

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

## MINUTES Tuesday, April 23, 2002

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**MINUTES of the Annual Meeting of The Port Authority of New York and New Jersey held Tuesday, April 23, 2002, at 2 Broadway, City, County and State of New York.**

**PRESENT:**

**NEW JERSEY**

Hon. Jack G. Sinagra, Chairman  
 Hon. William J. Martini  
 Hon. Anthony J. Sartor

**NEW YORK**

Hon. Charles A. Gargano, Vice-Chairman  
 Hon. Bruce A. Blakeman  
 Hon. Michael J. Chasanoff  
 Hon. David S. Mack  
 Hon. Anastasia M. Song

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

Gwendolyn Archie, Administrator, Office of the Secretary  
 A. Paul Blanco, Acting Chief, Planning and Development  
 Bruce D. Bohlen, Treasurer  
 John D. Brill, Director, Audit  
 Gregory G. Burnham, Chief Technology Officer  
 Ernesto L. Butcher, Chief Operating Officer  
 Wilfred Chabrier, General Manager, Office of Business and Job Opportunity  
 Janice Chiantese, Special Advisor to the Chairman  
 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  
 Michael Dombrowski, Cinematographer, Operations Services  
 Linda C. Handel, Assistant Secretary  
 Edward L. Jackson, Director, Financial Services  
 Louis J. LaCapra, Chief Administrative Officer  
 Francis J. Lombardi, Chief Engineer  
 Stephen Marinko, Attorney, Law  
 Charles F. McClafferty, Chief Financial Officer  
 James E. McCoy, Senior Administrator, Office of the Secretary  
 Joseph M. Morris, Chief of Department, Public Safety  
 Catherine F. Pavelec, Executive Assistant to the Secretary  
 Michael A. Petralia, Chief of Public and Government Relations  
 Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals  
 Samuel J. Plumeri, Jr., Assistant Director, Government and Community Relations  
 Myron D. Ronis, Deputy Director, Port Commerce  
 Edmond F. Schorno, Chief of Staff  
 Douglas L. Smith, Director, Office of Forecasting & Capital Planning  
 Gregory J. Trevor, Senior Public Information Officer, Public Affairs  
 Margaret R. Zoch, Comptroller

The public meeting was called to order by Chairman Sinagra at 4:00 p.m. and ended at 4:15 p.m. The Board met in executive session prior to the public meeting. Vice-Chairman Gargano was present during executive session.

### **Action on Minutes**

The Acting Secretary submitted for approval Minutes of the meetings of February 28, 2002 and March 14, 2002. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired. Whereupon, the Board of Commissioners unanimously approved the Minutes.

### **Report of Audit Committee**

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on April 23, 2002, which included discussion of internal audit matters, in addition to the Annual Report of the Committee, which was received and is included with these minutes..

### **Report of Committee on Finance**

The report of the Committee on Finance, for information, was received and is included with these minutes.

### **Report of Committee on Construction**

The Committee on Construction reported, for information, on matters discussed in executive session at its meeting on April 23, 2002, which included discussion of contract matters, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

### **Report of Committee on Operations**

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on April 23, 2002, which included discussion of contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

### **Report of Nominating Committee**

During the course of the meeting, the Nominating Committee submitted its report, and the report was received and is included with these minutes.

### **Staff Report**

A presentation was made by staff on 2001 Year-End results of the Minority/Women-Owned/Small Business Enterprise program.

## **ELECTION OF OFFICERS**

Chairman Sinagra announced that, in accordance with the provisions of the By-Laws, the election of officers was in order.

Commissioner Mack, as Chair of the Nominating Committee, submitted the following report:

"On behalf of the Nominating Committee, I desire to report that at its meeting held earlier today, in accordance with the provisions of Article XIa. of the By-Laws, the Committee, by unanimous action, submits the nomination for election to the offices of Chairman and Vice-Chairman of The Port Authority of New York and New Jersey of Commissioners Jack G. Sinagra and Charles A. Gargano, respectively. By unanimous action, the Committee also submits the nomination of Joseph J. Seymour as Executive Director of the Port Authority and of Jeffrey S. Green as General Counsel of the Port Authority. By unanimous action, the Committee also submits the nominations of Karen E. Eastman as Secretary, Charles F. McClafferty as Director of Finance, Margaret R. Zoch as Comptroller, Bruce D. Bohlen as Treasurer and John D. Brill as Director of the Audit Department."

Pursuant to the foregoing report, Commissioners Blakeman, Chasanoff, Mack, Martini, Sartor, Sinagra and Song voting in favor, the following were unanimously elected as officers of the Port Authority: Commissioner Jack G. Sinagra as Chairman, Commissioner Charles A. Gargano as Vice-Chairman, Joseph J. Seymour as Executive Director, Jeffrey S. Green as General Counsel, Karen E. Eastman as Secretary, Charles F. McClafferty as Director of Finance, Margaret R. Zoch as Comptroller, Bruce D. Bohlen as Treasurer and John D. Brill as Director of the Audit Department.

## **AUDIT COMMITTEE ANNUAL REPORT**

Commissioner Martini submitted the following report:

In accordance with the Port Authority By-Laws, the Chair of the Audit Committee reports periodically on the activities of the Audit Committee.

Since the last report, the Audit Committee has met eight times. Our Committee meetings are regularly attended by the Chief Financial Officer, General Counsel, the Director of Audit, the Treasurer, the Comptroller, the Chief Technology Officer and the Inspector General.

Representatives of Deloitte & Touche LLP, the Port Authority's independent accountants, have attended three of our meetings. At certain of these meetings, executive sessions were held with only the outside accountants and General Counsel present. This is consistent with our policy that the outside accountants and members of the Audit Committee have direct and unrestricted access to each other.

The Audit Committee keeps informed of relevant matters through quarterly reports prepared by the Director of Audit, the Inspector General and the Treasurer.

Each quarter, the Committee discusses the detailed reports of audit results prepared by the Audit Department with John D. Brill, Director of Audit. The Audit Department conducts audits in accordance with an Annual Plan, which is reviewed with the Audit Committee. The Annual Audit Plan is based on a schedule of specific audits established after performing a risk assessment, which takes into consideration such factors as the potential for financial loss, major changes in systems or operations, and the dates and results of previous audits.

The Committee also discusses with Robert E. Van Etten the quarterly report of the Inspector General with respect to investigations undertaken by that office. The major function of the Office of Inspector General is to investigate situations or allegations of improper, unethical or illegal activities by individuals within the Port Authority or persons with whom the Port Authority has a business relationship.

On a quarterly basis, the Audit Committee reviews the status of the Port Authority's accounts receivable and discusses the quarterly reports with the Treasurer, Bruce Bohlen. The Committee monitors staff efforts to collect revenues due the Port Authority, discusses problem accounts and reviews the trends in receivable collections.

Our Committee continued its practice of reviewing, in detail, the Authority's audited financial statements prior to their release. As you can well imagine, this year's review process for the financial statements involved an increased level of focus and scrutiny not only because of the magnitude of the events of September 11<sup>th</sup>, but also because of the complexities surrounding the net leasing of the World Trade Center and the Newark Legal and Communications Center. We are concerned not only with the control systems which assure the accuracy and completeness of the statements, but also with the presentation, the format, and, in the context of full and fair disclosure, the substance and

language of the footnotes. We also made such other inquiries in connection with the audited financial statements as we considered appropriate.

In the opinion of our independent accountants, the 2001 financial statements present fairly, in all material respects, the combined financial position of the Port Authority and the combined results of its operations in conformity with accounting principles generally accepted in the United States of America. Our independent accountants have advised us that they encountered no difficulties during the course of their audit (including restrictions on the scope of work or access to required information) and that there were no disagreements with staff in connection with the preparation of the financial statements. We were pleased to learn that the Government Finance Officers Association recognized the Port Authority's 2000 Comprehensive Annual Financial Report with its Certificate of Achievement for Excellence in Financial Reporting, an award that the Port Authority has received for each of the past 17 years. This is a noteworthy achievement for staff of the Comptroller's Department, which is headed by Margaret R. Zoch, Comptroller.

In light of the Enron bankruptcy and the continuing focus by federal and state legislative bodies and regulatory agencies, including the Securities and Exchange Commission (SEC), on the role of corporate audit committees in the financial reporting process, our Committee has continued to stress the importance of its role in proactively exploring the accounting principles and methods used by staff and our outside auditors in the financial reporting process. We have also continued the annual review of our operating procedures to ensure that those procedures continue to be consistent with SEC/industry proposals for improving the functioning of corporate audit committees.

The Audit Committee has also continued its practice of requesting staff presentations on key areas of business risk. For example, shortly after the September 11th terrorist attacks on The World Trade Center, we requested and received from key financial staff an assessment of the organization's control environment and the status of recovery efforts, particularly in the area of critical financial and revenue control systems.

Finally, as the Chair of the Audit Committee, I review the expense reports of the Executive Director and members of the Board.

This annual report to the Board provides the Audit Committee with the opportunity to acknowledge the dedication and professionalism of staff, which was never more evident than in the days, weeks and months following the September 11<sup>th</sup> attacks. The Committee recognizes the strengths, talent and commitment of our financial professionals, all of whom make an important contribution to the Port Authority and also to the Region.

The Committee believes that reasonable processes and controls are in place to mitigate business risk, and there is a reasonable basis for the Board to have a high level of confidence in the professional and ethical conduct of Port Authority personnel.

## **RETENTION OF INDEPENDENT AUDITORS**

It was recommended that the Board designate Deloitte & Touche LLP as independent auditors to audit the accounts and financial statements of the Port Authority and its wholly owned subsidiaries for the year ending December 31, 2002; to participate as requested in the disclosure process in connection with the issuance from time to time of Port Authority obligations; to perform a review of the Passenger Facility Charge Program; to perform an evaluation of the system of internal accounting controls; and to provide other audit services, including a review of revenue and cost computations relating to and under the terms of the various lease agreements, such as those with the cities of New York and Newark, financial and statistical data reports submitted to the Federal Transit Administration, field work and financial disclosure requirements of the Single Audit Act of 1984 for recipients of federal financial assistance.

Under the By-Laws, the Audit Committee has the responsibility for recommending retention of independent auditors for designation by the Board to audit the accounts and financial statements of the Port Authority and its subsidiaries. The Audit Committee monitors the independent auditing function and decides annually which firm to recommend to the Board for retention by the Port Authority and for what period of time in light of then-current circumstances.

Consistent with long-standing policy, and after a full review and discussion of Deloitte & Touche LLP's performance of the audit of the accounts and financial statements of the Port Authority and its wholly owned subsidiaries for the years ended December 31, 2001 and 2000, the Audit Committee recommended that the Board designate Deloitte & Touche LLP as independent auditors to audit the accounts and financial statements of the Port Authority and its wholly owned subsidiaries for the year ending December 31, 2002, to perform an evaluation of the system of internal accounting controls, to perform a review of the Passenger Facility Charge Program and federal award programs, to provide other audit services, and to provide services requested in the disclosure process in connection with the issuance from time to time of Port Authority obligations.

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

**RESOLVED**, that Deloitte & Touche LLP be and it hereby is designated as independent auditors to audit the accounts and financial statements of The Port Authority of New York and New Jersey and its wholly owned subsidiaries for the year ending December 31, 2002; and it is further

**RESOLVED**, that, for the year ending December 31, 2002, Deloitte & Touche LLP be and it hereby is designated to perform an evaluation of the system of internal accounting controls, and to provide other audit services, including a review of revenue and cost computations relating to and under the terms of the various lease agreements, such as those with the cities of New York and Newark, financial and statistical data reports submitted to the Federal Transit Administration, field work and financial disclosure requirements of the Single Audit Act of 1984 for recipients of federal financial assistance, and to participate as requested in the disclosure process in

connection with the issuance from time to time of Port Authority obligations; and it is further

**RESOLVED**, that, for the year ending December 31, 2002, Deloitte & Touche LLP be and it hereby is designated to perform a review of the Passenger Facility Charge Program pursuant to the Aviation Safety and Capacity Expansion Act of 1990; and it is further

**RESOLVED**, that, in accordance with the By-Laws of the Port Authority, the matters of arranging for such services by the above-designated auditors and for monitoring the auditors' performance be and each hereby is referred to the Audit Committee.

**LAGUARDIA AIRPORT – AMERICAN AIRLINES, INC. AND TWA AIRLINES  
LLC – LETTING AND SURRENDER OF SPACE IN THE CENTRAL  
TERMINAL BUILDING**

It was recommended that the Board authorize the Executive Director to enter into appropriate supplements to the existing Basic Airport Leases for American Airlines, Inc. (AA), Lease AG-416, and TWA Airlines LLC (TWA), Lease AG-418, at LaGuardia Airport (LGA) to provide for: (i) the surrender of certain terminal space to the Port Authority in the Central Terminal Building (CTB) and the letting of certain terminal space by AA and TWA in the CTB; (ii) the modification of certain lease obligations associated with Hangar 4 and Building 17; and (iii) the investment by AA of \$1.2 million in Concourse C at LGA.

AA acquired the assets of Trans World Airlines, Inc. in the course of the latter's recent bankruptcy proceedings, with the assets then being transferred to TWA, a wholly owned subsidiary of AA. AA desires to increase its level of customer service by exchanging TWA's passenger facilities with existing Port Authority common-use facilities and thereby consolidate its operations.

Under Lease AG-418, TWA would surrender its CTB ticket counter and baggage belt space and four gates on Concourse B and transfer to the Port Authority ownership of three loading bridges at Concourse B passenger facilities. To accommodate AA, the Port Authority would lease to AA under Lease AG-416 the existing CTB common-use ticket counter and baggage belt space, as well as the four existing Concourse C common-use narrow-body gates, and transfer to AA ownership of four loading bridges at Concourse C. AA would pay the costs associated with relocating the current common-gate users and, despite a reduction in the amount of space leased by AA in the CTB that would reduce its rental payments to the Port Authority by approximately \$40,000 per month, AA would continue to make such rental payments to the Port Authority through December 31, 2003. Up to this amount, however, would be credited to AA through December 31, 2003, to the extent AA is charged rent for any future expansion of the premises AA would acquire under this arrangement. AA would also continue to pay the unamortized balance of Port Authority construction funds of approximately \$1.3 million (as of December 31, 2001) that the predecessor of TWA had previously committed to modernize its existing CTB facilities. AA would also pay to bring the existing four TWA Concourse B loading bridges up to Port Authority standards. Additionally, AA would make a \$1.2 million investment in Concourse C and associated facilities.

Under Lease AG-418, TWA would surrender Hangar 4 and its associated Building 17, and AA would lease these premises under Lease AG-416, with responsibility for the maintenance of these facilities and remediation of underground environmental conditions, such maintenance being limited to life safety, structural integrity and building code requirements.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Mack, Martini, Sartor, Sinagra and Song 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 agreements supplemental to Lease AG-416 with American Airlines, Inc. (AA) and to Lease AG-418 with TWA Airlines LLC (TWA) at LaGuardia Airport (LGA), to provide for: (i) the surrender of certain terminal space to the Port Authority in the Central Terminal Building (CTB) and the letting of certain terminal space by AA and TWA in the CTB; (ii) the modification of certain lease obligations associated with Hangar 4 and Building 17; and (iii) the investment by AA of \$1.2 million in Concourse C at LGA, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreements shall be subject to the approval of General Counsel or his authorized representative.

**ALL AIRPORTS – AUTHORIZATION TO ENTER INTO NECESSARY AGREEMENTS WITH STATE AND FEDERAL GOVERNMENTAL AGENCIES TO PROVIDE LAW ENFORCEMENT OFFICERS AT AIRPORT PASSENGER SCREENING LOCATIONS**

It was recommended that the Board authorize the Executive Director to: 1) enter into an agreement with the United States Government to provide reimbursement to the Port Authority for the costs of supplying uniformed law enforcement officers at passenger screening points at John F. Kennedy International (JFK), Newark International (EWR) and LaGuardia (LGA) Airports through December 31, 2003, as mandated by the Transportation Security Administration (TSA), effective no later than May 10, 2002; and 2) enter into other appropriate agreements as may be required to meet the federal passenger screening point requirements.

The TSA was mandated by Congress to initiate and implement a full airport security program no later than November 1, 2002, including the assignment of federal law enforcement officers to each airport screening location. The TSA has indicated it is unable to provide federal law enforcement officers at this time, and had requested airport operators to assist in meeting this requirement. The TSA has indicated that all major airport operators must provide uniformed law enforcement officers at all airport-screening locations as soon as possible, with a planned implementation date of May 10, 2002. These officers would replace the National Guard that the President of the United States has requested be kept in place until approximately May 31, 2002.

The Port Authority Police have been operating at a heightened state of alert since September 11, 2001, which has placed heavy demands on current police staffing levels. Sufficient police resources are expected to be available to cover screening locations at JFK and EWR. However, alternative law enforcement personnel would be required to staff screening locations at LGA through September 30, 2002, when additional police recruits would become available from current and planned training classes. In the interim, the National Guard would be the preferred alternative provider at LGA. If necessary, appropriate agreements with the State of New York and/or New Jersey would be executed to provide State Police Officers to serve as Law Enforcement Officers at screening locations at JFK, EWR, and LGA, on a temporary basis.

In return for providing law enforcement services, the TSA would provide reasonable reimbursement based on locality and within the allocated federal budget. Recent guidance issued by the TSA indicates that it has not finalized the formula for reimbursement to the airport operator. However, TSA has stated reimbursement would be considered for salary, necessary overtime and benefits required by law. Other direct and indirect overhead costs may not be reimbursable. The total estimated reimbursement through December 31, 2003 is approximately \$55 million.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Mack, Martini, Sartor, Sinagra and Song 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 United States of America to provide reimbursement to the Port Authority of the costs of supplying uniformed law enforcement officers at passenger screening points at John F. Kennedy International (JFK), Newark International (EWR), and LaGuardia (LGA),

Airports through December 31, 2003, as mandated by the Transportation Security Administration no later than May 10, 2002; 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 an appropriate agreement with the State of New York to extend the current deployment of the National Guard at LGA Airport through September 30, 2002; 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 an appropriate agreement(s) with the State(s) of New York and/or New Jersey to provide State Police Officers to serve as uniformed law enforcement officers at each screening location at JFK, EWR, and LGA on a temporary basis, if necessary, to fulfill federal requirements; and it is further

**RESOLVED**, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, to enter into such agreements with the Port Authority Police Associations as may be required in connection with the foregoing agreements; 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.

## **THE WORLD TRADE CENTER - SPECIAL MEDAL AWARDS PROGRAM**

It was recommended that the Board authorize the Executive Director to present World Trade Center Special Medal Awards to recipients identified by The World Trade Center Special Awards Subcommittee (the Subcommittee).

The Subcommittee, which consists of Commissioners David S. Mack and Alan G. Philibosian, Chief Operating Officer Ernesto L. Butcher and General Counsel Jeffrey S. Green, was created to develop a suitable way to recognize the extraordinary efforts of staff and to honor staff lost on September 11, 2001. It reported on March 14, 2002, that it concurred in staff recommendations that medals should be struck to honor those lost during the attacks, individuals and/or teams who exhibited extraordinary valor, heroism or physical courage by putting their lives or safety at risk to help others, and to those individuals and/or teams that displayed an extraordinary level of service, effort or accomplishment, during or in the aftermath of the September 11, 2001, terrorist attacks on The World Trade Center. The Medal Awards ceremony would be scheduled for later in the Spring. A nomination and review process has commenced, and a list of recipients is to be provided to the Commissioners.

To honor individuals and/or teams, the following special medal awards are to be granted:

### Medal of Honor (for Police and Civilians)

The Medal of Honor is to be presented to staff members who performed a specific act clearly involving extreme danger and exemplified extraordinary bravery in the face of circumstances which could surely have led to grave personal injury or death.

The Medal of Honor (Posthumous) is to be presented to staff members or contract staff members who performed a specific act clearly involving extreme danger and exemplified extraordinary bravery, leading to their death.

### September 11<sup>th</sup> Police Commendation Award

This award is to be presented to members of the Public Safety Department who, on September 11, 2001, the day of the terrorist attacks on The World Trade Center, responded to the emergency and performed a specific act involving either personal risk (beyond the normal requirements of the job) or exceptionally good judgment (clearly outstanding to the degree that highly undesirable consequences would otherwise have resulted unless the corrective action was taken).

### September 11<sup>th</sup> Commendation Award

This award is to be presented to an individual or a group of individuals who, on September 11, 2001, the day of the terrorist attacks on The World Trade Center, performed a specific act involving either personal risk (beyond the normal requirement of the job) or exceptionally good judgment (clearly outstanding to the degree that highly undesirable consequences would otherwise have resulted unless the corrective action was taken).

Award for Exceptional Service (Individual)

This award is to be presented to individuals distinguished by an extraordinary level of service, effort or accomplishment, during or in the aftermath of the terrorist attacks on The World Trade Center on September 11, 2001.

Award for Exceptional Service (Team)

This award is to be presented to a team distinguished by an extraordinary level of service, effort or accomplishment, during or in the aftermath of the terrorist attacks on The World Trade Center on September 11, 2001. These teams may be interdepartmental groups and may include job shoppers, contractors and, in some cases, other outsiders.

Special Citation

This award is to be presented to individuals who demonstrated courage and perseverance on September 11, 2001, under historically challenging circumstances.

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

**RESOLVED**, that The Port Authority of New York and New Jersey hereby establishes a series of medals and awards honoring those lost during the September 11, 2001, terrorist attacks on The World Trade Center (Attacks), individuals and/or teams who exhibited extraordinary valor, heroism, or physical courage, or an extraordinary level of service, effort or accomplishment, during or in the aftermath of the Attacks, including the Medal of Honor (for police and civilians), the Medal of Honor Posthumous (for police and civilians), the September 11<sup>th</sup> Police Commendation Award, the September 11<sup>th</sup> Commendation Award, the Award for Exceptional Service (individual or team), and the Special Citation; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized and directed to take all necessary and appropriate steps for the establishment of these medals and awards and, based upon the report of The World Trade Center Special Awards Subcommittee, for the selection of individuals who are to receive such medals and awards.

**THE WORLD TRADE CENTER - REBUILDING OF CON EDISON SUBSTATION  
AND 7 WORLD TRADE CENTER REDEVELOPMENT PROJECT**

It was recommended that the Board authorize the Executive Director to enter into an agreement with Lower Manhattan Development Corporation (LMDC) and/or Empire State Development Corporation (ESDC) and/or any other government entity to reimburse LMDC and/or ESDC and/or any other government entity for any and all costs incurred with respect to the retention of one or more consultants hired in connection with the acquisition of an approximately 22-foot strip of land located within the bed of Vesey Street, in Manhattan (the Property). Acquisition of the Property is necessary in connection with the rebuilding of the Consolidated Edison (Con Edison) substation and the 7 World Trade Center redevelopment project. Accordingly, it was also recommended that the Board authorize the Executive Director to: (i) enter into any and all agreements to pay and/or provide any other consideration required to satisfy any and all condemnation awards on behalf of LMDC and/or ESDC and/or any other government entity in connection with the Property; and (ii) enter into any and all agreements with LMDC and/or ESDC and/or any other government entity or any other party in connection with the Property as may be necessary to facilitate, effectuate and complete the rebuilding of the Con Edison substation and the 7 World Trade Center redevelopment project.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Mack, Martini, Sartor, Sinagra and Song 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: (i) enter into an agreement with Lower Manhattan Development Corporation (LMDC) and/or Empire State Development Corporation (ESDC) and/or any other government entity to reimburse LMDC and/or ESDC and/or any other government entity for any and all costs incurred with respect to the retention of one or more consultants hired in connection with the acquisition of an approximately 22-foot strip of land located within the bed of Vesey Street, in Manhattan (the Property); (ii) enter into any and all agreements to pay and/or provide any other consideration required to satisfy any and all condemnation awards on behalf of LMDC and/or ESDC and/or any other government entity in connection with the Property; and (iii) enter into any and all agreements with LMDC and/or ESDC and/or any other government entity or any other party in connection with the Property as may be necessary to facilitate, effectuate and complete the rebuilding of the Consolidated Edison substation and the 7 World Trade Center redevelopment project; 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.

**DOWNTOWN RESTORATION PROGRAM – COOPERATION AGREEMENT  
BETWEEN THE LOWER MANHATTAN DEVELOPMENT CORPORATION  
AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

It was recommended that the Board authorize the Executive Director to enter into a Cooperation Agreement with the Lower Manhattan Development Corporation (LMDC) to jointly develop conceptual plans for World Trade Center (WTC) site redevelopment and Lower Manhattan transportation improvements. Under the proposed Cooperation Agreement, LMDC and the Port Authority would develop a conceptual plan within LMDC's geographic area (south of Houston Street), with a particular focus on the WTC site and immediately adjacent areas. The plan would include identification and analysis of Lower Manhattan urban planning issues, including the size, scope and location of a permanent memorial, the location of commercial and cultural development, and the potential reopening of a street grid pattern at the WTC site, as well as transportation systems and interconnections, including projected pedestrian and vehicular flows and traffic volumes.

The proposed Cooperation Agreement is consistent with LMDC's mission to call upon the resources of and work closely with the Port Authority, among others, to identify the appropriate redevelopment of the WTC site. In December 2001, the Board authorized planning, at a total estimated cost of \$10.5 million, for WTC site remediation and Lower Manhattan transportation and other improvements. Pursuant to this authorization, the Port Authority is also able to retain consultants on its own behalf, in conjunction with LMDC or at the request of LMDC, to assist in the development of conceptual plans, at an estimated cost of approximately \$3 million.

LMDC (a subsidiary of New York's Empire State Development Corporation (ESDC) whose members have been appointed by the Governor of New York and the Mayor of New York City) has overall responsibility to coordinate and plan the restoration and redevelopment of Lower Manhattan, including developing a consensus for establishing a permanent memorial at the WTC site. As the owner of the 16-acre site of the former World Trade Center and Port Authority Trans-Hudson (PATH) rail terminal, the Port Authority has primary responsibility for a portion of this area, for which it has significant statutory and fiduciary obligations and financial interests. The Port Authority, along with others, also has the resources and the responsibility to participate in planning and improving the regional interstate transportation infrastructure. Therefore, it is in the interest of the region for the LMDC and the Port Authority to work collaboratively to produce and support feasible development plans for Lower Manhattan that address numerous overlapping interests.

LMDC would coordinate a variety of outreach and communication efforts to assure the maximum amount of broad-based input from community boards and advisory boards, civic groups, and the media. LMDC would make specific recommendations on a number of issues, including the design process and guidelines for the permanent memorial, such as recommended size and location. The Port Authority would coordinate the WTC site redevelopment planning with its World Trade Center net lessees. Other transportation and government agencies would be consulted and invited to participate as appropriate in the study. Key participants would include the New York State and City Departments of Transportation, the New York City Planning

Commission, New York State's Metropolitan Transportation Authority, the New York City Economic Development Corporation, and ESDC.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Mack, Martini, Sartor, Sinagra and Song 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 Cooperation Agreement with the Lower Manhattan Development Corporation (LMDC) to jointly develop conceptual plans (Plans) for World Trade Center site redevelopment and Lower Manhattan transportation improvements; 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 an agreement or agreements with respect to the retention of consultants on behalf of the Port Authority, in conjunction with LMDC or at the request of LMDC, chosen after a publicly advertised Request for Proposals process, who, in the Executive Director's opinion, are qualified by reason of responsibility, experience and capacity to assist in the development of the Plans, at an estimated cost of approximately \$3 million; and it is further

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

**115 BROADWAY – SUBLEASE – FINANCIAL GUARANTEE INSURANCE COMPANY**

It was recommended that the Board authorize the Executive Director to commence negotiations and enter into a sublease with Financial Guarantee Insurance Company for approximately 57,336 rentable square feet of space at 115 Broadway in Manhattan, substantially in accordance with the terms outlined to the Board.

The space is required in order to house the Engineering Department, the Office of Priority Capital Programs and contractor staff in connection with the Port Authority Trans-Hudson reconstruction project to re-establish rail service between New Jersey and downtown New York. As the Port Authority had an immediate need to occupy the subject space, an Occupancy Agreement with Financial Guarantee Insurance Company was entered into by the Port Authority which provides for the occupancy of the premises by the Port Authority on the terms set forth in the sublease, pending approval of the sublease by the Board, with the Port Authority having the right to terminate upon 30 days' notice in the event that Board approval of the sublease is not received.

The term of the sublease will be approximately 4 years, 8 ½ months. The Port Authority will pay its proportionate share of direct operating expense increases over a 2002 base year, its proportionate share of increases in real estate taxes over a 2002 calendar year, and will pay for electricity in addition to rent. The Port Authority will take the space in its "as-is" built condition, including all existing furniture, and shall have the right to sublease portions of the premises, subject to provisions to be negotiated.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Mack, Martini, Sartor, Sinagra and Song 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 negotiate and enter into a sublease with Financial Guarantee Insurance Company which provides for the occupancy of approximately 57,336 rentable square feet of space at 115 Broadway in Manhattan, substantially in accordance with the terms outlined to the Board; and it is further

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

**AUTHORIZATION FOR THE PORT AUTHORITY TO PROVIDE FUNDING TO THE SOUTH STREET SEAPORT MUSEUM, THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY AND THE NEW JERSEY REDEVELOPMENT AUTHORITY**

It was recommended that the Board authorize the Executive Director to enter into agreements with: (i) the South Street Seaport Museum (Museum), under which the Port Authority would provide \$5 million of the Museum's estimated total project cost of \$19 million to renovate historic Schermerhorn Row and establish a *World Port New York* exhibit; (ii) the New Jersey Economic Development Authority (EDA), under which the Port Authority would provide \$5 million, subject to the identification of eligible projects, to assist the EDA's support of new development and the growth of businesses and not-for-profit entities in the New York-New Jersey Port District (Port District); and (iii) the New Jersey Redevelopment Authority, (Redevelopment Authority), under which the Port Authority would provide \$10 million, subject to the identification of eligible projects, to assist the Redevelopment Authority's program in the Port District of serving as a comprehensive urban resource center focusing on improving the quality of life by creating value in New Jersey's urban communities, including investing financial and technical resources in redevelopment projects and plans that will create a positive economic impact in eligible communities.

The Museum plans a \$19 million renovation to create a new twenty-four-room gallery with a 30,000-square-foot core permanent exhibit entitled *World Port New York*. The proposed agreement with the Museum will also strengthen the economy of Lower Manhattan by making the South Street Seaport even more of a magnet for visitors from throughout the New York-New Jersey region (Region) and around the world. The funding will support a dramatic expansion of the Museum, drawing visitors to the Museum itself and also creating an economic ripple effect that will be felt in restaurants, retail stores and other businesses throughout the downtown area. The exhibit will illustrate the history of the port in the Region, exploring its early history and the lives of the people who worked at the port in the 19<sup>th</sup> and 20<sup>th</sup> centuries. The result will be increased awareness of the importance of the shipping industry and the maritime ports in the history of the Region, and the Port Authority's role in developing the maritime ports, creating jobs and enhancing economic activity. This exhibit will showcase the importance of the Port Authority and the maritime industry for millions of the Region's residents. The funds are an effective and efficient means for strengthening the economy of Lower Manhattan and creating public support for the Port Authority, its goals and its capital program to modernize and expand its maritime ports, airports, bridges and tunnels and other facilities.

The \$5 million to be provided to the EDA will be utilized to assist the EDA's support of new development and the growth of businesses and not-for-profit entities in the Port District.

The \$10 million to be provided to the Redevelopment Authority would assist the Redevelopment Authority's program in the Port District of serving as a comprehensive urban resource center focusing on improving the quality of life by creating value in New Jersey's urban communities, including investing financial and technical resources in redevelopment projects and plans that will create a positive economic impact in eligible communities.

Pursuant to the foregoing report, the following resolution was adopted with

Commissioners Blakeman, Chasanoff, Mack, Martini, Sartor, Sinagra and Song 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 agreements with the South Street Seaport Museum, the New Jersey Economic Development Authority and the New Jersey Redevelopment Authority, to provide \$5 million to the South Street Seaport Museum, \$5 million to the New Jersey Economic Development Authority, and \$10 million to the New Jersey Redevelopment Authority, to be utilized as set forth in the foregoing report; the form of the agreements shall be subject to the approval of General Counsel or his authorized representative.

**SETTLEMENT OF CLAIM – THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY V. AMERICAN AIRLINES**

It was recommended that the board authorize General Counsel to settle the action entitled The Port Authority of New York and New Jersey v. American Airlines, by accepting the sum of \$1,040,000 to settle the claim by the Port Authority. In return, the Port Authority will issue a General Release.

The Port Authority brought this claim against American Airlines (American) seeking to recover the cost of repairing an arrestor bed that was damaged on May 8, 1999, when an aircraft operated by American Eagle and owned by American overshot the end of Runway 22L while landing at John F. Kennedy International Airport. The total cost of repairing the arrestor bed was \$1,194,492.42. The amount sought from American was \$1,124,492.42. Prior to the damage caused by American, Korean Air Lines (Korean) had damaged the arrestor bed on January 1, 1999. The cost at the time for repairs was \$70,000. This amount was previously recovered through settlement negotiations with Korean's insurers, although the damage done by Korean had not been repaired before the arrestor bed was totally destroyed by the American Eagle aircraft.

After extensive negotiations with American's insurers, a final offer in the amount of \$1,040,000 was made. As certain Port Authority costs are either open to interpretation or are not able to be completely substantiated, it is the view of staff that entering into a settlement for this amount is in the best interest of the Port Authority.

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

**RESOLVED**, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to settle the action entitled The Port Authority of New York and New Jersey v. American Airlines by accepting the sum of \$1,040,000 from American Airlines, in return for issuing a General Release.

**CONFIDENTIAL ITEM**

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

## CONTRACT AND PURCHASE ORDER AUTHORIZATIONS AND AMENDMENTS- QUARTERLY REPORT

**REPORT:** In accordance with the By-Laws, the Executive Director reported, for information only, actions taken on matters described in Article XII, sections (g)(1) and (g)(2) for the period July 1, 2001 to September 30, 2001:

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Knoll c/o Donaton P.O. #4500021763	Workstations for Journal Square Facility for the 9 <sup>th</sup> & 10 <sup>th</sup> Floors	458,419	Government Contract
Knoll c/o Donaton P.O. #4500022171	Workstations for Building One at Newark Facility	455,226	Government Contract
C & A Floor Covering P.O. #4500022267	Carpeting for John F. Kennedy Facility	91,496	Government Contract
Knoll c/o Donaton Contract P.O. #4500022386	Workstations for World Trade Center – 63 <sup>rd</sup> Floor	178,396	Government Contract
Ingersoll Rand Equipment P.O. #4500022453	Compressors – Material Management – Central Stockroom	93,779	Publicly Advertised/ Low Bid
Gunlocke Company P.O. #4500022571	Contura Model Chairs- World Trade Center	100,110	Government Contract
Castlereagh Inc. Contract #4600003078	Airport Information Guides – LaGuardia, John F. Kennedy and Newark – Two-Year Contract	320,000	Publicly Advertised/ Low Bid
American Building Maintenance Co. Contract #4600003085	Plumbing and Mechanical Services – World Trade Center – Two-Year Contract	249,963	Publicly Advertised/ Low Bid
Metro Fuel Oil Corp Contract #4600003086	Diesel Oil for John F. Kennedy CTA Buses	500,000	Government Contract

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Milea Truck Sales Corp. Contract #4600003088	Stockroom Transfer Trucking Service – World Trade Center – 2 Year Contract	300,000	Government Contract
Hertz Equipment Rental Contract #4600003091	Forklift Rental	343,800	Publicly Advertised/ Low Bid
Hertz Equipment Rental Contract #4600003092	Rack Truck Rental	159,900	Publicly Advertised/ Low Bid
A Royal Flush Inc Contract #4600003103	Portable Toilets at LaGuardia Airport	203,632	Publicly Advertised/ Low Bid
SAP Public Services, Inc Contract #4600003104	Tutorial Software for SAP	104,117	Government Contract
AFA Protective Systems, Inc Contract #4600003123	Inspection & Testing of Alarm System 3 Year Contract	405,224	Publicly Advertised/ Low Bid
Mack Markowitz Contract #4600003128	Aftermarket Auto Parts	141,900	Publicly Advertised/ Low Bid
Safetec, LLC Contract #4600003130	Coveralls – Materials Management – Stockrooms	109,194	Publicly Advertised/ Low Bid
Filco Carting Corporation Contract #4600003135	Trash Removal and Recycling Services at John F. Kennedy Airport	450,661	Publicly Advertised/ Low Bid
KPMG Consulting LLC Contract #4600003140	Vendor Registration System with Maintenance Support	301,513	Government Contract
Beyer Bros. GMC Corp Contract #4600003144	Aftermarket Auto Parts Repair	180,000	Government Contract

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
UNISYS Corporation Contract #4600003166	Load Runner Software	80,000	Government Contract
Gartner Group Inc. Contract #4600003171	Gartner Research and Advisory Services – One Year Contract	112,500	Government Contract
Gabrielli Truck Sales Contract #4600003184	Aftermarket Auto Parts – New Jersey Facilities	162,000	Publicly Advertised/ Low Bid
Professional Commercial Furnishings Contract #4600003188	Furniture Requirements – One Year Contract – Stockroom	175,774	Publicly Advertised/ Low Bid
Arch Wireless Contract #4600003192	Paging Services Contract – All Port Authority Facilities – One Year Contract	500,000	Government Contract
New Jersey Fire Equipment Co. Contract #UC29000001	Globe Firefighting Uniforms	186,088	Publicly Advertised/ Low Bid
Paraco Gas Co.	Requirements contract to provide liquid propane gas for the Aircraft Fire Trainer at John F. Kennedy International Airport – Six-month term	177,000	Sole Source/ Negotiated
Siemens Building Technologies, Inc. Contract DMH-107A	Building control system upgrade for mechanical equipment at the Downtown Manhattan Heliport	215,600	Negotiated
Mainco Elevator & Electrical Corp.	Rehabilitation of Escalator No. 30 at the George Washington Bridge Bus Station	222,405	Negotiated



## CONTRACT AND PURCHASE ORDER AUTHORIZATIONS AND AMENDMENTS- QUARTERLY REPORT

**REPORT:** In accordance with the By-Laws, the Executive Director reported, for information only, actions taken on matters described in Article XII, sections (g)(1) and (g)(2) of for the period October 1, 2001 to December 31, 2001:

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Winner Ford P.O. #U008000074	Purchase of Police Automobiles	\$ 76,735	Government Contract
DLT Solutions, Inc P.O. #UP01700015	Computer Software, Autocad with Subscript	81,119	Government Contract
Garden State Office System P.O. #UP25000025	Kardex Lektrievers	190,590	Government Contract
Winner Ford P.O. # W011000001	Purchase of Police Sedans	436,050	Government Contract
Knoll c/o Donaton Contract P.O. #W025000084	Workstations for 9 <sup>th</sup> and 10 <sup>th</sup> Floors at the Journal Square Transportation Center	169,726	Government Contract
GTSI P.O. #W029000003	Mobile Data Terminals	245,300	Publicly Advertised/ Low Bid
Unified Technologies, Inc P.O. #WP01700023	Various Items for Computer Firewall	154,701	Government Contract
IBM Corporation P.O. #WP01700032	Computer Hardware and Software	146,300	Government Contract
Knoll International P.O. #WP25000006	Furniture for Port Authority Bus Terminal	239,506	Government Contract

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Davis Furniture Industries, inc P.O. #WP25000014	Emergency Office Furniture	382,184	Government Contract
C&A Floor Coverings, Inc. P.O. #WP25000015	Flooring for Building One at John F. Kennedy International Airport	88,262	Government Contract
C&A Floor Coverings, Inc. P.O. #WP25000028	Carpet Tiles for John F. Kennedy International Airport	88,262	Government Contract
Knoll International P.O. #WP25000031	Desks	78,176	Government Contract
Evenson Best L.L.C. Contract #4600003189	Tower Files – Materials Management	439,556	Publicly Advertised/ Low Bid
Xerox Corporation Contract # UC01700004	Service Contract for Copiers, Xerox	320,000	Government Contract
Henry Schein, Inc. Contract #UC02200001	Medical Supplies- Three-Year Contract	80,000	Publicly Advertised/ Low Bid
Edwards Medical Supplies Contract #UC02200002	Medical Supplies – Three-Year Contract	80,000	Publicly Advertised/ Low Bid
Myslik, Inc Contract #UC08000002	Sweeper Parts	192,902	Publicly Advertised/ Low Bid
Woodbridge Dodge Inc Contract #UC08000003	Requirement Contract, Chrysler Parts	161,000	Publicly Advertised/ Low Bid
Elrac D/B/A Enterprise Rent –A-Car Contract #UC08000004	Auto Rental	500,000	Government Contract

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Gabrielli Truck Sales, Inc. Contract #UC08000006	Truck Aftermarket Parts	102,200	Government Contract
Empire Equipment Sales Company, Inc Contract #UC08000010	Sweeper Parts	144,569	Publicly Advertised/ Low Bid
Trius Inc Contract #UC08000016	Filters	147,000	Government Contract
Steinway Auto Parts Contract #UC08000017	Aftermarket Automotive Parts	190,000	Government Contract
National Water Main Cleaning Co. Contract #UC10000002	Catch Basin and Scupper Cleaning at Staten Island Bridges	190,403	Publicly Advertised/ Low Bid
All City Coffee & Water Contract #UC10000003	Bottled Water for New Jersey Facilities	411,724	Publicly Advertised/ Low Bid
Great Bear Contract #UC10000004	Bottled Water for New York Facilities	422,940	Publicly Advertised/ Low Bid
OCE – U.S.A., Inc Contract #UC19000007	Printer Rental – Five-Year Contract	436,920	Government Contract
DLT Solutions, Inc Contract #UC21000001	Central Automotive Division Software Upgrade	100,516	Government Contract
West Group Contract #UC21000003	Legal Database Service & Publication	190,000	Government Contract
Sun Microsystems, Inc. Contract #UC21000013	PeopleSoft Servers	320,217	Government Contract
Frank Liquori Plumbing & Heating Contract #UC24000004	Septic Waste Removal at the Goethals Bridge	128,472	Publicly Advertised/ Low Bid

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Boro-Wide Recycling Corp. Contract #UC24000014	Trash removal services at LaGuardia Airport	\$ 375,414	Publicly Advertised/ Low Bid
Bissett Nursery Corp. Contract #UC24000019	Lawn Supplies – Materials Management	97,292	Publicly Advertised/ Low Bid
Tool Crib Supply Corp. Contract #UC24000027	Pumps – Materials Management	83,912	Publicly Advertised/ Low Bid
Waste Services of New York Inc. Contract #UC24000034	Trash Removal at LaGuardia Airport	124,974	Publicly Advertised/ Low Bid
Davis Furniture Industries, Inc. Contract #UC25000007	Chairs- Materials Management	278,900	Government Contract
Cashmore Furniture Corporation Contract #UC25000011	Office Furniture – Materials Management	177,100	Publicly Advertised/ Low Bid
A.I. Friedman Contract #UC25000076	Art and Drafting Supplies – Materials Management	300,000	Government Contract
Fremont Industrial Corp. Contract #UC28000001	Various Gloves	184,779	Publicly Advertised/ Low Bid
The Cherokee 8A Group, Inc. Contract #UC29000002	Requirements Supply of Glass Contract for Newark International Airport	449,377	Publicly Advertised/ Low Bid
Clearway, LLC Contract #UC29000003	Liquid Deicing Chemicals	457,600	Publicly Advertised/ Low Bid
Octagon Process, Inc. Contract #UC29000005	Liquid Deicing Chemicals	345,000	Publicly Advertised/ Low Bid

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Empire State Fuel Corp. Contract #UC29000011	#2 Fuel Oil Heating	189,000	Publicly Advertised/ Low Bid
Janus Petroleum & Janus Ind. Contract #UC29000014	#2 Fuel Oil Heating	108,750	Publicly Advertised/ Low Bid
International Salt Co., LLC Contract #UC290000015	Rock, Salt Sodium Chloride	282,540	Government Contract
Atlantic Salt, Inc. Contract #UC29000016	Rock, Salt Sodium Chloride	100,000	Government Contract
Atlantic Salt, Inc. Contract #UC29000019	Rock, Salt Sodium Chloride	150,000	Government Contract
Katzin's Uniforms, Inc. Contract #UC29000020	Dress Uniforms (Blazers & Skirts)	197,386	Publicly Advertised/ Low Bid
Atlantic Salt, Inc. Contract #UC29000022	Rock Salt, Sodium Chloride	100,000	Government Contract
Atlantic Salt, Inc. Contract #UC29000026	Rock Salt, Sodium Chloride Bulk	100,000	Government Contract
Fit-Rite Uniform Co., Inc. Contract #UC29000030	Winter Parkas	193,720	Publicly Advertised/ Low Bid
Atlantic Salt, Inc. Contract #UC29000031	Rock Salt, Sodium Chloride Bulk	100,000	Government Contract
Louis Shiffman Electric Contract #UC0000039	Electrical Conduit – Various Facilities	104,788	Publicly Advertised/ Low Bid
Hertz Equipment Rental Contract #UC0800013	Compressor Rental	432,720	Publicly Advertised/ Low Bid

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
T. Moriarty & Son, Inc. JFK-134.174	Increase in extra work for revisions to architectural finishes and acceleration of certain work associated with improvements in the East Parking Garage at John F. Kennedy International Airport.	\$ 250,000	Existing Contract
Mystique Autobody Services, Inc.	Interim contract to provide towing services at John F. Kennedy International Airport. Nine-month term.	108,000	Negotiated
Mr. John Portable Sanitation Units Contract LG-01/09	Provide two portable sanitation units and three waste holding tanks at LaGuardia Airport. Three-year term.	153,698	Sole Source
United States Pipe and Foundry Company, Inc.	Requirements contract to provide fire hydrant parts at various facilities	\$ 162,000	Sole Source/ Negotiated



**Tort Claim Settlements - Report**

The Executive Director reports, for information only, that in accordance with the authority granted under Article XII, section (g)(4) of the By-Laws, the following claims were previously settled, and reported closed during the period July 1, 2001 to December 31, 2001.

**TORT CLAIMS OF THE PORT AUTHORITY, CLOSED**

<b>NAME</b>	<b>FACILITY</b>	<b>AMOUNT COLLECTED</b>
ACADEMY EXPRESS	Newark International Airport	\$ 2,537.86
DELTA AIRLINES	John F. Kennedy International Airport	1,277.65
ENG ERIC T	John F. Kennedy International Airport	557.00
GRACE INDUSTRIES	John F. Kennedy International Airport	4,029.46
INGUI ROBBIE	John F. Kennedy International Airport	871.89
LA ROSA LOUIS	Holland Tunnel	10,273.40
OGDEN AVIATION	Newark International Airport	3,290.88
RIVERA NORMA	Newark International Airport	11,209.50
TRAC LEASE INC	Port Newark	1,646.28
	<b>TOTAL COLLECTED</b>	<b>\$35,693.92</b>

**TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED**

<b>NAME</b>	<b>FACILITY</b>	<b>AMOUNT PAID</b>
BURNS LAWRENCE M	George Washington Bridge	483.89
MONTOYA FERNANDO	George Washington Bridge	738.87
GOLDSTEIN RONALD	World Trade Center	3,357.73
NORTH PETER	George Washington Bridge	1,317.74
COOK GEORGE	Port Authority Technical Center	190.80
STROMBERG FRANKLIN	Newark International Airport	242.48
TAYLOR WILLIAM	George Washington Bridge	1,910.00
KEILEY BRUCE	LaGuardia Airport	301.04
NEW CONCEPTS	George Washington Bridge	3,047.50
DOLAN SYBLEE	Newark International Airport	220.39
BUNDRIDGE MINNIE	Holland Tunnel	1,265.49
THOMAS RALPH	LaGuardia Airport	633.86
LARKIN JOSEPH	Off Property	1,796.50
WEISS AYELET ANN	George Washington Bridge	1,339.20
MANSSON HANS	LaGuardia Airport	603.14
MCGARITY JOHN	John F. Kennedy International Airport	1,339.95
TONG MAI-TAK	LaGuardia Airport	135.31
BUZBY TIM	Newark International Airport	500.00
TRAGER ROBERT	LaGuardia Airport	670.00
ABABIO ROLAND	Port Authority Bus Terminal	6,250.00
CRAIG TEST BORING CO	John F. Kennedy International Airport	10,695.67
	<b>TOTAL</b>	<b>\$37,039.56</b>

**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 February 1, 2002 to February 28, 2002.

<b>CONTRACT NUMBER</b>	<b>CONTRACT TITLE FACILITY AND CONTRACTOR</b>	<b>TOTAL AUTHORIZED</b>	<b>TOTAL PAYMENTS</b>
WTC810072	ELECTRICAL CAPACITY UPGRADE	943,668.00 (A)	932,093.00 (A,G)
	WORLD TRADE CENTER	100,000.00 (C)	99,500.00 (C)
	CASE CONTRACTING LTD	56,620.00 (D)	56,620.00 (D)
		12,937.00 (E)	12,937.00 (E)
		60,000.00 (F)	45,018.00 (F)
		1,173,225.00	1,146,168.00
GWB448	CLEANING DRAINAGE SYSTEM	114,300.00 (B)	47,301.00 (B)
	GEORGE WASHINGTON BRIDGE	29,000.00 (C)	10,626.00 (C)
	E&B INDUSTRIAL CLEANING CORP	6,900.00 (D)	--0-- (D)
		--0-- (H)	1,966.00 (H)
		150,200.00	59,893.00
WTC861175	FIRE ALARM SYSTEM DEVICE UPGRADE	745,000.00 (A)	745,000.00 (A)
	PHASE III FOR 1 WTC-CONTRACT #2	75,000.00 (C)	--0-- (C)
	WORLD TRADE CENTER	59,600.00 (D)	20,555.00 (D)
	CASE CONTRACTING LTD	10,950.00 (E)	10,950.00 (E)
		890,550.00	776,505.00
WTC861272	FIRE ALARM SYSTEM DEVICE UPGRADE	995,000.00 (A)	995,000.00 (A)
	PHASE III FOR 2 WTC-CONTRACT #3	75,000.00 (C)	--0-- (C)
	WORLD TRADE CENTER	79,600.00 (D)	70,350.00 (D)
	CASE CONTRACTING LTD	13,450.00 (E)	13,450.00 (E)
		1,163,050.00	1,078,800.00
WTC861571	FIRE ALARM SYSTEM DEVICE UPGRADE	569,170.00 (A)	569,170.00 (A)
	PHASE III FOR 5 WTC MER'S, EMR'S &	35,000.00 (C)	--0-- (C)
	SUBSTATIONS	45,540.00 (D)	45,540.00 (D)
	WORLD TRADE CENTER	40,000.00 (I)	40,000.00 (I)
	BARBARO ELECTRIC COMPANY, INC	25,000.00 (J)	16,598.00 (J)
		714,710.00	671,308.00

WTC861176	FIRE ALARM SYSTEM DEVICE UPGRADE	1,050,000.00	(A)	1,050,000.00	(A)
	PHASE III FOR 1 WTC-CONTRACT #3	75,000.00	(C)	41,860.00	(C)
	WORLD TRADE CENTER	84,000.00	(D)	--0--	(D)
	CASE CONTRACTING LTD	14,000.00	(E)	14,000.00	(E)
		210,000.00	(K)	210,000.00	(K)
		20,000.00	(L)	--0--	(L)
		17,000.00	(M)	--0--	(M)
		1,470,000.00		1,315,860.00	
WTC945079	TENANT STANDBY POWER SYSTEM	458,800.00	(A)	458,800.00	(A)
	SUBSTATION AT 2WTC-75TH FLOOR	50,000.00	(C)	49,609.00	(C)
	WORLD TRADE CENTER	36,704.00	(D)	36,704.00	(D)
	MASS ELECTRIC CONSTRUCTION COMPANY	545,504.00		545,113.00	
WTC861273	FIRE ALARM SYSTEM DEVICE UPGRADE	786,000.00	(A)	786,000.00	(A)
	PHASE III FOR 2 WTC-CONTRACT #4	100,000.00	(C)	34,445.00	(C)
	WORLD TRADE CENTER	62,880.00	(D)	--0--	(D)
	CASE CONTRACTING LTD	948,880.00		820,445.00	
WTC861573	FIRE ALARM SYSTEM DEVICE UPGRADE	590,370.00	(A)	579,923.00	(A,N)
	PHASE III FOR 5 WTC 3RD-6TH FLOORS	75,000.00	(C)	42,314.00	(C)
	WORLD TRADE CENTER	47,230.00	(D)	--0--	(D)
	HATZEL & BUEHLER, INC	712,600.00		622,237.00	
JFK842	REPAVING OF COMMISSARY ROAD & WEST	268,865.00	(A)	264,465.00	(A,P)
	HANGAR ROAD	147,370.00	(B)	122,754.00	(B)
	JOHN F. KENNEDY INTERNATIONAL AIRPORT	35,000.00	(C)	--0--	(C)
	NEWBORN CONSTRUCTION INC	24,974.00	(D)	24,974.00	(D)
		23,026.00	(O)	22,878.00	(O)
		499,235.00		435,071.00	
WTC861575	FIRE ALARM SYSTEM DEVICE UPGRADE	698,950.00	(A)	698,950.00	(A)
	PHASE III FOR 4&5 WTC-B1 & B2 LEVELS &	60,000.00	(C)	39,664.00	(C)
	GLOBAL LOCAL	41,950.00	(D)	38,730.00	(D)
	WORLD TRADE CENTER	800,900.00		777,344.00	
	KATCO ELECTRIC CO, INC				

LGA657	PARKING LOT #1 LIGHTING POLE	375,000.00	(A)	375,000.00	(A)
	REPLACEMENT	30,000.00	(C)	10,544.00	(C)
	LAGUARDIA AIRPORT	22,500.00	(D)	--0--	(D)
	NAGORI CONTRACTING CORP	427,500.00		385,544.00	
EWR694	REHABILITATION OF EXPRESS EXIT	621,070.00	(A)	621,070.00	(A)
	ROADWAYS	90,958.00	(B)	81,597.93	(B)
	NEWARK INTERNATIONAL AIRPORT	10,000.00	(C)	8,308.00	(C)
	CRISDEL GROUP, INC	42,722.00	(D)	37,201.00	(D)
		764,750.00		748,176.93	
WTC913071	4 & 5 WTC PERIMETER LIGHTING	979,000.00	(A)	979,000.00	(A)
	IMPROVEMENT	50,000.00	(C)	--0--	(C)
	WORLD TRADE CENTER	78,320.00	(D)	73,015.00	(D)
	ARC ELECTRICAL & MECHANICAL	1,107,320.00		1,052,015.00	
	CONTRACTORS, CORP				
EWR174046	PILE FOUNDATIONS & SERVICE ROAD	1,082,675.00	(A)	1,082,575.00	(A)
	NEWARK INTERNATIONAL AIRPORT	1,205,325.00	(B)	1,198,784.00	(B)
	STAR INDUSTRIES, INC	45,000.00	(C)	3,400.00	(C)
		229,000.00	(D)	229,000.00	(D)
		171,000.00	(Q)	82,761.00	(Q)
		--0--	(R)	198,500.00	(R)
		2,733,000.00		2,795,020.00	
DMH105A	EXTERIOR WALL REPAIRS	394,200.00	(A)	394,200.00	(A)
	DOWNTOWN MANHATTAN HELIPORT	20,000.00	(C)	--0--	(C)
	ALCOR CONTRACTING, INC	40,000.00	(D)	33,955.00	(D)
		6,913.00	(E)	6,913.00	(E)
		461,113.00		435,068.00	
WTC890042	SECURITY CAPITAL IMPROVEMENT	22,073,944.00	(A)	22,073,944.00	(A)
	PROGRAM	500,000.00	(C)	419,868.00	(C)
	WORLD TRADE CENTER	1,750,000.00	(D)	1,750,000.00	(D)
	E-J ELECTRIC INSTALLATION COMPANY &	1,046,000.00	(S)	1,046,000.00	(S)
	ELECTRONIC SYSTEMS ASSOCIATES, PC, A JV	80,000.00	(T)	80,000.00	(T)
		212,000.00	(U)	212,000.00	(U)
		12,720.00	(V)	12,720.00	(V)
		2,600,000.00	(W)	2,445,477.00	(W)
		--0--	(X)	139,338.00	(X)
		28,274,664.00		28,179,347.00	

- (A) Lump Sum
- (B) Classified Work
- (C) Net Cost - amount in the "Total Authorized" column represents the estimated net cost amount. However, the amount in the "Total Payments" column is the authorized net cost amount.
- (D) Extra Work.
- (E) Premium for furnishing performance and payment bond as provided for in the contract.
- (F) Increase in extra work in the amount of \$60,000 authorized on 4/11/2001.
- (G) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$7,975 for the deletion of part of the work and a deduction from the contractor's compensation of \$3,600 for hoisting charges.
- (H) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$1,965, as provided for in the contract.
- (I) Increase in extra work in the amount of \$40,000 authorized on 1/17/2001.
- (J) Increase in extra work in the amount of \$25,000 authorized on 6/18/2001.
- (K) Supplemental Agreement No.1 which included an increase in the amount of \$210,000 for lump sum work on 6/28/2000.
- (L) Supplemental Agreement No.1 which included an increase in the amount of \$20,000 for net cost work on 6/28/2000.
- (M) Supplemental Agreement No.1 which included an increase in the amount of \$17,000 for extra work on 6/28/2000.
- (N) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$10,447 for the deletion of part of the work .
- (O) Increase in extra work in the amount of \$23,026 authorized on 11/15/2000.
- (P) The difference between "Total Authorized" and "Total Payments" represents credit change orders in the total amount of \$4,400 for changes in the scope of the work.
- (Q) Increase in extra work in the amount of \$171,000 authorized on 2/3/94.
- (R) Payments totalling \$198,500 authorized by the contractor to be made directly to subcontractors and materialmen.
- (S) Supplemental Agreement No.1 which included an increase in the amount of \$1,046,000 for lump sum work on 3/14/97.
- (T) Supplemental Agreement No.1 which included an increase in the amount of \$80,000 for extra work on 3/14/97.
- (U) Supplemental Agreement No.2 which included an increase in the amount of \$212,000 for lump sum work on 10/6/97.
- (V) Supplemental Agreement No.2 which included an increase in the amount of \$12,720 for extra work on 10/6/97.
- (W) Increase in extra work in the amount of \$2,600,000 authorized on 12/17/98.
- (X) Reimbursement for insurance premiums paid by the contractor, as provided for in the contract.

**INVESTMENTS AND DEPOSITS**

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 February 1, 2002 through February 28, 2002.

**REPORT A:**

Purchase of Port Authority Bonds

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

<b><u>Purchase</u></b> <b><u>Date</u></b>	<b><u>Par</u></b> <b><u>Value</u></b>	<b><u>Description</u></b>	<b><u>Coupon</u></b> <b><u>Rate</u></b>	<b><u>Maturity</u></b> <b><u>Date</u></b>	<b><u>Purchase</u></b> <b><u>Price</u></b>	<b><u>Call</u></b> <b><u>Year</u></b>	<b><u>YTC</u></b> <b><u>@ Cost</u></b>	<b><u>BEY</u></b> <b><u>@ Cost</u></b>	<b><u>Total</u></b> <b><u>Principal</u></b>	<b><u>Dealer</u></b>
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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>
02/01/02	\$ 4,600,000	APO-JFK	6.375%	12/01/15	99.90	--	6.387%	\$ 4,595,400.00	JFKIAT-APO
02/01/02	25,000,000	FCDN	--	02/25/02	99.89	1.710%	1.736	24,971,500.00	Fuji Securities
02/01/02	28,000,000	CITICORP CP	--	02/04/02	99.98	1.810	1.835	27,995,776.68	Citicorp
02/01/02	50,000,000	FHDN	--	03/01/02	99.87	1.710	1.736	49,933,500.00	Fuji Securities
02/01/02	50,000,000	US T-BILL	--	07/05/02	99.25	1.760	1.798	49,623,555.55	S.G. Cowen
02/01/02	50,000,000	US T-BILL	--	03/21/02	99.78	1.660	1.687	49,889,333.35	S.G. Cowen
02/01/02	50,000,000	US T-BILL	--	05/02/02	99.58	1.695	1.726	49,788,125.00	Legg Mason
02/01/02	50,000,000	CITICORP CP	--	02/04/02	99.98	1.810	1.835	49,992,458.35	Citicorp
02/04/02	45,000,000	CITICORP CP	--	02/05/02	99.99	1.800	1.825	44,997,750.00	Citicorp
02/05/02	44,000,000	UBSFIN CP	--	02/06/02	99.99	1.710	1.734	43,997,910.00	UBS Warburg
02/05/02	46,175,000	CITICORP CP	--	02/07/02	99.99	1.730	1.754	46,170,562.07	Citicorp
02/05/02	49,000,000	US T-BILL	--	04/18/02	99.67	1.670	1.699	48,836,340.00	S.G. Cowen

## 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>
02/05/02	\$ 50,000,000	US T-BILL	--	03/21/02	99.80	1.650%	1.676%	\$ 49,899,166.65	S.G. Cowen
02/05/02	50,000,000	CITICORP CP	--	02/07/02	99.99	1.730	1.754	49,995,194.45	Citicorp
02/07/02	11,400,000	FMCDN	--	04/02/02	99.74	1.720	1.748	11,370,588.00	Merrill Lynch
02/07/02	15,000,000	CITICORP CP	--	02/08/02	99.99	1.650	1.673	14,999,312.51	Citicorp
02/07/02	50,000,000	US T-BILL	--	04/18/02	99.68	1.650	1.678	49,839,583.35	Legg Mason
02/07/02	50,000,000	FMCDN	--	03/05/02	99.88	1.720	1.746	49,937,888.90	Merrill Lynch
02/07/02	50,000,000	FMCDN	--	04/02/02	99.74	1.720	1.748	49,871,000.00	Merrill Lynch
02/07/02	50,000,000	UBSFIN CP	--	02/08/02	99.99	1.750	1.774	49,997,569.45	UBS Warburg
02/07/02	50,000,000	UBSFIN CP	--	02/08/02	99.99	1.750	1.774	49,997,569.45	UBS Warburg
02/08/02	50,000,000	UBSFIN CP	--	02/11/02	99.99	1.680	1.704	49,993,000.00	UBS Warburg
02/08/02	50,000,000	UBSFIN CP	--	02/11/02	99.99	1.680	1.704	49,993,000.00	UBS Warburg
02/11/02	2,900,000	US T-BILL	--	05/09/02	99.59	1.695	1.726	2,888,120.88	S.G. Cowen

## 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>
02/11/02	\$ 25,000,000	FNDN	--	03/08/02	99.88	1.710%	1.736%	\$ 24,970,312.50	Merrill Lynch
02/11/02	31,000,000	CITICORP CP	--	02/12/02	99.99	1.710	1.734	30,998,527.50	Citicorp
02/11/02	50,000,000	US T-BILL	--	03/07/02	99.89	1.655	1.680	49,944,833.35	Legg Mason
02/11/02	50,000,000	UBSFIN CP	--	02/12/02	99.99	1.750	1.774	49,997,569.45	UBS Warburg
02/11/02	50,000,000	UBSFIN CP	--	02/12/02	99.99	1.750	1.774	49,997,569.45	UBS Warburg
02/11/02	50,000,000	US T-BILL	--	05/09/02	99.59	1.695	1.726	49,795,187.50	S.G. Cowen
02/12/02	31,000,000	GECC CP	--	02/13/02	99.99	1.650	1.673	30,998,579.18	General Electric Capital
02/12/02	50,000,000	UBSFIN CP	--	02/13/02	99.99	1.740	1.764	49,997,583.35	UBS Warburg
02/12/02	50,000,000	UBSFIN CP	--	02/13/02	99.99	1.740	1.764	49,997,583.35	UBS Warburg
02/13/02	37,000,000	CITICORP CP	--	02/14/02	99.99	1.710	1.734	36,998,242.50	Citicorp
02/13/02	50,000,000	FHDN	--	03/13/02	99.87	1.720	1.746	49,933,111.10	Fuji Securities
02/13/02	50,000,000	UBSFIN CP	--	02/14/02	99.99	1.710	1.734	49,997,625.00	UBS Warburg

## 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>
02/13/02	\$ 50,000,000	UBSFIN CP	--	02/14/02	99.99	1.710%	1.734%	\$ 49,997,625.00	UBS Warburg
02/14/02	25,000,000	CITICORP CP	--	02/20/02	99.97	1.760	1.785	24,992,666.67	Citicorp
02/14/02	39,000,000	UBSFIN CP	--	02/15/02	99.99	1.770	1.795	38,998,082.49	UBS Warburg
02/14/02	50,000,000	CITICORP CP	--	02/20/02	99.97	1.760	1.785	49,985,333.35	Citicorp
02/14/02	50,000,000	UBSFIN CP	--	02/15/02	99.99	1.770	1.795	49,997,541.65	UBS Warburg
02/15/02	2,700,000	US T-BILL	--	06/27/02	99.37	1.715	1.750	2,683,021.50	Fuji Securities
02/15/02	25,000,000	FHDN	--	02/19/02	99.98	1.780	1.805	24,995,055.55	UBS Warburg
02/15/02	50,000,000	US T-BILL	--	07/05/02	99.32	1.740	1.776	49,661,666.65	S.G. Cowen
02/15/02	50,000,000	FHDN	--	04/12/02	99.73	1.720	1.749	49,866,222.20	Fuji Securities
02/15/02	50,000,000	US T-BILL	--	06/27/02	99.37	1.715	1.750	49,685,583.35	Fuji Securities
02/15/02	50,000,000	UBSFIN CP	--	02/19/02	99.98	1.870	1.896	49,989,611.10	UBS Warburg
02/15/02	50,000,000	UBSFIN CP	--	02/19/02	99.98	1.870	1.896	49,989,611.10	UBS Warburg

## 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>
02/19/02	\$ 5,000,000	GECC CP	--	02/20/02	99.99	1.750%	1.774%	\$ 4,999,756.95	General Electric Capital
02/19/02	11,000,000	GECC CP	--	02/20/02	99.99	1.750	1.774	10,999,465.28	General Electric Capital
02/19/02	25,000,000	UBSFIN CP	--	02/20/02	99.99	1.800	1.825	24,998,750.00	UBS Warburg
02/19/02	25,000,000	UBSFIN CP	--	02/20/02	99.99	1.800	1.825	24,998,750.00	UBS Warburg
02/19/02	50,000,000	UBSFIN CP	--	02/20/02	99.99	1.800	1.825	49,997,500.00	UBS Warburg
02/20/02	25,000,000	FHDN	--	03/15/02	99.89	1.730	1.756	24,972,368.05	Merrill Lynch
02/20/02	26,000,000	GECC CP	--	02/21/02	99.99	1.700	1.724	25,998,772.23	General Electric Capital
02/20/02	50,000,000	UBSFIN CP	--	02/21/02	99.99	1.770	1.795	49,997,541.65	UBS Warburg
02/20/02	50,000,000	UBSFIN CP	--	02/21/02	99.99	1.770	1.795	49,997,541.65	UBS Warburg
02/20/02	50,000,000	GECC CP	--	02/21/02	99.99	1.700	1.724	49,997,638.90	General Electric Capital
02/21/02	25,000,000	UBSFIN CP	--	02/22/02	99.99	1.770	1.795	24,998,770.83	UBS Warburg
02/21/02	43,655,000	US T-BILL	--	03/21/02	99.87	1.725	1.751	43,596,429.53	S.G. Cowen

## 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>
02/21/02	\$ 50,000,000	US T-BILL	--	08/08/02	99.17	1.775%	1.815%	\$ 49,585,833.35	S.G. Cowen
02/21/02	50,000,000	US T-BILL	--	08/08/02	99.17	1.775	1.815	49,585,833.35	S.G. Cowen
02/21/02	50,000,000	US T-BILL	--	07/18/02	99.29	1.740	1.777	49,644,750.00	Fuji Securities
02/21/02	50,000,000	US T-BILL	--	07/18/02	99.29	1.740	1.777	49,644,750.00	Fuji Securities
02/21/02	50,000,000	US T-BILL	--	05/23/02	99.57	1.715	1.746	49,783,243.05	Fuji Securities
02/21/02	50,000,000	CITICORP CP	--	02/27/02	99.97	1.700	1.724	49,985,833.35	Citicorp
02/21/02	50,000,000	UBSFIN CP	--	02/22/02	99.99	1.770	1.795	49,997,541.65	UBS Warburg
02/22/02	47,500,000	CITICORP CP	--	02/25/02	99.99	1.670	1.693	47,493,389.57	Citicorp
02/22/02	50,000,000	UBSFIN CP	--	02/25/02	99.99	1.730	1.754	49,992,791.65	UBS Warburg
02/22/02	50,000,000	UBSFIN CP	--	02/25/02	99.99	1.730	1.754	49,992,791.65	UBS Warburg
02/25/02	44,000,000	UBSFIN CP	--	02/26/02	99.99	1.770	1.795	43,997,836.65	UBS Warburg
02/25/02	50,000,000	UBSFIN CP	--	02/26/02	99.99	1.770	1.795	49,997,541.65	UBS Warburg

## 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>
02/26/02	\$ 37,000,000	CITICORP CP	--	02/27/02	99.99	1.750%	1.774%	\$ 36,998,201.39	Citicorp
02/26/02	50,000,000	UBSFIN CP	--	02/27/02	99.99	1.770	1.795	49,997,541.65	UBS Warburg
02/26/02	50,000,000	UBSFIN CP	--	02/27/02	99.99	1.770	1.795	49,997,541.65	UBS Warburg
02/27/02	48,000,000	CITICORP CP	--	02/28/02	99.99	1.780	1.805	47,997,626.69	Citicorp
02/27/02	50,000,000	UBSFIN CP	--	02/28/02	99.99	1.830	1.855	49,997,458.35	UBS Warburg
02/27/02	50,000,000	UBSFIN CP	--	02/28/02	99.99	1.830	1.855	49,997,458.35	UBS Warburg
02/28/02	46,500,000	CITICORP CP	--	03/01/02	99.99	1.850	1.876	46,497,610.41	Citicorp
02/28/02	50,000,000	UBSFIN CP	--	03/01/02	99.99	1.900	1.926	49,997,361.10	UBS Warburg
02/28/02	50,000,000	UBSFIN CP	--	03/01/02	99.99	1.900	1.926	49,997,361.10	UBS Warburg
02/28/02	50,000,000	CITICORP CP	--	03/01/02	99.99	1.850	1.876	49,997,430.55	Citicorp
	<u>\$3,445,430,000</u>							<u>\$3,440,773,961.71</u>	

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

Sale of Securities

<b>Sale</b>			<b>Coupon</b>	<b>Maturity</b>	<b>Sale</b>	<b>Discount</b>		
<b><u>Date</u></b>	<b><u>Par Value</u></b>	<b><u>Description</u></b>	<b><u>Rate</u></b>	<b><u>Date</u></b>	<b><u>Price</u></b>	<b><u>Rate</u></b>	<b><u>Principal</u></b>	<b><u>Dealer</u></b>

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>
Banc One Capital Markets	02/01/02	02/04/02	\$ 2,602,000	1.770%	\$ 383.80
Fuji Securities	02/01/02	02/05/02	10,546,000	1.780	2,085.76
Banc One Capital Markets	02/01/02	02/04/02	11,158,000	1.770	1,645.81
Banc One Capital Markets	02/01/02	02/04/02	15,548,000	1.770	2,293.33
Fuji Securities	02/01/02	02/05/02	39,422,000	1.780	7,796.80
Nomura Securities	02/01/02	02/05/02	40,769,000	1.780	8,063.20
Fuji Securities	02/01/02	02/05/02	46,166,000	1.780	9,130.61
Fuji Securities	02/01/02	02/05/02	48,744,000	1.780	9,640.48
Banc One Capital Markets	02/01/02	02/04/02	48,838,000	1.770	7,203.61
Nomura Securities	02/01/02	02/05/02	51,756,000	1.780	10,236.19
Paribas Corporation	02/04/02	02/05/02	2,587,000	1.770	127.19
Paribas Corporation	02/04/02	02/05/02	9,662,000	1.770	475.05

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

## Repurchase Transactions (Cont.)

<b><u>Dealer</u></b>	<b><u>Purchase Date</u></b>	<b><u>Sale Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Earned</u></b>
Paribas Corporation	02/04/02	02/05/02	\$ 10,862,000	1.770%	\$ 534.05
Paribas Corporation	02/04/02	02/05/02	53,034,000	1.770	2,607.51
Nomura Securities	02/05/02	02/07/02	2,561,000	1.730	246.14
Nomura Securities	02/05/02	02/07/02	10,771,000	1.730	1,035.21
Lehman Brothers	02/05/02	02/07/02	12,133,000	1.750	1,179.60
Nomura Securities	02/05/02	02/07/02	13,545,000	1.730	1,301.83
Lehman Brothers	02/05/02	02/07/02	15,890,000	1.750	1,544.86
Nomura Securities	02/05/02	02/07/02	48,853,000	1.730	4,695.32
Lehman Brothers	02/05/02	02/07/02	64,520,000	1.750	6,272.78
Fuji Securities	02/06/02	02/07/02	29,480,000	1.660	1,359.36
Fuji Securities	02/06/02	02/07/02	50,520,000	1.660	2,329.53
Paribas Corporation	02/07/02	02/08/02	2,399,000	1.710	113.95

## 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>
Paribas Corporation	02/07/02	02/08/02	\$ 2,562,000	1.710%	\$ 121.70
Paribas Corporation	02/07/02	02/08/02	10,732,000	1.710	509.77
Paribas Corporation	02/07/02	02/08/02	11,554,000	1.710	548.82
Zions First National Bank	02/07/02	02/08/02	43,573,000	1.690	2,045.51
Zions First National Bank	02/07/02	02/08/02	48,979,000	1.690	2,299.29
Paribas Corporation	02/07/02	02/08/02	50,258,000	1.710	2,387.26
Paribas Corporation	02/07/02	02/08/02	50,520,000	1.710	2,399.70
Fuji Securities	02/08/02	02/11/02	2,403,000	1.670	334.42
Nomura Securities	02/08/02	02/11/02	9,565,000	1.670	1,331.13
Fuji Securities	02/08/02	02/11/02	10,201,000	1.670	1,419.64
Fuji Securities	02/08/02	02/11/02	10,294,000	1.670	1,432.58
Fuji Securities	02/08/02	02/11/02	12,734,000	1.670	1,772.15

## 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 Securities	02/08/02	02/11/02	\$ 25,000,000	1.670%	\$ 3,479.17
Greenwich Capital Mkts	02/08/02	02/11/02	26,000,000	1.650	3,575.00
Nomura Securities	02/08/02	02/11/02	34,138,000	1.670	4,750.87
Fuji Securities	02/08/02	02/11/02	39,926,000	1.670	5,556.37
Fuji Securities	02/08/02	02/11/02	48,622,000	1.670	6,766.56
Nomura Securities	02/08/02	02/11/02	48,853,000	1.670	6,798.71
UBS Warburg	02/11/02	02/12/02	1,020,000	1.710	48.45
UBS Warburg	02/11/02	02/12/02	2,403,000	1.710	114.14
UBS Warburg	02/11/02	02/12/02	10,202,000	1.710	484.60
UBS Warburg	02/11/02	02/12/02	42,624,000	1.710	2,024.64
UBS Warburg	02/11/02	02/12/02	57,904,000	1.710	2,750.44
Lehman Brothers	02/12/02	02/13/02	2,403,000	1.700	113.48

## 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	02/12/02	02/13/02	\$ 3,462,000	1.700%	\$ 163.48
Lehman Brothers	02/12/02	02/13/02	9,659,000	1.700	456.12
Lehman Brothers	02/12/02	02/13/02	42,626,000	1.700	2,012.89
Lehman Brothers	02/12/02	02/13/02	50,440,000	1.700	2,381.89
Fuji Securities	02/13/02	02/14/02	2,319,000	1.680	108.22
Fuji Securities	02/13/02	02/14/02	9,580,000	1.680	447.07
Fuji Securities	02/13/02	02/14/02	24,179,000	1.680	1,128.35
Fuji Securities	02/13/02	02/14/02	29,136,000	1.680	1,359.68
Fuji Securities	02/13/02	02/14/02	42,628,000	1.680	1,989.31
Banc One Capital Markets	02/14/02	02/15/02	2,319,000	1.720	110.80
Banc One Capital Markets	02/14/02	02/15/02	4,040,000	1.720	193.02
Banc One Capital Markets	02/14/02	02/15/02	4,351,000	1.720	207.88

## 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 One Capital Markets	02/14/02	02/15/02	\$ 5,505,000	1.720%	\$ 263.02
Fuji Securities	02/14/02	02/15/02	5,524,000	1.740	266.99
Fuji Securities	02/14/02	02/15/02	12,110,000	1.740	585.32
Fuji Securities	02/14/02	02/15/02	16,350,000	1.740	790.25
Fuji Securities	02/14/02	02/15/02	24,311,000	1.740	1,175.03
Banc One Capital Markets	02/14/02	02/15/02	42,630,000	1.720	2,036.77
Fuji Securities	02/14/02	02/15/02	43,705,000	1.740	2,112.41
Banc One Capital Markets	02/14/02	02/15/02	48,218,000	1.720	2,303.75
Nomura Securities	02/15/02	02/19/02	2,319,000	1.830	471.53
Nomura Securities	02/15/02	02/19/02	3,621,000	1.830	736.27
Nomura Securities	02/15/02	02/19/02	9,546,000	1.830	1,941.02
Nomura Securities	02/15/02	02/19/02	43,582,000	1.830	8,861.67

## 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>
Nomura Securities	02/15/02	02/19/02	\$ 48,951,000	1.830%	\$ 9,953.37
Daiwa Securities America	02/19/02	02/20/02	2,320,000	1.730	111.49
Daiwa Securities America	02/19/02	02/20/02	9,170,000	1.730	440.67
Daiwa Securities America	02/19/02	02/20/02	9,979,000	1.730	479.55
Daiwa Securities America	02/19/02	02/20/02	11,589,000	1.730	556.92
Daiwa Securities America	02/19/02	02/20/02	20,450,000	1.730	982.74
Daiwa Securities America	02/19/02	02/20/02	23,141,000	1.730	1,112.05
Daiwa Securities America	02/19/02	02/20/02	30,902,000	1.730	1,485.01
Lehman Brothers	02/20/02	02/21/02	2,320,000	1.740	112.13
Lehman Brothers	02/20/02	02/21/02	9,170,000	1.740	443.22
Lehman Brothers	02/20/02	02/21/02	43,593,000	1.740	2,107.00
Lehman Brothers	02/20/02	02/21/02	52,472,000	1.740	2,536.15

## 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 One Capital Markets	02/21/02	02/22/02	\$ 2,320,000	1.730%	\$ 111.49
Banc One Capital Markets	02/21/02	02/22/02	8,886,000	1.730	427.02
Fuji Securities	02/21/02	02/22/02	11,675,000	1.750	567.53
Banc One Capital Markets	02/21/02	02/22/02	16,566,000	1.730	796.09
Banc One Capital Markets	02/21/02	02/22/02	21,017,000	1.730	1,009.98
Banc One Capital Markets	02/21/02	02/22/02	23,434,000	1.730	1,126.13
Banc One Capital Markets	02/21/02	02/22/02	27,566,000	1.730	1,324.70
Fuji Securities	02/21/02	02/22/02	28,325,000	1.750	1,376.91
Zions First National Bank	02/22/02	02/25/02	7,796,000	1.690	1,097.94
Zions First National Bank	02/22/02	02/25/02	48,539,000	1.690	6,835.91
Nomura Securities	02/25/02	02/26/02	6,753,000	1.720	322.64
Nomura Securities	02/25/02	02/26/02	26,262,000	1.720	1,254.74

## 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 Securities	02/25/02	02/26/02	\$ 45,000,000	1.720%	\$ 2,150.00
Nomura Securities	02/25/02	02/26/02	45,016,000	1.720	2,150.76
Fuji Securities	02/26/02	02/27/02	6,753,000	1.750	328.27
Fuji Securities	02/26/02	02/27/02	26,263,000	1.750	1,276.67
Fuji Securities	02/26/02	02/27/02	43,531,000	1.750	2,116.09
Lehman Brothers	02/27/02	02/28/02	6,754,000	1.800	337.70
Lehman Brothers	02/27/02	02/28/02	26,264,000	1.800	1,313.20
Lehman Brothers	02/27/02	02/28/02	41,748,000	1.800	2,087.40
Lehman Brothers	02/27/02	02/28/02	45,000,000	1.800	2,250.00
Fuji Securities	02/28/02	03/01/02	3,980,000	1.880	207.84
Nomura Securities	02/28/02	03/01/02	6,250,000	1.850	321.18
Nomura Securities	02/28/02	03/01/02	9,322,000	1.850	479.05

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

## Repurchase Transactions (Cont.)

<b><u>Dealer</u></b>	<b><u>Purchase Date</u></b>	<b><u>Sale Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Earned</u></b>
UBS Warburg	02/28/02	03/01/02	\$ 21,548,000	1.870%	\$ 1,119.30
Nomura Securities	02/28/02	03/01/02	39,559,000	1.850	2,032.89
Fuji Securities	02/28/02	03/01/02	48,499,000	1.880	2,532.73
Fuji Securities	02/28/02	03/01/02	48,561,000	1.880	2,535.96
Nomura Securities	02/28/02	03/01/02	48,730,000	1.850	2,504.18
UBS Warburg	02/28/02	03/01/02	51,286,000	1.870	2,664.02
UBS Warburg	02/28/02	03/01/02	53,431,000	1.870	2,775.44

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>
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No Transactions this period.

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 February 1, 2002 through February 28, 2002, 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

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

Options Transactions - Sold

<b>Transaction Date</b>	<b>Par Value</b>	<b>Description</b>	<b>Price</b>	<b>Exercise Price</b>	<b>Expirations/ Settlement</b>	<b>Dealer</b>	<b>Option Premium</b>
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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 February 1, 2002 and February 28, 2002 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

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

As of February 28, 2002, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$755 million, including \$380 million pertaining to refundings and \$100 million of reversals.

**REPORT D:** In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period February 1, 2002 and February 28, 2002 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

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

Whereupon, the meeting was adjourned.

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Acting Secretary