

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, October 24, 2002

	Page
Action on Minutes	430
Report of Audit Committee	430
Report of Committee on Finance	430
Report of Committee on Capital Programs/Port Planning	430
Report of Committee on Construction	430
Report of Committee on Operations	431
Port Authority Bus Terminal – Lease Agreement with Culinary Gateways, LLC – Surrender Agreement with Central Park Gourmet, Inc.	432
Port Authority Technical Center – Supplement to Lease and Supplemental Maintenance Agreement with Trends Urban Renewal Association, Ltd.	433
World Trade Center Artifacts – Decontamination and Storage – Program Authorization	435
Authorization to Enter into Agreements with New Jersey Transit Corporation and Others to Coordinate Federal Funding for the Development of an Environmental Impact Statement for the Proposed Access to the Region’s Core Project	437
Bareboat Charter Agreement – Weeks Marine, Inc.	439
Development of the Westchester County Outreach Center – Award of Contract	440
Comprehensive Port Authority of New York and New Jersey Security and Emergency Management Communications and Closed – Circuit Television System – Project Authorization and Award of Contract (This matter, which was adopted by the Board of Commissioners in executive session, is no longer confidential.)	442
Settlement of Claim – The Port Authority of New York and New Jersey v. M/V Bering Sea	444
Traffic Rules and Regulations at Port Authority Vehicular Crossings	445
Final Contract Payments	447
Investments and Deposits	450

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, October 24, 2002, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Jack G. Sinagra, Chairman
 Hon. Charles Kushner
 Hon. William J. Martini
 Hon. Alan G. Philibosian
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor

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

Gwendolyn Archie, Administrator, Office of the Secretary
 Kayla M. Bergeron, Director, Public Affairs
 A. Paul Blanco, Acting Chief of Planning and Development
 Bruce D. Bohlen, Treasurer
 John D. Brill, Director, Audit
 Gregory G. Burnham, Chief Technology Officer
 Ernesto L. Butcher, Chief Operating Officer
 Janice Chiantese, Special Advisor to the Chairman
 Steven J. Coleman, Public Information Officer, Public Affairs
 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
 Linda C. Handel, Assistant Secretary
 Edward L. Jackson, Director, Financial Services
 Howard G. Kadin, Senior Attorney, Law
 Joseph Kucich, Professional Assistant, Office of the Chief Administrative Officer
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 John G. Lesko, Manager, Bus Terminal and Bridge Painting Project, Tunnels, Bridges and Terminals
 Francis J. Lombardi, Chief Engineer
 George Mangione, Professional Assistant, Office of the Secretary
 Stephen Marinko, Attorney, Law
 Charles F. McClafferty, Chief Financial Officer
 James E. McCoy, Senior Administrator, Office of the Secretary
 Lynn A. Nerney, Staff Administrator, Office of the Secretary
 Catherine F. Pavelec, Executive Assistant to the Secretary
 Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
 Alan L. Reiss, Deputy Director, Aviation
 Alan I. Rhome, Director, Operation Services
 Edmond F. Schorno, Chief of Staff
 Douglas L. Smith, Director, Office of Forecasting and Capital Planning
 Antoinette Tahan, Executive Secretary, Office of the Secretary
 Gregory Trevor, Senior Public Information Officer, Public Affairs

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

Sean P. Walsh, Deputy Director, Public Affairs
Peter Yerkes, Press Secretary
Margaret R. Zoch, Comptroller

Guest:

Noreen Giblin, Authorities Unit, Office of the Governor of New Jersey

The public session was called to order by Chairman Sinagra at 1:24 p.m. and ended at 1:30 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meetings of August 29, 2002 and September 19, 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 October 24, 2002, 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 and action taken in executive session at its meeting on October 24, 2002, 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, insurance matters, lease matters, 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 October 24, 2002, which included discussion of contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in executive session at its meeting on October 24, 2002, which included discussion of contract matters, 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 October 24, 2002, which included discussion of contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

Staff Report

A presentation was made by staff on the status of the Port Authority's Bridge Painting Program.

PORT AUTHORITY BUS TERMINAL - LEASE AGREEMENT WITH CULINARY GATEWAYS, LLC - SURRENDER AGREEMENT WITH CENTRAL PARK GOURMET, INC.

It was recommended that the Board authorize the Executive Director to enter into: (1) a lease agreement with Culinary Gateways, LLC (Culinary), covering the letting for restaurant use of approximately 4,240 rentable square feet of retail space at the Port Authority Bus Terminal, together with approximately 800 rentable square feet of storage space, for an approximate fifteen-year, eight-month term commencing on or about November 1, 2002, at an aggregate basic rental over the term of approximately \$7 million, together with percentage rental based on Culinary's gross sales; (2) a surrender agreement with Central Park Gourmet, Inc., the current tenant of the space to be leased to Culinary; and (3) a brokerage agreement with Newmark New Spectrum Retail LLC, providing for the payment of a brokerage commission of \$186,263 in connection with the lease. Payment of basic rental will begin approximately eight months after the commencement of the letting. Culinary will receive a construction allowance and will pay additional rental to cover increases in operating and maintenance costs, as set forth in the lease.

Beginning five years after the rent commencement date, the Port Authority will have the right to terminate the lease on 30 days' notice without cause, in which case it shall be obligated to reimburse Culinary for its unamortized initial capital investment in the premises up to \$2.5 million, calculated on a straight-line basis over the lease term.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) an agreement with Culinary Gateways, LLC, covering the letting of retail and storage space at the Port Authority Bus Terminal; (2) a related surrender agreement with Central Park Gourmet, Inc.; and (3) a brokerage agreement with Newmark New Spectrum Retail LLC in connection with the lease; in each case, substantially in accordance with the terms and conditions outlined to the Board, or on such other terms and conditions as the Executive Director deems appropriate, subject to the conditions set forth in the following delegation; and it is further

RESOLVED, that the Committee on Operations be and it hereby is authorized to approve the final terms and conditions of the foregoing agreements in the event that the rental payment terms and/or the term of the letting are not substantially in accordance with the terms outlined to the Board; and it is further

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

PORT AUTHORITY TECHNICAL CENTER - SUPPLEMENT TO LEASE AND SUPPLEMENTAL MAINTENANCE AGREEMENT WITH TRENDS URBAN RENEWAL ASSOCIATION, LTD.

It was recommended that the Board authorize the Executive Director to: (1) amend the lease agreement (Lease) with Trends Urban Renewal Association, Ltd. (TURA), the owner of the Port Authority Technical Center (PATC) building at 241 Erie Street, Jersey City, New Jersey, to provide for the Port Authority's right to utilize the roof of the PATC building for the installation of telecommunications equipment; and (2) enter into a supplement to the existing Supplemental Maintenance Agreement with TURA to provide for a change in the scope and cost of such maintenance agreement.

The Lease has a term of 18 years and 2 months, with an option to extend the term for two additional ten-year periods. Over the past several years, the Port Authority has received *ad hoc* permission from TURA to use the roof at the PATC for the installation of various communications and mechanical equipment. The Port Authority is currently utilizing 24 antennas and other communications devices that have now been installed on the roof. In the aftermath of the events of September 11, 2001, there is an ongoing need for enhanced communications, making the roof even more important as a platform for the installation of vital communications equipment. The Lease, with the exception of allowing the Port Authority to install one antenna, does not provide for the use of the roof for the Port Authority's communications needs. Staff has negotiated a lease supplement that provides for the continued use of the roof for Port Authority equipment in order to ensure that both present and future roof space requirements for telecommunications devices are satisfied. TURA will install a railing around the periphery of the roof, and the Port Authority will reimburse TURA for its actual construction costs for this work, but in no case to exceed \$150,000.

In 1992, a Supplemental Maintenance Agreement between the Port Authority and TURA was entered into which provided for TURA to perform, on the Port Authority's behalf, scheduled maintenance of the various base building equipment at the PATC we were responsible for, at an annual cost of \$75,000. Since 1992, the operating cost of servicing this equipment has increased significantly, as has the scope of the equipment, as a result of the addition of new and more complex equipment installed on the Port Authority's behalf, including new heating, ventilation, air conditioning (HVAC) units, building system controls and emergency equipment. Staff has negotiated a supplement to the existing maintenance agreement with TURA to provide for the ongoing maintenance of all of the equipment on the following terms: (1) an increase in the annual cost from \$75,000 to \$145,000, retroactive to January 1, 2001; (2) annual amendments, if required, to the base equipment schedule, based on the addition and removal of equipment and services from the original schedule, with a corresponding annual adjustment in the cost of the agreement to reflect these changes, based on an agreed-upon pricing schedule; and (3) periodic adjustments to the cost of the maintenance agreement, based on one-half of the change to the applicable Consumer Price Index for the area, pursuant to the formula set forth in the Lease.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) a supplement to the lease agreement with Trends Urban Renewal Association, Ltd. (TURA) to provide for the Port Authority's right to utilize the roof of the Port Authority Technical Center building at 241 Erie Street, Jersey City, New Jersey for the installation of telecommunications equipment; and (2) a supplement to the existing Supplemental Maintenance Agreement with TURA to provide for a change in the scope and cost of such agreement; with the terms of these supplements to be substantially in accordance with the terms 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.

WORLD TRADE CENTER ARTIFACTS – DECONTAMINATION AND STORAGE – PROGRAM AUTHORIZATION

It was recommended that the Board authorize a program to protect, catalog, decontaminate and store artifacts from the World Trade Center site that have been collected by the Port Authority since September 11, 2001, at an estimated total cost of \$5.75 million for a four-year period, and authorize the Executive Director to ratify or enter into contracts for professional services and such other agreements as may be necessary to effectuate the program.

Since September 11, 2001, the Port Authority, among numerous other organizations, has made efforts to identify and recover various objects remaining in the wake of the destruction of The World Trade Center (WTC). Staff arranged for a special committee of outside advisors to provide guidance regarding the collection and protection of salvaged items, most of which have been moved to John F. Kennedy International Airport (JFK). Some of the objects were chosen as evidence of the sheer destructive power of the towers' collapse, while other objects were chosen because they represented memorable sections of the towers themselves. Among the hundreds of objects collected were damaged steel sections, emergency vehicles, two Port Authority Trans-Hudson system (PATH) cars, portions of the broadcast antenna atop 1 WTC, the Koenig sphere, which once was the centerpiece of the World Trade Center Plaza, as well as numerous smaller items, such as PATH signs.

Given the massiveness of many of these objects, a large storage area is required. Staff has determined that approximately 80,000 square feet of space could be made available for three years in a portion of Building 17 at JFK. This facility (formerly a Tower Air hangar) will require significant modifications, but is large enough to accommodate all the items in an organized fashion, in addition to a decontamination chamber that will be required to cleanse all the objects of hazardous substances. Certain objects, such as the "last column" removed from the WTC site, will require special efforts from professional conservators. Every object is also being catalogued and digitally photographed so that a complete database can be created and distributed for reference.

A management plan is being developed, which will identify interdepartmental staff responsibilities for overseeing and maintaining this collection of artifacts, and will include a comprehensive loan procedure. A board of expert advisors also will be established to assist the Port Authority on disposition, curatorial and historical matters.

Numerous requests for artifacts from the WTC are still being received, and would be handled pursuant to this policy. Certain objects also may be selected and requested by organizations such as the Lower Manhattan Development Corporation to be included in temporary or permanent memorials.

Specific activities of this program, some of which were initiated earlier this year, include, but are not limited to:

- 1) award of consultant agreements for overall advisory purposes and conservatorial services;

- 2) facility preparation work at JFK Building 17, including: a) general refurbishment, such as cleaning, door modifications, new lighting and roof repairs; and b) design and construction of an asbestos decontamination chamber;
- 3) award of contracts for decontamination of all objects; and
- 4) development of a cataloging system to number and photograph all objects.

The total estimated cost for this program over the next four years is \$5.75 million. This cost estimate does not include potential additional expenditures should JFK Building 17 become unavailable for the artifact storage, in which case staff will seek additional authorization for alternative storage and any moving costs. Staff also would seek recovery if any costs for this program are deemed eligible for Federal Emergency Management Agency or insurance reimbursement.

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

RESOLVED, that a program to protect, catalog, decontaminate and store artifacts from the World Trade Center site that have been collected by the Port Authority since September 11, 2001, at an estimated total cost of \$5.75 million for a four-year period, be and it hereby is authorized; and it is further

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

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

AUTHORIZATION TO ENTER INTO AGREEMENTS WITH NEW JERSEY TRANSIT CORPORATION AND OTHERS TO COORDINATE FEDERAL FUNDING FOR THE DEVELOPMENT OF AN ENVIRONMENTAL IMPACT STATEMENT FOR THE PROPOSED ACCESS TO THE REGION'S CORE PROJECT

It was recommended that the Board authorize the Executive Director to enter into an agreement or agreements with New Jersey Transit Corporation (NJ Transit) and/or other federal, state or other entities to coordinate federal funding for the development of an Environmental Impact Statement (EIS) in accordance with applicable law, related to the proposed Access to the Region's Core (ARC) capacity improvements project, and, if appropriate in light of such agreement or agreements, to award a contract or contracts for professional, technical or advisory services to assist in the development of an EIS and related studies in connection with the project. The EIS would be funded through a \$4.9 million federal appropriation already approved for this purpose by the Federal Transit Administration (FTA).

This recommendation is based on the conclusions of the Access to the Region's Core Major Investment Study, jointly sponsored and funded by the Port Authority, NJ Transit and the Metropolitan Transportation Authority (MTA). The Board authorized Port Authority participation in the study in December 1993 and in November 1998, when staff presented interim findings affirming that growing trans-Hudson commutation demand would exceed available capacity well before 2020.

Based on results of the final study phase, the three sponsor agencies reaffirmed their agreement on the need for added trans-Hudson capacity and the effectiveness of expanded commuter rail service to the Penn Station New York (PSNY) complex as the preferred regional investment. The proposed project would provide a major expansion of passenger rail capacity to midtown Manhattan, incorporating additional Northeast Corridor capacity and track connections between the Secaucus Transfer facility and the Hudson River area, a new trans-Hudson tunnel connecting to the PSNY complex, and associated track, tunnel, and platform infrastructure in New York City.

The proposed improvement would allow NJ Transit to nearly double rush-hour train service on routes serving New Jersey and New York's Rockland and Orange Counties. The joint three-agency planning study established that the proposal is consistent with the capital investment strategies of the region's rail transit agencies and is feasible in either of two alignments within New York City that are compatible with programmed MTA commuter rail system improvements.

Forecasts prepared for the ARC study demonstrate that the additional rail capacity would provide adequate relief of forecast peak-period demand pressures on the trans-Hudson network, especially for the Exclusive Bus Lane-Lincoln Tunnel-Port Authority Bus Terminal system that is the primary transit mode for trans-Hudson commuting to midtown. The NJ Transit Board of Directors approved a corresponding authorization on October 9, 2002. It is anticipated that the FTA will be the lead federal agency under the National Environmental Policy Act. The EIS process is expected to take approximately two years and would involve scope development, procurement of professional services, public hearings and interagency consultation.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement or agreements with New Jersey Transit Corporation and/or other federal, state or other entities to coordinate federal funding for the development of an Environmental Impact Statement (EIS) in accordance with applicable law, related to the proposed Access to the Region's Core capacity improvement project, and, if appropriate in light of such agreement or agreements, to award a contract or contracts for professional, technical or advisory services to assist in the development of an EIS and related studies in connection with the project, the initiative to be funded through a \$4.9 million federal appropriation approved for this purpose by the Federal Transit Administration; the form of the agreements shall be subject to the approval of General Counsel or his authorized representative.

BAREBOAT CHARTER AGREEMENT – WEEKS MARINE, INC.

It was recommended that the Board ratify the action of the Acting Chief, Planning and Development, in acting on behalf of the Port Authority in entering into a charter agreement with Weeks Marine, Inc. (Weeks Marine) for a barge located at Pier A in lower Manhattan, adjacent to Battery Park in the Hudson River.

The destruction of the downtown Port Authority Trans-Hudson system (PATH) station and temporary loss of the use of the Battery Park City ferry landing as a result of the September 11, 2001 terrorist attacks required immediate steps to be taken to provide New York and New Jersey commuters with transportation alternatives to and from lower Manhattan. In response to this need, the Port Authority, along with the City of New York, funded the establishment of a temporary ferry landing at Pier A in lower Manhattan. This work was done under existing Port Authority call-in contracts and was substantially completed by October 28, 2001, with the temporary terminal opening on November 5, 2001. During this time, an emergency agreement was put into place with Weeks Marine to install a barge and weather protection at Pier A for the operation of ferry services.

The Port Authority, under the bareboat charter agreement, commits to assuming the charter costs for the barge from the original furnishing date until such time as the temporary downtown PATH station is operational (total duration estimated at 30–36 months). The charter cost will be \$11,250 per month. The Federal Emergency Management Agency has committed to reimbursing the Port Authority for these costs.

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

RESOLVED, that the action of the Acting Chief, Planning and Development, in entering into a bareboat charter agreement with Weeks Marine, Inc. for the furnishing of a barge located at Pier A in lower Manhattan, adjacent to Battery Park in the Hudson River, for an estimated thirty to thirty-six-month duration, at a monthly cost of \$11,250, be and it hereby is ratified.

DEVELOPMENT OF THE WESTCHESTER COUNTY OUTREACH CENTER – AWARD OF CONTRACT

It was recommended that the Board authorize the Executive Director to enter into a contract with the Westchester County Association (WCA), pursuant to which the Port Authority will make an annual contribution of \$50,000 for two years toward the establishment and operation of the WCA's Accelerator Program to promote economic development of community-based minority and women-owned businesses and small business enterprises (M/W/SBEs).

The WCA is a not-for-profit membership organization dedicated to community-based economic development and multi-community collaboration. Founded in 1950, the WCA employs an economic development strategy that is proven and replicable as a model for:

- neighborhood economic development that strengthens and expands small businesses
- minority, immigrant and woman-owned business assistance
- multi-community collaboration and resource sharing
- business-to-business networking.

The WCA's programs are primarily designed to assist business development. One of the key services the Accelerator Program provides is assisting entrepreneurs to identify and secure the resources needed to expand their businesses.

The WCA will facilitate small and medium business growth and development in and around Westchester County and the northern Bronx, areas where small businesses are a crucial source of employment for local residents. Extensive help to Westchester and Bronx County-based businesses not only translates into more disposable income for residents and strengthens local economies, it also attracts needed capital into these communities, thereby laying the foundation for keeping the capital invested locally.

The WCA will promote local outreach, including the matching of community business services with those firms needing outside expertise in order to grow. The Accelerator Program provides a formalized process to efficiently assess and access strategic resources for community businesses. Areas of specialization include venture financing, banking, small business growth, technology, government opportunities, minority and women business enterprise development and professional services.

The Port Authority will benefit from this relationship by having a ready source of technical assistance available for M/W/SBEs that are certified by the Port Authority and are located in the northern Bronx and Westchester areas. Additionally, the WCA will be instrumental in identifying additional M/W/SBEs and preparing them for certification by the Port Authority, along with assisting these firms with Port Authority procedures for being included on the appropriate bid lists for procurement and construction contracts.

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

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a contract with the Westchester County Association (WCA), pursuant to which the Port Authority will contribute \$50,000 per year for two years toward the establishment and operation of the WCA's Accelerator Program; and it is further

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

**COMPREHENSIVE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
SECURITY AND EMERGENCY MANAGEMENT COMMUNICATIONS AND
CLOSED-CIRCUIT TELEVISION SYSTEM – PROJECT AUTHORIZATION
AND AWARD OF CONTRACT**

It was recommended that the Board authorize: 1) a federally funded project to replace the agency-wide security and disaster management communications and closed-circuit television (CCTV) monitoring system destroyed on September 11, 2001, at a total project cost estimated at \$5.7 million; and 2) the Executive Director to award: a) construction and procurement contracts for the project at an estimated cost of \$3.9 million, b) a maintenance contract for a term of five years for the new system at an estimated cost of \$2 million (both to be awarded through a competitive process); and c) other contracts and/or supplemental agreements that may be necessary to effectuate the project, to include the acceptance of federal funds to offset the expenses incurred.

The new system will be installed in the Emergency Operation Center (EOC) at the Port Authority Technical Center in Jersey City, New Jersey. Once installed, the system will monitor, record and retransmit camera video images and other security and emergency information from all major Port Authority facilities to the EOC. The original system had been installed at the agency's Command Center on the 64th floor of The World Trade Center and was destroyed during the September 11, 2001 terrorist attacks.

Completion of the project is expected during mid-year 2003. The entire cost to design, purchase and install the system will be fully reimbursed under a United States Department of Justice equipment grant to be awarded to the Port Authority to replace the original system destroyed on September 11, 2001. The Port Authority's successful grant application was submitted on behalf of the agency by the New York State Emergency Management Office, with the endorsement of that office and the New York State Office of Public Security.

The system, once operational, will enhance security, improve disaster response, facilitate command and control of operations and provide for more effective and informed decision-making by agency executives and police commanders during security contingencies and emergency situations.

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

RESOLVED, that a federally funded project for the replacement of the agency-wide security and disaster management closed-circuit television monitoring system at a total project cost estimated at \$5.7 million, including system design, payments to contractors and planners, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses, and a project contingency (if necessary), be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized,

for and on behalf of the Port Authority, to take action with respect to purchase and construction contracts and contracts for professional and advisory services related to the foregoing project as he deems in the best interest of the Port Authority, including, without limitation, award to the lowest bidder(s) qualified by reason of responsibility, experience and capacity to perform the work and whose bid prices the Executive Director deems reasonable, of construction and procurement contracts for the project at an estimated cost of \$3.9 million and a maintenance contract for a term of 5 years for the new system at an estimated cost of \$2 million, to be awarded through a competitive process; or to reject all proposals, solicit new proposals on revised or the same requirements or negotiate with one or more proposers or other contractors as he deems in the best interest of the Port Authority, and to order extra work (if necessary) and net cost work in connection with each contract, including supplemental agreements thereto, and enter into such other agreements as may be necessary to effectuate the project; and it is further

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

SETTLEMENT OF CLAIM – THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY V. M/V BERING SEA

It was recommended that the Board authorize General Counsel to settle the action entitled The Port Authority of New York and New Jersey v. M/V Bering Sea, by accepting the sum of \$1,867,406.27 to settle a claim by the Port Authority for damage to a pier protection cell at the Outerbridge Crossing. In return, the Port Authority will issue a General Release.

The Port Authority's property insurers brought this action against M/V Bering Sea on behalf of the Port Authority, seeking to recover the cost of replacing a pier protection cell that was damaged on January 23, 1999, when a ship owned and operated by Vardo Shipping Co., Ltd. ran into Pier Protection Cell Number 5 located adjacent to the Outerbridge Crossing. The total cost of replacing the pier protection cell was \$5,272,111.46. The Port Authority's property insurers initially paid the Port Authority \$3,000,000 and withheld a deductible of \$2,000,000. The parties agreed that the value of the betterments in the replacement cell above and beyond the value of a non-damaged existing pier protection cell is \$272,111.46. This sum is neither covered by insurance nor recoverable against the shipping company. The property insurers have since settled the case against the shipping company, and have offered to pay the Port Authority its deductible of \$2,000,000, less \$132,593.73, representing the Port Authority's pro rata share of attorneys' fees and litigation expenses, in accordance with the terms of the insurance contract.

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

RESOLVED, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to settle the action entitled The Port Authority of New York and New Jersey v. M/V Bering Sea, by accepting the sum of \$1,867,406.27 from M/V Bering Sea in return for the issuance of a General Release.

TRAFFIC RULES AND REGULATIONS AT PORT AUTHORITY VEHICULAR CROSSINGS

REPORT: Pursuant to authority delegated by the Board of Commissioners at its meeting of January 25, 2001, the Executive Director reports the following modifications to the Traffic Rules and Regulations for vehicular crossings which will be implemented on a date to be determined, but no earlier than November 4, 2002.

1. Section 1 – Conditions for Use and Definitions

- (A) Section 1.3 – add definition for “Bus Rate Vehicle” – “Any vehicle that has been designated with a seating capacity for ten or more persons, for the purpose of public mass transportation, shall qualify for the bus toll rate and be classified as Class 8 or 9, dependent on the number of axles.”

This definition was added in response to the increased use of vehicles in transportation with more than 10 but fewer than 16 passengers.

2. Section 3 – Roadway Regulations

- (B) Section 3.1 – after “minimum speed limits except on toll plazas where maximum speed is 15 mph,” add “unless otherwise posted.”

Prior to the installation of Electronic Toll Collection (ETC), all motorists were required to stop in the toll lane in order to pay a cash toll. Since the advent of ETC, motorists have been required to proceed through some of the toll lanes at speeds slower than the 15 mph posted toll plaza speed limit without stopping. Consequently, this change is designed to allow the posting of lower speeds, currently 5 mph at some plazas.

- (C) Section 3.8 (b) – remove – “which requires that motorists extinguish their headlights.”

This section was deleted due to the fact that it was difficult to enforce, and newer vehicles have automatic daytime safety lights, which cannot be turned off.

3. Section 5 – Restricted and Prohibited Traffic

- (D) Section 5, Paragraph 2, correct “2 hours” to read 2 days.

The change from 2 hours’ to 2 days’ notification was to correct a printing error, which was made in the last edition.

4. Section 6 – Prohibited Traffic

- (E) Section 6.2 (a) - the word “engine” is removed, leaving this section applicable to heaters and refrigeration elements only.

Tunnels, Bridges and Terminals (TB&T) reviewed our regulations prohibiting Liquified Natural Gas (LNG) and Liquified Petroleum Gas (LPG)-fueled vehicles from using our tunnels, and found that studies by Arthur B. Little for the Massachusetts Turnpike Authority and Booz-Allen and Hamilton for the New York State Energy Research and Development Authority indicate that these fuels appear to present no greater risk than gasoline in a vented environment such as our tunnels. TB&T staff also conferred with the New York City Fire Department Bureau of Fire Prevention and the Port Authority's Risk Management Safety/Fire Division in developing this recommendation to allow LNG and LPG-fueled vehicles access to our tunnels.

- (F) Section 6.2 (b) – LNG and LPG are no longer excluded as vehicular fuels.

In view of the findings under Section 6, (E) Section 6.2 (a), this section 6.2 (b) was revised to include LNG and LPG. It requires LNG, LPG and Compressed Natural Gas (CNG)-fueled vehicles to meet applicable Federal Regulations and Standards of the National Fire Protection Association (NFPA). Research has shown that these fuels pose no greater risk than gasoline in a vented environment such as our tunnels.

- (G) Section 6.2 – Note “A”- which makes reference to the permitted use of alternate fueled vehicles powered by LPG or CNG – is removed in its entirety and the appropriate safety requirements are incorporated into the new Section 6.2 (c). See next paragraph.
- (H) Section 6.2 (c) is a new section in which LNG and LPG are added as permissible vehicular fuels. The latest Federal Regulations and NFPA Standards are incorporated by reference. The new section limits fuel capacity to 150 pounds net weight of fuel and requires vehicles to comply with state labeling codes.
- (I) Section 6.3 is a new section applicable to the Lower Level of the George Washington Bridge (GWB), which permits recreational vehicles complying with the listed safety requirements to traverse the lower level as long as:
1. The LPG supply does not exceed two tanks containing more than 45 lbs. LPG capacity each or a single tank not exceeding 60 lbs. LPG capacity.
 2. The containers conform with Department of Transportation and NFPA Standards.
 3. The valves remain closed.
- (J) Section 6.4 – The original Section 6.3 is renumbered to Section 6.4 with no changes.

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 August 1, 2002 to August 31, 2002.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	TOTAL AUTHORIZED		TOTAL PAYMENTS	
BT365A	REPLACEMENT OF CHILLER CONTROL	248,750.00	(A)	248,750.00	(A)
	PANELS	40,000.00	(C)	1,628.00	(C)
	PORT AUTHORITY BUS TERMINAL	74,925.00	(D)	10,718.00	(D)
	SIEMENS BUILDING TECHNOLOGIES, INC.	363,675.00		261,096.00	
AK156	REHABILITATION OF TOLL LANE PROWS	578,000.00	(A)	576,750.00	(A,G)
	STATEN ISLAND BRIDGES	25,000.00	(C)	--0--	(C)
	P.T. STONE INC.	34,680.00	(D)	11,300.00	(D)
		--0--	(F)	7,087.00	(F)
		637,680.00		595,137.00	
LGA990529	STORAGE FACILITY FOR DE-ICING CHEMICALS	1,152,000.00	(A)	1,152,000.00	(A)
	LAGUARDIA AIRPORT	26,000.00	(C)	12,512.00	(C)
	AQUA-X CONSERVATION, INC.	192,000.00	(D)	190,819.00	(D)
		--0--	(H)	1,423.00	(H)
	1,370,000.00		1,356,754.00		
LGA680	DRAINAGE PIPE REPLACEMENT - TAXIWAY "R"	135,000.00	(A)	135,000.00	(A)
	LAGUARDIA AIRPORT	140,000.00	(C)	138,000.00	(C)
	T. MORIARTY & SON, INC.	81,900.00	(D)	81,900.00	(D)
		8,100.00	(I)	1,740.00	(I)
	365,000.00		356,640.00		
MFB204005	NEW JERSEY APPROACHES	500,000.00	(C)	449,811.00	(C)
	ROCK SLOPE MAINTENANCE	500,000.00		449,811.00	
	LINCOLN TUNNEL & GEORGE WASHINGTON BRIDGE M. J. PAQUET INC.				
MFP315650	ASBESTOS REMOVAL	500,000.00	(C)	69,283.00	(C)
	NEW JERSEY MARINE TERMINALS S & W CONTRACTING SERVICES, INC.	500,000.00		69,283.00	

WTC803072	PRIMARY DISTRIBUTION CENTER	2,978,000.00	(A)	2,977,250.00	(A,N)
	ELECTRICAL REHABILITATION	300,000.00	(C)	471,071.00	(C)
	WORLD TRADE CENTER	238,000.00	(D)	238,000.00	(D)
	YONKERS ELECTRICAL CONTRACTING CORP.	100,000.00	(J)	98,553.00	(J)
	& PILLER INC., A JOINT VENTURE	150,000.00	(K)	150,000.00	(K)
		--0--	(L)	99,200.00	(L)
		--0--	(M)	18,026.00	(M)
		3,766,000.00		4,052,100.00	
HH234876	MAINTENANCE DREDGING	3,966,820.00	(B)	3,208,914.00	(B)
	HOWLAND HOOK MARINE TERMINAL	100,000.00	(C)	4,387.00	(C)
	CONSOLIDATED TECHNOLOGIES, INC.	238,009.00	(D)	174,352.00	(D)
		32,450.00	(E)	32,450.00	(E)
		--0--	(O)	7,750.00	(O)
		4,337,279.00		3,427,853.00	

- (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 \$7,087 as provided for in the contract.
- (G) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$1,250 for the deletion of part of the work .
- (H) Increase in compensation pursuant to "Concrete Bonus" clause, as provided for in the contract.
- (I) Increase in extra work in the amount of \$8,100 authorized on 2/26/2002.
- (J) Increase in extra work in the amount of \$100,000 authorized on 10/27/99.
- (K) Supplemental Agreement No. 1 which provided for an increase in the amount of \$150,000 for lump sum work on 11/18/99.
- (L) Claim settlement in the amount of \$99,200 authorized 8/17/2000.
- (M) Reimbursement for insurance premiums paid by the contractor, as provided for in the contract.
- (N) The difference between "Total Authorized" and "Total Payments" represents a credit in the amount of \$750 for hoisting charges.
- (O) Increase in compensation pursuant to an "Environmental Insurance Premium" clause, in the amount of \$7,750 as provided for in the contract.

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

RECOMMENDATION: NONE

REPORT A: Pursuant to investment policies adopted by the Committee, the Executive Director reports that he has authorized the following security transactions during the period August 1, 2002 through August 31, 2002.

Purchase of Port Authority Bonds

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

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Call Year</u>	<u>YTC @ Cost</u>	<u>BEY @ Cost</u>	<u>Total Principal</u>	<u>Dealer</u>
----------------------	------------------	--------------------	--------------------	----------------------	-----------------------	------------------	-------------------	-------------------	------------------------	---------------

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>
08/01/02	\$ 49,273,000	USTB	--	10/31/02	99.58	1.670%	1.688%	\$ 49,064,999.51	ABN AMRO
08/01/02	50,000,000	USTB	--	08/29/02	99.87	1.690	1.705	49,934,277.78	Morgan Stanley
08/01/02	32,400,000	USTB	--	01/23/03	99.18	1.685	1.706	32,134,612.50	Merrill Lynch
08/01/02	25,000,000	FMCDN	--	08/02/02	99.99	1.740	1.755	24,998,791.67	Lehman Brothers
08/01/02	30,000,000	FMCDN	--	08/02/02	99.99	1.740	1.755	29,998,550.00	Lehman Brothers
08/01/02	50,000,000	UBSFIN CP	--	08/02/02	99.99	1.800	1.816	49,997,500.00	Lehman Brothers
08/01/02	2,600,000	JFK-APO	6.375%	12/01/15	99.90	--	6.386	2,597,400.00	JFKIAT-APO
08/02/02	50,000,000	UBSFIN CP	--	08/05/02	99.99	1.700	1.715	49,992,916.67	Merrill Lynch
08/02/02	24,000,000	UBSFIN CP	--	08/05/02	99.99	1.700	1.715	23,996,600.00	Merrill Lynch
08/05/02	50,000,000	FHDN	--	08/30/02	99.88	1.680	1.695	49,941,666.67	Merrill Lynch
08/05/02	50,000,000	UBSFIN CP	--	08/06/02	99.99	1.750	1.765	49,997,569.44	Lehman Brothers
08/05/02	46,000,000	UBSFIN CP	--	08/06/02	99.99	1.750	1.765	45,997,763.89	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>
08/06/02	\$ 50,000,000	UBSFIN CP	--	08/07/02	99.99	1.760%	1.776%	\$ 49,997,555.56	Merrill Lynch
08/06/02	45,500,000	UBSFIN CP	--	08/07/02	99.99	1.760	1.776	45,497,775.56	Merrill Lynch
08/07/02	50,000,000	UBSFIN CP	--	08/08/02	99.99	1.800	1.816	49,997,500.00	Lehman Brothers
08/07/02	32,000,000	UBSFIN CP	--	08/08/02	99.99	1.800	1.816	31,998,400.00	Lehman Brothers
08/08/02	50,000,000	USTB	--	11/07/02	99.60	1.565	1.580	49,802,201.39	ABN AMRO
08/08/02	4,175,000	USTB	--	11/07/02	99.60	1.565	1.580	4,158,483.82	ABN AMRO
08/08/02	50,000,000	USTB	--	09/05/02	99.87	1.650	1.665	49,935,833.33	Mizuho Securities
08/08/02	50,000,000	FHDN	--	08/23/02	99.93	1.660	1.674	49,965,416.67	Mizuho Securities
08/08/02	11,000,000	FCDN	--	08/14/02	99.97	1.660	1.674	10,996,956.67	Mizuho Securities
08/08/02	16,000,000	FCDN	--	08/20/02	99.94	1.660	1.674	15,991,146.67	Mizuho Securities
08/08/02	50,000,000	GECC CP	--	08/13/02	99.98	1.730	1.745	49,987,986.11	G.E. Capital
08/08/02	50,000,000	GECC CP	--	08/13/02	99.98	1.730	1.745	49,987,986.11	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>
08/08/02	\$ 8,000,000	UBSFIN CP	--	08/09/02	99.99	1.750%	1.765%	\$ 7,999,611.11	Lehman Brothers
08/09/02	34,000,000	FMCDN	--	08/13/02	99.98	1.640	1.654	33,993,804.44	ABN AMRO
08/09/02	26,500,000	UBSFIN CP	--	08/12/02	99.99	1.680	1.694	26,496,290.00	Merrill Lynch
08/13/02	50,000,000	USTB	--	08/22/02	99.96	1.620	1.634	49,979,750.00	Legg Mason
08/13/02	50,000,000	USTB	--	09/26/02	99.81	1.560	1.574	49,904,666.67	Legg Mason
08/13/02	50,000,000	UBSFIN CP	--	08/14/02	99.99	1.710	1.725	49,997,625.00	Lehman Brothers
08/13/02	26,470,000	UBSFIN CP	--	08/14/02	99.99	1.710	1.725	26,468,742.68	Lehman Brothers
08/14/02	14,000,000	FNDN	--	08/15/02	99.99	1.642	1.654	13,999,362.22	Lehman Brothers
08/14/02	50,000,000	UBSFIN CP	--	08/15/02	99.99	1.730	1.745	49,997,597.22	Merrill Lynch
08/14/02	50,000,000	UBSFIN CP	--	08/15/02	99.99	1.730	1.745	49,997,597.22	Merrill Lynch
08/15/02	104,678,900	S.L.G.S	--	10/01/02	100.00	--	--	104,678,900.00	U.S. Treasury *
08/15/02	50,000,000	USTB	--	11/14/02	99.59	1.610	1.626	49,796,513.89	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>
08/15/02	\$ 26,785,000	USTB	--	09/12/02	99.87	1.650%	1.665%	\$ 26,750,625.92	Mizuho Securities
08/15/02	50,000,000	UBSFIN CP	--	08/16/02	99.99	1.830	1.847	49,997,458.33	Lehman Brothers
08/15/02	37,150,000	UBSFIN CP	--	08/16/02	99.99	1.830	1.847	37,148,111.54	Lehman Brothers
08/16/02	12,900,000	FMCDN	--	08/19/02	99.99	1.660	1.674	12,898,215.50	Lehman Brothers
08/16/02	50,000,000	FNDN	--	09/30/02	99.79	1.660	1.676	49,896,250.00	Merrill Lynch
08/16/02	25,000,000	FHDN	--	09/13/02	99.87	1.660	1.675	24,967,722.22	Mizuho Securities
08/16/02	19,000,000	FHDN	--	09/04/02	99.91	1.660	1.675	18,983,353.89	Mizuho Securities
08/16/02	25,000,000	FMCDN	--	08/27/02	99.95	1.660	1.674	24,987,319.44	Mizuho Securities
08/16/02	35,000,000	FCDN	--	09/16/02	99.86	1.660	1.675	34,949,969.44	Mizuho Securities
08/16/02	50,000,000	UBSFIN CP	--	08/19/02	99.99	1.750	1.766	49,992,708.33	Merrill Lynch
08/19/02	50,000,000	UBSFIN CP	--	08/20/02	99.99	1.760	1.776	49,997,555.56	Lehman Brothers
08/20/02	30,000,000	UBSFIN CP	--	08/21/02	99.99	1.730	1.745	29,998,558.33	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>
08/20/02	\$ 21,200,000	UBSFIN CP	--	08/21/02	99.99	1.730%	1.745%	\$ 21,198,981.22	Merrill Lynch
08/21/02	35,000,000	USTB	--	11/21/02	99.60	1.570	1.586	34,859,572.22	Legg Mason
08/21/02	43,000,000	FHDN	--	09/06/02	99.93	1.650	1.664	42,968,466.67	ABN AMRO
08/21/02	50,000,000	FNDN	--	09/30/02	99.82	1.640	1.655	49,908,888.89	Mizuho Securities
08/21/02	45,000,000	UBSFIN CP	--	08/22/02	99.99	1.740	1.755	44,997,825.00	Merrill Lynch
08/22/02	25,000,000	FNDN	--	09/20/02	99.87	1.650	1.665	24,966,770.75	ABN AMRO
08/22/02	27,000,000	FCDN	--	08/27/02	99.98	1.660	1.674	26,993,775.00	Merrill Lynch
08/22/02	15,968,000	FCDN	--	09/03/02	99.95	1.640	1.654	15,959,270.83	Mizuho Securities
08/22/02	50,000,000	UBSFIN CP	--	08/23/02	99.99	1.760	1.776	49,997,555.56	Merrill Lynch
08/22/02	50,000,000	UBSFIN CP	--	08/23/02	99.99	1.760	1.776	49,997,555.56	Merrill Lynch
08/23/02	50,000,000	USTB	--	09/12/02	99.91	1.630	1.644	49,954,722.22	Morgan Stanley
08/23/02	50,000,000	USTB	--	09/19/02	99.88	1.620	1.634	49,939,250.00	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>
08/26/02	\$ 50,000,000	UBSFIN CP	--	08/27/02	99.99	1.750%	1.765%	\$ 49,997,569.44	Lehman Brothers
08/27/02	50,000,000	FNDN	--	09/18/02	99.90	1.690	1.705	49,948,361.11	Merrill Lynch
08/27/02	50,000,000	FCDN	--	09/27/02	99.86	1.670	1.685	49,928,097.22	Merrill Lynch
08/27/02	49,830,000	UBSFIN CP	--	08/28/02	99.99	1.780	1.796	49,827,536.18	Lehman Brothers
08/28/02	50,000,000	USTB	--	09/19/02	99.90	1.655	1.670	49,949,430.56	Legg Mason
08/28/02	50,000,000	USTB	--	11/21/02	99.62	1.620	1.636	49,808,750.00	Morgan Stanley
08/28/02	14,000,000	USTB	--	09/19/02	99.90	1.655	1.670	13,985,840.56	Legg Mason
08/28/02	42,645,000	UBSFIN CP	--	08/29/02	99.99	1.790	1.806	42,642,879.60	Lehman Brothers
08/28/02	50,000,000	UBSFIN CP	--	08/29/02	99.99	1.790	1.806	49,997,513.89	Merrill Lynch
08/29/02	35,000,000	USTB	--	09/26/02	99.87	1.680	1.695	34,954,266.67	Mizuho Securities
08/29/02	50,000,000	USTB	--	09/26/02	99.87	1.680	1.695	49,934,666.67	Mizuho Securities
08/29/02	50,000,000	USTB	--	09/26/02	99.87	1.680	1.695	49,934,666.67	ABN AMRO

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
08/29/02	\$ 50,000,000	USTB	--	09/26/02	99.87	1.680%	1.695%	\$ 49,934,666.67	ABN AMRO
08/29/02	50,000,000	USTB	--	09/19/02	99.90	1.660	1.675	49,951,583.33	Morgan Stanley
08/29/02	50,000,000	USTB	--	11/21/02	99.62	1.615	1.631	49,811,583.33	Legg Mason
08/29/02	50,000,000	USTB	--	11/21/02	99.62	1.615	1.631	49,811,583.33	Legg Mason
08/29/02	50,000,000	FHDN	--	09/25/02	99.87	1.705	1.721	49,936,062.50	Greenwich Capital
08/29/02	34,655,000	FNDN	--	08/30/02	99.99	1.740	1.755	34,653,325.01	Lehman Brothers
08/29/02	50,000,000	UBSFIN CP	--	08/30/02	99.99	1.830	1.847	49,997,458.33	Merrill Lynch
08/30/02	15,600,000	FHDN	--	09/03/02	99.98	1.790	1.806	15,596,897.33	UBS Warburg
08/30/02	50,000,000	UBSFIN CP	--	09/03/02	99.98	1.880	1.898	49,989,555.56	Lehman Brothers

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

Purchase of Securities (Cont.)

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
08/30/02	\$ 50,000,000	UBSFIN CP	--	09/03/02	99.98	1.880%	1.898%	\$ 49,989,555.56	Lehman Brothers
	\$ 3,296,329,900							<u>\$ 3,293,172,682.41</u>	

* The above purchase of the State and Local Government Series securities (SLGS) issued by the United States Treasury Department, provides for the last "roll-over" of a segregated portion of the investment portfolio established with a portion of Consolidated Bonds, One Hundred Second Series, which were issued on October 15, 1995, in part to refund Consolidated Bonds, Seventy-second Series at its first call date on October 1, 2002. Consistent with Federal tax regulations applicable to the yield which may be earned on this type of portfolio, established to advance refund a tax-exempt municipal bond, we were required to make the final investment for the period August 15, 2002 to October 1, 2002 at "0" interest under the SLGS program. Market rates at this time for a comparable investment would have been approximately 1.65% per annum.

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>
------------------	------------------	--------------------	--------------------	----------------------	-------------------	----------------------	------------------	---------------

No transactions this period.

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

Repurchase Transactions

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho Securities	08/01/02	08/05/02	\$ 1,419,000	1.710%	\$ 269.61
Lehman Brothers	08/01/02	08/06/02	26,593,750	1.750	6,352.95 *
Mizuho Securities	08/01/02	08/05/02	29,755,000	1.710	5,653.45
Mizuho Securities	08/01/02	08/05/02	34,208,000	1.710	6,499.52
Mizuho Securities	08/01/02	08/05/02	46,186,000	1.710	8,775.34
Mizuho Securities	08/01/02	08/05/02	48,622,000	1.710	9,238.18
Daiwa Securities	08/02/02	08/05/02	1,796,000	1.680	251.44
Daiwa Securities	08/02/02	08/05/02	16,893,000	1.680	2,365.02
Daiwa Securities	08/02/02	08/05/02	56,311,000	1.680	7,883.54
Nomura Securities	08/05/02	08/06/02	278,000	1.730	13.36
Mizuho Securities	08/05/02	08/08/02	1,045,000	1.750	152.40 *
Mizuho Securities	08/05/02	08/08/02	24,937,500	1.750	3,636.72 *

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	08/05/02	08/06/02	\$ 29,748,000	1.730%	\$ 1,429.56
Nomura Securities	08/05/02	08/06/02	29,761,000	1.730	1,430.18
Nomura Securities	08/05/02	08/06/02	42,867,000	1.730	2,060.00
Nomura Securities	08/05/02	08/06/02	48,776,000	1.730	2,343.96
Mizuho Securities	08/05/02	08/08/02	48,830,000	1.750	7,121.04 *
BNP Paribas	08/06/02	08/07/02	311,000	1.730	14.95
BNP Paribas	08/06/02	08/07/02	29,177,000	1.730	1,402.12
BNP Paribas	08/06/02	08/07/02	29,762,000	1.730	1,430.23
BNP Paribas	08/06/02	08/07/02	42,620,000	1.730	2,048.13
Lehman Brothers	08/06/02	08/08/02	42,700,000	1.750	4,175.11 *
BNP Paribas	08/06/02	08/07/02	48,657,000	1.730	2,338.24
Daiwa Securities	08/07/02	08/08/02	28,398,000	1.760	1,388.35

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 Securities	08/07/02	08/08/02	\$ 42,064,000	1.760%	\$ 2,056.46
Daiwa Securities	08/07/02	08/08/02	48,708,000	1.760	2,381.28
Daiwa Securities	08/07/02	08/08/02	50,000,000	1.760	2,444.44
Mizuho Securities	08/08/02	08/12/02	13,593,000	1.690	2,552.46
Mizuho Securities	08/08/02	08/13/02	28,272,000	1.690	6,636.07
Mizuho Securities	08/08/02	08/13/02	37,157,000	1.690	8,721.57
Mizuho Securities	08/08/02	08/13/02	41,552,000	1.690	9,753.18
Mizuho Securities	08/08/02	08/13/02	48,708,000	1.690	11,432.85
Lehman Brothers	08/12/02	08/13/02	27,000,000	1.720	1,290.00
Nomura Securities	08/13/02	08/14/02	102,000	1.680	4.76
Nomura Securities	08/13/02	08/14/02	23,157,000	1.680	1,080.66
Nomura Securities	08/13/02	08/14/02	27,886,000	1.680	1,301.35

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	08/13/02	08/14/02	\$ 41,562,000	1.680%	\$ 1,939.56
Nomura Securities	08/13/02	08/14/02	48,571,000	1.680	2,266.65
BNP Paribas	08/14/02	08/15/02	23,158,000	1.700	1,093.57
BNP Paribas	08/14/02	08/15/02	25,430,000	1.700	1,200.86
Mizuho Securities	08/14/02	08/22/02	34,930,000	1.700	13,428.64 *
Mizuho Securities	08/14/02	08/22/02	39,920,000	1.700	15,347.02 *
BNP Paribas	08/14/02	08/15/02	41,564,000	1.700	1,962.74
BNP Paribas	08/14/02	08/15/02	48,675,000	1.700	2,298.54
Nomura Securities	08/15/02	08/16/02	2,124,000	1.800	106.20
Daiwa Securities	08/15/02	08/16/02	23,159,000	1.800	1,157.95
BANC ONE	08/15/02	08/16/02	25,426,000	1.800	1,271.30
BANC ONE	08/15/02	08/16/02	42,749,000	1.800	2,137.45

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>
Daiwa Securities	08/15/02	08/16/02	\$ 48,556,000	1.800%	\$ 2,427.80
BANC ONE	08/15/02	08/16/02	48,817,000	1.800	2,440.85
Nomura Securities	08/15/02	08/16/02	48,938,000	1.800	2,446.90
Nomura Securities	08/15/02	08/16/02	48,938,000	1.800	2,446.90
Daiwa Securities	08/15/02	08/16/02	50,122,000	1.800	2,506.10
Lehman Brothers	08/16/02	08/19/02	23,160,000	1.730	3,338.90
BNP Paribas	08/16/02	08/19/02	23,567,000	1.730	3,397.58
BNP Paribas	08/16/02	08/19/02	35,003,000	1.730	5,046.27
Lehman Brothers	08/16/02	08/19/02	42,128,000	1.730	6,073.45
Lehman Brothers	08/16/02	08/19/02	56,555,000	1.730	8,153.35
BNP Paribas	08/16/02	08/19/02	56,567,000	1.730	8,155.08
Nomura Securities	08/19/02	08/20/02	311,000	1.720	14.86

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	08/19/02	08/20/02	\$ 23,164,000	1.720%	\$ 1,106.72
Daiwa Securities	08/19/02	08/20/02	23,258,000	1.720	1,111.22
Daiwa Securities	08/19/02	08/20/02	30,833,000	1.720	1,473.13
Nomura Securities	08/19/02	08/20/02	48,632,000	1.720	2,323.53
Nomura Securities	08/19/02	08/20/02	48,632,000	1.720	2,323.53
Daiwa Securities	08/19/02	08/20/02	53,553,000	1.720	2,558.64
Lehman Brothers	08/20/02	08/21/02	23,165,000	1.680	1,081.03
UBS Warburg	08/20/02	08/21/02	23,259,000	1.680	1,085.42
UBS Warburg	08/20/02	08/21/02	33,533,000	1.680	1,564.87
Lehman Brothers	08/20/02	08/21/02	40,997,000	1.680	1,913.19
UBS Warburg	08/20/02	08/21/02	50,857,000	1.680	2,373.33
Lehman Brothers	08/20/02	08/21/02	56,555,000	1.680	2,639.23

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Mizuho Securities	08/21/02	08/22/02	\$ 5,980,000	1.700%	\$ 282.39
Mizuho Securities	08/21/02	08/22/02	9,712,000	1.700	458.62
Mizuho Securities	08/21/02	08/22/02	9,993,000	1.700	471.89
Mizuho Securities	08/21/02	08/22/02	21,450,000	1.700	1,012.92
Mizuho Securities	08/21/02	08/22/02	23,166,000	1.700	1,093.95
UBS Warburg	08/21/02	08/22/02	23,260,000	1.690	1,091.93
UBS Warburg	08/21/02	08/22/02	24,713,000	1.690	1,160.14
Mizuho Securities	08/21/02	08/22/02	49,969,000	1.700	2,359.65
UBS Warburg	08/21/02	08/22/02	59,681,000	1.690	2,801.69
Mizuho Securities	08/22/02	08/26/02	1,133,000	1.680	211.49
Mizuho Securities	08/22/02	08/26/02	1,133,000	1.680	211.49
Mizuho Securities	08/22/02	08/26/02	1,133,000	1.680	211.49

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura Securities	08/22/02	08/26/02	\$ 10,990,000	1.700%	\$ 2,075.89
Mizuho Securities	08/22/02	08/26/02	23,167,000	1.680	4,324.51
Mizuho Securities	08/22/02	08/26/02	23,261,000	1.680	4,342.05
Nomura Securities	08/22/02	08/26/02	24,469,000	1.700	4,621.92
Nomura Securities	08/22/02	08/26/02	47,835,000	1.700	9,035.50
Mizuho Securities	08/22/02	08/26/02	48,867,000	1.680	9,121.84
Mizuho Securities	08/22/02	08/26/02	48,867,000	1.680	9,121.84
Mizuho Securities	08/22/02	08/26/02	48,867,000	1.680	9,121.84
Nomura Securities	08/22/02	08/26/02	48,938,000	1.700	9,243.84
Nomura Securities	08/22/02	08/26/02	48,938,000	1.700	9,243.84
Lehman Brothers	08/23/02	08/26/02	6,900,000	1.670	960.25
Lehman Brothers	08/23/02	08/26/02	50,550,000	1.670	7,034.88

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>
Lehman Brothers	08/23/02	08/26/02	\$ 50,550,000	1.670%	\$ 7,034.88
Nomura Securities	08/26/02	08/28/02	682,000	1.720	65.17
Nomura Securities	08/26/02	08/28/02	1,806,000	1.720	172.57
Nomura Securities	08/26/02	08/28/02	14,119,000	1.720	1,349.15
Greenwich Capital	08/26/02	08/27/02	16,888,000	1.710	802.18
Greenwich Capital	08/26/02	08/27/02	23,171,000	1.710	1,100.62
UBS Warburg	08/26/02	08/27/02	23,265,000	1.720	1,111.55
Daiwa Securities	08/26/02	08/27/02	34,608,000	1.720	1,653.49
UBS Warburg	08/26/02	08/27/02	34,728,000	1.720	1,659.23
Greenwich Capital	08/26/02	08/27/02	38,124,000	1.710	1,810.89
Greenwich Capital	08/26/02	08/27/02	41,717,000	1.710	1,981.56
Nomura Securities	08/26/02	08/28/02	48,951,000	1.720	4,677.54

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

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Nomura Securities	08/26/02	08/28/02	\$ 48,951,000	1.720%	\$ 4,677.54
UBS Warburg	08/26/02	08/27/02	50,000,000	1.720	2,388.89
Daiwa Securities	08/26/02	08/27/02	55,392,000	1.720	2,646.51
Greenwich Capital	08/27/02	08/28/02	23,172,000	1.740	1,119.98
Lehman Brothers	08/27/02	08/28/02	23,267,000	1.740	1,124.57
Lehman Brothers	08/27/02	Open	26,781,250 *	Variable **	6,598.58 ***
Lehman Brothers	08/27/02	08/28/02	33,522,000	1.740	1,620.23
Greenwich Capital	08/27/02	08/28/02	46,326,000	1.740	2,239.09
Greenwich Capital	08/27/02	08/28/02	50,408,000	1.740	2,436.39
Lehman Brothers	08/27/02	08/28/02	51,210,000	1.740	2,475.15
Mizuho Securities	08/28/02	08/29/02	8,490,000	1.750	412.71 *
Mizuho Securities	08/28/02	08/29/02	10,980,000	1.750	533.75 *

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	08/28/02	08/29/02	\$ 23,173,000	1.750%	\$ 1,126.47
Nomura Securities	08/28/02	08/29/02	23,268,000	1.750	1,131.08
Mizuho Securities	08/28/02	08/29/02	24,485,000	1.750	1,190.24 *
Mizuho Securities	08/28/02	08/29/02	25,440,000	1.750	1,236.67 *
Nomura Securities	08/28/02	08/29/02	28,206,000	1.750	1,371.13
Nomura Securities	08/28/02	08/29/02	28,221,000	1.750	1,371.85
Nomura Securities	08/28/02	08/29/02	28,309,000	1.750	1,376.13
Mizuho Securities	08/28/02	08/29/02	38,941,500	1.750	1,892.99 *
Mizuho Securities	08/28/02	08/29/02	38,945,000	1.750	1,893.16 *
Mizuho Securities	08/28/02	08/29/02	41,435,000	1.750	2,014.20 *
UBS Warburg	08/28/02	08/29/02	47,780,000	1.750	2,322.64
UBS Warburg	08/28/02	08/29/02	48,958,000	1.750	2,379.90

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>
UBS Warburg	08/29/02	09/03/02	\$ 61,000	1.800%	\$ 15.25
UBS Warburg	08/29/02	09/03/02	23,174,000	1.800	5,793.50
UBS Warburg	08/29/02	09/03/02	23,269,000	1.800	5,817.25
UBS Warburg	08/29/02	09/03/02	39,389,000	1.800	9,847.25
UBS Warburg	08/29/02	09/03/02	48,725,000	1.800	12,181.25

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

** This rate is subject to change daily.

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

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	08/01/02	08/06/02	\$26,593,750	1.500%	\$5,614.24
Mizuho Securities	08/05/02	08/08/02	24,937,500	1.550	3,221.09
Mizuho Securities	08/05/02	08/08/02	49,875,000	1.550	6,442.19
Lehman Brothers	08/06/02	08/08/02	42,700,000	1.620	3,700.67
Mizuho Securities	08/14/02	08/22/02	34,930,000	1.200	11,439.58
Mizuho Securities	08/14/02	08/22/02	39,920,000	1.200	13,073.80
Lehman Brothers	08/27/02	Open	26,781,250	Variable *	5,705.89 **
Mizuho Securities	08/28/02	08/29/02	49,925,000	1.400	1,941.53
Mizuho Securities	08/28/02	08/29/02	38,941,500	1.400	1,514.39
Mizuho Securities	08/28/02	08/29/02	49,925,000	1.400	1,941.53

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

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

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Mizuho Securities	08/28/02	08/29/02	\$49,925,000	1.400%	\$1,941.53

* This rate subject to change daily.

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

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

REPORT B: In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period August 1, 2002 through August 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>
-------------------------	------------------	--------------------	--------------	-----------------------	------------------------------------	---------------	-----------------------

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>
-------------------------	------------------	--------------------	--------------	-----------------------	------------------------------------	---------------	-----------------------

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 August 1, 2002 and August 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>
-------------	---------------------	------------------------	-------------------	-------------------------	---------------------------------	--

No new transactions this period.

As of August 31, 2002, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$755 million, including \$380 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 August 1, 2002 and August 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>
-------------------------	---------------	------------------	-------------	----------------------------

No new transactions this period.

Whereupon, the meeting was adjourned.

Secretary