

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

## MINUTES

Wednesday, February 25, 2004

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, February 25, 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

**NEW YORK**

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

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

Gwendolyn Archie, Senior Administrator, Office of the Secretary  
 Paul H. Bea, Jr., Washington Representative, Government and Community Affairs  
 Catherine M. Bergamini, Senior Administrator, Port Commerce  
 Bruce D. Bohlen, Treasurer  
 John D. Brill, Director, Audit  
 Gregory G. Burnham, Chief Technology Officer  
 Ernesto L. Butcher, Chief Operating Officer  
 Timothy Castano, Senior Business Consultant, Office of the Chairman  
 Anthony B. Ciavolella, Public Information Officer, Public Affairs  
 Arthur J. Cifelli, Acting Deputy Executive Director/Director, Government and Community Affairs  
 Steven J. Coleman, Public Information Officer, Public Affairs  
 William R. DeCota, Director, Aviation  
 John C. Denise, Supervisor, Audio Visual/Photography, Operations Services  
 Pasquale DiFulco, Public Information Officer, Public Affairs  
 Michael G. Fabiano, Comptroller  
 Linda C. Handel, Assistant Secretary  
 L. Jay Hector, Senior Policy Advisor to the Vice-Chairman  
 Edward L. Jackson, Director, Financial Services  
 George Johansen, Deputy Superintendent of Police, Public Safety  
 Howard G. Kadin, Senior Attorney, Law  
 Kirby King, Deputy Director, PATH  
 Richard M. Larrabee, Director, Port Commerce  
 Francis J. Lombardi, Chief Engineer  
 Robert R. Lurie, Senior Policy Advisor, Office of the Chairman  
 Daniel S. Maynard, Information Officer, Public Affairs  
 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  
 John A. Riccardi, Manager, E-ZPass Customer Service, Tunnels, Bridges and Terminals  
 Myron D. Ronis, Deputy Director, Port Commerce  
 Edmond F. Schorno, Chief of Staff  
 Gerald B. Stoughton, Assistant Director, Office of Forecasting and Capital Planning  
 Tiffany A. Townsend, Public Information Officer, Public Affairs  
 Ralph Tragale, Client Manager, Government and Community Affairs  
 Gregory J. Trevor, Senior Public Information Officer, Public Affairs  
 Emery J. Ungrady, Deputy Chief of Staff  
 Thomas H. Wakeman III, General Manager, Waterways Development, Port Commerce

The public session was called to order by Chairman Coscia at 3:00 p.m. and ended at 3:15 p.m. The Board met in executive session prior to the public session. Vice-Chairman Gargano was present for a portion of the executive session.

### **Action on Minutes**

The Secretary submitted for approval Minutes of the meetings of November 20, 2003 and December 11, 2003. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

### **Report of Audit Committee**

The Audit Committee reported, for information, on matters discussed in executive session at its meetings on December 16, 2003, and February 25, 2004, 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 February 25, 2004, which included discussion of property matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

### **Report of Committee on Capital Programs/Port Planning**

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed at its meeting on February 25, 2004, which included discussion of an agreement for professional services in connection with the preparation of an Environmental Impact Statement for the Goethals Bridge Modernization Program, as well as matters discussed in executive session, which included discussion of contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or business 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 25, 2004, which included discussion of a project to construct an additional airfield lighting switch house at Newark Liberty International Airport, and a project for the repainting of the New York and New Jersey approaches of the Outerbridge Crossing, 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 in executive session at its meeting on February 25, 2004, which included discussion of contract matters, and the report was received.

### **Moment of Silence**

In observance of the eleventh 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 Report**

Staff provided an update on the status of the Port Authority's bridge painting program.

### **Chairman's Report**

The Chairman acknowledged Thomas Wakeman's upcoming leave of absence to assume the responsibility of overseeing the redevelopment of the port system in Iraq. On behalf of the Board, he wished Mr. Wakeman a safe and expeditious return.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – CONSTRUCTION OF SWITCH HOUSE NO. 3 – PROJECT AUTHORIZATION AND AUTHORITY TO AWARD CONTRACT EWR-154.330**

It was recommended that the Board authorize: (1) a project to construct Switch House No. 3 at Newark Liberty International Airport (EWR) at an estimated total project cost of \$28.3 million; and (2) the Executive Director to award Contract EWR-154.330 in furtherance of the project.

The electrical equipment serving the airfield lighting and guidance signage system at EWR is currently located in two switch houses, designated as Switch Houses Nos. 1 and 2. In August 2001, staff prepared a report on the upgrading of power distribution at Switch House No. 2. In their findings, it was noted that the equipment in the facility is reaching the end of its useful life and that the surrounding ducts were filled to capacity. As a result, staff recommended that a new switch house be constructed to remove some of the load on the existing facility. Accordingly, a three-switch-house master plan was developed to provide a better distribution of airfield power.

EWR has developed a complex lighting and guidance signage system over the years to facilitate the 1,100 daily operations on its runways and associated taxiways. The system has been expanded during the last few years to accommodate extensions of the two main runways, construction of additional taxiways, and lighting and signage upgrades in compliance with Federal Aviation Administration requirements. The upgrades include decreased centerline and edge light spacing and the addition of full-width runway guard bars at all runway intersections.

Existing switch house floor space is fully utilized. There is no more spare physical space to house future electrical equipment. The existing underground system, connecting electrical equipment, airfield lighting and guidance signage loads, is filled to capacity. There is no spare capacity in the existing system to bring out additional feeders. Therefore, portions of the airfield duct banks associated with this new Switch House No. 3 have been constructed under prior contracts.

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

**RESOLVED**, that a project for the construction of Switch House No. 3 at Newark Liberty International Airport at an estimated total project cost of \$28.3 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses and a contingency, if necessary (the 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 take action with respect to purchase and construction contracts and contracts for professional and advisory services and such other contracts or 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 Contract EWR-154.330 for the construction of Switch House No. 3 at an estimated total construction cost of \$15.7 million to the lowest qualified bidder following the solicitation of bids from a list of contractors developed from a publicly advertised Request for Qualifications; 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.

**OUTERBRIDGE CROSSING – NEW YORK AND NEW JERSEY VIADUCTS –  
REMOVAL OF LEAD-BASED PAINT, REPAINTING AND REHABILITATION  
OF STRUCTURAL STEEL – PROJECT AUTHORIZATION AND AUTHORITY  
TO AWARD CONTRACT AKO-284.037**

It was recommended that the Board authorize: (1) a project to remove lead-based paint, repaint and perform structural steel rehabilitation of the Outerbridge Crossing New York and New Jersey Viaducts at an estimated total project cost of \$39.1 million; and (2) the Executive Director to award Contract AKO-284.037 in furtherance of the project.

The Outerbridge Crossing, which links Perth Amboy, New Jersey, with the Tottenville section of Staten Island, New York, was opened in 1928 and currently accommodates approximately 84,000 vehicles a day. The New York viaduct is 1,920 feet long and the New Jersey viaduct is 4,759 feet long. There is, on both viaducts, considerable surface rusting and disbonding of coatings on most surfaces. Many of the existing steel surfaces are being protected from corrosion only by a layer of mill scale, a thin layer of dirt and rust present when the steel was fabricated.

Work on Contract AKO-284.037 is expected to begin in May 2004 and end in May 2009. The work includes abatement of existing deteriorated lead-based paint down to the base metal, rehabilitation of the structural steel and repainting of the viaducts to maintain a state of good repair and preserve the structural integrity of the bridge. The new coating system will consist of three layers: zinc-rich primer, epoxy intermediate coat, and urethane finish coat. This system was recently used on the main span of the bridge. It has proved very effective on bridge structures, where it provides longer-lasting protection and better safeguards the environment than the best methods previously available.

The scope of work will include as a security enhancement new ladders that better limit access to the main span truss.

Due to the presence of lead, a high level of containment during construction will be specified to protect the public and environment. The contractor will be required to comply with all applicable environmental and United States Occupational Safety and Health Administration regulations, including those for the disposal of lead waste.

Permits will be obtained from the New York City Department of Transportation for lane closures and placement of signs on its property. A right-of-entry agreement will be obtained from New Jersey Transit Corporation and Conrail to allow access to their rights of way. Approval from the United States Coast Guard has been obtained for work adjacent to the navigable waterway.

Residents of Perth Amboy who live adjacent to the New Jersey Viaduct may experience noise. The project specifications include noise limits and a requirement to monitor noise levels. The contractor will be limited to late night single-lane closures in each direction, when traffic impacts are minimal.

This project will be a key step in the complete rehabilitation of the Outerbridge Crossing and will help to significantly extend the useful life of the structure. The new paint system should last 25 years with moderate maintenance, including localized spot repairs after five years and spot repair and overcoating after 20 years.

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

**RESOLVED**, that a project to remove lead-based paint, repaint and perform structural steel rehabilitation of the Outerbridge Crossing New York and New Jersey Viaducts at an estimated total project cost of \$39.1 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses and a contingency (if necessary) (the 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 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 upon 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 Contract AKO-284.037 to remove lead-based paint, repaint and perform structural steel rehabilitation of the Outerbridge Crossing New York and New Jersey Viaducts at an estimated total contract price of \$30.4 million to the lowest qualified bidder following a publicly advertised Request for Qualifications; and it is further

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

**PORT NEWARK – TITAN ATLANTIC CEMENT INDUSTRIAL AND COMMERCIAL S.A.  
– LEASE NO. LPN-268 – NEW LEASE**

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with Titan Atlantic Cement Industrial and Commercial S.A. or an affiliate (Titan Atlantic) for the letting of approximately two acres of open area at Port Newark.

The agreement would provide for Titan Atlantic to construct at its own expense a \$15 million state-of-the-art silo facility for the importation and distribution of cement, and for the Port Authority to reimburse Titan Atlantic up to \$800,000 for the demolition of Buildings 178 and 179. The term of the lease will be twenty-six years and six months, commencing on or about March 1, 2004, with two five-year renewal options at escalated rentals. Rental will be payable commencing upon the completion of construction or September 1, 2005, whichever is earlier. Annual basic rental will commence at \$124,660 and will escalate annually. Titan Atlantic also will guarantee an annual minimum tonnage of cement imported, at Port Authority tariff rates. In addition, Titan Atlantic will pay an annual fee, starting at \$125,000 and escalating annually, for a “preferential right” to use Berth 26/28, adjacent to the leased premises.

Titan Atlantic currently leases approximately 128,560 square feet of warehouse space in Building 179 and approximately 2,350 square feet of office space in Building 182 at Port Newark for its cement operation under an agreement that will expire in June 2004. Titan Atlantic proposes to replace its current operation with four, 220-foot-high silos to be constructed on open area upland from Berth 26 that will be created as a result of the demolition of Building 178 and the reconfiguration of the surrounding area. These new structures will eliminate dust problems associated with the current buildings, which are open sheds, and will result in an environmentally friendly cement operation. Once the silos are operational, Titan Atlantic will cease operations in Buildings 179 and 182 and demolish Building 179.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, 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 a lease agreement with Titan Atlantic Cement Industrial and Commercial S.A. or an affiliate for the letting of approximately two acres of open area at Port Newark, 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.

**FREIGHT INFORMATION REAL-TIME SYSTEM FOR TRANSPORT DEMONSTRATION PROJECT – AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION AND EXTENSION OF CONTRACT WITH AMERICAS SYSTEMS, LLC**

It was recommended that the Board authorize the Executive Director to: (1) enter into an agreement with the Florida Department of Transportation (FDOT) to accept \$350,000 in funding for access to and use of the Port Authority's Freight Information Real-Time System for Transport (FIRST) system by FDOT and Florida ports through December 31, 2004 and the addition of new system functionality for FDOT; and (2) enter into a nine-month extension agreement to an existing contract with Americas Systems, LLC (Americas Systems), to provide system administration, hosting, maintenance and development services for FIRST, including FDOT and Port Authority development applications, at a total estimated cost of \$375,758, including a contingency allowance not to exceed six percent of the cost of this extension.

FIRST is an Internet-based system that uses existing technology to provide real-time cargo status, waterway and traffic information to authorized port users. The system promotes the safe, secure, efficient and seamless movement of freight throughout the region by combining all of the information necessary to expedite intermodal freight movement into one easily accessible resource. FIRST also provides online capabilities that increase efficiency in the areas of public berth applications and revenue collection. In addition, FIRST has the capability to become the platform for a national cargo database, providing multiple federal agencies and law enforcement officials with cargo information earlier in the supply chain in order to assist in the effective profiling of cargo for security purposes.

Following a publicly advertised Request for Proposals (RFP) process in 2000, Americas Systems, formerly known as Americas Systems, Inc., was awarded a contract for the development, implementation, administration, hosting and maintenance of the FIRST system for a demonstration period of two years, with the Port Authority having four one-year extension options. In lieu of a new RFP process to explore other options for the operation and development of the system following the demonstration period, the contract was extended through 2003, pending the finalization and analysis of the results of an e-commerce study conducted by Booz-Allen Hamilton and an independent study conducted on behalf of the Federal Highway Administration (FHWA) to evaluate the FIRST system. The Booz-Allen Hamilton study concluded that although FIRST's goal of being the "one-stop shop" for port-wide container tracking had not yet been realized, it did possess key functionality that could be utilized in providing a service to port stakeholders as its penetration of the market grows. In late 2003, the Port Authority was advised that it had been awarded an additional FHWA grant of \$200,000 through the I-95 Corridor Coalition (Coalition) to continue the development of FIRST to incorporate other ports, add functionality to the Port Authority's SEA LINK<sup>®</sup> trucker identification card system, and develop a truck appointment system for port terminals.

In late 2003, FDOT, a new member of the Coalition, approached the Port Authority at the request of the Florida Ports Council to discuss using FIRST to enhance traffic management, mitigate truck congestion, and improve information dissemination and security at Florida's seaports. The Florida Ports Council represents the 14 deepwater Florida ports through the

Florida Seaport Transportation and Economic Development Council. FDOT has proposed to pay the Port Authority \$350,000 for access to and use of the FIRST system through December 31, 2004, including applications development for such use. This funding, together with the \$200,000 FHWA grant from the Coalition, would allow the system to operate through 2004 as other sources of revenue or funding are identified, and would support the development of new functionality and enhancements to the FIRST system. As a result of this opportunity to continue and expand FIRST to other ports at no additional cost to the Port Authority, the Americas Systems contract was further extended through March 31, 2004 to explore the FDOT proposal and, if appropriate, finalize an agreement.

The agreement with FDOT would provide FDOT and Florida ports access to and use of the FIRST system through December 31, 2004. FDOT would pay \$350,000 to the Port Authority for such access and use and for applications development and support from Port Authority and Americas Systems staff. It is anticipated that enhancements or any other additional costs resulting from an individual Florida port's requirements would be separately funded by such port. The Americas Systems contract extension would be for a period of nine months expiring on December 31, 2004, at a total estimated cost of \$375,758. In addition to system administration, hosting and maintenance, the scope of work under the contract would be expanded to include design, development and implementation services to accommodate FDOT and Florida ports and other ports, additional functionality for the Port Authority's SEA LINK<sup>®</sup> trucker identification card system, and the development of a truck appointment system for port terminals. In the event the agreement with FDOT cannot be reached, or in the event the FDOT agreement is terminated, the Port Authority would continue to have the right to terminate the Americas Systems contract without cause on thirty days' notice, in which event the FIRST system could be discontinued.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, 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 the Florida Department of Transportation (FDOT) to accept \$350,000 in funding for access to and use of the Port Authority's Freight Information Real-Time System for Transport (FIRST) system by FDOT and Florida ports through December 31, 2004 and the addition of new system functionality for FDOT; and (2) enter into a nine-month extension agreement to an existing contract with Americas Systems, LLC to provide system administration, hosting, maintenance and development services for the FIRST system, including FDOT and Port Authority development applications, at a total estimated cost of \$375,758, including a contingency allowance not to exceed six percent of the cost of this extension; 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.

## **E-ZPASS ACCOUNT SERVICE FEE**

It was recommended that the Board authorize: (1) the establishment of an account service fee of \$1 per month (Monthly Fee) on Port Authority E-ZPass individual accounts; and (2) the Executive Director to modify the Monthly Fee as necessary in the future to ensure that a high level of customer service is maintained for Port Authority E-ZPass customers, with a report of any such modifications to be filed with the Board no less than ten days before they are to become effective.

E-ZPass has reduced roadway congestion and enhanced convenience for travelers within the New York-New Jersey metropolitan area by eliminating the need for cash, coins and toll tickets when using toll highways, bridges and tunnels. The E-ZPass program has grown tremendously, and in the near future travelers will be able to use E-ZPass through 11 states in all directions as far as Maine, Virginia and Indiana. E-ZPass is a federally registered service mark of the Port Authority.

Since September 2002, the New Jersey Electronic Toll Collection Group has imposed a monthly service fee of \$1 for private E-ZPass accounts. In January 2003, the Delaware River Port Authority also implemented a \$1 monthly service fee. MTA Bridges and Tunnels and the New York State Thruway Authority, the Port Authority's partners in the New York E-ZPass Customer Service Center, have been informed of our consideration of a monthly fee and have indicated that they do not oppose this plan.

At least 15 days in advance of the assessment of the Monthly Fee, notice will be sent to Port Authority individual E-ZPass account holders. The Customer Agreement Terms and Conditions will be modified to provide for the assessment of the Monthly Fee on individual accounts. The Monthly Fee would not be assessed against business accounts.

The Monthly Fee is designed to partially offset the Port Authority's operational expenses related to the E-ZPass Customer Service Center, which currently are estimated at \$31 million annually. These expenses include: opening and maintaining customer accounts, distributing tags, operating the customer call center, and processing violations. The target date for implementation of the Monthly Fee is May 1, 2004. The Monthly Fee would be set at \$1.

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

**RESOLVED**, that the establishment of a \$1 monthly account service fee (Monthly Fee) on each Port Authority E-ZPass individual account 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 modify the amount of the Monthly Fee applicable to Port Authority E-ZPass individual accounts as necessary from time to time in the future, with a report of any such modifications to be filed with the Board no less than ten days before they are to become effective; 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.

## SETTLEMENT OF CLAIM – CHARLES HAIR V. THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

It was recommended that the Board authorize General Counsel to enter into a settlement of a personal injury claim, entitled Charles Hair v. The Port Authority of New York and New Jersey, by paying plaintiff the sum of \$350,000. In return, plaintiff would provide the Port Authority with a General Release and Stipulation of Discontinuance with Prejudice.

Charles Hair (plaintiff) was a drapery delivery man and installer employed by Drapemasters of America in Jackson Heights, New York. On April 26, 2000 at approximately 4:15 p.m., he was returning to his home in Brooklyn and, while traveling westbound on Astoria Boulevard at its intersection with 82<sup>nd</sup> Street in Queens, a Port Authority police patrol car made a left-hand turn from eastbound Astoria Boulevard onto 82<sup>nd</sup> Street. There was traffic control signage prohibiting left turns onto 82<sup>nd</sup> Street except for buses, and neither the patrol car's emergency lights nor its siren had been activated at this time. The Port Authority police officer driving the patrol car admitted that his vision of oncoming traffic on Astoria Boulevard was obscured when he commenced the left-hand turn. The front end of plaintiff's vehicle came squarely into contact with the right-hand side of the patrol car. Plaintiff sustained an avulsion fracture of a vertebra in the neck, three herniated discs, a tear of a ligament in his right shoulder, a rotator cuff tear, a tear of the medial meniscus of his right knee and a tear of the lateral meniscus of the same knee. On July 26, 2000, he underwent surgical repair of his rotator cuff injury. On October 11, 2000, he underwent surgery on his knee for repair of the medial meniscus, the lateral meniscus and the articular (joint) surfaces of the leg bones comprising the knee. Plaintiff has not worked since the accident, and his lost wages presently stand at approximately \$90,000. His medical expenses to date are \$22,000.

Plaintiff initially demanded \$700,000 to settle this action. In view of the unfavorable liability prospects for the Port Authority in this case, together with plaintiff's serious permanent injuries and continuing lost wages, it was recommended that the Board authorize settlement in the amount of \$350,000. If this matter were tried before a jury, the verdict, in all likelihood, would be in excess of this amount.

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

**RESOLVED**, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement providing for the settlement of a lawsuit entitled Charles Hair v. The Port Authority of New York and New Jersey, pursuant to which the Port Authority would pay plaintiff and his attorneys the sum of \$350,000.

**FINAL CONTRACT PAYMENTS**

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

<b>CONTRACT NUMBER</b>	<b>CONTRACT TITLE FACILITY AND CONTRACTOR</b>	<b>TOTAL AUTHORIZED</b>	<b>TOTAL PAYMENTS</b>
BT377	REHABILITATION OF ROLL-UP	62,801 (A)	55,179 (A,F)
	DOORS	5,025 (D)	--0-- (D)
	PORT AUTHORITY BUS TERMINAL	67,826	55,179
	NAVACO, INC.		
EWR154242	CTA SANITARY SEWER	398,000 (A)	398,000 (A)
	REHABILITATION	100,000 (C)	--0-- (C)
	NEWARK LIBERTY	23,880 (D)	14,873 (D)
	INTERNATIONAL AIRPORT	5,731 (E)	5,731 (E)
	NEW HOPE PIPE LINERS, INC.	527,611	418,604
EWR284011A	NEC CONNECTION-LANDSCAPING	623,979 (A)	623,979 (A)
	AND MAINTENANCE	50,000 (C)	1,927 (C)
	NEWARK LIBERTY	37,439 (D)	37,189 (D)
	INTERNATIONAL AIRPORT	711,418	663,095
	TORSILLIERI, INC.		
HT443	LOW VOLTAGE DUCTS	142,000 (A)	142,000 (A)
	HOLLAND TUNNEL	95,000 (C)	95,000 (C)
	J.G. SALAS & SONS, INC.	11,360 (D)	--0-- (D)
		93,000 (G)	92,864 (G)
		--0-- (H)	4,836 (H)
	341,360	334,700	

<b>CONTRACT NUMBER</b>	<b>CONTRACT TITLE FACILITY AND CONTRACTOR</b>	<b>TOTAL AUTHORIZED</b>		<b>TOTAL PAYMENTS</b>	
JFK584904	REDEVELOPED ROADWAY NETWORK CTA GREEN QUADRANT ORNAMENT FENCE JOHN F. KENNEDY INTERNATIONAL AIRPORT UNITED STEEL PRODUCTS, INC.	474,500 60,000 28,500 60,000 623,000	(A) (C) (D) (I)	410,970 --0-- 28,500 50,492 489,962	(A,J) (C) (D) (I)
LGA124039	WETLAND MITIGATION OF ALLEY POND PARK LAGUARDIA AIRPORT CDM ASSOCIATES, INC.	2,345,000 140,700 16,131 246,000 4,000 2,751,831	(A) (D) (E) (K) (L)	2,345,000 129,073 16,131 246,000 --0-- 2,736,204	(A) (D) (E) (K) (L)
LGA655	REPLACEMENT OF EXPANSION TANKS LAGUARDIA AIRPORT MERGRANT PROPERTIES, INC.	626,937 50,000 50,155 727,092	(A) (C) (D)	620,937 --0-- 6,100 627,037	(A,M) (C) (D)
MFP904505	PAVEMENT AND UTILITY REHABILITATION PORT NEWARK AND PORT ELIZABETH KELLY EXCAVATING AND PAVING, INC. D/B/A OWL CONTRACTING	2,101,355 375,000 126,081 210,135 2,812,571	(B) (C) (D) (N)	2,101,355 6,901 26,284 117,944 2,252,484	(B) (C) (D) (N)

- (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) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$7,622 for the deletion of part of the work.
- (G) Increase in net cost work in the amount of \$93,000 authorized on 6/11/2003.
- (H) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$4,836, as provided for in the contract.
- (I) Increase in extra work in the amount of \$60,000 authorized on 6/21/2001.
- (J) The difference between "Total Authorized" and "Total Payments" represents credit change orders in the total amount of \$63,530 for changes in the scope of the work.
- (K) Supplemental Agreement No. 1 which included an increase in the amount of \$246,000 for lump sum work on 3/26/98.
- (L) Supplemental Agreement No. 1 which included an increase in the amount of \$4,000 for extra work on 3/26/98.
- (M) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$6,000 for the deletion of part of the work.
- (N) 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 agreement during the period of December 1, 2003 through December 31, 2003.

**REPORT A:**

Purchase of Port Authority Bonds

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

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

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

## Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/01/03	\$50,000,000	GECC CP	--	12/02/03	99.99	1.020%	1.025%	\$49,998,583.33	G.E. Capital
12/01/03	50,000,000	GECC CP	--	12/02/03	99.99	1.020	1.025	49,998,583.33	G.E. Capital
12/01/03	34,449,000	UBSFIN CP	--	12/02/03	99.99	1.030	1.035	34,448,014.38	Lehman Brothers
12/01/03	50,000,000	UBSFIN CP	--	12/02/03	99.99	1.030	1.035	49,998,569.45	JPMorgan
12/01/03	1,600,000	JFK-APO	6.375%	12/01/15	99.90	--	6.387	1,598,400.00	JFKIAT-APO
12/01/03	206,273	JFK-AI	8.567	06/01/06	99.90	--	8.795	206,066.88	JFKIAT-APO
12/01/03	5,070,220	JFK-AI	8.567	06/01/06	99.90	--	8.795	5,065,150.00	JFKIAT-APO
12/02/03	50,000,000	GECC CP	--	12/03/03	99.99	1.000	1.005	49,998,611.11	G.E. Capital
12/02/03	50,000,000	GECC CP	--	12/03/03	99.99	1.000	1.005	49,998,611.11	G.E. Capital
12/02/03	28,000,000	CITIGROUP	--	12/03/03	99.99	0.980	0.985	27,999,237.78	Citigroup
12/02/03	28,000,000	CITIGROUP	--	12/03/03	99.99	0.980	0.985	27,999,237.78	Citigroup
12/02/03	50,000,000	UBSFIN CP	--	12/03/03	99.99	0.980	0.985	49,998,638.89	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>
12/02/03	\$10,000,000	USTN	1.875%	11/30/05	99.52	--	2.122%	\$9,951,953.13	Morgan Stanley
12/03/03	50,000,000	USTB	--	12/15/03	99.97	0.980%	0.985	49,983,666.67	Lehman Brothers
12/03/03	16,000,000	USTB	--	12/15/03	99.97	0.980	0.985	15,994,773.33	Lehman Brothers
12/03/03	50,000,000	USTB	--	12/15/03	99.97	0.990	0.995	49,983,500.00	Deutsche Bank
12/03/03	50,000,000	USTB	--	12/15/03	99.97	0.990	0.995	49,983,500.00	Deutsche Bank
12/03/03	50,000,000	USTB	--	12/15/03	99.97	0.990	0.995	49,983,500.00	Deutsche Bank
12/03/03	50,000,000	USTB	--	12/15/03	99.97	0.990	0.995	49,983,500.00	Deutsche Bank
12/03/03	50,000,000	UBSFIN CP	--	12/04/03	99.99	0.980	0.985	49,998,638.90	Lehman Brothers
12/03/03	13,563,000	UBSFIN CP	--	12/04/03	99.99	0.980	0.985	13,562,630.79	Lehman Brothers
12/03/03	50,000,000	CITIGLOBAL	--	12/04/03	99.99	0.970	0.975	49,998,652.78	Citiglobal
12/04/03	50,000,000	USTB	--	12/15/03	99.97	0.975	0.980	49,985,104.17	JPMorgan
12/04/03	50,000,000	USTB	--	12/15/03	99.97	0.970	0.975	49,985,180.56	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>
12/04/03	\$50,000,000	USTB	--	12/15/03	99.97	0.975%	0.980%	\$49,985,104.17	JPMorgan
12/04/03	50,000,000	USTB	--	12/15/03	99.97	0.975	0.980	49,985,104.17	JPMorgan
12/04/03	50,000,000	GECC CP	--	12/08/03	99.99	0.970	0.975	49,994,611.11	G.E. Capital
12/04/03	50,000,000	CITIGLOBAL	--	12/08/03	99.99	0.970	0.975	49,994,611.11	Citiglobal
12/04/03	50,000,000	CITIGLOBAL	--	12/08/03	99.99	0.970	0.975	49,994,611.11	Citiglobal
12/04/03	50,000,000	UBSFIN CP	--	12/05/03	99.99	0.980	0.985	49,998,638.90	Banc of America
12/04/03	11,798,000	UBSFIN CP	--	12/05/03	99.99	0.980	0.985	11,797,678.83	Banc of America
12/05/03	50,000,000	USTB	--	12/15/03	99.97	0.960	0.965	49,986,666.67	Merrill Lynch
12/05/03	50,000,000	USTB	--	12/15/03	99.97	0.963	0.967	49,986,631.95	JPMorgan
12/05/03	32,155,000	UBSFIN CP	--	12/08/03	99.99	0.970	0.975	32,152,400.81	Lehman Brothers
12/08/03	50,000,000	USTB	--	12/15/03	99.98	0.960	0.965	49,990,666.67	ABN AMRO
12/08/03	50,000,000	FHDN	--	01/02/04	99.93	1.040	1.046	49,963,888.90	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>
12/08/03	\$50,000,000	GE CORP CP	--	12/09/03	99.99	0.990%	0.995%	\$49,998,625.00	G.E. Capital
12/08/03	28,000,000	CITIGLOBAL	--	12/10/03	99.99	0.970	0.975	27,998,491.11	Citiglobal
12/08/03	25,000,000	UBSFIN CP	--	12/09/03	99.99	0.980	0.985	24,999,319.45	Banc of America
12/09/03	50,000,000	GE CORP CP	--	12/10/03	99.99	1.000	1.005	49,998,611.11	G.E. Capital
12/09/03	16,000,000	UBSFIN CP	--	12/10/03	99.99	0.970	0.975	15,999,568.89	Banc of America
12/10/03	50,000,000	FHDN	--	01/06/04	99.92	1.010	1.016	49,962,125.00	Morgan Stanley
12/10/03	50,000,000	FHDN	--	01/02/04	99.93	1.040	1.046	49,966,777.78	Mizuho
12/10/03	50,000,000	CITIGLOBAL	--	12/11/03	99.99	0.980	0.985	49,998,638.89	Citiglobal
12/10/03	23,213,000	UBSFIN CP	--	12/11/03	99.99	0.960	0.965	23,212,380.98	Banc of America
12/11/03	25,000,000	USTB	--	01/02/04	99.94	0.915	0.919	24,986,020.83	JPMorgan
12/11/03	14,000,000	USTB	--	01/22/04	99.90	0.855	0.859	13,986,035.00	Legg Mason
12/11/03	50,000,000	USTB	--	12/15/03	99.99	0.938	0.942	49,994,791.67	Legg Mason

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

## Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/11/03	\$36,000,000	USTB	--	12/15/03	99.99	0.938%	0.942%	\$35,996,250.00	Legg Mason
12/11/03	50,000,000	USTB	--	01/08/04	99.93	0.880	0.884	49,965,777.78	Legg Mason
12/11/03	50,000,000	USTB	--	01/22/04	99.90	0.855	0.859	49,950,125.00	Legg Mason
12/11/03	50,000,000	USTB	--	02/05/04	99.86	0.870	0.874	49,932,333.33	Legg Mason
12/11/03	50,000,000	USTB	--	03/11/04	99.78	0.880	0.885	49,888,777.78	Legg Mason
12/11/03	50,000,000	FHDN	--	01/07/04	99.92	1.040	1.046	49,961,000.00	Mizuho
12/11/03	50,000,000	GE CORP CP	--	12/16/03	99.99	1.010	1.015	49,992,986.11	G.E. Capital
12/11/03	50,000,000	GE CORP CP	--	12/16/03	99.99	1.010	1.015	49,992,986.11	G.E. Capital
12/11/03	50,000,000	UBSFIN CP	--	12/12/03	99.99	0.980	0.985	49,998,638.90	Lehman Brothers
12/11/03	21,244,000	UBSFIN CP	--	12/12/03	99.99	0.980	0.985	21,243,421.70	Lehman Brothers
12/12/03	50,000,000	FHDN	--	01/07/04	99.92	1.045	1.051	49,962,263.89	Greenwich Capital
12/12/03	50,000,000	FHDN	--	01/09/04	99.92	1.030	1.036	49,959,944.45	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>
12/12/03	\$50,000,000	FHDN	--	12/15/03	99.99	1.030%	1.035%	\$49,995,708.33	Merrill Lynch
12/12/03	24,570,000	UBSFIN CP	--	12/15/03	99.99	0.970	0.975	24,568,013.93	Banc of America
12/15/03	50,000,000	USTB	--	01/02/04	99.96	0.893	0.897	49,977,687.50	JPMorgan
12/15/03	50,000,000	USTB	--	01/02/04	99.96	0.893	0.897	49,977,687.50	JPMorgan
12/15/03	50,000,000	USTB	--	12/18/03	99.99	0.890	0.894	49,996,291.67	Deutsche Bank
12/15/03	50,000,000	USTB	--	12/18/03	99.99	0.890	0.894	49,996,291.67	Deutsche Bank
12/15/03	50,000,000	UBSFIN CP	--	12/16/03	99.99	1.020	1.025	49,998,583.35	Banc of America
12/15/03	46,935,000	UBSFIN CP	--	12/16/03	99.99	1.020	1.025	46,933,670.19	Banc of America
12/16/03	50,000,000	GE CORP CP	--	12/17/03	99.99	1.000	1.005	49,998,611.11	G.E. Capital
12/16/03	50,000,000	GE CORP CP	--	12/17/03	99.99	1.000	1.005	49,998,611.11	G.E. Capital
12/16/03	20,000,000	CITICORP CP	--	12/17/03	99.99	0.950	0.955	19,999,472.22	Citicorp
12/16/03	50,000,000	UBSFIN CP	--	12/17/03	99.99	0.980	0.985	49,998,638.89	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>
12/16/03	\$50,000,000	UBSFIN CP	--	12/17/03	99.99	0.980%	0.985%	\$49,998,638.89	Banc of America
12/17/03	50,000,000	GE CORP CP	--	12/18/03	99.99	1.000	1.005	49,998,611.11	G.E. Capital
12/17/03	33,600,000	UBSFIN CP	--	12/18/03	99.99	0.980	0.985	33,599,085.34	Lehman Brothers
12/17/03	50,000,000	CITIGLOBAL	--	12/18/03	99.99	0.990	0.995	49,998,625.00	Citiglobal
12/17/03	50,000,000	CITIGLOBAL	--	12/18/03	99.99	0.990	0.995	49,998,625.00	Citiglobal
12/18/03	50,000,000	GE CORP CP	--	12/19/03	99.99	1.020	1.025	49,998,583.33	G.E. Capital
12/18/03	42,690,000	GECC CP	--	12/19/03	99.99	1.020	1.025	42,688,790.45	G.E. Capital
12/18/03	50,000,000	CITIGLOBAL	--	12/23/03	99.99	1.020	1.025	49,992,916.67	Citiglobal
12/18/03	50,000,000	CITIGLOBAL	--	12/23/03	99.99	1.020	1.025	49,992,916.67	Citiglobal
12/19/03	50,000,000	FHDN	--	01/16/04	99.92	1.020	1.026	49,960,333.33	Merrill Lynch
12/19/03	25,000,000	FHDN	--	01/16/04	99.92	1.020	1.026	24,980,166.67	Merrill Lynch
12/19/03	50,000,000	UBSFIN CP	--	12/22/03	99.99	0.990	0.995	49,995,875.00	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>
12/19/03	\$22,320,000	UBSFIN CP	--	12/22/03	99.99	0.990%	0.995%	\$22,318,158.60	Lehman Brothers
12/22/03	50,000,000	USTB	--	01/02/04	99.97	0.900	0.904	49,986,250.00	Deutsche Bank
12/22/03	50,000,000	USTB	--	02/26/04	99.85	0.840	0.844	49,923,000.00	Legg Mason
12/22/03	50,000,000	USTB	--	04/15/04	99.72	0.885	0.890	49,858,645.83	Legg Mason
12/22/03	50,000,000	USTB	--	03/18/04	99.79	0.855	0.860	49,896,687.50	Legg Mason
12/22/03	50,000,000	USTB	--	02/12/04	99.88	0.830	0.834	49,940,055.56	Legg Mason
12/22/03	47,000,000	FHDN	--	01/22/04	99.91	1.010	1.016	46,959,123.06	BANC ONE
12/22/03	50,000,000	FHDN	--	02/13/04	99.85	1.020	1.026	49,924,916.67	BANC ONE
12/22/03	50,000,000	FHDN	--	02/20/04	99.83	1.020	1.026	49,915,000.00	Mizuho
12/22/03	38,000,000	GE CORP CP	--	12/23/03	99.99	1.000	1.005	37,998,944.44	G.E. Capital
12/22/03	38,000,000	GE CORP CP	--	12/23/03	99.99	1.000	1.005	37,998,944.44	G.E. Capital
12/23/03	50,000,000	USTB	--	01/08/04	99.96	0.850	0.854	49,981,111.11	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>
12/23/03	\$44,000,000	FHDN	--	12/29/03	99.98	0.920%	0.924%	\$43,993,253.33	Mizuho
12/23/03	50,000,000	GE CORP CP	--	12/30/03	99.98	1.010	1.015	49,990,180.56	G.E. Capital
12/23/03	34,000,000	UBSFIN CP	--	12/24/03	99.99	1.000	1.005	33,999,055.56	Banc of America
12/24/03	30,000,000	USTB	--	01/02/04	99.98	0.855	0.859	29,993,587.50	ABN AMRO
12/24/03	35,000,000	USTB	--	01/02/04	99.98	0.855	0.859	34,992,518.75	Banc of America
12/24/03	26,000,000	USTB	--	01/15/04	99.95	0.855	0.859	25,986,415.00	Deutsche Bank
12/24/03	37,700,000	USTB	--	01/02/04	99.98	0.855	0.859	37,691,941.63	Deutsche Bank
12/24/03	50,000,000	USTB	--	03/04/04	99.83	0.850	0.854	49,916,180.56	Merrill Lynch
12/24/03	50,000,000	FHDN	--	01/21/04	99.92	1.010	1.016	49,960,722.22	Merrill Lynch
12/24/03	50,000,000	GE CORP CP	--	12/30/03	99.98	1.000	1.005	49,991,666.67	G.E. Capital
12/24/03	34,000,000	CITICORP CP	--	12/30/03	99.98	0.990	0.995	33,994,390.00	Citicorp
12/26/03	50,000,000	USTB	--	01/02/04	99.98	0.860	0.864	49,991,638.89	Deutsche Bank

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

## Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/26/03	\$50,000,000	USTB	--	01/22/04	99.94	0.855%	0.859%	\$49,967,937.50	Deutsche Bank
12/26/03	50,000,000	USTB	--	01/22/04	99.93	0.875	0.879	49,967,187.50	ABN AMRO
12/26/03	30,000,000	USTB	--	01/02/04	99.98	0.860	0.864	29,994,983.33	Lehman Brothers
12/29/03	50,000,000	UBSFIN CP	--	12/30/03	99.99	1.000	1.005	49,998,611.10	Lehman Brothers
12/29/03	18,428,000	UBSFIN CP	--	12/30/03	99.99	1.000	1.005	18,427,488.11	Lehman Brothers
12/30/03	50,000,000	USTB	--	01/08/04	99.98	0.750	0.753	49,990,625.00	Deutsche Bank
12/30/03	50,000,000	USTB	--	01/08/04	99.98	0.740	0.743	49,990,750.00	Banc of America
12/30/03	43,000,000	FHDN	--	01/14/04	99.96	1.000	1.005	42,982,083.32	Deutsche Bank
12/30/03	29,000,000	CITICORP CP	--	01/05/04	99.98	1.040	1.046	28,994,973.33	Citicorp
12/30/03	29,000,000	CITICORP CP	--	01/05/04	99.98	1.040	1.046	28,994,973.33	Citicorp

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>
12/31/03	\$ 50,000,000	UBSFIN CP	--	01/02/04	99.99	0.950%	0.955%	\$ 49,997,361.10	Banc of America
	<u>\$ 4,997,541,493</u>							<u>\$ 4,995,630,605.96</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>
12/02/03	\$ 10,000,000	USTN	1.875%	11/30/05	99.55	--	\$ 9,955,468.75	Banc of America
	<u>\$ 10,000,000</u>						<u>\$ 9,955,468.75</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>
Daiwa	12/01/03	12/02/03	\$ 4,386,000	1.010%	\$ 123.05
Daiwa	12/01/03	12/02/03	4,453,000	1.010	124.93
Daiwa	12/01/03	12/02/03	33,728,000	1.010	946.26
Lehman Brothers	12/01/03	12/03/03	37,481,250	1.000	2,061.47 *
Lehman Brothers	12/01/03	12/03/03	37,481,250	1.000	2,061.47 *
Lehman Brothers	12/01/03	12/03/03	37,481,250	1.000	2,061.47 *
Lehman Brothers	12/01/03	12/03/03	37,481,250	1.000	2,061.47 *
Banc of America	12/01/03	12/03/03	37,481,250	1.030	2,113.53 *
Banc of America	12/01/03	12/03/03	37,481,250	1.030	2,113.53 *
Banc of America	12/01/03	12/03/03	37,481,250	1.030	2,113.53 *
Banc of America	12/01/03	12/03/03	37,481,250	1.030	2,113.53 *
Daiwa	12/01/03	12/02/03	40,520,000	1.010	1,136.81

## 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>
Daiwa	12/01/03	12/02/03	\$ 46,001,000	1.010%	\$ 1,290.58
Banc of America	12/01/03	12/30/03	49,687,500	1.020	39,073.70 *
Nomura	12/02/03	12/03/03	17,123,000	0.970	461.37
Nomura	12/02/03	12/03/03	38,181,000	0.980	1,039.37
Nomura	12/02/03	12/03/03	44,188,000	0.980	1,202.90
Nomura	12/02/03	12/03/03	44,611,000	0.980	1,214.41
Nomura	12/02/03	12/03/03	48,877,000	0.970	1,316.96
Banc of America	12/03/03	12/18/03	24,937,500	0.970	10,168.96 *
Mizuho	12/03/03	12/11/03	24,975,000	0.980	5,439.00 *
Banc of America	12/03/03	12/18/03	29,925,000	0.970	12,202.76 *
Citiglobal	12/03/03	12/04/03	37,952,500	0.970	1,022.61 *
Citiglobal	12/03/03	12/04/03	37,952,500	0.970	1,022.61 *

## 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>
Daiwa	12/03/03	12/04/03	\$ 38,182,000	0.980%	\$ 1,039.40
Citiglobal	12/03/03	12/04/03	38,951,250	0.970	1,049.52 *
Banc of America	12/03/03	12/19/03	39,750,000	0.980	17,236.04 *
Daiwa	12/03/03	12/04/03	43,944,000	0.980	1,196.25
Daiwa	12/03/03	12/04/03	44,409,000	0.980	1,208.91
Nomura	12/04/03	12/08/03	38,183,000	0.970	4,115.28
Nomura	12/04/03	12/08/03	43,974,000	0.970	4,739.42
Nomura	12/04/03	12/08/03	44,440,000	0.970	4,789.64
Lehman Brothers	12/08/03	12/10/03	28,297,000	0.970	1,524.89
Lehman Brothers	12/08/03	12/10/03	38,187,000	0.970	2,057.86
Lehman Brothers	12/08/03	12/10/03	40,000,000	0.970	2,155.56
Lehman Brothers	12/09/03	12/30/03	44,887,500	0.970	25,735.52 *

## 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	12/09/03	12/30/03	\$ 44,887,500	0.970%	\$ 25,735.52 *
Morgan Stanley	12/10/03	12/11/03	28,298,000	0.950	746.75
Morgan Stanley	12/10/03	12/12/03	38,189,000	0.960	2,036.75
Morgan Stanley	12/10/03	12/11/03	40,002,000	0.950	1,055.61
Mizuho	12/11/03	12/18/03	34,965,000	0.980	6,662.78 *
UBS Warburg	12/11/03	12/15/03	38,202,000	0.980	4,159.77
UBS Warburg	12/11/03	12/15/03	39,939,000	0.980	4,348.91
Mizuho	12/11/03	12/18/03	39,960,000	0.980	7,614.60 *
UBS Warburg	12/11/03	12/15/03	50,000,000	0.980	5,444.44
Lehman Brothers	12/12/03	12/15/03	38,191,000	0.980	3,118.93
BNP Paribas	12/15/03	12/16/03	16,343,000	1.000	453.97
Banc of America	12/15/03	12/22/03	20,225,000	1.000	3,887.70 *

## 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>
UBS Warburg	12/15/03	12/16/03	\$ 36,552,000	1.000%	\$ 1,015.33
BNP Paribas	12/15/03	12/16/03	37,611,000	1.000	1,044.75
BNP Paribas	12/15/03	12/16/03	38,017,000	1.000	1,056.03
UBS Warburg	12/15/03	12/16/03	38,875,000	1.000	1,079.86
UBS Warburg	12/15/03	12/16/03	49,325,000	1.000	1,370.14
UBS Warburg	12/15/03	12/16/03	49,448,000	1.000	1,373.56
BNP Paribas	12/15/03	12/16/03	49,657,000	1.000	1,379.36
Daiwa	12/16/03	12/17/03	3,731,000	0.970	100.53
Daiwa	12/16/03	12/17/03	16,369,000	0.970	441.05
Morgan Stanley	12/16/03	12/18/03	32,312,000	0.970	1,741.26
Daiwa	12/16/03	12/17/03	33,881,000	0.970	912.90
Daiwa	12/16/03	12/17/03	38,018,000	0.970	1,024.37

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

## Repurchase Transactions (Cont.)

<b><u>Dealer</u></b>	<b><u>Purchase Date</u></b>	<b><u>Sale Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Earned</u></b>
Daiwa	12/16/03	12/17/03	\$ 49,632,000	0.970%	\$ 1,337.31
Morgan Stanley	12/16/03	12/18/03	55,890,000	0.970	3,011.85
BNP Paribas	12/17/03	12/22/03	404,000	0.970	54.43
Nomura	12/17/03	12/22/03	16,204,000	0.980	2,205.54
Nomura	12/17/03	12/22/03	30,290,000	0.980	4,122.81
Nomura	12/17/03	12/22/03	36,284,000	0.980	4,938.66
BNP Paribas	12/17/03	12/22/03	49,670,000	0.970	6,691.65
BNP Paribas	12/17/03	12/22/03	49,670,000	0.970	6,691.65
BNP Paribas	12/17/03	12/22/03	49,671,000	0.970	6,691.79
Nomura	12/17/03	12/22/03	49,796,000	0.980	6,777.79
BNP Paribas	12/17/03	12/22/03	50,585,000	0.970	6,814.92
Daiwa	12/18/03	12/22/03	617,000	0.980	67.18

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

## Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa	12/18/03	12/22/03	\$ 14,871,000	0.980%	\$ 1,619.29
Daiwa	12/18/03	12/22/03	23,945,000	0.980	2,607.34
Banc of America	12/18/03	12/22/03	25,062,500	1.000	2,742.95 *
Banc of America	12/18/03	12/22/03	30,075,000	1.000	3,291.55 *
Greenwich Capital	12/18/03	12/22/03	39,190,000	0.960	4,180.27
Greenwich Capital	12/18/03	12/22/03	41,850,000	0.960	4,464.00
Lehman Brothers	12/18/03	12/23/03	43,945,000	1.000	6,054.64 *
Lehman Brothers	12/18/03	12/23/03	44,943,750	1.000	6,192.25 *
Greenwich Capital	12/18/03	12/22/03	47,039,000	0.960	5,017.49
Daiwa	12/18/03	12/22/03	49,571,000	0.980	5,397.73
Daiwa	12/18/03	12/22/03	49,571,000	0.980	5,397.73
Daiwa	12/18/03	12/22/03	49,632,000	0.980	5,404.37

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

## Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Greenwich Capital	12/18/03	12/22/03	\$ 54,634,000	0.960%	\$ 5,827.63
Banc of America	12/19/03	12/30/03	40,050,000	0.980	11,792.50 *
Daiwa	12/22/03	12/24/03	15,400,000	0.980	838.44
Nomura	12/22/03	12/24/03	25,688,000	0.980	1,398.57
Nomura	12/22/03	12/24/03	31,196,000	0.980	1,698.45
Daiwa	12/22/03	12/24/03	38,598,000	0.980	2,101.45
Daiwa	12/22/03	12/24/03	39,194,000	0.980	2,133.90
Nomura	12/22/03	12/24/03	49,000,000	0.980	2,667.78
Nomura	12/22/03	12/24/03	49,000,000	0.980	2,667.78
Daiwa	12/22/03	12/24/03	50,612,000	0.980	2,755.54
BNP Paribas	12/24/03	12/29/03	44,641,000	0.950	5,890.13
BNP Paribas	12/24/03	12/29/03	44,812,000	0.950	5,912.69

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

## Repurchase Transactions (Cont.)

<b><u>Dealer</u></b>	<b><u>Purchase Date</u></b>	<b><u>Sale Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Earned</u></b>
Daiwa	12/29/03	01/02/04	\$ 32,519,000	0.980%	\$ 3,540.96
Daiwa	12/29/03	01/02/04	39,875,000	0.980	4,341.94

\* 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)

<b><u>Dealer</u></b>	<b><u>Sale Date</u></b>	<b><u>Purchase Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Paid</u></b>
Banc of America	12/01/03	12/30/03	\$49,687,500	0.850%	\$27,535.18
Banc of America	12/01/03	12/03/03	37,481,250	0.750	1,665.83
Banc of America	12/01/03	12/03/03	37,481,250	0.750	1,665.83
Banc of America	12/01/03	12/03/03	37,481,250	0.750	1,665.83
Banc of America	12/01/03	12/03/03	37,481,250	0.750	1,665.83
Lehman Brothers	12/01/03	12/03/03	37,481,250	0.750	1,665.83
Lehman Brothers	12/01/03	12/03/03	37,481,250	0.750	1,665.83
Lehman Brothers	12/01/03	12/03/03	37,481,250	0.750	1,665.83
Lehman Brothers	12/01/03	12/03/03	37,481,250	0.750	1,665.83
Banc of America	12/03/03	12/19/03	39,750,000	0.800	11,372.92
Citiglobal	12/03/03	12/04/03	38,951,250	0.850	919.68
Citiglobal	12/03/03	12/04/03	37,952,500	0.850	896.10

## 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)

<b><u>Dealer</u></b>	<b><u>Sale Date</u></b>	<b><u>Purchase Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Paid</u></b>
Citiglobal	12/03/03	12/04/03	\$37,952,500	0.850%	\$ 896.10
Banc of America	12/03/03	12/18/03	29,925,000	0.800	10,066.44
Mizuho	12/03/03	12/11/03	24,975,000	0.830	4,606.50
Banc of America	12/03/03	12/18/03	24,937,500	0.800	8,388.71
Lehman Brothers	12/09/03	12/30/03	44,887,500	0.700	23,578.40
Lehman Brothers	12/09/03	12/30/03	44,887,500	0.700	23,578.40
Mizuho	12/11/03	12/18/03	39,960,000	0.830	6,449.10
Mizuho	12/11/03	12/18/03	34,965,000	0.830	5,642.96
Banc of America	12/15/03	12/22/03	20,225,000	0.800	3,466.34
Lehman Brothers	12/18/03	12/23/03	44,943,750	0.850	5,505.61
Lehman Brothers	12/18/03	12/23/03	43,945,000	0.850	5,383.26
Banc of America	12/18/03	12/22/03	30,075,000	0.850	2,965.73

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)

<b><u>Dealer</u></b>	<b><u>Sale Date</u></b>	<b><u>Purchase Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Paid</u></b>
Banc of America	12/18/03	12/22/03	\$25,062,500	0.850%	\$2,471.44
Banc of America	12/19/03	12/30/03	40,050,000	0.700	9,011.25

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, 2003 through December 31, 2003, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

**REPORT C:** In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period of December 1, 2003 through December 31, 2003 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

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

As of December 31, 2003, 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 December 1, 2003 through December 31, 2003 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

<u>Date of Issuance</u>	<u>Amount</u>	<u>Purchaser</u>	<u>Term</u>	<u>Variable Rate Index</u>
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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, 2003 through December 31, 2003 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 2003.

**INSURANCE TRANSACTIONS-JANUARY 1, 2003 THROUGH DECEMBER 31, 2003.**

**REPORT:** The Executive Director reported, for information only, that the following insurance transactions have taken place during the period of January 1, 2003 through December 31, 2003 pursuant to Article XII, paragraph (n) of the By-Laws.

<b>POLICY/ COVERAGE</b>	<b>LIMITS/ SIR/DEDUCTIBLE</b>	<b>TERM</b>	<b>AUTHORIZED ANNUAL PREMIUM</b>	<b>CARRIERS</b>
Business Automobile Liability Insurance	\$1M combined single limit per occurrence; \$1M uninsured and underinsured motorists; \$5,000 medical payments; maximum personal injury coverage SIR-None	03/01/03 to 03/01/04	\$50,000	St. Paul Fire & Marine Insurance Company
Fidelity and Computer Fraud Insurance	\$5M per loss; \$100,000 deductible	04/01/03 to 04/01/04	\$50,000	Gulf Insurance Company
Workers' Compensation Coverage for the Government & Community Relations Office Washington, D.C.	Statutory SIR-None	05/07/03 to 05/07/04	\$2,905	Travelers Property and Casualty

### RENEWAL NOTES

- Automobile Liability Insurance, which covers the Port Authority for the use of Port Authority vehicles by certain executive staff, was renewed for a one-year period commencing March 1, 2003 from St. Paul Fire & Marine Insurance Company through Commerce National Insurance Services, the broker, at a total premium cost not to exceed \$50,000. Premium proposals were solicited from three brokers: Massey Insurance Agency, Tanenbaum-Harber Co., Inc. and Commerce National Insurance Services. Commerce National provided a proposal from St. Paul Fire & Marine Insurance Company for the appropriate coverage at the most cost effective premium. It is anticipated that an additional premium of up to \$6,900 may be needed as a contingency for coverage of additional vehicles, as well as other changes in executive staffing locations where vehicles are garaged.
- 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, 2003, from Gulf Insurance Company through broker Massey Insurance Agency, an MBE/WBE. Premium proposals were competitively solicited from Massey Insurance Agency, The Taylor Group, and Cunningham Group Inc. The proposal by Gulf Insurance Company through broker Massey Insurance Agency provided the Port Authority with the best available coverage at the lowest premium cost. The total premium is not to exceed \$50,000.
- Workers' Compensation Insurance covering the Government and Community Relations Office located in the District of Columbia was renewed for a one-year period commencing May 7, 2003. Coverage was placed through incumbent broker E.G. Bowman Co., Inc., a MBE/WBE at an estimated annual premium of \$2,905. Since premiums are established by statute in the District of Columbia, there is no advantage to the Port Authority in soliciting competitive premium quotations.

Whereupon, the meeting was adjourned.

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Secretary