

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, April 22, 2004

Report of Committee on Finance	135
Report of Committee on Capital Programs/Port Planning	135
Report of Committee on Construction	135
Report of Committee on Operations	135
Report of Nominating Committee	135
Staff Reports	135
Election of Officers	136
Audit Committee Annual Report	137
Newark Liberty International Airport – Payback of Certain Year-End 2003 Reconciliation Payments	140
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	141
Lincoln Tunnel – Value Pricing Study of High Occupancy Toll Lane – Agreement with New Jersey Department of Transportation and Award of Contract	143
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	145
Downtown Restoration Program – World Trade Center Site Preparation – Demolition of Remnant Subgrade Structures	147
Downtown Restoration Program – Retention of Former Port Authority Employees	149
Settlement of Claim – The Port Authority of New York and New Jersey’s Administrative Claim in the Braniff International Airlines Bankruptcy	151
Final Contract Payments	152
Investments and Deposits	153

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.

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. CLEARLY 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</u> <u>Date</u>	<u>Par</u> <u>Value</u>	<u>Description</u>	<u>Coupon</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Purchase</u> <u>Price</u>	<u>Call</u> <u>Year</u>	<u>YTC</u> <u>@ Cost</u>	<u>BEY</u> <u>@ Cost</u>	<u>Total</u> <u>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>	UBSFIN CP	--	03/01/04	99.99	1.030	1.035	<u>49,995,708.35</u>	Banc of America
	<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><u>\$10,000,000</u></u>						<u><u>\$10,014,843.75</u></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
Daiwa	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