THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES
Thursday, November 20, 2003

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

PRESENT:

NEW JERSEY	NEW YORK
Hon. Anthony R. Coscia, Chairman	Hon. Charles A. Gargano, Vice-Chairman
Hon. Raymond M. Pocino	Hon. Bruce A. Blakeman
Hon. Anthony J. Sartor	Hon. Michael J. Chasanoff
Hon. Jack G. Sinagra	Hon. David S. Mack
Hon. David S. Steiner	Hon. Henry R. Silverman
	Hon. Anastasia M. Song

Joseph J. Seymour, Executive Director
Jeffrey S. Green, General Counsel

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
Darrell B. Buchbinder, First Deputy General Counsel
Gregory G. Burnham, Chief Technology Officer
Ernesto L. Butcher, Chief Operating Officer
Anthony B. Ciavolella, Public Information Officer, Public Affairs
Steven J. Coleman, Public Information Officer, Public Affairs
Anthony G. Cracchiolo, Director, Priority Capital Programs
William R. DeCota, Director, Aviation
John C. Denise, Supervisor, Audio Visual/Photography, Operations Services
Michael P. DePallo, Director, PATH
Charles D. DeRienzo, Superintendent of Police/Director, Public Safety
Michael G. Fabiano, Comptroller
Linda C. Handel, Assistant Secretary
Jay Hector, Senior Policy Advisor to the Vice-Chairman
Edward L. Jackson, Director, Financial Services
Howard G. Kadin, Senior Attorney, Law
Louis J. LaCapra, Chief Administrative Officer
Richard M. Larrabee, Director, Port Commerce
Francis J. Lombardi, Chief Engineer
Robert R. Lurie, Senior Policy Advisor, Office of the Chairman
Daniel S. Maynard, Client Manager, Public Affairs
Stephen Marinko, Attorney, Law
Charles F. McClafferty, Chief Financial Officer
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Lynn A. Nerney, Senior Administrator, Office of the Secretary
Catherine F. Pavelec, Manager, Administration, Protocol and Executive Correspondence, Office of the Secretary
Michael A. Petralia, Chief of Public and Government Affairs
Kenneth P. Philmus, Director, Tunnels, Bridges and Terminals
Edmond F. Schorno, Chief of Staff
Ralph Tragale, Client Manager, Government and Community Affairs
Emery J. Ungrady, Deputy Chief of Staff
Sean P. Walsh, Director, Government and Community Affairs

The public session was called to order by Chairman Coscia at 3:01 p.m. and ended at 3:10 p.m. The Board met in executive session prior to the public session, and also met in executive session on November 6, 2003.

Action on Minutes

The Assistant Secretary submitted for approval Minutes of the meeting of October 23, 2003. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on November 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 November 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 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 November 20, 2003, which included discussion of contract matters and matters which could affect the competitive economic position of the Port Authority, the Port District or businesses with which we deal, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed at its meeting on November 20, 2003, which included discussion of a contract for the construction of aircraft parking and taxiway modifications at Newark Liberty International Airport, as well as matters discussed in executive session, which included discussion of contract matters, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on November 20, 2003, 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.

Staff Report

Staff provided a report on the scheduled opening of the temporary World Trade Center PATH Station on Sunday, November 23, 2003.

Chairman's Report

On behalf of the entire Board of Commissioners, the Chairman commended staff on their efforts relating to the restoration of PATH service to Lower Manhattan.

NEWARK LIBERTY INTERNATIONAL AIRPORT – LEASE NO. ANB-454 – VALENTI FRAGRANCE & COSMETIC, INC.

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with Valenti Fragrance & Cosmetic, Inc. (the Lessee) for the operation of a store to sell fragrances, related accessories and cosmetics in Terminal A at Newark Liberty International Airport. The leased premises will consist of a total of approximately 555 square feet on the concourse level.

The Lessee will pay the greater of a minimum annual guaranteed rent in the amount of $30,000 or percentage rent equal to the sum of 10 percent of gross receipts. In addition, the Lessee will pay an additional promotion fee annually equal to .5 percent of gross receipts. The lease will commence on or about December 11, 2003, and the lease term will be seven years from the date of beneficial occupancy, which will be the date on which the space is made available to the Lessee for occupancy. The rent obligation will commence the earlier of 60 days after the date of beneficial occupancy or the date on which the store opens for business. The Lessee will be required to make an initial capital investment in the leased premises of at least $112,000. The Port Authority may terminate the lease on 30 days' notice without cause, in which event it will be obligated to reimburse the Lessee for its unamortized initial capital investment, up to the amount set forth in the preceding sentence, calculated on a straight-line basis over the stated lease term.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Gargano, Mack, Pocino, 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 Valenti Fragrance & Cosmetic, Inc. for the letting of space in Terminal A at Newark Liberty International Airport, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

MEMORANDUM OF UNDERSTANDING WITH THE CITY OF NEW YORK REGARDING JOHN F. KENNEDY INTERNATIONAL AND LAGUARDIA AIRPORTS AND THE WORLD TRADE CENTER SITE

It was recommended that the Board authorize the Executive Director to enter into a Memorandum of Understanding (MOU) with the City of New York (the City) with respect to the lease agreement between the City and the Port Authority (City Lease) covering John F. Kennedy International Airport (JFK) and LaGuardia Airport (LGA) and an agreement between the City and the Port Authority (PILOT Agreement) concerning payments in lieu of taxes (PILOT) for the World Trade Center (WTC) site, whereby: (i) effective January 1, 2002, the provisions of the existing City Lease would be amended and supplemented to, *inter alia*, extend the term to December 31, 2050, and increase the rental paid to the City; (ii) the PILOT Agreement for the WTC site would be amended to increase the amount of the annual PILOT paid by the Port Authority to the City, effective January 1, 2004, and expand the territory covered by the PILOT Agreement; and (iii) all pending arbitration and litigation between the City and the Port Authority involving the City Lease and the PILOT Agreement would be terminated with prejudice and without further payment.

Pursuant to the MOU, the term of the amended City Lease would commence effective January 1, 2002 and expire December 31, 2050.

Under the amended City Lease, rent would be as follows:

- Initial Lump-Sum Payment – Upon execution (Closing) of the amended City Lease, the Port Authority will make a lump-sum payment of $500 million to the City. At the City's option, all or a portion of the lump-sum payment can be deferred for up to two years from the Closing, with interest at the rate on U.S. Treasury Securities with one year to maturity.

- Minimum Annual Rent – The Port Authority will pay a minimum annual rent (MAR) of $93.5 million, the amount of which may be reset from time to time. The MAR will commence as of January 1, 2002. Rent for 2002 and 2003 will be payable at Closing, together with interest at the Port Authority's cost of borrowing in its most recent Consolidated Bond issue prior to the Closing. Rent for 2004 will accrue in equal monthly installments until the Closing, and rent accruing prior to the Closing will be payable at Closing, with interest as set forth above. Thereafter, rent will be payable in equal monthly installments, in advance.

- Rent Formula and Reset Provisions – Annual rent will be the greater of the MAR, as reset, or eight percent of the gross revenues for the current year at JFK and LGA. If the amount of eight percent of the gross revenues at JFK and LGA in any year of the lease term exceeds the MAR for that year, the following March the Port Authority will pay the amount of the excess for such year. Beginning in 2007, every five years the MAR will be reset to equal ten percent of the average gross revenues at JFK and LGA for the previous five years; but in no event will the MAR be less than the previous year's MAR. Gross revenues will include all revenues of every kind arising out of the operation of JFK and LGA, but will not include federal grants or monies received as a result of any federal statute, regulation or policy, such as passenger facility charges and amounts used for airport security.

Under the MOU, the New York City Industrial Development Agency and other City agencies would be precluded from financing any projects at JFK or LGA during the term of the amended City Lease, except for projects already authorized prior to the date of the MOU.

In connection with airport governance, an Airport Board would be created to review operations and performance at JFK and LGA on a quarterly basis, composed of an equal number of representatives of the Port Authority and the City (appointed by the Mayor). Each January during the lease term, a portion of the rent – commencing at $100,000 and increasing by three percent annually – would be paid to a designated City agency to fund airport liaison functions. In a separate agreement to be executed at Closing, the Port Authority and the City would establish financial and performance standards (which may be supplemented from time to time by the Airport Board) to be used in the Airport Board's review of airport operations. The Airport Board would retain independent consultants to review and report on airport operations and performance. The Port Authority and the City would each provide up to $250,000 annually for these consultants (with the City's share to deducted from the rent under the City Lease). The Port Authority would report to the Airport Board quarterly on airport operations, including financial matters and achievement of the performance standards, and provide to the City all information requested on airport operations and finances. The City would have full audit rights with respect to the calculation of rent, in order to determine compliance with the terms of the City Lease.

The amended City Lease will include provisions for default and termination in the event the Port Authority fails to make any payments due under the lease or to provide the City with full information with respect to airport operations, finances and performance standards. The amended lease also will include provisions that the parties believe are appropriate in order to resolve outstanding operational issues.

In the years 2004-2008, the Port Authority would provide $10 million annually to fund projects in the Borough of Queens identified by the City that qualify as being eligible for Port Authority capital expenditures.

The Port Authority would continue to include in its 2004-2008 Capital Plan a $30 million project to study the feasibility, with respect to engineering, operational and financial considerations, of extending the Port Authority Trans-Hudson rail system from its terminus at Newark Penn Station to Newark Liberty International Airport (EWR PATH Extension). If, based on this study, the Port Authority determines that the EWR PATH Extension is feasible, it would include funding for this project in its Capital Plan. (Based on preliminary estimates, the EWR PATH Extension would cost at least $500 million.) In consultation with the City, the Port Authority also would study the feasibility, with respect to engineering, operational and financial considerations, of establishing a direct rail service connection between JFK and Downtown Manhattan (JFK-Downtown Rail Line), and include in its 2004-2008 Capital Plan a $60 million project for this study. If, based on this study, the Port Authority determines that the JFK-Downtown Rail Line is feasible, the Port Authority will include funding for this project in its Capital Plan in an amount equal to the preliminary $500 million cost estimate for the EWR PATH Extension, or the amount of funding actually provided for that project, whichever is lesser. Construction of the JFK-Downtown Rail Line would not commence until full funding has been arranged.

The Port Authority will use its best efforts to replace the Dewey Leases on terms substantially similar to those currently in effect, as soon as feasible, and in no event later than July 1, 2004; the City will cooperate with the Port Authority in this effort.

At Closing, the Port Authority and the City also will enter into an amended PILOT Agreement for the WTC site, pursuant to which, commencing January 1, 2004, the Port Authority would make a minimum annual payment equal to 12 percent of the rent payments or payments in lieu of rent it receives from the WTC net lessees (Net Lessees) for the retail mall at the WTC and One, Two, Four and Five WTC or their successor buildings (Minimum Annual PILOT). For purposes of this calculation, rent will be deemed to include insurance proceeds received by the Port Authority for business interruption and rent insurance coverage and used toward the Net Lessees' rent obligation. Any PILOT payment made by the Net Lessees to the Port Authority would not be deemed rent for the calculation of the Minimum Annual PILOT; such PILOT payments would be passed through to the City in full and would be applied toward the Port Authority's total PILOT obligation for the year. The Port Authority would make PILOT payments in two annual installments, on January 1 and July 1 of each year, based on revenues received by the Port Authority over the prior six-month period.

Each year, the Port Authority would pay the greater of the Minimum Annual PILOT or a PILOT calculated in accordance with a formula specified in the MOU (Increased PILOT). The Increased PILOT would be calculated by using: a base amount of $55 million; an "escalator" multiplier based on the value of comparative Manhattan commercial office properties; the total area of office, retail and hotel space in the WTC buildings, including Seven WTC, that is occupied, leased or available for occupancy, and; the total area of office, retail and hotel space proposed for the WTC site and Seven WTC in the WTC Site Master Plan developed by Studio Daniel Libeskind and the Seven WTC plan developed by Skidmore Owings & Merrill. Payments of Increased PILOT made on January 1 would be based on the space available as of the prior July 1, and payments of Increased PILOT made on July 1 would be based on space available as of the prior January 1. Each January 1 and July 1, the Port Authority would certify to the City the amount of space available in the buildings at the WTC site and Seven WTC as of that date.

Commencing with the acquisition by the Port Authority of the sites of Milstein Properties and the Deutsche Bank building (the Milstein Site and the Deutsche Bank Site, respectively) adjacent to the WTC site, the Port Authority would pay PILOT equal to the value of full property taxes on the land at these sites. When these sites are developed and space is available, for the first 15 years after the date on which construction begins, the Port Authority would pay PILOT equal to $9 per gross square foot, subject to the same "escalator" multiplier to be used in calculating Increased PILOT for the WTC site. After the expiration of that 15-year period, the Port Authority would pay PILOT equal to full real estate taxes and would retain the right to contest any assessed value, assessment or tax rate; provided, however, that the properties would be treated as tax-exempt and the Port Authority would pay no PILOT to the extent these sites are devoted to public parks or public open space uses.

The Port Authority would provide to the City all information requested with respect to revenues received from the WTC site, including proceeds of any insurance received (to the extent relevant to the calculation of Minimum Annual PILOT), as well as information with respect to the status of construction completion, leases and occupancy at the WTC site and the

Milstein and Deutsche Bank Sites. The City would have full audit rights with respect to these matters in order to determine compliance with the PILOT Agreement.

Subject to execution and delivery of the amended City Lease and the amended PILOT Agreement, all pending arbitrations and litigation between the City and the Port Authority concerning the existing City Lease and the WTC PILOT will be terminated with prejudice and without payment, and the parties will be responsible for their own legal costs.

In addition to today's action, the Closing will be conditioned on the occurrence of the following: completion of the City's Uniform Land Use Review Procedure, if the City believes it to be necessary; replacement of the Dewey Leases on terms substantially similar to those currently in effect; and resolution by the Port Authority and the City of all property issues related to the present or former streets at the WTC site.

In approving this non-binding MOU, the Board acknowledges that the Port Authority has an obligation to negotiate in good faith the terms, conditions and obligations imposed by the "Most Favored Nation" provision of the agreement between the City of Newark and the Port Authority dated October 31, 2002; further, the Board acknowledges that the complete costs to the Port Authority of the proposed amendment to the City Lease cannot be fully determined without knowledge of the financial impact of the Most Favored Nation provision. Staff is therefore directed to proceed immediately to negotiate the agreement with the City of Newark and to report on the status of the negotiations on a monthly basis, to an *ad hoc* committee of the Board to be designated by the Chairman.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Gargano, Mack, Pocino, 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 Memorandum of Understanding (MOU) with the City of New York (City) with respect to amendments to the lease between the City and the Port Authority covering John F. Kennedy International Airport and LaGuardia Airport, and amendments to the agreement between the City and the Port Authority covering payments in lieu of taxes for the World Trade Center site, substantially in accordance with the terms and conditions outlined to the Board; and it is further
>
> **RESOLVED**, that the form of the foregoing MOU and all agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

LAGUARDIA AIRPORT – FIXED BASE OPERATOR AGREEMENT – CONTRACT AGA-586 – AUTHORIZATION TO REJECT ALL BIDS AND PROCURE BASED ON DIFFERENT CRITERIA

As more fully discussed below, the Board directed the Executive Director to reject all bids received on Contract AGA-586 for management of the Fixed Base Operation serving general aviation activity at LaGuardia Airport (LGA) and undertake a revised procurement based upon different criteria than those set forth in Contract AGA-586.

A publicly advertised competitive process was employed to identify a fixed base operator for LGA. Prequalification requirements were publicly advertised. Five proposers were pre-qualified and asked to bid based on a percentage of gross receipts arising from fuel sales to be paid to the Port Authority. Fort Lauderdale Jet Center (Jet Center) offered to pay the Port Authority the greatest percentage of such sales at 18.25 percent. Signature Flight Support (Signature), the existing fixed base operator for the past 11 years, bid 18 percent, and Mercury Air Group bid 13.50 percent.

After receipt of bids, allegations were made by Signature regarding the integrity of the process used to procure the bid. Jet Center also questioned certain actions of Signature. A thorough investigation was made internally by the Inspector General and General Counsel, and Michael Whiteman, Esq., of the firm of Whiteman, Osterman & Hanna LLP of Albany, New York, was requested to review the bid process. All concurred that the process had been conducted basically in accordance with established Port Authority policies and procedures, that the integrity of the procurement process had not been adversely affected by any alleged informalities or improprieties, and that the contract could be properly awarded to Jet Center.

However, upon a review of all of the circumstances surrounding the original procurement process, and in light of the closeness of the two high bids received, the Board indicated its belief that it would be in the best interest of the Port Authority to reject all bids and procure based upon changes in the contract terms and conditions that would further maximize the financial benefit to the Port Authority. Such changes could include periodic escalation of the fixed base operator's payment to the Port Authority based upon a selected financial index, the escalation of the payment based upon increases in airport traffic and/or fuel sales, establishment of the fee to be computed minimally at 20 percent of fuel sales, and consideration of the management and experience of the proposers or the technical merit of the proposals in the selection process.

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

> **RESOLVED**, that the Executive Director be and he hereby is directed, for and on behalf of the Port Authority, to reject all bids on Contract AGA-586 for management of the Fixed Base Operation serving general aviation activity at LaGuardia Airport and undertake a revised procurement for a Fixed Base Operator based upon changes in the contract terms and conditions to further maximize financial benefit to the Port Authority as set forth above; the form of the revised procurement documents shall be subject to the approval of General Counsel or his authorized representative.

CONFIDENTIAL ITEM (pages 560-561)

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

FERRY TRANSPORTATION PROGRAM – AGREEMENT WITH PORT IMPERIAL FERRY CORPORATION TO PROVIDE FERRY SERVICE BETWEEN HOBOKEN, NEW JERSEY AND PIER 11, WALL STREET, NEW YORK CITY

It was recommended that the Board authorize the Executive Director to enter into an agreement with Port Imperial Ferry Corporation d/b/a NY Waterway (NY Waterway) for the provision of ferry service between Hoboken, New Jersey and Pier 11 at Wall Street, Manhattan, New York.

The current ferry service between Hoboken and Pier 11 in Lower Manhattan has been provided by NY Waterway through an interim contract that became effective on March 25, 2002. The interim contract is terminable on 30 days' notice by the Port Authority. The service is subsidized through an agreement between the Port Authority and the Federal Emergency Management Agency (FEMA). The ferry service was intended to terminate when Port Authority Trans-Hudson system rail service to Lower Manhattan was restored; however, this ferry route has proved popular with commuters, and staff recommended that the service be continued on a permanent basis. A Request for Proposals (RFP) was issued, and two proposals were received. An interdepartmental evaluation committee rated each proposal and selected NY Waterway. The selection criteria were:

1. Service implementation date
2. Technical approach
3. Revenue to the Port Authority
4. Experience and financial capability
5. Proposed staff and management experience
6. Quality and effectiveness of the Women/Minority Business Enterprises plan
7. Background check (Pass/Fail)

It is anticipated that the term of the contract will be coterminous with the expiration of NY Waterway's contract for ferry service from Hoboken to Battery Park City. In 2009, it is expected that a publicly advertised RFP will be issued for a combined route that includes Pier 11 and Battery Park City.

The anticipated start of the service is on or about November 23, 2003, with the termination date of the agreement anticipated to be on or about October 11, 2009.

NY Waterway will receive no compensation or subsidy from the Port Authority. NY Waterway will pay the Port Authority an annual fixed fee of $600,000 plus an annual escalating fee of from ten cents to fifty cents for every passenger carried over one million. All capital improvements required in Hoboken will be made at NY Waterway's cost.

By continuing this service, access to Lower Manhattan is improved for the thousands of commuters that currently commute there each day from New Jersey.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Gargano, Mack, Pocino, Silverman, Sinagra, Song and Steiner voting in favor; Commissioners Coscia 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 with Port Imperial Ferry Corporation d/b/a/ NY Waterway for the provision of ferry service between Hoboken, New Jersey and Pier 11 at Wall Street, Manhattan, New York for a period beginning on or about November 23, 2003 and ending on or about October 11, 2009; and it is further

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

QUEENS WEST WATERFRONT DEVELOPMENT – AGREEMENT WITH NEW YORK TRANS HARBOR, LLC TO PROVIDE FERRY SERVICE FROM HUNTERS POINT TO MANHATTAN

It was recommended that the Board ratify the action of the Program Director, Ferry Transportation, Office of Economic Development, in entering into an agreement on behalf of the Port Authority with New York Trans Harbor, LLC, d/b/a/ New York Water Taxi (New York Water Taxi), for the provision of ferry service from the Queens West Waterfront Development (Queens West) to Manhattan for a period of five years, with one renewal option of five years, the terms applicable to the option years to be negotiated by the parties.

On August 14, 2003, NY Waterway, the former ferry service operator at Queens West, announced that it was terminating service from Queens West effective August 29, 2003. In order to avoid any service interruptions, a Request for Proposals was prepared immediately and sent to a select list of six regional ferry operators. New York Water Taxi was the only proposer. The ferry transportation agreement between the Port Authority and New York Water Taxi was executed on August 28, 2003. On September 2, 2003, New York Water Taxi began service from Queens West to Pier 11, East 34th Street and East 90th Street in Manhattan. The Port Authority is the owner of the East River Wharf and the surrounding property where ferry operations are located.

The agreement provides for an initial term ending September 1, 2008, and one renewal option for a five-year term, the terms and conditions applicable to the option period to be negotiated by the parties. Under the agreement, New York Water Taxi will receive no compensation or subsidy from the Port Authority. The Port Authority will receive 50 percent of the net parking receipts of the associated parking operation at Queens West from New York Water Taxi. The estimated Port Authority revenue for September through December 2003 is $8,000, and the estimated revenue for 2004 is $24,000.

The continuance of the present agreement is contingent on its ratification by the Board. The parties may subsequently enter into a more detailed agreement for the services if required.

The Queens West Development Corporation, on whose Board of Directors two Port Authority representatives sit, and its designated developers for Queens West consider ferry service to Manhattan an essential component of a successful development. Currently, the ferry service averages approximately 500 passengers every weekday. It is anticipated that the number of riders will increase as more residential and commercial buildings are constructed.

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

RESOLVED, that action of the Program Director, Ferry Transportation, Office of Economic Development, in entering into a ferry services agreement for and on behalf of the Port Authority with New York Trans Harbor, LLC d/b/a New York Water Taxi, for the provision of ferry service from the Queens West Waterfront Development to Manhattan for a period of five years, with one renewal option of five years, the terms applicable to the option years to be negotiated by the parties, be and it hereby is ratified.

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

The Committee on Finance reported, for information only, that in accordance with authority granted by the Committee, the Executive Director had authorized the following security transactions, time accounts, interest rate exchange contracts and variable rate master note agreements during the period September1, 2003 through September 30, 2003.

REPORT A:

Purchase of Port Authority Bonds

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

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Call Year	YTC @ Cost	BEY @ Cost	Total Principal	Dealer

No new transactions this period.

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

Purchase of Securities

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/02/03	$12,715,000	UBSFIN CP	--	09/03/03	99.99	1.060%	1.066%	$12,714,625.62	Banc of America
09/02/03	600,000	JFK-APO	6.375%	12/01/15	99.90	--	6.387	599,400.00	JFKIAT-APO
09/03/03	33,000,000	USTB	--	09/15/03	99.97	0.975	0.980	32,989,275.00	Lehman Brothers
09/03/03	50,000,000	GECC CP	--	09/04/03	99.99	1.040	1.045	49,998,555.56	G.E. Capital
09/03/03	25,000,000	UBSFIN CP	--	09/04/03	99.99	1.050	1.056	24,999,270.83	Banc of America
09/03/03	20,200,000	UBSFIN CP	--	09/04/03	99.99	1.030	1.037	20,199,421.06	Banc of America
09/04/03	20,400,000	FHDN	--	09/08/03	99.99	0.940	0.944	20,397,869.34	Lehman Brothers
09/04/03	50,000,000	FHDN	--	10/01/03	99.92	1.015	1.021	49,961,937.50	Citiglobal
09/04/03	50,000,000	UBSFIN CP	--	09/05/03	99.99	1.010	1.015	49,998,597.20	Lehman Brothers
09/04/03	50,000,000	UBSFIN CP	--	09/05/03	99.99	1.010	1.015	49,998,597.20	Lehman Brothers
09/05/03	50,000,000	GECC CP	--	09/08/03	99.99	0.930	0.934	49,996,125.00	G.E. Capital
09/05/03	50,000,000	UBSFIN CP	--	09/08/03	99.99	0.940	0.944	49,996,083.35	Banc of America

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/05/03	$48,198,000	UBSFIN CP	--	09/08/03	99.99	0.940%	0.944%	$48,194,224.51	Banc of America
09/08/03	50,000,000	GECC CP	--	09/09/03	99.99	1.010	1.015	49,998,597.22	G.E. Capital
09/08/03	50,000,000	GECC CP	--	09/09/03	99.99	0.990	0.995	49,998,625.00	G.E. Capital
09/08/03	15,108,000	UBSFIN CP	--	09/09/03	99.99	1.000	1.005	15,107,580.33	Lehman Brothers
09/08/03	50,000,000	UBSFIN CP	--	09/09/03	99.99	1.000	1.005	49,998,611.11	Banc of America
09/09/03	50,000,000	GECC CP	--	09/10/03	99.99	0.980	0.985	49,998,638.89	G.E. Capital
09/09/03	50,000,000	GECC CP	--	09/10/03	99.99	0.980	0.985	49,998,638.89	G.E. Capital
09/09/03	15,000,000	UBSFIN CP	--	09/10/03	99.99	0.970	0.975	14,999,595.83	Banc of America
09/09/03	50,000,000	UBSFIN CP	--	09/10/03	99.99	0.970	0.975	49,998,652.78	Banc of America
09/10/03	50,000,000	FHDN	--	10/08/03	99.92	1.000	1.005	49,961,111.11	BANC ONE
09/10/03	25,000,000	FHDN	--	11/07/03	99.84	1.020	1.026	24,958,916.67	BANC ONE
09/10/03	50,000,000	UBSFIN CP	--	09/11/03	99.99	0.960	0.965	49,998,666.65	Lehman Brothers

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/10/03	$44,192,000	UBSFIN CP	--	09/11/03	99.99	0.960%	0.965%	$44,190,821.53	Banc of America
09/11/03	50,000,000	USTB	--	12/26/03	99.72	0.955	0.961	49,859,402.78	Deutsche Bank
09/11/03	50,000,000	USTB	--	12/11/03	99.76	0.930	0.935	49,882,458.34	Banc of America
09/11/03	50,000,000	USTB	--	10/09/03	99.93	0.910	0.914	49,964,611.11	Deutsche Bank
09/11/03	50,000,000	FHDN	--	11/12/03	99.82	1.020	1.026	49,912,166.67	Mizuho
09/11/03	50,000,000	GECC CP	--	09/12/03	99.99	0.980	0.985	49,998,638.89	G.E. Capital
09/11/03	25,650,000	GECC CP	--	09/12/03	99.99	0.980	0.985	25,649,301.75	G.E. Capital
09/11/03	30,000,000	UBSFIN CP	--	09/12/03	99.99	0.970	0.975	29,999,191.68	Banc of America
09/12/03	50,000,000	FHDN	--	11/07/03	99.84	1.015	1.021	49,921,055.56	Mizuho
09/12/03	50,000,000	GECC CP	--	09/15/03	99.99	1.010	1.015	49,995,791.67	G.E. Capital
09/12/03	50,000,000	UBSFIN CP	--	09/15/03	99.99	1.010	1.015	49,995,791.65	Lehman Brothers
09/12/03	50,000,000	CITIGLOBAL CP	--	09/19/03	99.98	1.010	1.015	49,990,180.56	Citiglobal

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/12/03	$50,000,000	CITIGLOBAL CP	--	09/19/03	99.98	1.010%	1.015%	$49,990,180.56	Citiglobal
09/12/03	14,833,000	UBSFIN CP	--	09/15/03	99.99	1.010	1.015	14,831,751.55	Banc of America
09/15/03	50,000,000	GE CORP CP	--	09/22/03	99.98	1.020	1.025	49,990,083.33	G.E. Capital
09/15/03	40,000,000	UBSFIN CP	--	09/16/03	99.99	1.120	1.126	39,998,755.56	Lehman Brothers
09/15/03	44,000,000	UBSFIN CP	--	09/16/03	99.99	1.100	1.106	43,998,655.56	Banc of America
09/16/03	50,000,000	USTB	--	10/02/03	99.96	0.920	0.924	49,979,555.56	Banc of America
09/16/03	50,000,000	USTB	--	10/09/03	99.94	0.885	0.889	49,971,729.17	ABN AMRO
09/16/03	41,780,000	USTB	--	10/09/03	99.94	0.885	0.889	41,756,376.89	ABN AMRO
09/16/03	50,000,000	USTB	--	10/02/03	99.96	0.915	0.919	49,979,666.67	Deutsche Bank
09/16/03	50,000,000	USTB	--	09/25/03	99.98	0.913	0.917	49,988,593.75	Banc of America
09/16/03	50,000,000	USTB	--	10/02/03	99.96	0.915	0.919	49,979,666.67	Banc of America
09/16/03	627,000	USTB	--	02/26/04	99.56	0.970	0.977	624,246.25	Deutsche Bank

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/16/03	$40,000,000	USTB	--	12/11/03	99.78	0.920%	0.925%	$39,912,088.89	Legg Mason
09/16/03	25,000,000	UBSFIN CP	--	09/17/03	99.99	0.980	0.985	24,999,319.44	Banc of America
09/16/03	30,000,000	UBSFIN CP	--	09/17/03	99.99	0.980	0.985	29,999,183.33	Banc of America
09/17/03	50,000,000	FHDN	--	10/15/03	99.92	1.000	1.005	49,961,111.11	Merrill Lynch
09/17/03	50,000,000	FHDN	--	10/15/03	99.92	1.000	1.005	49,961,111.11	Merrill Lynch
09/17/03	50,000,000	GE CORP CP	--	09/22/03	99.99	1.000	1.005	49,993,055.56	G.E. Capital
09/17/03	30,000,000	UBSFIN CP	--	09/22/03	99.99	0.980	0.985	29,995,916.67	Banc of America
09/18/03	50,000,000	USTB	--	10/02/03	99.97	0.885	0.889	49,982,791.67	Deutsche Bank
09/18/03	50,000,000	USTB	--	10/16/03	99.93	0.875	0.879	49,965,972.22	Merrill Lynch
09/18/03	50,000,000	USTB	--	09/25/03	99.98	0.905	0.909	49,991,201.39	Deutsche Bank
09/18/03	15,000,000	USTB	--	09/25/03	99.98	0.905	0.909	14,997,360.42	Deutsche Bank
09/18/03	40,000,000	USTB	--	10/02/03	99.97	0.880	0.884	39,986,311.11	Deutsche Bank

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/18/03	$33,000,000	UBSFIN CP	--	09/23/03	99.99	0.950%	0.955%	$32,995,645.83	Banc of America
09/19/03	50,000,000	USTB	--	10/02/03	99.97	0.870	0.874	49,984,291.67	Banc of America
09/19/03	26,000,000	CITICORP CP	--	09/23/03	99.99	0.940	0.944	25,997,284.44	Citicorp
09/19/03	26,000,000	UBSFIN CP	--	09/23/03	99.99	0.950	0.955	25,997,255.56	Banc of America
09/22/03	50,000,000	GECS CP	--	09/23/03	99.99	0.980	0.985	49,998,638.89	G.E. Capital
09/22/03	40,265,000	CITICORP CP	--	09/25/03	99.99	0.960	0.965	40,261,778.80	Citicorp
09/22/03	41,000,000	UBSFIN CP	--	09/23/03	99.99	0.980	0.985	40,998,883.89	Lehman Brothers
09/23/03	50,000,000	GECC CP	--	09/24/03	99.99	0.980	0.985	49,998,638.89	G.E. Capital
09/23/03	50,000,000	GECC CP	--	09/24/03	99.99	0.980	0.985	49,998,638.89	G.E. Capital
09/23/03	50,000,000	CITIGLOBAL CP	--	09/24/03	99.99	0.980	0.985	49,998,638.89	Citiglobal
09/23/03	33,132,000	UBSFIN CP	--	09/24/03	99.99	0.980	0.985	33,131,098.08	Banc of America
09/24/03	50,000,000	USTB	--	12/11/03	99.81	0.895	0.900	49,903,041.67	Deutsche Bank

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/24/03	$50,000,000	FHDN	--	10/15/03	99.94	1.000%	1.005%	$49,970,833.35	Lehman Brothers
09/24/03	7,000,000	FHDN	--	10/15/03	99.94	1.000	1.005	6,995,916.67	Lehman Brothers
09/24/03	50,000,000	GE CORP CP	--	09/25/03	99.99	1.000	1.005	49,998,611.11	G.E. Capital
09/24/03	50,000,000	GE CORP CP	--	09/25/03	99.99	1.000	1.005	49,998,611.11	G.E. Capital
09/24/03	12,685,000	CITIGLOBAL CP	--	09/25/03	99.99	1.000	1.005	12,684,647.64	Citiglobal
09/25/03	50,000,000	USTB	--	10/09/03	99.97	0.850	0.854	49,983,472.22	Deutsche Bank
09/25/03	50,000,000	USTB	--	10/09/03	99.97	0.850	0.854	49,983,472.22	Deutsche Bank
09/25/03	50,000,000	USTB	--	10/23/03	99.93	0.860	0.864	49,966,555.56	Banc of America
09/25/03	50,000,000	USTB	--	10/23/03	99.93	0.860	0.864	49,966,555.56	Banc of America
09/25/03	50,000,000	USTB	--	10/23/03	99.93	0.860	0.864	49,966,555.56	Banc of America
09/25/03	50,000,000	USTB	--	10/23/03	99.93	0.860	0.864	49,966,555.56	Banc of America
09/25/03	36,000,000	USTB	--	11/20/03	99.86	0.875	0.879	35,951,000.00	Deutsche Bank

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/25/03	$50,000,000	USTB	--	10/23/03	99.93	0.865%	0.869%	$49,966,361.11	Deutsche Bank
09/25/03	50,000,000	USTB	--	12/11/03	99.81	0.890	0.895	49,904,819.45	Deutsche Bank
09/25/03	50,000,000	USTB	--	10/23/03	99.93	0.865	0.869	49,966,361.11	Deutsche Bank
09/25/03	50,000,000	USTB	--	12/04/03	99.83	0.895	0.900	49,912,986.11	Deutsche Bank
09/25/03	50,000,000	GECC CP	--	09/26/03	99.99	1.020	1.025	49,998,583.33	G.E. Capital
09/25/03	50,000,000	GECC CP	--	09/26/03	99.99	1.020	1.025	49,998,583.33	G.E. Capital
09/25/03	7,620,000	UBSFIN CP	--	09/26/03	99.99	1.020	1.025	7,619,784.10	Lehman Brothers
09/25/03	50,000,000	CITIGLOBAL CP	--	09/26/03	99.99	1.020	1.025	49,998,583.33	Citiglobal
09/26/03	50,000,000	FHDN	--	10/22/03	99.93	1.020	1.026	49,963,166.67	ABN AMRO
09/26/03	50,000,000	GECC CP	--	09/29/03	99.99	1.030	1.035	49,995,708.33	G.E. Capital
09/26/03	50,000,000	UBSFIN CP	--	09/29/03	99.99	1.050	1.056	49,995,625.00	Lehman Brothers
09/26/03	35,330,000	UBSFIN CP	--	09/29/03	99.99	1.050	1.056	35,326,908.63	Banc of America

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

Purchase of Securities (Cont.)

Purchase Date	Par Value	Description	Coupon Rate	Maturity Date	Purchase Price	Discount Rate	BEY @Cost	Principal	Dealer
09/29/03	$50,000,000	CITICORP CP	--	09/30/03	99.99	1.080%	1.086%	$49,998,500.00	Citicorp
09/29/03	50,000,000	CITICORP CP	--	09/30/03	99.99	1.080	1.086	49,998,500.00	Citicorp
09/29/03	42,165,000	UBSFIN CP	--	09/30/03	99.99	1.080	1.086	42,163,735.05	Banc of America
09/30/03	50,000,000	GECC CP	--	10/01/03	99.99	1.000	1.005	49,998,611.11	G.E. Capital
09/30/03	34,000,000	UBSFIN CP	--	10/01/03	99.99	1.110	1.116	33,998,951.67	Lehman Brothers
09/30/03	50,000,000	UBSFIN CP	--	10/01/03	99.99	1.100	1.106	49,998,472.22	Banc of America
	$4,260,500,000							$4,258,756,575.89	

BEY - Bond Equivalent Yield

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

Sale of Securities

Sale Date	Par Value	Description	Coupon Rate	Maturity Date	Sale Price	Discount Rate	Principal	Dealer

No transactions this period.

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

Repurchase Transactions

Dealer	Purchase Date	Sale Date	Par Value	Interest Rate	Total Interest Earned	
Morgan Stanley	09/02/03	09/03/03	$ 15,872,000	1.000%	$ 440.89	
Morgan Stanley	09/02/03	09/03/03	45,460,000	1.000	1,262.78	
Morgan Stanley	09/02/03	09/03/03	47,288,000	1.000	1,313.56	
Mizuho	09/03/03	09/05/03	950,000	1.000	52.78	*
Mizuho	09/03/03	09/05/03	950,000	1.000	52.78	*
Nomura	09/03/03	09/04/03	15,872,000	1.000	440.89	
Nomura	09/03/03	09/04/03	45,461,000	1.000	1,262.81	
Nomura	09/03/03	09/04/03	47,289,000	1.000	1,313.58	
Mizuho	09/03/03	09/05/03	49,000,000	1.000	2,722.22	*
Mizuho	09/03/03	09/05/03	49,000,000	1.000	2,722.22	*
BNP Paribas	09/04/03	09/08/03	11,722,000	0.960	1,250.35	
BNP Paribas	09/04/03	09/08/03	26,937,000	0.960	2,873.28	

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

Repurchase Transactions (Cont.)

Dealer	Purchase Date	Sale Date	Par Value	Interest Rate	Total Interest Earned	
BNP Paribas	09/04/03	09/08/03	$ 46,294,000	0.960%	$ 4,938.03	
Lehman Brothers	09/05/03	09/12/03	24,812,500	0.900	4,507.60	*
Lehman Brothers	09/05/03	09/12/03	29,775,000	0.900	5,409.13	*
Lehman Brothers	09/08/03	09/09/03	9,658,000	0.970	260.23	
Lehman Brothers	09/08/03	09/09/03	26,355,000	0.970	710.12	
Lehman Brothers	09/08/03	09/09/03	45,292,000	0.970	1,220.37	
BNP Paribas	09/09/03	09/10/03	9,659,000	0.950	254.89	
BNP Paribas	09/09/03	09/10/03	26,356,000	0.950	695.51	
BNP Paribas	09/09/03	09/10/03	45,293,000	0.950	1,195.23	
Lehman Brothers	09/10/03	09/11/03	860,000	0.940	22.46	*
Mizuho	09/10/03	09/15/03	9,130,000	0.940	1,191.97	
Mizuho	09/10/03	09/15/03	25,381,000	0.940	3,313.63	

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

Repurchase Transactions (Cont.)

Dealer	Purchase Date	Sale Date	Par Value	Interest Rate	Total Interest Earned
Mizuho	09/10/03	09/15/03	$ 43,307,000	0.940%	$ 5,653.97
Lehman Brothers	09/10/03	09/11/03	49,015,000	0.940	1,279.84 *
Lehman Brothers	09/11/03	09/12/03	8,790,000	0.990	241.73
Lehman Brothers	09/11/03	09/12/03	49,935,000	0.990	1,373.21
Morgan Stanley	09/15/03	09/17/03	7,696,000	1.020	436.11
Morgan Stanley	09/15/03	09/17/03	10,296,000	1.020	583.44
Morgan Stanley	09/15/03	09/17/03	42,237,000	1.020	2,393.43
Nomura	09/17/03	09/22/03	7,697,000	0.930	994.20
Nomura	09/17/03	09/22/03	10,269,000	0.930	1,326.41
Nomura	09/17/03	09/22/03	42,270,000	0.930	5,459.88
Daiwa	09/22/03	09/23/03	7,245,000	0.970	195.21
Daiwa	09/22/03	09/23/03	7,701,000	0.970	207.50

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

Repurchase Transactions (Cont.)

Dealer	Purchase Date	Sale Date	Par Value	Interest Rate	Total Interest Earned
Daiwa	09/22/03	09/23/03	$ 41,844,000	0.970%	$ 1,127.46
Lehman Brothers	09/23/03	Open	180,000 *	Variable **	39.40 ***
Nomura	09/23/03	09/24/03	7,246,000	0.950	191.21
Nomura	09/23/03	09/24/03	7,701,000	0.950	203.22
Lehman Brothers	09/23/03	09/25/03	40,000,000	0.950	2,133.34 *
Nomura	09/23/03	09/24/03	41,845,000	0.950	1,104.24
Lehman Brothers	09/23/03	09/25/03	45,000,000	0.950	2,400.00 *
Lehman Brothers	09/23/03	Open	49,570,000 *	Variable **	10,850.32 ***
Lehman Brothers	09/23/03	09/29/03	49,750,000	0.950	8,181.11 *
Nomura	09/24/03	09/25/03	6,947,000	0.970	187.18
Nomura	09/24/03	09/25/03	7,396,000	0.970	199.28
Mizuho	09/24/03	09/25/03	39,960,000	0.950	1,054.50 *

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

Repurchase Transactions (Cont.)

Dealer	Purchase Date	Sale Date	Par Value	Interest Rate	Total Interest Earned
Mizuho	09/24/03	09/25/03	$ 39,960,000	0.950%	$ 1,054.50 *
Nomura	09/24/03	09/25/03	40,386,000	0.970	1,088.18
Mizuho	09/24/03	09/25/03	44,955,000	0.950	1,186.31 *
Greenwich Capital	09/25/03	09/29/03	6,947,000	0.970	748.73
Greenwich Capital	09/25/03	09/29/03	8,736,000	0.970	941.55
Greenwich Capital	09/25/03	09/29/03	40,387,000	0.970	4,352.82
Greenwich Capital	09/25/03	09/29/03	44,145,000	0.970	4,757.85
Greenwich Capital	09/25/03	09/29/03	46,586,000	0.970	5,020.94
Greenwich Capital	09/25/03	09/29/03	48,827,000	0.970	5,262.47
Lehman Brothers	09/26/03	Open	1,055,000 *	Variable **	145.36 ***
Lehman Brothers	09/26/03	Open	1,055,000 *	Variable **	145.36 ***
Mizuho	09/26/03	Open	1,075,000 *	Variable **	147.81 ***

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

Repurchase Transactions (Cont.)

Dealer	Purchase Date	Sale Date	Par Value	Interest Rate	Total Interest Earned
Mizuho	09/26/03	Open	$ 1,075,000 *	Variable **	$ 147.81 ***
Mizuho	09/26/03	Open	24,975,000 *	Variable **	3,434.06 ***
Lehman Brothers	09/26/03	Open	48,895,000 *	Variable **	6,736.64 ***
Lehman Brothers	09/26/03	Open	48,895,000 *	Variable **	6,736.64 ***
Mizuho	09/26/03	Open	48,900,000 *	Variable **	6,723.75 ***
Mizuho	09/26/03	Open	48,900,000 *	Variable **	6,723.75 ***
BANC ONE	09/29/03	09/30/03	6,841,000	1.000%	190.03
BANC ONE	09/29/03	09/30/03	32,196,000	1.000	894.33
BANC ONE	09/29/03	09/30/03	40,387,000	1.000	1,121.86
BANC ONE	09/29/03	09/30/03	40,662,000	1.000	1,129.50
BANC ONE	09/29/03	09/30/03	44,150,000	1.000	1,226.39
Lehman Brothers	09/29/03	Open	49,875,000 *	Variable **	2,715.42 ***

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

Repurchase Transactions (Cont.)

Dealer	Purchase Date	Sale Date	Par Value	Interest Rate	Total Interest Earned
Nomura	09/30/03	10/01/03	$ 6,841,000	0.950%	$ 180.53
Nomura	09/30/03	10/01/03	32,196,000	0.950	849.62
Mizuho	09/30/03	Open	34,993,000 *	Variable **	923.43 ***
Mizuho	09/30/03	Open	39,992,000 *	Variable **	1,055.34 ***
Nomura	09/30/03	10/01/03	40,388,000	0.950	1,065.79
Nomura	09/30/03	10/01/03	40,663,000	0.950	1,073.05
Nomura	09/30/03	10/01/03	44,151,000	0.950	1,165.10

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

** This rate 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) (Cont.)

Dealer	Sale Date	Purchase Date	Par Value	Interest Rate	Total Interest Paid
Mizuho	09/03/03	09/05/03	$49,950,000	0.850%	$2,358.75
Mizuho	09/03/03	09/05/03	49,950,000	0.850	2,358.75
Lehman Brothers	09/05/03	09/12/03	29,775,000	0.500	3,556.46
Lehman Brothers	09/05/03	09/12/03	24,812,500	0.500	2,963.71
Lehman Brothers	09/10/03	09/11/03	49,875,000	0.790	1,094.48
Lehman Brothers	09/23/03	Open	49,750,000	Variable *	8,844.45 **
Lehman Brothers	09/23/03	09/29/03	49,750,000	0.800	7,047.92
Lehman Brothers	09/23/03	09/25/03	45,000,000	0.750	1,900.00
Lehman Brothers	09/23/03	09/25/03	40,000,000	0.750	1,688.89
Mizuho	09/24/03	09/25/03	44,955,000	0.700	874.13
Mizuho	09/24/03	09/25/03	39,960,000	0.700	777.00
Mizuho	09/24/03	09/25/03	39,960,000	0.700	777.00

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)

Dealer	Sale Date	Purchase Date	Par Value	Interest Rate	Total Interest Paid
Mizuho	09/26/03	Open	$49,975,000	Variable *	$5,830.42 **
Mizuho	09/26/03	Open	49,975,000	Variable *	5,830.42 **
Lehman Brothers	09/26/03	Open	49,950,000	Variable *	5,772.01 **
Lehman Brothers	09/26/03	Open	49,950,000	Variable *	5,772.01 **
Mizuho	09/26/03	Open	24,975,000	Variable *	2,913.75 **
Lehman Brothers	09/29/03	Open	49,875,000	Variable *	1,801.04 **
Mizuho	09/30/03	Open	39,992,000	Variable *	888.71 **
Mizuho	09/30/03	Open	34,993,000	Variable *	777.62 **

* 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 September 1, 2003 September 30, 2003, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

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

Options Transactions - Sold

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

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

REPORT C: In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period September 1, 2003 and September 30, 2003 pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

Date	Counterparty	Notional Amount	Start Date	Termination Date	Fixed Interest Rate Paid	Variable Interest Rate Received

No new transactions this period.

As of September 30, 2003, the Port Authority has interest rate exchange contracts in place on notional amounts totaling $379 million, all of which pertain to refundings.

REPORT D: In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period September 1, 2003 and September 30, 2003 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

Date of Issuance	Amount	Purchaser	Term	Variable Rate Index

No new transactions this period.

(Finance - 11/20/03)

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

Report E: In addition to the transactions described in Report A, B, C, and D, the Executive Director also reports the following activity under the Futures Program authorized by the Board of Commissioners on December 10, 1987, during the period July 1, 2003 through September 30, 2003 involving the use of the Municipal Bond Futures Contracts (Muni) and the United States Treasury Bond Futures Contracts (T-Bonds) traded on the Chicago Board of Trade to manage the interest rate exposure on the future issuance of Consolidated Bonds and Notes.

Hedge for Consolidated Bonds:

Date	Action	Number of Contracts	Short Position	Gains/(Losses) on Series Hedge	Amount of Prospective Port Authority Debt Hedged	Estimated (Increase)/Decrease in Borrowing Costs on Portion of Debt Hedged

No outstanding Hedge during the 3rd Quarter 2003

Whereupon, the meeting was adjourned.

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Assistant Secretary