

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, April 1, 2004

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The public session was called to order by Chairman Coscia at 2:15 p.m. and ended at 2:33 p.m. The Board met in executive session prior to the public session. Commissioner Silverman was present for executive session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of February 25, 2004. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meetings on March 22, 2004 and March 23, 2004, which included discussion of contract matters and internal audit matters, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on April 1, 2004, which included discussion of contract and lease matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, 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 Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on April 1, 2004, which included discussion of a project for aeronautical pavement repairs and infrastructure improvements at John F. Kennedy International Airport as well as matters discussed in executive session, which included discussion of contract matters, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed and action taken in executive session at its meeting on April 1, 2004, which included discussion of personnel matters and contract and lease 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.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – AERONAUTICAL STATE-OF-GOOD-REPAIR PAVEMENT AND INFRASTRUCTURE CONSTRUCTION – PROJECT AUTHORIZATION AND AWARD OF CONTRACTS

It was recommended that the Board: (1) authorize a project including relocation and rehabilitation of Taxiway 'A,' rehabilitation of portions of Taxiway 'B,' rehabilitation of Runway 13L-31R and 13R-31L, study of New Large Aircraft (NLA) improvements to Runway 13R-31L, the strengthening of the taxiway bridges and the construction of a connector taxiway at John F. Kennedy International Airport (JFK), at an estimated total cost of \$178.9 million; and (2) authorize the Executive Director to award four state-of-good-repair (SGR) contracts, which include infrastructure modifications to accommodate NLA operations, to the lowest qualified bidder after public advertisement on each of the contracts. Prior to the award of each contract, the Board will be apprised of the successful bidder and actual bid.

SGR airfield maintenance and rehabilitation projects are necessary to comply with Federal Aviation Administration (FAA) regulations for safe and efficient airfield operations. JFK's aeronautical pavements and infrastructure, scheduled to be rehabilitated under this authorization, are exhibiting signs of distress and an increase in pavement failures. The scope of work is in accordance with the Port Authority's FAA-mandated Pavement Management Program, which seeks to rehabilitate airfield pavements routinely in a timeframe that minimizes their total life-cycle costs. This project will rehabilitate approximately seven miles of runways and taxiways, to maintain them in a state of good repair, and strengthen various taxiway bridges to eliminate aeronautical operating restrictions to current aircraft that serve JFK today, such as the Airbus A340-600 (A340-600).

A secondary component of this project relates to the completion of work to strengthen infrastructure and modify the pavement geometry of those portions of the airfield subject to rehabilitation in order to accommodate New Large Aircraft. NLA are aircraft categorized by the FAA as Design Group VI. Various airlines have expressed a strong desire to operate NLA, specifically the Airbus A380 (A380), at JFK in late 2006.

It is estimated that 62 percent of the total project cost is SGR-related, while 38 percent is NLA-related.

This SGR project along with key NLA construction components are being advanced concurrently in order to allow for the efficient scheduling of construction work, which minimizes airfield closures and the financial and operational hardships they impose on the airport community. The successful completion of this project will insure continued safe and efficient airfield operations at JFK and permit the precedent setting introduction of the A380, and other NLA, in a cost-effective and timely manner.

Construction contracts under this project will commence in the second quarter of 2004 and are estimated to be completed in 2007. SGR projects represent infrastructure maintenance required to satisfy FAA standards that are enforced through annual airport certification inspections. Therefore, deferral of SGR projects may expose an airport to regulatory and operating risks. Prudent capital construction planning reduces these risks.

The recommended project would maintain the airfield infrastructure in a state of good-repair. In addition, incorporating NLA infrastructure improvements into this SGR project will minimize disruptions to airside operations during construction and is anticipated to reduce Port Authority construction expenditures. Allowing NLA such as the A380 to operate at JFK may result in the retention or improvement of trans-oceanic market share, permit airport passenger throughput growth, stop the decline of transfer (connecting flight) traffic, and maintain JFK as a premier international gateway.

FAA exemptions to various current airport design standards are outstanding and have the potential of impacting NLA infrastructure improvement costs. Supportive FAA environmental impact review and Passenger Facility Charges (PFC) funding approval are also outstanding issues, but are anticipated to be fully resolved by the end of 2004. \$165 million dollars in funding for this project is included in a pending PFC application. Any amount not covered by PFCs would be fully recoverable under the current flight fee agreement and should be recoverable under a new flight fee agreement. If the PFC program is not advanced, an incremental cost increase to the flight fee of \$.42 per thousand pounds is anticipated.

The following publicly advertised contracts, which address aeronautical SGR pavement and infrastructure construction at JFK, would be awarded by the Executive Director to the lowest qualified bidder for each of the contracts, after notification to the Board of the successful bidder and actual bid:

1. JFK 134.102 - Taxiway 'A' Bridges Strengthening, at an estimated construction cost of \$13.7 million. This strengthening will allow unrestricted operation of the A340-600 over the Taxiway 'A' Bridges crossing the Van Wyck and JFK Expressways and increase their load-carrying capability to permit NLA operations to the west side of the airport;

2. JFK 134.104 - Relocation of Taxiway 'A' and Rehabilitation of Taxiway 'B' – East, at an estimated construction cost of \$18.2 million. This contract will relocate and rehabilitate the easterly section of Taxiway 'A' further from the Central Terminal Area Restricted Vehicle Service Road and concurrently rehabilitate the adjacent section of Taxiway 'B';

3. JFK 952 Runway 13L – 31R - Rehabilitation, at an estimated construction cost of \$25.1 million. This contract provides for pavement and incidental infrastructure rehabilitation and drainage improvements; and

4. JFK 946 Runway 13R – 31L Interim Repairs, at an estimated construction cost of \$3.7 million. This contract provides for minor runway and exit taxiway pavement rehabilitation.

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

RESOLVED, that a project for the relocation and rehabilitation of Taxiway 'A,' rehabilitation of portions of Taxiway 'B,' rehabilitation of Runway 13L-31R and 13R-31L, study of New Large Aircraft (NLA) improvements to Runway 13R-31L, the strengthening of the taxiway bridges and the construction of a

connector taxiway at John F. Kennedy International Airport (JFK), at an estimated project cost of \$178.9 million (the Project), including payments to contractors and consultants, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses and a Project contingency (if necessary), be and it hereby is authorized; and it is further

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award the following contracts to the lowest qualified bidders following public advertisement, after notification to the Board of the successful bidder and actual bid:

1. JFK 134.102 - Taxiway 'A' Bridges Strengthening;
2. JFK 134.104 - Relocation of Taxiway 'A' and Rehabilitation of Taxiway 'B' – East;
3. JFK 952 Runway 13L – 31R – Rehabilitation; and
4. JFK 946 Runway 13R – 31L Interim Repairs; and it is further

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

**ALL AIRPORTS – AIRCRAFT NOISE ABATEMENT PROGRAM – YEAR 2004 –
SCHOOL SOUNDPROOFING PROGRAM**

It was recommended that the Board authorize the Executive Director to expend an amount of \$45 million for additional soundproofing of 32 schools, of which 80 percent of the costs for schools in the vicinity of Newark Liberty International Airport (EWR), John F. Kennedy International Airport (JFK), and LaGuardia Airport (LGA), and 90 percent of the costs for schools in the vicinity of Teterboro Airport (TEB), will be provided from grants under the Federal Airport Improvement Program (AIP). All 32 schools have previously been included in the School Soundproofing Program (Program); a phased funding approach is being employed to avoid exceptional peaks and valleys in the funds required each year. A table outlining the funding is attached to this resolution.

The Program continues a 1983 Port Authority commitment to ensure that students have a quiet learning environment by significantly reducing noise levels within instructional areas of the schools.

The Program is based on a Letter of Agreement between each participating school and the Port Authority. All subsequent contracts for each project are then between the school and their consultants and contractors. This authorization does not include any schools that were not previously authorized by the Board; therefore, there will be no new Port Authority contracts.

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

The total scope of the Program from inception through the current authorization includes 77 schools - 45 in the vicinity of JFK and LGA and 32 near EWR and TEB. Soundproofing of 42 schools has been completed, while work at 35 schools is in various stages of construction. Additional funding is currently required for the 32 schools set forth in the attached table. The work for the listed schools started individually over a long period beginning in the 1990s. Each is progressing at a pace unique to that school's circumstances. Estimated completion dates range from 2004 through 2008.

The Board has authorized expenditures for the Program in every year since 1983 except 1998, a year when additional funds were not required to move schools to the next phases of the Program. Most recently, at its meeting on March 20, 2003, the Board authorized \$44.5 million for the Program. The total amount authorized through 2003 is \$226,305,000.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to expend an additional amount of \$45 million for the soundproofing of the 32 schools identified in the attached table, with 80 percent of the soundproofing costs for schools in the vicinity of Newark Liberty International, John F. Kennedy International and LaGuardia Airports, and 90 percent of the soundproofing costs for schools in the vicinity of Teterboro Airport, to be provided from grants under the Federal Airport Improvement Program.

ADDENDUM

YEAR 2004 SCHOOL SOUNDPROOFING PROGRAM – SCHOOLS

School	Location	Phase	Amount Being Allocated
East Side High School	Newark, NJ	VII	\$ 8,290,000
McKinley	Newark, NJ	VII	1,260,000
St. Casimir	Kearny, NJ	VI	20,000
St. Stephen	Kearny, NJ	VI	20,000
Lincoln Elementary	Kearny, NJ	V	1,290,000
Kearny HS	Kearny, NJ	V	3,000,000
H.P. Becton HS	Carlst't-E.Ruthf'd, NJ	II	20,000
Bergen Co. Vocational	Teterboro, NJ	V	20,000
Jackson Avenue	Hackensack NJ	V	640,000
Memorial	S. Hackensack, NJ	VI	20,000
St. Francis	Hackensack, NJ	V	20,000
Sylvan	Rutherford, NJ	II	20,000
Beach Channel HS	Rockaway Park, NY	V	20,000
Hebrew Acad. 5 Towns	Cedarhurst, NY	VI	20,000
Lawrence #2	Lawrence, NY	V	20,000
PS 146Q	Howard Beach, NY	VII	20,000
IS 180Q	Rockaway Park, NY	V	3,040,000
PS 195Q	Rosedale, NY	VI	20,000
IS 198Q	Arverne, NY	V	4,670,000
St. Joachim	Cedarhurst, NY	V	20,000
St. Pius X	Rosedale, NY	V	20,000
College of Aeronautics	Flushing, NY	IV	400,000
John Bowne HS	Flushing, NY	V	9,620,000
Lexington School for the Deaf	Jackson Heights, NY	IV	20,000
Msgr. McClanney Mem. HS	Flushing, NY	VI	90,000
PS 146X	Bronx, NY	VII	20,000
PS 5	Bronx, NY	VI	890,000
Samuel Gompers Vocat'l	Bronx, NY	V	3,690,000
St. Anselm	Bronx, NY	VI	2,360,000
St. Athanasius	Bronx, NY	IV	5,400,000
St. Michael	Flushing, NY	VI	20,000
St. Pius V	Bronx, NY	V	20,000
		Total:	\$45,000,000

PORT NEWARK – PORT NEWARK CONTAINER TERMINAL LLC – LEASE L-PN-264 –SUPPLEMENTAL AGREEMENT

It was recommended that the Board amend its authorization of September 19, 2002, covering the letting to Port Newark Container Terminal LLC (PNCT) of approximately 15 acres of open area and the provision by the Port Authority of up to \$15 million to PNCT for certain work on the 15-acre parcel and on PNCT's adjacent container terminal, by increasing the amount to be reimbursed by the Port Authority by \$8 million for additional expenses associated with PNCT's site preparation work on the 15-acre parcel.

Upon commencement of paving on the 15-acre parcel, it was discovered that the site contains more geotechnically unsuitable material than was originally anticipated, and that the \$11.6 million allocated in the original proposal for excavation, soil disposal and paving of the 15-acre site was not sufficient to complete the improvements. Additional testing has determined the added cost for development of the 15-acre parcel for container terminal use to be approximately \$8.6 million. PNCT will agree to spend any additional funds, beyond those to be provided by the Port Authority, necessary to develop the 15-acre parcel. In consideration of the increased reimbursement, PNCT's minimum annual rental based on container movements will be increased and the obligation to pay it will begin in 2004.

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

RESOLVED, that the authorization granted by the Board at its meeting of September 19, 2002, to the Executive Director to enter into a supplemental agreement to Lease L-PN-264 at Port Newark with Port Newark Container Terminal LLC (PNCT) be and it hereby is amended by increasing by up to \$8 million the amount to be reimbursed to PNCT by the Port Authority for site preparation work, substantially in accordance with the terms and conditions 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.

PORT JERSEY CHANNEL – 50-FOOT DEEPENING PROJECT – MODIFICATION TO PROJECT COOPERATION AGREEMENT – AMENDMENT TO PROJECT MANAGEMENT AGREEMENT

In July 1997, the Port Authority and the Office of New Jersey Maritime Resources on behalf of the State of New Jersey (State) entered into an agreement that authorized the Port Authority to act as the State's agent for dredging projects in the Port Jersey Channel in the City of Bayonne. The Port Authority acted as the State's agent in negotiating a Project Cooperation Agreement (PCA) with the U.S. Army Corps of Engineers (Corps) for the deepening of the Port Jersey Channel to 41 feet from its confluence with the Anchorage Channel to the turning basin at its western end. During the negotiations, the State advised that it could not enter into the PCA because it did not have the statutory authority to indemnify the Department of the Army (Federal Government). The Corps suggested that the Port Authority enter into the PCA as a non-federal local co-sponsor with the State for the limited purpose of indemnifying the Federal Government, as a means of resolving this problem. This recommended action was authorized by the Board at its meeting of July 29, 2000, and the PCA was executed on July 23, 2002. Construction of the 41-foot Port Jersey Channel Deepening Project is underway and is scheduled to be completed in 2005.

The State now proposes to deepen the Port Jersey Channel to 50 feet, independent of the Harbor Deepening Project (HDP), and has requested that the Corps perform this deepening work on its behalf. The State has requested that the Port Authority sign a modification to the Port Jersey Channel 41-Foot PCA for the sole purpose of again indemnifying the Federal Government to enable the Corps to proceed with the deepening of this channel to approximately 50 feet, with a modified alignment. This 50-foot deepening project would result in the State being issued a permit(s) by the Corps to construct the channel as a "betterment," which means the project would be performed at the sole cost of the State. The Port Authority will not sign the modification to the PCA until the Corps has issued the necessary permit(s).

Under an existing Agreement dated April 7, 2003 between the State and the Port Authority associated with the 41-foot and 50-foot deepening of the Port Jersey Channel, the State has agreed to the purchase of certain insurance coverage, at a cost of approximately \$236,000, through bi-state dredging commitment monies (as authorized by the Board at its meeting of May 9, 1996). This insurance coverage will protect the Port Authority from reasonably foreseeable financial risks associated with the deepening project, including exposure described in the indemnification clause included in the modification to the PCA. Furthermore, the State has also agreed to provide additional insurance coverage at a cost currently estimated at \$200,000, if needed, without cost to the Port Authority, through either bi-state dredging commitment monies, State funds, or other sources, to protect the Port Authority against reasonably foreseeable risks associated with damages arising from the construction, operation and maintenance of the 50-foot Port Jersey Channel deepening project, and of the local service facilities, as prescribed in the indemnification agreement required by the Federal Government. Under the 41-foot PCA, this coverage was provided by the local service facility adding the Port Authority as an additional insured on its insurance policy.

In order to comply with general conformity regulations in the federal Clean Air Act, the implementation of a Tug Emissions Reduction Program (TERP) is needed to offset diesel-powered engine emissions from the 50-foot Deepening Project. Under Amendment No. 1 to the April 7, 2003 Project Management Agreement, which is currently being negotiated, the State would agree to pay the Port Authority for the costs it incurs associated with the development, implementation and contract administration of a program to repower those tugboats that will result in a reduction of a minimum of 150 tons of oxides of nitrogen annually, currently estimated at six to eight vessels, at an estimated cost of \$2.8 million, excluding installation and vessel downtime (these costs will be borne by the individual tug owners). The State will identify how any excess offsets will be allocated in the future.

The Amended Project Management Agreement also would include costs for engineering, project management, contract administration services and general/administrative expenses associated with the TERP (\$755,625), management services associated with the Port Jersey Channel 41-foot and 50-foot deepening projects (\$156,250), insurance coverage for Corps indemnification (\$200,000), and project contingency funds (\$391,187).

If this action were not approved, the State would have to wait for the Corps to initiate the 50-foot Port Jersey Channel deepening within the overall schedule of the HDP. The Port Jersey Channel deepening is currently anticipated to occur in 2008, although it may be possible to accelerate this work within the HDP schedule. Approving this action would allow the deepening of the Port Jersey Channel to 50 feet to advance ahead of the Corps' current schedule and independent of the HDP, which ultimately will have a positive impact on the competitive position of the Port of New York and New Jersey.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to execute:

(1) A Modification of the Project Cooperation Agreement (PCA) with the Department of the Army (Federal Government) and the State of New Jersey (State) for the Port Jersey Channel 41-Foot Deepening Project, designating the Port Authority as a non-federal local co-sponsor for the limited purpose of indemnifying the Federal Government against damages from the construction, operation and maintenance of the Port Jersey Channel to a navigable depth of approximately 50 feet and the construction, operation and maintenance of the local service facilities, except for damages due to the fault or negligence of the Federal Government or its contractors, provided that the additional cost of certain insurance coverage, estimated at \$200,000, if needed, is paid by the State, either through the Port Authority's bi-state dredging commitment monies, State funds, or other sources, without cost to the Port Authority, to cover the Port Authority against the reasonably foreseeable risks it will assume in connection with the indemnification agreement with the Federal Government;

(2) An Amendment to the Project Management Agreement with the State regarding the Port Authority's performance of project management services for both the Port Jersey 41-Foot and 50-Foot Deepening Projects, among other matters, to increase the compensation the State will pay the Port Authority by approximately \$4.3 million, from \$736,000 to approximately \$5.04 million, and to include within the Scope of Work for the Project Management Agreement a Tug Emissions Reduction Program needed for the 50-Foot Deepening Project to offset diesel-powered engine emissions from the Project as required by federal Clean Air Act regulations; and

(3) other related agreements and documents as may be required to fulfill the Port Authority's responsibilities under the Modification to the PCA and the Amendment to the Project Management Agreement;

and it is further

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

PORT AUTHORITY BUS TERMINAL BUS PARKING LOT – SALE OF AIR-AND-LIGHT EASEMENT TO THE FASHION INSTITUTE OF TECHNOLOGY

It was recommended that the Board authorize the Executive Director to enter into an agreement to grant to the Fashion Institute of Technology or its Student Housing Corporation (collectively, FIT) a permanent air-and-light easement encumbering approximately 4,492 square feet of Port Authority-owned property located at the northeast corner of West 30th Street and Dyer Avenue, New York City, tax map designation Block 728, Lot 1 (PA Property) for approximately \$1.25 million.

The PA Property is an irregularly shaped lot located at the center and southern end of Block 728, bordered by West 30th and West 31st Streets and 9th and 10th Avenues, and bisected by Dyer Avenue, and is used primarily by the Port Authority as an access road for the Lincoln Tunnel and a parking lot for buses using the Port Authority Bus Terminal (PABT). FIT is entering into a contract to purchase a property improved by a 321,668-square-foot, 15-story manufacturing building located at 406 West 31st Street, Block 728, Lot 42 (FIT Property) that shares a rear property line with a portion of the PA Property. FIT is planning to convert the existing building into a student housing facility to accommodate 1,100 students, and needs to provide access to air and light to the rear of the FIT Property in connection with its application for a use variance. The portion of the PA Property adjoining the FIT Property is currently a paved lot used for bus parking. To facilitate its plan, FIT has determined that acquiring a permanent air-and-light easement from the PA Property will provide continued access to air and light consistent with the use variance.

The proposed permanent air-and-light easement affects a portion of the PA Property that is an irregularly shaped strip of land, measuring from approximately 22 feet 6 inches to 30 feet in width, starting 23 feet above the ground and containing approximately 4,492 square feet along the northern boundary of the PA Property (the Easement Area.). The Easement Area encumbers an approximate 16,000 square-foot portion of the PA Property (the PA Site).

The permanent air-and-light easement will reduce the amount the Port Authority potentially could receive if the PA Site were to be sold to a developer for construction of a commercial office or industrial building, due to the actual buildable area that would be restricted. However, because of its irregular shape, the possibility of such construction on the PA Site is limited, and, to date, the Port Authority has not received any expressions of interest from developers. Moreover, because there is a limited amount of available bus parking in the area, the continued use of the property for bus parking would be beneficial to the PABT's bus operations. The proposed FIT development would not interfere with that use.

The sale of this easement will reduce the appraised value of the PA Site by an estimated \$2.4 to \$3 million, which is greater than the payment the Port Authority will receive for the easement. This is considered reasonable based upon a subsequent feasibility analysis by the appraiser, which concluded that the development of the property was not economically feasible at this time.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement to grant to the Fashion Institute of Technology or its Student Housing Corporation a permanent air-and-light easement encumbering approximately 4,492 square feet of Port Authority-owned property located at the northeast corner of West 30th Street and Dyer Avenue, New York City, tax map designation Block 728, Lot 1, for the price of approximately \$1.25 million, substantially in accordance with the terms and conditions outlined to the Board; and it is further

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

BATTERY PARK CITY – INCREASE IN PROJECT AUTHORIZATION FOR CONSTRUCTION OF PERMANENT FERRY TERMINAL AND AWARD OF CONTRACT FR-614.009A

It was recommended that the Board authorize: (1) an \$18.2 million increase in the project authorization (from \$37.4 million to \$55.6 million) for construction of a permanent Battery Park City Ferry Terminal (Permanent Terminal), and (2) the Executive Director to award Contract FR-614.009A, in furtherance of this project.

The Port Authority entered into an agreement with Arcorp/Hartz (now doing business as NY Waterway) in November 1988 for the provision of ferry service between Hoboken, New Jersey and Battery Park City in lower Manhattan. Under the terms of that agreement, NY Waterway was required to build a temporary terminal at Battery Park City. When the temporary terminal reached its operational useful life or full capacity, the Port Authority was obligated to construct a permanent ferry terminal at Battery Park City.

The original temporary terminal, which had been in place for approximately 14 years, had reached the end of its useful life and was recently replaced by a second temporary terminal funded by the Federal Emergency Management Agency (FEMA). The second temporary terminal was installed in an interim location, adjacent to a playground and apartment building, and was intended to be short-term while the Permanent Terminal was constructed. The Permanent Terminal will be located near the Mercantile Exchange, away from residential areas. It will double ferry capacity and allow additional ferry services to land.

At its meeting of May 25, 2000, the Board authorized the design and construction of the Permanent Terminal at a total estimated project cost of \$37.4 million. Construction of the Permanent Terminal was also among the short-term initiatives announced by New York Governor George E. Pataki in April 2003 as part of the Lower Manhattan Rebuilding Plan to improve the quality of life in lower Manhattan.

Contract FR-614.009 for the construction of the new Permanent Terminal was originally bid in November 2002, six bids were received, but the Port Authority rejected them all because they were substantially higher than the estimate. The difference between the estimate and the bids, as revealed by bid analysis, arose from two factors: (1) a large rise in steel prices between the date the estimate was prepared and the bid date, and (2) an increase in the cost of barge fabrication because of the lack of competition due to the limited number of shipyards that could build a barge of the size required.

Staff performed a "Value Engineering" study, which among other things reduced the scope of work. The contract documents were then revised and re-bid as Contract FR-614.009A. The low bid for Contract FR-614.009A was received from Spearin, Preston and Burrows, Inc.

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

RESOLVED, that an increase of \$18.2 million in the project authorization to construct a permanent ferry terminal at Battery Park City in lower Manhattan (from \$37.4 million to \$55.6 million) be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract FR-614.009A for the construction of a permanent ferry terminal at Battery Park City to Spearin, Preston and Burrows, Inc., the lowest bidder, at the estimated total amount of \$35.7 million; and it is further

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

115 BROADWAY – EXPANSION OF PORT AUTHORITY-OCCUPIED SPACE AND EXECUTION OF DIRECT LEASE

It was recommended that the Board authorize the Executive Director to: (1) amend the Port Authority's existing sublease with Financial Guarantee Insurance Company (FGIC) covering space occupied by the Port Authority at 115 Broadway in Manhattan to provide for the letting of an additional floor consisting of 19,112 rentable square feet (rsf) for a term commencing on or about May 1, 2004 and expiring on December 30, 2006, at an aggregate rental of approximately \$617,248, with payment of rental to commence on August 1, 2004; and (2) upon expiration of the sublease, to enter into a direct lease with Trinity Centre LLC (Trinity), the owner of 115 Broadway, for all of the space occupied by the Port Authority, a total of approximately 76,448 rsf of space, for a three-year and three-month term commencing on or about December 31, 2006, plus two 18-month renewal options at an aggregate rental of approximately \$6,880,320.

At its meeting of April 25, 2002, the Board authorized the Executive Director to enter into a sublease with Financial Guarantee Insurance Company (FGIC) covering approximately 57,336 rsf at 115 Broadway in Manhattan to house staff of the Engineering Department and the Office of Priority Capital Programs, as well as contractor staff in connection with the Port Authority Trans-Hudson system reconstruction project. The sublease is scheduled to expire on December 30, 2006. The Office of Priority Capital Programs must locate additional staff at 115 Broadway. The additional space at this location also will house staff from the Office of the Inspector General.

In an effort to improve delivery of services to all Port Authority staff at this location, staff recommended that a direct lease relationship be created with Trinity for all of the Port Authority's space at 115 Broadway upon expiration of the existing sublease covering the space. A portion of the rental cost for the space occupied by Port Authority staff may be reimbursable by the Federal Transit Administration.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) amend the existing sublease with Financial Guarantee Insurance Company (FGIC) covering the space occupied by the Port Authority at 115 Broadway in Manhattan to provide for the letting of an additional floor consisting of 19,112 rentable square feet (rsf) commencing on or about May 1, 2004 and expiring December 30, 2006, at an aggregate rental of approximately \$617,248, with payment of rental to commence on or about August 1, 2004; and (2) upon expiration of the sublease, to enter into a direct lease with Trinity Centre LLC covering all of the Port Authority's space at 115 Broadway, a total of approximately 76,448 rsf of space, for a three-year and three-month term commencing on or about December 31, 2006, plus two 18-month renewal options, at an aggregate rental of approximately \$6,880,320, each agreement to be substantially in accordance with the terms and conditions outlined to the Board; and it is further

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

NEW YORK CONSTRUCTION PRE-APPRENTICESHIP TRAINING PROGRAM – PARTICIPATION AGREEMENTS

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement to extend the Port Authority's participation in the Construction Skills 2000 program with the Building and Construction Trades Council of Greater New York (BCTC), Building Trades Employers Association of New York City (BTEA), the Department of Education of the City of New York and Construction Skills 2000, a non-profit corporation of the State of New York, for a three-year period; and (2) enter into an agreement with Construction Skills 2000 to contribute up to \$100,000 per year for a period of three years in connection with the Port Authority's participation in the Construction Skills 2000 program.

Since 1995, the Port Authority has participated in the development of pre-apprenticeship programs in both New York and New Jersey. Construction Skills 2000 is a non-profit corporation established by the BCTC and BTEA to address training and employment issues for the future workforce of New York City's building and construction industry. It administers a preparatory training course for high school students in their senior year, under which, if they obtain their diploma and successfully complete the course, participating students receive preferred access to apprenticeships in the building and construction industry.

Construction Skills 2000 also arranges summer construction internships with private firms and public agencies for the high school seniors and coordinates their placement into participating apprenticeship programs. As participants in the program, the various unions have agreed to reserve a percentage of openings in each of their apprenticeship programs for program graduates.

The program addresses several important minority and women workforce objectives. These include increasing the availability of skilled construction apprenticeship positions for New York City high school graduates and increasing the pool of minority and female apprentices from which contractors with public agencies can draw in order to satisfy minority and women workforce goals.

Pursuant to the agreement, the Port Authority will continue its policy of requiring that its contractors and subcontractors working on construction projects in New York in excess of \$1 million participate in an apprenticeship program registered with the New York State Department of Labor.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement (1) to extend the Port Authority's participation in the Construction Skills 2000 program with the Building and Construction Trades Council of Greater New York, the Building Trades Employers Association of New York City, the Department of Education of the City of New York and Construction Skills 2000, a non-profit corporation of the State of New York, for a three-year period; and (2) with Construction Skills 2000 to contribute up to \$100,000 per year for a period of three years in connection with the Port Authority's participation in the Construction Skills 2000 program; 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.

NEW JERSEY CONSTRUCTION PRE-APPRENTICESHIP TRAINING PROGRAM -- PARTICIPATION AGREEMENTS

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement with the New Jersey Institute for Social Justice (NJISJ) to extend the term of the Port Authority's participation in the Newark/Essex County Construction Careers Program (N/ECCC Program) for a three-year period to contribute up to \$50,000 per year during that period in connection with the Port Authority's participation in the N/ECCC Program; and (2) enter into an agreement with the Construction Industry Advancement Program (CIAP) of New Jersey to extend the term of the Port Authority's participation in the New Jersey Pathways Program (NJP Program) for a three-year period and contribute up to \$50,000 per year during that period in connection with the Port Authority's participation in the NJP Program.

Since 1995, the Port Authority has participated in the development of pre-apprenticeship programs in both New York and New Jersey. In February 2001, the Executive Director entered into agreements with the NJISJ and the CIAP to develop pilot workforce programs designed to recruit New Jersey residents for apprenticeship programs. As a result, both the N/ECCC Program and the NJP Program were established.

Each program addresses several important minority and women workforce objectives. These include increasing the availability of skilled construction apprenticeship positions in future years for New Jersey residents and increasing the pool of minority and female apprentices from which contractors with public agencies can draw in order to meet minority and women workforce goals.

The N/ECCC Program, administered by the NJISJ, is a formal collaboration involving six public school districts, the Essex County Building and Construction Trades Council, the Building Contractors Association of New Jersey and community-based organizations. The NJP Program, administered by the CIAP, is designed to recruit and expose New Jersey high school students to the opportunities available in the skilled trades through their apprenticeship programs. Both initiatives provide skilled trade-specific training, including classroom and on-the-job instruction, job placement and follow-up services.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement with the New Jersey Institute for Social Justice to extend the term of the Port Authority's participation in the Newark/Essex County Construction Careers Program (N/ECCC Program) for a three-year period and to contribute up to \$50,000 per year during that period in connection with the Port Authority's participation in the N/ECCC Program; and (2) enter into an agreement with the Construction Industry Advancement Program of New Jersey to extend the term of the Port Authority's participation in the New Jersey Pathways Program (NJP Program) for a three-year period and to

contribute up to \$50,000 per year during that period in connection with the Port Authority's participation in the NJP Program; 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.

AUTHORIZATION TO PROVIDE FUNDING TO THE MUSEUM OF JEWISH HERITAGE

It was recommended that the Board authorize Port Authority funding in the amount of \$1 million towards the overall cost of the new Robert M. Morgenthau Wing (Wing) of the Museum of Jewish Heritage (Museum). This funding is part of the Port Authority's efforts to revitalize lower Manhattan in the wake of the destruction of The World Trade Center (WTC).

The New York Holocaust Commission chartered the Museum in April 1984. In 1997, the Museum was completed and opened in Battery Park City, just five blocks south of the WTC in lower Manhattan. The mission of the Museum is to educate the public about Jewish life in the twentieth century, before, during and after the Holocaust, through museum tours, education programs, printed materials and public programs. The Museum's exhibitions include photographs, artifacts and original documentary films. Within the next five years, the Museum hopes to attract 250,000 visitors per year.

The 82,000-square-foot Wing was the first major new construction to begin in lower Manhattan after September 11, 2001. It opened in September 2003 and is substantially completed. The Wing will provide the Museum with additional facilities to carry out its mission, including state-of-the-art classrooms, a theater, an educational resource center, exhibition galleries and an events hall. The Wing's facilities will be open to visitors, including students, educators, families and general audiences. The overall cost of construction of the Wing is \$56.5 million. Other contributors to the construction of the Wing include the City of New York, the New York State Dormitory Authority and the Empire State Development Corporation.

The Museum plans to dedicate one of its classrooms to those lost in the terrorist attacks on September 11, 2001.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the Museum of Jewish Heritage (Museum), pursuant to which the Port Authority would provide \$1 million towards the overall cost of the Museum's new Robert M. Morgenthau Wing; and it is further

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY – CHAPTER 263
OF THE LAWS OF NEW JERSEY, 2003 – ENROLLMENT OF ELIGIBLE
OFFICERS AND EMPLOYEES – ELECTION**

Pursuant to Board action in early 1935, full-time, permanent employees of the Port Authority have been eligible and required to join New York State's cost-sharing multiple-employer defined benefit pension plan, currently known as the New York State and Local Employees' Retirement System (NYSLERS) or the New York State and Local Police and Fire Retirement System.

In January, legislation was enacted in New Jersey (Chapter 263, Laws of New Jersey; 2003; the Legislation) authorizing the Port Authority and other bi-State or multi-State agencies in which New Jersey is a participant to adopt a resolution (Resolution) enabling certain eligible officers and employees to enroll in the Public Employees' Retirement System of New Jersey (PERSNJ). Under the Legislation, PERSNJ is directed to enroll an eligible officer or employee (which does not include a police officer or firefighter) who makes such an election if (i) the person is a New Jersey resident at the time of appointment to or employment by the agency; and (ii) the governing body of the agency has adopted a Resolution permitting such a person to enroll in PERSNJ, and a certified copy of the Resolution is filed with the PERSNJ board of trustees. The Resolution is to define each category of officer or employee who may enroll in PERSNJ, and it may apply to those officers or employees initially appointed or employed on or after January 1, 2002. Any individual eligible for membership in PERSNJ pursuant to the Resolution would have the option whether or not to be enrolled, and would have 90 days to enroll after becoming eligible.

An electing agency is required to make required contributions of the "employer share" with respect to any officer or employee who enrolls in PERSNJ, and is also responsible for remitting such salary deductions as may be required by the Legislation as the "employee's share" of such pension contributions during the term of those individuals' employment at the agency. The agency would, for all purposes of PERSNJ, be deemed an "employer," and its eligible officers and employees would be subject to the same membership, contribution and benefit provisions of PERSNJ, and to certain general provisions of law covering members of all New Jersey State-established pension funds, as are applicable to New Jersey State employers. As a condition of this "employer" status, the agency must consent to participation in the New Jersey agreement with the Social Security Administration (Social Security), and would be responsible for the remittance of the employer's share for Social Security coverage. As the Port Authority has its own agreement with Social Security (entered into with the Secretary of Health, Education and Welfare in December of 1957), it is likely that the Port Authority's agreement would require amendment for this purpose.

Once enrolled in PERSNJ, an officer or employee would receive credit for service with the agency rendered prior to enrollment if either the agency or the officer or employee pays the full purchase cost to PERSNJ at the time of enrollment.

Initial discussions with representatives of NYSLERS suggest the need for changes in the New York's Retirement and Social Security Law, which governs that Retirement System.

Among the issues is the mandatory nature of NYSLERS membership for all non-police employees of participating employers, such as the Port Authority, and the technical rules of permanent service creditable for the Retirement System – and the interaction of those rules with those of the New Jersey laws mentioned above. New York State's Constitution provides that membership in a pension or retirement system of the State or of a civil division thereof is a contractual relationship, the benefits of which may not be diminished or impaired. Of particular concern to NYSLERS is the retroactive application of the Legislation to officers or employees of the Port Authority appointed or employed after January 1, 2002, and before the effective date of the Resolution.

No cost estimates are possible at this time, since staff is not able to estimate the number of newly appointed or employed individuals, resident in New Jersey at the time of appointment or employment, who would choose to have Port Authority service credited to PERSNJ rather than NYSLERS. In addition, the Port Authority employer contribution rate differential is not known.

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

RESOLVED, that, consistent with the requirements of existing law and subject to any necessary statutory and contractual amendments, The Port Authority of New York and New Jersey does hereby elect to make available, in accordance with the performance of any necessary acts as described above, the benefits of Chapter 263 of the Laws of New Jersey, 2003, for all eligible (non-police) officers and employees of the Port Authority initially appointed or employed by the Port Authority on or after January 1, 2002, who, at the time of appointment or employment by the Port Authority, are residents of the State of New Jersey; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to perform all acts and to make any and all determinations necessary or appropriate in connection with the implementation, effectuation, administration or any other aspect of the enrollment of eligible (non-police) officers and employees of the Port Authority in the Public Employees' Retirement System of New Jersey under and pursuant to P.L. 2003, c. 263 of the Laws of New Jersey, including consultation, and if necessary entrance into an agreement, with the Comptroller of the State of New York, the Commissioner of the United States Social Security Administration, and employee organizations, in connection therewith and, in regard to the foregoing, and subject to approval as to form by General Counsel, to approve, execute and file any necessary or appropriate documents, affidavits, certifications and forms.

AWARD OF THE ROBERT F. WAGNER DISTINGUISHED PUBLIC SERVICE MEDAL

The Robert F. Wagner Distinguished Public Service Medal was established on May 16, 1991, when the Port Authority's Distinguished Service Medal, established on March 2, 1944, was renamed in memory of former Vice-Chairman Robert F. Wagner. This Medal is to be awarded to those individuals who have rendered outstanding distinguished public service in their fields of endeavor or in the community, demonstrating an exceptional degree of dedication, good judgment, initiative and competence, and who have sustained this record of service over a number of years. Normally, it is awarded to those who have at least fifteen years of Port Authority service.

It was reported that the Executive Director is to present the Robert F. Wagner Distinguished Public Service Medal to 15 individuals. Through their dedication and commitment to public service and the Port Authority, they have brought credit to themselves and the agency.

Bruce D. Bohlen
George L. Cancro
Robert M. Caron
Joanne Crowley
John J. Drobny
Marion W. Golemis
Patrick A. Healy
Patrick A. Hoey (*deceased 9/11/01*)
Lawrence S. Hofrichter
Edward L. Jackson
Donald King
Theodore D. Kleiner
Paul F. Moreno
Joanne A. Paternoster
Catherine F. Pavelec

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

RESOLVED, that the Robert F. Wagner Distinguished Public Service Medal be awarded to 15 individuals who have given truly outstanding service to the Port Authority and the public over many years.

AWARD OF THE POLICE COMMENDATION MEDAL FOR MERITORIOUS SERVICE

The Police Commendation Medal, established by resolution adopted by the Board of Commissioners on May 8, 1952, is to be awarded to police personnel only in those cases where the individual has performed outstanding service or has shown exceptionally meritorious performance in the duty assigned to him or her.

It was reported that the Executive Director is to present the Police Commendation Medal to 15 individuals who were involved in six incidents. These individuals demonstrated heroism, dedication and bravery in the performance of their duties.

Apprehension of Carjacking Suspect

Police Officer John Gorman

Attempted Hijack of National Airlines Flight at John F. Kennedy International Airport

Police Officer Andrew Anderson

Deputy Chief Robert M. Caron

Detective Curtis King

Police Officer Richard Miller

Subduing Knife Wielding Suspect in Delta Terminal at LaGuardia Airport

Police Officer Louis Capuano

Police Officer Sixto Santana

Apprehension of Stabbing Suspect

Police Officer Patrick Callaghan

Police Officer Paul Nunziato

Capture of Felon with Loaded Firearm Aboard Greyhound Bus at the Port Authority Bus Terminal

Police Officer Robert Cirri (*deceased 9/11/01*)

Police Officer Sean Horan

Police Officer John Levi (*deceased 9/11/01*)

Police Officer Lionel Torres

Arrest of Armed Assailant at Diner Near LaGuardia Airport

Police Officer Juan Garcia

Police Officer Sean Malone

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

RESOLVED, that the Police Commendation Medal be awarded to 15 individuals who have performed outstanding service or exceptionally meritorious performance of their duties.

AWARD OF THE COMMENDATION MEDAL FOR MERITORIOUS SERVICE

The Commendation Medal, established by the Board of Commissioners on May 8, 1952, is to be awarded only for outstanding service or exceptionally meritorious performance.

It was reported that the Executive Director is to present the Commendation Medal to 20 individuals who exhibited dedication and bravery.

Resuscitation of Lincoln Tunnel Cardiac Arrest Victim

Timothy A. Furlong	Edward F. Puglisi
John Mark	Michael R. Spat
Barry L. Pikaard	Thomas L. Voluz
	Daniel J. Walsh

Prevention of Woman from Jumping from George Washington Bridge

Ronald Hollingsworth
Frank A. Minervini

Response to Patron Fall onto PATH Tracks

Nicholas Campopiano

Response to Emergency Newark Liberty International Airport Central Heating and Refrigeration Plant

Paul Bogosian II
William Lynch
Gustav Ripp

Assisting Police Officer with Suspect Resisting Arrest

Joseph Andreczski

Rescue of Woman from Burning Vehicle at George Washington Bridge

Glenn Dowling	Anthony Noa
Frank A. Minervini	Kevin Ryan

Rescue of Woman Who Jumped from George Washington Bridge

Assad Halabi
Emil Rios

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

RESOLVED, that the Commendation Medal be awarded to 20 individuals who have performed outstanding service for the Port Authority and the public.

AWARD OF THE EXECUTIVE DIRECTOR'S AWARD OF ACHIEVEMENT

The Executive Director's Award of Achievement, established in 1961, is awarded to individuals who, in the course of carrying out a project or extended assignment as part of the normal work of their positions, extend themselves beyond required limits and achieve results which are of such a nature that they clearly deserve special recognition. Characteristics of performance which are considered in determining the award include ingenuity, resourcefulness, risk taking in decision making and job performance, unusual insight into problems, exceptional diligence and thoroughness in producing completed staff work, and above-standard degrees of proficiency, craftsmanship or professional competence. Among the kinds of results recognized by the award are improved revenues, better service to or relations with tenants, patrons or the community in general and actions taken on behalf of the Port Authority which are clearly beyond the usual limitations of job responsibility.

It was reported that the Executive Director is to present the Executive Director's Award of Achievement to 6 individuals and 2 teams consisting of 20 individuals.

Anthony G. Cracchiolo
Robert I. Davidson
Paul Doherty
Kirby King
Daniel H. Moffit
Steven P. Plate

AirTrain JFK Crisis Communications Team

Kayla M. Bergeron	Charles E. Meara
Ernesto L. Butcher	Michael Petralia
Steven J. Coleman	Steven P. Plate
Anthony G. Cracchiolo	Edmond F. Schorno
Pasquale DiFulco	Ralph Tragale
Jeffrey S. Green	Sean Walsh
James A. Keane	

Review and Transcription of 9/11/01 Communication Tapes

Christopher H. Hartwyck	Timothy G. Stickelman
Lawrence S. Hofrichter	Gregory J. Trevor
Sandra B. Otero	Lillian D. Valenti
Catherine F. Pavelec	

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, April 1, 2004, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

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

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Catherine M. Bergamini, Senior Administrator, Port Commerce
 Kayla M. Bergeron, Director Public Affairs
 A. Paul Blanco, Chief of Regional and Economic Development
 Bruce D. Bohlen, Treasurer
 John D. Brill, Director, Audit
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Patrick G. Caggiano, Director, Economic Development
 Timothy Castano, Senior Business Consultant, Office of the Chairman
 Anthony B. Ciavolella, Public Information Officer, Public Affairs
 Arthur J. Cifelli, Acting Deputy Executive Director/Director, Government and Community Affairs
 Steven J. Coleman, Public Information Officer, Public Affairs
 Janet D. Cox, Manager Program Development, Economic Development
 Anthony G. Cracchiolo, Director, Priority Capital Programs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Operations Services
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Michael G. Fabiano, Comptroller
 Patrick Flinn, Manager, Ferry Programs, Economic Development
 Michael B. Francois, Director, Real Estate
 Lash L. Green, Manager, Program Development, Economic Development
 Linda C. Handel, Assistant Secretary
 L. Jay Hector, Senior Policy Advisor to the Vice-Chairman
 Alan H. Hicks, Principal Special Events Representative, Public Affairs
 Paul Higgins, Policy Advisor to the Vice-Chairman
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Deputy Director, Tunnels, Bridges and Terminals
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Francis J. Lombardi, Chief Engineer
 Richard J. Louis, Acting Assistant Director, Capital Programs, Aviation
 Robert R. Lurie, Senior Policy Advisor, Office of the Chairman
 Charles F. McClafferty, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Lynn A. Nerney, Senior Administrator, Office of the Secretary
 Catherine F. Pavelec, Manager, Administration, Protocol and Executive Correspondence,

NEW YORK

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

Office of the Secretary

Ida I. Perich, Business Development Specialist, Economic Development

Alan L. Reiss, Deputy Director, Aviation

Edmond F. Schorno, Chief of Staff

Jeffrey I. Siegel, Program Management Analyst, Aviation

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

Ralph Tragale, Client Manager, Government and Community Affairs

Emery J. Ungrady, Deputy Chief of Staff

Peter J. Zipf, Deputy Chief Engineer

AWARD OF THE JAMES G. HELLMUTH UNIT CITATION

The James G. Hellmuth Unit Citation was established on January 29, 1998, when the Executive Director's Unit Citation, established in 1966, was renamed in honor of former Commissioner James G. Hellmuth. This citation is to be awarded to the members of a unit, section, division or special task force whose performance in carrying out a project, extended assignment, or during an unusual operating situation was so outstanding as to warrant special recognition.

It was reported that the Executive Director is to present the James G. Hellmuth Unit Citation to 10 teams for their work.

George Washington Bridge Tower Lighting

Engineering

Jack Buchsbaum
Debaprasad Chaudhuri
Karen DeMaio
Alfred Deutsch
Ernest Hulse
Inna Kaminov
Harendra Patel
Peter Rinaldi

Tunnels, Bridges & Terminals

Jerry DelTufo
Frank H. Gallo
Patrick A. Hoey (*deceased 9/11/01*)
Dipak M. Mehta
Stephen Napolitano
Chandrakant H. Patel

Operations Services

Richard Barbieri
Louis Castellucci
Edward Culbert
Fred D'Antuono
James Hineson
Robert Lachman
Richard Murtaugh
Richard Peck
Robert Schuren

Procurement

Priscilla Duncan
Mitchell Yonkler

Value Pricing Program

Tunnels, Bridges & Terminals

Danny Jiji
Mark Muriello
Joann Papageorgis

Office of Ferry Transportation Services

Amit Bhowmick

Office of Policy & Planning

Lou Venech

Financial Services

Doug Smith

2002 Police Recruitment, Testing and Hiring Team

Public Safety

Charles DeRienzo, Superintendent
Chief of Department Joseph Morris
Deputy Chief Robert Caron

Deputy Supt. George Johansson
Deputy Supt. Samuel Plumeri
Assistant Supt. Michael Scott

Public Safety/CIB

Inspector George Albin
Detective Sergeant Donald Kupper
Detective Sergeant William Zika
Detective Salvatore Piro
Detective Michael deMello
Detective Ralph Chambliss
Detective Michael Hennessy

Detective India Pinckney
Detective Edwin Rodriguez
Police Officer Aida Carrasco
Police Officer Paul Chierchio
Police Officer Patrick Earley
Pat Suliga

Public Safety/SIU

Inspector Christopher Trucillo
Captain Anthony Fitzgerald
Captain William Oorbeek
Lieutenant Patrick Quinn
Lieutenant Francis Sabatino
Lieutenant Kevin Brennan

Lieutenant William Burns
Lieutenant Donald Heffern
Sergeant Robert Greff
Sergeant Timothy McGovern
Sergeant William Ross

Public Safety/Police Academy

Captain Michael Tobia
Lieutenant Paul Bauer
Sergeant Michael Edwards
Sergeant Michael Florie
Sergeant Frank Giamrita
Sergeant Peter Johnson
Sergeant Kenneth Kohlmann
Sergeant Edward Langendorfer
Police Officer Marilyn Cooke
Police Officer Dean Debellis
Police Officer Christopher Elliott
Police Officer Eugene Fassano

Police Officer Julian Hampden
Police Officer David LeClaire
Police Officer Milka Morin
Police Officer Robert Schmidt
Police Officer John Camera
Police Officer John Mattiace
Police Officer Sharon Miller
Police Officer Steven Grossi
Police Officer John Noble
Police Officer Mark Ciganek
Police Officer Vincent Zuppulla
Francine Reiman

Human Resources Department

S. Felicia Davidson
Chantay DeLoach
Mark Duffy
Marilyn Enderby
Serina Evans

Michael G. Massiah
Kathleen Raymond
Karla Santos
Paul D. Segalini

Law Department

Patrick D. Rooney

2002 Police Recruitment, Testing and Hiring Team (continued)

Office of Medical Services

Ivette Batista
Shelly Bennett
Renee Cappadonna
Solneli Colon
Virginia Corrigan R.N.
Dr. Linda Daniels
Nadine Dicks
Dr. Howard Fisher
Dr. Doris Francis
Kathy Gerbasio R.N.
Helen Giordano R.N.
Annie King R.N.

Dr. Xiaoling Lie
Hattie Manning
Robin Martin
Ileana Rivera
Anna Roman
Ivy Perry-ShaBethea
Judy Thomas
Karen Truberg
Lillian D. Valenti
Harry Villanueva
Dr. Ronda Whitley
Tara Watford

Retirees

Chester Anderson
John Apel
Joseph Bienkowski
Frank Ellis
Joseph Filingeri
Leroy Fowler
Matt Freeman
Nicholas Jackson

Joseph Lesniak
Barbara Mahon
Dennis Moriarity
Vincent Ortiz
Charles Pidgeon
Rogert Shaw
Maria Silhan
James Verdino

AirTrain JFK

Priority Capital Programs

Quentin Brathwaite
Leslie Clarke
Anthony G. Cracchiolo
Melverdine Davis
Mariko Egawa
Carol Gibson
Eileen Heagen
Linda Hughes
Mewburn Humphrey

Kirby King
Nancy Johnson
Saverio Leone
James Lysaght
Steven P. Plate
Sahni Ranjit
Abida Shaikh
Denise Williams

Engineering

Edward M. Aldrich
Mirza R. Baig
Casimir Bognacki
Walter G. Brusey
Renato Camacho
David W. Caruth
Robert I. Davidson
Ernest Dejak
John Dimilia
Howard A. Dobelle
Ali Fadavi
William Foley
Ed Hicks

Srinath U. Jinadasa
Michael Kraft
Joe Lufrano
Joe Marsano
Therese Munfakh
Robert Parsekian
Fred Pena
James Starace
Jerry Stern
Dan Webber
Frank Wlazlowski
Trevor Wright

Audit Department

Hans Hoerber

Aviation Department

Alfred Graser

Jerry Spampanato

Law Department

Harry K. Barr

Brian Smith

Operations Services Department

James Keane

James Martinsen

Public Affairs Department

Pasquale DiFulco

Public Safety Department

John Ryan

John Reardon

Treasury Department

Veronica Biddle
Tim Chung

Jon Huxel
George Sepsie

AirTrain JFK (continued)

Other

Jamil Ahmed
Girish Ananthashankaran
Winston Baijnath
Paul Bakas
Blake Bartlett
Tariq Bashir
Michael Bergmann
Patrick Brown
Paul Byrne
Terry Campbell
Joseph Cannisi
Keith Cash
Johathan Cohen
George M. Colban
Robert Coleman
Rob Coyne
Michael J. Cuddy
Edward DePaola
Trevor Denny
James J. Dermody
Madeline Dickman
Stuart Graham
Michael Hairston
Stephen Hall

Bruce Handy
Francis G. Hettinger
Amalia Jex
Glen Johnson
Bob Kuehlewein
Janice Li
Salvatore Mancini
Zohrab Marashlian
Patrick Marron
Scott McIntyre
John Pascu
Stephen Petrillo
Seymour Portes
John Read
Rod Vignola
Michele Wikoff
Gary Winsper
Nick Zeolla

E-ZPass Plus

Aviation Department

Salvador Ayala, Jr.
Jon Clark

Joanne A. Paternoster
Sean Porter

Engineering Department

Joseph DiSorbo
Ankuresh Ghosh

Albert Volpe

Law Department

Herbert S. Somerwitz

Technology Services Department

Stephanie Dawson

Tunnels, Bridges & Terminals Department

William Baxter

Charles Fausti

Other

Milton Birnkrant
Saravia Dario
Kenneth Edwards
Robert Fielding
Andrew Fogel

Gerald Ingersoll
Michael Kolb
Ed Miller
Tom Momyer

Restoration of PATH Service to Exchange Place and Lower Manhattan

Engineering Department

Thomas Amoia
Vincent P. Antes
Tarek Baghat
William C. Baumann
James Brogan
Joseph A. Calautti
Renato Camacho
David W. Caruth
Carlos E. Casas
Irving Chesner
Robert I. Davidson
Steven Demetropoulous
Max A. Devries
Jerrold Dinkels
Robert D. Eisenstat
Joseph Englot
Ali Fadavi
James G. Frnster
Raymond J. Finegan
Joseph A. Giambra
Thomas Grassi
Thomas Groark
Emory Harding
Karen Hoppe
William P. Jagerburger
Gerald Jean-Pierre
Srinath U. Jinadasa
James C. Kalafatis
John J. Kamocsai
Rhonda A. Kearse
Isaac Koped
Russell L. Kriegel
Gerald Lautenschlager
Samuel A. Leifer
Anthony E. Levine

William Lipke
John S. Lizzo
Francis J. Lombardi
Timothy M. Malone
Alexander Margolin
Melissa Matos-Miranda
Edward M. McGinley
John J. McGurk
Bernie McNeilly
Noel Minassian
Dawn Montella
Michael Newman
Achille Niro
Thomas J. O'Connor
Izyaslav Plaskovsky
Kelly J. Pollard
Vijay V. Revankar
Raymond Sandiford
Dennis Schiller
Rupesh Sheth
Bruno Signorelli
Cesar Silva
George F. Slattery
Leonid Snovsky
Omar Solomon
John F. Spencer
Oscar Suros
Christoper Vaccaro
Joseph Warner
Stephen Weiner
Mark Wierciszewski
George Wyville
Shlomo Yadoo
Anthony York

Law Department

Jeffrey S. Green

Herbert S. Somerwitz

Office of Policy & Planning

Cruz C. Russell

Lou Venech

Operations Services Department

Ray DiPiero
William Dougherty
Alan I. Rhome
Henry Riveros

Philip Taylor
Anthony Trigo
Thomas Vick

Restoration of PATH Service to Exchange Place and Lower Manhattan (continued)

Priority Capital Programs

Carla Bonacci

Anthony G. Cracchiolo

Shawn Lenahan

Louis Menno

Mark Pagliettini

Public and Government Affairs Department

Kayla M. Bergeron

Arthur Cifelli

Steven J. Coleman

Harry Czinn

Glenn P. Guzi

Rae Ann Hoffman

Eileen A. Joyce

Kevin J. Kirchman

Norma L. Manigan

Charles E. Meara

Fidel Oliver

Michael A. Petralia

Gregory J. Trevor

PATH

Steven Abramopaulos

Louis F. Ambrosio

Astagne Avril

Edward J. Banasiak

Louis M. Battista

Martha J. Bembry

Rudyard T. Best

Andrew W. Biber

David T. Bobbitt

Francis E. Bradley

Michael Breen

Joann M. Breslin

Michael P. Brogan

Paul F. Brogan

Robert Brooks

John A. Brunetto

Radomir Bulayev

John C. Burkhard

Nicholas Campopiano

Thomas L. Carney

Frederick R. Childs

Albert S. Chin

Charles J. Conway

Thomas J. Cople

Robert M. Dato

Ralph Davila

Robert L. Dempsey

Martin T. Den Bleyker

Michael P. DePallo

Anthony C. DeTurris

Edward Diaz

David N. Dunne

Susan Durrett

Edwin F. Eastman, Jr.

Mark Eilerman

William J. Fellini

Peter J. Fenton

Daphne A. Finnikin

Brian J. Fitzsimmons

Michael T. Foley

Joseph Galluccio

Michael Galluccio

Thomas M. Gardner

George Gough

Donald E. Gretkowski

Brian H. Gribbon

Martha K. Gulick

Thomas J. Herbert

George H. Heusner

Timothy F. Hughes

Teresa A. Kelton

Alan J. Korzonowski

Eugene Kowalski

Vinodini Kumar

Ronald D. Lampeter

James J. Laub, Jr.

Kevin J. Lejda

Thomas F. Loiacono

Mark MacConnell

Matthew T. Marley

Frank Martinetti

Nicholas F. Masters

Karen C. Matthews

John E. McDaniel

Daniel J. Millard

Margaret M. Mirabella

Richard M. Moran

Paul F. Moreno

John Morrone

Bozena J. Nasce

Restoration of PATH Service to Exchange Place and Lower Manhattan (continued)

PATH (continued)

Lawrence Oberhofer
Richard W. O'Hare
Jesus F. Ortiz
Darren J. O'Shea
John W. Otranto
Alfonse Panepinto
Donald A. Parente
Ajay R. Patel
Joseph A. Pecora
Edward C. Perara
Richard P. Reddy
Robert J. Reich
John F. Reidy
James M. Reilly
Daniel J. Reitz
Joseph A. Riopel
Gerald J. Robinson
Henry M. Rosen
Timothy Ryan
Rubencito Santiago

Edwin R. Sasportas
Robert Sbarra
Karen L. Schelhorn
Robert F. Seyfried
Kevin J. Sheehan
Daniel Shiu
John P. Sisak
Bejhamin C. Smith
F. Brian Steets
James F. Tinney
Howard M. Unger
Peter W. Vasporoy
Genaro P. Vincelli
Robert F. Vitale
Joseph M. Wachenheim
Louis W. Wan
John G. Wargo
William J. Wisowaty
Robert J. Zelinskas

Technology Services

Gregory G. Burnham
Paul Carris

Nuri Hamidi

Other

Paul Adams
Tarek Baghat
Beth Bovino
Paul DeMeo
Jose Diaz
Marie Fisher
Craig LaCaruba

Yehidie Novoa
Patricia Orlowski
James Palmer
Drey Reaves
Cary Sheih
Jeffrey Sueck
Melissa Young

PATH Response to August 14, 2003 Blackout

PATH

Steven Abramopaulos
Robert Adams
Louis F. Ambrosio
Joseph Andreczski
Alberto Anton
Brian Antonelli
Janet Austin
Edwin C. Banks
Roberto Batista
Louis M. Battista
Martha J. Bembry
Francis E. Blum
Frederick A. Boone
John Bottega
Timothy D. Bowers
Francis E. Bradley
Michael Brady
Mario Braico
Stephen B. Brophy
Terrice E. Brown
John A. Brunetto
Luther C. Buchanan
Joseph A. Buckley III
Radomir Bulayev
Jimmy O. Burgos
John C. Burkhard
Frederick C. Buzzard
Joseph A. Cairo
Nicholas Campopiano
Pedro Carattini
George Carney
Thomas L. Carney
Scott V. Carson
Ronald J. Cassaro
Biagio Castella
Albert S. Chin
Charles Chipman
Angelo Cocco
Lawrence T. Connelly
Robert J. Coyle
Jeffrey J. Crossin
Michael P. Cunningham
Timothy J. Davis
Nicholas DeDominicis
Robert L. Dempsey
Anthony C. DeTurris

Edward Diaz
Russell Dieterle
Luca DiTommaso
William D. Dobbs III
Keith M. Dodig
Frank C. Donadio
Clyde W. Easterling
Mark Eilerman
James J. Ellison
John Emma
Korey Evans
Meredith L. Evans
Eduardo L. Fajo
Marcia Famulari
Patrick J. Feeny
Rocco Fiandaca
Thomas F. Foley
Thomas Fonden
Brian K. Fortney
Darrell Fowler
Michael Galluccio
Robert Garcia
Frank A. Giordano
Brian Goggins
Alberto Gonzalez
George Gough
Harold M. Greenblatt
Brian H. Gribbon
Lucille A. Haley
Timothy Harrington
Gary Heckstall
John B. Hoey
Michael J. Holland
Lodreg Howard, Jr.
Eugene C. Imbergamo
Thomas J. Inserra, Jr.
Fernando Ippolito
Nathaniel Johnson
Michael A. Jones
Richard J. Keeler
Kirby King
George W. Kloos
Jan Korb
David A. Kraatz
Robert Kruse
James J. Laub, Jr.

PATH Response to August 14, 2003 Blackout (continued)

PATH (continued)

James A. Lee
John S. Livornese
Jason M. Loiacono
Dominick Lombardi
Addison C. Lovell
Robert J. Lovrincich
Larry E. Lumford
Carl A. Lupia
John J. Lynch
James P. Lynott
Bernard D. Martin
Nicholas F. Masters
Karen C. Matthews
Anna McClement
Gerald McDermott
Michael F. McGinniss
Patrick J. McLaughlin
Cecil C. McWatt
Jesus Melendez
Duane Minerva
Nicholas R. Minnucci
Ian Mitchell
John J. Moniello
Joseph Montemurno
Richard M. Moran
Matthew S. Morganti
Allen Morrison
Achuthan A. Nair
Robert Napiorski
Jeff Nieves
Mary Ellen O'Brien
Robert W. O'Hare
Thomas P. O'Neill
Robert S. Ontek
Anthony M. Panariello
Donald A. Parente
Charles A. Pesanello
Anthony Pilla
Richard M. Pitchford
Joseph Pollara
Salvatore Raia
Edward Rehm
James M. Reilly

June Rivera
Gerald J. Robinson
Herly Robinson
Ira A. Ross
Pablo Ruiz
Martin J. Ryan
Timothy Ryan
David Sampson
Rubencito Santiago
Robert J. Saul
Joseph M. Sawicki
Mark Scheidegger
Karen L. Schelhorn
Nicholas Scimone, Jr.
Kevin Sellaro
Errol O. Simpson
John P. Sisak
Patricia Smith
Robert Smith
Thomas J. Smith, Jr.
John A. Somma
Demond L. Stafford
Michael C. Surrusco
Robert V. Sweeney
Joseph Taggart
Michael Taglietta
Barry W. Taylor
Rocco Tinnirello
Kevin J. Tomczak
Charles T. Trombetta
Kenneth VanDenHouten
Fidel Velasquez
Sarahy Velez
John Vendittoli
Robert D. Vicino
Terry C. Vorndran
Louis W. Wan
Michael Wilson
Barry Yakubics
Thomas J. Yurecko
Keith E. Zaleck
Darren J. Zebrowski

PATH Response to August 14, 2003 Blackout (continued)

Public Safety Department

Police Officer Jimmy Alvarez

Police Officer Frank Aresta, Jr.

Police Officer Charles Barzydlo

Police Officer Michael Chung

Police Officer Jonathan W. Collins

Police Officer James Cronin

Police Officer Michael Daniels

Police Officer Juan Diaz

Sergeant Martin Duane

Sergeant Milton Fong

Police Officer Bernard Frain, Jr.

Sergeant Joseph Garcia

Police Officer Joseph L. Greiner

Police Officer Anthony M. Held

Police Officer Jeffrey Henkel

Police Officer Daniel J. Henry

Police Officer Kevin Jackson

Police Officer John Johnston

Police Officer Robert Jones

Police Officer Kevin E. Kaczka

Police Officer Konstantin Kapsis

Sergeant Michael Lawz

Police Officer Eric Lynch

Police Officer John Madigan

Police Officer John M. Marchese

Lieutenant John McEvoy

Police Officer Anna McHenry

Police Officer Edward McQuade

Police Officer Richard Murawinski

Sergeant Kevin Murphy

Police Officer Grace Nelson

Lieutenant James O'Neil

Police Officer Donald E. Parker

Police Officer Robert Paszel

Police Officer Marvin Reyes

Police Officer Roberto Reyes

Chief Robert Sbarra

Police Officer Gerald Schell

Police Officer Peter Seaman

Police Officer Steven Skific

Police Officer John P. Sloan

Police Officer Donell Thornton

Police Officer Terrence Williams

Police Officer William J. Young

Preparation, Review and Release of 9/11 Transcripts

Aviation Department

Alan Reiss

Law Department

James M. Begley
Darrell B. Buchbinder
Gerald S. Crowley
Jeffrey S. Green
Christopher H. Hartwyck

Lawrence S. Hofrichter
Howard G. Kadin
Sandra B. Otero
Timothy G. Stickelman

Labor Relations Department

Cynthia Bacon

Human Resources Department

Ranie Rampersaud

Office of the Chief Administrative Officer

Rosemary Korbela

Office of Medical Services

Dr. Doris Francis
Dr. Martin Duke
Robin Martin
Ileana Rivera

Ana Roman
Karen Truberg
Lillian D. Valenti

Office of the Secretary

Kathleen P. Bincoletto
Karen E. Eastman
Linda C. Handel
Sharon Jenkins
Lillian Kropf
Gloria Martinez

Lynn Nerney
Catherine F. Pavelec
Antoinette Tahan
Genara Torres
Jaime Vazquez

Operations Services Department

Wells Abelard
Angela Aleaga
Ralph Camacho
Martin Cook
Christopher Felder
Stan Fischer
John T. Gannon
James Glover
Alex Hernandez
Kenneth Holmes
Alex Howard
William R. Jones
Sheila Koehler
Michael Lazarus

Anthony Martino
Trei McDuffy
Thomas Pascucci
Al Perkins
Kevin W. Rogers
Franklin Romero
Melvin Ross
Michael Spielberg
Rosa Tan
Harvey Washington
John Zylinski
Barbara Ramos
Alan I. Rhome

Preparation, Review and Release of 9/11 Transcripts (continued)

Public Affairs Department

Ana A. Abelians
Rhonda I Barnett
Kayla M. Bergeron
Pamela Brown
Anthony Ciavolella
Steven J. Coleman
Caroline Conejero
Harry Czinn
Jo-Ann Dalessio
Pasquale DiFulco
Robert P. Falzone
George E. Gajewski
Alan H. Hicks

Kevin J. Kirchman
Norma L. Manigan
Daniel S. Maynard
John A. Olberding
Fidel T. Oliver
Harry Spector
Tiffany Townsend
Gregory J. Trevor
Mariana Velasco-Lopez
Takiyah A. Williams
Hiloreen Y. Woods
Alexandra Zera

Public Safety Department

Thomas Farrell
Barbara Mahon

Raymond Simonetti
Christopher Trucillo

Other

Reverend David Baratelli
Bob Levy

Jan Clio Morgan

World Trade Center Loss Recovery Team

Treasury Department

Bruce D. Bohnen
Iran Engel

Financial Services Department

John A. Cuccurullo

Engineering Department

Achille Niro

Comptroller's Department

Daniel McCarron

Regional & Economic Development

A. Paul Blanco

Law Department

Darrell B. Buchbinder
Donald F. Burke
Timothy G. Stickelman

Other

Shawn Leonardi
Cedric Tattnell
Mark Charron
Mark Gallagher
Theresa Gauquie

Jose Diaz
Jeff Sueck
Ronald Cuccaro
John Marini

Tunnels, Bridges & Terminals Hazard Mitigation Grant Program (FEMA 404) Award

A. Paul Blanco
James Buchanan
Donald F. Burke
Gautam Chakrabarty
Michael B. DeGidio
John J. Drobny

Michael Eadicicco
Mohammed Mohib
Harendra Patel
Ken Philmus
Albert A. Terriego
Anthony Whitaker

CONTRACT AND PURCHASE ORDER AUTHORIZATIONS AND AMENDMENTS – QUARTERLY REPORT

REPORT: In accordance with Article XII, sections (g)(1) and (g)(2) of the By-Laws, the Executive Director reported, for information only, that the following contracts were awarded or amended for the period of July 1, 2003 through September 30, 2003.

AWARDEE	DESCRIPTION	AUTHORIZATION AMOUNT	PROCUREMENT METHOD
A & L Cesspool Service Corporation	Septic cleaning - JFK	\$242,396	Publicly Bid
Cosco Enterprises, Inc.	Tunnel degreaser	\$135,730	Publicly Bid
Eagle Maintenance Supply, Inc.	Supplies, Cleaning & Janitorial	\$338,051	Publicly Bid
Fred A. Cook Jr. Inc.	Catch Basin Cleaning-NYMT	\$85,908	Publicly Bid
Facet International	Filter/Separator Vessels & Valves	\$225,952	Publicly Bid
Oxford Airport Technical Services	Baggage Belt & Vehicle Arrest System Repair	\$663,729	Publicly Bid
Accredited Locks	Padlock Services	\$106,112	Publicly Bid
AAA Emergency Supply	Scott Airpaks and Accessories	\$322,054	Government Contract
Big Apple Copy & Printing Center	Color Copying @ 115 Broadway	\$121,369	Publicly Bid
Gartner, Inc.	IT Research & Advisory Services	\$125,750	Government Contract
Sprague Energy Corporation	RFG Regular Gasoline	\$400,000	Government Contract
Schmidt Engineering & Equipment Co.	Plows	\$140,880	Government Contract
Empire State Fuel Corporation	# 2 Fuel Oil – Heating – LGA	\$400,000	Government Contract

AWARDEE	DESCRIPTION	AUTHORIZATION AMOUNT	PROCUREMENT METHOD
Laurab Incorporated	HVAC Filter Replacement & Maintenance - JFK	\$113,829	Publicly Bid
Regency Recycling Corp.	Refuse Removal- Section I – JFK	\$602,380	Publicly Bid
Waste Management Of New York, LLC	Refuse Removal – JFK – Section II	\$90,000	Publicly Bid
Empire State Fuel Corporation	# 4 Fuel Oil – Heating - JFK	\$300,000	Government Contract
Empire State Fuel Corporation	# 2 Fuel Oil – Heating - JFK	\$500,000	Government Contract
Jersey Paper Company	Cafeteria Supplies	\$186,057	Publicly Bid
Susannah Dobbs Company LLC	Thermoplastic Compound – Sign Shop	\$169,800	Publicly Bid
Seely Equipment & Supply Company	Snowplow Parts	\$201,768	Publicly Bid
Wachovia Bank, N.A.	Armored Car/Processing PATH Fare Receipts	\$900,000	Government Contract
Xerox Corporation	Copier Purchase	\$391,637	Government Contract
Laurab Incorporated	Air Filters For HVAC at PABT	\$113,718	Publicly Bid
Modernage Photographic	Digital Imaging - Class B	\$166,955	Publicly Bid
Modernage Photographic	Photographic Color Prints – Traditional	\$190,521	Publicly Bid
Taub's Floor Covering Co., Inc.	Carpet Tile Installation	\$497,445	Publicly Bid

AWARDEE	DESCRIPTION	AUTHORIZATION AMOUNT	PROCUREMENT METHOD
Marquardt & Co., Inc.	Specialty Color Paper	\$108,132	Publicly Bid
Atlantic Salt, Inc.	Bulk Rock Salt, Sodium Chloride – Port Newark	\$100,000	Government Contract
Atlantic Salt, Inc.	Bulk Rock Salt, Sodium Chloride – Staten Island Bridges	\$100,000	Government Contract
Atlantic Salt, Inc.	Bulk Rock Salt, Sodium Chloride – EWR, LGA, JFK	\$400,000	Government Contract
CompUSA	Microsoft Classes	\$500,000	Government Contract
International Salt Company LLC	Bulk Rock Salt, Sodium Chloride – GWB	\$250,000	Government Contract
Iron Mountain Group Records. Mgt.	Records storage for Operations Services Dept.	\$80,000	Government Contract
New Horizons Computer Learning	Microsoft Classes	\$500,000	Government Contract
Amerigas Propane, LP	Liquid Propane Gas - JFK	\$500,000	Government Contract
National Flag & Display Co., Inc.	Flags	\$224,053	Publicly Bid
Canal Carting Inc	Refuse Removal - SEMAC - NY Facilities	\$128,260	Publicly Bid
Myslik, Inc.	Snow Sweeper Parts	\$354,209	Publicly Bid
New York Entertainment	Event Production and Entertainment	\$83,150	Publicly Bid
AT&T Corp.	Managed Frame Relay Services, E-ZPass IAG	\$137,800	Publicly Advertised/ Request for Proposals

AWARDEE	DESCRIPTION	AUTHORIZATION AMOUNT	PROCUREMENT METHOD
Metro Fuel Oil Corporation	Diesel, Blanket Order, JFK CTA Buses	\$500,000	Government Contract
Fastenal Company	Teri-Towels	\$222,948	Government Contract
Gales Industrial Supply	Various Hand Tools	\$457,391	Publicly Bid
Universal Uniform Sales Company	Blauer Rainsuits	\$490,380	Publicly Bid
General Sales Administration, Inc.	Radio Equipment, Troy Products	\$224,221	Government Contract
Xerox Corporation	Copier Maintenance	\$312,302	Government Contract
Goldmark Associates, Inc.	Sump Level Control - HT	\$182,774	Publicly Bid
Laurab Incorporated	Air Filters For HVAC at LGA	\$151,024	Publicly Bid
National Terminal, Inc.	# 2 Fuel Oil - Heating – EWR Bldg 46 – Primary Supplier	\$500,000	Government Contract
Stauffer Glove & Safety	Gloves, various types	\$112,424	Publicly Bid
Storagetek Storage Technology Corp.	Network Hardware Maintenance	\$173,162	Government Contract
Rason Asphalt, Inc.	Asphalt – JFK	\$131,000	Publicly Bid
Millennium Contracting Services	Construction Labor - Office Space NY Facilities	\$602,050	Publicly Bid
Naughton Energy	# 2 Fuel Oil - Heating – EWR Bldg 46 – Secondary Supplier	\$377,650	Publicly Bid
E.E. Cruz & Company, Inc.	Increase in authorization in connection with the replacement and reconstruction of the N25 Bridge at Newark Liberty International Airport.	\$141,000	Existing Contract

Tort Claim Settlements - Report

The Executive Director reported, 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, 2003 to September 30, 2003.

TORT CLAIMS OF THE PORT AUTHORITY, CLOSED

NAME	FACILITY	AMOUNT COLLECTED
AMERICAN AIRLINES	LaGuardia Airport	\$ 5,314.78
AMERICAN AIRLINES	John F. Kennedy International Airport	5,348.06
BROWN STEVEN	John F. Kennedy International Airport	250.00
CITYWIDE TOWING	Lincoln Tunnel	3,682.03
COACH LEASING	Lincoln Tunnel	1,642.49
COACH LEASING	Lincoln Tunnel	1,642.49
DELTA AIRLINES	John F. Kennedy International Airport	917.17
FRANCK ODETTE	Holland Tunnel	2,958.62
GREYHOUND LINES	Lincoln Tunnel	2,053.11
GREYHOUND LINES	Lincoln Tunnel	2,053.11
HUDSON TRANSIT	Lincoln Tunnel	1,953.11
KAZ CONSTRUCTION	Off Property	16,000.00
MARKET TRUCK RENTAL	Holland Tunnel	800.00
MOUNTANOS ELENI	John F. Kennedy International Airport	1,358.00
NBC INC.	Lincoln Tunnel	5,729.37
NEW PENN MOTOR EXP	George Washington Bridge	1,721.41
NJ TRANSIT CORP.	Lincoln Tunnel	1,642.49
NJ TRANSIT CORP.	Lincoln Tunnel	1,642.49
RYDER TRUCK RENTAL	LaGuardia Airport	675.00
SUGAR LEASING INC.	Port Newark	4,501.08
TANZMAN BARAK	Holland Tunnel	3,727.56
TONIC TAXI INC.	LaGuardia Airport	1,200.00
TRANS HUDSON EXP	Lincoln Tunnel	1,642.49
	TOTAL	\$ 68,454.86

TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED

NAME	FACILITY	AMOUNT PAID
DIMOLA DIANE	John F. Kennedy International Airport	22,500.00
HICKS RONALD	Port Authority Bus Terminal	1,500.00
BRUNO DONNA	World Trade Center	10,000.00
SZOR IRENE	John F. Kennedy International Airport	12,000.00
ASHMAN MICHAEL	Holland Tunnel	11,250.00
MCBRIDE WILLIAM T	Holland Tunnel	22,500.00
TYLER WILLIE – ALLSTATE	John F. Kennedy International Airport	12,597.80
STEADMAN E – ALLSTATE	John F. Kennedy International Airport	15,472.76
REDWOOD EXP – ARI INS	Holland Tunnel	1,000.00
KUMAR MANDEEP	John F. Kennedy International Airport	25,000.00
FRANKL ALICE	Port Authority Bus Terminal	8,000.00
VILLARINO ENRIQUE	Lincoln Tunnel	789.14
CAFE METRO	Port Authority Bus Terminal	140.73
BUTLER LILIA – NATIONWI	Off Property	1,350.20
CONTESSA VINCENT	Goethals Bridge	175.96
KNOX ERIC – STATE FARM	John F. Kennedy International Airport	1,989.83
DIAZ RAY – GEICO A/S/O	John F. Kennedy International Airport	3,076.00
JAMES GRACELYNE	George Washington Bridge	424.00
HARR RACHEL	LaGuardia Airport	197.17
KAO CHIH-GHENG GLEN	George Washington Bridge	2,050.93
SELAY-PEREIRA NESTOR	George Washington Bridge	2,193.33
SCARPA AGOSTINO-CHUBB	George Washington Bridge	9,001.53
RODRIGUEZ RAYMOND	George Washington Bridge	532.15
FRANCO JESSICA D	George Washington Bridge	1,387.69
BECKER RICHARD S	George Washington Bridge	1,000.00
WEISS DAVID HENRY	Goethals Bridge	1,785.00
BERGES CARLOS A	Newark Liberty International Airport	1,100.00
MANAS EVA	Newark Liberty International Airport	2,600.00
MALO STEPHEN V	George Washington Bridge	131.90
WHIDDEN HOWARD J JR	George Washington Bridge	383.65
GITELMAN SHELDON A	George Washington Bridge	696.74
MORMON PAMELA C	George Washington Bridge	227.27
MAZZA GUISEPPE	George Washington Bridge	2,250.00
PETERSON ERIC	LaGuardia Airport	2,184.21
MARESCA CAROL	Port Authority Teleport	990.00
BRACELLARI SKENDER	Goethals Bridge	146.94
WEINBERG PAUL A	LaGuardia Airport	896.62
ROSARIO LUIS	George Washington Bridge	1,788.00
FARES NELSON MICHEL	George Washington Bridge	313.45
TROTMAN CHRISTOPH	Newark Liberty International Airport	2,064.63
DTG OPERATIONS INC	Holland Tunnel	990.68

TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED (continued)

NAME	FACILITY	AMOUNT PAID
CBR INCORPORATED	Newark Liberty International Airport	1,019.81
CSIZMADIA ARPAD	Newark Liberty International Airport	500.00
DELIASSIO FRANK - GEICO	Brooklyn-Port Authority Marine Terminal	1,953.09
COLLINS JOHN F	Port Authority Bus Terminal	549.00
KING HERMIONE	Lincoln Tunnel	851.18
STENKO MICHAEL	LaGuardia Airport	467.32
ROJAS RENE	Newark Liberty International Airport	97.00
MCCMAHON KEITH	Port Authority Bus Terminal	400.00
SCHENKEL ROBERT G	LaGuardia Airport	588.02
SINGER RICHARD	George Washington Bridge	750.00
HOULDAY CHRISTOPHER	George Washington Bridge	367.42
HILL DONNELL L	George Washington Bridge	446.60
PAGANO ROBERT	Newark Liberty International Airport	1,580.54
QUINN MARY	George Washington Bridge	1,866.32
DOMBROW LARRY	George Washington Bridge	172.98
WARD LONNIE J	Port Newark	1,365.00
STACKHOUSE SCOTT	Newark Liberty International Airport	106.00
ROGERS LAKESHA	Off Property	1,650.00
DIAMOND BRIAN A	Newark Liberty International Airport	30.67
MCCORD STEPHEN C	Lincoln Tunnel	269.54
CHUNG JUERGEN YOO	Holland Tunnel	270.30
MOLT LUIS	Lincoln Tunnel	593.60
AVLON MICHAEL R	Lincoln Tunnel	619.04
SCHILLIZZI PETER	Lincoln Tunnel	820.44
GIVENS DARLENE A	Lincoln Tunnel	545.00
BRANDT ROBERT	Off Property	4,959.50
RPM COURIER SYSTEMS	Bayonne Bridge	2,668.10
STANTON MARY LOU	Port Newark	105.90
SAHADI RAY	Newark Liberty International Airport	500.00
CURCIO JARET S	Goethals Bridge	2,574.29
MINERO ANTHONY J	Lincoln Tunnel	960.67
COLON MIGUEL	Lincoln Tunnel	1,968.10
HICE RONALD	LaGuardia Airport	21,000.07
VERNON LEONARD A	World Trade Center	10,669.60
FRANCIS WILLIAM	Off Property	7,500.00
MILES ADORE ROCHELLE	Off Property	37,500.00
CISSE CHEICK	John F. Kennedy International Airport	2,500.00
	TOTAL	\$ 295,463.41

FINAL CONTRACT PAYMENTS

The Comptroller's Department reported for information only, that the contracts set forth have been completed satisfactorily by the contractors. Final payments have been made in the period of December 1, 2003 to December 31, 2003.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
AKO284040	BEARING REPLACEMENT AT PIERS A & F, FALSE CHORD REPAIRS OUTERBRIDGE CROSSING SCHIAVONE CONSTRUCTION CO.	3,384,000 (A) 370,000 (C) 203,040 (D) <u>--0--</u> 3,957,040	3,384,000 370,000 203,040 <u>--0--</u> 3,957,040	3,384,000 21,492 19,000 <u>2,473</u> (F) 3,426,965
BIP534021	REROOFING OF BUILDINGS #2920N AND #2920S BATHGATE INDUSTRIAL PARK MARANGOS CONSTRUCTION CORP. CASE CONTRACTING, LTD	718,000 (A) 250,000 (C) <u>57,000</u> (D) 1,025,000	718,000 250,000 <u>57,000</u> 1,025,000	718,000 212,047 <u>6,881</u> 936,928
EWR154222	CHILLED WATER DISTRIBUTION SYSTEM NEWARK LIBERTY INTERNATIONAL AIRPORT VRH CONSTRUCTION CORP.	1,887,000 (A) 150,000 (C) <u>150,960</u> (D) 2,187,960	1,887,000 150,000 <u>150,960</u> 2,187,960	1,887,000 --0-- <u>139,472</u> 2,026,472
EWR154229	GENERAL BUILDING CONSTRUCTION NEWARK LIBERTY INTERNATIONAL AIRPORT TWIN TOWERS ENTERPRISES, INC.	4,000,000 (C) <u>4,500</u> (E) 4,004,500	4,000,000 <u>4,500</u> 4,004,500	3,955,280 <u>4,500</u> 3,959,780
LGA900060	PRIORITY SIGNAGE CONSTRUCTION LAGUARDIA AIRPORT RAEBECK CONSTRUCTION CORP.	4,000,000 (C) <u>4,800</u> (E) 4,004,800	4,000,000 <u>4,800</u> 4,004,800	1,910,700 <u>4,800</u> 1,915,500
LT234001	CENTER TUBE REHABILITATION LINCOLN TUNNEL SCHIAVONE CONSTRUCTION CORP.	21,869,100 (A) 9,455,900 (B) 900,000 (C) 2,193,000 (D) <u>--0--</u> 34,418,000	22,024,571 (H) 9,455,900 900,000 2,193,000 <u>--0--</u> 34,573,471	21,969,571 (J) 8,165,862 278,142 1,920,920 <u>152,344</u> (I) 32,486,839
LT472	NEW JERSEY ADMINISTRATION BUILDING REPLACEMENT OF 6YA AND 6YA1 TRANSFORMERS LINCOLN TUNNEL J.G. SALAS & SONS, INC.	146,400 (A) <u>11,700</u> (D) 158,100	146,400 <u>47,700</u> (G) 194,100	146,400 <u>30,225</u> 176,625

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
MFB100513	IMMEDIATE REPAIRS HOLLAND TUNNEL AND STATEN ISLAND BRIDGES RAILROAD CONSTRUCTION COMPANY	<u>1,000,000</u> (C) 1,000,000	<u>1,000,000</u> 1,000,000	<u>463,609</u> 463,609
MFB204011	FACILITY PRIORITY IMPROVEMENTS HOLLAND AND LINCOLN TUNNELS VISTA ENGINEERING CORP.	<u>3,000,000</u> (C) 3,000,000	<u>3,000,000</u> 3,000,000	<u>2,657,852</u> 2,657,852
TEB999003	GENERAL SITEWORK CONSTRUCTION TETERBORO AIRPORT C.H. WINANS COMPANY	<u>1,000,000</u> (C) 1,000,000	<u>1,000,000</u> 1,000,000	<u>701,542</u> 701,542

- (A) Lump Sum.
- (B) Classified Work.
- (C) Net Cost - amount in the "Total Authorized" column represents the authorized estimated net cost amount. However, the amount in the "Total Payments" column is the actual net cost amount paid.
- (D) Extra Work.
- (E) Premium for furnishing performance and payment bond as provided for in the contract.
- (F) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$2,473 as provided for in the contract.
- (G) Increase in extra work in the amount of \$36,000 authorized on 1/30/2002.
- (H) Supplemental Agreement No. 1 which provided for an increase in the amount of \$155,471 for lump sum work on 5/28/99.
- (I) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$152,344 as provided for in the contract.
- (J) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$55,000 for the deletion of part of the work.

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

The Committee on Finance reported, for information only, that in accordance with authority granted by the Committee, the Executive Director had authorized the following security transactions, time accounts, interest rate exchange contracts and variable rate master note agreements during the period of January 1, 2004 through January 31, 2004.

REPORT A:

Purchase of Port Authority Bonds

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

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

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/02/04	\$45,000,000	USTB	--	01/15/04	99.97	0.875%	0.879%	\$44,985,781.25	Deutsche Bank
01/02/04	50,000,000	USTB	--	01/15/04	99.97	0.875	0.879	49,984,201.39	Deutsche Bank
01/02/04	50,000,000	USTB	--	01/15/04	99.97	0.875	0.879	49,984,201.39	Deutsche Bank
01/02/04	50,000,000	USTB	--	01/15/04	99.97	0.875	0.879	49,984,201.39	Deutsche Bank
01/02/04	50,000,000	USTB	--	01/15/04	99.97	0.875	0.879	49,984,201.39	Deutsche Bank
01/02/04	50,000,000	USTB	--	01/15/04	99.97	0.875	0.879	49,984,201.39	Deutsche Bank
01/02/04	35,000,000	USTB	--	01/15/04	99.97	0.875	0.879	34,988,940.97	Deutsche Bank
01/02/04	12,700,000	USTB	--	01/15/04	99.97	0.875	0.879	12,695,987.15	Deutsche Bank
01/02/04	50,000,000	USTB	--	01/15/04	99.97	0.875	0.879	49,984,201.39	Deutsche Bank
01/02/04	50,000,000	USTB	--	01/15/04	99.97	0.905	0.909	49,983,659.72	ABN AMRO
01/02/04	50,000,000	USTB	--	01/15/04	99.97	0.905	0.909	49,983,659.72	ABN AMRO
01/02/04	28,000,000	FHDN	--	01/05/04	99.99	0.940	0.944	27,997,806.68	Merrill Lynch

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/02/04	\$28,000,000	FHDN	--	01/05/04	99.99	0.940%	0.944%	\$27,997,806.68	Merrill Lynch
01/02/04	50,000,000	UBSFIN CP	--	01/05/04	99.99	1.000	1.005	49,995,833.33	Banc of America
01/02/04	50,000,000	UBSFIN CP	--	01/05/04	99.99	1.000	1.005	49,995,833.33	Banc of America
01/02/04	600,000	JFK-APO	6.375%	12/01/15	99.90	--	6.387	599,400.00	JFKIAT-APO
01/05/04	35,000,000	FCDN	--	01/08/04	99.99	0.980	0.985	34,997,141.67	Merrill Lynch
01/05/04	50,000,000	FHDN	--	01/30/04	99.93	0.970	0.975	49,966,319.44	Merrill Lynch
01/05/04	50,000,000	GE CORP CP	--	01/06/04	99.99	1.000	1.005	49,998,611.11	G.E. Capital
01/05/04	19,140,000	UBSFIN CP	--	01/06/04	99.99	1.000	1.005	19,139,468.33	Lehman Brothers
01/05/04	50,000,000	UBSFIN CP	--	01/06/04	99.99	1.000	1.005	49,998,611.11	JPMorgan
01/06/04	50,000,000	FHDN	--	01/12/04	99.98	0.960	0.965	49,992,000.00	Morgan Stanley
01/06/04	50,000,000	GE CORP CP	--	01/07/04	99.99	0.990	0.995	49,998,625.00	G.E. Capital
01/06/04	34,500,000	UBSFIN CP	--	01/07/04	99.99	0.970	0.975	34,499,070.42	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/06/04	\$34,500,000	UBSFIN CP	--	01/07/04	99.99	0.970%	0.975%	\$34,499,070.42	Banc of America
01/07/04	50,000,000	GE CORP CP	--	01/12/04	99.99	0.980	0.985	49,993,194.44	G.E. Capital
01/07/04	50,000,000	GE CORP CP	--	01/12/04	99.99	0.980	0.985	49,993,194.44	G.E. Capital
01/07/04	50,000,000	CITIGLOBAL	--	01/13/04	99.98	0.980	0.985	49,991,833.33	Citiglobal
01/07/04	50,000,000	CITIGLOBAL	--	01/13/04	99.98	0.980	0.985	49,991,833.33	Citiglobal
01/07/04	31,700,000	UBSFIN CP	--	01/08/04	99.99	0.960	0.965	31,699,154.66	Banc of America
01/08/04	10,182,000	UBSFIN CP	--	01/09/04	99.99	0.960	0.965	10,181,728.48	Banc of America
01/09/04	50,000,000	FHDN	--	02/04/04	99.93	0.980	0.985	49,964,611.11	Banc of America
01/09/04	25,000,000	UBSFIN CP	--	01/12/04	99.99	0.950	0.955	24,998,020.83	Lehman Brothers
01/09/04	32,695,000	UBSFIN CP	--	01/12/04	99.99	0.950	0.955	32,692,411.63	Lehman Brothers
01/12/04	25,000,000	FHDN	--	02/06/04	99.93	0.970	0.975	24,983,159.72	BANC ONE
01/12/04	19,000,000	FHDN	--	03/03/04	99.86	0.970	0.975	18,973,890.83	BANC ONE

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/12/04	\$25,000,000	FHDN	--	03/10/04	99.84	0.970%	0.975%	\$24,960,930.56	BANC ONE
01/12/04	25,000,000	FHDN	--	03/12/04	99.84	0.970	0.976	24,959,583.33	BANC ONE
01/12/04	25,000,000	FHDN	--	03/10/04	99.84	1.000	1.006	24,959,722.22	Merrill Lynch
01/12/04	13,000,000	FHDN	--	03/01/04	99.87	0.970	0.975	12,982,836.39	Merrill Lynch
01/12/04	13,000,000	FHDN	--	02/04/04	99.94	0.980	0.985	12,991,860.56	Mizuho
01/12/04	50,000,000	FHDN	--	02/06/04	99.93	0.980	0.985	49,965,972.22	Mizuho
01/12/04	13,000,000	FHDN	--	03/03/04	99.86	0.990	0.996	12,981,767.50	Mizuho
01/12/04	50,000,000	FHDN	--	03/05/04	99.85	0.990	0.996	49,927,125.00	Mizuho
01/12/04	50,000,000	GECC CP	--	01/13/04	99.99	0.990	0.995	49,998,625.00	G.E. Capital
01/12/04	50,000,000	GECC CP	--	01/13/04	99.99	0.990	0.995	49,998,625.00	G.E. Capital
01/12/04	33,325,000	UBSFN CP	--	01/13/04	99.99	0.990	0.995	33,324,083.56	Lehman Brothers
01/12/04	50,000,000	UBSFN CP	--	01/13/04	99.99	0.990	0.995	49,998,625.00	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/13/04	\$50,000,000	GECC CP	--	01/14/04	99.99	0.980%	0.985%	\$49,998,638.89	G.E. Capital
01/13/04	50,000,000	GECC CP	--	01/14/04	99.99	0.980	0.985	49,998,638.89	G.E. Capital
01/13/04	44,500,000	UBSFIN CP	--	01/14/04	99.99	0.960	0.965	44,498,813.33	Banc of America
01/14/04	28,000,000	FHDN	--	01/23/04	99.98	0.930	0.934	27,993,490.00	ABN AMRO
01/14/04	50,000,000	FHDN	--	01/28/04	99.96	0.930	0.935	49,981,916.67	ABN AMRO
01/14/04	25,000,000	FHDN	--	01/21/04	99.98	0.900	0.904	24,995,625.00	Merrill Lynch
01/14/04	50,000,000	GECC CP	--	01/15/04	99.99	0.980	0.985	49,998,638.89	G.E. Capital
01/14/04	50,000,000	GECC CP	--	01/15/04	99.99	0.980	0.985	49,998,638.89	G.E. Capital
01/15/04	50,000,000	USTB	--	01/29/04	99.97	0.840	0.844	49,983,666.67	Greenwich Capital
01/15/04	50,000,000	USTB	--	01/29/04	99.97	0.840	0.844	49,983,666.67	Greenwich Capital
01/15/04	30,000,000	USTB	--	01/29/04	99.97	0.840	0.844	29,990,200.00	Greenwich Capital
01/15/04	50,000,000	USTB	--	02/05/04	99.95	0.845	0.849	49,975,354.17	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/15/04	\$50,000,000	USTB	--	02/05/04	99.95	0.845%	0.849%	\$49,975,354.17	Lehman Brothers
01/15/04	25,000,000	USTB	--	01/29/04	99.97	0.850	0.854	24,991,736.11	Deutsche Bank
01/15/04	50,000,000	USTB	--	02/05/04	99.95	0.845	0.849	49,975,354.17	Lehman Brothers
01/15/04	25,000,000	USTB	--	01/29/04	99.97	0.840	0.844	24,991,833.33	Deutsche Bank
01/15/04	50,000,000	USTB	--	01/22/04	99.98	0.845	0.849	49,991,784.72	Deutsche Bank
01/15/04	50,000,000	USTB	--	01/29/04	99.97	0.840	0.844	49,983,666.67	Deutsche Bank
01/15/04	50,000,000	USTB	--	01/22/04	99.98	0.850	0.854	49,991,736.11	Deutsche Bank
01/15/04	17,000,000	FHDN	--	01/21/04	99.98	0.910	0.914	16,997,421.66	Morgan Stanley
01/15/04	23,127,000	UBSAM CP	--	01/16/04	99.99	1.010	1.015	23,126,351.15	Banc of America
01/16/04	50,000,000	USTB	--	01/22/04	99.99	0.835	0.839	49,993,041.67	Deutsche Bank
01/16/04	40,000,000	FHDN	--	01/28/04	99.97	0.930	0.934	39,987,600.00	ABN AMRO
01/16/04	35,000,000	FHDN	--	02/13/04	99.93	0.950	0.955	34,974,138.89	Merrill Lynch

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/16/04	\$50,000,000	GECC CP	--	01/20/04	99.99	0.980%	0.985%	\$49,994,555.56	G.E. Capital
01/16/04	50,000,000	GECC CP	--	01/20/04	99.99	0.980	0.985	49,994,555.56	G.E. Capital
01/16/04	17,165,000	UBSFIN CP	--	01/20/04	99.99	0.970	0.975	17,163,149.99	Lehman Brothers
01/20/04	50,000,000	GE CORP CP	--	01/21/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
01/20/04	50,000,000	GE CORP CP	--	01/21/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
01/20/04	21,300,000	UBSFIN CP	--	01/21/04	99.99	1.000	1.005	21,299,408.33	Lehman Brothers
01/20/04	50,000,000	CITIGROUP	--	01/21/04	99.99	1.000	1.005	49,998,611.11	Citigroup
01/20/04	50,000,000	CITIGLOBAL	--	01/21/04	99.99	0.980	0.985	49,998,638.89	Citiglobal
01/21/04	50,000,000	FHDN	--	02/18/04	99.93	0.960	0.965	49,962,666.67	Merrill Lynch
01/21/04	42,000,000	FHDN	--	02/18/04	99.93	0.960	0.965	41,968,640.00	Merrill Lynch
01/21/04	50,000,000	GE CORP CP	--	01/22/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
01/21/04	50,000,000	GE CORP CP	--	01/22/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/21/04	\$50,000,000	CITIGROUP	--	01/26/04	99.99	1.000%	1.005%	\$49,993,055.56	Citigroup
01/21/04	50,000,000	CITIGROUP	--	01/26/04	99.99	1.000	1.005	49,993,055.56	Citigroup
01/21/04	23,100,000	UBSFIN CP	--	01/22/04	99.99	1.000	1.005	23,099,358.31	Banc of America
01/22/04	50,000,000	USTB	--	04/22/04	99.78	0.865	0.870	49,890,673.61	Deutsche Bank
01/22/04	50,000,000	USTB	--	02/19/04	99.94	0.795	0.798	49,969,083.34	Merrill Lynch
01/22/04	50,000,000	USTB	--	02/19/04	99.94	0.795	0.798	49,969,083.34	Merrill Lynch
01/22/04	50,000,000	USTB	--	03/25/04	99.86	0.825	0.829	49,927,812.50	Banc of America
01/22/04	47,000,000	FHDN	--	03/19/04	99.85	0.975	0.981	46,927,443.75	Greenwich Capital
01/22/04	47,000,000	FHDN	--	02/02/04	99.97	0.930	0.934	46,986,644.15	Morgan Stanley
01/22/04	50,000,000	GE CORP CP	--	01/23/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
01/22/04	50,000,000	GE CORP CP	--	01/23/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
01/22/04	35,370,000	UBSFIN CP	--	01/23/04	99.99	1.000	1.005	35,369,017.49	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/23/04	\$28,000,000	FHDN	--	02/20/04	99.92	0.970%	0.975%	\$27,978,875.57	Morgan Stanley
01/23/04	50,000,000	GECC CP	--	01/26/04	99.99	0.980	0.985	49,995,916.67	G.E. Capital
01/23/04	50,000,000	GECC CP	--	01/26/04	99.99	0.980	0.985	49,995,916.67	G.E. Capital
01/23/04	32,690,000	UBSFIN CP	--	01/26/04	99.99	0.970	0.975	32,687,357.57	Lehman Brothers
01/26/04	50,000,000	GE CORP CP	--	01/27/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
01/26/04	50,000,000	GE CORP CP	--	01/27/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
01/26/04	50,000,000	UBSFIN CP	--	01/27/04	99.99	1.000	1.005	49,998,611.10	Merrill Lynch
01/26/04	35,200,000	UBSFIN CP	--	01/27/04	99.99	1.000	1.005	35,199,022.21	Merrill Lynch
01/26/04	50,000,000	CITIGLOBAL	--	01/27/04	99.99	0.980	0.985	49,998,638.89	Citiglobal
01/26/04	50,000,000	CITIGLOBAL	--	01/27/04	99.99	0.980	0.985	49,998,638.89	Citiglobal
01/27/04	25,000,000	USTB	--	02/05/04	99.98	0.830	0.834	24,994,812.50	Deutsche Bank
01/27/04	50,000,000	GECC CP	--	01/30/04	99.99	1.000	1.005	49,995,833.33	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/27/04	\$50,000,000	GECC CP	--	01/30/04	99.99	1.000%	1.005%	\$49,995,833.33	G.E. Capital
01/27/04	50,000,000	UBSFIN CP	--	01/28/04	99.99	1.000	1.005	49,998,611.11	Lehman Brothers
01/27/04	47,500,000	CITIGROUP	--	01/28/04	99.99	0.980	0.985	47,498,706.94	Citigroup
01/27/04	47,500,000	CITIGROUP	--	01/28/04	99.99	0.980	0.985	47,498,706.94	Citigroup
01/27/04	50,000,000	UBSFIN CP	--	01/28/04	99.99	1.000	1.005	49,998,611.11	Banc of America
01/28/04	14,000,000	USTB	--	02/05/04	99.98	0.810	0.813	13,997,480.00	Banc of America
01/28/04	43,000,000	FHDN	--	02/25/04	99.92	0.975	0.980	42,967,391.68	Merrill Lynch
01/28/04	50,000,000	CITIGLOBAL	--	01/29/04	99.99	0.990	0.995	49,998,625.00	Citiglobal
01/28/04	50,000,000	CITIGLOBAL	--	01/29/04	99.99	0.990	0.995	49,998,625.00	Citiglobal
01/28/04	28,965,000	UBSFIN CP	--	01/29/04	99.99	1.000	1.005	28,964,195.41	Banc of America
01/29/04	50,000,000	USTB	--	02/26/04	99.93	0.860	0.864	49,966,555.56	Deutsche Bank
01/29/04	50,000,000	USTB	--	02/26/04	99.93	0.860	0.864	49,966,555.56	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/29/04	\$29,000,000	USTB	--	02/26/04	99.93	0.860%	0.864%	\$28,980,602.22	Deutsche Bank
01/29/04	10,000,000	USTB	--	02/26/04	99.93	0.860	0.864	9,993,311.11	Deutsche Bank
01/29/04	37,898,000	USTB	--	02/26/04	99.93	0.856	0.859	37,872,783.09	Merrill Lynch
01/29/04	25,000,000	USTB	--	02/26/04	99.93	0.855	0.859	24,983,375.00	Banc of America
01/29/04	19,235,000	USTB	--	02/05/04	99.99	0.760	0.763	19,232,157.49	Lehman Brothers
01/29/04	50,000,000	USTB	--	02/26/04	99.93	0.855	0.859	49,966,750.00	ABN AMRO
01/29/04	50,000,000	USTB	--	02/19/04	99.95	0.790	0.793	49,976,958.34	Deutsche Bank
01/29/04	50,000,000	UBSFN CP	--	01/30/04	99.99	1.000	1.005	49,998,611.10	Lehman Brothers
01/29/04	50,000,000	CITIGLOBAL	--	01/30/04	99.99	0.990	0.995	49,998,625.00	Citiglobal
01/29/04	50,000,000	CITIGLOBAL	--	01/30/04	99.99	0.990	0.995	49,998,625.00	Citiglobal
01/29/04	20,250,000	UBSFN CP	--	01/30/04	99.99	1.000	1.005	20,249,437.50	JPMorgan
01/29/04	10,000,000	USTN	1.875%	12/31/05	100.10	--	1.820	10,010,156.25	Merrill Lynch

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
01/30/04	\$50,000,000	FHDN	--	02/27/04	99.92	0.990%	0.995%	\$49,961,500.00	Merrill Lynch
01/30/04	50,000,000	GECC CP	--	02/02/04	99.99	1.020	1.025	49,995,750.00	G.E. Capital
01/30/04	50,000,000	GECC CP	--	02/02/04	99.99	1.020	1.025	49,995,750.00	G.E. Capital
01/30/04	25,000,000	UBSFIN CP	--	02/02/04	99.99	1.010	1.015	24,997,895.83	Lehman Brothers
01/30/04	29,590,000	UBSFIN CP	--	02/02/04	99.99	1.010	1.015	29,587,509.50	Merrill Lynch
01/30/04	50,000,000	CITIGROUP	--	02/02/04	99.99	1.000	1.005	49,995,833.33	Citigroup
01/30/04	<u>50,000,000</u>	<u>CITIGROUP</u>	--	<u>02/02/04</u>	<u>99.99</u>	<u>1.000</u>	<u>1.005</u>	<u>49,995,833.33</u>	<u>Citigroup</u>
	<u>\$5,646,732,000</u>							<u>\$5,645,088,147.14</u>	

BEY - Bond Equivalent Yield

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

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
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No transactions this period.

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

Repurchase Transactions

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Lehman Brothers	01/02/04	01/05/04	\$24,865,000	0.990%	\$ 2,051.36
Lehman Brothers	01/02/04	01/05/04	38,769,000	0.990	3,198.44
Lehman Brothers	01/05/04	01/06/04	24,867,000	0.980	676.94
Banc of America	01/05/04	01/13/04	30,000,000	0.950	6,291.66 *
Banc of America	01/05/04	01/13/04	30,000,000	0.950	6,291.66 *
Banc of America	01/05/04	01/13/04	30,000,000	0.950	6,291.66 *
Lehman Brothers	01/05/04	01/06/04	38,772,000	0.980	1,055.46
Nomura	01/06/04	01/07/04	24,868,000	0.960	663.15
Nomura	01/06/04	01/07/04	38,773,000	0.960	1,033.95
Lehman Brothers	01/07/04	01/13/04	1,180,000	0.950	186.83 *
Daiwa	01/07/04	01/12/04	13,016,000	0.950	1,717.39
Daiwa	01/07/04	01/12/04	23,978,000	0.950	3,163.76

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	01/07/04	01/12/04	\$25,408,000	0.950%	\$ 3,352.44
Lehman Brothers	01/07/04	01/13/04	48,770,000	0.950	7,721.92 *
Daiwa	01/08/04	01/12/04	368,000	0.960	39.25
Lehman Brothers	01/08/04	01/09/04	25,000,000	0.950	659.72
UBS Warburg	01/08/04	01/12/04	45,774,000	0.950	4,831.70
UBS Warburg	01/08/04	01/12/04	49,264,000	0.950	5,200.09
Daiwa	01/08/04	01/12/04	49,816,000	0.960	5,313.71
Daiwa	01/08/04	01/12/04	49,816,000	0.960	5,313.71
UBS Warburg	01/08/04	01/12/04	54,962,000	0.950	5,801.54
Morgan Stanley	01/12/04	01/13/04	17,515,000	0.950	462.20
Morgan Stanley	01/12/04	01/13/04	25,000,000	0.950	659.72
Morgan Stanley	01/12/04	01/13/04	36,515,000	0.950	963.59

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Lehman Brothers	01/13/04	01/15/04	\$1,180,000	0.950%	\$ 62.28 *
Nomura	01/13/04	01/16/04	1,245,000	0.960	99.60
Nomura	01/13/04	01/16/04	2,490,000	0.960	199.20
Lehman Brothers	01/13/04	01/14/04	17,516,000	0.950	462.23
Lehman Brothers	01/13/04	01/14/04	25,001,000	0.950	659.75
Lehman Brothers	01/13/04	01/14/04	36,916,000	0.950	974.17
Nomura	01/13/04	01/16/04	48,755,000	0.960	3,900.40
Nomura	01/13/04	01/16/04	48,755,000	0.960	3,900.40
Nomura	01/13/04	01/16/04	48,755,000	0.960	3,900.40
Lehman Brothers	01/13/04	01/15/04	48,770,000	0.950	2,573.97 *
Lehman Brothers	01/14/04	01/15/04	1,105,000	0.950	29.16 *
Banc of America	01/14/04	01/15/04	17,516,000	0.940	457.36

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Banc of America	01/14/04	01/22/04	\$20,425,000	0.940%	\$ 4,357.33 *
Banc of America	01/14/04	01/15/04	25,000,000	0.940	652.78
Banc of America	01/14/04	01/15/04	36,917,000	0.940	963.94
Lehman Brothers	01/14/04	01/15/04	48,770,000	0.950	1,286.99 *
Lehman Brothers	01/15/04	01/22/04	307,500	1.000	57.66 *
Lehman Brothers	01/15/04	01/26/04	530,000	0.950	156.05 *
Lehman Brothers	01/15/04	01/29/04	982,500	1.000	368.71 *
Mizuho	01/15/04	01/20/04	8,426,000	0.960	1,123.47
Mizuho	01/15/04	01/20/04	23,179,000	0.960	3,090.53
BANC ONE	01/15/04	01/20/04	24,656,000	0.960	3,287.47
Banc of America	01/15/04	01/22/04	25,187,500	0.980	4,715.66 *
BANC ONE	01/15/04	01/20/04	25,629,000	0.960	3,417.20

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Banc of America	01/15/04	01/22/04	\$30,225,000	0.980%	\$ 5,658.79 *
Citiglobat	01/15/04	01/20/04	34,965,000	1.000	4,778.55 *
Mizuho	01/15/04	01/20/04	36,663,000	0.960	4,888.40
Mizuho	01/15/04	01/20/04	37,739,000	0.960	5,031.87
Citiglobat	01/15/04	01/20/04	39,960,000	1.000	5,461.20 *
Lehman Brothers	01/15/04	01/29/04	48,955,000	1.000	18,371.73 *
Lehman Brothers	01/15/04	01/26/04	49,445,000	0.950	14,558.80 *
Lehman Brothers	01/15/04	01/22/04	49,630,000	1.000	9,305.62 *
BANC ONE	01/15/04	01/20/04	49,715,000	0.960	6,628.67
Lehman Brothers	01/15/04	01/26/04	49,975,000	0.950	14,714.86 *
BNP Paribas	01/16/04	01/21/04	243,000	0.940	31.86 *
BNP Paribas	01/16/04	01/21/04	278,000	0.940	36.45 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Citiglobal	01/16/04	01/20/04	\$39,920,000	0.980%	\$ 4,346.84 *
Citiglobal	01/16/04	01/20/04	44,910,000	0.980	4,890.20 *
Mizuho	01/16/04	01/20/04	44,977,500	0.920	4,597.70 *
Mizuho	01/16/04	01/20/04	44,977,500	0.920	4,597.70 *
BNP Paribas	01/16/04	01/21/04	49,697,000	0.940	6,515.83 *
BNP Paribas	01/16/04	01/21/04	49,732,000	0.940	6,520.42 *
Mizuho	01/20/04	Open	1,105,000 *	Variable **	348.69 ***
Daiwa	01/20/04	01/21/04	9,362,000	0.970	252.25
Daiwa	01/20/04	01/21/04	18,875,000	0.970	508.58
Mizuho	01/20/04	01/22/04	29,985,000	0.930	1,549.23 *
Mizuho	01/20/04	01/22/04	34,982,500	0.930	1,807.43 *
Daiwa	01/20/04	01/21/04	37,744,000	0.970	1,016.99

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Citiglobal	01/20/04	01/21/04	\$39,940,000	0.950%	\$ 1,053.97 *
Citiglobal	01/20/04	01/21/04	39,940,000	0.950	1,053.97 *
Citiglobal	01/20/04	01/21/04	39,940,000	0.950	1,053.97 *
Citiglobal	01/20/04	01/21/04	39,940,000	0.950	1,053.97 *
Daiwa	01/20/04	01/21/04	42,032,000	0.970	1,132.53
Mizuho	01/20/04	Open	48,820,000 *	Variable **	15,405.43 ***
Daiwa	01/21/04	01/22/04	2,929,000	0.970	78.92
Daiwa	01/21/04	01/22/04	14,963,000	0.970	403.17
Daiwa	01/21/04	01/22/04	19,852,000	0.970	534.90
Daiwa	01/21/04	01/22/04	28,238,000	0.970	760.86
Daiwa	01/21/04	01/22/04	42,033,000	0.970	1,132.56
BNP Paribas	01/22/04	01/26/04	261,000	0.950	27.55

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	01/22/04	01/26/04	\$13,151,000	0.950%	\$ 1,388.16
Lehman Brothers	01/22/04	01/23/04	470,000	0.970	12.66 *
Mizuho	01/22/04	Open	1,027,500 *	Variable **	271.15 ***
BNP Paribas	01/22/04	01/26/04	14,000,000	0.950	1,477.78
BNP Paribas	01/22/04	01/26/04	26,825,000	0.950	2,831.53
Banc of America	01/22/04	01/23/04	39,980,000	0.970	1,077.24 *
Banc of America	01/22/04	01/23/04	39,980,000	0.970	1,077.24 *
BNP Paribas	01/22/04	01/26/04	41,014,000	0.950	4,329.26
Banc of America	01/22/04	01/23/04	44,977,500	0.970	1,211.89 *
Mizuho	01/22/04	Open	48,910,000 *	Variable **	12,906.81 ***
Lehman Brothers	01/22/04	01/23/04	49,505,000	0.970	1,333.88 *
BNP Paribas	01/22/04	01/26/04	49,739,000	0.950	5,250.23

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	01/22/04	01/26/04	\$49,739,000	0.950%	\$ 5,250.23
Lehman Brothers	01/23/04	Open	367,500 *	Variable **	88.81 ***
Lehman Brothers	01/23/04	Open	49,570,000 *	Variable ***	11,979.42 ***
Banc of America	01/23/04	Open	49,975,000 *	Variable ***	12,035.64 ***
BNP Paribas	01/26/04	01/28/04	14,000,000	0.970	754.44
BNP Paribas	01/26/04	01/27/04	24,220,000	0.960	645.87
BNP Paribas	01/26/04	01/27/04	24,507,000	0.960	653.52
BNP Paribas	01/26/04	01/27/04	38,677,000	0.960	1,031.39
BNP Paribas	01/26/04	01/27/04	40,447,000	0.960	1,078.59
BNP Paribas	01/27/04	01/29/04	2,047,000	0.970	110.31
BNP Paribas	01/27/04	01/29/04	3,584,000	0.970	193.14
BNP Paribas	01/27/04	01/29/04	4,744,000	0.970	255.65

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	01/27/04	01/29/04	\$5,301,000	0.970%	\$ 285.67
BNP Paribas	01/27/04	01/29/04	6,341,000	0.970	341.71
BNP Paribas	01/27/04	01/29/04	6,706,000	0.970	361.38
BNP Paribas	01/27/04	01/29/04	7,909,000	0.970	426.21
BNP Paribas	01/27/04	01/29/04	9,225,000	0.970	497.13
BNP Paribas	01/27/04	01/29/04	12,908,000	0.970	695.60
BNP Paribas	01/27/04	01/29/04	19,581,000	0.970	1,055.20
BNP Paribas	01/27/04	01/29/04	24,508,000	0.970	1,320.71
Banc of America	01/27/04	01/30/04	45,337,500	0.970	3,664.78 *
Banc of America	01/27/04	01/30/04	45,337,500	0.970	3,664.78 *
Lehman Brothers	01/28/04	01/30/04	345,000	0.970	18.59 *
Lehman Brothers	01/28/04	Open	1,080,000 *	Variable **	116.40 ***

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	01/28/04	02/02/04	\$48,755,000	0.970%	\$ 6,568.38
Nomura	01/28/04	02/02/04	2,490,000	0.970	335.46
Nomura	01/28/04	02/02/04	48,755,000	0.970	6,568.38
Lehman Brothers	01/28/04	Open	48,895,000 *	Variable **	5,269.79 ***
Lehman Brothers	01/28/04	01/30/04	49,630,000	0.970	2,674.51 *
Mizuho	01/29/04	Open	1,075,000 *	Variable **	85.10 ***
Mizuho	01/29/04	Open	1,075,000 *	Variable **	85.10 ***
Lehman Brothers	01/29/04	Open	1,140,000 *	Variable **	92.15 ***
Daiwa	01/29/04	02/02/04	35,505,000	0.960	3,787.20
Daiwa	01/29/04	02/02/04	44,246,000	0.960	4,719.57
Lehman Brothers	01/29/04	Open	48,835,000 *	Variable **	3,947.50 ***
Mizuho	01/29/04	Open	48,900,000 *	Variable **	3,871.25 ***

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho	01/29/04	Open	\$48,900,000 *	Variable **	\$ 3,871.25 ***
Lehman Brothers	01/30/04	Open	345,000 *	Variable **	18.59 ***
Lehman Brothers	01/30/04	Open	49,630,000 *	Variable **	2,674.51 ***

* This transaction was executed simultaneously with a like reverse/repurchase agreement.

** This rate subject to change daily.

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

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Banc of America	01/05/04	01/13/04	\$30,000,000	0.650%	\$5,066.67
Banc of America	01/05/04	01/13/04	30,000,000	0.650	5,066.67
Banc of America	01/05/04	01/13/04	30,000,000	0.650	5,066.67
Lehman Brothers	01/07/04	01/13/04	49,950,000	0.850	7,076.26
Lehman Brothers	01/13/04	01/15/04	49,950,000	0.700	1,873.13
Lehman Brothers	01/14/04	01/15/04	49,875,000	0.850	1,177.60
Banc of America	01/14/04	01/22/04	20,425,000	0.700	3,943.16
Lehman Brothers	01/15/04	01/26/04	49,975,000	0.850	13,187.85
Lehman Brothers	01/15/04	01/26/04	49,975,000	0.850	13,187.85
Lehman Brothers	01/15/04	01/29/04	49,937,500	0.800	12,886.64
Lehman Brothers	01/15/04	01/22/04	49,937,500	0.900	8,461.63
Citiglobal	01/15/04	01/20/04	39,960,000	0.900	4,551.00

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Citiglobal	01/15/04	01/20/04	\$34,965,000	0.900%	\$3,982.13
Banc of America	01/15/04	01/22/04	30,225,000	0.750	4,453.99
Banc of America	01/15/04	01/22/04	25,187,500	0.750	3,711.66
BNP Paribas	01/16/04	01/21/04	49,975,000	0.840	5,913.71
BNP Paribas	01/16/04	01/21/04	49,975,000	0.840	5,913.71
Mizuho	01/16/04	01/20/04	44,977,500	0.770	3,848.08
Mizuho	01/16/04	01/20/04	44,977,500	0.770	3,848.08
Citiglobal	01/16/04	01/20/04	44,910,000	0.800	3,992.00
Citiglobal	01/16/04	01/20/04	39,920,000	0.800	3,548.44
Mizuho	01/20/04	Open	49,925,000	Variable *	13,257.86 **
Citiglobal	01/20/04	01/21/04	39,940,000	0.800	887.56
Citiglobal	01/20/04	01/21/04	39,940,000	0.800	887.56

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Citiglobal	01/20/04	01/21/04	\$39,940,000	0.800%	\$887.56
Citiglobal	01/20/04	01/21/04	39,940,000	0.800	887.56
Mizuho	01/20/04	01/22/04	34,982,500	0.780	1,515.91
Mizuho	01/20/04	01/22/04	29,985,000	0.780	1,299.35
Lehman Brothers	01/22/04	01/23/04	49,975,000	0.870	1,207.73
Mizuho	01/22/04	Open	49,937,500	Variable *	11,097.22 **
Banc of America	01/22/04	01/23/04	44,977,500	0.870	1,086.96
Banc of America	01/22/04	01/23/04	39,980,000	0.870	966.18
Banc of America	01/22/04	01/23/04	39,980,000	0.870	966.18
Banc of America	01/23/04	Open	49,975,000	Variable *	10,411.48 **
Lehman Brothers	01/23/04	Open	49,937,500	Variable *	10,681.08 **
Banc of America	01/27/04	01/30/04	45,337,500	0.770	3,047.69

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Banc of America	01/27/04	01/30/04	\$45,337,500	0.770%	\$3,047.69
Lehman Brothers	01/28/04	01/30/04	49,975,000	0.870	2,415.46
Lehman Brothers	01/28/04	Open	49,975,000	Variable *	4,553.28 **
Lehman Brothers	01/29/04	Open	49,975,000	Variable *	3,345.55 **
Mizuho	01/29/04	Open	49,975,000	Variable *	3,192.85 **
Mizuho	01/29/04	Open	49,975,000	Variable *	3,192.85 **
Lehman Brothers	01/30/04	Open	49,975,000	Variable *	2,137.82 **

* This rate subject to change daily.

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

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

REPORT B: In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period of January 1, 2004 through January 31, 2004, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period of January 1, 2004 through January 31, 2004 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

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

As of January 31, 2004, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$377 million, all of which pertain to refundings.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period of January 1, 2004 through January 31, 2004 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

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

Whereupon, the meeting was adjourned.

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, April 22, 2004

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**DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER SITE
PREPARATION – DEMOLITION OF REMNANT SUBGRADE STRUCTURES**

It was recommended that the Board authorize the Executive Director to enter into an agreement with Silverstein Properties, Inc. (SPI), to perform the demolition of the remaining subgrade slabs and other structures in the northwest portion of the World Trade Center (WTC) site, and to provide for cost reimbursement to SPI for certain work related to such demolition and temporary support of the "bathtub" slurry walls. The construction cost to complete this work is currently estimated at \$8.5 million, for which the Port Authority would reimburse SPI for 47 percent of such construction costs, except installation of certain new slurry wall tie-backs estimated at \$700,000 (for which the Port Authority will fully reimburse SPI). The Port Authority also would incur additional costs of approximately \$500,000 associated with design services and construction oversight, in addition to staff and administrative costs in connection with the project. SPI would incur additional costs for construction management and project management.

In order to progress with redevelopment of the WTC site, the remaining slabs in the northwest corner of the WTC site need to be removed. These slabs, support columns, and other structures are remnants of the WTC's subgrade parking areas, and were left in place following the WTC site recovery operations completed by the New York City Department of Design and Construction in June 2002. The slabs are providing interim lateral bracing support for the slurry walls at the north end of the WTC "bathtub"; however they are not expected to be structurally or functionally adequate for the future site redevelopment. Port Authority staff has prepared the construction drawings and specifications for the demolition work. It is anticipated that SPI will retain Tishman Construction Co. (TCC) as the general contractor and construction manager for this slab demolition project. Under contract with SPI, TCC is already at the WTC site performing the construction of the new 7 WTC, and it is anticipated that SPI will also retain it for the Freedom Tower construction. As the demolition and related work will overlap the Freedom Tower foundation work in both time and location, it was deemed advantageous that SPI, through TCC, also undertake this work to minimize risks to the Port Authority Trans-Hudson system (PATH) Terminal and Freedom Tower construction schedules. Actual demolition work is expected to begin in June and will be completed by December 2004. Demolition work will be staged and phased to take account of current PATH operations at the WTC site, and to facilitate the start of the Freedom Tower construction.

This demolition work is subject to completion of the environmental process being conducted by the Lower Manhattan Development Corporation. These remnant slabs and support columns also have been identified as a potential historical resource by federal agencies funding WTC site transportation and redevelopment projects. Discussions with these and other agencies and other interested consulting parties are ongoing regarding potential mitigating actions that can be incorporated with the removal of the slabs and support columns.

This work will allow major components of the initial phase of WTC site redevelopment to advance, including the Freedom Tower, WTC PATH Terminal, as well as the planned Performing Arts Center.

Environmental impacts and mitigating measures with respect to the removal of the remnant slabs and support columns are being considered with reference to Section 106 of the National Historic Preservation Act. In addition, the agreement with SPI will provide for SPI and TCC to implement minimum Environmental Performance Commitments regarding dust control and diesel vehicle emissions.

The total project includes demolition and removal of approximately 190,000 square feet of slabs and other structural elements in the northwest corner of the WTC site, including remaining portions of the Concourse, B1, B2, B3, and sections of the B4 and B5 level slabs. Most of the existing B4 level slab will remain in place above the PATH tracks, and a new functional slab (as part of the Freedom Tower design) will ultimately be built above the B4 level slab. A portion of the total slab demolition area is located in the former U.S. Customhouse leasehold area on the Concourse and B1 levels.

Work associated with the removal of the slabs includes modification to the existing structural framing, which supports Vesey Street, and the installation of tieback anchors to support the portion of the existing slurry wall at Vesey Street that is affected by the slab demolition.

Funds for SPI's portions of work would be made available from insurance proceeds under the net lessees WTC property damage and business interruption insurance program currently on deposit in the insurance escrow account. The Port Authority's share of this work will be paid for with insurance proceeds.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Silverstein Properties, Inc. (SPI), to perform the demolition of the remaining subgrade slabs and other structures in the northwest portion of the World Trade Center site, and to provide for reimbursement to SPI of 47 percent of construction costs, which are currently estimated at approximately \$8.5 million, with the exception of certain new slurry wall tie-backs, which are included in the estimated construction cost (for which the Port Authority will fully reimburse SPI); and it is further

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

DOWNTOWN RESTORATION PROGRAM – RETENTION OF FORMER PORT AUTHORITY EMPLOYEES

It was recommended that the Board authorize the retention of present and former senior management staff to provide consultation services in connection with the restoration of Downtown Manhattan and the World Trade Center (WTC) site. Subsequent to the effective date of their retirement or resignation from Port Authority service, such individuals would be retained by agreement; in each case, the terms and conditions, the duration of the retainer, and the scope of services to be provided would be subject to authorization or approval by the Executive Director.

In a series of actions taken by the Board on December 13, 2001, and since that date, the Port Authority has formally committed to an extensive and multi-faceted Downtown Restoration Program of unprecedented complexity and magnitude. The completion of WTC site recovery efforts in the spring of 2002, the restoration of Port Authority Trans-Hudson system (PATH) service to lower Manhattan in November 2003, and the public outreach leading to the selection of the master plan for the redevelopment of the WTC site, are some of the milestones already achieved. Nevertheless, in light of the scope of the recovery efforts and the continuing pace of activities in connection with the reconstruction of the Permanent World Trade Center PATH Terminal, the rebuilding of 7 World Trade Center by Silverstein Properties Inc., efforts to rebuild or replace the office and commercial space at the WTC site, the potential construction of a memorial, and the need for inter-agency cooperation and negotiations with private sector entities in all of these activities, it is necessary that there be continuity in approach and coordination of all of the interests involved. Senior management staff members of the Port Authority have been spending a large portion of their time and effort in connection with these activities and have developed sound working relationships with their counterparts in the public and private sectors. It is, therefore, appropriate to ensure that they will continue to be available for these activities even if they leave full-time Port Authority service and retire.

By resolution entitled “Post-Retirement Restrictions” adopted on September 12, 1991, the Board provided that contracts with active employees to arrange for their post-employment consulting work for the Port Authority (or its subsidiaries) would require the prior approval of the Board, and that contracts with certain former employees (those required to file financial disclosure statements under the Code of Ethics and Financial Disclosure) would also require such prior approval. Pursuant to this requirement, for example, the Board acted on May 25, 2000, to authorize General Counsel to retain the services of a former Senior Advisor and Comptroller of the Port Authority in connection with the New York City Airport Lease Arbitration. It is now proposed that, consistent with the 1991 resolution and for the limited purposes of providing continuing advice, counsel, and assistance in connection with the Downtown Restoration Program over the anticipated term of this extraordinary Port Authority effort being undertaken with other agencies and interests, special arrangements should be authorized for the retention of senior management staff members after they leave full-time Port Authority service.

In considering which employees or former employees would be offered such post-employment consulting contracts, consideration would be given to the current expertise,

knowledge, experience, and responsibilities of the individuals, the body of work activities which would be required of them subsequent to their retirement, the time commitments which they would be expected to make, and the value to the Port Authority of limitations on their services if sought by others. Consistent with these considerations, and in view of the fact that General Counsel Jeffrey S. Green, who has been heavily involved in virtually all aspects of the WTC recovery efforts noted above, has indicated his intention to leave Port Authority service this year after more than 39 years of Port Authority service, the Board directed the Executive Director to enter into a consulting agreement with Mr. Green effective upon his retirement from Port Authority service. The scope of duties, conditions and term of service, and compensation arrangements would be set forth in this, and each individual contract, as authorized or approved by the Executive Director (or Chairman of the Port Authority or Chairman of the Committee on Operations, as may be appropriate).

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

RESOLVED, that retention of senior staff members of the Port Authority, upon or subsequent to their retirement from Port Authority service, to provide consultation services in connection with the various aspects of the Downtown Restoration Program as that Program and projects and activities undertaken in connection with it develop over time, all as outlined to the Commissioners, be and the same hereby is authorized, for and on behalf of the Port Authority; the form of contracts or agreements in connection with such retention shall be subject to approval by General Counsel or his authorized representative (as appropriate).

SETTLEMENT OF CLAIM – THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY’S ADMINISTRATIVE CLAIM IN THE BRANIFF INTERNATIONAL AIRLINES BANKRUPTCY

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to enter into a settlement with the bankruptcy Trustee for Braniff International Airlines (Braniff) with respect to the Port Authority’s Administrative Proof of Claim. The administrative claim covers amounts owed to the Port Authority incurred by Braniff after the filing of its bankruptcy petition in 1991. The Port Authority filed a proof of claim for \$1,618,000 in 1992 and the amount of the claim has not increased since that date. The settlement would recognize \$620,000 of the Port Authority’s \$1,618,000 proof of claim. Assuming, as appears likely, that administrative claims will be paid at the rate of ten cents on the dollar, the Port Authority will receive approximately \$62,000 out of a maximum possible recovery of approximately \$162,000 if the full claim were to be allowed.

Braniff ceased operating on July 2, 1992 after filing for bankruptcy on August 7, 1991. The Trustee has challenged several parts of the Port Authority’s Proof of Claim, and also seeks to have the entire claim rejected under the theory that the Port Authority’s receipt of a security deposit of \$200,000 in January 1992 was a voidable transfer under the Bankruptcy Code. The proposed settlement would eliminate the cost and risk of litigation and secure the agency’s quantum of sustainable damages.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a settlement with the bankruptcy Trustee for Braniff International Airlines with respect to the Port Authority’s Administrative Proof of Claim, whereby \$620,000 of the claim will be allowed; and it is further

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

FINAL CONTRACT PAYMENTS

The Comptroller's Department reported, for information only, that the contracts set forth hereafter have been completed satisfactorily by the contractors. Final payments have been made in the period of January 1, 2004 to January 31, 2004.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
AK994901	FACILITY PRIORITY IMPROVEMENTS STATEN ISLAND BRIDGES T. MORIARTY & SON, INC.	<u>4,000,000</u> (C) 4,000,000 (C)	<u>4,000,000</u> 4,000,000	<u>2,098,558</u> 2,098,558
EWR154253	TERMINAL B-2 ESCALATOR AND VERTICAL CIRCULATION IMPROVEMENTS NEWARK LIBERTY INTERNATIONAL AIRPORT TWIN TOWERS ENTERPRISES, INC.	4,000,000 (C) <u>4,500</u> (E) 4,004,500	4,000,000 <u>4,500</u> 4,004,500	3,856,997 <u>4,500</u> 3,861,497
MFP315670	ASBESTOS REMOVAL MARINE TERMINAL NEW YORK FACILITIES EAST COAST HAZ MAT REMOVAL, INC.	<u>250,000</u> (C) 250,000	<u>250,000</u> 250,000	<u>231,330</u> 231,330
MFP900515	UNDERWATER WHARF REPAIRS NEW YORK AND NEW JERSEY MARINE TERMINALS J.T. CLEARY INC.	2,000,000 (C) <u>27,541</u> (E) 2,027,541	2,000,000 <u>27,541</u> 2,027,541	1,858,999 <u>27,541</u> 1,886,540
BP394023	PIER 12 PILE & BULKHEAD REPAIRS BROOKLYN-PORT AUTHORITY MARINE TERMINAL SIMPSON & BROWN, INC.	343,244 (A) 536,333 (B) 682,000 (C) <u>78,695</u> (D) 1,640,272	343,244 589,968 (F) 682,000 <u>78,695</u> 1,693,907	343,244 573,844 533,708 <u>73,327</u> 1,524,123

(A) Lump Sum.

(B) Classified Work.

(C) Net Cost - amount in the "Total Authorized" column represents the authorized estimated net cost amount. However, the amount in the "Total Payments" column is the actual net cost amount paid.

(D) Extra Work.

(E) Premium for furnishing performance and payment bond as provided for in the contract.

(F) Increase in classified work.

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

The Committee on Finance reported, for information only, that in accordance with authority granted by the Committee, the Executive Director had authorized the following security transactions, time accounts, interest rate exchange contracts and variable rate master note agreements during the period of February 1, 2004 through February 29, 2004.

REPORT A:

Purchase of Port Authority Bonds

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

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

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/02/04	\$50,000,000	USTB	--	02/26/04	99.94	0.830%	0.834%	\$49,972,333.34	Deutsche Bank
02/02/04	50,000,000	USTB	--	04/08/04	99.84	0.885	0.890	49,918,875.00	Deutsche Bank
02/02/04	50,000,000	USTB	--	04/15/04	99.82	0.890	0.895	49,909,763.89	Merrill Lynch
02/02/04	50,000,000	USTB	--	04/01/04	99.86	0.865	0.869	49,929,118.06	Merrill Lynch
02/02/04	50,000,000	GE CORP CP	--	02/03/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
02/02/04	50,000,000	CITIGLOBAL	--	02/03/04	99.99	1.000	1.005	49,998,611.11	Citiglobal
02/02/04	50,000,000	CITIGLOBAL	--	02/03/04	99.99	1.000	1.005	49,998,611.11	Citiglobal
02/02/04	47,610,000	UBSFIN CP	--	02/03/04	99.99	1.000	1.005	47,608,677.49	Banc of America
02/02/04	200,000	JFK-APO	6.375%	12/01/15	99.90	--	6.387	199,800.00	JFKIAT-APO
02/03/04	30,000,000	FHDN	--	02/27/04	99.93	0.990	0.995	29,980,200.00	Merrill Lynch
02/03/04	17,000,000	FHDN	--	03/24/04	99.86	1.005	1.011	16,976,270.84	Merrill Lynch
02/03/04	25,000,000	GE CORP CP	--	02/04/04	99.99	0.980	0.985	24,999,319.44	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/03/04	\$26,365,000	GE CORP CP	--	02/04/04	99.99	0.980%	0.985%	\$26,364,282.29	G.E. Capital
02/03/04	50,000,000	CITIGROUP	--	02/04/04	99.99	0.980	0.985	49,998,638.89	Citigroup
02/03/04	50,000,000	CITIGROUP	--	02/04/04	99.99	0.980	0.985	49,998,638.89	Citigroup
02/04/04	50,000,000	USTB	--	02/26/04	99.95	0.850	0.854	49,974,027.78	Banc of America
02/04/04	50,000,000	USTB	--	02/26/04	99.95	0.850	0.854	49,974,027.78	Banc of America
02/04/04	50,000,000	USTB	--	02/26/04	99.95	0.850	0.854	49,974,027.78	Banc of America
02/04/04	50,000,000	USTB	--	02/26/04	99.95	0.850	0.854	49,974,027.78	Banc of America
02/04/04	39,992,000	USTB	--	02/26/04	99.95	0.850	0.854	39,971,226.38	Banc of America
02/04/04	40,680,000	USTB	--	02/26/04	99.95	0.850	0.854	40,658,869.00	Greenwich Capital
02/04/04	50,000,000	USTB	--	02/26/04	99.95	0.850	0.854	49,974,027.78	Greenwich Capital
02/04/04	631,000	USTB	--	07/15/04	99.57	0.953	0.960	628,293.96	Morgan Stanley
02/04/04	423,000	USTB	--	07/15/04	99.57	0.950	0.957	421,191.68	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/04/04	\$25,000,000	FHDN	--	02/06/04	99.99	0.950%	0.955%	\$24,998,680.55	Morgan Stanley
02/04/04	10,000,000	FHDN	--	02/05/04	99.99	0.910	0.914	9,999,747.22	Citiglobal
02/04/04	50,000,000	GE CORP CP	--	02/05/04	99.99	0.980	0.984	49,998,639.89	G.E. Capital
02/04/04	50,000,000	GE CORP CP	--	02/05/04	99.99	0.980	0.984	49,998,639.89	G.E. Capital
02/04/04	50,000,000	CITICORP	--	02/05/04	99.99	0.970	0.975	49,998,652.78	Citicorp
02/04/04	50,000,000	CITICORP	--	02/05/04	99.99	0.970	0.975	49,998,652.78	Citicorp
02/04/04	24,200,000	UBSFIN CP	--	02/05/04	99.99	0.970	0.975	24,199,347.96	Banc of America
02/05/04	50,000,000	USTB	--	03/04/04	99.93	0.900	0.904	49,965,000.00	Deutsche Bank
02/05/04	40,000,000	USTB	--	03/04/04	99.93	0.900	0.904	39,972,000.00	Deutsche Bank
02/05/04	25,000,000	USTB	--	03/04/04	99.93	0.900	0.904	24,982,500.00	Deutsche Bank
02/05/04	50,000,000	USTB	--	03/04/04	99.93	0.890	0.894	49,965,388.89	Lehman Brothers
02/05/04	50,000,000	USTB	--	03/25/04	99.88	0.845	0.849	49,942,493.06	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/05/04	\$38,000,000	FHDN	--	03/26/04	99.86	0.980%	0.985%	\$37,948,277.78	Mizuho
02/05/04	50,000,000	GE CORP CP	--	02/06/04	99.99	0.980	0.985	49,998,638.89	G.E. Capital
02/05/04	50,000,000	GE CORP CP	--	02/06/04	99.99	0.980	0.985	49,998,638.89	G.E. Capital
02/05/04	30,520,000	UBSFIN CP	--	02/06/04	99.99	0.990	0.995	30,519,160.70	Lehman Brothers
02/05/04	50,000,000	CITIGLOBAL	--	02/06/04	99.99	0.980	0.985	49,998,638.89	Citiglobal
02/05/04	50,000,000	CITIGLOBAL	--	02/06/04	99.99	0.980	0.985	49,998,638.89	Citiglobal
02/05/04	25,000,000	UBSFIN CP	--	02/06/04	99.99	0.990	0.995	24,999,312.50	Banc of America
02/06/04	50,000,000	USTB	--	03/04/04	99.94	0.860	0.864	49,967,750.00	Banc of America
02/06/04	50,000,000	FHDN	--	03/24/04	99.87	0.985	0.991	49,935,701.39	BANC ONE
02/06/04	50,000,000	FHDN	--	03/31/04	99.85	0.980	0.986	49,926,500.00	Banc of America
02/06/04	50,000,000	GECC CP	--	02/10/04	99.99	0.980	0.985	49,994,555.56	G.E. Capital
02/06/04	50,000,000	GECC CP	--	02/09/04	99.99	0.980	0.985	49,995,916.67	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/06/04	\$46,000,000	CITIGROUP	--	02/09/04	99.99	0.970%	0.975%	\$45,996,281.67	Citigroup
02/06/04	46,000,000	CITIGROUP	--	02/09/04	99.99	0.970	0.975	45,996,281.67	Citigroup
02/09/04	47,000,000	UBSFIN CP	--	02/10/04	99.99	0.970	0.975	46,998,733.61	Lehman Brothers
02/09/04	47,000,000	UBSFIN CP	--	02/10/04	99.99	0.970	0.975	46,998,733.61	Lehman Brothers
02/09/04	50,000,000	CITIGROUP	--	02/11/04	99.99	0.970	0.975	49,997,305.56	Citigroup
02/10/04	50,000,000	CITIGROUP	--	02/17/04	99.98	1.000	1.005	49,990,277.78	Citigroup
02/10/04	50,000,000	UBSFIN CP	--	02/11/04	99.99	0.980	0.985	49,998,638.89	Banc of America
02/10/04	50,000,000	UBSFIN CP	--	02/11/04	99.99	0.980	0.985	49,998,638.89	Banc of America
02/11/04	50,000,000	GE CORP CP	--	02/19/04	99.98	1.000	1.005	49,988,888.89	G.E. Capital
02/11/04	32,000,000	UBSFIN CP	--	02/12/04	99.99	0.990	0.995	31,999,120.00	Lehman Brothers
02/11/04	32,000,000	UBSFIN CP	--	02/12/04	99.99	0.990	0.995	31,999,120.00	Lehman Brothers
02/11/04	50,000,000	CITIGROUP	--	02/18/04	99.98	1.000	1.005	49,990,277.78	Citigroup

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/12/04	\$50,000,000	UBSFIN CP	--	02/13/04	99.99	1.000%	1.005%	\$49,998,611.11	Merrill Lynch
02/12/04	50,000,000	UBSFIN CP	--	02/17/04	99.99	0.990	0.995	49,993,125.00	Banc of America
02/13/04	35,000,000	FCDN	--	02/20/04	99.98	0.940	0.945	34,993,602.78	Banc of America
02/13/04	50,000,000	FCDN	--	02/20/04	99.98	0.940	0.945	49,990,861.11	Banc of America
02/13/04	50,000,000	GECC CP	--	02/17/04	99.99	1.020	1.025	49,994,333.33	G.E. Capital
02/13/04	8,000,000	UBSFIN CP	--	02/17/04	99.99	1.010	1.015	7,999,102.22	Banc of America
02/17/04	50,000,000	GE CORP CP	--	02/24/04	99.98	1.010	1.015	49,990,180.56	G.E. Capital
02/17/04	50,000,000	CITICORP CP	--	02/23/04	99.98	1.010	1.015	49,991,583.33	Citicorp
02/17/04	26,000,000	UBSFIN CP	--	02/18/04	99.99	1.050	1.056	25,999,241.67	Banc of America
02/17/04	26,000,000	UBSFIN CP	--	02/18/04	99.99	1.050	1.056	25,999,241.67	Banc of America
02/17/04	10,000,000	USTN	2.250%	02/15/07	99.70		2.353	9,970,312.50	ABN AMRO
02/18/04	40,000,000	FCDN	--	02/24/04	99.98	0.940	0.945	39,993,733.33	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/18/04	\$50,000,000	UBSFIN CP	--	02/19/04	99.99	1.010%	1.015%	\$49,998,597.20	Lehman Brothers
02/18/04	50,000,000	CITIGLOBAL	--	02/19/04	99.99	1.000	1.005	49,998,611.11	Citiglobal
02/18/04	50,000,000	UBSFIN CP	--	02/19/04	99.99	1.010	1.015	49,998,597.20	Banc of America
02/19/04	50,000,000	FHDN	--	03/01/04	99.97	0.940	0.945	49,985,638.90	Morgan Stanley
02/19/04	50,000,000	GE CORP CP	--	02/20/04	99.99	1.000	1.005	49,998,611.11	G.E. Capital
02/19/04	50,000,000	CITIGLOBAL	--	02/25/04	99.98	0.980	0.985	49,991,833.33	Citiglobal
02/19/04	41,665,000	UBSFIN CP	--	02/20/04	99.99	1.010	1.015	41,663,831.05	Banc of America
02/20/04	50,000,000	FHDN	--	02/27/04	99.98	0.940	0.945	49,990,861.11	ABN AMRO
02/20/04	50,000,000	FHDN	--	02/27/04	99.98	0.940	0.945	49,990,861.11	ABN AMRO
02/20/04	50,000,000	FHDN	--	02/27/04	99.98	0.940	0.945	49,990,861.11	ABN AMRO
02/20/04	50,000,000	UBSFIN CP	--	02/23/04	99.99	0.980	0.985	49,995,916.65	Lehman Brothers
02/20/04	50,000,000	UBSFIN CP	--	02/23/04	99.99	0.980	0.985	49,995,916.65	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/23/04	\$50,000,000	GE CORP CP	--	02/24/04	99.99	1.010%	1.015%	\$49,998,597.22	G.E. Capital
02/23/04	50,000,000	GE CORP CP	--	02/24/04	99.99	1.000	1.005	49,998,611.11	G.E. Capital
02/24/04	50,000,000	GE CORP CP	--	02/26/04	99.99	1.000	1.005	49,997,222.22	G.E. Capital
02/24/04	50,000,000	GE CORP CP	--	02/26/04	99.99	1.000	1.005	49,997,222.22	G.E. Capital
02/24/04	50,000,000	CITICORP CP	--	02/26/04	99.99	0.980	0.985	49,997,277.78	Citicorp
02/24/04	48,500,000	UBSFIN CP	--	02/25/04	99.99	0.980	0.985	48,498,679.72	Banc of America
02/25/04	50,000,000	USTB	--	04/15/04	99.87	0.905	0.910	49,937,152.78	ABN AMRO
02/25/04	50,000,000	USTB	--	03/18/04	99.94	0.925	0.930	49,971,736.11	Greenwich Capital
02/25/04	50,000,000	USTB	--	03/11/04	99.96	0.910	0.914	49,981,041.67	Banc of America
02/25/04	50,000,000	USTB	--	03/18/04	99.94	0.925	0.930	49,971,736.11	Banc of America
02/25/04	37,350,000	UBSFIN CP	--	02/26/04	99.99	0.980	0.985	37,348,983.26	Lehman Brothers
02/25/04	50,000,000	CITIGROUP	--	02/26/04	99.99	0.980	0.985	49,998,638.89	Citigroup

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/25/04	\$25,000,000	UBSFIN CP	--	02/26/04	99.99	0.980%	0.985%	\$24,999,319.45	Banc of America
02/26/04	50,000,000	USTB	--	03/25/04	99.93	0.940	0.945	49,963,444.45	Deutsche Bank
02/26/04	50,000,000	USTB	--	03/25/04	99.93	0.938	0.943	49,963,522.22	Merrill Lynch
02/26/04	25,000,000	USTB	--	03/25/04	99.93	0.940	0.945	24,981,722.22	ABN AMRO
02/26/04	50,000,000	USTB	--	05/27/04	99.76	0.930	0.935	49,882,458.34	ABN AMRO
02/26/04	50,000,000	USTB	--	03/25/04	99.93	0.930	0.935	49,963,833.34	Deutsche Bank
02/26/04	50,000,000	USTB	--	03/25/04	99.93	0.930	0.935	49,963,833.34	Deutsche Bank
02/26/04	50,000,000	GE CORP CP	--	02/27/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
02/26/04	50,000,000	GE CORP CP	--	02/27/04	99.99	1.010	1.015	49,998,597.22	G.E. Capital
02/26/04	50,000,000	UBSFIN CP	--	02/27/04	99.99	1.010	1.015	49,998,597.20	Merrill Lynch
02/26/04	18,290,000	UBSFIN CP	--	02/27/04	99.99	1.010	1.015	18,289,486.86	Merrill Lynch
02/27/04	50,000,000	USTB	--	04/01/04	99.91	0.910	0.915	49,957,027.78	ABN AMRO

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
02/27/04	\$50,000,000	USTB	--	03/11/04	99.97	0.915%	0.919%	\$49,983,479.17	ABN AMRO
02/27/04	50,000,000	USTB	--	04/08/04	99.90	0.895	0.899	49,949,034.72	Banc of America
02/27/04	50,000,000	GECC CP	--	03/01/04	99.99	1.020	1.025	49,995,750.00	G.E. Capital
02/27/04	50,000,000	GECC CP	--	03/01/04	99.99	1.020	1.025	49,995,750.00	G.E. Capital
02/27/04	6,000,000	CITICORP	--	03/01/04	99.99	1.000	1.005	5,999,500.00	Citicorp
02/27/04	50,000,000	UBSFIN CP	--	03/01/04	99.99	1.030	1.035	49,995,708.35	Lehman Brothers
02/27/04	<u>50,000,000</u>	<u>UBSFIN CP</u>	--	<u>03/01/04</u>	<u>99.99</u>	<u>1.030</u>	<u>1.035</u>	<u>49,995,708.35</u>	<u>Banc of America</u>
	<u>\$4,942,426,000</u>							<u>\$4,940,741,563.48</u>	

BEY - Bond Equivalent Yield

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

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
02/02/04	<u>\$10,000,000</u>	USTN	1.875%	12/31/05	100.15	--	<u>\$10,014,843.75</u>	Deutsche Bank
	<u>\$10,000,000</u>						<u>\$10,014,843.75</u>	

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>
UBS Warburg	02/02/04	02/03/04	\$ 34,213,000	0.970%	\$ 921.85
UBS Warburg	02/02/04	02/03/04	42,367,000	0.970	1,141.56
Nomura	02/03/04	02/04/04	32,802,000	0.960	874.72
Banc of America	02/03/04	02/06/04	40,000,000	0.950	3,166.67 *
Nomura	02/03/04	02/04/04	41,912,000	0.960	1,117.65
Banc of America	02/03/04	02/23/04	45,000,000	0.950	23,987.50 *
Mizuho	02/04/04	02/05/04	1,137,500	0.950	30.02 *
BNP Paribas	02/04/04	02/05/04	20,104,000	0.950	530.52
BNP Paribas	02/04/04	02/05/04	37,761,000	0.950	996.47
BNP Paribas	02/04/04	02/05/04	38,176,000	0.950	1,007.42
Mizuho	02/04/04	02/05/04	48,800,000	0.950	1,287.78 *
BNP Paribas	02/04/04	02/05/04	49,838,000	0.950	1,315.17

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	02/04/04	02/05/04	\$ 49,838,000	0.950%	\$ 1,315.17
Lehman Brothers	02/05/04	02/11/04	1,080,000	0.960	172.50 *
Daiwa	02/05/04	02/09/04	1,334,000	0.960	142.29
Mizuho	02/05/04	02/06/04	1,594,000	0.960	42.51
Daiwa	02/05/04	02/09/04	10,096,000	0.960	1,076.91
Banc of America	02/05/04	02/11/04	26,750,000	0.950	4,242.84 *
Daiwa	02/05/04	02/09/04	27,437,000	0.960	2,926.61
Daiwa	02/05/04	02/09/04	31,901,000	0.960	3,402.77
Daiwa	02/05/04	02/09/04	42,087,000	0.960	4,489.28
Daiwa	02/05/04	02/09/04	43,150,000	0.960	4,602.67
Mizuho	02/05/04	02/06/04	48,744,000	0.960	1,299.84
Lehman Brothers	02/05/04	02/11/04	48,895,000	0.960	7,809.61 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	02/06/04	02/09/04	\$ 13,955,000	0.950%	\$ 1,104.77
BNP Paribas	02/06/04	02/09/04	15,806,000	0.950	1,251.31
BNP Paribas	02/06/04	02/09/04	20,239,000	0.950	1,602.25
Mizuho	02/09/04	02/10/04	1,597,000	0.960	42.59
Mizuho	02/09/04	02/10/04	33,238,000	0.960	886.35
Daiwa	02/09/04	02/11/04	35,960,000	0.970	1,937.84
Daiwa	02/09/04	02/11/04	40,386,000	0.970	2,176.36
Daiwa	02/09/04	02/11/04	42,971,000	0.970	2,315.66
Mizuho	02/09/04	02/10/04	48,744,000	0.960	1,299.84
Lehman Brothers	02/10/04	02/11/04	33,238,000	0.960	886.35
Lehman Brothers	02/10/04	02/11/04	50,342,000	0.960	1,342.45
Nomura	02/11/04	02/12/04	1,466,000	0.950	38.69

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	02/11/04	02/17/04	\$ 33,238,000	0.950%	\$ 5,262.68
Daiwa	02/11/04	02/17/04	33,737,000	0.950	5,341.69
Daiwa	02/11/04	02/17/04	34,339,000	0.950	5,437.01
Daiwa	02/11/04	02/17/04	39,091,000	0.950	6,189.41
Banc of America	02/11/04	02/17/04	40,250,000	0.950	6,473.54 *
Nomura	02/11/04	02/12/04	48,877,000	0.950	1,289.81
Banc of America	02/11/04	02/17/04	50,312,500	0.950	8,091.93 *
Nomura	02/12/04	02/13/04	18,000,000	0.960	480.00
Lehman Brothers	02/12/04	02/17/04	50,344,000	0.960	6,712.53
Daiwa	02/17/04	02/20/04	31,780,000	0.970	2,568.88
Nomura	02/17/04	02/19/04	33,743,000	0.970	1,818.37
Nomura	02/17/04	02/19/04	34,345,000	0.970	1,850.81

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	02/17/04	02/19/04	\$ 39,098,000	0.970%	\$ 2,106.95
Morgan Stanley	02/17/04	02/18/04	40,616,000	0.980	1,105.66
Daiva	02/17/04	02/20/04	42,413,000	0.970	3,428.38
Morgan Stanley	02/18/04	02/20/04	40,617,000	0.960	2,166.24
Banc of America	02/19/04	02/25/04	285,000	0.950	45.28 *
Nomura	02/19/04	02/23/04	448,750	0.950	47.37
Mizuho	02/19/04	02/24/04	995,000	0.950	131.28 *
Mizuho	02/19/04	02/24/04	995,000	0.950	131.28 *
Mizuho	02/19/04	02/26/04	1,037,500	0.950	191.65 *
Mizuho	02/19/04	02/26/04	1,037,500	0.950	191.65 *
Lehman Brothers	02/19/04	02/25/04	1,080,000	0.960	171.90 *
Lehman Brothers	02/19/04	02/25/04	1,080,000	0.960	171.90 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Citiglobal	02/19/04	02/24/04	\$ 1,134,000	0.960%	\$ 151.52 *
Citiglobal	02/19/04	02/24/04	1,134,000	0.960	151.52 *
BNP Paribas	02/19/04	02/23/04	25,522,000	0.950	2,693.99
Nomura	02/19/04	02/23/04	32,049,000	0.950	3,382.95
Nomura	02/19/04	02/23/04	32,306,000	0.950	3,410.08
Nomura	02/19/04	02/23/04	32,346,000	0.950	3,414.30
Citiglobal	02/19/04	02/24/04	48,816,000	0.960	6,522.36 *
Citiglobal	02/19/04	02/24/04	48,816,000	0.960	6,522.36 *
Lehman Brothers	02/19/04	02/25/04	48,895,000	0.960	7,782.45 *
Lehman Brothers	02/19/04	02/25/04	48,895,000	0.960	7,782.45 *
Mizuho	02/19/04	02/26/04	48,900,000	0.950	9,032.92 *
Mizuho	02/19/04	02/26/04	48,900,000	0.950	9,032.92 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho	02/19/04	02/24/04	\$ 48,980,000	0.950%	\$ 6,462.64 *
Mizuho	02/19/04	02/24/04	48,980,000	0.950	6,462.64 *
Nomura	02/19/04	02/23/04	49,551,250	0.950	5,230.41
Banc of America	02/19/04	02/25/04	49,690,000	0.950	7,895.19 *
BNP Paribas	02/19/04	02/23/04	49,739,000	0.950	5,250.23
BNP Paribas	02/19/04	02/23/04	49,739,000	0.950	5,250.23
Banc of America	02/19/04	02/25/04	49,975,000	0.950	7,940.47 *
Banc of America	02/19/04	02/25/04	49,975,000	0.950	7,940.47 *
Lehman Brothers	02/19/04	02/25/04	49,975,000	0.960	7,954.35 *
Lehman Brothers	02/19/04	02/25/04	49,975,000	0.960	7,954.35 *
Daiwa	02/20/04	02/23/04	21,000,000	0.950	1,662.50
Daiwa	02/20/04	02/23/04	24,874,000	0.950	1,969.19

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	02/20/04	02/23/04	\$ 40,620,000	0.950%	\$ 3,215.75
Daiwa	02/20/04	02/23/04	49,326,000	0.950	3,904.98
Nomura	02/23/04	02/25/04	4,736,000	0.970	255.22
Daiwa	02/23/04	02/25/04	24,574,000	0.960	1,310.61
Daiwa	02/23/04	02/25/04	24,813,000	0.960	1,323.36
Daiwa	02/23/04	02/25/04	25,426,000	0.960	1,356.05
BNP Paribas	02/23/04	02/24/04	32,052,000	0.970	863.62
BNP Paribas	02/23/04	02/24/04	32,309,000	0.970	870.55
BNP Paribas	02/23/04	02/24/04	32,349,000	0.970	871.63
BNP Paribas	02/23/04	02/24/04	40,600,000	0.970	1,093.94
Nomura	02/23/04	02/25/04	48,816,000	0.970	2,630.64
Nomura	02/23/04	02/25/04	48,816,000	0.970	2,630.64

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	02/23/04	02/25/04	\$ 48,816,000	0.970%	\$ 2,630.64
Nomura	02/23/04	02/25/04	48,816,000	0.970	2,630.64
Daiwa	02/23/04	02/25/04	49,387,000	0.960	2,633.97
Morgan Stanley	02/24/04	02/26/04	28,647,000	0.960	1,527.84
Morgan Stanley	02/24/04	02/26/04	31,821,000	0.960	1,697.12
Morgan Stanley	02/24/04	02/26/04	32,053,000	0.960	1,709.49
Morgan Stanley	02/24/04	02/26/04	40,601,000	0.960	2,165.39
Mizuho	02/25/04	02/26/04	7,174,000	0.960	191.31
Mizuho	02/25/04	02/26/04	23,632,000	0.960	630.19
Banc of America	02/25/04	02/27/04	33,687,000	0.950	1,777.93
Mizuho	02/25/04	02/26/04	43,542,000	0.960	1,161.12
Banc of America	02/25/04	02/27/04	48,770,000	0.950	2,573.97

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	02/26/04	03/01/04	\$ 7,113,000	0.970%	\$ 766.62
BNP Paribas	02/26/04	03/01/04	26,996,000	0.970	2,909.57
BNP Paribas	02/26/04	03/01/04	32,055,000	0.970	3,454.82
Daiwa	02/26/04	03/01/04	34,376,000	0.960	3,666.77
Banc of America	02/26/04	03/01/04	35,394,000	0.950	3,736.03
Banc of America	02/26/04	03/01/04	36,260,000	0.950	3,827.44
Banc of America	02/26/04	03/01/04	39,992,000	0.950	4,221.38
Mizuho	02/26/04	03/01/04	40,466,000	0.950	4,271.41
Nomura	02/26/04	03/01/04	40,680,000	0.970	4,384.40
Nomura	02/26/04	03/01/04	48,755,000	0.970	5,254.71
BNP Paribas	02/26/04	03/01/04	48,772,000	0.970	5,256.54
BNP Paribas	02/26/04	03/01/04	48,772,000	0.970	5,256.54

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	02/26/04	03/01/04	\$ 48,816,000	0.970%	\$ 5,261.28
Nomura	02/26/04	03/01/04	48,816,000	0.970	5,261.28
Mizuho	02/26/04	03/01/04	50,214,000	0.950	5,300.37
Daiwa	02/26/04	03/01/04	55,208,000	0.960	5,888.85
Daiwa	02/26/04	03/01/04	55,208,000	0.960	5,888.85
Daiwa	02/26/04	03/01/04	55,208,000	0.960	5,888.85
Greenwich Capital	02/27/04	03/01/04	32,504,000	0.980	2,654.49
Greenwich Capital	02/27/04	03/01/04	39,326,000	0.980	3,211.62

* This transaction was executed simultaneously with a like reverse/repurchase agreement.

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Banc of America	02/03/04	02/23/04	\$45,000,000	0.800%	\$21,725.00
Banc of America	02/03/04	02/06/04	40,000,000	0.800	2,722.22
Mizuho	02/04/04	02/05/04	49,937,500	0.800	1,109.72
Lehman Brothers	02/05/04	02/11/04	49,975,000	0.850	6,593.94
Banc of America	02/05/04	02/11/04	26,750,000	0.750	3,046.52
Banc of America	02/11/04	02/17/04	50,312,500	0.800	7,337.24
Banc of America	02/11/04	02/17/04	40,250,000	0.800	5,869.79
Lehman Brothers	02/19/04	02/25/04	49,975,000	0.860	7,121.45
Lehman Brothers	02/19/04	02/25/04	49,975,000	0.860	7,121.45
Lehman Brothers	02/19/04	02/25/04	49,975,000	0.860	7,121.45
Lehman Brothers	02/19/04	02/25/04	49,975,000	0.860	7,121.45
Banc of America	02/19/04	02/25/04	49,975,000	0.850	7,079.79

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Banc of America	02/19/04	02/25/04	\$49,975,000	0.850%	\$7,079.79
Banc of America	02/19/04	02/25/04	49,975,000	0.750	6,940.98
Mizuho	02/19/04	02/24/04	49,975,000	0.700	5,413.96
Mizuho	02/19/04	02/24/04	49,975,000	0.700	5,413.96
Citiglobal	02/19/04	02/24/04	49,950,000	0.750	5,799.76
Citiglobal	02/19/04	02/24/04	49,950,000	0.750	5,799.76
Mizuho	02/19/04	02/26/04	49,937,500	0.850	8,253.56
Mizuho	02/19/04	02/26/04	49,937,500	0.850	8,253.56

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

REPORT B: In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period of February 1, 2004 through February 29, 2004, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period of February 1, 2004 through February 29, 2004 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

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

As of February 29, 2004, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$377 million, all of which pertain to refundings.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period of February 1, 2004 through February 29, 2004 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

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

Whereupon, the meeting was adjourned.

Secretary

MINUTES of the Annual Meeting of The Port Authority of New York and New Jersey held Thursday, April 22, 2004, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

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

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Kayla M. Bergeron, Director, Public Affairs
 A. Paul Blanco, Chief of Regional and Economic Development
 Bruce D. Bohlen, Treasurer
 John D. Brill, Director, Audit
 Darrell B. Buchbinder, First Deputy General Counsel
 Ernesto L. Butcher, Chief Operating Officer
 Timothy Castano, Senior Business Consultant, Office of the Chairman
 Anthony B. Ciavolella, Public Information Officer, Public Affairs
 Arthur J. Cifelli, Acting Deputy Executive Director/Director, Government and Community Affairs
 Steven J. Coleman, Public Information Officer, Public Affairs
 Anthony G. Cracchiolo, Director, Priority Capital Programs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Operations Services
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Nancy J. Ertag-Brand, Executive Advisor to the Chief Financial Officer
 Michael G. Fabiano, Comptroller
 Michael B. Francois, Director, Real Estate
 Linda C. Handel, Assistant Secretary
 Edward L. Jackson, Director, Financial Services
 George L. Johansen, Deputy Superintendent of Police, Public Safety
 Howard G. Kadin, Senior Attorney, Law
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Francis J. Lombardi, Chief Engineer
 Robert R. Lurie, Senior Policy Advisor, Office of the Chairman
 Stephen Marinko, Attorney, Law
 Charles F. McClafferty, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Lynn A. Nerney, Senior Administrator, Office of the Secretary
 Catherine F. Pavelec, Manager, Administration, Protocol and Executive Correspondence,
 Office of the Secretary
 Michael A. Petralia, Chief of Public and Government Affairs
 Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
 Alan L. Reiss, Deputy Director, Aviation
 Edmond F. Schorno, Chief of Staff

Gerald B. Stoughton, Assistant Director, Office of Forecasting and Capital Planning
Lynda C. Tollner, Executive Assistant to the Chief Engineer
Tiffany A. Townsend, Public Information Officer, Public Affairs
Ralph Tragale, Client Manager, Government and Community Affairs
Christopher Trucillo, Chief of Department, Public Safety
Emery J. Ungrady, Deputy Chief of Staff
Robert E. Van Etten, Inspector General
Peter J. Zipf, Deputy Chief Engineer

The public session was called to order by Chairman Coscia at 1:30 p.m. and ended at 1:55 p.m. The Board met in executive session prior to the public session.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on April 22, 2004, 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 Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on April 22, 2004, which included discussion of contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on April 22, 2004, which included a review of 2003 year-end construction results and several significant construction contracts expected to be awarded in 2004, as well as matters discussed in executive session, which included discussion of contract matters, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed and action taken in executive session at its meeting on April 22, 2004, which included discussion of contract and lease matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

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 Reports

Presentations were provided by staff on the reduction in criminal activity at Port Authority facilities in 2003 and year-end 2003 construction results.

ELECTION OF OFFICERS

Chairman Coscia 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 Anthony R. Coscia 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, Michael G. Fabiano as Comptroller, Bruce D. Bohlen as Treasurer and John D. Brill as Director of the Audit Department."

* Mr. Green has indicated his intention to leave Port Authority service during the term of office commencing at the close of the meeting. The Board designated Darrell B. Buchbinder as General Counsel-Elect. Mr. Buchbinder was elected General Counsel of the Port Authority (serving as Counsel to the subsidiary corporations) effective upon Mr. Green's retirement from service.

Pursuant to the foregoing report, Commissioners Blakeman, Chasanoff, Coscia, Gargano, Mack, Pocino, Sartor, Silverman, Song and Steiner voting in favor, the following were unanimously elected as officers of the Port Authority: Commissioner Anthony R. Coscia 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, Michael G. Fabiano as Comptroller, Bruce D. Bohlen as Treasurer and John D. Brill as Director of the Audit Department. In light of the fact that Mr. Green has indicated his intention to leave Port Authority service during the term of office commencing at the close of the meeting, the Board designated Darrell B. Buchbinder as General Counsel-Elect. Mr. Buchbinder was elected General Counsel of the Port Authority (serving as Counsel to the subsidiary corporations) effective upon Mr. Green's retirement from service.

AUDIT COMMITTEE ANNUAL REPORT

Commissioner Mack, as Vice-Chair of the Audit Committee, submitted the following report:

In accordance with the By-Laws, the Chair or Vice-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 Authority's independent accountants, have attended three of our meetings. At certain of these meetings, executive sessions were held with only the independent 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 Committee reviewed and assessed the adequacy of the Audit Committee Charter that we adopted in 2000 and made certain revisions. The Charter serves to formalize the guidelines that the Audit Committee follows in connection with the satisfaction of its responsibilities under the Port Authority's By-Laws.

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, the 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 quarterly reports 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 also reviews the status of the Port Authority's accounts receivable and discusses the accounts receivable reports with the Treasurer, Bruce D. 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. 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. The Committee also made such other inquiries in connection with the audited financial statements as considered appropriate.

In the opinion of the independent accountants, the 2003 consolidated financial statements present fairly, in all material respects, the net assets of the Port Authority, its subsidiaries and its affiliated entity and the changes in net assets and cash flows for year end 2003 in conformity with accounting principles generally accepted in the United States of America. The independent accountants have advised us that they encountered no difficulties during the course of their audit (including restriction 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 2002 Comprehensive Annual Financial Report with its Certificate of Achievement for Excellence in Financial Reporting, an award the Port Authority has received for each of the past 19 years. This is a noteworthy accomplishment for staff of the Comptroller's Department, which is headed by Michael G. Fabiano, Comptroller.

The Audit Committee is responsible for approving the retention of the Authority's independent accountants. In this regard, the Committee is currently reviewing proposals which were submitted in response to a request for proposals for the performance of expert professional external auditing services for the year 2004.

Throughout the year, the Audit Committee continued its dialogue with staff and the independent accountants with respect to evolving policies on corporate governance and accountability by various federal, state and regulatory agencies, with particular emphasis on the role of corporate audit committees. To further enhance corporate governance, the Committee approved the restructuring of the Office of Inspector General to include the Audit Department and to establish an Office of Investigation. The Committee believes that such a restructuring will provide for more effective oversight and accountability, and better position the Port Authority to maintain the highest levels of ethical conduct and public trust.

The Audit Committee has also continued its practice of requesting staff presentations on key areas of business risk. In this regard, Frank Lombardi, the Chief Engineer, and John Brill provided detailed briefings to the Committee on cost-plus construction work. The presentations provided the necessary assurances that there are sufficient procedural controls and auditing processes in place to properly administer cost-plus construction contracts.

Finally, the Chair of the Audit Committee reviews 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. 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.

NEWARK LIBERTY INTERNATIONAL AIRPORT – PAYBACK OF CERTAIN YEAR-END 2003 RECONCILIATION PAYMENTS

It was recommended that the Board authorize the Executive Director to enter into agreements with certain Master Lessees at Newark Liberty International Airport (EWR), providing for deferment in the payment of certain year-end 2003 reconciliation amounts related to operations at EWR.

To provide the airlines with short-term relief from exceptional cost increases, the Board in September 2003 agreed to defer recovery from EWR's airlines of an estimated \$4.9 million in projected 2002 true-up costs, and any substantial Master Lease year-end reconciliation amounts for 2003, which were not quantified at that time, but were thought to be in excess of \$20 million. Those amounts were to be paid back over a 15-year period and amortized through the flight fee and monorail fee methodologies. The authorization required unanimous agreement among all of EWR's Master Lessees and provided that in the event of any lessee's default, the other lessees would assume that carrier's obligation on a joint and several basis. The airlines have indicated a willingness to enter into true-up agreements to the flight fee and monorail formulas to provide for the repayment of the majority of these costs, which related to the demolition of the former administration building and the mid-life overhaul of certain monorail components. However, the foregoing proposal for the remaining charges was not accepted by the required unanimous agreement of the EWR Master Lessees, due to the unwillingness of some Master Lessees to assume the risk of incurring an increased fee burden in the event of a default by any other Master Lessee.

The current proposal would limit the number of EWR Master Lessees eligible for the deferment to those owing \$500,000 or more in year-end 2003 reconciliation amounts, and each eligible Master Lessee could elect whether to participate in the deferment arrangement. Under the proposed payback agreement, the year-end 2003 reconciliation amounts to be deferred would consist of flight and monorail fee true-ups, less fuel and Federal Aviation Regulation (FAR) Security Credits. Rather than being amortized for fifteen years and being rolled into the flight and monorail fee calculations, as under the September 2003 proposal, the deferred amounts would be amortized over a five-year term at 9.5 percent and would be the individual obligation of each Master Lessee electing to participate. If accepted by all eligible Master Lessees, the aggregate amount deferred would be approximately \$5.3 million.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with certain Newark Liberty International Airport (EWR) Master Lessees, providing for the deferral in the payment of certain year-end 2003 reconciliation amounts at EWR, the deferred amounts to be amortized and repaid by such Master Lessees over a five-year term, substantially in accordance with the terms and conditions outlined to the Board; the form of each agreement shall be subject to the approval of General Counsel or his authorized representative.

JOHN F. KENNEDY INTERNATIONAL, NEWARK LIBERTY INTERNATIONAL AND LAGUARDIA AIRPORTS – SMARTE CARTE, INC. – FEE INCREASE AND PERMIT EXTENSION – LGA PERMIT AGA-388 – SUPPLEMENT NO. 2, JFK PERMIT AYC-912 – SUPPLEMENT NO. 2, AND EWR PERMIT ANB-455 – SUPPLEMENT NO. 1

It was recommended that the Board authorize the Executive Director to enter into supplemental agreements to Permit No. AGA-388, Permit No. AYC-912 and Permit No. ANB-455 with Smarte Carte, Inc. (Smarte Carte) at LaGuardia Airport (LGA), John F. Kennedy International Airport (JFK) and Newark Liberty International Airport (EWR), respectively, to: (1) increase luggage cart rental fees for public use at all three airports from \$2.00 to \$3.00 per cart effective on or about May 15, 2004; (2) extend the permits for an additional three years through March 31, 2009 at increased fees to the Port Authority at JFK; and (3) establish a “Smarte Card” program at JFK and EWR for use of luggage carts by airlines at Federal Inspection Stations at a rate of \$2.00 per cart and for use of luggage carts by rental car companies at a rate of \$3.00 per cart.

More than 70 U.S. airports charge a per-luggage-cart rental fee of \$3.00, the majority of which charge only for domestic passenger carts. The previous luggage cart fee increase from \$1.50 to \$2.00 per cart for domestic and departing international passengers at Port Authority operated airports became effective May 1, 2001, and a \$2.00 per-cart fee was imposed on arriving international passengers beginning on October 1, 2003.

Currently, Smarte Carte pays 10 percent of its gross receipts at JFK to the Port Authority. In addition, the Port Authority is obligated to reimburse Smarte Carte for additional labor costs incurred by Smarte Carte for providing luggage carts in connection with the operation of AirTrain JFK. The supplement to the JFK permit would increase fees paid to the Port Authority from 10 percent to 12 percent on or about May 15, 2004 and to 18 percent on April 1, 2006, and the Port Authority’s obligation to reimburse Smarte Carte for additional AirTrain-related expenses would be entirely eliminated. The supplement to the LGA Permit would require Smarte Carte to provide 700 new carts in 2006.

Smarte Carte's permits at JFK and EWR would be amended to allow Smarte Carte to issue “Smarte Cards” to airlines and rental car companies to permit their staff to meet customer needs, such as assisting passengers who do not have U.S. currency or who do not otherwise have proper funds for the rental of carts. The cart rental fee to the airlines would be \$2.00, per cart and the rental fee to the rental companies would be \$3.00 per cart.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into supplemental agreements to Permit No. AGA-388, Permit No. AYC-912 and Permit No. ANB-455 with Smarte Carte, Inc. at LaGuardia Airport, John F. Kennedy International Airport (JFK) and

Newark Liberty International Airport (EWR), respectively, to: (1) increase luggage cart rental fees for public use at all three airports from \$2.00 to \$3.00 per cart effective on or about May 15, 2004; (2) extend the permits for an additional three years through March 31, 2009 at increased fees to the Port Authority at JFK; and (3) establish a "Smarte Card" program at JFK and EWR for use of luggage carts by airlines at Federal Inspection Stations at a rate of \$2.00 per cart and for use of luggage carts by rental car companies at a rate of \$3.00 per cart, substantially in accordance with the terms and conditions outlined to the Board; and it is further

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

LINCOLN TUNNEL – VALUE PRICING STUDY OF HIGH OCCUPANCY TOLL LANE – AGREEMENT WITH NEW JERSEY DEPARTMENT OF TRANSPORTATION AND AWARD OF CONTRACT

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement with the New Jersey Department of Transportation (NJDOT) with respect to acceptance and administration of a \$670,000 Federal Highway Administration (FHWA) Value Pricing Pilot Program grant awarded to the Port Authority to conduct a study (the Study) of pricing alternatives for a potential second Exclusive Bus Lane (XBL-2) in the Lincoln Tunnel corridor; and (2) solicit proposals and enter into a contract with a consulting firm, consistent with federal and New Jersey State selection guidelines, upon completion of a publicly advertised Request for Proposals, to conduct the Study.

The existing Lincoln Tunnel Exclusive Bus Lane (XBL) is a 2.5-mile contra-flow bus-only lane connecting the New Jersey Turnpike and Route 3 to the Lincoln Tunnel via Route 495. Opened in December of 1970, the XBL operates weekdays between the hours of 6:15 a.m. – 10:00 a.m., saving bus commuters an estimated 15-20 minutes in travel time by offering priority access to buses. Today, with an average daily volume of 1,670 buses, the XBL is at its capacity in the peak hours and subject to periodic reliability difficulties due to congestion delays and bus breakdowns as bus demand surges.

The implementation and great success of E-ZPass has revolutionized the manner in which tolls are collected and greatly enhanced the efficiency and productivity of the Port Authority's toll plazas. The E-ZPass system also provides new potential for traffic control and management. As such, an XBL-2 holds greater potential for improving mobility, because it can now be implemented with a program that allows limited access to qualified passenger vehicles as well as buses. As envisioned, a second priority bus lane would not be limited only to buses, but would balance demand in the lane with High Occupancy Vehicles (HOVs) and other specially designated vehicles.

The FHWA Value Pricing grant will enable the Port Authority to evaluate innovative pricing options to help support the feasibility of XBL-2 in the management of traffic approaching the eastbound Lincoln Tunnel. The scope of work for the Study consists of a stated-preference survey of motorists to determine the level of utilization of the managed lane at various price points and levels of service. A separate Federal Transit Administration (FTA) grant has been awarded to the Port Authority to assess the operational and physical feasibility of XBL-2. The ability to conduct the Study will complement the FTA grant work.

As part of the work effort, an Oversight Committee composed of representatives from the Port Authority, NJDOT and the New Jersey Turnpike Authority will be used to manage and oversee the FHWA Value Pricing Pilot Program grant. In addition, a Technical Advisory Committee will be established, consisting of major public and private stakeholders, to provide input and review and comment on the progress and findings of the analyses. Such stakeholders will include the regional Metropolitan Planning Organizations, county and local interests, and representatives from the major bus operators serving the Lincoln Tunnel corridor.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement with the New Jersey Department of Transportation with respect to acceptance and administration of a Federal Highway Administration Value Pricing Pilot Program grant awarded to the Port Authority to conduct a study (the Study) of pricing alternatives for a potential second Exclusive Bus Lane in the Lincoln Tunnel corridor; and (2) solicit proposals and enter into a contract with a consulting firm, consistent with federal and New Jersey state selection guidelines, upon completion of a publicly advertised Request for Proposals, to conduct the Study; 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 – AUTHORIZATION OF PORT AUTHORITY FUNDING FOR THE DESIGN AND CONSTRUCTION OF THE PERMANENT WORLD TRADE CENTER PORT AUTHORITY TRANS-HUDSON SYSTEM TERMINAL

It was recommended that the Board, pending formal authorization of the project for the Permanent World Trade Center (WTC) Port Authority Trans-Hudson system (PATH) Terminal (the Project), authorize the expenditure of up to \$300 million for the Project, to be attributed to insurance proceeds already received and consistent with the terms of project development, grant and other agreements executed or to be executed with the Federal Transit Administration (FTA). The total estimated cost of the Project is \$2 billion.

In the wake of the destruction of the WTC and pursuant to Board authorization in December 2001, in 2002 the Port Authority began conceptual design and engineering analysis for a temporary PATH facility at the WTC site. A temporary WTC PATH Station (Temporary Station), designed as a stand-alone facility providing basic service for PATH passengers, opened in November 2003. Concurrent with the design and construction of the Temporary Station, the Board authorized staff to begin work on a permanent terminal that will serve as a regional transportation hub.

In August 2002, the federal government announced the availability of up to \$4.55 billion in combined Federal Emergency Management Agency and FTA funds for Lower Manhattan transportation improvements (in addition to funds received for the Temporary Station). In February 2003, New York Governor George E. Pataki identified the Permanent WTC PATH Terminal as a priority in the redevelopment of Lower Manhattan, and requested that up to \$1.7 billion in FTA funds be allocated to the Project.

On December 16, 2003, the FTA approved total federal funding of \$1.7 billion towards the total estimated Project cost of \$2 billion, with a Port Authority (local) share of \$300 million. The FTA's continued approval of and provision of funds for this Project is contingent upon the Port Authority's \$300 million commitment, to be attributed to insurance proceeds already received, in consideration for the \$1.7 billion granted by the FTA. At its meetings of December 13, 2001, and July 31, 2003, the Board authorized a total amount of \$60 million for conceptual design and preliminary engineering for the Permanent WTC PATH Terminal.

Redevelopment of the WTC site and the revitalization of Lower Manhattan in the wake of the events of September 11, 2001 are of critical importance to the economy and overall quality of life of the New York/New Jersey region. The Permanent WTC PATH Terminal will serve as a regional transportation hub linked to the existing and future transportation infrastructure of Lower Manhattan. Current estimates indicate that approximately 30,000 weekday riders use the Temporary Station. Upon construction of the Permanent WTC PATH Terminal and pedestrian connection in conjunction with the full redevelopment of the WTC site, it has been estimated that up to 250,000 daily commuters and visitors may use the facility.

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

RESOLVED, that, pending formal project authorization for the design and construction of the Permanent World Trade Center Port Authority Trans-Hudson system Terminal (Project), the Executive Director be and he hereby is authorized and directed, for and on behalf of the Port Authority, to provide Port Authority funds in the amount of \$300 million, to be attributed to insurance proceeds already received, for the Project (out of a total estimated Project cost of \$2 billion), consistent with the terms of project development, grant and other agreements executed or to be executed with the Federal Transit Administration (FTA); the form of any agreements with the FTA (or others) shall be subject to the approval of General Counsel or his authorized representative.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, November 18, 2004

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, November 18, 2004, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

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

NEW YORK

Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. Christine A. Ferer
 Hon. David S. Mack
 Hon. Henry R. Silverman

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Kayla M. Bergeron, Director, Public Affairs
 Catherine M. Bergamini, Senior Administrator, Port Commerce
 A. Paul Blanco, Acting Chief Financial Officer
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Timothy Castano, Senior Business Consultant, Office of the Chairman
 Arthur J. Cifelli, Senior Advisor to the Chairman/Director, Government and Community Affairs
 Steven J. Coleman, Public Information Officer, Public Affairs
 Anthony G. Cracchiolo, Director, Priority Capital Programs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Operations Services
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Michael G. Fabiano, Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Acting Chief of Real Estate/Regional and Economic Development
 Gertrude Gilligan, Employee Communications Representative, Public Affairs
 Linda C. Handel, Assistant Secretary
 L. Jay Hector, Senior Policy Advisor to the Vice-Chairman
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Deputy Director, Tunnels, Bridges and Terminals
 Joshua Klevans, Executive Assistant to the Deputy Executive Director
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Andrew Levine, Assistant Director, Audit
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 Michael G. Massiah, Director, Human Resources
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Anne Marie Mulligan, Treasurer
 Michael F. O'Connor, Chief of Public Safety and Emergency Management

Catherine F. Pavelec, Manager, Administration, Protocol and Executive Correspondence,
Office of the Secretary
Michael A. Petralia, Chief of Public and Government Affairs
Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
Alan L. Reiss, Deputy Director, Aviation
Cruz C. Russell, Deputy Chief, Strategic Planning
Edmond F. Schorno, Chief of Staff
Joseph J. Seymour, Special Advisor for the World Trade Center Site
Gerald B. Stoughton, Assistant Director, Office of Forecasting and Capital Planning
Tiffany A. Townsend, Public Information Officer, Public Affairs
Emery J. Ungrady, Deputy Chief of Staff
David Widawsky, Senior Project Manager, Office of Policy and Planning
Peter J. Zipf, Deputy Chief Engineer

Guest:

Sam Stauton, Authorities Unit, Officer of the Governor of New Jersey

The public session was called to order by Chairman Coscia at 2:30 p.m. and ended at 2:42 p.m. The Board met in executive session prior to the public session. Vice-Chairman Gargano was present for executive session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of October 21, 2004. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on November 18, 2004, which included discussion of contract matters, matters related to, or which could impact upon, the issuance, sale, resale, or redemption of Port Authority bonds, notes or other obligations, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed at its meeting on November 18, 2004, which included discussion of an agreement to provide funding for a project to extend the West End Concourse at Penn Station New York, as well as matters discussed in executive session, which included discussion of matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on November 18, 2004, which included discussion of contract matters, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on November 18, 2004, which included a discussion of lease matters, and the report was received.

Staff Report

A presentation was provided by staff on snow-removal preparations for the 2004-2005 winter season at the Port Authority's airports.

Commissioner's Report

Chairman Coscia thanked Joseph Seymour, former Executive Director, for his dedicated service to the Port Authority during the most difficult time in the agency's history. In recognition of his extraordinary leadership and accomplishments, Chairman Coscia presented Joseph Seymour with the Howard S. Cullman Distinguished Service Medal, which is the highest award given by the Port Authority to a Port Authority employee who has performed the most outstanding service.

Commissioner Blakeman also acknowledged Joseph J. Seymour and presented him with a special citation from the State of New York honoring him for his accomplishments and service to the Port Authority and the region.

Former Executive Director Joseph J. Seymour responded that it has been an honor and a pleasure to serve at the Port Authority and commended the men and women of the agency on the manner in which they conducted themselves following the events of September 11, 2001 and on their continued dedicated service to the bi-state region. He also thanked the Chairman and Commissioners for their guidance and leadership in advancing the goals of The Port Authority of New York and New Jersey.

**TRIBUTE TO JOSEPH J. SEYMOUR AND AWARD OF HOWARD S. CULLMAN
DISTINGUISHED SERVICE MEDAL**

The following resolution was unanimously adopted by the Board of Commissioners upon the retirement of Joseph J. Seymour, Executive Director.

WHEREAS, from the time he joined the Port Authority on January 3, 2002 as Executive Director, Joseph J. Seymour has served with great distinction in leading The Port Authority of New York and New Jersey during the most difficult time in the agency's history; and

WHEREAS, Joseph J. Seymour took the helm of a public agency shortly after it had suffered unimaginable loss and has made it a priority to reestablish the agency's headquarters, restore morale and lead its employees forward in the aftermath of the September 11, 2001 terrorist attacks; and

WHEREAS, Joseph J. Seymour has developed an ambitious agenda for the agency, making it clear that the staff of the Port Authority would remain unbowed as the recovery effort progressed; and

WHEREAS, Joseph J. Seymour has placed great emphasis upon safety and security, so that travelers and commerce may be ensured dependable, trustworthy passage throughout the region as the Port Authority has developed a comprehensive investment program that makes the agency a leader in adopting new technologies to reinforce security systems and enhance public safety; and

WHEREAS, Joseph J. Seymour is among the most influential and instrumental figures in the redevelopment of Lower Manhattan, including the restoration of PATH service to Exchange Place and the World Trade Center site, the development of the World Trade Center Master Plan and Site Plan and work on the new Downtown World Trade Center Transportation Hub; and

WHEREAS, as Executive Director, Joseph J. Seymour, has guided staff in the resolution of a number of critical agreements, including extension of the Newark Lease Agreement for Newark Liberty International Airport and Port Newark; extension of the New York City Lease Agreement for John F. Kennedy International and LaGuardia Airports; revised Flight Fee Agreements with the airlines operating at the New York airports; and the World Trade Center Redevelopment Agreement with the City of New York; and

WHEREAS, Joseph J. Seymour has overseen the advancement of several new airport terminal development projects and the opening of AirTrain JFK; maritime port dredging and expansion of intermodal rail service and other efforts relating to relieving congestion on roadways within the Port District; a series of ambitious projects to maintain the agency's tunnel and bridge crossings in a state of good repair, as well as planning for the implementation of Highway Speed E-ZPass at the Port Authority's bridge facilities; and comprehensive security enhancements at the agency's facilities;

AND, in addition,

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

WHEREAS, in the case of Joseph J. Seymour, it is recommended that the Howard S. Cullman Distinguished Service Medal be awarded to Joseph J. Seymour for his leadership and accomplishments during the most trying and challenging period in the agency's history and for his dedication to public service to this agency and to the region it serves.

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to Joseph J. Seymour their sincere appreciation for his service and leadership to the agency and the region it serves; and it is further

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

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

JOHN F. KENNEDY INTERNATIONAL AIRPORT – BUILDING 261 – K.L.M. ROYAL DUTCH AIRLINES – LEASE AGREEMENT AYD-480

It was recommended that the Board authorize the Executive Director to enter into an agreement of lease with K.L.M. Royal Dutch Airlines (KLM) providing for the operation and management of Building 261 at John F. Kennedy International Airport (JFK). The ten-year term of the proposed lease would commence on or about January 1, 2005.

The lease would provide for full ground rental to the Port Authority and a minimum annual guarantee (MAG) in lieu of the traditional building rental. In addition, the Port Authority would receive additional payment in the form of cargo throughput rental and other building rentals for third-party use. Also, KLM would be responsible for all operating and maintenance expenses for the entire building. Over the ten-year period, KLM would pay the Port Authority a minimum of \$18.4 million, although it is anticipated that through additional cargo throughput rentals and other building rentals the total aggregate rental over the ten-year period would be in the range of \$37.1 million to \$46.2 million.

KLM would have the right to terminate the letting upon six months' prior notice to the Port Authority. In that event, KLM would pay the Port Authority an additional one-year ground rent and MAG, payable in one lump-sum payment.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a ten-year lease with K.L.M. Royal Dutch Airlines for the operation and maintenance of Building 261 at John F. Kennedy International Airport, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

RED HOOK CONTAINER TERMINAL – AMERICAN STEVEDORING, INC. – LEASE EXTENSION

It was recommended that the Board authorize the Executive Director to enter into an agreement with American Stevedoring, Inc. (ASI) to extend the term of its lease covering the Red Hook Container Terminal (RHCT) in Brooklyn, New York, from May 1, 2004 through March 31, 2007. This extension would apply to three of the four piers comprising the RHCT, with one of the piers, Pier 11, to be extended on a short-term basis through no later than December 15, 2004.

The lease, which expired on April 30, 2004, would be extended on its existing terms and conditions with four exceptions. First, the letting of Pier 11 would be extended no further than December 15, 2004. Second, the usage rental would be reduced at higher throughput levels on cargo containers that are neither stuffed nor stripped at the premises. Third, the agreement would provide for liquidated damages under specified circumstances at the rate of \$65,000 per day for each day that ASI remains in possession of Pier 11 beyond December 15, 2004, or remains in possession of the remaining three piers beyond the expiration of their letting on March 31, 2007. Fourth, the agreement would provide that the Lessee will not handle municipal or commercial solid waste at the premises without the prior written consent of the Port Authority. Prior to execution of the agreement by the Port Authority, the adequacy of the tenant's security would be reviewed with the Chairman and the Executive Director.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement, with American Stevedoring, Inc. to extend the term of its lease covering the Red Hook Container Terminal in Brooklyn, New York, from May 1, 2004 through March 31, 2007, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

RED HOOK CONTAINER TERMINAL – AUTHORIZATION FOR THE BARGE PROGRAM

It was recommended that the Board authorize, subject to certain conditions: (1) the provision of up to \$8 million in Port Authority funding for the continued operation of the Red Hook Barge Program (Barge Program) for the period May 1, 2004 through April 30, 2006; and (2) the Executive Director to enter into an agreement with American Import Export Trucking, Inc. (AIET) to continue the operation of the Barge Program. The agreement would provide that AIET will not move any container carrying municipal or commercial solid waste under the Barge Program without the prior consent of the Port Authority.

Recently, \$8 million in funding for the Polaris Street/Bay Avenue Roadway project at the Elizabeth-Port Authority Marine Terminal was included in a pending federal surface transportation bill (HR 3550) under the Transportation Equity Act: Legacy for Users (TEA-LU). As part of the Port Redevelopment Program, the Port Authority plans to reconfigure Polaris Street/Bay Avenue to enhance the existing flow of truck traffic to accommodate the construction of the ExpressRail Elizabeth second lead track. In consideration of the proposed federal legislation, the Port Authority would commit to an equal amount of funding for the continued operation of the Barge Program for a two-year period.

Since 1991, the Port Authority has contributed \$54.3 million in operating assistance and interim funding for the Barge Program. Continuation of the Barge Program would preserve maritime activities on the Brooklyn waterfront while the City of New York develops a passenger cruise business in Brooklyn and completes a Uniform Land Use Review Procedure process.

Barge Program reimbursements to AIET would be contingent upon confirmation that the appropriate funding in the pending TEA:LU bill has been signed into law. In addition, an amount equal to any administrative expenses taken from the federal funding by other government agencies will be deducted from the \$8 million in Port Authority funding. Staff anticipates receipt of \$8 million in federal funding for the Polaris Street/Bay Avenue Roadway project, which is expected to cost \$16 million, in consideration of the Port Authority's commitment to continued funding for the Barge Program.

The Port Authority's lease with American Stevedoring Inc. (ASI) covering the Red Hook Container Terminal (RHCT) expired on April 30, 2004. Board authorization is being requested concurrently to extend the RHCT lease for a term to expire on March 31, 2007. ASI would continue to have the right to terminate the RHCT lease when the Barge Program funding ceases.

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

RESOLVED, that the provision by the Port Authority of up to \$8 million in funding for the continued operation of the Red Hook Barge Program (Barge Program) for the period May 1, 2004 through April 30, 2006, contingent upon confirmation that \$8 million in federal funding for the Polaris Street/Bay Avenue

Roadway project is included in the Transportation Equity Act: Legacy for Users bill which is signed into law, and subject to reduction of the \$8 million in Port Authority funding by an amount equal to any administrative expenses taken from the federal funding by other governmental agencies, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with American Import Export Trucking, Inc. to continue the operation of the Barge Program; and it is further

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

**DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER SITE
PLANNING AND REDEVELOPMENT – INCREASE IN PLANNING
AUTHORIZATION**

It was recommended that the Board authorize an increase of \$10 million in the planning authorization for World Trade Center (WTC) site planning and redevelopment, resulting in a total authorization of \$32 million, to continue design and redevelopment coordination efforts at the WTC site.

At its meeting of December 13, 2001, the Board authorized, as part of the overall Downtown Restoration Program: (1) planning for WTC site redevelopment and comprehensive Lower Manhattan transportation improvements; and (2) limited temporary WTC site remediation measures, at a combined estimated total cost of \$10.5 million (with an allocation of \$5 million for WTC site planning). At its meeting of December 10, 2002, the Board authorized a \$5 million increase in planning authorization for continued planning for WTC site redevelopment and Lower Manhattan transportation improvements, resulting in a total authorization of \$10 million. At its meeting of May 29, 2003, the Board authorized another \$4 million increase in WTC site planning authorization, resulting in a total authorization of \$14 million. The Board also authorized the award of a contract with Studio Daniel Libeskind (SDL) for WTC Site Master Plan refinements. At its meeting of December 11, 2003, the Board authorized another increase of \$8 million in planning authorization for ongoing planning and preliminary design coordination in connection with the first phase of WTC site redevelopment, for a current total authorization of \$22 million.

Various components of the WTC site redevelopment will now be advancing beyond the conceptual planning stages into final design and construction. In September 2003, the Lower Manhattan Development Corporation (LMDC) and the Port Authority announced the refined WTC Site Master Plan based on the “Memory Foundations” concept developed by SDL. In December 2003, the final design concept for the Freedom Tower was finalized. In January 2004, the LMDC announced selection of the memorial design, “Reflecting Absence.” Planning work to date has included analysis of Lower Manhattan transportation needs, development of initial site plans, development of the WTC Site Master Plan and General Project Plans, negotiation of a Redevelopment Agreement with the City of New York, and formulation and adoption of commercial, sustainable and security design guidelines, cost estimates and funding strategies.

Implementation of the WTC Site Master Plan and WTC site redevelopment components will require further architectural and engineering work, including, but not limited to, advancing development of the WTC Memorial, museum, and cultural facilities, commercial office building parcels, common subgrade infrastructure and systems, as well as phasing, scheduling, funding and cost allocation analyses. Other WTC planning and engineering efforts, for the WTC transportation hub and retail development, as well as WTC site construction support and coordination, are proceeding under separate programs and Board authorizations.

In 2005, it is anticipated that ongoing planning efforts would include development coordination activities with other entities performing work on the WTC site, notably those entities working on the Freedom Tower and Tower 2, WTC Memorial and Memorial Center (museum), Performing Arts Center, and cultural buildings. Ongoing refinements of the Site Master Plan and further planning studies, as well as technical and engineering feasibility studies, are anticipated.

In addition, design guidelines, security planning development, site utility planning, sustainable development, cost estimating and allocation methodologies, property and interagency project development agreements, and Lower Manhattan transportation planning coordination are to be further studied and formalized. Both Port Authority staff and external consultant firms will perform this work.

Redevelopment of the WTC site and the revitalization of Lower Manhattan in the wake of the events of September 11, 2001 are of critical importance to the economy and overall quality of life of the New York / New Jersey region. Further Port Authority involvement in the WTC site redevelopment is expected for the foreseeable future. Staff will seek additional Board authorization and funding increases for 2006 and beyond, or as appropriate. Staff anticipates that total expenditures for WTC site planning efforts will amount to approximately \$30 million from 2005 to 2009, for a total estimated program cost of approximately \$52 million.

Although eligible Port Authority costs for work related to the Permanent WTC Port Authority Trans-Hudson Terminal and retail development are being recovered, respectively, through grants administered by the Federal Transit Administration (FTA) and redevelopment insurance (escrow), costs related to planning for office, memorial, cultural, or other development for the Port Authority as the WTC site owner would not be eligible for FTA or redevelopment insurance escrow recovery.

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

RESOLVED, that an increase of \$10 million in the planning authorization for World Trade Center (WTC) site planning and development, resulting in a total authorization of \$32 million, to continue design and redevelopment coordination efforts at the WTC site under the Downtown Restoration Program, be and it hereby is authorized.

RESCISSION AND CANCELLATION OF RESOLUTIONS AUTHORIZING CONSOLIDATED BONDS, ONE HUNDRED THIRTY-NINTH SERIES THROUGH CONSOLIDATED BONDS, ONE HUNDRED FORTY-SECOND SERIES AND CONSOLIDATED NOTES, SERIES YY

The Board, at its meeting on June 27, 2002, among other matters, established and authorized the issuance of, and authorized the sale of, Consolidated Bonds, One Hundred Thirty-ninth Series through Consolidated Bonds, One Hundred Forty-second Series and Consolidated Notes, Series YY. In place of these series, action with respect to the Authority's continuing plan of financing, consisting in part of Consolidated Bonds and Consolidated Notes, is to be considered today by the Board in connection with the anticipated requirements associated with the Authority's capital program projections.

Therefore, it was recommended that prior to the actions to be taken at today's meeting in connection with the Authority's plan of financing, that the Board rescind and cancel certain resolutions solely with respect to the establishment and authorization of the issuance of, and the authorization of the sale of, Consolidated Bonds, One Hundred Thirty-ninth Series through Consolidated Bonds, One Hundred Forty-second Series and Consolidated Notes Series YY, since these previously authorized series have not as yet been issued.

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

RESOLVED, that the resolutions of the Authority adopted June 27, 2002, entitled "*Consolidated Bonds, One Hundred Twenty-eighth Series through Consolidated Bonds, One Hundred Forty-second Series—Establishment and Issuance*" and "*Consolidated Bonds, One Hundred Twenty-eighth Series through Consolidated Bonds, One Hundred Forty-second Series—Sale*", solely with respect to Consolidated Bonds, One Hundred Thirty-ninth Series through Consolidated Bonds, One Hundred Forty-second Series, are rescinded and cancelled in their entirety; and it is further

RESOLVED, that the resolutions of the Authority adopted June 27, 2002, entitled "*Consolidated Notes, Series TT, Series UU, Series VV, Series WW, Series XX and Series YY—Establishment and Issuance*" and "*Consolidated Notes, Series TT, Series UU, Series VV, Series WW, Series XX and Series YY—Sale*", solely with respect to Consolidated Notes, Series YY, are rescinded and cancelled in their entirety.

PORT AUTHORITY PLAN OF FINANCING – REPORT

It was recommended that the Board of Commissioners take the actions summarized below in connection with the Port Authority's bonds and notes. As in the past, the recommended actions, which would continue to provide the Port Authority with flexible access to the financial markets, are part of an approval process required by Federal tax law for certain municipal obligations. The plan of financing adopted by the Board as part of this process generally has a three-year life; the last such plan was adopted in June 2002.

The public approval process was added by Congress in 1982 to the Federal tax law to ensure that affected members of the general public would be notified of a pending "private activity" bond issue and made aware of the intended use of proceeds in order to elicit comments that would ensure a substantial public benefit from the issuance of the bonds. The process includes the issuance of a notice for a public hearing, holding the hearing (at which members of the general public may comment, but at which the issuer is not required to engage in dialogue) and approval of the bonds by an applicable elected representative. As these requirements pertain to the Port Authority, they generally apply only to bonds and notes issued for airport and marine terminal purposes, with the requisite approval accomplished through the gubernatorial review process for Board minutes.

Today's actions would add fifteen series of Consolidated Bonds and five series of Consolidated Notes, to the existing Versatile Structure Obligations, Variable Rate Master Notes, Equipment Notes and Commercial Paper Obligations, which may be issued to effectuate this plan of financing. However, the total aggregate principal amount of these obligations to be issued for authorized purposes in connection with the Authority's facilities in any year under this plan of financing would not exceed the amount required to effectuate the applicable budget.

Public Hearings

On November 17, 2004, public hearings in connection with this plan of financing, consistent with, and to the extent provided under, the public approval provisions of Section 147(f) of the Internal Revenue Code of 1986, were conducted by staff of the Authority's Treasury Department at the offices of the Authority located at 225 Park Avenue South, New York, New York and at the Journal Square Transportation Center, Jersey City, New Jersey, pursuant to notices published on November 1, 2004, in *The New York Times*, a newspaper of general circulation in the New York portion of the Port District, and in *The Star-Ledger*, a newspaper of general circulation in the New Jersey portion of the Port District.

In pertinent part, the notices contained the following description of the Authority's proposed plan of financing: Consolidated Bonds to be denominated as the One Hundred Thirty-ninth Series through the One Hundred Fifty-third Series, inclusive; Consolidated Notes to be denominated as Series YY, Series ZZ, Series AAA, Series BBB, and Series CCC; Versatile Structure Obligations under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Versatile Structure Obligations Resolution-Modification*"; Variable Rate Master Notes under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Variable Rate Master Notes Resolution-Modification*"; Equipment Notes under the resolution of

the Authority adopted November 18, 1999, entitled "*Port Authority Equipment Notes Resolution-Modification*"; and Commercial Paper Obligations under the resolution of the Authority adopted June 29, 2000, entitled "*Port Authority Commercial Paper Obligations-Resolution*"; and, after December 31, 2005, Commercial Paper Obligations under an amended and supplemented resolution of the Authority to be adopted prior thereto, all to be issued and sold in connection with this plan of financing for authorized purposes, including in connection with certain of the facilities of the Port Authority located in the Port of New York District, to wit: the Holland Tunnel; Lincoln Tunnel; George Washington Bridge; Bayonne Bridge; Goethals Bridge; Outerbridge Crossing; Port Authority Bus Terminal; Hudson Tubes (PATH); Trans-Hudson Ferry Service, a facility for the provision of trans-Hudson commuter ferry transportation services between terminal facilities in the vicinity of New Jersey Transit Corporation's rail and bus terminals and PATH's Hoboken Station in Hoboken, N.J., and in the vicinity of Battery Park City in lower Manhattan, N.Y.; LaGuardia Airport; John F. Kennedy International Airport; Newark Liberty International Airport; Teterboro Airport; Port Authority-Downtown Manhattan Heliport; Port Newark; Brooklyn-Port Authority Marine Terminal; Elizabeth-Port Authority Marine Terminal; Greenville Yard-Port Authority Marine Terminal; Howland Hook Marine Terminal; Port Authority Auto Marine Terminal, a marine terminal facility for imported automobiles located in Bayonne and Jersey City, N.J.; Hoboken South Waterfront Development Facility located in Hoboken, N.J.; Queens West Waterfront Development Facility located in Hunters Point, Queens, N.Y.; Oak Point Rail Freight Link, a rail freight improvement project in The Bronx, N.Y.; World Trade Center, a facility of commerce in Manhattan, N.Y. (which was destroyed in the September 11, 2001 terrorist attacks); Newark Legal and Communications Center, a legal and communications center in Newark, N.J.; Teleport, a satellite communications center at the Staten Island Industrial Park, Staten Island, N.Y.; Bathgate Industrial Park, an industrial park in The Bronx, N.Y.; Port Authority Industrial Park at Elizabeth, an industrial park in Elizabeth, N.J.; Newark South Ward Industrial Park, an industrial park in Newark, N.J.; Essex County Resource Recovery Facility, a mass-burn resource recovery facility in Newark, N.J.; Pre-development Site Acquisition Program, a facility for acquisition of real property in the New Jersey and New York portions of the Port of New York District; Regional Development Facility, a facility for certain of the economic development and infrastructure renewal projects to be undertaken at the request of the States of New Jersey and New York in the New Jersey and New York portions of the Port of New York District; New Jersey Marine Development Program, a facility for certain fishery, marine or port development projects to be undertaken at the request of the State of New Jersey in the New Jersey portion of the Port of New York District; Regional Economic Development Program, a facility for certain of the transportation and economic development and infrastructure renewal projects to be undertaken at the request of the States of New Jersey and New York in the New Jersey and New York portions of the Port of New York District; Regional Transportation Program, a facility for certain regional transportation projects in the States of New York and New Jersey; New York Transportation, Economic Development and Infrastructure Renewal Program, a facility for certain transportation, economic development and infrastructure renewal projects in the State of New York; Hudson-Raritan Estuary Resources Program, a facility for the acquisition of certain real property in the Port District area of the Hudson-Raritan Estuary; and the Regional Rail Freight Program, a facility for the development of certain regional freight projects to provide for increased rail freight capacity. The initial owner, operator or manager of these facilities is or will be the Port Authority or one of its subsidiary or affiliated entities (presently, Port Authority Trans-Hudson Corporation, Newark

Legal and Communications Center Urban Renewal Corporation, New York and New Jersey Railroad Corporation and WTC Retail LLC). The major projects presently authorized or which may be authorized by the Port Authority while this plan of financing remains in effect include: LaGuardia Airport, security upgrades, central terminal building improvements, general runway, taxiway and roadway modification, paving and utility improvements; John F. Kennedy International Airport, general runway, taxiway and roadway modification and paving, construction of additional parking facilities, ancillary airport buildings, central terminal area roadway construction, construction of additional terminal facilities and related infrastructure and utility improvements, security enhancements and fire system upgrades, light rail transit system linking the terminals in the central terminal area of the airport with each other and with existing transit lines in Jamaica, Queens and Howard Beach, Queens, to provide exclusive airport access for passengers and others using the airport; Newark Liberty International Airport, general runway, taxiway and roadway modification and paving, construction of terminal improvements, mid-life overhaul of monorail system and expansion of monorail trains to seven cars, construction of additional parking facilities; Howland Hook Marine Terminal, rail freight projects providing rail freight services between this facility and the national rail system, including the construction of a new connection to the national rail freight system, construction of an intermodal rail freight terminal and rehabilitation of existing rail freight yards; Port Newark, berth deepening, building construction, terminal improvements; Elizabeth-Port Authority Marine Terminal, berth deepening, building construction, intermodal improvements; Brooklyn-Port Authority Marine Terminal, wharf and pier rehabilitation; World Trade Center site restoration activities, including the design and construction of a World Trade Center Transportation Hub, which includes the permanent PATH World Trade Center terminal; capital improvements related to safety, security, maintenance, rehabilitation and expansion of service at the Port Authority Bus Terminal, George Washington Bridge, Lincoln Tunnel, Holland Tunnel, Goethals Bridge, Bayonne Bridge, Outerbridge Crossing, PATH and Trans-Hudson Ferry Service; Queens West Waterfront Development Facility, participation in mixed use waterfront development project; Trans-Hudson Ferry Service, construction of permanent ferry terminals to be located in the vicinity of New Jersey Transit Corporation's rail and bus terminals and PATH's Hoboken Station in Hoboken, New Jersey and in the vicinity of Battery Park City in Lower Manhattan New York; Hoboken South Waterfront Development Facility, participation in mixed use waterfront development project; other miscellaneous capital improvements and replacements and acquisitions of equipment in connection with the facilities of the Port Authority; and a comprehensive general port improvement project in the Port of New York and New Jersey, including channel deepening, dredging and disposal of dredged materials, which is also expected to be of benefit to the Port Authority's marine terminal facilities. The obligations of the Port Authority to be issued in connection with this plan of financing and to which the provisions of Section 147(f) of the Internal Revenue Code of 1986 would be applicable, would be in the maximum aggregate principal amounts noted below: each of Consolidated Bonds, One Hundred Thirty-ninth Series through One Hundred Fifty-third Series, inclusive, would be in the principal amount of up to \$500,000,000; each of Consolidated Notes, Series YY, Series ZZ, Series AAA, Series BBB, and Series CCC, would be in the principal amount of up to \$300,000,000; Versatile Structure Obligations would be in a total aggregate principal amount of up to \$500,000,000 outstanding at any one time; Variable Rate Master Notes would be in a total aggregate principal amount of up to \$400,000,000 outstanding at any one time; Equipment Notes would be in a total aggregate principal amount of up to \$250,000,000 outstanding at any one time; and Commercial

Paper Obligations would be in a total aggregate principal amount of up to \$500,000,000 outstanding at any one time.”

Today’s Actions Pertaining to this Plan of Financing

The Board would establish Consolidated Bonds, One Hundred Thirty-ninth Series through Consolidated Bonds, One Hundred Fifty-third Series, and would authorize the issuance and sale of each series in aggregate principal amount of up to \$500 million at a true interest cost to the Authority not in excess of 8 percent for a term not in excess of 35 years. The Board would also establish Consolidated Notes, Series YY, Series ZZ, Series AAA, Series BBB and Series CCC, and would authorize the issuance and sale of each series in aggregate principal amount of up to \$300 million at a true interest cost to the Authority not in excess of 8 percent for a term not in excess of 3 years. The Committee on Finance would be authorized to sell and to deliver all or any part of each of such series with such terms and at such time or times, as it deems appropriate, at public or private sale, and would also be authorized to take, and to delegate authority for, certain actions with respect to each of such series. An Authorized Officer of the Authority would be authorized to take any and all action that could be taken by the Committee on Finance in connection with each of such series, but only if such series is issued and sold on a competitive basis. The issuance and sale on a competitive basis would include submission by underwriters of sealed bids to be opened publicly; submission by underwriters of bids or other offers to purchase by electronic means through generally accepted procedures in the financial markets; and submission by underwriters of bids or other offers to purchase in response to written or telephonic requests for proposals directed to selected underwriters. Prior to the scheduling by an Authorized Officer of any competitive sale of Consolidated Bonds or Notes, such Authorized Officer would review the proposed issuance with the Chairman of the Committee on Finance and, to the extent practicable, the other members of the Committee.

**CONSOLIDATED BONDS, ONE HUNDRED THIRTY-NINTH SERIES THROUGH
CONSOLIDATED BONDS, ONE HUNDRED FIFTY-THIRD SERIES –
ESTABLISHMENT AND ISSUANCE**

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

WHEREAS, heretofore and on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the Authority) adopted a resolution (hereinafter called the Consolidated Bond Resolution), constituting a contract with the holders of the obligations issued thereunder, providing for the issuance of certain direct and general obligations of the Authority (hereinafter called Consolidated Bonds), from time to time, in conformity with the Consolidated Bond Resolution for the purposes therein set forth; and

WHEREAS, the Consolidated Bond Resolution provides that Consolidated Bonds shall be issued in such series as the Authority may determine, and that the characteristics of each such series shall be determined by the Authority by and in the resolution establishing such series, and that the resolution establishing such series may contain other terms and provisions not inconsistent with the Consolidated Bond Resolution; and

WHEREAS, the Authority has heretofore established various series of Consolidated Bonds and has now determined that it is appropriate to establish certain additional series of Consolidated Bonds, without prejudice to its right hereafter to establish further series of Consolidated Bonds;

NOW, THEREFORE, be it resolved by the Authority:

SECTION 1. As used in this resolution, any words or phrases specifically defined in the Consolidated Bond Resolution shall be read and construed in accordance with such specific definitions. As used in this resolution, the term "Authorized Officer" shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; Treasurer; or Assistant Treasurer of the Authority.

SECTION 2. Each of Consolidated Bonds, One Hundred Thirty-ninth Series through Consolidated Bonds, One Hundred Fifty-third Series, inclusive, is established as a separate series of Consolidated Bonds and the issuance of up to Five Hundred Million Dollars (\$500,000,000) of each such series with a term to maturity not in excess of thirty-five (35) years is authorized. Each of such series shall be issued in conformity with the Consolidated Bond Resolution for the purposes specified in this resolution. This resolution shall apply with equal force and effect to each of such series on an individual basis (each of such series hereinafter called the "Bonds"). This resolution shall constitute a contract with the registered holders of the Bonds and with each such registered holder.

SECTION 3. The Committee on Finance of the Authority (hereinafter called the Committee on Finance) is authorized to establish, fix and determine the terms of the Bonds and, in connection therewith, to make such changes and adjustments to the provisions set forth in the third paragraph of this Section 3 and in Sections 4, 5, 6, 9 and 10 of this resolution as in the opinion of the Committee on Finance will effectuate the issuance of the Bonds, and to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

The proceeds of the Bonds may be used for any purpose for which at the time of issuance of the Bonds the Authority is authorized by law to issue its obligations. The Committee on Finance may allocate the proceeds of the Bonds, from time to time, to certain of the authorized purposes, including the specific designation of any obligations to be refunded with the proceeds of the Bonds.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America; principal of the Bonds shall be payable upon presentation and surrender thereof by the registered holders, at the office or offices, designated by the Authority, of the Paying Agent (or Paying Agents) appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District; and interest on the Bonds shall be payable when due to the registered holders thereof by check or draft drawn on the Paying Agent (or Paying Agents) appointed for the purpose by the Authority and mailed to said registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Bonds.

SECTION 4. The Bonds shall be issued only in registered form, registered as to both principal and interest and not as to either alone, in authorized denominations.

The Authority will keep or cause to be kept at the offices, designated by the Authority, of a Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient Registry Books for the registration of the Bonds. The Bonds shall be transferable only upon such Registry Books by the registered holder thereof or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution. Upon the written request of the registered holder or registered holders thereof and upon surrender thereof, a bond or bonds may be exchanged for a bond or bonds of like tenor, registered as designated in such request, of any other authorized denominations. All requests for registration, transfer, exchange and delivery pertaining to the Bonds as above provided shall be filed with the Registrar of the Authority; all bonds to be surrendered pursuant to such requests shall be surrendered to the Registrar; and all bonds delivered in exchange as aforesaid shall be delivered by the Registrar. All bonds surrendered to the Registrar in exchange for other bonds or for transfer as above provided shall be cancelled by the Registrar upon such surrender. The Authority shall bear the cost incurred by the Authority in connection with the registration, authentication (if any), transfer, cancellation, exchange and delivery of bonds, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

SECTION 5. The Bonds shall be redeemable at the option of the Authority, on prior notice, in whole, or, from time to time, in part, at such redemption price and on such date set forth in the applicable notice of intention to redeem the Bonds.

If less than all of the Bonds then outstanding are to be called for redemption at the option of the Authority, and if the Bonds then outstanding include bonds of any serial maturities, the bonds so to be called shall be in inverse order of maturity, and if bonds constituting a particular maturity are to be called for redemption, but not all bonds constituting such maturity are to be called for redemption, the bonds so to be called shall be determined by lot by the Registrar.

If bonds are to be called for redemption to meet the schedule of mandatory periodic retirement for the Bonds, the bonds so to be called shall be determined by lot by the Registrar.

Notice of intention to redeem any of the Bonds shall be given by the Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption, to the registered holders of the bonds to be called for redemption, by deposit of a copy of such notice, postage prepaid by certified or registered mail, in a United States Post Office, addressed to such registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Bonds. Notice of the mailing of such notice of intention to redeem bonds shall also be published by the Authority in a daily newspaper of general circulation in the Port of New York District not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption; *provided, however*, that failure to give such notice by publication, or any defect therein, shall not affect the validity of any action with respect to the redemption of such bonds.

On or before the date fixed for redemption specified in the notice of intention to redeem any of the Bonds, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the bonds which are to be redeemed, at the respective redemption price thereof, which, in each case, shall include the accrued interest until the date fixed for redemption and the premium (if any), such principal amount and premium (if any), to be held by the Paying Agent (or Paying Agents) in trust for the account of the registered holders of the bonds so called for redemption and to be paid to them respectively upon presentation and surrender of such bonds with accrued interest included in such redemption price to be paid to the registered holders in accordance with the provisions of this resolution. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the bonds so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such bonds on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the bonds so called on and after the date fixed for their redemption, and such bonds shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of bonds of denominations greater than the minimum authorized denomination, for all purposes in connection with redemption, each unit of face value representing the minimum authorized denomination shall be treated as though it were a separate

bond of the minimum authorized denomination, and the word "bond" as used in the foregoing provisions of this Section 5 shall be deemed to refer to such unit of face value representing the minimum authorized denomination. If it is determined as above provided that one or more but not all of the units of face value representing the minimum authorized denomination of any bond are to be called for redemption, then upon notice of intention to redeem such unit or units, the registered holder of such bond shall forthwith present such bond to the Registrar who shall issue a new bond or bonds of like tenor of smaller authorized denominations but of the same aggregate principal amount in exchange therefore, pursuant to Section 4 of this resolution, including a new bond or bonds with the aggregate principal amount of the unit or units of face value called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption without further notice to the registered holder thereof. If the registered holder of such bond of a denomination greater than the minimum authorized denomination shall fail to present such bond to the Registrar for the issuance of new bonds of smaller denominations in exchange therefore, as aforesaid, such bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent (or Paying Agents), as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such bond represented by such unit or units of face value on and after the date fixed for redemption, and such bond shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon until the date fixed for redemption and premium, if any) represented by such unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 6. The Bonds shall be retired at or prior to maturity, by purchase, call or payment, by the dates and in at least the cumulative principal amounts set forth on the schedule of mandatory periodic retirement for the Bonds.

If, at least forty-five (45) days prior to the mandatory periodic retirement date in each year (except the year of maturity) set forth in the schedule of mandatory periodic retirement for the Bonds, the Authority shall not have purchased or redeemed (at any prior time or times during such year or at any time or times during any prior years) a principal amount of the Bonds at least equal to the principal amount of the Bonds to be retired on such mandatory periodic retirement date, then the Authority shall call a principal amount of the Bonds equal to such deficiency, at the respective redemption price thereof, in the manner and upon the notice set forth in Section 5 of this resolution. Any of the Bonds purchased by the Authority as aforesaid may be purchased at such prices as the Authority may deem reasonable and proper and, in the discretion of the Authority, at public or private sale, with or without advertisement and with or without notice to any person other than the seller, and such of the Bonds as are theretofore issued and negotiated and then held by the Authority may be purchased for such purpose as well as bonds held by others.

Nothing herein contained shall be construed in any way to prevent the Authority from retiring the Bonds more rapidly than is set forth in the schedule of mandatory periodic retirement for the Bonds.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund except for purposes and upon conditions which are authorized by the Consolidated Bond Resolution.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. The Authority shall appoint a bank or trust company as trustee for and in connection with the Bonds (hereinafter called the "Trustee"). The Trustee is authorized to (i) institute any action or proceeding on behalf of the registered holders of the Bonds against the Authority or others, or (ii) intervene in any pending action or proceeding, or (iii) take any other action which it shall in its sole discretion determine to be necessary or advisable in order to protect the rights of the registered holders of the Bonds. The rights of the Trustee in this respect

and in all other respects shall be in addition to and not in substitution of any and all rights, which would otherwise inure to the registered holder or registered holders of the Bonds. It is understood that the Trustee in its sole discretion may, but shall be under no obligation to, review the activities or operations of the Authority or any of the contracts or agreements of the Authority or exercise any of the rights or powers vested in it by this Section 8 whether on the Trustee's initiative or at the request or direction of any of the registered holders of the Bonds.

The Trustee (which shall include any successor Trustee) appointed under the provisions of this Section 8 shall be a bank or trust company organized under the laws of the State of New York or the State of New Jersey or a national banking association doing business and having its principal office in the Port of New York District and having a total capital (including capital stock, surplus, undivided profits and capital notes, if any) aggregating at least \$25,000,000, which is willing and able to accept the office on reasonable and customary terms and is authorized by law to perform all the duties imposed upon it by this resolution.

The Trustee shall not be liable for any action taken or suffered upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this resolution in good faith and in accordance therewith. The Trustee shall not be liable in connection with the performance or nonperformance of its duties except for its own willful misconduct, negligence or bad faith.

If the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this resolution, such matter (unless other evidence in respect thereof be specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this resolution upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a statement of an Authorized Officer showing for the preceding calendar year (i) net revenues, (ii) the aggregate interest paid on bonds of the Authority, and (iii) the payments of principal on bonds of the Authority.

The Authority shall annually, within one hundred twenty (120) days after the close of each calendar year, file with the Trustee a copy of its annual report for such year and its financial statement for such year accompanied by an opinion signed by an independent public accountant or firm of public accountants of recognized standing selected by the Authority and satisfactory to the Trustee.

The Authority shall file with the Trustee a copy of any Official Statement hereafter issued by the Authority in connection with the issuance of bonds by the Authority.

The Authority shall file with the Trustee a copy of the minutes of every meeting of the Authority and of its subsidiary corporations at the time said minutes are transmitted to the Governor of New York and the Governor of New Jersey.

The Authority shall not be required to file with the Trustee (except when requested to do so by the Trustee) and the Trustee shall not be required to review any document, instrument, report or paper other than those which the Authority is expressly required hereunder to file with the Trustee. The Trustee shall not be bound to make any investigation into the facts or matters stated in any document, instrument, report or paper supplied to it, but the Trustee in its sole discretion may make such further inquiry or investigation into such facts or matters as the Trustee may deem advisable, and, if the Trustee shall determine to make such further inquiry or investigation, the Trustee is authorized to examine such books and records of and properties owned or operated by the Authority as the Trustee may deem advisable, personally or by agent or attorney.

The Authority agrees (i) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder, (ii) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the exercise or performance of any of its powers or duties hereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel), and (iii) to indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without willful misconduct, negligence or bad faith on its part, arising out of or in connection with the exercise or performance of the Trustee's powers and duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with such exercise or performance.

The Trustee may become the owner or holder of any bonds of the Authority with the same rights as it would have were it not a Trustee. To the extent permitted by law, the Trustee may act as depositary for the Authority, act as Paying Agent and Registrar of bonds of the Authority and act itself and permit any of its officers or directors to act in any other capacity with respect to the Authority, the bonds of the Authority and the holders of bonds of the Authority as it or its officers or directors would be able to act were it not a Trustee.

The Trustee may at any time resign and be discharged of the duties and obligations created by this resolution by giving not less than sixty (60) days' written notice to the Authority and publishing notice thereof, specifying the date when such resignation shall take effect, once in each week for two (2) successive calendar weeks in a newspaper of general circulation in the City of New York, State of New York, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the Authority in which event such resignation shall take effect immediately on the appointment of such successor.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed and acknowledged by the registered holders of a majority in principal amount of the Bonds then outstanding or by their attorneys duly authorized, excluding the principal amount of any of the Bonds held by or for the account of the Authority.

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the holders of a majority in principal amount of the Bonds then outstanding, excluding the principal amount of any of the Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such registered holders of the Bonds or by their attorneys duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; *provided, however*, nevertheless, the Authority shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the registered holders of the Bonds as authorized in this Section 8. The Authority shall publish notice of any such appointment made by it once in each week for two (2) consecutive calendar weeks, in a newspaper of general circulation in the City of New York, State of New York, the first publication to be made within twenty (20) days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the registered holders of the Bonds.

Any company into which any Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Trustee may sell or transfer all or substantially all of its corporate trust business (*provided, however*, such company shall be a bank or trust company located in the Port of New York District and shall be authorized by law to perform all the duties imposed upon it by this resolution), shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

The failure of the Authority to take any action required by this Section 8 shall not invalidate any bond or bonds issued pursuant to this resolution or hereafter issued by the Authority, or affect any other actions of the Authority. The Authority shall in no way be restricted by this Section 8 from entering any defense to an action or proceeding instituted by the Trustee or by the registered holder or registered holders of the Bonds.

SECTION 9. The form of the bond, including provisions with respect to assignment, for the Bonds shall be determined by the Committee on Finance or by an Authorized Officer. The bonds shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be manually signed by an Authorized Officer. In case any Authorized Officer who shall have signed any of the bonds shall cease to be an Authorized Officer before such bonds shall have been actually issued, such bonds may nevertheless be issued as though such Authorized Officer who signed such bonds had not ceased to be an Authorized Officer.

SECTION 10. In case any bond shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new bond of like tenor in exchange or substitution for and upon cancellation of such mutilated bond or in lieu of or in substitution for such destroyed or lost bond; or if such bond shall have matured, instead of issuing a substitute bond the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute bond shall furnish to the Authority evidence

satisfactory to the Authority of the destruction or loss of such bond and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute bond or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute bond, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new bond so issued in substitution. Any bond issued under the provisions of this Section 10 in lieu of any bond alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the bond so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 11. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Bonds are issued and sold on a competitive basis.

**CONSOLIDATED BONDS, ONE HUNDRED THIRTY-NINTH SERIES THROUGH
CONSOLIDATED BONDS, ONE HUNDRED FIFTY-THIRD SERIES – SALE**

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

SECTION 1. This resolution shall apply with equal force and effect to each of Consolidated Bonds, One Hundred Thirty-ninth Series through Consolidated Bonds, One Hundred Fifty-third Series, inclusive, on an individual basis (each such series hereinafter called the "Bonds").

SECTION 2. The Committee on Finance of the Authority (hereinafter called the Committee on Finance) is authorized in the name of and on behalf of the Authority to sell all or any part of Five Hundred Million Dollars (\$500,000,000) in principal amount of the Bonds at a true interest cost to the Authority not in excess of eight percent (8%) with a term to maturity not in excess of thirty-five (35) years, at public or private sale, with or without advertisement, at one or more times, and to apply the proceeds of such sale or sales as provided in the resolution authorizing the establishment and issuance of the Bonds.

SECTION 3. The Committee on Finance is authorized in the name of and on behalf of the Authority, in connection with the Bonds, to fix the time or times of sale of the Bonds, to determine the terms and conditions upon which such sales shall be made and to accept or reject offers in connection with such sales.

SECTION 4. The Committee on Finance is authorized in the name of and on behalf of the Authority, in connection with the Bonds, to enter into any contracts or agreements pertaining to the Bonds; to fix the time or times and determine the terms and conditions of delivery of the Bonds; to appoint one or more Paying Agents and a Registrar and a Trustee, and to designate the office or offices of any such Paying Agent (or Paying Agents) at which payments shall be made and the office or offices of any such Registrar at which the Authority's Registry Books for the Bonds shall be kept; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised in connection with the Bonds, the Authority adopting all such selections, designations, determinations, estimates, actions, withholdings of action, formulations and expressions of opinions and exercises of discretion or judgment, including those pursuant to Section 3 of the Consolidated Bond Resolution, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

SECTION 5. The Committee on Finance is authorized to arrange, from time to time (i) for the preparation and distribution of disclosure documents, including official statements, offering statements or other offering materials in connection with the Bonds and (ii) for the preparation and distribution of such other documents giving pertinent data with respect to the

Authority and its finances as it deems appropriate, in each case, in the name of and on behalf of the Authority.

SECTION 6. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Bonds are issued and sold on a competitive basis.

SECTION 7. The Committee on Finance or any Authorized Officer is authorized, in connection with the issuance of the Bonds on the basis that the Bonds are to be in conformity with, and that the interest on the Bonds is not to be includible for Federal income tax purposes in the gross income of the recipients thereof under, Section 103(a) of the Internal Revenue Code of 1986, or successor provisions of law, and the regulations thereunder, to take any action which may be appropriate to assure that the Bonds are issued, and during their term are outstanding, on such basis, and any such actions taken in connection therewith are ratified. Any Authorized Officer is authorized to certify on behalf of the Authority as to the need for the issuance of the Bonds, as to the status of the projects for which the proceeds of the Bonds are to be used, as to the Authority's intentions with respect to the application and investment of the proceeds of the Bonds, and as to such other matters as such Authorized Officer deems appropriate.

SECTION 8. As used in this resolution, the term "Authorized Officer" shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; Treasurer; or Assistant Treasurer of the Authority.

**CONSOLIDATED NOTES, SERIES YY, SERIES ZZ, SERIES AAA, SERIES BBB AND
SERIES CCC – ESTABLISHMENT AND ISSUANCE**

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

WHEREAS, heretofore and on the 9th day of October, 1952, The Port Authority of New York and New Jersey (formerly known as The Port of New York Authority and hereinafter called the Authority) adopted a resolution (hereinafter called the Consolidated Bond Resolution), constituting a contract with the holders of the obligations issued thereunder, providing for the issuance of certain direct and general obligations of the Authority (hereinafter called Consolidated Bonds), from time to time, in conformity with the Consolidated Bond Resolution for the purposes therein set forth; and

WHEREAS, the Consolidated Bond Resolution provides that Consolidated Bonds shall be issued in such series as the Authority may determine, and that the characteristics of each such series shall be determined by the Authority by and in the resolution establishing such series, and that the resolution establishing such series may contain other terms and provisions not inconsistent with the Consolidated Bond Resolution; and

WHEREAS, the Authority has heretofore established various series of short-term bonds (hereinafter called Consolidated Notes), from time to time, in conformity with the Consolidated Bond Resolution and has now determined that it is appropriate to establish certain additional series of Consolidated Notes, without prejudice to its right hereafter to establish further series of Consolidated Bonds or Consolidated Notes;

NOW, THEREFORE, be it resolved by the Authority:

SECTION 1. As used in this resolution, any words or phrases specifically defined in the Consolidated Bond Resolution shall be read and construed in accordance with such specific definitions. As used in this resolution, the term "Authorized Officer" shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; Treasurer; or Assistant Treasurer of the Authority.

SECTION 2. Each of Consolidated Notes, Series YY, Consolidated Notes, Series ZZ, Consolidated Notes, Series AAA, Consolidated Notes, Series BBB and Consolidated Notes, Series CCC, is established as a separate series of Consolidated Notes and the issuance of up to Three Hundred Million Dollars (\$300,000,000) of each such series with a term to maturity not in excess of three (3) years is authorized. Each of such series shall be issued in conformity with the Consolidated Bond Resolution for the purposes specified in this resolution. This resolution shall apply with equal force and effect to each of such series on an individual basis (each of such series hereinafter called the Notes). This resolution shall constitute a contract with the registered holders of the Notes and with each such registered holder.

SECTION 3. The Committee on Finance of the Authority (hereinafter called the Committee on Finance) is authorized to establish, fix and determine the terms of the Notes and, in connection therewith, to make such changes and adjustments to the provisions set forth in the third paragraph of this Section 3 and in Sections 4, 5, 6, 8 and 9 of this resolution as in the opinion of the Committee on Finance will effectuate the issuance of the Notes, and to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

The proceeds of the Notes may be used for any purpose for which at the time of issuance of the Notes the Authority is authorized by law to issue its obligations. The Committee on Finance may allocate the proceeds of the Notes, from time to time, to certain of the authorized purposes, including the specific designation of any obligations to be refunded with the proceeds of the Notes.

Both principal of and interest on the Notes shall be payable in lawful money of the United States of America; principal of the Notes shall be payable upon presentation and surrender thereof by the registered holders, at the office or offices, designated by the Authority, of the Paying Agent (or Paying Agents) appointed for the purpose by the Authority, in a county which is in whole or in part in the Port of New York District; and interest on the Notes shall be payable when due to the registered holders thereof by check or draft drawn on the Paying Agent (or Paying Agents) appointed for the purpose by the Authority and mailed to said registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Notes.

SECTION 4. The Notes shall be issued only in registered form, registered as to both principal and interest and not as to either alone, in authorized denominations.

SECTION 5. The Authority will keep or cause to be kept at the offices, designated by the Authority, of a Registrar appointed for that purpose, in a county which is in whole or in part in the Port of New York District, proper and sufficient Registry Books for the registration of the Notes. The Notes shall be transferable only upon such Registry Books by the registered holder thereof or by such registered holder's attorney duly authorized in accordance with the provisions of this resolution. Upon the written request of the registered holder or registered holders thereof and upon surrender thereof, a note or notes may be exchanged for a note or notes of like tenor, registered as designated in such request, of any other authorized denominations. All requests for registration, transfer, exchange and delivery pertaining to the Notes as above provided shall be filed with the Registrar of the Authority; all notes to be surrendered pursuant to such requests shall be surrendered to the Registrar; and all notes delivered in exchange as aforesaid shall be delivered by the Registrar. All notes surrendered to the Registrar in exchange for other notes or for transfer as above provided shall be cancelled by the Registrar upon such surrender. The Authority shall bear the cost incurred by the Authority in connection with the registration, authentication (if any), transfer, cancellation, exchange and delivery of notes, including such fees as may be imposed by the Registrar for such services performed by the Registrar as provided in this resolution.

SECTION 6. The Notes shall be redeemable at the option of the Authority, on prior notice, in whole, or, from time to time, in part, at such redemption price and on such date set forth in the applicable notice of intention to redeem the Notes.

If less than all of the Notes then outstanding are to be called for redemption at the option of the Authority, and if the Notes then outstanding include notes of any serial maturities, the notes so to be called shall be in inverse order of maturity, and if notes constituting a particular maturity are to be called for redemption, but not all notes constituting such maturity are to be called for redemption, the notes so to be called shall be determined by lot by the Registrar.

Notice of intention to redeem any of the Notes shall be given by the Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption, to the registered holders of the notes to be called for redemption, by deposit of a copy of such notice, postage prepaid by certified or registered mail, in a United States Post Office, addressed to such registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Notes. Notice of the mailing of such notice of intention to redeem notes shall also be published by the Authority in a daily newspaper of general circulation in the Port of New York District not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption; *provided, however*, that failure to give such notice by publication, or any defect therein, shall not affect the validity of any action with respect to the redemption of such notes.

On or before the date fixed for redemption specified in the notice of intention to redeem any of the Notes, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the notes which are to be redeemed, at the respective redemption price thereof, which, in each case, shall include the accrued interest until the date fixed for redemption and the premium (if any), such principal amount and premium (if any) to be held by the Paying Agent (or Paying Agents) in trust for the account of the registered holders of the notes so called for redemption and to be paid to them respectively upon presentation and surrender of such notes with accrued interest included in such redemption price to be paid to the registered holders in accordance with the provisions of this resolution. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the notes so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such notes on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the notes so called on and after the date fixed for their redemption, and such notes shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of notes of denominations greater than the minimum authorized denomination, for all purposes in connection with redemption, each unit of face value representing the minimum authorized denomination shall be treated as though it were a separate note of the minimum authorized denomination, and the word "note" as used in the foregoing provisions of this Section 6 shall be deemed to refer to such unit of face value representing the minimum authorized denomination. If it is determined as above provided that one or more but not all of the units of face value representing the minimum authorized denomination of any note are to be called for redemption, then upon notice of intention to redeem such unit or units, the registered holder of such note shall forthwith present such note to the Registrar who shall issue a new note

or notes of like tenor of smaller authorized denominations but of the same aggregate principal amount in exchange therefore, pursuant to Section 5 of this resolution, including a new note or notes with the aggregate principal amount of the unit or units of face value called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the registered holder thereof. If the registered holder of such note of a denomination greater than the minimum authorized denomination shall fail to present such note to the Registrar for the issuance of new notes of smaller denominations in exchange therefore, as aforesaid, such note shall nevertheless become due and payable on the date fixed for redemption to the extent of the unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent (or Paying Agents), as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such note represented by such unit or units of face value on and after the date fixed for redemption, and such note shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon until the date fixed for redemption) represented by such unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 7. The Authority shall not apply any moneys in the Consolidated Bond Reserve Fund except for the payment of bonds secured by a pledge of the General Reserve Fund in whole or in part, the payment of debt service upon bonds so secured, the purchase for retirement of bonds so secured or the redemption of bonds so secured, or for the payment of expenses incurred for the establishment, acquisition, construction or effectuation, or for the operation, maintenance, repair or administration of any facility financed or refinanced in whole or in part by bonds secured by a pledge of the General Reserve Fund in whole or in part, or otherwise for the fulfillment of any undertakings which the Authority has assumed or may or shall hereafter assume to or for the benefit of the holders of bonds secured by a pledge of the General Reserve Fund in whole or in part; *provided, however*, that nothing herein contained shall be construed to permit the application by the Authority of moneys in the Consolidated Bond Reserve Fund except for purposes and upon conditions which are authorized by the Consolidated Bond Resolution.

Consolidated Bonds proposed to be issued for purposes in connection with an additional facility or a group of additional facilities in connection with which the Authority has not theretofore issued bonds which have been secured by a pledge of the General Reserve Fund in whole or in part, may be issued, and bonds other than Consolidated Bonds proposed to be issued for purposes in connection with such an additional facility or group of additional facilities may be secured by a pledge of the General Reserve Fund in whole or in part, in each case if and only if the Authority shall certify at the time of issuance (as defined in Section 3 of the Consolidated Bond Resolution) its opinion that the issuance of such Consolidated Bonds or that such pledge of the General Reserve Fund as security for such bonds other than Consolidated Bonds will not, during the ensuing ten (10) years or during the longest term of any of such bonds proposed to be issued (whether or not Consolidated Bonds), whichever shall be longer, in the light of its estimated expenditures in connection with such additional facility or such group of additional facilities, materially impair the sound credit standing of the Authority or the investment status of Consolidated Bonds or the ability of the Authority to fulfill its commitments, whether statutory

or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and the Authority may apply moneys in the General Reserve Fund for purposes in connection with those of its bonds and only those of its bonds which it has theretofore secured by a pledge of the General Reserve Fund in whole or in part. Expenditures in connection with an additional facility or group of additional facilities shall mean the amount of the excess, if any, of the sum of all items of expense to be considered in determining the net revenues of the additional facility or group of additional facilities plus the debt service upon the bonds proposed to be issued and upon any additional bonds which in the Authority's opinion would be required to be issued to place and maintain such facility or group of facilities upon a sound operating basis, over and above the sum of all items of revenue and income to be considered in determining such net revenues.

SECTION 8. The form of the note, including provisions with respect to assignment, for the Notes shall be determined by the Committee on Finance or by an Authorized Officer. The notes shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be signed manually by an Authorized Officer. In case any Authorized Officer who shall have signed any of the notes shall cease to be an Authorized Officer before such notes shall have been actually issued, such notes may nevertheless be issued as though such Authorized Officer who signed such notes had not ceased to be an Authorized Officer.

SECTION 9. In case any note shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new note of like tenor in exchange or substitution for and upon cancellation of such mutilated note or in lieu of or in substitution for such destroyed or lost note; or if such note shall have matured, instead of issuing a substitute note the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute note shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such note and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute note or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute note, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new note so issued in substitution. Any note issued under the provisions of this Section 9 in lieu of any note alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the note so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 10. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Notes are issued and sold on a competitive basis.

CONSOLIDATED NOTES, SERIES YY, SERIES ZZ, SERIES AAA, SERIES BBB AND SERIES CCC – SALE

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

SECTION 1. This resolution shall apply with equal force and effect to each of Consolidated Notes, Series YY, Consolidated Notes, Series ZZ, Consolidated Notes, Series AAA, Consolidated Notes, Series BBB and Consolidated Notes, Series CCC, on an individual basis (each such series hereinafter called the Notes).

SECTION 2. The Committee on Finance of the Authority (hereinafter called the Committee on Finance) is authorized in the name of and on behalf of the Authority, to sell all or any part of Three Hundred Million Dollars (\$300,000,000) in principal amount of the Notes at a true interest cost to the Authority not in excess of eight percent (8%) with a term to maturity not in excess of three (3) years, at public or private sale, with or without advertisement, in one or more installments, at one or more times, and to apply the proceeds of such sale or sales as provided in the resolution authorizing the establishment and issuance of the Notes.

SECTION 3. The Committee on Finance is authorized in the name of and on behalf of the Authority, in connection with the Notes, to fix the time or times of sale of the Notes, to determine the terms and conditions upon which such sales shall be made and to accept or reject offers in connection with such sales.

SECTION 4. The Committee on Finance is authorized in the name of and on behalf of the Authority, in connection with the Notes, to enter into any contracts or agreements pertaining to the Notes; to fix the time or times and determine the terms and conditions of delivery of the Notes; to appoint one or more Paying Agents and a Registrar, and to designate the office or offices of any such Paying Agent (or Paying Agents) at which payments shall be made and the office or offices of any such Registrar at which the Authority's Registry Books for the Notes shall be kept; to make any selection, designation, determination or estimate and to take or withhold any action and to formulate and express any opinions and to exercise any discretion or judgment which may be or is required to be made, taken, withheld, formulated, expressed or exercised in connection with the Notes, the Authority adopting all such selections, designations, determinations, estimates, actions, withholdings of action, formulations and expressions of opinions and exercises of discretion or judgment, including those pursuant to Section 3 of the Consolidated Bond Resolution, or otherwise, as its own; and to authorize any of the foregoing and generally to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

SECTION 5. The Committee on Finance is authorized to arrange, from time to time (i) for the preparation and distribution of disclosure documents, including official statements, offering statements or other offering materials in connection with the Notes and (ii) for the preparation and distribution of such other documents giving pertinent data with respect to the

Authority and its finances as it deems appropriate, in each case, in the name of and on behalf of the Authority.

SECTION 6. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Notes are issued and sold on a competitive basis.

SECTION 7. The Committee on Finance or any Authorized Officer is authorized, in connection with the issuance of the Notes on the basis that the Notes are to be in conformity with, and that the interest on the Notes is not to be includible for Federal income tax purposes in the gross income of the recipients thereof under, Section 103 (a) of the Internal Revenue Code of 1986, or successor provisions of law, and the regulations thereunder, to take any action which may be appropriate to assure that the Notes are issued, and during their term are outstanding, on such basis, and any such actions taken in connection therewith are ratified. Any Authorized Officer is authorized to certify on behalf of the Authority as to the need for the issuance of the Notes, as to the status of the projects for which the proceeds of the Notes are to be used, as to the Authority's intentions with respect to the application and investment of the proceeds of the Notes, and as to such other matters as such Authorized Officer deems appropriate.

SECTION 8. As used in this resolution, the term "Authorized Officer" shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; Treasurer; or Assistant Treasurer of the Authority.

**VERSATILE STRUCTURE OBLIGATIONS, VARIABLE RATE MASTER NOTES,
EQUIPMENT NOTES AND COMMERCIAL PAPER OBLIGATIONS –
CONTINUED ISSUANCE TO EFFECTUATE PLAN OF FINANCING**

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

RESOLVED, that, the following obligations of the Authority may continue to be issued, within the scope of existing authorizations to effectuate the plan of financing in effect on the date of issuance of such obligations: Versatile Structure Obligations under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Versatile Structure Obligations Resolution-Modification*"; Variable Rate Master Notes under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Variable Rate Master Notes Resolution-Modification*"; Equipment Notes under the resolution of the Authority adopted November 18, 1999, entitled "*Port Authority Equipment Notes Resolution-Modification*"; and Commercial Paper Obligations under the resolution of the Authority adopted June 29, 2000, entitled "*Port Authority Commercial Paper Obligations-Resolution*".

AGREEMENT TO PROVIDE FUNDING FOR EXTENSION OF THE WEST END CONCOURSE OF PENN STATION NEW YORK

It was recommended that the Board authorize the Executive Director to enter into an agreement with the State of New York's Empire State Development Corporation (ESDC) or one of its subsidiaries or affiliates, pursuant to which the Port Authority would provide up to \$10 million toward the cost of a project to plan, design, and construct an extension of the West End Concourse (Concourse Extension) at Penn Station New York (PSNY).

The Concourse Extension will be coordinated with short-term elements of NJ Transit Corporation's (NJ Transit) Access to the Region's Core (ARC) project. The extended concourse will serve passengers of NJ Transit, the Long Island Rail Road (LIRR), and Amtrak by providing them with direct access from the proposed Moynihan Station, Eighth Avenue, and the New York City Transit (NYCT) Eighth Avenue subway lines to platforms and trains.

The existing West End Concourse was not part of the original PSNY, but was built by the LIRR in the 1980s. It provides access to Platforms 7-11 (Tracks 13-21), primarily used by the LIRR. This project being advanced by the Moynihan Station Development Corporation (a subsidiary of ESDC) would extend the concourse southward to provide access to Platforms 3-6 (Tracks 5-12), shared by NJ Transit and Amtrak. The Concourse Extension also would connect with a concourse connection planned as part of the ARC project, continuing the extension of the West End Concourse southward to Platforms 1-2 (Tracks 1-4), exclusively used by NJ Transit.

When both the Concourse Extension and the NJ Transit concourse extension are completed, the West End Concourse would provide access to all platforms and tracks at PSNY from the proposed Moynihan Station, providing an additional capacity for passenger movement to and from the train platforms. It also would provide a more direct link to Eighth Avenue as well as the NYCT A, C, and E subway lines.

The PSNY complex is one of the region's most important transportation facilities, handling over 500,000 passenger trips per day, via the LIRR, NJ Transit and Amtrak. Several planning and investment initiatives, involving multiple agencies, collectively are providing for a major expansion of the station's total train and passenger handling capacity.

These efforts include: a project being advanced by the State of New York through the Moynihan Station Development Corporation (MSDC) to convert the United States Postal Service Farley Building across from PSNY into a new railroad terminal (Moynihan Station Project) to relieve overcrowding conditions at the existing terminal by providing additional access to platforms as well as new ticketing and passenger service areas; the ARC environmental impact review, led by NJ Transit with planning support from the Port Authority; and ongoing investments by the LIRR, Amtrak, and NJ Transit to improve the connecting tunnels, yards, tracks and signals linked to the station. These investments would improve the reliability of all passenger rail services using PSNY and assist in sustaining service during emergencies or for scheduled rehabilitation of its nearly century-old railroad infrastructure.

The Port Authority is a partner in this effort through its development of AirTrain connections with NJ Transit and LIRR commuter rail services, prior financial commitment to the Moynihan Station Project, provision of funding to NJ Transit for bi-level commuter coaches to expand NJ Transit peak-period service capacity, and support for ARC planning. Expanding PSNY's peak-period capacity for rail service and passenger circulation is necessary to support the service improvements expected to ease trans-Hudson and West Midtown congestion and to promote transit access to the region's major airports.

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

On May 30, 2002, the Board authorized the provision of capital expenditures in an aggregate amount not to exceed \$500 million, with \$250 million to be provided to each of the States of New York and New Jersey, for regional transportation projects in each state. The Governor of New Jersey requested commitment of its allocation of these expenditures to New Jersey's program of acquiring bi-level rail cars for NJ Transit, which are intended to help relieve overcrowding on NJ Transit rail service into PSNY.

Discussions between MSDC and NJ Transit are identifying opportunities to enhance connections between the proposed Moynihan Station and the emerging NJ Transit ARC plan. The proposed agreement with ESDC would fund the extension of the concourse serving Moynihan Station and provide for a connection to an additional concourse extension to the NJ Transit platforms, which is an element of NJ Transit's early-action improvements as part of the ARC plan. At its meeting of September 23, 2004, the Board authorized the Executive Director to enter into an agreement with NJ Transit pursuant to which the Port Authority is to provide NJ Transit with \$10 million in additional planning support for ARC, an estimated \$3 million of which will be used for the design of NJ Transit's portion of the proposed concourse extension.

The Moynihan Station Project would create a new intermodal transportation facility that will accommodate the increasing ridership at PSNY by providing new ticketing and passenger service areas and new escalators, stairs, and elevators for easier access between trains and the station. The proposed Moynihan Station will promote passenger safety by relieving the rush-hour congestion that currently exists in PSNY, especially in the morning peak period, when trains unloading 1,000 or more riders on narrow platforms make it difficult to clear platforms in a timely manner. Moynihan Station also will provide passengers with access to commuter rail services, including connections to the AirTrain JFK and AirTrain Newark services, as well as subway, bus, and taxi drop-offs, and will serve as a gateway to New York City's proposed development on the far west side of Manhattan.

An expanded PSNY complex accommodating additional rail service will benefit the Port Authority by complementing and relieving pressure on the Exclusive Bus Lane/Port Authority Bus Terminal system and facilitating increased use of mass transit for airport access and short-haul intercity travel.

ESDC anticipates beginning construction of the Concourse Extension in mid-2005 as part of the overall Moynihan Station Project, with an estimated duration of 30 months. ESDC would be responsible for determining the scope of work and procuring the engineering and design services under the proposed agreement, and for contracting to construct the improvements.

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

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 Empire Station Development Corporation or one of its subsidiaries or affiliates, pursuant to which the Port Authority would provide up to \$10 million toward the cost of a project to plan, design, and construct an extension of the West End Concourse at Penn Station New York; and it is further

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

**AUTHORIZATION FOR THE PORT AUTHORITY TO PROVIDE FUNDING FOR A
SEPTEMBER 11TH MEMORIAL IN LIBERTY STATE PARK**

It was recommended that the Board authorize the Executive Director to enter into an agreement (the LSP Memorial Agreement) with the New Jersey Department of the Treasury and/or another entity designated by the State of New Jersey (New Jersey Entity), pursuant to which the New Jersey Entity would agree to operate a World Trade Center (WTC) memorial (Memorial) at Liberty State Park in New Jersey (LSP) or an appropriate alternative site for a suitable term and, subject to approval of the New Jersey Entity, display WTC artifacts provided by the Port Authority, in return for which the Port Authority would make a one-time payment of \$7 million to be used by the New Jersey Entity in connection with the establishment of the Memorial, which will honor the nearly 700 residents of New Jersey who were killed in the September 11, 2001 terrorist attacks, including the attacks that destroyed the WTC, and is expected to have a total cost of \$10.5 million.

The Memorial project was undertaken pursuant to an executive order issued by the Governor of New Jersey, and in December 2003 the New Jersey September 11, 2001 Memorial Design Competition was launched. The September 11th Families and Survivor Jury and the Professional Advisory Committee served as judges of the competition. On June 30, 2004, the Governor announced that Frederic Schwartz of Frederic Schwartz Architects had won the competition. The Memorial, to be entitled "Empty Sky," will be located in the northeast end of LSP. It will be composed of two brushed stainless steel walls 30 feet high and 200 feet long, and will be engraved with the names of the nearly 700 men, women and children of New Jersey who were lost in the attacks of September 11, 2001.

It is anticipated that the architect will be engaged by the end of December 2004, the construction contract will be awarded by July 2005, and construction will be completed by early 2006.

At its meeting of November 30, 2000, the Board authorized the provision of an additional \$65 million in funding for the Queens West Waterfront Development Project. At that time, it was agreed by the Board that, in addition to a \$3 million increase (to \$128 million) in funding for the Hoboken South Waterfront Development Project, the State of New Jersey (State) could request up to \$62 million for appropriate projects. Payments made by the Port Authority pursuant to the LSP Memorial Agreement would, together with projects previously identified by the State to be funded from this commitment, reduce the Port Authority's commitment to \$30 million for other appropriate projects to be identified by the State, consistent with existing legislation and agreements with the holders of the Port Authority's obligations.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the New Jersey Department of the Treasury and/or another entity designated by the State of

New Jersey (New Jersey Entity), pursuant to which the New Jersey Entity will agree to operate a World Trade Center (WTC) memorial (Memorial) at Liberty State Park in New Jersey or an appropriate alternative site for a suitable term and, subject to approval of the New Jersey Entity, display WTC artifacts provided by the Port Authority, in return for which the Port Authority will make a one-time payment of \$7 million to be used by the New Jersey Entity in connection with the establishment of the Memorial, which will honor the nearly 700 residents of New Jersey who were killed in the September 11, 2001 terrorist attacks; and it is further

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

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

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

REPORT A

Purchase of Port Authority Bonds

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

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

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/01/04	\$25,000,000	FHDN	--	10/01/04	99.87	1.510%	1.522%	\$24,968,541.68	Lehman Brothers
09/01/04	9,000,000	UBSFIN CP	--	09/02/04	99.99	1.540	1.552	8,999,615.00	Banc of America
09/01/04	1,200,000	JFK-APO	6.375%	12/01/15	99.90	--	6.388	1,198,800.00	JFKIAT-APO
09/02/04	48,175,000	UBSFIN CP	--	09/03/04	99.99	1.510	1.521	48,172,979.35	Merrill Lynch
09/02/04	9,995,000	UBSFIN CP	--	09/03/04	99.99	1.510	1.521	9,994,580.77	Banc of America
09/03/04	50,000,000	UBSFIN CP	--	09/07/04	99.98	1.490	1.501	49,991,722.20	Banc of America
09/03/04	41,760,000	UBSFIN CP	--	09/07/04	99.98	1.490	1.501	41,753,086.38	Banc of America
09/07/04	50,000,000	FHDN	--	10/01/04	99.90	1.570	1.583	49,947,666.67	Mizuho
09/07/04	50,000,000	FHDN	--	09/29/04	99.91	1.530	1.542	49,953,250.00	Mizuho
09/07/04	50,000,000	GE CORP CP	--	09/08/04	99.99	1.540	1.552	49,997,861.11	G.E. Capital
09/07/04	50,000,000	GE CORP CP	--	09/08/04	99.99	1.540	1.552	49,997,861.11	G.E. Capital
09/07/04	13,750,000	UBSFIN CP	--	09/08/04	99.99	1.530	1.542	13,749,415.63	JPMorgan

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/07/04	\$25,000,000	FHDN	--	09/14/04	99.97	1.450%	1.461%	\$24,992,951.39	Mizuho
09/08/04	25,000,000	FCDN	--	10/13/04	99.85	1.590	1.619	24,961,354.17	Mizuho
09/08/04	50,000,000	GE CORP CP	--	09/09/04	99.99	1.500	1.511	49,997,916.67	G.E. Capital
09/08/04	50,000,000	UBSFIN CP	--	09/09/04	99.99	1.510	1.521	49,997,902.80	Lehman Brothers
09/08/04	29,910,000	UBSFIN CP	--	09/09/04	99.99	1.510	1.521	29,908,745.45	Lehman Brothers
09/09/04	25,000,000	USTB	--	09/23/04	99.94	1.467	1.478	24,985,737.50	Citiglobal
09/09/04	35,000,000	USTB	--	09/23/04	99.94	1.467	1.478	34,980,032.50	Citiglobal
09/09/04	40,000,000	USTB	--	09/23/04	99.94	1.467	1.478	39,977,180.00	Citiglobal
09/09/04	50,000,000	USTB	--	09/23/04	99.94	1.467	1.478	49,971,475.00	Citiglobal
09/09/04	12,737,000	USTB	--	09/15/04	99.98	1.490	1.501	12,733,836.98	Lehman Brothers
09/09/04	50,000,000	GECC CP	--	09/10/04	99.99	1.520	1.532	49,997,888.89	G.E. Capital
09/09/04	50,000,000	GECC CP	--	09/10/04	99.99	1.520	1.532	49,997,888.89	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/09/04	\$50,000,000	UBSFIN CP	--	09/10/04	99.99	1.510%	1.521%	\$49,997,902.80	Merrill Lynch
09/09/04	34,115,000	UBSFIN CP	--	09/10/04	99.99	1.510	1.521	34,113,569.08	Merrill Lynch
09/10/04	18,675,000	USTB	--	09/15/04	99.98	1.495	1.506	18,671,122.34	JPMorgan
09/10/04	50,000,000	GE CORP CP	--	09/13/04	99.99	1.490	1.501	49,993,791.67	G.E. Capital
09/10/04	50,000,000	GE CORP CP	--	09/13/04	99.99	1.490	1.501	49,993,791.67	G.E. Capital
09/10/04	50,000,000	CITIGROUP	--	09/13/04	99.99	1.490	1.501	49,993,791.67	Citigroup
09/10/04	50,000,000	UBSFIN CP	--	09/13/04	99.99	1.490	1.501	49,993,791.65	Banc of America
09/10/04	50,000,000	UBSFIN CP	--	09/13/04	99.99	1.490	1.501	49,993,791.65	Banc of America
09/13/04	43,242,000	USTB	--	09/15/04	99.99	1.490	1.501	43,238,420.52	Deutsche Bank
09/13/04	37,374,000	USTB	--	09/15/04	99.99	1.490	1.501	37,370,906.26	Deutsche Bank
09/13/04	35,663,000	USTB	--	09/15/04	99.99	1.490	1.501	35,660,047.90	Deutsche Bank
09/13/04	24,286,000	USTB	--	09/15/04	99.99	1.490	1.501	24,283,989.66	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/13/04	\$20,952,000	USTB	--	09/15/04	99.99	1.490%	1.501%	\$20,950,265.64	Deutsche Bank
09/13/04	30,568,000	USTB	--	09/15/04	99.99	1.490	1.501	30,565,469.65	Deutsche Bank
09/13/04	50,000,000	USTB	--	09/15/04	99.99	1.490	1.501	49,995,861.11	Deutsche Bank
09/13/04	43,000,000	USTB	--	09/15/04	99.99	1.490	1.501	42,996,440.56	Deutsche Bank
09/13/04	50,000,000	GE CORP CP	--	09/14/04	99.99	1.500	1.511	49,997,916.67	G.E. Capital
09/13/04	50,000,000	GE CORP CP	--	09/14/04	99.99	1.500	1.511	49,997,916.67	G.E. Capital
09/13/04	50,000,000	CITIGLOBAL	--	09/14/04	99.99	1.490	1.501	49,997,930.56	Citiglobal
09/13/04	50,000,000	CITIGLOBAL	--	09/14/04	99.99	1.490	1.501	49,997,930.56	Citiglobal
09/13/04	47,250,000	UBSFIN CP	--	09/14/04	99.99	1.500	1.511	47,248,031.23	Banc of America
09/14/04	50,000,000	USTB	--	09/15/04	99.99	1.485	1.496	49,997,937.50	Merrill Lynch
09/14/04	29,200,000	USTB	--	09/15/04	99.99	1.485	1.496	29,198,795.50	Merrill Lynch
09/14/04	50,000,000	GE CORP CP	--	09/15/04	99.99	1.510	1.521	49,997,902.78	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/14/04	\$50,000,000	GE CORP CP	--	09/15/04	99.99	1.510%	1.521%	\$49,997,902.78	G.E. Capital
09/14/04	50,000,000	UBSFIN CP	--	09/15/04	99.99	1.490	1.501	49,997,930.56	Banc of America
09/14/04	50,000,000	UBSFIN CP	--	09/15/04	99.99	1.490	1.501	49,997,930.56	Banc of America
09/15/04	50,000,000	FHDN	--	10/13/04	99.87	1.680	1.695	49,934,666.67	Mizuho
09/15/04	35,000,000	FHDN	--	09/29/04	99.94	1.530	1.542	34,979,175.00	Mizuho
09/15/04	50,000,000	FHDN	--	10/06/04	99.90	1.670	1.685	49,951,291.67	Mizuho
09/15/04	15,000,000	FNDN	--	10/15/04	99.86	1.680	1.695	14,979,000.00	Mizuho
09/15/04	50,000,000	GE CORP CP	--	09/16/04	99.99	1.550	1.562	49,997,847.22	G.E. Capital
09/15/04	25,870,000	GE CORP CP	--	09/16/04	99.99	1.550	1.562	25,868,886.15	G.E. Capital
09/15/04	50,000,000	CITIGLOBAL	--	09/16/04	99.99	1.530	1.542	49,997,875.00	Citiglobal
09/15/04	50,000,000	CITIGLOBAL	--	09/16/04	99.99	1.530	1.542	49,997,875.00	Citiglobal
09/15/04	50,000,000	FHDN	--	09/22/04	99.97	1.500	1.512	49,985,416.65	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/15/04	\$35,000,000	FCDN	--	09/24/04	99.96	1.510%	1.522%	\$34,986,787.50	Mizuho
09/16/04	30,000,000	USTB	--	09/23/04	99.97	1.450	1.461	29,991,541.67	Deutsche Bank
09/16/04	50,000,000	GE CORP CP	--	09/20/04	99.98	1.560	1.572	49,991,333.33	G.E. Capital
09/16/04	50,000,000	GE CORP CP	--	09/20/04	99.98	1.560	1.572	49,991,333.33	G.E. Capital
09/16/04	50,000,000	UBSFIN CP	--	09/17/04	99.99	1.530	1.542	49,997,875.00	Lehman Brothers
09/16/04	22,210,000	UBSFIN CP	--	09/17/04	99.99	1.530	1.542	22,209,056.08	Lehman Brothers
09/16/04	50,000,000	CITIGLOBAL	--	09/17/04	99.99	1.510	1.521	49,997,902.78	Citiglobal
09/17/04	50,000,000	FHDN	--	10/15/04	99.87	1.688	1.703	49,934,355.55	Merrill Lynch
09/17/04	50,000,000	FHDN	--	10/15/04	99.87	1.688	1.703	49,934,355.55	Merrill Lynch
09/17/04	34,145,000	UBSFIN CP	--	09/20/04	99.99	1.540	1.552	34,140,618.07	Lehman Brothers
09/17/04	50,000,000	CITIGLOBAL	--	09/20/04	99.99	1.530	1.542	49,993,625.00	Citiglobal
09/17/04	50,000,000	CITIGLOBAL	--	09/20/04	99.99	1.530	1.542	49,993,625.00	Citiglobal

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/20/04	\$50,000,000	GE CORP CP	--	09/21/04	99.99	1.590%	1.603%	\$49,997,791.67	G.E. Capital
09/20/04	50,000,000	GE CORP CP	--	09/21/04	99.99	1.590	1.603	49,997,791.67	G.E. Capital
09/20/04	43,825,000	UBSFIN CP	--	09/21/04	99.99	1.590	1.603	43,823,064.38	Lehman Brothers
09/20/04	50,000,000	CITIGLOBAL	--	09/21/04	99.99	1.580	1.593	49,997,805.55	Citiglobal
09/20/04	50,000,000	CITIGLOBAL	--	09/21/04	99.99	1.580	1.593	49,997,805.55	Citiglobal
09/21/04	50,000,000	FHDN	--	10/15/04	99.89	1.700	1.716	49,943,333.35	Morgan Stanley
09/21/04	31,000,000	FHDN	--	10/15/04	99.89	1.700	1.716	30,964,866.68	Morgan Stanley
09/21/04	25,000,000	GECC CP	--	09/22/04	99.99	1.730	1.745	24,998,798.61	G.E. Capital
09/21/04	5,327,000	GECC CP	--	09/22/04	99.99	1.730	1.745	5,326,744.01	G.E. Capital
09/21/04	50,000,000	CITIGROUP	--	09/22/04	99.99	1.720	1.735	49,997,611.11	Citigroup
09/21/04	50,000,000	UBSFIN CP	--	09/22/04	99.99	1.720	1.735	49,997,611.11	Banc of America
09/21/04	50,000,000	UBSFIN CP	--	09/22/04	99.99	1.720	1.735	49,997,611.11	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/22/04	\$44,000,000	FHDN	--	10/15/04	99.89	1.720%	1.736%	\$43,951,648.89	Mizuho
09/22/04	50,000,000	GE CORP CP	--	09/23/04	99.99	1.730	1.745	49,997,597.22	G.E. Capital
09/22/04	50,000,000	GE CORP CP	--	09/23/04	99.99	1.730	1.745	49,997,597.22	G.E. Capital
09/22/04	40,300,000	UBSFIN CP	--	09/23/04	99.99	1.720	1.735	40,298,074.55	Lehman Brothers
09/22/04	25,000,000	UBSFIN CP	--	09/23/04	99.99	1.720	1.735	24,998,805.55	Lehman Brothers
09/22/04	50,000,000	CITIGLOBAL	--	09/23/04	99.99	1.710	1.725	49,997,625.00	Citiglobal
09/22/04	50,000,000	CITIGLOBAL	--	09/23/04	99.99	1.710	1.725	49,997,625.00	Citiglobal
09/23/04	25,000,000	USTB	--	10/07/04	99.94	1.525	1.537	24,985,173.61	Deutsche Bank
09/23/04	35,000,000	USTB	--	10/07/04	99.94	1.525	1.537	34,979,243.06	Deutsche Bank
09/23/04	20,000,000	USTB	--	10/07/04	99.94	1.525	1.537	19,988,138.89	Deutsche Bank
09/23/04	50,000,000	USTB	--	10/07/04	99.94	1.525	1.537	49,970,347.22	Deutsche Bank
09/23/04	50,000,000	USTB	--	03/10/05	99.13	1.865	1.891	49,564,833.34	ABN AMRO

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/23/04	\$25,000,000	USTB	--	01/27/05	99.38	1.770%	1.791%	\$24,845,125.00	JPMorgan
09/23/04	50,000,000	GE CORP CP	--	09/24/04	99.99	1.710	1.725	49,997,625.00	G.E. Capital
09/23/04	50,000,000	GE CORP CP	--	09/24/04	99.99	1.710	1.725	49,997,625.00	G.E. Capital
09/23/04	50,000,000	CITIGLOBAL	--	09/24/04	99.99	1.700	1.715	49,997,638.89	Citiglobal
09/23/04	50,000,000	CITIGLOBAL	--	09/24/04	99.99	1.700	1.715	49,997,638.89	Citiglobal
09/23/04	50,000,000	UBSFIN CP	--	09/24/04	99.99	1.720	1.735	49,997,611.11	Banc of America
09/23/04	13,830,000	UBSFIN CP	--	09/24/04	99.99	1.720	1.735	13,829,339.23	Banc of America
09/24/04	35,000,000	FHDN	--	10/06/04	99.94	1.720	1.735	34,979,933.35	JPMorgan
09/24/04	50,000,000	FHDN	--	10/08/04	99.93	1.730	1.746	49,966,361.10	JPMorgan
09/24/04	50,000,000	UBSFIN CP	--	09/27/04	99.99	1.730	1.745	49,992,791.65	Goldman Sachs
09/24/04	50,000,000	GECC CP	--	09/27/04	99.99	1.700	1.715	49,992,916.67	G.E. Capital
09/24/04	50,000,000	GECC CP	--	09/27/04	99.99	1.700	1.715	49,992,916.67	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/24/04	\$50,000,000	CITIGLOBAL	--	09/27/04	99.99	1.710%	1.725%	\$49,992,875.00	Citiglobal
09/24/04	50,000,000	CITIGLOBAL	--	09/27/04	99.99	1.710	1.725	49,992,875.00	Citiglobal
09/24/04	3,430,000	UBSFIN CP	--	09/27/04	99.99	1.730	1.745	3,429,505.51	Lehman Brothers
09/27/04	20,000,000	USTB	--	12/23/04	99.59	1.698	1.716	19,917,954.17	Merrill Lynch
09/27/04	50,000,000	GECC CP	--	09/28/04	99.99	1.720	1.735	49,997,611.11	G.E. Capital
09/27/04	50,000,000	GECC CP	--	09/28/04	99.99	1.720	1.735	49,997,611.11	G.E. Capital
09/27/04	50,000,000	CITICORP CP	--	09/28/04	99.99	1.730	1.745	49,997,597.22	Citicorp
09/27/04	50,000,000	CITICORP CP	--	09/28/04	99.99	1.730	1.745	49,997,597.22	Citicorp
09/27/04	50,000,000	UBSFIN CP	--	09/28/04	99.99	1.750	1.765	49,997,569.45	Banc of America
09/27/04	23,420,000	UBSFIN CP	--	09/28/04	99.99	1.750	1.765	23,418,861.53	Banc of America
09/27/04	10,000,000	USTN	2.375%	08/31/06	99.61	--	2.583	9,960,937.50	Merrill Lynch
09/28/04	50,000,000	GE CORP CP	--	09/29/04	99.99	1.720	1.735	49,997,611.11	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/28/04	\$50,000,000	GE CORP CP	--	09/29/04	99.99	1.720%	1.735%	\$49,997,611.11	G.E. Capital
09/28/04	50,000,000	CITICORP CP	--	09/29/04	99.99	1.740	1.755	49,997,583.33	Citicorp
09/28/04	30,000,000	CITICORP CP	--	09/29/04	99.99	1.740	1.755	29,998,550.00	Citicorp
09/28/04	50,000,000	UBSFIN CP	--	09/29/04	99.99	1.740	1.756	49,997,583.00	Banc of America
09/28/04	50,000,000	UBSFIN CP	--	09/29/04	99.99	1.740	1.755	49,997,583.33	Banc of America
09/29/04	50,000,000	UBSFIN CP	--	09/30/04	99.99	1.750	1.765	49,997,569.45	Goldman Sachs
09/29/04	50,000,000	UBSFIN CP	--	09/30/04	99.99	1.750	1.765	49,997,569.45	Goldman Sachs
09/29/04	50,000,000	GE CORP CP	--	09/30/04	99.99	1.730	1.745	49,997,597.22	G.E. Capital
09/29/04	50,000,000	GE CORP CP	--	09/30/04	99.99	1.730	1.745	49,997,597.22	G.E. Capital
09/29/04	50,000,000	CITICORP CP	--	09/30/04	99.99	1.730	1.745	49,997,597.22	Citicorp
09/29/04	50,000,000	CITICORP CP	--	09/30/04	99.99	1.730	1.745	49,997,597.22	Citicorp
09/29/04	34,360,000	FHIDN	--	09/30/04	99.99	1.620	1.633	34,358,453.80	Merrill Lynch

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/29/04	\$25,000,000	FHDN	--	09/30/04	99.99	1.620%	1.633%	\$24,998,875.00	Citiglobal
09/30/04	50,000,000	USTB	--	11/04/04	99.85	1.520	1.533	49,926,111.11	Banc of America
09/30/04	25,000,000	USTB	--	11/04/04	99.85	1.520	1.533	24,963,055.56	Banc of America
09/30/04	40,000,000	USTB	--	11/04/04	99.85	1.520	1.533	39,940,888.89	Banc of America
09/30/04	50,000,000	USTB	--	11/04/04	99.85	1.520	1.533	49,926,111.11	Banc of America
09/30/04	35,000,000	FHDN	--	10/22/04	99.89	1.735	1.751	34,962,890.28	ABN AMRO
09/30/04	50,000,000	FHDN	--	10/27/04	99.87	1.730	1.746	49,935,125.00	Merrill Lynch
09/30/04	50,000,000	GE CORP CP	--	10/01/04	99.99	1.880	1.898	49,997,388.89	G.E. Capital
09/30/04	50,000,000	GE CORP CP	--	10/01/04	99.99	1.880	1.898	49,997,388.89	G.E. Capital
09/30/04	50,000,000	UBSFN CP	--	10/01/04	99.99	1.880	1.898	49,997,388.89	Merrill Lynch
09/30/04	23,365,000	UBSFN CP	--	10/01/04	99.99	1.880	1.898	23,363,779.83	Merrill Lynch
09/30/04	50,000,000	CITIGLOBAL	--	10/01/04	99.99	1.790	1.806	49,997,513.89	Citiglobal

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/30/04	\$ 50,000,000	CITIGLOBAL	--	10/01/04	99.99	1.790%	1.806%	\$ 49,997,513.89	Citiglobal
09/30/04	50,000,000	FNDN	--	10/08/04	99.96	1.700	1.715	49,981,111.10	Morgan Stanley
09/30/04	<u>10,000,000</u>	USTN	2.375%	08/31/06	99.60	--	2.590	<u>9,959,765.63</u>	Greenwich Capital
	<u>\$ 6,050,934,000</u>							<u>\$ 6,048,655,284.71</u>	

BEY - Bond Equivalent Yield

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

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
09/28/04	\$10,000,000	USTN	2.375%	08/31/06	99.70	--	\$9,969,531.25	Merril

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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>
Lehman Brothers	09/02/04	09/07/04	\$14,752,000	1.470%	\$ 3,011.87
ABN AMRO	09/02/04	09/03/04	20,000,000	1.490	827.78
Greenwich Capital	09/02/04	09/07/04	20,694,000	1.470	4,225.03
Lehman Brothers	09/02/04	09/07/04	22,557,000	1.470	4,605.39
Lehman Brothers	09/02/04	09/07/04	24,252,000	1.470	4,951.45
Lehman Brothers	09/02/04	09/07/04	30,536,000	1.470	6,234.43
Greenwich Capital	09/02/04	09/07/04	30,935,000	1.470	6,315.90
Lehman Brothers	09/02/04	09/07/04	36,049,000	1.470	7,360.00
Greenwich Capital	09/02/04	09/07/04	49,306,000	1.470	10,066.64
BNP Paribas	09/07/04	09/09/04	13,021,000	1.460	1,056.15
Lehman Brothers	09/07/04	09/08/04	20,985,000	1.480	862.72
BNP Paribas	09/07/04	09/09/04	22,502,000	1.460	1,825.16

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	09/07/04	09/09/04	\$24,257,000	1.460%	\$ 1,967.51
Lehman Brothers	09/07/04	09/09/04	24,968,750	1.480	2,066.85 *
BNP Paribas	09/07/04	09/09/04	28,970,000	1.460	2,349.79
BNP Paribas	09/07/04	09/09/04	30,561,000	1.460	2,478.84
BNP Paribas	09/07/04	09/09/04	35,642,000	1.460	2,890.96
Lehman Brothers	09/07/04	09/08/04	49,015,000	1.480	2,015.06
Nomura	09/08/04	09/09/04	21,490,000	1.510	901.39
Banc of America	09/08/04	09/13/04	42,340,625	1.480	8,691.59 *
Banc of America	09/08/04	09/13/04	42,340,625	1.480	8,691.59 *
Nomura	09/08/04	09/09/04	48,510,000	1.510	2,034.73
Lehman Brothers	09/09/04	09/13/04	22,532,000	1.480	3,705.26
Lehman Brothers	09/09/04	09/13/04	24,282,000	1.480	3,993.04

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	09/09/04	09/13/04	\$30,563,000	1.480%	\$ 5,025.92
Banc of America	09/09/04	09/16/04	34,947,500	1.500	10,028.00
Banc of America	09/09/04	09/15/04	34,947,500	1.500	8,581.56 *
Lehman Brothers	09/09/04	09/13/04	35,665,000	1.480	5,864.91 *
Lehman Brothers	09/09/04	09/13/04	38,022,000	1.480	6,252.51
Lehman Brothers	09/09/04	09/13/04	43,987,000	1.480	7,233.42
Nomura	09/09/04	09/10/04	44,429,000	1.510	1,863.55
Banc of America	09/09/04	09/16/04	44,662,500	1.500	12,815.66 *
Nomura	09/09/04	09/10/04	48,571,000	1.510	2,037.28
Morgan Stanley	09/10/04	09/13/04	12,780,000	1.480	1,576.20
Morgan Stanley	09/10/04	09/13/04	31,220,000	1.480	3,850.47
Morgan Stanley	09/10/04	09/13/04	49,000,000	1.480	6,043.33

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Banc of America	09/14/04	09/16/04	\$24,887,500	1.460%	\$ 2,039.40 *
Lehman Brothers	09/14/04	09/15/04	24,937,500	1.450	1,004.43 *
Lehman Brothers	09/14/04	09/23/04	37,453,125	1.500	14,357.03 *
Lehman Brothers	09/14/04	09/23/04	37,453,125	1.500	14,357.03 *
Mizuho	09/15/04	09/30/04	1,185,000	1.500	788.35 *
Mizuho	09/15/04	09/28/04	1,210,000	1.500	694.07 *
Daiwa	09/15/04	09/20/04	1,883,000	1.480	387.06
Daiwa	09/15/04	09/20/04	4,017,000	1.480	825.72
Daiwa	09/15/04	09/20/04	5,786,000	1.480	1,189.34
Daiwa	09/15/04	09/20/04	15,989,000	1.480	3,286.63
Daiwa	09/15/04	09/20/04	17,203,000	1.480	3,536.17
Daiwa	09/15/04	09/20/04	18,502,000	1.480	3,803.19

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	09/15/04	09/20/04	\$19,397,000	1.480%	\$ 3,987.16
Daiwa	09/15/04	09/20/04	24,552,000	1.480	5,046.80
Daiwa	09/15/04	09/20/04	32,306,000	1.480	6,640.68
Banc of America	09/15/04	09/16/04	34,956,250	1.490	1,446.80 *
Daiwa	09/15/04	09/20/04	35,586,000	1.480	7,314.90
Nomura	09/15/04	09/16/04	44,490,000	1.510	1,866.11
Nomura	09/15/04	09/16/04	48,510,000	1.510	2,034.73
Mizuho	09/15/04	09/28/04	48,715,000	1.500	27,943.47 *
Mizuho	09/15/04	09/30/04	48,715,000	1.500	32,409.00 *
Lehman Brothers	09/16/04	09/28/04	1,015,000	1.500	538.24 *
Nomura	09/16/04	09/17/04	3,075,000	1.490	127.27
Nomura	09/16/04	09/17/04	20,980,000	1.490	868.34

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Banc of America	09/16/04	09/23/04	\$24,975,000	1.480%	\$ 7,554.94 *
Lehman Brothers	09/16/04	09/17/04	37,481,250	1.500	1,561.72 *
Lehman Brothers	09/16/04	09/17/04	37,481,250	1.500	1,561.72 *
Banc of America	09/16/04	09/17/04	39,980,000	1.480	1,643.62 *
Banc of America	09/16/04	09/27/04	41,947,500	1.480	20,379.49 *
Banc of America	09/16/04	09/27/04	41,947,500	1.480	20,379.49 *
ABN AMRO	09/16/04	09/22/04	44,977,500	1.500	11,469.26 *
ABN AMRO	09/16/04	09/22/04	44,977,500	1.500	11,469.26 *
Nomura	09/16/04	09/17/04	48,510,000	1.490	2,007.78
Nomura	09/16/04	09/17/04	48,510,000	1.490	2,007.78
Nomura	09/16/04	09/17/04	48,510,000	1.490	2,007.78
Lehman Brothers	09/16/04	09/28/04	48,835,000	1.500	25,896.12 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Banc of America	09/16/04	09/17/04	\$49,750,000	1.480%	\$ 2,045.28 *
Nomura	09/17/04	09/20/04	3,016,000	1.500	377.00
Nomura	09/17/04	09/20/04	20,858,000	1.500	2,607.25
Mizuho	09/17/04	09/30/04	24,950,000	1.520	14,519.51 *
Mizuho	09/17/04	09/30/04	26,222,450	1.520	15,260.01 *
Nomura	09/17/04	09/20/04	48,571,000	1.500	6,071.38
Nomura	09/17/04	09/20/04	48,571,000	1.500	6,071.38
Nomura	09/17/04	09/20/04	48,571,000	1.500	6,071.38
BNP Paribas	09/20/04	09/21/04	2,889,000	1.520	121.98
Morgan Stanley	09/20/04	09/21/04	19,409,000	1.520	819.49
Morgan Stanley	09/20/04	09/21/04	20,353,000	1.520	859.35
BNP Paribas	09/20/04	09/21/04	20,590,000	1.520	869.36

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Safe Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Morgan Stanley	09/20/04	09/21/04	\$24,293,000	1.520%	\$ 1,025.70
Morgan Stanley	09/20/04	09/21/04	31,618,000	1.520	1,334.98
Morgan Stanley	09/20/04	09/21/04	35,593,000	1.520	1,502.82
Morgan Stanley	09/20/04	09/21/04	38,863,000	1.520	1,640.88
BNP Paribas	09/20/04	09/21/04	48,704,000	1.520	2,056.39
BNP Paribas	09/20/04	09/21/04	48,705,000	1.520	2,056.43
BNP Paribas	09/20/04	09/21/04	48,705,000	1.520	2,056.43
ABN AMRO	09/21/04	09/23/04	880,000	1.650	80.67 *
BNP Paribas	09/21/04	09/22/04	2,918,000	1.650	133.74
BNP Paribas	09/21/04	09/22/04	11,129,000	1.650	510.08
BNP Paribas	09/21/04	09/22/04	17,552,000	1.650	804.47
Nomura	09/21/04	09/22/04	19,410,000	1.660	895.02

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	09/21/04	09/22/04	\$19,996,000	1.650%	\$ 916.48
Nomura	09/21/04	09/22/04	20,354,000	1.660	938.55
Nomura	09/21/04	09/22/04	24,294,000	1.660	1,120.22
BNP Paribas	09/21/04	09/22/04	27,529,000	1.650	1,261.75
Nomura	09/21/04	09/22/04	31,620,000	1.660	1,458.03
Nomura	09/21/04	09/22/04	35,594,000	1.660	1,641.28
Daiwa	09/21/04	09/30/04	37,312,500	1.680	15,660.89 *
Daiwa	09/21/04	09/30/04	37,312,500	1.680	15,660.89 *
Daiwa	09/21/04	09/30/04	37,312,500	1.680	15,660.89 *
Daiwa	09/21/04	09/30/04	37,312,500	1.680	15,660.89 *
Nomura	09/21/04	09/22/04	38,864,000	1.660	1,792.06
BNP Paribas	09/21/04	09/22/04	41,747,000	1.650	1,913.40

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	09/21/04	09/22/04	\$48,728,000	1.650%	\$ 2,233.37
ABN AMRO	09/21/04	09/23/04	48,870,000	1.650	4,479.75 *
Nomura	09/22/04	09/23/04	3,029,000	1.670	140.51
BNP Paribas	09/22/04	09/23/04	16,955,000	1.670	786.52
BNP Paribas	09/22/04	09/23/04	19,381,000	1.670	899.06
Nomura	09/22/04	09/23/04	20,858,000	1.670	967.58
BNP Paribas	09/22/04	09/23/04	24,295,000	1.670	1,127.02
BNP Paribas	09/22/04	09/23/04	28,646,000	1.670	1,328.86
BNP Paribas	09/22/04	09/23/04	35,009,000	1.670	1,624.03
BNP Paribas	09/22/04	09/23/04	37,277,000	1.670	1,729.24
Nomura	09/22/04	09/23/04	48,571,000	1.670	2,253.15
Nomura	09/22/04	09/23/04	48,571,000	1.670	2,253.15

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	09/22/04	09/23/04	\$48,571,000	1.670%	\$ 2,253.15
BNP Paribas	09/23/04	09/27/04	1,663,000	1.600	295.64
BNP Paribas	09/23/04	09/27/04	2,789,000	1.600	495.82
BNP Paribas	09/23/04	09/27/04	16,956,000	1.600	3,014.40
Daiwa	09/23/04	09/28/04	18,250,000	1.650	4,217.77 *
ABN AMRO	09/23/04	09/28/04	24,900,000	1.650	5,727.00 *
Morgan Stanley	09/23/04	09/27/04	28,647,000	1.600	5,092.80
Daiwa	09/23/04	09/28/04	31,725,000	1.650	7,332.00 *
Morgan Stanley	09/23/04	09/27/04	35,032,000	1.600	6,227.91
Morgan Stanley	09/23/04	09/27/04	36,836,000	1.600	6,548.62
Lehman Brothers	09/23/04	Open	37,453,125 *	Variable **	14,357.03 ***
Lehman Brothers	09/23/04	Open	37,453,125 *	Variable **	14,357.03 ***

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	09/23/04	09/27/04	\$37,481,250	1.650%	\$ 6,871.56 *
Lehman Brothers	09/23/04	09/27/04	37,481,250	1.650	6,871.56 *
Morgan Stanley	09/23/04	09/27/04	38,386,000	1.600	6,824.18
Banc of America	09/23/04	09/27/04	42,393,750	1.650	7,772.19 *
Banc of America	09/23/04	09/27/04	42,393,750	1.650	7,772.19 *
ABN AMRO	09/23/04	09/27/04	43,728,125	1.650	8,016.82 *
ABN AMRO	09/23/04	09/27/04	43,728,125	1.650	8,016.82 *
ABN AMRO	09/23/04	09/27/04	43,728,125	1.650	8,016.82 *
ABN AMRO	09/23/04	09/27/04	43,728,125	1.650	8,016.82 *
Morgan Stanley	09/23/04	09/27/04	47,969,000	1.600	8,527.82
BNP Paribas	09/23/04	09/27/04	48,811,000	1.600	8,677.51
BNP Paribas	09/23/04	09/27/04	48,811,000	1.600	8,677.51

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	09/23/04	09/27/04	\$48,811,000	1.600%	\$ 8,677.51
Banc of America	09/24/04	Open	24,950,000 *	Variable **	8,018.66 ***
Morgan Stanley	09/27/04	09/30/04	16,959,000	1.660	2,346.00
Nomura	09/27/04	09/30/04	28,653,000	1.670	3,987.54
Lehman Brothers	09/27/04	09/29/04	29,940,000	1.680	2,794.40 *
Lehman Brothers	09/27/04	09/29/04	29,940,000	1.680	2,794.40 *
Nomura	09/27/04	09/30/04	35,038,000	1.670	4,876.12
Nomura	09/27/04	09/30/04	36,793,000	1.670	5,120.36
Morgan Stanley	09/27/04	09/30/04	38,393,000	1.660	5,311.03
Nomura	09/27/04	09/28/04	42,276,000	1.670	1,961.14
Morgan Stanley	09/27/04	09/30/04	47,978,000	1.660	6,636.96
Nomura	09/27/04	09/28/04	48,571,000	1.670	2,253.15

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>
Lehman Brothers	09/28/04	09/29/04	\$1,285,000	1.680%	\$ 59.97 *
BNP Paribas	09/28/04	09/30/04	1,364,000	1.660	125.79
BNP Paribas	09/28/04	09/29/04	1,463,000	1.670	67.87
Banc of America	09/28/04	Open	38,730,000 *	Variable **	5,379.17 ***
Banc of America	09/28/04	Open	38,730,000 *	Variable **	5,379.17 ***
Banc of America	09/28/04	Open	38,730,000 *	Variable **	5,379.17 ***
Banc of America	09/28/04	Open	38,730,000 *	Variable **	5,379.17 ***
BNP Paribas	09/28/04	09/29/04	48,537,000	1.670	2,251.58
Lehman Brothers	09/28/04	09/29/04	48,590,000	1.680	2,267.53 *
BNP Paribas	09/28/04	09/30/04	48,636,000	1.660	4,485.32
ABN AMRO	09/29/04	09/30/04	50,840,000	1.670	2,358.41
ABN AMRO	09/30/04	10/01/04	16,961,000	1.750	824.49

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
ABN AMRO	09/30/04	10/01/04	\$28,694,000	1.750%	\$ 1,394.85
Lehman Brothers	09/30/04	Open	29,940,000 *	Variable **	1,430.47 ***
Lehman Brothers	09/30/04	Open	29,940,000 *	Variable **	1,430.47 ***
Lehman Brothers	09/30/04	Open	32,483,750 *	Variable **	1,552.00 ***
Lehman Brothers	09/30/04	Open	32,483,750 *	Variable **	1,552.00 ***
ABN AMRO	09/30/04	10/01/04	35,043,000	1.750	1,703.48
ABN AMRO	09/30/04	10/01/04	36,117,000	1.750	1,755.69
ABN AMRO	09/30/04	10/01/04	36,450,000	1.750	1,771.88
Daiwa	09/30/04	Open	37,312,500 *	Variable **	1,761.98 ***
Daiwa	09/30/04	Open	37,312,500 *	Variable **	1,761.98 ***
Daiwa	09/30/04	Open	37,312,500 *	Variable **	1,761.98 ***
Daiwa	09/30/04	Open	37,312,500 *	Variable **	1,761.98 ***

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	09/30/04	10/01/04	\$37,367,000	1.720%	\$ 1,785.31
Nomura	09/30/04	10/01/04	40,000,000	1.720	1,911.11
BNP Paribas	09/30/04	10/01/04	43,163,000	1.700	2,038.25
BNP Paribas	09/30/04	10/01/04	43,509,000	1.700	2,054.59
Nomura	09/30/04	10/01/04	46,484,000	1.720	2,220.90
ABN AMRO	09/30/04	10/01/04	46,595,000	1.750	2,265.03
Nomura	09/30/04	10/01/04	48,510,000	1.720	2,317.70
BNP Paribas	09/30/04	10/01/04	48,537,000	1.700	2,292.03
BNP Paribas	09/30/04	10/01/04	48,647,000	1.700	2,297.22

* This transaction was executed simultaneously with a like reverse/repurchase agreement.

** This rate subject to change daily.

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

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	09/07/04	09/09/04	\$24,968,750	0.700%	\$ 1,040.36
Banc of America	09/08/04	09/13/04	42,340,625	1.180	7,868.30
Banc of America	09/08/04	09/13/04	42,340,625	1.180	7,868.30
Banc of America	09/09/04	09/16/04	44,662,500	1.200	11,438.57
Banc of America	09/09/04	09/16/04	34,947,500	1.350	7,756.40
Banc of America	09/09/04	09/15/04	34,947,500	1.350	6,843.88
Lehman Brothers	09/14/04	09/23/04	37,453,125	1.350	13,134.60
Lehman Brothers	09/14/04	09/23/04	37,453,125	1.375	13,134.60
Lehman Brothers	09/14/04	09/15/04	24,937,500	1.300	900.52
Banc of America	09/14/04	09/16/04	24,887,500	1.310	1,624.60
Mizuho	09/15/04	09/28/04	49,925,000	1.400	23,686.65
Mizuho	09/15/04	09/30/04	49,900,000	1.400	24,991.57

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Banc of America	09/15/04	09/16/04	\$34,956,250	0.940%	\$ 912.75
Lehman Brothers	09/16/04	09/28/04	49,850,000	1.400	24,218.79
Banc of America	09/16/04	09/17/04	49,750,000	1.380	1,907.08
ABN AMRO	09/16/04	09/22/04	44,977,500	1.400	10,719.64
ABN AMRO	09/16/04	09/22/04	44,977,500	1.400	10,719.64
Banc of America	09/16/04	09/27/04	41,947,500	1.380	17,233.43
Banc of America	09/16/04	09/27/04	41,947,500	1.380	17,233.43
Banc of America	09/16/04	09/17/04	39,980,000	1.380	1,532.57
Lehman Brothers	09/16/04	09/17/04	37,481,250	1.350	1,405.55
Lehman Brothers	09/16/04	09/17/04	37,481,250	1.350	1,405.55
Banc of America	09/16/04	09/23/04	24,975,000	1.230	6,021.76
Mizuho	09/17/04	09/30/04	26,222,450	1.420	11,093.54

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Mizuho	09/17/04	09/30/04	\$24,950,000	1.420%	\$10,555.26
ABN AMRO	09/21/04	09/23/04	49,750,000	1.500	4,214.93
Daiwa	09/21/04	09/30/04	37,312,500	1.580	14,769.52
Daiwa	09/21/04	09/30/04	37,312,500	1.580	14,769.51
Daiwa	09/21/04	09/30/04	37,312,500	1.580	14,769.52
Daiwa	09/21/04	09/30/04	37,312,500	1.580	14,769.51
Daiwa	09/23/04	09/28/04	49,975,000	1.550	10,883.45
ABN AMRO	09/23/04	09/27/04	43,728,125	1.550	7,530.95
ABN AMRO	09/23/04	09/27/04	43,728,125	1.550	7,530.95
ABN AMRO	09/23/04	09/27/04	43,728,125	1.550	7,530.95
ABN AMRO	09/23/04	09/27/04	43,728,125	1.550	7,530.95
Banc of America	09/23/04	09/27/04	42,393,750	1.550	7,301.15

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Banc of America	09/23/04	09/27/04	\$42,393,750	1.550%	\$ 7,301.15
Lehman Brothers	09/23/04	09/27/04	37,481,250	1.530	6,434.28
Lehman Brothers	09/23/04	09/27/04	37,481,250	1.530	6,434.28
Lehman Brothers	09/23/04	Open	37,453,125	Variable *	12,203.47 **
Lehman Brothers	09/23/04	Open	37,453,125	Variable *	12,203.47 **
ABN AMRO	09/23/04	09/28/04	24,900,000	1.500	5,139.08
Banc of America	09/24/04	Open	24,950,000	Variable *	7,083.02 **
Lehman Brothers	09/27/04	09/29/04	29,940,000	1.580	2,628.07
Lehman Brothers	09/27/04	09/29/04	29,940,000	1.580	2,628.07
Lehman Brothers	09/28/04	09/29/04	49,875,000	1.580	2,188.96
Banc of America	09/28/04	Open	38,730,000	Variable *	4,357.13 **
Banc of America	09/28/04	Open	38,730,000	Variable *	4,357.13 **

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Banc of America	09/28/04	Open	\$38,730,000	Variable *	\$ 4,357.13 **
Banc of America	09/28/04	Open	38,730,000	Variable *	4,357.13 **
Daiwa	09/30/04	Open	37,312,500	Variable *	1,606.51 **
Daiwa	09/30/04	Open	37,312,500	Variable *	1,606.51 **
Daiwa	09/30/04	Open	37,312,500	Variable *	1,606.51 **
Daiwa	09/30/04	Open	37,312,500	Variable *	1,606.51 **
Lehman Brothers	09/30/04	Open	32,483,750	Variable *	1,353.49 **
Lehman Brothers	09/30/04	Open	32,483,750	Variable *	1,353.49 **
Lehman Brothers	09/30/04	Open	29,940,000	Variable *	1,180.97 **
Lehman Brothers	09/30/04	Open	29,940,000	Variable *	1,180.97 **

* This rate subject to change daily.

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

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

REPORT B: In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period of September 1, 2004 through September 30, 2004, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period of September 1, 2004 through September 30, 2004 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

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

As of September 30, 2004, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$372.6 million. all of which pertain to refundings.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period of September 1, 2004 through September 30, 2004 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

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

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

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

Hedge for Consolidated Bonds:

<u>Date</u>	<u>Action</u>	<u>Number of Contracts</u>	<u>Short Position</u>	<u>Gains/(Losses) on Series Hedge*</u>	<u>Amount of Prospective Port Authority Debt Hedged</u>	<u>Estimated (Increase)/Decrease in Borrowing Costs on Portion of Debt Hedged</u>
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No outstanding Hedge during the 3rd Quarter 2004

Whereupon, the meeting was adjourned.

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**MINUTES
November 17, 2005**

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, November 17, 2005, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

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

NEW YORK

Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. Christine A. Ferer
 Hon. David S. Mack
 Hon. Henry R. Silverman

Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Kayla M. Bergeron, Chief, Public and Government Affairs
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Ernesto L. Butcher, Chief Operating Officer
 Arthur J. Cifelli, Deputy Chief of Staff
 Patricia A. Clark, Senior Advisor, External Affairs, Aviation
 Steven J. Coleman, Public Information Officer, Public Affairs
 James T. Connors, Director, World Trade Center Redevelopment
 Anthony G. Cracchiolo, Director, Priority Capital Programs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Pasquale DiFulco, Public Information Officer, Public Affairs
 John J. Drobny, Director, Project Management
 Iran H. Engel, Assistant Treasurer
 Michael G. Fabiano, Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 Linda C. Handel, Assistant Secretary
 L. Jay Hector, Senior Policy Advisor to the Executive Director/Vice-Chairman
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Kirby King, Deputy Director, PATH
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Shawn K. Laurenti, Director, Government and Community Affairs
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 Michael G. Massiah, Director, Human Resources
 John P. McCarthy, Director, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Anne Marie C. Mulligan, Treasurer
 Lynn A. Nerney, Senior Administrator, Office of the Secretary
 Frederika E. Patterson, Staff Property Representative, Aviation

Annie O. Persaud, Senior Project Manager, Human Resources
Samuel J. Plumeri, Jr., Superintendent of Police/Director, Public Safety
Alan L. Reiss, Deputy Director, Aviation
Edmond F. Schorno, Chief of Staff
Douglas Smith, Deputy Director, Organizational Effectiveness and Change Management
Gerald B. Stoughton, General Manager, Forecasting and Capital Planning, Financial Services
Ralph Tragale, Client Manager, Government and Community Affairs
Sheree R. Van Duyne, Manager of Policies and Protocol, Office of the Secretary
Peter J. Zipf, Deputy Chief Engineer

Guest

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

The public session was called to order by Chairman Coscia at 2:03 p.m. and ended at 2:20 p.m. The Board met in executive session prior to the public session. Commissioner Pocino was present for the executive session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of October 20, 2005. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Committees on Operations/Finance/Construction

The Committees reported, for information, on matters discussed in executive session at their joint meeting of November 17, 2005, which included discussion of matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committees 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.

Staff Reports

Presentations were made by staff on the status of efforts to reduce costs and improve efficiency within the Port Authority and the 10-year Capital/Strategic Plan.

DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER COMMON-SITE INFRASTRUCTURE – CENTRAL CHILLER PLANT AND RIVER WATER SYSTEM – PLANNING AUTHORIZATION

It was recommended that the Board authorize: (1) planning in an estimated amount of \$6 million for engineering and design of a World Trade Center (WTC) Central Chiller Plant and River Water System Project; and (2) the Executive Director to: (a) take such action with respect to contracts for professional services and other contracts related to the project as he deems in the best interest of the Port Authority; and (b) enter into any other agreements necessary to effectuate the planning and design effort.

The primary and secondary chiller plants on the WTC site were destroyed by the terrorist attacks of September 11, 2001. The combined capacity of both plants was approximately 59,000 tons, and the plants supplied chilled water for the base-building and tenant air conditioning requirements at the WTC. The chiller plant system also included river water lines that connected the chiller plants to the river water pump house located in Battery Park City. The river water lines and the pump house remain intact and can be rehabilitated. Prior to September 11, 2001, these facilities served the WTC commercial office space, as well as retail, hotel and the U.S. Custom House space. Under the WTC net leases, Silverstein Properties, Inc. (SPI) has the obligation to restore this cooling water capacity at the WTC site.

Through mid-2005, the post-9/11 WTC Site Master Plan has been based on a 40,000-ton-capacity Central Chiller Plant that would utilize Hudson River water and serve all the planned facilities on the entire WTC site, and that SPI would install a system similar to the pre-9/11 central chiller plants. However, as a part of the regulatory process, a State Pollutant Discharge Elimination System (SPDES) permit is required to be obtained from the New York State Department of Environmental Conservation (NYSDEC) for the usage of the Hudson River water serving the WTC site. In March 2005, the Port Authority submitted its SPDES permit renewal application, along with a comprehensive Best Technologies Available and Alternative Cooling Systems Study, that requested approval to maintain a maximum river water flow rate of 120,000 gallons per minute (gpm). Following numerous discussions, meetings and correspondence among NYSDEC, Lower Manhattan Development Corporation, SPI and the Port Authority, NYSDEC has agreed to allow the Port Authority to apply for a maximum river water flow rate usage of 30,000 gpm for the WTC site, in response to environmental concerns raised by external advocacy groups.

The proposed Central Chiller Plant, with an installed capacity of 12,500 tons, would meet cooling load demand of 10,000 tons, and is based on the current maximum allowable usage of river water flow rate of 30,000 gpm. The primary regulatory issue is the percentage reduction of entrainment and impingement of fish eggs and larvae. Pursuant to recent NYSDEC regulations for cooling water intake structures, all feasible intake technologies and operational measures must be implemented to reduce impingement by no less than 80 percent, and entrainment by no less than 60 percent, from pre-9/11 levels. With the new NYSDEC requirements, SPI determined that it would be more cost-effective for it to use an alternative water source for cooling, and decided not to pursue a Central Chiller Plant system for cooling the WTC site commercial office buildings. However, a Central Chiller Plant/river water

system remains the most feasible and cost-effective solution to provide air conditioning for the remaining (non-office) facilities, including the WTC Transportation Hub, retail development, and Memorial/Museum. The Port Authority can advance the design of this facility in conjunction with its projects at the WTC site.

The Port Authority has reserved its legal rights with respect to SPI's net lease obligation to provide base-building utility services (including cooling) to non-office facilities.

This project will be closely coordinated with ongoing planning and engineering efforts for the WTC Transportation Hub, retail development, and Memorial/Museum. Project implementation and construction coordination also remain to be developed.

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

RESOLVED, that planning, in an estimated amount of \$6 million, for engineering and design of a World Trade Center Chiller Plant and River Water System Project, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) take action with respect to contracts for professional services and other contracts related to the foregoing project as he deems in the best interest of the Port Authority; and (2) enter into any other agreements necessary to effectuate the foregoing planning and design effort, subject to advising the Commissioners of individual contracts or agreements to be acted on pursuant to this authorization prior to taking or authorizing such action; and it is further

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

REGIONAL ALLIANCE FOR SMALL CONTRACTORS, INC. – RENEWAL OF PARTICIPATION

It was recommended that the Board authorize the Executive Director to enter into an agreement with the Regional Alliance for Small Contractors, Inc. (Regional Alliance) for a period of one year, beginning on January 1, 2006, pursuant to which the Regional Alliance would: (1) provide an array of training services and programs to increase the ability of minority, women-owned, small, and disadvantaged business enterprises (M/W/S/DBEs) to bid successfully, obtain financing, and prepare for contracts in connection with the Port Authority's capital programs, as well as those of major tenants, at a cost not to exceed \$185,000; and (2) provide M/W/DBE program oversight for aviation tenant construction projects at a cost not to exceed \$328,000. Under the agreement, the Port Authority also would provide a rental credit of \$20,000 to the Regional Alliance to offset the cost of office space rental at the Port Authority Bus Terminal. In addition, the Port Authority would provide, at no cost, approximately 500 square feet of office space at John F. Kennedy International (JFK) and Newark Liberty International (EWR) Airports for Regional Alliance staff.

The Regional Alliance is a not-for-profit corporation formed to carry out a cooperative effort, initiated by the Port Authority with the participation of other state and local agencies and private firms in the construction industry, to increase the capacity of M/W/S/DBEs to bid on and perform public contracts. It has proven to be an effective way to pool public and private resources to provide training programs and technical assistance to M/W/S/DBE firms in the region.

Port Authority participation in the Regional Alliance was authorized initially by the Board in 1990 for the training and development of M/W/S/DBEs and has been renewed thereafter. In April 2005, the Board authorized a supplemental agreement with the Regional Alliance to provide M/W/DBE program oversight for aviation tenant construction projects, for a period of seven months at a compensation not to exceed \$185,000. Staff determined that a cost savings of approximately \$60,000 was achieved over that seven-month period by reducing and consolidating airport consultant staff performing this effort under one agreement with the Regional Alliance. Annualized, that savings would total \$103,000. In the past, the Regional Alliance performed the oversight function for other airport-related projects, including Continental Airlines Inc.'s Global Gateway and the JFK and EWR Business Resource Centers.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the Regional Alliance for Small Contractors, Inc. (Regional Alliance) for a one-year period, commencing on January 1, 2006, pursuant to which the Regional Alliance will: (1) provide training services and programs to increase the ability of minority, women-owned, small and disadvantaged business enterprises (M/W/S/DBEs) to bid successfully, obtain financing and prepare for contracts in connection with the Port

Authority's capital programs, as well as those of major tenants, at a cost not to exceed \$185,000; and (2) provide M/W/DBE program oversight for aviation tenant construction at a cost not to exceed \$328,000, and pursuant to which the Port Authority would also: (a) provide a rental credit of \$20,000 to the Regional Alliance to offset their cost of office space rental at the Port Authority Bus Terminal; and (b) provide approximately 500 square feet of office space at John F. Kennedy International and Newark Liberty International Airports, at no cost, for Regional Alliance staff performing aviation program oversight; and it is further

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

THE REGIONAL STRATEGIC PLANNING PROCESS – ACADEMIC INSTITUTION RESEARCH AND AGREEMENTS WITH RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY AND NEW YORK UNIVERSITY

It was recommended that the Board authorize the Executive Director to enter into agreements with New York and New Jersey academic institutions, perhaps as many as four, pursuant to which the Port Authority would fund research and analysis to assist the Port Authority in assessing and developing several strategic regional transportation initiatives. These initiatives would include strategic distribution business development planning, transit-oriented development centers and freight transportation workforce development. It is anticipated that up to two of the aforementioned studies would be performed by academic institutions in each of the two States, that the funds made available through this action would be distributed equally between the States, and that the total amount provided by the Port Authority would not exceed \$600,000.

It was recommended further that the Board authorize the Executive Director to enter into the first two of these agreements. The first would be with Rutgers, The State University of New Jersey, Center for Advanced Infrastructure and Transportation (CAIT), with the Port Authority to provide an amount not to exceed \$200,000 in order for CAIT to proceed with the first component study area, the development of a comprehensive Strategic Distribution Business Development Plan, to maximize and exploit the New York-New Jersey region's dominant position in goods movement and to attract and sustain growth in the region's import distribution market. The second agreement would be with New York University's Rudin Center for Transportation Policy and Management, in an amount not to exceed \$150,000, and would be designed to help prioritize future capital investments in Intelligent Transportation Systems (ITS) by assessing ITS applications that mitigate and manage traffic congestion, both at the agency and regional levels.

In connection with the adoption of the Port Authority's 2005 Budget at its meeting of December 9, 2004, the Board approved a preliminary statement of the agency's vision and strategic direction, entitled *2005-2014 Port Authority Plan: A Vision for the Region* (Plan), and an updated version, including a 2006-2015 Capital Plan, is to be reviewed in December 2005. The Plan encompasses five strategic campaigns aimed at supporting the region's future growth and prosperity, its quality of life, and its competitive position in the global economy through transportation investment. Although the campaigns and related strategic investment initiatives have been well researched, and their regional benefits and costs well documented, some elements of the Plan are at a preliminary stage of development, and will require substantial research and analysis before they become fully incorporated within the agency's long-term strategic agenda. Staff has recommended the use of outside services available through academic institutions in New York and New Jersey to enable complete and timely consideration of key proposals.

The freight distribution research would assist the Port Authority and its partners in creating and staffing the specialized transportation facilities and services needed to support the timely and reliable movement of goods while mitigating adverse social and environmental effects. Increased efficiency in cargo movements would benefit Port Authority freight facilities and the region's transportation network. Additional research would identify mechanisms by

which the Port Authority could partner in the creation of economically sustainable transit-oriented development.

The Board would be informed of the details of future agreements pursuant to this authorization, as their definitive scopes of work are refined.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with academic institutions located in New York and New Jersey, pursuant to which the Port Authority will fund research and analysis to assist the Port Authority in assessing and developing several strategic regional transportation initiatives; 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: (1) an agreement with Rutgers, The State University of New Jersey, Center for Advanced Infrastructure and Transportation (CAIT), for CAIT to proceed with the development of a comprehensive Strategic Distribution Business Development Plan, with the Port Authority to provide CAIT with funding in an amount not to exceed \$200,000; and (2) an agreement with New York University's Rudin Center for Transportation Policy and Management designed to help prioritize future capital investments in Intelligent Transportation Systems, with the Port Authority to provide funding in an amount not to exceed \$150,000; 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.

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 August 1, 2005 to August 31, 2005.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
DMH945024	SEWER LINE HEAT TRACE	90,000 (A)	90,000	90,000
	AND PROTECTION	24,000 (B)	52,000 (E)	46,400
	DOWNTOWN MANHATTAN	<u>6,840 (D)</u>	<u>6,840</u>	<u>--0--</u>
	HELIPORT	120,840	148,840	136,400
	VISTA ENGINEERING CORPORATION			
EWR154101	BUILDING #58 - FIRE	2,764,000 (A)	2,764,000	2,764,000
	PUMPING STATION AND	175,000 (B)	175,000	173,563
	ADDITIONAL WATER	400,000 (C)	575,000 (G)	526,187
	STORAGE TANK	<u>176,340 (D)</u>	<u>376,340 (F)</u>	<u>325,701</u>
	NEWARK LIBERTY INTERNATIONAL AIRPORT TAK CONSTRUCTION, INC.	3,515,340	3,890,340	3,789,451
EWR722	REGRAIDING OF TURF AREAS	543,530 (A)	543,530	538,713 (H)
	RUNWAY 11-29	446,460 (B)	446,460	358,868
	NEWARK LIBERTY	450,000 (C)	450,000	260,378
	INTERNATIONAL AIRPORT	59,399 (D)	59,399	4,667
	MARSELLIS-WARNER CORPORATION	<u>--0--</u>	<u>--0--</u>	<u>11,385 (I)</u>
	1,499,389	1,499,389	1,174,011	
GWB451	MAIN TOLLS - HVAC	258,000 (A)	258,000	198,869 (K)
	SYSTEM UPGRADE	<u>20,640 (D)</u>	<u>75,640 (J)</u>	<u>67,740</u>
	GEORGE WASHINGTON BRIDGE	278,640	333,640	266,609
	DJH MECHANICAL ASSOCIATES LTD			
HH334008	OPEN AREA PAVING AND	2,261,300 (A)	2,261,300	2,261,300
	UTILITIES	3,895,075 (B)	3,895,075	3,766,575
	HOWLAND HOOK MARINE	600,000 (C)	5,250,000 (L,M,N,O)	4,241,677
	TERMINAL	<u>369,383 (D)</u>	<u>369,383</u>	<u>110,539</u>
	RAILROAD CONSTRUCTION COMPANY, INC.	7,125,758	11,775,758	10,380,091

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
MFB100512	IMMEDIATE REPAIRS LINCOLN TUNNEL AND PORT AUTHORITY BUS TERMINAL GARDNER BISHOP AND JOSEPH SANZARI, INC. A JOINT VENTURE	<u>1,000,000</u> (C) 1,000,000	<u>1,000,000</u> 1,000,000	<u>615,426</u> 615,426
MFP994901Z	MULTI-FACILITY MAINTENANCE DREDGING AND BERTH DEEPENING NEW JERSEY MARINE TERMINALS GREAT LAKES DREDGE AND DOCK COMPANY	10,742,400 (B) 500,000 (C) <u>644,544</u> (D) 11,886,944	10,742,400 500,000 <u>644,544</u> 11,886,944	8,554,068 --0-- <u>549,607</u> 9,103,675

(A) Lump Sum.

(B) Classified Work.

(C) Net Cost - amount in the "Total Authorized" column represents the authorized estimated net cost amount. However, the amount in the "Total Payments" column is the actual net cost amount paid.

(D) Extra Work.

(E) Increase in classified work in the amount of \$28,000 authorized on 3/10/2005.

(F) Increase in extra work in the amount of \$200,000 authorized on 2/2/2000.

(G) Increase in net cost work in the amount of \$175,000 authorized on 2/26/2000.

(H) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$4,817 for the deletion of part of the work.

(I) Increase in the contractor's compensation pursuant to the "Emergency Delays" clause, in the amount of \$11,385, as provided for in the contract.

(J) Increase in extra work in the amount of \$55,000 authorized on 3/22/2001.

(K) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$59,131 for the deletion of part of the work.

(L) Increase in net cost work in the amount of \$700,000 authorized on 2/8/2001.

(M) Increase in net cost work in the amount of \$400,000 authorized on 5/1/2001.

(N) Increase in net cost work in the amount of \$2,800,000 authorized on 6/26/2001.

(O) Increase in net cost work in the amount of \$750,000 authorized on 10/25/2001.

FINAL CONTRACT PAYMENTS

The Comptroller's Department reported, for information only, that the contract set forth hereafter has been completed satisfactorily by the contractor. Final payment has been made in the period of September 1, 2005 to September 30, 2005.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
JFK134215	INTERNATIONAL AIR TERMINAL COMPOUND AREA REMEDIATION JOHN F. KENNEDY INTERNATIONAL AIRPORT ENVIRO-SCIENCES, INC.	321,048 (A) 426,699 (B) 50,000 (C) <u>44,865</u> (D) 842,612	321,048 426,699 50,000 <u>207,000</u> (E,F) 1,004,747	321,048 417,821 4,410 <u>203,031</u> 946,310

(A) Lump Sum.

(B) Classified Work.

(C) Net Cost - amount in the "Total Authorized" column represents the authorized estimated net cost amount. However, the amount in the "Total Payments" column is the actual net cost amount paid.

(D) Extra Work.

(E) Increase in extra work in the amount of \$92,071 authorized on 11/13/2000.

(F) Increase in extra work in the amount of \$70,064 authorized on 8/20/2002.

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

RECOMMENDATION: NONE

The Committee on Finance reported, for information only, that in accordance with the authority granted by the Committee, the Executive Director had authorized the following security transactions during the period September 1, 2005 through September 30, 2005.

REPORT A:

Purchase of Port Authority Bonds

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

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

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/01/05	\$50,000,000	FHDN	--	09/15/05	99.87	3.390%	3.450%	\$49,934,083.35	Merrill Lynch
09/01/05	25,000,000	GECC CP	--	09/02/05	99.99	3.540	3.604	24,997,541.67	G.E. Capital
09/01/05	50,000,000	UBSFIN CP	--	09/06/05	99.95	3.530	3.594	49,975,486.11	Banc of America
09/01/05	7,000,000	UBSFIN CP	--	09/06/05	99.95	3.530	3.594	6,996,568.06	Banc of America
09/01/05	300,000	JFK-APO	6.375%	12/01/15	99.90	--	6.388	299,700.00	JFKIAT-APO
09/02/05	50,000,000	GECC CP	--	09/06/05	99.96	3.470	3.532	49,980,722.22	G.E. Capital
09/02/05	4,000,000	GECC CP	--	09/06/05	99.96	3.470	3.532	3,998,457.78	G.E. Capital
09/06/05	25,000,000	FNDN	--	09/07/05	99.99	3.400	3.459	24,997,638.89	Lehman Brothers
09/06/05	50,000,000	GECC CP	--	09/13/05	99.93	3.480	3.542	49,966,166.67	G.E. Capital
09/06/05	50,000,000	DBKFIN CP	--	09/08/05	99.98	3.480	3.542	49,990,333.33	Deutsche Bank
09/06/05	7,000,000	UBSFIN CP	--	09/07/05	99.99	3.480	3.541	6,999,323.33	Banc of America
09/06/05	50,000,000	UBSFIN CP	--	09/07/05	99.99	3.480	3.541	49,995,166.67	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/07/05	\$25,000,000	USTB	--	12/15/05	99.07	3.380%	3.454%	\$24,767,625.00	Citiglobal
09/07/05	50,000,000	GECC CP	--	09/08/05	99.99	3.490	3.552	49,995,152.78	G.E. Capital
09/07/05	20,000,000	UBSFIN CP	--	09/08/05	99.99	3.490	3.552	19,998,061.11	Lehman Brothers
09/07/05	50,000,000	CITIGROUP	--	09/09/05	99.98	3.480	3.542	49,990,333.33	Citigroup
09/08/05	20,000,000	USTB	--	10/06/05	99.74	3.320	3.380	19,948,355.56	Deutsche Bank
09/08/05	25,000,000	USTB	--	10/06/05	99.74	3.320	3.380	24,935,444.45	Deutsche Bank
09/08/05	20,000,000	USTB	--	10/06/05	99.74	3.320	3.380	19,948,355.56	Deutsche Bank
09/08/05	30,000,000	USTB	--	10/06/05	99.74	3.320	3.380	29,922,533.33	Deutsche Bank
09/08/05	50,000,000	USTB	--	10/06/05	99.74	3.320	3.380	49,870,888.89	Deutsche Bank
09/08/05	50,000,000	USTB	--	09/15/05	99.93	3.436	3.497	49,966,594.45	JPMorgan
09/08/05	50,000,000	USTB	--	09/14/05	99.94	3.420	3.480	49,971,500.00	JPMorgan
09/08/05	27,000,000	GECC CP	--	09/09/05	99.99	3.470	3.531	26,997,397.50	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/09/05	\$50,000,000	UBSFIN CP	--	09/12/05	99.97	3.460%	3.521%	\$49,985,583.33	Lehman Brothers
09/09/05	18,000,000	UBSFIN CP	--	09/12/05	99.97	3.460	3.521	17,994,810.00	Lehman Brothers
09/09/05	50,000,000	DBKFIN CP	--	09/13/05	99.96	3.460	3.521	49,980,777.78	Deutsche Bank
09/12/05	30,000,000	GE CORP	--	09/13/05	99.99	3.490	3.552	29,997,091.67	G.E. Capital
09/12/05	26,000,000	UBSFIN CP	--	09/13/05	99.99	3.490	3.552	25,997,479.44	Lehman Brothers
09/12/05	50,000,000	DBKFIN CP	--	09/15/05	99.97	3.490	3.552	49,985,458.33	Deutsche Bank
09/13/05	50,000,000	USTB	--	09/14/05	99.99	3.400	3.459	49,995,277.78	JPMorgan
09/13/05	25,000,000	FHDN	--	09/16/05	99.97	3.440	3.500	24,992,833.33	Lehman Brothers
09/13/05	50,000,000	GE CORP	--	09/14/05	99.99	3.480	3.541	49,995,166.67	G.E. Capital
09/13/05	50,000,000	GE CORP	--	09/14/05	99.99	3.480	3.541	49,995,166.67	G.E. Capital
09/14/05	25,000,000	FHDN	--	09/15/05	99.99	3.400	3.459	24,997,638.89	Mizuho
09/14/05	50,000,000	GECC CP	--	09/22/05	99.92	3.530	3.594	49,960,777.78	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/14/05	\$50,000,000	GECC CP	--	09/15/05	99.99	3.490%	3.552%	\$49,995,152.78	G.E. Capital
09/14/05	30,000,000	UBSFIN CP	--	09/15/05	99.99	3.480	3.541	29,997,100.00	Lehman Brothers
09/14/05	50,000,000	DBKFIN CP	--	09/20/05	99.94	3.570	3.636	49,970,250.00	Deutsche Bank
09/15/05	25,000,000	FHDN	--	09/16/05	99.99	3.540	3.604	24,997,541.67	Lehman Brothers
09/15/05	50,000,000	GECC CP	--	09/16/05	99.99	3.680	3.749	49,994,888.89	G.E. Capital
09/15/05	30,000,000	UBSFIN CP	--	09/16/05	99.99	3.660	3.728	29,996,950.00	Lehman Brothers
09/15/05	50,000,000	DBKFIN CP	--	09/16/05	99.99	3.690	3.759	49,994,875.00	Deutsche Bank
09/15/05	50,000,000	UBSFIN CP	--	09/16/05	99.99	3.660	3.728	49,994,916.67	Banc of America
09/16/05	50,000,000	FHDN	--	09/21/05	99.95	3.500	3.563	49,975,694.44	Lehman Brothers
09/16/05	50,000,000	FHDN	--	09/28/05	99.88	3.510	3.574	49,941,500.00	Mizuho
09/16/05	50,000,000	FHDN	--	10/12/05	99.74	3.600	3.670	49,870,000.00	Citiglobal
09/16/05	50,000,000	GECC CP	--	09/19/05	99.97	3.640	3.708	49,984,833.33	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/16/05	\$50,000,000	DBKFIN CP	--	09/19/05	99.97	3.620%	3.687%	\$49,984,916.67	Deutsche Bank
09/16/05	50,000,000	UBSFIN CP	--	09/19/05	99.97	3.620	3.687	49,984,916.67	Banc of America
09/19/05	50,000,000	FHDN	--	09/30/05	99.89	3.500	3.564	49,946,527.80	Goldman Sachs
09/19/05	50,000,000	UBSFIN CP	--	09/20/05	99.99	3.650	3.718	49,994,930.56	Lehman Brothers
09/19/05	50,000,000	UBSFIN CP	--	09/20/05	99.99	3.650	3.718	49,994,930.56	Banc of America
09/20/05	50,000,000	FHDN	--	09/26/05	99.94	3.580	3.646	49,970,166.67	Lehman Brothers
09/20/05	32,000,000	GECC CP	--	09/21/05	99.99	3.610	3.676	31,996,791.11	G.E. Capital
09/20/05	50,000,000	UBSFIN CP	--	09/21/05	99.99	3.620	3.687	49,994,972.22	Banc of America
09/20/05	50,000,000	UBSFIN CP	--	09/21/05	99.99	3.620	3.687	49,994,972.22	Banc of America
09/21/05	30,000,000	FHDN	--	11/16/05	99.43	3.680	3.760	29,828,266.68	Goldman Sachs
09/21/05	30,000,000	FHDN	--	09/23/05	99.98	3.600	3.666	29,994,000.00	Lehman Brothers
09/21/05	22,000,000	FHDN	--	10/21/05	99.70	3.650	3.723	21,933,083.33	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/21/05	\$50,000,000	FHDN	--	11/23/05	99.35	3.700%	3.782%	\$49,676,250.00	Merrill Lynch
09/21/05	50,000,000	GE CORP	--	09/27/05	99.94	3.700	3.770	49,969,166.67	G.E. Capital
09/21/05	32,400,000	DBKFIN CP	--	09/22/05	99.99	3.710	3.780	32,396,661.00	Deutsche Bank
09/22/05	50,000,000	DBKFIN CP	--	09/23/05	99.99	3.710	3.780	49,994,847.22	Deutsche Bank
09/22/05	32,000,000	DBKFIN CP	--	09/23/05	99.99	3.720	3.790	31,996,693.33	Deutsche Bank
09/22/05	5,000,000	DBKFIN CP	--	09/23/05	99.99	3.720	3.790	4,999,483.33	Deutsche Bank
09/23/05	50,000,000	GECC CP	--	09/26/05	99.97	3.720	3.791	49,984,500.00	G.E. Capital
09/23/05	50,000,000	DBKFIN CP	--	09/26/05	99.97	3.730	3.801	49,984,458.33	Deutsche Bank
09/23/05	50,000,000	DBKFIN CP	--	09/26/05	99.97	3.730	3.801	49,984,458.33	Deutsche Bank
09/23/05	5,450,000	UBSFIN CP	--	09/26/05	99.97	3.700	3.770	5,448,319.58	Banc of America
09/26/05	50,000,000	FHDN	--	10/04/05	99.92	3.580	3.646	49,960,222.22	Citiglobal
09/26/05	50,000,000	FHDN	--	10/03/05	99.93	3.580	3.646	49,965,194.44	Citiglobal

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/26/05	\$50,000,000	GECC CP	--	09/27/05	99.99	3.740%	3.811%	\$49,994,805.56	G.E. Capital
09/26/05	50,000,000	DBKFIN CP	--	09/29/05	99.97	3.750	3.822	49,984,375.00	Deutsche Bank
09/26/05	24,000,000	UBSFIN CP	--	09/27/05	99.99	3.730	3.801	23,997,513.33	Banc of America
09/27/05	25,000,000	USTN	2.875%	11/30/06	98.70	--	4.009	24,675,781.25	Merrill Lynch
09/27/05	50,000,000	FHDN	--	10/06/05	99.91	3.570	3.636	49,955,375.00	Citiglobal
09/27/05	45,000,000	UBSFIN CP	--	09/28/05	99.99	3.780	3.853	44,995,275.00	Lehman Brothers
09/28/05	50,000,000	USTB	--	11/17/05	99.55	3.250	3.311	49,774,305.56	Goldman Sachs
09/28/05	50,000,000	USTB	--	11/17/05	99.55	3.250	3.311	49,774,305.56	Goldman Sachs
09/28/05	50,000,000	USTB	--	10/27/05	99.75	3.120	3.173	49,874,333.34	Greenwich Capital
09/28/05	50,000,000	USTB	--	10/27/05	99.75	3.140	3.194	49,873,527.78	Greenwich Capital
09/28/05	12,322,000	USTB	--	10/27/05	99.75	3.120	3.173	12,291,030.71	Banc of America
09/28/05	50,000,000	USTB	--	10/27/05	99.75	3.140	3.194	49,873,527.78	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/28/05	\$50,000,000	FHDN	--	11/30/05	99.35	3.740%	3.824%	\$49,672,750.00	Greenwich Capital
09/28/05	1,264,000	USTB	--	02/23/06	98.49	3.685	3.783	1,244,851.10	JPMorgan
09/28/05	45,000,000	FHDN	--	10/11/05	99.87	3.540	3.606	44,942,475.00	Citiglobal
09/28/05	50,000,000	UBSFIN CP	--	09/29/05	99.99	3.740	3.811	49,994,805.56	Banc of America
09/29/05	50,000,000	USTB	--	10/27/05	99.76	3.046	3.097	49,881,544.45	Deutsche Bank
09/29/05	20,000,000	USTB	--	11/17/05	99.56	3.201	3.260	19,912,861.67	Deutsche Bank
09/29/05	27,000,000	GECC CP	--	10/07/05	99.92	3.700	3.771	26,977,800.00	G.E. Capital
09/29/05	50,000,000	UBSFIN CP	--	09/30/05	99.99	3.780	3.853	49,994,750.00	Banc of America
09/29/05	50,000,000	UBSFIN CP	--	09/30/05	99.99	3.780	3.853	49,994,750.00	Banc of America
09/29/05	164,500,000	JFK-APO	6.375%	12/01/25	100.00	--	6.373	164,500,000.00	JFKIAT-APO
09/30/05	22,000,000	FHDN	--	11/14/05	99.54	3.700	3.778	21,898,250.00	Lehman Brothers
09/30/05	20,000,000	GECC CP	--	10/03/05	99.97	3.820	3.895	19,993,633.33	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
09/30/05	\$50,000,000	UBSFIN CP	--	10/03/05	99.97	3.860%	3.936%	\$49,983,916.67	Lehman Brothers
09/30/05	50,000,000	UBSFIN CP	--	10/03/05	99.97	3.860	3.936	49,983,916.67	Lehman Brothers
09/30/05	50,000,000	DBKFIN CP	--	10/03/05	99.97	3.880	3.957	49,983,833.33	Deutsche Bank
09/30/05	5,400,000	JFK-APO	6.375%	12/01/25	100.00	--	6.373	5,400,000.00	JFKIAT-APO
09/30/05	<u>300,000</u>	JFK-APO	6.375	12/01/25	100.00	--	6.373	<u>300,000.00</u>	JFKIAT-APO
								<u>\$3,994,936,000</u>	
								<u>\$3,990,738,217.08</u>	

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

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
09/29/05	\$ 20,000,000	USTB	--	11/03/05	99.70	3.038%	\$ 19,940,937.50	ABN AMRO
09/29/05	50,000,000	USTB	--	10/06/05	99.95	2.570	49,975,013.89	JPMorgan
09/29/05	164,500,000	JFK-APO	6.375%	12/01/15	100.00	--	164,500,000	JFKIAT-APO
09/30/05	<u>5,700,000</u>	JFK-APO	6.375	12/01/15	100.00	--	<u>5,700,000</u>	
	<u>\$ 240,200,000</u>						<u>\$ 240,115,951.39</u>	

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 of America	09/01/05	09/06/05	\$13,466,000	3.480%	\$ 6,508.57
Banc of America	09/01/05	09/06/05	16,105,000	3.480	7,784.08
Banc of America	09/01/05	09/06/05	19,191,000	3.480	9,275.65
Banc of America	09/01/05	09/06/05	22,428,000	3.480	10,840.20
Banc of America	09/01/05	09/06/05	25,000,000	3.480	12,083.33
Lehman Brothers	09/01/05	09/29/05	28,673,750	3.500	78,319.18 *
Lehman Brothers	09/01/05	09/29/05	29,662,500	3.500	81,019.83 *
Banc of America	09/01/05	09/06/05	34,674,000	3.480	16,759.10
Nomura	09/06/05	09/08/05	13,472,000	3.450	2,582.13
Nomura	09/06/05	09/08/05	15,367,000	3.450	2,945.34
Nomura	09/06/05	09/07/05	17,904,000	3.470	1,725.75
Nomura	09/06/05	09/08/05	19,191,000	3.450	3,678.28

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	09/06/05	09/08/05	\$21,334,000	3.450%	\$ 4,089.02
Lehman Brothers	09/06/05	09/29/05	21,890,000	3.450	49,197.77 *
Nomura	09/06/05	09/07/05	25,264,000	3.470	2,435.17
Nomura	09/06/05	09/08/05	33,172,000	3.450	6,357.97
Nomura	09/06/05	09/07/05	48,938,000	3.470	4,717.08
Citiglobal	09/07/05	09/08/05	955,000	3.450	91.52 *
Dresdner	09/07/05	09/08/05	19,380,000	3.440	1,851.87
Citiglobal	09/07/05	09/14/05	30,883,750	3.450	20,460.48 *
Citiglobal	09/07/05	09/14/05	30,883,750	3.450	20,460.48 *
Dresdner	09/07/05	09/08/05	47,468,000	3.440	4,535.83
Citiglobal	09/07/05	09/08/05	48,920,000	3.450	4,688.17 *
Nomura	09/08/05	09/12/05	4,068,000	3.430	1,550.36

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	09/08/05	09/12/05	\$16,330,000	3.430%	\$ 6,223.54
Nomura	09/08/05	09/09/05	18,271,000	3.440	1,745.90
Nomura	09/08/05	09/12/05	24,103,000	3.430	9,185.92
Mizuho	09/08/05	09/30/05	24,775,000	3.450	53,555.30 *
Nomura	09/08/05	09/12/05	25,448,000	3.430	9,698.52
Nomura	09/08/05	09/12/05	28,301,000	3.430	10,785.83
Nomura	09/08/05	09/12/05	32,541,000	3.430	12,401.74
Nomura	09/08/05	09/09/05	48,583,000	3.440	4,642.38
Daiwa	09/09/05	09/12/05	18,025,000	3.430	5,152.15
Daiwa	09/09/05	09/12/05	48,835,000	3.430	13,958.67
Nomura	09/12/05	09/14/05	4,119,000	3.450	789.48
Nomura	09/12/05	09/14/05	12,217,000	3.450	2,341.59

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	09/12/05	09/13/05	\$17,879,000	3.450%	\$ 1,713.40
Nomura	09/12/05	09/14/05	24,112,000	3.450	4,621.47
Nomura	09/12/05	09/14/05	25,457,000	3.450	4,879.26
Nomura	09/12/05	09/14/05	32,382,000	3.450	6,206.55
Nomura	09/12/05	09/14/05	32,553,000	3.450	6,239.33
Nomura	09/12/05	09/13/05	49,000,000	3.450	4,695.83
ABN AMRO	09/13/05	09/15/05	18,304,000	3.430	3,487.93
ABN AMRO	09/13/05	09/15/05	48,581,000	3.430	9,257.38
Banc of America	09/14/05	09/19/05	16,070,000	3.470	7,744.85
Banc of America	09/14/05	09/19/05	24,108,000	3.470	11,618.72
Banc of America	09/14/05	09/19/05	25,462,000	3.470	12,271.27
Banc of America	09/14/05	09/19/05	30,873,000	3.470	14,879.07

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Banc of America	09/14/05	09/19/05	\$32,104,000	3.470%	\$15,472.34
Daiwa	09/15/05	09/27/05	30,891,500	3.600	37,147.02 *
Daiwa	09/15/05	09/27/05	30,891,500	3.600	37,147.02 *
Mizuho	09/15/05	09/19/05	33,020,000	3.570	13,097.93
Daiwa	09/15/05	09/27/05	33,433,000	3.600	40,193.89 *
Daiwa	09/15/05	09/27/05	33,433,000	3.600	40,193.89 *
ABN AMRO	09/15/05	09/27/05	37,943,000	3.600	45,183.79 *
ABN AMRO	09/15/05	09/27/05	38,941,500	3.600	46,372.84 *
ABN AMRO	09/15/05	09/27/05	38,941,500	3.600	46,372.84 *
Mizuho	09/15/05	09/19/05	48,878,000	3.570	19,388.27
Mizuho	09/16/05	09/23/05	28,942,000	3.550	20,050.38 *
Mizuho	09/16/05	09/23/05	28,942,000	3.550	20,050.38 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
ABN AMRO	09/16/05	Open	\$29,441,000 *	Variable **	\$43,605.40 ***
ABN AMRO	09/16/05	Open	29,441,000 *	Variable **	43,605.40 ***
Nomura	09/19/05	09/22/05	11,601,000	3.580	3,460.96
Nomura	09/19/05	09/22/05	23,541,000	3.580	7,023.06
Nomura	09/19/05	09/22/05	25,475,000	3.580	7,600.04
Nomura	09/19/05	09/22/05	29,529,000	3.580	8,809.48
Nomura	09/19/05	09/22/05	30,019,000	3.580	8,955.67
Daiwa	09/19/05	09/21/05	40,000,000	3.580	7,955.56
Nomura	09/19/05	09/21/05	41,930,000	3.580	8,339.41
BNP Paribas	09/21/05	09/22/05	33,517,000	3.580	3,333.08
BNP Paribas	09/21/05	09/22/05	48,429,000	3.580	4,816.00
Nomura	09/22/05	09/26/05	11,239,000	3.600	4,495.60

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	09/22/05	09/26/05	\$22,619,000	3.600%	\$ 9,047.60
Nomura	09/22/05	09/26/05	24,740,000	3.600	9,896.00
Nomura	09/22/05	09/26/05	28,171,000	3.600	11,268.40
Nomura	09/22/05	09/26/05	29,497,000	3.600	11,798.80
Banc of America	09/22/05	09/26/05	30,242,000	3.580	12,029.60
Banc of America	09/22/05	09/26/05	51,712,000	3.580	20,569.88
Nomura	09/26/05	09/28/05	11,079,000	3.625	2,231.19
Nomura	09/26/05	09/28/05	21,482,000	3.625	4,326.24
Nomura	09/26/05	09/28/05	24,485,000	3.625	4,931.01
Nomura	09/26/05	09/28/05	25,472,000	3.625	5,129.78
Nomura	09/26/05	09/28/05	27,073,000	3.625	5,452.20
Daiwa	09/26/05	09/27/05	28,971,000	3.650	2,937.34 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	09/26/05	09/27/05	\$28,971,000	3.650%	\$ 2,937.34 *
Nomura	09/26/05	09/28/05	33,784,000	3.625	6,803.72
Nomura	09/26/05	09/28/05	48,203,000	3.625	9,707.55
Daiwa	09/27/05	Open	20,050,000 *	Variable **	7,897.47 ***
Daiwa	09/27/05	Open	31,640,000 *	Variable **	12,462.64 ***
ABN AMRO	09/28/05	09/29/05	1,776,000	3.600	177.60 *
ABN AMRO	09/28/05	Open	1,776,000 *	Variable **	513.06 ***
Nomura	09/28/05	10/03/05	11,081,000	3.620	3,342.77
Nomura	09/28/05	10/03/05	21,486,000	3.620	6,481.61
Nomura	09/28/05	10/03/05	24,490,000	3.620	7,387.82
ABN AMRO	09/28/05	Open	24,750,000 *	Variable **	7,150.01 ***
Nomura	09/28/05	10/03/05	25,477,000	3.620	7,685.56

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	09/28/05	10/03/05	\$27,078,000	3.620%	\$ 8,168.53
Morgan Stanley	09/28/05	10/03/05	30,120,000	3.600	9,036.00
Morgan Stanley	09/28/05	10/03/05	39,275,000	3.600	11,782.50
ABN AMRO	09/28/05	09/29/05	48,199,000	3.600	4,819.90 *
ABN AMRO	09/28/05	Open	48,199,000 *	Variable **	13,991.10 ***
Morgan Stanley	09/28/05	10/03/05	51,880,000	3.600	15,564.00
Morgan Stanley	09/28/05	10/03/05	52,640,000	3.600	15,792.00
ABN AMRO	09/29/05	10/03/05	4,893,000	3.530	959.57
Morgan Stanley	09/29/05	10/03/05	16,100,000	3.540	3,166.34
Lehman Brothers	09/29/05	Open	35,982,000 *	Variable **	6,796.60 ***
Lehman Brothers	09/29/05	Open	41,811,000 *	Variable **	7,897.64 ***
Lehman Brothers	09/29/05	Open	42,806,500 *	Variable **	8,085.67 ***

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>
Lehman Brothers	09/29/05	Open	\$42,806,500 *	Variable **	\$8,085.67 ***
ABN AMRO	09/29/05	10/03/05	50,207,000	3.530%	9,846.15
Daiwa	09/30/05	Open	277,000 *	Variable **	26.16 ***
Daiwa	09/30/05	10/03/05	7,127,000	3.300	653.31
Mizuho	09/30/05	Open	29,790,000 *	Variable **	2,689.37 ***
Mizuho	09/30/05	Open	29,790,000 *	Variable **	2,689.37 ***
Daiwa	09/30/05	Open	30,661,000 *	Variable **	2,895.76 ***
Daiwa	09/30/05	Open	30,938,000 *	Variable **	2,921.92 ***
Daiwa	09/30/05	10/03/05	48,835,000	3.300	4,476.54

* This transaction was executed simultaneously with a like reverse/repurchase agreement.

** This rate subject to change daily.

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

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Date</u>	<u>Purchase Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	09/01/05	09/29/05	\$29,662,500	3.300%	\$71,470.15
Lehman Brothers	09/01/05	09/29/05	28,673,750	3.300	69,087.82
Lehman Brothers	09/06/05	09/29/05	21,890,000	2.800	41,627.47
Citiglobal	09/07/05	09/08/05	49,875,000	2.850	3,948.44
Citiglobal	09/07/05	09/14/05	30,883,750	2.850	16,600.02
Citiglobal	09/07/05	09/14/05	30,883,750	2.850	16,600.01
Mizuho	09/08/05	09/30/05	24,775,000	2.450	44,223.39
ABN AMRO	09/15/05	09/27/05	38,941,500	3.350	38,368.19
ABN AMRO	09/15/05	09/27/05	38,941,500	3.350	38,368.19
ABN AMRO	09/15/05	09/27/05	37,943,000	3.350	37,384.40
Daiwa	09/15/05	09/27/05	33,433,000	3.350	35,086.07
Daiwa	09/15/05	09/27/05	33,433,000	3.350	35,086.07

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>Date</u>	<u>Purchase Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Daiwa	09/15/05	09/27/05	\$30,891,500	3.150%	\$31,577.98
Daiwa	09/15/05	09/27/05	30,891,500	3.150	31,577.98
ABN AMRO	09/16/05	Open	29,441,000	Variable *	37,022.05 **
ABN AMRO	09/16/05	Open	29,441,000	Variable *	37,251.04 **
Mizuho	09/16/05	09/23/05	28,942,000	3.230	17,397.35
Mizuho	09/16/05	09/23/05	28,942,000	3.230	17,397.35
Daiwa	09/26/05	09/27/05	28,971,000	3.500	2,816.63
Daiwa	09/26/05	09/27/05	28,971,000	3.500	2,816.63
Daiwa	09/27/05	Open	31,640,000	Variable *	11,522.23 **
Daiwa	09/27/05	Open	20,050,000	Variable *	6,739.03 **
ABN AMRO	09/28/05	09/29/05	49,975,000	3.300	4,581.04
ABN AMRO	09/28/05	Open	49,975,000	Variable *	11,313.78 **

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>Date</u>	<u>Purchase Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
ABN AMRO	09/28/05	Open	\$24,750,000	Variable *	\$5,603.13 **
Lehman Brothers	09/29/05	Open	42,806,500	Variable *	7,728.95 **
Lehman Brothers	09/29/05	Open	42,806,500	Variable *	7,728.95 **
Lehman Brothers	09/29/05	Open	41,811,000	Variable *	7,549.21 **
Lehman Brothers	09/29/05	Open	35,982,000	Variable *	5,747.13 **
Daiwa	09/30/05	Open	30,938,000	Variable *	2,603.95 **
Daiwa	09/30/05	Open	30,938,000	Variable *	2,603.95 **
Mizuho	09/30/05	Open	29,790,000	Variable *	2,035.65 **
Mizuho	09/30/05	Open	29,790,000	Variable *	2,035.65 **

* This rate subject to change daily.

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

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

REPORT B: In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period of September 1, 2005 through September 30, 2005, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period of September 1, 2005 through September 30, 2005 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992 and reauthorized on April 27, 2005.

Interest Rate Exchange Contracts

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

As of September 30, 2005, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$364.4 million, all of which pertain to refundings.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period of September 1, 2005 through September 30, 2005 under the Variable Rate Master Note Program as amended and supplemented through November 18, 2004.

Variable Rate Master Note Placements

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

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

Report E: In addition to the transactions described in Report A, B, C, and D, the Executive Director also reports the following activity under the Futures Program authorized by the Board of Commissioners on December 10, 1987, during the period July 1, 2005 through September 30, 2005 involving the use of the Municipal Bond Futures Contracts (Muni) and the United States Treasury Bond Futures Contracts (T-Bonds) traded on the Chicago Board of Trade to manage the interest rate exposure on the future issuance of Consolidated Bonds and Notes.

Hedge for Consolidated Bonds:

<u>Date</u>	<u>Action</u>	<u>Number of Contracts</u>	<u>Short Position</u>	<u>Gains/(Losses) on Series Hedge*</u>	<u>Amount of Prospective Port Authority Debt Hedged</u>	<u>Estimated (Increase)/Decrease in Borrowing Costs on Portion of Debt Hedged</u>
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No outstanding Hedge during the 3rd Quarter 2005

Whereupon, the meeting was adjourned.

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**MINUTES
December 8, 2005**

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, December 8, 2005, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

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

NEW YORK

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

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Matthew A. Baratz, Assistant Director, Office of Business Development
 Linda K. Bentz, Assistant Director, Office of Policy and Planning
 Kayla M. Bergeron, Chief, Public and Government Affairs
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Steven A. Brown, Supervising Marketing Analyst, Office of Policy and Planning
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Rosemary Chiricolo, Assistant Director, Financial Services
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public Affairs
 James T. Connors, Director, World Trade Center Redevelopment
 Anthony G. Cracchiolo, Director, Priority Capital Programs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Francis A. DiMola, Director, Real Estate
 John J. Drobny, Director, Project Management
 Iran H. Engel, Assistant Treasurer
 Michael G. Fabiano, Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 Linda C. Handel, Assistant Secretary
 L. Jay Hector, Senior Policy Advisor to the Executive Director/Vice-Chairman
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Kirby King, Deputy Director, PATH
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Shawn K. Laurenti, Director, Government and Community Affairs
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 Michael G. Massiah, Director, Human Resources
 John P. McCarthy, Director, Public Affairs

James E. McCoy, Manager, Board Management Support, Office of the Secretary
Anne Marie C. Mulligan, Treasurer
Lynn A. Nerney, Senior Administrator, Office of the Secretary
Steven P. Plate, Deputy Director, Priority Capital Programs
William Radinson, Assistant Director, Aviation
Alan L. Reiss, Deputy Director, Aviation
Cruz C. Russell, Director, Office of Policy and Planning
Edmond F. Schorno, Chief of Staff
Kenneth W. Snapp, Senior Policy Advisor, Office of the Deputy Executive Director
Gerald B. Stoughton, General Manager, Forecasting and Capital Planning, Financial Services
Sheree R. Van Duyne, Manager of Policies and Protocol, Office of the Secretary
Louis P. Venech, Client Manager, Office of Policy and Planning
Peter J. Zipf, Deputy Chief Engineer

The public session was called to order by Chairman Coscia at 2:00 p.m. and ended at 2:10 p.m. The Board met in executive session prior to the public session.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on December 6, 2005, which included discussion of internal audit matters, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed at its meeting on December 8, 2005, which included discussion of matters related to or which could impact upon the issuance, sale, resale, or redemption of Port Authority bonds, notes or other obligations, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on December 8, 2005, which included discussion of lease matters, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in executive session at its meeting on December 8, 2005, which included discussion of contract matters, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on December 8, 2005, which included discussion of property and 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.

Staff Reports

A presentation was made by staff on the Port Authority's 2006 Budget and Capital/Strategic Plan.

2006 BUDGET

The 2006 Budget for The Port Authority of New York and New Jersey, including the anticipated expenditures of its wholly owned corporate entities, provides for capital and operating expenditures during calendar year 2006 necessary to achieve the Port Authority's goals and objectives.

The Port Authority exists to enhance the region's competitiveness and prosperity by providing transportation services that efficiently move people and goods within the region and facilitate access to the nation and the world. The Port Authority strives to better coordinate terminal, transportation and other facilities of commerce in the New York-New Jersey metropolitan region surrounding the Port of New York and New Jersey, and does so by identifying and meeting the critical transportation infrastructure needs that support bi-state commerce, as well as trade in both goods and services between the region and the rest of the nation and world.

The agency meets its responsibility primarily through planning, constructing, financing, and operating trade and transportation infrastructure. It does so within the context of objectives that include enhancing safety and security, implementing new technologies, maintaining and enhancing infrastructure, advancing the delivery of capital programs, increasing agency cost effectiveness, pursuing improvements in regional mobility, and advancing regional economic competitiveness.

The Budget serves as a financial planning tool that outlines estimated expenditures for fulfilling these objectives through programs already authorized or to be considered.

The 2006 Budget totals approximately \$5,010 million. It consists of \$2,300 million for operating expenses, \$1,880 million for gross capital expenditures, \$779 million for debt service charged to operations, and \$51 million for other expenditures.

The proposed 2006 Budget, among other things, provides for maintaining a heightened level of security at all Port Authority facilities, growth in the Port Authority police force, and continued Port Authority management of the World Trade Center (WTC) site to provide a safe, secure and clean environment to facilitate construction and for visitors. In order to accommodate these higher costs, the 2006 Budget reflects additional savings initiatives recommended through the agency's Organizational Effectiveness and Change Management process. The 2006 Budget includes \$1,880 million in capital plan spending. Our most critical capital initiative continues to be the restoration of Downtown Manhattan, and we will continue to work closely with the Lower Manhattan Development Corporation, the Metropolitan Transportation Authority, and the New York State Department of Transportation, as well as City of New York, the Federal Transit Administration, and the WTC net lessees. The 2006 Budget continues to assume uninterrupted payments from tenants at all facilities, as specified in their lease agreements, and reflects a full-year impact of higher public parking rates at our airports. The 2006 Budget also provides for direct assistance to the two States for transportation and economic development projects and spending to maintain existing Port Authority facilities in a state of good repair.

The Executive Director would be authorized to take action, in accordance with appropriate procedures, in the aggregate amount of \$2,487 million with respect to professional, technical, or advisory services as appropriate; contracts for maintenance and services, construction, and commodities (materials, equipment and supplies) purchases; the purchase of insurance; the settlement of employee and patron claims; and other actions, including personnel benefit, classification, range and procedural adjustments, as provided in the 2006 Budget.

A provision of \$590,000 is also included to reimburse the States of New York and New Jersey for expenses incurred by the two States, including staff costs, in reviewing the Port Authority's annual Budget and any amendments thereto.

The proposed 2006 Budget also reflects the second year of the strategic planning effort undertaken by Port Authority staff, including a regional needs assessment, a comprehensive review of the Port Authority's mission and long-term business strategies, programs, policies and projects, both operating and capital, to carry out that mission. This business planning process included an assessment of activities to be undertaken by the Port Authority to provide appropriate levels of service and accommodate regional growth. The process also involved review of various factors impacting the continuing operation of Port Authority facilities, including contractual, municipal lease and other relationships; significant industry trends in each of the Port Authority's businesses; and the potential need for capital expenditures over a multi-year period for the modernization, renovation, rehabilitation, expansion or acquisition of existing and additional facilities in order to maintain appropriate levels of service, security and regional investment.

As a result of this effort, staff has prepared *The Port Authority Strategic Plan: Transportation for Regional Prosperity* (Strategic Plan). It is intended that the Strategic Plan will reinvigorate the Port Authority's commitment to its mission: "To enhance the region's competitiveness and prosperity by providing transportation services that efficiently move people and goods within the region and facilitate access to the nation and the world." The Strategic Plan deals with the short- and long-term needs of the region and the most effective ways for the Port Authority and its public and private partners to deliver transportation-based investments to address those needs. In preparing this plan, staff has attempted to ensure the availability of funding and other resources to meet the commitments reflected in the 2003-2007 Capital Plan, while identifying specific strategies and a list of candidate long-term capital projects and policies for the 2006-2015 period that are recommended for appropriate analysis and authorization. The candidate projects, after such evaluation, are expected to form the foundation of the next Port Authority capital program. It is contemplated that the elements of the Strategic Plan will be revised from time to time as appropriate, to reflect changes in programs, policies and projects and the environment in which the Port Authority operates. As revised, the plan is to be reviewed with the Commissioners annually.

The proposed Strategic Plan serves as a tool for directing the agency's planning and project development resources for outlying years. The Plan includes projects that will be developed, evaluated, and, as appropriate, incorporated into future budgets. Conceptually, the Strategic Plan differs from previous Port Authority planning efforts in its vision of bold changes in planning and financing relationships with public and private partners. It is intended that the Strategic Plan will reinvigorate the Port Authority's commitment to develop and

operate transportation facilities and services that contribute to regional economic growth and prosperity.

Circumstances arose during the year 2005 that were not foreseeable or determinable when the 2005 Budget was prepared, which are estimated to cause total expenditures to amount to \$414 million lower than the amounts set forth in the 2005 Budget.

The Executive Director would be authorized to permit applications from the Consolidated Bond Reserve Fund during 2006. In connection with the effectuation of the Port Authority's capital program from time to time and consistent with the 2006 Budget and capital program projections, it is desirable to establish a maximum amount for 2006 in connection with the Executive Director's authority to apply moneys in the Consolidated Bond Reserve Fund to the Capital Fund, subject to statutory, contractual, and other commitments and financial policies of the Port Authority, not to exceed \$775 million (after reimbursement for temporary applications), in addition to other capital funds carried into 2006 and the proceeds of Port Authority obligations to be issued.

The Executive Director's authority, pending final adoption and approval of the annual Budget, to make operating expenditures and undertake contractual commitments for continuing operations and professional services as contained in the financial plan presented to the Commissioners, would also be confirmed.

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

RESOLVED, that the strategic planning concept which has produced *The Port Authority Strategic Plan: Transportation for Regional Prosperity*, copies of which were before the Board, be and the same hereby is approved, and staff is hereby directed to continue planning efforts in a manner consistent with this framework; and it is further

RESOLVED, that the 2006 Budget of The Port Authority of New York and New Jersey, as set forth below, be and the same hereby is approved and adopted, including authority for the Executive Director to: (1) take action in accordance with appropriate procedures with respect to professional, technical, or advisory services as appropriate; contracts for maintenance and services, construction, and commodities (materials, equipment and supplies) purchases; purchase of insurance; settlement of employee and patron claims; and other actions, including personnel benefit, classification, range, and procedural adjustments; and (2) pending final adoption of the annual Budget, make operating expenditures and undertake contractual commitments for continuing operations and services:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
Including Wholly Owned Corporate Entities
2006 BUDGET
(In Thousands)

Item	Total Expenditures	Personal Services	Materials & Services
Audit	\$11,896	\$9,594	\$2,302
Aviation	655,496	139,725	515,771
Chief Administrative Officer	1,080	916	164
Chief Financial Officer	3,164	1,018	2,146
Chief of Public and Government Affairs	502	428	74
Chief of Real Estate & Development	1,235	613	622
Chief of Strategic Planning	3,156	511	2,645
Chief Operating Officer	4,885	1,353	3,532
Chief Technology Officer	695	434	261
Comptroller's	18,842	12,130	6,712
Economic Development	57,694	3,081	54,613
Engineering	267,631	84,125	183,506
Construction Contracts	614,068	-	614,068
Executive Offices	2,820	2,104	716
Financial Services	14,847	10,729	4,118
Government & Community Affairs	5,346	2,792	2,554
Human Resources	16,563	8,845	7,718
Medical Services	4,590	2,483	2,107
Inspector General	5,513	4,183	1,330
Labor Relations	2,788	1,847	941
Law	21,785	20,048	1,737
Office of Emergency Management	12,626	3,172	9,454
Office of Environmental Policy & Planning	1,614	968	646
Office of the Secretary	3,923	2,193	1,730
Operations Services	57,852	34,442	23,410 ⁽¹⁾
Facility Construction Support	32,103	24,854	7,249
Operations Standards	1,706	1,278	428
Policy & Planning	7,339	3,234	4,105
Port Commerce	164,322	23,858	140,464
Priority Capital Programs	284,835	5,947	278,888
Procurement	16,435	11,156	5,279 ⁽¹⁾
Project Management	69,946	26,279	43,667
Public Affairs	16,548	6,229	10,319
Public Safety	387,268	344,005	43,263
Rail	193,562	138,180	55,382
Real Estate	78,054	6,398	71,656 ⁽¹⁾
Technology Services	12,660	21,626	(8,966) ⁽¹⁾
Treasury	36,847	6,411	30,436
Tunnels, Bridges and Terminals	177,300	112,298	65,002
World Trade Redevelopment (includes expenses related to 9-11)	75,249	1,397	73,852

Other:

Amounts in Connection with Operating Asset			
Obligations	43,660	43,660	
Bi-state Dredging Program	4,000	4,000	
Debt Service - Operating	779,010	779,010	
Debt Service – Capitalized Interest	96,459	96,459	
Insurance	143,544	143,544	
Municipal Rents and Amounts in Lieu of Taxes	214,143	214,143	
Provision For Study and Development	15,300	15,300	
Regional Programs - Operating	9,635	9,635	
Regional Programs - Capital	270,977	270,977	
Special Project Bonds Debt Service	88,677	88,677	
Total Port Authority Budget	<u>\$5,010,190</u>	<u>\$1,080,884</u>	<u>\$3,929,306</u>

(1) Net after charges to other departments.

; and it is further

RESOLVED, that the revisions to the Budget for the year 2005 be and the same hereby are approved:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
Including Wholly Owned Corporate Entities
2005 ESTIMATE VS 2005 BUDGET
(In Thousands)

	<u>2005</u> <u>ESTIMATE</u>	<u>2005</u> <u>BUDGET</u>	<u>CHANGE</u>
Operating Expenses	\$2,209,726	\$2,179,307	\$30,419
Debt Service Charged to Operations	592,063	609,485	(17,422)
Deferred Expenses, Expenses Related to 9/11/01 and Other	<u>37,036</u>	<u>46,503</u>	<u>(9,467)</u>
Total Operating	2,838,825	2,835,295	3,530
Capital Expenditures	<u>1,290,674</u>	<u>1,708,652</u>	<u>(417,978)</u>
Total Port Authority Expenditures	<u>\$4,129,499</u>	<u>\$4,543,947</u>	<u>(\$414,448)</u>

; and it is further

RESOLVED, that, based upon a requisition of the Governor of the State of New York or the Governor of the State of New Jersey, or the duly authorized designee of each, the Port Authority shall pay to the State of New York or the State of New Jersey, or both, upon receipt of an appropriate expenditure plan from said State, an amount not in excess of \$295,000 to each said State to reimburse said State or States for expenses incurred by said State or States, including staff costs, in reviewing the annual Budget of the Port Authority and any amendments thereto; and it is further

RESOLVED, that the provision by the Executive Director of portions of the Port Authority's capital program from time to time, consistent with the 2006 Budget and capital program projections (including the continuing application of the Capital Fund on a temporary basis, subject to reimbursement), by application of moneys in the Consolidated Bond Reserve Fund to the Capital Fund for capital expenditures for the year 2006 in connection with the Port Authority's facilities, shall not, subject to statutory, contractual, and other commitments and financial policies of the Port Authority, exceed \$775 million (after any such reimbursements and in addition to other capital funds carried into 2006 and the proceeds of obligations to be issued).

CONFIDENTIAL ITEM

This item shall not be available for public inspection.

HOWLAND HOOK MARINE TERMINAL/PORT IVORY – NEW YORK CONTAINER TERMINAL, INC – LEASE NO. HHT-4, SUPPLEMENT NO. 13

It was recommended that the Board authorize the Executive Director to enter into an amendment to the lease with New York Container Terminal, Inc. (NYCT) covering the Howland Hook Marine Terminal (the Terminal) to provide for the: (1) deepening of a portion of NYCT's berth at the Terminal; (2) amendment of the Port Authority's berth maintenance obligations under the lease to conform to the increased berth depth; and (3) addition of approximately 4.65 acres of open area to the premises under the lease.

The Port Authority would deepen approximately 1,245 linear feet of berth at the Terminal to 45 feet below mean low water, at a cost of approximately \$8,000,000. Upon completion of the deepening, NYCT would pay a facility rental over the remaining term of the lease sufficient to reimburse the Port Authority at financially self-sustaining rates. If the lease is extended for a period to or beyond the 30th anniversary of the rent start date for the facility rental, the facility rental would be adjusted and payable through the 30th anniversary.

Approximately 4.65 acres of open area would be added to the premises under the lease, effective November 1, 2005. NYCT would pay basic rental for the additional premises at an annual rate of \$204,075, which would escalate on January 1, 2006 and each year thereafter by 2 percent. The additional premises would be used for the storage of chassis and other equipment in support of NYCT's container operations at the Terminal.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an amendment to the lease with New York Container Terminal, Inc. (NYCT) covering the Howland Hook Marine Terminal (the Terminal) to provide for the: (1) deepening of a portion of NYCT's berth at the Terminal; (2) amendment of the Port Authority's berth maintenance obligations under the lease to conform to the increased berth depth; and (3) addition of approximately 4.65 acres of open area to the premises under the lease, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

**PORT NEWARK – HUDSON TANK STORAGE COMPANY – LEASE NO. L-NS-867,
SUPPLEMENT NO. 10**

It was recommended that the Board authorize the Executive Director to enter into an agreement with Hudson Tank Storage Company (Hudson Tank) for the extension of its lease covering a liquid bulk terminal at Port Newark for an 18-year term.

Hudson Tank's lease would be extended from May 31, 2005 through May 31, 2023. Effective June 1, 2005, Hudson Tank would pay basic rental at the annual rate of \$917,804, which would escalate on June 1, 2008 and every five years thereafter during the extension. Hudson Tank also would pay an annual throughput rental, based on the wharfage rate in the Port Authority's tariff applied to the tonnage of cargo above the first 300,000 metric tons loaded or unloaded annually at its leased berth. The Port Authority would have the exclusive right to terminate the lease, without cause, on or after May 31, 2010, upon three years' prior written notice. If the Port Authority exercises its right to terminate the lease, the Port Authority would not thereafter lease the space to an operation similar to Hudson Tank's operation.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Hudson Tank Storage Company for the extension of its lease covering a liquid bulk terminal at Port Newark for an 18-year term, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

BROOKLYN-PORT AUTHORITY MARINE TERMINAL/RED HOOK CONTAINER TERMINAL – DECLARATION OF SURPLUS PROPERTY - MEMORANDUM OF UNDERSTANDING WITH THE NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION FOR THE TRANSFER OF PIERS 7 TO 12

It was recommended that, relative to Piers 7 through 12 at the Brooklyn-Port Authority Marine Terminal (BPAMT) and the Red Hook Container Terminal (RHCT) (collectively, the Piers), the Board authorize: (1) a declaration of the Piers as surplus property; (2) allocation of a sum not to exceed \$75 million for future capital expenditures to the underdeck of the Piers which are not dedicated to cruise ship use and remediation of existing environmental conditions at the Piers, if any; and (3) the Executive Director to: (a) enter into a memorandum of understanding with the New York City Economic Development Corporation (NYCEDC) to transfer title of the Piers to the City of New York (City); and (b) terminate the Red Hook Marine Project Operating Agreement and Lease (Red Hook Project Agreement) among the Port Authority, the State of New York (State) and the City.

In 1979, the Port Authority, the State and the City entered into the Red Hook Project Agreement to develop a container port in Brooklyn on Piers 9 through 11 at the RHCT. Under this agreement, the Port Authority is obligated to operate and maintain the RHCT as an operating marine terminal until 2036. The RHCT, along with the balance of the Brooklyn piers, have been a significant financial drain on the Port Authority. Over the past ten years, the Port Authority incurred operating losses of approximately \$114 million and invested approximately \$142 million in capital to maintain the Piers. Staff estimates operating and capital losses from a continued operation of the Piers could exceed \$380 million.

The Piers would be conveyed to the City in "as is, where is" condition, and the Port Authority would have no liability, either express or implied, as to the condition, title, design, operation, or fitness of the property, except the City may use up to 15 percent of the \$75 million allocation for remediation of existing environmental conditions at the Piers, if any. The Port Authority would maintain the Piers in accordance with its normal operating procedures to the date of conveyance to the City. The \$75 million Port Authority allocation would be utilized by the City over a 25-year period, with a cap of \$4 million in any specific year.

NYCEDC has secured long-term user agreements with Carnival Corporation and Norwegian Cruise Lines and completed a cruise study, which indicated that Brooklyn provides the ideal location for the projected increase in demand for capacity to handle larger cruise ships and increased passenger volumes. In September 2004, the Board authorized a lease with NYCEDC for the development of a cruise terminal at Piers 11 and 12, at an estimated cost of \$32 million.

NYCEDC is required to complete the Uniform Land Use Review Process (ULURP) and obtain the approval of the New York City Council, as conditions precedent to transfer of title. The Port Authority and NYCEDC desire that these conditions precedent be satisfied by March 2007, to coincide with the expiration of the existing lease, to the operator of the RHCT, requiring NYCEDC to commence the necessary planning and begin ULURP by the end of 2005.

Declaration of the Piers as surplus (*i.e.*, no longer required for the purpose for which acquired) and transfer of the Piers to the City would limit the Port Authority's long-term financial obligations for the property and would provide the City with the ability to meet its policy objective to expand cruise-industry capacity and preserve maritime jobs and activity on the Brooklyn waterfront.

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

RESOLVED, that the Board hereby finds and determines that the real property known as the "Brooklyn Marine Terminal Piers 7-12 (including Red Hook Terminal)" (the Piers) is no longer required for the purpose for which it was acquired; and it is further

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

RESOLVED, that the allocation of a sum not to exceed \$75 million for future capital expenditures to the underdeck of those Piers that are not dedicated to cruise ship use located at the BPAMT/RHCT and remediation of existing environmental conditions at the Piers, if any, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into a Memorandum of Understanding with the New York City Economic Development Corporation to transfer title for the Piers to the City of New York (City), substantially in accordance with the terms and conditions outlined to the Board; and (2) terminate the Red Hook Marine Project Operating Agreement and Lease as executed among the Port Authority, the State of New York and the City; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other related agreements to effectuate the transfer of title to the Piers, and do all other things necessary and appropriate to carry out the foregoing; and it is further

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

**BROOKLYN-PORT AUTHORITY MARINE TERMINAL – NEW YORK CITY
ECONOMIC DEVELOPMENT CORPORATION – BROOKLYN CRUISE
TERMINAL OPERATING CONTRACT**

It was recommended that the Board authorize the Executive Director to: (1) enter into an operating contract for a one-year period with the New York City Economic Development Corporation (NYCEDC) for the Port Authority to operate the Brooklyn Cruise Terminal at Piers 11 and 12 at the Brooklyn-Port Authority Marine Terminal (BPAMT), at an estimated compensation to the Port Authority of \$1,065,713; (2) extend the operating contract for a one-year period at the option of NYCEDC, at an estimated compensation to the Port Authority of \$1,097,684; and (3) (a) enter into a contract with FJC Security Services, Inc. (FJC Security) for a one-year period to provide unarmed uniformed guard services at the Brooklyn Cruise Terminal, at an estimated cost of \$155,000; (b) exercise, in his discretion, a one-year renewal option with FJC Security, at an estimated cost of \$160,000; and (c) order extra work, if necessary, in his discretion, up to a total of six percent of the cost for the base term and any option period. The FJC Security contract cost is 100 percent recoverable from NYCEDC.

At its meeting of September 23, 2004, the Board authorized a five-year lease to NYCEDC for the development of a cruise terminal at Piers 11 and 12, at an estimated cost of \$32 million. Construction at Pier 12 began earlier this year, and the first full cruise season is expected to commence in the spring of 2006. Although the facility has not yet been completed, the first cruise vessel actually called at Pier 12 in September 2005.

Upon execution of the lease in January 2005, NYCEDC requested that the Port Authority provide general maintenance, operational and routine security activities at the terminal through April 2005, to allow for continued coverage of the property during the transition to NYCEDC, at a compensation to the Port Authority of \$54,000. NYCEDC retained Turner Construction Company (Turner) as the manager for the design and construction of the Brooklyn Cruise Terminal. In furtherance of the construction and its operations at the terminal, Turner, with the consent of NYCEDC, requested that the Port Authority continue to provide general maintenance, operational and routine security activities during the construction of the terminal through December 31, 2005, at an additional compensation to the Port Authority of \$108,000.

The NYCEDC has requested that the Port Authority continue to assist in operating the Brooklyn Cruise Terminal for the 2006 and, possibly, 2007 cruise seasons, which will coincide with the anticipated transfer of Piers 7 through 12 to the City of New York (City) and the expiration of the terminal operator's contract with NYCEDC for the New York Cruise Terminal in Manhattan. NYCEDC plans to publicly bid for an operator for both cruise terminal facilities at that time.

The Port Authority would act as the terminal operator for the Brooklyn Cruise Terminal and would have overall responsibility for all service contractors at the terminal, including the parking lot operator, security contractor, cleaning contractor, concessionaires and taxi and limo services. The Port Authority would be responsible for general upkeep and maintenance and repairs to the buildings and site, utilizing staff at the BPAMT.

Authorization is also being sought at this meeting of the Board to: declare BPAMT Piers 7 through 12 surplus property; enter into a memorandum of understanding with NYCEDC to transfer title of the Piers to the City; allocate up to \$75 million for future capital repairs to the substructure of non-cruise piers and remediation of existing environmental conditions at Piers 7 through 12, if any; and terminate the Red Hook Marine Project Operating Agreement and Lease among the Port Authority, the State of New York and the City. If Piers 7 through 12 are transferred to the City before the end of 2007, the Port Authority's operating contract with NYCEDC for the Brooklyn Cruise Terminal would be terminated.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an operating contract for a one-year period with the New York City Economic Development Corporation (NYCEDC) for the Port Authority to operate the Brooklyn Cruise Terminal at Piers 11 and 12 at the Brooklyn-Port Authority Marine Terminal, at an estimated compensation to the Port Authority of \$1,065,713; (2) extend the operating contract for a one-year period at the option of NYCEDC, at an estimated compensation to the Port Authority of \$1,097,684; (3) (a) enter into a contract with FJC Security Services, Inc. (FJC Security) for a one-year period to provide unarmed uniformed guard services at the Brooklyn Cruise Terminal at an estimated cost of \$155,000; (b) exercise, in his discretion, a one-year renewal option with FJC Security, at an estimated cost of \$160,000; and (c) order extra work, if necessary, in his discretion, up to a total of six percent of the cost for the base term and any option period; and it is further

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

**LINCOLN TUNNEL – DECLARATION OF SURPLUS PROPERTY AND TRANSFER
OF TITLE OF WEST 41ST STREET PROPERTY**

It was recommended that the Board authorize: (1) declaration of approximately 1,770 square feet of vacant land located in two parcels along West 41st Street and Dyer Avenue (tax map designation Block 1051, p/o Lots 8 and 16) in the Clinton section of the Borough of Manhattan, City and State of New York (the Property), as surplus property; and (2) the Executive Director to: (a) enter into a contract of sale with TRM 42 Associates, L.L.C. (TRM) for the conveyance of title to the Property for a sum of \$4,050,000; and (b) grant a non-exclusive perpetual easement to TRM for access over an adjacent parcel of land owned by the Port Authority, located to the south of the Property in the bed of West 41st Street.

The Port Authority has owned the Property continuously for about 50 years, and the Property has remained unimproved throughout this period. Parcel A has approximately 400 feet of frontage on the north side of West 41st Street and an average depth of four feet, three inches, and contains a total land area of 1,700 square feet. A public sidewalk adjoins Parcel A to the south, leading to the roadbed of West 41st Street. Parcel A adjoins Parcel B to the west. Parcel B has approximately 68 feet, nine inches of frontage on the west side of Dyer Avenue and an average depth of one foot, and contains a total land area of approximately 70 square feet. A public sidewalk adjoins Parcel B to the east, leading to the roadbed of Dyer Avenue. The entrance to the Lincoln Tunnel lies one block to the south of Parcels A and B.

TRM is owned by Twining Properties (Twining), The Related Companies, LP (Related) and MacFarlane Partners (MacFarlane). Parcels A and B adjoin a 66,932-square-foot site (the Site) owned by Related, which Related intends to develop as a high-rise residential project. The Property is located within the Special Clinton Preservation District (C6-4) and has an as-of-right Floor Area Ratio permitting development of a residential building. The addition of the Property to Related's existing Site would add approximately 17,700 square feet of buildable area to the Site.

The Property would be conveyed in "as is" condition, and the Port Authority would have no liability, either express or implied, as to the condition, title, design, operation, or fitness of the Property.

In the event the Metropolitan Transportation Authority (MTA) proceeds with a subway extension project, which would include area beneath the Property, TRM would be required to grant a perpetual easement, as requested by the MTA (whether exclusive or non-exclusive, involving whatever depths are requested, and otherwise), for no consideration from the MTA or any third party, in connection with such subway project.

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

RESOLVED, that the Board hereby finds and determines that the real property consisting of approximately 1,770 square feet of vacant land located in two parcels (tax map designation Block 1051, p/o Lots 8 and 16) along West 41st Street and Dyer Avenue in the Clinton section of the Borough of Manhattan, City and State of New York (the Property), is no longer required for the purpose for which it was acquired; and it is further

RESOLVED, that the Chief Engineer of the Port Authority be and he hereby is authorized and directed, for and on behalf of the Port Authority, to execute a certificate to be annexed to the appropriate Port Authority Map stating that the Property is no longer required for the purposes for which it was acquired, such map to be filed with the Office of the Secretary of the Port Authority; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into a contract of sale with TRM 42 Associates, L.L.C. (TRM) to transfer title of the Property to TRM for a sum of \$4,050,000; and (2) grant a non-exclusive perpetual easement to TRM for access over an adjacent parcel of land owned by the Port Authority located to the south of the Property, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other related agreements to effectuate the transfer of title to the Property and grant of an easement to TRM, and do all other things necessary and appropriate to effectuate the foregoing; and it is further

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

**PORT AUTHORITY BUS TERMINAL – ABLE C&C USA CORPORATION d/b/a
MISSHA – NEW LEASE – LBT-710**

It was recommended that the Board authorize the Executive Director to enter into: (1) a lease agreement with Able C&C USA Corporation. d/b/a Missha (Missha) covering the letting of approximately 2,530 rentable square feet of space on the ground floor of the Port Authority Bus Terminal for the operation of a cosmetic and personal care products store for an approximate ten-year, five-month term commencing on or about January 1, 2006, at an aggregate basic rental over such term of approximately \$4,849,100, together with percentage rental based on Missha's gross sales; and (2) a brokerage agreement with Newmark Retail, LLC, providing for the payment of a brokerage commission of approximately \$137,300 in connection with the lease. Payment of basic rental would begin the earlier of five months after the commencement of the letting or the opening of the store.

Missha would pay for utilities, as well as additional rental to cover increases in operating and maintenance costs, all as set forth in the lease. The Port Authority would perform certain structural work in the premises or reimburse Missha for up to \$50,000 of the cost of such work. The Port Authority would have the right to terminate the lease on 30 days' notice without cause and in certain specified cases, in which case it would be obligated to reimburse Missha for its unamortized initial capital investment in the premises calculated on a straight-line basis over the lease term, up to \$750,000.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) an agreement with Able C&C USA Corporation. d/b/a Missha, covering the letting of retail space at the Port Authority Bus Terminal; and (2) a brokerage agreement with Newmark Retail, LLC, in connection with the lease; in each case, substantially in accordance with the terms and conditions outlined to the Board, or on such other terms and conditions as the Executive Director deems appropriate, subject to the conditions set forth in the following delegation; and it is further

RESOLVED, that the Committee on Operations be and it hereby is authorized to approve the final terms and conditions of the foregoing agreements in the event that the rental payment terms and/or the term of the letting are not substantially in accordance with the terms outlined to the Board; and it is further

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

PORT AUTHORITY 800 MHz RADIO RE-BANDING – AGREEMENT WITH SPRINT NEXTEL CORPORATION

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement (or agreements) with Sprint Nextel Corporation (Sprint Nextel) for the reimbursement to the Port Authority of costs associated with the reconfiguration of the operating frequencies of all Port Authority 800 MHz radios, as required by the Federal Communications Commission (FCC); (2) enter into a purchase order contract(s) with M/A-COM, Inc. for the purchase of proprietary equipment and/or services needed to accomplish the FCC-mandated modifications to the 800 MHz radio system, in the estimated amount of \$500,000; and (3) take action with respect to purchase and construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the re-banding project, subject to advising the Commissioners of individual contracts or agreements prior to taking or authorizing such action.

In July 2004, the FCC issued a "Report and Order" intended to address long-standing interference problems experienced by public safety radio system users resulting from the use of cellphone systems that currently operate on adjacent radio frequencies. As part of its 800 MHz "Re-Banding" order, the FCC has required both public safety radio system users and Sprint Nextel to change operating frequencies, so that these two 800 MHz radio user groups will no longer be on adjacent frequencies. The FCC also entered into an agreement with Sprint Nextel requiring Sprint Nextel to compensate public safety radio users for all costs associated with making the required changes.

All public safety radio system organizations operating in the 800 MHz frequency band are required to negotiate and enter into an agreement or agreements with Sprint Nextel regarding the scope of the required work and compensation for the costs thereof. The FCC has named a Transition Administrator (TA) to oversee the process, including the negotiations between the public safety organizations and Sprint Nextel. The TA has proposed a 23-month reconfiguration period for the channels applicable to the Port Authority, including negotiation and physical reconfiguration, commencing February 2006.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into one or more agreements with Sprint Nextel Corporation with respect to the scope of, and obtaining reimbursement for the cost of, modifications to the Port Authority's 800 MHz radio systems, as mandated by the Federal Communications Commission (FCC); and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a purchase order contract(s) with M/A-COM, Inc. for the purchase of proprietary equipment and/or services needed to accomplish the FCC-mandated modifications to the 800 MHz radio systems; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to purchase and construction contracts, agreements for professional advisory services, and such other contracts and agreements as may be necessary to effectuate the 800 MHz radio system modifications, subject to advising the Commissioners of individual contracts or agreements prior to taking or authorizing such action; and it is further

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

DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY PROJECT – DELEGATION OF AUTHORITY FOR EXPERT PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES AGREEMENT

It was recommended that the Board authorize the World Trade Center (WTC) Site Planning Subcommittee (WTC Subcommittee) to authorize the award of the agreement entitled, “Performance of Expert Professional Architectural and Engineering Services for the World Trade Center Vehicular Security Center and Tour Bus Parking Facility” (WTC VSC Project).

In December 2003, the Board authorized planning for a WTC Site Public Infrastructure Project, and expenditure of up to \$15 million for initial work. This program included project components for a Tour Bus Parking Facility, as well as streets and related infrastructure. Through 2004, various configurations for these projects were explored during development of the WTC Site Master Plan. In August 2005, the Federal Transit Administration (FTA) announced a \$478 million grant for the first phase of a WTC Vehicular Security Center and Tour Bus Parking Facility Project that would be located south of Liberty Street. The project would provide vehicular access and security screening facilities that are essential to support the long-term operation of the commercial office, retail, Memorial and other development at the WTC site.

Since 2004, the initial planning and conceptual design work (through Stage I) has been performed primarily by Port Authority staff, supported by consultants. However, future design and engineering work would be performed primarily by a full design consultant team, in particular to provide additional vehicular and security systems expertise for the planned facility. The initial portion of this agreement would provide for Preliminary Engineering services (through Stage II). The agreement also would cover future portions of work, including Final Design and Contract Documents (Stage III), and Construction (Stage IV) services, which would be subject to future authorizations. Costs for this contract work for the WTC VSC Project would be fully eligible for reimbursement through the FTA grant for the project.

Competitive proposals for the WTC Vehicular Security Center Expert Professional Architectural and Engineering Services contract were received through a publicly advertised Request for Proposals (RFP) process. A staff evaluation committee has been evaluating the proposals received, and would continue to brief the WTC Subcommittee on the status of its review.

In view of the progress in the review of the proposals for the WTC VSC Project, it was recommended that the Board authorize the WTC Subcommittee to authorize the award of the agreement upon the conclusion of the review process.

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

RESOLVED, that the World Trade Center Site Planning Subcommittee be and it hereby is authorized to authorize the award, for and on behalf of the Port Authority, of the agreement entitled, "Performance of Expert Professional Architectural and Engineering Services for the World Trade Center Vehicular Security Center and Tour Bus Parking Facility"; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

DOWNTOWN RESTORATION PROGRAM – PERMANENT WORLD TRADE CENTER PATH TERMINAL – AWARD OF CONTRACT WTC-284.458 FOR CONSTRUCTION MANAGER AND GENERAL CONTRACTOR SERVICES

It was recommended that the Board authorize: (1) the Executive Director to award Contract WTC-284.458 to Phoenix Constructors for Construction Manager/General Contractor (CM/GC) services for the Permanent World Trade Center (WTC) Port Authority Trans-Hudson system (PATH) Terminal Project, at an aggregate cost of approximately \$1.1 billion; and (2) the Executive Director, the Chief Financial Officer or the Treasurer to enter into one or more agreements providing for brokerage, administrative and loss control/safety services and/or the purchase of insurance for the project.

On July 28, 2005, the Board authorized the WTC PATH Terminal Project, at a total project cost of \$2.221 billion. The Permanent WTC PATH Terminal tracks, platforms and mezzanine levels will be located in the WTC "bathtub," essentially as they were prior to September 11, 2001. The Terminal will include subgrade pedestrian connections to connect PATH with New York City Transit (NYCT) subway lines. The pedestrian connections will connect the WTC site and PATH Terminal with surrounding neighborhoods, including the World Financial Center, and the proposed new NYCT Fulton Street Transit Center. The project will also facilitate development of and interconnect commercial office towers and retail, as well as the WTC Memorial and cultural facilities planned for the WTC site. The Port Authority is to receive \$1.921 billion in federal funding towards the \$2.221 billion cost of this project.

The Executive Director was authorized to move forward on the procurement process in connection with Contract WTC-284.458, for the retention of a CM/GC, and to consult with and review the results of the process with the WTC Site Planning Subcommittee, after which the Executive Director and the WTC Site Planning Subcommittee were to provide recommendations regarding the award of the contract to the Board.

Following the project groundbreaking ceremony held on September 6, 2005, initial WTC site preparation work for the project was commenced through other contracts. However, all major construction activity for the WTC PATH Terminal Project, commencing in 2006, is scheduled to be performed by the CM/GC under Contract WTC-284.458.

The contract procurement process included a Request for Information, which was issued in November 2004 to solicit industry input on the CM/GC approach to construction of the WTC PATH Terminal. The Port Authority received comments from five firms. To allow the industry to get a head start on the procurement process, in March 2005 a Request for Qualification Information (RFQI) was issued, which became the initial part of the Request for Proposals (RFP) process.

On May 23, 2005, the RFP for CM/GC services was issued to 63 interested proposers, as developed from the publicly advertised RFQI and RFP. On July 20, 2005, proposals were received from the following two teams: BKTT (composed of Bechtel Infrastructure Corporation, Kiewit Constructors Inc., Turner Construction Company and Tully Construction Co. Inc.), and Phoenix Constructors (composed of Slattery Skanska Inc., Fluor Enterprises, Inc., Granite Halmar Construction Company, Inc. and Bovis Lend Lease, LMB, Inc.). A staff evaluation committee evaluated the proposals received and invited both proposers to make oral presentations.

Commencing in September 2005, there were various clarifications, discussions, and negotiations with both proposers. In November 2005, the Port Authority requested Best and Final Offers (BAFOs) from the proposers. Based on all the information received from the proposers, including the BAFOs, the evaluation committee identified Phoenix Constructors as the highest technically qualified firm that provides the best value to the Port Authority to perform CM/GC services.

There would be two phases of work under the CM/GC contract. The first phase, presently estimated at approximately \$200 million, would consist of construction management services and early action construction work. The CM/GC would provide input and assistance to the Port Authority in decision-making, constructability reviews, contract packaging, and budget and schedule control, as well as general contracting services to begin the construction of the WTC PATH Terminal critical early construction packages. The second phase, presently estimated at approximately \$900 million, would consist of the construction of the remainder of the project, at a negotiated Guaranteed Maximum Price (GMP). The CM/GC would perform construction in discrete work packages to be issued by the Port Authority, utilizing the CM/GC's own construction labor or through subcontractors, following competitive bidding.

Contract WTC-284.458 also contains a contract option, exercisable by the Port Authority within two years of award of the contract, to have the CM/GC perform installation of new slurry walls, excavation, and other related work, including construction of elements of the retail development, within the East Bathtub at the eastern portion of the WTC site. This work is presently estimated at approximately \$350 million.

A provision in Contract WTC-284.458 also provides that the Port Authority may request that the CM/GC perform work in connection with the Cultural Center, Memorial and Performing Arts Center. The CM/GC's performance of this scope of work would require an amendment to Contract WTC-284.458. This additional work is currently estimated at approximately \$225 million.

Costs for work for the Permanent WTC PATH Terminal Project would be fully eligible for reimbursement through the Federal Transit Administration (FTA) grant for the project. FTA reimbursement would be sought, consistent with the terms of the grant and other applicable agreements with the FTA, based on the overall allocation of \$1.921 billion of FTA funds, and \$300 million of Port Authority funds committed to the WTC PATH Terminal Project cost of \$2.221 billion. Costs for contract work performed for other projects or entities will be reimbursed through Port Authority agreements for such other projects or with such other entities.

The performance of the second phase of the work under the CM/GC Contract, as well as any exercise of the provisions described above pertaining to the East Bathtub and/or the Cultural Center, Memorial and Performing Arts Center, would be subject to the prior review and approval by the Board.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract WTC-284.458 for Construction Manager/General Contractor (CM/GC) services for the Permanent World Trade Center Port Authority Trans-Hudson System Terminal Project to Phoenix Constructors at an aggregate cost of approximately \$1.1 billion; and it is further

RESOLVED, that the Executive Director, the Chief Financial Officer and the Treasurer be and each hereby is authorized, for and on behalf of the Port Authority, to enter into one or more agreements providing for brokerage, administrative and loss control/safety services and/or the purchase of insurance for the foregoing project; and it is further

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

STATEN ISLAND RAILROAD – THE CITY OF NEW YORK AND THE NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION – AGREEMENTS FOR ACCESS, MAINTENANCE AND OPERATIONS

It was recommended that the Board: (1) authorize the Executive Director to enter into an agreement with the City of New York and the New York City Economic Development Corporation (collectively, the City) to provide for: (a) the Port Authority to grant access to the City, or its designated rail carrier, over Staten Island Railroad (SIRR) rail lines in Elizabeth, New Jersey controlled by the Port Authority, including the Chemical Coast Connector and additional right-of-way leased from the State of New Jersey; (b) the City to grant reciprocal rights to the Port Authority, or its designated rail carrier, to access the Arthur Kill Lift Bridge and rail lines on Staten Island owned by the City that are necessary to serve the Howland Hook Marine Terminal (HHMT), including possible lease or acquisition of those properties by the Port Authority should it become necessary in the future; (c) the City to hold all fees paid by the operator(s) and/or others in an Escrow Account to be supervised jointly with the Port Authority; (d) the Escrow Account to be initially funded with deposits of \$1 million each from the City and the Port Authority; (e) joint Port Authority–City sharing of all operating, maintenance and extraordinary capital maintenance of all the SIRR assets not covered directly by the rail operators or in excess of fees derived from the railroads, with the Port Authority's and the City's shares of extraordinary expenditures not to exceed \$2.5 million each during the term of the agreement, with the parties to reassess the financing of the railroad, including their financial obligations, after the first five years, any further Port Authority financial contribution being subject to Board approval; (f) the Director, Port Commerce Department, to approve the expenditure of fees from the Escrow Account; (g) sharing of monies in the Escrow Account that may exceed extraordinary costs, including recovery of prior payments by the Port Authority and the City; and (h) the rail operators to be generally responsible, apart from their obligation to the Escrow Account, for routine maintenance, security and operating procedures, dispatching, scheduling, liability insurance and indemnifications; and (2) approve a ten-year agreement among the New York City Economic Development Corporation (NYCEDC), Norfolk Southern Railway Company (Norfolk Southern), CSX Transportation, Inc. (CSX) and the Consolidated Rail Corporation (Conrail) that provides for the operation, management, maintenance (normal and routine operating and maintenance for track, bridges and signals) and dispatch of the SIRR, including the Arthur Kill Lift Bridge.

Since the mid-1990s, the Port Authority has been working cooperatively with the City and New Jersey Department of Transportation (NJDOT) to reactivate the SIRR and rail service to the HHMT and other businesses on Staten Island. The City and the State of New Jersey (State) acquired the segments of the rail line in New York and New Jersey, respectively. The Port Authority, under a lease from the State, is managing rehabilitation of the New Jersey segments of the SIRR and constructing a new connector to a main Conrail-Norfolk Southern-CSX rail line. The City is managing reconstruction of the City-owned Arthur Kill Lift Bridge, the former SIRR lines on Staten Island, and the Arlington Yards, with a portion of the funding provided by the Port Authority. It is currently anticipated that Port Authority and City construction will be complete by early 2006. In addition to reconstruction of the SIRR, the Port Authority has begun construction of the first phase of the intermodal transfer facility at the HHMT, known as ExpressRail Staten Island.

The proposed agreements represent the final steps in the reactivation of the rail service on Staten Island, which is targeted for May 2006. The first agreement is an access, maintenance and operating agreement between the Port Authority and the City that will provide reciprocal access rights to the City, the Port Authority, or their designated rail carrier, to all segments of the SIRR serving the HHMT. The agreement also will allow the Port Authority and the City to share any excess revenues, above those required to maintain the railroad, which will be held in a jointly supervised Escrow Account. The fees included in the rail operator agreement have been designed to cover all expected maintenance of the system; however, the Port Authority and the City could ultimately be liable for costs above the capability of the fund. In that regard, the Escrow Account will be initiated with deposits of \$1 million each from the City and the Port Authority, with the Port Authority's and the City's share of extraordinary expenditures not to exceed \$2.5 million each during the term of the agreement. The Port Authority and the City will reassess the financing of the railroad, including their financial obligations, after the first five years, and any further Port Authority financial contribution would be subject to Board approval. The Port Authority also would have the opportunity to share any excess in the Escrow Account should payments from the operators and/or others exceed cost obligations. The agreement also confirms Port Authority title to improvements funded by the agency on City-owned property and establishes a procedure for joint oversight of railroad operations.

The second agreement is among the NYCEDC, Norfolk Southern, CSX and Conrail to designate the railroads as operators of the SIRR for a period of ten years and to assign to them responsibility to operate, manage, maintain and dispatch for the SIRR, including the Arthur Kill Lift Bridge. Although the Port Authority is not party to this agreement, the terms of the SIRR funding agreement between the Port Authority and the City require that the final agreement among the City and the rail operators be subject to the review and approval of the Port Authority's Board of Commissioners and that the request for a permanent designation of a rail operator must be accompanied by the proposed operating agreement between the City and the Port Authority. The proposed designation agreement provides for the railroads to pay a fee for use of the SIRR based on volume handled in the amount of \$10 per intermodal container and \$48 for other carloads during the first five years of the agreement, with such fees to be reviewed prior to the commencement of the second five-year term of the agreement. Payments will be held by the City in the Escrow Account to cover extraordinary expenditures (beyond the operators' responsibility) of the SIRR assets or for future capital improvement programs that directly enhance rail service to Staten Island.

The agreement between the Port Authority and the City is for a term of thirty years. The agreement among the NYCEDC and the railroads is for a period of ten years, with provisions allowing each party to cancel the agreement under certain conditions and the option to renew the agreement for an additional ten-year term.

Establishing rail service to the HHMT will result in reduced highway congestion and provide more efficient transportation to the Port of New York and New Jersey and the region. This action also will allow the Port Authority to advance projects necessary to establish rail service to the HHMT, thereby allowing it to compete with other ports and terminals, and result in a savings to the Port Authority of approximately \$80,000 per month in lease rental credits

required until rail service is restored to the HHMT. In addition, the Port Authority collects an intermodal user fee on every container moving through its rail facilities under provisions published in the Port Authority Tariff.

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

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 City of New York and the New York City Economic Development Corporation (collectively, the City) to provide for: (1) the Port Authority to grant access to the City, or its designated rail carrier, over Staten Island Railroad (SIRR) rail lines in Elizabeth, New Jersey controlled by the Port Authority, including the Chemical Coast Connector and additional right-of-way leased from the State of New Jersey; (2) the City to grant reciprocal rights to the Port Authority, or its designated rail carrier, to access the Arthur Kill Lift Bridge and rail lines on Staten Island owned by the City that are necessary to serve the Howland Hook Marine Terminal (HHMT), including possible lease or acquisition of those properties by the Port Authority should it become necessary in the future; (3) the City to hold all fees paid by the operator(s) and/or others in an Escrow Account to be supervised jointly with the Port Authority; (4) the Escrow Account to be initially funded with deposits of \$1 million each from the City and the Port Authority; (5) joint Port Authority–City sharing of all operating, maintenance and extraordinary capital maintenance of all the SIRR assets not covered directly by the rail operators or in excess of fees derived from the railroads, with the Port Authority's and the City's shares of extraordinary expenditures not to exceed \$2.5 million each during the term of the agreement, with the parties to reassess the financing of the railroad, including their financial obligations, after the first five years, any further Port Authority financial contribution being subject to Board approval; (6) the Director, Port Commerce Department, to approve expenditure of fees from the Escrow Account; (7) sharing of monies in the Escrow Account that may exceed extraordinary costs, including recovery of prior payments by the Port Authority and the City; and (8) the rail operators to be generally responsible, apart from their obligation to the Escrow Account, for routine maintenance, security and operating procedures, dispatching, scheduling, liability insurance and indemnifications; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative; and it is further

RESOLVED, that the ten-year agreement among the New York City Economic Development Corporation, Norfolk Southern Railway Company, CSX Transportation, Inc., and the Consolidated Rail Corporation that provides for the operation, management, maintenance (normal and routine operating and maintenance for track, bridges and signals) and dispatch of the SIRR, including the Arthur Kill Lift Bridge, be and it hereby is approved by the Port Authority.

PURCHASE OF REAL PROPERTY FROM THE NEW YORK RACING ASSOCIATION, INC. FOR FUTURE DEVELOPMENT IN CONNECTION WITH JOHN F. KENNEDY INTERNATIONAL AIRPORT

The New York Racing Association, Inc. (NYRA) has recently offered to sell to the Port Authority certain real property in the vicinity of John F. Kennedy International Airport (JFK) that NYRA no longer needs for its Aqueduct Race Track operations. The acquisition of this real property by the Port Authority would permit greater flexibility in the planning, design and utilization of existing JFK real property, and enhance the Port Authority's ability to provide support of airport-related functions, such as parking, back office functions, cargo storage facilities and other services to the aviation community.

It was recommended that the Board authorize the Executive Director, for and on behalf of the Port Authority, to enter into an agreement with NYRA, to purchase this real property for an amount not to exceed \$5 million, after the completion of negotiations and appropriate due diligence. NYRA would continue to operate and maintain this real property at no additional cost to the Port Authority until such time as the Port Authority commences the development of this property for airport purposes. The final terms of the purchase agreement would be subject to the approval of the Chairman and the Executive Director.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the New York Racing Association, Inc. (NYRA) for the purchase, at a cost not in excess of \$5 million, of certain real property in the vicinity of John F. Kennedy International Airport, and such other agreements with NYRA or other parties as are required to facilitate such purchase; and it is further

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

SETTLEMENT OF CLAIM – AMELIE GORGEN v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of an action entitled Amelie Gorgen, as the Executrix of the Estate of Emil H. Gorgen, and Amelie Gorgen, Individually v. The Port Authority of New York and New Jersey in the amount of \$230,000. Plaintiff would provide the Port Authority with a General Release and a Stipulation of Discontinuance with Prejudice.

On November 22, 2000, plaintiff's decedent, Emil Gorgen, who was 77 years old and a retired importer, slipped and fell on a patch of ice in a parking lot at LaGuardia Airport. Mrs. Gorgen testified that she had been at the airport the day before to purchase tickets and had seen the patch of ice. The Port Authority's own investigation determined that there was a large depression in the pavement extending into the crosswalk, where water would accumulate after a rainfall. It had been freezing for approximately 16 hours before the accident, and the water had frozen. The responding Port Authority police officer completed a patron's accident report and noted that he had found plaintiff's decedent on a patch of ice with an apparent head injury. Mr. Gorgen was transported by ambulance to Elmhurst Hospital, where a CAT scan revealed that his brain was bruised and bleeding. The following morning he was placed on a breathing machine, and a craniotomy was performed. Mr. Gorgen remained in Elmhurst Hospital for 23 days until December 16, 2000, when he died. Mrs. Gorgen attended to her husband's bedside for the last 26 days of his life. Mr. Gorgen incurred medical and hospital expenses totaling \$78,400.

Plaintiff initially demanded \$450,000 to settle this action, but through aggressive negotiation, the parties agreed upon the settlement described above, subject to Board approval.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of a lawsuit entitled Amelie Gorgen, as the Executrix of the Estate of Emil H. Gorgen, and Amelie Gorgen, Individually v. The Port Authority of New York and New Jersey in the amount of \$230,000, inclusive of attorneys' fees, costs and disbursements.

**SETTLEMENT OF CLAIM – ROSALIE ANN WHITEHEAD A/A/O THE ESTATE OF
GEORGE NELSON WHITEHEAD v. THE PORT AUTHORITY OF NEW
YORK AND NEW JERSEY**

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury and wrongful death claim in the action entitled Rosalie Ann Whitehead a/a/o the Estate of George Nelson Whitehead v. The Port Authority of New York and New Jersey in the amount of \$1 million, inclusive of attorneys' fees, costs and disbursements. Plaintiff would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff's decedent, George Nelson Whitehead, who was 52 years old and employed as a Vice President at Fiduciary Trust International, was on the 94th floor of Two WTC when the bombing occurred. It is alleged that as a result of exiting the building by walking down from the 94th floor, Mr. Whitehead, who suffered from arteriosclerotic heart disease, aggravated his preexisting condition and died 11 days later from heart failure. His widow, Rosalie Whitehead, as administratrix of the estate, claims wrongful death and loss of support and services.

Plaintiff initially demanded \$1,500,000 to settle this action, but through aggressive negotiation, and with the assistance of the Court, the parties agreed upon the settlement as described above, subject to Board approval. The Port Authority's excess insurance carriers have approved the proposed settlement amount, and the Port Authority would be fully reimbursed for the settlement amount by the carriers.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Rosalie Ann Whitehead a/a/o the Estate of George Nelson Whitehead v. The Port Authority of New York and New Jersey in the amount of \$1 million, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – MICHAEL AND HELENE RAPP v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled Michael and Helene Rapp v. The Port Authority of New York and New Jersey in the amount of \$950,000, inclusive of attorneys' fees, costs and disbursements. Plaintiffs would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff Michael Rapp, who was 34 years old and employed as a senior job captain for SCR Design, was conducting a survey in the sub-grade of the WTC when the bombing occurred. As a result of the explosion, he was thrown several feet into the air and landed on the floor, which collapsed beneath him, causing him to fall several levels into the basement. As a result, plaintiff sustained multiple injuries, including a perforated eardrum, fractures to the left knee and pelvis, multiple fractures to the right leg and ankle and smoke inhalation. Plaintiff underwent several surgeries to repair the fractures and subsequently developed osteomyelitis that required bone replacement surgery. He was totally disabled until January 1994. He is seeking damages for past and future pain and suffering and lost wages. There is a Workers' Compensation lien of \$204,000 for lost wages and medical expenses, which plaintiff must repay. His wife's claim is for loss of services.

Plaintiffs initially demanded \$1,950,000 to settle this action, but through aggressive negotiation, and with the assistance of the Court, the parties agreed upon the settlement as described above, subject to Board approval. The Port Authority's excess insurance carriers have approved the proposed settlement amount, and the Port Authority would be fully reimbursed for the settlement amount by the carriers.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Michael and Helene Rapp v. The Port Authority of New York and New Jersey in the amount of \$950,000, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – KEVIN AND ESTHER SHEA v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled Kevin and Esther Shea v. The Port Authority of New York and New Jersey in the amount of \$800,000, inclusive of attorneys' fees, costs and disbursements. Plaintiffs would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff Kevin Shea, who was 33 years old and employed as a lieutenant by the New York City Fire Department, was an emergency responder. While plaintiff was attempting to rescue a victim in the WTC sub-grade level, the floor collapsed, causing plaintiff to fall five floors. As a result of the fall, plaintiff sustained fractures to his nose, left knee and right foot.

Plaintiff underwent several surgeries to repair his knee, which will eventually require knee replacement surgery. Plaintiff was confined to home for seven months and to bed for three months. He was placed on modified duty until 1998, when he was retired on a disability pension. Plaintiff claims past and future pain and suffering and lost wages. His wife's claim is for loss of services.

Plaintiffs initially demanded \$1,600,000 to settle this action, but through aggressive negotiation, and with the assistance of the Court, the parties agreed upon the settlement as described above, subject to Board approval. The Port Authority's excess insurance carriers have approved the proposed settlement amount, and the Port Authority would be fully reimbursed for the settlement amount by the carriers.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Kevin and Esther Shea v. The Port Authority of New York and New Jersey in the amount of \$800,000, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – JAMES CAVOLO v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled James Cavolo v. The Port Authority of New York and New Jersey in the amount of \$775,000, inclusive of attorneys' fees, costs and disbursements. Plaintiff would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center, plaintiff, who was 33 years old and employed as a firefighter by the New York City Fire Department, was an emergency responder immediately following the bombing. As a result of sharing his oxygen mask with rescue victims, plaintiff sustained oxygen deprivation, which caused him to lose consciousness and fall down several flights of stairs. Plaintiff sustained the following injuries: herniated disks, a torn right rotator cuff, carpal tunnel syndrome, and smoke inhalation. Plaintiff underwent six surgeries to his right shoulder and hand, and required extensive physical therapy. He was placed on modified duty until September 30, 1997, when he was retired on a disability pension. Plaintiff claims past and future pain and suffering and lost wages.

Plaintiff initially demanded \$1,800,000 to settle this action, but through aggressive negotiation, and with the assistance of the Court, the parties agreed upon the settlement as described above, subject to Board approval. The Port Authority's excess insurance carriers have approved the proposed settlement amount, and the Port Authority would be fully reimbursed for the settlement amount by the carriers.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled James Cavolo v. The Port Authority of New York and New Jersey in the amount of \$775,000, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – MARY O’CONNOR A/A/O THE ESTATE OF RICHARD O’CONNOR v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury and wrongful death claim in the action entitled Mary O’Connor a/a/o the Estate of Richard O’Connor v. The Port Authority of New York and New Jersey in the amount of \$450,000, inclusive of attorneys’ fees, costs and disbursements. Plaintiff would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff’s decedent, Richard O’Connor, who was 60 years old and employed as an insurance salesman at Chubb & Son earning approximately \$91,000 per annum, was on the 107th floor of One WTC when the bombing occurred. It is alleged that as a result of exiting the building by walking down the stairs from the 107th floor, Mr. O’Connor aggravated a pre-existing heart condition that resulted in his death from heart failure on September 25, 1993. He left five children, the youngest being 20 years old at the time of his death. His widow, Mary O’Connor, as administratrix of the estate, claims wrongful death and loss of support and services.

Plaintiff initially demanded \$1,800,000 to settle this action, but through aggressive negotiation, and with the assistance of the Court, the parties agreed upon the settlement as described above, subject to Board approval. The Port Authority’s excess insurance carriers have approved the proposed settlement amount, and the Port Authority would be fully reimbursed for the settlement amount by the carriers.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Mary O’Connor a/a/o the Estate of Richard O’Connor v. The Port Authority of New York and New Jersey in the amount of \$450,000, inclusive of attorneys’ fees, costs and disbursements.

SETTLEMENT OF CLAIM – JOHN TERRACIANO v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled John Terraciano v. The Port Authority of New York and New Jersey in the amount of \$125,000, inclusive of attorneys' fees, costs and disbursements. Plaintiff would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff, who was 35 years old at the time of the incident and employed as a senior field engineer by SMS System, was in the Vista Hotel lobby at the WTC when the bombing occurred. Plaintiff alleges that as a result of the explosion, he was thrown 30 feet into the air, knocked against a wall and hit by flying debris. Plaintiff sustained multiple injuries, including lower back derangement, bilateral carpal tunnel syndrome, smoke inhalation and post-traumatic stress disorder. In 1995, plaintiff underwent surgeries on both wrists. In addition, his orthopedist noted a 50-60 percent decrease of normal range of motion to his lumbar spine, and from 1996 through 1999 plaintiff received chiropractic treatments one to three times per week. There is a Workers' Compensation lien of \$33,482 for lost wages and medical expenses that plaintiff must repay.

Plaintiff initially demanded \$350,000 to settle this action, but through aggressive negotiation the parties agreed upon the settlement as described above, subject to Board approval. The Port Authority's excess insurance carriers have approved the proposed settlement amount, and the Port Authority would be fully reimbursed for the settlement amount by the carriers.

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

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

SETTLEMENT OF CLAIM – LEONID FELDMAN v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, ET AL.

It was recommended that the Board authorize General Counsel to finalize the settlement of a civil rights action for false arrest entitled Leonid Feldman v. The Port Authority of New York and New Jersey and Charles Giglia in the amount of \$155,000. Plaintiff would provide the Port Authority with a General Release and a Stipulation of Discontinuance with Prejudice.

On November 24, 1998, plaintiff Leonid Feldman, who was 56 years old and self-employed as a taxi driver, was arrested at LaGuardia Airport by Port Authority Police. He was charged in Criminal Court of the City of New York, Queens County, with unlawful solicitation of ground transportation and was issued a New York City Taxi and Limousine Commission "Hack Complaint." The criminal charge was dismissed, and plaintiff prevailed in the "Hack Complaint" matter.

Plaintiff initially demanded the aggregate sum of \$250,000 to settle this action. At the conclusion of the trial in the Supreme Court of the State of New York, Kings County, the jury returned a verdict in favor of the plaintiff in the amount of \$51,350. Before the trial proceeded on the issue of punitive damages, the Port Authority agreed to settle the action for a total amount of \$155,000, subject to Board approval, thus avoiding an assessment of punitive damages, potentially higher attorneys' fees and the costs of an appeal.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of a lawsuit entitled Leonid Feldman v. The Port Authority of New York and New Jersey and Charles Giglia in the amount of \$155,000, inclusive of attorneys' fees, costs and disbursements.

CONFIDENTIAL ITEM

This item 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 Article XII, sections (g)(1) and (g)(2) of the By-Laws, the Executive Director reported, for information only, the following contracts were awarded or amended for the period of July 1, 2005 through October 31, 2005.

AWARDEE	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
3M Traffic Control Materials	Validation Stickers	\$296,106	Government Contract
Ray's Sport Shop, Inc.	Body Armor – P.A. Police	\$366,798	Government Contract
Continental Personnel	Temporary Cafeteria Workers – PATC	\$147,548	Publicly Bid/Low Bid
Urban Office Products, Inc.	Computer Hardware Supplies – Agency contract	\$707,689	Publicly Bid/Low Bid
Gartner, Inc.	Technology Advisory Services	\$98,647	Government Contract
Paraco Gas Company	Liquid Propane Gas – JFK	\$500,000	Government Contract
Corporate Counseling	Medical Services – HRD	\$210,000	Government Contract
Armorcast Products Company	Portable Traffic Barriers – JFK	\$80,500	Government Contract
West Publishing Corporation	Thomson West Information Charges	\$219,000	Government Contract
Joseph Smentkowski, Inc.	Refuse Removal & Recycling – EWR	\$492,627	Publicly Bid/Low Bid
Eagle Maintenance Supply, Inc.	Janitorial Supplies	\$393,930	Publicly Bid/Low Bid
Creative Visual Systems of New Jersey	Gerber Edge Supplies - Sign Shop	\$145,626	Government Contract
John Thomas, Inc.	Dura Curb Roadway Reflectors – Delineators	\$381,111	Publicly Bid/Low Bid
Atlas Flasher & Supply Co., Inc.	Impact Recovery Roadway Reflectors	\$263,250	Publicly Bid/Low Bid

AWARDEE	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
Brother International Corporation	Facsimile Equipment Service	\$130,684	Government Contract
AAA Emergency Supply	Scott Respirators & Accessories	\$403,038	Government Contract
Lawmen Supply Company of NJ	Police Rifles & Accessories	\$134,184	Government Contract
Weldon Materials, Inc.	Hot Asphalt – EWR	\$282,400	Publicly Bid/Low Bid
Messina Asphalt Corp.	Paving & Patching Services - NYMT	\$84,800	Publicly Bid/Low Bid
Gabrielli Truck Sales	Mack Truck Parts	\$262,800	Government Contract
Honeywell International, Inc.	HVAC Maint. – EWR	\$995,103	Publicly Bid/Low Bid
Jersey Paper Company	Cafeteria Supplies	\$258,005	Publicly Bid/Low Bid
Armorcast Products Company	Portable Traffic Barriers – JFK	\$80,750	Government Contract
Metro Fuel Oil Corporation	# 2 Heating Fuel Oil – JFK - Under 5,500 Gal.	\$350,000	Government Contract
Plymouth Rock Fuel Corporation	# 2 Heating Fuel Oil – LGA - Min 5,500 Gal.	\$260,000	Government Contract
Plymouth Rock Fuel Corporation	# 2 Heating Fuel Oil – JFK - Min 5,500 Gal.	\$150,000	Government Contract
Metro Fuel Oil Corporation	# 2 Heating Fuel Oil – LGA - Under 5,500 Gal.	\$140,000	Government Contract
Empire State Fuel Corp.	# 4 Heating Fuel Oil – JFK	\$100,000	Government Contract
AFG Construction Management, Inc	General Repair, Maint. & Construction Services - NJ Offices	\$829,857	Publicly Bid/Low Bid
Yale Picture Frame and Moulding Corporation	Framing Services	\$257,096	Publicly Bid/Low Bid

AWARDEE	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
Sun Microsystems Inc.	Sun Micro - Storage Consolidation Software	\$195,665	Government Contract
Sprague Energy Corporation	RFG Regular Gasoline – JFK	\$500,000	Government Contract
Lexis – Nexis	Vendor Integrity Database Search Services	\$80,460	Government Contract
Object Video, Inc	Security Video Hardware & Software – OEM	\$193,393	Negotiated
CPS Human Resource Services	Testing Services – HRD	\$215,000	Government Contract
Lestanas Enterprises, Inc.	Various Plumbing Items	\$171,402	Publicly Bid/Low Bid
Henry Brothers	Tunnel Radio Spare Parts	\$82,960	Government Contract
Grainger	Misc. Maint., Repair And Operations (MRO) Items	\$500,000	Government Contract
Storagetek Storage Technology Corp.	Annual Hardware Maintenance	\$189,941	Government Contract
Kova Corporation	Digital Recording System – MERCOM for HT	\$126,322	Government Contract
CompUSA	IT Classes – TSD	\$125,000	Government Contract
New Horizons Computer	IT Classes – TSD	\$125,000	Government Contract
Sun Microsystems Inc.	Upgrade PeopleSoft Servers	\$101,839	Government Contract
Sprague Energy Corp.	Diesel Engine Fuel – JFK Buses	\$500,000	Government Contract
Sprague Energy Corporation	Diesel Engine Fuel – JFK Bldg 14	\$250,000	Government Contract
Xerox Corporation	Xerox Enterprise Pool Plan - Equip. Maint.	\$224,766	Government Contract

AWARDEE	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
Open Text Corporation	Maintenance for LiveLink – Engineering Electronic Document Mgt System	\$101,600	Negotiated
Atlantic Salt, Inc.	Sodium Chloride-Bulk Rock Salt – JFK	\$425,000	Government Contract
City Fire Equipment Co., Inc.	Fire Extinguisher Service – EWR	\$376,641	Publicly Bid/Low Bid
Atlantic Salt, Inc.	Sodium Chloride-Bulk Rock Salt – EWR	\$250,000	Government Contract
Kova Corporation	Digital Logging Recorder System - Public Safety	\$161,026	Government Contract
Atlantic Salt, Inc.	Sodium Chloride-Bulk Rock Salt – LGA	\$150,000	Government Contract
Atlantic Salt, Inc.	Sodium Chloride-Bulk Rock Salt – SIB	\$100,000	Government Contract
International Salt Company, LLC	Bulk Rock Salt, Sodium Chloride – GWB	\$100,000	Government Contract
The Glove & Safety People	Gloves, Various Types	\$132,583	Publicly Bid/Low Bid
Tri State Employment Services, Inc.	Messenger/Clerical Services – Oper. Svcs.	\$453,341	Publicly Bid/Low Bid
Siemens Building Technologies	HVAC Maint. – LGA	\$243,880	Negotiated
Atlantic Salt, Inc.	Sodium Chloride-Bulk Rock Salt – NJMT	\$82,000	Government Contract
Premier Flag & Banner Company, Inc.	Various Flags	\$133,602	Publicly Bid/Low Bid
Sign Design Group Of NY, Inc.	Signage JFK	\$100,422	Publicly Bid/Low Bid
Arch Wireless	Paging Services – TSD	\$300,000	Government Contract
IVCI, LLC	Video Conferencing Equipment	\$192,548	Government Contract

Tort Claim Settlements – Quarterly Report

The Executive Director reported, 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, 2005 to September 30, 2005.

TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED

<u>NAME</u>	<u>FACILITY</u>	<u>AMOUNT PAID</u>
BALOUMIAN BAROUIR	JFK	\$ 17,577.97
VALLEN CHERYL	LGA	45,000.00
MOMPOINT JACQUELINE	WTC	47,500.00
NGUYEN A-NATIONWIDE	GWB	3,492.00
KAJIMA USA-ZURICH INS	EWR	27,008.00
LAVALLE GABRIELLE	GWB	450.21
GUGEL DAVID	GWB	198.18
ELSISHANS DIANE	HT	3,419.44
SCHILLIZZI PETER	LT	259.70
SIEGLE MATTHEW	JFK	213.90
SCHRAMM FRANK	LT	500.00
SHEYNIN BORIS	JFK	271.56
RODRIGUEZ DESIRAE	GB	41.00
CARBONARO DANIEL	JFK	207.44
MACKINTOSH MARY	BB	257.81
GALLO MAUREEN	LGA	700.00
NACHEF ELVIS	GWB	716.00
WATSON JOSEPH	GWB	449.60
KLIMAVICIUS JONAS	LGA	50.00
KLIMAVICIUS JONAS	LGA	1,130.34
ELWYN P-TRAVELERS ASO	LGA	1,799.55
FLORENTINO JOHN J	LGA	605.86
DEEGAN CHRISTOPHER	LGA	1,037.61
FREEMAN FRANK	LGA	427.13
PENN-AMERICA INS CO	EWR	245.40
JENSEN JEFF	LGA	1,014.42
BOYARSKY LOUISE	GWB	116.70
UNGER DYAN	OBX	180.15
WALSH JOHN J	GWB	805.00
SIERZEGA JOSEPH	EWR	110.00
BIZZARRO PARIDE	LGA	411.69
GENTILE ANNE MARIE	LT	331.78
GALKA LUISE	EWR	565.42
KAMITSIS MARY	GWB	163.95

TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED (cont'd.)

<u>NAME</u>	<u>FACILITY</u>	<u>AMOUNT PAID</u>
LEWICKI VALERIE	LGA	376.98
KASINSKAS JOSEPH	LGA	775.32
STAMMERMANN HENDRIK	JFK	553.00
SETH ROBY	GWB	274.00
MEILAD MOSTAFA	LT	2,396.67
MAURITZEN J-TRAVELERS	LGA	1,582.17
DE MARCHIS LSIA	LGA	357.16
RUDD ANDREW	JFK	125.00
KAPLOW JEFFREY	GWB	542.30
MASUR JONATHAN	GB	58.93
LOOMIS JOEL	HT	1,846.53
AUSTIN CATHERINE	EWR	297.70
MURDOCK BLAKE	JFK	62.65
MAYERS GERARD	JFK	142.06
JANIAK KEVIN	HT	382.66
CUMELLO MATT	GWB	657.53
CITY OF HACKENSACK	TEB	6,778.58
COUNTY OF BERGEN	TEB	6,936.00
VILLAGE RIDGEFIELD PK	TEB	1,892.74
BORO HASBROUCK HTS	TEB	20,965.75
BORO LITTLE FERRY	TEB	34,074.81
GEN'L SERVICES ADMIN	LGA	824.01
NERAHOO NORADA	EWR	1,142.57
TWNSHP SO HACKENSACK	TEB	710.74
BORO OF MOONACHIE	TEB	24,912.93
MARUT JOHN	JFK	95.83
SMITH DWIGHT	JFK	279.89
TART SR., REGINALD	OBX	344.85
CNTY OF BERGEN/HEALTH	TEB	1,710.68
ANTICO WILLIAM	GB	1,361.84
RAMIREZ WILLY	LT	558.00
RAMIREZ LUIS E	GWB	10,500.00
FERREIRA JOSE	LGA	1,163.33
WHELAN GERARD	LGA	826.46
RICCIARDELLI JANINE	GWB	1,199.55
HONOR PAUL	LGA	617.86
TAORMINA -FARM FAMILY	HT	2,858.07
ESPOSITO VINCENT	JFK	4,707.60
BARULIC SRECKO	PST	22,500.00
ADAMOU SOPHOCLES	OP	45,000.00
	TOTAL	\$359,650.56

TORT CLAIMS OF THE PORT AUTHORITY, CLOSED

<u>NAME</u>	<u>FACILITY</u>	<u>AMOUNT COLLECTED</u>
CAOWHAN GHAFOUR U	JFK	\$ 2,458.40
NAKSHON ZINOVY A	LT	450.00
LEUNG L SHUI	GWB	421.87
AVIS RENT A CAR SYSTEM	HT	2,333.10
UNITED AIRLINES INC	EWR	3,684.18
CONRAIL	PN	7,443.88
YU TSUNG-HUANG	HT	131.75
NJ TRANSIT CORP	LT	1,642.49
ADIRONDACK TRAILWAYS	PABT	576.73
KUWAIT AIRWAYS	JFK	4,278.45
FJC SECURITY SERVICES	EWR	5,018.86
CHANG ANDREW	GWB	221.18
GIL ANA	JFK	5,348.06
SULLENS JAMES W	JFK	4,278.45
AMERICAN AIRLINES	LGA	5,823.67
NESTLE WATERS N AMERICA	LT	2,053.11
A&M XPRESS	LT	2,053.11
CAB EAST LLC	GWB	3,238.48
KASIM ZARIEH S	JFK	4,278.45
COLLAZO SONIA N	LGA	986.07
SIGNATURE FLIGHT SVCS	EWR	450.00
	TOTAL	\$57,170.29

FACILITY KEY

BB -- Bayonne Bridge
 GWB - George Washington Bridge
 GB - Goethals Bridge
 HT - Holland Tunnel
 JFK - John F. Kennedy International Airport
 LGA - LaGuardia Airport
 LT - Lincoln Tunnel
 EWR - Newark Liberty International Airport
 OBX - Outerbridge Crossing
 PABT - Port Authority Bus Terminal
 PN - Port Newark
 PST -- Passenger Ship Terminal
 TEB -- Teterboro Airport
 WTC -- World Trade Center
 OP - Off Property

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

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

REPORT A:

Purchase of Port Authority Bonds

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

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

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/03/05	\$28,000,000	FHDN	--	12/02/05	99.38	3.730%	3.813%	\$27,825,933.33	Mizuho
10/03/05	25,000,000	FHDN	--	11/30/05	99.40	3.720	3.802	24,850,166.68	JPMorgan
10/03/05	30,000,000	GECC CP	--	10/04/05	99.99	3.800	3.873	29,996,833.33	G.E. Capital
10/03/05	50,000,000	DBKFIN CP	--	10/13/05	99.90	3.750	3.823	49,947,916.67	Deutsche Bank
10/03/05	50,000,000	DBKFIN CP	--	10/04/05	99.99	3.820	3.894	49,994,694.44	Deutsche Bank
10/03/05	10,000,000	USTN	2.250%	02/15/07	97.56	--	4.100	9,755,859.38	Morgan Stanley
10/04/05	25,000,000	FHDN	--	10/31/05	99.73	3.600	3.671	24,932,500.00	Citiglobal
10/04/05	28,000,000	FHDN	--	10/31/05	99.73	3.600	3.671	27,924,400.00	Citiglobal
10/04/05	50,000,000	GECC CP	--	10/05/05	99.99	3.730	3.801	49,994,819.44	G.E. Capital
10/04/05	50,000,000	DBKFIN CP	--	10/05/05	99.99	3.730	3.801	49,994,819.44	Deutsche Bank
10/04/05	25,000,000	USTN	2.875	11/30/06	98.54	--	4.176	24,634,765.63	JPMorgan
10/05/05	50,000,000	FHDN	--	10/17/05	99.88	3.610	3.678	49,939,833.33	Citiglobal

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/05/05	\$47,000,000	UBSFIN CP	--	10/06/05	99.99	3.740%	3.811%	\$46,995,117.22	Lehman Brothers
10/05/05	50,000,000	DBKFIN CP	--	10/11/05	99.94	3.750	3.822	49,968,750.00	Deutsche Bank
10/06/05	20,000,000	USTB	--	10/17/05	99.89	3.537	3.602	19,978,385.00	Deutsche Bank
10/06/05	25,000,000	USTB	--	10/17/05	99.89	3.537	3.602	24,972,981.25	Deutsche Bank
10/06/05	20,000,000	USTB	--	10/17/05	99.89	3.537	3.602	19,978,385.00	Deutsche Bank
10/06/05	30,000,000	USTB	--	10/17/05	99.89	3.537	3.602	29,967,577.50	Deutsche Bank
10/06/05	50,000,000	USTB	--	10/17/05	99.89	3.537	3.602	49,945,962.50	Deutsche Bank
10/06/05	20,000,000	FHDN	--	12/30/05	99.09	3.840	3.933	19,818,666.60	Goldman Sachs
10/06/05	30,000,000	FHDN	--	10/20/05	99.86	3.650	3.720	29,957,416.67	Lehman Brothers
10/06/05	50,000,000	GECC CP	--	10/07/05	99.99	3.750	3.821	49,994,791.67	G.E. Capital
10/07/05	50,000,000	GECC CP	--	10/11/05	99.96	3.740	3.812	49,979,222.22	G.E. Capital
10/07/05	50,000,000	UBSFIN CP	--	10/11/05	99.96	3.740	3.812	49,979,222.22	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/07/05	\$ 5,000,000	UBSFIN CP	--	10/11/05	99.96	3.740%	3.812%	\$ 4,997,922.22	Lehman Brothers
10/11/05	25,000,000	FHDN	--	10/21/05	99.90	3.630	3.699	24,974,791.67	Merrill Lynch
10/11/05	25,000,000	FHDN	--	10/24/05	99.87	3.630	3.699	24,967,229.17	Merrill Lynch
10/11/05	25,000,000	FCDN	--	11/02/05	99.78	3.650	3.722	24,944,236.11	Banc of America
10/11/05	50,000,000	GECC CP	--	10/12/05	99.99	3.760	3.832	49,994,777.78	G.E. Capital
10/11/05	40,000,000	UBSFIN CP	--	10/12/05	99.99	3.760	3.832	39,995,822.22	Lehman Brothers
10/11/05	50,000,000	DBKFIN CP	--	10/18/05	99.93	3.770	3.843	49,963,347.22	Deutsche Bank
10/12/05	50,000,000	GECC CP	--	10/13/05	99.99	3.720	3.790	49,994,833.33	G.E. Capital
10/12/05	50,000,000	GECC CP	--	10/13/05	99.99	3.720	3.790	49,994,833.33	G.E. Capital
10/12/05	48,000,000	UBSFIN CP	--	10/13/05	99.99	3.710	3.780	47,995,053.33	Lehman Brothers
10/13/05	50,000,000	USTB	--	11/10/05	99.73	3.435	3.499	49,866,416.67	Deutsche Bank
10/13/05	45,500,000	USTB	--	11/17/05	99.67	3.395	3.459	45,349,818.40	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/13/05	\$20,000,000	FHDN	--	10/20/05	99.93	3.640%	3.708%	\$19,985,844.44	Merrill Lynch
10/13/05	23,000,000	FHDN	--	10/25/05	99.88	3.650	3.720	22,972,016.67	Merrill Lynch
10/13/05	30,000,000	FHDN	--	10/25/05	99.88	3.640	3.709	29,963,600.00	Merrill Lynch
10/13/05	50,000,000	GECC CP	--	10/14/05	99.99	3.750	3.821	49,994,791.67	G.E. Capital
10/13/05	50,000,000	DBKFIN CP	--	10/21/05	99.92	3.760	3.833	49,958,222.22	Deutsche Bank
10/13/05	28,000,000	DBKFIN CP	--	10/14/05	99.99	3.750	3.821	27,997,083.33	Banc of America
10/13/05	25,000,000	USTN	3.125%	01/31/07	98.61	--	4.229	24,652,343.75	Bear Stearns & Co.
10/14/05	50,000,000	GECC CP	--	10/17/05	99.97	3.750	3.822	49,984,375.00	G.E. Capital
10/14/05	33,000,000	UBSFIN CP	--	10/17/05	99.97	3.750	3.822	32,989,687.50	Lehman Brothers
10/14/05	25,000,000	UBSFIN CP	--	10/17/05	99.97	3.750	3.822	24,992,187.50	Banc of America
10/14/05	30,000,000	UBSFIN CP	--	10/17/05	99.97	3.750	3.822	29,990,625.00	Banc of America
10/17/05	25,000,000	FHDN	--	10/24/05	99.93	3.650	3.719	24,982,256.94	Merrill Lynch

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/17/05	\$50,000,000	FHDN	--	10/27/05	99.90	3.650%	3.719%	\$49,949,305.56	Citiglobal
10/17/05	50,000,000	GECC CP	--	10/18/05	99.99	3.790	3.863	49,994,736.11	G.E. Capital
10/17/05	50,000,000	UBSFIN CP	--	10/18/05	99.99	3.790	3.863	49,994,736.11	Banc of America
10/18/05	50,000,000	FHDN	--	11/01/05	99.86	3.670	3.741	49,928,638.89	Citiglobal
10/18/05	46,000,000	GECC CP	--	10/19/05	99.99	3.740	3.811	45,995,221.11	G.E. Capital
10/18/05	50,000,000	DBKFIN CP	--	10/19/05	99.99	3.750	3.821	49,994,791.67	Deutsche Bank
10/19/05	50,000,000	FHDN	--	11/15/05	99.72	3.700	3.775	49,861,250.00	Citiglobal
10/20/05	38,000,000	USTB	--	01/19/06	99.05	3.755	3.845	37,639,311.39	JPMorgan
10/20/05	50,000,000	GECC CP	--	10/21/05	99.99	3.730	3.801	49,994,819.44	G.E. Capital
10/21/05	35,000,000	FHDN	--	11/04/05	99.86	3.700	3.772	34,949,638.89	Lehman Brothers
10/21/05	50,000,000	FHDN	--	11/03/05	99.87	3.680	3.751	49,933,555.56	Citiglobal
10/21/05	38,000,000	GECC CP	--	10/24/05	99.97	3.730	3.801	37,988,188.33	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/21/05	\$25,000,000	DBKFIN CP	--	10/26/05	99.95	3.740%	3.812%	\$24,987,013.89	Deutsche Bank
10/24/05	25,000,000	FHDN	--	11/07/05	99.85	3.740	3.814	24,963,638.89	Merrill Lynch
10/24/05	25,000,000	GECC CP	--	10/25/05	99.99	3.760	3.832	24,997,388.89	G.E. Capital
10/24/05	25,000,000	DBKFIN CP	--	10/25/05	99.99	3.750	3.821	24,997,395.83	Deutsche Bank
10/25/05	25,000,000	FHDN	--	11/08/05	99.85	3.760	3.834	24,963,444.44	Merrill Lynch
10/25/05	25,000,000	GECC CP	--	11/02/05	99.91	3.840	3.916	24,978,666.67	G.E. Capital
10/25/05	28,000,000	GECC CP	--	10/26/05	99.99	3.740	3.811	27,997,091.11	G.E. Capital
10/25/05	50,000,000	DBKFIN CP	--	10/26/05	99.99	3.750	3.821	49,994,791.67	Deutsche Bank
10/26/05	25,000,000	GECC CP	--	10/28/05	99.98	3.770	3.842	24,994,763.89	G.E. Capital
10/26/05	50,000,000	UBSFIN CP	--	10/27/05	99.99	3.760	3.832	49,994,777.78	Lehman Brothers
10/26/05	5,000,000	UBSFIN CP	--	10/27/05	99.99	3.760	3.832	4,999,477.78	Lehman Brothers
10/26/05	50,000,000	DBKFIN CP	--	11/01/05	99.94	3.820	3.895	49,968,166.67	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/27/05	\$25,000,000	FHDN	--	11/01/05	99.95	3.780%	3.853%	\$24,986,875.00	Merrill Lynch
10/27/05	50,000,000	DBKFIN CP	--	10/28/05	99.99	3.860	3.936	49,994,638.89	Deutsche Bank
10/27/05	14,000,000	UBSFIN CP	--	10/28/05	99.99	3.850	3.925	13,998,502.78	Banc of America
10/27/05	15,000,000	USTN	4.250%	10/15/10	99.20	--	4.430	14,880,468.75	Lehman Brothers
10/27/05	10,000,000	USTN	2.250	02/15/07	97.35	--	4.358	9,735,156.25	Deutsche Bank
10/27/05	20,000,000	USTN	3.125	05/15/07	98.17	--	4.354	19,634,375.00	Morgan Stanley
10/28/05	25,000,000	FHDN	--	11/09/05	99.87	3.850	3.928	24,967,916.67	Greenwich Capital
10/28/05	4,000,000	UBSFIN CP	--	10/31/05	99.97	3.900	3.978	3,998,700.00	Lehman Brothers
10/28/05	50,000,000	UBSFIN CP	--	10/31/05	99.97	3.900	3.978	49,983,750.00	Lehman Brothers
10/28/05	50,000,000	DBKFIN CP	--	11/04/05	99.92	3.960	4.041	49,961,500.00	Deutsche Bank
10/31/05	40,000,000	USTB	--	02/16/06	98.83	3.900	4.001	39,532,000.00	ABN AMRO
10/31/05	50,000,000	FCDN	--	11/22/05	99.76	3.870	3.951	49,881,750.00	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/31/05	\$ 30,000,000	UBSFIN CP	--	11/01/05	99.99	4.000%	4.081%	\$ 29,996,666.67	Lehman Brothers
10/31/05	<u>28,000,000</u>	UBSFIN CP	--	11/01/05	99.99	4.000	4.081	<u>27,996,888.89</u>	Lehman Brothers
	<u>\$ 3,041,500,000</u>							<u>\$ 3,036,441,134.46</u>	

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

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
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No transactions this period.

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

Repurchase Transactions

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Dresdner	10/03/05	10/04/05	\$ 6,265,000	3.620%	\$ 629.98
Dresdner	10/03/05	10/04/05	100,000	3.620	10.06
Dresdner	10/03/05	10/04/05	7,275,000	3.620	731.54
Nomura	10/03/05	10/04/05	10,777,000	3.625	1,085.18
Nomura	10/03/05	10/04/05	20,897,000	3.625	2,104.21
Nomura	10/03/05	10/04/05	24,086,000	3.625	2,425.33
Nomura	10/03/05	10/04/05	24,687,000	3.625	2,485.84
Nomura	10/03/05	10/04/05	26,691,000	3.625	2,687.64
Mizuho	10/03/05	10/04/05	29,790,000	3.650	3,020.38 *
Mizuho	10/03/05	10/04/05	29,790,000	3.650	3,020.38 *
Dresdner	10/03/05	10/04/05	38,735,000	3.620	3,895.02
Nomura	10/03/05	10/04/05	43,757,000	3.625	4,406.09

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	10/03/05	10/04/05	\$48,203,000	3.625%	\$ 4,853.77
Dresdner	10/03/05	10/04/05	48,875,000	3.620	4,914.65
Dresdner	10/03/05	10/04/05	48,875,000	3.620	4,914.65
Dresdner	10/03/05	10/04/05	48,875,000	3.620	4,914.65
Nomura	10/04/05	10/11/05	10,402,000	3.625	7,331.97
Nomura	10/04/05	10/11/05	19,564,000	3.625	13,789.90
Nomura	10/04/05	10/11/05	20,777,000	3.625	14,644.90
Nomura	10/04/05	10/11/05	23,403,000	3.625	16,495.86
Morgan Stanley	10/04/05	10/05/05	25,000,000	3.620	2,513.89
Nomura	10/04/05	10/11/05	25,355,000	3.625	17,871.75
Mizuho	10/04/05	10/05/05	29,790,000	3.650	3,020.38 *
Mizuho	10/04/05	10/05/05	29,790,000	3.650	3,020.38 *

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	10/04/05	10/14/05	\$35,910,000	3.640%	\$36,608.25 *
Lehman Brothers	10/04/05	10/14/05	35,910,000	3.640	36,608.25 *
Nomura	10/04/05	10/11/05	39,522,000	3.625	27,857.52
Mizuho	10/04/05	10/06/05	42,892,500	3.650	8,733.39 *
Mizuho	10/04/05	10/06/05	42,892,500	3.650	8,733.39 *
Daiwa	10/04/05	10/18/05	42,892,500	3.650	61,252.88 *
Daiwa	10/04/05	10/11/05	42,892,500	3.650	30,787.28 *
Citiglobal	10/04/05	10/11/05	44,887,500	3.650	32,131.97 *
Citiglobal	10/04/05	10/11/05	44,887,500	3.650	32,131.97 *
Morgan Stanley	10/04/05	10/05/05	45,340,000	3.620	4,559.19
Nomura	10/04/05	10/11/05	48,755,000	3.625	34,365.50
Morgan Stanley	10/04/05	10/11/05	52,070,000	3.620	36,651.49

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>
Morgan Stanley	10/04/05	10/11/05	\$52,430,000	3.620%	\$36,904.89
UBS Warburg	10/05/05	10/06/05	25,003,000	3.700	2,569.75
BNP Paribas	10/05/05	10/11/05	45,346,000	3.650	27,585.48
Dresdner	10/06/05	10/11/05	25,006,000	3.650	12,676.65
Daiwa	10/06/05	10/20/05	31,680,000	3.730	45,196.80 *
Daiwa	10/11/05	10/19/05	247,000	3.680	200.49 *
Dresdner	10/11/05	10/13/05	10,062,000	3.650	2,040.35
Dresdner	10/11/05	10/13/05	18,687,000	3.650	3,789.31
Dresdner	10/11/05	10/13/05	20,793,000	3.650	4,216.36
Dresdner	10/11/05	10/13/05	22,970,000	3.650	4,657.81
Dresdner	10/11/05	10/13/05	24,919,000	3.650	5,053.02
Dresdner	10/11/05	10/13/05	31,861,000	3.650	6,460.70

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
ABN AMRO	10/11/05	10/13/05	\$32,642,000	3.650%	\$ 6,619.07
Citiglobal	10/11/05	10/13/05	44,932,500	3.650	9,111.32 *
Citiglobal	10/11/05	10/13/05	44,932,500	3.650	9,111.32 *
ABN AMRO	10/11/05	10/13/05	45,373,000	3.650	9,200.64
Dresdner	10/11/05	10/13/05	48,437,000	3.650	9,821.95
ABN AMRO	10/11/05	10/13/05	48,474,000	3.650	9,829.45
ABN AMRO	10/11/05	10/13/05	48,474,000	3.650	9,829.45
Daiwa	10/11/05	10/19/05	49,203,000	3.680	39,936.45 *
ABN AMRO	10/13/05	10/17/05	8,241,000	3.660	3,351.34
Nomura	10/13/05	10/17/05	9,574,000	3.660	3,893.43
Nomura	10/13/05	10/17/05	16,462,000	3.660	6,694.55
Nomura	10/13/05	10/17/05	17,507,000	3.660	7,119.51

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	10/13/05	10/17/05	\$21,538,000	3.660%	\$ 8,758.79
Nomura	10/13/05	10/17/05	24,699,000	3.660	10,044.26
Nomura	10/13/05	10/17/05	28,179,000	3.660	11,459.46
Mizuho	10/13/05	10/14/05	29,264,000	3.700	3,007.69 *
Mizuho	10/13/05	10/14/05	29,264,000	3.700	3,007.69 *
ABN AMRO	10/13/05	10/17/05	48,283,000	3.660	19,635.09
ABN AMRO	10/13/05	10/17/05	48,283,000	3.660	19,635.09
ABN AMRO	10/14/05	10/20/05	17,438,000	3.650	10,632.34 *
Daiwa	10/14/05	10/19/05	30,984,500	3.630	15,698.81 *
ABN AMRO	10/14/05	10/20/05	48,155,000	3.650	29,361.17 *
Nomura	10/17/05	10/20/05	1,503,000	3.660	458.41
Banc of America	10/17/05	10/20/05	7,424,000	3.670	2,270.51

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	10/17/05	10/20/05	\$27,935,000	3.660%	\$ 8,520.17
Banc of America	10/17/05	10/20/05	29,227,000	3.670	8,938.59
Nomura	10/17/05	10/20/05	29,247,000	3.660	8,920.33
Lehman Brothers	10/17/05	10/18/05	35,964,000	3.700	3,696.30 *
Lehman Brothers	10/17/05	10/18/05	35,964,000	3.700	3,696.30 *
Banc of America	10/17/05	10/20/05	37,886,000	3.670	11,586.80
Nomura	10/17/05	10/20/05	41,359,000	3.660	12,614.49
Nomura	10/17/05	10/20/05	41,465,000	3.660	12,646.82
Nomura	10/17/05	10/20/05	48,020,000	3.660	14,646.10
Banc of America	10/17/05	10/20/05	48,713,000	3.670	14,898.06
Banc of America	10/17/05	10/20/05	48,713,000	3.670	14,898.06
Lehman Brothers	10/18/05	10/21/05	49,875,000	3.650	15,170.31 *

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>
Dresdner	10/19/05	10/20/05	\$48,845,739	3.650%	\$ 4,952.42
Dresdner	10/19/05	10/20/05	2,051,521	3.650	208.00
Dresdner	10/19/05	10/20/05	48,845,739	3.650	4,952.42
Nomura	10/20/05	10/24/05	1,476,000	3.650	598.60
BNP Paribas	10/20/05	10/24/05	2,584,000	3.650	1,047.96
BNP Paribas	10/20/05	10/24/05	15,923,000	3.650	6,457.66
BNP Paribas	10/20/05	10/24/05	27,254,000	3.650	11,053.01
Nomura	10/20/05	10/24/05	29,152,000	3.650	11,822.76
Lehman Brothers	10/20/05	Open	29,835,000 *	Variable **	36,970.54 ***
Lehman Brothers	10/20/05	Open	29,835,000 *	Variable **	36,970.54 ***
ABN AMRO	10/20/05	10/24/05	32,900,000	3.650	13,342.78
Nomura	10/20/05	10/24/05	40,847,000	3.650	16,565.73

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	10/20/05	10/24/05	\$41,372,000	3.650%	\$16,778.64
Lehman Brothers	10/20/05	10/26/05	44,977,500	3.650	27,398.79 *
Lehman Brothers	10/20/05	10/26/05	44,977,500	3.650	27,398.79 *
Mizuho	10/20/05	10/25/05	45,977,000	3.650	23,346.10 *
Mizuho	10/20/05	10/25/05	45,977,000	3.650	23,346.10 *
Mizuho	10/20/05	10/25/05	45,977,000	3.650	23,346.10 *
Mizuho	10/20/05	10/25/05	47,976,000	3.650	24,361.14 *
Nomura	10/20/05	10/24/05	48,020,000	3.650	19,474.78
ABN AMRO	10/20/05	10/24/05	48,500,000	3.650	19,669.44
ABN AMRO	10/20/05	10/24/05	48,500,000	3.650	19,669.44
BNP Paribas	10/20/05	10/24/05	48,553,000	3.650	19,690.94
BNP Paribas	10/20/05	10/24/05	48,553,000	3.650	19,690.94

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	10/20/05	10/24/05	\$48,553,000	3.650%	\$19,690.94
ABN AMRO	10/21/05	10/27/05	944,000	3.650	575.57 *
ABN AMRO	10/21/05	10/27/05	48,556,000	3.650	29,605.68 *
Nomura	10/24/05	10/27/05	729,000	3.660	222.34
Daiwa	10/24/05	10/26/05	1,201,000	3.700	246.87 *
Morgan Stanley	10/24/05	10/27/05	1,590,000	3.700	490.25
Morgan Stanley	10/24/05	10/27/05	13,144,000	3.700	4,052.73
Morgan Stanley	10/24/05	10/27/05	27,244,000	3.700	8,400.23
UBS Warburg	10/24/05	10/27/05	28,251,000	3.650	8,593.01
Nomura	10/24/05	10/27/05	29,128,000	3.660	8,884.04
Nomura	10/24/05	10/27/05	39,661,000	3.660	12,096.60
Nomura	10/24/05	10/27/05	41,389,000	3.660	12,623.64

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	10/24/05	10/27/05	\$48,020,000	3.660%	\$14,646.10
Daiwa	10/24/05	10/26/05	48,774,000	3.700	10,025.77 *
Morgan Stanley	10/24/05	10/27/05	49,070,000	3.700	15,129.92
Morgan Stanley	10/24/05	10/27/05	49,070,000	3.700	15,129.92
UBS Warburg	10/24/05	10/27/05	50,857,000	3.650	15,469.00
UBS Warburg	10/24/05	10/27/05	50,857,000	3.650	15,469.00
Morgan Stanley	10/24/05	10/27/05	51,210,000	3.700	15,789.75
ABN AMRO	10/27/05	10/31/05	11,105,000	3.750	4,627.08
UBS Warburg	10/27/05	11/01/05	13,303,000	3.780	6,984.08
Lehman Brothers	10/27/05	Open	20,025,000 *	Variable **	10,585.44 ***
Nomura	10/27/05	10/31/05	20,896,000	3.780	8,776.32
Mizuho	10/27/05	10/31/05	28,709,000	3.750	11,962.08

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho	10/27/05	10/31/05	\$29,051,000	3.750%	\$12,104.58
Mizuho	10/27/05	10/31/05	37,508,000	3.750	15,628.33
ABN AMRO	10/27/05	10/31/05	41,401,000	3.750	17,250.42
Daiwa	10/27/05	10/31/05	45,574,000	3.780	19,141.08
Nomura	10/27/05	10/31/05	48,069,000	3.780	20,188.98
Nomura	10/27/05	10/31/05	48,069,000	3.780	20,188.98
Nomura	10/27/05	10/31/05	48,069,000	3.780	20,188.98
ABN AMRO	10/27/05	10/31/05	48,519,000	3.750	20,216.25
Mizuho	10/27/05	10/31/05	48,841,000	3.750	20,350.42
Mizuho	10/27/05	10/31/05	48,841,000	3.750	20,350.42
Daiwa	10/27/05	10/31/05	48,872,000	3.780	20,526.24
Daiwa	10/27/05	10/31/05	48,872,000	3.780	20,526.24

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	10/27/05	10/31/05	\$48,872,000	3.780%	\$20,526.24
UBS Warburg	10/27/05	11/01/05	49,019,000	3.780	25,734.98
ABN AMRO	10/27/05	10/31/05	50,136,000	3.750	20,890.00
ABN AMRO	10/28/05	Open	45,056,250 *	Variable **	19,023.75 ***
Banc of America	10/31/05	11/03/05	12,792,000	3.880	1,378.69
Lehman Brothers	10/31/05	Open	14,887,500 *	Variable **	1,612.81 ***
Daiwa	10/31/05	11/03/05	21,709,000	3.890	2,345.78
Dresdner	10/31/05	11/03/05	27,026,000	3.900	2,927.82
Dresdner	10/31/05	11/03/05	28,054,000	3.900	3,039.18
Banc of America	10/31/05	11/03/05	37,187,000	3.880	4,007.93
Dresdner	10/31/05	11/03/05	40,825,000	3.900	4,422.71
Banc of America	10/31/05	11/03/05	47,306,000	3.880	5,098.54

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	10/31/05	11/03/05	\$48,112,000	3.890%	\$5,198.77
Daiwa	10/31/05	11/03/05	48,112,000	3.890	5,198.77
Daiwa	10/31/05	11/03/05	48,112,000	3.890	5,198.77
Banc of America	10/31/05	11/03/05	48,158,000	3.880	5,190.36
Morgan Stanley	10/31/05	11/03/05	48,312,000	3.870	5,193.54
Dresdner	10/31/05	11/03/05	48,625,000	3.900	5,267.71
Dresdner	10/31/05	11/03/05	48,750,000	3.900	5,281.25
Morgan Stanley	10/31/05	11/03/05	52,270,000	3.870	5,619.02
Morgan Stanley	10/31/05	11/03/05	52,270,000	3.870	5,619.02

* This transaction was executed simultaneously with a like reverse/repurchase agreement.

** This rate subject to change daily.

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

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Mizuho	10/03/05	10/04/05	\$29,790,000	2.810%	\$ 2,325.28
Mizuho	10/03/05	10/04/05	29,790,000	2.810	2,325.28
Citiglobal	10/04/05	10/11/05	44,887,500	2.900	29,239.22
Citiglobal	10/04/05	10/11/05	44,887,500	2.900	29,239.22
Mizuho	10/04/05	10/06/05	42,892,500	2.900	7,089.18
Mizuho	10/04/05	10/06/05	42,892,500	2.900	7,089.18
Daiwa	10/04/05	10/11/05	42,892,500	2.850	27,510.77
Daiwa	10/04/05	10/18/05	42,892,500	2.850	56,868.29
Lehman Brothers	10/04/05	10/14/05	35,910,000	2.900	33,625.74
Lehman Brothers	10/04/05	10/14/05	35,910,000	2.900	33,625.74
Mizuho	10/04/05	10/05/05	29,790,000	2.860	2,366.65
Mizuho	10/04/05	10/05/05	29,790,000	2.860	2,366.65

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>
Daiwa	10/06/05	10/20/05	\$31,680,000	3.250%	\$40,260.00
Daiwa	10/11/05	10/19/05	49,450,000	3.310	38,337.49
Citiglobal	10/11/05	10/13/05	44,932,500	3.450	8,612.06
Citiglobal	10/11/05	10/13/05	44,932,500	3.450	8,612.06
Mizuho	10/13/05	10/14/05	29,264,000	3.550	2,885.76
Mizuho	10/13/05	10/14/05	29,264,000	3.550	2,885.76
ABN AMRO	10/14/05	10/20/05	48,155,000	3.050	23,248.17
Daiwa	10/14/05	10/19/05	30,984,500	3.450	15,061.91
ABN AMRO	10/14/05	10/20/05	17,438,000	3.050	8,418.68
Lehman Brothers	10/17/05	10/18/05	35,964,000	3.550	3,546.45
Lehman Brothers	10/17/05	10/18/05	35,964,000	3.550	3,546.45
Lehman Brothers	10/18/05	10/21/05	49,875,000	3.350	14,061.99

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Mizuho	10/20/05	10/25/05	\$47,976,000	3.150%	\$20,962.85
Mizuho	10/20/05	10/25/05	45,977,000	3.150	20,089.40
Mizuho	10/20/05	10/25/05	45,977,000	3.150	20,089.40
Mizuho	10/20/05	10/25/05	45,977,000	3.150	20,089.40
Lehman Brothers	10/20/05	10/26/05	44,977,500	3.300	25,524.73
Lehman Brothers	10/20/05	10/26/05	44,977,500	3.300	25,524.73
Lehman Brothers	10/20/05	Open	29,835,000	Variable *	32,760.50 **
Lehman Brothers	10/20/05	Open	29,835,000	Variable *	32,760.50 **
ABN AMRO	10/21/05	10/27/05	49,500,000	3.400	26,125.00
Daiwa	10/24/05	10/26/05	49,975,000	3.580	9,967.24
Lehman Brothers	10/27/05	Open	20,025,000	Variable *	9,372.81 **
ABN AMRO	10/28/05	Open	45,056,250	Variable *	17,521.87 **

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	10/31/05	Open	\$14,887,500	Variable *	\$930.47 **

* This rate subject to change daily.

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

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

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

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

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

Interest Rate Exchange Contracts

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

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

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

Variable Rate Master Note Placements

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

Whereupon, the meeting was adjourned.

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**MINUTES
February 23, 2006**

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The public session was called to order by Chairman Coscia at 1:30 p.m. and ended at 1:49 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meetings of November 17, 2005 and December 8, 2005. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed and action taken in executive session at its meeting on February 23, 2006, which included discussion of certain contract matters, and matters which could affect the competitive economic position of the Port Authority, the Port District or business with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on February 23, 2006, which included discussion of contract matters, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on February 23, 2006, which included discussion of a project for the implementation of safety measures to the taxiway system at Teterboro Airport, as well as matters discussed in executive session, which included discussion of contract matters, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed and action taken in executive session at its meeting on February 23, 2006, which included discussion of certain personnel and property matters, contract and lease matters, and matters which could affect the competitive economic position of the Port Authority, the Port District or business with which we deal, and the report was received.

Moment of Silence

In observance of the upcoming thirteenth anniversary of the first terrorist attack on The World Trade Center, the Chairman requested a moment of silence in memory of the six victims, including four Port Authority employees, who perished on February 26, 1993.

Staff Reports

Presentations were made by staff on the Port Authority's School Soundproofing Program and year-end 2005 construction results.

TRIBUTE TO ANTHONY G. CRACCHIOLO

The following resolution was unanimously adopted by the Board of Commissioners in connection with the retirement of Anthony G. Cracchiolo, Director, Priority Capital Programs.

WHEREAS, Anthony G. Cracchiolo has served with great pride and distinction throughout his career of more than 36 years with The Port Authority of New York and New Jersey; and

WHEREAS, since Tony Cracchiolo joined the Port Authority in 1969 as an engineer and through his most recent appointment as Director of Priority Capital Programs in 1998, he successfully progressed his career and served in various engineering positions, as Program Director for World Trade Redevelopment and as Program Director for Airport Access; and

WHEREAS, during the course of his career and as Director of the Office of Priority Capital Programs, Tony has spearheaded some of the most visible and complex projects the agency has undertaken in the last decade, including the delivery of AirTrain JFK and AirTrain Newark, which have fundamentally changed the manner in which our customers access John F. Kennedy International and Newark Liberty International Airports; and

WHEREAS, in addition to his engineering responsibilities, Tony served for many years on the Port Authority and PATH Ethics Boards, established under the Code of Ethics and Financial Disclosure; and

WHEREAS, in keeping with the agency's vision following the tragic events of September 11, 2001 to honor the past, envision the future and rebuild together, Tony Cracchiolo has been instrumental in the redevelopment of Lower Manhattan, including the accelerated restoration of PATH Service to Exchange Place and Lower Manhattan, the development of the WTC Master Plan and Site Plan, and the Permanent WTC PATH Terminal and World Trade Center Transportation Hub; and

WHEREAS, in recognition of his outstanding contributions to the Port Authority and the region it serves, Anthony G. Cracchiolo was most recently awarded the Executive Director's Award of Achievement for his work on AirTrain and the AirTrain JFK Crisis Communication Team, as well as the James G. Hellmuth Unit Citation Awards for AirTrain JFK and the Restoration of PATH Service to Exchange Place and Lower Manhattan in 2004,

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to Anthony G. Cracchiolo their sincere appreciation for his many years of service and career-long dedication to the Port Authority and the people of the region it serves, and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Anthony G. Cracchiolo on the occasion of his retirement from The Port Authority of New York and New Jersey.

TETERBORO AIRPORT – IMPLEMENTATION OF SAFETY MEASURES FOR CERTAIN TAXIWAYS TO COMPLY WITH FEDERAL AVIATION ADMINISTRATION REQUIREMENTS AND ENSURE A STATE OF GOOD REPAIR – PROJECT AUTHORIZATION AND AWARD OF CONTRACT TEB-144.002

It was recommended that the Board authorize: (1) a project at Teterboro Airport (TEB) to enhance the safety of the aeronautical operations and ensure that existing taxiway pavement is maintained in a state of good repair, at an estimated total project cost of \$17.4 million; and (2) the Executive Director to award Contract TEB-144.002 for the implementation of certain safety measures and rehabilitation of the taxiways to the lowest qualified bidder, at an estimated contract amount of \$10.5 million.

The implementation of certain safety measures to Taxiway N and Taxiway C at TEB is necessary to address potentially serious runway incursion concerns. The need for these safety measures is directly tied to the relocation of First Aviation Services, Inc. (FAS) to the South end of the TEB airfield. The Board authorized the project for the FAS relocation in June 2003. When the FAS facility opens at the end of 2006, 60 percent of all aircraft movements at TEB will be in the south area.

The Federal Aviation Administration (FAA) wrote a letter to the Port Authority in 2005 advising that this taxiway project should be considered a high priority project, due to efficiency and potential runway incursion safety concerns. The project was added to the capital plan in 2005 to satisfy the FAA's safety concerns.

In addition, the rehabilitation of Taxiway N is a state-of-good-repair project. The taxiway shows signs of severe oxidation, which is the result of weathering of the asphalt binder. There is longitudinal and some transverse cracking present, caused by opening of the paving lane joints and asphalt hardening over time. Some areas of "alligator cracking" were also observed. These pavement distresses are the result of aging, fatigue and weathering. Staff has estimated that the pavement condition index is approaching 60, the trigger value for rehabilitation.

Contract TEB-144.002 would include the implementation of certain safety measures for Taxiways N and C, including the construction of new pavement, installation of aeronautical lighting and signs, installation of associated electrical ducts and cable, and drainage improvements, including installation/rerouting of new drainage lines and structures. The rehabilitation of Taxiway N would include milling and repaving of the taxiway, improvements to aeronautical lighting, and installation of associated electrical ducts and cables. Bids would be solicited from a list of 14 contractors developed from a publicly advertised Request for Qualifications, and the contract would be awarded to the lowest qualified bidder.

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

RESOLVED, that a project at Teterboro Airport (TEB) to enhance safety of the aeronautical operations and ensure that existing taxiway pavement is maintained in a state of good repair, at an estimated total project cost of \$17.4 million, including payments to contractors, allowances for extra work and net cost work, insurance and construction bonding, payments to consultants and third parties, program and engineering staff, general administrative and a project contingency, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract TEB-144.002 for implementation of safety measures and the rehabilitation of certain taxiways at TEB to the lowest qualified bidder, at an estimated contract amount of \$10.5 million; and it is further

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

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

PORT AUTHORITY BUS TERMINAL – ROZA BAKE SHOP, INC., d/b/a ZARO'S BREAD BASKET – LBT-414 - LEASE EXTENSION

It was recommended that the Board authorize the Executive Director to enter into an agreement with Roza Bake Shop, Inc., d/b/a Zaro's Bread Basket (Zaro) amending Zaro's existing lease covering the letting of approximately 2,270 rentable square feet of space on the ground floor of the Port Authority Bus Terminal used as a bakery store, to extend the letting for an approximate ten-year period through December 31, 2016, and to increase the rental rate payable during the remaining portion of the existing term of the letting. Zaro intends to refurbish the premises at an anticipated cost of approximately \$500,000. The increased rental payments would commence on March 1, 2006; however, upon the closure of Zaro's store to perform the refurbishment work, rent is to be suspended for up to three months or until the earlier reopening of the store.

Zaro would pay for utilities, as well as additional rental to cover increases in operating and maintenance costs, all as set forth in the amendatory agreement. The Port Authority would continue to have the right to terminate the lease on 30 days' notice without cause, in which case it would be obligated to reimburse Zaro for the unamortized portion of prior capital investment in the premises, calculated on a straight-line basis over the existing lease term, and up to \$500,000 of its investment in the refurbishment work, calculated on a straight-line basis over the extended lease term.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement amending the existing lease at the Port Authority Bus Terminal with Roza Bake Shop, Inc. d/b/a Zaro's Bread Basket to extend the letting of its bakery store for an approximate ten-year period and to increase the rental rate payable during the remaining portion of the existing term of the letting, substantially in accordance with the terms and conditions outlined to the Board, or on such other terms and conditions as the Executive Director deems appropriate, subject to the conditions set forth in the following delegation; and it is further

RESOLVED, that the Committee on Operations be and it hereby is authorized to approve the final terms and conditions of the foregoing agreement in the event that the rental payment terms or the term of the letting are not substantially in accordance with the terms outlined to the Board; and it is further

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

**ALL AIRPORTS – AIRCRAFT NOISE ABATEMENT PROGRAM – YEAR 2006 –
SCHOOL SOUNDPROOFING PROGRAM**

It was recommended that the Board authorize the Executive Director to expend an additional amount of \$37 million for the soundproofing of 21 schools, of which, under current legislation, 80 percent of the eligible costs for schools in the vicinity of Newark Liberty International (EWR), John F. Kennedy International (JFK), and LaGuardia (LGA) Airports and 95 percent of the eligible costs for schools in the vicinity of Teterboro Airport (TEB), would be provided from grants under the Federal Airport Improvement Program (AIP). All 21 schools have previously been included in the School Soundproofing Program (Program), but are following a phased funding approach to avoid exceptional peaks and valleys in the funds required each year. The name and location of the schools and the funding phase, current funding allocation and estimated total cost for each school are set forth in the attachment hereto.

In order for the Port Authority's airports to continue to operate effectively in the most densely populated region in the nation, the Port Authority must do everything necessary to win the support of the communities it serves, including reducing the impact of noise on students in the schools most directly affected. The Program reduces the impact of aircraft noise on the students in schools near the Port Authority's airports and improves the good will between the Port Authority and its neighbors.

The Program is a joint effort of the Port Authority and the Federal Aviation Administration (FAA), and continued funding for these schools is contingent upon the availability of corresponding federal funds. In order for a school to be eligible for inclusion in the Program, it must meet the criteria established by the FAA. These schools must either be within the latest 65 decibels noise level (DNL) noise contour around the airport, as measured by FAA's Noise Model, or the interior noise levels of educational space within the school must exceed 55 decibels using band limited average noise level (dB(A)), which is a different measurement criteria.

The total scope of the Program, from inception through the current authorization, entails 77 schools, 24 in the vicinity of JFK, 21 in the vicinity of LGA, 26 in the vicinity of EWR and 6 in the vicinity of TEB. Soundproofing of 45 schools has been completed, while 32 schools are in various stages of design or construction. Additional funding is currently required for 21 of those schools.

The projects for the listed schools started individually over a long period. The earliest started in the 1990s. Each is progressing at a pace unique to that school's circumstances. Estimated completion dates range from 2006 through 2010.

The Board has authorized funding for the Program every year since 1983, except 1998, when it was found that additional funds were not required to move schools to the next phases of the Program. Most recently, at its February 24, 2005 meeting, the Board authorized \$48 million for the Program. The total aggregate amount authorized through 2005 is \$319.3 million.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to expend an additional amount of \$37 million for the soundproofing of 21 schools through the School Soundproofing Program, of which, under current legislation, 80 percent of the eligible costs for schools in the vicinity of Newark Liberty International, John F. Kennedy International, and LaGuardia Airports and 95 percent of the eligible costs for schools in the vicinity of Teterboro Airport will be provided from grants under the Federal Airport Improvement Program.

2006 SCHOOL SOUNDPROOFING PROGRAM

The details of the requested funding authorization are:

[All schools are in the Capital Plan at the amount indicated in the last column.]

School (Active, Requiring 2006 Auth.)	Location	Fund- ing Phase	2006 Allocation (\$)	Prior Allocations (\$)	Estimated Total Cost
East Side HS	Newark, NJ	IX	500,000	21,373,813	21,873,813
McKinley	Newark, NJ	IX	4,400,000	6,036,747	10,436,747
Kearny HS	Kearny, NJ	VII	500,000	23,047,575	23,547,575
Lincoln Elementary	Kearny, NJ	VII	100,000	11,734,856	11,834,856
St. Stephen	Kearny, NJ	VIII	100,000	5,177,259	5,277,259
H.P. Becton HSI	Crlst-E.Rthfd, NJ	IV	11,600,000	4,146,760	15,746,760
St. Francis	Hackensack, NJ	VII	100,000	3,315,748	3,415,748
Sylvan	Rutherford, NJ	IV	1,200,000	1,717,208	2,917,208
Beach Channel HS	Rockwy Park, NY	VII	1,100,000	25,799,793	26,899,793
IS 180Q	Rockwy Park, NY	VII	1,000,000	10,946,012	11,946,012
IS 198Q	Arverne, NY	VII	200,000	12,967,138	13,167,138
Lawrence #2	Lawrence, NY	VII	1,300,000	8,050,197	9,350,197
PS 195Q	Rosedale, NY	VIII	500,000	4,512,864	5,012,864
Vaughn Coll, Aer&Tech	Flushing, NY	VI	10,300,000	14,404,499	24,704,499
John Bowne HS	Flushing, NY	VII	1,000,000	21,975,075	22,975,075
Lexington Schl for Deaf	Jackson H'ts, NY	VI	500,000	3,021,684	3,521,684
PS 146X	Bronx, NY	IX	500,000	8,356,957	8,856,957
PS 5X	Bronx, NY	VIII	500,000	6,695,904	7,195,904
Samuel Gompers HS	Bronx, NY	VII	1,000,000	12,362,465	13,362,465
St. Anselm	Bronx, NY	VIII	300,000	4,664,965	4,964,965
St. Athanasius	Bronx, NY	VI	300,000	4,156,605	4,456,605
		SubTot	37,000,000	214,464,124	251,464,124
(Active, NOT Requiring 2006 Auth.)					
St. Casimir	Newark, NJ		0	3,250,995	3,250,995
Bergen Co. Voc HS	Teterboro, NJ		0	3,688,149	3,688,149
Jackson Avenue	Hackensack, NJ		0	7,356,138	7,356,138
Memorial	S. Hackensack, NJ		0	2,268,867	2,268,867
Hebrew Acad 5 Twn/Rck	Cedarhurst, NY		0	2,732,523	2,732,523
St. Joachim	Cedarhurst, NY		0	2,363,320	2,363,320
St. Pius X	Rosedale, NY		0	2,424,343	2,424,343
PS-146Q	Howard Bch, NY		0	7,405,764	7,405,764
Msgr McClancy MemHS	E. Elmhurst, NY		0	8,287,642	8,287,642
St. Michael	Flushing, NY		0	4,136,732	4,136,732
St. Pius V	Bronx, NY		0	2,137,556	2,137,556
		SubTot	0	46,052,029	46,052,029
		Total	37,000,000	260,244,153	297,516,153

**NEWARK BAY, PORT NEWARK AND PORT NEWARK PIERHEAD CHANNELS –
MAINTENANCE DREDGING – FUNDING FOR UPLAND DISPOSAL**

On May 30, 1986, the Port Authority and the United States Department of the Army, Army Corps of Engineers (Corps) executed a Local Cooperation Agreement (LCA) for the Kill Van Kull and Newark Bay Channels Deepening Project. In addition to providing for channel dredging to 40 feet, the LCA also requires that the Corps maintain the channels at the depth to which they are dredged. While the deepening of the Kill Van Kull and a portion of the Newark Bay Channels to 45 feet has been completed, the deepening of the Newark Bay, Port Newark and Port Newark Pierhead Channels (collectively, the Channels) to 45 feet was deferred at the request of the Port Authority, because there are no vessels requiring a 45-foot channel calling at Port Newark, nor are there any plans to accommodate such ships at Port Newark in the foreseeable future. The LCA anticipates that ocean disposal of dredged material would be available at the Historic Area Remediation Site (HARS) and provides that if ocean disposal is not possible, the Port Authority will be responsible for providing an alternative disposal site. This LCA will remain in effect until the construction of 45-foot Channels is completed or the LCA is superseded.

By Public Notice dated May 2, 2005, the Corps advised that up to 550,000 cubic yards of material needed to be dredged from certain areas of the Channels to restore them to their authorized depth of 40 feet. Because sufficient funds were neither budgeted by the Port Authority nor appropriated by the United States Congress for this work, the affected areas in the Channels were reviewed and prioritized by both agencies. The Corps has now advised the Port Authority that it has sufficient funding to dredge approximately 291,000 cubic yards of material from the Channels in 2006.

Because the material to be dredged under this authorization will not meet federal standards for disposal at the HARS, staff concluded that the material is unsuitable for ocean disposal. Staff recommended that, in lieu of providing an alternative disposal site, the Executive Director be authorized to enter into an agreement with the Corps whereby the Corps would require its bidders to identify an approved and operating upland placement site in New Jersey and dispose of the material there after obtaining all approvals necessary to use the site.

The Corps' current estimated cost for disposal at the HARS is \$16.95 per cubic yard, whereas the estimated cost of upland disposal is \$51.75 per cubic yard. The disposal cost differential for the total amount of material to be dredged is estimated at approximately \$10 million. The total cost of the dredging effort is estimated at \$16.5 million, including the upland disposal cost.

It is anticipated that the dredging work will commence during the second quarter of 2006. The Corps is responsible for fulfilling all environmental and regulatory requirements, including applicable testing, and will acquire all required federal and state permits.

Restoring the Channels to their authorized depth of 40 feet is essential in order to provide the necessary depth required by ships currently calling at the Port of New York and New Jersey. Consequently, staff advised that to help ensure the safe navigation of vessels calling at our Port, it is important for this work to proceed as soon as possible.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the United States Department of the Army, Army Corps of Engineers for maintenance dredging in the Newark Bay, Port Newark and Port Newark Pierhead Federal Channels to remove approximately 291,000 cubic yards of material and to fund the cost differential between ocean disposal of the dredged materials and disposal at an upland facility, at a cost to the Port Authority currently estimated at \$10 million; and it is further

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

EXPANSION OF FOREIGN-TRADE ZONE NO. 49 GENERAL-PURPOSE ZONE TO INCLUDE 678 ACRES AT FOUR “PORTFIELDS” SITES IN NEW JERSEY

It was recommended that the Board authorize the Executive Director to file an application on behalf of the Port Authority as Grantee of Foreign-Trade Zone No. 49 (FTZ No. 49) with the Foreign-Trade Zones Board of the United States Department of Commerce for the expansion of FTZ No. 49 General-Purpose Zone to include 678 acres at four “Portfields” sites: I-Port 12 site in Carteret, New Jersey (115 acres), I-Port 440 site in Perth Amboy, New Jersey (176 acres), the Port Reading Business Park in Woodbridge and Carteret, New Jersey (315 acres), and the Port Elizabeth Park in Elizabeth, New Jersey (72 acres), and to execute appropriate agreements with the property owners, as required. The property owners each would pay the Port Authority a fee of \$3,000 to cover administrative expenses associated with this action. Additional expenses incurred to administer these foreign-trade zone sites would be defrayed by fees that would be paid by any company at the sites that activates as a foreign-trade zone operator.

The property owners that are seeking FTZ No. 49 designation for the four “Portfields” sites are as follows: (1) Titan-PDC Carteret Urban Renewal, LLC (Site 1 – Owner of I-Port 12 in Carteret); (2) PIA PDC Perth Amboy, LLC (Site 2 – Owner of I-Port 440 in Perth Amboy); (3) Prologis (Site 3 – Owner of Port Reading Business Park in Woodbridge and Carteret); and (4) Prologis (Site 4 – Owner of Port Elizabeth Business Park in Elizabeth, NJ). The owners of Sites 1 and 2 have partnered with Panattoni Development Company, LLC (Pannttoni) to develop both sites.

Each of the property owners of the expansion sites would agree to bear all costs associated with building and maintaining the proposed general-purpose foreign-trade zone sites. They have proposed plans to construct warehousing and distribution facilities on their respective sites totaling 7.9 million square feet. Each of the property owners (including Panattoni) recognizes the benefits of being in a foreign-trade zone, and many of their clients are currently foreign-trade zone users. Prologis has begun a national foreign-trade zone initiative to provide the infrastructure their worldwide customers require to benefit from inclusion in the zone program. Further, there has been a significant amount of interest expressed in foreign-trade zone usage at all four sites. Some of the companies that have expressed interest include global logistics companies, a furniture manufacturer/distributor, a major importer and distributor of household goods, a third-party logistics operations company that handles beverages, consumer packaged goods, electronics, food and groceries, health and beauty aids, and industrial products, a food importer, an apparel importer, a liquor distributor, and a consumer electronics and specialized industrial products manufacturer and distributor. It is believed that a number of potential customers that will look to locate at these four sites will be interested in availing themselves of the benefits afforded by foreign-trade zone utilization.

The Port Authority, as Grantee of FTZ No. 49, sponsors and submits applications to the Foreign-Trade Zones Board for consideration of general-purpose zone expansions, minor boundary modifications, and the establishment of subzones. The General-Purpose Foreign-Trade Zone will support existing businesses engaged in international trade and create another incentive to attract international commerce. Staff advised that authorization of the request to

expand FTZ No. 49 at this time would advance the property owners' strategic plans to attract companies to the sites that are interested in availing themselves of the benefits afforded by foreign-trade zone utilization and would support the "Portfields" initiative sponsored by the Port Authority and the New Jersey Economic Development Authority. The "Portfields" initiative is intended to transform underutilized and brownfield sites in New Jersey into commercially viable properties.

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

RESOLVED, that the Executive Director be and he hereby is authorized, to file an application, for and on behalf of the Port Authority as Grantee of Foreign-Trade Zone No. 49 (FTZ No. 49) with the Foreign-Trade Zones Board of the United States Department of Commerce for the expansion of FTZ No. 49 General-Purpose Zone to include 678 acres at four "Portfields" sites: I-Port 12 site in Carteret, New Jersey (115 acres), I-Port 440 site in Perth Amboy, New Jersey (176 acres), the Port Reading Business Park in Woodbridge and Carteret, New Jersey (315 acres), and the Port Elizabeth Park in Elizabeth, New Jersey (72 acres), and to execute appropriate agreements with the property owners as required; and it is further

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

MEADOWLANDS PASSENGER RAIL FACILITY – AUTHORIZATION

It was recommended that the Board authorize: (1) capital expenditures, in an amount not to exceed \$136 million, which, in addition to \$14 million in previously authorized expenditures, shall be known as the Meadowlands Passenger Rail Facility, to fund the cost of a project undertaken by New Jersey Transit Corporation (NJ Transit) to construct an extension from its Pascack Valley Rail Line (PV Line) in East Rutherford, New Jersey to the site of the Meadowlands Sports Complex (Sports Complex) and the proposed Xanadu Redevelopment Project (Rail Link Project); and (2) the Executive Director to enter into a supplemental funding agreement with NJ Transit to provide the \$136 million toward the cost of the Rail Link Project.

New and planned entertainment venues within the area of the Sports Complex are expected to increase the high levels of traffic congestion that already exist on the surrounding roads and highways. Currently, the only mass transit access to the Sports Complex is by bus, which has become increasingly inadequate in handling the growing activities at this site. The severity of these problems will worsen with the development of the Xanadu Redevelopment Project, which will create a complex of retail, recreational, and entertainment venues adjacent to the Sports Complex. To abate increasing congestion, NJ Transit is undertaking the Rail Link Project, including the planning and development of related major public and highway transit improvements. Given that NJ Transit plans to run shuttle service at peak times from Hoboken, New Jersey to the rail link, the new rail connection will encourage greater use of the Port Authority Trans-Hudson (PATH) rail system. Providing enhanced mass transit access to the Sports Complex via PATH and other rail lines also would reduce the levels of traffic congestion at the George Washington Bridge and the Lincoln Tunnel.

The rail extension to the Sports Complex would include the construction of a two-track rail spur of approximately two miles in length from the PV Line in East Rutherford to a location within the Sports Complex. The Rail Link Project, which would involve work on track, structures, signals, communications, a station, and support facility and improvements, will be advanced through an appropriate environmental and review process and in accordance with acceptable design and construction standards.

At its meeting of August 4, 2004, the Board authorized the Executive Director to enter into an agreement with NJ Transit for the Port Authority to provide \$5 million in planning funds for the Rail Link Project. On October 21, 2004, the Board authorized the provision of an additional \$9 million in funds for preliminary planning work and engineering design work in connection with the Rail Link Project. The requested \$136 million in additional funding would provide the balance of the Port Authority's financial commitment toward the Project.

NJ Transit is managing the planning, project design and construction of the Rail Link Project for the New Jersey Sports and Exposition Authority (NJSEA). The commitment of the additional Port Authority funding in 2006 is important as the NJSEA moves forward in approving the NJ Transit/NJSEA selection committee recommendations to award contracts for these services.

The proposed funding agreement would assure that the Port Authority would have no responsibility or liability with respect to the planning, design, and construction of the Rail Link Project.

Authorization is being sought concurrently for the certification of the Facility as an additional facility of the Port Authority, to allow for the provision of capital funds toward the Rail Link Project.

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

RESOLVED, that, consistent with existing legislation and agreements with the holders of the Port Authority's obligations, capital expenditures, in an aggregate amount not to exceed \$136 million, for a project being undertaken by New Jersey Transit Corporation (NJ Transit) to construct an extension from its Pascack Valley Rail Line to the site of the Meadowlands Sports Complex (Rail Link Project), be and they hereby are authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with NJ Transit to provide NJ Transit with \$136 million from the foregoing capital expenditures toward the cost of the Rail Link Project; and it is further

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

MEADOWLANDS PASSENGER RAIL FACILITY – FACILITY CERTIFICATION

On August 4, 2004, the Board authorized the expenditure of \$5 million for preliminary planning in connection with the New Jersey Transit Corporation's (NJ Transit) project to construct an extension from the Pascack Valley Rail Line in East Rutherford, New Jersey to a new station for the Meadowlands Sports Complex and the proposed Xanadu Redevelopment Project. On October 21, 2004, the Board authorized an additional \$9 million for further planning and engineering design work for this project (referred to as the Meadowlands Rail Link Project in the current Port Authority capital plan). A separate item before the Board today recommends the authorization of an additional amount of Port Authority funding, not to exceed \$136 million, in connection with the construction of this project, for a total amount of up \$150 million provided by the Port Authority. The passenger rail connection provided by this project would encourage greater usage of Port Authority Trans-Hudson (PATH) rail system service, particularly because NJ Transit plans to run shuttle service at peak times from Hoboken, New Jersey to the rail link. Providing enhanced mass transit access to the Meadowlands Sports Complex site via PATH and other rail lines also would relieve traffic congestion on our trans-Hudson vehicular crossings.

In accordance with resolutions establishing outstanding series of Consolidated Bonds (which also includes Consolidated Notes), before the Port Authority can issue any such obligations, or apply any other capital funds of the Port Authority, in connection with this project, which would be a new additional facility of the Port Authority to be known as the "Meadowlands Passenger Rail Facility" (Facility), at the time of issuance of the first Consolidated Bonds for purposes which include capital expenditures in connection with the Facility, the Port Authority must first certify its opinion as to certain matters relating to the financial effect upon the Port Authority of the effectuation of the Facility as an additional facility of the Port Authority and the issuance of such series of Consolidated Bonds for purposes which include capital expenditures in connection with the Facility.

The Chief Financial Officer reviewed the projected overall financial standing and condition of the Port Authority and the economics of the Facility on the basis of the issuance of Consolidated Bonds to provide for the total capital expenditures of or related to the Facility.

The Chief Financial Officer has also reviewed with the Commissioners his formal opinion to them consistent with Section 7 of the resolutions establishing outstanding series of Consolidated Bonds that, as of February 23, 2006, and subject to the further opinion of the Chief Financial Officer at the time of issuance of the first Consolidated Bonds for purposes which include capital expenditures for the Facility, the issuance of such Consolidated Bonds will not, during the periods 2006 through 2041, reflecting the traditional 35-year term of long-term Consolidated Bonds, and 2006 through 2015, the immediately ensuing ten-year period associated with Consolidated Bonds with a maturity of less than ten years, in light of the Port Authority's estimated revenues and expenses during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds.

The Chief Financial Officer's opinion incorporated anticipated results for the Port Authority for the period 2006-2015 and a schedule of presently anticipated cash flows of the Facility, together with the major assumptions upon which these anticipated results were based. This opinion was based upon these forecasts and other conditions existing at the present time. The Chief Financial Officer's opinion also indicated that it was not reasonable to forecast accurately beyond this period. Therefore, his judgment with respect to the financial ability of the Port Authority over the ensuing 35-year period was based upon the continued ability of the Port Authority to function and fulfill its agreements with the holders of its obligations.

In reaching the conclusions set forth in his opinion, the Chief Financial Officer considered the covenants with holders of Consolidated Bonds, including those providing for the Port Authority to establish charges in connection with the Port Authority's facilities, to the end that at least sufficient net revenues may be produced therefrom to provide for the debt service on all Consolidated Bonds, including those issued in connection with the Facility. The conclusions set forth in the opinion were also based, in part, on the Chief Financial Officer's consideration of the present financial condition of the Port Authority and its continued ability to conduct its business affairs, and the assumption that the Port Authority will continue to comply with the covenants set forth in the preceding sentence and, therefore, that the Port Authority will, at all times during the ensuing 35-year period, continue to have net revenues sufficient to pay debt service on all Consolidated Bonds.

The Chief Financial Officer's opinion noted that any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, estimates of future revenues and expenses constitute present estimates and statements of expectation, which may or may not be fulfilled in the future. Additionally, there are likely to be differences between the forecasts underlying the opinion and actual results, and those differences may be material. These opinions and estimates were based in part on information supplied by the Comptroller, the Director of Financial Services, and the Chief of Strategic Planning, which information the Chief Financial Officer believed to be accurate.

The Executive Director, Chief Financial Officer or Treasurer would be authorized to reaffirm the certification at the time of issuance of such Consolidated Bonds, provided that there is no substantial adverse change in the economic basis for the certification.

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

RESOLVED, that certification is hereby made as of February 23, 2006, that, in the opinion of the Port Authority, the issuance of Consolidated Bonds (which includes Consolidated Notes) for purposes which include capital expenditures in connection with the Meadowlands Passenger Rail Facility (Facility) will not, during the periods 2006 through 2041 and 2006 through 2015, in light of the Port Authority's estimated revenues and expenses in connection with the Facility, and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment

status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and it is further

RESOLVED, that the Executive Director, Chief Financial Officer or Treasurer be and each hereby is authorized to reaffirm said certification on behalf of the Port Authority at the time of issuance of the first Consolidated Bonds (which includes Consolidated Notes) for purposes which include capital expenditures in connection with the Facility, provided that there is no substantial adverse change in the economic basis for said certification, in which event said certification shall remain in effect as the opinion of the Port Authority at such time of issuance.

SETTLEMENT OF CLAIM – CHRISTINE LUZENKO-SCORDINO AS ADMINISTRATRIX OF THE ESTATE OF WILLIAM LUZENKO v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled Christine Luzenko-Scordino as Administratrix of the Estate of William Luzenko v. The Port Authority of New York and New Jersey in the amount of \$135,000, inclusive of attorneys' fees, costs and disbursements. Of this amount, \$117,485 is attributable to a workers' compensation lien, which the plaintiff would repay. Plaintiff would provide the Port Authority with a General Release, Hold Harmless Stipulation and Stipulation of Discontinuance with Prejudice.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff's decedent, William Luzenko, who then was 42 years old and employed by Cantor Fitzgerald as a senior systems analyst, was on the 104th floor of One WTC when the bombing occurred. Christine Luzenko-Scordino, administratrix of the estate (Mr. Luzenko died in August 1997 of a massive brain hemorrhage), alleges that while descending from the 104th floor, Mr. Luzenko fell after being pushed, sustaining injuries to his left shoulder, lower back and right knee. Upon reviewing Mr. Luzenko's medical records, the Port Authority's medical expert noted the records indicate that the decedent was 6 feet, 3 inches tall, weighed 270 pounds, and had arthroscopic surgery on his right knee in 1992 for a torn meniscus. He again underwent arthroscopic surgery in July 1993 for a medial meniscal repair of the right knee. The medical expert noted that Mr. Luzenko had a prior injury in 1991 to his right knee and left shoulder, but also noted that a workers' compensation doctor apportioned the percentage attributable to the February 26, 1993 injury at 75 percent, and to the 1991 accident at 25 percent.

Plaintiff initially demanded \$450,000 to settle this action, but through aggressive negotiation, and with the assistance of the Court, the parties agreed upon the settlement as above described, subject to Board approval. The settlement amount already has been approved by counsel for the Port Authority's first-layer excess insurer. The Port Authority would be fully reimbursed for the settlement amount by its excess insurance carrier, as the self-insured retention has already been exhausted.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Christine Luzenko-Scordino as Administratrix of the Estate of William Luzenko v. The Port Authority of New York and New Jersey in the amount of \$135,000, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – TEUDIS MONTALVO v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled Teudis Montalvo v. The Port Authority of New York and New Jersey in the amount of \$300,000, inclusive of attorneys' fees, costs and disbursements. Of this amount, \$103,000 is attributable to a workers' compensation lien, which plaintiff would repay. Plaintiff would provide the Port Authority with a General Release, Hold Harmless Stipulation and Stipulation of Discontinuance with Prejudice.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff Teudis Montalvo, who was 33 years old at the time of the incident, was in his car on the exit ramp of the WTC parking garage when the bombing occurred. It is alleged that, as a result of injuries sustained to plaintiff's left leg, he was taken to St. Vincent's Hospital, where he underwent vascular bypass surgery to repair a severed femoral artery, remaining there for eleven days, which was followed by months of physical therapy to regain his ability to walk properly. In addition, plaintiff also was treated for carbon monoxide poisoning, loss of hearing and post-traumatic stress disorder. In 1992, while employed as a security guard at Woodhull Hospital, he had been assaulted during a robbery. That assault had resulted in neck, back, and psychological injuries. Consequently, he had been placed on disability, and was receiving workers' compensation at the time of the bombing of the WTC.

Plaintiff initially demanded \$2,500,000 to settle this action, but through aggressive negotiation, and with the assistance of the Court, the parties agreed upon the settlement as above described, subject to Board approval. The settlement amount already has been approved by counsel for the Port Authority's first-layer excess insurer. The Port Authority would be fully reimbursed for the settlement amount by its excess insurance carriers, as the self-insured retention has already been exhausted.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Teudis Montalvo v. The Port Authority of New York and New Jersey in the amount of \$300,000, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – EVELYN RIVERA v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled Evelyn Rivera v. The Port Authority of New York and New Jersey in the amount of \$175,000, inclusive of attorneys' fees, costs and disbursements. Plaintiff would provide the Port Authority with a General Release, Hold Harmless Stipulation and Stipulation of Discontinuance with Prejudice.

On February 26, 1993, the date of the terrorist bombing of The World Trade Center (WTC), plaintiff Evelyn Rivera, who was 33 years old at the time of the incident, was a passenger in a car driven by Teudis Montalvo on the exit ramp of the WTC parking garage when the bombing occurred. It is alleged that, as a result of the injuries to plaintiff's face and hands, and her loss of consciousness, plaintiff was taken to St. Vincent's Hospital, where she required stitches to her face and hands, in addition to undergoing plastic surgery on her face. In addition, plaintiff was treated for depression, and claims aggravation to a pre-existing lower back injury. In 1990 plaintiff, while employed by Woodhull Hospital, had fallen at her workplace, and had been placed on disability and was receiving workers' compensation at the time of the bombing of the WTC.

Plaintiff initially demanded \$2 million to settle this action, but through aggressive negotiation, the parties agreed upon the settlement as above described, subject to Board approval. The settlement amount has already been approved by counsel for the Port Authority's first-layer excess insurer. The Port Authority would be fully reimbursed for the settlement amount by its excess insurance carriers, as the self-insured retention has already been exhausted.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Evelyn Rivera v. The Port Authority of New York and New Jersey in the amount of \$175,000, inclusive of attorneys' fees, costs and disbursements.

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 October 1, 2005 to October 31, 2005.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
EWR414015	LOT 'E' PARKING STRUCTURE	944,098 (A)	944,098	944,098
	LANDSCAPING	260,000 (C)	260,000	82,593
	NEWARK LIBERTY INTERNATIONAL AIRPORT	<u>56,646</u> (D)	<u>176,646</u> (F)	<u>162,919</u>
	TORSILIERI, INC.	1,260,744	1,380,744	1,189,610
EWR663	CENTRAL HEATING AND REFRIGERATION PLANT BY-PASS AROUND MAIN GAS VALVE	30,550 (A)	30,550	27,495 (H)
	NEWARK LIBERTY AIRPORT INTERNATIONAL	<u>1,900</u> (D)	<u>19,900</u> (G)	<u>19,000</u>
	DAN McCARRON & SONS	32,450	50,450	46,495
EWR692	DISPOSAL OF CONSTRUCTION DEBRIS, CONTAMINATED AND HAZARDOUS MATERIALS	<u>450,000</u> (C)	<u>450,000</u>	<u>373,467</u>
	NEWARK LIBERTY INTERNATIONAL AIRPORT	450,000	450,000	373,467
	ADVANCED REMEDIATION TECHNOLOGIES CORPORATION			
EWR922528	TERMINAL B - B2 AND B3 EXTERIOR LIGHTING SYSTEMS	765,000 (A)	765,000	740,400 (I)
	NEWARK LIBERTY INTERNATIONAL AIRPORT	215,000 (C)	215,000	17,709
		<u>61,200</u> (D)	<u>61,200</u>	<u>56,109</u>
	V.R.H. CONSTRUCTION CORPORATION	1,041,200	1,041,200	814,218
GWB499	BRIDGE PLAZA SOUTH-BRIDGE DECK REHABILITATION	685,000 (A)	685,000	678,846 (K)
	GEORGE WASHINGTON BRIDGE	90,000 (C)	340,000 (J)	94,148
	GARNDER BISHOP AND JOSEPH	41,100 (D)	41,100	--0--
	SANZARI, INC. A JOINT VENTURE	<u>--0--</u>	<u>--0--</u>	<u>8,458</u> (L)
		816,100	1,066,100	781,452

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
HT224102	PIER 9/204 - PRIORITY REHABILITATION HOLLAND TUNNEL TREVCON CONSTRUCTION COMPANY, INC.	2,019,900 (A) 1,775,000 (B) 500,000 (C) <u>227,694</u> (D) 4,522,594	2,019,900 1,775,000 500,000 <u>679,953</u> (M) 4,974,853	2,019,900 1,354,106 230,000 <u>627,182</u> 4,231,188
JFK134011	JETBLUE CAMPUS POWER UPGRADE JOHN F. KENNEDY INTERNATIONAL AIRPORT HELLMAN ELECTRIC CORPORATION	618,900 (A) 46,000 (C) <u>37,134</u> (D) 702,034	618,900 46,000 <u>37,134</u> 702,034	618,900 --0-- <u>17,025</u> 635,925
LT494	REPLACE BUS DUCT NY RIVER VENT BUILDING LINCOLN TUNNEL CASE CONTRACTING LTD	724,433 (A) 50,000 (C) <u>57,954</u> (D) 832,387	724,433 50,000 <u>63,151</u> (N) 837,584	724,433 --0-- <u>61,789</u> 786,222
LRS100002	AIRPORT ACCESS PROGRAM CUT AND COVER TUNNEL UNDER TAXIWAYS AND RECONSTRUCTION OF VAN WYCK EXPRESSWAY NORTH SERVICE ROAD AIR RAIL TRANSIT CONSORTIUM	99,969,036 (A) 4,300,000 (D) 0 (C) 104,269,036	103,451,386 (O) 4,534,000 (P) <u>60,000</u> (Q) 108,045,386	103,332,797 (R) 2,170,765 <u>29,890</u> 105,533,452
LT408A	ADMINISTRATION AND VENT BUILDINGS REHABILITATION OF ELEVATORS LINCOLN TUNNEL GILSTON ELECTRICAL CONTRACTING CORPORATION	2,225,000 (A) <u>178,000</u> (D) 2,403,000	2,225,000 <u>690,560</u> S,T 2,915,560	2,225,000 <u>494,283</u> 2,719,283
MFB204010	REPLACEMENT OF CATWALK SHELTER BOOTHS LINCOLN AND HOLLAND TUNNELS DELIDAKIS CONSTRUCTION CO, INC.	2,949,000 (A) 100,000 (C) 235,920 (D) <u>31,868</u> (E) 3,316,788	3,097,239 (U) 100,000 265,920 (V) <u>31,868</u> 3,495,027	3,097,239 --0-- 251,716 <u>31,868</u> 3,380,823
MFP934802	PAVEMENT AND UTILITY REHABILITATION PORT NEWARK AND ELIZABETH MARINE TERMINAL KELLY EXCAVATING & PAVING, INC. D/B/A OWL CONTRACTING	2,525,525 (B) 250,000 (C) <u>151,532</u> (D) 2,927,057	2,525,525 250,000 <u>151,532</u> 2,927,057	1,056,432 167,009 0 1,223,441

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
PN994553	BUILDING 260 PARKING LOT	136,565 (A)	136,565	83,517 (W)
	RECONFIGURATION	93,665 (B)	93,665	80,468
	PORT NEWARK	60,000 (C)	60,000	--0--
	W. KELLY EQUIPMENT, INC.	<u>13,814</u> (D)	<u>13,814</u>	<u>--0--</u>
		304,044	304,044	163,985
WTC404160	GENERAL SITE WORK CONTRACT	30,000,000 (C)	32,800,000 (X)	31,894,089
	WORLD TRADE CENTER SITE	<u>93,875</u> (E)	<u>93,875</u>	<u>93,875</u>
	TULLY CONSTRUCTION CO, INC.	30,093,875	32,893,875	31,987,964
WTC404161	VESEY STREET WALKWAY	1,009,400 (A)	1,009,400	1,009,400
	IMPROVEMENTS	314,600 (B)	314,600	231,384
	WORLD TRADE CENTER SITE	200,000 (C)	200,000	111,990
	DEFOE CORPORATION	<u>105,920</u> (D)	<u>355,920</u> (Y)	<u>139,836</u>
		1,629,920	1,879,920	1,492,610

(A) Lump Sum.

(B) Classified Work.

(C) Net Cost - amount in the "Total Authorized" column represents the authorized estimated net cost amount. However, the amount in the "Total Payments" column is the actual net cost amount paid.

(D) Extra Work.

(E) Premium for furnishing performance and payment bond as provided for in the contract.

(F) Increase in extra work in the amount of \$120,000 authorized on 3/22/2005.

(G) Increase in extra work in the amount of \$18,000 authorized on 2/12/1999.

(H) The difference between "Total Authorized" and "Total Payments," \$3,055, represents the final payment due the contractor. However, it appears that the contractor went out of business before the final payment could be tendered.

(I) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$24,600 for deletion of part of the work.

(J) Increase in net cost work in the amount of \$250,000 authorized on 6/2/2004.

(K) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$6,154 for deletion of part of the work.

(L) Increase in the contractor's compensation pursuant to the "Emergency Delays" clause, in the amount of \$8,458, as provided for in the contract.

(M) Increase in extra work in the amount of \$452,259 authorized on 10/29/2004.

(N) Increase in extra work in the amount of \$5,197 authorized on 6/13/2005.

(O) Supplemental Agreement No. 1 which included an increase in the amount of \$3,482,350 for lump sum work on 9/10/1998.

(P) Supplemental Agreement No. 1 which included an increase in the amount of \$234,000 for extra work on 9/10/1998.

(Q) Supplemental Agreement No. 1 which included an increase in the amount of \$60,000 for net cost work on 9/10/1998.

(R) The difference between "Total Authorized" and "Total Payments" represents a deduction in the contractor's compensation due to deficiencies in asphalt pavement density totaling \$118,589, as provided for in the contract.

(S) Increase in extra work in the amount of \$250,000 authorized on 2/6/2001.

(T) Increase in extra work in the amount of \$262,560 authorized on 4/11/2001.

- (U) Supplemental Agreement No. I which provided for an increase in the amount of \$148,239 for lump sum work on 5/6/2003.
- (V) Increase in extra work in the amount of \$30,000 authorized on 1/27/2005.
- (W) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$53,048 for deletion of part of the work.
- (X) Increase in net cost work in the amount of \$2,800,000 authorized on 6/17/2004.
- (Y) Increase in extra work in the amount of \$250,000 authorized on 3/25/2004.

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 November 1, 2005 to November 30, 2005.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
EWR923556	BUILDING 42 & 46 DOMESTIC	372,000 (A)	372,000	372,000
	WATER CONTROL SYSTEMS	45,000 (C)	45,000	7,569
	NEWARK LIBERTY	<u>22,320</u> (D)	<u>22,320</u>	<u>17,936</u>
	INTERNATIONAL AIRPORT NCC, INC.	439,320	439,320	397,505
HH234952	PORT IVORY-PHASE 1A SITE	136,655 (A)	136,655	136,655
	SURCHARGE	420,000 (B)	420,000	638,000 (H,I)
	HOWLAND HOOK MARINE	150,000 (C)	400,000 (G)	304,865
	TERMINAL	<u>33,399</u> (D)	<u>333,399</u> (F)	<u>46,248</u>
	CONTI ENTERPRISES, INC.	740,054	1,290,054	1,125,768
JFK910204	LIMOUSINE & CHARTER BUS	547,000 (A)	547,000	547,000
	PARKING LOT	153,500 (B)	253,500 (J)	234,707
	JOHN F. KENNEDY	25,000 (C)	25,000	--0--
	INTERNATIONAL AIRPORT	<u>42,000</u> (D)	<u>42,000</u>	<u>10,290</u>
	NAGORI CONTRACTING CORPORATION	767,500	867,500	791,997
MFP100529	IMMEDIATE REPAIRS	<u>1,000,000</u> (C)	<u>2,000,000</u> (K)	<u>1,953,147</u>
	NEW YORK MARINE TERMINALS BEAVER CONCRETE CONSTRUCTION CO., INC. AND GATEWAY INDUSTRIES, LLC, A JOINT VENTURE	1,000,000	2,000,000	1,953,147
MFP100531	IMMEDIATE REPAIRS	1,000,000 (C)	2,000,000 (L)	1,471,501
	NEW YORK MARINE TERMINALS	<u>1,440</u> (E)	<u>1,440</u>	<u>1,440</u>
	TULLY CONSTRUCTION CO., INC.	1,001,440	2,001,440	1,472,941

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	ORIGINAL AUTHORIZATION	TOTAL AUTHORIZED	TOTAL PAYMENTS
TEB923007	BUILDING 72 ROOFTOP AIR HANDLING UNIT TETERBORO AIRPORT C.S.R. CONSTRUCTION CORPORATION	233,360 (A) 61,000 (C) <u>18,669</u> (D) 313,029	233,360 61,000 <u>18,669</u> 313,029	233,360 36,801 <u>--0--</u> 270,161

(A) Lump Sum.

(B) Classified Work

(C) Net Cost - amount in the "Total Authorized" column represents the authorized estimated net cost amount. However, the amount in the "Total Payments" column is the actual net cost amount paid.

(D) Extra Work.

(E) Premium for furnishing performance and payment bond as provided for in the contract.

(F) Increase in extra work in the amount of \$300,000 authorized on 9/18/2003.

(G) Increase in net cost work in the amount of \$250,000 authorized on 9/29/2003.

(H) Increase in classified work.

(I) Uncommitted funds in extra work utilized against additional cost in classified work.

(J) Increase in classified work in the amount of \$100,000 authorized on 12/8/2003.

(K) Increase in net cost work in the amount of \$1,000,000 authorized on 6/25/2001.

(L) Increase in net cost work in the amount of \$1,000,000 authorized on 1/22/2004.

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

RECOMMENDATION: NONE

The Committee on Finance reported, for information only, that in accordance with the authority granted by the Committee, the Executive Director had authorized the following security transaction during the period November 1, 2005 through November 30, 2005.

REPORT A:

Purchase of Port Authority Bonds

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

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

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/01/05	\$25,000,000	FHDN	--	11/09/05	99.91	3.850%	3.927%	\$24,978,611.11	Lehman Brothers
11/01/05	25,000,000	FHDN	--	11/02/05	99.99	3.910	3.988	24,997,284.72	Citiglobal
11/01/05	50,000,000	GE CORP	--	11/02/05	99.99	4.010	4.092	49,994,430.56	G.E. Capital
11/01/05	25,000,000	GECS CP	--	11/08/05	99.92	4.000	4.083	24,980,555.56	G.E. Capital
11/01/05	37,000,000	UBSFIN CP	--	11/02/05	99.99	4.000	4.081	36,995,888.89	Banc of America
11/01/05	3,100,000	JFK-APO	6.375%	12/01/25	99.90	--	6.384	3,096,900.00	JFKIAT-APO
11/02/05	25,000,000	FHDN	--	11/07/05	99.95	3.840	3.916	24,986,666.67	Citiglobal
11/02/05	25,000,000	FHDN	--	11/17/05	99.84	3.850	3.928	24,959,895.83	Citiglobal
11/02/05	50,000,000	GE CORP	--	11/03/05	99.99	3.980	4.060	49,994,472.22	G.E. Capital
11/02/05	40,000,000	UBSFIN CP	--	11/03/05	99.99	3.970	4.050	39,995,588.89	Banc of America
11/03/05	25,000,000	USTB	--	12/01/05	99.71	3.737	3.813	24,927,336.11	Deutsche Bank
11/03/05	30,000,000	USTB	--	12/01/05	99.71	3.737	3.813	29,912,803.33	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/03/05	\$25,000,000	USTB	--	12/01/05	99.71	3.737%	3.813%	\$24,927,336.11	Deutsche Bank
11/03/05	50,000,000	USTB	--	12/01/05	99.71	3.737	3.813	49,854,672.22	Deutsche Bank
11/03/05	50,000,000	USTB	--	12/01/05	99.71	3.737	3.813	49,854,672.22	Deutsche Bank
11/03/05	40,000,000	USTB	--	03/23/06	98.47	3.935	4.045	39,387,888.89	Deutsche Bank
11/03/05	25,000,000	USTB	--	05/04/06	97.93	4.100	4.230	24,481,805.56	Banc of America
11/03/05	25,000,000	FHDN	--	11/16/05	99.86	3.860	3.938	24,965,152.78	Citiglobal
11/03/05	25,000,000	FHDN	--	11/14/05	99.88	3.860	3.938	24,970,513.89	Citiglobal
11/03/05	50,000,000	FHDN	--	12/15/05	99.55	3.870	3.955	49,774,250.00	Citiglobal
11/03/05	30,000,000	UBSFIN CP	--	11/04/05	99.99	3.970	4.050	29,996,691.67	Lehman Brothers
11/03/05	50,000,000	DBKFIN CP	--	11/10/05	99.92	3.990	4.072	49,961,208.33	Deutsche Bank
11/03/05	15,000,000	USTN	3.625%	04/30/07	98.84	--	4.440	14,825,390.63	Bear, Stearns & Co.
11/04/05	50,000,000	FHDN	--	11/18/05	99.85	3.840	3.918	49,925,333.33	Citiglobal

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/04/05	\$50,000,000	GE CORP	--	11/07/05	99.97	3.970%	4.051%	\$49,983,458.33	G.E. Capital
11/04/05	14,000,000	UBSFIN CP	--	11/07/05	99.97	3.970	4.051	13,995,368.33	Banc of America
11/07/05	25,000,000	FHDN	--	11/15/05	99.91	3.880	3.958	24,978,444.44	Lehman Brothers
11/07/05	50,000,000	FHDN	--	11/21/05	99.85	3.900	3.980	49,924,166.67	Lehman Brothers
11/07/05	13,000,000	GE CORP	--	11/08/05	99.99	3.980	4.060	12,998,562.78	G.E. Capital
11/08/05	25,000,000	USTB	--	11/17/05	99.91	3.655	3.724	24,977,156.25	Deutsche Bank
11/08/05	50,000,000	DBKFIN CP	--	11/09/05	99.99	3.980	4.060	49,994,472.22	Deutsche Bank
11/08/05	25,000,000	UBSFIN CP	--	11/09/05	99.99	3.970	4.050	24,997,243.06	Banc of America
11/09/05	25,000,000	FHDN	--	11/17/05	99.91	3.860	3.937	24,978,555.56	Citiglobal
11/09/05	50,000,000	GECC CP	--	11/10/05	99.99	3.960	4.040	49,994,500.00	G.E. Capital
11/09/05	26,000,000	UBSFIN CP	--	11/10/05	99.99	3.950	4.029	25,997,147.22	Lehman Brothers
11/09/05	25,000,000	UBSFIN CP	--	11/10/05	99.99	3.950	4.030	24,997,256.75	Banc of America

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/10/05	\$50,000,000	USTB	--	12/08/05	99.70	3.830%	3.910%	\$49,851,055.56	JPMorgan
11/10/05	25,000,000	FHDN	--	11/28/05	99.81	3.880	3.960	24,951,500.00	Lehman Brothers
11/10/05	50,000,000	FHDN	--	12/01/05	99.77	3.860	3.940	49,887,416.67	Citiglobal
11/10/05	35,300,000	GECC CP	--	11/14/05	99.96	3.980	4.061	35,284,389.56	G.E. Capital
11/10/05	50,000,000	DBKFIN CP	--	11/14/05	99.96	3.990	4.072	49,977,833.33	Deutsche Bank
11/14/05	37,400,000	UBSFIN CP	--	11/15/05	99.99	4.000	4.081	37,395,844.45	Merrill Lynch
11/14/05	50,000,000	DBKFIN CP	--	11/15/05	99.99	4.010	4.092	49,994,430.56	Deutsche Bank
11/14/05	50,000,000	DBKFIN CP	--	11/15/05	99.99	4.010	4.092	49,994,430.56	Deutsche Bank
11/15/05	10,000,000	GE CORP	--	11/16/05	99.99	4.060	4.144	9,998,872.22	G.E. Capital
11/15/05	50,000,000	GE CORP	--	11/16/05	99.99	4.060	4.144	49,994,361.11	G.E. Capital
11/15/05	50,000,000	UBSFIN CP	--	11/16/05	99.99	4.060	4.144	49,994,361.11	Lehman Brothers
11/15/05	50,000,000	DBKFIN CP	--	11/16/05	99.99	4.070	4.154	49,994,347.22	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/15/05	\$50,000,000	DBKFIN CP	--	11/16/05	99.99	4.070%	4.154%	\$49,994,347.22	Deutsche Bank
11/15/05	10,000,000	USTN	4.375%	11/15/08	99.62	--	4.513	9,961,718.75	Lehman Brothers
11/15/05	10,000,000	USTN	4.250	10/15/10	98.68	--	4.550	9,868,359.38	UBS Warburg
11/15/05	10,000,000	USTN	3.875	07/31/07	99.00	--	4.479	9,899,609.38	Citiglobal
11/15/05	10,000,000	USTN	3.125	05/15/07	98.04	--	4.491	9,803,906.25	Morgan Stanley
11/16/05	25,000,000	FHDN	--	11/28/05	99.87	3.880	3.959	24,967,666.67	Lehman Brothers
11/16/05	50,000,000	FHDN	--	12/15/05	99.69	3.890	3.973	49,843,319.44	Citiglobal
11/16/05	30,000,000	FHDN	--	12/01/05	99.84	3.870	3.949	29,951,625.00	Citiglobal
11/16/05	50,000,000	FHDN	--	11/29/05	99.86	3.870	3.949	49,930,125.00	Citiglobal
11/16/05	30,000,000	FHDN	--	12/05/05	99.80	3.880	3.960	29,938,566.67	Citiglobal
11/16/05	40,000,000	GE CORP	--	11/17/05	99.99	3.970	4.050	39,995,588.89	G.E. Capital
11/16/05	50,000,000	DBKFIN CP	--	11/18/05	99.98	3.970	4.050	49,988,972.22	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/17/05	\$50,000,000	USTB	--	12/15/05	99.69	3.927%	4.011%	\$49,847,283.33	Deutsche Bank
11/17/05	40,000,000	USTB	--	12/15/05	99.69	3.927	4.011	39,877,826.67	Deutsche Bank
11/17/05	25,000,000	USTB	--	12/15/05	99.69	3.927	4.011	24,923,641.67	Deutsche Bank,
11/17/05	50,000,000	USTB	--	12/15/05	99.69	3.927	4.011	49,847,283.33	Deutsche Bank
11/17/05	38,000,000	UBSFIN CP	--	11/18/05	99.99	3.970	4.050	37,995,809.44	Lehman Brothers
11/17/05	50,000,000	DBKFIN CP	--	11/18/05	99.99	3.980	4.060	49,994,472.22	Deutsche Bank
11/18/05	50,000,000	USTB	--	12/15/05	99.71	3.900	3.983	49,853,750.00	Banc of America
11/18/05	50,000,000	FHDN	--	12/14/05	99.72	3.925	4.009	49,858,263.89	Goldman Sachs
11/18/05	50,000,000	FHDN	--	12/09/05	99.77	3.930	4.013	49,885,375.00	Mizuho
11/18/05	37,000,000	UBSFIN CP	--	11/21/05	99.97	3.960	4.040	36,987,790.00	Lehman Brothers
11/21/05	25,000,000	FHDN	--	12/05/05	99.85	3.900	3.980	24,962,083.33	Lehman Brothers
11/21/05	30,000,000	FHDN	--	12/06/05	99.84	3.900	3.980	29,951,250.00	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/21/05	\$30,000,000	FHDN	--	12/07/05	99.83	3.880%	3.960%	\$29,948,266.67	Citiglobal
11/21/05	21,000,000	DBKFIN CP	--	11/22/05	99.99	4.010	4.092	20,997,660.83	Deutsche Bank
11/22/05	29,500,000	USTB	--	12/15/05	99.75	3.855	3.935	29,427,343.96	Greenwich Capital
11/22/05	50,000,000	USTB	--	12/15/05	99.76	3.818	3.897	49,878,036.11	Deutsche Bank
11/22/05	25,000,000	USTB	--	12/22/05	99.68	3.804	3.869	24,920,750.00	Mizuho
11/22/05	25,000,000	FHDN	--	12/02/05	99.89	3.860	3.938	24,973,194.44	Citiglobal
11/22/05	50,000,000	DBKFIN CP	--	11/29/05	99.92	4.000	4.083	49,961,111.11	Deutsche Bank
11/23/05	50,000,000	UBSFIN CP	--	11/28/05	99.94	4.000	4.082	49,972,222.22	Lehman Brothers
11/28/05	30,000,000	FHDN	--	12/06/05	99.91	3.910	3.989	29,973,933.33	Citiglobal
11/28/05	50,000,000	FHDN	--	12/08/05	99.89	3.910	3.990	49,945,694.44	Citiglobal
11/28/05	50,000,000	DBKFIN CP	--	11/29/05	99.99	4.020	4.102	49,994,416.67	Deutsche Bank
11/29/05	20,000,000	FHDN	--	12/07/05	99.91	3.910	3.989	19,982,622.22	Citiglobal

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/29/05	\$50,000,000	FHDN	--	01/05/06	99.59	3.990%	4.079%	\$49,794,958.33	Citiglobal
11/29/05	20,000,000	DBKFIN CP	--	12/02/05	99.97	4.000	4.082	19,993,333.33	Deutsche Bank
11/29/05	30,000,000	CITIGROUP	--	11/30/05	99.99	3.980	4.060	29,996,683.33	Citigroup
11/29/05	26,000,000	UBSFIN CP	--	11/30/05	99.99	3.980	4.060	25,997,125.56	Banc of America
11/30/05	50,000,000	FHDN	--	01/05/06	99.60	3.980	4.069	49,801,000.00	Citiglobal
11/30/05	33,000,000	UBSFIN CP	--	12/01/05	99.99	4.020	4.102	32,996,315.00	Lehman Brothers
11/30/05	50,000,000	DBKFIN CP	--	12/01/05	99.99	4.040	4.123	49,994,388.89	Deutsche Bank
								<u>\$3,224,558,213.67</u>	

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

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
11/17/05	\$10,000,000	USTN	4.375%	11/15/08	99.67	--	\$ 9,967,187.50	Lehman Brothers
11/22/05	<u>25,000,000</u>	USTN	4.250	10/15/10	99.13	--	<u>24,782,226.56</u>	JPMorgan
	<u>\$35,000,000</u>						<u>\$ 34,749,414.06</u>	

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>
Lehman Brothers	11/01/05	11/03/05	\$48,895,000	3.920%	\$10,580.33 *
Lehman Brothers	11/01/05	11/03/05	605,000	3.920	130.92 *
Lehman Brothers	11/02/05	11/17/05	29,887,500	3.870	48,899.27 *
Lehman Brothers	11/02/05	11/14/05	29,887,500	3.870	39,044.70 *
Nomura	11/03/05	11/08/05	7,395,000	3.900	4,005.63
Lehman Brothers	11/03/05	11/14/05	14,812,500	3.900	17,758.54 *
BNP Paribas	11/03/05	11/08/05	15,911,000	3.900	8,618.46
BNP Paribas	11/03/05	11/08/05	17,408,000	3.900	9,429.33
BNP Paribas	11/03/05	11/08/05	24,605,000	3.900	13,327.71
BNP Paribas	11/03/05	11/08/05	27,525,000	3.900	14,909.38
BNP Paribas	11/03/05	11/08/05	30,536,000	3.900	16,540.33
BNP Paribas	11/03/05	11/08/05	31,466,000	3.900	17,044.08

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
ABN AMRO	11/03/05	11/08/05	\$40,255,000	3.890%	\$21,748.88
Nomura	11/03/05	11/08/05	47,958,000	3.900	25,977.25
Nomura	11/03/05	11/08/05	47,958,000	3.900	25,977.25
Nomura	11/03/05	11/08/05	47,958,000	3.900	25,977.25
ABN AMRO	11/03/05	11/08/05	48,777,000	3.890	26,353.13
Daiwa	11/04/05	11/09/05	1,385,000	3.900	754.05 *
Daiwa	11/04/05	11/09/05	48,590,000	3.900	26,454.56 *
Daiwa	11/08/05	11/09/05	15,618,000	3.910	1,696.29
UBS Warburg	11/08/05	11/09/05	16,086,000	3.900	1,742.65
Daiwa	11/08/05	11/09/05	17,352,000	3.910	1,884.62
Nomura	11/08/05	11/09/05	22,072,000	3.920	2,403.40
Daiwa	11/08/05	11/09/05	23,199,000	3.910	2,519.67

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>
Daiwa	11/08/05	11/09/05	\$26,492,000	3.910%	\$ 2,877.33
Daiwa	11/08/05	11/09/05	29,651,000	3.910	3,220.43
Nomura	11/08/05	11/09/05	29,748,000	3.920	3,239.23
Daiwa	11/08/05	11/09/05	30,552,000	3.910	3,318.29
Lehman Brothers	11/08/05	11/14/05	39,560,000	3.920	25,977.73 *
UBS Warburg	11/08/05	11/09/05	48,014,000	3.900	5,201.52
Nomura	11/08/05	11/09/05	49,367,000	3.920	5,375.52
Nomura	11/08/05	11/09/05	50,163,000	3.920	5,462.19
Nomura	11/09/05	11/15/05	7,308,000	3.900	4,750.20
Banc of America	11/09/05	11/15/05	14,851,000	3.900	9,653.15
Mizuho	11/09/05	11/15/05	16,123,000	3.880	10,426.21
Banc of America	11/09/05	11/15/05	17,343,000	3.900	11,272.95

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>
Banc of America	11/09/05	11/15/05	\$22,844,000	3.900%	\$14,848.60
Banc of America	11/09/05	11/15/05	26,457,000	3.900	17,197.05
Banc of America	11/09/05	11/15/05	29,626,000	3.900	19,256.90
Banc of America	11/09/05	11/15/05	30,041,000	3.900	19,526.65
Mizuho	11/09/05	11/15/05	47,984,000	3.880	31,029.65
Nomura	11/09/05	11/15/05	48,020,000	3.900	31,213.00
Nomura	11/09/05	11/15/05	48,020,000	3.900	31,213.00
Nomura	11/09/05	11/15/05	48,020,000	3.900	31,213.00
Lehman Brothers	11/14/05	11/17/05	14,887,500	3.950	4,908.74 *
Lehman Brothers	11/14/05	11/17/05	29,895,000	3.950	9,857.05 *
Daiwa	11/14/05	11/18/05	39,420,000	3.980	17,443.35 *
Lehman Brothers	11/14/05	11/17/05	39,600,000	3.950	13,057.00 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	11/15/05	11/17/05	\$14,845,000	3.970%	\$ 3,274.15
Dresdner	11/15/05	11/17/05	6,502,000	3.970	1,434.05
Daiwa	11/15/05	11/17/05	17,014,000	3.970	3,752.53
Daiwa	11/15/05	11/17/05	21,986,000	3.970	4,849.13
Dresdner	11/15/05	11/17/05	24,962,000	3.970	5,505.51
Daiwa	11/15/05	11/17/05	26,382,000	3.970	5,818.70
Daiwa	11/15/05	11/17/05	29,548,000	3.970	6,516.98
Daiwa	11/15/05	11/17/05	29,940,000	3.970	6,603.43
Dresdner	11/15/05	11/17/05	48,000,000	3.970	10,586.67
Dresdner	11/15/05	11/17/05	48,625,000	3.970	10,724.51
Dresdner	11/15/05	11/17/05	48,812,000	3.970	10,765.76
Lehman Brothers	11/17/05	11/22/05	6,538,191	3.920	3,559.68

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
ABN AMRO	11/17/05	11/22/05	\$14,848,000	3.920%	\$ 8,083.91
ABN AMRO	11/17/05	11/22/05	17,018,000	3.920	9,265.36
ABN AMRO	11/17/05	11/22/05	26,388,000	3.920	14,366.80
ABN AMRO	11/17/05	11/22/05	29,555,000	3.920	16,091.06
Nomura	11/17/05	11/22/05	29,763,000	3.920	16,204.30
ABN AMRO	11/17/05	11/22/05	29,947,000	3.920	16,304.48
ABN AMRO	11/17/05	11/22/05	32,265,000	3.920	17,566.50
Nomura	11/17/05	11/22/05	48,448,000	3.920	26,377.24
Nomura	11/17/05	11/22/05	48,448,000	3.920	26,377.24
Lehman Brothers	11/17/05	11/22/05	48,865,404	3.920	26,604.50
Lehman Brothers	11/17/05	11/22/05	48,865,404	3.920	26,604.50
Daiwa	11/21/05	11/28/05	25,062,500	3.950	19,249.39 *

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	11/22/05	11/28/05	\$14,856,000	3.930%	\$ 9,730.68
ABN AMRO	11/22/05	11/28/05	5,967,000	3.930	3,908.39
Nomura	11/22/05	11/28/05	17,027,000	3.930	11,152.69
Nomura	11/22/05	11/28/05	26,402,000	3.930	17,293.31
Nomura	11/22/05	11/28/05	29,571,000	3.930	19,369.01
Nomura	11/22/05	11/28/05	29,963,000	3.930	19,625.77
Nomura	11/22/05	11/28/05	32,283,000	3.930	21,145.37
Lehman Brothers	11/22/05	11/23/05	39,460,000	3.950	4,329.64 *
Citiglobal	11/22/05	11/23/05	39,900,000	3.970	4,400.08 *
Citiglobal	11/22/05	11/23/05	39,900,000	3.970	4,400.08 *
Citiglobal	11/22/05	11/23/05	39,900,000	3.970	4,400.08 *
Citiglobal	11/22/05	11/23/05	39,900,000	3.970	4,400.08 *

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Citiglobal	11/22/05	11/23/05	\$39,900,000	3.970%	\$ 4,400.08 *
ABN AMRO	11/22/05	11/28/05	48,632,000	3.930	31,853.96
ABN AMRO	11/22/05	11/28/05	48,632,000	3.930	31,853.96
ABN AMRO	11/22/05	11/28/05	48,632,000	3.930	31,853.96
Daiwa	11/23/05	11/30/05	488,000	3.930	372.78 *
Lehman Brothers	11/23/05	11/29/05	44,887,500	3.930	29,401.31 *
Lehman Brothers	11/23/05	11/29/05	44,887,500	3.930	29,401.31 *
Lehman Brothers	11/23/05	Open	44,887,500 *	Variable **	39,151.87 ***
Lehman Brothers	11/23/05	Open	44,887,500 *	Variable **	39,151.87 ***
Daiwa	11/23/05	11/30/05	49,387,000	3.930	37,726.18 *
Banc of America	11/28/05	12/01/05	5,583,000	3.920	1,823.78
Nomura	11/28/05	12/01/05	14,342,000	3.940	4,708.96

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura	11/28/05	12/01/05	\$16,966,000	3.940%	\$ 5,570.50
Nomura	11/28/05	12/01/05	22,336,000	3.940	7,333.65
Nomura	11/28/05	12/01/05	24,916,000	3.940	8,180.75
Nomura	11/28/05	12/01/05	25,539,000	3.940	8,385.30
Nomura	11/28/05	12/01/05	28,547,000	3.940	9,372.93
Daiwa	11/28/05	Open	29,396,750 *	Variable **	9,619.28 ***
Daiwa	11/28/05	Open	29,396,750 *	Variable **	9,619.28 ***
Citiglobal	11/28/05	Open	33,932,000 *	Variable **	11,122.15 ***
Daiwa	11/28/05	Open	44,910,000 *	Variable **	14,695.56 ***
Daiwa	11/28/05	Open	44,910,000 *	Variable **	14,695.56 ***
Banc of America	11/28/05	12/01/05	48,586,000	3.920	15,871.43
Banc of America	11/28/05	12/01/05	48,897,000	3.920	15,973.02

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Banc of America	11/28/05	12/01/05	\$48,897,000	3.920%	\$15,973.02
Lehman Brothers	11/29/05	Open	44,910,000 *	Variable **	9,755.45 ***
Lehman Brothers	11/29/05	Open	44,910,000 *	Variable **	9,755.45 ***
Daiwa	11/30/05	Open	1,923,000 *	Variable **	209.93 ***
Daiwa	11/30/05	Open	47,977,000 *	Variable **	5,237.49 ***

* This transaction was executed simultaneously with a like reverse/repurchase agreement.

** This rate subject to change daily.

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

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	11/01/05	11/03/05	\$49,500,000	3.700%	\$10,271.25
Lehman Brothers	11/02/05	11/17/05	29,887,500	3.650	42,896.87
Lehman Brothers	11/02/05	11/14/05	29,887,500	3.650	35,383.48
Lehman Brothers	11/03/05	11/14/05	14,812,500	3.400	17,091.99
Daiwa	11/04/05	11/09/05	49,975,000	3.800	26,445.11
Lehman Brothers	11/08/05	11/14/05	39,560,000	3.750	24,999.72
Lehman Brothers	11/14/05	11/17/05	39,600,000	3.800	12,562.00
Daiwa	11/14/05	11/18/05	39,420,000	3.780	16,129.35
Lehman Brothers	11/14/05	11/17/05	29,895,000	3.100	7,515.27
Lehman Brothers	11/14/05	11/17/05	14,887,500	3.250	4,362.87
Daiwa	11/21/05	11/28/05	25,062,500	3.700	18,622.84
Citiglobal	11/22/05	11/23/05	39,900,000	3.820	4,233.83

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Citiglobal	11/22/05	11/23/05	\$39,900,000	3.820%	\$ 4,233.83
Citiglobal	11/22/05	11/23/05	39,900,000	3.820	4,233.83
Citiglobal	11/22/05	11/23/05	39,900,000	3.820	4,233.83
Citiglobal	11/22/05	11/23/05	39,900,000	3.820	4,233.83
Lehman Brothers	11/22/05	11/23/05	39,460,000	3.800	4,165.22
Daiwa	11/23/05	11/30/05	49,875,000	3.630	34,704.69
Lehman Brothers	11/23/05	11/29/05	44,887,500	3.630	26,932.50
Lehman Brothers	11/23/05	Open	44,887,500	Variable *	36,097.03 **
Lehman Brothers	11/23/05	11/29/05	44,887,500	3.630	26,932.50
Lehman Brothers	11/23/05	Open	44,887,500	Variable *	36,097.03 **
Daiwa	11/28/05	Open	44,910,000	Variable *	12,911.63 **
Daiwa	11/28/05	Open	44,910,000	Variable *	12,911.63 **

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Citiglobal	11/28/05	Open	\$33,932,000	Variable *	\$10,320.98 **
Daiwa	11/28/05	Open	29,396,750	Variable *	7,145.04 **
Daiwa	11/28/05	Open	29,396,750	Variable *	7,145.04 **
Lehman Brothers	11/29/05	Open	44,910,000	Variable *	9,169.13 **
Lehman Brothers	11/29/05	Open	44,910,000	Variable *	9,169.13 **
Daiwa	11/30/05	Open	49,900,000	Variable *	4,782.08 **

* This rate subject to change daily.

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

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

REPORT B: In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period of November 1, 2005 through November 30, 2005, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period of November 1, 2005 through November 30, 2005 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992 and reauthorized on April 27, 2005.

Interest Rate Exchange Contracts

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

As of November 30, 2005, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$364.4 million, all of which pertain to refundings.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period of November 1, 2005 through November 30, 2005 under the Variable Rate Master Note Program as amended and supplemented through November 18, 2004.

Variable Rate Master Note Placements

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

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

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

REPORT A:

Purchase of Port Authority Bonds

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

<u>Purchase</u>	<u>Par</u>	<u>Description</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Purchase</u>	<u>Call</u>	<u>YTC</u>	<u>BEY</u>	<u>Total</u>
<u>Date</u>	<u>Value</u>		<u>Rate</u>	<u>Date</u>	<u>Price</u>	<u>Year</u>	<u>@ Cost</u>	<u>@ Cost</u>	<u>Principal</u>

No new transactions this period.

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/01/05	\$15,000,000	USTB	--	12/15/05	99.85	3.952%	4.034%	\$14,976,946.67	Deutsche Bank
12/01/05	25,000,000	USTB	--	12/15/05	99.85	3.952	4.034	24,961,577.78	Deutsche Bank
12/01/05	20,000,000	USTB	--	12/15/05	99.85	3.952	4.034	19,969,262.22	Deutsche Bank
12/01/05	40,000,000	USTB	--	12/15/05	99.85	3.952	4.034	39,938,524.44	Deutsche Bank
12/01/05	50,000,000	USTB	--	12/15/05	99.85	3.952	4.034	49,923,155.56	Deutsche Bank
12/01/05	50,000,000	FHDN	--	12/13/05	99.87	3.930	4.011	49,934,500.00	Citiglobal
12/01/05	28,000,000	GE CORP	--	12/02/05	99.99	4.010	4.092	27,996,881.11	G.E. Capital
12/01/05	50,000,000	DBKFIN CP	--	12/02/05	99.99	4.030	4.113	49,994,402.78	Deutsche Bank
12/02/05	50,000,000	FHDN	--	12/12/05	99.89	3.940	4.021	49,945,277.78	Citiglobal
12/02/05	50,000,000	DBKFIN CP	--	12/05/05	99.97	3.990	4.071	49,983,375.00	Deutsche Bank
12/02/05	31,000,000	UBSFIN CP	--	12/05/05	99.97	3.980	4.061	30,989,718.33	Banc of America
12/05/05	50,000,000	GE CORP	--	12/07/05	99.98	4.000	4.082	49,988,888.89	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/05/05	\$50,000,000	GE CORP	--	12/07/05	99.98	4.000%	4.082%	\$49,988,888.89	G.E. Capital
12/05/05	18,400,000	UBSFIN CP	--	12/06/05	99.99	4.010	4.092	18,397,950.44	Banc of America
12/06/05	24,129,000	USTB	--	12/08/05	99.98	3.995	4.076	24,123,644.70	JPMorgan
12/06/05	22,584,000	USTB	--	12/08/05	99.98	3.995	4.076	22,578,987.61	JPMorgan
12/06/05	25,074,000	USTB	--	12/08/05	99.98	3.995	4.076	25,068,434.97	JPMorgan
12/06/05	21,558,000	USTB	--	12/08/05	99.98	3.995	4.076	21,553,215.32	JPMorgan
12/06/05	28,234,000	USTB	--	12/08/05	99.98	3.995	4.076	28,227,733.62	JPMorgan
12/06/05	31,450,000	USTB	--	12/08/05	99.98	3.995	4.076	31,443,019.85	JPMorgan
12/06/05	50,000,000	USTB	--	12/08/05	99.98	3.995	4.076	49,988,902.78	JPMorgan
12/06/05	19,178,000	USTB	--	12/08/05	99.98	3.995	4.076	19,173,743.55	JPMorgan
12/06/05	50,000,000	USTB	--	12/08/05	99.98	3.995	4.076	49,988,902.78	JPMorgan
12/06/05	46,000,000	USTB	--	12/08/05	99.98	3.970	4.050	45,989,854.44	Mizuho

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>
12/06/05	\$50,000,000	DBKFIN CP	--	12/07/05	99.99	3.990%	4.071%	\$49,994,458.33	Deutsche Bank
12/06/05	10,000,000	USTN	4.000%	08/31/07	99.25	--	4.450	9,924,609.38	Bear, Stearns & Co.
12/06/05	15,000,000	USTN	3.625	04/30/07	98.88	--	4.454	14,831,835.94	Deutsche Bank
12/06/05	10,000,000	USTN	4.250	10/15/10	98.97	--	4.486	9,896,875.00	Lehman Brothers
12/07/05	40,000,000	FHDN	--	12/21/05	99.84	4.060	4.147	39,936,844.44	Merrill Lynch
12/07/05	50,000,000	UBSFIN CP	--	12/08/05	99.99	4.000	4.081	49,994,444.44	Lehman Brothers
12/07/05	50,000,000	CITIGROUP	--	12/08/05	99.99	4.010	4.092	49,994,430.56	Citigroup
12/07/05	50,000,000	CITIGROUP	--	12/08/05	99.99	4.010	4.092	49,994,430.56	Citigroup
12/07/05	20,000,000	UBSFIN CP	--	12/08/05	99.99	4.000	4.081	19,997,777.78	Banc of America
12/08/05	50,000,000	FHDN	--	01/05/06	99.68	4.080	4.171	49,841,333.33	Citiglobal
12/08/05	22,000,000	UBSFIN CP	--	12/09/05	99.99	4.070	4.154	21,997,512.78	Lehman Brothers
12/08/05	50,000,000	DBKFIN CP	--	12/12/05	99.95	4.090	4.176	49,977,277.78	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/08/05	\$50,000,000	DBKFIN CP	--	12/12/05	99.95	4.090%	4.176%	\$49,977,277.78	Deutsche Bank
12/08/05	50,000,000	CITIGROUP	--	12/12/05	99.95	4.070	4.155	49,977,388.89	Citigroup
12/08/05	50,000,000	UBSFIN CP	--	12/16/05	99.91	4.120	4.208	49,954,222.22	Banc of America
12/09/05	27,000,000	GE CORP	--	12/12/05	99.97	4.160	4.248	26,990,640.00	G.E. Capital
12/09/05	50,000,000	UBSFIN CP	--	12/16/05	99.92	4.170	4.260	49,959,458.33	Banc of America
12/12/05	50,000,000	FHDN	--	12/20/05	99.91	4.000	4.083	49,955,555.56	Citiglobal
12/12/05	50,000,000	GE CORP	--	12/13/05	99.99	4.210	4.300	49,994,152.78	G.E. Capital
12/12/05	24,000,000	GE CORP	--	12/13/05	99.99	4.210	4.300	23,997,193.33	G.E. Capital
12/12/05	50,000,000	DBKFIN CP	--	12/13/05	99.99	4.220	4.311	49,994,138.89	Deutsche Bank
12/12/05	50,000,000	DBKFIN CP	--	12/13/05	99.99	4.220	4.311	49,994,138.89	Deutsche Bank
12/13/05	50,000,000	FHDN	--	12/19/05	99.93	4.070	4.155	49,966,083.33	Citiglobal
12/13/05	50,000,000	FHDN	--	12/23/05	99.89	4.100	4.188	49,943,055.56	Citiglobal

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/13/05	\$30,000,000	GECC CP	--	12/14/05	99.99	4.230%	4.321%	\$29,996,475.00	G.E. Capital
12/13/05	50,000,000	CITIGROUP	--	12/14/05	99.99	4.230	4.321	49,994,125.00	Citigroup
12/13/05	50,000,000	CITIGROUP	--	12/14/05	99.99	4.230	4.321	49,994,125.00	Citigroup
12/13/05	15,000,000	USTN	4.250%	10/31/07	99.68	--	4.427	14,951,367.19	Bear, Stearns & Co.
12/14/05	50,000,000	FHDN	--	12/29/05	99.83	4.130	4.220	49,913,958.33	Merrill Lynch
12/14/05	50,000,000	GE CORP	--	12/15/05	99.99	4.230	4.321	49,994,125.00	G.E. Capital
12/14/05	50,000,000	GE CORP	--	12/15/05	99.99	4.230	4.321	49,994,125.00	G.E. Capital
12/14/05	30,000,000	DBKFIN CP	--	12/15/05	99.99	4.240	4.331	29,996,466.67	Deutsche Bank
12/15/05	25,000,000	USTB	--	12/29/05	99.85	3.830	3.907	24,962,763.89	JPMorgan
12/15/05	50,000,000	USTB	--	12/29/05	99.85	3.830	3.907	49,925,527.78	JPMorgan
12/15/05	50,000,000	USTB	--	12/29/05	99.85	3.830	3.907	49,925,527.78	JPMorgan
12/15/05	50,000,000	USTB	--	12/29/05	99.85	3.830	3.907	49,925,527.78	JPMorgan

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/15/05	\$50,000,000	USTB	--	12/29/05	99.85	3.830%	3.907%	\$49,925,527.78	JPMorgan
12/15/05	25,000,000	USTB	--	12/29/05	99.85	3.830	3.907	24,962,763.89	JPMorgan
12/15/05	10,000,000	USTN	2.375%	08/31/06	98.63	--	4.346	9,863,281.25	Merrill Lynch
12/15/05	30,000,000	FHDN	--	12/22/05	99.92	4.150	4.239	29,975,791.67	Merrill Lynch
12/15/05	30,000,000	FHDN	--	12/30/05	99.83	4.130	4.220	29,948,375.00	Citiglobal
12/15/05	50,000,000	FHDN	--	12/27/05	99.86	4.120	4.209	49,931,333.33	Citiglobal
12/15/05	50,000,000	FHDN	--	12/28/05	99.85	4.120	4.209	49,925,611.11	Citiglobal
12/15/05	50,000,000	CITIGROUP	--	12/19/05	99.95	4.270	4.364	49,976,277.78	Citigroup
12/15/05	23,400,000	CITIGROUP	--	12/19/05	99.95	4.270	4.364	23,388,898.00	Citigroup
12/16/05	7,000,000	UBSFIN CP	--	12/19/05	99.96	4.250	4.342	6,997,520.83	Lehman Brothers
12/16/05	50,000,000	DBKFIN CP	--	12/19/05	99.96	4.230	4.322	49,982,375.00	Deutsche Bank
12/16/05	20,000,000	DBKFIN CP	--	12/19/05	99.96	4.230	4.322	19,992,950.00	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/19/05	\$50,000,000	DBKFIN CP	--	12/20/05	99.99	4.250%	4.342%	\$49,994,097.22	Deutsche Bank
12/19/05	50,000,000	DBKFIN CP	--	12/20/05	99.99	4.250	4.342	49,994,097.22	Deutsche Bank
12/19/05	50,000,000	CITIGROUP	--	12/20/05	99.99	4.240	4.331	49,994,111.11	Citigroup
12/19/05	50,000,000	UBSFIN CP	--	12/20/05	99.99	4.240	4.331	49,994,111.11	Banc of America
12/19/05	6,000,000	UBSAM CP	--	12/20/05	99.99	4.240	4.331	5,999,293.33	Banc of America
12/20/05	50,000,000	FHDN	--	01/03/06	99.84	4.110	4.199	49,920,083.33	Citiglobal
12/20/05	50,000,000	FHDN	--	01/04/06	99.83	4.100	4.189	49,914,583.33	Citiglobal
12/20/05	50,000,000	GE CORP	--	12/21/05	99.99	4.230	4.321	49,994,125.00	G.E. Capital
12/20/05	50,000,000	GE CORP	--	12/21/05	99.99	4.230	4.321	49,994,125.00	G.E. Capital
12/20/05	15,000,000	UBSFIN CP	--	12/21/05	99.99	4.230	4.321	14,998,237.50	Lehman Brothers
12/20/05	50,000,000	UBSFIN CP	--	12/21/05	99.99	4.230	4.321	49,994,125.00	Lehman Brothers
12/20/05	50,000,000	DBKFIN CP	--	12/21/05	99.99	4.230	4.321	49,994,125.00	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/20/05	\$50,000,000	CITIGROUP	--	12/21/05	99.99	4.230%	4.321%	\$49,994,125.00	Citigroup
12/21/05	50,000,000	USTB	--	01/12/06	99.79	3.440	3.504	49,894,888.89	Greenwich Capital
12/21/05	25,000,000	USTB	--	01/19/06	99.72	3.460	3.526	24,930,319.44	Greenwich Capital
12/21/05	50,000,000	FHDN	--	01/09/06	99.78	4.100	4.190	49,891,805.56	Citiglobal
12/21/05	50,000,000	FHDN	--	01/13/06	99.74	4.100	4.191	49,869,027.78	Citiglobal
12/21/05	50,000,000	GECC CP	--	12/22/05	99.99	4.250	4.342	49,994,097.22	G.E. Capital
12/21/05	50,000,000	DBKFIN CP	--	12/22/05	99.99	4.260	4.352	49,994,083.33	Deutsche Bank
12/21/05	20,000,000	DBKFIN CP	--	12/22/05	99.99	4.260	4.352	19,997,633.33	Deutsche Bank
12/22/05	20,000,000	USTN	4.250%	10/31/07	99.70		4.415	19,939,843.75	Lehman Brothers
12/22/05	50,000,000	USTB	--	01/05/06	99.87	3.435	3.497	49,933,208.33	Deutsche Bank
12/22/05	22,000,000	FHDN	--	01/05/06	99.84	4.050	4.136	21,965,350.00	Citiglobal
12/22/05	50,000,000	FHDN	--	01/10/06	99.78	4.080	4.169	49,892,333.33	Citiglobal

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/22/05	\$50,000,000	DBKFIN CP	--	12/27/05	99.94	4.260%	4.353%	\$49,970,416.67	Deutsche Bank
12/22/05	19,000,000	CITIGROUP	--	12/23/05	99.99	4.250	4.342	18,997,756.94	Citigroup
12/23/05	29,000,000	GE CORP	--	12/27/05	99.95	4.260	4.353	28,986,273.33	G.E. Capital
12/23/05	50,000,000	UBSFIN CP	--	12/27/05	99.95	4.260	4.353	49,976,333.33	Lehman Brothers
12/27/05	50,000,000	FHDN	--	01/06/06	99.89	4.010	4.094	49,944,305.56	Lehman Brothers
12/27/05	50,000,000	FHDN	--	01/17/06	99.77	4.020	4.107	49,882,750.00	Citiglobal
12/27/05	17,000,000	UBSFIN CP	--	12/28/05	99.99	4.260	4.352	16,997,988.33	Lehman Brothers
12/27/05	50,000,000	DBKFIN CP	--	12/28/05	99.99	4.260	4.352	49,994,083.33	Deutsche Bank
12/28/05	50,000,000	UBSFIN CP	--	12/29/05	99.99	4.260	4.352	49,994,083.33	Lehman Brothers
12/28/05	27,500,000	UBSFIN CP	--	12/29/05	99.99	4.260	4.352	27,496,745.83	Lehman Brothers
12/28/05	50,000,000	DBKFIN CP	--	12/29/05	99.99	4.280	4.373	49,994,055.56	Deutsche Bank
12/29/05	50,000,000	DBKFIN CP	--	01/03/06	99.94	4.290	4.385	49,970,208.33	Deutsche Bank

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/29/05	\$50,000,000	DBKFIN CP	--	01/03/06	99.94	4.290%	4.385%	\$49,970,208.33	Deutsche Bank
12/29/05	50,000,000	CITIGROUP	--	01/03/06	99.94	4.290	4.385	49,970,208.33	Citigroup
12/29/05	50,000,000	CITIGROUP	--	01/03/06	99.94	4.290	4.385	49,970,208.33	Citigroup
12/29/05	25,100,000	UBSFIN CP	--	12/30/05	99.99	4.250	4.342	25,097,036.81	Banc of America
12/30/05	<u>46,320,000</u>	GECC CP	--	01/03/06	99.96	3.880	3.957	<u>46,300,030.93</u>	G.E. Capital
	<u>\$4,430,927,000</u>							<u>\$4,427,250,268.83</u>	

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

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
12/01/05	\$5,199,000	JFK-APO	6.375%	12/01/25	100.00	--	\$5,199,000	JFKIAT-APO

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>
Mizuho	12/01/05	12/06/05	\$21,601,000	3.930%	\$11,790.55
Nomura	12/01/05	12/06/05	9,175,000	3.930	5,008.02
Mizuho	12/01/05	12/06/05	23,996,000	3.930	13,097.82
Mizuho	12/01/05	12/06/05	24,222,000	3.930	13,221.18
Mizuho	12/01/05	12/06/05	25,468,000	3.930	13,901.28
Mizuho	12/01/05	12/06/05	28,681,000	3.930	15,655.05
Mizuho	12/01/05	12/06/05	32,216,000	3.930	17,584.57
Lehman Brothers	12/01/05	12/02/05	39,500,000	3.950	4,334.03 *
Nomura	12/01/05	12/06/05	48,265,000	3.930	26,344.65
Nomura	12/01/05	12/06/05	48,265,000	3.930	26,344.65
Nomura	12/01/05	12/06/05	48,265,000	3.930	26,344.65
Banc of America	12/08/05	12/13/05	21,423,000	4.060	12,080.19

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	12/08/05	12/13/05	\$21,942,000	4.030%	\$12,281.43
Banc of America	12/08/05	12/13/05	22,488,000	4.060	12,680.73
Banc of America	12/08/05	12/13/05	24,134,000	4.060	13,608.89
Banc of America	12/08/05	12/13/05	24,881,000	4.060	14,030.12
Lehman Brothers	12/08/05	12/15/05	24,906,250	4.080	20,028.78 *
Banc of America	12/08/05	12/13/05	25,867,000	4.060	14,586.11
Banc of America	12/08/05	12/13/05	27,564,000	4.060	15,543.03
Daiwa	12/08/05	12/13/05	48,529,000	4.030	27,162.76
Daiwa	12/08/05	12/13/05	48,529,000	4.030	27,162.76
Banc of America	12/08/05	12/13/05	50,550,000	4.060	28,504.58
ABN AMRO	12/13/05	12/15/05	6,672,000	4.180	1,549.39
Banc of America	12/13/05	12/15/05	21,104,000	4.200	4,924.27

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Banc of America	12/13/05	12/15/05	\$22,431,000	4.200%	\$ 5,233.90
Banc of America	12/13/05	12/15/05	23,646,000	4.200	5,517.40
Banc of America	12/13/05	12/15/05	24,148,000	4.200	5,634.53
Banc of America	12/13/05	12/15/05	25,215,000	4.200	5,883.50
Banc of America	12/13/05	12/15/05	27,343,000	4.200	6,380.03
ABN AMRO	12/13/05	12/15/05	48,664,000	4.180	11,300.86
ABN AMRO	12/13/05	12/15/05	48,664,000	4.180	11,300.86
Banc of America	12/13/05	12/15/05	50,551,000	4.200	11,795.23
Lehman Brothers	12/14/05	12/29/05	10,050,000	4.180	17,422.78 *
ABN AMRO	12/15/05	12/20/05	12,888,000	4.020	7,195.80
Dresdner	12/15/05	12/20/05	14,065,000	4.000	7,813.89
ABN AMRO	12/15/05	12/20/05	21,145,000	4.020	11,805.96

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
ABN AMRO	12/15/05	12/20/05	\$24,153,000	4.020%	\$13,485.43
ABN AMRO	12/15/05	12/20/05	27,437,000	4.020	15,318.99
Lehman Brothers	12/15/05	12/22/05	34,877,500	4.100	28,134.51 *
Lehman Brothers	12/15/05	12/22/05	34,877,500	4.100	28,134.51 *
ABN AMRO	12/15/05	12/20/05	36,569,000	4.020	20,417.69
Lehman Brothers	12/15/05	12/22/05	39,580,000	4.100	31,927.86 *
BNP Paribas	12/15/05	12/20/05	45,649,000	4.000	25,360.56
ABN AMRO	12/15/05	12/20/05	46,115,000	4.020	25,747.54
Dresdner	12/15/05	12/20/05	48,284,000	4.000	26,824.44
BNP Paribas	12/15/05	12/20/05	48,918,000	4.000	27,176.67
Dresdner	12/15/05	12/20/05	49,019,000	4.000	27,232.78
Lehman Brothers	12/15/05	12/20/05	49,775,000	4.100	28,620.63 *

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>
Dresdner	12/15/05	12/20/05	\$52,696,000	4.000%	\$29,275.56
Citiglobal	12/16/05	12/19/05	1,221,000	4.170	424.30 *
Citiglobal	12/16/05	12/19/05	1,221,000	4.170	424.30 *
Citiglobal	12/16/05	12/19/05	48,704,000	4.170	16,924.64 *
Citiglobal	12/16/05	12/19/05	48,704,000	4.170	16,924.64 *
Daiwa	12/19/05	12/23/05	10,342,500	4.150	4,812.13 *
Daiwa	12/19/05	12/23/05	14,595,000	4.150	6,790.73 *
Nomura	12/20/05	12/22/05	12,327,000	4.150	2,842.06
Nomura	12/20/05	12/22/05	21,016,000	4.150	4,845.36
Banc of America	12/20/05	12/22/05	22,268,000	4.150	5,134.01
Nomura	12/20/05	12/22/05	24,167,000	4.150	5,571.84
Lehman Brothers	12/20/05	12/21/05	24,612,500	4.200	2,871.46 *

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	12/20/05	12/22/05	\$26,352,000	4.150%	\$ 6,075.60
Nomura	12/20/05	12/22/05	36,583,000	4.150	8,434.41
Nomura	12/20/05	12/22/05	45,528,000	4.150	10,496.73
Banc of America	12/20/05	12/22/05	48,406,000	4.150	11,160.27
Banc of America	12/20/05	12/22/05	48,406,000	4.150	11,160.27
Banc of America	12/20/05	12/22/05	48,408,000	4.150	11,160.73
Lehman Brothers	12/22/05	12/29/05	930,000	4.100	754.08 *
Lehman Brothers	12/22/05	12/28/05	1,055,000	4.150	735.57 *
Lehman Brothers	12/22/05	12/28/05	1,055,000	4.150	735.57 *
Daiwa	12/22/05	12/27/05	2,612,000	4.100	1,487.39
Nomura	12/22/05	12/29/05	11,865,000	4.000	9,228.33
Daiwa	12/22/05	12/23/05	14,906,250	4.200	1,739.06 *

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	12/22/05	12/29/05	\$20,938,000	4.000%	\$16,285.11
Nomura	12/22/05	12/29/05	23,125,000	4.000	17,986.11
Nomura	12/22/05	12/29/05	24,172,000	4.000	18,800.44
Lehman Brothers	12/22/05	12/29/05	35,087,500	4.100	28,450.12 *
Nomura	12/22/05	12/29/05	36,579,000	4.000	28,450.33
ABN AMRO	12/22/05	12/28/05	39,980,000	4.100	27,819.42 *
ABN AMRO	12/22/05	12/28/05	39,980,000	4.100	27,819.42 *
ABN AMRO	12/22/05	12/28/05	39,980,000	4.100	27,819.42 *
ABN AMRO	12/22/05	12/28/05	39,980,000	4.100	27,819.42 *
ABN AMRO	12/22/05	12/28/05	39,980,000	4.100	27,819.42 *
Nomura	12/22/05	12/29/05	45,183,000	4.000	35,142.33
Daiwa	12/22/05	12/27/05	48,284,000	4.100	27,495.06

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	12/22/05	12/27/05	\$48,284,000	4.100%	\$27,495.06
Daiwa	12/22/05	12/27/05	48,284,000	4.100	27,495.06
Lehman Brothers	12/22/05	12/29/05	48,895,000	4.100	39,645.71 *
Lehman Brothers	12/22/05	12/28/05	48,895,000	4.150	34,090.69 *
Lehman Brothers	12/22/05	12/28/05	48,895,000	4.150	34,090.69 *
Daiwa	12/23/05	12/29/05	1,109,500	4.200	773.57 *
Daiwa	12/23/05	12/29/05	49,203,000	4.200	34,305.43 *
Daiwa	12/27/05	01/03/06	48,037,000	3.650	24,352.09
Daiwa	12/27/05	01/03/06	49,754,000	3.650	25,222.51
Daiwa	12/27/05	01/03/06	49,755,000	3.650	25,223.02
ABN AMRO	12/29/05	01/03/06	6,138,000	3.550	1,815.83
Nomura	12/29/05	01/03/06	7,064,000	3.500	2,060.33

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
ABN AMRO	12/29/05	01/03/06	\$23,876,000	3.550%	\$ 7,063.31
Dresdner	12/29/05	01/03/06	24,882,000	3.500	7,257.25
ABN AMRO	12/29/05	01/03/06	35,029,000	3.550	10,362.74
ABN AMRO	12/29/05	01/03/06	37,075,000	3.550	10,968.02
ABN AMRO	12/29/05	01/03/06	45,048,000	3.550	13,326.70
ABN AMRO	12/29/05	01/03/06	45,558,000	3.550	13,477.58
Nomura	12/29/05	01/03/06	47,958,000	3.500	13,987.75
Nomura	12/29/05	01/03/06	47,958,000	3.500	13,987.75
Nomura	12/29/05	01/03/06	48,510,000	3.500	14,148.75
Nomura	12/29/05	01/03/06	48,510,000	3.500	14,148.75

* This transaction was executed simultaneously with a like reverse/repurchase agreement.

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>Date</u>	<u>Purchase Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	12/01/05	12/02/05	\$39,500,000	3.800%	\$ 4,169.44
Lehman Brothers	12/08/05	12/15/05	24,906,250	3.900	18,472.13
Lehman Brothers	12/14/05	12/29/05	10,050,000	3.500	16,135.83
Lehman Brothers	12/15/05	12/20/05	49,775,000	3.950	27,652.78
Lehman Brothers	12/15/05	12/22/05	39,580,000	3.850	26,441.64
Lehman Brothers	12/15/05	12/22/05	34,877,500	3.950	26,787.86
Lehman Brothers	12/15/05	12/22/05	34,877,500	3.950	26,787.86
Citiglobal	12/16/05	12/19/05	49,925,000	3.950	16,433.65
Citiglobal	12/16/05	12/19/05	49,925,000	3.950	16,433.65
Daiwa	12/19/05	12/23/05	24,937,500	3.950	11,221.88
Lehman Brothers	12/20/05	12/21/05	24,612,500	4.000	2,734.72
Lehman Brothers	12/22/05	12/28/05	49,950,000	4.000	32,745.00

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>Date</u>	<u>Purchase Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	12/22/05	12/28/05	\$49,950,000	4.000%	\$32,745.00
Lehman Brothers	12/22/05	12/29/05	49,825,000	3.850	34,254.69
ABN AMRO	12/22/05	12/28/05	39,980,000	3.950	26,375.69
ABN AMRO	12/22/05	12/28/05	39,980,000	3.950	26,375.69
ABN AMRO	12/22/05	12/28/05	39,980,000	3.950	26,375.69
ABN AMRO	12/22/05	12/28/05	39,980,000	3.950	26,375.69
ABN AMRO	12/22/05	12/28/05	39,980,000	3.950	26,375.69
Lehman Brothers	12/22/05	12/29/05	35,087,500	3.900	27,436.48
Daiwa	12/22/05	12/23/05	14,906,250	3.800	1,573.44
Daiwa	12/23/05	12/29/05	50,312,500	3.900	32,982.64

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

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

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

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

Interest Rate Exchange Contracts

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

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

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

Variable Rate Master Note Placements

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

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

Report E: In addition to the transactions described in Report A, B, C, and D, the Executive Director also reports the following activity under the Futures Program authorized by the Board of Commissioners on December 10, 1987, during the period October 1, 2005 through December 31, 2005 involving the use of the Municipal Bond Futures Contracts (Muni) and the United States Treasury Bond Futures Contracts (T-Bonds) traded on the Chicago Board of Trade to manage the interest rate exposure on the future issuance of Consolidated Bonds and Notes.

Hedge for Consolidated Bonds:

<u>Date</u>	<u>Action</u>	<u>Number of Contracts</u>	<u>Short Position</u>	<u>Gains/(Losses) on Series Hedge*</u>	<u>Amount of Prospective Port Authority Debt Hedged</u>	<u>Estimated (Increase)/Decrease in Borrowing Costs on Portion of Debt Hedged</u>
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No outstanding Hedge during the 4th Quarter 2005

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, February 23, 2006, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

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

NEW YORK

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

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Catherine M. Bergamini, Principal Administrator, Port Commerce
 Kayla M. Bergeron, Chief, Public and Government Affairs
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Anthony B. Ciavolella, Public Information Officer, Public Affairs
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public Affairs
 Cristina DeFazio, Senior Executive Secretary, Office of the Deputy Executive Director
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Francis A. DiMola, Director, Real Estate
 Michael Dombrowski, Cinematographer, Public Affairs
 John J. Drobny, Director, Project Management
 Iran H. Engel, Assistant Treasurer
 Nancy J. Ertag-Brand, General Manager, Regional Funding Office, Office of the Chief Financial Officer
 Michael G. Fabiano, Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 Cedrick T. Fulton, Deputy Director, Tunnels, Bridges and Terminals
 Jessica L. Goldstein, Staff External Affairs Representative, Government and Community Relations
 Aaron Graham, Management Associate, Human Resources
 Linda C. Handel, Assistant Secretary
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Shawn K. Laurenti, Director, Government and Community Affairs
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 John P. McCarthy, Director, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary

Anne Marie C. Mulligan, Treasurer
Lynn A. Nerney, Senior Administrator, Office of the Secretary
Steven P. Plate, Director, Priority Capital Programs
Alan L. Reiss, Deputy Director, Aviation
Edmond F. Schorno, Chief of Staff
Kang Shih, Associate Engineer, Office of the Chief Engineer
Stephen Sigmund, Senior Policy Advisor, Office of the Deputy Executive Director
Gerald B. Stoughton, General Manager, Forecasting and Capital Planning, Financial Services
Sheree R. Van Duyne, Manager of Policies and Protocol, Office of the Secretary
Robert E. Van Etten, Inspector General

Guest:

Keith D. Barrack, Authorities Unit, Office of the Governor of New Jersey
Mr. and Mrs. Anthony G. Cracchiolo

INSURANCE TRANSACTIONS – JANUARY 1, 2005 THROUGH DECEMBER 31, 2005

REPORT: The Executive Director reported, for information only, that the following insurance transactions have taken place during the period of January 1, 2005 through December 31, 2005 pursuant to Article XII, Paragraph (n) of the By-Laws.

POLICY/ COVERAGE	LIMITS/ SIR/DEDUCTIBLE	TERM	AUTHORIZED ANNUAL PREMIUM	CARRIERS
Fidelity and Computer Fraud Insurance	\$5M per loss; Deductible-\$250,000	04/01/05 to 04/01/06	\$46,882	National Union Fire Insurance Company of Pittsburgh
Travel Accident Insurance	\$500,000 per employee; \$1M per Commissioner & Governor; \$8M aggregate limit per aircraft accident Deductible-None	07/15/05 to 07/15/08	\$12,802	American Home Assurance Company of New York (AIG)
Workers' Compensation Coverage, Domestic Trade Office, Washington, D.C.	Statutory Deductible-None	08/04/05 to 08/04/06	\$1,564	Virginia Surety
PATH Accidental Death & Dismemberment	\$100,000 per employee; \$1M aggregate per accident Deductible-None	03/22/05 to 03/22/08	\$1,000	AIG

RENEWAL NOTES

- Fidelity and Computer Fraud Insurance, which provides insurance protection for the Port Authority from acts of employee dishonesty and computer fraud perpetrated by non-employees, was renewed for a one-year period, effective April 1, 2005, from Nation Union Fire Insurance Company of Pittsburgh, through broker Massey Insurance Agency, an MBE/WBE at a premium cost of \$46,882.
- Travel Accident Insurance for Port Authority and PATH employees was renewed for a three-year term effective July 15, 2005, provided by American Home Assurance Company of New York (AIG) through broker The Taylor Group Inc., at a total premium cost not to exceed \$38,408. Coverage provides group travel accident insurance for Port Authority and PATH employees for accidental bodily injuries sustained while traveling outside the Port District on official Port Authority business. The insurance also provides coverage for the Governors of the States of New York and New Jersey and Commissioners of the Port Authority for travel within and outside the Port District on official Port Authority business.
- Workers' Compensation Insurance covering the Port Authority's office located in the District of Columbia was renewed for a one-year period commencing August 8, 2005. Coverage was placed with Virginia Surety, through incumbent broker E.G. Bowman Co., Inc., an MBE/WBE at an annual premium cost of \$1,564. Port Authority employees working in the states of New York and New Jersey are covered under the Port Authority's Self-Insured Workers' Compensation Program. However, Port Authority employees working in the Washington D.C. Office are covered by a separate Workers' Compensation policy procured to satisfy jurisdictional requirements.
- PATH Off-Premises Accidental Death and Dismemberment Insurance provides coverage for certain PATH employees in the event of fatal or very serious injuries sustained while on business travel within the Port District, in connection with the performance of their work and at the direction of the Port Authority. Coverage was placed with AIG through broker Tannenbaum Harber, for a three-year period, effective March 22, 2005, at a total premium cost of \$3,000. The Port Authority purchases this coverage for PATH employees in accordance with collective bargaining agreements.

Whereupon, the meeting was adjourned.

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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March 30, 2006**

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**PORT AUTHORITY - AUTO MARINE TERMINAL - CARCO, INC., D/B/A NEAT
(NORTHEAST AUTO TERMINAL) - LEASE NO. AMT-003 - LEASE
SUPPLEMENT AND PERMIT**

**PORT JERSEY CHANNEL - 50-FOOT HARBOR DEEPENING PROJECT -
MODIFICATION TO 41-FOOT PROJECT COOPERATION AGREEMENT -
EXECUTION OF CERTIFICATE OF AUTHORITY**

**PORT AUTHORITY-AUTO MARINE TERMINAL - CONVERSION OF 16+ ACRES
FOR SECOND USER FACILITY**

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement with Carco, Inc. (Carco) for a 15-year extension of Carco's lease covering a vehicle preparation center, 900 linear feet of berth facilities, and approximately 99.4 acres of the 115.4 acres of open area originally under the lease, at the Port Authority-Auto Marine Terminal (AMT) in Jersey City and Bayonne, New Jersey; (2) enter into a permit with Carco for its use of approximately 16 acres of open area originally under the lease for a three-year period in connection with its operations under the extended lease; and (3) convert at least 16 acres at the AMT from vehicle preparation use to container terminal use to create a second user facility on Port Authority property meeting federal requirements for sharing Port Jersey Channel dredging costs. It was also recommended that the Board authorize: (1) the Executive Director to enter into a modification of the 41-foot Port Jersey Channel Project Cooperation Agreement (PCA) with the U.S. Department of the Army and State of New Jersey (State) (Modification Agreement), beyond that authorized by the Board at its meeting of April 1, 2004 (to include provisions relating to implementation of a Port Authority plan to establish such a second user facility); and (2) General Counsel to sign a Certificate of Authority, as part of the Modification Agreement, stating that the Port Authority has full authority to perform the terms of the Modification Agreement and to pay damages, if necessary, for failure to perform pursuant to the Modification Agreement.

Carco Lease Extension and Permit

Carco, a tenant at the Port of New York and New Jersey (Port) since 1980, currently occupies approximately 115.4 acres of open area, 900 linear feet of berth, and a vehicle preparation center at the AMT under a lease that expired on November 30, 2004. The extended term of the lease of 99.4 acres of the open area, the vehicle preparation center, and the berth facilities would commence on December 1, 2004 and expire on November 30, 2019, and the period of the permission under the permit for the remaining 16 acres of open area would commence on December 1, 2004 and expire on November 30, 2007. Carco would pay a fee under the permit of \$592,416 for the period from December 1, 2004 through November 30, 2005, and \$648,173 annually for the period from December 1, 2005 through November 30, 2007. The Port Authority would have the right to terminate the permit at any time, without cause, on 90 days' notice to Carco.

Commencing on December 1, 2004, Carco would pay an annual basic rental under the extended lease at the rate of \$.80 per square foot on 99.4 acres of open area, for a basic rental of \$3,458,228 for the first year of the extension. The basic rental on 88.4 of these acres would

escalate during the period from December 1, 2005 through November 30, 2011 at the average rate of 9.5 percent compounded annually, and from December 1, 2011 through the remainder of the term at the rate of approximately three percent compounded annually. Effective December 1, 2005, Carco no longer would pay basic rental for ten acres used as the first point of rest for vehicles and other cargo and one acre used for longshoremen's parking.

Effective December 1, 2005, Carco would no longer pay a throughput rental for the berthing facilities. Instead, it would pay the Port Authority dockage and wharfage on cargo crossing the berth at the rates set forth in the Port Authority's Marine Terminals Tariff PAMT FMC No. PA10 (Tarriff). The Port Authority would grant Carco a rent credit in the amount of \$350,000 annually, commencing on December 1, 2005, as compensation for its costs to operate and maintain the berth, with the credit to escalate on December 1, 2006 and every year thereafter during the extended term, based on 100 percent of the Consumer Price Index.

Effective December 1, 2005, Carco would pay a guaranteed rental based on a minimum throughput of 129,064 vehicles per year, of which 20 percent may be non-waterborne for purposes of the minimum guarantee. If during any lease year the number of vehicles is fewer than the minimum, Carco would pay the Port Authority a per-vehicle rate on the shortfall in the number of vehicles, based on the Tariff rates then in effect. The minimum number of vehicles would be adjusted for any increase or decrease in the acreage of the premises under the lease or the space under the permit.

The Port Authority would have the conditional right to terminate the letting of 19 specified acres of Carco's leasehold, effective on November 30, 2014. There would be two conditions to the exercise of this right: (1) the Port Authority requires the 19 acres for a purpose other than vehicle preparation, and (2) the termination is not part of a transaction involving the relocation of an operation then at Port Newark to the AMT.

Carco would have the right to terminate the lease at any time upon one year's notice, for the purpose of relocating its operations to a location within the Port. If Carco exercises this right, it would not pay basic rental for the final three months of the term of the lease. Carco also would have the right to assign the lease to an entity that meets financial and operational criteria of the Port Authority set forth in the lease extension and that would use the premises as a vehicle preparation center.

Carco would continue to pay facility rental through October 31, 2014 at the annual rate of \$683,442. Effective December 1, 2005, Carco would pay an additional rental for non-waterborne vehicles that remain on the premises for longer than specified periods, based on the Tariff rates then in effect.

Port Jersey Channel Project Cooperation Agreement Modification – Conversion of Certain Lands at AMT from Vehicle Preparation Use to Container Terminal Use to Provide a Second User Facility

On April 1, 2004, the Board authorized the Executive Director to sign a modification to the Port Jersey Channel 41-Foot Project Cooperation Agreement (PCA) with the U.S.

Department of the Army (Federal Government) and the State. The Board provided that the Port Authority would sign the Modification Agreement for the limited purpose of indemnifying the Federal Government against damages from the construction, operation and maintenance of the Port Jersey Channel to a navigable depth of approximately 50 feet and the construction, operation and maintenance of the local service facilities, except for damages due to the fault or negligence of the Federal Government or its contractors; provided, that the additional cost of certain insurance coverage, then estimated at \$200,000, if needed, would be paid by the State, either through the Port Authority's bi-state dredging commitment monies, State funds, or other sources, without cost to the Port Authority, to cover the Port Authority against the reasonably foreseeable risks it will assume in connection with the indemnification agreement with the Federal Government.

Under federal law, the Federal Government is not authorized to fund the deepening of the Port Jersey Channel to 41 feet or to 50 feet unless there is a second user of the depth dredged. At present, the only user would be the privately owned Global Terminal and Container Service, Inc. (Global Terminal). As reflected in the PCA, the State agreed to pay the U.S. Army Corps of Engineers (Corps) an annual amount currently estimated at \$2,913,000, which represents amortization of 50 percent of the costs that the Corps anticipates it will incur to deepen the Port Jersey Channel to 41 feet, as well as interest on that share of the costs, if a second user facility is not in place by the time 41-foot dredging was completed. The State anticipated that a second user facility, which would eliminate the requirement for additional payments, would be provided at the former Military Ocean Terminal Bayonne; however, this expectation has not materialized. Consequently, the State has requested the Port Authority's assistance in implementing a second user facility that would meet federal requirements. This second user facility would be located within the 35 acres that ultimately would be surrendered by Carco. Since the Board's authorization in April 2004 made no provision for the Port Authority to provide a second user facility on Port Authority property, additional authorization is necessary to execute the Modification Agreement to provide for this change. The Assistant Secretary of the Army (Civil Works), by Memorandum dated November 19, 2004, has approved a Port Authority proposal to develop a second user facility.

The Modification Agreement would provide that the State's obligation to make the annual payment will cease when the Corps receives and accepts from the Port Authority a contract for construction of the second user facility meeting federal requirements. Furthermore, since the State plans to pay the entire cost of dredging the Port Jersey Channel to 50 feet in order to accelerate that project, the Modification Agreement would provide that a future credit based on amounts that would otherwise have been spent by the Corps on the 50-foot deepening of the Port Jersey Channel will be afforded by the Corps for application against the Port Authority's other harbor deepening costs. This credit cannot be applied until after the Corps receives and accepts from the Port Authority a contract for the construction of a second user facility on the Port Jersey Channel. The Modification Agreement also would provide that the Port Authority's plan for a second user facility on Port Authority property along the Port Jersey Channel applies to both the Port Jersey 41-foot Project and the Port Jersey 50-foot segment of the Harbor Deepening Project.

The Port Authority is already a signatory of the 41-foot PCA for the limited purpose of indemnifying the Federal Government against damages from the construction, operation and maintenance of the Port Jersey Channel to a navigable depth of approximately 41 feet and the construction, operation and maintenance of the local service facilities, except for damages due to the fault or negligence of the Federal Government or its contractors; provided, that the additional cost of certain insurance coverage, then estimated at \$200,000, if needed, is paid by the State, either through the Port Authority's bi-state dredging commitment monies, State funds, or other sources, without cost to the Port Authority, to cover the Port Authority against the reasonably foreseeable risks it would assume in connection with the indemnification agreement with the Federal Government. Those local service facilities would include, but not be limited to, the Global Terminal, which is already in place, and the anticipated second user facility to be established within Port Authority lands along the Port Jersey Channel. The Modification Agreement would provide that the Port Authority's indemnification agreement does not extend to any claims which may arise in the event the State does not meet its financial responsibilities concerning any payments for Port Jersey Channel deepening, operation and/or maintenance.

When an operator of the second user facility is identified, Board authorization will be requested to enter into a lease and/or operating agreement.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement with Carco, Inc. (Carco) for a 15-year extension of Carco's lease covering a vehicle preparation center, 900 linear feet of berth facilities, and approximately 99.4 acres of the 115.4 acres of open area originally under the lease, at the Port Authority-Auto Marine Terminal (AMT) in Jersey City and Bayonne, New Jersey; (2) enter into a permit with Carco for its use of approximately 16 acres of open area originally under the lease for a three-year period in connection with its operations under the extended lease; and (3) convert at least 16 acres at the AMT from vehicle preparation use to container terminal use to create a second user facility on Port Authority property along the Port Jersey Channel to meet federal requirements for federal cost participation in the dredging of the Port Jersey Channel; each substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that: (1) the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to execute a modification of the Project Cooperation Agreement (PCA) with the U.S. Department of the Army (Federal Government) and the State of New Jersey (State) (Modification Agreement) for the Port Jersey Channel 41-Foot Deepening Project, beyond that which was authorized by the Board at its meeting of April 1, 2004, to set forth certain provisions relating to a Port Authority plan to implement a second user facility, meeting federal requirements, on the Port Jersey Channel, substantially in accordance with the terms and conditions outlined to the Board; (2) General Counsel be and he hereby is

authorized, for and on behalf of the Port Authority, to execute, as part of the Modification Agreement, a Certificate of Authority stating that the Port Authority is a legally constituted public body with full authority and legal capability to perform the terms of the Modification Agreement, and to pay damages in accordance with the terms of the Modification Agreement, if necessary, in the event of a failure to perform, as required by Section 221 of Public Law 91-611 (42 U.S.C. Section 1962d-5b), and that the persons who execute the Modification Agreement on behalf of the Port Authority have acted within their statutory authority, it being understood that the Port Authority's indemnification agreement does not extend to any claims which may arise in the event the State does not meet its financial responsibilities concerning any payments for Port Jersey Channel deepening, operation and/or maintenance; and it is further

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

**DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER (WTC)
TRANSPORTATION HUB PROJECT – UNDERPINNING OF NO. 1 SUBWAY
LINE AT THE WTC – AGREEMENT WITH METROPOLITAN
TRANSPORTATION AUTHORITY CAPITAL CONSTRUCTION AND NEW
YORK CITY TRANSIT AUTHORITY**

It was recommended that the Board authorize the Executive Director to enter into a Memorandum of Understanding (MOU) with Metropolitan Transportation Authority Capital Construction (MTACC) and New York City Transit Authority (NYCT) in connection with the Port Authority's work to temporarily underpin the NYCT No. 1 Subway Line at the World Trade Center (WTC) site, including the provision of reimbursement to NYCT for its force account services to support the Port Authority's work, in an estimated amount of \$3,000,000.

The Port Authority is performing the final design and construction for the WTC Transportation Hub Project in coordination with the redevelopment of the WTC site in Lower Manhattan. The WTC Transportation Hub Project scope includes construction of space below the portion of the No. 1 Subway Line within the WTC site. In order to create the required space, the No. 1 Subway Line must be underpinned to allow for future excavation and installation of a permanent support system.

The subway box underpinning framing will be installed from both outside and inside the subway box. As a result, the Port Authority is seeking permission to perform the work within the right-of-way, including requiring access to the track level.

The MOU would outline the requirements for the execution of the construction effort and contractor access to the subway work required by NYCT, and would establish a reimbursement schedule for the costs of NYCT force account labor required to support the underpinning construction. As required by NYCT for work at track level, NYCT force account staff (labor and equipment) will support and protect the construction work zone. The Port Authority would reimburse the MTACC for the force account charges.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Memorandum of Understanding with Metropolitan Transportation Authority Capital Construction and New York City Transit Authority (NYCT) in connection with the Port Authority's work to temporarily underpin the NYCT No. 1 Subway Line at the World Trade Center site, including the provision of reimbursement to NYCT for its force account services to support the Port Authority's work; and it is further

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

**AUTHORIZATION TO FORM A PORT AUTHORITY-OWNED INSURANCE ENTITY
(CAPTIVE INSURANCE COMPANY)**

It was recommended that the Board authorize the Executive Director, the Chief Financial Officer or the Treasurer to establish and arrange for the operation of a Port Authority-owned insurance entity (Captive) in Washington, D.C., or another appropriate jurisdiction within the United States, in accordance with that jurisdiction's law, to provide insurance to the Port Authority and its wholly owned corporate entities.

As requested by the Committee on Finance (and after advising the Chair of the Audit Committee), Deloitte Consulting (Deloitte) was retained to assess the feasibility of the Port Authority establishing a captive insurance entity. Deloitte analyzed the Port Authority's exposure to risk, its current insurance programs, and the various captive structures and domiciles available. Following this detailed assessment, Deloitte concluded that the formation of a Port Authority captive insurance entity in Washington, D.C., is feasible and offers substantial financial and insurance benefits to the Port Authority. These benefits include the potential for reduced costs for insurance, enhanced coverage, greater access to reinsurance markets, and return of certain insurance premiums.

The Deloitte study recommended that the Captive initially include the following insurance programs: all lines of coverage under the Port Authority's Contractors' Insurance Program (CIP), with a \$1 million retention; coverage for terrorism-related risks under the federal Terrorism Risk Insurance Act (TRIA), which risks are currently covered under the Public Liability and Property Damage and Loss of Revenue programs; and statutorily required "Fire Following" terrorism coverage for property exposures. As we develop more experience with the Captive, other insurance lines can be added to the coverage that it provides.

Deloitte recommended Washington, D.C., as the most favorable domestic domicile for the Captive because of its flexible regulation and funding requirements, strong management infrastructure and low premium tax. It is intended that the Captive would provide coverage in New York and New Jersey to the Port Authority and its wholly owned corporate entities. The total cost of incorporating and establishing the Captive, including capitalization based on the insurance coverages provided, is estimated at \$12.5 million. Capitalization of the Captive would be accomplished through a letter of credit issued by a financial institution and backed by the Port Authority, or with direct funding by the Port Authority.

In order to assist with the formation and management of the Captive, the Port Authority would retain the services of a captive insurance manager through a publicly advertised competitive procurement process that would be reviewed with the Chair of the Committee on Finance. The captive manager would be responsible for the establishment, operation and daily administration of the Captive. The captive manager would be assisted by additional essential service providers, including actuarial, legal and claims handling services. Anticipated costs for these captive management services would be \$150,000 to \$200,000 annually.

Staff anticipates that the captive manager would be selected and the Captive formed in the second half of 2006. Authorization would be sought from the Committee on Finance for any

additional provision of funding necessary for capitalization of the Captive to reflect additional lines of insurance coverage that may be included within the Captive from time to time.

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

RESOLVED, that the Executive Director, the Chief Financial Officer or the Treasurer be and each hereby is authorized, for and on behalf of the Port Authority, to take any and all action with respect to the formation of a Port Authority-owned insurance entity (Captive), consistent with the terms outlined to the Board, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take any and all action in accordance with the terms of such contracts, agreements and documents, as may be necessary in connection therewith; and it is further

RESOLVED, that the provision by the Captive of the following lines of insurance coverage to the Port Authority and its wholly owned corporate entities be and it hereby is authorized: (1) all lines of coverage under the Port Authority's Contractors' Insurance Program (CIP), with a \$1 million retention; (2) coverage for terrorism-related risks under the federal Terrorism Risk Insurance Act (TRIA), which risks are currently covered under the Public Liability and Property Damage and Loss of Revenue programs; and (3) statutorily required "Fire Following" terrorism coverage for property exposures; and it is further

RESOLVED, that the Committee on Finance be and it hereby is authorized to approve any changes in the lines of insurance to be provided by the Captive and any additional capitalization of the Captive that may be required to reflect such changes in such lines of insurance; and it is further

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

**PORT AUTHORITY INTEREST RATE EXCHANGE CONTRACTS PROGRAM –
REAUTHORIZATION**

It was recommended that the Board: (1) rescind its resolutions pertaining to the Port Authority Interest Rate Exchange Contracts Program adopted on July 14, 1988, December 10, 1992 and April 27, 2005 (the Prior Resolutions), although the Prior Resolutions would continue in force and effect with respect to interest rate exchange contracts that are currently outstanding and that were entered into pursuant to the Prior Resolutions; and (2) reauthorize the Interest Rate Exchange Contracts Program (as so reauthorized, the Program), with the following key terms:

interest rate exchange contracts and related financial instruments (hedge facilities) would be entered into solely for the purpose of managing and controlling interest rate risk in connection with Port Authority bonds and notes (designated at the time of issuance of any such hedge facilities) or to extend or reverse the financial effects of outstanding hedge facilities;

a hedge facility could only be executed if, on the date of execution, the total aggregate notional amount of such hedge facility, together with all other hedge facilities then outstanding (excluding hedge facilities which were entered into in connection with refundings of outstanding Port Authority bonds and notes, or which were entered into for the purpose of reversing the financial effects of existing hedge facilities), would not exceed 15 percent of the Port Authority's then outstanding bonds and notes (excluding Equipment Notes, Commercial Paper Obligations and Special Project Bonds);

the term of any hedge facility would not exceed 35 years;

any payments that are required under hedge facilities would be special obligations of the Port Authority and would be payable from "Net Revenues" (as defined) deposited to the Consolidated Bond Reserve Fund, and in the event such Net Revenues were insufficient therefor, from other moneys of the Port Authority legally available for such payments when due;

solely for the purpose of this resolution and the hedge facilities entered into pursuant to this resolution, "Net Revenues" would mean, with respect to any date of calculation, the revenues of the Port Authority pledged under the Consolidated Bond Resolution and remaining after: (1) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (2) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (3) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution; and

any payments that are required under hedge facilities would not be payable from the General Reserve Fund and the payment thereof would be subject in all

respects to: (1) payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; and (2) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes.

Port Authority operating funds would continue to be used for any payments that are required under hedge facilities that are currently outstanding under the Prior Resolutions. The Port Authority has four hedge facilities currently outstanding under the Prior Resolutions, with total notional amounts of \$364 million.

The Program, as distinguished from hedge facilities currently outstanding under the Prior Resolutions, would achieve a matching of the manner and sources of payment for hedge facilities to be issued in the future with the Port Authority bonds and notes to which they relate. Based on discussions with our financial advisor, this change in the manner and source of payment for hedge facilities to be issued under the Program is not expected to have any adverse impact on the effectuation of the Program. However, it will provide a significant benefit to the holders of Consolidated Bonds, since hedge facilities to be issued under the Program will no longer be an operating fund liability.

Hedge facilities would continue to be executed in accordance with the formal policy developed and implemented by staff and reviewed from time to time with the Committee on Finance, and in each case entered into under a “master swap agreement” consistent with the format issued by the International Swaps and Derivatives Association or under such other documentation as is appropriate under the circumstances and accepted by counterparties in the municipal swap market.

Under the Program, the Executive Director, Chief Financial Officer and Treasurer each would continue to be authorized to enter into hedge facilities on behalf of the Port Authority. Prior to entering into any such contract or instrument, each proposed transaction would be reviewed with the Chairman of the Committee on Finance and, to the extent practicable, the other members of the Committee.

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

RESOLVED, that the resolutions adopted by the Board at its meetings of July 14, 1988, December 10, 1992 and April 27, 2005 pertaining to Port Authority Interest Rate Exchange Contracts are rescinded in their entirety; provided, however, that such resolutions shall continue in force and effect with respect to interest rate exchange contracts that are currently outstanding and were entered into pursuant to such resolutions; and it is further

RESOLVED, that the Port Authority Interest Rate Exchange Contracts Program is reauthorized in accordance with the terms and conditions of this resolution for interest rate exchange contracts and related financial instruments (hedge facilities) executed on and after the date of this resolution; and it is further

RESOLVED, that the Executive Director, Chief Financial Officer, and Treasurer, each individually, are authorized, for and on behalf of the Port Authority, to enter into hedge facilities from time to time with counterparties providing for the Port Authority and the counterparty to agree to make periodic payments, each to the other, based on predetermined fixed or variable rate indices; provided, that: (1) on the date that a hedge facility is executed, the total aggregate notional amount of such hedge facility, together with all other hedge facilities then outstanding (excluding interest rate exchange contracts or related financial instruments which were entered into in connection with refundings of outstanding Port Authority bonds and notes, or which were entered into for the purpose of reversing the financial effects of existing hedge facilities), shall not exceed 15 percent of the Port Authority's then outstanding bonds and notes (excluding Equipment Notes, Commercial Paper Obligations and Special Project Bonds); and (2) the term of any hedge facility shall not exceed 35 years; and it is further

RESOLVED, that the Executive Director, Chief Financial Officer, and Treasurer, each individually, are authorized to determine the appropriate form of documentation to be utilized for each hedge facility; and it is further

RESOLVED, that the Executive Director, Chief Financial Officer, and Treasurer, each individually, are authorized to develop and implement, on an ongoing basis, a policy providing a framework for the Port Authority's use of hedge facilities; and it is further

RESOLVED, that payments with respect to hedge facilities shall be special obligations of the Port Authority and shall be payable from "Net Revenues" (as defined below) deposited to the Consolidated Bond Reserve Fund, and in the event such Net Revenues are insufficient therefor, from other moneys of the Port Authority legally available for such payments when due; and it is further

RESOLVED, that "Net Revenues," solely for the purpose of this Resolution and the hedge facilities entered into pursuant to this Resolution, shall mean, with respect to any date of calculation, the revenues of the Port Authority pledged under the Consolidated Bond Resolution and remaining after: (1) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; (2) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and (3) applications to purposes authorized in accordance with Section 7 of the Consolidated Bond Resolution; and it is further

RESOLVED, that hedge facilities shall not be payable from the General Reserve Fund and the payment thereof shall be subject in all respects to: (1) payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; and (2) payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and it is further

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

AMENDMENT OF AUTHORIZATION TO ACCEPT EASEMENT FROM THE BAYONNE LOCAL REDEVELOPMENT AUTHORITY ON PROPERTY LOCATED IN THE CITY OF BAYONNE, NEW JERSEY AND EXCLUSIVE AGREEMENT TO NEGOTIATE FOR THE PURCHASE OF PROPERTY

It was recommended that the Board amend and supplement its Resolution adopted on September 22, 2005 (the Prior Resolution) covering the acceptance of a permanent and perpetual easement (the Initial Easement) with respect to certain property located on the site of the former Military Ocean Terminal Bayonne, known as the Peninsula at Bayonne Harbor (Peninsula), located at Block 404, Lot 1, in the City of Bayonne, New Jersey and owned by the Bayonne Local Redevelopment Authority (BLRA). The following changes to the Prior Resolution were recommended to the Board:

1. that, in addition to the purposes outlined to the Board in the Prior Resolution, the Initial Easement would grant the Port Authority the right to use the easement area (the Emergency Use Parcel) in connection with all Port Authority facilities, and for the berthing of ships and the loading and unloading of cargo;

2. that the \$1 million authorized by the Prior Resolution also would serve as consideration for the grant of a permanent and perpetual easement by the BLRA to the Port Authority with respect to that portion of the Peninsula generally known as the Maritime and Industrial District (the Maritime Parcel) for the use and occupancy of the Maritime Parcel for the same purposes as the Initial Easement, as well as for purposes related to marine terminal activities (the Maritime Easement);

3. that the Port Authority and the BLRA also would enter into an agreement (the Negotiation and Easement Agreement) pursuant to which the BLRA would grant the Port Authority an exclusive 24-month right to enter into negotiations with the BLRA for the purchase of the Maritime Parcel and provide the Port Authority with an easement over the entire Peninsula, except for the Emergency Use Parcel and the Maritime Parcel, for the purposes of both the Initial Easement and the Maritime Easement (the General Easement); and

4. that, upon the execution of the Negotiation and Easement Agreement, the Port Authority would pay \$12 million to the BLRA as a deposit to be applied to the purchase price of the Maritime Parcel and as consideration for the General Easement. In the event that, at the end of the 24-month negotiation period, an agreement of sale for the Maritime Parcel has not been entered into between the Port Authority and the BLRA, the BLRA would be obligated to repay the \$12 million deposit, together with interest thereon, to the Port Authority within 90 days. Upon the BLRA's return of the deposit, together with interest, to the Port Authority, the General Easement would be extinguished.

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

RESOLVED, that the resolution adopted by the Board at its meeting of September 22, 2005 authorizing the purchase of an easement from the Bayonne Local Redevelopment Authority (BLRA) on property located in the City of Bayonne, New Jersey (the City), be and it hereby is amended, in accordance with the foregoing terms and conditions; and it is further

RESOLVED, that the Executive Director be and he is hereby authorized, for and on behalf of the Port Authority, to accept easements with respect to certain properties located on the site of the former Military Ocean Terminal Bayonne known as the Peninsula at Bayonne Harbor (Peninsula) in the City and owned by BLRA, substantially in accordance with the revised terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he is hereby authorized, for and on behalf of the Port Authority, to enter into an agreement (the Negotiation and Easement Agreement) with the BLRA granting the Port Authority an exclusive right to enter into negotiations with the BLRA with respect to the sale to the Port Authority of certain property located on the Peninsula and owned by the BLRA, and in connection with the execution of the Negotiation and Easement Agreement to pay to BLRA, as a deposit, the sum of \$12 million, substantially in accordance with the revised terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he is hereby authorized, for and on behalf of the Port Authority, to enter into any other agreements necessary to effectuate the acceptance of the foregoing easements by the Port Authority and the purchase of real property on the Peninsula, including, without limitation, those covering site investigations and surveys; and it is further

RESOLVED, that the acquisition by the Port Authority of any real property on the Peninsula (other than the easements) shall be subject to the approval of the Committee on Operations; and it is further

RESOLVED, that the form of the easements and any agreements to be entered into by the Port Authority in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

CONFIDENTIAL ITEM

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

Whereupon, the meeting was adjourned.

Secretary

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, March 30, 2006, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

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

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Kayla M. Bergeron, Chief, Public and Government Affairs
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Wilfred Chabrier, Director, Office of Regional and Economic Development
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public Affairs
 Cristina A. DeFazio, Senior Executive Secretary, Office of the Deputy Executive Director
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Francis A. DiMola, Director, Real Estate
 Michael Dombrowski, Cinematographer, Public Affairs
 John J. Drobny, Director, Project Management
 Iran H. Engel, Assistant Treasurer
 Nancy J. Ertag-Brand, General Manager, Office of the Chief Financial Officer
 Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 Jessica L. Goldstein, Staff External Affairs Representative, Government and Community Relations
 Aaron Graham, Management Associate, Human Resources
 Lash L. Green, General Manager, Office of Business and Job Opportunity
 Linda C. Handel, Assistant Secretary
 Roger J. Hsu, Manager, Program Development and Administration,
 Office of Regional and Economic Development
 Howard G. Kadin, Senior Attorney, Law
 James A. Keane, Manager, Inspection, Safety and Risk, Operations Services
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Joseph Kucich, Professional Assistant, Office of the Secretary
 Louis J. LaCapra, Chief Administrative Officer
 Shawn K. Laurenti, Director, Government and Community Affairs
 Dennis Lombardi, Assistant Director, Port Commerce
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 Michael G. Massiah, Director, Management and Budget
 John P. McCarthy, Director, Public Affairs

NEW YORK

Hon. Charles A. Gargano, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. Christine A. Ferer
 Hon. David S. Mack

James E. McCoy, Manager, Board Management Support, Office of the Secretary
Anne Marie C. Mulligan, Treasurer
Lynn A. Nerney, Senior Administrator, Office of the Secretary
Steven P. Plate, Director, Priority Capital Programs
Samuel J. Plumeri, Jr., Superintendent of Police/Director, Public Safety
Edmond F. Schorno, Chief of Staff
Stephen Sigmund, Senior Policy Advisor, Office of the Deputy Executive Director
Gerald B. Stoughton, General Manager, Forecasting and Capital Planning, Financial Services
Ralph Tragale, Client Manager, Government and Community Affairs
Sheree R. Van Duyne, Manager of Policies and Protocol, Office of the Secretary
Peter J. Zipf, Deputy Engineer

Guests:

Keith D. Barrack, Authorities Unit, Office of the Governor of New Jersey
James T. Connors
Edward L. Jackson
Andrew N. Krinsky, Esq., Tarter Krinsky & Drogin LLP

The public session was called to order by Chairman Coscia at 2:42 p.m. and ended at 2:58 p.m. The Board met in executive session prior to the public session. Commissioner Silverman was present for the executive session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of February 23, 2006. 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 February 23, 2006, which included discussion of internal audit matters, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed at its meeting on March 30, 2006, which included discussion of contract and lease matters, matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and matters related to or which could impact upon the issuance, sale, resale, or redemption of Port Authority bonds, notes or other obligations, 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.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on March 30, 2006, which included discussion of matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on March 30, 2006, which included discussion of a contract for the rehabilitation of a vehicular roadway bridge structure at LaGuardia Airport and year-end 2005 results of participation by minority, women-owned and small business enterprises in construction and architectural and engineering service contracts, 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.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on March 30, 2006, which included discussion of contract and lease matters, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, 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.

Staff Report

A presentation was made by staff on 2005 year-end results of the Minority - and Women-Owned/Small Business Enterprise programs.

In addition to the staff report, Andrew N. Krinsky, Esq., of the law firm of Tarter Krinsky & Drogin LLP, addressed the Board on behalf of the Patrolmen's Benevolent Association of the City of New York, Inc.

TRIBUTE TO EDWARD L. JACKSON

The following resolution was unanimously adopted by the Board of Commissioners upon the retirement of Edward L. Jackson, Director, Financial Services Department:

WHEREAS, Edward L. Jackson has served with great pride and distinction throughout his career of more than 21 years with The Port Authority of New York and New Jersey; and

WHEREAS, since Edward L. Jackson joined the Port Authority in July 1985, he has held several key positions throughout the agency, including that of Manager, Revenue Accounting, Assistant Comptroller for Operations and, since April 2000, Director of Financial Services; and

WHEREAS, as Director of Financial Services he has provided outstanding leadership and strategic direction and guidance in budgetary matters to ensure best business practices that contribute to the Port Authority's efficient financial performance; and

WHEREAS, Ed Jackson has played a key role in overseeing the capital planning process, as well as the agency's multi-billion dollar annual budget, and has consistently brought a high-level of professionalism to the management of the Financial Services Department; and

WHEREAS, Ed Jackson has been instrumental in developing agency-wide, cost-effective budgetary strategies and procedures, including the implementation of a new agency-wide payroll system, and in spearheading the introduction of BudgetPRO, an innovative budget monitoring and tracking system; and

WHEREAS, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, Edward L. Jackson was awarded the Port Authority's Robert F. Wagner Distinguished Service Medal in April 2004 and the Port Authority Civilian Commendation Medal in June 2002 for his heroism during the events of September 11, 2001, and was recognized by Governor George E. Pataki as a 2004 recipient of the New York State Tribute to African American Leaders in State Service for his outstanding contributions to the State of New York and the Port Authority;

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to Ed Jackson their sincere appreciation for his service to the agency and the region it serves; and it is further

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

TRIBUTE TO JAMES T. CONNORS

The following resolution was unanimously adopted by the Board of Commissioners upon the departure of James T. Connors, Director, World Trade Center Redevelopment Department:

WHEREAS, James T. Connors has served with great pride and distinction throughout his career of more than 22 years with The Port Authority of New York and New Jersey; and

WHEREAS, since Jim Connors joined the Port Authority in June 1983 as a Management Intern and through his most recent appointment as Director, World Trade Center Redevelopment Department, in December 2004, he has successfully progressed his career and has served in various challenging assignments, including Manager of World Trade Center Finance and Business Planning, Assistant Comptroller, and Deputy Director of the Real Estate Department; and

WHEREAS, prior to the tragic events of September 11, 2001, Jim Connors played a significant role in a number of complex real estate transactions on behalf of the agency, including the net lease transactions with Silverstein Properties and Westfield America at The World Trade Center; and

WHEREAS, James Connors has been instrumental in managing various complex, major initiatives for the Port Authority, including one of the agency's most ambitious planning efforts to date, the redevelopment of the World Trade Center site, involving the restoration of a vibrant retail presence at the World Trade Center and the recently negotiated ground lease for 7 World Trade Center and the Marriott Hotel lease surrender; and

WHEREAS, over the course of his career, James Connors has provided strategic direction and oversight for the agency's PATH system, Tunnels, Bridges and Terminals, and Economic Development real estate assets, as well as management of the agency's corporate office space;

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey hereby express to James T. Connors their sincere appreciation for his service to the agency and the region it serves; and it is further

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

NEWARK LIBERTY INTERNATIONAL AIRPORT – CONTINENTAL AIRLINES, INC. – WAREHOUSE BAYS 5 AND 6, MEZZANINE OFFICE AND ASSOCIATED SPACE AT CARGO BUILDING 157 – LEASE ANB-606

It was recommended that the Board authorize the Executive Director to enter into an agreement of lease with Continental Airlines, Inc. (the Lessee) to provide for the letting of approximately 45,785 square feet of warehouse, office, ramp and associated space at Cargo Building 157 at Newark Liberty International Airport (Airport) for use as a production facility for cold in-flight food serving the Lessee and ExpressJet Airlines, Inc. (ExpressJet). The lease would have a term of approximately 39 months, commencing April 15, 2006 and expiring July 31, 2009.

The rent commencement date would be the earlier of the date on which the Port Authority issues to the Lessee a permit to occupy and use the premises or August 1, 2006. The lease would provide for the Lessee to pay an annual rental composed of two factors, a constant factor for building and land rent in the amount of \$603,668.57 and a variable factor for airport services and phase 1A charges in the amount of approximately \$86,771, both payable in advance in equal monthly installments. The constant factor would be escalated at the rate of 4 percent annually, on the first anniversary of the rent commencement date and each anniversary date thereafter during the term of the letting. The variable factor would be adjusted annually in accordance with a rate and charge calculation applicable to Airport lessees.

The Lessee would be exempt from the payment of a percentage rent or fee on in-flight meals supplied to ExpressJet under the lease until such time as the earlier to occur of: (1) the expiration or early termination of the Capacity Purchase Agreement between the Lessee and ExpressJet and its parent companies, ExpressJet Holdings, Inc. and XJT Holdings, Inc.; or (2) the operation by the Lessee and/or ExpressJet or its parent companies of “non-covered” aircraft (*i.e.*, those aircraft for which the Lessee has not purchased capacity) into the Airport. Accordingly, the terms and conditions of the exemption would be the same as those which apply under Lessee’s Lease No. ANA-370 at the Airport, which was approved by the Board on February 20, 2003.

The Lessee would be obligated to make an initial capital investment of at least \$1.1 million in order to make the premises usable as a production facility for cold in-flight food and related administrative office space. Construction would have a completion date of July 31, 2006. The Lessee would be responsible, at its sole cost and expense, to restore the premises at the termination or expiration of the term, including removal of non-trade fixtures if required by the Port Authority, so that the premises could be used for an air cargo operation.

The catering operation would be performed by the Lessee’s Food Services Division, formerly known as Chelsea Catering, Inc., prior to the merger of that company into the Lessee in April 1993.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement of lease with Continental Airlines, Inc. to provide for the letting of approximately 45,785 square feet of warehouse, office, ramp and associated space at Cargo Building 157 at Newark Liberty International Airport, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – CONSTRUCTION OF AN INFRARED DEICING FACILITY AT HANGAR 12 – INCREASE IN PROJECT AUTHORIZATION AND INCREASE IN AUTHORIZATION FOR CONTRACT JFK 144.021

It was recommended that the Board authorize: (1) an increase of \$3.8 million, from an estimated amount of \$9.5 million to an estimated amount of \$13.3 million, in the authorization for the project to construct an infrared deicing facility at Hangar 12 at John F. Kennedy International Airport (JFK); and (2) the Executive Director to enter into agreements amending: (a) Privilege Permit AYD 378 and the corresponding operations and maintenance (O&M) contract to reflect a delay in completion of the project until April 2006 and an adjustment in the deferred date for the start of fee payments from July 1, 2006 to July 1, 2007 and other ancillary provisions of the permit and O&M contract, due to the revised construction completion date of the deicing facility; and (b) Contract JFK 144.021 by increasing the amount payable to Radiant Aviation Services, Inc. (Radiant) by an estimated amount of \$1.35 million, from \$8,261,253 to an estimated amount of \$9,611,253.

In 2002, Radiant sent an unsolicited proposal to Port Authority staff offering to provide its patented Infra-Tek technology for use in an infrared radiant deicing facility at JFK. The Infra-Tek system is the only radiant deicing system that has earned Federal Aviation Administration (FAA) Flight Standards approval for deicing commercial aircraft. Radiant had installed a similar system for Continental Airlines, which is currently in operation at Newark Liberty International Airport. Based on concerns that conventional deicing techniques in the future could face regulatory restrictions due to environmental considerations, as well as the limited space available at JFK to construct aircraft deicing positions, staff decided to enter into negotiations with Radiant for a facility at JFK.

Recognizing the importance and potential operational benefits of a technologically advanced aircraft deicing system, staff pursued, and in August 2003 the FAA approved, a grant estimated at \$6.75 million for an Aeronautical Operations Area Radiant Deicing Facility–Phase I at JFK's Hangar 12 Ramp.

On June 24, 2004, the Board authorized a project estimated at \$9.5 million, including the award of a sole-source contract to Radiant to design and construct a new, state-of-the-art infrared radiant deicing facility at a fixed price of \$8,261,253 (Contract JFK-144.021). The Board also authorized the Executive Director to enter into an agreement with Radiant covering the operation and maintenance of the new radiant deicing facility and related infrastructure at Hangar 12 for up to 20 years, including technology-licensing arrangements.

Construction of the deicing facility commenced in August 2005, following protracted negotiations regarding the design/build and operating and maintenance agreements and Port Authority approval of design submittals by Radiant.

In December 2005, as the field installation was progressing, Radiant advised Port Authority staff that trade contract costs, originally estimated in 2003, were significantly higher than anticipated based on actual bids received in November and December of 2005 for

the completed design for the facility, and additional funds would be necessary to complete the work. Discussions with Radiant were undertaken to accommodate the construction overrun, resulting in a proposed sharing of the incremental costs to complete the project. Staff advised that, under the proposed agreement, Radiant would undertake trade sub-contract payments from their own resources of an additional \$2.4 million, and that the Port Authority would increase its payment to Radiant, exclusive of extra work, by an estimated \$1.35 million and pursue incremental federal Airport Improvement Program (AIP) funding to offset the additional Port Authority investment that would need to be recovered via user fees over the life of the project. Subsequent to the discussion with Radiant, the FAA agreed to provide an estimated \$1 million as an additional federal grant under the AIP, with the Port Authority to be responsible for the 25 percent local sponsor share of the grant, estimated at \$350,000.

Presently, construction of the facility is 90 percent complete, with all materials on site.

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

RESOLVED, that the project authorization for the construction of an infrared deicing facility at Hangar 12 at John F. Kennedy International Airport be and it hereby is increased by \$3.8 million, from an estimated amount of \$9.5 million to an estimated amount of \$13.3 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to amend Privilege Permit AYD 378 and the corresponding operations and maintenance (O&M) contract to reflect a delay in completion of the project and to change the deferred date for the start of fee payments to the Port Authority from July 1, 2006 to July 1, 2007 and other ancillary provisions of the permit and O&M contract, each substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to amend Contract JFK-144.021 by increasing the amount payable to Radiant Aviation Services, Inc. by an estimated amount of \$1.35 million, from \$8,261,253 to an estimated amount of \$9,611,253; and it is further

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

JOHN F. KENNEDY INTERNATIONAL AIRPORT – NORTH AMERICAN AIRLINES, INC. – LEASE AGREEMENT FOR SPACE IN BUILDING 141

It was recommended that the Board authorize the Executive Director to: (1) enter into a ten-year lease agreement with North American Airlines, Inc. (NAA) providing for the rental of office and warehouse space in Building 141 at John F. Kennedy International Airport (JFK); (2) provide NAA with up to \$3 million toward improvements to the leased space, which would be reflected in additional rental to be paid by NAA over the term of the lease; and (3) enter into a brokerage agreement with CB Richard Ellis, Inc. for the payment of a standard brokerage commission in connection with the lease.

NAA is a fully certified U.S. Flag Carrier and provides scheduled service to niche markets, as well as charter flights to many leisure destinations. NAA also participates in the United States Civil Reserve Air Fleet program and is the fourth largest provider of passenger airlift transportation to the United States Department of Defense, for which it transports U. S. military personnel. NAA intends to relocate its corporate headquarters from substantially smaller space in Building 75 at JFK to Building 141, which provides the space it needs to continue its growth at JFK.

The Building 141 lease would offer NAA an opportunity to include offices for its executive, accounting and planning staff, pilot and flight attendant accommodations, as well as space for its aircraft and other equipment parts storage and other support units. NAA would contribute \$400,000 toward the cost of building out the leased space and would invest an additional \$600,000 for equipment, furnishing and other expenses, for a total NAA investment of approximately \$1 million. The lease would provide that the Port Authority would fund up to \$3 million to complete the build-out of the unfinished space. The work would include the rehabilitation of raw space and the reconfiguration of semi-finished areas, as well as the upgrade of finished space to accommodate its needs for its headquarters.

The lease with NAA would be effective on or about May 1, 2006. NAA would be given a rent-free period equivalent to six months to complete the required design and construction to prepare the space for occupancy. NAA would pay aggregate rentals over the term in the amount of \$15.4 million, consisting of approximately \$9.4 million in fixed building and land rentals, approximately \$1.7 million in operating and maintenance payments and approximately \$4.3 million of additional rentals. The \$3 million dollars provided by the Port Authority would be repaid to the Port Authority over the term of the lease in the form of additional rentals, at a rate equivalent to the Revenue Bond Index plus 300 basis points.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into a lease agreement with North American Airlines, Inc. (NAA) for space in Building 141 at John F. Kennedy International Airport, substantially in accordance with the terms outlined to the Board; (2) provide NAA with up to \$3 million toward improvements to the leased space, which would be reflected in additional rental to be paid by NAA over the term of the lease; and (3) enter into a brokerage agreement with CB Richard Ellis, Inc. for the payment of a standard brokerage commission in connection with the lease; the form of the lease and brokerage agreements shall be subject to the approval of General Counsel or his authorized representative.

TETERBORO AIRPORT – ATLANTIC AVIATION CORPORATION, GENERAL AVIATION AIRCRAFT SERVICE, INC., FIRST AVIATION SERVICES, INC., JET AVIATION TETERBORO L.P., AND SIGNATURE FLIGHT SUPPORT-NEW JERSEY, INC. – USE AND OCCUPANCY AGREEMENTS

It was recommended that the Board authorize the Executive Director to enter into appropriate Use and Occupancy agreements with each of the five Fixed Base Operators (FBOs) at Teterboro Airport (TEB), namely, Atlantic Aviation Corporation (Atlantic Aviation), General Aviation Aircraft Service, Inc. (General Aviation), First Aviation Services, Inc. (FAS), Jet Aviation Teterboro L.P. (Jet Aviation) and Signature Flight Support-New Jersey, Inc. (Signature), which agreements each would provide for the use and development of fuel facilities at TEB for varying terms of approximately 15 to 20 years.

The proposed agreements with FAS and Jet Aviation would provide for the development and operation of a 300,000-gallon-capacity fuel facility (150,000 gallon sections of which would be covered under each agreement with FAS and Jet Aviation) on an undeveloped two-acre parcel on the south side of TEB. The facility, which would be constructed in a manner enabling both FBOs to operate independently, would require a minimum combined investment of \$3 million by FAS and Jet Aviation. The remaining three FBOs, Atlantic Aviation, General Aviation and Signature, would enter into similar agreements for the use and occupancy of the existing approximately 2.7-acre fuel facilities on the west side of TEB, with a minimum combined investment of \$1.2 million for upgrades and modernization.

Each of the FBOs would be responsible for the payment of land rental and flowage fees to the Port Authority and for operations, maintenance and environmental costs associated with its operation. In addition, the FBOs on the south side of the TEB would be responsible for development and construction costs. The land rental payable by the FBOs would be escalated annually based on the percentage change in the Consumer Price Index (CPI), which in no event shall exceed 6 percent per annum. In 2009 and again in 2019, the Port Authority would have the right to appraise the land upon which each of the FBOs operate and to further adjust the land rental rates in an amount equal to the greater of the appraised rate or the rental rate then in effect, as adjusted by the CPI. The flowage fees would be adjusted, as more fully set forth in the agreements, upon the commencement of the sixth, eleventh, and sixteenth years of the term. In addition, the Port Authority would receive a facility fee for the use of the existing west side facilities, which would be payable by Atlantic Aviation, General Aviation and Signature.

The term of each of the agreements for the South Area of TEB would commence on or about May 1, 2006. The agreements for the West Side of TEB would commence upon completion of the construction of the new facility on the South Area, estimated to be on or about May 1, 2007.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into Use and Occupancy agreements with each of Atlantic Aviation Corporation, General Aviation Aircraft Service, Inc., First Aviation Services, Inc., Jet Aviation Teterboro L.P., and Signature Flight Support-New Jersey, Inc. with respect to Teterboro Airport, substantially in accordance with the terms and conditions outlined to the Board; the form of each agreement shall be subject to the approval of General Counsel or his authorized representative.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Wednesday, April 26, 2006

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**EUROPEAN BUSINESS DEVELOPMENT OFFICE – CLOSING OF LONDON OFFICE
– LEASE SURRENDER**

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement with HSBC Trust Company (UK) Limited, as trustee for Tesco Pension Trustees Limited (Tesco Pension), providing for the surrender of an approximately 3,000-square-foot space housing the Port Authority's Europe, Middle East and Africa Business Development Office in London, England, and the payment to Tesco Pension of approximately \$209,000 in connection therewith; and (2) pay additional costs, estimated at approximately \$150,000, associated with the surrender of the space and the closing of the office in London, such as utility and communications agreements and furniture and equipment lease termination costs, record retention and staff separation expenses and the cost of disposing of remaining furniture and materials.

The existing lease will expire on July 15, 2009, with related financial obligations from June 2006 until the end of the term amounting to approximately \$731,000. By surrendering the lease on or about June 22, 2006, the Port Authority would save approximately \$500,000 in rent and other obligations associated with the lease, such as utilities, service charges and taxes. This action would be in preparation for restructuring, as part of the Port Authority's Organizational Effectiveness and Change Management initiative, the Port Authority's representation in the Europe, Middle East/South Asia and Africa region from one staffed by Port Authority contract employees to one based on a consultant arrangement.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an agreement with HSBC Trust Company (UK) Limited, as trustee for Tesco Pension Trustees Limited, providing for the surrender of the space housing the Port Authority's Europe, Middle East and Africa Business Development Office in London and the payment of approximately \$209,000 in connection therewith; and (2) pay additional costs, estimated at approximately \$150,000, associated with the surrender of the space and the closing of the office; in each case, substantially in accordance with the terms and conditions outlined to the Board; and it is further

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

**AUTHORIZATION TO PROVIDE FUNDING TO THE TOWNSHIP OF
WEEHAWKEN, NEW JERSEY, FOR THE REHABILITATION AND UPGRADE
OF BALDWIN AVENUE**

It was recommended that the Board authorize the Executive Director to enter into an agreement with the Township of Weehawken, New Jersey (Township), for the Port Authority to provide \$3 million toward the costs associated with the Township's project to rehabilitate and upgrade Baldwin Avenue, which serves as a connector road for the Lincoln Tunnel.

As a result of extensive ongoing development along the waterfront and adjacent areas in the Township, Baldwin Avenue has become a major east/west roadway, connecting John F. Kennedy Boulevard East in Weehawken with River Road, the Weehawken waterfront and the Port Imperial Ferry Terminal area. Baldwin Avenue, which is located in close proximity to the Lincoln Tunnel, serves local residents and commuters, including many vehicles using the Tunnel. The roadway is extremely narrow and in major disrepair. In Baldwin Avenue's current two-lane configuration, the roadway cannot continue to handle traffic volumes during peak travel periods. The intersection of Baldwin Avenue, Harbor Boulevard, and Port Imperial Boulevard currently is controlled by two stop signs, further adding to traffic congestion.

Township officials have identified and designed a major reconstruction project to improve Baldwin Avenue and mitigate traffic congestion. The project would include: realigning the roadway to eliminate a sharp, blind curve and provide two travel lanes in each direction; adding a divider and sidewalk; and installing traffic control devices at the east end of Baldwin Avenue. These improvements would improve traffic flow on the roadway, thereby enhancing access to and egress from the Lincoln Tunnel.

The total cost of the project is estimated at \$8.5 million. The proposed Port Authority funding would be in the form of a one-time payment to the Township of \$3 million during 2006. The Township has secured the balance of funding required from federal and private sources.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the Township of Weehawken, New Jersey (Township), pursuant to which the Port Authority will provide the Township with \$3 million toward the cost of a project to rehabilitate and upgrade Baldwin Avenue, located in the Township in the vicinity of the Lincoln Tunnel; and it is further

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

AWARD OF HOWARD S. CULLMAN DISTINGUISHED SERVICE MEDAL TO ERNESTO L. BUTCHER

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

It was recommended that the Howard S. Cullman Distinguished Service Medal be awarded to Ernesto L. Butcher.

Whereupon, the Board of Commissioners unanimously adopted the following resolution:

WHEREAS, Ernesto L. Butcher has served with distinction as Chief Operating Officer of The Port Authority of New York and New Jersey, Vice President and General Manager of Port Authority Trans-Hudson Corporation, and Vice President and Secretary of the New York and New Jersey Railroad Corporation; and

WHEREAS, in 2006, Ernesto L. Butcher will mark his 35th year with the agency; and

WHEREAS, Ernesto L. Butcher joined the Port Authority as a Management Trainee in 1971 and held progressively more responsible positions throughout the Port Authority, including General Manager of the George Washington Bridge; Manager of the Port Authority Bus Terminal; Assistant Director of Operations, Tunnels, Bridges and Terminals Department; Deputy Director, General Services Department; Deputy Director, Interstate Transportation Department; and Director, Tunnels, Bridges and Terminals, until appointment to his present position in 1999; and

WHEREAS, as Chief Operating Officer, Ernesto L. Butcher is responsible for the operations of the Port Authority's line businesses in Aviation, Port Commerce, Tunnels, Bridges and Terminals, and PATH, as well as having oversight over the Public Safety Department; and

WHEREAS, Ernesto L. Butcher has implemented important initiatives in each of the positions he has held, including exact toll lanes at the George Washington Bridge; a homeless outreach program at the Port Authority Bus Terminal; a safety program for the Tunnels, Bridges and Terminals Department; and a Memorandum of Understanding between the Port Authority and the Panama Canal Authority; and

WHEREAS, from its inception in 1980 until 2005, Ernesto L. Butcher also served on the Port Authority Ethics Board, helping to maintain the high standards of employee integrity for which this agency is known; and

WHEREAS, as Chief Operating Officer of the Port Authority on and after September 11, 2001, Ernesto L. Butcher helped to lead the staff through those very trying situations and times by his steadying presence and calm demeanor, becoming the spokesman for the agency's career staff and providing leadership and guidance in

the efforts to recover and rebuild, providing comfort for the survivors; and, becoming in the eyes of staff a transcendent force rising above the tragedy and chaos; and

WHEREAS, on September 11, 2001, Ernesto L. Butcher led the senior staff of the Port Authority in establishing a command center in Jersey City within hours of the attacks, so that Port Authority facilities could reopen and become operational immediately, while at the same time coordinating efforts with local, state and federal agencies; and

WHEREAS, Ernesto L. Butcher has received numerous honors and awards, including a Doctor of Laws (Hon.) from Bloomfield College, New Jersey, as well as awards from the Essex County Club, the YMCA of Northern and Central New Jersey, the East Orange Community Development Corporation, the Harlem YMCA, the Senate and General Assembly of New Jersey, the State of New Jersey, and the Office of the Manhattan Borough President; and he was inducted into the Hunter College Alumni Hall of Fame in 2003; and

WHEREAS, Ernesto L. Butcher, in addition to his Port Authority responsibilities, has served or is presently serving on the Board of Visitors of the University of Pittsburgh; the Boards of JUMP (Joint Urban Manpower Program), Aljira, and the Tri-City Peoples Corporation (Newark), and was a Peace Corps volunteer in Korea for two years after graduation from college; and

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

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

NOW, therefore, be it

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

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

AWARD OF HOWARD S. CULLMAN DISTINGUISHED SERVICE MEDAL TO EDMOND F. SCHORNO

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

It was recommended that the Howard S. Cullman Distinguished Service Medal be awarded to Edmond F. Schorno.

Whereupon, the Board of Commissioners unanimously adopted the following resolution:

WHEREAS, from the time he joined the Port Authority in 2002 as Chief of Staff, Edmond F. Schorno has served with great distinction in leading the staff of The Port Authority of New York and New Jersey during the most difficult time in the agency's history; and

WHEREAS, Edmond F. Schorno arrived at an agency still suffering the devastating effects of the events of September 11, 2001, when the staff was focused on keeping facilities open and operating from historical memory and a sense of pride in past accomplishments, and, in a short time, became a rallying center, providing guidance to assist the agency in focusing on the details that are essential to successful management; and

WHEREAS, Edmond F. Schorno's style of honesty, openness, integrity, and fairness has assisted in the development of new, or the reinvigoration of old time-honored, management principles crucial for a public agency; and

WHEREAS, while the Executive Director's attention has been drawn to the requirements of Downtown Restoration, the role of the Chief of Staff has expanded to all aspects of the agency's business, including enhanced communication and problem solving, under the determined leadership of Edmond F. Schorno; and

WHEREAS, during the few years of his Port Authority tenure, Edmond F. Schorno has led the efforts of managing the human resources of the Port Authority, from systematically reviewing police functions to articulating principles of basic fairness and inclusion for all employees, listening to all staff; and

WHEREAS, prior to his Port Authority service, Edmond F. Schorno had a long and active career in local, state, and federal services, serving in increasingly more responsible roles, ranging from City Manager to Executive Deputy Commissioner, setting high standards for public service that have met the test of time; and

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

WHEREAS, in the case of Edmond F. Schorno, it is recommended that the Howard S. Cullman Distinguished Service Medal be awarded to Edmond F. Schorno for his leadership during the most trying and challenging period in the agency's history and for his dedication to public service to this agency and to the region it serves;

NOW, therefore, be it

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

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

AWARD OF MEDAL OF HONOR TO POLICE DETECTIVE THOMAS McHALE

The Port Authority Medal of Honor, established by the Board of Commissioners on March 2, 1944, is to be awarded to an individual who, in performing a specific act, demonstrated extraordinary bravery in the face of circumstances which would surely have led to grave personal injury or his or her own death should the slightest miscalculation have occurred.

It was recommended that the Medal of Honor be awarded to Police Detective Thomas McHale.

Whereupon, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Ferer, Gargano, Genova, Mack, Sartor, Silverman and Steiner voting in favor; none against:

WHEREAS, by resolution adopted by the Board of Commissioners on March 2, 1944, as amended, the Port Authority Medal of Honor award was established, which award is to be given to a Port Authority employee for the performance of outstanding service; and

WHEREAS, in the case of Police Detective Thomas McHale, it is recommended that the Port Authority Medal of Honor be given for his devotion and dedication to duty, competence and professionalism,

NOW, therefore, be it

RESOLVED, that the Medal of Honor be awarded to Police Detective Thomas McHale for the performance of outstanding service.

AWARD OF THE ROBERT F. WAGNER DISTINGUISHED PUBLIC SERVICE MEDAL

The Robert F. Wagner Distinguished Public Service Medal was established on May 16, 1991, when the Port Authority's Distinguished Service Medal, established on March 2, 1944, was renamed in memory of former Vice-Chairman Robert F. Wagner. This Medal is to be awarded to those individuals who have rendered outstanding distinguished public service in their fields of endeavor or in the community, demonstrating an exceptional degree of dedication, good judgment, initiative and competence, and who have sustained this record of service over a number of years. Normally, it is awarded to those who have at least fifteen years of Port Authority service.

It was recommended that the Robert F. Wagner Distinguished Public Service Medal be awarded to four individuals. Through their dedication and commitment to public service and the Port Authority, they have brought credit to themselves and the agency.

James R. Benvengo
Martin B. Duke, M.D.
Linda R. Matrange (*posthumously*)
Kenneth P. Philmus

Whereupon, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Ferer, Gargano, Genova, Mack, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that the Robert F. Wagner Distinguished Public Service Medal be awarded to four individuals who have given truly outstanding service to the Port Authority and the public over many years.

AWARD OF THE POLICE COMMENDATION MEDAL FOR MERITORIOUS SERVICE

The Police Commendation Medal, established by resolution adopted by the Board of Commissioners on May 8, 1952, is to be awarded to police personnel only in those cases where the individual has performed outstanding service or has shown exceptionally meritorious performance in the duty assigned to him or her.

It was recommended that the Police Commendation Medal be awarded to two individuals. These individuals demonstrated heroism, dedication and bravery in the performance of their duties.

Apprehension of Suspect for Armed Robbery

Police Lieutenant Richard Munnelly

Rescue of Injured Pilot from Burning Aircraft at Teterboro Airport

Police Officer Michael Wohn

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

RESOLVED, that the Police Commendation Medal be awarded to two individuals who have performed outstanding service or exceptionally meritorious performance of their duties.

AWARD OF THE COMMENDATION MEDAL FOR MERITORIOUS SERVICE

The Commendation Medal, established by the Board of Commissioners on May 8, 1952, is to be awarded only for outstanding service or exceptionally meritorious performance.

It was recommended that the Commendation Medal be awarded to ten individuals who exhibited dedication and bravery.

Assistance in Rescue of Injured Pilot from Burning Aircraft

Marcelo Morelli

Prevention of a Major Aircraft Disaster at LaGuardia Airport

Philip O'Sullivan

Prevention of Patron Attempting Suicide at the George Washington Bridge

Sylvince Alzor

Prevention of Patron Attempting Suicide at the George Washington Bridge

Sylvince Alzor

Police Sergeant Joseph King

Police Officer Kevin Ryan

Prevention of Patron Attempting Suicide at the George Washington Bridge

James McErlean

Patrick Tracy

Rescue of Injured Driver from Overturned Tractor-Trailer

Charmaine Searchwell

Response to Patron Fall on PATH Tracks

William Young

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

RESOLVED, that the Commendation Medal be awarded to ten individuals who have performed outstanding service for the Port Authority and the public.

AWARD OF THE EXECUTIVE DIRECTOR'S AWARD OF ACHIEVEMENT

The Executive Director's Award of Achievement, established in 1961, is awarded to individuals who, in the course of carrying out a project or extended assignment as part of the normal work of their positions, extend themselves beyond required limits and achieve results which are of such a nature that they clearly deserve special recognition. Characteristics of performance which are considered in determining the award include ingenuity, resourcefulness, risk taking in decision making and job performance, unusual insight into problems, exceptional diligence and thoroughness in producing completed staff work, and above-standard degrees of proficiency, craftsmanship or professional competence. Among the kinds of results recognized by the award are improved revenues, better service to or relations with tenants, patrons or the community in general and actions taken on behalf of the Port Authority which are clearly beyond the usual limitations of job responsibility.

It was reported that the Executive Director is to present the Executive Director's Award of Achievement to three teams consisting of 48 individuals.

Medicare Part D Team

Dia Barman-Griffen	Michael Cavalier
Stella Cicchetti	Dolores Cosgrove
Donna Dantzer	Tom Davis
Michael G. Fabiano	Michael A. Frank
Leslie Judge	Charlene Hallam
Damian Hartner	Lawrence S. Hofrichter
Howard G. Kadin	Jack Lowenstein
B. Ruth Montgomery	Brian Oberhiem
Sandra B. Otero	Monica Rabughini
Sylvia Shepherd	Herbert S. Somerwitz
Teresa Tryba	Annette Wilson

New Orleans Hurricane Katrina Team

Charles Agro	James Cooper
David Dlugolenski	Michael Germano
Gerard McCarty	Adam McLaughlin
John Paczkowski	Christopher Tuttle

Perimeter Intrusion Detection System Acquisition Team

Louis Barani	Charles Clinton
Thomas Comerford	Patricia Cose
Kenneth Honig	Howard G. Kadin
Angel Martinez	Jeanne Olivier
Erick Peterson	Jorge Reis-Filho
Jeanette Santos	Donna Shaw
Herbert S. Somerwitz	Faith Tabafunda
Michael Valletta	Safwat Wahba
Lawrence Waxman	Richard D. Williams

AWARD OF THE JAMES G. HELLMUTH UNIT CITATION

The James G. Hellmuth Unit Citation was established on January 29, 1998, when the Executive Director's Unit Citation, established in 1966, was renamed in honor of former Commissioner James G. Hellmuth. This citation is to be awarded to the members of a unit, section, division or special task force whose performance in carrying out a project, extended assignment, or during an unusual operating situation was so outstanding as to warrant special recognition.

It was reported that the Executive Director is to present the James G. Hellmuth Unit Citation to 11 teams for their work.

Human Resources Project Management Team

Human Resources Department

Julia Bardzilowski
Evelyn Crespo
S. Felecia Davidson
Michael Ford
Stephen Jones
Terence Joyce
Ronald Pannone
Carolyn Waage

Project Management Department

John Drobny
Frank Gallo
Luis M. Rocha
Albert Terriego

Office of Organizational Effectiveness and Change Management

Harry Czinn
Douglas Smith

Kill van Kull-Newark Bay Channel 45-foot Dredging Project Team

Port Commerce Department

Thomas Costanzo
John "Steve" Dorrlor
Thomas Wakeman

Project Management Department

Rene Barrios
Norbert Ludewig

Engineering Department

Peter Dunlop
Matt Masters

Treasury Department/Risk Management

Tim Chung

Law Department

John B. Fitzpatrick

Lincoln Tunnel Car Fire and Customer Panic

Tunnels, Bridges & Terminals Department

Salvatore Dabbene
Thomas A. Dato, Jr.
Eric DeJarnette
Michael P. Dercola
Indira N. Goris
Charles S. Hoppe
Simon F. Joseph
John Mark
Charles L. Masterson

Mark A. Matlock
James E. McConnell
Jesse O. Ortiz

Public Safety Department

Niall O'Doherty
Peter Schillizzi

2005 NYC Transit Strike Contingency Planning Team – TB&T

Tunnels Bridges & Terminals Department

Robert Carvagno
Maria Cornier
Robert Durando
Jerry DelTufo
Robert Eadicicco
Kathleen Edwards
Diannae Ehler
Diane Kowalski
Maria Malone-Hodges
Stephen R. Napolitano
Joann Papageorgis
Laurie Price
Enrique Ramirez
Mark Schaff
Patricia Trimarchi
Joanne Vogt
Lorraine Walsh

Public Safety Department

Police Captain Susan Durett
Police Inspector Lawrence Fields
Police Captain Ramon Martinez
Police Inspector Michael Tobia
Police Captain Oliver White

Public Affairs Department

Russell Jordan
Audrey Mancher

Government & Community Relations

Teresa Benczik

JetBlue Terminal 5 Lease and Redevelopment Action Team

Core Team

Aviation Department

Joanne Ciccolello
Nicolas Houselog
Howard Goldsman
Rich Louis
Michael Moran
Steve Smolenski (retired)

Financial Services Department

Jonathan Glickman

Law Department

Shirley Ripullone

First Supporting Team

Engineering Department

Hwang Chen
Robert Pruno

Treasury Department

Steve Borelli

Non-PA Staff

Joe Dixon
Ray Spinelli

Second Supporting Team

Aviation Department

Mario Arias
Susan Bush
David Kagan
Thomas Maher
Tatiana Malovik
Jojo Quayson
Jim Steven
Gail Ward-Evans
Hui Xu

Comptroller's Department

Michael G. Fabiano

Law Department

Darrell Buchbinder
Martha Golar
Carlene McIntyre

Real Estate Department

Francis DiMola

Engineering Department

Peter Schidrich

Treasury Department

Wayne Smith

Non-PA Staff

Bruce Hu

Negotiating Team for Construction Manager/General Contractor Award for Downtown Restoration Program

Priority Capital Programs

Mark Pagliettini
Steven Plate

Procurement Department

Lucy Foster

Engineering Department

Thomas J. O'Connor
Peter Zipf

Law Department

Redino J. Cupelli

PATH NYCT Strike Team

Director's Office

Daphne Finnikin
Linda Vespoli
Louis Yannaco

Port Authority Police

Chief Robert Sbarra
Inspector Keith Walcott

System Tech & Fare Collection, PATH

Ralph Davila
George Heusner
Cristina Marinescu
Henry Rosen
Paul Slabowski
Richard Tillbrook
Elite Technical Services, Inc.

Car Equipment, PATH

Edward Long
Ian Mitchell

Transportation, PATH

Robert Brink
Adrienne Holmes
Terry Kelton
Kevin Lejda
Addison Lovell
Richard Moran
Bozena Nasce
Richard Reddy

Way & Structures, PATH

Steve Abramapoulos
David Bobbitt
John Burkhard
Lucille Haley
Alan Korzonowski
Dan Phillipy
John Reidy
Timothy Ryan

John Sisak
Joseph Strzalkowski

Peter Sandomenico

Power, Signals & Communications
PATH

Albert Chin
Fernando Flores
Brian Hodgkinson
Michael Kmec
Margaret Mirabella
Martin Murray
James Reilly
Robert Seyfried
Louis Wan

Operations Support, PATH

Kenneth Bransky
Joann Breslin
Paul Ivantic
Joseph Riopel
Augustine Serio
Adam Torres
Michael Walsh

System Safety, & Security, PATH

Dennis Fink
Martha Gulick
Donald Parente

Outerbridge Crossing Express E-ZPass Toll Lanes Project

Tunnels, Bridges & Terminals Department

William Baxter
Ron Borup
Susan Carlson
Gerard Del Tufo
Charles Fausti
Lee Home
Gerald Ingersoll
Michael Kolb
Mark Muriello
Joann Papageorgis
Paul Pittari
Patricia Trimarchi

Project Management Department

Steven Knapp
Calixto Martin
Thomas Wagner

Traffic Engineering

Michael Diculescu
Saleem Syed

Engineering Department

James Massett

Passenger Facility Charge Action Team

Aviation Department

Patricia Clark
Richard Heslin
Deborah Jennings
David Kagan
Edward Knoesel
Richard Milhaven
Peter Miller
Jeanne Olivier
William Radinson
Jorge Reis-Filho
James Steven
Barbara Wells
Raymond Zee

Financial Services Department

Baruch Merl

Project Management Department

Thomas Beke
Wilfredo Guzman
Trevor Liddle

Law Department

Carlene McIntyre

Teterboro Airport Aircraft Rescue and Firefighting Facility Transition Team

Aviation Department

Paul Bolognese
Patrick Bonner
Lanny Rider

Project Management Department

Michael DeGidio

AvPORTS

John Panarello
Ronald Petrella

Operations Services Department

Michael McDonough
John Rea

Public Safety Department

Police Captain William Oorbeek
Police Inspector Keith Walcott
Chief Anthony Whitaker

World Trade Center Recovered Photo Archive Team

Public Affairs Department

Steven Coleman
Pasquale DiFulco
George Gajewski
Kevin J. Kirchman
Norma Manigan

Office of Medical Services

Lillian Valenti

Office of the Secretary

Karen E. Eastman

Aviation Department

Alan Reiss

Operations and Emergency Management

Victor Guamera
Erik Ronningen

Chief Administrative Office

Mary Lee Hannell

Human Resources Department

B. Ruth Montgomery

Law Department

Darrell Buchbinder
John B. Fitzpatrick
Lawrence S. Hofrichter
Sandra B. Otero

Whereupon, the meeting was adjourned.

Secretary

MINUTES of the Annual Meeting of The Port Authority of New York and New Jersey held Wednesday, April 26, 2006, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Angelo J. Genova
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

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

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

Isabel Amado, Supervising Safety Engineer, Operations Services
 Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Catherine M. Bergamini, Principal Administrator, Port Commerce
 Kayla M. Bergeron, Chief, Public and Government Affairs
 Kathleen P. Bincoletto, Senior Administrator, Office of the Secretary
 A. Paul Blanco, Chief Financial Officer
 Ernesto L. Butcher, Chief Operating Officer
 Steven J. Coleman, Public Information Officer, Public Affairs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Francis A. DiMola, Director, Real Estate
 John J. Drobny, Director, Project Management
 Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 Aaron Graham, Management Associate, Human Resources
 Linda C. Handel, Assistant Secretary
 Howard G. Kadin, Senior Attorney, Law
 James A. Keane, Manager, Inspection, Safety and Risk, Operations Services
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Shawn K. Laurenti, Director, Government and Community Affairs
 Andrew G. Levine, Assistant Director, Audit
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 John P. McCarthy, Director, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Anne Marie C. Mulligan, Treasurer
 Steven P. Plate, Director, Priority Capital Programs
 Samuel J. Plumeri, Jr., Superintendent of Police/Director, Public Safety
 Andrea Roitman, Director, Procurement
 Edmond F. Schorno, Chief of Staff

Stephen Sigmund, Senior Policy Advisor, Office of the Deputy Executive Director
Gerald B. Stoughton, General Manager, Forecasting and Capital Planning, Financial Services
Ralph Tragale, Client Manager, Government and Community Affairs
Sheree R. Van Duyne, Manager of Policies and Protocol, Office of the Secretary
David R. Warren, Insurance Claims Manager, Operation Services
Peter J. Zipf, Deputy Chief Engineer

Guests:

Lisa Thornton, Authorities Unit, Office of the Governor of New Jersey

The public session was called to order by Chairman Coscia at 2:00 p.m. and ended at 2:22 p.m.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of March 30, 2006. 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 26, 2006, which included discussion of audit matters and the Committee's recommendation for independent auditors, in addition to the Annual Report of the Committee, which was received and is included with these minutes.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed and action taken in executive session at its meeting on April 26, 2006, which included discussion of certain contract matters, matters related to or which could impact upon the issuance, sale, resale, or redemption of Port Authority bonds, notes or other obligations, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on April 26, 2006, which included discussion of matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on April 26, 2006, which included a review of 2006 first quarter construction results and the status of various capital projects included in the 2006 Capital Budget, 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.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on April 26, 2006, which included discussion of lease matters, and the report was received.

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

Staff provided an update on the Port Intermodal Rail Development Program.

ELECTION OF OFFICERS

Chairman Coscia 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 Anthony R. Coscia and Charles A. Gargano, respectively. By unanimous action, the Committee also submits the nomination of Kenneth J. Ringler, Jr. as Executive Director of the Port Authority and of Darrell Buchbinder as General Counsel of the Port Authority. By unanimous action, the Committee also submits the nominations of Karen Eastman as Secretary, A. Paul Blanco as Director of Finance, Michael G. Fabiano as Comptroller, Anne Marie Mulligan as Treasurer and John D. Brill as Director of the Audit Department."

Pursuant to the foregoing report, Commissioners Blakeman, Chasanoff, Coscia, Ferer, Gargano, Genova, Mack, Sartor, Silverman and Steiner voting in favor, the following were unanimously elected as officers of the Port Authority: Commissioner Anthony R. Coscia as Chairman, Commissioner Charles A. Gargano as Vice-Chairman, Kenneth J. Ringler, Jr. as Executive Director, Darrell Buchbinder as General Counsel, Karen E. Eastman as Secretary, A. Paul Blanco as Director of Finance, Michael G. Fabiano as Comptroller, Anne Marie Mulligan as Treasurer and John D. Brill as Director of the Audit Department.

AUDIT COMMITTEE ANNUAL REPORT

Commissioner Steiner, Chair of the Audit Committee, submitted the following report:

In accordance with the By-Laws, the Chair of the Audit Committee reports periodically on the activities of the Audit Committee. At the present time, the Committee consists of Commissioners Silverman, Blakeman and Genova, in addition to myself.

Since the last report, the Audit Committee has met three times. Senior Port Authority staff, including the Chief of Staff, the Chief Financial Officer, General Counsel, the Inspector General, the Director of Audit, the Director of the Office of Investigation, the Secretary, the Treasurer, and the Comptroller regularly attend our Committee meetings.

In addition, at the request of the Audit Committee, representatives of Deloitte & Touche, the Authority's independent auditors, also attended all Audit Committee meetings. At certain of these meetings, sessions were held with only the independent auditors and counsel present. This is consistent with our policy that the independent auditors and members of the Audit Committee have direct and unrestricted access to each other.

The Audit Committee also requested that General Counsel retain a law firm to provide independent legal advice to the Committee on the continued implementation of "best practices" pertaining to the function and responsibilities of an Audit Committee and to be available on a stand-by basis to assist in rendering advice on specific matters raised by the Committee. After an extensive search, the law firm of McKenna, Long & Aldridge was selected; members of the firm attended the recent February 2006 meeting of the Committee and are expected to continue to do so.

The Audit Committee keeps informed of relevant matters through reports prepared by the Directors of Audit and the Office of Investigation, both of whom report to Inspector General Robert E. Van Etten, and through reports prepared by the Treasurer.

At each meeting, the Committee discusses the detailed reports of audit results prepared by the Audit Department with John D. Brill, the Director of Audit. The Audit Department conducts audits in accordance with an Annual Audit Plan 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 Michael Nestor, the Director of the Office of Investigation, reports with respect to investigations undertaken by that office. The major function of the Office of Investigation 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

The Audit Committee also reviews the status of the Port Authority's accounts receivable and discusses the accounts receivable reports with the Treasurer, Anne Marie Mulligan. The Committee monitors staff efforts to collect revenues due the Port Authority, discusses problem accounts and reviews trends in receivable collections.

Our Committee continued its practice of reviewing, in detail, the Port Authority's audited financial statements prior to their release. 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. The Committee also made such other inquiries in connection with the audited financial statements as it considered appropriate.

In the opinion of Deloitte & Touche, the 2005 consolidated financial statements present fairly, in all material respects, the net assets of the Port Authority (including its wholly owned corporate entities) and the changes in its net assets and cash flows for year-end 2005 in conformity with accounting principles generally accepted in the United States of America. The independent auditors 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 appreciate the leadership efforts in this context provided by Chief Financial Officer Paul Blanco.

We were pleased to learn that the Government Finance Officers Association awarded the Port Authority the Certificate of Achievement for Excellence in Financial Reporting for its 2004 Comprehensive Annual Financial Report. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and this marks the 21st consecutive year that the Port Authority has received this award. This is a noteworthy accomplishment for staff of the Comptroller's Department, which is headed by Michael Fabiano, Comptroller and Deputy Chief Financial Officer.

The Audit Committee is responsible for the retention of the Authority's independent auditors. In this regard, the Committee reviewed, with the Comptroller, Deloitte & Touche's performance with respect to the 2005 audit of the accounts and financial records of the Port Authority, considered the Committee's interaction with Deloitte & Touche at Committee meetings over the last year, and considered the Deloitte & Touche staff assigned to the audit. Based on this deliberative process, the Committee recommends to the full Board that Deloitte & Touche be retained to conduct the audit of the accounts and financial records of the Port Authority for 2006. In addition, the Committee directed staff to consider various alternatives in connection with the preparation of the annual statement of operations for 2006 for the Newark Legal and Communications Center Urban Renewal Corporation.

The Committee also continued its practice of requesting staff presentations on key areas of business risk. In this regard, the Committee received a presentation from the Director of Real Estate on efforts being undertaken to improve the operational and business processes associated with tenant utility billings, which represent a significant source of revenue to the agency.

In addition, as 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. The Committee recognizes the strengths, talent and commitment of our financial and investigative 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

Under the By-Laws, the Audit Committee has the responsibility to oversee the audit of the accounts and financial statements of the Port Authority and its wholly owned corporate entities. The Audit Committee monitors the independent auditing function. The Committee also acts to retain independent auditors designated by the Board of Commissioners.

After a public solicitation process, the Board decided, at its meeting of April 27, 2005, that Deloitte & Touche LLP should continue to be retained as independent auditors. The Audit Committee again recommends that Deloitte & Touche should be retained for the year ending December 31, 2006, to: audit the accounts and financial statements of the Port Authority and its wholly owned corporate entities for the year ending December 31, 2005; perform a review of the Passenger Facility Charge Program and federal award programs; perform an evaluation of the Port Authority's internal control over financial reporting; provide services as requested in the disclosure process in connection with the issuance of Port Authority obligations; and provide other audit services, including a review of revenue and cost computations relating to and under the terms of the various lease agreements (including base rent and annual gross revenue calculations at the New York City Municipal Air Terminals), 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.

Approved.

HOWLAND HOOK MARINE TERMINAL/PORT IVORY – NEW OPERATING AGREEMENT WITH NEW YORK CONTAINER TERMINAL, INC. FOR EXPRESSRAIL STATEN ISLAND

It was recommended that the Board authorize the Executive Director to enter into an agreement with New York Container Terminal, Inc. (NYCT) for the operation and maintenance of the new ExpressRail Staten Island intermodal rail facility (ExpressRail SI) at Port Ivory, adjacent to the Howland Hook Marine Terminal.

The agreement would cover approximately 17 acres of open area for a term of ten years, commencing on or about July 1, 2006. The agreement contemplates a phased construction by the Port Authority of ExpressRail SI, with five tracks anticipated to be completed in July 2006 and additional tracks to be constructed during the term of the agreement, as needed to accommodate increased cargo volumes. Up to approximately 21 acres of open area would be added to the space under the agreement for the additional tracks. NYCT would supply labor, software systems and all necessary equipment for the operation of ExpressRail SI, at its own expense. Users of ExpressRail SI would pay the intermodal container lift fee set forth in the Port Authority's Marine Terminals Tariff (Tariff), with the fee to be collected by NYCT and paid over to the Port Authority. NYCT would pay a minimum monthly fee based on the Tariff rate for a throughput of 1,000 container lifts per month, commencing six months after the start-up of rail service at ExpressRail SI.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with New York Container Terminal, Inc. for the operation and maintenance of the new ExpressRail Staten Island intermodal rail facility at Port Ivory, adjacent to the Howland Hook Marine Terminal, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

**PORT AUTHORITY BUS TERMINAL – AUSTRALIAN HOMEMADE 1, LLC d/b/a
AUSTRALIAN HOMEMADE – LBT-711 – NEW LEASE**

It was recommended that the Board authorize the Executive Director to enter into: (1) a lease agreement with Australian Homemade 1, LLC, doing business as Australian Homemade (Australian Homemade), covering the letting of approximately 365 rentable square feet of space on the second level of the Port Authority Bus Terminal for the operation of a specialty ice cream, candy and beverage store, together with approximately 235 rentable square feet of storage space on the same floor, for an approximate five-year, four-month term commencing on or about July 1, 2006, at an aggregate basic rental over such term of approximately \$432,000, together with percentage rental based on Australian Homemade's gross sales; and (2) a brokerage agreement with Newmark Retail, LLC, providing for the payment of a brokerage commission of approximately \$14,400 in connection with the lease. Payment of basic rental would begin the earlier of four months after the commencement of the letting or the opening of the store.

Australian Homemade would pay for utilities, as well as additional rental to cover increases in operating and maintenance costs, all as set forth in the lease. The Port Authority would have the right to terminate the lease on 30 days' notice without cause, in which case it would be obligated to reimburse Australian Homemade for its unamortized initial capital investment in the premises up to \$500,000, calculated on a straight-line basis over the lease term.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) an agreement with Australian Homemade 1, LLC, doing business as Australian Homemade, covering the letting of retail and storage space at the Port Authority Bus Terminal; and (2) a brokerage agreement with Newmark Retail, LLC, in connection with the lease; in each case, substantially in accordance with the terms and conditions outlined to the Board, or on such other terms and conditions as the Executive Director deems appropriate, subject to the conditions set forth in the following delegation; and it is further

RESOLVED, that the Committee on Operations be and it hereby is authorized to approve the final terms and conditions of the foregoing agreements in the event that the rental payment terms and/or the term of the letting are not substantially in accordance with the terms outlined to the Board; and it is further

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

WORLD TRADE CENTER REDEVELOPMENT PROCESS – ARRANGEMENT WITH SILVERSTEIN NET LESSEES

On April 19, 2006, the Chairman and Executive Director presented a conceptual framework with regard to the redevelopment of the World Trade Center site to Silverstein Properties, Inc. for the Silverstein net lessees (SPI). On April 26, 2006, after the clarification of certain items in the April 19, 2006 conceptual framework, SPI generally accepted the conceptual framework.

The Commissioners have reviewed and accepted the conceptual framework. It is therefore proposed that the Chairman and Executive Director be authorized to work with SPI to prepare the definitive documents required to effectuate the April 26, 2006 conceptual framework and to satisfy the various contingencies set forth therein and to present the transaction set forth therein to the Board for consideration at or before the September 2006 meeting.

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

RESOLVED, that the conceptual framework for The World Trade Center redevelopment is hereby accepted and the Chairman and Executive Director are authorized and directed to work with the Silverstein net lessees to prepare the definitive documents required to effectuate the April 26, 2006 conceptual framework, to satisfy the various contingencies set forth therein and to present the transaction set forth therein to the Board for consideration at or before the September 2006 meeting.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**MINUTES
Thursday, May 25, 2006**

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PORT AUTHORITY EMPLOYMENT RELATIONS PANEL – APPOINTMENT OF NEW YORK MEMBER

It was recommended that the Board appoint Barbara Zausner as the New York Member of the Port Authority Employment Relations Panel (Panel).

The Port Authority Labor Relations Instruction (Instruction) was adopted by the Board on September 29, 1976, in accordance with the recommendation of a joint gubernatorial study commission convened to propose provisions to govern the labor relations activities of the Port Authority, its employees and their employee organizations, because the Port Authority is not subject to the public sector collective bargaining statutes of either the State of New York or the State of New Jersey. The Instruction, as amended on December 9, 1983, provides for the Board to appoint a three-member Panel, including a New York Member, a New Jersey Member and a Chairman, to administer the Instruction.

The term of the previous New York Member, Bonnie Siber Weinstock, expired in December 2005. On April 11, 2006, Michael R. Cuevas, Chairperson of the New York Public Employment Relations Board (PERB), and Lawrence Henderson, Chairman of the New Jersey Public Employment Relations Commission (PERC), after consultation with the representatives of employee organizations, and in accordance with the provisions of the Instruction, recommended that Barbara Zausner be appointed as the New York Member of the Panel. All members of the Panel serve until reappointment or appointment of a successor. Barbara Zausner has worked as an arbitrator, mediator and fact-finder in both the public and private sectors since 1976. She currently serves as a panel member for numerous labor arbitration agencies, including the AT&T Communications Workers of America, Camden Board of Education, Lehigh Valley Department of Corrections, and the United States Department of Interior/Indian Educators Federation. Ms. Zausner also is a member of the National Academy of Arbitrators, the American Arbitration Association and the Labor and Employment Relations Association.

The Panel is responsible for: resolving disputes arising from the designation of managerial and confidential and supervisory employees; assisting in resolving negotiating impasses; processing improper labor practice charges; processing petitions for certification or decertification of employee organizations as negotiating representatives of Port Authority employees; and hearing and deciding representation fee disputes. The Panel may also appoint hearing officers, mediators, fact finders, attorneys, or others to assist them in their functions, and provide for their reimbursement and compensation at rates set pursuant to the Instruction.

Panel members presently are compensated at a rate of \$700 per day for each day spent in attendance at meetings or consultation or in the preparation of reports or determinations, and are reimbursed for expenses actually incurred by them in the performance of their duties.

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

RESOLVED, that Barbara Zausner be and she hereby is appointed the New York Member of the Port Authority Employment Relations Panel.

CONFIDENTIAL ITEM

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

Whereupon, the meeting was adjourned.

Secretary

**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday,
May 25, 2006, at 225 Park Avenue South, City, County and State of New York.**

PRESENT:

NEW JERSEY

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

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Ernesto L. Butcher, Chief Operating Officer
 Wilfred Chabrier, Director, Office of Regional and Economic Development
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public Affairs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Francis A. DiMola, Director, Real Estate
 John J. Drobny, Director, Project Management
 Nancy J. Ertag-Brand, General Manager, Regional Funding Office, Office of the Chief Financial Officer
 Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 Linda C. Handel, Assistant Secretary
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 John P. McCarthy, Director, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Anne Marie C. Mulligan, Treasurer
 Lynn A. Nerney, Senior Administrator, Office of the Secretary
 Michael Nestor, Director, Office of Investigation, Office of Inspector General
 Steven A. Pasichow, Assistant Director, Office of Investigation, Office of Inspector General
 Steven P. Plate, Director, Priority Capital Programs
 Edmond F. Schorno, Chief of Staff

NEW YORK

Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. Christine A. Ferer
 Hon. David S. Mack
 Hon. Henry R. Silverman

Stephen Sigmund, Senior Policy Advisor, Office of the Deputy Executive Director
Ralph Tragale, Client Manager, Government and Community Affairs
Robert E. Van Etten, Inspector General
Peter J. Zipf, Deputy Chief Engineer

Guest:

Sonia Frontera, Authorities Unit, Office of the Governor of New Jersey

The public session was called to order by Chairman Coscia at 1:34 p.m. and ended at 1:41 p.m.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of April 26, 2006. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed and action taken in executive session at its meeting on May 25, 2006, which included discussion of certain 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.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on May 25, 2006, which included discussion of matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on May 25, 2006, which included an update on the status of the redevelopment of Terminal 5 at John F. Kennedy International Airport, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on May 25, 2006, 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, and the report was received.

Staff Report

A presentation was made by staff on the provision of ferry service between Lower Manhattan to Yonkers, with a potential extension to the Village of Haverstraw.

ESTABLISHMENT OF CHAIRMAN'S AWARD OF ACHIEVEMENT MEDAL – REPORT

It was reported to the Board that a Chairman's Award of Achievement Medal had been established to provide a means for the Chairman to formally recognize dedicated staff who provide outstanding public service to the agency and the region at large. The first recipients of this award were Executive Director Kenneth J. Ringler, Jr. and Chief of Staff Edmond F. Schorno.

TETERBORO AIRPORT – GAMA AVIATION LIMITED – PAYMENT OF PORT AUTHORITY COSTS

It was recommended that the Board authorize General Counsel, for and on behalf of the Port Authority, to provide a general release to Gama Aviation Limited (Gama) in connection with Gama's payment to the Port Authority of its full costs of \$146,159.34 incurred as a result of the following incident.

On December 1, 2004, a Gulfstream IV aircraft owned and operated by Gama was forced off the runway at Teterboro Airport by a gust of wind while taxiing after landing, and struck trees in the wooded marshlands adjacent to the runway, resulting in a fuel spill. The Port Authority arranged for the construction of a road and adjoining pad in order to remove the aircraft and conduct the necessary environmental cleanup. The total costs incurred by the Port Authority, including the cost of constructing the road and adjoining pad, performing the environmental cleanup, and reporting the incident and cleanup to the appropriate governmental authorities, was \$146,159.34.

Gama has agreed to pay the Port Authority's costs, upon the issuance of a general release by the Port Authority.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to provide a general release to Gama Aviation Limited (Gama) in connection with Gama's payment to the Port Authority of its full costs of \$146,159.34 incurred as a result of the December 1, 2004 incident at Teterboro Airport described to the Board.

**DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER SITE –
PLANNING AND REDEVELOPMENT – INCREASE IN PLANNING
AUTHORIZATION**

It was recommended that the Board authorize: (1) an increase of \$7 million in the planning authorization for World Trade Center (WTC) site planning and redevelopment, resulting in a total authorization of \$46 million, to continue design and redevelopment coordination efforts at the WTC site through March 2007; and (2) the continuing development of that portion of the security plan for the WTC site which is being funded, reimbursed or offset through the direct receipt of grant monies.

Various components of the WTC site redevelopment will now be advancing beyond the conceptual planning stages into final design and construction. In September 2003, the Lower Manhattan Development Corporation (LMDC) and the Port Authority announced the refined WTC Site Master Plan based on the “Memory Foundations” concept developed by Studio Daniel Libeskind (SDL). In June 2005, the revised final design concept for the Freedom Tower was finalized. In January 2004, the LMDC announced selection of the Memorial design “Reflecting Absence.” Planning work to date has included analysis of Lower Manhattan transportation needs, development of initial site plans, development of the WTC Site Master Plan and General Project Plan, negotiation of a Redevelopment Agreement with the City of New York, formulation/adoption of Commercial, Sustainable and Security Design Guidelines and cost estimates and funding strategies.

Implementation of the WTC Site Master Plan and WTC Site Redevelopment components will require further architectural and engineering work, including, but not limited to, advancing development of the WTC Memorial, museum and cultural facilities, commercial office building parcels, common sub-grade infrastructure and systems, construction phasing, scheduling, funding and cost allocation analyses, as well as support for the Lower Manhattan Counter-Terrorism Advisory Task Force. Other WTC site planning and engineering efforts, for the WTC Transportation Hub, retail development, as well as WTC site construction support and coordination, are proceeding under separate programs and Board authorizations.

At various meetings between December 2001 and September 2005, the Board authorized a total amount of \$39 million for planning and preliminary design coordination in connection with the first phase of WTC site redevelopment.

Redevelopment of the WTC site and the revitalization of Lower Manhattan in the wake of the events of September 11, 2001, are of critical importance to the economy and overall quality of life of the New York/New Jersey region. The proposed continuation of this planning effort would facilitate the achievement of these critical tasks. Further Port Authority involvement in the WTC site redevelopment is expected for the foreseeable future. Staff anticipates that total expenditures for WTC planning efforts will amount to approximately \$6 million from 2007 to 2010, for a total estimated program of approximately \$52 million. Staff will seek additional Board authorization and funding increases for the balance of 2007 and beyond, as appropriate.

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

RESOLVED, that (1) an increase of \$7 million in the authorization for World Trade Center (WTC) Site Planning and Redevelopment, resulting in a total authorized amount of \$46 million, to continue design and redevelopment efforts at the WTC site through March 2007, and (2) the continuing development of that portion of the security plan for the WTC site, which is being funded, reimbursed or offset through the direct receipt of grant monies, be and they hereby are authorized.

**DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER
TRANSPORTATION HUB – CONTRACT WTC-284.458 FOR CONSTRUCTION
MANAGER AND GENERAL CONTRACTOR SERVICES – EXERCISE OF
OPTION FOR EAST BATHTUB AND SUPPLEMENTAL AGREEMENT FOR
OTHER COMMON STRUCTURAL WORK**

It was recommended that the Board authorize the Executive Director to: (1) exercise the Port Authority's option under Contract WTC-284.458 to have the contractor perform additional work at the World Trade Center (WTC) site, including the creation of the East Bathtub of the site and additional temporary underpinning of the New York City Transit (NYCT) No. 1 subway line for the account of other WTC site stakeholders, at an estimated amount of \$300 million; (2) enter into Supplemental Agreement No.1 to Contract WTC-284.458 for the performance of additional excavation and foundation work within or adjacent to the Port Authority Trans-Hudson system (PATH) right-of-way for the account of other WTC site stakeholders, at an estimated amount of \$10 million; and (3) enter into necessary tie-back easement agreements for project development that may be required to implement the optional and/or supplemental work.

In May 2005, the Port Authority issued a Request for Proposals (RFP) for Construction Manager and General Contractor (CM/GC) Services for the WTC Transportation Hub Project (Hub Project). This RFP included a base contract portion for the Hub Project, with an option for certain additional work, including the creation of the East Bathtub. At the time the CM/GC RFP was issued, funding commitments for the creation of a new East Bathtub at the WTC site were still pending with various stakeholders. A grant amendment for the Hub Project was executed in August 2005 with the Federal Transit Administration, including funding for the entire East Bathtub construction.

The scope of work for the RFP and contract, however, was not modified to incorporate the East Bathtub as the CM/GC procurement process advanced through late 2005. In December 2005, the Board authorized the award of the CM/GC contract to Phoenix Constructors, J.V., at an aggregate construction cost estimated at \$1.1 billion. The Board also was advised that the contract contained an option, exercisable by the Port Authority within two years of award of the contract, to have the CM/GC perform installation of new basement walls, excavation, and other related work to create an East Bathtub, including construction of elements of the retail development, within the eastern portion of the WTC site.

WTC site redevelopment plans were also accelerated with Silverstein Properties, Inc. and WTC Retail LLC in late 2005, including public commitments to develop the eastern portions of the WTC site (Tower 2 and Phase 1 retail) as quickly as possible. These developments rely on timely completion of the East Bathtub construction.

Staff recommended that this contract option be exercised now in order to procure the construction services from the CM/GC in June 2006 to meet the scheduled start of East Bathtub construction in August 2006. The supplemental agreement to install foundations in the West Bathtub must be entered into now if work on the foundations is to be started in July 2006.

The East Bathtub area is generally defined by the future Greenwich Street, Vesey Street, Church Street, and Liberty Street at the WTC site. The East Bathtub includes installation of basement walls, temporary tiebacks, excavation and structural demolition. The depth of the East Bathtub would be similar to the current West Bathtub, and would become a volume of roughly 30 million cubic feet of new space at the WTC site to accommodate various structures, including the construction of the Transit Hall (oculus) and North-South pedestrian connections that are part of the Hub Project. In addition, the East Bathtub volume would accommodate commercial development, including the proposed Towers 2, 3, and 4, as well as the WTC site retail development. Other optional work in the CM/GC contract includes additional portions of underpinning of the NYCT No. 1 subway line (not attributable to the Hub Project). Work under Supplemental Agreement No. 1 would include excavation and foundations for other WTC site stakeholders, located within the current PATH right-of-way.

The option and supplemental agreement work would be performed by the CM/GC, consistent with the terms and conditions of the base CM/GC contract. It is anticipated that the East Bathtub construction will be completed by mid-2008. The East Bathtub and other portions of work applicable to the Hub Project would be fully eligible for reimbursement through the Federal Transit Administration (FTA) grant for the project. FTA reimbursement would be sought, consistent with the terms of the grant and other applicable agreements with the FTA, based on the overall allocation of \$1.921 billion of FTA funds and \$300 million of Port Authority funds committed to the total project budget of \$2.221 billion.

Costs for optional work related to the underpinning performed for other projects or entities, as well as costs for Supplemental Agreement No. 1 work performed for other projects and entities, including the Lower Manhattan Development Corporation (LMDC) and WTC Memorial Foundation, would be sought as part of the appropriate Interagency Project Development Agreements for such other projects or with such other entities.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to exercise the Port Authority's option under Contract WTC-284.458 to have the contractor perform additional work at the World Trade Center (WTC) site, including the creation of the East Bathtub of the site and additional temporary underpinning of the New York City Transit No. 1 subway line for the account of other WTC stakeholders, at an estimated amount of \$300 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into Supplemental Agreement No. 1 to Contract WTC-284.458 for the performance of additional excavation and foundation work within or adjacent to the Port Authority Trans-Hudson system right-of-way for the account of other WTC site stakeholders, at an estimated amount of \$10 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into necessary tie-back easement agreements for project development that may be required to implement the optional and/or supplemental agreement scope of work; 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 – WORLD TRADE CENTER SITE REDEVELOPMENT – INCREASE IN AUTHORIZATION FOR JONES LANG LASALLE ADVISORY SERVICES

It was recommended that the Board: (1) reallocate \$1.4 million of the \$1.95 million amount previously authorized for World Trade Center (WTC) Retail Phase One Preliminary Engineering for expenditure under the existing agreement for WTC site redevelopment real estate advisory services with Jones Lang LaSalle (JLL); and (2) increase the authorization for the agreement with JLL by an additional \$3.5 million from the current \$8 million, resulting in a total authorization of \$12.9 million for the duration of the base term of the agreement with JLL, which expires on November 30, 2006. The increased authorization would allow the continuation of the current net lease renegotiation planning efforts with Silverstein Properties Inc. (SPI) for the WTC site that involve issues pertaining to retail development, master planning, Towers 3 and 4, the Freedom Tower, Tower 5, and other elements.

The current three-year agreement with JLL was entered into in December 2003, after a Request for Proposals process, with the base term to expire in November 2006. The authorization allows for one two-year extension option, which can be exercised by the Port Authority in November 2006. The original authorization was for \$7.5 million for the three-year term. In October 2005, the Board authorized an increase of \$500,000 in the authorization for this agreement, as part of the \$1.95 million WTC Retail Phase One Preliminary Engineering authorization.

Since 2003, the JLL consulting team, which includes Callison, Kohn, Pederson & Fox, Economics Research Associates, AKF Engineers, Tishman Speyer, Schirmer Engineering Corporation, Ducibella, Venter and Santore, Steven Winters Associates and Robert F. Futterman & Associates, LLC, among others, has consulted on many aspects of the WTC site development planning, such as a potential Port Authority space lease, retail development planning, including Phase 1 Preliminary Engineering, the right of first offer with the former retail net lessee, hotel feasibility, Towers 3 and 4 analysis, financial modeling and SPI renegotiation strategy, General Services Administration (GSA) space leasing, office net leasing, and operations and maintenance planning.

Due to the increase in activity surrounding the renegotiation of the WTC site net lease with SPI and the work that has been done both from a financial and a development planning standpoint, the current \$8 million authorization will be spent approximately 5 months in advance of the expiration of the JLL agreement's base term.

The renegotiation of the SPI net lease is intended to allow the WTC site redevelopment to move forward at a faster pace, provide greater financial certainty to the Port Authority, and provide essential funds for the WTC Memorial. This increase would provide Port Authority staff with access to extensive real estate development expertise that is required to move the different aspects of the redevelopment forward.

The portion of these costs related to retail development is recoverable through the insurance allocation for the retail portion of the WTC site redevelopment.

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

RESOLVED, that the reallocation of \$1.4 million of the \$1.95 million amount previously authorized for World Trade Center (WTC) Retail Phase One Preliminary Engineering, for expenditure under the existing agreement for WTC redevelopment real estate advisory services with Jones Lang Lasalle (JLL), be and it hereby is authorized; and it is further

RESOLVED, that an increase of \$3.5 million in the authorization for the foregoing agreement with JLL, resulting in a total authorization for the agreement of \$12.9 million for the duration of the base term of the agreement, which expires on November 30, 2006, be and it hereby is authorized.

FERRY TRANSPORTATION PROGRAM – AUTHORIZATION TO ENTER INTO AGREEMENTS WITH NEW YORK TRANS HARBOR LLC d/b/a NEW YORK WATER TAXI AND LOWER MANHATTAN DEVELOPMENT CORPORATION FOR THE PROVISION OF FERRY SERVICE BETWEEN LOWER MANHATTAN AND YONKERS

It was recommended that the Board authorize the Executive Director to: (1) enter into an operating agreement with New York Trans Harbor LLC d/b/a New York Water Taxi (NY Water Taxi) to provide ferry service between lower Manhattan (Battery Park City Ferry Terminal and Pier 11) and the City of Yonkers, New York, with potential for the extension of service to the Village of Haverstraw, New York, for a two-year term, with the Port Authority to have the option for two one-year extensions, dependent on available funding; and (2) enter into a sub-recipient agreement with the Lower Manhattan Development Corporation (LMDC) to receive grant funds that will be used to reimburse NY Water Taxi for the operating costs associated with this new ferry service.

In February 2001, the Board authorized staff to assist in the development of ferry service from various locations in New Jersey and New York, including the City of Yonkers, to midtown and lower Manhattan. The authorization included an allocation of up to \$22 million to provide the requisite infrastructure to support such ferry services. Of these funds, up to \$2 million has been budgeted for the City of Yonkers' initiative to rehabilitate the Yonkers Recreational Pier to support ferry services. The development of a ferry transportation program from Yonkers to lower Manhattan is a component of New York Governor George E. Pataki's Lower Manhattan Transportation Program.

The selection of NY Water Taxi as the operator follows the Port Authority's release of a publicly advertised Request for Proposals (RFP) and the subsequent receipt of two proposals. The Evaluation Committee consisted of representatives from the Port Authority, the City of New York, LMDC, the City of Yonkers, and the Village of Haverstraw. The committee rated the proposals on the basis of the criteria stated in the RFP, which included: the minimization of operating expense funds in initiating a new service, the technical approach to implementing the service, and the stated start date for beginning service. The committee unanimously recommended NY Water Taxi. The agreement with NY Water Taxi is contingent upon the Port Authority's acceptance and execution of a sub-recipient agreement with LMDC.

LMDC, with funds made available by the U.S. Department of Housing and Urban Development (HUD), would provide grant funds to the Port Authority in the amount of \$4.2 million. The grant would be used to provide reimbursement to NY Water Taxi for the associated operating costs for the new ferry service program. It is anticipated that these funds would be dispensed to NY Water Taxi on a monthly basis, upon the Port Authority's review and approval of submitted invoices. The Port Authority would audit the program's operation regularly by comparing the submitted invoices against the service's documented passenger counts, schedule of service, and revenue receipts.

By initiating this service, the Port Authority would provide Westchester and Rockland County commuters with an important alternative transportation mode to lower Manhattan and potentially generate future revenues for landing facility use at the Battery Park City Ferry Terminal.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into an operating agreement with New York Trans Harbor LLC d/b/a New York Water Taxi (NY Water Taxi) to provide ferry service between lower Manhattan (Battery Park City Ferry Terminal and Pier 11) and the City of Yonkers, with potential for the extension of service to the Village of Haverstraw for a two-year initial term, with a Port Authority option for two one-year extensions, dependent on available funding; and (2) enter into a sub-recipient agreement with the Lower Manhattan Development Corporation to receive grant funds that will be used to reimburse NY Water Taxi for the operating costs associated with this new ferry service; 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 PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, June 29, 2006

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SETTLEMENT OF CLAIM – RICKIE TAYLOR v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY v. NEW JERSEY TRANSIT CORPORATION

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled Rickie Taylor v. The Port Authority of New York and New Jersey, and The Port Authority of New York and New Jersey v. New Jersey Transit Corporation in the amount of \$161,500, inclusive of attorneys' fees, costs and disbursements. Plaintiff would provide the Port Authority with a General Release and a Stipulation of Dismissal with Prejudice. Third-party defendant New Jersey Transit Corporation (NJT) is also paying plaintiff \$161,500 as part of the proposed settlement, and the Court has ordered that the Port Authority's share of the settlement amount and all of its costs associated with the defense of this matter are to be reimbursed by NJT, pursuant to NJT's obligation to defend and indemnify the Port Authority for claims arising out of its operations at the Port Authority Bus Terminal (PABT).

Plaintiff, a NJT employee assigned to work at the PABT, alleges that, on June 27, 2002, he was injured when his foot became caught in an uncovered expansion joint in the concrete floor near PABT Gate 214. Plaintiff underwent two arthroscopic surgeries to his right knee to repair a lateral meniscus tear. In April 2003, a partial knee replacement was performed. A fourth surgery consisting of a total knee replacement was performed on October 5, 2003. Plaintiff is in his early fifties, and his medical expert has opined that future knee replacement is probable. Plaintiff attempted to return to work, but was unable to perform his duties. He was awarded a disability pension.

Given the serious nature of plaintiff's injuries, NJT and the Port Authority agreed upon the proposed settlement with plaintiff in the total amount of \$323,000 (\$161,500 from each defendant), and to submit to a bench trial on the issues of insurance and indemnification.

As a result of the bench trial, the Court ruled that NJT is required to indemnify the Port Authority for all costs associated with plaintiff's claim. The Court directed the Port Authority to pay to plaintiff its share of the settlement and then seek reimbursement from NJT. NJT has signaled its intent to appeal the Court's decision requiring it to indemnify the Port Authority.

Plaintiff initially demanded \$675,000 to settle this action. An arbitrator recommended that the Port Authority settle the matter for \$450,000. On the day of trial, the Port Authority agreed upon the settlement as described above, subject to Board approval.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the a settlement of the pending civil action entitled Rickie Taylor v. The Port Authority of New York and New Jersey, and The Port Authority of New York and New Jersey v. New Jersey Transit Corporation, in the amount of \$161,500, inclusive of attorneys' fees, costs and disbursements.

Whereupon, the meeting was adjourned.

Secretary

**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday,
June 29, 2006, at 225 Park Avenue South, City, County and State of New York.**

PRESENT:

NEW JERSEY

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

NEW YORK

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

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Kayla M. Bergeron, Chief, Public and Government Affairs
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Ernesto L. Butcher, Chief Operating Officer
 Steven J. Coleman, Public Information Officer, Public Affairs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Francis A. DiMola, Director, Real Estate
 John J. Drobny, Director, Project Management
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 Jessica L. Goldstein, Staff External Affairs Representative, Government & Community Relations
 Linda C. Handel, Assistant Secretary
 Paul Higgins, Manager of Capital & Major Works Program, Office of Environmental Policy
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Kirby King, Deputy Director, PATH
 Joseph Kucich, Professional Assistant, Office of the Secretary
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Timothy Lizura, Director, World Trade Center Redevelopment
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 John P. McCarthy, Director, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Anne Marie C. Mulligan, Treasurer
 Lynn A. Nerney, Senior Administrator, Office of the Secretary

Steven P. Plate, Director, Priority Capital Programs

Alan L. Reiss, Deputy Director, Aviation

Edmond F. Schorno, Chief of Staff

Stephen Sigmund, Senior Policy Advisor, Office of the Deputy Executive Director

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

Christopher R. Zeppie, Director, Office of Environmental Policy, Programs and Compliance

Peter J. Zipf, Deputy Chief Engineer

The public session was called to order by Chairman Coscia at 1:40 p.m. and ended at 1:46 p.m. Commissioner Pocino was present for the executive session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of May 25, 2006. 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.

The Secretary also reported that the action set forth on page 128 of the Minutes for the meeting of April 26, 2006 entitled "*Authorization to Provide Funding to the Township of Weehawken, New Jersey, for the Rehabilitation and Upgrade of Baldwin Avenue*" has been corrected to reflect a recusal by Commissioner Coscia.

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 May 25, 2006, which included discussion of internal audit matters, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on June 29, 2006, which included discussion of matters related to or which could impact upon the issuance, sale, resale, or redemption of Port Authority Bonds, Notes or other obligations, 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.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on June 29, 2006, which included discussion of contract matters, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on June 29, 2006, which included discussion of the status of the redevelopment of Terminals 8 and 9 and the construction of a new parking garage at John F. Kennedy International Airport, as well as matters discussed in executive session, which included discussion of contract matters, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed and action taken in executive session at its meeting on June 29, 2006, which included discussion of certain contract and lease matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Staff Report

A presentation was made by staff on the Port Authority's policy for sustainable design in construction activities at its facilities.

**TETERBORO AIRPORT – AUTHORIZATION TO ENTER INTO AGREEMENT
WITH THE BOROUGH OF MOONACHIE**

It was recommended that the Board authorize the Executive Director to enter into an agreement with the Borough of Moonachie, New Jersey (Borough) providing for: (1) the use and occupancy by the Borough of approximately 1.83 acres of Port Authority-owned land at Teterboro Airport (TEB) for a 30-year term and for the construction by the Borough of a multi-purpose facility (Facility) on this land; and (2) the provision by the Port Authority of funding toward engineering, construction and associated expenses for the Facility, in an amount not to exceed \$1.75 million.

The territory of the Borough consists of approximately 900 acres of land, of which 487 acres are within the boundaries of TEB. In addition to a small payment in lieu of taxes (PILOT) of approximately \$16,000 per year, the only other compensation that the Borough receives from the Port Authority related to TEB is an annual property tax payment which was imposed as a result of a 1962 decision by the New Jersey Supreme Court holding that Building 72 at TEB, a multi-tenant office/warehouse Port Authority building located on airport property within the Borough, was not exempt from property taxation. Prior to December 2001, when the Port Authority reassumed the role of Airport Operator at TEB, the tax payments had been made by the previous Airport Operators. Subsequently, the Port Authority continued to make these payments for several years, while seeking alternative methods to compensate the Borough, in lieu of making tax payments. The current tax assessment for the building is approximately \$100,000 annually. The Borough has agreed to support the Port Authority's Petition of Appeal to the County of Bergen (County) to abate real estate taxes, currently estimated at \$100,000 annually, on Building 72.

Under the proposed use and occupancy agreement with the Borough, the Port Authority would provide the Borough with the use of approximately 1.83 acres of land at TEB (Although this land is considered airport property, it is not within the boundaries of the TEB Airport Layout Plan, as filed with the Federal Aviation Administration.) in "as is" condition, for a 30-year term from the commencement date of the agreement, on or about August 1, 2006. The Port Authority would retain the fee ownership of this land. The Borough would construct the Facility on the land, for use by its Department of Public Works, and Police and Fire Departments. The construction of the Facility, in part, for the Borough's Police and Fire Departments at TEB would enhance the Borough's ability to provide back-up emergency response support at the airport. (The Borough's Police Department is a "first responder" in responding to police emergencies at TEB.)

The Borough would be responsible for all aspects of construction and remediation, and would assume all environmental liability associated with the property, including pre-existing conditions, if any. The Borough also would be responsible for all repair and maintenance obligations, both structural and non-structural, associated with the land and any buildings constructed thereon over the term of the agreement. The funds provided to the Borough by the Port Authority under the agreement would be subject to such conditions as may be mutually agreed upon.

The Borough's Mayor and Council have adopted a resolution supporting the exemption of the TEB Building 72 leasehold from annual real estate taxes, and it is anticipated that, based on the Borough's support, the County will approve the exemption.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the Borough of Moonachie, New Jersey (Borough) providing for: (1) the use and occupancy by the Borough of approximately 1.83 acres of Port Authority-owned land at Teterboro Airport for a 30-year term and for the construction by the Borough of a multi-purpose facility (Facility) on this land, substantially in accordance with the terms and conditions outlined to the Board; and (2) the provision by the Port Authority of funding toward engineering, construction and associated expenses for the Facility, in an amount not to exceed \$1.75 million; and it is further

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

LINCOLN TUNNEL - THE DERMOT COMPANY, INC. – SALE OF SURPLUS DEVELOPMENT RIGHTS – MIDTOWN WEST PROPERTIES, MANHATTAN

It was recommended that the Board authorize: (1) the declaration of approximately 650,000 square feet of air space above two parcels located between 36th and 38th Streets and between Ninth and Tenth Avenues in Manhattan, New York (the Property), as surplus property; and (2) the Executive Director to: (a) enter into two contracts of sale of the Property with two affiliates of The Dermot Company, Inc. (Dermot) for development; and (b) enter into two easement and operating agreements (EOAs) or other similar agreements with such affiliates of Dermot for the granting of easement rights to support the development, and providing for the operation and maintenance of its intended development over Port Authority property. Dermot intends to use the Property to build two mid-rise residential towers with incidental commercial uses and open space on platforms to be constructed over Port Authority property (the Project).

The term of each EOA would be 99 years, commencing upon Dermot's closing of the financing for the Project, anticipated to be on or about July 1, 2007. If such closing has not occurred on or before the date which is 18 months from the date of EOA execution, Dermot would have an option to extend the closing of the financing by up to two additional three-month periods with non-refundable, in whole or in part, up-front payments payable to the Port Authority on or before the expiration of the relevant period.

Dermot would receive a credit for certain of the costs of construction of the platforms. Dermot would compensate the Port Authority for any additional operating costs it incurs as a result of the platforms.

The Property would be conveyed to Dermot on an "as is" basis, and Dermot would be responsible for all environmental conditions of the Property.

The Port Authority would have the right to purchase the Project at the end of the 99-year term of the EOAs for a nominal amount and without assumption of any accrued liabilities, and the sellers would be required to deliver unencumbered and insurable title to the Port Authority at such time.

Dermot would invest approximately \$425 million in the Project. Dermot would have to secure approval from the New York City Department of City Planning to obtain the bonus in allowable building height associated with the creation of open space. In addition, Dermot would seek financing through the New York State Housing Finance Agency's 80/20 tax-exempt bond program.

Dermot was formed in 1991 as a real estate investment and management company, and now has approximately \$1.1 billion in assets under management and development in New York City. Dermot completed the Hudson Crossing residential project, located adjacent to Port Authority property on West 37th Street, in 2003. This project was constructed in part with development rights that were transferred from Port Authority property in 2001.

The Special Hudson Yards District was established in February 2005 and rezoned the area in which the site to be developed by Dermot is located. The rezoning permits higher density development, with an emphasis on residential and open space development on platforms to be constructed over Port Authority property. In consideration of this recent rezoning, increased valuation levels of property in the vicinity and heightened development activity, Ernst & Young LLP, Real Estate Solution Group, LLC and Vollmer Associates, LLP were retained by the Port Authority to conduct a portfolio market and valuation analysis and strategic plan for 13 parcels owned by the Port Authority in the vicinity of the Lincoln Tunnel in New York City. The study confirmed that there is an opportunity to maximize returns on the development of the agency's portfolio through a comprehensive strategic plan, of which this transaction is a component.

The proposed agreement would be subject to a due diligence review by staff and final approval of the Vice-Chairman of the Port Authority.

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

RESOLVED, that the Board hereby finds and determines that the approximately 650,000 square feet of air space above two parcels located between 36th and 38th Streets and between Ninth and Tenth Avenues in Manhattan, New York (the Property), is no longer required for the purposes for which it was acquired; and it is further

RESOLVED, that the Chief Engineer of the Port Authority be and he hereby is authorized and directed, for and on behalf of the Port Authority, to execute a certificate to be annexed to the appropriate Port Authority Map stating that the Property is no longer required for the purposes for which it was acquired, such map to be filed with the Office of the Secretary of the Port Authority; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into two contracts of sale of the Property with two affiliates of The Dermot Company, Inc. (Dermot) for development; and (2) enter into two 99-year easement agreements or other similar agreements with such affiliates for the granting of easement rights to support the development, and providing for the operation and maintenance of its intended development, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other related agreements to effectuate the transfer of title to the Property and the granting of easement rights to two affiliates of Dermot, and do all other things necessary and appropriate to effectuate the foregoing; and it is further

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

DOWNTOWN RESTORATION PROGRAM - WORLD TRADE CENTER (WTC) SITE REDEVELOPMENT – INCREASE IN AUTHORIZATION FOR CERTAIN PROFESSIONAL, TECHNICAL AND ADVISORY SERVICES CONTRACTS IN CONNECTION WITH THE IMPLEMENTATION OF THE WTC CONCEPTUAL FRAMEWORK AGREEMENT WITH SILVERSTEIN PROPERTIES

It was recommended that the Board authorize increases in the authorization for certain existing professional, technical, and advisory services contracts in connection with implementation of the Conceptual Framework Agreement (Agreement) between the Port Authority and Silverstein Properties, Inc. (SPI) regarding redevelopment of the World Trade Center (WTC) site, in the aggregate amount of approximately \$4 million, including: (1) an increase of \$2 million under the existing real estate advisory services contract with Jones Lang LaSalle (JLL), to provide additional services required in connection with an evaluation of the Freedom Tower design to address contingencies included in the Agreement; and (2) an estimated increase of \$2 million under other existing contracts for professional services that will be required in connection with the implementation of the conceptual framework, including an estimated increase of \$1.2 million for the architectural and engineering design services contract with the Downtown Design Partnership (DDP) to evaluate and incorporate potential design adjustments to the WTC Transportation Hub and common infrastructure projects, as well as an estimated increase of \$800,000 for contracts with other firms for professional services that will be required prior to the execution of a final agreement with SPI.

Since 2003, the JLL consulting team, which includes Callison, Kohn, Pederson & Fox, Economics Research Associates, AKF Engineers, Tishman Speyer, Schirmer Engineering Corporation, Ducibella, Venter and Santore, Steven Winters Associates and Robert F. Futterman & Associates, LLC, among others, has consulted on many aspects of the WTC Development Planning, such as a potential Port Authority space lease, retail development planning, including Phase 1 Preliminary Engineering, the right of first offer with the former retail net lessee, hotel feasibility, Towers 3 and 4 analysis, financial modeling and SPI renegotiation strategy, federal General Services Administration (GSA) space leasing, office net leasing, and operations and maintenance planning.

Due to the Agreement entered into between the Port Authority and SPI, certain contingencies must be fulfilled by September 2006 - contingencies representing scopes of work that were not contemplated under previous authorizations that address necessary design changes to the Freedom Tower, including working with the GSA and other entities to lease at least one million square feet in the Freedom Tower, as well as requirements for antenna and mechanical requirements on top of the building.

In addition, the Agreement also accelerates the commercial development of the East Bathtub area, which must be coordinated with the WTC Transportation Hub project. In particular, there are potential design adjustments to the WTC Transportation Hub and common infrastructure projects that must be evaluated to accommodate design concepts being developed and proposed concurrently for Towers 2, 3 and 4, as well as the WTC retail development. This authorization would enable DDP to evaluate and incorporate these design adjustments in the

WTC Transportation Hub project, and to finalize a coordinated configuration of the subgrade and street level plans among all the projects.

Since August 2003, DDP has performed most of the planning and design work for the WTC Transportation Hub project that is now in final design, including the significant portions of the site common infrastructure. In particular, major portions of the mechanical equipment rooms, emergency generator locations, as well as final configuration of corridors and structures in the East Bathtub, need to be integrated with the designs for the commercial office towers, retail spaces, and associated infrastructure.

In addition, in order to implement various project and planning initiatives authorized by the Board, staff has retained various firms to provide professional architectural and engineering services on a "call-in" basis in connection with the Downtown Restoration Program. Among these firms, Vollmer Associates, LLP performs surveys for engineering design and property transactions, and Archidata, Inc. provides computer-aided drafting (CAD) support services. Other firms retained by staff to prepare design criteria include Studio Daniel Libeskind to prepare commercial design guidelines, Croxton Collaborative (including Ducibella, Venter, and Santore) to prepare sustainable design guidelines and security design criteria, and these firms will be utilized to review the proposed commercial tower designs for conformance with the established guidelines. Finally, staff has retained additional firms, including Louis Berger Group, PB-URS, and Phoenix Construction, to prepare and review project cost estimates, schedules and construction logistics plans. These additional support services are anticipated in order to prepare and review the necessary plans, property surveys, lease exhibits, project costs and schedules that will be committed as part of the final agreements with SPI.

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

RESOLVED, that increases in authorization for certain existing professional, technical, and advisory services contracts in connection with implementation of the Conceptual Framework Agreement between the Port Authority and Silverstein Properties, Inc. (SPI) regarding redevelopment of the WTC site, in the aggregate amount of approximately \$4 million, including: (1) an estimated increase of \$2 million under the existing real estate advisory services contract with Jones Lang LaSalle, to provide additional services required in connection with an evaluation of the Freedom Tower design to address contingencies included in the Conceptual Framework Agreement; and (2) an estimated increase of \$2 million under existing contracts for professional services that will be required in connection with the implementation of the conceptual framework, including an increase of \$1.2 million for the architectural and engineering design services contract with the Downtown Design Partnership to evaluate and incorporate potential design adjustments to the WTC Transportation Hub and common infrastructure projects, as well as an estimated increase of \$800,000 for contracts with other firms for professional services that will be required prior to the execution of a final agreement with SPI, be and they hereby are authorized.

POLICE ACADEMY – ADMISSION REQUIREMENT MODIFICATIONS

Under Article XII, Paragraph (a) of the By-Laws, the Executive Director is authorized, unless otherwise directed by the Committee on Operations or by Resolution of the Board, to determine and prescribe the qualifications for appointment to positions within the staff. It has come to the attention of the Board that there are certain requirements that have been set forth by the Human Resources Department, acting pursuant to this authorization, concerning the employment of police officers by the Port Authority. One such requirement is that an applicant who takes the police examination and passes, and is offered admission to the Port Authority's Police Academy, must have a minimum number of college credits or military service completed prior to entry into the Police Academy. An applicant who has not completed a sufficient number of credits or served honorably in the military is denied admission to the Police Academy and is removed from the eligible list without a chance to be deferred to complete the college credit requirement.

The Board desires to create a narrow exception to the requirements, consistent with practices in the States of New York and New Jersey. The Board believes that a surviving son or daughter of a Police Officer determined by competent authority to have lost his or her life in the line of duty should be granted, at the discretion of the Superintendent of Police, either: (1) a deferral until that candidate has completed the college credit requirements, or (2) admission to enter the Police Academy on a provisional basis, subject to satisfying the course credits.

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

RESOLVED, that the Superintendent of Police be and he hereby is authorized, on and after January 1, 2006, for and on behalf of the Port Authority, in the case of any applicant for appointment to the position of Police Officer who is the son or daughter of a Police Officer who lost his or her life in the line of duty and who has not yet completed the college credit or military service requirement for such appointment, and subject to all other applicable qualification requirements, to: (1) grant deferral of admission to the Port Authority Police Academy Training Program until such requirement has been completed, or (2) allow admission to the Port Authority Police Academy Training Program on a conditional basis, subject to completion of such requirements prior to graduation from the Police Academy and completion of the Training Program.

SETTLEMENT OF CLAIM – THOMAS PESCE V. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, ET AL.

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled Thomas Pesce v. The Port Authority of New York and New Jersey, Stephen D. Howe and Lui Wai in the amount of \$650,000, inclusive of attorneys' fees, costs and disbursements. In return, plaintiff would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice.

On November 21, 2001, plaintiff Thomas Pesce, who was 52 years old at the time, was involved in a motor vehicle accident at the corner of Delancy Street and the Bowery in New York City. Mr. Pesce claims that his vehicle was struck in the rear by a vehicle owned by the Port Authority and operated by a Port Authority employee, Stephen D. Howe. Mr. Pesce also claims that a vehicle driven by co-defendant Lui Wai cut in front of him, forcing plaintiff to stop short to avoid hitting Mr. Wai's vehicle, which caused the Port Authority vehicle to rear-end Mr. Pesce's vehicle and forced his vehicle into Mr. Wai's. Plaintiff claims that he injured his back in this accident, resulting in a disc herniation at L5-S1 and a disc bulge at L4-L5. Plaintiff underwent two laminectomies in an effort to correct the derangement in his back. At the time of trial, he was still experiencing debilitating pain, and his physician testified that he required a spinal fusion. Port Authority medical experts, Dr. Jerome Block, neurologist, and Dr. Edward Crane, orthopedist, reviewed plaintiff's medical history and confirmed that there was no evidence that plaintiff had experienced prior back problems. The experts also verified the nature of the injuries and confirmed that plaintiff underwent two laminectomies post-incident. Trial commenced on May 4, 2006, and this settlement was reached just prior to summations.

Plaintiff initially demanded \$2.5 million to settle this action, but through aggressive negotiation and with the assistance of the Court, the parties agreed upon the settlement as described above, subject to Board approval. Pursuant to the proposed settlement, the Port Authority would pay plaintiff the amount of \$650,000 and co-defendant Lui Wai would pay \$37,500.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Thomas Pesce v. The Port Authority of New York and New Jersey, Stephen D. Howe and Lui Wai in the amount of \$650,000, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – MICHAEL EPSTEIN, AS PLAN ADMINISTRATOR OF OMNI FACILITY SERVICES, INC. v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to finalize the settlement of an adversary proceeding in an action in the U.S. Bankruptcy Court of the Southern District of New York entitled Michael Epstein, as Plan Administrator of Omni Facility Services, Inc. v. The Port Authority of New York and New Jersey in the amount of \$348,421, inclusive of attorneys' fees, costs and disbursements.

Plaintiff, Michael Epstein, the Plan Administrator of the bankrupt debtor, Omni Facility Services, Inc. (Omni), has instituted an adversary proceeding against the Port Authority to recover approximately \$929,103.80. The debtor alleges the amount sought in this proceeding represents money withheld by the Port Authority from payments to Omni's subsidiary, Maintenance Technology Group (MTG), an Operation and Maintenance contractor at John F. Kennedy International Airport. The Port Authority withheld payments following yearly audits of MTG recommending the withholding of amounts defined as the "Underpayment Amount," the difference between the contract cost of certain skilled employees and the amount that MTG actually paid such employees. As per the Port Authority's audit findings, the Underpayment Amount for the three contract years was \$725,370, plus assessed interest of \$139,271, for a total underpayment of \$864,641.43.

The Port Authority has withheld \$837,421 that would have been due to MTG over the term of the contract. This represents Underpayment Amounts withheld prior to Omni's bankruptcy filing on June 2, 2004, totaling \$489,000, and unpaid MTG invoices totaling \$348,421. Under the proposed settlement, the Port Authority would pay the outstanding invoices in the amount of \$348,421. The plaintiff and the Port Authority would enter into a Settlement Agreement that would be approved and filed with the Bankruptcy Court.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the settlement of the action entitled Michael Epstein, as Plan Administrator of Omni Facility Services, Inc. v. The Port Authority of New York and New Jersey in the amount of \$348,421, inclusive of attorneys' fees, costs and disbursements.

SETTLEMENT OF CLAIM – RICKIE TAYLOR v. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY v. NEW JERSEY TRANSIT CORPORATION

It was recommended that the Board authorize General Counsel to finalize the settlement of a personal injury claim in the action entitled Rickie Taylor v. The Port Authority of New York and New Jersey, and The Port Authority of New York and New Jersey v. New Jersey Transit Corporation in the amount of \$161,500, inclusive of attorneys' fees, costs and disbursements. Plaintiff would provide the Port Authority with a General Release and a Stipulation of Dismissal with Prejudice. Third-party defendant New Jersey Transit Corporation (NJT) is also paying plaintiff \$161,500 as part of the proposed settlement, and the Court has ordered that the Port Authority's share of the settlement amount and all of its costs associated with the defense of this matter are to be reimbursed by NJT, pursuant to NJT's obligation to defend and indemnify the Port Authority for claims arising out of its operations at the Port Authority Bus Terminal (PABT).

Plaintiff, a NJT employee assigned to work at the PABT, alleges that, on June 27, 2002, he was injured when his foot became caught in an uncovered expansion joint in the concrete floor near PABT Gate 214. Plaintiff underwent two arthroscopic surgeries to his right knee to repair a lateral meniscus tear. In April 2003, a partial knee replacement was performed. A fourth surgery consisting of a total knee replacement was performed on October 5, 2003. Plaintiff is in his early fifties, and his medical expert has opined that future knee replacement is probable. Plaintiff attempted to return to work, but was unable to perform his duties. He was awarded a disability pension.

Given the serious nature of plaintiff's injuries, NJT and the Port Authority agreed upon the proposed settlement with plaintiff in the total amount of \$323,000 (\$161,500 from each defendant), and to submit to a bench trial on the issues of insurance and indemnification.

As a result of the bench trial, the Court ruled that NJT is required to indemnify the Port Authority for all costs associated with plaintiff's claim. The Court directed the Port Authority to pay to plaintiff its share of the settlement and then seek reimbursement from NJT. NJT has signaled its intent to appeal the Court's decision requiring it to indemnify the Port Authority.

Plaintiff initially demanded \$675,000 to settle this action. An arbitrator recommended that the Port Authority settle the matter for \$450,000. On the day of trial, the Port Authority agreed upon the settlement as described above, subject to Board approval.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to finalize the a settlement of the pending civil action entitled Rickie Taylor v. The Port Authority of New York and New Jersey, and The Port Authority of New York and New Jersey v. New Jersey Transit Corporation, in the amount of \$161,500, inclusive of attorneys' fees, costs and disbursements.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES OF SPECIAL BOARD MEETING

Thursday, July 6, 2006

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MINUTES of a Special Meeting of The Port Authority of New York and New Jersey held Thursday, July 6, 2006, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Angelo J. Genova
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor

NEW YORK

Hon. Charles A. Gargano, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. David S. Mack

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary
 Kayla M. Bergeron, Chief, Public and Government Affairs
 A. Paul Blanco, Chief Financial Officer
 Ernesto L. Butcher, Chief Operating Officer
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public Affairs
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Michael P. DePallo, Director, PATH
 Francis A. DiMola, Director, Real Estate
 John J. Drobny, Director, Project Management
 Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
 James P. Fox, Deputy Executive Director
 Linda C. Handel, Assistant Secretary
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Louis J. LaCapra, Chief Administrative Officer
 Timothy Lizura, Director, World Trade Center Redevelopment
 Francis J. Lombardi, Chief Engineer
 Stephen Marinko, Attorney, Law
 John P. McCarthy, Director, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Lynn A. Nerney, Senior Administrator, Office of the Secretary
 Steven A. Pasichow, Assistant Director, Office of Investigation, Office of Inspector General
 Steven P. Plate, Director, Priority Capital Programs
 Alan L. Reiss, Deputy Director, Aviation
 Edmond F. Schorno, Chief of Staff
 Stephen Sigmund, Senior Policy Advisor, Office of the Deputy Executive Director
 Timothy G. Stickelman, Chief of Public Securities, Law

The Secretary reported that the meeting was duly called in accordance with the By-Laws.

The public session was called to order by Chairman Coscia at 9:18 a.m. and ended at 9:23 a.m. The Board met in executive session prior to the public session.

WORLD TRADE CENTER MEMORIAL/CULTURAL PROJECT – AGREEMENT

It was recommended that the Board authorize the Executive Director to enter into an agreement (Agreement) with the Lower Manhattan Development Corporation (LMDC), the World Trade Center Memorial Foundation, Inc. (Foundation), the City of New York (City) and the State of New York (State) for the construction of the World Trade Center Memorial and Cultural Project (Project), which is scheduled to have an opening by September 11, 2009.

The Agreement would establish the general areas of responsibility of the several parties for the design, development, construction, financing and operation of the Project, which will include the Memorial/Museum, the Visitor Orientation and Education Center (VOEC), and the common and exclusive infrastructure related thereto (Infrastructure). Under the Agreement, the Port Authority would be responsible for the construction of the Project, in accordance with the Project's final design plans. The Foundation would be responsible for the development, finalization, presentation and integrity of the design for the Memorial/Museum and the VOEC. A preliminary scope of work, schedule for the work and budget for each of the Memorial/Museum, VOEC and Infrastructure elements of the Project would be set forth in the Agreement, and would be subject to confirmation by the Port Authority.

In connection with the funding of the costs of the construction of the Project, the Foundation would be responsible through its fundraising efforts to provide \$260 million, and LMDC would be responsible for providing \$250 million for the Memorial/Museum; the State would be responsible for providing \$80 million for the VOEC, and the Port Authority would be responsible for providing up to \$150 million for the Infrastructure. Additionally, in the event that, as a result of unforeseen events or unavoidable costs related solely to the construction of the Memorial/Museum and/or VOEC, the costs of the Memorial/Museum and/or VOEC exceed the budgets therefor as approved by the Port Authority, if, after a value engineering exercise, additional construction funding is required, the Port Authority would provide up to an additional \$25 million, and to the extent that such amount is not sufficient to complete the Memorial/Museum and/or VOEC, then up to an additional \$40 million would be provided, with funding in the amount of \$20 million to be provided by each of LMDC and the Port Authority on a *pro rata* basis, and to the extent that such amount is not sufficient to complete the Memorial/Museum and/or VOEC, then LMDC would provide up to an additional \$25 million to complete the Project. In the event that upon completion of the Memorial/Museum and VOEC, the full funding committed by the Port Authority and/or LMDC has not been expended, then the remaining amount of such committed funds would be applied to reimburse the Port Authority for any required construction funding for the Infrastructure in excess of the budget therefor approved by the Port Authority.

The Port Authority would not have any responsibility for the operation and maintenance of the Memorial/Museum or the VOEC, or any costs associated therewith. The Agreement would also recognize the Foundation's responsibility for the operations and programmatic elements of the Memorial/Museum and the VOEC, with the operating costs of the Memorial/Museum and the VOC to be provided by the Foundation.

The Agreement would also provide, subject to the identification by the LMDC, the Foundation and the Port Authority of a contractor for the construction of certain foundations for the Project and the identification of funding sources in the amount of \$20 million, for the Port

Authority to commence such foundation work. The Port Authority may provide such funding as part of its funding commitment for the Infrastructure component of the Project.

If the Port Authority and the Foundation cannot agree upon an issue that arises under the Agreement, such matter would be referred to the Executive Director of the Port Authority and the President of the Foundation for resolution. If the Executive Director (or his designee) and the President of the Foundation (or his designee) cannot agree on any such issue within two business days, then within one business day thereafter, the dispute would be referred to the Governors of the States of New York and New Jersey and the Mayor of the City of New York, who collectively would designate an independent mediator to engage in a fast-track dispute resolution process, and if as a result of such fast-track dispute resolution process such dispute is not resolved, then the mediator shall make recommendations to the Governors and the Mayor for the resolution of such dispute.

Subject to the satisfaction and completion of the following items, the Board would be requested to authorize the construction of the Project (as contemplated by the Agreement) by the Port Authority, at its September 2006 meeting: (1) approval of the agreement and transactions contemplated and outlined in the April 26, 2006 Conceptual Framework by the Board at its September 2006 meeting; (2) the confirmation of the scope of work, schedule of work and budgets for the Project to the reasonable satisfaction of the Port Authority; and (3) the establishment by the Foundation and LMDC of a plan of financing for the Memorial/Museum that is reasonably satisfactory to the Port Authority.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Coscia, Gargano, Genova, Mack, Pocino and Sartor 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 Lower Manhattan Development Corporation, the World Trade Center Memorial Foundation, Inc., the City of New York and the State of New York for the construction of the World Trade Center Memorial and Cultural Project, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award a contract for the construction of certain foundations for the World Trade Center Memorial and Cultural Project to a contractor to be identified by the Lower Manhattan Development Corporation, the World Trade Center Memorial Foundation, Inc. and the Port Authority, in an amount not to exceed \$20 million, which may be provided by the Port Authority as part of its funding commitment for the infrastructure component of the World Trade Center Memorial and Cultural Project; and it is further

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

Whereupon, the meeting was adjourned.

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, July 27, 2006

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday,
July 27, 2006, at 225 Park Avenue South, City, County and State of New York.**

PRESENT:

NEW JERSEY

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

NEW YORK

Hon. Charles A. Gargano, Vice Chairman
 Hon. Bruce A. Blakeman
 Hon. Henry R. Silverman

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

Linda K. Bentz, Assistant Director, Policy and Planning
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Ernesto L. Butcher, Chief Operating Officer
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Public Information Officer, Public Affairs
 William R. DeCota, Director, Aviation
 John C. Denise, Supervisor, Audio Visual/Photography, Public Affairs
 Michael P. DePallo, Director, PATH
 Pasquale DiFulco, Public Information Officer, Public Affairs
 John J. Drobny, Director, Project Management
 Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Chief of Real Estate/Regional and Economic Development
 Raul Garcia, Assistant Engineer, Engineering
 Aaron Graham, Management Associate, Human Resources
 Max Gross, Management Intern, Office of the Deputy Executive Director
 Linda C. Handel, Assistant Secretary
 Brian Jacob, Staff Service Engineer, Engineering
 Howard G. Kadin, Senior Attorney, Law
 Victoria C. Kelly, Director, Tunnels, Bridges and Terminals
 Shawn K. Laurenti, Director, Government and Community Affairs
 Marc LaVorgna, Senior Public Information Officer, Public Affairs
 Francis J. Lombardi, Chief Engineer
 Robert F. Lurie, Chief of Strategic Planning
 Stephen Marinko, Attorney, Law
 Michael G. Massiah, Director, Management and Budget
 John P. McCarthy, Director, Public Affairs

James E. McCoy, Manager, Board Management Support, Office of the Secretary
Anne Marie C. Mulligan, Treasurer
Lynn A. Nerney, Senior Administrator, Office of the Secretary
Steven P. Plate, Director, Priority Capital Programs
Alan L. Reiss, Deputy Director, Aviation
Cruz C. Russell, Director, Policy and Planning
Edmond F. Schorno, Chief of Staff
Ken Shih, Executive Assistant, Engineering
Stephen Sigmund, Senior Policy Advisor, Office of the Deputy Executive Director
Timothy G. Stickelman, Chief, Public Securities, Law
Sheree R. VanDuyne, Manager of Policies and Protocol, Office of the Secretary
Louis P. Venech, Client Manager, Policy and Planning
I. David Widawsky, Project Director, Policy and Planning
Peter J. Zipf, Deputy Chief Engineer

Guest:

Melissa Lieberman, Authorities Unit, Office of the Governor of New Jersey

The public session was called to order by Chairman Coscia at 1:42 p.m. and ended at 2:02 p.m.

Action on Minutes

The Secretary submitted for approval Minutes of the meetings of June 29, 2006 and July 6, 2006. 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.

The Secretary reported that the Minutes for the June 29, 2006 meeting contain a typographical error on page 167, which reflected an estimated amount of \$425 million to be invested by the Dermot Company, Inc. (Dermot) for the development of two mid-rise towers over Port Authority property. The actual amount to be invested by Dermot is approximately \$450 million.

Whereupon, the Board of Commissioners unanimously approved the Minutes of the meetings of June 29, 2006 and July 6, 2006.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed and action taken in executive session at its meeting on July 27, 2006, which included discussion of contract matters, matters related to or which could impact upon the issuance, sale, resale, or redemption of Port Authority Bonds, Notes or other obligations, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public and executive session at its meeting on July 27, 2006, which included a review of 2006 second quarter construction results and the status of various capital projects included in the 2006 Capital Budget, as well as matters discussed in executive session, which included discussion of contract matters.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on July 27, 2006, which included discussion of lease matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Staff Report

A presentation was made by staff on the Trans-Hudson Express (THE) Tunnel project.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – EVERGREEN INTERNATIONAL AIRLINES, INC. – NEW LEASE AGREEMENT AYD-618

It was recommended that the Board authorize the Executive Director to enter into an agreement with Evergreen International Airlines, Inc. (Evergreen), pursuant to which Evergreen would renovate, operate and lease space in and around Cargo Building 87 at John F. Kennedy International Airport. Evergreen would occupy space vacated by KLM Royal Dutch Airlines. The leased premises would consist of approximately 18,815 square feet of office space, approximately 90,447 square feet of warehouse space, and related land.

Evergreen would be obligated to invest at least \$1 million to renovate its space in Cargo Building 87. The project would involve renovation of three aircraft concrete pads, installation of truck dock doors, and fire alarm, HVAC (heating, ventilation and air conditioning) and electrical upgrades. After 12 months from lease commencement, Evergreen would be obligated to pay to the Port Authority the amount of any shortfall from this required \$1 million investment. Evergreen would be required to cause its contractor to provide to the Port Authority a performance bond during the construction, in the amount of \$300,000.

The 10-year, 7-month term of the lease would commence on or about September 1, 2006 and expire on or about March 31, 2017. Rental would commence seven months from the lease commencement date and would be subject to annual escalations equal to the greater of four percent or the amount represented by one-half of the Consumer Price Index. Additionally, Evergreen would pay a sublease fee equal to 10 percent of any sublease rentals.

The Port Authority would have the right to terminate the lease without cause after 4½ years from the lease commencement date on 30 days' prior written notice, with no consequential financial obligation to Evergreen. Evergreen would have the right to terminate the lease without cause after 4½ years from the lease commencement date on 6 months' prior written notice and payment to the Port Authority, contemporaneously with such notice, of a lump-sum amount. The amount of the termination payment would be based upon the month in which the effective termination would occur, and would decrease the later in the term such early termination occurs.

Evergreen would be responsible for the environmental condition of the premises and all liabilities associated therewith, except for the remediation of contaminants in the soil and ground water, and asbestos, that are identified in an agreed upon baseline environmental survey. However, Evergreen would not be responsible for remediation of contaminants that are subsequently discovered in the soil and ground water, or asbestos, which Evergreen can prove to the satisfaction of the Port Authority existed on the premises prior to the effective date of the lease and were not caused by Evergreen.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement with Evergreen International Airlines, Inc., pertaining to Cargo Building 87 at John F.

Kennedy International Airport, substantially in accordance with the terms and conditions outlined to the Board; and it is further

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

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – ENHANCEMENTS FOR
TERMINAL ONE BAGGAGE SCREENING – AGREEMENT WITH THE
TRANSPORTATION SECURITY ADMINISTRATION – LEASE SUPPLEMENT
– TERMINAL ONE GROUP ASSOCIATION, L.P.**

It was recommended that the Board authorize the Executive Director to enter into an agreement, referred to as an Other Transaction Agreement (OTA), with the United States Department of Homeland Security's Transportation Security Administration (TSA) whereby the Port Authority would agree to perform, or cause its lessee or contractor to perform, design specifications and site preparation required to remove the baggage screening system currently located in Terminal One at John F. Kennedy International Airport (JFK), and to prepare the site for the installation of a new enhanced baggage screening system (the Project). The OTA also would provide that the TSA will reimburse the Port Authority for the cost of the Project, in an estimated amount of \$8 million. The TSA also would be responsible for the purchase, installation and maintenance of the new baggage screening system equipment.

It was recommended further that the Board authorize the Executive Director to enter into a supplement to the lease agreement with Terminal One Group Association, L.P. (TOGA), the lessee of Terminal One at JFK, whereby TOGA would perform the Project at its sole cost, in accordance with the OTA and the lease, and the Port Authority would reimburse TOGA for costs of the Project only to the extent that the TSA reimburses the Port Authority for such costs under the OTA.

Under the OTA, the Port Authority would have obligations with respect to the Project, including the responsibility to invoice the TSA for the federal funds relating to the Project. Even though the lease supplement would obligate TOGA to refund the Port Authority any amount that the Port Authority is required to refund the TSA under the OTA (in the event of costs disallowed after payment or otherwise), the TSA would look to the Port Authority for the refund of federal funds paid, whether or not such refund is recovered from TOGA.

TOGA would be required to conform to standard lease requirements calling for the use of Minority Business Enterprises and Women Business Enterprises, as well as Local Business Enterprises, and to use minorities and women in its contract employment goals.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) an agreement with the United States Department of Homeland Security's Transportation Security Administration (TSA) whereby the Port Authority will agree to undertake, or cause its lessee to undertake, a project (Project) to remove the existing baggage screening system located in Terminal One at John F. Kennedy International Airport and to

prepare the terminal for the installation of a new enhanced baggage screening system, and the TSA will agree to fund the cost of the Project and to purchase, install and maintain the new baggage screening system and; (2) a supplement to the lease with Terminal One Group Association, L.P. (TOGA), which will provide the terms and conditions under which TOGA will cause the Project to be performed, and the terms and conditions under which the Port Authority will reimburse TOGA for the cost of the Project only to the extent that the TSA reimburses the Port Authority for such costs; 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.

AUTHORIZATION TO ENTER INTO A MEMORANDUM OF AGREEMENT WITH THE NATIONAL FISH AND WILDLIFE FOUNDATION (NFWF) – TRANSFER OF ENVIRONMENTAL BENEFIT FUND TO THE NFWF

It was recommended that the Board authorize the Executive Director to enter into a memorandum of agreement (MOA) with the National Fish and Wildlife Foundation (NFWF) that would provide the terms and conditions upon which the Port Authority may transfer all funds (in the amount of approximately \$592,591) remaining in the Environmental Benefit Fund (EBF) established by the Port Authority in connection with alleged environmental contamination at John F. Kennedy International Airport (JFK) to a separate EBF managed by the NFWF.

The JFK EBF was created as part of a settlement of an administrative proceeding brought by the New York State Department of Environmental Conservation (DEC) for alleged environmental violations related to the JFK Bulk and Satellite Fuel Farms. At its meeting of December 16, 1993, the Board authorized the Executive Director to, among other things, establish the JFK EBF in the amount of \$600,000, deposited in an interest-bearing account, to provide for environmental benefit projects in and around Jamaica Bay, which projects required the concurrence of DEC. The balance in the JFK EBF as of April 30, 2006 was \$592,591.

The United States Congress created the NFWF in 1984 as a non-profit tax-exempt organization. NFWF manages an EBF, established pursuant to other settlements and Consent Orders (primarily with the City of New York), which funds study and restoration projects in Jamaica Bay in the Borough of Queens and in western Long Island Sound. In July 2006, the NFWF released a Request for Proposals to interested environmental groups for restoration projects and studies in Jamaica Bay and western Long Island Sound.

In addition to providing for the transfer of funds from the JFK EBF to the EBF managed by the NFWF, the MOA would provide that: (1) funds from the JFK EBF would be designated solely for projects in Jamaica Bay; (2) the Port Authority's role would be prominently displayed and noted in all public informational materials and; (3) Port Authority staff would participate in the project selection process.

The DEC supports the proposed MOA between the Port Authority and the NFWF.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter a memorandum of agreement with the National Fish and Wildlife Foundation (NFWF) providing for the transfer of all funds remaining in the Environmental Benefit Fund previously established by the Port Authority in connection with alleged environmental contamination at John F. Kennedy International Airport to a separate Environmental Benefit Fund managed by the NFWF, substantially in accordance with the terms and conditions 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.

NEWARK LIBERTY INTERNATIONAL AIRPORT – SUPPLEMENTAL AGREEMENT TO SERVICE AGREEMENT AX-480 – ESSEX COUNTY IMPROVEMENT AUTHORITY AND THE COUNTY OF ESSEX, NEW JERSEY

It was recommended that the Board authorize the Executive Director to enter into a supplemental agreement to the Service Agreement dated December 10, 1991 with Essex County Improvement Authority (ECIA), which operates Essex County Airport (CDW), and the County of Essex, New Jersey (the Service Agreement), providing that: (1) ECIA may not sell or lease CDW for the remaining term of the Service Agreement; (2) the Port Authority shall forgive the amount outstanding on the loan that was granted to ECIA by the Port Authority under the Service Agreement; and (3) ECIA shall be required to identify capital projects of equal or greater value than the amount of the loan to be forgiven that will assure CDW's capacity as a reliever airport to Newark Liberty International Airport (EWR).

CDW is located in the Township of Fairfield, New Jersey. It is designated a reliever airport by the Federal Aviation Administration (FAA). CDW helps to reduce congestion at other airports, primarily at nearby EWR. CDW accommodates recreational, private and corporate aviation and has several tenants that provide a range of aviation support services, including aircraft sales, leasing and charters.

Recognizing that CDW was a valuable asset to the region, but concerned that it was unable to provide an adequate level of service and was in danger of closing, the Board, at its meeting on August 13, 1987, authorized a 30-year Service Agreement with ECIA and the County of Essex, effective December 11, 1991, whereby ECIA was committed to continue to operate and develop CDW for a term of at least 15 years. In consideration for CDW remaining open, the Port Authority provided \$4 million in financial assistance for the operation and further development of CDW. Of this \$4 million in funding, \$2 million was for an interest-free loan to be paid back over the initial 15-year period. The remaining \$2 million was a grant, without an obligation to repay. The \$2 million loan was used by ECIA to complete several development projects at CDW, including the construction of hangars, acres of aircraft parking and a general aviation terminal, that ultimately increased CDW's capacity to handle general aviation aircraft and enabled CDW to fulfill its regional role helping to mitigate air congestion conditions in the region. The \$2 million grant was used to reduce CDW's debt from \$7.5 million to \$5.5 million.

CDW is in critical need of runway and navigational improvements in order to mitigate air congestion conditions in the region and ultimately allow the airport to better meet the increasing demands placed upon it in support of EWR. Presently, the total outstanding balance on the loan granted to ECIA under the Service Agreement is approximately \$1.7 million. Forgiveness of the loan would provide ECIA with the financial ability to address the necessary runway and navigational improvements that would allow CDW to provide improved service and continue its regional role as a reliever airport for general aviation aircraft.

In consideration for forgiveness of the loan, ECIA would agree not to sell or lease CDW during the remaining 15-year term of the Service Agreement. Additionally, ECIA would be required to identify capital projects of equal or greater value than the outstanding balance of the loan to be forgiven to assure that CDW's capacity as a reliever airport is enhanced. ECIA would also be required to obtain FAA approval to amend the Service Agreement. All other terms and conditions set forth in the Service Agreement would remain the same.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Supplemental Agreement to the Service Agreement dated December 10, 1991 with Essex County Improvement Authority (ECIA) and the County of Essex, New Jersey (the Service Agreement) providing that: (1) ECIA may not sell or lease Essex County Airport (CDW) for the remaining term of the Service Agreement; (2) the Port Authority shall forgive the amount outstanding on the loan that was granted to ECIA by the Port Authority under the Service Agreement; and (3) ECIA shall be required to identify capital projects of equal or greater value than the amount of the loan to be forgiven that will assure CDW's capacity as a reliever airport to Newark Liberty International Airport, all substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to approval of General Counsel or his authorized representative.

**DOWNTOWN RESTORATION PROGRAM - WORLD TRADE CENTER
TRANSPORTATION HUB - AGREEMENTS WITH BATTERY PARK CITY
AUTHORITY AND/OR BROOKFIELD FINANCIAL PROPERTIES RELATING
TO WORK FOR THE ROUTE 9A PEDESTRIAN UNDERPASS**

It was recommended that the Board authorize the Executive Director to enter into any and all agreements with Battery Park City Authority (BPCA) and Brookfield Financial Properties (BFP) as are necessary to design, construct, and maintain the western entrance to the pedestrian underpass between the World Trade Center site and the World Financial Center (Route 9A Underpass), as part of the World Trade Center Transportation Hub Project (WTC Hub Project).

The western entrance and portions of the pedestrian underpass to be constructed by the Port Authority as part of the WTC Hub Project, will be located on BPCA property, and an extension of the World Financial Center may be constructed by BFP to link with the underpass. The western entrance to the pedestrian underpass will replace the western entrance to the bridge over West Street/Route 9A that was located at the World Financial Center and destroyed on September 11, 2001.

The proposed agreements would include, but not be limited to: agreements for construction access, logistics, coordinated project schedules, project interfaces, property acquisitions, implementation responsibilities, and cost reimbursements/cost sharing, where applicable. Timely execution of these agreements is necessary to keep the WTC Hub Project and the New York State Department of Transportation's Route 9A project on schedule. Capital funding for WTC Hub Project work associated with these agreements has been authorized previously. The agreement(s) would be contingent upon the necessary funding commitments for work to be performed by the Port Authority on behalf of BPCA and/or BFP.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any and all agreements, contingent upon the necessary funding commitments, with the Battery Park City Authority and/or Brookfield Financial Properties as are necessary to design, construct, and maintain the western entrance to the pedestrian underpass between the World Trade Center site and the World Financial Center, as part of the World Trade Center Transportation Hub Project, including, but not limited to, agreements for construction access, logistics, coordinated project schedules, project interfaces, property acquisitions, implementation responsibilities and cost reimbursements/cost sharing, where applicable; 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 - AGREEMENTS WITH NEW YORK STATE DEPARTMENT OF TRANSPORTATION RELATING TO WORK FOR THE WORLD TRADE CENTER TRANSPORTATION HUB AND OTHER WORLD TRADE CENTER SITE REDEVELOPMENT PROJECTS

It was recommended that the Board authorize the Executive Director to enter into any and all agreements with the New York State Department of Transportation (NYSDOT) as are necessary to enable construction and coordination of the Port Authority's World Trade Center (WTC) Transportation Hub project (WTC Hub Project) and other WTC Site Redevelopment projects (WTC Redevelopment Projects), with NYSDOT's Route 9A North Promenade Project (Route 9A Project).

One component of the WTC Hub Project is the construction of an east-west pedestrian underpass and other infrastructure elements in, under and around West Street/Route 9A, in coordination with NYSDOT's Route 9A Project. Construction of the pedestrian underpass will enable, among other things, the construction of a WTC Transportation Hub entrance at the World Financial Center (WFC) to provide a pedestrian connection between the WTC site and the WFC. The pedestrian underpass is intended to replace the pedestrian bridge over West Street/Route 9A that connected the WTC with the WFC, which was destroyed as a result of the terrorist attacks of September 11, 2001.

The current WTC Site Master Plan provides for the extension of the WTC site to the west and to the south to facilitate construction of the Freedom Tower, the WTC Memorial, and the WTC Vehicular Security Center, which require the acquisition of portions of a Route 9A right-of-way by the Port Authority. NYSDOT has agreed to convey at no cost to the Port Authority the required property. Construction of these various projects also requires access and coordination with NYSDOT's Route 9A Project, because they consist of interfacing elements and/or require staging within the other's property.

The agreements with NYSDOT would include, but not be limited to: agreements for construction access, logistics, coordinated project schedules, project interfaces, property acquisitions and implementation responsibilities. Execution of these agreements is necessary at this time to keep the WTC Hub Project, the Freedom Tower, WTC Memorial, and NYSDOT's Route 9A Project on schedule, thereby meeting the Port Authority's and NYSDOT's stated mutual goals for construction completion for the projects. Capital funding for the WTC Hub Project work associated with these agreements has been authorized previously. The agreements would be contingent upon the necessary funding commitments for work to be performed pursuant to the agreements.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any and all agreements, contingent upon the necessary funding commitments, with the New York State Department of Transportation (NYSDOT) as are necessary to enable construction and

coordination of the Port Authority's World Trade Center Transportation Hub project and other World Trade Center Site Redevelopment projects with NYSDOT's Route 9A Project including, but not limited to, agreements for construction access, logistics, coordinated project schedules, project interfaces, property acquisitions and implementation responsibilities; 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 – PROGRAM/CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR THE FREEDOM TOWER AND WORLD TRADE CENTER MEMORIAL AND CULTURAL PROJECTS

It was recommended that the Board authorize the Executive Director to enter into contract(s), subject to approval by the Chairman of the World Trade Center Site Planning Subcommittee (the Subcommittee) and the Executive Director, after consultation with the Subcommittee members, to provide project management support services in anticipation of the Port Authority assuming responsibility for the design and construction of the Freedom Tower and construction of the World Trade Center (WTC) Memorial and Cultural Project (Memorial/Cultural Project), followed by program/construction management services for the projects. The preliminary estimates for this work are \$15 million in connection with the Freedom Tower Project over five years, and \$10 million in connection with the Memorial/Cultural Project over four years.

To date, the Freedom Tower project has been advanced by Silverstein Properties, Inc. (SPI), with its design team led by Skidmore, Owings, and Merrill and its construction contractor, Tishman Construction Corporation. The SPI team has completed the schematic design of the Freedom Tower project with an order of magnitude cost of roughly \$2.1 billion, and has also commenced initial site preparation and foundations work.

At its meeting on April 26, 2006, the Board authorized acceptance of a conceptual framework agreement with SPI regarding the WTC site redevelopment, including work with SPI to prepare definitive documents required to effectuate the conceptual framework, for consideration by the Board at its September 2006 meeting.

At its meeting on July 6, 2006, the Board authorized acceptance of a conceptual framework agreement with the Lower Manhattan Development Corporation (LMDC), the World Trade Center Memorial Foundation, Inc., the City of New York and the State of New York for the construction of the Memorial/Cultural Project. Under this agreement, the Port Authority would be responsible for the construction of the Memorial/Cultural Project in accordance with the project's final design plans. The conceptual framework agreement includes: the award of a contract for the construction of certain foundations; development of the scope of work, schedule of work and budgets for the project; a project financing plan; and final agreements for the construction of the project. It is anticipated that a final agreement will be presented to the Board at its September 2006 meeting.

Both projects require a Project Executive and a Deputy Project Executive who are fully familiar with the WTC site projects and have a well defined understanding of the complexity of the projects, the complexity of working through issues with multiple stakeholders, and complete familiarity with the New York City construction industry.

Staff has determined that it does not have the appropriate resources to fill these key roles. It was determined that engineering firms already engaged on projects as prime consultant or subconsultants related to the WTC site would be able to provide the qualified and experienced individuals needed to bring these projects to successful fruition in the timeframe required. These

firms would be hired early on, in order to assist Port Authority staff in developing the project schedules, plans and budgets to support each project and then lead the projects to ensure project delivery.

Proposals therefore were solicited from a select list of professional engineering firms working with the Port Authority on WTC Downtown Restoration Program projects, or that have current/recent experience providing services at the WTC site. Proposals were received in July 2006 and are currently being evaluated.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into contract(s), subject to approval by the Chairman of the World Trade Center Site Planning Subcommittee (the Subcommittee) and the Executive Director, after consultation with the Subcommittee members, to provide project management support services in anticipation of the Port Authority assuming responsibility for the design and construction of the Freedom Tower and construction of the World Trade Center Memorial and Cultural projects, followed by program/construction management services for the projects, at an estimated cost of \$15 million in connection with the Freedom Tower Project over five years, and \$10 million in connection with the World Trade Center Memorial and Cultural Projects over four years, respectively; and it is further

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

**TRANS-HUDSON EXPRESS (THE) TUNNEL - PROJECT AUTHORIZATION –
AGREEMENT WITH NEW JERSEY TRANSIT CORPORATION**

It was recommended that the Board authorize:

(1) a project (THE Tunnel Project), in the amount of at least \$1 billion, to implement the Trans-Hudson Express (THE) Tunnel, formerly known as Access to the Region's Core (ARC), to facilitate efficient mass transportation and ease congestion on the Port Authority's transportation infrastructure and in the New York-New Jersey region, subject to (a) an increase of up to a total aggregate amount of \$2 billion as THE Tunnel Project's financing plan evolves during the approval process; (b) further Board approval for implementation of THE Tunnel Project; and (c) certification of THE Tunnel Project as an additional facility of the Port Authority, pursuant to bond covenants, with respect to implementation of THE Tunnel Project other than for preliminary planning and engineering costs in connection therewith;

(2) the expenditure of up to \$10 million for preliminary planning and engineering activities pertaining to the design, development and construction of THE Tunnel Project, including reimbursement of certain of costs incurred by New Jersey Transit Corporation (NJT) for such activities; and

(3) the Executive Director, subject to the conditions pertaining to the implementation of THE Tunnel Project, to:

- (a) enter into an agreement with NJT for the reimbursement of costs it incurs in the implementation of THE Tunnel Project;
- (b) execute the necessary permits and approvals and to enter into other agreements or supplements to existing agreements, with such entities as may be appropriate or required to effectuate THE Tunnel Project, and to execute documents in connection therewith;
- (c) enter into agreements for professional, technical, and other advisory services and incur costs preliminary to acquisition of property interests for THE Tunnel Project; and
- (d) take such actions with respect to the award of purchase and construction contracts and agreements for professional, technical, and advisory services necessary to implement THE Tunnel Project as he deems in the best interest of the Port Authority.

As currently proposed, THE Tunnel Project will consist of: construction of a passenger rail tunnel connecting New York City to New Jersey and to Rockland and Orange Counties in New York; expanding Penn Station New York (PSNY) under 34th Street in Manhattan; rail improvements to the Northeast Corridor between New Jersey and New York; the purchase of rail locomotives and coaches for NJT; and the acquisition of real property or property rights.

NJT is serving as the lead agency for THE Tunnel Project, as designated by the Federal Transit Administration (FTA), for the purposes of the ongoing Draft Environmental Impact Statement (EIS) and the federal funding application processes. The Port Authority anticipates an ongoing "partnership" relationship with NJT in the overall construction of THE Tunnel Project. The current estimate of THE Tunnel Project cost by NJT is \$6.1 billion in 2005 dollars. It is presently anticipated that the Port Authority, FTA, NJT and the State of New Jersey, which has committed \$500 million towards this project from its Transportation Trust Fund, all will provide a portion of THE Tunnel Project costs.

In accordance with its responsibilities for meeting interstate transportation needs in the Port District, the Port Authority has provided institutional and planning support for bi-state efforts to identify the best options for expanding trans-Hudson transit capacity leading to midtown Manhattan. The two major systems serving this commuter market are (1) the Port Authority's Exclusive Bus Lane/Lincoln Tunnel/Port Authority Bus Terminal system (augmented to some degree by Port Authority Trans-Hudson Corporation (PATH) rail service to 33rd Street in Manhattan) and (2) NJT's passenger rail service to PSNY. Analyses by the Port Authority and THE Tunnel Project study team presume that the Port Authority's existing trans-Hudson transportation facilities will continue to operate at present or improved levels of service. However, even with the timely implementation of improvements to the capacity of these systems already programmed and committed, the region will still need the THE Tunnel's additional peak-period rail capacity within 10 years. The original ARC planning partnership among the Port Authority, NJT and the New York State Metropolitan Transportation Authority (MTA) endorsed expanded commuter rail service linked to PSNY as the best strategy for both states to meet this need.

On October 24, 2002, the Board authorized an agreement providing for the Port Authority's participation as a cooperating agency for the federally mandated EIS process. In 2003, NJT began preparing a Draft EIS (DEIS) for THE Tunnel (then referred to as ARC) under FTA oversight. The DEIS for THE Tunnel is now completed and awaiting final approval by the FTA before it is released to the public. This will be followed by a public comment period, including public hearings, and initiation of preparation of the Final EIS (FEIS). Upon the satisfactory submission and approval of the FEIS, the FTA will issue a Record of Decision (ROD) certifying the conclusion of the environmental review process.

Under the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Act of 2005, the FTA Administrator was directed to allow NJT to undertake preliminary engineering for THE Tunnel in parallel with the environmental review process, a dispensation that permits THE Tunnel Project schedule to advance. NJT has recently set aside \$75 million in its capital program, selected a contractor, and is awaiting final sign-off by FTA to commence work on preliminary engineering.

Upon receipt of the ROD and the conclusion of preliminary engineering, NJT will negotiate with the FTA for a Full Funding Grant Agreement (FFGA), which would detail funding commitments, both federal and local, including provision for addressing cost overruns, and a timetable for project development, construction, and implementation. The authorizations being recommended to the Board would permit continuation of the necessary planning for THE Tunnel Project development, and would also provide support for NJT's efforts to secure timely approvals and agreements essential to determining the final scope, cost and timetable for project implementation, including FTA issuance of the ROD for the environmental impact review, and agreements with additional federal oversight agencies, Amtrak, the U.S. Coast Guard, the U.S. Army Corps of Engineers, and others.

The DEIS will be completed, and the FEIS and preliminary engineering commenced, this year. The FEIS and preliminary engineering are scheduled to be completed in late 2007 or early 2008, followed by negotiation and approval of an FFGA. The project is expected to be completed in 2016.

Port Authority planning support for phased expansion of trans-Hudson commuter rail service is predicated on a succession of studies demonstrating that this strategy best meets transportation, growth, and air quality goals established by New York and New Jersey. The staged approach for expanding rail capacity directly addresses Port Authority concerns for relief of anticipated pressure on the Exclusive Bus Lane/Lincoln Tunnel/Port Authority Bus Terminal network (together with ancillary PATH service).

In addition, PSNY's role as a shared regional asset includes its relatively new function as a terminus for AirTrain JFK and AirTrain Newark users, and its traditional role as anchor for Amtrak intercity rail service that serves to moderate total passenger demand for short-haul airline connections using the region's airports. Current peak-period capacity at PSNY falls short of projected requirements for all the rail services dependent on this complex. Progress on a strategy for phased expansion of PSNY capacity (Port Authority support for portions of which has previously been authorized by the Board) will maximize potential to shift more regional trips to the rail mode and to capture the highest levels of federal support to NJT, Amtrak, and the MTA for investments in PSNY and its connecting tunnels and facilities in both states.

The Strategic Plan adopted by the Board in December 2005 identified THE Tunnel as a project of such strategic significance for the Port Authority's future and for bi-state regional prosperity to warrant a substantial financial commitment and role for the Port Authority. THE Tunnel was recognized not only as an essential enhancement to trans-Hudson commuting capacity but also as a project that will provide critical redundancy to the region's transportation network, as well as augment the capability of PSNY to function as an efficient and reliable hub for inter-city rail and airport access. Consistent with that vision, the recommended authorizations would permit continuation of necessary planning for THE Tunnel Project development, and would also provide support for NJT's efforts to secure timely approvals and agreements essential to determining the substantive, financial and temporal contours for project implementation.

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

RESOLVED, that a project (THE Tunnel Project), in an amount of at least \$1 billion, to implement THE (Trans-Hudson Express) Tunnel, formerly known as Access to the Region's Core, to facilitate efficient mass transportation and ease congestion on the Port Authority's transportation infrastructure and the New York-New Jersey region, subject to (1) an increase of up to a total aggregate amount of \$2 billion as THE Tunnel Project's financing plan evolves during the approval process; (2) further Board approval for implementation of THE Tunnel Project; and (3) certification of THE Tunnel Project as an additional facility of the Port Authority, pursuant to bond covenants, with respect to implementation of THE Tunnel Project other than for preliminary planning and engineering costs in connection therewith, be and it hereby is authorized; and it is further

RESOLVED, that the expenditure of up to \$10 million for preliminary planning and engineering activities pertaining to the design, development and construction of THE Tunnel Project, including reimbursement of costs incurred by New Jersey Transit Corporation (NJT) for such activities, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director, subject to the conditions pertaining to THE Tunnel Project authorization set forth above, be and he hereby is authorized, for and on behalf of the Port Authority, to:

- (1) enter into an agreement with NJT for the reimbursement of costs it incurs in the implementation of THE Tunnel Project;
- (2) execute the necessary permits and approvals and to negotiate and enter into other agreements or supplements to existing agreements, with such entities as may be appropriate and required to effectuate THE Tunnel Project, and to execute documents in connection therewith;
- (3) enter into agreements for professional, technical, and other advisory services and incur costs preliminary to acquisition of property interests for THE Tunnel Project; and
- (4) take such actions with respect to the award of purchase and construction contracts and agreements for professional, technical, and advisory services necessary to implement THE Tunnel Project as he deems in the best interest of the Port Authority; and it is further

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

CONFIDENTIAL ITEM

This item shall not be available for public inspection.

CONFIDENTIAL ITEM

This item shall not be available for public inspection.

Whereupon, the meeting was adjourned.

Secretary