

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES October 20, 2005

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, October 20, 2005, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

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

NEW YORK

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

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 A. Paul Blanco, Chief Financial Officer
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Anthony B. Ciavolella, Public Information Officer, Public Affairs
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public Affairs
 James T. Connors, Director, World Trade Center Redevelopment
 Anthony G. Cracchiolo, Director, Priority Capital Programs
 William R. DeCota, Director, Aviation
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Francis A. DiMola, Director, Real Estate
 Michael Dombrowski, Cinematographer, Public Affairs
 John J. Drobny, Director, Project Management
 Iran H. Engel, Assistant Treasurer
 Michael G. Fabiano, Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 L. Jay Hector, Senior Policy Advisor to the Executive Director/Vice-Chairman
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 James A. Keane, Manager, Inspection, Safety and Risk, Operations Services
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Joseph Kucich, Professional Assistant, Office of the Secretary
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Shawn K. Laurenti, Director, Government and Community Affairs
 Francis J. Lombardi, Chief Engineer
 Stephen Marinko, Attorney, Law
 John P. McCarthy, Director, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Lynn A. Nerney, Senior Administrator, Office of the Secretary
 John P. Paczkowski, Director, Office of Emergency Management, Public Safety
 Samuel J. Plumeri, Jr., Superintendent of Police/Director, Public Safety

Alan L. Reiss, Deputy Director, Aviation

Edmond F. Schorno, Chief of Staff

Kenneth W. Snapp, Senior Policy Advisor, Office of the Deputy Executive Director

Gerald B. Stoughton, General Manager, Forecasting and Capital Planning, Financial Services

Sheree R. Van Duyne, Manager of Policies and Protocol, Office of the Secretary

Peter J. Zipf, Deputy Chief Engineer

Guest

Keith D. Barrack, Authorities Unit, Office of the Governor of New Jersey

The public session was called to order by Chairman Coscia at 2:10 p.m. and ended at 2:41 p.m. The Board met in executive session prior to the public session. Vice-Chairman Gargano was present for the executive session and for a portion of the public session, prior to action taken by the Board.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of September 22, 2005. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed and action taken in executive session at its meeting on October 20, 2005, which included discussion of certain contract matters, matters related to or which could impact upon the issuance, sale, resale, or redemption of Port Authority bonds, notes or other obligations, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on October 20, 2005, which included discussion of matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on October 20, 2005, which included a review of 2005 third quarter construction results, and discussion of a project to rehabilitate above-ground aviation fuel storage tanks at John F. Kennedy International Airport, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed and action taken in executive session at its meeting on October 20, 2005, which included discussion of certain property and lease matters, contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of World Trade Center Site Planning Subcommittee

The World Trade Center Site Planning Subcommittee reported for information, on action taken on certain contract matters in executive session at its meeting on October 11, 2005, and the report was received.

Staff Reports

Presentations were made by staff on the status of the Port Authority's security program and on the regional economic impact of the Port Authority's airports.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – WILDLIFE MANAGEMENT PROGRAM – COOPERATIVE SERVICE AGREEMENT WITH UNITED STATES DEPARTMENT OF AGRICULTURE WILDLIFE SERVICES

It was recommended that the Board authorize the Executive Director to enter into a Cooperative Service Agreement with the United States Department of Agriculture (USDA) Wildlife Services to provide technical, research, and operational assistance for the Wildlife Management Program at John F. Kennedy International Airport (JFK) for three years with two one-year option periods, at an estimated aggregate amount of \$1,486,423.

From 1990 through 2005, the Port Authority has entered into Cooperative Service Agreements with the USDA for consultation on the Wildlife Management Program at JFK in order to address wildlife hazard management on airports and to conduct a shooting program for gulls. Consultation services also included a one-year wildlife hazard assessment, assistance with updating JFK's Wildlife Hazard Management Plan (WHMP) and various research projects on habitat management, insect management, and bird behavior. The USDA shooting program is one of many tools that can be used alone or in concert with pyrotechnics, propane cannons, gull distress call recordings, falconry, trapping, predator-like balloons/kites, mylar tape, netting and other exclusion devices, grass and other habitat management, water management, insect control, and solid waste management in order to control wildlife at JFK. An integrated wildlife management program ensures that a wide variety of birds and other wildlife can be managed in many different situations and weather conditions. These efforts have successfully reduced the number of gulls and other birds flying over JFK, significantly decreasing the risk of bird strikes to aircraft. The current agreement will expire on December 31, 2005.

Under the proposed agreement, USDA would continue the consulting services and shooting program for an additional three-year period. USDA also would write a supplement to the airport's Final Environmental Impact Statement Gull Hazard Reduction Program (FEIS). The FEIS was completed in 1994, and a supplement is required at this time in order to comply with the National Environmental Policy Act. The JFK Bird Hazard Task Force also has recommended that the airport conduct additional wildlife research that includes, but is not limited to, the local Canada goose and gull populations and their movements within a five-mile radius of JFK, and off-airport bird attractants within a five-mile radius of the airport, as mandated in Federal Aviation Administration (FAA) Advisory Circular 150/5200-33A. USDA would assist the airport in addressing these issues through research projects, reports, meetings, and operational assistance. USDA would conduct the operational work and USDA's research division at the National Wildlife Research Center would conduct the research with the assistance of USDA and the Port Authority.

Continuance of the program would ensure the Port Authority's continued compliance with FAA regulations requiring implementation of a wildlife management program at JFK.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Cooperative Service Agreement with the United States Department of Agriculture Wildlife Services to provide technical, research, and operational assistance for the Wildlife Management Program at John F. Kennedy International Airport for three years, with two one-year option periods, at an estimated aggregate amount of \$1,486,423; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

**PORT NEWARK – HUDSON REFRIGERATING COMPANY – SUPPLEMENT TO
LEASE NO. L-NS-561**

It was recommended that the Board authorize the Executive Director to enter into an agreement with Hudson Refrigerating Company (HRC) for the extension of its lease covering a refrigerated and cool storage warehouse facility at Port Newark for a 15-year term.

HRC's lease, which expires on October 31, 2005, would be extended to expire on October 31, 2020. Effective November 1, 2005, HRC would pay basic rental at the annual rate of \$938,400, which would escalate on November 1, 2007 and every two years thereafter during the extension, based on 100 percent of the Consumer Price Index, with a minimum increase of 2 percent and a maximum increase of 5 percent, compounded annually. HRC would be obligated to make capital improvements to the facility in the estimated amount of \$1.6 million. The Port Authority would have the unconditional right to terminate the lease effective on October 31, 2012 and every October 31st thereafter throughout the term of the lease upon three years' prior written notice. If the Port Authority exercises its right to terminate the lease, HRC would be excused from payment of the six months' basic rental immediately preceding the termination of the lease, and the Port Authority would reimburse it for the unamortized balance of its capital investment calculated on a straight-line basis, in an amount not to exceed \$1.6 million.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Hudson Refrigerating Company for the extension of its lease covering a refrigerated and cool storage warehouse facility at Port Newark for a 15-year term, 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.

BROOKLYN-PORT AUTHORITY MARINE TERMINAL – DECLARATION OF SURPLUS PROPERTY, SURRENDER AND/OR ASSIGNMENT OF CERTAIN PARCELS LEASED FROM THE CITY OF NEW YORK AND AMENDMENT OF MEMORANDUM OF UNDERSTANDING WITH THE BROOKLYN BRIDGE PARK DEVELOPMENT CORPORATION

It was recommended that the Board authorize the following actions relative to Piers 1 through 6 at the Brooklyn-Port Authority Marine Terminal (Piers): (1) the declaration of an approximately four-acre parcel of property located between Pier 5 and Pier 6 (Parcel), as surplus property; and (2) the Executive Director to: (a) surrender and/or assign the Port Authority leases with the City of New York (City) covering various areas within the Piers; and (b) amend the Memorandum of Understanding dated December 31, 2003 (MOU) with the Brooklyn Bridge Park Development Corporation (BBPDC) to include the Parcel in the transfer of property from the Port Authority to the BBPDC. These actions would allow the Port Authority to transfer total control of all Port Authority-owned and leased properties at the Piers to the BBPDC, a public corporation of the State of New York (State), and to the City, enabling the City to resume control of the property for inclusion in the Brooklyn Bridge Park (Park).

In December 2003, the Board authorized the Executive Director to enter into the MOU to provide for the transfer of Piers 1 through 5 to the BBPDC and the provision by the Port Authority of \$85 million for the development of the Park, inclusive of any necessary costs for additional repairs, demolitions or environmental remediation work at the site beyond the \$8 million for projects specified in the MOU. The MOU provides that the transfer of property take place after completion of certain required environmental reviews and determinations, acceptance by the State's Public Authorities Control Board, and the State's subsequent adoption of a General Project Plan for the Park and acceptance of the acquisition, which are expected to be finalized in December 2005.

The Park originally was planned to traverse the Brooklyn waterfront from the Manhattan Bridge to Pier 5, encompassing properties owned by the City, the State and the Port Authority. Title to properties transferred by the Port Authority and the State-owned properties will be consolidated and vested in the BBPDC, and title to the City-owned areas will remain with the City. Subsequent to signing the MOU, the City requested that Pier 6 be included as part of the Park. The Port Authority holds Pier 6 under a long-term lease with the City that will expire in 2011 (Pier 6 Leasehold). Related to the Pier 6 Leasehold, the Port Authority owns the Parcel that was retained to ensure access to the north face of Pier 6 for maritime uses. With the inclusion of Pier 6 as part of the Park, the Parcel is no longer needed by the Port Authority for maritime purposes, and would be conveyed in "as is, where is" condition, and the Port Authority would have no liability, either express or implied, as to the condition, title, design, operation, or fitness of the property.

In addition to the Pier 6 Leasehold, the Port Authority leases approximately 4.5 acres from the City in three separate areas, located in Piers 1 through 5, under an agreement that expires in 2018 (Piers 1-5 Leasehold). The City has requested that the Port Authority surrender the Piers 1-5 Leasehold and the Pier 6 Leasehold and/or assign them to BBPDC, so that they may be included as part of the Park.

Authorization of these property transactions at this time would allow the Port Authority to effectuate an orderly and timely transfer of the Piers property to the BBPDC and the City. This action would be the first step of an effort to transition the Port Authority out of the Brooklyn waterfront, and would be consistent with the Port Authority's objective to maximize the value of property assets and control costs, thereby allowing the agency to focus its efforts on its core freight transportation mission.

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

RESOLVED, that the Board hereby finds and determines that the real property on the amended Port Authority Map designated BKP-S20 dated October 2005, which includes a parcel of property located between Pier 5 and Pier 6, including a portion of Pier 6 (Parcel), located at the Brooklyn-Port Authority Marine Terminal (BPAMT), is no longer required for the purpose for which it was acquired; and it is further

RESOLVED, that the Chief Engineer of the Port Authority be and he hereby is authorized and directed, for and on behalf of the Port Authority, to execute a certificate to be annexed to the Port Authority Map designated BKP-S20 stating that the real property shown on said map is no longer required for the purposes for which it was acquired, such map to be filed in the Office of the Secretary of the Port Authority; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) surrender and/or assign the Port Authority leases with the City of New York covering various areas within Piers 1 through 6 at the BPAMT; and (2) amend the Memorandum of Understanding dated December 31, 2003 (MOU) with the Brooklyn Bridge Park Development Corporation (BBPDC) to include the Parcel in the transfer of property from the Port Authority to the BBPDC; 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 any other related agreements to effectuate the transfer of title to the Piers, and do all other things necessary and appropriate to carry out the foregoing; and it is further

RESOLVED, that the form of all documents 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 SITE
PHASE I RETAIL REDEVELOPMENT – PLANNING AUTHORIZATION AND
INCREASED AUTHORIZATION FOR JONES LANG LASALLE ADVISORY
SERVICES**

It was recommended that the Board authorize: (1) planning and preliminary design work for the first phase (Phase I) of retail redevelopment at the World Trade Center (WTC) site, in the estimated amount of \$1.95 million; (2) the Executive Director to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the Phase I planning and preliminary design work, subject to advising the Commissioners of individual contracts or agreements to be acted on pursuant to this authorization prior to taking or authorizing such action; and (3) an increase of \$500,000 in the authorization under an existing agreement with Jones Lang LaSalle (JLL) for real estate advisory services associated with the WTC site.

On December 1, 2003, the Port Authority acquired Westfield WTC LLC (now WTC Retail LLC) and its right, title and interest in 427,000 gross leaseable square feet of WTC retail and retail expansion space. As part of the acquisition, the seller, Westfield WTC Holding LLC, was granted a right of first offer (ROFO) for the future development through lease, sale or other transfer and/or management of the retail space. However, the Port Authority may elect to develop and/or manage the retail space itself without triggering the ROFO. Based on discussions with the WTC Site Planning Subcommittee, staff intends to develop Phase I of the retail project, consisting of approximately 200,000 square feet of gross buildable area, without triggering the ROFO.

Work under this authorization would include preliminary design of the core and shell of the Phase I retail space, including structural slabs and column framing, coordination of shared egress with the WTC Transportation Hub, connections to common utilities, and mechanical and electrical layout. The planning also would include compliance with commercially sustainable design guidelines, preparation of staging analyses and development of cost estimates.

The work would be performed by Port Authority staff, supplemented by the Port Authority's WTC real estate advisor, JLL, and its project team. The retention of JLL as WTC real estate advisor, for a three-year term in an amount not to exceed \$7.5 million and one two-year extension option in an amount not to exceed \$5.6 million, was authorized by the Executive Director in December 2003. An increase of \$500,000 in the authorization under the JLL agreement is being requested so that JLL may provide additional services, including Phase I planning services. Approximately 30 percent of this increase would be for work included in the requested \$1.95 million Phase I planning authorization. It is expected that all of these costs will be recoverable from WTC Retail LLC's share of casualty insurance proceeds.

This work, which is the first step in the redevelopment of approximately 500,000 to 550,000 square feet of gross buildable retail space at the WTC site, would also advance the overall WTC site redevelopment, which will ultimately revitalize Lower Manhattan and provide an important source of revenue to the Port Authority. In order to have the first phase of retail operational concurrent with the opening of the WTC Transportation Hub, it is critical to commence the proposed planning effort at this time.

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

RESOLVED, that planning and preliminary design work for the first phase (Phase I) of retail redevelopment at the World Trade Center (WTC) site, in the estimated amount of \$1.95 million, be and it hereby is authorized; and it is further

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

RESOLVED, that the authorization under an existing agreement with Jones Lang LaSalle for WTC real estate advisory services be increased by \$500,000; and it is further

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

POST-EMPLOYMENT RESTRICTIONS – RETENTION OF FORMER PORT AUTHORITY EMPLOYEES ON AN EMERGENCY BASIS

At its meeting of September 12, 1991, the Board directed that contracts for post-employment consulting work for the Port Authority (or its subsidiaries) to be entered into with employees, or with former employees who were required to file financial disclosure statements under the Code of Ethics and Financial Disclosure while they were employees, required the prior approval of the Board. It is now recommended that the Executive Director be authorized to enter into contracts for post-employment consulting work with employees, or with such former employees, as part of our overall emergency management plan when there is a demonstrable need for prompt mobilization of engineering, architectural and operational expertise to respond to particular incidents on an emergency basis.

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

RESOLVED, that the Executive Director be and he hereby is authorized to enter into contracts for post-employment consulting work for the Port Authority (or its wholly owned corporate entities), with employees, or with former employees who were required to file financial disclosure statements under the Code of Ethics and Financial Disclosure (the Code) while they were employees, where such contracts are deemed necessary for emergency management purposes; provided, that any such retention shall be reviewed for consistency with the Code, and, provided, further, that any such retention shall not exceed a period of 90 days or \$45,000 in compensation; and it is further

RESOLVED, that any contracts entered into pursuant to the foregoing authorization shall be reported to the Board on a retrospective basis; and it is further

RESOLVED, that the form of any contracts entered into pursuant to the foregoing authorization shall be subject to the approval of General Counsel or his authorized representative.

SETTLEMENT OF CERTAIN ENVIRONMENTAL CLAIMS AGAINST W.R. GRACE, INC. WITH RESPECT TO BLOCK #373, LOT #3 IN THE CITY OF BAYONNE, NEW JERSEY

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to settle certain environmental claims against W.R. Grace, Inc. (W.R. Grace) with respect to Port Authority property located in the City of Bayonne delineated on the tax map as Block #373, Lot #3.

The settlement agreement involves environmental remediation with respect to the Port Authority property and monitoring with respect to three properties in the vicinity of the Bayonne Bridge: Port Authority property, Block #373, Lot #3, a Port Authority right-of-way under the Bayonne Bridge and property adjacent to the Port Authority property owned by the Williams Co. The Port Authority would receive an allowed claim in the bankruptcy of \$2.1 million, which would include the cost of clean-up of both the Port Authority's property and the right-of-way. It would also cover the cost of monitoring contamination on all three sites. A separate access agreement would be entered into with respect to the Williams Co. property. The \$2.1 million claim pursuant to staff estimates would fully cover the cost of the Port Authority's clean-up and monitoring as provided for herein. It is estimated that approximately 85 percent of the settlement amount would be paid to the Port Authority in cash, with the balance to be paid in stock after W.R. Grace emerges from bankruptcy.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement to settle certain environmental claims against W.R. Grace, Inc. with respect to Port Authority property located in the vicinity of the Bayonne Bridge.

SETTLEMENT OF CLAIM – SUMITOMO MARINE AND FIRE INSURANCE CO., LTD., ET AL. v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to finalize the settlement of a property damage claim in the action entitled Sumitomo Marine and Fire Insurance Co., Ltd., et al. v. The Port Authority of New York and New Jersey in the amount of \$130,000, inclusive of attorneys' fees, costs and disbursements. Plaintiffs would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice. The Port Authority's excess insurance carriers have approved the proposed settlement amount, and the Port Authority would be fully reimbursed for the settlement amount by the carriers.

Following the terrorist bombing of The World Trade Center on February 26, 1993, plaintiff, Sumitomo Marine and Fire Insurance Company, Limited, acting through its U.S. Manager, Sumitomo Marine Management (U.S.A.) Inc. (Sumitomo), commenced this subrogation action seeking money for damages allegedly sustained by six of its subrogors — Sumitomo Bank Ltd., Sumitomo Bank Capital Markets, Inc., Sumitomo Bank Financial Services, Sumitomo Bank Leasing and Finance, Inc., Sumitomo Bank Services, and Sumitomo Bank New York Trust. The total amount of damages claimed was \$328,000 for damage to the premises occupied by the subrogors and to the subrogors' property located at the premises, and for the subrogors' relocation expenses. Sumitomo issued three separate insurance policies to its subrogors that were in effect on February 26, 1993, which provided coverage to the subrogors for the alleged losses for damages to the premises and extra expenses claimed by Sumitomo.

Plaintiffs initially demanded \$262,000 to settle this action, but through aggressive negotiation, the parties agreed upon the proposed settlement of \$130,000, subject to Board approval.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Sumitomo Marine and Fire Insurance Co., Ltd., et al. v. The Port Authority of New York and New Jersey in the amount of \$130,000, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – KEITH AND BARBARA MILLS v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to finalize the settlement of a personal injury claim in the action entitled Keith and Barbara Mills v. The Port Authority of New York and New Jersey in the amount of \$125,000, inclusive of attorneys' fees, costs and disbursements. Plaintiffs would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice. The Port Authority's excess insurance carriers have approved the proposed settlement amount, and the Port Authority would be fully reimbursed for the settlement amount by the carriers.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff, Keith Mills, who was 58 years old at the time of the incident and employed as a welder by Ogden Allied Services, was in the lunchroom on the B-2 level of the WTC when the bombing occurred. As a result of the force of the explosion, the lunchroom floor partially collapsed, and plaintiff fell into an elevator shaft, where he remained trapped for approximately an hour. Plaintiff was transported to New York Downtown Hospital, where he was treated for pneumonia and carbon monoxide poisoning from smoke inhalation and remained hospitalized for four days. Plaintiff claims bilateral hearing loss requiring the use of hearing aids, injury to his lungs, and Post-Traumatic Stress Disorder. He is now 70 years old and is wearing hearing aids in both ears. His wife, Barbara Mills, claims loss of services.

Plaintiffs initially demanded \$400,000 to settle this action, but through aggressive negotiation, the parties agreed upon the proposed settlement amount of \$125,000, subject to Board approval.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Keith and Barbara Mills v. The Port Authority of New York and New Jersey in the amount of \$125,000, inclusive of attorneys' fees, costs and disbursements.

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

The Committee on Finance reported, for information only, that in accordance with the authority granted by the Committee, the Executive Director had authorized the following security transactions during the period August 1, 2005 through August 31, 2005.

REPORT A:

Purchase of Port Authority Bonds

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

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

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
08/01/05	\$50,000,000	GECC CP	--	08/02/05	99.99	3.260%	3.314%	\$49,995,472.22	G.E. Capital
08/01/05	35,000,000	UBSFIN CP	--	08/02/05	99.99	3.260	3.314	34,996,830.54	Lehman Brothers
08/01/05	50,000,000	DBKFIN CP	--	08/02/05	99.99	3.280	3.335	49,995,444.44	Deutsche Bank
08/01/05	50,000,000	DBKFIN CP	--	08/02/05	99.99	3.280	3.335	49,995,444.44	Deutsche Bank
08/01/05	10,000,000	USTN	3.875%	07/31/07	99.78	--	3.985	9,978,125.00	Merrill Lynch
08/02/05	50,000,000	GECC CP	--	08/03/05	99.99	3.220	3.273	49,995,527.78	G.E. Capital
08/02/05	50,000,000	GECC CP	--	08/03/05	99.99	3.220	3.273	49,995,527.78	G.E. Capital
08/02/05	50,000,000	UBSFIN CP	--	08/03/05	99.99	3.220	3.273	49,995,527.78	Lehman Brothers
08/02/05	23,789,000	UBSFIN CP	--	08/03/05	99.99	3.220	3.273	23,786,872.21	Lehman Brothers
08/03/05	50,000,000	GECC CP	--	08/04/05	99.99	3.170	3.221	49,995,597.22	G.E. Capital
08/03/05	50,000,000	GECC CP	--	08/04/05	99.99	3.170	3.221	49,995,597.22	G.E. Capital
08/03/05	45,000,000	UBSFIN CP	--	08/04/05	99.99	3.170	3.221	44,996,037.48	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
08/03/05	\$50,000,000	DBKFIN CP	--	08/04/05	99.99	3.160%	3.211%	\$49,995,611.11	Deutsche Bank
08/03/05	50,000,000	DBKFIN CP	--	08/04/05	99.99	3.160	3.211	49,995,611.11	Deutsche Bank
08/04/05	50,000,000	UBSFIN CP	--	08/05/05	99.99	3.280	3.335	49,995,444.45	Goldman Sachs
08/04/05	50,000,000	GECC CP	--	08/05/05	99.99	3.300	3.355	49,995,416.67	G.E. Capital
08/04/05	50,000,000	GECC CP	--	08/05/05	99.99	3.300	3.355	49,995,416.67	G.E. Capital
08/04/05	21,000,000	UBSFIN CP	--	08/05/05	99.99	3.280	3.335	20,998,086.67	Merrill Lynch
08/04/05	50,000,000	DBKFIN CP	--	08/05/05	99.99	3.310	3.366	49,995,402.78	Deutsche Bank
08/04/05	50,000,000	DBKFIN CP	--	08/05/05	99.99	3.310	3.366	49,995,402.78	Deutsche Bank
08/04/05	10,000,000	USTN	3.875%	07/31/07	99.70	--	4.026	9,970,312.50	JPMorgan
08/05/05	50,000,000	FHDN	--	08/08/05	99.97	3.360	3.418	49,986,000.00	Deutsche Bank
08/05/05	50,000,000	FHDN	--	08/08/05	99.97	3.360	3.418	49,986,000.00	Deutsche Bank
08/05/05	20,000,000	FHDN	--	08/08/05	99.97	3.360	3.418	19,994,400.00	Citiglobal

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>
08/05/05	\$50,000,000	GECC CP	--	08/08/05	99.97	3.400%	3.459%	\$49,985,833.33	G.E. Capital
08/05/05	50,000,000	GECC CP	--	08/08/05	99.97	3.400	3.459	49,985,833.33	G.E. Capital
08/05/05	50,000,000	DBKFIN CP	--	08/08/05	99.97	3.430	3.490	49,985,708.33	Deutsche Bank
08/05/05	50,000,000	DBKFIN CP	--	08/08/05	99.97	3.430	3.490	49,985,708.33	Deutsche Bank
08/08/05	20,000,000	USTB	--	11/03/05	99.18	3.405	3.478	19,835,425.00	Greenwich Capital
08/08/05	25,000,000	FHDN	--	09/21/05	99.58	3.400	3.466	24,896,111.11	Lehman Brothers
08/08/05	50,000,000	FHDN	--	10/05/05	99.44	3.465	3.536	49,720,875.00	Merrill Lynch
08/08/05	50,000,000	FHDN	--	08/31/05	99.79	3.350	3.410	49,892,986.11	Mizuho
08/08/05	30,000,000	FCDN	--	08/16/05	99.93	3.330	3.387	29,977,800.00	Mizuho
08/08/05	20,000,000	FCDN	--	08/22/05	99.87	3.330	3.388	19,974,100.00	Mizuho
08/08/05	25,000,000	FHDN	--	10/07/05	99.42	3.460	3.531	24,855,833.33	Mizuho
08/08/05	50,000,000	DBKFIN CP	--	08/09/05	99.99	3.500	3.562	49,995,138.89	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
08/08/05	\$50,000,000	DBKFIN CP	--	08/09/05	99.99	3.490%	3.552%	\$49,995,152.78	Deutsche Bank
08/08/05	17,000,000	UBSFIN CP	--	08/09/05	99.99	3.460	3.521	16,998,366.11	JPMorgan
08/08/05	22,225,000	USTN	2.375%	08/15/06	98.41	--	3.985	21,870,789.06	Merrill Lynch
08/08/05	20,000,000	USTN	3.875	07/31/07	99.57	--	4.097	19,914,062.40	Lehman Brothers
08/09/05	50,000,000	FCDN	--	08/22/05	99.88	3.360	3.419	49,939,333.33	Lehman Brothers
08/09/05	44,915,000	GECC CP	--	08/10/05	99.99	3.450	3.510	44,910,695.65	G.E. Capital
08/09/05	25,000,000	DBKFIN CP	--	08/10/05	99.99	3.450	3.510	24,997,604.17	Deutsche Bank
08/10/05	50,000,000	DBKFIN CP	--	08/11/05	99.99	3.450	3.510	49,995,208.33	Deutsche Bank
08/10/05	50,000,000	DBKFIN CP	--	08/11/05	99.99	3.450	3.510	49,995,208.33	Deutsche Bank
08/10/05	24,000,000	UBSFIN CP	--	08/11/05	99.99	3.440	3.500	23,997,706.66	Banc of America
08/11/05	15,000,000	USTB	--	09/08/05	99.74	3.306	3.366	14,961,430.00	JPMorgan
08/11/05	30,000,000	USTB	--	09/08/05	99.74	3.306	3.366	29,922,860.00	JPMorgan

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
08/11/05	\$40,000,000	USTB	--	09/08/05	99.74	3.306%	3.366%	\$39,897,146.67	JPMorgan
08/11/05	40,000,000	USTB	--	09/08/05	99.74	3.306	3.366	39,897,146.67	JPMorgan
08/11/05	50,000,000	USTB	--	09/08/05	99.74	3.306	3.366	49,871,433.33	JPMorgan
08/11/05	30,000,000	UBSFIN CP	--	08/12/05	99.99	3.420	3.479	29,997,150.00	Lehman Brothers
08/11/05	50,000,000	DBKFIN CP	--	08/15/05	99.96	3.430	3.490	49,980,944.44	Deutsche Bank
08/11/05	50,000,000	DBKFIN CP	--	08/15/05	99.96	3.430	3.490	49,980,944.44	Deutsche Bank
08/12/05	50,000,000	UBSFIN CP	--	08/15/05	99.97	3.480	3.542	49,985,500.00	Lehman Brothers
08/12/05	25,000,000	UBSFIN CP	--	08/15/05	99.97	3.480	3.542	24,992,750.00	JPMorgan
08/15/05	50,000,000	FHDN	--	09/09/05	99.76	3.400	3.463	49,881,944.45	Lehman Brothers
08/15/05	50,000,000	FHDN	--	10/14/05	99.42	3.510	3.583	49,707,500.00	Merrill Lynch
08/15/05	50,000,000	DBKFIN CP	--	08/16/05	99.99	3.570	3.635	49,995,041.65	Deutsche Bank
08/15/05	24,000,000	DBKFIN CP	--	08/16/05	99.99	3.570	3.635	23,997,619.99	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
08/16/05	\$15,000,000	FHDN	--	09/01/05	99.85	3.380%	3.440%	\$14,977,466.67	Morgan Stanley
08/16/05	50,000,000	FHDN	--	09/19/05	99.68	3.380	3.443	49,840,388.90	Morgan Stanley
08/16/05	38,000,000	UBSFIN CP	--	08/17/05	99.99	3.430	3.490	37,996,379.44	Goldman Sachs
08/17/05	35,000,000	DBKFIN CP	--	08/18/05	99.99	3.460	3.521	34,996,636.11	Deutsche Bank
08/17/05	32,030,000	DBKFIN CP	--	08/18/05	99.99	3.460	3.521	32,026,921.56	Deutsche Bank
08/18/05	50,000,000	DBKFIN CP	--	08/19/05	99.99	3.500	3.562	49,995,138.89	Deutsche Bank
08/18/05	37,000,000	DBKFIN CP	--	08/19/05	99.99	3.500	3.562	36,996,402.78	Deutsche Bank
08/19/05	50,000,000	FHDN	--	09/16/05	99.73	3.410	3.473	49,867,388.89	Merrill Lynch
08/19/05	50,000,000	FHDN	--	10/19/05	99.40	3.515	3.588	49,702,201.39	Mizuho
08/19/05	50,000,000	GECC CP	--	08/22/05	99.97	3.460	3.521	49,985,583.33	G.E. Capital
08/19/05	33,000,000	UBSFIN CP	--	08/22/05	99.97	3.460	3.521	32,990,485.01	Merrill Lynch
08/22/05	50,000,000	GECC CP	--	08/23/05	99.99	3.480	3.541	49,995,166.67	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>
08/22/05	\$50,000,000	GECC CP	--	08/23/05	99.99	3.480%	3.541%	\$49,995,166.67	G.E. Capital
08/22/05	28,000,000	UBSFIN CP	--	08/23/05	99.99	3.480	3.542	27,997,293.24	Lehman Brothers
08/22/05	50,000,000	DBKFIN CP	--	08/23/05	99.99	3.480	3.541	49,995,166.67	Deutsche Bank
08/23/05	28,290,000	USTB	--	11/17/05	99.18	3.445	3.520	28,057,181.16	ABN AMRO
08/23/05	50,000,000	FHDN	--	09/12/05	99.81	3.390	3.451	49,905,833.35	Merrill Lynch
08/23/05	16,000,000	FHDN	--	09/26/05	99.68	3.400	3.464	15,948,622.22	Morgan Stanley
08/23/05	50,000,000	GECC CP	--	08/24/05	99.99	3.480	3.541	49,995,166.67	G.E. Capital
08/23/05	50,000,000	GECC CP	--	08/24/05	99.99	3.480	3.541	49,995,166.67	G.E. Capital
08/23/05	19,000,000	UBSFIN CP	--	08/24/05	99.99	3.480	3.541	18,998,163.33	Merrill Lynch
08/24/05	21,000,000	FHDN	--	10/26/05	99.38	3.550	3.625	20,869,537.50	Mizuho
08/24/05	50,000,000	GECC CP	--	08/25/05	99.99	3.490	3.552	49,995,152.78	G.E. Capital
08/24/05	50,000,000	GECC CP	--	08/25/05	99.99	3.490	3.552	49,995,152.78	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>
08/24/05	\$30,000,000	UBSFIN CP	--	08/25/05	99.99	3.490%	3.552%	\$29,997,091.68	Merrill Lynch
08/24/05	25,000,000	UBSFIN CP	--	08/25/05	99.99	3.490	3.552	24,997,576.40	Merrill Lynch
08/25/05	50,000,000	GECC CP	--	08/26/05	99.99	3.500	3.562	49,995,138.89	G.E. Capital
08/25/05	50,000,000	GECC CP	--	08/26/05	99.99	3.500	3.562	49,995,138.89	G.E. Capital
08/25/05	14,000,000	UBSFIN CP	--	08/26/05	99.99	3.500	3.562	13,998,638.89	Banc of America
08/25/05	50,000,000	UBSFIN CP	--	08/26/05	99.99	3.500	3.562	49,995,138.90	Banc of America
08/26/05	50,000,000	FHDN	--	09/23/05	99.73	3.470	3.536	49,865,055.56	Lehman Brothers
08/26/05	50,000,000	GECC CP	--	08/29/05	99.97	3.520	3.583	49,985,333.33	G.E. Capital
08/26/05	50,000,000	GECC CP	--	08/29/05	99.97	3.520	3.583	49,985,333.33	G.E. Capital
08/26/05	27,000,000	UBSFIN CP	--	08/29/05	99.97	3.530	3.594	26,992,057.49	Lehman Brothers
08/26/05	27,000,000	UBSFIN CP	--	08/29/05	99.97	3.530	3.594	26,992,057.49	Lehman Brothers
08/29/05	50,000,000	GECC CP	--	08/30/05	99.99	3.560	3.624	49,995,055.56	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>
08/29/05	\$ 6,200,000	GECC CP	--	08/30/05	99.99	3.560%	3.624%	\$ 6,199,386.89	G.E. Capital
08/29/05	50,000,000	UBSFIN CP	--	09/01/05	99.97	3.550	3.614	49,985,208.33	Banc of America
08/29/05	50,000,000	UBSFIN CP	--	09/01/05	99.97	3.550	3.614	49,985,208.33	Banc of America
08/30/05	16,164,000	USTB	--	09/29/05	99.73	3.275	3.334	16,119,885.75	JPMorgan
08/30/05	50,000,000	USTB	--	10/27/05	99.46	3.345	3.411	49,730,541.67	JPMorgan
08/30/05	14,584,000	USTB	--	02/23/06	98.19	3.680	3.784	14,320,126.83	JPMorgan
08/30/05	25,000,000	GECC CP	--	08/31/05	99.99	3.540	3.604	24,997,541.67	G.E. Capital
08/30/05	20,465,000	GE CORP CP	--	08/31/05	99.99	3.530	3.593	20,462,993.29	G.E. Capital
08/31/05	40,000,000	FHDN	--	10/28/05	99.43	3.560	3.635	39,770,577.76	Goldman Sachs
08/31/05	50,000,000	GECC CP	--	09/01/05	99.99	3.560	3.624	49,995,055.56	G.E. Capital
08/31/05	7,000,000	CITIGROUP	--	09/06/05	99.94	3.500	3.563	6,995,916.67	Citigroup

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
08/31/05	\$ 50,000,000	CITIGROUP	--	09/06/05	99.94	3.500%	3.563%	\$ 49,970,833.33	Citigroup
	<u>\$ 4,196,662,000</u>							<u>\$ 4,191,844,655.24</u>	

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

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>
08/22/05	<u>\$20,000,000</u>	USTN	3.875%	07/31/07	99.76	--	<u>\$19,951,562.50</u>
	<u><u>\$20,000,000</u></u>						<u><u>\$19,951,562.50</u></u>

MENT:

Dealer

Citiglobal

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>
Greenwich Capital	08/01/05	08/04/05	\$24,912,000	3.230%	\$ 6,705.48
Greenwich Capital	08/01/05	08/04/05	25,123,000	3.230	6,762.27
Greenwich Capital	08/01/05	08/04/05	29,752,000	3.230	8,008.25
Banc of America	08/01/05	08/02/05	36,911,000	3.240	3,321.99
Greenwich Capital	08/01/05	08/04/05	37,101,000	3.230	9,986.35
Greenwich Capital	08/01/05	08/04/05	44,579,000	3.230	11,999.18
Daiwa	08/02/05	08/03/05	3,551,000	3.190	314.66
Citiglobal	08/02/05	08/08/05	30,767,500	3.200	16,793.93 *
Citiglobal	08/02/05	08/08/05	30,767,500	3.200	16,793.93 *
Daiwa	08/02/05	08/03/05	33,363,000	3.190	2,956.33
Lehman Brothers	08/02/05	08/05/05	34,545,000	3.180	9,164.03 *
Banc of America	08/03/05	08/04/05	36,917,000	3.140	3,219.98

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>
Banc of America	08/04/05	08/08/05	\$23,284,000	3.290%	\$ 8,511.60
Banc of America	08/04/05	08/08/05	24,919,000	3.290	9,109.28
Banc of America	08/04/05	08/08/05	28,458,000	3.290	10,402.98
Banc of America	08/04/05	08/08/05	36,452,000	3.290	13,325.23
Banc of America	08/04/05	08/08/05	41,434,000	3.290	15,146.43
Banc of America	08/04/05	08/05/05	41,945,000	3.260	3,798.35
BNP Paribas	08/05/05	08/08/05	41,950,000	3.350	11,711.04
Lehman Brothers	08/08/05	08/15/05	1,347,500	3.450	888.60 *
Nomura	08/08/05	08/10/05	17,373,000	3.440	3,320.17
Nomura	08/08/05	08/10/05	24,892,000	3.440	4,757.14
Nomura	08/08/05	08/10/05	25,177,000	3.440	4,811.60
Nomura	08/08/05	08/10/05	36,453,000	3.440	6,966.57

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>
Nomura	08/08/05	08/10/05	\$41,172,000	3.440%	\$ 7,868.43
Lehman Brothers	08/08/05	08/15/05	48,590,000	3.450	32,042.40 *
Lehman Brothers	08/09/05	08/11/05	39,800,000	3.350	7,407.22 *
Daiwa	08/10/05	08/11/05	1,369,000	3.350	127.39
Daiwa	08/10/05	08/11/05	7,873,000	3.350	732.63
Daiwa	08/10/05	08/11/05	15,627,000	3.350	1,454.18
Daiwa	08/10/05	08/11/05	24,885,000	3.350	2,315.69
Daiwa	08/10/05	08/11/05	25,059,000	3.350	2,331.88
Daiwa	08/10/05	08/11/05	28,580,000	3.350	2,659.53
Daiwa	08/10/05	08/11/05	41,173,000	3.350	3,831.38
Nomura	08/11/05	08/15/05	16,688,000	3.360	6,230.19
Nomura	08/11/05	08/15/05	24,724,000	3.360	9,230.29

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	08/11/05	08/15/05	\$25,770,000	3.360%	\$ 9,620.80
Nomura	08/11/05	08/15/05	32,124,000	3.360	11,992.96
Lehman Brothers	08/11/05	08/19/05	39,850,000	3.370	30,197.44 *
Nomura	08/11/05	08/15/05	43,348,000	3.360	16,183.25
Lehman Brothers	08/15/05	08/18/05	14,955,000	3.500	4,278.79 *
Nomura	08/15/05	08/18/05	16,694,000	3.420	4,757.79
Nomura	08/15/05	08/18/05	24,733,000	3.420	7,048.90
Nomura	08/15/05	08/18/05	25,780,000	3.420	7,347.30
Nomura	08/15/05	08/18/05	32,136,000	3.420	9,158.76
Nomura	08/15/05	08/18/05	43,364,000	3.420	12,358.74
Mizuho	08/16/05	08/17/05	24,962,500	3.400	2,357.57 *
Mizuho	08/16/05	08/19/05	34,580,000	3.400	9,845.70 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Citiglobal	08/16/05	08/18/05	\$43,640,625	3.400%	\$ 8,182.61 *
Citiglobal	08/16/05	08/18/05	43,640,625	3.400	8,182.61 *
Citiglobal	08/16/05	08/18/05	43,640,625	3.400	8,182.61 *
Citiglobal	08/16/05	08/18/05	43,640,625	3.400	8,182.61 *
Lehman Brothers	08/18/05	Open	1,700,000 *	Variable **	2,291.70 ***
Lehman Brothers	08/18/05	Open	1,700,000 *	Variable **	2,291.70 ***
Nomura	08/18/05	08/22/05	16,296,000	3.440	6,228.69
Nomura	08/18/05	08/22/05	21,706,000	3.440	8,296.52
Nomura	08/18/05	08/22/05	24,385,000	3.440	9,320.49
ABN AMRO	08/18/05	Open	24,637,500 *	Variable **	33,288.00 ***
Nomura	08/18/05	08/19/05	28,000,000	3.440	2,675.56
Lehman Brothers	08/18/05	08/24/05	29,820,000	3.500	17,113.37 *

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	08/18/05	08/24/05	\$29,820,000	3.500%	\$17,113.37 *
Nomura	08/18/05	08/22/05	32,056,000	3.440	12,252.52
Nomura	08/18/05	08/22/05	42,784,000	3.440	16,353.00
Lehman Brothers	08/18/05	Open	48,100,000 *	Variable **	64,841.47 ***
Lehman Brothers	08/18/05	Open	48,100,000 *	Variable **	64,841.47 ***
BNP Paribas	08/19/05	08/22/05	28,000,000	3.420	7,980.00
Mizuho	08/19/05	Open	34,580,000 *	Variable **	43,436.32 ***
ABN AMRO	08/19/05	08/22/05	39,480,250	3.430	11,284.77 *
ABN AMRO	08/19/05	08/22/05	39,480,250	3.430	11,284.77 *
Banc of America	08/22/05	08/25/05	16,302,000	3.430	4,659.65
Banc of America	08/22/05	08/25/05	21,672,000	3.430	6,194.58
Banc of America	08/22/05	08/25/05	23,199,000	3.430	6,631.05

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	08/22/05	08/23/05	\$28,000,000	3.440%	\$ 2,675.56
Banc of America	08/22/05	08/25/05	30,677,000	3.430	8,768.51
Banc of America	08/22/05	08/25/05	42,601,000	3.430	12,176.79
Daiwa	08/25/05	08/26/05	5,263,000	3.470	507.29
Daiwa	08/25/05	08/26/05	10,147,000	3.470	978.06
Daiwa	08/25/05	08/26/05	16,000,000	3.470	1,542.22
Nomura	08/25/05	08/29/05	16,307,000	3.450	6,251.02
Nomura	08/25/05	08/29/05	19,914,000	3.450	7,633.70
Nomura	08/25/05	08/29/05	22,935,000	3.450	8,791.75
Nomura	08/25/05	08/29/05	23,511,000	3.450	9,012.55
Nomura	08/25/05	08/29/05	38,171,000	3.450	14,632.22
Daiwa	08/25/05	08/26/05	48,590,000	3.470	4,683.54

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	08/26/05	08/29/05	\$15,822,000	3.500%	\$ 4,614.75
Mizuho	08/26/05	08/29/05	16,000,000	3.500	4,666.67
Lehman Brothers	08/26/05	08/29/05	29,820,000	3.500	8,697.50 *
Lehman Brothers	08/26/05	08/29/05	29,820,000	3.500	8,697.50 *
Mizuho	08/26/05	08/29/05	48,178,000	3.500	14,051.92
Banc of America	08/29/05	08/30/05	15,456,000	3.520	1,511.25
Banc of America	08/29/05	08/30/05	16,118,000	3.520	1,575.98
Nomura	08/29/05	09/01/05	16,313,000	3.490	4,744.36
Nomura	08/29/05	09/01/05	17,494,000	3.490	5,087.84
Nomura	08/29/05	09/01/05	19,823,000	3.490	5,765.19
Nomura	08/29/05	09/01/05	22,681,000	3.490	6,596.39
Nomura	08/29/05	09/01/05	35,413,000	3.490	10,299.28

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>
Banc of America	08/29/05	08/30/05	\$48,588,000	3.520%	\$ 4,750.83
Lehman Brothers	08/31/05	Open	1,530,000 *	Variable **	148.75 ***
Lehman Brothers	08/31/05	Open	1,530,000 *	Variable **	148.75 ***
BNP Paribas	08/31/05	09/06/05	25,250,000	3.460	2,426.80
BNP Paribas	08/31/05	09/06/05	41,806,000	3.460	4,018.02
Lehman Brothers	08/31/05	Open	48,220,000 *	Variable **	4,688.06 ***
Lehman Brothers	08/31/05	Open	48,220,000 *	Variable **	4,688.06 ***

* 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>
Citiglobal	08/02/05	08/08/05	\$30,767,500	3.050%	\$16,118.75
Lehman Brothers	08/02/05	08/05/05	34,545,000	3.000	8,108.48
Citiglobal	08/02/05	08/08/05	30,767,500	3.050	16,118.75
Lehman Brothers	08/08/05	08/15/05	49,937,500	3.250	30,891.89
Lehman Brothers	08/09/05	08/11/05	39,800,000	3.000	6,633.33
Lehman Brothers	08/11/05	08/19/05	39,850,000	2.900	25,459.73
Lehman Brothers	08/15/05	08/18/05	14,955,000	2.900	3,614.12
Citiglobal	08/16/05	08/18/05	43,640,625	2.800	6,727.93
Citiglobal	08/16/05	08/18/05	43,640,625	2.800	6,727.93
Citiglobal	08/16/05	08/18/05	43,640,625	2.800	6,727.93
Citiglobal	08/16/05	08/18/05	43,640,625	2.800	6,727.93
Mizuho	08/16/05	08/19/05	34,580,000	2.800	7,761.30

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	08/16/05	08/17/05	\$24,962,500	3.250%	\$ 2,253.56
Lehman Brothers	08/18/05	Open	49,800,000	Variable *	63,010.83 **
Lehman Brothers	08/18/05	Open	49,800,000	Variable *	63,010.83 **
Lehman Brothers	08/18/05	08/24/05	29,820,000	3.250	14,827.17
Lehman Brothers	08/18/05	08/24/05	29,820,000	3.250	14,827.17
ABN AMRO	08/18/05	Open	24,637,500	Variable *	32,124.56 **
ABN AMRO	08/19/05	08/22/05	39,480,250	3.280	10,791.27
ABN AMRO	08/19/05	08/22/05	39,480,250	3.280	10,791.27
Mizuho	08/19/05	Open	34,580,000	Variable *	33,561.81 **
Lehman Brothers	08/26/05	08/29/05	29,820,000	3.300	8,200.50
Lehman Brothers	08/26/05	08/29/05	29,820,000	3.300	8,200.50
Lehman Brothers	08/31/05	Open	49,750,000	Variable *	4,560.42 **

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	08/31/05	Open	\$49,750,000	Variable *	\$4,560.42 **

* This rate subject to change daily.

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

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

REPORT B: In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period of August 1, 2005 through August 31, 2005, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period of August 1, 2005 through August 31, 2005 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992 and reauthorized on April 27, 2005.

Interest Rate Exchange Contracts

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

As of August 31, 2005, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$364.4 million, all of which pertain to refundings.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period of August 1, 2005 through August 31, 2005 under the Variable Rate Master Note Program as amended and supplemented through November 18, 2004.

Variable Rate Master Note Placements

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

Whereupon, the meeting was adjourned.

Secretary