI, INC., A JV | --0-- (F) | 69,268 (F) |
| | | 5,707,300 | 5,100,446 |

| | | | |
|-----------|--|-------------|-------------|
| JFK110266 | COMPUTERIZED SECURITY SYSTEM FOR BUILDING #14 & GUARD POSTS | 458,000 (A) | 458,000 (A) |
| | JOHN F. KENNEDY INTERNATIONAL AIRPORT | 50,000 (C) | --0-- (C) |
| | GILSTON ELECTRICAL CONTRACTING CORP. | 46,000 (D) | 45,673 (D) |
| | | 554,000 | 503,673 |
| MFP208 | REPLACEMENT OF BOOSTER FIRE PUMP IN BUILDINGS #30-32 | 120,000 (A) | 120,000 (A) |
| | BROOKLYN PORT AUTHORITY MARINE TERMINAL | 10,000 (C) | --0-- (C) |
| | CIPRIETTI - TOLISANO ASSOCIATES, INC. | 10,000 (D) | 9,903 (D) |
| | | 140,000 | 129,903 |

(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) Increase in Classified work.

(F) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$69,268 as provided for in the contract.

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

The Committee on Finance reported, for information only, that in accordance with 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 May 1, 2003 through May 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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-----------------|
| 05/01/03 | \$50,000,000 | USTB | -- | 07/03/03 | 99.81 | 1.105% | 1.112% | \$49,903,312.50 | Legg Mason |
| 05/01/03 | 50,000,000 | USTB | -- | 07/03/03 | 99.81 | 1.105 | 1.112 | 49,903,312.50 | Legg Mason |
| 05/01/03 | 39,000,000 | USTB | -- | 08/14/03 | 99.67 | 1.115 | 1.123 | 38,873,168.75 | Mizuho |
| 05/01/03 | 50,000,000 | USTB | -- | 07/03/03 | 99.81 | 1.105 | 1.112 | 49,903,312.50 | Legg Mason |
| 05/01/03 | 50,000,000 | USTB | -- | 06/26/03 | 99.83 | 1.090 | 1.097 | 49,915,222.22 | Mizuho |
| 05/01/03 | 25,000,000 | FHDN | -- | 05/28/03 | 99.91 | 1.180 | 1.188 | 24,977,875.00 | Mizuho |
| 05/01/03 | 50,000,000 | GECC CP | -- | 05/05/03 | 99.99 | 1.200 | 1.207 | 49,993,333.33 | G.E. Capital |
| 05/01/03 | 50,000,000 | GECC CP | -- | 05/05/03 | 99.99 | 1.200 | 1.207 | 49,993,333.33 | G.E. Capital |
| 05/01/03 | 50,000,000 | UBSFIN CP | -- | 05/05/03 | 99.99 | 1.240 | 1.248 | 49,993,111.11 | Lehman Brothers |
| 05/01/03 | 50,000,000 | UBSFIN CP | -- | 05/05/03 | 99.99 | 1.240 | 1.248 | 49,993,111.11 | Lehman Brothers |
| 05/01/03 | 47,230,000 | CITIGROUP CP | -- | 05/05/03 | 99.99 | 1.250 | 1.258 | 47,223,440.28 | Citigroup |
| 05/01/03 | 300,000 | JFK-APO | 6.375% | 12/01/15 | 99.90 | | 6.387 | 299,700.00 | JFKIAT-APO |

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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 05/01/03 | \$50,000,000 | USTB | -- | 05/29/03 | 99.91 | 1.100% | 1.107% | \$49,957,222.22 | Greenwich Capital |
| 05/02/03 | 29,620,000 | FNDN | -- | 05/05/03 | 99.99 | 1.140 | 1.147 | 29,617,186.10 | Lehman Brothers |
| 05/02/03 | 25,000,000 | FNDN | -- | 05/05/03 | 99.99 | 1.140 | 1.147 | 24,997,625.00 | Lehman Brothers |
| 05/02/03 | 50,000,000 | CITIGLOBAL | -- | 05/07/03 | 99.98 | 1.220 | 1.228 | 49,991,527.78 | Citiglobal |
| 05/05/03 | 23,000,000 | FCDN | -- | 05/20/03 | 99.95 | 1.160 | 1.167 | 22,988,883.33 | Mizuho |
| 05/05/03 | 50,000,000 | FHDN | -- | 05/30/03 | 99.92 | 1.160 | 1.167 | 49,959,722.22 | Bank of America |
| 05/05/03 | 50,000,000 | GE CORP CP | -- | 05/06/03 | 99.99 | 1.220 | 1.227 | 49,998,305.56 | G.E. Capital |
| 05/05/03 | 50,000,000 | GE CORP CP | -- | 05/06/03 | 99.99 | 1.220 | 1.227 | 49,998,305.56 | G.E. Capital |
| 05/05/03 | 50,000,000 | UBSFIN CP | -- | 05/06/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Lehman Brothers |
| 05/05/03 | 25,225,000 | CITIGROUP CP | -- | 05/06/03 | 99.99 | 1.230 | 1.238 | 25,224,138.15 | Citigroup |
| 05/05/03 | 50,000,000 | UBSFIN CP | -- | 05/06/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Bank of America |
| 05/06/03 | 50,000,000 | GECC CP | -- | 05/07/03 | 99.99 | 1.180 | 1.187 | 49,998,361.11 | G.E. Capital |

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

Purchase of Securities (Cont.)

| <u>Purchase Date</u> | <u>Par Value</u> | <u>Description</u> | <u>Coupon Rate</u> | <u>Maturity Date</u> | <u>Purchase Price</u> | <u>Discount Rate</u> | <u>BEY @Cost</u> | <u>Principal</u> | <u>Dealer</u> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-----------------|
| 05/06/03 | \$50,000,000 | GECC CP | -- | 05/07/03 | 99.99 | 1.150% | 1.157% | \$49,998,402.78 | G.E. Capital |
| 05/06/03 | 50,000,000 | UBSFIN CP | -- | 05/07/03 | 99.99 | 1.200 | 1.207 | 49,998,333.33 | Lehman Brothers |
| 05/06/03 | 50,000,000 | CITIGLOBAL CP | -- | 05/07/03 | 99.99 | 1.170 | 1.177 | 49,998,375.00 | Citiglobal |
| 05/06/03 | 50,000,000 | UBSFIN CP | -- | 05/07/03 | 99.99 | 1.200 | 1.207 | 49,998,333.33 | Bank of America |
| 05/07/03 | 50,000,000 | FHDN | -- | 06/04/03 | 99.91 | 1.150 | 1.157 | 49,955,277.78 | Bank of America |
| 05/07/03 | 35,000,000 | FHDN | -- | 06/04/03 | 99.91 | 1.150 | 1.157 | 34,968,694.44 | Bank of America |
| 05/07/03 | 50,000,000 | GE CORP CP | -- | 05/12/03 | 99.98 | 1.220 | 1.228 | 49,991,527.78 | G.E. Capital |
| 05/07/03 | 50,000,000 | GE CORP CP | -- | 05/12/03 | 99.98 | 1.220 | 1.228 | 49,991,527.78 | G.E. Capital |
| 05/07/03 | 50,000,000 | UBSFIN CP | -- | 05/12/03 | 99.98 | 1.230 | 1.238 | 49,991,458.33 | Lehman Brothers |
| 05/07/03 | 50,000,000 | UBSFIN CP | -- | 05/12/03 | 99.98 | 1.230 | 1.238 | 49,991,458.33 | Lehman Brothers |
| 05/08/03 | 22,000,000 | USTB | -- | 08/07/03 | 99.73 | 1.085 | 1.092 | 21,939,661.94 | Bank of America |
| 05/08/03 | 50,000,000 | USTB | -- | 08/07/03 | 99.73 | 1.085 | 1.092 | 49,862,868.06 | Bank of America |

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

Purchase of Securities (Cont.)

| <u>Purchase Date</u> | <u>Par Value</u> | <u>Description</u> | <u>Coupon Rate</u> | <u>Maturity Date</u> | <u>Purchase Price</u> | <u>Discount Rate</u> | <u>BEY @Cost</u> | <u>Principal</u> | <u>Dealer</u> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-----------------|
| 05/08/03 | \$5,000,000 | USTB | -- | 08/07/03 | 99.73 | 1.085% | 1.092% | \$4,986,286.81 | Bank of America |
| 05/08/03 | 50,000,000 | USTB | -- | 05/22/03 | 99.96 | 1.065 | 1.071 | 49,979,291.67 | Bank of America |
| 05/08/03 | 25,000,000 | CITIGLOBAL | -- | 05/09/03 | 99.99 | 1.250 | 1.258 | 24,999,131.94 | Citiglobal |
| 05/08/03 | 50,000,000 | CITIGLOBAL | -- | 05/09/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Citiglobal |
| 05/09/03 | 50,000,000 | FHDN | -- | 07/11/03 | 99.80 | 1.150 | 1.158 | 49,899,375.00 | Mizuho |
| 05/09/03 | 50,000,000 | FHDN | -- | 06/06/03 | 99.91 | 1.170 | 1.177 | 49,954,500.00 | Bank of America |
| 05/09/03 | 11,500,000 | CITICORP CP | -- | 05/12/03 | 99.99 | 1.190 | 1.197 | 11,498,859.58 | Citicorp |
| 05/09/03 | 50,000,000 | CITIGLOBAL | -- | 05/12/03 | 99.99 | 1.230 | 1.238 | 49,994,875.00 | Citiglobal |
| 05/09/03 | 25,000,000 | CITIGLOBAL | -- | 05/12/03 | 99.99 | 1.230 | 1.238 | 24,997,437.50 | Citiglobal |
| 05/12/03 | 50,000,000 | USTB | -- | 08/07/03 | 99.74 | 1.070 | 1.077 | 49,870,708.33 | Merrill Lynch |
| 05/12/03 | 50,000,000 | USTB | -- | 08/07/03 | 99.74 | 1.070 | 1.077 | 49,870,708.33 | Merrill Lynch |
| 05/12/03 | 50,000,000 | USTB | -- | 09/11/03 | 99.63 | 1.090 | 1.098 | 49,815,305.56 | Legg Mason |

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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 05/12/03 | \$50,000,000 | USTB | -- | 09/11/03 | 99.63 | 1.090% | 1.098% | \$49,815,305.56 | Legg Mason |
| 05/12/03 | 50,000,000 | GECC CP | -- | 05/13/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | G.E. Capital |
| 05/12/03 | 50,000,000 | UBSFIN CP | -- | 05/13/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Bank of America |
| 05/12/03 | 50,000,000 | UBSFIN CP | -- | 05/13/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Bank of America |
| 05/13/03 | 40,000,000 | GECC CP | -- | 05/14/03 | 99.99 | 1.230 | 1.238 | 39,998,633.33 | G.E. Capital |
| 05/13/03 | 50,000,000 | CITIGLOBAL CP | -- | 05/15/03 | 99.99 | 1.250 | 1.258 | 49,996,527.78 | Citiglobal |
| 05/13/03 | 50,000,000 | UBSFIN CP | -- | 05/14/03 | 99.99 | 1.240 | 1.248 | 49,998,277.78 | Bank of America |
| 05/13/03 | 40,000,000 | UBSFIN CP | -- | 05/14/03 | 99.99 | 1.240 | 1.248 | 39,998,622.22 | Bank of America |
| 05/14/03 | 32,393,000 | USTB | -- | 07/10/03 | 99.84 | 1.005 | 1.012 | 32,341,454.64 | Greenwich Capital |
| 05/14/03 | 50,000,000 | USTB | -- | 07/10/03 | 99.84 | 1.005 | 1.012 | 49,920,437.50 | Greenwich Capital |
| 05/14/03 | 190,000 | USTB | -- | 10/09/03 | 99.56 | 1.080 | 1.088 | 189,156.40 | Merrill Lynch |
| 05/14/03 | 232,000 | USTB | -- | 08/21/03 | 99.71 | 1.070 | 1.077 | 231,317.34 | Bank of America |

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

Purchase of Securities (Cont.)

| <u>Purchase Date</u> | <u>Par Value</u> | <u>Description</u> | <u>Coupon Rate</u> | <u>Maturity Date</u> | <u>Purchase Price</u> | <u>Discount Rate</u> | <u>BEY @Cost</u> | <u>Principal</u> | <u>Dealer</u> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 05/14/03 | \$29,000,000 | FHDN | -- | 06/11/03 | 99.91 | 1.175% | 1.182% | \$28,973,497.22 | Merrill Lynch |
| 05/14/03 | 50,000,000 | FHDN | -- | 06/11/03 | 99.91 | 1.175 | 1.182 | 49,954,305.56 | Merrill Lynch |
| 05/14/03 | 50,000,000 | CITIGLOBAL | -- | 05/15/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Citiglobal |
| 05/14/03 | 30,950,000 | UBSFIN CP | -- | 05/15/03 | 99.99 | 1.250 | 1.258 | 30,948,925.35 | Bank of America |
| 05/14/03 | 50,000,000 | UBSFIN CP | -- | 05/15/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Bank of America |
| 05/15/03 | 50,000,000 | GECC CP | -- | 05/16/03 | 99.99 | 1.360 | 1.369 | 49,998,111.11 | G.E. Capital |
| 05/15/03 | 50,000,000 | GECC CP | -- | 05/16/03 | 99.99 | 1.360 | 1.369 | 49,998,111.11 | G.E. Capital |
| 05/15/03 | 46,100,000 | UBSFIN CP | -- | 05/16/03 | 99.99 | 1.330 | 1.339 | 46,098,296.86 | Bank of America |
| 05/16/03 | 25,000,000 | FHDN | -- | 06/13/03 | 99.91 | 1.180 | 1.188 | 24,977,055.50 | Greenwich Capital |
| 05/16/03 | 50,000,000 | GECC CP | -- | 05/19/03 | 99.99 | 1.250 | 1.258 | 49,994,791.67 | G.E. Capital |
| 05/16/03 | 50,000,000 | GECC CP | -- | 05/19/03 | 99.99 | 1.250 | 1.258 | 49,994,791.67 | G.E. Capital |
| 05/16/03 | 50,000,000 | UBSFIN CP | -- | 05/19/03 | 99.99 | 1.230 | 1.238 | 49,994,875.00 | Bank of America |

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

Purchase of Securities (Cont.)

| <u>Purchase Date</u> | <u>Par Value</u> | <u>Description</u> | <u>Coupon Rate</u> | <u>Maturity Date</u> | <u>Purchase Price</u> | <u>Discount Rate</u> | <u>BEY @Cost</u> | <u>Principal</u> | <u>Dealer</u> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 05/19/03 | \$50,000,000 | GECC CP | -- | 05/20/03 | 99.99 | 1.250% | 1.258% | \$49,998,263.89 | G.E. Capital |
| 05/19/03 | 50,000,000 | UBSFIN CP | -- | 05/20/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Lehman Brothers |
| 05/19/03 | 50,000,000 | UBSFIN CP | -- | 05/20/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | Lehman Brothers |
| 05/19/03 | 8,625,000 | CITIGLOBAL | -- | 05/20/03 | 99.99 | 1.240 | 1.248 | 8,624,702.92 | Citiglobal |
| 05/20/03 | 21,000,000 | FCDN | -- | 06/13/03 | 99.92 | 1.170 | 1.177 | 20,983,620.00 | Merrill Lynch |
| 05/20/03 | 27,000,000 | FNDN | -- | 08/13/03 | 99.73 | 1.135 | 1.143 | 26,927,643.75 | Bank of America |
| 05/20/03 | 50,000,000 | GE CORP | -- | 05/21/03 | 99.99 | 1.230 | 1.238 | 49,998,291.67 | G.E. Capital |
| 05/20/03 | 33,000,000 | GE CORP | -- | 05/21/03 | 99.99 | 1.230 | 1.238 | 32,998,872.50 | G.E. Capital |
| 05/20/03 | 50,000,000 | UBSFIN CP | -- | 05/21/03 | 99.99 | 1.220 | 1.227 | 49,998,305.56 | Lehman Brothers |
| 05/20/03 | 50,000,000 | UBSFIN CP | -- | 05/21/03 | 99.99 | 1.220 | 1.227 | 49,998,305.56 | Bank of America |
| 05/21/03 | 40,366,000 | USTB | -- | 05/27/03 | 99.98 | 1.160 | 1.167 | 40,358,195.91 | Greenwich Capital |
| 05/21/03 | 16,690,000 | USTB | -- | 05/27/03 | 99.98 | 1.160 | 1.167 | 16,686,773.27 | 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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-------------------|
| 05/21/03 | \$50,000,000 | FNDN | -- | 07/23/03 | 99.80 | 1.160% | 1.168% | \$49,898,500.00 | Greenwich Capital |
| 05/21/03 | 50,000,000 | GE CORP CP | -- | 05/22/03 | 99.99 | 1.230 | 1.238 | 49,998,291.67 | G.E. Capital |
| 05/21/03 | 25,000,000 | GE CORP CP | -- | 05/22/03 | 99.99 | 1.230 | 1.238 | 24,999,145.83 | G.E. Capital |
| 05/21/03 | 50,000,000 | UBSFIN CP | -- | 05/27/03 | 99.98 | 1.220 | 1.228 | 49,989,833.33 | Bank of America |
| 05/21/03 | 50,000,000 | UBSFIN CP | -- | 05/27/03 | 99.98 | 1.220 | 1.228 | 49,989,833.33 | Bank of America |
| 05/21/03 | 19,818,000 | USTB | -- | 05/27/03 | 99.98 | 1.160 | 1.167 | 19,814,168.52 | Greenwich Capital |
| 05/21/03 | 16,465,000 | USTB | -- | 05/27/03 | 99.98 | 1.160 | 1.167 | 16,461,816.77 | Bank of America |
| 05/21/03 | 50,000,000 | USTB | -- | 05/27/03 | 99.98 | 1.160 | 1.167 | 49,990,333.33 | Bank of America |
| 05/21/03 | 50,000,000 | USTB | -- | 05/27/03 | 99.98 | 1.160 | 1.167 | 49,990,333.33 | Bank of America |
| 05/21/03 | 50,000,000 | USTB | -- | 05/27/03 | 99.98 | 1.160 | 1.167 | 49,990,333.33 | Mizuho |
| 05/21/03 | 48,966,000 | USTB | -- | 05/27/03 | 99.98 | 1.160 | 1.167 | 48,956,533.24 | Mizuho |
| 05/22/03 | 50,000,000 | USTB | -- | 08/21/03 | 99.74 | 1.020 | 1.027 | 49,871,083.33 | Legg Mason |

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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|---------------|
| 05/22/03 | \$50,000,000 | USTB | -- | 11/20/03 | 99.48 | 1.020% | 1.028% | \$49,742,166.67 | Legg Mason |
| 05/22/03 | 50,000,000 | USTB | -- | 06/19/03 | 99.92 | 1.090 | 1.096 | 49,957,611.11 | Mizuho |
| 05/22/03 | 12,000,000 | USTB | -- | 08/21/03 | 99.74 | 1.025 | 1.032 | 11,968,908.33 | Mizuho |
| 05/22/03 | 37,150,000 | USTB | -- | 08/21/03 | 99.74 | 1.030 | 1.037 | 37,053,275.85 | Mizuho |
| 05/22/03 | 50,000,000 | USTB | -- | 08/21/03 | 99.74 | 1.030 | 1.037 | 49,869,819.44 | Mizuho |
| 05/22/03 | 38,000,000 | FHDN | -- | 06/18/03 | 99.91 | 1.170 | 1.177 | 37,966,655.00 | Mizuho |
| 05/22/03 | 30,000,000 | GE CORP CP | -- | 05/23/03 | 99.99 | 1.230 | 1.238 | 29,998,975.00 | G.E. Capital |
| 05/22/03 | 50,000,000 | CITIGLOBAL | -- | 05/23/03 | 99.99 | 1.220 | 1.227 | 49,998,305.56 | Citiglobal |
| 05/22/03 | 50,000,000 | CITIGLOBAL | -- | 05/27/03 | 99.98 | 1.210 | 1.217 | 49,991,597.22 | Citiglobal |
| 05/23/03 | 50,000,000 | FHDN | -- | 07/25/03 | 99.80 | 1.150 | 1.158 | 49,899,375.00 | Mizuho |
| 05/27/03 | 50,000,000 | GE CORP | -- | 05/28/03 | 99.99 | 1.250 | 1.258 | 49,998,263.89 | G.E. Capital |
| 05/27/03 | 40,500,000 | GECC CP | -- | 05/28/03 | 99.99 | 1.270 | 1.278 | 40,498,571.25 | 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> |
|----------------------|------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|------------------|-----------------|
| 05/27/03 | \$50,000,000 | UBSFIN CP | -- | 05/28/03 | 99.99 | 1.260% | 1.268% | \$49,998,250.00 | Bank of America |
| 05/27/03 | 50,000,000 | UBSFIN CP | -- | 05/28/03 | 99.99 | 1.260 | 1.268 | 49,998,250.00 | Bank of America |
| 05/28/03 | 50,000,000 | USTB | -- | 06/19/03 | 99.93 | 1.145 | 1.152 | 49,965,013.89 | Bank of America |
| 05/28/03 | 25,000,000 | FNDN | -- | 06/30/03 | 99.89 | 1.180 | 1.188 | 24,972,958.33 | Merrill Lynch |
| 05/28/03 | 50,000,000 | FNDN | -- | 06/20/03 | 99.92 | 1.190 | 1.198 | 49,961,986.11 | Bank of America |
| 05/28/03 | 50,000,000 | GE CORP CP | -- | 05/29/03 | 99.99 | 1.290 | 1.298 | 49,998,208.33 | G.E. Capital |
| 05/28/03 | 50,000,000 | GE CORP CP | -- | 05/29/03 | 99.99 | 1.290 | 1.298 | 49,998,208.33 | G.E. Capital |
| 05/28/03 | 50,000,000 | UBSFIN CP | -- | 05/29/03 | 99.99 | 1.270 | 1.278 | 49,998,236.11 | Bank of America |
| 05/28/03 | 14,000,000 | UBSFIN CP | -- | 05/29/03 | 99.99 | 1.270 | 1.278 | 13,999,506.11 | Bank of America |
| 05/28/03 | 45,260,000 | USTB | -- | 06/19/03 | 99.93 | 1.145 | 1.152 | 45,228,330.57 | ABN AMRO |
| 05/28/03 | 50,000,000 | USTB | -- | 06/19/03 | 99.93 | 1.145 | 1.152 | 49,965,013.99 | Mizuho |
| 05/29/03 | 50,000,000 | GE CORP CP | -- | 05/30/03 | 99.99 | 1.300 | 1.309 | 49,998,194.44 | G.E. Capital |

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

Purchase of Securities (Cont.)

| <u>Purchase Date</u> | <u>Par Value</u> | <u>Description</u> | <u>Coupon Rate</u> | <u>Maturity Date</u> | <u>Purchase Price</u> | <u>Discount Rate</u> | <u>BEY @Cost</u> | <u>Principal</u> | <u>Dealer</u> |
|----------------------|------------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------|---------------------------|-------------------|
| 05/29/03 | \$50,000,000 | GE CORP CP | -- | 05/30/03 | 99.99 | 1.300% | 1.309% | \$49,998,194.44 | G.E. Capital |
| 05/29/03 | 25,000,000 | UBSFIN CP | -- | 05/30/03 | 99.99 | 1.300 | 1.309 | 24,999,097.22 | Lehman Brothers |
| 05/29/03 | 50,000,000 | UBSFIN CP | -- | 05/30/03 | 99.99 | 1.300 | 1.309 | 49,998,194.44 | Lehman Brothers |
| 05/29/03 | 25,000,000 | UBSFIN CP | -- | 05/30/03 | 99.99 | 1.300 | 1.309 | 24,999,097.22 | Bank of America |
| 05/30/03 | 50,000,000 | FHDN | -- | 07/30/03 | 99.80 | 1.180 | 1.188 | 49,900,027.78 | Greenwich Capital |
| 05/30/03 | 50,000,000 | GECC CP | -- | 06/02/03 | 99.99 | 1.350 | 1.359 | 49,994,375.00 | G.E. Capital |
| 05/30/03 | 50,000,000 | GECC CP | -- | 06/02/03 | 99.99 | 1.350 | 1.359 | 49,994,375.00 | G.E. Capital |
| 05/30/03 | 50,000,000 | UBSFIN CP | -- | 06/02/03 | 99.99 | 1.350 | 1.359 | 49,994,375.00 | Bank of America |
| 05/30/03 | <u>43,100,000</u> | UBSFIN CP | -- | 06/02/03 | 99.99 | 1.350 | 1.359 | <u>43,095,151.25</u> | Bank of America |
| | <u>\$5,423,680,000</u> | | | | | | | <u>\$5,420,182,789.68</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 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> |
|---------------|----------------------|------------------|------------------|----------------------|------------------------------|
| Nomura | 05/01/03 | 05/05/03 | \$ 1,184,000 | 1.190% | \$ 156.55 |
| Nomura | 05/01/03 | 05/05/03 | 3,327,000 | 1.190 | 439.90 |
| Nomura | 05/01/03 | 05/05/03 | 20,213,000 | 1.190 | 2,672.61 |
| Nomura | 05/01/03 | 05/05/03 | 43,930,000 | 1.190 | 5,808.52 |
| Nomura | 05/01/03 | 05/05/03 | 48,816,000 | 1.190 | 6,454.56 |
| Nomura | 05/01/03 | 05/05/03 | 48,816,000 | 1.190 | 6,454.56 |
| Mizuho | 05/02/03 | 05/06/03 | 24,370,000 | 1.150 | 3,147.79 * |
| Mizuho | 05/02/03 | 05/06/03 | 25,580,000 | 1.150 | 3,304.09 * |
| Daiwa | 05/05/03 | 05/06/03 | 1,104,000 | 1.200 | 36.80 |
| Daiwa | 05/05/03 | 05/06/03 | 3,136,000 | 1.200 | 104.53 |
| Daiwa | 05/05/03 | 05/06/03 | 16,089,000 | 1.200 | 536.30 |
| Daiwa | 05/05/03 | 05/06/03 | 17,657,000 | 1.200 | 588.57 |

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

Repurchase Transactions (Cont.)

| <u>Dealer</u> | <u>Purchase Date</u> | <u>Sale Date</u> | <u>Par Value</u> | <u>Interest Rate</u> | <u>Total Interest Earned</u> |
|-------------------|----------------------|------------------|------------------|----------------------|------------------------------|
| Daiwa | 05/05/03 | 05/06/03 | \$ 25,486,000 | 1.200% | \$ 849.53 |
| Daiwa | 05/05/03 | 05/06/03 | 50,000,000 | 1.200 | 1,666.67 |
| Daiwa | 05/05/03 | 05/06/03 | 50,735,000 | 1.200 | 1,691.17 |
| Greenwich Capital | 05/06/03 | 05/07/03 | 3,037,000 | 1.120 | 94.48 |
| Greenwich Capital | 05/06/03 | 05/07/03 | 19,226,000 | 1.120 | 598.14 |
| Nomura | 05/06/03 | 05/07/03 | 29,926,000 | 1.150 | 955.97 |
| Greenwich Capital | 05/06/03 | 05/07/03 | 43,144,000 | 1.120 | 1,342.26 |
| Greenwich Capital | 05/06/03 | 05/07/03 | 48,803,000 | 1.120 | 1,518.32 |
| Lehman Brothers | 05/07/03 | 05/08/03 | 380,000 | 1.200 | 12.67 * |
| BANC ONE | 05/07/03 | 05/08/03 | 6,372,000 | 1.180 | 208.86 |
| Nomura | 05/07/03 | 05/12/03 | 18,471,000 | 1.180 | 3,027.19 |
| Nomura | 05/07/03 | 05/12/03 | 27,753,750 | 1.180 | 4,548.53 |

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

Repurchase Transactions (Cont.)

| <u>Dealer</u> | <u>Purchase Date</u> | <u>Sale Date</u> | <u>Par Value</u> | <u>Interest Rate</u> | <u>Total Interest Earned</u> |
|-----------------|----------------------|------------------|------------------|----------------------|------------------------------|
| Nomura | 05/07/03 | 05/12/03 | \$ 42,770,000 | 1.180% | \$ 7,009.53 |
| Lehman Brothers | 05/07/03 | 05/08/03 | 49,445,000 | 1.200 | 1,648.17 * |
| BANC ONE | 05/07/03 | 05/08/03 | 49,754,000 | 1.180 | 1,630.83 |
| Nomura | 05/07/03 | 05/12/03 | 51,760,000 | 1.180 | 8,482.89 |
| Nomura | 05/07/03 | 05/12/03 | 52,246,250 | 1.180 | 8,562.58 |
| Mizuho | 05/08/03 | 05/15/03 | 24,968,750 | 1.200 | 5,826.04 * |
| Lehman Brothers | 05/08/03 | 05/12/03 | 39,900,000 | 1.200 | 5,320.00 * |
| Lehman Brothers | 05/08/03 | 05/09/03 | 45,942,500 | 1.200 | 1,531.42 * |
| Lehman Brothers | 05/08/03 | 05/09/03 | 46,441,875 | 1.200 | 1,548.06 * |
| Lehman Brothers | 05/09/03 | 05/12/03 | 1,105,000 | 1.200 | 110.50 * |
| Lehman Brothers | 05/09/03 | 05/12/03 | 48,770,000 | 1.200 | 4,877.00 * |
| BNP Paribas | 05/12/03 | 05/13/03 | 17,932,000 | 1.210 | 602.71 |

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 | 05/12/03 | 05/13/03 | \$ 19,250,000 | 1.210% | \$ 647.01 |
| BNP Paribas | 05/12/03 | 05/13/03 | 42,065,000 | 1.210 | 1,413.85 |
| BNP Paribas | 05/12/03 | 05/13/03 | 42,753,000 | 1.210 | 1,436.98 |
| Nomura | 05/13/03 | 05/14/03 | 18,892,000 | 1.190 | 624.49 |
| Lehman Brothers | 05/13/03 | 05/15/03 | 27,625,000 | 1.200 | 1,841.67 * |
| Mizuho | 05/13/03 | 05/15/03 | 29,910,000 | 1.200 | 1,994.00 * |
| Mizuho | 05/13/03 | 05/15/03 | 34,895,000 | 1.200 | 2,326.33 * |
| Nomura | 05/13/03 | 05/14/03 | 42,728,000 | 1.190 | 1,412.40 |
| Nomura | 05/13/03 | 05/14/03 | 42,774,000 | 1.190 | 1,413.92 |
| Mizuho | 05/14/03 | 05/16/03 | 1,145,000 | 1.200 | 79.52 * |
| Mizuho | 05/14/03 | 05/16/03 | 1,145,000 | 1.200 | 79.52 * |
| Nomura | 05/14/03 | 05/19/03 | 2,403,000 | 1.220 | 407.18 |

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 | 05/14/03 | 05/19/03 | \$ 9,280,000 | 1.200% | \$ 1,546.67 |
| Nomura | 05/14/03 | 05/16/03 | 10,000,000 | 1.250 | 694.44 |
| Daiwa | 05/14/03 | 05/19/03 | 15,637,000 | 1.200 | 2,606.17 |
| Daiwa | 05/14/03 | 05/19/03 | 17,562,000 | 1.200 | 2,927.00 |
| Nomura | 05/14/03 | 05/19/03 | 17,770,000 | 1.220 | 3,011.03 |
| Lehman Brothers | 05/14/03 | 05/16/03 | 28,167,500 | 1.200 | 1,956.08 * |
| Daiwa | 05/14/03 | 05/19/03 | 33,810,000 | 1.200 | 5,635.00 |
| Nomura | 05/14/03 | 05/19/03 | 43,310,000 | 1.220 | 7,338.64 |
| Nomura | 05/14/03 | 05/19/03 | 48,816,000 | 1.220 | 8,271.60 |
| Nomura | 05/14/03 | 05/19/03 | 48,816,000 | 1.220 | 8,271.60 |
| Mizuho | 05/14/03 | 05/16/03 | 48,830,000 | 1.200 | 3,390.98 * |
| Mizuho | 05/14/03 | 05/16/03 | 48,830,000 | 1.200 | 3,390.98 * |

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

Repurchase Transactions (Cont.)

| <u>Dealer</u> | <u>Purchase Date</u> | <u>Sale Date</u> | <u>Par Value</u> | <u>Interest Rate</u> | <u>Total Interest Earned</u> |
|-----------------|----------------------|------------------|------------------|----------------------|------------------------------|
| Lehman Brothers | 05/14/03 | 05/16/03 | \$ 48,835,000 | 1.200% | \$ 3,391.32 * |
| Lehman Brothers | 05/14/03 | 05/16/03 | 48,955,000 | 1.200 | 3,399.65 * |
| Lehman Brothers | 05/14/03 | 05/16/03 | 48,955,000 | 1.200 | 3,399.65 * |
| Daiwa | 05/14/03 | 05/19/03 | 50,245,000 | 1.200 | 8,374.17 |
| Daiwa | 05/14/03 | 05/19/03 | 56,556,000 | 1.200 | 9,426.00 |
| Mizuho | 05/15/03 | 05/29/03 | 1,117,500 | 1.300 | 524.60 * |
| Mizuho | 05/15/03 | 05/29/03 | 1,117,500 | 1.300 | 524.60 * |
| Lehman Brothers | 05/15/03 | 05/21/03 | 24,937,500 | 1.300 | 5,042.92 * |
| Mizuho | 05/15/03 | 05/29/03 | 48,820,000 | 1.300 | 22,918.27 * |
| Mizuho | 05/15/03 | 05/29/03 | 48,820,000 | 1.300 | 22,918.27 * |
| Lehman Brothers | 05/16/03 | 05/21/03 | 395,000 | 1.200 | 65.62 * |
| Mizuho | 05/16/03 | 05/20/03 | 1,062,500 | 1.200 | 141.67 * |

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 | 05/16/03 | 05/22/03 | \$ 1,187,500 | 1.200% | \$ 237.50 * |
| Lehman Brothers | 05/16/03 | 05/19/03 | 1,215,000 | 1.200 | 121.50 * |
| Lehman Brothers | 05/16/03 | 05/19/03 | 1,215,000 | 1.200 | 121.50 * |
| Lehman Brothers | 05/16/03 | 05/21/03 | 24,950,000 | 1.200 | 4,144.48 * |
| Mizuho | 05/16/03 | 05/20/03 | 48,750,000 | 1.200 | 6,500.00 * |
| Mizuho | 05/16/03 | 05/22/03 | 48,750,000 | 1.200 | 9,750.00 * |
| Lehman Brothers | 05/16/03 | 05/19/03 | 48,770,000 | 1.200 | 4,877.00 * |
| Lehman Brothers | 05/16/03 | 05/19/03 | 48,770,000 | 1.200 | 4,877.00 * |
| Lehman Brothers | 05/16/03 | 05/21/03 | 49,505,000 | 1.200 | 8,223.33 * |
| BNP Paribas | 05/19/03 | 05/20/03 | 16,697,000 | 1.200 | 556.57 |
| Lehman Brothers | 05/19/03 | 05/21/03 | 34,982,500 | 1.200 | 2,312.73 * |
| BANC ONE | 05/19/03 | 05/20/03 | 39,020,000 | 1.180 | 1,278.99 |

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

Repurchase Transactions (Cont.)

| <u>Dealer</u> | <u>Purchase Date</u> | <u>Sale Date</u> | <u>Par Value</u> | <u>Interest Rate</u> | <u>Total Interest Earned</u> |
|-----------------|----------------------|------------------|------------------|----------------------|------------------------------|
| Lehman Brothers | 05/19/03 | 05/21/03 | \$ 39,980,000 | 1.200% | \$ 2,643.13 * |
| BNP Paribas | 05/19/03 | 05/20/03 | 41,234,000 | 1.200 | 1,374.47 |
| BNP Paribas | 05/19/03 | 05/20/03 | 41,499,000 | 1.200 | 1,383.30 |
| BNP Paribas | 05/19/03 | 05/20/03 | 49,994,000 | 1.200 | 1,666.47 |
| BNP Paribas | 05/19/03 | 05/20/03 | 50,057,000 | 1.200 | 1,668.57 |
| BANC ONE | 05/19/03 | 05/20/03 | 50,502,000 | 1.180 | 1,655.34 |
| BANC ONE | 05/19/03 | 05/20/03 | 50,502,000 | 1.180 | 1,655.34 |
| Nomura | 05/20/03 | 05/21/03 | 527,000 | 1.180 | 17.27 |
| Mizuho | 05/20/03 | 05/22/03 | 1,040,000 | 1.200 | 69.33 * |
| Nomura | 05/20/03 | 05/21/03 | 16,695,000 | 1.180 | 547.23 |
| Nomura | 05/20/03 | 05/21/03 | 20,590,000 | 1.180 | 674.89 |
| Daiwa | 05/20/03 | 05/21/03 | 36,516,000 | 1.180 | 1,196.91 |

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

Repurchase Transactions (Cont.)

| <u>Dealer</u> | <u>Purchase Date</u> | <u>Sale Date</u> | <u>Par Value</u> | <u>Interest Rate</u> | <u>Total Interest Earned</u> |
|-----------------|----------------------|------------------|------------------|----------------------|------------------------------|
| Nomura | 05/20/03 | 05/21/03 | \$ 41,360,000 | 1.180% | \$ 1,355.69 |
| Mizuho | 05/20/03 | 05/22/03 | 48,910,000 | 1.200 | 3,260.67 * |
| Nomura | 05/20/03 | 05/21/03 | 49,612,000 | 1.180 | 1,626.17 |
| Nomura | 05/20/03 | 05/21/03 | 49,612,000 | 1.180 | 1,626.17 |
| Daiwa | 05/20/03 | 05/21/03 | 50,857,000 | 1.180 | 1,666.98 |
| Daiwa | 05/20/03 | 05/21/03 | 52,655,000 | 1.180 | 1,725.91 |
| Lehman Brothers | 05/21/03 | 05/22/03 | 40,300,000 | 1.180 | 1,320.94 |
| Mizuho | 05/22/03 | 05/29/03 | 962,500 | 1.200 | 224.58 * |
| Mizuho | 05/22/03 | 05/28/03 | 1,100,000 | 1.200 | 220.00 * |
| Lehman Brothers | 05/22/03 | 05/23/03 | 29,925,000 | 1.200 | 997.50 * |
| Lehman Brothers | 05/22/03 | 05/23/03 | 34,912,500 | 1.200 | 1,163.75 * |
| Mizuho | 05/22/03 | 05/28/03 | 48,885,000 | 1.200 | 9,777.00 * |

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> |
|-----------------|----------------------|------------------|------------------|----------------------|------------------------------|
| Mizuho | 05/22/03 | 05/29/03 | \$ 48,975,000 | 1.200% | \$ 11,427.50 * |
| Nomura | 05/23/03 | 05/27/03 | 6,585,000 | 1.190 | 870.68 |
| Lehman Brothers | 05/23/03 | 05/27/03 | 38,980,500 | 1.180 | 5,110.78 * |
| Lehman Brothers | 05/23/03 | 05/27/03 | 39,980,000 | 1.180 | 5,241.82 * |
| Nomura | 05/23/03 | 05/27/03 | 48,938,000 | 1.190 | 6,470.69 |
| BNP Paribas | 05/27/03 | 05/28/03 | 1,858,000 | 1.210 | 62.45 |
| BNP Paribas | 05/27/03 | 05/28/03 | 16,665,000 | 1.210 | 560.13 |
| Nomura | 05/27/03 | 05/28/03 | 18,589,000 | 1.210 | 624.80 |
| BNP Paribas | 05/27/03 | 05/28/03 | 19,791,000 | 1.210 | 665.20 |
| BNP Paribas | 05/27/03 | 05/28/03 | 40,310,000 | 1.210 | 1,354.86 |
| BNP Paribas | 05/27/03 | 05/28/03 | 43,724,000 | 1.210 | 1,469.61 |
| Nomura | 05/27/03 | 05/28/03 | 48,938,000 | 1.210 | 1,644.86 |

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

Repurchase Transactions (Cont.)

| <u>Dealer</u> | <u>Purchase Date</u> | <u>Sale Date</u> | <u>Par Value</u> | <u>Interest Rate</u> | <u>Total Interest Earned</u> |
|-----------------|----------------------|------------------|------------------|----------------------|------------------------------|
| Nomura | 05/27/03 | 05/28/03 | \$ 48,938,000 | 1.210% | \$ 1,644.86 |
| BNP Paribas | 05/27/03 | 05/28/03 | 50,120,000 | 1.210 | 1,684.59 |
| Lehman Brothers | 05/28/03 | 05/29/03 | 16,666,000 | 1.220 | 564.79 |
| UBS Warburg | 05/28/03 | 05/29/03 | 17,749,000 | 1.220 | 601.49 |
| Lehman Brothers | 05/28/03 | 05/29/03 | 19,792,000 | 1.220 | 670.73 |
| Lehman Brothers | 05/28/03 | 05/29/03 | 40,312,000 | 1.220 | 1,366.13 |
| Lehman Brothers | 05/28/03 | 05/29/03 | 45,740,000 | 1.220 | 1,550.08 |
| UBS Warburg | 05/28/03 | 05/29/03 | 53,492,000 | 1.220 | 1,812.78 |
| Lehman Brothers | 05/29/03 | Open | 1,105,000 * | Variable ** | 110.50 *** |
| Lehman Brothers | 05/29/03 | Open | 1,105,000 * | Variable ** | 110.50 *** |
| UBS Warburg | 05/29/03 | 06/02/03 | 1,476,000 | 1.260 | 206.54 |
| UBS Warburg | 05/29/03 | 06/02/03 | 16,593,000 | 1.260 | 2,323.60 |

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

Repurchase Transactions (Cont.)

| <u>Dealer</u> | <u>Purchase Date</u> | <u>Sale Date</u> | <u>Par Value</u> | <u>Interest Rate</u> | <u>Total Interest Earned</u> |
|-----------------|----------------------|------------------|------------------|----------------------|------------------------------|
| BNP Paribas | 05/29/03 | 06/02/03 | \$ 22,360,000 | 1.240% | \$ 3,080.71 |
| Lehman Brothers | 05/29/03 | 05/30/03 | 27,250,000 | 1.250 | 946.18 * |
| UBS Warburg | 05/29/03 | 06/02/03 | 37,873,000 | 1.250 | 5,260.14 |
| UBS Warburg | 05/29/03 | 06/02/03 | 41,019,000 | 1.260 | 5,742.66 |
| Lehman Brothers | 05/29/03 | Open | 48,770,000 * | Variable ** | 4,877.00 *** |
| Lehman Brothers | 05/29/03 | Open | 48,770,000 * | Variable ** | 4,877.00 *** |
| BNP Paribas | 05/29/03 | 06/02/03 | 48,883,000 | 1.240 | 6,734.94 |
| UBS Warburg | 05/29/03 | 06/02/03 | 49,877,000 | 1.260 | 6,982.78 |
| Mizuho | 05/30/03 | Open | 1,187,500 * | Variable ** | 79.17 *** |
| Mizuho | 05/30/03 | Open | 1,187,500 * | Variable ** | 79.17 *** |
| Mizuho | 05/30/03 | Open | 1,187,500 * | Variable ** | 79.17 *** |
| Lehman Brothers | 05/30/03 | Open | 27,250,000 * | Variable ** | 1,892.36 *** |

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 | 05/30/03 | Open | \$ 34,912,500 * | Variable ** | \$ 2,424.48 *** |
| Lehman Brothers | 05/30/03 | Open | 39,900,000 * | Variable ** | 2,770.83 *** |
| Mizuho | 05/30/03 | Open | 48,750,000 * | Variable ** | 3,250.00 *** |
| Mizuho | 05/30/03 | Open | 48,750,000 * | Variable ** | 3,250.00 *** |
| Mizuho | 05/30/03 | Open | 48,750,000 * | Variable ** | 3,250.00 *** |

* 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> |
|----------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------------|
| Mizuho | 05/02/03 | 05/06/03 | \$49,950,000 | 1.000% | \$5,619.38 |
| Lehman Brothers | 05/07/03 | 05/08/03 | 49,825,000 | 1.050 | 1,453.23 |
| Lehman Brothers | 05/08/03 | 05/09/03 | 46,441,875 | 1.050 | 1,354.55 |
| Lehman Brothers | 05/08/03 | 05/09/03 | 45,942,500 | 1.050 | 1,339.99 |
| Lehman Brothers | 05/08/03 | 05/12/03 | 39,900,000 | 1.100 | 4,876.67 |
| Mizuho | 05/08/03 | 05/15/03 | 24,968,750 | 1.050 | 4,577.61 |
| Lehman Brothers | 05/09/03 | 05/12/03 | 49,875,000 | 1.100 | 4,571.88 |
| Mizuho | 05/13/03 | 05/15/03 | 34,895,000 | 1.050 | 2,035.54 |
| Mizuho | 05/13/03 | 05/15/03 | 29,910,000 | 1.050 | 1,744.75 |
| Lehman Brothers | 05/13/03 | 05/15/03 | 27,625,000 | 0.800 | 1,381.25 |
| Mizuho | 05/14/03 | 05/16/03 | 49,975,000 | 0.900 | 2,637.57 |
| Mizuho | 05/14/03 | 05/16/03 | 49,975,000 | 0.900 | 2,637.57 |

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 | 05/14/03 | 05/16/03 | \$49,975,000 | 0.800% | \$2,359.94 |
| Lehman Brothers | 05/14/03 | 05/16/03 | 49,975,000 | 0.800 | 2,359.94 |
| Lehman Brothers | 05/14/03 | 05/16/03 | 49,975,000 | 0.800 | 2,359.94 |
| Lehman Brothers | 05/14/03 | 05/16/03 | 24,987,500 | 0.800 | 1,179.97 |
| Mizuho | 05/15/03 | 05/29/03 | 49,937,500 | 1.150 | 20,321.80 |
| Mizuho | 05/15/03 | 05/29/03 | 49,937,500 | 1.150 | 20,321.80 |
| Lehman Brothers | 05/15/03 | 05/21/03 | 24,937,500 | 1.080 | 4,488.75 |
| Lehman Brothers | 05/16/03 | 05/19/03 | 49,985,000 | 1.050 | 4,373.69 |
| Lehman Brothers | 05/16/03 | 05/19/03 | 49,985,000 | 1.050 | 4,373.69 |
| Mizuho | 05/16/03 | 05/22/03 | 49,937,500 | 1.050 | 8,739.06 |
| Lehman Brothers | 05/16/03 | 05/21/03 | 49,900,000 | 1.050 | 7,387.97 |
| Mizuho | 05/16/03 | 05/20/03 | 49,812,500 | 1.000 | 5,603.90 |

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 | 05/16/03 | 05/21/03 | \$24,950,000 | 1.050% | \$3,693.99 |
| Lehman Brothers | 05/19/03 | 05/21/03 | 39,980,000 | 0.950 | 2,087.85 |
| Lehman Brothers | 05/19/03 | 05/21/03 | 34,982,500 | 0.950 | 1,826.86 |
| Mizuho | 05/20/03 | 05/22/03 | 49,950,000 | 1.050 | 2,913.75 |
| Mizuho | 05/22/03 | 05/28/03 | 49,985,000 | 1.050 | 8,747.38 |
| Mizuho | 05/22/03 | 05/29/03 | 49,937,500 | 1.050 | 9,987.50 |
| Lehman Brothers | 05/22/03 | 05/23/03 | 34,912,500 | 1.100 | 1,066.77 |
| Lehman Brothers | 05/22/03 | 05/23/03 | 29,925,000 | 1.100 | 914.38 |
| Lehman Brothers | 05/23/03 | 05/27/03 | 39,980,000 | 1.080 | 4,797.60 |
| Lehman Brothers | 05/23/03 | 05/27/03 | 38,980,500 | 1.080 | 4,677.66 |
| Lehman Brothers | 05/29/03 | Open | 49,875,000 | Variable * | 4,571.88 ** |
| Lehman Brothers | 05/29/03 | Open | 49,875,000 | Variable * | 4,571.88 ** |

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 | 05/29/03 | 05/30/03 | \$27,250,000 | 1.050% | \$794.79 |
| Mizuho | 05/30/03 | Open | 49,937,500 | Variable * | 2,913.02 ** |
| Mizuho | 05/30/03 | Open | 49,937,500 | Variable * | 2,913.02 ** |
| Mizuho | 05/30/03 | Open | 49,937,500 | Variable * | 2,913.02 ** |
| Lehman Brothers | 05/30/03 | Open | 39,900,000 | Variable * | 2,438.33 ** |
| Lehman Brothers | 05/30/03 | Open | 34,912,500 | Variable * | 2,133.54 ** |
| Lehman Brothers | 05/30/03 | Open | 27,250,000 | Variable * | 1,513.89 ** |

* 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 May 1, 2003 through May 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 May 1, 2003 and May 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 May 31, 2003, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$379 million, all of which pertain to refundings.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period May 1, 2003 and May 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.

Assistant Secretary