

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES Thursday, February 20, 2003

	Page
Action on Minutes	3
Report of Audit Committee	3
Report of Committee on Finance	3
Report of Committee on Capital Programs/Port Planning	3
Report of Committee on Construction	3
Report of Committee on Operations	4
2003 Budget	5
Newark Liberty International Airport – Continental Airlines, Inc. – ANA-170 – Supplemental Agreement - and ANA-370 – Supplemental Agreement	10
John F. Kennedy International Airport – JetBlue Airways Corporation – Lease AYD-314 – Hangar 12	12
John F. Kennedy International Airport – Continental Airlines, Inc. – Lease AYD-123 – Investment in Cargo Building No. 71	14
John F. Kennedy International Airport – The Hertz Corporation – Supplement to Lease Agreement AYB-512 and Amendment to Corresponding Operating Permit AX-395	16
John F. Kennedy International Airport – National Car Rental System, Inc. – Supplement to Agreement AYB-514 and Amendment to Corresponding Operating Permit AX-397	17
Port Newark – FAPS, Inc. – Lease Agreements – Lease No. L-PN-265 and Lease No. L-PN-266	19
Port Newark – Hugo Neu Schnitzer East – Lease No. LNS-869 – Agreement to Effectuate Acceptance of Lease Surrender and Recovery of Certain Remediation Costs	21
Brooklyn-Port Authority Marine Terminal – Piers 6 through 12 – Preferred Alternative Use Plan – Cooperation and Cost Sharing Agreement with New York City Economic Development Corporation	23
Lincoln Tunnel – Agreement with the National Rail Passenger Corporation for a Storm Drainage Easement Across Port Authority Property	24

Agreements for Funding and Access with the City of Elizabeth and Union County	26
Purchase of Sikorsky S-76C+ Helicopter and Extension of Current Lease Agreement with General Electric Capital Corporation for Sikorsky S-76B Helicopter	28
Confidential	29
Confidential	31
Tribute to William J. Martini	32
Tribute to Alan G. Philibosian	33
Contract and Purchase Order Authorizations and Amendments – Quarterly Report	34
Tort Claim Settlements – Report	41
Final Contract Payments	45
Investment & Deposits	50
Insurance Transactions	107
Appointment of Comptroller	110

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, February 20, 2003, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Jack G. Sinagra, Chairman
 Hon. Charles Kushner
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

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

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

Gwendolyn Archie, Staff Administrator, Office of the Secretary
 Kayla M. Bergeron, Director, Public Affairs
 A. Paul Blanco, Chief of Regional and Economic Development
 Bruce D. Bohlen, Treasurer
 John D. Brill, Director, Audit
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Rosemary Chiricolo, Assistant Director, Financial Services
 Arthur J. Cifelli, Assistant Director, Government and Community Affairs
 Victoria C. Kelly, Deputy Director, Tunnels, Bridges and Terminals
 William R. DeCota, Director, Aviation
 Michael R. DeCotiis, Deputy Executive Director
 John C. Denise, Supervisor, Audio Visual/Photography, Operations Services
 Michael P. DePallo, Director, PATH
 Charles D. DeRienzo, Superintendent of Police/Director, Public Safety
 Pasquale DiFulco, Public Information Officer, Public Affairs
 Nancy J. Ertag-Brand, Executive Advisor to the Chief Financial Officer
 Michael G. Fabiano, Comptroller
 Linda C. Handel, Assistant Secretary
 Alan H. Hicks, Principal Special Events Representative, Public Affairs
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 Joshua Klevans, Executive Assistant to the Deputy Executive Director
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Stephen Marinko, Attorney, Law
 Gloria Martinez, Executive Secretary, Office of the Secretary
 Charles F. McClafferty, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Allen M. Morrison, Supervisor, Public Affairs
 Lynn A. Nerney, Staff Administrator, Office of the Secretary
 Catherine F. Pavelec, Executive Assistant to the Secretary, Office of the Secretary
 Michael A. Petralia, Chief of Public and Government Affairs
 Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
 Myron D. Ronis, Deputy Director, Port Commerce
 Edmond F. Schorno, Chief of Staff
 Douglas L. Smith, Director, Office of Forecasting and Capital Planning
 John F. Spencer, Deputy Chief Engineer

Gregory J. Trevor, Senior Public Information Officer, Public Affairs
Sean P. Walsh, Director, Government and Community Affairs
Richard Wright, State Legislative Representative, Government and Community Affairs

Guest:

Paul Higgins, New York Empire State Development Corporation

The public session was called to order by Chairman Sinagra at 2:30 p.m. and ended at 2:37 p.m. The Board met in executive session prior to the public session, and also met in executive session on January 30, 2003.

Action on Minutes

The Secretary submitted for approval Minutes of the meetings of November 21, 2002 and December 12, 2002. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on February 20, 2003, 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 January 15, 2003, which included discussion of contract matters and matters which could affect the competitive economic position of the Port Authority, Port District or businesses with which we deal. The Committee also reported, for information, on matters discussed in executive session at its meeting on February 20, 2003, 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, contract matters, and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Capital Programs/Port Planning

The Committee on Capital Programs/Port Planning reported, for information, on matters discussed in executive session at its meeting on February 20, 2003, which included discussion of property matters, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in executive session at its meeting on January 9, 2003 which included discussion of contract matters. The Committee also reported, for information, on matters discussed at its meeting on February 20, 2003, which included a review of the 2002 Construction Program and the 2003 Construction Plan, an update on the modernization of marine terminal facilities at Port Newark and the Elizabeth Port-

Authority Marine Terminal, and an update on the status of the fire standpipe construction in the North and South tubes and ventilation buildings at the Holland Tunnel, in addition to matters filed with the Board pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on February 20, 2003, which included discussion of lease and contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received.

2003 BUDGET

The 2003 Budget for The Port Authority of New York and New Jersey, including the anticipated expenditures of subsidiary corporations, provides for capital and operating expenditures necessary to achieve the Port Authority's goals and objectives.

The Commissioners have established that the Port Authority's mission is to identify and meet the critical transportation infrastructure needs of the bi-state region's businesses, residents and visitors by providing the highest quality, most efficient transportation and port commerce facilities and services that move people and goods within the region, provide access to the rest of the nation and to the world, and strengthen the economic competitiveness of the New York-New Jersey metropolitan region.

This mission is supported by goals and objectives that include: improving service quality, enhancing safety and security, implementing new technologies, maintaining and enhancing infrastructure, advancing the delivery of capital programs, increasing agency cost effectiveness, pursuing improvements in regional mobility, and advancing regional economic competitiveness.

The Budget serves as a financial planning tool which outlines estimated expenditures for fulfilling these objectives through programs already authorized or to be considered.

The 2003 Budget totals \$5,009 million. It consists of \$1,996 million for operating expenses, \$1,839 million for gross capital expenditures, \$1,108 million for debt service charged to operations, and \$66 million for other expenditures.

The proposed 2003 Budget continues to reflect the financial and operational consequences for the Port Authority of the events of September 11, 2001. The Budget assumes that the Port Authority will remain on a heightened security alert at all of its facilities, resulting in increased security costs; face higher cost for insurance coverage; and continue to experience revenue erosion at its Port Authority Trans-Hudson system (PATH) facilities due to lower activity levels stemming from both the terrorist incidents and a soft economy. The 2003 Budget also assumes that the net lessees of The World Trade Center will continue to make their net lease payments as specified in their agreements, and that the majority of Port Authority losses as a result of the attacks will be covered by insurance or other assistance, the timing of which may lapse into future periods. Furthermore, the 2003 Budget includes additional costs for the extension of the municipal lease with the City of Newark for the operation of Newark Liberty International Airport and Port Newark, as well as a provision reflecting a proposed agreement with the City of New York for extension of that municipal lease for the operation of John F. Kennedy International and LaGuardia Airports, generally on the same basis as the lease extensions with the City of Newark.

The capital spending plan has again been reassessed and new priorities set as a result of the financial impact of the attacks of September 11th, but continues to include projects to restore downtown Manhattan, especially a World Trade Center PATH station. As with last year, certain projects are being deferred into the future, such as airport and marine terminal redevelopment efforts that are contingent upon the spending plans of tenants and traffic management systems at

both the Holland and Lincoln Tunnels. However, total capital spending for 2003 is anticipated to be more than \$1.8 billion, which will maintain the Port Authority's facilities in a state of good repair and provide a platform for expanding capacity in the future.

The Executive Director would be authorized to take action with respect to professional, technical, or advisory services; contracts for maintenance and services, construction, commodities (materials, equipment, and supplies) purchases; the purchase of insurance; the settlement of employee and patron claims; and other actions, as provided in the 2003 Budget.

A provision of \$550,000 is also included to reimburse the States of New York and New Jersey for expenses incurred by both States, including staff costs, in reviewing the Port Authority's annual Budget and any amendments thereto.

Circumstances arose during the year 2002 that were not foreseeable or determinable when the 2002 Budget was prepared, which caused total expenditures to amount to \$89 million less than the amounts set forth in the 2002 Budget.

The Executive Director would be authorized to permit applications from the Consolidated Bond Reserve Fund during 2003. In connection with the effectuation of the Port Authority's capital program from time to time and consistent with the 2003 Budget and capital program projections, it is desirable to establish a maximum amount for 2003 in connection with the Executive Director's authority to apply moneys in the Consolidated Bond Reserve Fund to the Capital Fund, subject to statutory, contractual, and other commitments and financial policies of the Port Authority, not to exceed \$700 million (after reimbursement for temporary applications) in addition to other capital funds carried into 2003 and the proceeds of Port Authority obligations to be issued.

The Executive Director's authority, pending final adoption and approval of the annual Budget, to make operating expenditures and undertake contractual commitments for continuing operations and professional services as contained in the financial plan presented to the Commissioners, would also be confirmed.

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

RESOLVED, that the 2003 Budget of The Port Authority of New York and New Jersey as set forth below, be and the same hereby is approved and adopted, including authority for the Executive Director to: (a) take action in accordance with appropriate procedures with respect to professional, technical, or advisory services as appropriate; contracts for maintenance and services, construction, and commodity purchases; purchase of insurance; settlement of claims; and other actions, including personnel benefit, classification, range, and procedural adjustments; and (b) pending final adoption of the annual Budget, make operating expenditures and undertake contractual commitments for continuing operations and services:

; and it is further

RESOLVED, that the revisions to the Budget for the year 2002 be and the same hereby are approved:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
Including Subsidiary Corporations
2002 BUDGET VS 2002 ACTUAL
(In Thousands)

	<u>2002 ACTUAL*</u>	<u>2002 BUDGET</u>	<u>CHANGE</u>
Operating Expenses	\$1,908,297	\$1,811,702	\$96,595
Operating Asset Obligations and Regional	35,960	37,229	(1,269)
Debt Service Charged to Operations	769,078	508,000	261,078
Deferred Expenses, Expenses Related to 9/11/01 and Other	<u>153,486</u>	<u>181,525</u>	<u>(28,039)</u>
Total Operating	2,866,821	2,538,456	328,365
Capital Expenditures	<u>1,543,548</u>	<u>1,960,746</u>	<u>(417,198)</u>
Total Port Authority Expenditures	<u>\$4,410,369</u>	<u>\$4,499,202</u>	<u>(\$88,833)</u>

* Unaudited

; and it is further

RESOLVED, that, based upon a requisition of the Governor of the State of New York or the Governor of the State of New Jersey, or the duly authorized designee of each, the Port Authority shall pay to the State of New York or the State of New Jersey, or both, upon receipt of an appropriate expenditure plan from said State, an amount not in excess of \$275,000 to each said State to reimburse said State or States for expenses incurred by said State or States, including staff costs, in reviewing the annual Budget of the Port Authority and any amendments thereto; and it is further

RESOLVED, that the provision by the Executive Director of portions of the Port Authority's capital program from time to time, consistent with the 2003 Budget and capital program projections (including the continuing application of the

Capital Fund on a temporary basis, subject to reimbursement), by application of moneys in the Consolidated Bond Reserve Fund to the Capital Fund for capital expenditures for the year 2003 in connection with the Port Authority's facilities, shall not, subject to statutory, contractual, and other commitments and financial policies of the Port Authority, exceed \$700 million (after any such reimbursements and in addition to other capital funds carried into 2003 and the proceeds of obligations to be issued).

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
(Including Subsidiary Corporations)

2003 BUDGET

(In Thousands)

Item	Total Expenditures	Personal Services	Materials & Services
Audit Department	\$10,750	\$8,261	\$2,489
Aviation Department	594,780	124,195	470,585
Business and Job Opportunity	3,878	2,059	1,819
Chief Financial Officer	2,549	591	1,958
Chief Operating Officer	56,140	7,509	48,631
Chief of Planning and External Affairs	779	344	435
Chief Technology Officer	909	615	294
Comptroller's Department	21,051	10,735	10,316
Corporate Policy and Planning	7,704	3,104	4,600
Economic Development	68,479	2,504	65,975
Waterfront Development	45,597	567	45,030
Engineering Department	302,144	84,556	217,588
Construction Contracts	818,144		818,144
Executive Offices	2,556	1,933	623
Ferry Transportation Services	23,137	748	22,389
Financial Services Department	13,559	7,935	5,624
Government and Community Relations	9,803	2,356	7,447
Human Resources Department	21,257	10,797	10,460
Medical Services	5,170	2,443	2,727
Inspector General	3,556	2,582	974
Labor Relations Department	1,310	582	728
Law Department	24,216	17,580	6,636
Office of Forecasting and Capital Planning	2,140	1,419	721
Office of ETC Programs	37,925	851	37,074
Office of the Secretary	3,530	1,789	1,741
Operations Services Department	49,248	33,407	15,841 ⁽¹⁾
Facility Construction Support	34,119	23,983	10,136
PATH	167,173	121,866	45,307
Port Commerce Department	156,352	21,985	134,367
Procurement Department	17,264	9,287	7,977 ⁽¹⁾
Public Affairs Department	13,513	4,992	8,521
Public Safety Department	261,362	216,440	44,922
Real Estate Department	30,093	5,265	24,828 ⁽¹⁾
Technology Services Department	13,804	19,232	(5,428) ⁽¹⁾
Treasury Department	97,906	5,787	92,119
Tunnels, Bridges and Terminals Department	175,202	106,158	69,044
World Trade Department (includes expenses related to 9-11)	3,318	-	3,318
Other:			
Airport Access Program	152,393 ⁽²⁾	5,091	147,302
Amounts in Connection with Operating Asset Obligations	37,283		37,283
Bad Debts	1,400		1,400
Bi-state Dredging Program	10,003		10,003
Debt Service	1,107,800		1,107,800
Harbor Estuary Program	12,000		12,000
Insurance	129,571		129,571
Municipal Rents and Amounts in Lieu of Taxes	149,482		149,482
New York Economic Development Program	38,500		38,500
Rail Freight Initiatives	10,000		10,000
Regional	34,340		34,340
Regional Development Facility (Bank I)	1,800		1,800
Regional Economic Development Program (Bank III)	3,700		3,700
Regional Transportation Initiatives	125,000		125,000
Special Project Bond Debt Service	94,961		94,961
	<u>\$5,008,650</u>	<u>\$869,548</u>	<u>\$4,139,102</u>

(1) Net after charges to other departments.

(2) Does not include overhead allocations.

NEWARK LIBERTY INTERNATIONAL AIRPORT – CONTINENTAL AIRLINES, INC. – ANA-170 – SUPPLEMENTAL AGREEMENT – AND ANA-370 – SUPPLEMENTAL AGREEMENT

It was recommended that the Board authorize the Executive Director to enter into supplemental agreements as follows: (i) a supplemental agreement with Continental Airlines, Inc. (Continental) to supplement and amend the Terminal C Lease ANA-170 at Newark Liberty International Airport (EWR) (Terminal C Lease) between the Port Authority and Continental to provide Continental with an exemption from handling and subleasing fees related to its operations with ExpressJet Airlines, Inc. (ExpressJet), and (ii) a supplemental agreement with Continental to supplement and amend Lease ANA-370 at EWR (Inflight Meals Kitchen Lease) and the applicable consent agreement with respect to the inflight meals kitchen operation, to exempt Continental from paying percentage rental or fees on inflight meals supplied from this inflight meals kitchen to ExpressJet; the exemption in each of the foregoing cases to continue for so long as Continental purchases the capacity of ExpressJet's aircraft for Continental passengers at EWR.

The Terminal C Lease contains provisions for Port Authority consent to the use of the Terminal C premises by Continental Express, Inc. (Continental Express) without payment of the Port Authority fee therefor for so long as Continental Express remains the wholly owned subsidiary of Continental. The Inflight Meals Kitchen Lease and the consent agreement thereunder applicable to the inflight meals kitchen operation contain provisions for the exemption from the 6 percent gross receipts percentage rental with respect to Continental Express.

It was reported to the Board that, as of April 23, 2002, Continental Express ceased being a wholly owned subsidiary of Continental, and as a result of an initial public offering Continental Express became ExpressJet, a subsidiary of ExpressJet Holdings Inc. It was further reported that Continental advised staff that, as part of Continental's "spin-off" of Continental Express, Continental entered into a "Capacity Purchase Agreement" with ExpressJet and its parent companies, ExpressJet Holdings, Inc. and XJT Holdings, Inc., whereby Continental agrees to purchase the capacity of ExpressJet aircraft for Continental's passengers.

The supplemental agreements would be effective as of on or about April 23, 2002, and would condition these fee exemptions on the purchase by Continental of the capacity of ExpressJet aircraft for Continental's passengers at EWR. These fee exemptions would be in effect until such time as the earlier occurrence of: a) the expiration or early termination of the Capacity Purchase Agreement between Continental and ExpressJet, and its parent companies ExpressJet Holdings, Inc., and XJT Holdings, Inc.; or b) the operation by Continental and/or ExpressJet, ExpressJet Holdings, Inc., XJT Holdings, Inc. of "non-covered" aircraft (*i.e.*, those aircraft for which Continental has not purchased capacity) into EWR.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into supplemental agreements as follows: (i) a supplemental agreement with Continental Airlines, Inc. (Continental) to supplement and amend Lease ANA-170 at Newark Liberty International Airport (EWR) between the Port Authority and Continental, and (ii) a supplemental agreement with Continental to supplement and amend Lease ANA-370 at EWR between the Port Authority and Continental and the applicable consent agreement thereunder covering the inflight meals kitchen operation, 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 – JETBLUE AIRWAYS CORPORATION – LEASE AYD-314 – HANGAR 12

It was recommended that the Board authorize the Executive Director to enter into a two-year lease agreement with JetBlue Airways Corporation (JetBlue) for its occupancy of a portion of Hangar 12 at John F. Kennedy International Airport (JFK) for use as a maintenance facility for JetBlue's aircraft and ground service equipment.

Having an adequate maintenance facility at JFK is critical to JetBlue's operations and growth at JFK. JetBlue has selected JFK as its home base of operations and has established its corporate headquarters in nearby Forest Hills, New York. JetBlue's aggressive growth and revenue performance have been unprecedented, particularly in the aftermath of September 11, 2001. JetBlue now serves 20 cities across the country with a fleet of 37 new Airbus A320 aircraft. The carrier expects to add an additional 13 aircraft to its fleet in 2003, and 27 additional aircraft are on order in the following years.

The Hangar 12 lease would meet important Port Authority cargo development objectives and offer JetBlue an opportunity to perform maintenance in a two-bay facility to serve its growing fleet. JetBlue presently performs its aircraft maintenance at Hangar 3, which contains only one aircraft maintenance bay. The carrier's proposed move to a portion of Hangar 12 would allow for the demolition of Hangars 3, 4 and 5, which are slated for redevelopment pursuant to an ongoing Request-For-Proposals process. The demolition of these hangars would eliminate the height restriction for Runway 13L/31R that presently limits the number of aircraft that can land during poor weather conditions, and would therefore increase the capacity of that runway.

JetBlue would use Hangar 12 on an interim basis while developing its plans for a new, permanent maintenance facility at JFK. JetBlue would like to develop a "campus-like" aircraft maintenance complex at JFK, and is currently exploring the redevelopment of Buildings 81 and 179 for this purpose.

The lease with JetBlue would be effective on or about March 1, 2003 through May 31, 2005. However, if JetBlue completes its contemplated new maintenance facility prior to the expiration of the lease term, the carrier would have the right to terminate the lease without cause prior to May 31, 2005 on thirty days' written notice.

Due to the disrepair of Hangar 12, which was formerly occupied by Trans World Airlines, JetBlue would be obligated to make specified repairs to Hangar 12's roof, hangar doors and building systems prior to its occupancy of Hangar 12. JetBlue would be given a rent-free period not to exceed five months to complete these repairs. Rent for Hangar 12 would commence on the earlier to occur of August 1, 2003 or on the completion of the repair work. The Port Authority would give JetBlue credits toward its Hangar 12 rentals in an amount not to exceed \$1 million, based upon JetBlue's cost to perform the required repair work.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement with JetBlue Airways Corporation for a portion of Hangar 12 at John F. Kennedy International Airport, substantially in accordance with the terms outlined to the Board; the form of the lease shall be subject to the approval of General Counsel or his authorized representative.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – CONTINENTAL AIRLINES, INC.
– LEASE AYD-123 – INVESTMENT IN CARGO BUILDING NO. 71**

It was recommended that the Board authorize the Executive Director to enter into a supplement to Lease AYD-123 with Continental Airlines, Inc. (Continental) to provide for the Port Authority to reimburse Continental an amount not to exceed \$20.4 million for its cargo facility at John F. Kennedy International Airport (JFK) that will be repaid as additional rental over the term of the agreement, but no later than December 30, 2020 (in the event the City Lease covering JFK and LaGuardia Airport is extended), and to further amend the lease to defer Continental's obligation to complete the construction of the ramp area for two years to October 31, 2005.

At its meeting of February 24, 2000, the Board authorized the Executive Director to enter into a lease agreement with Continental for a term of approximately sixteen years, commencing on November 1, 2000, to construct a new cargo facility at a cost of approximately \$16 million on an 8.5 acre site at JFK. The agreement provided for a five-year extension of the term of the letting in the event the City Lease is extended, and an option by Continental to further extend the lease for an additional five-year term at the higher of the existing rate or the then-existing airport rates, with ground rents that would escalate annually.

In May 2002, Continental completed the construction of its new cargo facility with its cash reserves, at an estimated cost of \$20.4 million for building design and construction. The total cost of the facility is estimated at \$24.4 million, including material handling systems, furniture, equipment, supplies and aircraft ramp and apron construction, which is not yet completed. As an obligation under this lease, Continental is required to complete the construction of the aircraft ramp and apron areas by October 31, 2003. However, Continental has requested a two-year deferral, because the carrier's current operation relies on trucks for the movement of cargo and does not currently require the use of an airside apron.

Under the terms of the proposed supplement, the Port Authority would reimburse Continental an amount not to exceed \$20.4 million for Continental's building design and construction costs. Eighteen and one-half million dollars would be provided to Continental at the time of closing, while the balance of the reimbursement amount would be provided upon the completion of the construction of the aircraft ramp and apron. Continental would pay additional rent equal to the total reimbursement amount plus an amount equivalent to 9.5 percent per annum of the unpaid balance of the reimbursement amount, in equal monthly amounts through December 30, 2020, and an accelerated rent from 2011 through 2015 if the City Lease has not been extended by 2010. The rental value of the cargo facility would serve as the primary security for this reimbursement. In addition, Continental's C-1 and C-2 portions of its lease at Newark Liberty International Airport will be amended to provide for a payment obligation covering the additional rent in the event of default under the JFK cargo facility lease.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a supplement to Lease AYD-123 with Continental Airlines, Inc.: (i) to provide for a reimbursement by the Port Authority in an amount not to exceed \$20.4 million to Continental for its cargo facility at John F. Kennedy International Airport, and (ii) to defer Continental's obligation to complete the construction of the ramp area for two years to October 31, 2005, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT – THE HERTZ CORPORATION –
SUPPLEMENT TO LEASE AGREEMENT AYB-512 AND AMENDMENT TO
CORRESPONDING OPERATING PERMIT AX-395**

It was recommended that the Board amend its May 30, 2002 authorization regarding supplemental lease and permit agreements at John F. Kennedy International Airport (JFK) with, among others, The Hertz Corporation (Hertz), by increasing the maximum buyout payment Hertz would receive from \$8 million to \$13 million. The May 2002 authorization provided for an extension of the term of the Hertz lease at JFK through December 30, 2015 and a capital investment by Hertz in the amount of \$8 million toward the redesign of the Hertz leased premises (including certain customer service enhancements) to accommodate the new roadway serving the AirTrain station at the JFK rental car area. At the time of the May 2002 authorization, Hertz estimated that an \$8 million capital investment would be required in connection with the AirTrain station project. As a result of revised construction plans, Hertz has now increased its proposed capital investment to \$13 million.

The termination provisions of the Hertz lease and operating permit provide that if the Port Authority terminates the operating permit without cause, the lease will terminate as well, in which case the Port Authority will pay Hertz the value of its then-unamortized investment. As a result of the increased capital investment by Hertz in connection with the AirTrain station project, the maximum buyout payment to Hertz will now be \$13 million. All other terms and conditions of the Hertz transaction will remain as previously authorized.

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

RESOLVED, that the authorization granted by the Board at its May 30, 2002 meeting to the Executive Director, for and on behalf of the Port Authority, to enter into supplemental lease and permit agreements with The Hertz Corporation with respect to its leased premises at John F. Kennedy International Airport be amended, substantially in accordance with the terms and conditions outlined to the Board; and it is further

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

JOHN F. KENNEDY INTERNATIONAL AIRPORT – NATIONAL CAR RENTAL SYSTEM, INC. – SUPPLEMENT TO AGREEMENT AYB-514 – AND AMENDMENT TO CORRESPONDING OPERATING PERMIT AX-397

It was recommended that the Board authorize the Executive Director to enter into supplemental agreements to: (1) extend through December 30, 2015 the term of the lease at John F. Kennedy International Airport (JFK) with National Car Rental System, Inc. (National) and the period of the permission granted under National's corresponding permit agreement, and (2) provide approximately \$1 million to National to be used as a capital investment for the redesign of its leased premises (including demolition of existing facilities, possible removal of underground fuel tanks, reconfiguration of parking lots, construction of new customer service facilities, and repaving and installation of canopies over new walkways) to accommodate the new roadway serving the AirTrain Station at JFK, in connection with which the acreage of the National premises will be reduced. The Port Authority will furnish the \$1 million based upon completed construction of the redesign work. National's lease will provide for the payment of additional rent over a five-year period to commence upon National's construction completion date, the amount of such additional rent to be determined based on the actual capital costs together with a factor equivalent to the Revenue Bond Index plus 3.5 percent. National's lease at JFK currently expires as of December 31, 2004.

All of the rental car companies operating at JFK will pay to the Port Authority, collectively, \$2.5 million per year (to be escalated annually by three percent) for AirTrain operation and maintenance, with each company's pro rata share to be adjusted annually based on its share of on-airport gross receipts during the relevant year. National's share for the first year will be 16 percent (approximately \$402,760), with payments to commence upon the cessation of passenger shuttle bus services at JFK, which it is estimated will occur on or about April 1, 2003. In view of the bankruptcy filing by National and its corporate parent, ANC Rental Corporation, and other related entities, the proposed supplements may not be approved by the bankruptcy court. If approved, the supplements would be executed by National, as a subsidiary of the debtor-in-possession in bankruptcy, or, if National's lease and corresponding permit are assigned by the bankruptcy court, the supplements would be executed by the assignee.

A recent Port Authority audit of National's airport operations has preliminarily determined that National currently owes the Port Authority approximately \$745,000, exclusive of late fees in the amount of approximately \$330,000. The execution of the supplemental agreements by the Port Authority would be contingent upon National's compliance with the terms of its agreements with the Port Authority and submission of all books and records necessary to effectuate the Port Authority's audit.

Pursuant to its operating permits covering JFK, LaGuardia Airport (LGA) and Newark Liberty International Airport (EWR), National pays the Port Authority a percentage fee of 12.5 percent of its gross receipts at the airports and each permit is subject to termination or revocation by either party, without cause, upon 30 days' notice. With respect to the proposed new capital investment to be made by National, the operating permit will be amended to provide for application of an annual credit against the percentage fee amount based on an agreed-upon formula for amortization (including principal and interest) of National's capital investment in the

re-designed facilities, determined on a straight-line basis over a period commencing with the completion of construction and ending not later than the stated expiration date of National's lease. The maximum investment limit for National, beyond which the percentage fee credits will not apply, is \$1 million. Any reduction in the percentage fee will be limited so as not to exceed 2.5 percent of gross receipts arising from National's operations at JFK, LGA and EWR, but only the balance of the 2.5 percent remaining after the credits under the EWR permit have been applied would be available to reduce the percentage fee payable under the JFK and LGA operating permits. Other aspects of the existing arrangement at all three airports will remain unchanged - *e.g.*, the fees payable to the Port Authority by National under its operating permit will never be less than 10 percent of the gross receipts at all three airports, the percentage fee credits are applicable only in the year available and cannot be used retroactively, and no carryover of amortization to future years is permitted in the event the amortization exceeds the available credits in any given year. Furthermore, the credits apply only to the initial construction undertaken in connection with the new roadway serving the AirTrain Station at JFK and not to any future alterations or expansions National may undertake. Moreover, the credits do not apply to the annual ground rentals under the lease.

The new ground rental under National's lease for the extended term commencing January 1, 2005 will be \$251,160. The ground rental will continue to escalate annually by the greater of 4 percent or one-half the Consumer Price Index increase. National will be required to furnish a security deposit, or letter of credit, as security, in the amount of \$100,000.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into supplemental lease and permit agreements with National Car Rental System, Inc. (National) extending the term of National's lease at John F. Kennedy International Airport (JFK) and the period of the permission under its corresponding operating permit and providing for the redesign of National's space at JFK to accommodate the new roadway serving the JFK AirTrain Station, substantially in accordance with the terms and conditions outlined to the Board; and it is further

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

PORT NEWARK – FAPS, INC. – LEASE AGREEMENTS – LEASE NO. L-PN-265 AND LEASE NO. L-PN-266

It was recommended that the Board authorize the Executive Director to: (1) enter into two lease agreements with FAPS, Inc. (FAPS) covering space at Port Newark for the storage, preparation and distribution of motor vehicles; and (2) reimburse FAPS in an amount not to exceed \$1 million for building demolition and site restoration.

The two lease agreements (Lease No. L-PN-265 and Lease No. L-PN-266) will each commence effective December 1, 2000. Lease No. L-PN-265 will expire on November 30, 2015, and Lease No. L-PN-266 will expire on November 30, 2007. The basic rental under Lease No. L-PN-265 will be payable at the annual rate of \$6,392,016 for the period from December 1, 2000 through July 31, 2001; at the annual rate of \$6,402,358 for the period from August 1, 2001 through November 30, 2001 (reflecting an addition to the open area); and at the annual rate of \$6,352,046 for the period from December 1, 2001 through November 30, 2002 (reflecting both a reclassification of portions of the premises and the first annual rental escalation), with this rate to escalate on December 1, 2002 and each lease year thereafter during the term. The basic rental under Lease No. L-PN-266 will be payable at the annual rate of \$1,028,616 for the period from December 1, 2000 through May 31, 2001 (covering approximately 27 acres of open area and 1,200 square feet of office space); at the annual rate of \$1,467,880 for the period from June 1, 2001 through September 30, 2001 (covering approximately 40 acres of open area and no office space); and at the annual rate of \$1,393,828 for the period from October 1, 2001 through November 30, 2001 (covering approximately 38 acres of open area and no office space), with this rate to escalate on December 1, 2001 and each lease year thereafter during the term.

Effective December 1, 2002, FAPS will pay additional rental under the lease agreements if it does not handle a guaranteed annual number of vehicles at its combined leaseholds for which the Port Authority receives wharfage charges at Port Newark or the Elizabeth-Port Authority Marine Terminal. Certain incidental cargo for which the Port Authority receives wharfage charges at Port Newark or the Elizabeth-Port Authority Marine Terminal and vehicles transported across private berths at any Port Authority owned or operated marine terminal and which are handled at FAPS's leaseholds will count toward the throughput rental guarantee. Effective December 1, 2002, FAPS will receive a rental credit in the amount of \$3 for each vehicle in excess of an annual incentive number for which the Port Authority receives wharfage charges at Port Newark or the Elizabeth-Port Authority Marine Terminal and which is handled at FAPS's combined leaseholds. Effective December 1, 2002, FAPS will pay a fee for each non-waterborne vehicle that remains on its combined leaseholds for more than 14 days, and effective December 1, 2007, the fee will apply to each non-waterborne vehicle that remains thereon for more than five days. The Port Authority and FAPS will each have the right to terminate Lease No. L-PN-266 or any portion of the premises thereunder, without cause, at any time and from time to time, on 30 days' notice. In addition, the Port Authority and FAPS will each have the right to terminate a designated approximately one-fourth of an acre of the premises under Lease No. L-PN-265, without cause, at any time, on 30 days' notice.

The Port Authority will provide funding in an amount not to exceed \$1 million for the demolition of Buildings No. 145 and No. 146 and adjacent truck scales located on the premises

under Lease No. L-PN-266 and restoration of the area for use as additional open area for vehicle storage.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) enter into two lease agreements with FAPS, Inc. (FAPS) covering space at Port Newark for use in the storage, preparation and distribution of motor vehicles; and (2) reimburse FAPS in an amount not to exceed \$1 million for building demolition and site restoration, 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.

**PORT NEWARK – HUGO NEU SCHNITZER EAST – LEASE NO. LNS-869 –
AGREEMENT TO EFFECTUATE ACCEPTANCE OF LEASE SURRENDER
AND RECOVERY OF CERTAIN REMEDIATION COSTS**

In 1975, the Port Authority entered into Lease No. LNS-869 (the Lease) with The Schiavone-Chase Corporation, covering premises at Port Newark to be used for the storage and loading and unloading of scrap metal on and from seagoing vessels. Effective January 30, 1998, the Lease was assigned to Hugo Neu Schnitzer East (Hugo Neu) with the consent of the Port Authority. Hugo Neu terminated the Lease effective August 31, 1999, but did not vacate the premises until November 1999. The Port Authority did not accept Hugo Neu's surrender of the premises due to the presence of soil contamination, and took the position that rentals continued to be payable subsequent to November 1999.

Both the Port Authority and Hugo Neu performed environmental testing of approximately 13 acres formerly leased to Hugo Neu (the Site). This testing revealed levels of contamination in the soil that exceed the New Jersey Department of Environmental Protection's (NJDEP) guidances for both unrestricted and restricted use of the Site. The identified contamination is consistent with both a scrap metal operation and the historic fill that was used to create the Site. Hugo Neu submitted a remedial action work plan (RAW) to NJDEP. The RAW requested NJDEP to approve leaving the contaminated soil in place. NJDEP approved the RAW without requiring that the contamination be removed, provided that the Site would be capped with pavement and a deed notice would be filed with respect to the Site. The paved capping of the Site would permit the Site to continue to be used for marine terminal purposes.

Hugo Neu disputed the extent of its responsibility under the Lease for the remediation of the contamination on the Site and the installation of the required cap, as well as its obligation to pay rentals subsequent to November 1999. Staff entered into discussions with Hugo Neu to arrive at a settlement to this dispute without resorting to litigation. Agreement with respect to the dispute has now been reached, as outlined below.

It was recommended that the Executive Director be authorized to enter into an agreement with Hugo Neu pursuant to which the Port Authority would agree to be responsible for the installation and maintenance of the pavement cap on the Site as approved by NJDEP (the Engineering Control Work) and Hugo Neu would pay to the Port Authority the sum of \$520,000 in consideration of the Port Authority's obligation to perform the Engineering Control Work. The Port Authority has drawn down on the letter of credit, in the amount of \$187,000, that was posted as security pursuant to the Lease. Hugo Neu would pay the remaining sum of \$333,000 upon execution of the agreement. The Port Authority would release and discharge Hugo Neu from any further obligations with respect to the Engineering Control Work and would waive its right to require that the Site be remediated with no restrictions placed on the Site. Hugo Neu would not be released from any of its other environmental obligations with respect to the Site. Further, the Port Authority would accept the surrender of the Site effective as of November 30, 1999, and would relinquish its claim that rentals were payable thereafter.

As authorized by the Board on September 19, 2002, most of the Site will be leased to Port Newark Container Terminal LLC (PNCT). PNCT will install utilities and pavement to redevelop

its portion of the Site for container terminal operations. The paving work to be performed by PNCT will fulfill the Port Authority's obligation to NJDEP to cap this portion of the Site, and PNCT's excavation of soil necessary to perform the paving work will remove much of the contaminated soil from the Site.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Hugo Neu Schnitzer East regarding Lease LNS-869 at Port Newark, substantially in accordance with the terms outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

**BROOKLYN-PORT AUTHORITY MARINE TERMINAL – PIERS 6 THROUGH 12 –
PREFERRED ALTERNATIVE USE PLAN – COOPERATION AND COST
SHARING AGREEMENT WITH NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION**

It was recommended that the Board authorize the Executive Director to enter into a Cooperation and Cost Sharing Agreement with the New York City Economic Development Corporation (NYCEDC) under which a consultant would be retained by the Port Authority to prepare a preferred alternative use plan for Piers 6 through 12 at the Brooklyn-Port Authority Marine Terminal at a total estimated cost of \$500,000, with NYCEDC and the Port Authority to share equally the cost of the consultant services.

In August 2002, the NYCEDC, the lessor of 20 acres of real estate at the Red Hook Container Terminal, expressed its interest in participating in a joint study to evaluate preferred alternative uses for Piers 6 through 12. The Port Authority and the NYCEDC jointly prepared a scope of work for the study and developed a list of eight consultants that are common to both agencies' call-in lists to receive a Request For Proposals (RFP), which was issued on December 19, 2002. A recommendation for award of a Port Authority contract for the preparation of the preferred alternative use plan to the highest rated proposer at an estimated cost of \$500,000, including a 6 percent contingency allowance, is anticipated to be made in February 2003. Work is expected to commence in late February 2003 and be completed by July 31, 2003. Under the terms of the Cooperation and Cost Sharing Agreement, the NYCEDC will reimburse the Port Authority for one-half of the cost of the study.

A joint NYCEDC-Port Authority Oversight Committee consisting of three NYCEDC staff members and three Port Authority staff members will conduct the consultant selection process. The Oversight Committee will also provide direction to the consultant with regard to approach, analysis framework and method; however, the Port Authority will be responsible for day-to-day management of the consultant contract. Completion of this study will be used to help determine the preferred alternative use for Piers 6 through 12 and will lead to a future plan for the facility that will be executed upon the expiration of the current facility lease in April 2004.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a Cooperation and Cost Sharing Agreement with the New York City Economic Development Corporation (NYCEDC) under which a consultant would be retained by the Port Authority to prepare a preferred alternative use plan for Piers 6 through 12 at the Brooklyn-Port Authority Marine Terminal at a total estimated cost of \$500,000, with NYCEDC and the Port Authority to share equally the cost of the consultant services; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

LINCOLN TUNNEL – AGREEMENT WITH THE NATIONAL RAIL PASSENGER CORPORATION FOR A STORM DRAINAGE NON-EXCLUSIVE EASEMENT ACROSS PORT AUTHORITY PROPERTY

It was recommended that the Board authorize the Executive Director to enter into an agreement with the National Rail Passenger Corporation (AMTRAK) for a non-exclusive easement across Port Authority property for the construction and maintenance of subsurface water discharge lines, and to enter into any other agreements necessary to effectuate the non-exclusive easement.

AMTRAK has been directed by the New Jersey Department of Environmental Protection and the North Hudson Sewerage Authority to re-route to the north an existing discharge line, which currently discharges to the south of AMTRAK'S Trans-Hudson Tunnel. The line discharges ground water that seeps into the AMTRAK tunnel. The re-routed discharge lines will have to cross a portion of Lincoln Tunnel property on Baldwin Avenue in order to connect to an existing storm water line located beneath Baldwin Avenue. The property, which is on the south side of Baldwin Avenue, is currently used for employee parking.

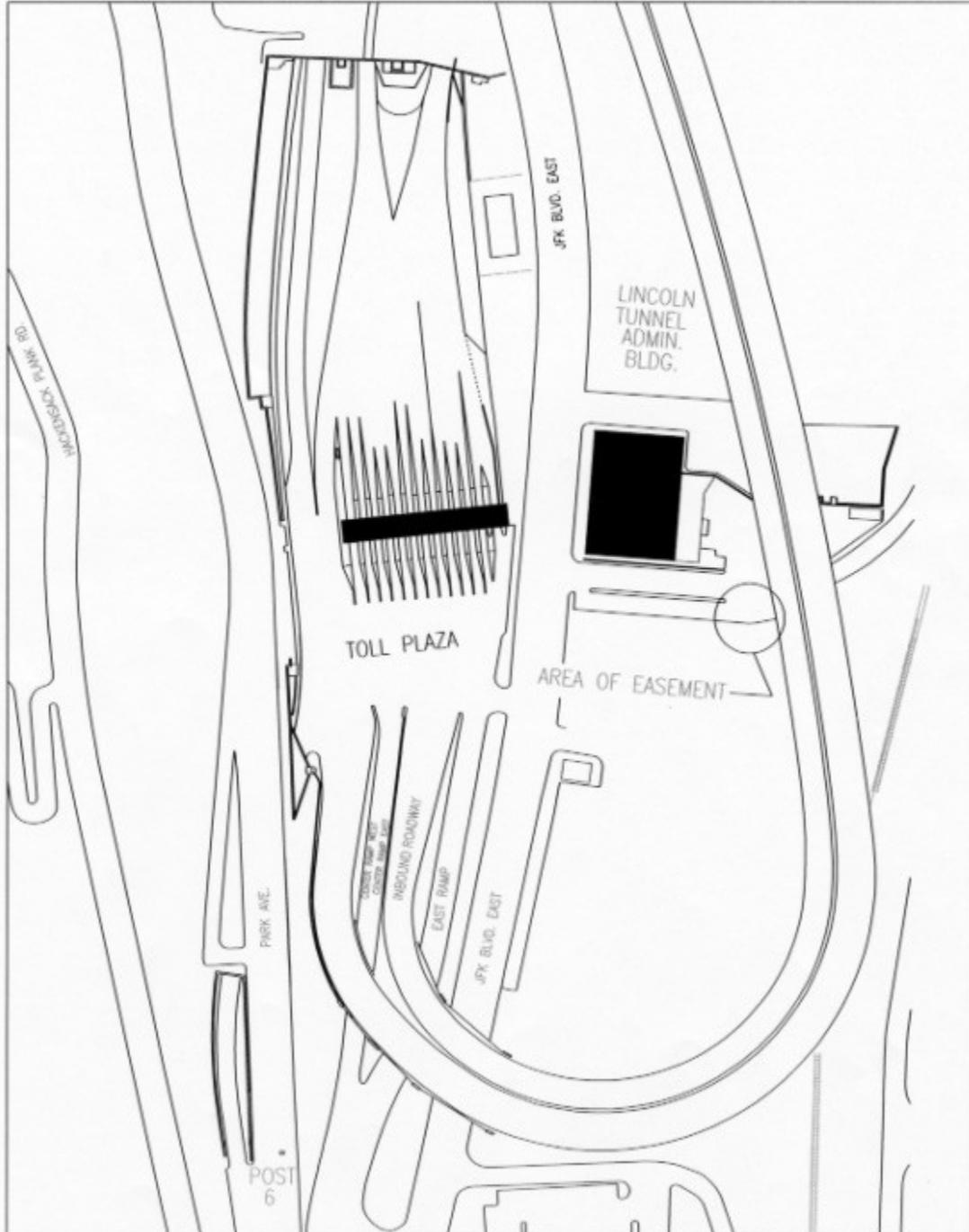
AMTRAK requires a permanent non-exclusive easement from the Port Authority for the purpose of the construction and maintenance of the discharge lines. AMTRAK'S contractor will perform construction on weekends in order to minimize any impact on facility operations and local traffic flow. The work is expected to begin in April 2003 and should be completed over two or three weekends. Once the line is installed and the area reconstructed, the subsurface discharge line will not affect the operation of the Lincoln Tunnel. The Port Authority will be responsible for the testing and characterization of excess soil excavated from Port Authority property in order to ensure that it is disposed of properly. AMTRAK will fully reimburse the Port Authority for the cost for testing. The cost and responsibility for the disposal of any excess excavation material will belong to AMTRAK.

AMTRAK or its contractor will have to obtain a permit from the Township of Weehawken for the excavation of Baldwin Avenue.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the National Rail Passenger Corporation (AMTRAK) for a non-exclusive easement across Port Authority property more particularly depicted on the attachment for the construction and maintenance of subsurface water discharge lines, and to enter into any agreements necessary to effectuate the non-exclusive easement; the form of all agreements shall be subject to the approval of General Counsel or his authorized representative.

LINCOLN TUNNEL PROPOSED AMTRAK EASEMENT



AGREEMENTS FOR FUNDING AND ACCESS WITH THE CITY OF ELIZABETH AND UNION COUNTY

At its meeting on September 19, 2002, the Board authorized the Executive Director to enter into agreements with the City of Elizabeth (City) and the County of Union (County) to resolve outstanding issues between the parties and enable the Port Authority to plan for future growth and expansion at its facilities. At that time, it was acknowledged that certain issues existed among the Port Authority, the County and the City regarding the future of certain properties and transportation access to Port Authority facilities. Subsequently, the City and the County have requested that the specific items that were identified at the September 2002 Board meeting be revised to accommodate more immediate needs of the City and the County, while enabling the Port Authority to accommodate future growth at its facilities.

As authorized in September 2002, the Port Authority would continue to commit \$17.5 million toward the purchase by the City or its designee of certain real property consisting of approximately 177 acres currently owned by Continental Airlines, Inc. located in the City adjacent to the Elizabeth-Port Authority Marine Terminal. At the Port Authority's option, any purchase would result in the Port Authority having ownership of approximately one hundred acres of wetlands property located on the site, for marine terminals use. Up to \$2.5 million of the \$17.5 million may be used by the Port Authority for environmental remediation needed on the property to be owned by the Port Authority. If the Port Authority obtains ownership of the 177-acre site, it will convey the remaining upland area (approximately 40 to 60 acres) to the City or its designee. The Port Authority will incur no environmental liability for the property not owned by it.

Instead of the proposed North Avenue Corridor Roadway Improvements project authorized on September 19, 2002, the Port Authority would commit, in a manner consistent with applicable legislative authority and the obligations of the Port Authority, including those to holders of its Consolidated Bonds, and pursuant to the terms of an agreement or agreements to be negotiated by the parties: (i) \$15 million toward the design and construction of a stand-by emergency response facility in the City, including land acquisitions, to provide for both fire and hazardous materials or substances emergencies, and upon completion of the construction of this facility, any remaining funds of the \$15 million shall be used as a one-time supplemental lump sum payment to the Community Development Fund to address particular needs related to this project, so that the total aggregate amount paid by the Port Authority in connection with the emergency response facility does not exceed \$15 million; and (ii) \$35 million toward property and transportation infrastructure improvements in the County related to Port Authority facilities (up to \$6 million of which might be used for a supplemental payment to the Community Development Fund or for the property). The Port Authority would pay an annual amount in lieu of taxes on the property formerly owned by Olympia Trails, purchased by the Port Authority on September 23, 2002, of an approximately 3-acre site at Block 4, Lot 67-A, in the City which is to be used in connection with the Staten Island Railroad. Consistent with applicable bi-state legislation, the amount to be paid in lieu of taxes shall not exceed the amount last paid as taxes on the property.

The Committee on Operations shall be periodically advised of the status of these approved terms and conditions.

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

RESOLVED, that, in addition to previous authorization by the Board, the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with the City of Elizabeth and the County of Union resolving all outstanding issues between the parties to enable the Port Authority to plan for future growth and expansion at its facilities; the form of any agreements shall be subject to the approval of General Counsel or his authorized representative.

PURCHASE OF SIKORSKY S-76C+ HELICOPTER AND EXTENSION OF CURRENT LEASE AGREEMENT WITH GENERAL ELECTRIC CAPITAL CORPORATION FOR SIKORSKY S-76B HELICOPTER

It was recommended that the Board authorize the Executive Director to enter into a contract for the purchase of a new Model S-76C+ helicopter from Sikorsky Aircraft Corporation (Sikorsky), a United Technologies Company, and to negotiate an extension of the existing lease of a Sikorsky Model S-76B helicopter with General Electric Capital Corporation until the new helicopter is delivered in November 2003.

The expanded use of and dependence on the Port Authority Police helicopter, especially since September 11, 2001, necessitates the acquisition of a second helicopter to cover daily security and surveillance assignments and provide emergency response during periods when the other aircraft is taken off-line for Federal Aviation Administration-required inspections, maintenance and repairs. In late 2002, the recommendation to acquire a second helicopter was presented to the Security Subcommittee of the Board, which requested an evaluation of the advantages of purchasing the 1985 Sikorsky S-76B helicopter under lease contrasted with purchasing a new helicopter.

Based upon an evaluation of the cost of operations, the risk of major repairs, equipment and component obsolescence and the expense to install custom law enforcement systems and equipment, the purchase of a new helicopter manufactured to Port Authority specifications was determined to be the more advantageous alternative.

The cost for the new helicopter, including specialized state of the art law enforcement surveillance and communication equipment, full search and rescue capabilities, cargo hook and utility hoist, is estimated at \$10.5 million, with a delivery time of approximately seven months from the date of order. Sikorsky has extended to the Port Authority the same pricing as it proposed to the State of New Jersey in a recent Request for Proposal process, conducted by the State. Sikorsky's proposal was selected, but a contract has not yet been executed.

The estimated cost to continue the lease of the S-76B helicopter until the new helicopter (Model S-76C+) is delivered, tested and accepted for operation by the Port Authority for its Police Airborne Services Unit, is estimated at \$375,000, including liability insurance premiums.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (a) enter into a contract for the purchase of a new Model S-76C+ helicopter from Sikorsky Aircraft Corporation (Sikorsky), a United Technologies Company, at an estimated cost of \$10.5 million, and (b) enter into an agreement with General Electric Capital Corporation to continue the Port Authority's present lease of a Sikorsky Model S-76B helicopter until the new helicopter is delivered and accepted for use, at an estimated cost, including liability insurance premiums, of \$375,000; the form of the agreements shall be subject to the approval of General Counsel or his authorized representative.

CONFIDENTIAL ITEM (pages 29-30)

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

CONFIDENTIAL ITEM

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

TRIBUTE TO WILLIAM J. MARTINI

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner William J. Martini as he retires from the Board to assume his duties as a United States District Judge.

WHEREAS, since his appointment to the Board in 1999 by New Jersey Governor Christine Todd Whitman, William Martini has given the full measure of his time and talents to his duties as a member of the Board of Commissioners; and

WHEREAS, during his years on the Board, William Martini served with distinction as Chair of the Audit Committee, Vice-Chair of the Committee on Operations and member of the Committees on Finance and Construction; and

WHEREAS, during his tenure on the Board, William Martini brought to bear a wealth of business and legal acumen in furtherance of the mission and goals of the Port Authority, and he worked vigorously to protect and promote the interests of the people and businesses of the Port District;

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey wish to express their most heartfelt appreciation and that of the entire staff to William J. Martini for his service to the Board; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Hon. William J. Martini as a token of its gratitude and esteem.

TRIBUTE TO ALAN G. PHILIBOSIAN

The following resolution was unanimously adopted to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner Alan G. Philibosian as he retires from the Board.

WHEREAS, since his appointment to the Board in 1995 by New Jersey Governor Christine Todd Whitman, Hon. Alan G. Philibosian has given tirelessly of his time, talent and experience in furtherance of the Port Authority's mission; and

WHEREAS, Alan G. Philibosian served with great distinction as Chair of the Audit Committee and the Committee on Construction and as Vice-Chair of the Committee on Finance; and following the tragic events of September 11, 2001, as a member of the Security Subcommittee; and

WHEREAS, during his tenure on the Board, Alan Philibosian brought to bear the full breadth of his vast business and legal expertise in furthering the goals of the Port Authority. His tireless efforts on behalf of the agency and his enduring support of staff, especially in the wake of the events of September 11th, will serve as an example of dedicated public service for years to come;

NOW, therefore, be it

RESOLVED, that the Commissioners of The Port Authority of New York and New Jersey express their most heartfelt appreciation and that of the entire staff to Alan G. Philibosian for his unstinting service to the Port Authority, its staff and the people of this region; and it is further

RESOLVED, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Hon. Alan G. Philibosian as a token of its gratitude and esteem.

CONTRACT AND PURCHASE ORDER AUTHORIZATION AND AMENDMENTS - QUARTERLY REPORT

REPORT: In accordance with Article XII, sections (g)(1) and (g) (2) of the By-Laws, the Executive Director reports, for information only, the following contracts were awarded or amended for the period of July 1, 2002 through September 30, 2002

AWARDEE & P.O. NUMBER	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
AVAYA, INC. 430000999	Call Center Management System - JFK	\$152,796	GOVERNMENT CONTRACT
DYNTEK, INC. 4500025683	Swiffer Network software & related products	\$250,147	GOVERNMENT CONTRACT
IMMIXTECHNOLOGY 4500026636	Software License Term : 1 year	\$161,508	GOVERNMENT CONTRACT
STORAGETEK STORAGE TECHNOLOGY CORP 4500026737	Network Hardware	\$233,956	GOVERNMENT CONTRACT
HEIDELBERG USA, INC 4500026744	Copy Machine/ Printermaster	\$132,204	GOVERNMENT CONTRACT
AT&T WIRELESS 4600003573	Wireless/cellular Services Term : 1 Year	\$500,000	GOVERNMENT CONTRACT
PARABIT SYSTEMS, INC. 4600003585	All Airports - Ground Transportation Telephone System Maintenance Term : 1 year	\$378,100	PUBLICLY BID
DELL 4600003621	Microsoft Software Term : 1 year	\$100,000	GOVERNMENT CONTRACT
DYNTEK SERVICES, INC. 4600003681	Novell Software License Term : 1 year	\$235,936	GOVERNMENT CONTRACT

CONTRACT AND PURCHASE ORDER AUTHORIZATION AND AMENDMENTS - QUARTERLY REPORT

AWARDEE & P.O. NUMBER	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
PRIMAVERA SYSTEMS, INC. 4600003714	Software Maintenance for Capital Project Management System Term : 1 year	\$278,850	GOVERNMENT CONTRACT
PRIMAVERA SYSTEMS, INC. 4600003723	Software Purchase for Capital Project Management System	\$311,119	GOVERNMENT CONTRACT
LAWMEN SUPPLY COMPANY OF NEW JERSEY 4500026473	Police equipment (Belts, holsters, radio / light / magazine pouches)	\$369,108	GOVERNMENT CONTRACT
SHARDA ENTERPRISES 4600003569	Color Specialty Paper Term : 1 year	\$107,799	PUBLICLY BID
FIRE COMMAND COMPANY, INC. 4600003622	Fire Extinguishers Term : 1 year	\$102,060	GOVERNMENT CONTRACT
NORTHERN FIRE & SAFETY, INC 4600003633	Various Scott Respirator Products Term : 1 year	\$369,325	GOVERNMENT CONTRACT
WINNER FORD 4500025531	18 Police vehicles	\$456,930	GOVERNMENT CONTRACT
MOTORS FLEET 4500025549	7 Toyota Prius sedans	\$142,688	GOVERNMENT CONTRACT
LARRY'S LIGHTHOUSE MARINA 4500025899	1 Work Boat – New Jersey Marine Terminals	\$155,000	PUBLICLY BID

CONTRACT AND PURCHASE ORDER AUTHORIZATION AND AMENDMENTS - QUARTERLY REPORT

AWARDEE & P.O. NUMBER	DESCRIPTION	AUTHORIZATION METHOD	PROCUREMENT
STORR TRACTOR COMPANY 4500026584	Landscape tractor – Teterboro	\$95,470	PUBLICLY BID
MOTORS FLEET 4500026642	6 Toyota Prius sedans	\$122,304	GOVERNMENT CONTRACT
NORTH EASTERN BUS REBUILDERS, INC. 4600003640	Bus repair – John F. Kennedy Airport	\$995,945	PUBLICLY BID
MYSLIK, INC. 4600003643	Roadway sweeper parts Term : 1 year	\$278,183	GOVERNMENT CONTRACT
OKONITE COMPANY 4500025922	Electrical Cable – John F. Kennedy Airport	\$341,270	PUBLICLY BID
METRO FUEL OIL CORPORATION 4600003604	Regular Gasoline – John F. Kennedy Airport Term : 1 year	\$400,000	GOVERNMENT CONTRACT
EMPIRE STATE FUEL CORPORATION 4600003619	No. 2 Fuel Oil – Heating John F. Kennedy Airport Term : 1 year	\$275,000	GOVERNMENT CONTRACT
EMPIRE STATE FUEL CORPORATION 4600003650	No. 2 Fuel Oil – Heating LaGuardia Airport Term : 1 year	\$120,000	GOVERNMENT CONTRACT
NATIONAL TERMINAL INC. 4600003711	No. 2 Fuel Oil – Heating Newark Airport Term : 1 year	\$500,000	GOVERNMENT CONTRACT
APPCO PAPER & PLASTICS CORPORATION 4600003600	Sweetheart Hot Cups Term : 1 year	\$96,267	PUBLICLY BID

CONTRACT AND PURCHASE ORDER AUTHORIZATION AND AMENDMENTS - QUARTERLY REPORT

AWARDEE & P.O. NUMBER	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
GUARDIAN FENCE COMPANY, INC. 4600003669	Fence Maintenance and Repair - Port Newark Term : 1 year	\$108,647	PUBLICLY BID
TRUCOLOR LABS INC. 4600003606	Traditional color printing Term : 1 year	\$185,665	PUBLICLY BID
TRUCOLOR LABS INC. 4600003610	Digital Color Printing Term : 1 year	\$176,249	PUBLICLY BID
ABCO MAINTENANCE INC. 4600003659	Roadway Sweeping at Staten Island Bridges – Term : 3 years	\$476,369	PUBLICLY BID
DEJANA SERVICES, INC. 4600003660	Snow removal – Teleport Term : 2 years	\$240,309	PUBLICLY BID
CRT SUPPORT CORP. 4600003686	Processing of Police Exam Applications	\$135,000	GOVERNMENT CONTRACT
TRU GREEN CHEMLAWN 4600003560	Herbicide Contract - Newark Airport Term : 2 years	\$167,268	PUBLICLY BID
A ROYAL FLUSH, INC. 4600003568	Portable Toilets - LaGuardia Airport Term : 2 years	\$309,438	PUBLICLY BID
A. J. PLANT SERVICE 4600003574	Interior plant maintenance – PABT Term : 3 years	\$96,249	PUBLICLY BID
SUMMIT PLANTS & FLOWERS INC 4600003671	Interior plant maintenance Term B - Newark Airport Term : 2 year	\$289,731	PUBLICLY BID

CONTRACT AND PURCHASE ORDER AUTHORIZATION AND AMENDMENTS - QUARTERLY REPORT

AWARDEE & P.O. NUMBER	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
RENTOKIL TROPICAL PLANT SERVICES 4600003702	Indoor/Outdoor Plant Care – LaGuardia Airport Term : 3 years	\$423,079	PUBLICLY BID
A&T SYSTEMS INC. 4600003624	System & service for remote access to selected PA network applications for designated staff & contractors Term : 2 years	\$375,000	GOVERNMENT CONTRACT
GARTNER, INC. 4600003627	Reports on information technology trends, products & services Term : 1 year	\$125,750	GOVERNMENT CONTRACT
META GROUP, INC ADMCTS4054	Data center & Network benchmark study	\$99,999	GOVERNMENT CONTRACT
ALLEGRO SANITATION CORPORATION 4600003706	Removal, disposal, recycling of general trash at - HT Term : 2 years	\$104,194	PUBLICLY BID
JOSEPH SMENTKOWSKI, INC. 4600003707	Removal, disposal, recycling of general trash at –LT&GWB Term : 2 years	\$348,701	PUBLICLY BID
COURT RECORD SERVICES, INC. 4600003646	Records Mgt at Yonkers Term : 1 year	\$127,173	PUBLICLY BID
A&M INDUSTRIAL SUPPLIES 4600003551	Hardware items Term : 2 years	\$120,186	PUBLICLY BID

CONTRACT AND PURCHASE ORDER AUTHORIZATION AND AMENDMENTS - QUARTERLY REPORT

AWARDEE & P.O. NUMBER	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
ATLANTIC ROLLING STEEL DOOR 4600003597	Rolling steel door - Newark Airport Term : 2 years	\$368,000	PUBLICLY BID
GALES INDUSTRIAL SUPPLY 4600003670	Misc. hardware items Term : 2 years	\$136,079	PUBLICLY BID
UNIFORMS BY PARK COATS, INC 4600003691	Apparel for PA Police Term : 3 years	\$348,300	PUBLICLY BID
SMITH & WESSON COMPANY 4500025474	Pistols - Model 5946, Laser – Police	\$130,600	GOVERNMENT CONTRACT
RAY'S SPORT SHOP, INC. 4600003593	Ballistic Vests Term : 1 year	\$200,008	GOVERNMENT CONTRACT
DIRAD TECHNOLOGIES 4600003601	Telephone system upgrade - PABT Term : 1 year	\$207,000	GOVERNMENT CONTRACT
HARRY BURWELL & ASSOCIATES 4600003685	Various Worklights Term : 2 years	\$350,415	PUBLICLY BID
UNIPAR, INC. 4600003708	Airport taxiway reflectors Term : 2 years	\$96,260	PUBLICLY BID
TRAFFIC SAFETY SERVICE LLC 4600003709	Airport taxiway reflectors Term : 2 years	\$274,350	PUBLICLY BID
GARDEN STATE OFFICE SYSTEMS 4500025479	Lektriever automated file cabinets	\$172,290	GOVERNMENT CONTRACT

CONTRACT AND PURCHASE ORDER AUTHORIZATION AND AMENDMENTS - QUARTERLY REPORT

AWARDEE & P.O. NUMBER	DESCRIPTION	AUTHORIZATION	PROCUREMENT METHOD
INTERFACE FLOORING SYSTEMS, INC. 4500025928	Carpet – PATC	\$97,904	GOVERNMENT CONTRACT
LAURAB INCORPORATED 4600003679	Air filter service Newark Airport Term : 2 years	\$130,879	PUBLICLY BID
AUSTIN HELLE COMPANY, INC. 4500019488	Increase in authorization to address unforeseen field conditions associated with ceiling and lighting improvements in covered parking areas at Terminal A at Newark Liberty International Airport	\$250,000	Existing Contract

Tort Claim Settlements - Report

The Executive Director reports, for information only, that in accordance with the authority granted under Article XII, section (g)(4) of the By-Laws, the following claims were previously settled, and reported closed during the period July 1, 2002 to September 30, 2002.

TORT CLAIMS OF THE PORT AUTHORITY, CLOSED

NAME	FACILITY	AMOUNT COLLECTED
ACE ENDICO CORP	LaGuardia Airport	\$ 3,250.00
ACTION CARTING ENV	Holland Tunnel	8,967.60
AIRLAND EXPRESS INC	John F. Kennedy International Airport	7,300.05
ALPINE MOTOR CARS	John F. Kennedy International Airport	1,712.61
AVIS RENT A CAR	Newark International Airport	4,545.85
AVIS RENT A CAR	LaGuardia Airport	3,267.66
CARLO LIZZA/HARMAT	John F. Kennedy International Airport	5,312.87
CC RENTALS	John F. Kennedy International Airport	611.10
COACH LEASING INC	Lincoln Tunnel	1,263.00
COACH LEASING INC	Lincoln Tunnel	1,905.00
COMMUNITY TRANSIT	Lincoln Tunnel	1,405.00
CORD CONTRACTING	World Trade Center	2,247.00
DANA TRANSPORT	Howland Hook Marine Terminal	3,122.00
DELTA AIRLINES	John F. Kennedy International Airport	550.00
FIELD HOTEL ASSOC	John F. Kennedy International Airport	502.50
FRIEDMAN DEBRA	George Washington Bridge	3,322.93
GROSSMAN PAUL	LaGuardia Airport	421.00
HAYES SECURITY	John F. Kennedy International Airport	107.45
HOMSHER PETER F	Lincoln Tunnel	5,000.00
HUDSON GENERAL	John F. Kennedy International Airport	850.00
HUDSON TRANSIT LINES	Lincoln Tunnel	1,103.75
KAVANAUGH MARYELI	John F. Kennedy International Airport	187.50
KHAL IMREI CHAIM	John F. Kennedy International Airport	76.20
MATTES DEMETRIOS J	LaGuardia Airport	468.25
MCIZ CORP	John F. Kennedy International Airport	1,984.60
MELETIADIS TED	John F. Kennedy International Airport	1,831.02
NEMBARD DELROY M	Off Property	1,943.43
OLYMPIA TRAILS BUS	Lincoln Tunnel	3,031.25
PENSKE TRK LSG CO	John F. Kennedy International Airport	875.00
PROFESSIONAL TRUCK	John F. Kennedy International Airport	20.00
RUSSO DENISE	John F. Kennedy International Airport	1,500.00
SAMPSON DAWN	World Trade Center	1,320.00
SIGNATURE FLIGHT SVC	LaGuardia Airport	2,151.60

TORT CLAIMS OF THE PORT AUTHORITY, CLOSED (cont'd)

NAME	FACILITY	AMOUNT COLLECTED
SIGNATURE FLIGHT SUP	Newark International Airport	779.85
SINGH KULWINDER	John F. Kennedy International Airport	789.40
SINGH SUKHDEV	LaGuardia Airport	7,200.00
SINSH JOGA	Newark International Airport	1,641.37
SWIFT TRANSP	Lincoln Tunnel	700.00
SYED & ZAMIN VICKEY	Holland Tunnel	315.00
TREV-CON CONSTRUCT	Newark International Airport	2,035.55
VAN WYCK INC	John F. Kennedy International Airport	442.70
WARE LUCINDA	Teleport	3,620.00
	TOTAL COLLECTED	\$ 89,680.09

TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED

NAME	FACILITY	AMOUNT PAID
PASCUZZO LOUIS	World Trade Center	1,000.00
ROTELLA DOMINICK	George Washington Bridge	1.00
SAWADOGO TOUISSIDA	John F. Kennedy International Airport	1,782.78
JOCAMA CONSTRUCTION	Port Newark	4,500.00
PAVING MATERIALS & CON	Port Newark	500.00
GLATTLY MICHAEL	Newark International Airport	1,959.07
GHERMEZIAN AVIVA	George Washington Bridge	210.00
HAMMAN AHMED L	George Washington Bridge	7,500.00
LEWIS ANTONIO	Newark International Airport	1,734.64
GHERMEZIAN AVIVA	George Washington Bridge	221.75
HAMMAN AHMED	George Washington Bridge	1,337.23
WELTY LIANE & ETHAN	Newark International Airport	631.00
UNIVERSAL TECH RES	Newark International Airport	1,715.76
POLLIO MICHELINA	George Washington Bridge	60.95
DIFFLEY FRANCIS/AME EX	John F. Kennedy International Airport	5,696.00
O'REILLY JOE	Newark International Airport	350.00
SALZMAN CHARLES	George Washington Bridge	638.54
DURANTE ANDRE	George Washington Bridge	1,712.59

TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED (cont'd)

NAME	FACILITY	AMOUNT PAID
LAURO PAULETTE	Outerbridge Crossing	184.02
SWAN LEON E	George Washington Bridge	382.50
GARCIA LOUIS C	LaGuardia Airport	1,156.00
PALAMARO JOHN	John F. Kennedy International Airport	4,839.10
CARSON BARBARA	LaGuardia Airport	541.25
COSTA LAUREN	Lincoln Tunnel	104.36
KO EGL KURT	LaGuardia Airport	378.87
FIVE STAR PARKING	John F. Kennedy International Airport	909.37
CIOFFERO S – NJ RE-INSUR	Newark International Airport	1,250.09
NEW JERSEY TURNPIKE	Off Property	3,000.00
PAPP JULIUS	Lincoln Tunnel	700.00
KING JOSEPH	George Washington Bridge	1,469.79
PINNER ROBIN	George Washington Bridge	314.36
DAVIS ELIJAH	Off Property	475.00
HARTMAN PHILLIP	John F. Kennedy International Airport	2,305.93
CAVACO TONYA	Off Property	735.00
LORICK ANDREA	John F. Kennedy International Airport	302.84
VARCHOL BRINLEY	Lincoln Tunnel	438.04
VISCIO ROBERT	Goethals Bridge	128.20
PEREZ FREDERICO G	LaGuardia Airport	468.58
DEITZ TERRY	John F. Kennedy International Airport	210.00
PINNER ROBIN L	George Washington Bridge	1,000.00
PACCIONE LUCILLE	George Washington Bridge	117.44
MERTON HENRY	Newark International Airport	551.75
KAZARIAN BRUCE-NJ MAN	Off Property	4,707.99
CELENTANO JOHN A	Goethals Bridge	81.04
SHAH VIRAJ	Off Property	479.00
MINCIELI ELAINE	Port Authority Bus Terminal	243.56
WEINBERG SYDNEY S	George Washington Bridge	138.86
ANTONIADES STACEY S	Lincoln Tunnel	335.27
BUIE WILLIAM	LaGuardia Airport	637.49
FRIEDMAN ANDREW	George Washington Bridge	2,087.62
COTTRELL KEVIN	Port Authority Bus Terminal	1,034.40
MIRANDA DAVID	George Washington Bridge	1,923.12
BURNS JOSEPH P	Newark International Airport	302.10
MARTIN GARY AKA CRAIG	Port Authority Bus Terminal	30,000.00
SEYMORE AMIE	John F. Kennedy International Airport	9,006.78
HYNOK JOHN	LaGuardia Airport	40,000.00
CLAUSNITZER MONICA	John F. Kennedy International Airport	20,000.00
HEMRAJ HANOOMATTEE	Brooklyn-Port Authority Marine Terminal	3,000.00
URBAEZ MARIA	John F. Kennedy International Airport	25,000.00

TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED (cont'd)

NAME	FACILITY	AMOUNT PAID
MC DONALD DELROSE	World Trade Center	11,000.00
CLARK EDWARD	World Trade Center	49,000.00
BARRIOS OMAR	LaGuardia Airport	16,000.00
	TOTAL	\$268,491.03

FINAL CONTRACT PAYMENTS

The Comptroller's Department reported, for information only, that the contracts set forth in hereafter have been completed satisfactorily by the contractors. Final payments have been made in the period of November 1, 2002 to November 30, 2002.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	TOTAL AUTHORIZED		TOTAL PAYMENTS	
EP234890	CORBIN STREET & NORTH FLEET STREET	229,750	(A)	229,750	(A)
	RAILROAD CROSSING GATES	45,000	(C)	3,443	(C)
	PORT AUTHORITY MARINE TERMINAL	13,785	(D)	--0--	(D)
	M.J. PAQUET, INC.	288,535		233,193	
EP384027	NORTH AVENUE EAST IMPROVEMENTS	4,343,710	(A)	4,343,710	(A)
	EASTBOUND BRIDGE WIDENING	313,450	(B)	313,450	(B)
	PORT AUTHORITY MARINE TERMINAL	300,000	(C)	391,136	(C)
	M.J. PAQUET, INC.	279,430	(D)	117,337	(D)
		30,230	(E)	30,230	(E)
		31,345	(F)	11,324	(F)
	5,298,165		5,207,187		
EWR110107A	SUPPLY 2 DIRECT ABSORPTION CHILLERS	1,273,000	(A)	1,272,700	(A,G)
	NEWARK LIBERTY INTERNATIONAL AIRPORT	128,000	(D)	54,451	(D)
	CARRIER CORP.	1,401,000		1,327,151	
EWR687	EMERGENCY GENERATOR STORAGE SHED	456,000	(A)	456,000	(A)
	NEWARK LIBERTY INTERNATIONAL AIRPORT	30,000	(C)	2,468	(C)
	PRECISION GENERAL CONTRACTORS, INC.	36,480	(D)	36,480	(D)
		58,520	(H)	27,809	(H)
	581,000		522,757		
EWR700	REHABILITATION OF TAXIWAYS	2,379,359	(A)	2,379,359	(A)
	NEWARK LIBERTY INTERNATIONAL AIRPORT	2,673,427	(B)	2,673,427	(B)
	MT. HOPE ROCK PRODUCTS, INC.	500,000	(C)	184,739	(C)
		303,167	(D)	98,600	(D)
		250,000	(F)	250,000	(F)
		250,000	(I)	249,800	(I)
		--0--	(J)	197,340	(J)
		--0--	(K)	111,962	(K)
	6,355,953		6,145,227		

JFK821	REHABILITATION OF TAXIWAYS	3,533,561	(A)	3,391,143	(A,P)
	JOHN F. KENNEDY INTERNATIONAL AIRPORT	8,020,091	(B)	7,819,784	(B)
	TULLY CONSTRUCTION CO, INC.	1,000,000	(C)	202,527	(C)
		693,219	(D)	128,733	(D)
		62,338	(E)	62,338	(E)
		201,936	(L)	201,936	(L)
		50,000	(M)	--0--	(M)
		12,116	(N)	--0--	(N)
		93,675	(O)	58,297	(O)
		13,666,936		11,864,758	
JFK991901	PRIORITY SIGNING CONSTRUCTION	1,000,000	(C)	1,000,000	(C)
	JOHN F. KENNEDY INTERNATIONAL AIRPORT	250,000	(Q)	250,000	(Q)
	RAEBECK CONSTRUCTION CORP.	1,250,000	(D)	1,250,000	(D)
LGA611	HANGAR 7 CENTER-MODIFICATION	171,000	(A)	171,000	(A)
	HVAC SYSTEM	13,700	(D)	13,700	(D)
	LAGUARDIA AIRPORT	10,000	(R)	65	(R)
	A.C. GENERAL MECHANICAL CORP.	194,700		184,765	
LGA619	HANGAR 7 OIL/WATER SEPARATORS & FLOOR	378,000	(A)	376,121	(A,T)
	DRAINS	85,000	(C)	56,302	(C)
	LAGUARDIA AIRPORT	30,200	(D)	30,200	(D)
	PRECISION GENERAL CONTRACTOR INC.	21,800	(S)	9,003	(S)
		515,000		471,626	
BT414	REHABILITATION OF SOUTH WING 41st	767,000	(A)	767,000	(A)
	STREET ENTRANCES	50,000	(C)	--0--	(C)
	PORT AUTHORITY BUS TERMINAL	61,360	(D)	60,321	(D)
	IMPERIAL DEVELOPMENT	878,360		827,321	

- (A) Lump Sum.
- (B) Classified Work.
- (C) Net Cost - amount in the "Total Authorized" column represents the authorized estimated net cost amount. However, the amount in the "Total Payments" column is the actual net cost amount paid.
- (D) Extra Work.
- (E) Premium for furnishing performance and payment bond as provided for in the contract.
- (F) Increase in classified work.
- (G) The difference between "Total Authorized" and "Total Payments" represents the fact that the contract was mutually terminated, with the Port Authority paying the contractor the amount of \$1,272,700 for all work performed up to the point of mutual termination.
- (H) Increase in extra work in the amount of \$58,520 authorized on 6/23/99.
- (I) Supplemental Agreement No.1 which provided for an increase in the amount of \$250,000 for lump sum work on 3/12/2002.
- (J) Uncommitted funds in extra work utilized against additional cost in classified work
- (K) Increase in compensation in the amount of \$111,962, pursuant to "Asphalt Bonus" clause, as provided for in the contract.
- (L) Supplemental Agreement No. 1 which included an increase in the amount of \$201,936 for lump sum work on 6/21/99.
- (M) Supplemental Agreement No. 1 which included an increase in the amount of \$50,000 for net cost work on 6/21/99.
- (N) Supplemental Agreement No. 1 which included an increase in the amount of \$12,116 for extra work on 6/21/99.
- (O) Supplemental Agreement No. 2 which provided for an increase in the amount of \$93,675 for net cost work on 9/8/99.
- (P) The difference between "Total Authorized" and "Total Payments" represents deductions from the contractor's compensation for deficiencies in asphalt pavement density totaling \$142,317.
- (Q) Increase in net cost work in the amount of \$250,000 authorized on 6/22/2001.
- (R) Increase in extra work in the amount of \$10,000 authorized on 5/2/2001.
- (S) Increase in extra work in the amount of \$21,800 authorized on 5/2/2001.
- (T) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$1,879 for the deletion of part of the work.

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 December 1, 2002 to December 31, 2002.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	TOTAL AUTHORIZED	TOTAL PAYMENTS
JFK898	REHABILITATION/PROTECTION OF GUTTER	1,504,000 (A)	1,504,000 (A)
	DRAINS JFK EXPRESSWAY AND VAN WYCK	100,000 (C)	55,941 (C)
	JOHN F. KENNEDY INTERNATIONAL AIRPORT	90,240 (D)	26,722 (D)
	RAEBECK CONSTRUCTION CORP.	14,434 (E)	14,434 (E)
		--0-- (F)	2,894 (F)
		1,708,674	1,603,991
HT442	INSTALLATION OF CCTV CAMERA ON	98,000 (A)	98,000 (A)
	PULASKI SKYWAY SIGN	10,000 (C)	6,800 (C)
	HOLLAND TUNNEL	5,880 (D)	3,600 (D)
	DAIDONE ELECTRIC, INC.	113,880	108,400
DMH107A	TERMINAL BUILDING HVAC CONTROL	195,000 (A)	195,000 (A)
	SYSTEM MODIFICATION	5,000 (C)	--0-- (C)
	DOWNTOWN MANHATTAN HELIPORT	15,600 (D)	--0-- (D)
	SIEMENS BUILDING TECHNOLOGIES, INC.	215,600	195,000
EWR215980	ASBESTOS REMOVAL	3,000,000 (C)	2,175,618 (C)
	NEWARK LIBERTY INTERNATIONAL AIRPORT B&N&K RESTORATION CO, INC.	3,000,000	2,175,618
JFK990927	REHABILITATION OF 130TH PLACE	3,200,000 (A)	161,305 (A,G)
	JOHN F. KENNEDY INTERNATIONAL AIRPORT	400,000 (C)	--0-- (C)
	RAEBECK CONSTRUCTION CORP.	192,000 (D)	--0-- (D)
		3,792,000	161,305
LT492	NORTH TUBE PAVEMENT REPLACEMENT	761,127 (A)	761,127 (A)
	LINCOLN TUNNEL	100,000 (C)	24,876 (C)
	TILCON NEW YORK, INC.	45,668 (D)	--0-- (D)
		906,795	786,003

EWR154158	PARKING LOT E - PAVING & UTILITIES	8,000,000	(C)	7,678,068	(C)
	NEWARK LIBERTY INTERNATIONAL AIRPORT	8,000,000		7,678,068	
	CONTI ENTERPRISES				
EWR154107	TERMINAL "B" ROADWAY TROUGH, JOINT	1,000,424	(A)	1,000,424	(A)
	FILLER AND CEILING REPLACEMENT	80,000	(C)	442,454	(C)
	NEWARK LIBERTY INTERNATIONAL AIRPORT	350,000	(D)	281,983	(D)
	AUSTIN HELLE COMPANY, INC.	8,253	(E)	8,253	(E)
		250,000	(H)	--0--	(H)
		100,000	(I)	--0--	(I)
		1,788,677		1,733,114	

(A) Lump Sum.

(B) Classified Work.

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

(D) Extra Work.

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

(F) Increase in compensation pursuant to "Emergency Delays" clause, in the amount of \$2,894 as provided for in the contract.

(G) The difference between "Total Authorized" and "Total Payments" represents the fact that the contract work could not be completed as bid, therefore the contract was mutually terminated, with the Port Authority paying the contractor the amount of \$161,305 for all work performed up to the point of mutual termination.

(H) Increase in extra work in the amount of \$250,000 authorized on 3/6/98.

(I) Increase in extra work in the amount of \$100,000 authorized on 5/20/98.

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

RECOMMENDATION: NONE

The Committee on Finance reported, for information only, that in accordance with authority granted by the Committee, the Executive Director had authorized the following security transactions, time accounts, interest rate exchange contracts and variable rate master note agreements during the period November 1, 2002 through November 30, 2002.

REPORT A:

Purchase of Port Authority Bonds

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

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

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/01/02	\$ 27,100,000	FNDN	--	11/04/02	99.99	1.730%	1.745%	\$ 27,096,093.08	Lehman Brothers
11/01/02	50,000,000	GECC CP	--	11/04/02	99.98	1.810	1.827	49,992,458.33	G.E. Capital
11/01/02	50,000,000	GECC CP	--	11/04/02	99.98	1.810	1.827	49,992,458.33	G.E. Capital
11/01/02	50,000,000	UBSFIN CP	--	11/04/02	99.98	1.810	1.827	49,992,458.33	Merrill Lynch
11/01/02	50,000,000	UBSFIN CP	--	11/04/02	99.98	1.810	1.827	49,992,458.33	Merrill Lynch
11/01/02	3,000,000	JFK-APO	6.375%	12/01/15	99.90	--	6.386	2,997,000.00	JFKIAT-APO
11/04/02	50,000,000	GE CORP CP	--	11/05/02	99.99	1.730	1.745	49,997,597.22	G.E. Capital
11/04/02	50,000,000	GE CORP CP	--	11/05/02	99.99	1.730	1.745	49,997,597.22	G.E. Capital
11/04/02	50,000,000	UBSFIN CP	--	11/05/02	99.99	1.730	1.745	49,997,597.22	Merrill Lynch
11/04/02	50,000,000	UBSFIN CP	--	11/05/02	99.99	1.730	1.745	49,997,597.22	Merrill Lynch
11/05/02	50,000,000	GECC CP	--	11/06/02	99.99	1.710	1.725	49,997,625.00	G.E. Capital
11/05/02	50,000,000	GECC CP	--	11/06/02	99.99	1.710	1.725	49,997,625.00	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/05/02	\$ 39,365,000	UBSFIN CP	--	11/06/02	99.99	1.690%	1.704%	\$ 39,363,152.03	Lehman Brothers
11/06/02	50,000,000	GECC CP	--	11/07/02	99.99	1.550	1.562	49,997,847.22	G.E. Capital
11/06/02	50,000,000	GECC CP	--	11/07/02	99.99	1.550	1.562	49,997,847.22	G.E. Capital
11/06/02	50,000,000	UBSFIN CP	--	11/07/02	99.99	1.570	1.582	49,997,819.44	Merrill Lynch
11/06/02	25,000,000	UBSFIN CP	--	11/07/02	99.99	1.520	1.532	24,998,944.44	Merrill Lynch
11/07/02	50,000,000	GECC CP	--	11/08/02	99.99	1.290	1.298	49,998,208.33	G.E. Capital
11/07/02	50,000,000	GECC CP	--	11/08/02	99.99	1.290	1.298	49,998,208.33	G.E. Capital
11/07/02	50,000,000	UBSFIN CP	--	11/08/02	99.99	1.300	1.309	49,998,194.44	Lehman Brothers
11/08/02	50,000,000	GECC CP	--	11/12/02	99.99	1.230	1.238	49,993,166.67	G.E. Capital
11/08/02	28,000,000	GECC CP	--	11/12/02	99.99	1.180	1.187	27,996,328.89	G.E. Capital
11/08/02	50,000,000	UBSFIN CP	--	11/12/02	99.99	1.230	1.238	49,993,166.67	Merrill Lynch
11/08/02	50,000,000	UBSFIN CP	--	11/12/02	99.99	1.230	1.238	49,993,166.67	Merrill Lynch

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/12/02	\$ 50,000,000	GE CORP CP	--	11/13/02	99.99	1.290%	1.298%	\$ 49,998,208.33	G.E. Capital
11/12/02	50,000,000	GE CORP CP	--	11/13/02	99.99	1.290	1.298	49,998,208.33	G.E. Capital
11/12/02	50,000,000	UBSFIN CP	--	11/13/02	99.99	1.290	1.298	49,998,208.33	Lehman Brothers
11/12/02	25,000,000	UBSFIN CP	--	11/13/02	99.99	1.290	1.298	24,999,104.17	Lehman Brothers
11/13/02	50,000,000	GE CORP CP	--	11/14/02	99.99	1.300	1.309	49,998,194.44	G.E. Capital
11/13/02	50,000,000	GE CORP CP	--	11/14/02	99.99	1.300	1.309	49,998,194.44	G.E. Capital
11/13/02	21,000,000	CITICORP CP	--	11/14/02	99.99	1.200	1.207	20,999,300.00	Citicorp
11/13/02	50,000,000	UBSFIN CP	--	11/14/02	99.99	1.290	1.298	49,998,208.33	Merrill Lynch
11/13/02	50,000,000	UBSFIN CP	--	11/14/02	99.99	1.290	1.298	49,998,208.33	Merrill Lynch
11/14/02	50,000,000	GECC CP	--	11/15/02	99.99	1.250	1.258	49,998,263.89	G.E. Capital
11/14/02	50,000,000	GECC CP	--	11/15/02	99.99	1.250	1.258	49,998,263.89	G.E. Capital
11/14/02	50,000,000	CITICORP CP	--	11/15/02	99.99	1.220	1.227	49,998,305.56	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>
11/14/02	\$ 50,000,000	CITICORP CP	--	11/15/02	99.99	1.220%	1.227%	\$ 49,998,305.56	Citicorp
11/14/02	50,000,000	UBSFIN CP	--	11/15/02	99.99	1.230	1.238	49,998,291.67	Lehman Brothers
11/14/02	21,835,000	UBSFIN CP	--	11/15/02	99.99	1.230	1.238	21,834,253.97	Lehman Brothers
11/15/02	45,000,000	FMCDN	--	11/18/02	99.99	1.280	1.288	44,995,200.00	Merrill Lynch
11/15/02	50,000,000	FMCDN	--	11/18/02	99.99	1.280	1.288	49,994,666.67	Mizuho Securities
11/15/02	50,000,000	FMCDN	--	11/18/02	99.99	1.280	1.288	49,994,666.67	Mizuho Securities
11/15/02	50,000,000	GECC CP	--	11/18/02	99.99	1.330	1.339	49,994,458.33	G.E. Capital
11/15/02	50,000,000	GECC CP	--	11/18/02	99.99	1.330	1.339	49,994,458.33	G.E. Capital
11/15/02	50,000,000	UBSFIN CP	--	11/18/02	99.99	1.330	1.339	49,994,458.33	Lehman Brothers
11/15/02	50,000,000	UBSFIN CP	--	11/18/02	99.99	1.330	1.339	49,994,458.33	Lehman Brothers
11/18/02	50,000,000	FMCDN	--	11/19/02	99.99	1.200	1.207	49,998,333.33	Greenwich Capital
11/18/02	50,000,000	FMCDN	--	11/19/02	99.99	1.200	1.207	49,998,333.33	Greenwich 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>
11/18/02	\$ 50,000,000	FMCDN	--	11/19/02	99.99	1.200%	1.207%	\$ 49,998,333.33	Merrill Lynch
11/18/02	12,775,000	FMCDN	--	11/19/02	99.99	1.200	1.207	12,774,574.13	Merrill Lynch
11/18/02	50,000,000	GECC CP	--	11/19/02	99.99	1.250	1.258	49,998,263.89	G.E. Capital
11/18/02	50,000,000	GECC CP	--	11/19/02	99.99	1.250	1.258	49,998,263.89	G.E. Capital
11/19/02	15,280,000	FMCDN	--	11/20/02	99.99	1.090	1.096	15,279,537.36	UBS Warburg
11/19/02	50,000,000	GECC CP	--	11/20/02	99.99	1.190	1.197	49,998,347.22	G.E. Capital
11/19/02	50,000,000	GECC CP	--	11/20/02	99.99	1.190	1.197	49,998,347.22	G.E. Capital
11/19/02	50,000,000	CITICORP CP	--	11/20/02	99.99	1.150	1.157	49,998,402.78	Citicorp
11/19/02	50,000,000	UBSFIN CP	--	11/20/02	99.99	1.180	1.187	49,998,361.11	Lehman Brothers
11/19/02	50,000,000	UBSFIN CP	--	11/20/02	99.99	1.180	1.187	49,998,361.11	Lehman Brothers
11/20/02	50,000,000	USTB	--	12/12/02	99.93	1.195	1.203	49,963,486.11	Mizuho Securities
11/20/02	50,000,000	USTB	--	12/12/02	99.93	1.195	1.203	49,963,486.11	Mizuho 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>
11/20/02	\$ 11,000,000	FHDN	--	11/21/02	99.99	1.080%	1.086%	\$ 10,999,670.00	Lehman Brothers
11/20/02	38,878,000	FHDN	--	12/13/02	99.92	1.230	1.238	38,847,448.37	Mizuho Securities
11/20/02	25,941,000	FHDN	--	12/11/02	99.93	1.220	1.228	25,922,538.65	Mizuho Securities
11/20/02	25,000,000	FHDN	--	12/11/02	99.93	1.220	1.228	24,982,208.33	Mizuho Securities
11/20/02	50,000,000	GECC CP	--	11/21/02	99.99	1.190	1.197	49,998,347.22	G.E. Capital
11/20/02	50,000,000	GECC CP	--	11/21/02	99.99	1.190	1.197	49,998,347.22	G.E. Capital
11/20/02	50,000,000	CITICORP CP	--	11/21/02	99.99	1.150	1.157	49,998,402.78	Citicorp
11/20/02	50,000,000	UBSFIN CP	--	11/21/02	99.99	1.180	1.187	49,998,361.11	Merrill Lynch
11/20/02	50,000,000	UBSFIN CP	--	11/21/02	99.99	1.180	1.187	49,998,361.11	Merrill Lynch
11/21/02	50,000,000	USTB	--	12/19/02	99.91	1.195	1.203	49,953,527.78	Greenwich Capital
11/21/02	50,000,000	FNDN	--	12/02/02	99.96	1.190	1.197	49,981,819.44	ABN AMRO
11/21/02	50,000,000	GE CORP CP	--	11/22/02	99.99	1.250	1.258	49,998,263.89	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/21/02	\$ 50,000,000	GE CORP CP	--	11/22/02	99.99	1.250%	1.258%	\$ 49,998,263.89	G.E. Capital
11/21/02	50,000,000	UBSFIN CP	--	11/22/02	99.99	1.250	1.258	49,998,263.89	Lehman Brothers
11/21/02	50,000,000	UBSFIN CP	--	11/22/02	99.99	1.250	1.258	49,998,263.89	Lehman Brothers
11/22/02	33,250,000	FHDN	--	12/13/02	99.93	1.230	1.238	33,226,143.13	Mizuho Securties
11/22/02	11,448,000	FCDN	--	12/11/02	99.94	1.230	1.238	11,440,568.34	Mizuho Securties
11/22/02	50,000,000	GE CORP CP	--	11/25/02	99.99	1.250	1.258	49,994,791.67	G.E. Capital
11/22/02	50,000,000	GE CORP CP	--	11/25/02	99.99	1.250	1.258	49,994,791.67	G.E. Capital
11/22/02	50,000,000	CITICORP CP	--	11/25/02	99.99	1.240	1.248	49,994,833.33	Citicorp
11/22/02	11,000,000	CITICORP CP	--	11/25/02	99.99	1.240	1.248	10,998,863.33	Citicorp
11/22/02	50,000,000	UBSFIN CP	--	11/25/02	99.99	1.240	1.248	49,994,833.33	Merrill Lynch
11/22/02	15,000,000	UBSFIN CP	--	11/25/02	99.99	1.240	1.248	14,998,450.00	Merrill Lynch
11/25/02	50,000,000	USTB	--	12/19/02	99.92	1.200	1.208	49,960,000.00	Mizuho Securties

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/25/02	\$ 50,000,000	USTB	--	12/19/02	99.92	1.200%	1.208%	\$ 49,960,000.00	Mizuho Securities
11/25/02	50,000,000	USTB	--	12/19/02	99.92	1.200	1.208	49,960,000.00	Merrill Lynch
11/25/02	50,000,000	USTB	--	02/20/03	99.71	1.185	1.194	49,856,812.50	Legg Mason
11/25/02	50,000,000	USTB	--	02/20/03	99.71	1.185	1.194	49,856,812.50	Legg Mason
11/25/02	50,000,000	FHDN	--	12/20/02	99.91	1.230	1.238	49,957,291.67	Mizuho Securities
11/25/02	50,000,000	GE CORP CP	--	11/26/02	99.99	1.270	1.278	49,998,236.11	G.E. Capital
11/25/02	50,000,000	GE CORP CP	--	11/26/02	99.99	1.270	1.278	49,998,236.11	G.E. Capital
11/25/02	50,000,000	UBSFIN CP	--	11/26/02	99.99	1.260	1.268	49,998,250.00	Lehman Brothers
11/25/02	50,000,000	UBSFIN CP	--	11/26/02	99.99	1.260	1.268	49,998,250.00	Lehman Brothers
11/25/02	15,000,000	USTN	2.125%	10/31/04	100.15	--	2.045	15,044,278.75	Merrill Lynch
11/26/02	19,865,000	FHDN	--	11/27/02	99.99	1.210	1.217	19,864,332.32	Lehman Brothers
11/26/02	50,000,000	GECC CP	--	11/27/02	99.99	1.310	1.319	49,998,180.56	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
11/26/02	\$ 50,000,000	GECC CP	--	11/27/02	99.99	1.310%	1.319%	\$ 49,998,180.56	G.E. Capital
11/26/02	50,000,000	CITICORP CP	--	11/27/02	99.99	1.280	1.288	49,998,222.22	Citicorp
11/26/02	50,000,000	CITICORP CP	--	11/27/02	99.99	1.280	1.288	49,998,222.22	Citicorp
11/26/02	50,000,000	UBSFIN CP	--	11/27/02	99.99	1.310	1.319	49,998,180.56	Merrill Lynch
11/26/02	50,000,000	UBSFIN CP	--	11/27/02	99.99	1.310	1.319	49,998,180.56	Merrill Lynch
11/27/02	50,000,000	USTB	--	12/12/02	99.95	1.200	1.208	49,975,000.00	Mizuho Securities
11/27/02	50,000,000	USTB	--	12/12/02	99.95	1.200	1.208	49,975,000.00	Mizuho Securities
11/27/02	20,060,000	USTB	--	12/12/02	99.95	1.200	1.208	20,049,970.00	Mizuho Securities
11/27/02	50,000,000	USTB	--	12/12/02	99.95	1.200	1.208	49,975,000.00	Mizuho Securities
11/27/02	23,819,000	USTB	--	12/12/02	99.95	1.200	1.208	23,807,090.50	Mizuho Securities
11/27/02	169,000	USTB	--	05/01/03	99.47	1.240	1.251	168,097.73	Mizuho Securities
11/27/02	885,000	USTB	--	05/01/03	99.47	1.240	1.251	880,275.08	Mizuho 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>
11/27/02	\$ 50,000,000	GE CORP CP	--	12/02/02	99.98	1.380%	1.390%	\$ 49,990,416.67	G.E. Capital
11/27/02	50,000,000	GE CORP CP	--	12/02/02	99.98	1.380	1.390	49,990,416.67	G.E. Capital
11/27/02	50,000,000	UBSFIN CP	--	12/02/02	99.98	1.360	1.369	49,990,555.56	Merrill Lynch
11/27/02	<u>50,000,000</u>	<u>UBSFIN CP</u>	--	12/02/02	99.98	1.360	1.369	<u>49,990,555.56</u>	Merrill Lynch
	<u>\$ 4,864,670,000</u>							<u>\$ 4,863,640,326.11</u>	

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

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
11/27/2002	\$ 50,000,000	USTB	--	12/26/02	99.90	1.260%	\$ 49,949,250.00	Mizuho Securities
11/27/2002	14,500,000	USTB	--	01/23/03	99.81	1.200	14,472,450.00	Mizuho Securities
11/27/2002	50,000,000	USTB	--	12/05/02	99.97	1.270	49,985,888.89	Mizuho Securities
11/27/2002	25,600,000	USTB	--	12/05/02	99.97	1.270	25,592,775.11	Mizuho Securities
11/27/2002	50,000,000	USTB	--	01/02/03	99.88	1.230	49,938,500.00	Mizuho Securities
11/27/2002	<u>27,000,000</u>	USTB	--	12/19/02	99.92	1.250	<u>26,979,375.00</u>	Mizuho Securities
	<u>\$ 217,100,000</u>						<u>\$ 216,918,239.00</u>	

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

Repurchase Transactions

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa Securties	11/01/02	11/04/02	\$ 9,755,000	1.790%	\$ 1,455.12
Daiwa Securties	11/01/02	11/04/02	14,105,000	1.790	2,104.00
Daiwa Securties	11/01/02	11/04/02	35,781,000	1.790	5,337.33
Daiwa Securties	11/01/02	11/04/02	50,551,000	1.790	7,540.52
Mizuho Securties	11/04/02	11/05/02	5,137,000	1.700	242.58
Mizuho Securties	11/04/02	11/05/02	7,201,000	1.700	340.05
Mizuho Securties	11/04/02	11/05/02	7,513,000	1.700	354.78
Mizuho Securties	11/04/02	11/05/02	10,040,000	1.700	474.11
BNP Paribas	11/04/02	11/05/02	12,245,000	1.730	588.44
Lehman Brothers	11/04/02	11/05/02	23,381,000	1.710	1,110.60
Mizuho Securties	11/04/02	11/05/02	30,042,000	1.700	1,418.65
Lehman Brothers	11/04/02	11/05/02	35,045,000	1.710	1,664.64

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Lehman Brothers	11/04/02	11/05/02	\$ 41,404,000	1.710%	\$ 1,966.69
Mizuho Securities	11/04/02	11/05/02	50,275,000	1.700	2,374.10
Daiwa Securities	11/05/02	11/06/02	10,012,000	1.660	461.66
Daiwa Securities	11/05/02	11/06/02	11,410,000	1.660	526.13
BNP Paribas	11/05/02	11/06/02	23,382,000	1.670	1,084.67
BNP Paribas	11/05/02	11/06/02	35,046,000	1.670	1,625.75
Daiwa Securities	11/05/02	11/06/02	38,485,000	1.660	1,774.59
BNP Paribas	11/05/02	11/06/02	38,683,000	1.670	1,794.46
Daiwa Securities	11/05/02	11/06/02	50,306,000	1.660	2,319.67
UBS Warburg	11/06/02	11/07/02	4,255,000	1.500	177.29
Daiwa Securities	11/06/02	11/07/02	11,453,000	1.490	474.03
Lehman Brothers	11/06/02	11/07/02	23,384,000	1.500	974.33

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Lehman Brothers	11/06/02	11/07/02	\$ 35,048,000	1.500%	\$ 1,460.33
Lehman Brothers	11/06/02	11/07/02	38,662,000	1.500	1,610.92
UBS Warburg	11/06/02	11/07/02	49,897,000	1.500	2,079.04
UBS Warburg	11/06/02	11/07/02	56,066,000	1.500	2,336.08
Daiwa Securties	11/07/02	11/12/02	4,586,000	1.220	777.07
BNP Paribas	11/07/02	11/12/02	5,288,000	1.250	918.06
Daiwa Securties	11/07/02	11/12/02	12,767,000	1.220	2,163.30
Daiwa Securties	11/07/02	11/12/02	18,320,000	1.220	3,104.22
BNP Paribas	11/07/02	11/08/02	19,387,000	1.240	667.77
BNP Paribas	11/07/02	11/12/02	23,385,000	1.250	4,059.90
Daiwa Securties	11/07/02	11/12/02	23,414,000	1.220	3,967.37
Daiwa Securties	11/07/02	11/12/02	28,913,000	1.220	4,899.15

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	11/07/02	11/12/02	\$ 35,049,000	1.250%	\$ 6,084.90
Daiwa Securties	11/07/02	11/12/02	38,603,000	1.220	6,541.06
BNP Paribas	11/07/02	11/12/02	38,664,000	1.250	6,712.50
BNP Paribas	11/07/02	11/12/02	48,712,000	1.250	8,456.94
Daiwa Securties	11/07/02	11/12/02	61,397,000	1.220	10,403.38
Mizuho Securties	11/08/02	11/12/02	3,885,000	1.180	509.37
Mizuho Securties	11/08/02	11/12/02	21,115,000	1.180	2,768.41
Greenwich Capital	11/12/02	11/13/02	16,392,000	1.250	569.17
UBS Warburg	11/12/02	11/13/02	23,389,000	1.260	818.62
Greenwich Capital	11/12/02	11/13/02	28,000,000	1.250	972.22
Daiwa Securties	11/12/02	11/13/02	34,819,000	1.250	1,208.99
UBS Warburg	11/12/02	11/13/02	35,055,000	1.260	1,226.93

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	11/12/02	11/13/02	\$ 38,453,000	1.260%	\$ 1,345.86
UBS Warburg	11/12/02	11/13/02	48,530,000	1.260	1,698.55
Greenwich Capital	11/12/02	11/13/02	48,804,000	1.250	1,694.58
Greenwich Capital	11/12/02	11/13/02	48,804,000	1.250	1,694.58
UBS Warburg	11/12/02	11/13/02	51,470,000	1.260	1,801.45
Lehman Brothers	11/13/02	11/18/02	5,615,000	1.260	982.63
Daiwa Securties	11/13/02	11/18/02	23,389,000	1.280	4,158.04
Lehman Brothers	11/13/02	11/18/02	28,000,000	1.260	4,900.00
Daiwa Securties	11/13/02	11/18/02	35,057,000	1.280	6,232.36
Daiwa Securties	11/13/02	11/18/02	38,555,000	1.280	6,854.22
Daiwa Securties	11/13/02	11/18/02	49,755,000	1.280	8,845.33
Daiwa Securties	11/13/02	11/18/02	50,245,000	1.280	8,932.44

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>
Lehman Brothers	11/13/02	11/18/02	\$ 50,485,000	1.260%	\$ 8,834.88
Lehman Brothers	11/13/02	11/18/02	57,900,000	1.260	10,132.50
Nomura Securties	11/14/02	11/18/02	1,307,000	1.260	182.98
Nomura Securties	11/14/02	11/18/02	2,614,000	1.260	365.96
Nomura Securties	11/14/02	11/18/02	48,693,000	1.260	6,817.02
Nomura Securties	11/14/02	11/18/02	48,693,000	1.260	6,817.02
Nomura Securties	11/14/02	11/18/02	48,693,000	1.260	6,817.02
Lehman Brothers	11/15/02	11/21/02	26,687,500	1.320	5,545.07 *
Daiwa Securties	11/18/02	11/19/02	9,183,000	1.230	313.75
UBS Warburg	11/18/02	11/19/02	14,714,000	1.230	502.73
Daiwa Securties	11/18/02	11/19/02	15,006,000	1.230	512.71
Daiwa Securties	11/18/02	11/19/02	20,402,000	1.230	697.07

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa Securties	11/18/02	11/19/02	\$ 23,394,000	1.230%	\$ 799.30
UBS Warburg	11/18/02	11/19/02	28,000,000	1.230	956.67
Mizuho Securties	11/18/02	11/19/02	30,632,000	1.230	1,046.59
Mizuho Securties	11/18/02	11/19/02	32,333,000	1.230	1,104.71
Daiwa Securties	11/18/02	11/19/02	33,953,000	1.230	1,160.06
Daiwa Securties	11/18/02	11/19/02	35,063,000	1.230	1,197.99
Mizuho Securties	11/18/02	11/19/02	35,321,000	1.230	1,206.80
Mizuho Securties	11/18/02	11/19/02	50,398,000	1.230	1,721.93
UBS Warburg	11/18/02	11/19/02	50,428,000	1.230	1,722.96
UBS Warburg	11/18/02	11/19/02	50,428,000	1.230	1,722.96
UBS Warburg	11/18/02	11/19/02	50,430,000	1.230	1,723.03
Daiwa Securties	11/18/02	11/19/02	51,041,000	1.230	1,743.90

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho Securities	11/18/02	11/19/02	\$ 51,316,000	1.230%	\$ 1,753.30
BNP Paribas	11/19/02	11/20/02	3,162,000	1.160	101.89
Greenwich Capital	11/19/02	11/20/02	4,100,000	1.150	130.97
BNP Paribas	11/19/02	11/20/02	20,206,000	1.160	651.08
BNP Paribas	11/19/02	11/20/02	20,767,000	1.160	669.16
BNP Paribas	11/19/02	11/20/02	21,072,000	1.160	678.99
Mizuho Securities	11/19/02	11/20/02	23,394,000	1.160	753.81
Mizuho Securities	11/19/02	11/20/02	25,107,000	1.160	809.00
BNP Paribas	11/19/02	11/20/02	28,000,000	1.160	902.22
Mizuho Securities	11/19/02	11/20/02	29,534,000	1.160	951.65
Mizuho Securities	11/19/02	11/20/02	34,477,000	1.160	1,110.93
Mizuho Securities	11/19/02	11/20/02	35,029,000	1.160	1,128.71

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho Securities	11/19/02	11/20/02	\$ 40,416,000	1.160%	\$ 1,302.29
BNP Paribas	11/19/02	11/20/02	47,722,000	1.160	1,537.71
Greenwich Capital	11/19/02	11/20/02	48,975,000	1.150	1,564.48
Greenwich Capital	11/19/02	11/20/02	48,975,000	1.150	1,564.48
Greenwich Capital	11/19/02	11/20/02	48,975,000	1.150	1,564.48
Greenwich Capital	11/19/02	11/20/02	48,975,000	1.150	1,564.48
BNP Paribas	11/19/02	11/20/02	53,071,000	1.160	1,710.07
Nomura Securities	11/20/02	11/25/02	12,277,000	1.160	1,977.96
Nomura Securities	11/20/02	11/25/02	23,348,000	1.160	3,761.62
Nomura Securities	11/20/02	11/25/02	28,275,000	1.160	4,555.42
Nomura Securities	11/20/02	11/25/02	29,535,000	1.160	4,758.42
Mizuho Securities	11/20/02	11/25/02	32,003,000	1.160	5,156.04

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura Securities	11/20/02	11/25/02	\$ 35,065,000	1.160%	\$ 5,649.36
Mizuho Securities	11/20/02	11/25/02	35,150,000	1.160	5,663.06
Mizuho Securities	11/20/02	11/25/02	35,235,000	1.160	5,676.75
Mizuho Securities	11/20/02	11/25/02	48,806,000	1.160	7,863.19
Mizuho Securities	11/20/02	11/25/02	48,806,000	1.160	7,863.19
Nomura Securities	11/20/02	11/25/02	53,900,000	1.160	8,683.89
Daiwa Securities	11/21/02	11/25/02	273,000	1.210	36.70
UBS Warburg	11/21/02	11/25/02	2,074,000	1.190	274.23
Daiwa Securities	11/21/02	11/25/02	45,000,000	1.210	6,050.00
Daiwa Securities	11/21/02	11/25/02	49,360,000	1.210	6,636.18
Daiwa Securities	11/21/02	11/25/02	50,367,000	1.210	6,771.56
UBS Warburg	11/21/02	11/25/02	50,367,000	1.190	6,659.64

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa Securties	11/21/02	11/25/02	\$ 55,000,000	1.210%	\$ 7,394.44
Lehman Brothers	11/25/02	11/26/02	14,330,000	1.220	485.63
Nomura Securties	11/25/02	11/26/02	21,062,000	1.230	719.62
Lehman Brothers	11/25/02	11/26/02	29,540,000	1.220	1,001.08
Nomura Securties	11/25/02	11/26/02	30,418,000	1.230	1,039.28
Lehman Brothers	11/25/02	11/26/02	35,117,000	1.220	1,190.08
Lehman Brothers	11/25/02	11/26/02	45,775,000	1.220	1,551.26
Nomura Securties	11/25/02	11/26/02	48,938,000	1.230	1,672.05
Nomura Securties	11/25/02	11/26/02	48,938,000	1.230	1,672.05
Nomura Securties	11/25/02	11/26/02	48,938,000	1.230	1,672.05
Lehman Brothers	11/25/02	11/26/02	54,225,000	1.220	1,837.63
Nomura Securties	11/26/02	12/02/02	13,741,000	1.280	2,931.41

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 Securties	11/26/02	12/02/02	\$ 17,062,000	1.280%	\$ 3,639.89
Nomura Securties	11/26/02	12/02/02	28,298,000	1.280	6,036.91
Nomura Securties	11/26/02	12/02/02	29,541,000	1.280	6,302.08
Nomura Securties	11/26/02	12/02/02	35,119,000	1.280	7,492.05
UBS Warburg	11/26/02	12/02/02	48,652,000	1.280	10,379.09
UBS Warburg	11/26/02	12/02/02	48,714,000	1.280	10,392.32
Nomura Securties	11/26/02	12/02/02	48,938,000	1.280	10,440.11
UBS Warburg	11/26/02	12/02/02	51,286,000	1.280	10,941.01
UBS Warburg	11/26/02	12/02/02	51,348,000	1.280	10,954.24
Daiwa Securties	11/27/02	12/02/02	1,554,000	1.270	274.11
Greenwich Capital	11/27/02	12/02/02	4,588,000	1.270	809.27
BNP Paribas	11/27/02	12/02/02	7,431,000	1.250	1,290.10

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	11/27/02	11/29/02	\$ 10,000,000	1.280%	\$ 711.11
Daiwa Securities	11/27/02	12/02/02	15,006,000	1.270	2,646.89
BNP Paribas	11/27/02	12/02/02	17,028,000	1.250	2,956.25
Daiwa Securities	11/27/02	12/02/02	33,793,000	1.270	5,960.71
Greenwich Capital	11/27/02	12/02/02	48,853,000	1.270	8,617.13
Greenwich Capital	11/27/02	12/02/02	48,853,000	1.270	8,617.13
Greenwich Capital	11/27/02	12/02/02	48,853,000	1.270	8,617.13
Greenwich Capital	11/27/02	12/02/02	48,853,000	1.270	8,617.13
Daiwa Securities	11/27/02	12/02/02	49,204,000	1.270	8,679.04
Daiwa Securities	11/27/02	12/02/02	50,796,000	1.270	8,959.85

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

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	11/15/02	11/21/02	\$ 26,687,500	1.070%	\$ 4,433.10

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 November 1, 2002 through November 30, 2002, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period November 1, 2002 and November 30, 2002 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

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

As of November 30, 2002, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$679 million, including \$379 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 November 1, 2002 and November 30, 2002 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

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

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

RECOMMENDATION: NONE

The Committee on Finance reported, for information only, that in accordance with authority granted by the Committee, the Executive security transactions during the period December 1, 2002 through December 31, 2002.

REPORT A:

Purchase of Port Authority Bonds

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

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

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

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/02/02	\$ 50,000,000	FHDN	--	12/03/02	99.99	1.210%	1.217%	\$49,998,319.44	Mizuho Securities
12/02/02	50,000,000	FHDN	--	12/03/02	99.99	1.210	1.217	49,998,319.44	Mizuho Securities
12/02/02	17,850,000	FHDN	--	12/03/02	99.99	1.210	1.217	17,849,400.04	Mizuho Securities
12/02/02	4,000,000	FCDN	--	12/16/02	99.95	1.230	1.238	3,998,086.67	Mizuho Securities
12/02/02	50,000,000	GECC CP	--	12/03/02	99.99	1.320	1.329	49,998,166.67	G.E. Capital
12/02/02	50,000,000	GECC CP	--	12/03/02	99.99	1.320	1.329	49,998,166.67	G.E. Capital
12/02/02	50,000,000	CITICORP CP	--	12/03/02	99.99	1.300	1.309	49,998,194.44	Citicorp
12/02/02	50,000,000	CITICORP CP	--	12/03/02	99.99	1.300	1.309	49,998,194.44	Citicorp
12/02/02	50,000,000	UBSFIN CP	--	12/03/02	99.99	1.310	1.319	49,998,180.56	Lehman Brothers
12/02/02	50,000,000	UBSFIN CP	--	12/03/02	99.99	1.310	1.319	49,998,180.56	Lehman Brothers
12/02/02	7,300,000	JFK-APO	6.375%	12/01/15	99.90	--	6.386	7,292,700.00	JFKIAT-APO
12/03/02	50,000,000	FMCDN	--	12/31/02	99.90	1.245	1.253	49,951,583.33	Greenwich Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/03/02	\$ 50,000,000	FNDN	--	01/02/03	99.90	1.260%	1.269%	\$49,947,500.00	Morgan Stanley
12/03/02	50,000,000	FCDN	--	12/05/02	99.99	1.200	1.207	49,996,666.67	Morgan Stanley
12/03/02	50,000,000	FHDN	--	12/20/02	99.94	1.230	1.238	49,970,958.37	Mizuho Securities
12/03/02	50,000,000	GECS CP	--	12/04/02	99.99	1.260	1.268	49,998,250.00	G.E. Capital
12/03/02	50,000,000	GECS CP	--	12/04/02	99.99	1.260	1.268	49,998,250.00	G.E. Capital
12/03/02	50,000,000	CITICORP CP	--	12/04/02	99.99	1.230	1.238	49,998,291.67	Citicorp
12/03/02	50,000,000	UBSFIN CP	--	12/04/02	99.99	1.250	1.258	49,998,263.90	Lehman Brothers
12/03/02	33,835,000	UBSFIN CP	--	12/04/02	99.99	1.250	1.258	33,833,825.18	Lehman Brothers
12/04/02	50,000,000	USTB	--	12/19/02	99.95	1.170	1.177	49,975,625.00	Merrill Lynch
12/04/02	50,000,000	USTB	--	12/19/02	99.95	1.170	1.177	49,975,625.00	Merrill Lynch
12/04/02	16,000,000	USTB	--	01/02/03	99.90	1.190	1.198	15,984,662.22	Legg Mason
12/04/02	50,000,000	USTB	--	01/02/03	99.90	1.190	1.198	49,952,069.44	Legg Mason

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/04/02	\$ 50,000,000	FNDN	--	01/02/03	99.90	1.260%	1.269%	\$49,949,250.00	ABN AMRO
12/04/02	50,000,000	FNDN	--	01/02/03	99.90	1.260	1.269	49,949,250.00	ABN AMRO
12/04/02	50,000,000	GECC CP	--	12/05/02	99.99	1.230	1.238	49,998,291.67	G.E. Capital
12/04/02	50,000,000	GECC CP	--	12/05/02	99.99	1.230	1.238	49,998,291.67	G.E. Capital
12/04/02	50,000,000	UBSFIN CP	--	12/05/02	99.99	1.210	1.217	49,998,319.44	Merrill Lynch
12/04/02	24,700,000	UBSFIN CP	--	12/05/02	99.99	1.210	1.217	24,699,169.81	Merrill Lynch
12/05/02	50,000,000	GECC CP	--	12/06/02	99.99	1.260	1.268	49,998,250.00	G.E. Capital
12/05/02	50,000,000	GECC CP	--	12/06/02	99.99	1.260	1.268	49,998,250.00	G.E. Capital
12/05/02	50,000,000	UBSFIN CP	--	12/06/02	99.99	1.250	1.258	49,998,263.89	Lehman Brothers
12/05/02	38,765,000	UBSFIN CP	--	12/06/02	99.99	1.250	1.258	38,763,653.99	Lehman Brothers
12/06/02	50,000,000	GE CORP CP	--	12/09/02	99.99	1.260	1.268	49,994,750.00	G.E. Capital
12/06/02	50,000,000	GE CORP CP	--	12/09/02	99.99	1.260	1.268	49,994,750.00	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/06/02	\$ 50,000,000	UBSFIN CP	--	12/09/02	99.99	1.240%	1.248%	\$49,994,833.33	Lehman Brothers
12/06/02	22,575,000	UBSFIN CP	--	12/09/02	99.99	1.240	1.248	22,572,667.25	Lehman Brothers
12/09/02	50,000,000	GE CORP CP	--	12/10/02	99.99	1.250	1.258	49,998,263.89	G.E. Capital
12/09/02	50,000,000	GE CORP CP	--	12/10/02	99.99	1.250	1.258	49,998,263.89	G.E. Capital
12/09/02	50,000,000	UBSFIN CP	--	12/10/02	99.99	1.250	1.258	49,998,263.50	Merrill Lynch
12/10/02	50,000,000	USTB	--	03/06/03	99.72	1.190	1.199	49,857,861.11	Merrill Lynch
12/10/02	50,000,000	GE CORP CP	--	12/11/02	99.99	1.260	1.268	49,998,250.00	G.E. Capital
12/10/02	50,000,000	GE CORP CP	--	12/11/02	99.99	1.260	1.268	49,998,250.00	G.E. Capital
12/10/02	50,000,000	CITICORP CP	--	12/11/02	99.99	1.220	1.227	49,998,305.56	Citicorp
12/10/02	50,000,000	UBSFIN CP	--	12/11/02	99.99	1.230	1.238	49,998,291.67	Lehman Brothers
12/10/02	14,000,000	UBSFIN CP	--	12/11/02	99.99	1.230	1.238	13,999,521.67	Lehman Brothers
12/11/02	50,000,000	FHDN	--	01/03/03	99.92	1.275	1.284	49,959,270.83	Greenwich Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/11/02	\$ 32,486,000	FHDN	--	01/15/03	99.88	1.280%	1.289%	\$32,445,572.98	Merrill Lynch
12/11/02	50,000,000	GECC CP	--	12/12/02	99.99	1.250	1.258	49,998,263.89	G.E. Capital
12/11/02	50,000,000	GECC CP	--	12/12/02	99.99	1.250	1.258	49,998,263.89	G.E. Capital
12/11/02	43,500,000	UBSFIN CP	--	12/12/02	99.99	1.230	1.238	43,498,513.75	Lehman Brothers
12/12/02	10,084,000	USTB	--	01/09/03	99.91	1.195	1.203	10,074,627.48	Salomon Smith Barney
12/12/02	50,000,000	USTB	--	12/16/02	99.99	1.200	1.207	49,993,333.33	Greenwich Capital
12/12/02	50,000,000	USTB	--	12/16/02	99.99	1.200	1.207	49,993,333.33	Lehman Brothers
12/12/02	20,000,000	USTB	--	12/16/02	99.99	1.200	1.207	19,997,333.33	Lehman Brothers
12/12/02	50,000,000	USTB	--	12/16/02	99.99	1.200	1.207	49,993,333.33	Mizuho Securities
12/12/02	23,829,000	USTB	--	12/16/02	99.99	1.200	1.207	23,825,822.80	Mizuho Securities
12/12/02	27,000,000	USTB	--	01/09/03	99.91	1.200	1.208	26,974,800.00	Morgan Stanley
12/12/02	50,000,000	USTB	--	03/13/03	99.70	1.170	1.179	49,852,125.00	Legg Mason

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/12/02	\$ 25,000,000	USTB	--	06/12/03	99.38	1.235%	1.247%	\$24,843,909.72	Mizuho Securities
12/12/02	50,000,000	USTB	--	04/17/03	99.58	1.195	1.205	49,790,875.00	Mizuho Securities
12/12/02	50,000,000	FNDN	--	01/14/03	99.88	1.280	1.289	49,941,333.33	Merrill Lynch
12/12/02	20,750,000	GE CORP CP	--	12/17/02	99.98	1.220	1.228	20,746,484.03	G.E. Capital
12/12/02	50,000,000	GE CORP CP	--	12/17/02	99.98	1.220	1.228	49,991,527.78	G.E. Capital
12/13/02	50,000,000	UBSFIN CP	--	12/16/02	99.99	1.240	1.248	49,994,833.33	Lehman Brothers
12/13/02	20,320,000	UBSFIN CP	--	12/16/02	99.99	1.240	1.248	20,317,900.27	Lehman Brothers
12/16/02	50,000,000	UBSFIN CP	--	12/17/02	99.99	1.310	1.319	49,998,180.56	Merrill Lynch
12/16/02	31,260,000	UBSFIN CP	--	12/17/02	99.99	1.310	1.319	31,258,862.48	Merrill Lynch
12/17/02	25,000,000	FNDN	--	12/20/02	99.99	1.220	1.228	24,997,458.33	ABN AMRO
12/17/02	41,538,000	FHDN	--	12/27/02	99.97	1.240	1.248	41,523,692.47	Greenwich Capital
12/17/02	23,583,000	FCDN	--	01/15/03	99.90	1.260	1.269	23,559,063.26	Mizuho 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>
12/17/02	\$ 50,000,000	GECC CP	--	12/18/02	99.99	1.260%	1.268%	\$49,998,250.00	G.E. Capital
12/17/02	50,000,000	GECC CP	--	12/18/02	99.99	1.260	1.268	49,998,250.00	G.E. Capital
12/17/02	50,000,000	UBSFIN CP	--	12/18/02	99.99	1.250	1.258	49,998,263.89	Lehman Brothers
12/17/02	50,000,000	UBSFIN CP	--	12/18/02	99.99	1.250	1.258	49,998,263.89	Lehman Brothers
12/18/02	35,155,000	USTB	--	12/26/02	99.97	1.200	1.207	35,145,625.33	ABN AMRO
12/18/02	27,977,000	USTB	--	12/26/02	99.97	1.200	1.207	27,969,539.47	Lehman Brothers
12/18/02	33,827,000	USTB	--	12/26/02	99.97	1.200	1.207	33,817,979.47	Mizuho Securities
12/18/02	50,000,000	USTB	--	01/09/03	99.93	1.170	1.177	49,964,250.00	Merrill Lynch
12/18/02	50,000,000	USTB	--	01/09/03	99.93	1.170	1.177	49,964,250.00	Merrill Lynch
12/18/02	32,000,000	USTB	--	01/02/03	99.95	1.175	1.182	31,984,333.33	Mizuho Securities
12/18/02	15,000,000	FHDN	--	12/19/02	99.99	1.180	1.187	14,999,508.33	Lehman Brothers
12/18/02	25,000,000	FNDN	--	01/08/03	99.93	1.280	1.289	24,981,333.33	Merrill Lynch

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/18/02	\$ 50,000,000	FNDN	--	12/27/02	99.97	1.250%	1.258%	\$49,984,375.00	UBS Warburg
12/18/02	50,000,000	GECC CP	--	12/19/02	99.99	1.260	1.268	49,998,250.00	G.E. Capital
12/18/02	50,000,000	GECC CP	--	12/19/02	99.99	1.260	1.268	49,998,250.00	G.E. Capital
12/18/02	50,000,000	UBSFIN CP	--	12/19/02	99.99	1.250	1.258	49,998,263.89	Merrill Lynch
12/18/02	50,000,000	UBSFIN CP	--	12/19/02	99.99	1.250	1.258	49,998,263.89	Merrill Lynch
12/19/02	50,000,000	USTB	--	12/26/02	99.98	1.200	1.207	49,988,333.33	ABN AMRO
12/19/02	50,000,000	USTB	--	01/16/03	99.91	1.185	1.193	49,953,916.67	Mizuho Securities
12/19/02	50,000,000	USTB	--	01/16/03	99.91	1.185	1.193	49,953,916.67	Mizuho Securities
12/19/02	50,000,000	USTB	--	03/20/03	99.70	1.180	1.189	49,850,861.11	Morgan Stanley
12/19/02	50,000,000	FMCDN	--	12/24/02	99.98	1.210	1.217	49,991,597.22	ABN AMRO
12/19/02	50,000,000	GECC CP	--	12/20/02	99.99	1.270	1.278	49,998,236.11	G.E. Capital
12/19/02	50,000,000	GECC CP	--	12/20/02	99.99	1.270	1.278	49,998,236.11	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/19/02	\$ 50,000,000	UBSFIN CP	--	12/20/02	99.99	1.250%	1.258%	\$49,998,263.89	Lehman Brothers
12/19/02	50,000,000	UBSFIN CP	--	12/20/02	99.99	1.250	1.258	49,998,263.89	Lehman Brothers
12/20/02	50,000,000	FMCDN	--	12/26/02	99.98	1.220	1.228	49,989,833.33	Mizuho Securities
12/20/02	50,000,000	FMCDN	--	12/26/02	99.98	1.220	1.228	49,989,833.33	Mizuho Securities
12/20/02	50,000,000	GE CORP CP	--	12/23/02	99.99	1.260	1.281	49,994,750.00	G.E. Capital
12/20/02	50,000,000	GE CORP CP	--	12/23/02	99.99	1.260	1.281	49,994,750.00	G.E. Capital
12/20/02	50,000,000	UBSFIN CP	--	12/23/02	99.99	1.250	1.258	49,994,791.67	Lehman Brothers
12/20/02	50,000,000	UBSFIN CP	--	12/23/02	99.99	1.250	1.258	49,994,791.67	Lehman Brothers
12/23/02	25,000,000	FMCDN	--	12/24/02	99.99	1.210	1.217	24,999,159.72	ABN AMRO
12/23/02	49,335,000	UBSFIN CP	--	12/24/02	99.99	1.270	1.278	49,333,259.57	Merrill Lynch
12/24/02	50,000,000	GECC CP	--	12/26/02	99.99	1.300	1.309	49,996,388.89	G.E. Capital
12/24/02	50,000,000	GECC CP	--	12/26/02	99.99	1.300	1.309	49,996,388.89	G.E. Capital

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/24/02	\$ 23,700,000	UBSFIN CP	--	12/26/02	99.99	1.280%	1.288%	\$23,698,314.67	Lehman Brothers
12/26/02	50,000,000	USTB	--	01/23/03	99.91	1.150	1.157	49,955,278.00	ABN AMRO
12/26/02	50,000,000	USTB	--	01/23/03	99.91	1.150	1.157	49,955,278.00	ABN AMRO
12/26/02	50,000,000	FNDN	--	01/02/03	99.98	1.200	1.207	49,988,333.33	ABN AMRO
12/26/02	50,000,000	GE CORP CP	--	12/27/02	99.99	1.280	1.288	49,998,222.22	G.E. Capital
12/26/02	50,000,000	GE CORP CP	--	12/27/02	99.99	1.280	1.288	49,998,222.22	G.E. Capital
12/26/02	21,230,000	UBSFIN CP	--	12/27/02	99.99	1.270	1.278	21,229,251.05	Merrill Lynch
12/27/02	10,000,000	FHDN	--	12/30/02	99.99	1.180	1.187	9,999,016.67	UBS Warburg
12/27/02	50,000,000	GECC CP	--	12/30/02	99.99	1.300	1.309	49,994,583.33	G.E. Capital
12/27/02	50,000,000	GECC CP	--	12/30/02	99.99	1.300	1.309	49,994,583.33	G.E. Capital
12/27/02	50,000,000	UBSFIN CP	--	12/30/02	99.99	1.290	1.298	49,994,625.00	Lehman Brothers
12/27/02	50,000,000	UBSFIN CP	--	12/30/02	99.99	1.290	1.298	49,994,625.00	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
12/30/02	\$ 50,000,000	FNDN	--	01/03/03	99.99	1.180%	1.187%	\$49,993,444.44	ABN AMRO
12/30/02	50,000,000	FHDN	--	01/17/03	99.94	1.230	1.238	49,969,250.00	UBS Warburg
12/30/02	50,000,000	FHDN	--	01/17/03	99.94	1.230	1.238	49,969,250.00	UBS Warburg
12/30/02	8,256,000	FHDN	--	01/06/03	99.98	1.240	1.248	8,254,009.39	Mizuho Securities
12/30/02	25,000,000	FMCDN	--	01/21/03	99.92	1.250	1.258	24,980,902.78	Mizuho Securities
12/30/02	49,000,000	FHDN	--	01/24/03	99.91	1.250	1.258	48,957,465.28	Mizuho Securities
12/30/02	3,000,000	FHDN	--	01/22/03	99.92	1.250	1.258	2,997,604.17	Mizuho Securities
12/30/02	50,000,000	FHDN	--	01/22/03	99.92	1.250	1.258	49,960,069.00	Mizuho Securities
12/30/02	50,000,000	GECC CP	--	12/31/02	99.99	1.320	1.329	49,998,166.67	G.E. Capital
12/30/02	<u>50,000,000</u>	GECC CP	--	12/31/02	99.99	1.320	1.329	<u>49,998,166.67</u>	G.E. Capital
	<u>\$ 5,556,855,000</u>							<u>\$5,554,720,939.66</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>
12/18/02	<u>\$ 40,000,000</u>	US T-NOTE	4.625%	02/28/03	100.66	--	<u>\$40,262,500.00</u>	Legg Mason
	<u><u>\$ 40,000,000</u></u>						<u><u>\$40,262,500.00</u></u>	

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

Repurchase Transactions

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho Securities	12/02/02	12/03/02	\$ 8,728,000	1.260%	\$ 305.48
Mizuho Securities	12/02/02	12/03/02	17,378,000	1.260	608.23
Mizuho Securities	12/02/02	12/03/02	31,795,000	1.260	1,112.83
Mizuho Securities	12/02/02	12/03/02	33,799,000	1.260	1,182.97
Mizuho Securities	12/02/02	12/03/02	35,126,000	1.260	1,229.41
Mizuho Securities	12/02/02	12/03/02	48,622,000	1.260	1,701.77
Lehman Brothers	12/02/02	12/03/02	49,575,000	1.260	1,735.13
Lehman Brothers	12/02/02	12/03/02	49,755,000	1.260	1,741.43
Lehman Brothers	12/02/02	12/03/02	50,245,000	1.260	1,758.58
Lehman Brothers	12/02/02	12/03/02	50,425,000	1.260	1,764.88
Daiwa Securities	12/03/02	12/04/02	607,000	1.220	20.57
Daiwa Securities	12/03/02	12/04/02	8,731,000	1.220	295.88

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BANC ONE	12/03/02	12/04/02	\$ 25,122,000	1.200%	\$ 837.40
BANC ONE	12/03/02	12/04/02	25,796,000	1.200	859.87
Daiwa Securties	12/03/02	12/04/02	29,755,000	1.220	1,008.36
BANC ONE	12/03/02	12/04/02	30,326,000	1.200	1,010.87
Daiwa Securties	12/03/02	12/04/02	31,796,000	1.220	1,077.53
Daiwa Securties	12/03/02	12/04/02	33,193,000	1.220	1,124.87
BANC ONE	12/03/02	12/04/02	33,972,000	1.200	1,132.40
Daiwa Securties	12/03/02	12/04/02	35,127,000	1.220	1,190.42
BANC ONE	12/03/02	12/04/02	35,447,000	1.200	1,181.57
BANC ONE	12/03/02	12/04/02	35,702,000	1.200	1,190.07
Daiwa Securties	12/03/02	12/04/02	50,245,000	1.220	1,702.75
BANC ONE	12/04/02	12/05/02	5,485,000	1.200	182.83

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BANC ONE	12/04/02	12/05/02	\$ 28,340,000	1.200%	\$ 944.67
Lehman Brothers	12/04/02	12/09/02	31,797,000	1.200	5,299.50
Lehman Brothers	12/04/02	12/09/02	33,801,000	1.200	5,633.50
BANC ONE	12/04/02	12/05/02	34,269,000	1.200	1,142.30
Lehman Brothers	12/04/02	12/09/02	35,128,000	1.200	5,854.67
BANC ONE	12/04/02	12/05/02	37,391,000	1.200	1,246.37
BNP Paribas	12/05/02	12/06/02	2,054,000	1.250	71.32
BNP Paribas	12/05/02	12/06/02	2,325,000	1.250	80.73
BNP Paribas	12/05/02	12/06/02	5,486,000	1.250	190.49
Lehman Brothers	12/05/02	12/10/02	26,531,250	1.250	4,488.20 *
BNP Paribas	12/05/02	12/06/02	40,000,000	1.250	1,388.89
BNP Paribas	12/05/02	12/06/02	48,973,000	1.250	1,700.45

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	12/05/02	12/06/02	\$ 48,973,000	1.250%	\$ 1,700.45
BNP Paribas	12/05/02	12/06/02	48,985,000	1.250	1,700.87
Mizuho Securties	12/06/02	12/10/02	2,445,000	1.250	339.58
Daiwa Securties	12/06/02	12/09/02	5,486,000	1.240	566.89
Lehman Brothers	12/06/02	12/09/02	15,112,500	1.200	1,511.25 *
Daiwa Securties	12/06/02	12/09/02	40,000,000	1.240	4,133.33
Daiwa Securties	12/06/02	12/09/02	44,923,000	1.240	4,642.04
Mizuho Securties	12/06/02	12/10/02	48,867,000	1.250	6,787.08
Daiwa Securties	12/06/02	12/09/02	51,102,000	1.240	5,280.54
Daiwa Securties	12/09/02	12/10/02	6,404,000	1.250	222.36
Nomura Securties	12/09/02	12/10/02	8,594,000	1.260	300.79
Daiwa Securties	12/09/02	12/10/02	31,803,000	1.250	1,104.27

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Daiwa Securties	12/09/02	12/10/02	\$ 33,807,000	1.250%	\$ 1,173.85
Daiwa Securties	12/09/02	12/10/02	35,134,000	1.250	1,219.93
Nomura Securties	12/09/02	12/10/02	50,406,000	1.260	1,764.21
Daiwa Securties	12/09/02	12/10/02	50,674,000	1.250	1,759.51
BNP Paribas	12/10/02	12/11/02	4,077,000	1.250	141.56
Lehman Brothers	12/10/02	12/11/02	12,342,000	1.250	428.54
BNP Paribas	12/10/02	12/11/02	31,804,000	1.250	1,104.31
BNP Paribas	12/10/02	12/11/02	33,808,000	1.250	1,173.89
BNP Paribas	12/10/02	12/11/02	35,135,000	1.250	1,219.97
BNP Paribas	12/10/02	12/11/02	48,992,000	1.250	1,701.11
Lehman Brothers	12/11/02	12/12/02	2,646,000	1.250	91.88
Lehman Brothers	12/11/02	12/12/02	10,827,000	1.250	375.94

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>
Daiwa Securties	12/11/02	12/12/02	\$ 16,334,000	1.250%	\$ 567.15
Lehman Brothers	12/11/02	12/12/02	24,310,000	1.250	844.10
Lehman Brothers	12/11/02	12/12/02	31,714,000	1.250	1,101.18
Lehman Brothers	12/11/02	12/12/02	33,809,000	1.250	1,173.92
BNP Paribas	12/11/02	12/12/02	49,601,000	1.250	1,722.26
Daiwa Securties	12/11/02	12/12/02	50,183,000	1.250	1,742.47
Daiwa Securties	12/11/02	12/12/02	50,183,000	1.250	1,742.47
BNP Paribas	12/11/02	12/12/02	50,399,000	1.250	1,749.97
Lehman Brothers	12/11/02	12/12/02	50,425,000	1.250	1,750.87
Daiwa Securties	12/12/02	12/17/02	15,352,000	1.250	2,665.28
Nomura Securties	12/12/02	12/17/02	28,673,000	1.260	5,017.78
Daiwa Securties	12/12/02	12/17/02	29,326,000	1.250	5,091.32

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 Securties	12/12/02	12/17/02	\$ 31,715,000	1.260%	\$ 5,550.13
Nomura Securties	12/12/02	12/17/02	33,811,000	1.260	5,916.93
Nomura Securties	12/12/02	12/17/02	35,138,000	1.260	6,149.15
Daiwa Securties	12/12/02	12/17/02	50,674,000	1.250	8,797.57
Daiwa Securties	12/12/02	12/17/02	50,674,000	1.250	8,797.57
Daiwa Securties	12/12/02	12/17/02	50,674,000	1.250	8,797.57
Nomura Securties	12/12/02	12/17/02	51,327,000	1.260	8,982.23
Nomura Securties	12/13/02	12/16/02	15,000,000	1.250	1,562.50
BANC ONE	12/16/02	12/17/02	15,000,000	1.300	541.67
Daiwa Securties	12/17/02	12/18/02	2,927,000	1.240	100.82
Daiwa Securties	12/17/02	12/18/02	28,574,000	1.240	984.22
Nomura Securties	12/17/02	12/18/02	29,651,000	1.240	1,021.31

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura Securities	12/17/02	12/18/02	\$ 33,817,000	1.240%	\$ 1,164.81
Nomura Securities	12/17/02	12/18/02	35,144,000	1.240	1,210.52
Lehman Brothers	12/17/02	12/18/02	42,469,000	1.260	1,486.42
Daiwa Securities	12/17/02	12/18/02	50,306,000	1.240	1,732.76
Daiwa Securities	12/17/02	12/18/02	50,428,000	1.240	1,736.96
Nomura Securities	12/19/02	12/20/02	23,000,000	1.260	805.00
UBS Warburg	12/19/02	12/23/02	49,326,000	1.230	6,741.22
UBS Warburg	12/19/02	12/23/02	50,674,000	1.230	6,925.45
BNP Paribas	12/20/02	12/23/02	11,948,000	1.250	1,244.58
BNP Paribas	12/20/02	12/23/02	41,052,000	1.250	4,276.25
Daiwa Securities	12/23/02	12/26/02	19,163,000	1.250	1,996.15
Daiwa Securities	12/23/02	12/26/02	30,837,000	1.250	3,212.19

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>
UBS Warburg	12/23/02	12/26/02	\$ 34,550,000	1.250%	\$ 3,598.96
UBS Warburg	12/23/02	12/26/02	44,731,000	1.250	4,659.48
Daiwa Securities	12/23/02	12/26/02	49,817,000	1.250	5,189.27
Daiwa Securities	12/23/02	12/26/02	50,183,000	1.250	5,227.40
UBS Warburg	12/23/02	12/26/02	50,490,000	1.250	5,259.38
UBS Warburg	12/23/02	12/26/02	54,779,000	1.250	5,706.15
BNP Paribas	12/26/02	12/30/02	1,125,000	1.230	153.75
UBS Warburg	12/26/02	12/30/02	13,813,000	1.230	1,887.78
UBS Warburg	12/26/02	12/30/02	20,300,000	1.230	2,774.33
BNP Paribas	12/26/02	12/30/02	26,510,000	1.230	3,623.03
BNP Paribas	12/26/02	12/30/02	33,827,000	1.230	4,623.02
BNP Paribas	12/26/02	12/30/02	34,602,000	1.230	4,728.94

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
BNP Paribas	12/26/02	12/30/02	\$ 48,875,000	1.230%	\$ 6,679.58
Lehman Brothers	12/26/02	12/30/02	49,025,000	1.230	6,700.08
Lehman Brothers	12/26/02	12/30/02	49,935,000	1.230	6,824.45
UBS Warburg	12/26/02	12/30/02	50,490,000	1.230	6,900.30
UBS Warburg	12/26/02	12/30/02	50,490,000	1.230	6,900.30
Lehman Brothers	12/26/02	12/30/02	50,490,000	1.230	6,900.30
Lehman Brothers	12/26/02	12/30/02	50,550,000	1.230	6,908.50
BNP Paribas	12/26/02	12/30/02	50,564,000	1.230	6,910.41
UBS Warburg	12/26/02	12/30/02	55,175,000	1.230	7,540.58
Daiwa Securities	12/30/02	01/02/03	4,632,000	1.310	505.56
Daiwa Securities	12/30/02	01/02/03	22,796,000	1.310	2,488.56
Daiwa Securities	12/30/02	01/02/03	33,831,000	1.310	3,693.22

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>
Daiwa Securties	12/30/02	01/02/03	\$ 34,688,000	1.310%	\$ 3,786.77
UBS Warburg	12/30/02	01/02/03	38,359,000	1.300	4,155.56
Daiwa Securties	12/30/02	01/02/03	50,490,000	1.310	5,511.83
Daiwa Securties	12/30/02	01/02/03	50,551,000	1.310	5,518.48
Lehman Brothers	12/30/02	12/31/02	52,350,000	1.230	1,788.63
UBS Warburg	12/30/02	01/02/03	54,901,000	1.300	5,947.61
UBS Warburg	12/30/02	01/02/03	56,740,000	1.300	6,146.83
Nomura Securties	12/31/02	01/02/03	1,245,000	1.100	76.08
Nomura Securties	12/31/02	01/02/03	9,145,000	1.100	558.86
Nomura Securties	12/31/02	01/02/03	25,909,000	1.100	1,583.33
Nomura Securties	12/31/02	01/02/03	30,449,000	1.100	1,860.77
Nomura Securties	12/31/02	01/02/03	48,755,000	1.100	2,979.47

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	12/31/02	01/02/03	\$ 48,755,000	1.100%	\$ 2,979.47

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

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	12/05/02	12/10/02	\$ 26,531,250	1.000%	\$ 3,603.83
Lehman Brothers	12/06/02	12/09/02	15,112,500	0.950	1,196.41

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 December 1, 2002 through December 31, 2002, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period December 1, 2002 and December 31, 2002 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

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

As of December 31, 2002, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$679 million, including \$379 million pertaining to refundings and \$200 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 December 1, 2002 and December 31, 2002 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

<u>Date of Issuance</u>	<u>Amount</u>	<u>Purchaser</u>	<u>Term</u>	<u>Variable Rate Index</u>
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On December 31, 2002, Citigroup put \$65 million of Landmark Master Notes back to the Port Authority, bringing the total balance for outstanding Notes to \$150 million.

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

Report E: In addition to the transactions described in Report A, B, C, and D, the Executive Director also reports the following activity under the Futures Program authorized by the Board of Commissioners on December 10, 1987, during the period October 1, 2002 through December 31, 2002 involving the use of the Municipal Bond Futures Contracts (Muni) and the United States Treasury Bond Futures Contracts (T-Bonds) traded on the Chicago Board of Trade to manage the interest rate exposure on the future issuance of Consolidated Bonds and Notes.

Hedge for Consolidated Bonds:

<u>Date</u>	<u>Action</u>	<u>Number of Contracts</u>	<u>Short Position</u>	<u>Gains/(Losses) on Series Hedge*</u>	<u>Amount of Prospective Port Authority Debt Hedged</u>	<u>Estimated (Increase)/Decrease in Borrowing Costs on Portion of Debt Hedged</u>
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No outstanding Hedge during the 4th Quarter 2002.

INSURANCE TRANSACTIONS - JANUARY 1, 2002 THROUGH DECEMBER 31, 2002.

REPORT: The Executive Director reported that the following insurance transactions have taken place during the period of January 1, 2002 through December 31, 2002 pursuant to Article XII, paragraph (n) of the By-Laws.

POLICY/ COVERAGE	LIMITS SIR/DEDUCTIBLE	TERM	AUTHORIZED ANNUAL PREMIUM	CARRIERS
Business Automobile Insurance	\$1M combined single limit per occurrence; \$1M uninsured and underinsured motorists; \$10,000 medical payments; maximum personal injury coverage SIR-None	03/01/02 to 03/01/03	\$45,000	St. Paul Fire & Marine Insurance Company
Workers' Compensation Coverage for the Government & Community Relations Office Washington, D.C.	Statutory SIR-None	05/07/02 to 05/07/03	\$2,928	Travelers Property and Casualty
Excess Boiler and Machinery Insurance and Inspection Services	\$1.5 M each accident \$500,000 deductible	07/01/02 to 07/01/03	\$50,000	Chubb Group of Insurance Companies
Group Travel Accident Insurance	\$1M per Governor or Commissioner; \$500,000 per employee; \$8M aggregate limit per aircraft accident. SIR-None	07/15/02 to 07/15/05	\$15,980	Continental Casualty Company (CNA)
PATH Accidental Death & Dismemberment Insurance	\$100,000 per employee; \$1M aggregate per accident. SIR-None	03/22/02 to 03/22/05	\$1,000	American Home Assurance Company

RENEWAL NOTES

- Automobile Liability Insurance, which covers the Port Authority for the use of Port Authority vehicles by certain executive staff, was renewed for a one-year period commencing March 1, 2002 from St. Paul Fire & Marine Insurance Company through Commerce National Insurance Services, the broker, at a total premium cost not to exceed \$45,000. St. Paul Fire & Marine Insurance Company provided the same terms and conditions as the expiring coverage. An initial renewal premium of \$29,000 represents an increase of approximately 68% over the previous one-year period. The increase reflects not only a hardening insurance market, but also executive staffing and garage location changes. It is anticipated that an additional premium of \$16,000 may be needed as a contingency for coverage of additional vehicles, as well as other changes in executive staffing and locations where the vehicles are garaged.
- The Excess Boiler & Machinery Insurance, which covers boilers and other scheduled property at various Port Authority facilities and its subsidiaries, with a coverage limit of \$1.5 million for any one accident or other covered event, subject to a \$500,000 deductible, was renewed for a one-year term effective July 1, 2002 with the Chubb Group Insurance Companies. Coverage was placed through incumbent broker Massey Insurance Agency at a total premium cost not to exceed \$50,000.
- Workers' Compensation Insurance covering the Government and Community Relations Office located in the District of Columbia was renewed for a one-year period commencing May 7, 2002. Coverage was placed through incumbent broker E.G. Bowman Co., Inc., a MBE/WBE at an estimated annual premium of \$2,928. The renewal premium reflects a \$634.00 increase over the previous one-year policy period. Since premiums are established by statute in the District of Columbia, there is no advantage to the Port Authority in soliciting competitive premium quotations.
- Group Travel Accident Insurance, which covers employees of the Port Authority and its subsidiaries, Port Authority Commissioners, the Governors of New York and New Jersey and others, while traveling on Port Authority official business, (outside the Port District), was purchased from CNA Insurance Co., through broker, Tanenbaum-Harber Co., Inc., for a three-year term effective July 15, 2002, at a total premium cost of \$47,940. Premium proposals were competitively solicited by the incumbent broker, Tanenbaum-Harber Co., Inc., Massey Insurance Agency, a MBE/WBE, and Commerce National Insurance Services for the renewal of the coverage for one-year and three-year terms. The proposal from CNA through Tanenbaum-Harber provided the most appropriate coverage for a three-year term at the most cost effective premium. The renewal premium of \$47,940 represents an 88% increase over the previous premium of \$25,510. The substantial increase in premium reflects the adverse commercial insurance market conditions.

- PATH Off-Premises Accidental Death and Dismemberment coverage was purchased from American Home Assurance Company, through broker, Tanenbaum-Harber Co., Inc., for a three-year period effective March 22, 2002 at a total, pre-paid premium cost of \$3,000. Premium proposals were competitively solicited by broker, E.G Bowman & Co., Inc., an MBE/WBE, and by Tanenbaum-Harber, the incumbent broker. Three insurers, namely CNA, Hartford and Unum, declined to provide a proposal. Coverage under this policy will provide indemnity payment in the event of death or specified injury.

Appointment of Comptroller

Chairman Sinagra then announced the appointment of Michael G. Fabiano as Comptroller.

Whereupon, the meeting was adjourned.

Secretary