

NOTICE AND INSTRUCTION TO DISSEMINATION AGENTS

The Massachusetts Port Authority (the "Authority") hereby notifies State Street Bank and Trust Company, as Dissemination Agent (the "Dissemination Agent") under the Continuing Disclosure Agreement ("Continuing Disclosure Agreement") dated August 1, 1997, and The Bank of New York, as Dissemination Agent (the "PFC Dissemination Agent") under the Continuing Disclosure Agreement ("PFC Continuing Disclosure Agreement") dated as of May 6, 1999, of the following events and instructs the Dissemination Agent and the PFC Dissemination Agent to report the occurrence of such events promptly to the Municipal Securities Rulemaking Board pursuant to the Continuing Disclosure Agreement and the PFC Continuing Disclosure Agreement.

"On September 11, 2001, American Airlines Flight 11 and United Airlines Flight 175, both originating from Logan Airport, were hijacked by terrorists. The aircraft flew into and subsequently destroyed the World Trade Center in New York City. There was a significant loss of life and property as well as personal injury resulting from these acts. Subsequently, all air traffic in the United States was temporarily suspended. Logan Airport was closed for four days, and, under FAA mandates applicable to all airports, new security measures were taken, such as the closing of certain parking facilities and extending the amount of security and law enforcement personnel. Air travel has been reinstated at reduced levels, and both enplanements and operations at Logan Airport and collection of operating revenues at the Airport will, for some indeterminate period, be reduced. The Authority cannot currently predict the duration of such reduction or the level of the financial impact of these events on (i) its revenues and expenses, or (ii) the financial condition of any of the air carriers serving its facilities, but the impact could be material to the Authority's financial position and results of operations. In light of these circumstances, the Authority has commenced actions to manage both its revenues and expenses in order to meet its financial obligations. The Authority's outstanding debt has been placed on "Credit Watch, with negative implications" by Standard & Poor's Credit Markets Services, a Division of the McGraw-Hill Companies, and by Moody's Investors Service, Inc. Fitch IBCA, Duff & Phelps has placed the Authority's outstanding debt on "Rating Watch Negative". In addition, as of the date hereof, no claim has been asserted against the Authority related to the events of September 11, 2001. Nonetheless, it is possible that such claims may be asserted in the future, and the damages claimed may be material to the Authority's financial position and results of operations. The Authority is evaluating its insurance coverage, as such coverage may apply to any such claims."

MASSACHUSETTS PORT AUTHORITY

By:   
Director of Administration & Finance and Secretary-Treasurer

Date: October 3, 2001