

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, December 13, 2001

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MINUTES of a Meeting of The Port Authority of New York and New Jersey held Thursday, December 13, 2001, at 4-10 Irving Place, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Lewis M. Eisenberg, Chairman
 Hon. Kathleen A. Donovan
 Hon. William J. Martini
 Hon. Alan G. Philibosian
 Hon. Anthony J. Sartor
 Hon. Jack G. Sinagra

Ronald H. Shiftan, Acting Executive Director
 Jeffrey S. Green, General Counsel
 Karen E. Eastman, Acting Secretary

NEW YORK

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

Gwendolyn Archie, Associate Administrator, Office of the Secretary
 Catherine M. Bergamini, Senior Administrator, Port Commerce
 John D. Brill, Director, Audit
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Steven J. Coleman, Staff Public Information Officer, Public Affairs
 Anthony G. Cracchiolo, Director, Priority Capital Programs
 William R. DeCota, Director, Aviation
 Michael P. DePallo, Director, PATH
 John C. Denise, Supervisor, Audio Visual/Photography, Operations Services
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Nancy J. Ertag-Brand, Lead Financial Analyst, Office of the Chief Financial Officer
 Linda C. Handel, Assistant Secretary
 MaryLee Hannell, Executive Advisor to the Chief of Staff
 Alan H. Hicks, Public Information Officer, Public Affairs
 Amory Houghton, Senior Strategic Planner, Policy and Planning
 Howard G. Kadin, Senior Attorney, Law
 Louis J. LaCapra, Chief of Staff
 Richard M. Larrabee, Director, Port Commerce
 Francis J. Lombardi, Chief Engineer
 Maria Luongo, Executive Advisor to the Chief of Corporate Planning and External Affairs
 Stephen Marinko, Attorney, Law
 Charles F. McClafferty, Chief Financial Officer
 James E. McCoy, Senior Administrator, Office of the Secretary
 Allen M. Morrison, Supervisor, Public Affairs
 Jake A. Naso-Kushner, Strategic Advisor, Office of Corporate Planning and External Affairs
 Catherine F. Pavelec, Executive Assistant to the Secretary
 Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
 Paul A. Pietropaolo, Executive Assistant to the Deputy Executive Director
 Alan L. Reiss, Deputy Director, Aviation
 Cosmo Servidio, Special Assistant to the Chairman
 Christopher O. Ward, Chief of Corporate Planning and External Affairs
 Peter Yerkes, Press Secretary, Public Affairs
 Margaret R. Zoch, Comptroller

Guests:

Janice Chianese

Jay Hector, New York Empire State Development Corporation

Joseph J. Seymour

The public meeting was called to order by Chairman Eisenberg at 4:24 p.m. and ended at 4:46 p.m. The Board met in executive session prior to the public meeting. Commissioners Chasanoff, Mack and Race were present for executive session.

Action on Minutes

The Acting Secretary submitted for approval Minutes of the Board's meeting of October 25, 2001. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on December 13, 2001, 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 December 13, 2001, which included discussion of matters related to, or which could impact upon, the issuance, sale, resale, or redemption of Port Authority bonds, notes or other obligations and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on December 13, 2001, which included discussion of matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on December 13, 2001, which included discussion of a project for design, installation and fabrication of passenger information enhancements to the John F. Kennedy International Airport AirTrain system, a project for intermodal improvements to the Howard Beach Metropolitan Transportation Authority New York City transit station, and a contract for the rehabilitation of bus ramps and bridges which connect the Port Authority Bus Terminal to the North Tube of the Lincoln Tunnel, as well as on 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 December 13, 2001, which included discussion of personnel, 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.

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.

Chairman's Report

The Chairman noted that it has been a privilege to serve both as a Commissioner and Chairman since 1994. He noted the professionalism of staff and his fellow Board members and stated that, in his continuing capacity as a Port Authority Commissioner and his new role on the Board of the Lower Manhattan Redevelopment Corporation, he looked forward to working with staff, his fellow Commissioners, and the new Chairman and Executive Director.

Commissioners Donovan, Gargano, Philibosian and Sinagra thanked the Chairman for his leadership and dedication to the Port Authority and the New York/New Jersey region.

ELECTION OF OFFICERS

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

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

“On behalf of the Nominating Committee of The Port Authority of New York and New Jersey, I desire to report that at its meeting held earlier today, in accordance with the provision of Article XIa of the By-Laws, the Committee, by unanimous action, submits the nomination of Jack G. Sinagra for election to the office of Chairman.

By unanimous action, the Committee also submits the nomination of Joseph J. Seymour for election to the position of Executive Director of The Port Authority of New York and New Jersey, effective January 3, 2002.”

Pursuant to the foregoing report, Commissioners Blakeman, Donovan, Eisenberg, Gargano, Martini, Philibosian, Sartor, Sinagra and Song voting in favor, the following were unanimously elected as officers of the Port Authority: Commissioner Jack G. Sinagra as Chairman, and Joseph J. Seymour as Executive Director effective January 3, 2002.

JOHN F. KENNEDY INTERNATIONAL AIRPORT - INTERMODAL AND PASSENGER INFORMATION ENHANCEMENTS – PROJECT AUTHORIZATION

It was recommended that the Board authorize: 1) a project for the design, fabrication, and installation of passenger information enhancements to the AirTrain system at John F. Kennedy International Airport (JFK), including an upgrade to the signing system provided in AirTrain Contract LRS-100.001, which will comply with the Port Authority's airport signing standards, and infrastructure for a consolidated Flight Information Display System (FIDS), at a total project cost not to exceed \$30.5 million, of which \$12.5 million has been previously authorized under AirTrain Contract LRS-100.001, and \$18 million is being requested under this authorization to fund the remaining project cost; and 2) the Executive Director to: a) take action with respect to construction contracts and contracts for professional services related to the project, including award of Supplemental Agreement Number 5 to Contract LRS-100.001 with the Air Rail Transit Consortium (ARTC), a joint venture, for an amount not to exceed \$25 million, exclusive of up to 6 percent for extra work, to fabricate and install illuminated directional signs and passenger information display systems, enclosures and conduit for FIDS monitors, and illuminated exterior pylon signs, and b) enter into such other agreements as may be necessary to effectuate the project.

Subsequent to the award of the AirTrain Contract LRS-100.001, new sign standards and requirements for JFK, Newark International (EWR) and LaGuardia Airports (LGA) were finalized, including directional signs and passenger services information systems. These new standards are now being implemented at EWR under a prior Board authorization. The work includes color-coded directional signs, many of which are internally illuminated, stainless steel illuminated passenger information display kiosks, and exterior illuminated pylon signs. The new recommended installation for AirTrain is incremental to what is provided for in the AirTrain contract; the Port Authority was previously committed to having a consistent signing and passenger services information system at JFK, EWR and LGA that has proven and demonstrable customer service benefits.

This AirTrain enhancement project would also include installation of power and communications conduit and enclosures for the future consolidated FIDS system. The agreements for the needed hardware and software for the FIDS will be authorized separately following a Request For Proposals process, at a contract cost estimated at \$13.7 million for JFK, EWR and LGA. Installing this infrastructure while AirTrain construction is in progress is the most cost-effective approach to the work.

The cost for this project is 45 percent recoverable through the Flight Fee formula.

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

RESOLVED, that a project for the design, fabrication and installation of passenger information enhancements to the AirTrain system at John F. Kennedy

International Airport, including an upgrade to the signing system provided in AirTrain Contract LRS-100.001, which will comply with the Port Authority's airport signing standards, and infrastructure for a consolidated Flight Information Display System, at a total project cost not to exceed \$30.5 million (of which \$12.5 million has been previously authorized under AirTrain Contract LRS-100.001, and \$18 million is being requested under this authorization to fund the remaining project cost), including payments to contractors, allowances for extra work (if necessary) and net cost work, payments to consultants, planning, engineering, administrative and financial expenses, and a project contingency (if necessary), be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to purchase and construction contracts and contracts for professional and advisory services related to the foregoing project as he deems in the best interest of Port Authority, including, without limitation, award to the lowest bidder(s) qualified by reason of responsibility, experience and capacity to perform the work and whose bid price(s) the Executive Director deems reasonable, and award, without further authorization, negotiated Supplemental Agreement Number 5 to Contract LRS-100.001 with the Air Rail Transit Consortium, a joint venture, for an amount not to exceed \$25 million, exclusive of up to 6 percent for extra work, to fabricate and install illuminated directional signs and passenger information display systems, enclosures and conduit for FIDS monitors, and illuminated exterior pylon signs; or to reject all proposals, solicit new proposals on revised or the same requirements or negotiate with one or more proposers or other contractors as he deems in the best interest of Port Authority, and to order extra work (if necessary) and net cost work in connection with each contract, including supplemental agreements thereto, and enter into such other agreements as may be necessary to effectuate the project; and it is further

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

JOHN F. KENNEDY INTERNATIONAL AIRPORT – AIRTRAIN JFK PROGRAM – SUPPLEMENTAL AGREEMENT No. 3 TO CONTRACT LRS-100.001 WITH AIR RAIL TRANSIT CONSORTIUM FOR CONSTRUCTION OF HOWARD BEACH INTERMODAL TRANSIT STATION IMPROVEMENTS AND USE OF AIRTRAIN JFK PROJECT CONTINGENCY FOR A PORTION OF THE WORK

The existing Howard Beach Transit Station requires construction of station canopies, platforms, walkways, fare collection equipment, standpipes, and other station finishes (collectively, the “Howard Beach Intermodal Station Improvements”), which will be performed by the Port Authority on behalf of the New York City Transit Authority (NYCT) at an estimated total project cost of \$14.5 million. This work will improve passenger transfers between the NYCT subway and the adjacent AirTrain Howard Beach Terminal, which is currently under construction by the Air Rail Transit Consortium (ARTC) as part of the overall AirTrain JFK Program to provide a rail link to John F. Kennedy International Airport (JFK).

In December 2000, the Port Authority entered into a Memorandum of Understanding (MOU) with the Metropolitan Transportation Authority, the NYCT, and the Long Island Rail Road Company, covering the design, construction, reconstruction, operation and maintenance of terminals at the Jamaica AirTrain Terminal and the AirTrain Howard Beach Terminal. In the MOU, the Port Authority agreed to design and construct improvements to the existing Howard Beach Transit Station and to coordinate such work with the NYCT, which agreed to contribute a sum not to exceed \$12 million for this work, including the NYCT’s direct facility force costs primarily related to flagging activities for track outages.

In order to take full advantage of NYCT track outages, to coordinate construction work that impacts the local community as well as the traveling public, and to provide cost savings to both agencies, the construction work for the Howard Beach Intermodal Station Improvements is best accomplished by entering into Supplemental Agreement No. 3 to Contract LRS-100.001 with ARTC, which will perform the required construction work. Supplemental Agreement No. 3 provides for the required construction of station canopies, platforms, walkways, fare collection equipment, standpipes, and other station finishes and improvements on behalf of the NYCT at the Howard Beach Transit Station.

It was originally anticipated that the Howard Beach Transit Station would be closed for the duration of construction work. In order to minimize disruption to air travelers and airport employees who use the existing Howard Beach Transit Station to access JFK, staff recommended that the transit station now remain open for the traveling public’s use. As a result, additional NYCT flagging expenses and construction costs for temporary platforms have caused the project budget for the Howard Beach Intermodal Station Improvements to increase by \$2.5 million, from \$12.0 million to \$14.5 million. These additional funds will be provided out of the project contingency assigned to the AirTrain JFK Program, as authorized by the Board on May 9, 1996, and June 2, 2000.

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

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

1) enter into Supplemental Agreement No. 3 to Contract LRS-100.001 with the Air Rail Transit Consortium for construction of Howard Beach Intermodal Transit Station Improvements in an amount not to exceed \$9.0 million, and to order extra work for changes in work scope approved jointly by the Port Authority and the New York City Transit Authority, in an amount not to exceed \$600,000; and

2) apply approximately \$2.5 million from the AirTrain JFK project contingency for the Howard Beach Intermodal Transit Station Improvements, to cover the increase in estimated project costs from \$12.0 million to \$14.5 million, the initial \$12.0 million to be funded by a contribution from the New York City Transit Authority; and it is further

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

JOHN F. KENNEDY INTERNATIONAL AIRPORT – AMERICAN AIRLINES, INC. – REDEVELOPMENT OF TERMINALS 8 AND 9 – SUPPLEMENTS TO AMENDED AND RESTATED LEASE AYB-085R

It was recommended that the Board authorize the Executive Director to: 1) supplement Lease AYB-085R (Lease) with American Airlines, Inc. (American) to provide for the Port Authority to agree that certain agreements to be entered into between American and the City of New York (City) would not be a breach of the Lease; and 2) permit American to mortgage its leasehold interest under the Lease in favor of the trustee for bonds (IDA Bonds) to be issued by the New York City Industrial Development Agency (IDA) for American's redevelopment of Terminals 8 and 9 at John F. Kennedy International Airport (JFK); and 3) further supplement and amend the Lease and enter into such other agreements necessary or appropriate to effectuate the issuance of the IDA Bonds.

At its meeting of June 28, 1999, the Board authorized the Executive Director to enter into an agreement with American covering American's leasing and redevelopment of its passenger terminal facilities at JFK. The redevelopment includes the complete demolition of Terminals 8 and 9 and the construction of an approximately 2.2 million square-foot, state-of-the-art main terminal and remote concourse containing 55 building gates.

Over the past two years, American has been negotiating with the City for agreements (City Agreements) that would recognize American's interest in remaining in possession of Terminals 8 and 9 if the Port Authority's lease with the City (Basic Lease) expired without extension or was terminated. American believes that it needs a good faith promise from the City that American will have the right, under certain circumstances, to continue to receive the benefit of its proposed estimated \$2 billion investment in its passenger facilities at JFK in the event that the Port Authority is no longer the lessee of JFK. American believes this assurance is required whether the project is financed by the IDA, by American's corporate debt or otherwise.

It is American's desire to execute an agreement with the current City administration covering the commitment of the City to enter into good faith negotiations in the future with American covering the execution of a "new lease" for the premises commencing when American's interest under its Lease with the Port Authority expires. The proposed Agreement to Enter into Lease between the City and American additionally contemplates the execution of a recognition, non-disturbance and attornment agreement, pursuant to which American would continue in occupancy of the premises in the event that the Port Authority's Basic Lease with the City were terminated. American is continuing its discussions with the City to progress these agreements. It is uncertain whether the current City administration will execute these agreements prior to the closing of a proposed initial issuance of approximately \$400 million of IDA Bonds.

The initial forms of the City Agreements negotiated between the City and American reflected in part the desire of the City to have an entity other than the Port Authority operate JFK and LaGuardia Airport. After extensive negotiations, the forms of the City Agreements have been substantially modified to reduce the risk that the Port Authority would be acknowledging agreements that might be a breach of the Basic Lease, or that would give American greater rights with respect to its passenger terminal facilities than the Port Authority would have upon an

extension of the Basic Lease, upon the execution of a new lease for JFK between the Port Authority and the City, or upon transfer to the Port Authority of fee title to JFK. Under the proposed supplement, the Port Authority would acknowledge that the City Agreements will not be a breach of American's Lease with the Port Authority.

In addition, American would be permitted to grant a leasehold mortgage on its interest under the Lease to the trustee for the IDA Bonds, as mortgagee, subject to the Port Authority's consent. It is anticipated that this mortgage would be entered into in conjunction with the issuance of the IDA Bonds early next year. It is presently anticipated that the mortgage would not apply to American's passenger terminal facilities until the redevelopment is completed. Completion of the redevelopment work is expected to occur in mid-2006.

Under American's leasehold mortgage, the mortgagee would be allowed, in certain events, a maximum period of 720 days to complete foreclosure proceedings. In order to commence and continue the foreclosure period, the mortgagee would be required to pay to the Port Authority the rentals and other amounts payable under the Lease, certain activity-based fees and charges and certain other costs. Commencing on the 180th day of the foreclosure period, the mortgagee would be obligated to pay to the Port Authority additional amounts for the right to extend the foreclosure period. In addition, the Port Authority would be paid either a lump-sum amount at the commencement of the reletting, if any, of the mortgaged premises or over the term of such reletting, with interest. These additional amounts, which are intended to compensate the Port Authority for the complexity that a leasehold mortgage would add to the landlord/tenant relationship, would be based upon the amount of the mortgage, which is currently estimated to be \$1.8 billion, and would be calculated in a similar manner as those included in the leasehold mortgage/reletting rights granted in connection with the Continental Airlines, Inc. lease supplement covering the development of Terminal C-3 at Newark International Airport. The IDA may issue additional bonds in the amount of \$500 million to be used for payment of additional costs of the Terminals 8 and 9 redevelopment work. The lease would further be amended, as appropriate, to effectuate the issuance of the IDA Bonds.

It is anticipated that as part of the issuance of the IDA Bonds, the trustee for the IDA Bonds, and perhaps the IDA and the City, would be involved in the selection of any future tenant for American's passenger terminal facilities and in other matters arising under the Lease in the event of a default by American under the IDA Bonds.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: 1) supplement Lease AYB-085R (Lease) with American Airlines, Inc. (American) to provide for the Port Authority to agree that certain agreements to be entered into between American and the City of New York would not be a breach of the Lease; 2) permit American to mortgage its leasehold interest under the Lease in favor of the trustee for bonds to be issued by the New York City Industrial Development Agency for American's redevelopment of Terminals 8 and 9 at John F. Kennedy International Airport (IDA Bonds); and 3) further supplement and amend the Lease and enter into such other agreements necessary or appropriate to effectuate the issuance of the IDA Bonds, substantially in

accordance with the terms and conditions outlined to the Board; the form of the agreements shall be subject to the approval of General Counsel or his authorized representative.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – PROPOSED AGREEMENTS WITH KIAC PARTNERS REGARDING THE CONSTRUCTION AND OPERATION OF A NEW TURBINE ELECTRICITY GENERATOR AND A DIRECT CONNECTION PROJECT

It was recommended that the Board authorize the Executive Director to take any and all action to effectuate the: (a) construction of a new combustion turbine electricity generator at the site of the existing KIAC project at John F. Kennedy International Airport (JFK); and (b) design and construction of a project to directly connect the existing KIAC Cogeneration Facility and the existing Central Substation at JFK, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with the terms of such contracts, agreements and documents as may be necessary in connection therewith.

KIAC and the Port Authority are parties to: (i) a Construction and Operations Agreement, dated April 28, 1993, as amended, relating to the construction and operation of a cogeneration facility, a central heating and refrigeration plant, and a thermal energy distribution system at the Airport, (ii) an Energy Purchase Agreement, dated April 28, 1993, as amended, relating to sales and purchases of electricity and thermal energy produced by such facilities, and (iii) an Agreement of Lease, dated April 28, 1993, as amended, relating to the leasing to KIAC by the Port Authority of such facilities and related premises at JFK and the use by KIAC of such facilities and premises.

KIAC has requested that CPN 3rd Turbine, Inc. (C3T), a Delaware corporation be permitted to construct and operate, at no cost to the Port Authority, a new 45 megawatt, simple cycle combustion turbine electricity generator at the site of the existing KIAC Cogeneration Facility at JFK. KIAC and C3T are each wholly owned subsidiaries of Calpine Eastern Corporation (Calpine). C3T will operate the project as a “merchant plant,” that is, C3T will sell all electric capacity, energy and ancillary products produced by the turbine electricity generator only off-airport in the competitive wholesale generation markets.

Capital equipment investment and plant infrastructure development associated with the project will increase the plant’s ability to operate existing combustion turbines, providing enhanced reliability of both electric and thermal plant output/supply to JFK. As a result of these improvements from the project, the unscheduled outage rate at the existing KIAC Cogeneration Facility would likely be improved by 33 percent. In addition, KIAC has agreed to implement as part of this project an emissions reduction program at the existing plant to address environmental issues related to a Port Authority proposed emissions capping plan. Calpine proposes to share in the Port Authority’s cost of new emission control technology, and the Port Authority’s contribution would be capped at \$1 million.

KIAC proposes to sublease to C3T a portion of the premises and easement premises under KIAC’s existing lease with the Port Authority for a term coterminous with the lease. In consideration of the Port Authority’s consent to the sublease, KIAC proposes to pay the Port Authority a base consent fee in the amount of \$500,000 per year, escalated at the rate of 20

percent every five years. Additional consent fees will be paid in the event certain trigger points are achieved. In addition, KIAC and the Port Authority will initiate a project, if technically feasible, to design and construct a direct connection between the KIAC Cogeneration Facility and the Central Substation at JFK (Direct Connect Project). Such a direct connection will permit KIAC to furnish electricity directly to JFK rather than through the Consolidated Edison Company of New York (ConEd) transmission system, thus increasing the reliability of the electricity supply at JFK. The New York Power Authority will continue to provide back-up power, which is delivered by ConEd, to JFK. KIAC, at its sole cost and expense, will design the Direct Connect Project, and the Port Authority and KIAC will share the capital cost of the Direct Connect Project. The Port Authority's share of this cost will vary from a minimum of 33.33 percent to 66.67 percent, depending on whether KIAC is able to avoid certain capital costs associated with the third turbine project as a result of the direct connection, but in no event will exceed \$4 million. Additionally, in return for providing its share of the capital costs, the Port Authority shall receive from KIAC a portion of any cost savings KIAC may receive from third parties as a result of the direct connection.

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

RESOLVED, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, to take any and all action to effectuate the: (a) construction of a new combustion turbine electricity generator at the site of the existing KIAC Cogeneration Facility at John F. Kennedy International Airport (JFK), including the expenditure by the Port Authority of up to \$1 million in connection with the installation of new emission control technology; and (b) design and construction of a project to directly connect the existing KIAC Cogeneration Facility and the existing Central Substation at JFK, at a cost to the Port Authority not to exceed \$4 million, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with the terms of such contracts, agreements and documents, as may be necessary in connection therewith; and it is further

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

NEWARK INTERNATIONAL AIRPORT – LEASE ANB-263 – AMERICAN AIRLINES, INC. – BUILDING 151A

It was recommended that the Board authorize the Executive Director to enter into an approximately six-year lease, with one additional two-year extension option, with American Airlines, Inc. (Lessee) for Building 151A at Newark International Airport (Airport), for use as a multi-tenant facility and ground service equipment operation.

The lease will commence on or about June 25, 2002. The Lessee shall pay an annual rent of \$646,344, subject to an annual constant factor increase of four percent plus the airport services factor, and Phase 1A charges relating to certain landside access construction work performed by the Port Authority at the Airport, adjusted in accordance with lease formulae.

The Lessee will use Building 151A to house its displaced ground service equipment (GSE) operation and other displaced GSE operators, the United States Customs' examination of air cargo and Customs-related operations, and the City of Newark Board of Education's Aerospace Program. The Lessee will also provide space for GSE entrants at the Airport and for other subtenants as approved by the Port Authority, when space is available.

Since the Lessee will accommodate the aforementioned tenants displaced by the construction of the Port Authority's new cargo building and administration building at the Airport, the subleasing fee of ten percent will be waived in connection with the subleasing to these tenants, under the proposed lease and Lease ANB-226 with American Airlines, Inc.

The Lessee will modify Building 151A to conform to Building Code requirements for the conversion of the building to its permitted use under the lease. The Port Authority will reimburse the Lessee up to \$200,000 for certain expenses in connection with such modification. In addition, the Lessee will make an additional investment in the building to provide disabled persons access to the second floor of the building and to cover other building modification expenses.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with American Airlines, Inc. for the letting of Building 151A at Newark International Airport, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

NEWARK INTERNATIONAL AIRPORT – AUTHORIZATION TO ENTER INTO NEGOTIATIONS WITH BOMBARDIER TRANSPORTATION TO IMPLEMENT A SEVENTH CAR ON AIRTRAIN NEWARK

It was recommended that the Board authorize the Executive Director to enter into negotiations on a sole-source basis with Bombardier Transportation (Bombardier) for the development of a cost and schedule proposal for a seventh car on AirTrain Newark.

AirTrain Newark was designed and built under Contract EWR-114.001. This contract provided for twelve six-car trains when the system opened in May 1996. It also provided for the future addition of a seventh car on each of the trains.

In October 2001, AirTrain Newark service was extended approximately one mile to the new Rail Link Station on the Northeast Corridor rail line (NEC) under Contract EWR-304.301. This contract provided for an additional six six-car trains, bringing the current fleet to eighteen trains.

Passenger demand studies performed by staff in February 2001 show that, in the absence of any increase in system capacity, the AirTrain Newark system may reach saturation by as soon as 2005 on critical system links between terminals. Through simulation, it has been confirmed that, due to system constraints, capacity cannot be increased by increasing the number of trains. Therefore, in order to provide sufficient capacity, it was recommended that the present six-car trains be expanded to the system maximum of seven-car trains. All of the AirTrain Newark trains have been designed to accept a seventh car. Car 2 (the seventh car) would be added between Cars 1 and 3 on all trains. A middle car like Car 2 has a capacity of twelve passengers. The addition of the seventh car would increase a train's design capacity by 15 percent, from 78 to 90 passengers. While the events of September 11, 2001, have reduced passenger activity at Newark International Airport (EWR), there is increasing evidence that passenger traffic is rebounding at a healthy rate, and overcrowding on key links of the AirTrain Newark system between terminals may occur. In addition, the number of riders on the NEC connection is higher than anticipated, reaching close to 4,000 daily riders during the recent Thanksgiving holiday. The combination of these two factors suggests that we should begin this work now, so that we are in a position to provide the appropriate capacity when conditions warrant. In addition, the Federal Aviation Administration has identified mass transit access to airports as one means of improving security by reducing vehicular traffic on airport terminal frontages. Being able to promote the NEC connection to its full potential thus is also a security enhancement for EWR.

Current projections of ridership indicate that capacity limitations will not be reached until 2005. However, the complexity of designing and implementing this change while maintaining full system operations at a satisfactory level of customer service requires that the Port Authority initiate negotiations with Bombardier now to ensure that the system is prepared to meet the growing needs of EWR. Bombardier, the successor to ABB Daimler-Benz Transportation (Adtranz) and AEG Transportation Systems, Inc., designed, built, operates and maintains the existing AirTrain Newark system, including the extension to the NEC. This project implements a seventh car into the existing system, requiring the same proprietary system and technology. Therefore, negotiation with Bombardier on a sole-source basis for the development of a cost and

schedule proposal for a seventh car on AirTrain Newark will be necessary for the successful implementation of this project.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into negotiations on a sole-source basis with Bombardier Transportation for the development of a cost and schedule proposal for the implementation of a seventh car on AirTrain Newark.

TETERBORO AIRPORT – AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH THE BOROUGH OF TETERBORO TO FUND CONSTRUCTION OF A STORMWATER PUMP STATION

It was recommended that the Board authorize the Executive Director to enter into an agreement with the Borough of Teterboro, New Jersey (Borough) to provide funding not to exceed \$6.15 million for all engineering, demolition and construction costs and associated expenses for the construction of a new larger capacity stormwater pumping station for the Borough.

Earlier this year, a Teterboro Airport Stage I Storm Drainage Study (Study) commissioned by the Port Authority was conducted by Goodkind & O’Dea, Inc. The Study evaluated regional drainage characteristics and the capacities of existing waterways, storm sewers and facilities; assessed the potential drainage impacts due to the future capital improvements plan for Teterboro Airport (TEB); and prepared drainage system improvement recommendations which are required to meet Federal Aviation Administration Airport Drainage Design Guidelines (FAA Guidelines), enhance current drainage and minimize both on-site and off-site drainage impacts due to the capital improvement plan implementation. A key recommendation was to replace the stormwater pumping station and to provide a larger capacity, modern, reliable, automated facility.

The pumping station is owned and maintained by the Borough. It does not currently have the capacity to comply with FAA Guidelines, which recommend handling a five-year storm without localized flooding. Planned capital improvements to TEB will increase runoff to the pumping station, requiring additional pumping capacity. Although the Borough has indicated that it would like to construct a new, modern pumping facility to replace its old facility, the Borough has not planned or budgeted for its construction. Port Authority funding of this project would allow the Borough to undertake the project immediately, providing for compliance with FAA Guidelines in a timely manner, which would enable the Port Authority to proceed with TEB’s planned capital improvements and eliminate ongoing community flooding problems. The Port Authority needs to improve the taxiway system at TEB to reduce runway crossings, improve safety and efficiency and create much-needed aircraft parking. These critical projects cannot move forward until the substantial TEB drainage problems are addressed. The existing Borough pumping station cannot handle the increased stormwater runoff generated by these improvements.

The total Port Authority project cost for this project is estimated at \$6.6 million. The method by which these funds will be disbursed to the Borough will be determined prior to initiating construction.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the Borough of Teterboro, New Jersey (Borough) to provide funding not to exceed \$6.15 million for all engineering, demolition and construction costs and associated expenses for the construction of a new, larger capacity stormwater pumping station for the Borough; 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 – PHASE 1 - PROJECT AUTHORIZATION

It was recommended that the Board authorize: 1) a project for Phase 1 of the Downtown Restoration Program (Program) to re-establish Port Authority Trans-Hudson (PATH) rail service between New Jersey and Downtown New York, including: a) design and construction of a temporary PATH station at the World Trade Center site, and associated track and tunnel work, and b) rehabilitation and expansion of Exchange Place Station in Jersey City, New Jersey, and associated tunnel and track work, at an estimated total cost of \$544 million; and 2) the Executive Director to: a) take action with respect to contracts for professional services, equipment purchases, and construction contracts related to Phase 1 of the Program, and b) enter into such other agreements as may be necessary to effectuate the Program.

Due to the terrorist attacks and destruction of The World Trade Center on September 11, 2001, the PATH Terminal at The World Trade Center and the PATH Station at Exchange Place, as well as the two Hudson River tunnels connecting them, have been closed. Since then, Downtown New York has been without direct PATH service from New Jersey, affecting tens of thousands of daily commuters and hundreds of businesses. Although substitute ferry and bus services have partially addressed immediate needs, these services are inadequate to support the future regional transportation and economic requirements of Downtown New York on an interim or long-term basis. The timely restoration of PATH infrastructure and service will also be an essential catalyst for attracting businesses and commercial activity back to Downtown New York and the New York-New Jersey region. The Port Authority's assurance to promptly re-establish service, as the agency's number one priority, would clearly signal its commitment and ability to help rebuild Downtown New York.

Phase 1 activities of the Program would begin immediately, including:

- 1) development of design documents for: a) a temporary PATH station at The World Trade Center and associated new track work, platforms, vertical circulation, and fare controls, to accommodate PATH service within approximately 24 months while permanent transportation and site development plans are established and implemented; b) rehabilitation of PATH Tunnels "E" and "F" under the Hudson River between The World Trade Center and Exchange Place, to restore infrastructure damaged by flooding, along with certain upgrades to meet current standards; c) new crossovers, tracks, and modifications to Tunnel "L" and other infrastructure, at the west end of Exchange Place Station, to allow for earlier resumption of PATH service to Exchange Place within approximately 18 months and provide future operational flexibility; and d) structural foundations and other platform and tunnel work at Exchange Place Station, to expand platform capacity to meet egress requirements and in conjunction with plans to accommodate 10-car trains in the future, and to permit the performance of this work in a more economical and expeditious manner while that station is out of service;

- 2) award of consultant agreements for site assessment, engineering and architectural design, program management, and other technical and professional services necessary to implement the Program;
- 3) award of construction contracts and purchase orders for pre-purchase of certain equipment that have long lead fabrication times, such as electrical substations, escalators, track turnouts, switches, signals, and turnstiles; and
- 4) entering into such inter-agency or other third-party agreements, including associated land acquisition, easements for staging, access, and egress, as may be required to support this Program.

Major construction contracts for various Phase 1 components are scheduled for award in early and mid-2002. Authorizations to advance designs for a permanent PATH terminal in the area of The World Trade Center (Phase 2), and to develop conceptual options for World Trade Center site redevelopment and Lower Manhattan transportation improvements, are being sought separately. At appropriate times in the future, staff will seek project authorization to implement and construct subsequent phases of the project.

Total costs for the permanent improvements at the Exchange Place Station and rehabilitation of Tunnels E and F are estimated at approximately \$320 million. Total costs for the temporary World Trade Center PATH Station are currently estimated at \$224 million, for which there will be ongoing analysis and efforts to maximize the extent to which such work could apply to a permanent PATH terminal. Estimated total costs for the PATH system-related components of the Program, including Phase 1 and Phase 2 costs, could be in the range of \$1.5 billion-\$2 billion. It is expected that the Port Authority will seek the maximum recovery for costs related to this program from insurance and/or the Federal Emergency Management Agency.

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

RESOLVED, that a project for Phase 1 of the Downtown Restoration Program (Program) to re-establish Port Authority Trans-Hudson (PATH) rail service between New Jersey and Downtown New York, including: a) design and construction of a temporary PATH station at the World Trade Center site, and associated track and tunnel work, and b) rehabilitation and expansion of Exchange Place Station in Jersey City, New Jersey, and associated tunnel and track work, at an estimated total cost of \$544 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, payments to consultants, planning, engineering, administrative and financial expenses, and a contingency (if necessary), be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to purchase and

construction contracts and contracts for professional and advisory services related to the foregoing as he deems in the best interest of the Port Authority, including, without limitation, award to the lowest bidder(s) qualified by reason of responsibility, experience and capacity to perform the work and whose bid price(s) the Executive Director deems reasonable, or to reject all proposals, solicit new proposals on revised or the same requirements or negotiate with one or more proposers or other contractors as he deems in the best interest of the Port Authority, and to order extra work (if necessary) and net cost work in connection with each contract, including supplemental agreements thereto, and enter into such other agreements as may be necessary to effectuate the Program; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with other public agencies and third parties and to acquire property interests, as needed, to effectuate the work of the Program; and it is further

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

DOWNTOWN RESTORATION PROGRAM – PHASE 2 – PLANNING AUTHORIZATION

It was recommended that the Board authorize: 1) planning for Phase 2 of the Downtown Restoration Program (Program), including preliminary (Stage 1) design of a permanent Port Authority Trans-Hudson (PATH) system terminal in the area of The World Trade Center, at an estimated total cost of \$10 million, and 2) the Executive Director to: a) take action with respect to contracts for professional services related to Phase 2 of the Program, and b) enter into such other agreements as may be necessary to effectuate the Program.

Phase 1 of the Program provides for restoration of PATH service to Downtown New York, including construction of a temporary PATH station at The World Trade Center, within approximately 24 months. However, this would be a stand-alone facility without connections to other transit lines or commercial developments. An intermodal PATH terminal, with connections to subways and other mass transit, is essential to the future revitalization of Lower Manhattan and successful redevelopment of the World Trade Center site itself. Preliminary planning for the permanent PATH terminal would be coordinated with other concurrent long-term planning efforts for World Trade Center site redevelopment and Lower Manhattan transportation improvements.

Phase 2 activities of the Program would begin immediately, including:

- 1) development of preliminary design documents for the permanent PATH terminal in the area of the World Trade Center site; and
- 2) award of consultant agreements for site assessment, engineering and architectural design, and other technical and professional services necessary to implement this Program.

At appropriate times in the future, staff will seek authorization to implement and construct the permanent PATH terminal under Phase 2 of this Program.

Estimated total costs for the PATH system-related components of the Program, including Phase 1 and Phase 2 costs, could be in the range of \$1.5 billion-\$2 billion. It is expected that the Port Authority will seek the maximum recovery for costs related to this Program from insurance and/or the Federal Emergency Management Agency.

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

RESOLVED, that: 1) planning for Phase 2 of the Downtown Restoration Program (Program), including preliminary (Stage 1) design of a permanent Port Authority Trans-Hudson (PATH) system terminal in the area of The World Trade Center, at an estimated total cost of \$10 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to contracts for professional and advisory services related to the foregoing project as he deems in the best interest of the Port Authority, and to enter into such other agreements as may be necessary to effectuate the Program; and it is further

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

DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER SITE REDEVELOPMENT AND LOWER MANHATTAN TRANSPORTATION IMPROVEMENTS – TEMPORARY WORLD TRADE CENTER SITE REMEDIATION – PLANNING AUTHORIZATION

It was recommended that the Board authorize, as part of the overall Downtown Restoration Program (Program): 1) planning for World Trade Center site redevelopment, and comprehensive Lower Manhattan transportation improvements, including development of long-range options, plans and estimates; 2) limited temporary World Trade Center site remediation measures, at an estimated total cost of \$10.5 million; and 3) the Executive Director to: a) take action with respect to contracts for professional services and construction contracts related to World Trade Center site planning and site remediation, and b) enter into such other agreements as may be necessary to effectuate the Program.

Although the timely restoration of Port Authority Trans-Hudson (PATH) rail service to Downtown New York remains the major priority in the wake of the destruction of The World Trade Center on September 11, 2001, the Port Authority must also prepare to take active roles in the future redevelopment of the 16-acre World Trade Center site itself, and also in comprehensive planning to improve regional accessibility to Lower Manhattan and to enhance the existing transportation network. These planning efforts would be in conjunction with various governmental agencies and other participating groups to develop and coordinate long-term plans for site redevelopment and transportation improvements. This planning will also influence potential changes to the pre-existing World Trade Center site configuration and impact on Port Authority interests.

Activities related to World Trade Center site redevelopment and Lower Manhattan transportation improvements would begin immediately, including:

- 1) development and preparation of plans and estimates for implementation of: a) temporary World Trade Center site remediation measures, including site recovery, construction access, installation of site definition, site protection, and other public amenities, and an interim memorial, b) preliminary options for World Trade Center site redevelopment and reconfiguration, and c) preliminary options for comprehensive Lower Manhattan transportation improvements, including intermodal connections between PATH, Metropolitan Transportation Authority (MTA) transit lines, ferries and other mass transit, all in coordination with other participating agencies and stakeholders, including the Lower Manhattan Redevelopment Corporation, the City of New York, and the MTA;
- 2) award of consultant agreements for site assessment, engineering and architectural design, and other technical and professional services necessary to implement the Program;
- 3) award of construction contracts for temporary site remediation measures, including minimal site protection and site definition work; and

- 4) entering into such inter-agency or other third-party agreements, including easements for staging, access, and egress, as may be required to support this Program.

The initial cost estimates do not include any construction expenditures for a potential interim memorial or significant landscaping or other improvements to the World Trade Center site, nor any costs associated with permanent site reconfiguration. At appropriate times in the future, as necessary and as plans are finalized, staff will seek additional authorizations to advance preliminary design, reconfigure the World Trade Center site, construct World Trade Center site amenities, or implement Lower Manhattan transportation improvements arising from these initial planning efforts. It is expected that the Port Authority will seek the maximum recovery for costs related to this Program from insurance and/or the Federal Emergency Management Agency.

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

RESOLVED, that: 1) planning for: a) World Trade Center site redevelopment, and b) comprehensive Lower Manhattan transportation improvements, including development of long-range options, plans and estimates; and 2) limited temporary World Trade Center site remediation measures, at an estimated total cost of \$10.5 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, payments to consultants, planning, engineering, administrative and financial expenses, be and they hereby are authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to purchase and construction contracts and contracts for professional and advisory services related to the foregoing project as he deems in the best interest of the Port Authority, including, without limitation, award to the lowest bidder(s) qualified by reason of responsibility, experience and capacity to perform the work and whose bid prices the Executive Director deems reasonable; or to reject all proposals, solicit new proposals on revised or the same requirements or negotiate with one or more proposers or other contractors as he deems in the best interest of the Port Authority, and to order extra work (if necessary) and net cost work in connection with each contract, including supplemental agreements thereto, and enter into such other agreements as may be necessary to effectuate the project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with other public agencies or third parties and to acquire property interests, as needed, to effectuate the work of the project; and it is further

RESOLVED, that the form of all contracts and agreements, in each case,

in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

ESTABLISHMENT OF THE WORLD TRADE CENTER PORT AUTHORITY MEMORIAL FUND

As a result of the terrorist attacks on The World Trade Center on September 11, 2001, 75 employees of the Port Authority were lost or are unaccounted for, as are many employees of service providers to the Port Authority and other employees who worked at The World Trade Center. To recognize these victims of the attacks, and to accommodate the tremendous spirit of generosity exhibited by Port Authority employees and others who have offered to help the surviving employees and the families of those affected by this catastrophe, it was recommended that a fund be established to accept contributions and provide assistance presently and in the future. The Port Authority has received contributions and offers of contributions from individuals and businesses wishing to provide a measure of relief to the many individuals who have suffered losses as a result of the attacks.

It is intended that the monies contributed would be used to provide direct support and assistance to victims of the attacks, including: the immediate families of Port Authority employees who were lost or are unaccounted for; Port Authority employees (and their immediate families) who suffered physical, psychological and/or economic injury; the immediate families of those employees of service providers who were lost or are unaccounted for; employees of service providers who suffered physical, psychological and/or economic injury; and others impacted by the terrorist attacks. In view of the unprecedented nature of the attacks and their catastrophic results, and the inability to predict the nature of the needs of the victims, it is difficult to specify all of the types of relief that may be required, and all the potential victims who may need such relief. Grants, loans, services, or goods would be provided directly or through other organizations to ensure that the surviving employees and families of all of those affected may have the necessities of life essential to physical, mental, and emotional well-being, and the ability to overcome the hardships attributable to their losses. It is contemplated that fund administrators would take a broad view of such necessities, and the needs of the families, while remaining aware of the large-scale fundraising and assistance efforts that have begun in the aftermath of the attacks on The World Trade Center. The Chairman would appoint an Advisory Committee to provide oversight to assure conformance with the purposes of this resolution in light of the vast, and unanticipated, needs of the victims.

Monies received by the Port Authority or to be contributed directly would be provided, in whole or in part, to The World Trade Center Port Authority Memorial Fund (Fund). The Executive Director would be authorized to make necessary or appropriate arrangements for the effectuation of the purposes of this resolution and the administration of the Fund, including establishment of the Fund as a not-for-profit charitable entity recognized by the Internal Revenue Service, or as a component of the Port Authority. It is anticipated that the Fund would act so as to be qualified to receive tax-deductible donations to the extent permitted by law.

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

RESOLVED, that the acceptance of contributions, and the establishment of The World Trade Center Port Authority Memorial Fund (Fund), each effective as of September 29, 2001, to provide direct assistance to the families of those who were lost or are unaccounted for as a result of the terrorist attacks on The World Trade Center on September 11, 2001, as well as to all others who are victims of these or similar terrorist attacks, be and they hereby are approved; 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 such action as he deems necessary or appropriate to effectuate the purposes of this resolution and the administration of the Fund, including, but not limited to, the establishment of a charitable entity or a component of the Port Authority, for the distribution of funds directly by the Port Authority; and to provide for the annual costs of or charges assessed for the administration of the Fund; and it is further

RESOLVED, that the Chairman be and he hereby is authorized to appoint an Advisory Committee which will oversee and provide guidance to the staff for the purposes of this resolution and with respect to the administration of the Fund; and it is further

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

**MEMORANDUM OF UNDERSTANDING – THE STATE OF NEW YORK,
EMPIRE STATE DEVELOPMENT CORPORATION, BATTERY PARK
CITY AUTHORITY AND AMERICAN EXPRESS COMPANY –
SECURITY, TRANSPORTATION AND OTHER INITIATIVES TO
ENCOURAGE COMMERCIAL TENANTS OF THE WORLD
FINANCIAL CENTER TO RETURN TO THE CENTER**

It was recommended that the Board authorize the Executive Director to enter into a Memorandum of Understanding (MOU) with the State of New York, Empire State Development Corporation, Battery Park City Authority and American Express Company which sets forth security, transportation and other initiatives to encourage commercial tenants of the World Financial Center (WFC) to return to their offices at the WFC.

As a result of the September 11, 2001 terrorist attacks on The World Trade Center (WTC), the Lower Manhattan transportation system, including the Port Authority Trans-Hudson Terminal at the WTC, was seriously crippled. The WFC Buildings at Battery Park City were also seriously damaged, displacing the American Express Company and other WFC commercial tenants. The WFC commercial tenants have temporarily relocated their operations and employees to other locations in New York City and the surrounding area.

Notwithstanding the above, the WFC commercial tenants desire to maintain a strong presence in New York City and to support the New York State and City governments and their related and affiliated governmental agencies and authorities in their efforts to rebuild and restore the downtown New York City area.

The MOU provides for the signatories to use their best efforts within their operational areas and coordinate with others when an action is outside such area, to provide security, transportation and other appropriate enhancements, incentives and inducements in order to encourage the return of the commercial tenants to the WFC.

The items requiring Port Authority participation are related to ferry transportation initiatives. A number of these services and projects have been implemented. The Port Authority's financial and liability exposure would be limited to only those projects previously or in the future authorized by the Board.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Memorandum of Understanding with the State of New York, Empire State Development Corporation, Battery Park City Authority and the American Express Company under which the signatories agree to employ best efforts to provide security, transportation and other appropriate enhancements, incentives and inducements to encourage the return of the World Financial Center commercial tenants, provided that the Port Authority's

financial and liability exposure is to be limited to only those projects previously or in the future authorized by the Board; and it is further

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

DESIGNATION OF NEW YORK OFFICE FOR OFFICIAL ACTIONS AND NOTICES

As a result of the destruction of the Port Authority's principal offices at The World Trade Center on September 11, 2001, it has been necessary to designate an alternative office in the State of New York for official actions and notices.

At its meeting of September 20, 2001, the Board approved the designation of an office in the Port Authority Bus Terminal as the New York office for official actions and notices. On November 19, 2001, the Port Authority's executive offices moved to a location at 225 Park Avenue South in the City of New York (Park Avenue Offices). Therefore, the Park Avenue Offices have been designated as the location for service of official actions and notices in the State of New York, effective on or about December 17, 2001.

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

RESOLVED, that the designation, effective on or about December 17, 2001, of an office at 225 Park Avenue South in the City of New York as the office of the Port Authority, Port Authority Trans-Hudson Corporation, the Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation in the State of New York for official actions and notices, be and it hereby is approved.

FINAL CONTRACT PAYMENTS

The Comptroller's Department reports that the contracts set forth in the succeeding tabulation have been completed satisfactorily by the contractors. Final Payments have been made in the period of September 1, 2001 to October 31, 2001.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	TOTAL AUTHORIZED		TOTAL PAYMENTS	
LGA644	CENTRAL TERMINAL BUILDING CONTRACT	192,555.00	(A)	192,555.00	(A)
	SERVICES-OFFICE HVAC UPGRADE	10,000.00	(C)	9,800.00	(C)
	LAGUARDIA AIRPORT	15,400.00	(D)	12,737.00	(D)
	TWIN TOWER ENTERPRISES, INC	217,955.00		215,092.00	
JFK970602	BUILDING 14 MAINTENANCE YARD GATE	220,000.00	(A)	218,500.00	(A,F)
	& CONTROLS	13,200.00	(C)	--0--	(C)
	JOHN F. KENNEDY INTERNATIONAL AIRPORT	50,000.00	(D)	13,100.00	(D)
	D&K CONSTRUCTION CO, INC	283,200.00		231,600.00	
EWR154163	RUNWAY 11-29 WESTERLY REHABILITATION	3,772,846.00	(A)	3,772,846.00	(A)
	NEWARK INTERNATIONAL AIRPORT	2,691,800.00	(B)	2,691,800.00	(B)
	CONTI ENTERPRISES, INC	1,200,000.00	(C)	1,124,685.00	(C)
		387,879.00	(D)	282,381.00	(D)
		250,000.00	(G)	250,000.00	(G)
		--0--	(H)	37,417.00	(H)
		--0--	(I)	2,484.00	(I)
		8,302,525.00		8,161,613.00	
AKO158	REHABILITATION OF THE PIER PROTECTION	418,000.00	(A)	418,000.00	(A)
	CELLS	80,000.00	(C)	70,130.00	(C)
	OUTERBRIDGE CROSSING	25,000.00	(D)	--0--	(D)
	ANJAC ENTERPRISES, INC	523,000.00		488,130.00	
EWR653	REHABILITATION OF RUNWAY 4R-22L	2,294,867.00	(A)	2,081,795.00	(A,N)
	NEWARK INTERNATIONAL AIRPORT	6,134,880.00	(B)	6,134,880.00	(B)
	MT. HOPE ROCK PRODUCTS, INC	506,000.00	(C)	1,975,081.00	(C)
		1,700,000.00	(D)	485,429.00	(D)
		250,000.00	(J)	250,000.00	(J)
		600,000.00	(K)	600,000.00	(K)
		210,000.00	(L)	158,340.00	(L)
		--0--	(M)	29,206.00	(M)
		11,695,747.00		11,714,731.00	

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	TOTAL AUTHORIZED		TOTAL PAYMENTS	
JFK940426	INSTALLATION OF MEDIUM INTENSITY	1,054,700.00	(A)	1,050,200.00	(A,R)
	APPROACH LIGHTING SYSTEM RUNWAY 31L	100,000.00	(C)	100,000.00	(C)
	JOHN F. KENNEDY INTERNATIONAL AIRPORT	60,000.00	(D)	60,000.00	(D)
	HELLMAN ELECTRIC CORP	140,000.00	(O)	25,327.00	(O)
		258,708.00	(P)	197,535.00	(P)
		--0--	(Q)	61,172.00	(Q)
		1,613,408.00		1,494,234.00	
JFK830	REPLACEMENT OF MOTOR CONTROL	2,144,000.00	(A)	2,144,000.00	(A)
	CENTERS AT FUEL FARM BUILDINGS 241 & 242	100,000.00	(C)	29,581.00	(C)
	JOHN F. KENNEDY INTERNATIONAL AIRPORT	128,600.00	(D)	128,600.00	(D)
	GOTTLIEB CONTRACTING, INC	250,000.00	(S)	76,022.00	(S)
		2,622,600.00		2,378,203.00	
EWR995535	BUILDING 119-CONTROL TOWER	157,000.00	(A)	157,000.00	(A)
	HVAC EQUIPMENT REDUNDANCY	16,000.00	(D)	10,283.00	(D)
	NEWARK INTERNATIONAL AIRPORT	173,000.00		167,283.00	
	J&P ELECTRICAL MECHANICAL CONTROLS				
EWR274011	TERMINAL A RAMP PAVEMENT	5,538,275.00	(B)	5,302,439.00	(B)
	REHABILITATION	1,500,000.00	(C)	1,500,000.00	(C)
	NEWARK INTERNATIONAL AIRPORT	332,300.00	(D)	332,300.00	(D)
	RAILROAD CONSTRUCTION COMPANY, INC	700,000.00	(T)	624,230.00	(T)
		700,000.00	(U)	221,458.00	(U)
		--0--	(V)	31,418.00	(V)
		--0--	(W)	107,465.00	(W)
				8,119,310.00	

- (A) Lump Sum
- (B) Classified Work
- (C) Net Cost - amount in the "Total Authorized" column represents the estimated net cost amount. However, the amount in the "Total Payments" column is the authorized net cost amount.
- (D) Extra Work.
- (E) Premium for furnishing performance and payment bond as provided for in the contract.
- (F) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$1,500 for the deletion of part of the work .
- (G) Increase in classified work
- (H) Uncommitted funds in extra work utilized against additional cost in classified work

- (I) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$2,484 as provided for in the contract.
- (J) Increase in classified work in the amount of \$250,000 authorized on 10/29/97.
- (K) Increase in classified work in the amount of \$600,000 authorized on 1/12/98.
- (L) Supplemental Agreement No.1 which provided for an increase in the amount of \$210,000 for classified work on 2/17/98.
- (M) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$29,206 as provided for in the contract.
- (N) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$3,700 for the deletion of part of the work and a deduction of \$209,372 for deficiencies in asphalt pavement density.
- (O) Increase in extra work in the amount of \$140,000 authorized on 1/8/99.
- (P) Increase in net cost work in the amount of \$258,708 authorized on 1/8/99.
- (Q) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$61,172 as provided for in the contract.
- (R) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$4,500 for the deletion of part of the work .
- (S) Increase in extra work in the amount of \$250,000 authorized on 12/9/98.
- (T) Increase in net cost work in the amount of \$700,000 authorized on 7/28/99.
- (U) Increase in extra work in the amount of \$700,000 authorized on 7/28/99.
- (V) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$31,418 as provided for in the contract.
- (W) Increase in compensation pursuant to "Concrete Bonus" clause, as provided for in the contract.

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

RECOMMENDATION: NONE

REPORT A: Pursuant to investment policies adopted by the Committee, the Executive Director reports that he has authorized the following security transactions during the period September 1, 2001 through September 30, 2001.

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

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/04/01	\$ 5,400,000	APO-JFK	6.375%	12/01/15	99.90	--	6.387%	\$ 5,394,600.00	JFKIAT-APO
09/04/01	50,000,000	GECC CP	--	09/10/01	99.94	3.620%	3.672	49,969,833.35	General Electric Capital
09/05/01	50,000,000	GECC CP	--	09/06/01	99.99	3.530	3.579	49,995,097.20	General Electric Capital
09/06/01	25,000,000	US T-BILL	3.625	08/31/03	99.73	--	3.769	24,931,640.63	Fuji Securities
09/06/01	30,000,000	US T-BILL	--	09/13/01	99.93	3.380	3.429	29,980,283.34	Merrill Lynch
09/06/01	40,190,000	US T-BILL	--	10/04/01	99.73	3.410	3.467	40,083,407.20	Legg Mason
09/06/01	50,000,000	US T-BILL	--	10/04/01	99.74	3.385	3.441	49,868,361.10	Legg Mason
09/06/01	50,000,000	GECC CP	--	09/07/01	99.99	3.480	3.529	49,995,166.65	General Electric Capital
09/07/01	50,000,000	US T-BILL	--	10/04/01	99.75	3.385	3.441	49,873,062.50	SG Cowen
09/07/01	50,000,000	FMCDN	--	09/10/01	99.97	3.350	3.397	49,986,041.65	Merrill Lynch
09/07/01	50,000,000	FMCDN	--	09/10/01	99.97	3.350	3.397	49,986,041.65	Merrill Lynch
09/10/01	25,200,000	US T-BILL	--	11/01/01	99.53	3.220	3.280	25,082,792.00	Fuji Securities

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/10/01	\$ 30,000,000	Citicorp CP	--	09/11/01	99.99	3.450%	3.498%	\$ 29,997,125.01	Citicorp
09/10/01	50,000,000	US T-BILL	--	09/13/01	99.97	3.350	3.397	49,986,041.65	Fuji Securities
09/10/01	50,000,000	US T-BILL	--	09/20/01	99.91	3.320	3.369	49,953,888.90	Fuji Securities
09/10/01	50,000,000	US T-BILL	--	11/08/01	99.47	3.220	3.282	49,736,138.90	Fuji Securities
09/10/01	50,000,000	GECC CP	--	09/11/01	99.99	3.470	3.519	49,995,180.55	General Electric Capital
09/10/01	50,000,000	GECC CP	--	09/11/01	99.99	3.470	3.519	49,995,180.55	Greenwich Capital Mkts
09/10/01	50,000,000	Citicorp CP	--	09/18/01	99.92	3.480	3.531	49,961,333.35	Citicorp
09/13/01	50,000,000	GECC CP	--	09/14/01	99.99	3.450	3.498	49,995,208.35	General Electric Capital
09/13/01	50,000,000	GECC CP	--	09/14/01	99.99	3.450	3.498	49,995,208.35	General Electric Capital
09/13/01	50,000,000	FNDN	--	09/14/01	99.99	3.500	3.549	49,995,138.90	Merrill Lynch
09/13/01	50,000,000	FNDN	--	09/14/01	99.99	3.500	3.549	49,995,138.90	Merrill Lynch
09/14/01	50,000,000	GECC CP	--	09/19/01	99.95	3.550	3.601	49,975,347.20	General Electric Capital

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/14/01	\$ 50,000,000	GECC CP	--	09/19/01	99.95	3.550%	3.601%	\$ 49,975,347.20	General Electric Capital
09/14/01	50,000,000	Citicorp CP	--	09/17/01	99.97	3.500	3.550	49,985,416.65	Citicorp
09/14/01	50,000,000	Citicorp CP	--	09/17/01	99.97	3.500	3.550	49,985,416.65	Citicorp
09/17/01	50,000,000	GECC CP	--	09/19/01	99.98	3.000	3.042	49,991,666.65	General Electric Capital
09/18/01	35,000,000	FMCDN	--	09/19/01	100.00	1.750	1.774	34,998,298.62	Merrill Lynch
09/18/01	50,000,000	FNDN	--	10/01/01	99.90	2.800	2.842	49,949,444.45	Merrill Lynch
09/18/01	50,000,000	FNDN	--	10/01/01	99.90	2.800	2.842	49,949,444.45	Merrill Lynch
09/18/01	50,000,000	Citicorp CP	--	09/21/01	99.98	2.180	2.211	49,990,916.65	Citicorp
09/19/01	25,000,000	GECC CP	--	09/25/01	99.97	1.850	1.876	24,992,291.68	General Electric Capital
09/19/01	50,000,000	US T-BILL	--	11/29/01	99.54	2.350	2.394	49,768,263.90	Legg Mason
09/19/01	50,000,000	Citicorp CP	--	09/20/01	100.00	0.500	0.507	49,999,305.55	Citicorp
09/19/01	50,000,000	Citicorp CP	--	09/20/01	100.00	1.000	1.014	49,998,611.10	Citicorp

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/20/01	\$ 50,000,000	Citicorp CP	--	09/21/01	100.00	1.700%	1.724%	\$ 49,997,638.90	Citicorp
09/20/01	50,000,000	Citicorp CP	--	09/24/01	99.98	1.700	1.724	49,990,555.55	Citicorp
09/21/01	18,000,000	US T-BILL	--	10/18/01	99.86	1.880	1.909	17,974,620.00	Legg Mason
09/21/01	25,000,000	Citicorp CP	--	09/24/01	99.98	2.000	2.028	24,995,833.33	Citicorp
09/21/01	36,000,000	US T-BILL	--	10/18/01	99.86	1.880	1.909	35,949,240.00	Legg Mason
09/21/01	40,000,000	US T-BILL	--	12/20/01	99.48	2.100	2.140	39,790,000.00	Legg Mason
09/21/01	50,000,000	US T-BILL	--	12/20/01	99.48	2.100	2.140	49,737,500.00	Legg Mason
09/24/01	25,000,000	GECC CP	--	09/25/01	99.99	2.950	2.991	24,997,951.40	General Electric Capital
09/24/01	50,000,000	Citicorp CP	--	09/25/01	99.99	2.950	2.991	49,995,902.80	Citicorp
09/24/01	50,000,000	Citicorp CP	--	09/25/01	99.99	2.950	2.991	49,995,902.80	Citicorp
09/24/01	50,000,000	GECC CP	--	09/25/01	99.99	2.950	2.991	49,995,902.80	General Electric Capital
09/25/01	50,000,000	US T-BILL	--	10/04/01	99.94	2.380	2.414	49,970,250.00	Legg Mason

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/25/01	\$ 50,000,000	GECC CP	--	09/26/01	99.99	3.120%	3.164%	\$ 49,995,666.65	General Electric Capital
09/25/01	50,000,000	GECC CP	--	09/26/01	99.99	3.120	3.164	49,995,666.65	General Electric Capital
09/25/01	50,000,000	Citicorp CP	--	09/26/01	99.99	3.000	3.042	49,995,833.35	Citicorp
09/25/01	50,000,000	Citicorp CP	--	09/26/01	99.99	3.000	3.042	49,995,833.35	Citicorp
09/26/01	20,000,000	US T-BILL	--	11/01/01	99.76	2.360	2.398	19,952,800.00	SG Cowen
09/26/01	50,000,000	US T-BILL	--	11/01/01	99.76	2.410	2.449	49,879,500.00	Legg Mason
09/26/01	50,000,000	US T-BILL	--	11/01/01	99.77	2.350	2.388	49,882,500.00	SG Cowen
09/26/01	50,000,000	US T-BILL	--	11/08/01	99.71	2.410	2.451	49,856,069.45	Legg Mason
09/26/01	50,000,000	Citicorp CP	--	10/01/01	99.96	3.120	3.165	49,978,333.35	Citicorp
09/26/01	50,000,000	Citicorp CP	--	10/01/01	99.96	3.120	3.165	49,978,333.35	Citicorp
09/26/01	50,000,000	GECC CP	--	09/28/01	99.98	3.120	3.164	49,991,333.35	General Electric Capital
09/26/01	50,000,000	GECC CP	--	09/28/01	99.98	3.120	3.164	49,991,333.35	General Electric Capital

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/27/01	\$ 50,000,000	US T-BILL	--	10/25/01	99.81	2.450%	2.489%	\$ 49,904,722.20	SG Cowen
09/27/01	50,000,000	US T-BILL	--	10/25/01	99.81	2.450	2.489	49,904,722.20	SG Cowen
09/27/01	50,000,000	US T-BILL	--	10/25/01	99.81	2.450	2.489	49,904,722.20	SG Cowen
09/28/01	15,000,000	FMCDN	--	10/01/01	99.98	2.750	2.789	14,996,562.50	Merrill Lynch
09/28/01	50,000,000	GECC CP	--	10/01/01	99.97	3.250	3.296	49,986,458.35	General Electric Capital
09/28/01	<u>50,000,000</u>	GECC CP	--	10/01/01	99.97	3.250	3.296	<u>49,986,458.35</u>	General Electric Capital
	<u>\$ 2,944,790,000</u>							<u>\$ 2,941,879,827.66</u>	

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

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
09/07/01	\$ <u>25,000,000</u>	US T-NOTE	3.625%	08/31/03	99.85	--	\$ <u>24,964,843.75</u>	Fuji Securities
	<u>\$ 25,000,000</u>						<u>\$ 24,964,843.75</u>	

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

Repurchase Transactions

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
UBS Warburg	09/04/01	09/06/01	\$ 1,553,000	3.580%	\$ 308.87
Fuji Securities	09/04/01	09/05/01	2,165,000	3.620	217.70
UBS Warburg	09/04/01	09/06/01	6,380,000	3.580	1,268.91
UBS Warburg	09/04/01	09/06/01	24,734,000	3.580	4,919.32
UBS Warburg	09/04/01	09/06/01	30,044,000	3.580	5,975.42
UBS Warburg	09/04/01	09/06/01	37,060,000	3.580	7,370.82
Fuji Securities	09/04/01	09/05/01	44,835,000	3.620	4,508.41
Nomura Securities	09/05/01	09/06/01	50,000,000	3.510	4,875.00
Fuji Securities	09/06/01	09/07/01	92,000	3.440	8.79
Paribas Corporation	09/06/01	09/10/01	6,382,000	3.440	2,439.34
Fuji Securities	09/06/01	09/07/01	10,000,000	3.440	955.56
Fuji Securities	09/06/01	09/07/01	13,879,000	3.470	1,337.78

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>
Fuji Securities	09/06/01	09/07/01	\$ 24,188,000	3.470%	\$ 2,331.45
Fuji Securities	09/06/01	09/07/01	24,311,000	3.470	2,343.31
Paribas Corporation	09/06/01	09/10/01	24,739,000	3.440	9,455.80
Paribas Corporation	09/06/01	09/10/01	37,067,000	3.440	14,167.83
Fuji Securities	09/06/01	09/07/01	48,622,000	3.470	4,686.62
Fuji Securities	09/06/01	09/07/01	49,908,000	3.440	4,768.99
Fuji Securities	09/07/01	09/10/01	12,072,000	3.440	3,460.64
UBS Warburg	09/07/01	09/10/01	25,166,000	3.440	7,214.25
Fuji Securities	09/07/01	09/10/01	48,928,000	3.440	14,026.03
UBS Warburg	09/07/01	09/10/01	50,000,000	3.440	14,333.33
UBS Warburg	09/07/01	09/10/01	51,776,000	3.440	14,842.45
UBS Warburg	09/07/01	09/10/01	59,589,000	3.440	17,082.18

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>
Greenwich Capital Mkts	09/10/01	09/12/01	\$ 5,947,000	3.460%	\$ 1,143.15
Greenwich Capital Mkts	09/10/01	09/12/01	6,404,000	3.460	1,230.99
Greenwich Capital Mkts	09/10/01	09/12/01	24,547,000	3.460	4,718.48
Greenwich Capital Mkts	09/10/01	09/12/01	36,920,000	3.460	7,096.84
Lehman Brothers	09/10/01	09/11/01	38,000,000	3.470	3,662.78
Greenwich Capital Mkts	09/13/01	09/17/01	5,947,000	3.450	2,279.68
Greenwich Capital Mkts	09/13/01	09/17/01	120,000,000	3.450	46,000.00
Greenwich Capital Mkts	09/13/01	09/17/01	106,404,000	3.450	40,788.20
Greenwich Capital Mkts	09/13/01	09/17/01	24,547,000	3.450	9,409.68
Greenwich Capital Mkts	09/13/01	09/17/01	36,920,000	3.450	14,152.67
Greenwich Capital Mkts	09/13/01	09/17/01	50,000,000	3.450	19,166.67
Greenwich Capital Mkts	09/17/01	09/18/01	5,947,000	3.000	495.58

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 Mkts	09/17/01	09/18/01	\$ 120,000,000	3.000%	\$ 10,000.00
Greenwich Capital Mkts	09/17/01	09/18/01	106,404,000	3.000	8,867.00
Greenwich Capital Mkts	09/17/01	09/18/01	24,547,000	3.000	2,045.58
Greenwich Capital Mkts	09/17/01	09/18/01	36,920,000	3.000	3,076.67
Greenwich Capital Mkts	09/17/01	09/18/01	50,000,000	3.000	4,166.67
Greenwich Capital Mkts	09/18/01	09/19/01	5,947,000	2.150	355.17
Greenwich Capital Mkts	09/18/01	09/19/01	106,404,000	2.150	6,354.68
Greenwich Capital Mkts	09/18/01	09/19/01	120,000,000	2.150	7,166.67
Greenwich Capital Mkts	09/18/01	09/19/01	24,547,000	2.150	1,466.00
Greenwich Capital Mkts	09/18/01	09/19/01	36,920,000	2.150	2,204.94
Greenwich Capital Mkts	09/18/01	09/19/01	50,000,000	2.150	2,986.11
Greenwich Capital Mkts	09/19/01	09/20/01	5,947,000	1.000	165.19

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>
Greenwich Capital Mkts	09/19/01	09/20/01	\$ 120,000,000	1.000%	\$ 3,333.33
Greenwich Capital Mkts	09/19/01	09/20/01	106,404,000	1.000	2,955.67
Greenwich Capital Mkts	09/19/01	09/20/01	24,547,000	1.000	681.86
Greenwich Capital Mkts	09/19/01	09/20/01	36,920,000	1.000	1,025.56
Greenwich Capital Mkts	09/20/01	09/21/01	5,947,000	1.750	289.09
Greenwich Capital Mkts	09/20/01	09/21/01	120,000,000	1.750	5,833.33
Greenwich Capital Mkts	09/20/01	09/21/01	106,404,000	1.750	5,172.42
SG Cowen	09/20/01	09/21/01	18,000,000	1.500	750.00
Greenwich Capital Mkts	09/20/01	09/21/01	24,547,000	1.750	1,193.26
SG Cowen	09/20/01	09/21/01	36,000,000	1.500	1,500.00
Greenwich Capital Mkts	09/20/01	09/21/01	36,920,000	1.750	1,794.72
SG Cowen	09/20/01	09/21/01	39,801,996	1.500	1,658.42

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>
SG Cowen	09/20/01	09/21/01	\$ 50,000,000	1.500%	\$ 2,083.33
SG Cowen	09/20/01	09/21/01	50,198,000	1.500	2,091.58
Greenwich Capital Mkts	09/21/01	09/24/01	5,947,000	2.100	1,040.73
Greenwich Capital Mkts	09/21/01	09/24/01	120,000,000	2.100	21,000.00
Greenwich Capital Mkts	09/21/01	09/24/01	106,404,000	2.100	18,620.70
Greenwich Capital Mkts	09/21/01	09/24/01	24,547,000	2.100	4,295.73
Greenwich Capital Mkts	09/21/01	09/24/01	36,920,000	2.100	6,461.00
SG Cowen	09/21/01	09/24/01	50,000,000	1.750	7,291.67
SG Cowen	09/21/01	09/24/01	50,000,000	1.750	7,291.67
Greenwich Capital Mkts	09/24/01	09/25/01	5,947,000	2.950	487.32
Greenwich Capital Mkts	09/24/01	09/25/01	106,404,000	2.950	8,719.22
Greenwich Capital Mkts	09/24/01	09/25/01	20,000,000	2.950	1,638.89

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 Mkts	09/24/01	09/25/01	\$ 24,547,000	2.950%	\$ 2,011.49
SG Cowen	09/24/01	09/25/01	35,000,000	3.000	2,916.67
Greenwich Capital Mkts	09/24/01	09/25/01	36,920,000	2.950	3,025.39
SG Cowen	09/24/01	09/25/01	50,000,000	2.900	4,027.78
SG Cowen	09/24/01	09/25/01	50,000,000	2.900	4,027.78
Greenwich Capital Mkts	09/25/01	09/26/01	5,947,000	3.100	512.10
Greenwich Capital Mkts	09/25/01	09/26/01	106,404,000	3.100	9,162.57
Greenwich Capital Mkts	09/25/01	09/26/01	20,000,000	3.100	1,722.22
Greenwich Capital Mkts	09/25/01	09/26/01	24,547,000	3.100	2,113.77
Greenwich Capital Mkts	09/25/01	09/26/01	36,920,000	3.100	3,179.22
SG Cowen	09/25/01	09/26/01	50,000,000	3.050	4,236.11
SG Cowen	09/25/01	09/26/01	50,000,000	3.080	4,277.78

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	09/26/01	09/28/01	\$ 5,950,000	3.080%	\$ 1,018.11
Paribas Corporation	09/26/01	09/28/01	6,500,000	3.080	1,112.22
Paribas Corporation	09/26/01	09/28/01	24,550,000	3.080	4,200.78
Fuji Securities	09/26/01	09/27/01	26,562,000	3.050	2,250.39
Paribas Corporation	09/26/01	09/28/01	37,000,000	3.080	6,331.11
Fuji Securities	09/26/01	09/27/01	48,438,000	3.050	4,103.78
Fuji Securities	09/27/01	09/28/01	31,378,000	3.050	2,658.41
Fuji Securities	09/27/01	09/28/01	48,622,000	3.050	4,119.36
Paribas Corporation	09/28/01	10/01/01	5,950,000	3.125	1,549.48
Paribas Corporation	09/28/01	10/01/01	6,500,000	3.125	1,692.71
Paribas Corporation	09/28/01	10/01/01	16,304,000	3.125	4,245.83
Paribas Corporation	09/28/01	10/01/01	24,550,000	3.125	6,393.23

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	09/28/01	10/01/01	\$ 37,000,000	3.125%	\$ 9,635.42
Paribas Corporation	09/28/01	10/01/01	53,696,000	3.125	13,983.33

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
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No transactions this period.

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

REPORT B: In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period September 1, 2001 through September 30, 2001 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

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

Options Transactions - Sold

Transaction Date	Par Value	Description	Price	Exercise Price	Expirations/ Settlement	Dealer	Option Premium
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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 September 1, 2001 through September 30, 2001 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

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

As of September 30, 2001, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$757 million, including \$382 million pertaining to refundings and \$100 million of reversals.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period **September 1, 2001 through September 30, 2001** under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

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

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

Report E: In addition to the transactions described in Report A, B, C, and D, the Executive Director also reports the following activity under the Futures Program authorized by the Board of Commissioners on December 10, 1987, during the period July 1, 2001 through September 30, 2001 involving the use of the Municipal Bond Futures Contracts (Muni) and the United States Treasury Bond Futures Contracts (T-Bonds) traded on the Chicago Board of Trade to manage the interest rate exposure on the future issuance of Consolidated Bonds and Notes.

Hedge for Consolidated Bonds:

<u>Date</u>	<u>Action</u>	<u>Number of Contracts</u>	<u>Short Position</u>	<u>Gains/(Losses) on Series Hedge</u>	<u>Amount of Prospective Port Authority Debt Hedged</u>	<u>Estimated (Increase)/Decrease in Borrowing Costs on Portion of Debt Hedged</u>
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No outstanding Hedge during the 3rd Quarter 2001.

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

RECOMMENDATION: NONE

REPORT A: Pursuant to investment policies adopted by the Committee, the Acting Executive Director reports that he has authorized the following security transactions during the period October 1, 2001 through October 31, 2001.

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>
10/01/01	\$ 14,300,000	APO-JFK	--	12/01/15	99.90	--	6.387%	\$ 14,285,700.00	JFKIAT-APO
10/01/01	50,000,000	FNDN	--	10/02/01	99.99	3.130%	3.174	49,995,652.80	Merrill Lynch
10/01/01	50,000,000	FNDN	--	10/02/01	99.99	3.130	3.174	49,995,652.80	Merrill Lynch
10/01/01	50,000,000	FNDN	--	10/02/01	99.99	3.130	3.174	49,995,652.80	Morgan Stanley & Co
10/01/01	50,000,000	GECC CP	--	10/02/01	99.99	3.250	3.295	49,995,486.10	General Electric Capital
10/01/01	50,000,000	GECC CP	--	10/02/01	99.99	3.250	3.295	49,995,486.10	General Electric Capital
10/01/01	50,000,000	CITICORP CP	--	10/02/01	99.99	3.200	3.245	49,995,555.55	Citicorp
10/01/01	50,000,000	CITICORP CP	--	10/02/01	99.99	3.200	3.245	49,995,555.55	Citicorp
10/02/01	47,000,000	FCDN	--	10/09/01	99.95	2.550	2.587	46,976,695.85	Merrill Lynch
10/02/01	50,000,000	CITICORP CP	--	10/03/01	99.99	2.530	2.565	49,996,486.10	Citicorp
10/02/01	50,000,000	CITICORP CP	--	10/03/01	99.99	2.530	2.565	49,996,486.10	Citicorp
10/02/01	50,000,000	GECC CP	--	10/09/01	99.95	2.550	2.587	49,975,208.35	General Electric Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/02/01	\$ 50,000,000	GECC CP	--	10/09/01	99.95	2.550%	2.587%	\$ 49,975,208.35	General Electric Capital
10/03/01	50,000,000	CITICORP CP	--	10/04/01	99.99	2.400	2.434	49,996,666.65	Citicorp
10/03/01	50,000,000	CITICORP CP	--	10/04/01	99.99	2.400	2.434	49,996,666.65	Citicorp
10/03/01	50,000,000	FHDN	--	10/04/01	99.99	2.340	2.373	49,996,750.00	Merrill Lynch
10/04/01	10,000,000	FCDN	--	10/09/01	99.97	2.390	2.424	9,996,680.56	Fuji Securities
10/04/01	10,000,000	FNDN	--	10/15/01	99.93	2.390	2.425	9,992,697.22	Fuji Securities
10/04/01	15,000,000	FHDN	--	10/10/01	99.96	2.390	2.424	14,994,025.01	Fuji Securities
10/04/01	24,000,000	FCDN	--	10/05/01	99.99	2.330	2.363	23,998,446.67	UBS Warburg
10/04/01	50,000,000	US T-BILL	--	12/06/01	99.62	2.160	2.198	49,811,000.00	SG Cowen
10/04/01	50,000,000	US T-BILL	--	12/06/01	99.62	2.165	2.203	49,810,562.50	Legg Mason
10/04/01	50,000,000	FCDN	--	10/05/01	99.99	2.330	2.363	49,996,763.90	UBS Warburg
10/04/01	50,000,000	CITICORP CP	--	10/09/01	99.97	2.430	2.465	49,983,125.00	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>
10/04/01	\$ 50,000,000	CITICORP CP	--	10/09/01	99.97	2.430%	2.465%	\$ 49,983,125.00	Citicorp
10/05/01	25,000,000	FHDN	--	10/09/01	99.98	2.230	2.262	24,993,805.55	UBS Warburg
10/09/01	20,000,000	FCDN	--	10/10/01	99.99	2.350	2.383	19,998,694.44	Merrill Lynch
10/09/01	50,000,000	CITICORP CP	--	10/12/01	99.98	2.430	2.464	49,989,875.00	Citicorp
10/09/01	50,000,000	CITICORP CP	--	10/12/01	99.98	2.430	2.464	49,989,875.00	Citicorp
10/09/01	50,000,000	GECC CP	--	10/11/01	99.99	2.420	2.454	49,993,277.80	General Electric Capital
10/09/01	50,000,000	GECC CP	--	10/11/01	99.99	2.420	2.454	49,993,277.80	General Electric Capital
10/09/01	50,000,000	FHDN	--	10/10/01	99.99	2.350	2.383	49,996,736.10	Merrill Lynch
10/09/01	50,000,000	FHDN	--	10/10/01	99.99	2.350	2.383	49,996,736.10	Merrill Lynch
10/09/01	50,000,000	FHDN	--	10/10/01	99.99	2.350	2.383	49,996,736.10	Merrill Lynch
10/09/01	50,000,000	FCDN	--	10/10/01	99.99	2.350	2.383	49,996,736.10	Merrill Lynch
10/11/01	25,000,000	FCDN	--	10/19/01	99.95	2.370	2.404	24,986,833.33	Fuji Securities

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/11/01	\$ 28,910,000	FHDN	--	10/31/01	99.87	2.370%	2.406%	\$ 28,871,935.16	Fuji Securities
10/11/01	50,000,000	GECC CP	--	10/22/01	99.92	2.480	2.516	49,962,111.10	General Electric Capital
10/11/01	50,000,000	GECC CP	--	10/22/01	99.92	2.480	2.516	49,962,111.10	General Electric Capital
10/12/01	50,000,000	UBSFIN CP	--	10/15/01	99.98	2.400	2.434	49,990,000.00	UBS Warburg
10/12/01	50,000,000	UBSFIN CP	--	10/15/01	99.98	2.400	2.434	49,990,000.00	UBS Warburg
10/15/01	10,000,000	CITICORP CP	--	10/16/01	99.99	2.480	2.515	9,999,311.11	Citicorp
10/15/01	40,000,000	US T-BILL	--	11/15/01	99.81	2.190	2.225	39,924,566.68	SG Cowen
10/15/01	43,000,000	CITICORP CP	--	10/16/01	99.99	2.480	2.515	42,997,037.77	Citicorp
10/15/01	50,000,000	FMCDN	--	11/06/01	99.86	2.350	2.386	49,928,194.45	Legg Mason
10/15/01	50,000,000	FMCDN	--	11/06/01	99.86	2.350	2.386	49,928,194.45	Legg Mason
10/15/01	50,000,000	UBSFIN CP	--	10/18/01	99.98	2.500	2.535	49,989,583.35	UBS Warburg
10/16/01	50,000,000	UBSFIN CP	--	10/17/01	99.99	2.480	2.515	49,996,555.55	UBS Warburg

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/16/01	\$ 50,000,000	CITICORP CP	--	10/17/01	99.99	2.500%	2.535%	\$ 49,996,527.80	Citicorp
10/16/01	50,000,000	CITICORP CP	--	10/17/01	99.99	2.500	2.535	49,996,527.80	Citicorp
10/17/01	10,000,000	FMCDN	--	11/13/01	99.82	2.370	2.407	9,982,225.00	Salomon Smith Barney
10/17/01	50,000,000	US T-BILL	--	12/27/01	99.57	2.180	2.220	49,785,027.80	Fuji Securities
10/17/01	50,000,000	FMCDN	--	11/13/01	99.82	2.370	2.407	49,911,125.00	Salomon Smith Barney
10/18/01	18,000,000	US T-BILL	--	11/15/01	99.82	2.280	2.316	17,968,080.01	Legg Mason
10/18/01	36,000,000	US T-BILL	--	11/15/01	99.82	2.280	2.316	35,936,160.01	Legg Mason
10/18/01	50,000,000	US T-BILL	--	11/15/01	99.82	2.280	2.316	49,911,333.35	Legg Mason
10/18/01	50,000,000	FHDN	--	11/14/01	99.82	2.370	2.407	49,911,125.00	Fuji Securities
10/18/01	50,000,000	UBSFIN CP	--	10/19/01	99.99	2.500	2.535	49,996,527.80	UBS Warburg
10/18/01	50,000,000	UBSFIN CP	--	10/19/01	99.99	2.500	2.535	49,996,527.80	UBS Warburg
10/19/01	26,000,000	CITICORP CP	--	10/22/01	99.98	2.440	2.474	25,994,713.34	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>
10/19/01	\$ 30,000,000	FMCDN	--	10/30/01	99.93	2.390%	2.425%	\$ 29,978,091.66	Lehman Brothers
10/19/01	50,000,000	UBSFIN CP	--	10/26/01	99.95	2.450	2.485	49,976,180.55	UBS Warburg
10/19/01	50,000,000	CITICORP CP	--	10/22/01	99.98	2.440	2.474	49,989,833.35	Citicorp
10/19/01	50,000,000	FHDN	--	10/31/01	99.92	2.370	2.405	49,960,500.00	Legg Mason
10/19/01	50,000,000	UBSFIN CP	--	10/24/01	99.97	2.430	2.465	49,983,125.00	UBS Warburg
10/24/01	25,000,000	FHDN	--	11/16/01	99.85	2.320	2.356	24,962,944.45	Fuji Securities
10/24/01	25,000,000	FMCDN	--	11/20/01	99.83	2.310	2.346	24,956,687.50	Fuji Securities
10/24/01	35,000,000	UBSFIN CP	--	10/25/01	99.99	2.480	2.515	34,997,588.89	UBS Warburg
10/24/01	50,000,000	FMCDN	--	11/20/01	99.83	2.300	2.336	49,913,750.00	Legg Mason
10/25/01	47,000,000	US T-BILL	--	12/13/01	99.71	2.150	2.186	46,862,459.72	Merrill Lynch
10/25/01	50,000,000	US T-BILL	--	12/13/01	99.71	2.150	2.186	49,853,680.55	SG Cowen
10/25/01	50,000,000	US T-BILL	--	12/13/01	99.71	2.150	2.186	49,853,680.55	Fuji Securities

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
10/25/01	\$ 50,000,000	UBSFIN CP	--	10/26/01	99.99	2.500%	2.535%	\$ 49,996,527.80	UBS Warburg
10/29/01	50,000,000	FHDN	--	11/05/01	99.96	2.300	2.333	49,977,638.90	Merrill Lynch
10/29/01	50,000,000	UBSFIN CP	--	10/30/01	99.99	2.560	2.596	49,996,444.45	UBS Warburg
10/29/01	50,000,000	UBSFIN CP	--	10/30/01	99.99	2.560	2.596	49,996,444.45	UBS Warburg
10/30/01	25,000,000	CITICORP CP	--	10/31/01	99.99	2.500	2.535	24,998,263.90	Citicorp
10/30/01	33,000,000	GECC CP	--	10/31/01	99.99	2.480	2.515	32,997,726.66	General Electric Capital
10/30/01	50,000,000	UBSFIN CP	--	10/31/01	99.99	2.530	2.565	49,996,486.10	UBS Warburg
10/30/01	50,000,000	UBSFIN CP	--	10/31/01	99.99	2.530	2.565	49,996,486.10	UBS Warburg
10/30/01	50,000,000	CITICORP CP	--	10/31/01	99.99	2.500	2.535	49,996,527.80	Citicorp
10/31/01	37,000,000	GECC CP	--	11/01/01	99.99	2.560	2.596	36,997,368.89	General Electric Capital
10/31/01	50,000,000	US T-BILL	--	11/29/01	99.83	2.135	2.168	49,914,006.95	Fuji Securities
10/31/01	50,000,000	GECC CP	--	11/05/01	99.97	2.450	2.485	49,982,986.10	General Electric Capital

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
10/31/01	\$ 50,000,000	UBSFIN CP	--	11/01/01	99.99	2.650%	2.687%	\$ 49,996,319.45	UBS Warburg
10/31/01	50,000,000	UBSFIN CP	--	11/01/01	99.99	2.650	2.687	49,996,319.45	UBS Warburg
10/31/01	50,000,000	CITICORP CP	--	11/07/01	99.95	2.460	2.495	49,976,083.35	Citicorp
10/31/01	<u>50,000,000</u>	CITICORP CP	--	11/07/01	99.95	2.460	2.495	<u>49,976,083.35</u>	Citicorp
	<u>\$ 3,809,210,000</u>							<u>\$ 3,806,669,656.28</u>	

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

Sale of Securities

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

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

Repurchase Transactions

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
UBS Warburg	10/01/01	10/03/01	\$ 5,950,000	3.120%	\$ 1,031.33
UBS Warburg	10/01/01	10/03/01	6,500,000	3.120	1,126.67
UBS Warburg	10/01/01	10/03/01	24,500,000	3.120	4,246.67
UBS Warburg	10/01/01	10/03/01	37,000,000	3.120	6,413.33
Nomura Securities	10/02/01	10/03/01	15,096,000	2.500	1,048.33
Nomura Securities	10/02/01	10/03/01	22,001,000	2.500	1,527.85
Nomura Securities	10/02/01	10/03/01	62,903,000	2.500	4,368.26
SG Cowen	10/03/01	10/04/01	5,950,000	2.430	401.63
SG Cowen	10/03/01	10/04/01	6,500,000	2.430	438.75
SG Cowen	10/03/01	10/04/01	11,650,000	2.430	786.38
SG Cowen	10/03/01	10/04/01	24,550,000	2.430	1,657.13
SG Cowen	10/03/01	10/04/01	37,000,000	2.430	2,497.50

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>
SG Cowen	10/03/01	10/04/01	\$ 40,000,000	2.430%	\$ 2,700.00
SG Cowen	10/03/01	10/04/01	50,000,000	2.430	3,375.00
SG Cowen	10/04/01	10/09/01	5,950,000	2.430	2,008.13
SG Cowen	10/04/01	10/09/01	24,550,000	2.430	8,285.63
SG Cowen	10/04/01	10/09/01	26,666,000	2.430	8,999.78
SG Cowen	10/04/01	10/09/01	37,000,000	2.430	12,487.50
SG Cowen	10/04/01	10/09/01	46,690,000	2.430	15,757.88
Fuji Securities	10/04/01	10/05/01	49,908,000	2.450	3,396.52
SG Cowen	10/04/01	10/09/01	50,000,000	2.430	16,875.00
Fuji Securities	10/04/01	10/05/01	50,092,000	2.450	3,409.04
Nomura Securities	10/05/01	10/09/01	2,809,000	2.380	742.82
Fuji Securities	10/05/01	10/09/01	15,505,000	2.380	4,100.21

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>
Fuji Securities	10/05/01	10/09/01	\$ 32,811,000	2.380%	\$ 8,676.69
Nomura Securities	10/05/01	10/09/01	48,583,000	2.380	12,847.50
Nomura Securities	10/05/01	10/09/01	48,608,000	2.380	12,854.12
Fuji Securities	10/05/01	10/09/01	51,684,000	2.380	13,667.55
SG Cowen	10/09/01	10/10/01	1,259,455	2.470	86.41
SG Cowen	10/09/01	10/10/01	5,950,000	2.470	408.24
SG Cowen	10/09/01	10/10/01	24,550,000	2.470	1,684.40
SG Cowen	10/09/01	10/10/01	35,000,000	2.470	2,401.39
SG Cowen	10/09/01	10/10/01	37,000,000	2.470	2,538.61
SG Cowen	10/09/01	10/10/01	46,690,000	2.470	3,203.45
SG Cowen	10/09/01	10/10/01	48,740,545	2.470	3,344.14
SG Cowen	10/10/01	10/11/01	1,215,000	2.450	82.69

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>
SG Cowen	10/10/01	10/11/01	\$ 5,950,000	2.450%	\$ 404.93
Nomura Securities	10/10/01	10/11/01	9,075,000	2.450	617.60
Nomura Securities	10/10/01	10/11/01	23,526,000	2.450	1,601.08
SG Cowen	10/10/01	10/11/01	24,550,000	2.450	1,670.76
Fuji Securities	10/10/01	10/11/01	27,952,000	2.420	1,879.00
Nomura Securities	10/10/01	10/11/01	30,786,000	2.450	2,095.16
SG Cowen	10/10/01	10/11/01	35,000,000	2.450	2,381.94
SG Cowen	10/10/01	10/11/01	37,000,000	2.450	2,518.06
SG Cowen	10/10/01	10/11/01	46,690,000	2.450	3,177.51
Fuji Securities	10/10/01	10/11/01	48,524,000	2.420	3,261.89
Fuji Securities	10/10/01	10/11/01	48,524,000	2.420	3,261.89
SG Cowen	10/10/01	10/11/01	48,785,000	2.450	3,320.09

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura Securities	10/10/01	10/11/01	\$ 50,163,000	2.450%	\$ 3,413.87
Nomura Securities	10/10/01	10/11/01	51,450,000	2.450	3,501.46
Fuji Securities	10/11/01	10/12/01	123,000	2.420	8.27
SG Cowen	10/11/01	10/15/01	5,950,000	2.410	1,593.28
Nomura Securities	10/11/01	10/12/01	15,907,000	2.440	1,078.14
Fuji Securities	10/11/01	10/12/01	21,691,000	2.420	1,458.12
SG Cowen	10/11/01	10/15/01	24,550,000	2.410	6,573.94
Fuji Securities	10/11/01	10/12/01	27,115,000	2.420	1,822.73
Nomura Securities	10/11/01	10/12/01	30,786,000	2.440	2,086.61
SG Cowen	10/11/01	10/15/01	35,000,000	2.410	9,372.22
SG Cowen	10/11/01	10/15/01	37,000,000	2.410	9,907.78
SG Cowen	10/11/01	10/15/01	46,690,000	2.410	12,502.54

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>
SG Cowen	10/11/01	10/15/01	\$ 50,000,000	2.410%	\$ 13,388.89
Nomura Securities	10/11/01	10/12/01	50,163,000	2.440	3,399.94
Fuji Securities	10/11/01	10/12/01	51,071,000	2.420	3,433.11
Nomura Securities	10/11/01	10/12/01	51,327,000	2.440	3,478.83
Nomura Securities	10/11/01	10/12/01	51,817,000	2.440	3,512.04
Nomura Securities	10/12/01	10/15/01	6,668,000	2.380	1,322.49
Fuji Securities	10/12/01	10/15/01	23,718,000	2.390	4,723.84
Fuji Securities	10/12/01	10/15/01	27,115,000	2.390	5,400.40
Nomura Securities	10/12/01	10/15/01	47,313,000	2.380	9,383.75
Nomura Securities	10/12/01	10/15/01	48,571,000	2.380	9,633.25
Nomura Securities	10/12/01	10/15/01	48,571,000	2.380	9,633.25
Nomura Securities	10/12/01	10/15/01	48,877,000	2.380	9,693.94

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Fuji Securities	10/12/01	10/15/01	\$ 49,167,000	2.390%	\$ 9,792.43
Fuji Securities	10/15/01	10/16/01	3,124,000	2.470	214.34
Nomura Securities	10/15/01	10/16/01	5,951,000	2.490	411.61
Nomura Securities	10/15/01	10/16/01	24,556,000	2.490	1,698.46
Nomura Securities	10/15/01	10/16/01	37,009,000	2.490	2,559.79
Nomura Securities	10/15/01	10/16/01	46,702,000	2.490	3,230.22
Fuji Securities	10/15/01	10/16/01	48,438,000	2.470	3,323.39
Fuji Securities	10/15/01	10/16/01	48,438,000	2.470	3,323.39
SG Cowen	10/15/01	10/16/01	50,000,000	2.470	3,430.56
SG Cowen	10/15/01	10/16/01	50,000,000	2.470	3,430.56
SG Cowen	10/16/01	10/17/01	5,952,000	2.480	410.03
Fuji Securities	10/16/01	10/17/01	10,000,000	2.480	688.89

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>
Fuji Securities	10/16/01	10/17/01	\$ 16,051,000	2.480%	\$ 1,105.74
SG Cowen	10/16/01	10/17/01	24,588,000	2.480	1,693.84
Fuji Securities	10/16/01	10/17/01	33,949,000	2.480	2,338.71
SG Cowen	10/16/01	10/17/01	37,012,000	2.480	2,549.72
SG Cowen	10/16/01	10/17/01	46,705,000	2.480	3,217.46
Nomura Securities	10/16/01	10/17/01	50,000,000	2.500	3,472.22
SG Cowen	10/17/01	10/18/01	5,952,000	2.490	411.68
Fuji Securities	10/17/01	10/18/01	24,249,000	2.490	1,677.22
SG Cowen	10/17/01	10/18/01	24,559,000	2.490	1,698.66
Fuji Securities	10/17/01	10/18/01	29,063,000	2.490	2,010.19
SG Cowen	10/17/01	10/18/01	37,015,000	2.490	2,560.20
Fuji Securities	10/17/01	10/18/01	46,688,000	2.490	3,229.25

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
SG Cowen	10/17/01	10/18/01	\$ 46,708,000	2.490%	\$ 3,230.64
SG Cowen	10/17/01	10/18/01	50,000,000	2.490	3,458.33
Fuji Securities	10/18/01	10/19/01	693,000	2.490	47.93
Nomura Securities	10/18/01	10/19/01	1,245,000	2.490	86.11
Nomura Securities	10/18/01	10/19/01	1,657,000	2.490	114.61
SG Cowen	10/18/01	10/19/01	4,162,000	2.510	290.18
Fuji Securities	10/18/01	10/19/01	5,952,000	2.490	411.68
Fuji Securities	10/18/01	10/19/01	8,110,000	2.490	560.94
Fuji Securities	10/18/01	10/19/01	16,450,000	2.490	1,137.79
Fuji Securities	10/18/01	10/19/01	37,017,000	2.490	2,560.34
Fuji Securities	10/18/01	10/19/01	46,019,000	2.490	3,182.98
Nomura Securities	10/18/01	10/19/01	48,755,000	2.490	3,372.22

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura Securities	10/18/01	10/19/01	\$ 48,755,000	2.490%	\$ 3,372.22
SG Cowen	10/18/01	10/19/01	51,838,000	2.510	3,614.26
Fuji Securities	10/19/01	10/22/01	5,953,000	2.430	1,205.48
Fuji Securities	10/19/01	10/22/01	24,562,000	2.430	4,973.81
Fuji Securities	10/19/01	10/22/01	37,020,000	2.430	7,496.55
Fuji Securities	10/19/01	10/22/01	46,715,000	2.430	9,459.79
Nomura Securities	10/22/01	10/23/01	2,246,000	2.500	155.97
SG Cowen	10/22/01	10/23/01	4,504,000	2.500	312.78
SG Cowen	10/22/01	10/23/01	6,651,000	2.500	461.88
SG Cowen	10/22/01	10/23/01	22,386,000	2.500	1,554.58
Fuji Securities	10/22/01	10/23/01	27,000,000	2.490	1,867.50
SG Cowen	10/22/01	10/23/01	27,351,000	2.500	1,899.38

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Lehman Brothers	10/22/01	10/23/01	\$ 44,425,000	2.500%	\$ 3,085.07
Nomura Securities	10/22/01	10/23/01	48,877,000	2.500	3,394.24
Nomura Securities	10/22/01	10/23/01	48,877,000	2.500	3,394.24
Lehman Brothers	10/22/01	10/23/01	55,575,000	2.500	3,859.38
SG Cowen	10/23/01	10/24/01	4,504,000	2.480	310.28
SG Cowen	10/23/01	10/24/01	6,651,000	2.480	458.18
SG Cowen	10/23/01	10/24/01	22,387,000	2.480	1,542.22
SG Cowen	10/23/01	10/24/01	27,353,000	2.480	1,884.32
Fuji Securities	10/23/01	10/24/01	30,000,000	2.480	2,066.67
UBS Warburg	10/23/01	10/24/01	36,949,000	2.480	2,545.38
SG Cowen	10/23/01	10/24/01	50,000,000	2.480	3,444.44
SG Cowen	10/23/01	10/24/01	50,000,000	2.480	3,444.44

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	10/23/01	10/24/01	\$ 63,051,000	2.480%	\$ 4,343.51
Nomura Securities	10/24/01	10/25/01	4,437,000	2.470	304.43
Nomura Securities	10/24/01	10/25/01	4,686,000	2.470	321.51
Nomura Securities	10/24/01	10/25/01	5,851,000	2.470	401.44
Nomura Securities	10/24/01	10/25/01	22,366,000	2.470	1,534.56
Nomura Securities	10/24/01	10/25/01	27,354,000	2.470	1,876.79
Nomura Securities	10/24/01	10/25/01	44,149,000	2.470	3,029.11
SG Cowen	10/24/01	10/25/01	50,000,000	2.480	3,444.44
SG Cowen	10/24/01	10/25/01	50,000,000	2.480	3,444.44
SG Cowen	10/25/01	10/29/01	4,398,000	2.470	1,207.01
SG Cowen	10/25/01	10/29/01	20,696,000	2.470	5,679.90
SG Cowen	10/25/01	10/29/01	26,036,000	2.470	7,145.44

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>
SG Cowen	10/25/01	10/29/01	\$ 42,350,000	2.470%	\$ 11,622.72
SG Cowen	10/25/01	10/29/01	50,000,000	2.470	13,722.22
SG Cowen	10/25/01	10/29/01	50,000,000	2.470	13,722.22
Paribas Corporation	10/25/01	10/29/01	50,000,000	2.470	13,722.22
Nomura Securities	10/26/01	10/29/01	2,614,000	2.460	535.87
Nomura Securities	10/26/01	10/29/01	48,693,000	2.460	9,982.07
Nomura Securities	10/26/01	10/29/01	48,693,000	2.460	9,982.07
Nomura Securities	10/29/01	10/30/01	3,410,000	2.490	235.86
Nomura Securities	10/29/01	10/30/01	20,031,000	2.490	1,385.48
Nomura Securities	10/29/01	10/30/01	25,985,000	2.490	1,797.30
UBS Warburg	10/29/01	10/30/01	28,648,000	2.480	1,973.53
Nomura Securities	10/29/01	10/30/01	39,148,000	2.490	2,707.74

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
UBS Warburg	10/29/01	10/30/01	\$ 57,352,000	2.480%	\$ 3,950.92
Fuji Securities	10/30/01	10/31/01	3,292,000	2.490	227.70
Fuji Securities	10/30/01	10/31/01	19,941,000	2.490	1,379.25
Fuji Securities	10/30/01	10/31/01	25,983,000	2.490	1,797.16
Fuji Securities	10/30/01	10/31/01	38,789,000	2.490	2,682.91
SG Cowen	10/31/01	11/01/01	3,292,000	2.560	234.10
SG Cowen	10/31/01	11/01/01	19,943,000	2.560	1,418.17
SG Cowen	10/31/01	11/01/01	25,985,000	2.560	1,847.82
SG Cowen	10/31/01	11/01/01	38,788,000	2.560	2,758.26

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
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No transactions this period.

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

REPORT B: In addition to the transactions described in Report A of this report, the Acting Executive Director also reports the following transactions during the period October 1, 2001 through October 31, 2001, 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

Transaction Date	Par Value	Description	Price	Exercise Price	Expirations/ Settlement	Dealer	Option Premium
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Options Transactions - Sold

Transaction Date	Par Value	Description	Price	Exercise Price	Expirations/ Settlement	Dealer	Option Premium
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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 Acting Executive Director also reports the following transactions during the period October 1, 2001 and October 31, 2001, 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>
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No new transactions this period.

As of October 31, 2001, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$757 million, including \$382 million pertaining to refundings and \$100 million of reversals.

REPORT D: In addition to the transactions described in Report A, B and C, the Acting Executive Director also reports the following transactions during the period October 1, 2001 and October 31, 2001 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.