

PUBLIC HEARING

before

SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE

on

SENATE BILL 2701

(Designated the "South Jersey Transportation Authority Act")

May 21, 1985
Room 348
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Walter Rand, Chairman
Senator Thomas F. Cowan
Senator Francis J. McManimon
Senator James R. Hurley

ALSO PRESENT:

Peter R. Manoogian
Office of Legislative Services
Aide, Senate Transportation and Communications Committee

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SENATOR WALTER RAND (Chairman): Good morning ladies and gentlemen. I'm Senator Walter Rand, Chairman of the Senate Transportation Committee and on my left is Senator Tom Cowan. We're going to get started very quickly. I'm sorry we held you up. We will be joined by some other members of the committee who will be here. Senator Cowan is there anything you would like to say? You're very welcome.

SENATOR COWAN: No, I think you said it all.

SENATOR RAND: All right, the first-- Freeholder James Quinn of Cumberland County. Good morning.

FREEHOLDER JAMES QUINN: Good morning Senator. Good morning Senator. First of all let me thank you very much for the opportunity to present Cumberland County's viewpoint on Senate Bill S-2701, which if enacted, will create a South Jersey Transportation authority.

I am James F. Quinn, a member of the Cumberland County Board of Chosen Freeholders and Chairman of my county's Department of Public Works.

As part of my county responsibilities, I oversee the Road Department, the County Garage, the Engineering Department, Traffic Safety, the Transportation Study Commission and the Bridge Study Commission.

Obviously, the enactment of S-2701 will have a tremendous impact upon the entire transit network of South Jersey. We in Cumberland County are sympathetic to the concepts embodied in S-2701, but feel a number of issues must be more fully developed if this legislation is to reach its full potential.

This bill, in essence, replaces the New Jersey Expressway Authority, operator of the Atlantic City Expressway, with a South Jersey Transportation Authority.

This increased role broadens the regional scope of the transportation oversight to embrace all eight counties of Southern New Jersey. Nevertheless, the thrust of the legislation, as written deals primarily with transportation along the Camden/Atlantic City corridor.

All of us are well aware of the tremendous transportation challenges faced in that section of South Jersey due to the casino

boom. Road, rail and air service must be expanded and coordinated in as rapid and forthright a manner as possible.

But I submit, there is a serious flaw in the concept of a South Jersey Transportation Authority unless it is fully cognizant of all South Jersey's transportation needs and unless it is fully prepared to deal with them.

Unless we're looking at an authority willing to address the full geographic range of problems in South Jersey, how can we call it a South Jersey Transportation authority? We need an authority willing to embrace all of the area's transit needs. It must place its full focus on all of South Jersey.

As presently outlined, the composition of the authority's governing body gives "weak sister" status to five of the eight counties covered in the charter. Atlantic, Camden and Gloucester counties would have permanent representation, and that is certainly proper.

It is equally proper for Cumberland, Salem, Cape May, Ocean and Burlington counties to have permanent representation rather than rotating three memberships among the five. If that type of inequity is permitted, those five counties will never be able to stay fully abreast of the issues and long-range plans being developed by the authority. Their input and influence would be minimized, and therefore we could hardly expect the pressing needs of these five counties to be adequately addressed.

If there is to be a South Jersey Transportation Authority, let it be that. Let it take under consideration the full range of transit problems of the entire geographic area and offer all-encompassing solutions.

Cumberland County has its own particular set of transportation problems, as do all the counties in South Jersey. For instance, we're still the only county in deep South Jersey that has a four-lane highway without links to any other transportation networks. We expect Route 55 to hook up with Route 42 in the Deptford area in 1989. However, when that happens, traffic headed south will bottle-neck at Route 55's southern terminus in Port Elizabeth.

I feel motorists would be willing to pay a toll for a Cumberland-Cape Expressway that would lead from Route 55's present end to the seashore resorts of Avalon, Stone Harbor, the Wildwoods, and Cape May.

Such a road project would seem to naturally fit into the scope of a South Jersey Transportation Authority. This authority should also seriously consider expanding westward from the Atlantic City Expressway's Mays Landing interchange into the Route 552 corridor which leads through Milmay and Maurice River Township and into East Vineland and to Millville in Cumberland County.

Such a spur would enhance the increasing job opportunities being found in Atlantic City by Cumberland County residents. The economic benefit to all of South Jersey from a properly coordinated highway net would be staggering. With all sections of South Jersey linked by efficient, modern roadways, we could all share in the benefits of South Jersey's high-tech development.

We could all share in the benefits of Salem Port's proposed Foreign Trade Zone and Sub-zones.

We could all share in the benefits of the South Jersey food distribution center.

The possibilities are endless. What we must do is take advantage of this unique opportunity to provide the road infrastructure so vitally needed in South Jersey.

I thank you very much.

SENATOR RAND: Mr. Quinn, I thank you very much, and this may sound strange to you but I couldn't agree with you more.

FREEHOLDER QUINN: I know you were very helpful with Route 55 Senator Rand.

SENATOR RAND: Let me try to at least address a few points that you made. We are going to change the composition. It is not truly representative as it stands today under the New Jersey Expressway Authority, nor as it stands in the initial conception of the bill. We are looking whether to increase it to eight to ten to seat permanent members--

FREEHOLDER QUINN: Right.

SENATOR RAND: Number two, let me assure you that the other Routes, including 55, we are attempting to accelerate so that that is even completed before 1989. We think we can gain about a year. So hopefully 1988 is the date that we are looking for for the completion, and that's being stepped up on an accelerated pace. There is a complete feasibility study being undertaken for all South Jersey, including the connection from the Delaware Memorial Bridge and from the Commodore Barry Bridge, as to whether it turns from the Turnpike into the Expressway, or whether it is a parallel route as the old 322 or parallel to Route 40. We don't know yet but we are expecting a complete report about that.

And, last of all, may I say that the bill has been structured to where any project in South Jersey can be adopted through the adapt vehicle with an action of the Legislature. What we did is we only allowed the addressing of the airports and the expressway at this particular moment. But before a final bill will come out, and I don't expect the bill to really be acted upon until sometime later in the year, it will encompass many, if not all, of the things that you envisioned.

FREEHOLDER QUINN: Great. Thank you very much.

SENATOR RAND: Before you go, we have just been joined by Senator Hurley, and I know Senator Hurley is going to ask you some questions. Senator Hurley who is now on my right, is from the First Legislative District, representing Cumberland and Cape May. We just had some comments made by Freeholder Quinn, and Senator Hurley, I don't know if you want to ask him something, but-

SENATOR HURLEY: No, I don't. I just want to welcome the Freeholder. I'm glad I got here before you left.

FREEHOLDER QUINN: Thank you, it's good to see you this morning.

SENATOR HURLEY: He would have sworn I didn't show up here.

SENATOR RAND: In essence, when you read his commentary, you will find out what he wanted to do is broaden the scope so that the South Jersey Transportation Authority will truly represent all the South Jersey region, rather than just a narrow corridor going in from

Philadelphia to Atlantic City. And I should certainly concur with him very readily on that. Senator Cowan you've been--

SENATOR COWAN: Very nice presentation.

FREEHOLDER QUINN: Thank you Senator.

SENATOR RAND: Thank you very much Mr. Quinn. Is there anybody from the New Jersey Expressway Authority? Mr. Marino, would you like to make some comments?

MR. ANTHONY MARINO: No Senator, I'm just here as an observer.

SENATOR RAND: You just want to watch what happens to the Expressway. I see. Thank you, if you want to make some comments later we're very happy to hear from you.

Stephen Norton from the Hotel-Motel Association. Good morning sir.

MR. STEPHEN NORTON: Good morning, Senator.

SENATOR RAND: I couldn't help notice the paper yesterday.

STEPHEN NORTON: I haven't read it yet, but it is correct, the casino profits are shrinking. And what you are here to talk about today does have some impact on that. But I want to make it quite clear, Senator Rand, that I'm not here today representing the Casino Industry nor Resorts International which needs representation from time to time. I am here today representing the New Jersey Hotel-Motel Association, an industry which I serve now as president, and which is in dire need of representation, especially in South Jersey, where we have better than fifty thousand rooms in all of South Jersey. Most of them are in Cape May County, with over twenty thousand rooms in the Wildwoods alone. The issue of Atlantic City International Airport/Pomona Airport is a very important one as far as our industry and our association is concerned. The casino hotels, and the other non-casino hotels and motels in Atlantic City are currently enjoying occupancy levels that are very acceptable and are excellent in spite of the gloom and doom in terms of our casino profitability. The hotels and casino hotels are enjoying very excellent occupancy. But unfortunately, Atlantic City only has eighty-five hundred rooms of the fifty thousand that we have in South Jersey. As I mentioned, over twenty thousand of those are represented in the Wildwoods, and we have large blocks of

rooms in Cape May, Ocean City, Brigantine and all the way up here to Cherry Hill, where we have a large block of hotel accommodations.

At the current time, the only airport serving the needs of South Jersey in terms of commercial service is Philadelphia International. We have a large population density in South Jersey and we have a large number of visitor accommodations in South Jersey, and certainly deserve something more in terms of major air service than we currently get. The future tourism growth potential of Cape May, Ocean City, Long Beach Island, and yes, even Atlantic City, depend to a great extent on our ability to penetrate new markets outside the easy drive market that now provides so much of the visitor base for Atlantic City.

We have a magnificent, untapped marketplace available to us, including cities like Pittsburgh, Cleveland, Detroit, Buffalo, Toronto, Montreal, Boston, and even Chicago, which is only half as far from Atlantic City as it is from Las Vegas.

But we have no non-stop service from any of these cities to Atlantic City. And of course somebody coming into Atlantic City or to Wildwood from Pittsburgh is certainly not going to want to change planes in Newark or Philadelphia to get to Atlantic City. He's so close that he deserves to have non-stop, direct transportation to Pomona Airport.

Once we start penetrating these particular marketplaces, we'll be looking at average stays that are anywhere from three to seven times longer than the average stay that we now see in Atlantic City, which is one or two days; that's all the average visitor stays.

Those visitors, when they're here for three to seven days or even two weeks, for those coming from places like Toronto or Chicago, they're going to have time to visit all the attractions in South Jersey and not rely totally on the inside of a casino hotel to provide that entertainment for a day or two. They're going to need to do and see everything we have.

I realize that the airport issue has become a very political one over who should control the airports in Atlantic County, especially Pomona. In Pomona we have a unique situation. The airport is in Egg Harbor Township; most of the acreage and the runway are under the

control of the FAA, and the passenger terminal is under the control of Atlantic City.

Clearly, the issue calls for an approach that goes beyond the control just of Atlantic City. Clearly we need some sort of county-wide or regional approach because the airport industry/commercial airport service is going to benefit a lot more than just Atlantic City. We're going to be benefiting all of South Jersey.

Pomona, as it currently sits next to the Atlantic City Expressway, next to the Garden State Parkway and probably with direct access someday to the Parkway, is uniquely situated to serve all of the needs of South Jersey. It's less than an hour from any place, Cape May or the Wildwoods included. Of course, if you look at other major international airports, like Chicago, that airport is an hour away from downtown hotels. Kennedy is easily an hour away from the downtown metropolitan hotels of New York City. So it is in a unique position, it has the length of runway, it has the capability to handle a tremendously expanded amount of air service, and with some form of regional or county-wide approach, we believe that all South Jersey can benefit from an upgraded air service into that part of our county. I'd be happy to answer any questions that you might have Senator.

SENATOR RAND: Senator Hurley?

SENATOR HURLEY: Stephen, hasn't there been regularly scheduled air service into that airport?

MR. NORTON: There have been two airlines that have had regularly scheduled service. American International was flying, but they were providing more of a South Florida service. They were providing a discount fare out of Atlantic City, and most of the people were coming from the Philadelphia area and going to Florida the cheapest way possible, which was AIA. We also had one air service out of Newark, but unfortunately they were having difficulty getting blocks of rooms to accommodate their people, and they were also flying the kind of service that I think is the second level of service; they were trying to get people from the Midwest to fly via Newark to get to Atlantic City. And, of course, I think that when you're dealing with affluent conventioners, affluent casino visitors, affluent people that

are coming to spend a week or two in Cape May or Wildwood-- they don't want to fly via some place else when they're only going on a three hundred or four hundred mile trip. If you were coming from LA a stop in Chicago or change-plane is not unusual. But if you're coming from within three or four hundred miles in a jet, you don't expect to change planes to a public-jumper type airline in Philadelphia or Newark.

SENATOR HURLEY: Are you suggesting that with this regularly scheduled service at an airport operated by authorities that this bill envisions-- that more hotel rooms would be built in Atlantic City?

MR. NORTON: Well, I think we're going to see a great many more hotel rooms. Right now that's a limiting factor just like inadequate air service to Atlantic City demand. But we have a tremendous number of rooms in the rest of South Jersey. And of course people that are coming from three, four hundred, a thousand miles away, are going to be spending more time. They're not going to be there for one or two days, and the only thing on their mind will not just be casino gaming. They are going to be looking for a lot of things to do. And the pressure to stay in Atlantic City will not be as great. Those people will stay anywhere, even the Wildwoods or Atlantic County. There are plenty of new hotels now under construction, and there are plenty more that are going to be built in Atlantic City. Probably two thousand more in the next two years. But I envision this airport benefiting all of South Jersey, not just Atlantic City.

SENATOR HURLEY: But your testimony would lead us to believe that you don't think that this airport can operate effectively and efficiently unless it's taken out of the county or the municipal control.

MR. NORTON: Well it might be able to handle it under some county-wide agency. But I think Atlantic City has too small a beneficial interest to effectively control that. I'm not saying the same for Bader Field. Bader Field may very well operate very efficiently under Atlantic City. It's owned by Atlantic City, it's in Atlantic City, and it really is not going to provide the regional beneficial help that Pomona can. Clearly, Pomona does deserve something bigger than just an Atlantic City approach.

SENATOR RAND: Senator Cowan?

SENATOR COWAN: Mentioning the airport, I assume you're a proponent of the bill as it is today?

MR. NORTON: Not specifically, Senator. I think this kind of approach is necessary. I'd rather leave it up to the Legislature to determine how it's to be done, whether it's done this way or some other way. But I am in favor of an expanded role for Pomona. I'm in favor of that control not being Atlantic City, although I think Atlantic City should sit on whatever kind of authority is developed. But I'm not here to usurp the political process of the Assembly and the Senate and the Governor. I just want to speak on behalf of our fifty thousand plus hotel rooms that are in South Jersey and that very badly need commercial air service.

SENATOR RAND: Thank you very much. Mr. Norton, let me just ask you a couple questions. If I understood you correctly you said in the first part that we get a lot of visitors in from distant points into Atlantic City. They'll certainly go to the other areas, and rightfully so. Would you agree with me that the viability of both Atlantic City and the other areas would be enhanced?

MR. NORTON: Well I've been saying publicly for a long time that Atlantic City's growth is going to be severely limited if we can't start to impact our second market. We've been getting so much of our business from the easy-drive market, which is the New York to Baltimore corridor, Philadelphia, New York, and New Jersey. The growth of Atlantic City has now been slowed dramatically because we're not able to penetrate that secondary market, and we're missing the major ingredients there which are a lack of hotel rooms, a lack of a large enough convention hall to handle bigger conventions than we can now accommodate, and a lack of air service into Pomona Airport.

SENATOR RAND: And as the viability of the other areas, mainly Cape May or Ocean County, increase, then certainly it will become better for Atlantic City also.

MR. NORTON: We get a tremendous number of visitors, now, that are staying in Wildwood and Cape May hotels. We offer packages to the owners of the Cape May and Wildwood properties and they come up and see our shows and if they want to, they have a meal there. Of course

some of the Cape May and Wildwood properties feel we're unfair competition, but they can offer much lower room rates than we can, and they can benefit from their nearness to Atlantic City by promoting the fact that you have casino gambling and entertainment less than an hour away. Many of the Wildwood and Cape May properties take advantage of very attractive packages that offer that.

SENATOR RAND: Mr. Norton, let me ask you. If the Amtrak connection is not completed, that is the Philadelphia/Atlantic City train, would it help, and it may not be as viable as that connection, would it help if we ran a train service from somewhere in the point of Camden County to Atlantic City, with a direct connection to PACAM?

MR. NORTON: Well, I think a rail service is an added plus, but it is clearly not going to be as meaningful to Atlantic City as the airport, just as the buses and the road network are today. I mean, there are only so many people that are available to the train service. Where I think the train is going to be most beneficial to South Jersey is that we will be able to bring employees in more reasonably from Camden County and from along the Route 30 corridor. I see where housing is much cheaper in Camden County and in a lot of the communities along Route 30. You can develop an excellent marriage between the two by allowing job opportunities in Atlantic City to people who reside along the rail route. I see that more viable than the passenger service.

SENATOR RAND: Going along with your thinking about the airport, I've been advised by some unnamed sources that if we ever got our act together we would be the recipients of a large amount of money for high-tech aeronautical engineering development in the Southern region.

MR. NORTON: I understand there are some announcements coming very soon about billions of dollars in Federal monies for high-tech--

SENATOR RAND: Not only Federal - some State money too.

MR. NORTON: It is a wonderful area. You've got a great deal of unemployment in South Jersey; in the Vineland and Millville areas where the glass industry is having such difficulty. We've provided a lot of job opportunities for much of that marketplace, but factories

actually located in those areas and able to use Pomona Airport as a major factor for the growth, will help a great deal. And I see that happening. We've already gotten one new major company into South Jersey recently, partially as a result of the airport and the future growth we anticipate there, and partially because there is a trained labor force available that currently has a good deal of unemployment.

SENATOR RAND: Any other questions? Senator Hurley? Mr. Norton, thank you very much.

MR. NORTON: Thank you for allowing me to join you today.

SENATOR RAND: Mr. Carver, President of the Atlantic City Casino Association, good morning.

MR. THOMAS D. CARVER Hi Senator, how are you? Senator, I'd like to read a statement, and then I'll be very happy to answer any questions you might have. Some of the questions that were posed to Steve I'll comment on if you wish. My name is Thomas D. Carver and I am president of the Atlantic City Casino Association. I deeply appreciate the privilege of appearing before this committee on this most important issue.

May I commend you Senator Rand, as well as the other members of this committee, for taking the initiative to address the serious transportation concerns which South Jersey now faces. A careful study of the problem is essential to develop sound transportation policy which will benefit Jerseyans throughout the remainder of this century. The transportation issue, Senator, is of particular interest to me, personally. For the past twenty-two years, until last September, I was a member of the staff of the Port Authority of New York and New Jersey. For the last ten years I was in charge of the operations of Newark International Airport and saw it develop from an under-utilized facility to one of the busiest airports in the country; also its fastest growing. I am eager to capitalize on what we as a State learned at Newark and apply that to South Jersey. I think one of the things we learned at Newark is the crucial importance of tailoring planning to long term economic needs.

There is no question that transportation problems exist in South Jersey and will become increasingly critical in the years ahead.

Over 99% of the 28.5 million visitors to Atlantic City last arrived by automobile or bus, overloading the highways, particularly during the Summer weekends. I believe that South Jersey's transportation network, which has been unable to grow as rapidly as the area is now developing, is one of the most serious constraints to continued casino hotel industry growth.

In today's world, transportation is no longer a municipal issue, or even a county issue. Regionalization of transportation has become a necessity due to the costs, number of people effected, the need to prevent duplication of services and of roadways, and to ensure that comprehensive networks are developed.

It is clear that the region must develop an integrated, multi-modal transportation system serving Atlantic City and South Jersey, if development is to continue. In addition to fostering the growth of the casino hotel industry, a regional transportation network would stimulate ancillary tourist, residential, commercial, and industrial development. Balanced development is the key to South Jersey's future. And adequate transportation is the key to balanced development.

While it is easy to recognize the symptoms of our ailing transportation system, it is difficult to prescribe a cure. I do not pretend to have the answer. It is clear to me, however, that the problem must be carefully studied and researched. Decisions which are made today will have a profound impact on the development of the region for decades to come.

I would be reluctant to comment on what type of structure should develop a transportation network until careful projections about the economic future of South Jersey have been made and analyzed. An economic analysis of the region, I believe, is critical.

Some of the questions which, I think, have to be answered are: How much growth can we expect in the casino gaming industry? What type of industry is likely to expand in the region? Where will the industry be likely to locate? What areas will experience the most rapid population growth? Which areas will lag in growth? Is foreign investment likely? What type of transportation will be most cost

effective? What would be the impact of a new energy crisis on the region?

These are not simple questions to answer, but I believe a careful study of these issues is crucial before we commit ourselves to a specific structure.

I share your impatience and the committee's impatience to resolve this issue as soon as possible-- to stop talking and start building, but we have here literally a once in a lifetime opportunity to plan and coordinate the development of an entire region.

I appreciate this opportunity to appear before you and I'd be happy to answer any questions you might have Senator.

SENATOR RAND: Senator Cowan? Senator Hurley?

SENATOR HURLEY: I take it from your testimony, Tom, that you believe this economic analysis should be done now, prior to the passage of this piece of legislation?

MR. CARVER: One of the things that we think is important, Senator, I'll just maybe reflect back on the growth of the Port Authority, and that is that the Port Authority grew based on the need for its growth and its track-record of performance. In other words in 1948 when the cities of New York and Newark determined that they were not capable, financially or operationally, of developing major airport facilities they hit on an existing agency, the Port Authority, to undertake that task. The Port Authority had a rather unique financing system and a good track record of performance, so that they were able to attract both the finances and the people to do the job. My concern is, and I'm not suggesting that you're not on the right track, because I think very frankly you are, but my concern is that to superimpose a task on an agency before the task has been defined, may not be the appropriate method of procedure.

This is not to say that the task isn't starting to become formulated. There's no question of the need to develop the transportation facility. I think one of the questions that has to be looked at, and I know you are looking at it now, is whether or not there is an existing agency or a multiplicity of existing agencies, which have the financial footing to enable them to begin a process.

And I think finances is going to be one of the key points in developing air facilities which in and of themselves are not going to be self-supporting for quite some time.

SENATOR HURLEY: What I was driving at is you had an entity, the New York/New Jersey Port Authority. Do we now have an entity, or do we need to create an entity?

MR. CARVER: Well I think that there seems to be some uniformity of thought, at least in approaching the fact that there is a mechanism in South Jersey called the Atlantic City Expressway, which has some ability, has a track-record, and certainly is in some manner, shape or form, a funding source. I can't speak for the Expressway, certainly, but in some manner, shape or form, I think it begins to approach the foundation that is needed economically to attack these problems.

SENATOR HURLEY: One more question, Mr.Chairman. How long would such an economic analysis take to conduct?

MR. CARVER: Well, frankly, I don't know, Senator, but I would suspect, in the desire to get this job done as quickly as possible, it might be possible to call on existing resources. I'm not here to skill for my former organization, but you take a non-involved organization like that that has expertise in virtually every area, including economic analysis, regarding population growth, types of jobs that could be attracted, particularly with the strong possibility of a high-tech industry gaining a foothold in South Jersey, if the Administration and the Legislature saw fit, might be very effective. By the way, they operate at no cost to the taxpayer, which I think is very interesting. I know that there is a great deal of thinking on both sides of this issue, depending on which end of the State you may reside in, but I think to have someone do this who is not directly involved might be helpful.

I'm not suggesting that you hold everything up to accomplish it, but I certainly think it should be an input into your discussions and your deliberations.

SENATOR HURLEY: But in direct answer to the question, do you have any idea at all how long it would take?

MR.CARVER: I would think that they should set a time limit on it of no more than six months. You'd get some work done. I think that in this type of development over a twenty-five or thirty year period, things will happen concurrently or in continuation of these developments, but I think as an initial background it would be advantageous for you to have some information.

SENATOR HURLEY: Thank you.

SENATOR RAND: Thank you very much Senator Hurley. Tom, isn't it strange that we passed an \$3.3 billion transportation trust fund last year, that doesn't address one single long-range problem in South Jersey? It doesn't address the connection from Port Norris down to Cape May County and Route 55. It doesn't address a connection from the Commodore Barry or the Delaware Memorial Bridge to the Expressway, or to a route near the seashore. It doesn't express a parallel route to Route 40. It doesn't say anything about a realignment of old Route 322. And I find it very strange that some of those things were taken out of the long term transportation plan, as if those things couldn't happen to us until some time into the year 2000. And I would say that that's a little bit late in beginning to plan for what we need in the infrastructure for the development of South Jersey. That's one of the reasons that I moved this bill and one of the things that I did say when we moved the Transportation Trust Fund, is that alongside that, and I know that this is not a very palatable political bill, there is no question about it, but we might as well put the cards out on the table. It is the way we should have gone eight years ago when we established casino gambling; we didn't go that way for very selfish reasons and we're not going this way at this particular time because there are local reasons not to go that way. The truth of the matter is the development of the Meadowlands/Hackensack Complex was done on a regional basis by the State, the total infrastructure being done in North Jersey is being done on an authority and a regional basis, and if we're to succeed, it seems to me that we ought to pursue what we should have probably done seven or eight years ago, or we're going to find ourselves in the same position ten years from now as we find ourselves today.

MR. CARVER: Senator, I think all of us in the casino industry, and I believe I can also speak for Steve and the hotel industry, think, clearly, that the region is growing well beyond just the Atlantic County border. And an effort to stop it from doing so would be, frankly, counter-productive. If I may take the liberty of addressing some of the questions that were presented to Steve, I think the point that you made on the rail connection is an excellent one. I think Steve's counter-point was extremely viable. In my judgment, the rail connection, which has been dubbed the "Gambler's Express" is rather a misnomer. It will certainly carry people to the casinos. But it is the first viable link, I think, in terms of regional development with respect to population growth and other industrial growth along that corridor. It will certainly affect the overall trends in Atlantic City in terms of whether or not we need housing directly for the people who work in the industry, and what degree of housing we need to develop, because transportation enables people to live in one area and work in a second place. I think Steve's point was exceptional.

I'd also like to say, in terms of the development, we'll be unique in Atlantic City in the sense that we have to develop these ancillary facilities such as the convention properties that Steve mentioned. Once we have done this, the length of stay automatically overflows and in my judgment, the concept of tourism in South Jersey, will remain one of our major industries. I know you've been vitally interested in this, Senator. Without that, we simply can't succeed in terms of hitting other markets. Let me re-emphasize, we only have one industry but we are in a process, hopefully, of developing others. So it's not just a question of the airport's development. It's not the chicken and egg situation we had at Newark. We need the chicken and the egg at the same time. As the airport is being developed, and as the terminal facilities are being upgraded, it is imperative that these other projects take place at the same time, particularly the non-convention hotel properties.

With respect to the development of airports, I think it is extremely critical, as the FAA is about to publicly say, that they firmly believe that an apolitical agency which can fund and operate the

development of these facilities is paramount and primary to their turning over some real property for development. So I think that lends itself, to some degree, to the analysis that you are undertaking now. The other point with respect to airports is, I think, that Bader and Pomona must be developed as a system. They are intertwined. Bader will always suffer from very severe operational and safety difficulties, so it will be limited in terms of the type and amount of traffic that it can accept. In addition, from an air traffic control standpoint, if those facilities are to be developed so that they can handle traffic in bad weather conditions, they will have to be developed simultaneously from their viewpoint. So it's a system of development; and what that means is that the agency that will be required to operate them will probably have to be one individual agency, regardless of its makeup.

The other point is airports sometimes are looked upon as sources of revenue. They really aren't in the sense they can be tremendous economic hardships on the part of any agency, any city, or any area that develops them. Newark was carried for many years by the Port Authority until it lucked out. Despite the millions of dollars of investment, and the hundreds and hundreds of thousands of dollars in promotion and time that we put in across the country, we were not able to convince the rest of the United States that Newark was only fifteen minutes from Times Square. Two tremendous things happened to us, which we cannot take credit for. The first one was the building of the Sports Complex, which, I think, put New Jersey on the map. When the teams from the West Coast would come in and the cameras would go over the top of the stadium, there would be the Empire State Building, right behind the stadium, and people, by process of osmosis, began to realize that this wasn't exactly out in the boondocks someplace. I used to tell Ed Koch that his team kicked-off closer to Times Square by playing in our state than it ever did in his, but he didn't like that comment very much. But the point is this, the second aspect of what happened to us is that Don Burr decided to begin an airline, as a result of airline deregulation, and he decided to begin it at Newark. There were many people in our industry, even in our agency, who met that with

quite a degree of trepidation. They were a little bit afraid of Don Burr, because Don Burr had no track record, he had run no airlines prior to that, only at the vice-presidential level, but he came in one day with about four or five other young people and said, "We're not only going to run an airline here, but we're going to rebuild your whole airport for you." I'm happy to say he's been guilty of everything he alleged he was going to do. But the point is, in this process of deregulation, the airlines are not married to communities any more. They can come and go as they please. People's Express pulled out of Atlantic City, ostensibly because they couldn't get hotel rooms, but I can also tell you because they decided to use those planes on other more productive routes. In addition, the airline industry, as a result of Burr's experiment, is going more and more to a system called hub and spoke. This means communities on the outer fringes of the spoke feed the hub. The major connections are made at a place like Newark, and then People's Express' planes take off three or four times a day, bring people to and from, but always back, to Newark. This produces a tremendous efficiency and savings in the industry and enables an outfit like People's Express to fly at cheaper rates.

So there are a lot of misconceptions in terms of airport developments and what they are; but what they do, and this has been proven over and over again, is economic generators. Thus the development of those facilities is absolutely critical if we are to succeed in South Jersey, and not just in the casino gaming industry, as Steve pointed out, although we desperately need them also.

So I wanted to share those thoughts with you, because we think you're on the right track Senator. Steve punted on third down and I guess I'm quick kicking with respect to the make up of this organization. We know it is a very very difficult pill to swallow, but, you know, we in Atlantic City are a little bit like the person who is in acting school for years, and never got a role. And all of a sudden we've become very successful, so we are now a public personality, and everything we do is out in the open. I don't presume to tell you what to do, but I think, quite obviously, there has to be

some compromise at both ends of the Expressway, and some analysis and some very clear thinking and maybe some hard-nosed negotiations, but we wish you the best. We think you're probably on the right track.

SENATOR RAND: We thank you very much. Yes, Senator Hurley.

SENATOR HURLEY: What kind of promotional efforts does your industry do now in worldwide markets to attract flights into Pomona?

MR. CARVER: I don't presume to know anything about the individual houses and how they promote, but I do know that some of the houses have engaged in promotions in other areas that have a potential number of casino gamers, and have flown people in on charter flights. That's really not a productive way to build an industry. You may get a flight or two now and then, but in terms of individual houses, they have their preferences as to how they market their property. Some houses, of course don't bother with that aspect at all. As Steve dwelled upon, the real problem, which I think is critical, is we've got to begin promoting Atlantic City as a destination. A destination must have the amenities and the facilities which are far and above that which we offer. Although we are, probably, one of the cornerstones in the future of the area, and our growth will directly affect the growth of the area, I think our industry has recognized that we desperately need these other facilities. In addition, there are other attractions in Atlantic City, Cape May, and the Gloucester and Burlington County areas, if we can merely begin to put it all together as a package and have the facilities that the people need. Particularly in terms of conventions, we believe that Atlantic City, with its natural resources, and also having the facilities that we have already provided, should be able to compete with Dallas and Kansas City and Chicago and Detroit and other convention cities. I don't say this facetiously because I think it is a lovely area, but there's no reason that places like San Francisco should corner the market for conventions because it is such an attractive area; we are also very attractive, and I think we've got to take advantage of those facilities that we have.

SENATOR HURLEY: But your point is that as far as you know, the air traffic from other parts of the world coming into the the casinos, is not a major part of the business now.

MR. CARVER: No. Steve, I don't know if you'd like to comment on this.

MR. NORTON: There's very little business, we just fly individual charters in, but almost all of our business is within one hundred and fifty miles of Atlantic City.

SENATOR HURLEY: Steve, in your analysis, would you expect, that to continue in the future?

MR. NORTON: What we need right now is rooms, not only casino, but we need a lot of non-casino hotel rooms or added rooms to existing casinos, and then we'll be able to open our doors to a lot of the demand that's out there. There's a tremendous demand to come to Atlantic City because of the entertainment at the casino gaming. We're much closer to three quarters of America's population than Las Vegas is. But we have no rooms immediately adjacent to Atlantic City, to accommodate that demand, and we have no air service to get the people.

SENATOR HURLEY: So the real importance of this air transportation is within the domestic market.

MR. NORTON: Well we will get international visitors into Pomona, I'm sure. But first we've got an enormous untapped market available to us in North America. In fact, when I say national I'm also including international markets like Toronto and Montreal, where there is a tremendous demand. In fact, almost half of Wildwood's business in the past has come from Toronto. But it's all been drive-in, and that's been severely impacted by fuel crises in the past ten years.

MR. CARVER: I think we'd all be happy to begin to tap that domestic market. And I think realistically that's what we're seeking to do initially.

SENATOR RAND: Will the convention hall help?

MR. CARVER: Certainly.

SENATOR RAND: Is that part of the \$120 million deal?

MR. CARVER: That is my understanding. Yes sir.

MR. NORTON: Basically, \$120 million will build the garages, and will build the rail terminal, and it will build the base level of

the hall, but it cannot build the hall itself. The hall itself will require another \$80 to \$100 million on top of the \$120 million.

SENATOR RAND: In line with what you said Tom, we know that airports are not money makers. They are ordinarily economic generators. They lead to economic development, as do ports. Maybe it's not a fair question, but do you actually believe that Atlantic City or Atlantic County can generate that type of money by itself to run airports and to build convention halls. Even with the tax breaks that we give them, it's my contention that they don't have that type of ability to take a regional, if not State project, to do what is necessary to generate that type of money.

MR. CARVER: I don't think there's much doubt that Atlantic City would have extreme difficulty, at best, in funding and operating an airport of the scope we're talking about. To be quite frank with you, Senator, I don't know about the county's ability. But I will say one thing, I think that to rely on the general taxpayer to do so would be a very very great mistake. I think that other cities have tried it, New York and Newark for instance. Newark was losing \$200,000 dollars a year and the place was falling apart when the Port Authority took over in 1948. So the economics is a key issue. I do not know if Atlantic City possesses that capability, although they've done some outstanding work, and are continuing to do so in many areas. I think they've begun the process of the recognition of the need for funding sources outside the normal channels of government, and that's an important step in the process.

SENATOR RAND: Thank you very much. Professor Dunn, Rutgers University, good morning.

PROFESSOR JAMES A DUNN, JR.: Good morning. My name is James Dunn. I am Chairman of the South Jersey Transit Advisory Committee, which I think you're familiar with. It advises the Board of Directors of New Jersey Transit. And I'm also Associate Professor of Political Science and Public Policy at Rutgers University-Camden, where I teach, among other things, a graduate course in Transportation Policy Analysis. What I would like to do today is to summarize the statement I made as Chairman of the South Jersey Transportation Advisory Committee, to this

committee at Lindenwold, and then add a few brief comments of my own concerning how to make improvements in the State's transportation planning and decision making process relating to South Jersey, which I think is the basic fundamental rationale of this bill.

I told you in Lindenwold that my advisory committee completely supports the general goal of S-2701, namely to assist in planning for the development of the transportation in South Jersey in conjunction with Federal, State, local and other public entities as appropriate. We share just about all the general goals of the bill. You may recall that in Lindenwold I told you that the advisory committee believes that S-2701 had one great loophole because it did not directly address the issue of rail service to Atlantic City. We all know, I think, the details of the "Perils of Pauline", so to speak, on the rail line issue. And I told you that the advisory committee recommended to the Board of Directors of New Jersey Transit, even if the Federal funding were to fall through, we believe it crucial to continue to plan for, and to begin to implement local rail service from Woodcrest to Atlantic City, because that would preserve our options and we believe that could not only reduce tremendously the cost of the project, but would be, in a sense, a viable option in and of itself.

Whether the proposed South Jersey Transportation Authority would, at this late date, be able to play a constructive role in rail planning and funding, in a process that already is crowded with institutional actors is probably a moot point, and I will not go into that here. What I'd like to do now is kind of take off my advisory committee chairman hat and put on my professor's hat and turn to another need which the bill, as presently drafted, does not explicitly address, but which could be met by a very small amendment to this bill or to some other bill. Namely, I'm proposing the creation of a Regional Transportation Studies Center for South Jersey, which could act as a catalyst, innovator, and advocate for growth promoting transportation investments and programs in the region.

Why do I see a need for such a regional transportation study center? Well, as I listened at Lindenwold to the testimony on the airport issue, and to the discussions of the rail line that took place

there, I was struck by the fact that everyone was saying that these problems should have been confronted years ago. Everyone agrees now that when casino gambling was first approved, we should have moved to meet the perfectly predictable needs for greatly improved transportation to Atlantic City. Of course, that was not done, and we now see Legislators and local officials scrambling to make up for years of delay and neglect. And the astounding thing is that the needs of Atlantic City were obvious, indeed highly visible. It was clear that good transportation links were going to be vital to the success of the casino industry, and indeed to the urban redevelopment of Atlantic City. Now, if transportation planning and project development could languish so long in such a highly visible situation as Atlantic City, how much more difficult must it be for transportation projects in other South Jersey areas, which don't have the glitz of Atlantic City? How many more projects with important implications for regional economic development are being delayed or deferred by the kind of system that fumbled the ball on Atlantic City?

South Jersey's transportation needs get prioritized on a statewide basis by the Department of Transportation in Trenton. That is both inevitable from an administrative standpoint, and desirable from a rational decision making perspective. But even with the best of good will on the part of the DOT, and I believe that they do have the best of goodwill, there is still a real problem. What I call a structural bias, built into this statewide prioritizing, works against South Jersey's regional interests. Perhaps the people in the South sense this intuitively, and that's the reason why you'll always hear the complaints about South Jersey getting the short end of the stick and what have you. But the structural bias lies in this: most of South Jersey's most important and expensive transportation projects are developmental or future oriented. They are designed to meet potentially great future travel demand. Whereas many of North Jersey's most expensive projects are responding to immediate travel demands in a region of higher population density, more highway congestion, more daily commuters demanding better service and so forth. Investments which respond to such pressing present day needs inevitably must

receive higher priority than those which, however meritorious, address concerns and problems which are still somewhat in the future. Thus, as I pointed out in my previous testimony, New Jersey DOT and New Jersey Transit moved quickly to get matching funds to win a \$30 million federal grant for the electrification of a 16 mile stretch of the North Jersey Coast line, but delayed so long coming up with the State match on the \$30 million Federal grant on the Atlantic City line that these funds are now in, I think we could call it, serious jeopardy. The same situation holds in the highway area as well. At present, the only way to move South Jersey transportation projects up on the State's priority list is by the exercise of political clout by the region's Legislators. This is certainly better than nothing. But it does have some drawbacks. First it means that the prioritizing tends to be done more on political than on transportation grounds. Now by that I'm not meaning to be critical, I mean that projects have to receive virtually unanimous support from the South Jersey Delegation to have a chance of winning Legislative approval. Any hint of controversy or opposition from a group within the region can be the "kiss of death" under this method. Thus the opposition to the Atlantic City rail line from the so-called "R.A.G.E." group seemed to cool State officials' enthusiasm for the plan. And opposition to the airport provisions of the present bill, S-2701, from local and county officials in Atlantic County, are hurting the chances of the bill's Legislative success. This requirement for unanimity also stimulates a certain amount of intra-regional bargaining to make sure that each county and district gets its share of the total regional transportation pie, again elevating political over transportation criteria.

While it would not be a panacea, the creation of an independent regional transportation study center could be useful in overcoming some of these drawbacks. It would certainly not replace the normal political process. But it could make that process more aware of the transportation and economic development criteria, that should enter into investment decisions. The center's key function would be to provide all the relevant actors in the region and in the State, with more complete information on the economic impact of various projects.

By making public its assessments of the full costs and benefits of the various projects, by identifying legal and institutional obstacles which are delaying implementation of sound projects, by proposing and/or publicizing innovative ideas for solving regional transportation problems, the center could make a major contribution toward building an informed consensus within South Jersey, and toward making a strong case for South Jersey's priority within the Statewide transportation planning and Legislative arenas.

If such a center had existed in 1978, it would have provided a focus and a prod to all concerned. It might very well have helped to shorten the wait for action on improving rail and airport access to Atlantic City.

It is, of course, essential that such a regional transportation study center be independent, both in terms of political parties, and in terms of the major State, county and local bodies. It must also be highly professional, able to tap the skills of planners, economists, engineers, public policy and public administration analysts and other experts in South Jersey and throughout the State. One option would be to have it affiliated with one of the region's colleges or universities. It could begin its existence on a relatively modest scale by being part of an existing policy studies institute, such as the Forum for Policy Research and Public Service at Rutgers-Camden. Or it could take the form of a consortium which draws on resources from all of the region's colleges. Or it could even start off as an ad hoc situation as the gentleman from Atlantic City indicated, tapping resources from the Port Authority or some other independent agency that doesn't have a stake in the region. At this stage, detailed descriptions of the institutional mechanics are less important than considering the general principle and rationale for the center, which is that in order to offset the weight of the status quo, and give the future a fair chance in South Jersey, a body which can develop and highlight the regional economic importance of transportation projects can make a vitally important contribution to the development of South Jersey, and to the overall economic growth of the whole State.

Thank you very much for your attention Senators. I will certainly be happy to answer any questions that you may have.

SENATOR RAND: Senator Hurley?

SENATOR HURLEY: No, I don't have any questions.

SENATOR RAND: Senator Cowan?

SENATOR COWAN: Very interesting concept. And, from all the testimony here today, Professor, of course including your own and Mr. Carver's and Mr. Norton's, you've really keyed in on all of the things that have to be touched in this legislation if they haven't already. With Senator Rand's cooperation and your cooperation we'll put a package together.

SENATOR RAND: Thank you Senator Cowan. Professor Dunn, let me say one thing, you're never at a lack for coming here with interesting suggestions.

PROFESSOR DUNN: Thank you Senator.

SENATOR RAND: In fact, it certainly is interesting, and whether it is pursued under the bill giving them the planning process, or whether we pursue it, you bring up a very interesting approach. Whether we pursue it from that, we do know one thing, the DOT doesn't like either approach. They want the control of the planning process. (laughter) But I think you have a point there. And a very well taken point. I think you've analyzed the situation and you're right, if we get anything, we get it by a unanimity of consent. And if one group doesn't like it, then we are divided over whether it is good or not. So there is no question that there ought to be a way which sort of eliminates the political planning process anyway. I don't think what is good for all South Jersey should be determined by whether one group likes it, whether they're be our side or another side, or whether they don't like it. So--

PROFESSOR DUNN: Well, I'm perhaps naive enough to believe that, as we improve our information base and our knowledge about the economic development aspects of given projects as we can identify obstacles to that, that this will indeed facilitate the kind of regional coming together and consensus that seems to be important in the process. I'm not proposing to replace politics by this kind of thing, but perhaps make it better informed and better able to reach the right kind of decisions.

SENATOR RAND: I agree with you 100 percent. Thank you very much.

PROFESSOR DUNN: Thank you very much Senators.

SENATOR RAND: Is there anybody else that is on the— oh, Mr. Dick Walters, South Jersey Transportation Committee. I knew you wouldn't let me down Dick. (laughter) Good morning.

MR. DICK WALTERS: Good morning to you Senator Rand. Good morning Senator Cowan, good morning Senator Hurley. I will not repeat the testimony that I gave at Lindenwold. There are two points that I will bring up again, but otherwise, this will be a new and more informal series of comments that I have to make. After discussing this with certain members of the South Jersey Transportation Action Group, and meeting with the committee that Professor Dunn chairs, and also discussing on the phone, as well as in meeting in Philadelphia with the Delaware Valley Citizen's Transportation Committee, this matter— I think that the two points that I should repeat from my earlier testimony are: first that it's very important that this bill not be too specific in terms of projects that the authority would tackle, because this would delay its passage, and would also distort the public's attitude toward the intent of the bill.

For example, in the present Atlantic City Expressway Authority Bill, written back in the '60s, there is a reference to building a highway from Hammonton to Seaville. Now, a lot has happened since that was written into that bill, and I think it should be removed from the text of the present bill. For example, what has happened since then is that Route 55 is under way, we not only have the section that was built between 1966 and '73 in Cumberland County, but we have the section in Gloucester County, twenty miles, which is under full construction at the present time. We also have consideration of a section in Cape May County of another 20 miles connecting with the Parkway, which has been studied, but is not on any plan. And this would be a partial duplication, if not about a fifty percent duplication of the new expressway from Hammonton to Seaville.

I think this would be true of any other specific references, except a mode of transportation, for example, to go along with Dr.

Dunn's strong suggestion about including railroad projects, specifically in this case the Philadelphia to Atlantic City Railroad, except since that is still controversial, it might be a mistake to spell that out in any more detail than simply the word "railroad". And this could be true of many other types of projects, whether they look particularly attractive today, or whether they may have looked attractive yesterday, but are no longer in the top rung of priorities.

I also mentioned in my last testimony that I felt that the makeup of the board should be looked at again. I feel that it's very very important in order to have a smoothly functioning authority, to have as few political appointees as possible on the board. Naturally it's expected that each of the governors involved, in this case it would be just one governor, would have a representative on the board. And it's important that the Legislature be represented on the board. But beyond that, they should be people who might be chosen for an operating corporate board in private enterprise America. An authority should be looked upon as a business. It is a profit making business, in that it borrows money from private investors with the understanding that these investors will be repaid, not only the interest, but the principle, in time, and for this it takes a businesslike approach, rather than a political approach.

Now, to comment anew on authorities, much of the conversation that all of us have heard, on this bill and on authorities in general, has to do with whether an authority is a good thing or not. I feel that an authority can be a bad thing, or it can be a good thing, depending on how it is set up and how it is run. Just as a government can be a good government or a bad government, a corporation can be good or bad, and even a mother can be a bad mother or a good mother, and there are some bad apple pies around. It is very important to set this up so it is a good authority, and in that case, I would say authorities are good for the State, for the people, and for the nation, when they're done right. An authority is characterized by speed, economy and responsibility. Each of these criteria can be met by a properly constituted board, and an excellent staff, carefully selected for their professional, business, and technical expertise. Speed, because it can

get going with a project sooner than normally can be done with taxpayer funds.-- I have served for many years as an advisor in the Delaware Valley Regional Commission, where we have watched projects for the four New Jersey counties that are in that Delaware Valley Commission's territory, drop down the list year after year after year. There's a five year plan, there's a six year plan, there's a twelve year plan, and these projects, many of them are of great importance, and everyone agrees that they should be done. The local people, the county people, the State people, the Federal people, all agree that they should be done. But nothing happens, because of the money problems, the priorities, and the political pressures that often apply to these.

Speed is a great facility when you see a need and can go right at it. And that has been characterized by work by the Delaware River Authority, also by the New Jersey Expressway Authority, the Parkway Authority, and other authorities in the State, that have been able to move very fast to get things done when the public wants them and when all good planning considerations show that they should be done.

Using private funds, and using user fees to repay the private funds, is certainly a very sound and direct way to go about something that the State cannot afford at the time, or must delay past the time when it is needed.

Responsibility is a criterion that, with a good board, can be realized with an authority. An authority is a quasi-public organization using private funds. It is responsible to the bondholders, to the people as a whole, to the customers of the facilities that the authority has built and operates, and it is responsible to the governments who have an ultimate veto power in each case, but should not, I repeat, exercise excessive control over day-to-day operation of the authority, nor over the choice of projects.

I'd be glad to answer any questions you may have.

SENATOR RAND: Mr. Walters, we thank you very much. You make some very interesting points, and I will admit to you that we have a long way to go before the final draft of this bill is complete. In

fact, many of the participants, or the actors, shall we say, should have been here and are not, but they have assured me that in months to come, I don't mean years, but months, they will actively participate in this bill, and we will have a little more direction from the people that are really involved in the decision making process. So, we anticipate that even though we are getting some opposition, we're going to have cooperation a little later down the line. We should be able to draft a bill which will be meaningful and helpful toward the solution of some of our problems.

MR. WALTERS: May I make a postscript about Senator Cowan?

SENATOR RAND: Yes.

MR. WALTERS: Senator Cowan is the North Jersey Legislator on this committee. When he was Chairman of the Assembly Transportation Committee, I testified before his committee about a South Jersey matter. He said, "I'm not familiar enough with that and I'm going down there and find out for myself." And so he did come down to South Jersey, he did meet with local leaders, and he did talk to citizens, he did have a hearing, and I applauded him for this at the time and do again today. If all North Jersey Legislators were like Senator Cowan, we would not have as much of a problem as we discussed here today. But, unfortunately, there are many who simply don't recognize just how things are in South Jersey, and why we need this separate authority.

SENATOR RAND: Well we would hope that most of the Legislators on this committee, and most of them do, certainly take the time, and we thank Senator Cowan, and thank you Mr. Walters.

MR. WALTERS: Thank you.

SENATOR RAND: We have been joined by Senator McManimon, who just came in, and is a member of this committee. We are glad to have Franny come along with us. Is there anybody else that wishes to testify before this committee, before we close? Tom, would you like to say anything before I make some closing statements? (Negative response indicated) I would like to correct what I perceive as certain misapprehensions concerning the proposed authority. In the first place, its purpose is the development of the transportation system in the South Jersey region. I make that very clear. Not merely in the

Atlantic City area, although certainly Atlantic City is an important element in the region. Thus the purpose of the proposed authority, or the current Expressway Authority, is not to serve the interest of Atlantic City alone. The Expressway, in our opinion, is not an umbilical cord to Atlantic City. The Expressway Authority, or the proposed authority, are to be looked at from the perspective of regional development, not from the selfish perspective of the single community.

Secondly, the proposed authority is not an addition to the current number of authorities in the State. Since the New Jersey Expressway Authority is being replaced by the proposed South Jersey Transportation Authority, the number of authorities in the State will not be increased. Essentially, the Expressway Authority is being expanded and altered in order to meet the transportation needs of the late 1980s and beyond.

Finally, the advisability of establishing the South Jersey Transportation Authority should be considered on the basis of its merits, not on what specific interests might be served. The question is, what is good for the region as a whole rather than for any particular part. I would hope that the discussion of this issue would be couched in terms of the former criteria rather than the latter.

I want to thank everybody for coming here today, and certainly we appreciate your testimony, and we will continue further development of the bill. Thank you very much.

HEARING CONCLUDED

APPENDIX



southern
new jersey
development
council

May 20, 1985

Hon. Walter D. Rand
New Jersey State Senate
514 Cooper Street
Camden, NJ 08102

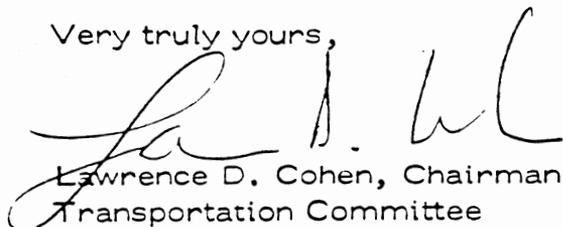
Dear Senator Rand:

I am unfortunately unable to attend your final hearing on Senate Bill 2701 which establishes the South Jersey Transportation Authority.

Enclosed is a Position Paper of the Southern New Jersey Development Council which I ask you to read into the record and make it a part thereof.

Thank you for your attention.

Very truly yours,



Lawrence D. Cohen, Chairman
Transportation Committee

brs
encl.

southern new jersey development council

one new york avenue atlantic city, new jersey 08401 609/344-4163

SOUTH JERSEY TRANSPORTATION AUTHORITY

Senate Bill 2701

Sponsor - Senator Walter Rand

Summary

The bill creates the South Jersey Transportation Authority as the successor to the N.J. Expressway Authority. It will continue the rights, obligations and duties of the N.J. Expressway Authority as well as the continuation of employee and bondholders' rights within the structure of the newly established authority.

The Authority shall consist of the Commissioner of Transportation or his designee as an ex-officio voting member; the Executive Director of the N.J. Transit Corporation, or his designees, as ex-officio non-voting members; 8 members for 3 year terms appointed by the Governor with the Senate's consent, including two Atlantic County residents (one representing Atlantic City), two Camden County residents, one Gloucester County resident, and the three remaining from Burlington, Cumberland, Ocean, Salem and Cape May counties on a rotating basis in that order. Not more than four members shall be from the same political party and no members of the county government shall be appointed. A Chairman and Vice-Chairman shall be elected annually.

The members of the New Jersey Expressway Authority would serve until the end of their terms.

Authority members would serve without compensation, but could be reimbursed for necessary expenses.

Focus

To concentrate efforts primarily in two divisions;

- (a) Expressway Division—responsible for operating of the Atlantic City Expressway from Camden to Atlantic City and other expressway projects, including the "Cape May Expressway" connecting the Atlantic City Expressway near Hammonton to a point at the Garden State Parkway in Seaville.
- (b) Airport Division - responsible for operation of airports and heliports. An Advisory Committee will be established to advise this Division and will be appointed by the Governor, consisting of local government representatives, U.S. DOT representatives, and concerned citizens. A majority of the Committee members will be residents of the municipalities directly affected by the operation of the airports.

Position

The Southern New Jersey Development Council has over the past several years urged the proper planning and coordinating of all forms of transportation affecting Southern New Jersey including air, rail, marine and highway/roads. Our organization represents the eight county area of Southern New Jersey (Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem); an improved transportation network would further encourage the growth and development of our region.

The Council supports the concept of regional transportation with certain qualifications.

- (a) The creation of the South Jersey Transportation Authority appears to duplicate the services provided by New Jersey DOT. The Trust Fund money together with the viable short term-long range master plan can be implemented and the South Jersey Transportation Authority efforts appear to be a duplication of this in place mechanism. The funding base for the South Jersey Transportation Authority is a surplus generated by the Atlantic City Expressway. The exact size of the Atlantic City Expressway surplus has never been determined and the need for such projects may extend beyond the financial capabilities of the Expressway Authority. Further, in the absence of such funding, the question arises as to the availability of funding sources, i.e. funds generated by the New Jersey Turnpike and the Garden State Parkway (that affects our geographic area).

- (b) The creation of a division of airports speaks to the Atlantic City Airport in Pomona and the Atlantic City Municipal Airport (Bader Field in Atlantic City). This description of the Airport Division is narrowly defined in S-2701. The region referred to is but a small region in Southern New Jersey; it is questionable that this Bill can effectively address the issues of air travel ports, its activities and facilities. Also, it would seem that a more focalized and narrowly defined regional authority would be more capable of handling the Atlantic City area airport situation, thus inclusion of the airport in the South Jersey Transportation Authority appears inappropriate.

SEP 24 1985



