

PUBLIC HEARING

before

SPECIAL SUBCOMMITTEE

of the

ASSEMBLY TRANSPORTATION AND COMMUNICATIONS COMMITTEE  
(Re: New Jersey Commuter Rail Services)

HELD:

June 20, 1978

Assembly Chamber

State House

Trenton, New Jersey

MEMBERS OF SUBCOMMITTEE PRESENT:

Assemblyman Buddy Fortunato, Chairman  
Assemblyman Chuck Hardwick

ALSO:

David L. Sallach, Research Assistant  
Legislative Services Agency  
Aide, Special Subcommittee of the Assembly Transportation and  
Communications Committee

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ASSEMBLYMAN BUDDY FORTUNATO (Chairman) : Good morning. I am Assemblyman Buddy Fortunato, Chairman of the Special Sub-Committee of the Assembly Transportation and Communications Committee. I would like to welcome you to this public hearing to examine the quality of and the prospects for commuter rail service in the State of New Jersey. The special sub-committee was created in March of this year by Assemblyman John Cali, Chairman of the Assembly Transportation and Communications Committee. During the past four months, Assemblyman Robert Burns, Assemblyman Chuck Hardwick and I have participated in a number of regional public hearings, public meetings; conducted individual surveys among commuters; and solicited the ideas and opinions of a variety of local governmental and transportation officials. The results are most satisfying and impressive. The local officials, various commuter interest groups, and individual writers not only provided us with a wealth of information and numerous valuable recommendations, but also alerted us to a number of problems and concerns, most notably about the future of commuter rail service in our State. There is a great temptation to introduce certain legislation based on information and suggestions we have received, but we realize and firmly believe that it would be premature, and therefore, totally inappropriate to do so without first questioning those directly responsible for providing commuter rail service in our State, and soliciting their views.

Quality commuter rail service is a must in our State. New Jersey, as we all know, is a commuter state. Our citizens and our economy require an effective and efficient system of public transportation. We have to recognize our responsibilities and get our priorities in order. What we need is creative thinking and innovative long-term planning at the State level. Such thinking and planning are not things we should do, but rather, what we must do. The future of our State requires it.

Our first speaker this morning is from the Department of Transportation and is the new Commissioner, Louis Gambaccini. We would like to ask a few questions this morning, Commissioner. Maybe you can give us a little direction on immediate concerns that the Committee has expressed, and the first is the area of service improvements and what steps are being taken by the DOT to avoid any of the problems repeating from last winter.

COMMISSIONER LOUIS GAMBACCINI : Thank you for this opportunity to appear before the sub-committee. I would like, also, to present my staff, who is here with me. Dick Anderson is Director of the Division of Commuter Services, and Bill Herkner is the Assistant Director of the Division of Commuter Services. I wanted them available because they have been very much immersed in the recent past history of commuter rail operations; and particularly if there are technical or factual questions, which I am not prepared to answer, they can help me with them.

I think it is fair to say that I have regarded and characterized commuter rail services as among the top one or two priority items, as I see them, in the Department, and I have spent a fair amount of time, in the couple of weeks that I have been aboard, with staff to examine what we have got underway, and I tend to divide the problem into two parts, long-term and short-term. The long-term, as you know, relates to the 900-day option; that is the State's possible acquisition of commuter rail assets that are in excess of the needs of Conrail under the 4R Act. It relates to the long-term management of the commuter rail services, as to whether it should continue to be Conrail or some other alternative management, and the

long-term also relates to the major rehabilitation and renovation of the commuter services, at the moment, typified by the complete modernization and electrification of the Morris and Essex Division of what had been the Erie Lackawanna Railroad and the North Coast Line of the former C&J Pennsylvania Railroad. We have also indicated a high priority on the upgrading of the Raritan Valley Line, the former Jersey Central Main Line Railroad. So, we have a number of major capital commitments underway or in the final stages of planning leading to implementation for the major rehabilitation of the railroads.

Now, on the short-term, I am quite impressed with the record of the last six to eight months of the Department of Transportation staff, with Conrail, particularly, and indeed with Amtrak as well, to address the kinds of problems that have been highlighted by the poor service of last winter. The service, in my opinion, of last winter is related, in part, to an extraordinarily severe winter, but also, in major part, to the legacy of decades of neglect in maintenance of all types, rolling stocks, stations, track, and what have you. The Department staff has undertaken, with the cooperation of the Legislature and the Governor's office, significant improvements that I think will significantly improve the odds for a much improved service this coming winter. Specifically, underway are a 3.4 billion dollar rehabilitation of 32 diesel locomotives on the former Erie-Lackawanna Railroad, that is the Erie part of the railroad. Also, there is a plan to make improvements on the Morristown Line, to add new equipment. The Department authorized the increase of twelve positions to improve the maintenance level on MU equipment on the Morristown Line. Finally, and perhaps even more significantly, on the North Coast Line, where some of the most grim kinds of incidents occurred last winter, we have tabulated some twenty million dollars of various kinds of improvement, including road bed improvement, as well as rehabilitation of passenger coaches, locomotives and the like. We can furnish an itemization of all of these improvements to the committee for your information, if that is of interest. We probably ought to recast it; it is now on several documents, and if the Chairman pleases, we can recast this in a summary document for the record.

Beyond all of that, I am very pleased that attention has been given and progress is substantially advanced on a host of other comfort and amenity items, most notably information services. I have long had the conviction, from my years of activity in commuter operations, that no matter how modern or up-to-date equipment is, there will always be some potential for failure, and the way to cover the operation and do full justice to responsible service to the public, is to provide, at least, close, continuing communication with the passenger, to advise the passenger what is happening. There is a major effort underway to install a central communications center in Newark, under Conrail aegis, which will provide the capacity quickly and instantly to communicate with passengers, at least in the near term, at stations, and in the longer term, to all trains, through the device of radio to keep passengers informed about delays or advice about alternative ways of travelling, if there are any kinds of disruptions. This is extremely invaluable, not only to forewarn the passenger on his alternative means, if necessary, but also to keep him posted on the potential for delay, the duration of the delay, and what is being done to try to get the system back to reliability. I don't offer that as a substitute for good, reliable service. There is no alternative to on-time performance and reliability, but, as I say, even under the most perfect and most modern of systems, occasional breakdowns will occur, and communications is the missing link that has



got to be provided.

Finally, I have directed our commuters' services staff to convene a task force comprised of representatives, particularly of Conrail, the Department staff, and Port Authority staff. This would be kind of an overlay, a "devil's advocacy" review of everything and anything that has been done to improve service for the coming winter and really to approach it from the point of view of testing what further vulnerable links in the whole chain of operations might require further attention. This should be convened as a task force within a week. I have asked, at the end of their work, hopefully within a couple of months, that we will have a comprehensive report of what they looked into, what they found, and whether or not there is any remaining area of vulnerability that ought to be addressed, in order to insure the best chance of excellent reliability this coming winter.

Thank you, Mr. Chairman.

ASSEMBLYMAN FORTUNATO: Commissioner, you have indicated the fact of the acquisition of the new engines. Where did the monies come from for the purchase of these engines--I imagine some of it came from UMTA--given the claims of the type budget, which we have heard in the past? Where did the DOT find the money for the purchase of these engines?

COMMISSIONER GAMBACCINI: Dick, can you answer that?

MR. ANDERSON: The \$5,000,000 total cost will consist of \$4,000,000 from UMTA and the \$1,000,000 of State match, I believe, will be taken from the money freed up in the PATH grant, the local match that had been reserved for PATH, since that decision has been reversed, we are going to take the \$1,000,000, I believe, from that account. The other alternative, I think, was cleaning out odds and ends from the remainder of the 1968 bond funds. But it was one or the other. I think it came, primarily, from the funds we had reserved for PATH, and when the Governor made the decision, we were then able to take the funding from that.

ASSEMBLYMAN FORTUNATO: Did we have a reconditioning program with those engines?

COMMISSIONER GAMBACCINI: You are talking about locomotives again?

ASSEMBLYMAN FORTUNATO: Yes, I am.

MR. ANDERSON: There are two sets of locomotives. Now the locomotives on the North Jersey Coast Line are the ones that had to be remanufactured. They were in such deplorable shape that they couldn't be rehabilitated or refurbished. Conrail, within its shop capability, could not bring those up to snuff. We had no alternative. They had to either be new or be remanufactured. The bankrupt properties that preceded Conrail, the Penn Central and the CNJ, since the locomotives, at that time, were their property --they just deferred all maintenance of any significance on those locomotives and they owned the locomotives. So, that came home to roost, then, a year after Conrail was created, and the neglect of the former bankrupt properties evidenced itself, and the locomotives just collapsed. So, that is the North Jersey Coast set.

Now, the set of locomotives, the 32 locomotives on the Erie-Lackawanna diesel side, those locomotives were State-owned locomotives, and here again the bankrupt property of the Erie-Lackawanna neglected to initiate--now there is a distinction here--a rehabilitation program. In other words, the locomotives on the Erie-Lackawanna side were not in a state of utter collapse, but there was major deferred maintenance that the Erie-Lackawanna had not performed. Now, Conrail is in the process of rehabilitating those locomotives. It is a much less expensive process. For example, we are doing 32 locomotives for 3.8 million dollars, as

opposed to five million dollars for only ten locomotives. You can see the difference in scale. Those 32 locomotives will all be rehabilitated by Conrail by December. All 32 will have been put in top running shape, and if properly maintained thereafter, they should perhaps give us another 15 years before we have to remanufacture those. So, that case up there has basically been solved. That was a case of deferred maintenance, but not to the terrible extent that existed on the North Jersey Coast.

ASSEMBLYMAN FORTUNATO: You had alluded to the Erie-Lackawanna Line, Commissioner. What is the progress of the electrification of the line? At what state is that?

COMMISSIONER GAMBACCINI: Are you interested in the extent of expenditures, or commitment to date, completion date?

ASSEMBLYMAN FORTUNATO: Progress, completion date is what I am interested in.

MR. ANDERSON: Mr. Chairman, we are well along with the final design on the reelectrification of the Erie-Lackawanna. We anticipate an in-service date, fully in service, on that line in the late fall or early winter of 1980.

ASSEMBLYMAN FORTUNATO: How about the North Jersey Coast Line?

MR. ANDERSON: The in-service date for the extension of electrification to Long Branch is 1982.

ASSEMBLYMAN FORTUNATO: 1982--and has there been any activity at all on that line?

MR. ANDERSON: Oh, yes. Here again, we are well along, the preliminary design work has been completed and we are now in the throes of final design, and construction contracts for the two projects will be going out for bid shortly. The first ones will be on the former Erie-Lackawanna.

While these completion dates seem very straight forward on the railroad side, unfortunately, we run the same kinds of hazards in trying to maintain a schedule that highway projects do. For example, we need permits from the Coast Guard, the Corps of Engineers, and we have problems with historic places. We run into all the kinds of incredible, administrative, and bureaucratic laws that were formerly not associated with railroad projects. So, while we are working very hard to maintain these completion dates, we stand the same kind of chance that the highway projects face, with environmental impact statements and all these kinds of incredible regulations that have to be satisfied, and there is a possibility that one of these may delay, any number of these kinds of considerations might delay these projects.

COMMISSIONER GAMBACCINI: Dick's last point is a fact of life. We don't complain about the fact that we must comply with a host of new requirements. It is a fact of life. These are legitimate interests that have to be accommodated, but they do add to the total lapsed time of completing a project. They are extremely complex issues. I do have in mind the publication of a regular kind of newsletter that would be a general kind of newsletter, a progress report on major projects of the Department. I hope to mount that, or at least develop the machinery for such an information program, this summer, and hopefully to implement it sometime in the fall--maybe a quarterly or some kind of newsletter or progress report on major projects.

ASSEMBLYMAN FORTUNATO: Has there been any indication that the delay of these projects has hurt our relationship with UMTA, or have they given any indication that further funding would be impaired in any way?



COMMISSIONER GAMBACCINI: I think it is fair to say that UMTA has indicated its displeasure with delays on projects in the past. We had an all-day session or much of a day's session last week with the top staff of UMTA. I think they have got to be, and are, impressed that we are getting solid managerial control over all aspects of the project. I would say that the issue of jeopardizing future funding has been mentioned in the past as a kind of veiled threat, but I don't think that is a serious factor at present. I think if there is any problem there it is a classic case of over-demand for limited cash at UMTA from across the country. Put another way, at a point, I think they will say, there is just so much money that can go to the State of New Jersey, and they will not really intrude themselves as to judgments about priority or what projects should have priority over which other projects. So, I don't think that will be or is a current serious problem.

ASSEMBLYMAN HARDWICK: Commissioner, you have touched on possible alternatives to Conrail.

COMMISSIONER GAMBACCINI: Yes.

ASSEMBLYMAN HARDWICK: Are you actively looking at alternatives now? Will you explain what they are, because one of our biggest frustrations on the committee is to know who is in charge?

COMMISSIONER GAMBACCINI: I think it is fair to say that--I mentioned among the problems of Conrail service and commuter service last winter was the deferred neglect or the deferred maintenance and neglect of really two or three decades--it goes back twenty or thirty years--through a succession of different management companies, and all of that obviously related to the lack of economic viability of the railroads, but I think there is a proper concern about the costs of operation and subsidy, and whether or not the entire operation can be done more efficiently and more sensitively and responsibly to public service needs than the Conrail operation. Conrail, itself, I think has gone through the throes of a massive reorganization following its establishment. Obviously, its primary mission was for profit in the freight operation. I think, personally, that they intended to give less priority to passenger service, but I detect a substantial improvement on Conrail's part in continuing the commuter service at a sensitive and responsive level. I am not satisfied or certain in my own mind that that should be the future operation after a year from now. Our current thinking is that we will continue with Conrail through the end of the fiscal year starting July 1, or up until July 1, 1979, during which time we will have completed alternative studies. The specific alternatives run the gamut. At this point, I am not in a position to say what are the most serious alternatives. We have had two meetings with the staff of the Port Authority.

ASSEMBLYMAN HARDWICK: Could you see the State directly running that?

COMMISSIONER GAMBACCINI: I was about to come to that. We are in the process right now of what the tasks and the specifics of the feasibility study are. The sorts of things that have obviously been discussed by various people are actual State takeover and operation; regional authority operation; a new management company; things of that sort. In Boston, for example, they have contracted with the Boston and Maine Railroad to take over the operation from Conrail for commuter services. Amtrak has been discussed as a possibility. Congressman Maguire has amended an Amtrak bill to permit Amtrak to actually contract for commuter rail operations. These are all possible. Another one that has been proposed from time to time is the Port Authority itself to become the management agent of the State. I don't have

any personal preference at this point. I say, let the chips fall where they may after due analysis.

ASSEMBLYMAN HARDWICK: Is the contract with Conrail up at the end of July? Is that a fiscal year?

COMMISSIONER GAMBACCINI: Yes, but we are proposing to extend it. The commuter operating agency authorized its extension.

ASSEMBLYMAN HARDWICK: How much do we pay Conrail?

MR. ANDERSON: For fiscal year 1979, we estimate 77.8 million dollars.

ASSEMBLYMAN HARDWICK: And that changes from the previous year by how much, any? Has it gone up?

MR. ANDERSON: Oh, yes, sure, substantially.

COMMISSIONER GAMBACCINI: While he is looking for that number, one of the alternatives, also, is to continue with Conrail into the future. But, before we would be in a position to recommend that, we have to satisfy ourselves more completely than I am at present that we are not paying an undue amount in overhead and that we are, in fact, getting a reasonable return per dollar invested in service delivered.

ASSEMBLYMAN HARDWICK: As you review the contract, are you nailing down whose responsibility it would be, for example, for safety aspects at both stations, and who is responsible for station maintenance? These are areas that in the past, prior to your coming into the administration, have been so fuzzy. Are these things explicitly reviewed?

COMMISSIONER GAMBACCINI: They most certainly are being explicitly reviewed. As a matter of fact, I just read over the weekend a review of proposals for station maintenance and station operation. We have gone through in general, really, major shifts in responsibility over the last eight or ten years, and admittedly there is a lot of ambiguity and a lot of looseness about the whole process. You have had bankruptcies, mergers, federal takeover, the role dumped, literally, on the State, to become much more involved in the actual management; and it is a time consuming job, it takes time, but I assure you that we are looking at that very closely. Do either of you want to add specifically to that question, as far as the safety aspect and the Conrail contract?

ASSEMBLYMAN HARDWICK: For example, in the survey that we did of 500 commuters, who took the time to respond to surveys, one of the most common complaints that they had was station cleanliness. Now, I am not sure who to complain to on that. For example, I have had some correspondence with your Department, after Conrail told me it wasn't their responsibility on safety of cars and doors that were opening without warning. These areas are still fuzzy about who is really responsible. I hope that when you set a new contract, that you can be as explicit as possible.

MR. ANDERSON: Yes. The contract will explicitly deal with the maintenance of stations. Again, we start off, in a contract with Conrail, with however many years of neglect of all those stations which existed from all the bankrupt carriers, and really, what is needed is not so much maintenance of those, although obviously that is true, but the first step is to bring them up to some kind of decent standard, and that is really a major capital investment, which goes beyond the contract for cleaning. As far as the safety of the cars go--

ASSEMBLYMAN HARDWICK: On that one point, Mr. Anderson, I am not really sure we are talking about the same thing, when we are talking about maintenance. Our surveys had people in Elizabeth talking about old pizzas being discarded and trash



and bottles and garbage in the waiting rooms, and really, all you need is a couple of strong arms and a few hours of sweeping to clean that up. That is not a major thing.

MR. ANDERSON: That will be covered by the contract.

ASSEMBLYMAN HARDWICK: That is the most common complaint, clothes getting dirty while waiting for a train. It sounds simple, unless it is your beige suit that gets dirty, and that is not a long-term investment area. It is just good management. Whose responsibility is that now, in your opinion?

MR. ANDERSON: Technically it is Conrail's under the contract. The procedures and the standards for cleaning, and so forth, will be clarified in a contract and in on-going discussions over the next couple of months between our staff and the staff of Conrail on specifically what is to be expected under the contract, and so forth. Yes, the contract does comprehend keeping the stations that Conrail owns or that the State owns in clean, decent shape and repaired, certainly. The answer to your earlier question was 68.3 million dollars, last year.

ASSEMBLYMAN HARDWICK: 68 to 78?

MR. ANDERSON: Yes, 68 to 78, ten million dollars.

ASSEMBLYMAN HARDWICK: Do you feel comfortable with the \$10,000,000 increase to Conrail after the kind of winter we have had and the complaints we have had? Do you feel comfortable with that?

MR. ANDERSON: In terms of the service of this winter?

ASSEMBLYMAN HARDWICK: Based on the service we received from Conrail, do you feel comfortable recommending a \$10,000,000 increase in our management fees, contract fees?

MR. ANDERSON: Yes. If I understood your question, do I think there is enough money to get the job done right? The answer to that question is, yes.

ASSEMBLYMAN HARDWICK: That wasn't the real question. Do you think we are paying too much for what we are getting?

COMMISSIONER GAMBACCINI: I think that the right answer to that question is that we don't know for certain, but to the best of our ability, with professional consulting help, with staff's best efforts--we think it is a reasonable increase. Most of that certainly is not management fees. It is reimbursement for actual expenses. That relates to your earlier question. If we direct them to improve maintenance of stations, or any maintenance, additional repairmen for locomotives, we pay for that, and it reflects itself in the increases. So, that is a constant negotiation or question of staff judgment on what is required in the way of maintenance or repair, and that is a direct expense to us, since it is a deficit operation. When I said, at the outset, that we really don't know for sure, we have, as I said earlier, a company formed out of the chaos of several bankrupt carriers, and in the course of the last two years all of that integration has occurred. I don't think anybody is in a position, really, to say for certain the extent to which technological change improved management, improved procedures, and can really give us a better return per dollar invested. That is what this feasibility study should determine. I have a concern that just because of the sheer size of the organization and the fact that they had to accommodate the pieces of several bankrupt carriers, that there may be more overhead there than is justified or needed. But, it isn't a simple task to accomplish. We need time to do some deliberate studies. We have just extended a consultant's agreement with Peabody and Associates. They have been very, very helpful to us in this kind of analysis and auditing

function. I don't mean to minimize it. It is a very complex thing. I don't mean to minimize the importance and thrust of your question; I feel it very deeply, and I assure you we are taking that responsibility very seriously.

ASSEMBLYMAN HARDWICK: The General Accounting Office issued a report, which you may be familiar with, earlier this year, in which they criticized, very severely, the lack of safety maintenance in the greater New York area by Conrail. It dealt primarily with New York State trains, but it is still by Conrail. I am concerned about safety on trains, and the door issue that we have had conversations on before. What kind of follow-up do we have for overseeing Conrail to see that they are following Federal regulations for inspection in safety, because according to the GAO, they are not? So, that worries me. Who is watching Conrail, if they are not fulfilling their responsibility? Who is watching them in the State?

COMMISSIONER GAMBACCINI: I believe the answer to that is that the prime responsibility, right now, rests with the PUC for railroad inspection. There is discussion of transferring that responsibility over to the Department of Transportation and we would be prepared to absorb that function. But, there is a Bureau of Railroad Safety Inspection in the PUC of the State. The broader point, though, I think, is that the physical things, of all types, have been allowed to deteriorate. From my experience with railroads over the last 16 years-- my own railroad for example--safety, in some respects, is an absolute thing, and in other respects, it is a relative thing. By that I mean, if a roadbed is in poor condition, you can maintain safety by progressive operating steps to reduce speed and to do other things. We are all saddled with several decades of neglect. I believe our professional operators and engineers have a high sense of responsibility not to permit unsafe operation. That is not to say that there aren't many horror stories and examples of worn ties and worn track and that sort of thing. We believe that the responsible railroad operators take into account those conditions in setting the restrictions on speed and so forth. Now that adds to the frustration on another count of delays in service or worse running time than used to exist thirty or forty or fifty years ago. But, we have a hardcore catch-up period of five to ten years hopefully--I mean, hopefully, not longer than that--if we get the adequate capital funding to raise everything up to a qualitative improvement in all facilities.

ASSEMBLYMAN HARDWICK: Towards the end of 1977--I am a commuter--I was coming, on the main line, into Rahway, on the new train, the Arrow, and as I approached the door, without any warning, the door opened, just opened, and passengers are often crowded--they are not supposed to ride out on the platforms, but they often have to because of crowding--and the conductor came by and I asked him, "Do the doors open without warning very often," and he said, "No, not too often; now and then they do, " and that caused me great concern, because passengers--and I have done it myself--lean against the doors. Now, this is a new train, and it appears to the eye to be in good working condition. When I approached Conrail on that, they said it wasn't their responsibility, and I had some correspondence with the Department of Transportation, and they checked out the particular car that I had cited, because I wrote the car number down when I got off the train, and they reported that they could not find a malfunctioning door. Now, I know that door--and they deny it--that door opened, I saw it, and if someone had been leaning against it, they would have been killed. Now, that kind of problem disturbs me for a lot of reasons, including the fact that it doesn't seem to be a problem of antiquated equipment, and also, nobody seemed to want to say, yes, that is my responsibility.



COMMISSIONER GAMBACCINI: Well, let me take them from the top. The question of accepting the responsibility: I don't think there is any question, but that it is Conrail's responsibility, since they operate the equipment. I think, in the furor of the last six or eight months, there has been a lot of buck passing and ducking in terms of who wants to take the rap for what kinds of issues. The basic question you raised though, again, in my experience, is always going to be with you. I hate to say that, but every single new system has had this kind of bizarre thing. It is not a frequent enough thing so that it gets headlines, or that it has been a major danger, but you are talking about extremely sophisticated equipment, and you can have an erratic electric charge that will never happen again, but just suddenly cause that kind of phenomenon. I think these things have to be kept in perspective. Public transportation, particularly service, is in a goldfish bowl with all the lights shining on it, particularly in the context of deteriorated service and equipment. So, everything gets instant massive publicity. I submit to you, if you look at the safety record, even as dismal as these physical properties are of the railroad commuter services or rail rapid transit, and compare it with any other transportation mode, aviation, automobile, bus, you name it, the rail record still is outstanding in terms of deaths and injuries to passengers. So, granted, these kinds of things that you cite do occur. Fortunately, they rarely result in any large numbers of deaths or injuries. They shouldn't happen, to the extent that they can be identified as to when they happen or how they happen, and they ought to be critiqued with all intensity by the professional staff to prevent any possibility of reoccurrence. But, they are going to happen, no matter how sophisticated the equipment is or how much effort, money, or time goes into the development or design of such equipment or such systems. It is especially true in the case of public transportation in the situation where you buy your equipment on low bid purchase basis. In the aerospace industry, they literally buy contracts on the basis of cost of materials and refinements and retrofits and go on interminably, with the contractor covered to pay for the cost to assure an almost absolute, reliable protection. In the case of the space program, there was no limit to cost in providing redundancy, back-up systems upon back-up systems. We can't afford that in public transit. We can barely afford the basic cost of the equipment without all that redundancy. So, it is a question of trade-offs. I don't, again, mean to minimize the seriousness of what you have described. I am saying, look at it in perspective. It's our burden and responsibility to try to avoid those things happening, and when they do happen, to attack them with all gusto, to make sure they don't happen again. But, there is no way of guaranteeing that kind of thing will not happen, at some point, on any and all equipment.

ASSEMBLYMAN HARDWICK: I guess one of the things that disturbed me about it is that it was reported back that conductors were not filing any reports indicating that anything had gone wrong in the first place; and if you have a malfunction or something else, if the reporting or follow-up system on that is not working, it would lead me to think that other reporting and follow-up systems are not working and a very serious incident could occur that way.

COMMISSIONER GAMBACCINI: I've had a lot of experience on that. I had several hundred conductors on my system. Some of them got tired of complaints or having to be faced with a passenger, and occasionally they would just be curt and abrupt and say, "they never listen to me anyway, why bother." I think, again, on balance it is

not usually a valid kind of charge, even though a grouchy conductor or anybody that has contact with the public might say something like that. If we can get the specific incident and time, this gives us the best possibility of tracking back and finding out exactly what happened. In my own experience, as I say, that charge frequently was made, and I would take each one seriously, and tracking back, I would find that our car equipment maintenance people had darn good records and good follow-up, when they had specific information to work from.

ASSEMBLYMAN FORTUNATO: Commissioner, to follow up Assemblyman Hardwick's questioning, are we paying Conrail any incentives?

COMMISSIONER GAMBACCINI: We aren't presently. We have been discussing-- it is included in the new contract, this coming fiscal year.

ASSEMBLYMAN FORTUNATO: It is possible we will be paying them?

COMMISSIONER GAMBACCINI: Yes, it is.

ASSEMBLYMAN FORTUNATO: Have we ever in the past?

COMMISSIONER GAMBACCINI: No.

ASSEMBLYMAN FORTUNATO: What would be the criteria for that?

COMMISSIONER GAMBACCINI: I will have Mr. Anderson amplify on the specifics. I have personal reservations about it. I am content, since so much work went into the development of this for this coming year, to give it a try, but I am not sure, in the long run, we would either want to renew it or whether it will fall by the wayside because we come up with a different institutional solution anyway. But, I will ask Mr. Anderson to amplify on the specifics of this one year contract and incentives.

MR. ANDERSON: The contract basically provides that the train arrival times--and an ontime train is said to be a train that arrives at its terminal point within five minutes of the schedule time---if the percentage is between 88½ and 91, 91½, there are neither incentives nor penalties paid. If it falls below 88½%, penalties start accruing, and if it goes above 91½%, incentives are to be paid.

ASSEMBLYMAN FORTUNATO: I see. What is the dollar amount of the incentive?

MR. ANDERSON: The maximum is about \$400,000 either way, annually, either in incentives or penalties.

ASSEMBLYMAN FORTUNATO: Now, to get back to Mr. Hardwick's question concerning the stations, Commissioner, it had been expressed by municipalities that they are interested in maintaining the stations, which are within their municipality. Has this been given any consideration?

COMMISSIONER GAMBACCINI: We are actively working on a proposal along these lines. In fact, members of our staff had a meeting with the Mayors' Association on Saturday to run through the data and the thinking about what might be a joint State-local station program, and apparently the majority of mayors are supportive to the idea, and we are in the throes of developing a final position on this. In all probability, by the end of summer or mid-September, the State will become the owner of over one hundred stations, as a part of this 900-day option takeover, and we should be prepared then to be concerned about the allocation of responsibility for maintenance and major rehabilitation of stations.

ASSEMBLYMAN FORTUNATO: I am sure you are aware of the projected short-fall of \$7,000,000?

COMMISSIONER GAMBACCINI: Yes, I am.

ASSEMBLYMAN FORTUNATO: Along the lines of the fare increase, which the DOT has proposed, do we expect any federal monies to come in to make up that slack

that now exists?

COMMISSIONER GAMBACCINI: The staff studies, which reflected the \$7,000,000 short-fall, assumed a high level of increased federal aid to the operating subsidy program. That is an extremely uncertain thing. Put another way, the \$7,000,000 is the minimum that has to be covered. It may be that even more than that \$7,000,000 will be required from State and local sources, if the federal level that we have estimated does materialize. In an early rendition of those data, we showed an expectation of \$18,000,000 in increased federal aid, over and above the past levels. In a more recent one at the Commuter Operating Agency, we showed what we think is, practically, the minimum, \$11,000,000 increased federal aid. Where the thing finally comes to rest will be the major indicator of how much of an additional short-fall, if any, we will have to make up. There is no way of divining that. We have to wait and see how that comes about. One reason I recommended the postponement was to have that piece, hopefully, locked in place, and every indication is that a federal bill will be enacted sometime this summer or before the October 1 date.

ASSEMBLYMAN FORTUNATO: Has the DOT ever considered the dedesignation of funds for highway projects?

COMMISSIONER GAMBACCINI: I would say, yes it has. In fact, at our instigation, DOT's instigation, a stretch of highway from the New Jersey Turnpike to the Lincoln Tunnel was designated, I-495, and that now becomes available to the State for other transportation purposes. We are in the process of reviewing alternative candidate projects to be supported by that sum of money. I believe about \$40,000,000 is involved. That is money previously allocated by the federal government for that stretch of highway that we can now divert either to other highway or public transportation. UMTA has been pressing us very hard to dedesignate highway monies and apply them to public transportation. There are other projects, as you know, of substantial dollar estimate, that have been snagged for years, and may or may not ever come to fruition, depending upon the extent of community opposition and environmental concerns. If it becomes clear that any of those cannot or should not be built, then there are other possibilities. We have that kind of review actively underway. To mention a few, I-287 is one that has caused tremendous concerns and opposition. I am getting myself steeped in the problems and the pros and cons of that highway. I am rambling a bit, but I think it is important to make the point. On the one hand, if you look at a map, you will see that I-287 is a system of connecting links, except for that one link. So, there is a certain justification for completing it. On the other hand, the difficulty of finding a route that has broad consensus that does not seriously interfere with major environmental concerns has been the elusive problem. So, if for any reason either there is a final decision that it can't be built or upon review the Governor concludes that it shouldn't be built, that might be a candidate. I make no prejudgements on that. I think that has to be an objective review of all the factors that are out there.

ASSEMBLYMAN FORTUNATO: Have you considered I-295, at this point?

COMMISSIONER GAMBACCINI: Well that is another candidate. Well, there are several: I-295; I-95; I-287; I-78. They are the most publicized missing links in the Interstate system. They really have high visibility because they have been so politically and community sensitive, but they are also very expensive projects. All have to go through the same kind of review, whether we choose to or not, simply to complete the planning and the position of the State with regard to the Federal



Highway Administration.

ASSEMBLYMAN FORTUNATO: In the possible dedesignation of highway monies to be used for rails, the rolling stock that we now have, has that been given any consideration?

COMMISSIONER GAMBACCINI: What about rolling stock?

ASSEMBLYMAN FORTUNATO: We have an excess of cars.

COMMISSIONER GAMBACCINI: That is only in anticipation of the completion of the electrification. When the electrification projects are completed, we will not have an excess of rail rolling stock. We will actually be short. These are, in effect, in a bank. The Department chose to purchase them, knowing full well that they could not put them in service, because the price was very, very right. When you consider both escalation and the opportunity of the purchase at that price, it was a tremendous saving. It's a bit frustrating, if not embarrassing to have all this new equipment in a yard not available for service, when passengers are riding in old equipment, but that was the nature of the tough decision that had to be made at that point to buy the cars, knowing they couldn't be put in service when they were delivered. I hope, and I don't know if there is any basis for optimism, but I hope personally to get into it very intensively to see if the schedule can't be improved on both electrification projects to provide relief sooner to the passenger. But, the answer to your basic question is, there is no excess rolling stock. All of it is needed, and then some. In fact, we have to go and buy on the order of 50 to 70 new cars for the Jersey Central Railroad upgrade.

ASSEMBLYMAN HARDWICK: I just want to conclude by saying that Conrail officials are to testify this morning. I don't know how your schedules are. I personally would appreciate it if any of you could stay, in case we get into one of those deals where Conrail disagrees with something or if we have to maybe have both of you sit down beside each other.

COMMISSIONER GAMBACCINI: I am prepared to stay for a while, as long as I can, but I am sure that one or both of my staff aides will stay for the entire duration.

ASSEMBLYMAN HARDWICK: Our thanks for coming.

COMMISSIONER GAMBACCINI: Not at all, thank you.

ASSEMBLYMAN FORTUNATO: Commissioner, one more question, if I may, the storage of the excess that we have, what is this costing us now? Do you have any figures on that?

MR. ANDERSON: Nothing at the moment.

ASSEMBLYMAN FORTUNATO: And they are sitting outdoors?

MR. ANDERSON: Yes.

ASSEMBLYMAN FORTUNATO: Is there any damage to these cars?

MR. ANDERSON: If they were to sit for two years without being electrified, yes, there would be some harm. What we are planning on doing and what is being done is that they are all being rotated into service on the Northeast Corridor Line so that while we have to run 137 cars in the set in order to maintain the service, they are not the same 137 cars. We are going to recycle all the cars through there, so they all get their exercise and hopefully discover any bugs and maintain the running equipment in good shape. We have also leased, on a short term, as you may be aware, seventy of the older series of cars--those are called the Arrow II--to Amtrak in the interim, and that is for the same reason. That will just give us seventy cars that will be maintained well and will be operated and also we can

earn a little income on that, which we can use to make changes on the other cars.

ASSEMBLYMAN FORTUNATO: Commissioner, thank you. We appreciate you taking time out to come before the committee.

COMMISSIONER GAMBACCINI: Mr. Chairman, it was our pleasure, and I really welcome these kinds of opportunities and look forward to them, hopefully, in the future, because I think it is important that you understand that we are working diligently in these areas, and that we, in fact, be pressed to produce progress reports and data. Would you like me to submit, for the record, a recap on the items on the near-term program that I was mentioning earlier?

ASSEMBLYMAN FORTUNATO: Yes. I would greatly appreciate that. Thank you again.

I would like to ask for a two or three minute break, while we discuss a few items. We will give the stenographer a break on her fingers.

(at which time a recess was taken)

ASSEMBLYMAN FORTUNATO: I would like to call on Mr. Wogan, who is the Superintendent of Operations for Passengers for Conrail. Mr. Wogan, first of all, I would like to thank you for coming this morning, and before we get into asking questions, I wonder if you might have a statement that you would like to make, before we settle into the questioning.

C . E . . W O G A N : I do have a statement, Mr. Chairman, and I thank you for allowing me to present it. Some of the remarks that I have I think have been pretty well presented by the Commissioner. I will try to eliminate any that were duplicated in any of the things that were brought out in my presentation, which he has already said.

I think all of you are aware that Conrail was created by Congress from six former bankrupt railroads and started officially in operation on April 1, 1976. This was the largest corporation merger in history, involving close to 100,000 employees. Part of the arrangements by law deeded the passenger equipment of the former carriers to various transportation bodies and in this particular case to the New Jersey Department of Transportation. In addition, some line segments and terminals were deeded to the State with further options to purchase others, if they so desired.

Conrail began passenger service by assuming the contract between the DOT and the former Erie Lackawanna and by operating the same service on the former Penn Central and CNJ as had been in place, without a contract, pending development of a contract. Incidentally, we are still working on that basis, with the contract expected to be signed this month. Under the law, as set up by Congress, Conrail must operate the various commuter services. Many people seem to derive from this that Conrail does not want the commuter service and in fact has been trying hard to get rid of it. This is not true. Conrail, in the 5 year business plan, calls for such operation and our policy is that we want to operate as good a service as possible, as long as we are fully compensated for it. The new contract, we believe, will fill this need and under its terms we will operate the service DOT desires and with the equipment provided by DOT. When Conrail started on April 1, 1976, the Managers (who came primarily from the former carriers) found themselves with a battle plan outlined by the USRA. Some things developed that presented

problems from the start. Most of the equipment inherited by the DOT, for the operation, was antiquated, to say the least.

In addition, this problem was further complicated by the fact that the former Trustees of each of the properties had cut their inventories of everything from locomotive parts to toilet paper, light bulbs, etc. to the bare bones. Our operation was plagued by this lack of supplies for better than six months while inventories were restocked and ordering methods put into effect.

On-time performance seemed to be making some headway following the inventory problems, but then it was staggered by the roughest two winters in succession in this century.

The old equipment and some facilities simply were not in condition for such weather. Much of the so-called "passing the buck" between the DOT and Conrail, which was so widely written in the news media, if there was any "buck passing", was in arriving at an understanding of responsibility.

We began looking at this situation at the beginning of the fall of 1976 and in the spring of 1977 we began presenting a series of recommendations to the DOT, including rolling stock and stations, things that we thought would have to be done and would have to be funded. We presented these books showing pictures of each station, each piece of rolling stock that we had in the program. To some extent, these equipment problems that we inherited were further aggravated when the DOT elected to buy a number of coaches from the Penn Central Railroad Trustees, which had to be further up-graded when they were put into being. That is not the fault of the DOT for that purchase whatsoever, but the fact is that we had equipment that already had to be repaired and they purchased this with the thought in mind that DOT would have us do this up-grading. We explained to the DOT that we simply did not have the facility nor the people in place at that time to do that type of program with the backlog that we already had and I think that is where some of the mishmash that got into the press as to our disagreements came about. Basically, we resolved those problems, and I think that the coach problem, they have contracted that out so that the coaches are now coming into being as being repaired. Four of them have been repaired--two by ourselves and two by General Electric--but the big share of them are still to be repaired. They will start coming in to us about next month. The program that we have now calls for a five year program so that future up-grading of any of the equipment that we have will be done on the property by Conrail, in the shops, once it is approved by the State, and I believe that they are taking that same position that they would rather have us do that than contract it out. That five year program will be presented to the State within the next month.

Locomotives have been, by far, the largest problem, as I am sure everyone is aware. Second to those would be the old MU cars on the former Erie Lackawanna. Those cars go back into the early twenties and thirties and simply could not make it through the winter with the type of equipment that they have, as far as the heavy snows and so forth accumulating on the electric engines. Most of the equipment problems, however, of those types have been worked out, as mentioned by Commissioner Gambaccini. The GEU-34 locomotives that are used in the Erie Lackawanna operation have been started through the reconditioning program and six of them have now been rebuilt and are back in service. The other twenty-six will be finished by December. So far, the six that have come out of the shop and are back in service



have been operating without failures. The E-8 locomotives that the Commissioner mentioned on the Long Branch Railroad--we had recommended to the State, prior to Mr. Gambaccini coming into office, that this be done and we suggested that they do this with the I.C. Industries in Paducah, Kentucky. That has been done and we have received one of those locomotives back; the trial unit was put through the General Electric shop; and that also is in service; and the next locomotive will be arriving next week. So, we feel those kinds of situations are pretty well behind us and the planning that took so long to get in place is now further along and we hope these kinds of programs can be followed up on.

We expect to present to the DOT, within two months, a program, also, for a five year program for locomotive maintenance, in which we would keep in force the people that they have already authorized for the U-34 program. We would continue those people on, on a continuing maintenance program of locomotives, so that we would not again be in the kind of shape that we were when we came into Conrail.

When these programs are completed, we believe the commuters will have much better equipment, and Conrail can provide a much better on-time performance.

We also understand, as Mr. Gambaccini mentioned, that the State is now considering ordering new equipment for the former CNJ Main Line, and we have discussed that, to some extent, with the State, and we think that is a good program to follow. The track on all lines has been heavily up-graded since the start of Conrail. We have probably put in more ties and reconditioned more rail, placed more welded rail in, than they had in fifteen or twenty years prior to Conrail. This all takes time, however, and we have much more to do. We have a big program ahead of us, and all of our programs are submitted to the DOT for their final blessing before we go ahead and do them.

I think the commuters on the Long Branch Line have probably been harder pressed than anyone. They have had more problems down there, as we all know. But, I think if you look at the recent overhaul of the Manasquan River Bridge, you can have some understanding of the fine cooperation that now is displayed between the DOT and Conrail. That bridge was contracted out to outside contractors, but it did require that we completely revamp the whole operation on the Long Branch, and we built three new yards to store the equipment overnight, worked out a system with bus transportation to haul the people from the area below the bridge, when the bridge was out of service; and I think that the DOT would agree with us that the bulk of the people on that line were taken care of through that month long period without many disruptions in service.

The electrification projects that were mentioned by Mr. Gambaccini seem to be going on very slowly, but this all requires a lot of engineering work, background, before these things can be put into place. This, as you know, is probably handled by a contractor, Gibbs & Hill, on the Erie Lackawanna and that program was started sometime before the Long Branch. They both seem to be running neck and neck now. Holes have been test bored on both of the lines in the areas where the electrification is going to take place and as they indicated in the DOT contracts, are about ready to go into place.

The last thing that I would have to say is that at the request and instigation of the DOT, we have gone through a change in our method of operation, if you will, of the passenger operation, in that our entire organization was pretty well handled through Philadelphia System Headquarters up until the latter part of April, when,

at the instigation of the DOT, we went about a change in our procedures and systems so that we are now handling more of the procedures through our Newark-Atlantic Region Headquarters under the General Manager, Mr. Swanson. I think this a step that will help them and it will help us to control, more closely, some of the things that are going on. We have given them plans for a communications center--this was also mentioned--and we meet Thursday with the Bell Telephone people to hopefully finalize the recommendation for the second part of that communication center. The first part, we have already ordered equipment for and hopefully that will be in place sometime in August. The latter part will be a part that we are able to announce to all stations on the Long Branch, both parking areas and station waiting rooms, any train delays, so that the people who are either going to work or the wives that are waiting for their husbands will have some idea when delays do occur.

Lastly, I would like to say that from Conrail's standpoint, we think the selection of Mr. Gambaccini will go a long way in helping to solve some of the problems that have been long overdue to be solved in this industry.

I will now try to answer any questions you may have, Mr. Chairman.

ASSEMBLYMAN FORTUNATO: Thank you, and I appreciate what you had to say. How much revenue does Conrail realize through its commuter operation, now, Mr. Wogan?

MR. WOGAN: Well, the commuter operation is on a break-even proposition. We take in the ticket revenue and we have to provide the DOT with an estimate of cost each year. They have to approve our budget before it goes into effect, and then, they have to make up the difference between the revenues and the actual cost. There is no profit to Conrail in this operation.

ASSEMBLYMAN FORTUNATO: What is New Jersey's contribution to this, or where does New Jersey fit into the balance sheet of Conrail?

MR. WOGAN: Well, the total cost of the operation runs just a little over \$100,000,000 for the New Jersey commuter operation, of which about 50% comes from ticket revenues. Now, that has been escalating upwards, as everything else has. The figures I am talking about are the last year that was audited, which was, I believe, 1976. The figures are over \$100,000,000 now; but, about 50% of any given year comes from ticket sales, and the remainder has to be made up by the State of New Jersey.

ASSEMBLYMAN FORTUNATO: I notice in your opening statement you covered just about everything, everything but the inspection of the rails, and if I may, the F.R.A. regulations establish a frequency of inspection for the track, the switches, and the rails. If I might quote from this, the regulations state, "all track must be inspected twice weekly by walking or riding over the track in a vehicle at a speed that allows the inspector to visually inspect the structure for compliance with standards; and the track elements to be inspected include roadbed, and the areas adjacent to it, the alignment, the gauge, the service of the track, the cross-ties, the fittings, and the physical condition of the rails"; and the regulations indicate that the switches are to be inspected at least once a month on foot. Now, my question is, could Conrail provide the committee with a written record of these inspections, or a portion of the record, and is Conrail maintaining such a schedule?

MR. WOGAN: To the best of my knowledge, Conrail is complying with all of the F.R.A. commitments. As far as written records, I will see what written records we can provide you with. I am certain we can come up with most of those items.

ASSEMBLYMAN FORTUNATO: The reason I ask that question is because, in the three public hearings that the sub-committee held, the question of the condition of

the rails, and the ties and roadbed was raised, and it led the committee to walk, physically walk, the rail lines, and it was a tremendous lift to my ego, when I could pull a spike out of the railbed, out of the tie; and I saw discarded railroad ties two feet, three feet from the line, and I thought that was inviting problems with vandalism. I just question the safety, and if, in fact, Conrail is really inspecting the lines.

MR. WOGAN: Well, we certainly are, and as far as the tie butts lying along the tracks, when you are going into as heavy a program as we are, in renewing the welded rail and putting in ties, it does take quite a bit of follow-up time to pick up the tie butts after. Picking up the tie butts is the least of the problems, and we are doing it, but it comes last, not first.

ASSEMBLYMAN FORTUNATO: Well, I don't think it is the least of the problem, when it could lead to a derailment. Again, I ask and wonder if Conrail is, in fact, walking the lines and complying with the F.R.A. regulations.

MR. WOGAN: Yes, we are.

ASSEMBLYMAN FORTUNATO: Assemblyman Hardwick?

ASSEMBLYMAN HARDWICK: Good morning, Mr. Wogan. Mr. Wogan, do you agree with what the DOT official said, that Conrail has the responsibility and you are the ones to be held accountable for station maintenance, car maintenance, ticketing purchases scheduling, commuter communications? Do you accept that responsibility?

MR. WOGAN: I accept the responsibility for the operation and safety of the railroad. In this situation, we are contracted for by the State; the State sets the level of service; they set the pricing of the service; they set the final budget that we are allowed to spend on all these items. Within those restrictions, yes, it is our province to take care of the operations and safety of the railroad, including the cleanliness of the stations that was mentioned a while ago.

ASSEMBLYMAN HARDWICK: Then, specifically, I have some questions that came about as a result of the surveys that we did of commuters. I would add, for your information, it was, I thought, a remarkable response. We distributed 1500 surveys at stations, and in order for an individual to get the survey back, they had to complete it, and then put it in an envelope, address it, put their own stamp on it, and mail it back to us. So, you don't expect the percent response to be especially high. A third of them came back, which I found to be remarkable, and nearly half of those, the people responded on the back, writing their own letters and notes and their own experiences of the winter. I don't know if you have done comparable surveys. I would be more than happy to give this whole stack to you, or to your designee, if they would read it.

MR. WOGAN: We would be glad to have them, and see what we can do to correct the situation.

ASSEMBLYMAN HARDWICK: There are a few specific observations that came out of that: Number 1, let me give you the good news, the train employees, principally the conductors, received an overwhelmingly excellent or good response from the riders for being courteous, for being in a position of trying to cope the best they can with the bad problem, and I think they should be commended for that. But, there are a few specific questions. Putting behind us any discussion about new equipment, because you can't be held accountable for forty year-old equipment, I understand that, but the thing that disturbs me, there is a wide range of things that are



within your management control, and would likely repeat themselves, even if you had new equipment. Let me go into some of those. One of them is simply car cleanliness and car maintenance, not of a major repair nature, but one woman sent me a dirty rag that she had carried to wipe the seats off, to keep from getting her clothes dirty. Now, that leads me to believe that whatever program you have in operation for car cleanliness is inadequate. Have you, personally, ever ridden what is now called the Bayonne Scoot or Shuttle?

MR. WOGAN: Yes, I have.

ASSEMBLYMAN HARDWICK: I don't know what your experience was, but I rode that a few months back because I wanted to get a look at the bridge that the DOT wants to tear down, and I am not exaggerating when I say that I could not see the bridge out of the window. The train was literally too dirty to see out of the windows. Would you mind commenting on what standards of cleanliness you follow on train cars?

MR. WOGAN: Well, you picked one line whose cars have a harder time getting programmed in through our wash rack at Harrison, than any of the others, because of the fact that those cars operate back and forth on a line that is isolated from Harrison during the normal course of its run. Those cars are programmed to come into Harrison once a week, for cleaning through the cleaning rack. Daily, they receive a cleaning at Raritan or Elizabeth. It is probably not to the extent that other lines are, and we will certainly look at that to see if we can improve that.

ASSEMBLYMAN HARDWICK: Well, I think they are going to discontinue that train, and I think one of the reasons for that is the drop in ridership, and I think one of the reasons for the drop in ridership is that the train is so filthy. I don't blame people. I wouldn't ride the train either. If you say it is programmed once a week, how often do you think it is making it into Harrison?

MR. WOGAN: Once a week on the program. The wash racks are not in operation during the winter because they are outside, and like any other item that has running water, you can't operate them during the wintertime.

ASSEMBLYMAN HARDWICK: So, you don't clean the outside of any of the windows during the wintertime?

MR. WOGAN: It is a hard proposition in the wintertime to do that outside with running water. If we have some good days, some warm days, we do; we run them through the wash rack.

ASSEMBLYMAN HARDWICK: You don't have an indoor facility?

MR. WOGAN: No, sir, we do not.

ASSEMBLYMAN HARDWICK: Are you satisfied, in general, that the cars are kept clean enough for commuters?

MR. WOGAN: I'm satisfied that the cars are much cleaner than they were when we started this program to upgrade the equipment and to work on this cleanliness program. I am not satisfied that the cars are as clean as they should be. Some of the cars about which we have heard from people who are complaining about the dirty seats, however, are cars that go back into the 1920's and 1930's, where in order to get ventilation, you have to open the window to get air. You can't operate through the areas where we operate trains with open windows and not accumulate dirt each and every day. Our cleaning program for cars is either at the home terminal at Sunnyside during the day, or at Harrison during the day. We give the cars a thorough cleaning while the people are about their day's business. When they go back at night, the cars are pretty well clean. But, at night, when they go to their final terminal, and tie up overnight for the people to start out the next morning,

we have a small force at each of the outlying terminals that does more or less of a dusting or a wet mop program on the floors, pick up the debris that has accumulated. We do not have the force or the facilities at any of our outlying terminals and never have had. This is something we are discussing with the DOT to see whether or not it is desirable to upgrade this type of facility. We are working on a program in Bayhead, for example, to put in a new wash rack and put in facilities down there to do some of these things. It has never been done before, and we think maybe this is the time to start something like that. However, it all takes money.

ASSEMBLYMAN HARDWICK: Let me ask something that I don't think takes money at all. A very common complaint on the CNJ line, which runs through my district, is that at 7:25 at night, after the 7:25 train, the next train is at 8:25, commuters connecting from Penn Station out of New York get the 7:05 train and they can make that connection, but if that train runs late, which it can do, they often see the CNJ train pulling out, while several hundred commuters are on their way to make that connection. Thus, they have to wait a whole hour before the next train comes. Couldn't there be some way for the CNJ train to be held for five minutes? It's just one hand knowing what the other one is doing. There a lot of commuters coming who want to make that connection, and couldn't this be done so they don't have to stand in the drafty, dirty Penn Station in Newark? Isn't that a reasonable thing that wouldn't take any money at all?

MR. WOGAN: That's right. It doesn't take money, it takes scheduling.

ASSEMBLYMAN HARDWICK: Would you look into that, as a procedure, if a train is coming out of Penn Station in New York on the hour when they are making a particular connection, it is okay to wait a few minutes, we are not trying to be unreasonable, but where they have to wait a whole hour--

MR. WOGAN: We have certain trains--we have an understanding with the DOT--that we will hold for such connections for five minutes, up to five minutes, and we try to do that on all those designated trains. Those are the types of trains that we want to hold. If the one that you are talking about is not one of those, we will see that it gets into that category.

ASSEMBLYMAN HARDWICK: I know they wouldn't count that against you for on-time performance, if that would be a concern.

MR. WOGAN: Well, it goes into the statistics as a late train.

ASSEMBLYMAN HARDWICK: Well, it shouldn't.

MR. WOGAN: It does not count against penalties, but as far as an on-time operation, it does go into the on-time operation. In the new contract that we are working on, it will not be in the category of a train that we would be penalized for as far as dollars. It, nevertheless, would go into the category of a train that would be late.

ASSEMBLYMAN HARDWICK: I hope it would be appropriately noted in a footnote, because I would be happy to see that you are increasing your service by holding the train for a few minutes.

Now, let me ask you about a small thing, and sometimes it is the small things that exasperate commuters. A very common complaint we had was the hassle in buying a monthly ticket. What type of identification do you require for someone to write a check to Conrail to buy their monthly ticket?

MR. WOGAN: Well, I think the hassle we had over that particular procedure is behind us. We had instructions from Systems Headquarters that required two types of identification. That was company policy, because they had received so many rubber

checks. Because of so many demands and so many problems with that, we have backed down on that, so that the agents have some leeway in allowing people to purchase tickets with one type of identification, where the agent sees the same people over and over each month. That, I think, was backing some of the lines up, understandably. Where an agent deals with people month in and month out, it certainly does not require that type of identification. We work with Systems Headquarters and that policy has been eased, so I don't think you will find that type of problem anymore.

ASSEMBLYMAN HARDWICK: When was that changed? Because, in Penn Station in New York, a couple of weeks ago, they were still requiring and taking detailed information; and I understand the bad check phenomenon, but would you consider doing what many retail stores have done and simply let them fill out one credit application or something and give them a check cashing card?

MR. WOGAN: We have a program very similar to what you are talking about, where we have tickets mailed out to these people monthly. They fill out a regular credit card and they receive their ticket ahead of time each month, together with a bill, the same as you receive a gas bill or electric bill. We have something like 5000 commuters, who are now taking advantage of that kind of service. As far as we are concerned, we are trying to push that, because we think that is a good way for the commuter to buy his ticket and we think it is a good way for us to receive the monies.

ASSEMBLYMAN HARDWICK: And you are now promoting that?

MR. WOGAN: We have been promoting that. We had two types of systems, one on the EL, and one on the Penn Central. We are working now to try to combine that system. There are some small differences in that. We are working with the State to finalize the situation where that would be one and the same type of situation.

ASSEMBLYMAN HARDWICK: What prompted your recent change of policy, to require continuous display of a monthly ticket on the seats?

MR. WOGAN: Well, I think if you had read the instructions that came out with that to the public and everyone--

ASSEMBLYMAN HARDWICK: How did the instructions come out? I didn't see them.

MR. WOGAN: Well, we put out instructions in all the cars. We posted them at all the stations. It was put out in the news releases, in the various news media. But, aside from that, it was a decision that was given to us by the DOT, which we helped work out with the DOT, but it basically was based on the fact that on the former Erie Lackawanna they had this type of system in effect, they have it in effect on other railroads, and it has proven to be a time saver, as far as picking up tickets. It is something that has worked out very well over the years, and it was thought that it would work out very well on the rest of the railroads in this area.

ASSEMBLYMAN HARDWICK: Will you be able to use fewer conductors? Because the problem with the--

MR. WOGAN: I can only say that on the former Erie Lackawanna that was one of the end results, that instead of having to stop and punch a ticket and talk to each commuter, a conductor could walk down the aisle and see at a moments glance the tickets. No such cutbacks have been made, to this point, on this type of ticketing arrangement so far.

ASSEMBLYMAN HARDWICK: What is your reaction to the criticism of stations that are not being maintained to a standard of cleanliness that the public should expect? Do you think that is an unfair accusation, or how do you feel about that?

MR. WOGAN: I don't know that it is an unfair exception to the public. Certainly, they must see the stations to make the complaint. I do think there are a lot of things that enter into that, however. Some of these stations--it's like if you live in an old house versus a new house--some of these things are a lot harder to maintain. Some of these stations go back before the turn of the century--there are wooden floors, pot bellied stoves, and boards that are rotted, and this type of thing. It is hard to keep those kinds of places clean. We have a regular janitorial service assigned and normally they hit about five stations with one group, and they are all assigned various stations. But, when you clean a station and leave a station, and then, someone comes in and dirties it up, you can't expect it to be clean. There simply is not that kind of a budget to allow a janitor to remain at each of the stations where people buy tickets. Many of these stations are in areas where people come in to wine and dine at night. They are very hard to police, not only from the clean-up standpoint, but standpoints of people leaving their debris, their garbage, what have you, and we have a limited janitorial force, and we are working hard at keeping the stations clean, but it is something that is going to continually keep the pressure on. I think we have a program--the State mentioned that they are working on this, and I know they have a committee working on a long-term station program. We have prepared a booklet of all the stations, with color photographs, and gave recommendations of things that we thought should be done to the stations to upgrade them. We are about to present them with a five year plan on so many stations each year that would have to be upgraded in order to keep them looking presentable. We hope between our proposal and what they are working out, that we will come up with something that will make these stations better. As Commissioner Gambaccini mentioned, the State is anticipating taking over all of the stations under the 900 day option, and leasing them out to the cities. It is a program that the railroads have followed for a number of years. A large number of the stations are already owned, or leased, or under some arrangement with the cities, and banks, etc.

ASSEMBLYMAN HARDWICK: Do you support that?

MR. WOGAN: We have done that for a number of years, wherever we could, and those kinds of stations normally stay in a much better condition. Now, if the State is successful in their program, and in fact is able to wield a heavier club, and get cities to go along with these things, I think you will see a large improvement in the condition of the stations.

ASSEMBLYMAN HARDWICK: You touched on better communications with the commuters themselves, concerning train schedules and times. Do you have a policy, when a train is stalled, on informing the riders? Do you tell the conductors, one way or another, whether they are supposed to inform the riders?

MR. WOGAN: That is a responsibility of the conductors. They are supposed to inform the riders of what is going on. On the other hand, you have to understand, also, that the large bulk of our equipment does not have any kind of communication facilities. The new equipment does, and I think you find on those types of trains, the new MU equipment where we have speakers through all the cars, that the people are better informed. That is not to say that they are on every occasion. Sometimes, we can't get through on the radio to inform the crew of what might be ahead that is causing the problem. Sometimes, they don't know. But, as soon as the crew knows, they are instructed to advise the people of what is going on. We keep campaigning to get that program through. That is a hard thing to accomplish, in some ways, but we are working on it.



ASSEMBLYMAN HARDWICK: Why couldn't you get through on a radio? Suppose you had a very urgent message to give to the engineer?

MR. WOGAN: Sometimes, the radios don't work. Sometimes, you are in areas where the radios can't work. There are certain areas in which a radio simply will not work. As strange as it might seem, you can't contact them with a radio. You can hit them in one spot, and go a mile down the track, and the radio will not receive. These things are a fact of life and they happen. But, we do not have radios on all of our engines; we do not have radios on all of our cars. We are replacing more radios, putting more into the engines, and hopefully, that will be completed soon.

ASSEMBLYMAN HARDWICK: As a commuter, I have been particularly annoyed, at times, to get on a train at Penn Station, in New York, and have it move out and stop, and sit there for an awfully long time. Now, if I had known ahead of time that the train was going to be late, I could have either made plans, taken another way of transportation, called home and said, "don't put the roast on because I'm going to be late." There must be a way to inform people better, before they get on, if you expect delays. The train will leave the station on time, but, sometimes, it will sit between the station and the tunnel, and just sit in the trackyards. Why is that?

MR. WOGAN: I don't mean to pass the buck--I think someone made the charge before that there is a lot of buck passing--but, once we come onto the Amtrak quarter, Amtrak management handles those kinds of things for us. Now, we have a cadre of supervision in Penn Station, who work closely with Amtrak; but the actual announcements, this type of thing, those come from Amtrak, both in Penn Station, in New York, and Penn Station, in Newark. They handle commuter operations: Station announcements, gate loadings, this type of thing in that area. The train crews are ours. The dispatchers in those areas belong to Amtrak, until you get down on the trains going to Long Branch, when they branch off just south of Rahway. Those trains going to Trenton are under their dispatchers the whole way to Trenton. We have a certain amount of control and it is up to us to police Amtrak to see that this is done and if we receive complaints on it, we go after Amtrak to see that they do properly announce situations to the people to try to keep them apprised of what is going on.

ASSEMBLYMAN HARDWICK: If there are two trains that need to go to the same tracks at the same time, which one gets priority?

MR. WOGAN: Well, I think it depends on whether it is a local stop, or whether they are both through trains. If they are both through trains, I would say, probably, the Amtrak long distance train would probably get the priority.

ASSEMBLYMAN HARDWICK: I was really referring to two Conrail trains. One is pulling freight and one is pulling passengers.

MR. WOGAN: The passenger train gets preference.

ASSEMBLYMAN HARDWICK: The passenger train gets preference? Is that policy? You don't sidetrack passenger trains to let freight trains pass?

MR. WOGAN: I don't know where that happens.

ASSEMBLYMAN HARDWICK: But, that is not your policy? That would be a violation of Conrail policy?

MR. WOGAN: Our policy is that first-class trains get preference, first class trains being passenger trains. There are times when a freight train might be programmed out ahead of a passenger train, and it breaks down, and it might be a judgement

decision, where one might say that someone didn't allow enough time for the freight train to operate through there. But, our policy is that first class trains get preference.

ASSEMBLYMAN HARDWICK: Now, Assemblyman Fortunato talked about safety and he also talked about track inspections and some of the federal regulations. Are you familiar with this report that was just released by the General Accounting Office? The title is Commuter Railroad Safety Activities on Conrail's Lines to New York Should Be Improved.

MR. WOGAN: No, I have not seen it.

ASSEMBLYMAN HARDWICK: You have not seen this report? Well, I won't go through the whole report, but the point is, it says, just to highlight it, "Conrail's commuter railroad inspectors had failed to: one, inspect track and switches at required intervals; two, conduct follow-up inspections; three, correct deficiencies noted." Now, an arm of the U.S. government is making that charge. I asked the DOT what assurances we had that you were following federal regulations for safety in New Jersey, and they said that was the PUC's responsibility to see that you did that. It makes me feel very uncomfortable to get this type of a federal report, and then, not be able to--it is like trying to nail Jello on the wall. I can't get ahold of assurances that the proper safety procedures are being followed by Conrail in New Jersey.

MR. WOGAN: Well, as far as I am concerned, we are operating a safe passenger operation. I think that the Commissioner pointed out that the very, very small number of injuries, derailments, etc., situations attributable to rail traffic, are very minimal compared to other forms of transportation. What they have found in their report, what they have indicated, I am not aware of. If there are things in their report that need to be corrected, we will certainly do it. We have our own people inspecting the track. We have our own people building the track. The PUC is out inspecting the track. If these people from the government have come up with something that they have found, we will be glad to take care of it.

ASSEMBLYMAN HARDWICK: That is about all I have. Thank you very much.

ASSEMBLYMAN FORTUNATO: Mr. Wogan, I had indicated earlier--I am not sure whether you had answered me--about the inspection reports. Could they be made available to the Committee?

MR. WOGAN: I will be glad to see that you get copies of our inspection reports.

ASSEMBLYMAN FORTUNATO: I don't think Mr. Hardwick asked you this question. What is your feeling of the incentive program that has been offered to Conrail?

MR. WOGAN: Well, that is a little bit hard to answer. I think there is probably some merit to a program like that, but I feel that our team of managers is trying to run the operation as best they can, and I really don't feel that the incentive is going to mean anything, as far as getting the job done. It could have that effect, but I think we are all striving to get in that 95%, 96% category, 100%, if possible. On the other hand, there are a lot of things that do happen, acts of God, these types of things, that contribute to delays of trains that the commuters, over a period of time, tend to forget, and they see that percentage of on-time operation lowered and they say we operate a lousy service. I think those kinds of things, if we get penalized for those kinds of things, then it is not going to come up with the kind of situation we want. We certainly want to run an on-time service.

We think we are doing better than the railroads did before us. There are a lot of reasons for that. We are getting better track, better things to work with. I don't know. The incentive plan is something that has been suggested as a tool to help us improve things, and like Mr. Gambaccini said, for the one year, we can see how it works out.

ASSEMBLYMAN FORTUNATO: Is it true that under the present system there is no reason for Conrail, really, to run a better service, to offer a better service, other than personal pride?

MR. WOGAN: Not to my way of thinking. Maybe I am strange, but it seems to me that Conrail has a chance to make a name for itself by running an on-time performance. On the other hand, you can destroy a hell of a lot of good name, if you don't. Conrail is a young creature yet, we have a lot of problems in our freight service and we have a lot of problems in our passenger service. If we can improve our image by running an on-time service, I would certainly think that that is worth more than the money. The people who ride our trains to and from New York, by and large, are the people who control the freight in this country, and I have often felt that if we please them, when we take them to work, they are going to have a good feeling about Conrail all day. Now, Conrail was instigated to haul freight. The commuter operation was set up by Congress as a by-product and we are glad to do it, as I said before. Nevertheless, if we can get some free advertising, if you will, from operating an on-time service with the people who put in money to haul freight, then I would certainly think that is something we find desirable.

ASSEMBLYMAN FORTUNATO: I am glad to hear you say that. The Elizabeth Terminal that you have, where you make repairs on the cars,--

MR. WOGAN: Yes?

ASSEMBLYMAN FORTUNATO: What is the dollar amount, if there is a dollar amount, that New Jersey subsidizes on that operation?

MR. WOGAN: I would have to research that, to come up with that figure. When you start putting a finger on the various parts of the operation, how much they cost, we have those figures available. We could come up with that for you, but I don't have that with me right now. There is a formula that the State has charged for track. There is a formula charged for all types of situations. They pay for manpower at Elizabeth Port that does the passenger work. The manpower in the Elizabeth Port shop is separated between freight and passenger, and the people are kept on separate payrolls. Now, as far as the overhead, this type of thing, that is a matter that would have to be looked into, to give you the answer.

ASSEMBLYMAN FORTUNATO: Thank you. I would appreciate that. Thank you, Mr. Wogan.

Mr. Douglas Golden, Manager of the State and Local Affairs of Amtrak. Do you have a statement that you would like to make, prior to our asking questions?

D O U G L A S   G O L D E N : Well, rather than a formal, written statement, I think it would be helpful if I gave you a brief overview of what Amtrak is and what its relations to New Jersey are.

Before I start, I would like to introduce the people I have with me. I have, sitting next to me, Mr. Charles Lowe, who is our Superintendent of the New York Division, which covers New Jersey. I also have with me Mr. Joseph Crawford, who is our Assistant Chief Mechanical Officer, in charge of equipment maintenance.

Amtrak was set up by the Congress in 1971 to take over the nation's inter-city rail passenger service, as opposed to commuter service. The inter-city service

has suffered--as many rail services had--from years and years of neglect, and Amtrak was set up by Congress in an effort to revitalize this service. We are presently just over seven years old.

In 1976-1977, a program in the Northeast Corridor to substantially upgrade the roadbed, which vitally affects New Jersey, was set up by the Congress, and was administered both by Amtrak and by the Federal Railroad Administration. This is known as the Northeast Corridor Improvement Program. The main line between Trenton and New York is covered in this program and will be substantially upgraded over the course of this program, which is a five-year program with possible overruns. When this happens, it is estimated that--well, the goal of the program is to have two hour and forty minute service between New York and Washington D.C. on this segment. Obviously, the times in New Jersey will be substantially reduced as well.

Amtrak's relations with the State of New Jersey, in terms of the commuter operation, are essentially through Conrail. Amtrak does not have any contracts, or does not have any specific contracts with the State of New Jersey for the commuter operation. Rather, we have contracts with Conrail to provide various services on the line between Penn Station in New York and Trenton. Among these are dispatching of trains, station service operations in certain stations along that route, etc. Essentially, the train operating crews on that line are still Conrail employees, but most of the services are provided by Amtrak employees. In addition, our maintenance facility at Sunnyside Yard in New York is used as the maintenance base for much of the Conrail-New Jersey commuter equipment.

In addition, there are several other areas where we interface with the State. An example would be station programs, which Amtrak has set up throughout the nation, where we seek local support and local funding to improve certain stations and we will match that funding to a certain level. We have a program going on right now with New Brunswick. It is about a \$115,000 program to substantially renovate that station. The work is about 98% complete right now, and it has made a big difference.

I would like to make one comment about some questions I heard about station cleanliness, which is one problem we have had in this project. We had a whole crew of people out every day working on the station, and no sooner than they would get a wall painted, and two would be totally vandalized, and they would have to repaint it again. No sooner than they repaired an outbound waiting room shelter, and it was set fire to, and they had to totally repair it. So, it is an ongoing problem, really, and it is a problem that is difficult to police at all times. We have a very limited police department--Conrail's police department is also small--and we get very little help from the local police departments. In this particular instance, as a matter of fact, we can't get the local police to come to the station. So, it is a problem and we realize there is a cleanliness problem in many of these stations; but a lot of times, the station could be just cleaned or painted and within a day or two, it has been totally vandalized. There are several other instances, which I am sure the committee is probably aware of, where substantial vandalism of new or repaired facilities has occurred.

I think rather than going into any more detail, we are open to any questions you might have for us.

ASSEMBLYMAN FORTUNATO: Mr. Golden, what do you charge Conrail to use your tracks?

MR. GOLDEN: I don't have any specific figures in front of me, in terms of what Conrail pays us. Conrail, essentially, is paying us at cost for the use of our

facilities; and the freight aspect, I believe they pay us approximately 22¢ per car mile for freight movements. Now, the passenger side, I believe that they are not paying us specifically for the use of the railroad itself, but they are paying us for the services that we are providing, the dispatchers, the maintenance, etc. I really don't have the monetary figure in front of me. I can probably research that and get that information for you.

ASSEMBLYMAN FORTUNATO: How about the DOT?

MR. GOLDEN: The DOT does not pay us anything. We have no contract with the DOT. The DOT's contracts are with Conrail and Conrail, in turn, has contracts with us to provide certain services.

ASSEMBLYMAN FORTUNATO: Do you comply with the federal regulations on inspections of your lines?

MR. GOLDEN: As far as I know, we probably not only comply with them but overcomply with them. As I say, our line in New Jersey that interfaces here is the line that is being improved under the Northeast Corridor Improvement Program and it is substantially inspected, and all the work done is being inspected before it is approved as having been completed. So, there is a fairly high degree of inspection on that portion of the railroad.

ASSEMBLYMAN FORTUNATO: Could that be made available, the inspection reports? I'm not looking for the complete inspection program. I just want to see one or two areas.

MR. GOLDEN: I think we can probably get you a sample of an inspection report.

ASSEMBLYMAN FORTUNATO: And the financial arrangement with Conrail, as to the usage of the tracks, that would be made available also?

MR. GOLDEN: In terms of the State of New Jersey, I really don't know how it is broken down in our contract with Conrail.

ASSEMBLYMAN FORTUNATO: Regionally?

MR. GOLDEN: I believe it is probably broken down to the northeast corridor as a whole. Possibly, the New Jersey portion can be broken out of that. If it can, we will make that available to you.

ASSEMBLYMAN FORTUNATO: Thank you. I would be interested in that.

ASSEMBLYMAN HARDWICK: Mr. Golden, are you interested, meaning Amtrak, are you interested in managing, running the commuter service in this State?

MR. GOLDEN: That is a difficult question to answer. At this point, we are prohibited by law from operating commuter services, express commuter services. Some of our service right now, just by its very nature, happens to carry commuters. We carry a substantial number of commuters, as a matter of fact. But, the services we are operating are inter-city services. It was mentioned before that the law has been amended. The law itself has not yet been amended. The committee reported out an amendment, but the law itself has not been changed. If we were approached to operate a commuter service again, I think we would be looking to operate it on a full cost basis to recover 100% of our cost. The reason for this is that we are a nationwide system providing passenger service throughout the country, and if we did not recover our full cost of operating a specific contracted commuter service, for instance in the State of New Jersey, the result would be that the passengers in New Mexico would be subsidizing the passengers on a New Jersey commuter train. I don't think this would be a particularly fair arrangement, nor do I think Congress would permit us to operate under such a circumstance.

ASSEMBLYMAN HARDWICK: Maybe this would have been a better question for me



to have asked Conrail, but, how much more do your cars cost per passenger than the cars that are used on the main line by Conrail? Do you know?

MR. GOLDEN: Well, that really, again, is a difficult question, because they are, essentially, a different type of car. Most of our equipment, our new equipment, which we call Amfleet equipment, are not self-propelled coaches, but are locomotive hauled coaches. The cost of those are about \$750,000 right now, per car, and they have a seating capacity--some have an eighty-seat capacity; others have a sixty-seat capacity; and others have even less capacity, if they have a snack bar in them and whatever. This is not the same type of equipment as a commuter car, a short distance commuter car. Our cars are designed more for a long trip.

ASSEMBLYMAN HARDWICK: But, they are so much more comfortable. I ride Amtrak regularly, and I think you guys do a terrific job.

ASSEMBLYMAN FORTUNATO: What is your relationship with Conrail, Mr. Golden?

MR. GOLDEN: We have various operating contracts with Conrail, where we provide various services, and, in turn, they provide various services to us. As I mentioned before, the operating crews on the train, the conductors, the brakemen, the engineer, the fireman, those people are Conrail employees supplied by Conrail to us. In turn, we supply certain things to Conrail and the Northeast Corridor main line. In New York, in Newark, several other stations, the station employees are Amtrak employees. The train dispatchers are Amtrak dispatchers. The maintenance done at the Sunnyside Yard for Conrail, for the State of New Jersey, is done by Amtrak people. So, it is kind of a mixed bag. We do things for them and they do things for us.

ASSEMBLYMAN FORTUNATO: Earlier, Assemblyman Hardwick asked you if you would be interested in assuming the responsibility for mass transit in New Jersey. You said, "if we were contacted." You have not been contacted by anyone from New Jersey?

MR. GOLDEN: I said, if it was contracted. Presently it is not within the law for us to be able to do this.

ASSEMBLYMAN FORTUNATO: I didn't say, "contracted." I said, "contacted."

MR. GOLDEN: Well, New Jersey DOT officials have talked to us about the possibility. We really can't speak to that possibility right now, because, presently, it is not within the purview of the law. If the law is changed, I am certain the New Jersey DOT officials will be having further conversations with us to find out exactly what our interests are, and in terms of cost factors, what type of service we can provide for what cost. We would be quite willing to work with them on such a proposal, if the law were changed. But, again, we would be looking for a full cost reimbursement on the contract. It would be a contract service.

ASSEMBLYMAN FORTUNATO: Have you looked into New Jersey's situation enough, Mr. Golden, to possibly make recommendations, if you would assume the responsibility?

MR. GOLDEN: I don't believe, at this point, we are in a position to be making recommendations. Presently, we make recommendations to Conrail and to New Jersey DOT at monthly service meetings that are held in Newark to discuss the commuter service and, just on a routine basis, Mr. Lowe is in constant contact with the Conrail people and with New Jersey DOT people concerning various recommendations to improve services. Usually, the recommendations are implemented. I don't think we are in a position, right now, to be making any formal report, where we think there are efficiencies to be made or not to be made. We have not done that much of a study on the matter.

ASSEMBLYMAN FORTUNATO: I can appreciate that. The monthly meetings you allude to, what is discussed at those monthly meetings?

MR. GOLDEN: Well, usually, the first order of business is to discuss on-time performance, particularly, bad trains, the bad performers. There is a list put out every month by the DOT of bad performers and it is discussed as to what can be done, and what the problems are, and what can be done to improve the problems. Then, there are just general problems that are discussed at each meeting that have come up from month to month, and various programs that may need to be implemented. For instance, an air conditioning program to be implemented for this summer, which was started last winter, and which, if I may say, has proven to be fairly successful and an improvement over past years. So, that is the type of thing that is discussed.

ASSEMBLYMAN FORTUNATO: Are the minutes of the monthly meeting available to the Committee?

MR. GOLDEN: I would assume that the State DOT has them.

ASSEMBLYMAN FORTUNATO: Thank you, Mr. Golden.

Mr. Harold Kendler? Do you have a statement?

H A R O L D K E N D L E R : Yes, I do. I'm sorry I was unable to prepare it in sufficient copies, in view of the short time.

ASSEMBLYMAN FORTUNATO: That is quite alright.

MR. KENDLER: Good Afternoon. I am Harold Kendler and I reside in New Brunswick, New Jersey. I am a legislative representative and chairman of the Committee of Adjustment of Local 1370, United Transportation Union, New Jersey AFL-CIO. Our members are conductors and trainmen employed by Conrail, formerly the Penn Central Transportation Company, on its long line and suburban passenger trains. They man all of the railroad's commuter trains operated in New Jersey over former Pennsylvania Railroad routes, and are the train crews on the inter-city passenger trains operated by Amtrak within the electrified territories serving New York City, Philadelphia, Harrisburg, Washington D.C., and intermediate points.

Our interests are involved and otherwise linked with railroad operations, practices and policies, governmental interests, and the public welfare in matters of mass transportation. From March, 1968 to December, 1973, I served as consultant to the New Jersey State Senate Transportation and Public Utilities Committee. From January, 1962 until May, 1965, I was Assistant Director-Operations Chief on the former Division of Railroad Transportation, New Jersey State Highway Department, now the New Jersey State Department of Transportation. I am a member of the Advisory Council on Energy Planning and Conservation, New Jersey State Department of Energy.

Conrail and Amtrak are public transportation organizations established by congressional action to serve and satisfy public need and convenience, strengthen the economy, ease the energy drain, relieve the afflictions of air pollution caused by excessive use of private automobiles, and, in general, to develop a salutary effect on the health and welfare of all who work and live within our industrialized densely populated urban centers. The essential transportation needs of commuters, inter-city train riders, shippers and consignees are reliability and dependability. Transportation integrity in passenger and freight services are the indispensable qualities, for which there is no substitute. Passenger train service schedules, as reflected in time tables, and programmed freight movements reflecting arrival times, travel time, enroute routings, are the highly prized objectives that should have been matters of accomplishment by this time. But, the record is most clear that the

objectives have never become a reality. Both Conrail and Amtrak, to an extraordinary degree, failed the test of accomplishment regarding the quality of rail services, which they have been providing New Jersey commuters, inter-city rail travellers, shippers and consignees. The public transportation needs of New Jersey are immediate. In fact, the necessary corrective action by the authorities vested with this responsibility is long overdue. It is not my intention to review the causes and failures of the past, at this time, for very obvious reasons. Vituperations are both time wasting and unproductive. As in the past, at hearings and forums dealing with vexing public transportation problems, to the degree of our capabilities, we offer expertise and our practical circumstances and experiences on the subject about which we receive a continual flow of information, complaints and suggestions from patrons, workers and other interested parties. From these sources, we have found very sensible and reasonable expressions, which we believe to be both operationally and economically feasible that can be and should be implemented at an early date, as per the following:

Metro Park Station-It was developed under the sponsorship of the New Jersey Department of Transportation, and the site selected was considered by many to be very inferior to other locations. The design of the station proved to be inappropriate for the great number of passengers who patronize the station and for the handicapped, the elderly and the long-distance traveller, who could not use the facility at all. The Wood Avenue limited traffic and vehicular tunnel was recognized to become a restriction to a free flow of automobiles to and from the station. No one was surprised or disappointed at the traffic congestion that developed after the station became operational. Later, a traffic light at Wood Avenue and Highway #27 was installed but produced little relief. A quarter of a mile east of the Wood Avenue traffic light, on Highway #27, were two junctions with the Garden State Parkway. There were no traffic lights then, and there are none now. Parking of automobiles is undisciplined, and it has been reported that the parking area is not regularly policed. Metro Park is an above-grade station. East-bound to Newark and New York passengers are using two separate stairways between street and platform levels. There are no elevators or ramps. There is no redcap porter service. There are no facilities to handle train baggage and patrons cannot check their luggage for handling by the railroad to their destination. West-bound evening commuters detraining at Metro Park have one stairway to descend and thereafter to use the tunnel walkway for access to the parking area. Peak period congestion on the trains, the narrow platform, the single stairway and tunnel is the normal inconvenient and unsafe experience. We have, in the past, suggested two additional stairways for the eastbound platform, at each extremity of the platform, which would provide advantages for the commuter, not now possible, in that most of the parking area extends beyond or is nearer to the platform extremities. Quicker access to trains and platform shelter from rain and snow are obvious benefits. I am happy to state that I observed one additional stairway presently under construction. For the west-bound traveller, there should be another stairway leading to the tunnel walkway, and, a pedestrian bridge over the railroad right-of-way, connecting both platforms, is also a necessary additive. The bridge would extend to and cross Highway #27, which parallels the railroad, so that passengers could use the station without having to go to the eastbound side of the railroad. This suggested bridge facility would be gated and closed during off-peak period evening hours to preclude vandalism and other mischief.

Since Amtrak's acquisition of the bankrupt Penn Central's trunk line operations, certain unfortunate developments are clear. Amtrak reduced services in New Jersey. Disregarded local trains, Conrail operated connecting service, set up a system of fares separate from Conrail service, although both carriers are serving the same stations on the same rail route. Amtrak dispatches Conrail freight trains during peak period passenger service hours, with dilatory consequences for passenger train service. As between Amtrak trains, with hundreds or less aboard, and Conrail trains, with thousands, Amtrak operations prevail. The two-track bottleneck between Newark and New York has received no serious attention for improvement, despite the fact that immediate remedies are possible. Passenger service to and from Penn Station in New York diminished in quality from the time the former Pennsylvania Railroad reduced a number of tracks and the passenger train storage and service yards, Sunnyside Yard in Queens. A large number of yard equipment, manipulation services were relocated to Penn Station, where cars were stored on station tracks that should be arteries between the Hudson River and East River tunnels, while serving Penn Station for periods of minutes. Sunnyside Yard is in such sorry condition that the movement of equipment must be done at the slowest possible speed. There have been instances where rail turned under standing cars. Late movements of trains from Sunnyside Yard to Penn Station usually results in late passenger train departures, and this experience is more the normal, rather than the exception. We urge the restoration of Sunnyside Yard to its design capabilities. Resurrect the 77 tracks and therefore, there would be a full flow of trains through Penn Station on all tracks, other than those assigned to the MTA's Long Island Railroad operation. This arrangement would prove significant to reduce delays in the New Jersey train service and alleviate the pressures of the bottleneck.

The drawbridge over the Hackensack River is truly an "Achilles Heel" of the service between Newark and New York. It is essential that the bridge be replaced at the earliest possible time and should be designed to allow normal river traffic, tugs and barges, to pass, without requiring the bridge to be raised. The two-track route between Hudson Interlocking in Secaucus and the New Jersey side of the Hudson River Tunnel should be restructured to no less than a three track system to accomodate present services and additional services planned from Erie Lackawanna and Central Railroad of New Jersey routes.

Amtrak's fare differentials, where common points are served by common routes, are unfair, discriminatory, counter-productive, and should be summarily terminated. Amtrak and Conrail should have one fare structure and one ticket design, interchangeable for common validity on each system. Uniformity is the key to betterment so that the public may be better served, which, in turn, will allow the taxpayer to believe his investment in public transportation is indeed worthwhile. It was only after our nation's railroads recognized the values of standardization, right of way design, rolling stock facilities, etc. that their viability was established and allowed for their growth into a transportation giant. Standardization, in every possible aspect, is essential to the well being of both Conrail and Amtrak.

Effective May 27 and June 1, 1978, the New Jersey State Department of Transportation authorized a Conrail conceived display-flash type of commutation ticket, in lieu of the train crew punched type of ticket validation with the most horrendous consequences imaginable. Commuters were advised that they would be required to place their tickets, which range in value up to more than \$80.00, in seat holders mostly located on the seatback in front of the seated commuter. This arrangement is not always possible, absent a seat in front of the commuter. Tickets were to be in the seat holders throughout the trip, which meant commuters' travel habits had to be dramatically changed.

This meant no more sleeping or dozing, no more reading with concentration, or conversing with your train companion, because the loss of a ticket, prior to expiration time, meant one of two alternatives: the commuter would have to purchase a new monthly ticket valid for the same month; or he would have to purchase a standard, higher priced coach ticket. Conrail rules to train crews make it a requisite for crews to request commuter tickets to remain on display, which has developed into an annoyance, because a great percentage of commuters just plain refuse to leave their tickets in the seatholders. Since the inauguration of this system of displayed tickets, it has been reliably reported that more than 300 tickets have been lost to their owners, and some have been found and returned. With rare exception, all commuters have experienced additional expense because of lost tickets. Conrail and New Jersey DOT both decline to recognize the earlier Long Island Railroad experience about seven years ago, with display-show tickets, plus a photo of the commuter attached to the ticket. Revenues declined abruptly. Several commuter lawsuits developed and commuters became still more irate than they had been, because of the poor level of service. Within months the Long Island Railroad discarded the system. The analogy is this: Only the Long Island Railroad and former Pennsylvania Railroad, now Conrail, require crossing a water barrier, and via a large transfer junction station; Jamaica for the Long Island Railroad and Newark for Conrail. To compare the Conrail ticket collection change to any other railroad, without the physical characteristics of crossing the river and serving a junction point, as aforementioned, is simply trying to mix apples with oranges. The new display type of ticket is totally without redeeming qualities. The system has seriously damaged transportation collection for valid ride integrity. Conrail will undoubtedly experience a loss in revenue, and we are all aware that when the railroad incurs greater deficits, there will be further demands for greater subsidies, or increased fares, or both. The display-show type of commutation ticket should be discontinued forthwith.

Very recently, Conrail's medical department in Penn Station, New York, was closed. While it is not clear whether this decision was the making of Conrail or Amtrak, nevertheless, Penn Station, New York, is now the property of Amtrak, and it is simply horrendous to think that a major terminal accommodating more than 100,000 persons each workday will have no medical facilities available to the public or hundreds of workers, when such services would be urgently needed.

Amtrak has had no training program for passenger train crews for about ten years. Conrail, who hires train crews who work on Amtrak trains, has no comprehensive training program for passenger service employees. New workers have been assigned to be part of crews, and both managements just blithely hope that the new employees will be able to assimilate, from fellow employees, the knowledge to perform a competent and productive tour of duty. We believe this to be an unsatisfactory arrangement, without redeeming qualities.

The Meadowlands Sports Center and Atlantic City, where casino gambling has recently become operative, are points that should be served from Penn Station, New York, and selected intermediate points in New Jersey. We believe that the New Jersey DOT should comment on their interest in such mass transit needs and, at the very least, a comprehensive study should be made regarding the economic and social feasibility of such services.

In March of 1975, I addressed the Rail Services Planning Office of the I.C.C. and a portion of my remarks are apropos. I said, "To finance public transportation improvements, two suggestions are herewith proposed: one proposal is that all vehicles, except buses, pay an additional 25¢ per trans-Hudson crossing between New Jersey and



New York, via a Port Authority of New York or New Jersey tunnel or bridge." Of the 25¢, the State of New Jersey would receive 10¢, New York City would receive 10¢, and the State of New York would receive 5¢. The fund for New Jersey would be used for public transportation projects, capital costs, and operating subsidies. Unfortunately, when the increase in tolls, which actually was 50¢, was legislated, the bill had made the Port Authority of New York and New Jersey the custodian of the funds and the dispenser of such largess. This has resulted in the Port Authority having these many millions of dollars in its coffers and dispensing practically nothing for rail mass transit improvements, other than its wholly owned subsidiary, PATH. In this regard, we recommend that new legislation be developed that would require the Port Authority to continue to collect the 50¢ per vehicle and promptly remit these and past collections to the appropriate transportation agencies of the two states, in equal amounts. If this change is implemented, each state will have an immediate cash flow and a source of credit to advance the projects currently awaiting financing. It is my considered opinion that unless this proposal is acted upon, there will be no cash flow from the supplementary 50¢ per vehicle for New Jersey or New York. At best, there will be only a trickle.

Our other proposal calls for federal legislation to require all employers to reimburse their employees for transportation costs between residence and work site, contingent upon the requirement that employees use public transportation systems, rail, bus, or car pool, or such other arrangements as may be developed and agreed upon between the employer and employees and agency vested with jurisdiction over the subject. Advantages to this proposal would be many fold. There would be tax advantages to employers. Reimbursed transportation fares would cause an increase to the employers' operating cost, a tax deductible item. Otherwise, employers face continued tax increases to meet increased needs for public transportation, including research, experiments, and solutions. Generally speaking, public transportation operating costs require public funds paid for by taxpayers or by the cash fare box. We suggest that by this proposed transportation fare restitution plan from employer to employee, employees will be protected from increased tax demands, because of public transportation needs and development, inclusive of operations. The fare box would, thereafter, far greater revenues than is presently experienced and it now would become quite possible for passenger service to become self-sustaining. Under this arrangement student reduced fares, senior citizen reduced fares and various excursion fares could be sustained without draining normal revenue sources. With reduced employee use of private automobiles, employers would not require spacious, non-revenue producing areas as parking lots for workers' parked cars. Reduced usage of private automobiles in urban areas is a very high priority objective of our environmental agencies and we believe that national requirements of employers to reimburse their employees for mass transportation costs would produce the most immediate beneficial effects relative to problems of air pollution and the threatened discontinuance and abandonment of our public transportation system.

This opportunity to appear before you regarding this very important work by your sub-committee and the Assembly Transportation and Communications Committee is sincerely appreciated. I have made some notes regarding previous expressions. I don't want to prevail too much upon your time. You may wish to question me first, or I can go on and respond.

ASSEMBLYMAN FORTUNATO: Well, I appreciate your opening statement, Mr. Kendler. You have answered many of the questions that I had. I do have one question though, before you make your next statement. What do you see as the greatest shortcoming

between the relationship of the DOT and Conrail?

MR. KENDLER: The lack of discipline; the lack of provisions to comply with agreements. Up to now, and you have heard from the previous witness, Conrail simply carried on the previous contracts of Penn Central, in particular, as well as these other railroads. The penalties were, in effect, nonpunitive and could even be considered in a more moderate tone than that. So, if there is no penalty of noncompliance, you can well imagine, for example, any contract arrangement between private parties-- and even the State has contracts with highway builders where they have to post a bond and failure to comply means the State or one party or the other can acquire that bond or have some financial recovery. This does not exist or has not existed, and it is my opinion that there must be that proviso in these contracts, so that the State can be assured of compliance and the only way you can do that is for the other party, whether it be Conrail or anyone else, to find it too exorbitant or too extreme for failure to comply.

ASSEMBLYMAN FORTUNATO: Thank you.

ASSEMBLYMAN HARDWICK: I just have a couple questions. First of all, I wish, retrospectively, that we had asked you to testify first, because you raise some points that we had never thought of earlier. I was on a radio program about two months ago talking about transportation problems and I got a call from a man who said that he had worked for Conrail, or he had been a conductor for twenty or twenty-five years and he now worked for Conrail, and he spoke of what he felt were bad management practices that he witnessed day in and day out in Conrail. I said, "Would you come before a special sub-committee that is looking into Conrail and share some of these with us," and he said, "No, I am afraid to, because I am still working there; I would be afraid for my job." I said, "Surely you are protected, and we will assure you of protection; don't worry about your job," and he said no. He said the moral is very bad and the mid-management people don't know how to run a railroad. He said that most of the people there are just trying to put in their time until they retire. He wouldn't give me his name and I said, "Let us subpoena you and then it is not your fault," and he said, "No, I can't do that." Is he an exception?

MR. KENDLER: No. You mean the exception about willing to testify?

ASSEMBLYMAN HARDWICK: Being intimidated, the comments about moral, the comments about mid-management?

MR. KENDLER: There is no simple answer to that. I have been an employee of the railroad--that is where I started--for some 37 years. From the first day I was on the railroad--which was the Pennsylvania Railroad--until today, there has always been the expression about a railroad being mismanaged. It is the most popular thing to say, because there is always some area where something is not working according to plan. There are areas that I choose not to term "mismanaged." But, there are areas that do not receive the attention that the bona fide standard railroad receives, as I remember it, under the Pennsylvania Railroad. The demands from top management to insubordinates, to be certain that the quality of services are as represented, is sometimes done with tongue in cheek. Moral in intermediate management is very poor. It is one of the few, if not the only industry, where intermediate management earns less than the employees that they supervise. This prevailed under Penn Central and it is a definite detraction to moral of their people and it is difficult to get qualified people, for that reason. They contract--the railroads, Conrail, Amtrak--they contract for a lot of services. It is lost as it funnels down to different departments from the administration of the railroad to the contractor. There is no quality control--I guess that is the term I really want to use--where they go after it and see what is done.

For example, one of the basic complaints we have, since we have the Arrow ones, twos, and threes, is that lavatories have to be serviced. As you may recall or if you read your history book, you know that old cars used to deposit its residual on the tracks. Of course, once we developed our awareness of environmental and air pollution factors, there was certain legislation that stopped that. So, these cars have to be cleaned regularly, frequently, and it is not happening. The complaints have continued for many, many years.

ASSEMBLYMAN HARDWICK: You mean complaints by conductors?

MR. KENDLER: There have been complaints by conductors, the crews, the public, you name it. DOT has people assigned, and they know about the ineffectual cleaning of these cars, and it still continues. The point is, as you so prudently stated earlier Assemblyman, the public deals in practicalities. Perhaps, those on a higher level deal with the financing--and we know it costs money to do things--and they deal with other problems of social or economic orders or disorders. But, the person that rides the train only wants a few things. Number one, he wants integrity. That is reliability. If the timetable--and I have supplied you with some timetables--states that the train will arrive at a certain time at Newark or New York, they want that train to arrive there. They don't want to do what many commuters now do. Many commuters now take the early train, because their employer will no longer tolerate lateness. Now, we may be hearing percentages and that it is improving, and that is great on a 24 hour period, but I can assure you when certain key trains are carrying a thousand people or more, and a person gets in late on the train, and misses the connecting bus or whatever, that person's trouble compounds and he gets into more involvement. So, they want that. They want a reliable ride. They don't care that the train goes one hundred miles per hour. They can do very well travelling from New Brunswick to New York travelling at eighty miles per hour. They can do very well coming from South Amboy at eighty miles per hour. They wish they could come in from Bayhead on the North Jersey coast at least at thirty miles per hour. But, the point is, if the train travels at a reasonable speed, and gets them there when they want to be there, that is what they want. Thereafter, they want to ride comfortably. They want water. You know, we don't have water on any of the Arrows. We don't have water on any of the--well, even the Long Branch I don't think has much water on it now, either. Nothing is being done about that and I don't think there are any plans to do anything. Right now, with the old cars on the North Jersey Coast, I would say that most of the cars are out of water. So, they want that little comfort. Of course, they want as economical a ride as they can possibly get, naturally.

Now, with all of these items, lo and behold, the State held public hearings last month, for a period of about six weeks, throughout the State, particularly affecting the Penn Central operation, Conrail. Not one word was mentioned to the commuters or in the press release that there was a plan to change the transportation ticket procedure. This procedure, as I said earlier, has no redeeming qualities. You are not saving anything on labor. It is not being done faster. If anything, it is slowing our crews down, because it is difficult to read the small print, and when you have three-two seating, you try to get over there and you just can't see it. So, you say pass it over. By this time, the passenger is irate, disturbed every time you want to see his ticket. He says, "How many times do you want to see my ticket?" Under the old system, you didn't bother him. He produced his ticket and it was punched. What do you do when two passengers challenge and say, "that ticket is mine?" You could ask for identification and so forth. Under the old system, the trainman had a punch mark in the ticket. It was very easy to identify. We didn't have a problem.

Tickets are being stolen. Tickets are being lost, left behind. The point is that commuters are upset with this system. My crews hear about it. We have instructions: "Have no confrontation with the passengers about it. Try to adjust. Try to be complimentary." There was supposed to have been some local supervision to ride a train, in case you continued to have a problem. They are not around too much. So, fortunately, the crews can remember some of the passengers and they try not to inconvenience them, but that is inconsistent with the rules. I repeat Gentlemen, that system contributes nothing.

ASSEMBLYMAN HARDWICK: I think your point is well taken on that system and I would trust that--I see that the DOT people have left, but there will be a follow-up to evaluate how well or how poorly it has worked, because as a commuter I know what a concern it is about losing that ticket. That is a lot of money, and people will get up and leave them on the train, and some of your people are announcing now, "Don't forget to take your ticket."

MR. KENDLER: That is quite true, and we, the union, recommended that they do that.

We do have some other problems, and one of them is this difference in fares between Amtrak and Conrail. Now that Amtrak has leased--you heard that today--some cars from Conrail, it is the same car, over the same route, stopping at the same station, but you pay more because it is Amtrak operated. There is something inequitable about that and it is very exasperating to the commuter. He feels that he is not being dealt with responsibly.

Now, we have another operational problem that contributes towards delays. The State, in its wisdom, when they ordered Arrow ones, in its specifications, had a certain coupling device. When they ordered the Arrow twos, it had still another coupling device. When they ordered the Arrow threes, it had still another coupling device. Metroliners of Amtrak, which operate on a main line, have still another coupling device. The old fashioned standard equipment has still another coupling device. Now, we have an inter-mingled service, to some extent, supplementary or complimentary, between Trenton and Philadelphia operated by SEPTA or paid for by SEPTA. That has still another coupling device. If one train breaks down, there are supposed to be compromise couplers, and if they are not there on the equipment, one train gets stuck behind the other, unless they are of the same design. When it was the Pennsylvania Railroad, you never had that problem. Every train that came along had a standard coupling device. You could move it, pull it, do something with it. Why these specifications carried these designs, I don't know. It has never been satisfactorily answered, but I think it is time to start to standardize and not to have these individual designs.

Now, one of the other things is about three-two seating, to which I have been known, for many years, as an opponent. The Arrow twos have two-two seatings simply because at that time I served as a consultant to the Senate Transportation Committee, and it was my recommendation because the Administration, at that time, didn't want to change the specifications, and we came into the Cahill Administration and a bill was put into the Legislature requiring two-two seating and at that time, Governor Cahill decided to issue an administrative order and force the DOT to have two-two seating and reversible seating. Lo and behold, when we came to the Arrow threes, they went back to three-two seating although the seats are reversible, so people could at least face the direction of travel. One of the things that is not cared for by three-two seating are the handicapped. Wheelchairs cannot fit in the aisles

of the cars, and the handicapped, care for the handicapped is a matter of federal legislation and is supposed to be inherent in the design of new cars. Amtrak, with its Amfleet coaches, has a certain number of cars set aside to accommodate wheelchairs and such other factors involved with the handicapped, the elderly, etc. We are not doing that. You hear a lot of representation, three-two seating allows more people to be seated, but it carries less people. With three-two seating, you can't stand as many people. You can't get by, and it is the peak hour that requires that attention. You will see, no matter how congested some of these cars are, there are those that will not sit that close to another passenger on the three seated side of the car. You know, these commuters are also, essentially, our taxpayers, and you would think that their expressed wish to ride forward and to ride comfortably in two-two seating would be respected. So, you hear that it would require more cars if you had that. By ratio, I think the ratio is one additional car per twenty, if you figure out the seats. But, think of it. The DOT came up with this reasoning that they would have to provide more cars, and then they come up with specifications where the Arrow threes and the Arrow twos are marriages, that is, they are cars that are permanently coupled so you never operate one car; you only operate two. Now, we have areas, in nonpeak periods, that you could operate one car. It would be more economical in car miles, or whatever formula you use. We don't do that. We operate two. When they ordered the Arrow threes, the marriages had one pantograph instead of one pantograph per car. It had one per pair. That is the apparatus that connects with the electric wire or the catenary system. It also had one compressor. So, where before, if a car malfunctioned and you had two pantographs, two compressors, one would pull the other. Now, if you lose one pantograph or one compressor, you lose two cars. If you run a two car train, you are in trouble. For a while, when the Arrow threes first came out, Conrail was operating two sets of marriages together, because they had a lot of trouble with the power pack. They were breaking down, until the DOT heard about it, and then, they ordered them to go back to operating one marriage as per the contract. The point is that three-two seating is objectionable. Now, I take no exception to the representation by the DOT that they ordered a large number of cars to take advantage of the price. They have to do something. If you keep in mind that the Arrow ones, in 1966, cost the State \$285,000 per car, you know that. The Arrow twos were programmed to cost \$385,000 per car and they wound up costing \$450,000 per car. Because they came in marriages, it was \$900,000 per marriage. The Arrow threes are \$800,000 per car. Now, you have a lot of sophisticated equipment, which, in my opinion, is unwarranted, unnecessary and nonproductive.

Assemblyman Hardwick brought up a point about the electric doors and that is the point I am about to make. Electric doors add to the cost, purchase cost of each car. I wouldn't hesitate to say \$50,000. It adds to the maintenance and repair cost of each car. Maintenance and repair of Arrows, I have no idea, except by the reputation that it has gone through the ceiling. Everything it was supposed to accomplish to reduce maintenance and repair costs worked the other way, because of its sophisticated hardware. The cars become inoperative, many times, because of the doors alone. The rest of the car would function very nicely. Now, previous to these electric doors, there were manual doors, and we submit that these cars should have manual doors. First of all, you would reduce the price per car. You certainly would eliminate maintenance and repair costs for the doors, and they would perform just as well as the electric doors do, because, keep in mind, electric doors are supposed to allow for the mass movement of people. We only have five high platform stations in New Jersey. Newark



has the great number of passengers during the peak hour. Other than that, you have stations like Avenell, maybe 200 passengers, or Woodbridge or Trenton. The need was not present. If they say, "Eventually they will all be high level stations," I would remind you that the Arrow ones, which were put on the railroad in 1966, are in some yard someplace, inoperative, set aside, ten years longevity. Is that what we are to anticipate from the Arrow twos and the Arrow threes, ten years longevity? That is a question that has to be answered.

Let's look at the security involved with the Arrow threes. We have problems of security. We have people that ride our trains, particularly the Arrow threes, when the Madison Square Gardens has some social function, music functions and so forth, and we have a number of Arrow threes with their seatback slashed, the seat slashed and other evidences of vandalism. I have complained and tried to get the Amtrak Police or the Conrail Police to be more attentive to our needs. The Amtrak Police Force has just been reduced. The characteristics of some of the people riding the trains in off-peak periods leaves much to be denied and we don't have adequate security. We have a number of members, conductors and trainmen, who have been seriously injured, jaws fractured, concussions, black eyes. We just had a recent incident where two men attacked one of our brakemen at Elizabeth and the conductor wouldn't move the train for a half of an hour, but he couldn't get a policeman from either Amtrak or Conrail, and the first time we had any police there was from Elizabeth. Both trainmen were injured. We need security. The commuter needs security. Now, the trainman performs that, to some degree, within reason, but when it violent, then, it becomes a question of seeking help. I have asked for radios to be provided to these train crews, at least one radio. Now, Arrows are supposed to have radios, but they don't always function. Now, I don't know what the maintenance and repair program is. All I know is that it doesn't function too many times. There are no wayside telephones. We have had some of our crew stop, leave the railroad, and go to someone's home or a nearby telephone, in order to communicate with someone. So, I would say that is a mandatory requirement. If there is going to be communication-- and you heard Mr. Wogan say, "sometimes you just can't communicate with a crew." Well, that is why. There is nothing to communicate with, and I think that should be a primary objective.

ASSEMBLYMAN FORTUNATO: I appreciate your comments, Mr. Kendler.

ASSEMBLYMAN HARDWICK: Thank you.

ASSEMBLYMAN FORTUNATO: If there are no further comments from anybody, I would like to thank all of the participants and the audience for coming today, and I am sure you can see that the Transportation Committee is keeping with their pledge to be more active in the area of mass transportation in the State of New Jersey. Thank you very much.

(Hearing concluded)



Thank you Chairman Fortunato, Assemblyman Burns and Assemblyman Harwick. I appreciate the opportunity to present Conrail's views to your Special Sub-Committee on Rail Transportation Service.

Conrail, as I am sure you are aware, was created by Congress from six former bankrupt railroads and started officially in operation on April 1, 1976. This was the largest corporation merger in history, involving close to 100,000 employees. Part of the arrangements by law deeded the passenger equipment of the former carriers to various transportation bodies and in this particular case to the New Jersey Department of Transportation. In addition, some line segments and terminals were deeded to the State with further options to purchase others, if they so desired.

service

Conrail began passenger/ by assuming the contract between the D.O.T. and the former Erie Lackawanna and by operating the same service on the former Penn Central and CNJ as had been in place without a contract pending development of a contract. Incidentally, we are still working on that basis with the contract expected to be signed this month. Under the law, as set up by Congress, Conrail must operate the various commuter services. Many people seem to derive from this that Conrail does not want the commuter service and in fact has been trying hard to get rid of it. This is not true. Conrail in the 5 year business plan calls for such operation and our policy is that we want to operate as good a service as possible, as long as we are fully compensated for it. The new contract we believe will fill this need and under its terms we will operate the service DOT desires and with the equipment provided by D.O.T.

When Conrail started on April 1, 1976, the Managers (who came primarily from the former carriers) found themselves with a battle plan outlined by USRA. Some things developed that presented problems from the start. Most of the equipment inherited by D.O.T. for the operation was antiquated to say the least.

In addition this problem was further complicated by the fact that the former Trustees of each of the properties had cut their inventories of everything from locomotive parts to toilet paper, light bulbs, etc. to the bare bones. Our operation was plagued by this lack of supplies for better than six months while inventories were restocked and ordering methods put into effect.

On time performance seemed to be making some headway following the inventory problems but then it was staggered by the roughest two winters in succession in this century.

The old equipment and some facilities simply were not in condition for such weather. Much of the so-called "passing the buck" between the DOT and Conrail, that was so widely written in the news media, if there was any "buck passing", was in arriving at an understanding of responsibility.

Conrail, early in 1977, presented a program for recommended repairs for D.O.T.'s review. We also presented books showing the condition of each piece of rolling stock and station, complete with colored pictures.

Equipment problems were further aggravated to some extent by the purchase by DOT of some former PC coaches which were in need of repairs at

the time of purchase. With the large backlog of repairs to be made to equipment already in the fleet, Conrail was not prepared to undertake any further rebuilding program. The D.O.T. was requested to contract that work out until we were further along with our program.

Locomotives, however, have been by far the largest problem. The old MU cars, on the former Erie Lackawanna, were certainly a close second, due mostly to the two severe winters. Most of these equipment problems have been worked out and an overhaul program was agreed upon for the GE U-34 CH locomotives which are used in EL service and six have now been rebuilt and returned to service. The remaining 26 will be completed this year, if our schedule is maintained and we think it will be.

Ten of the E-8 locomotives operating on the former Long Branch are being overhauled by IC Industries at Paducah, Ky., following Conrail's recommendation to former Commissioner Sagner in February of 1977. The first of these locomotives has now been returned to service and the second will follow most likely <sup>by</sup> next week. One other E-8 rebuilt by General Electric has also been returned to service.

Two of the former PC coaches purchased by DOT have been rebuilt by Conrail and 2 by General Electric. 27 others are being repaired under contract by Metron and General Electric. These should be repaired by early fall.

When these programs are completed commuters will have much better equipment and Conrail can provide a much better on time performance.



Conrail is now in the final stages of presenting the DOT with a 5-year plan for the repair and overhaul of the remaining locomotives and coaches in the fleet. Our recommendation will also include certain retirements, due to the age and condition of the equipment. By our presenting such a 5-year plan, the DOT can then better budget its equipment needs in the future.

We also understand new equipment will be ordered by the DOT for the former CNJ Main Line. With all of the above accomplished and programmed, we believe the citizens of New Jersey can begin to take more pride in the commuter operation.

Since Conrail, a record number of ties have been put in place and \_\_\_\_\_ miles of welded rail have been installed. Many miles of track have been completely resurfaced.

The recent overhauling of the Manasquan River Bridge by contract indicated the spirit of cooperation between Conrail and the DOT. This undertaking required a completely revised operation with three new yards utilized for overnight storage of equipment and a meshing of temporary bus schedules to complete the project quickly without being disrupted by train service.

In addition the Navesink River Bridge is being repaired under a similar but smaller program insofar as operations are concerned. All of this track work is not without temporary delays to trains but the final outcome will be a much better railroad to operate on, with the strong likelihood of reduced schedules.

Our station books should help the DOT plan a program for station

rehabilitation. We expect to present them with a 5-year program for stations in the very near future.

The re-electrification of the former Erie Lackawanna is moving along but too slowly. We are working with the D.O.T. and its contractor, Gibbs & Hill, to speed this program up. In the meantime, we have increased the maintenance of the MU cars and the number of cars shopped is currently the lowest in some time. Barring anything like last winter, we expect to maintain our on time performance in that area.

Plans for extending the electrification of the Long Branch are well underway and we expect that construction work will begin in the spring of 1979. We will be glad to cooperate with the D.O.T. of their future plans for that line, as soon as they complete them.

We have made recommendations to them particularly with the age and condition of the GG-1's in mind. With the changeover from 12,500 volt AC to 25,000 volts AC, on all electric lines, these units will no longer be operable.

I have quickly attempted to give you some of the background and problems facing D.O.T. The recent appointment of Mr. Gambaccini will go a long way in making sure that programs are developed and the funding is found to pay for them.

Conrail at the request of D.O.T. has decentralized the operation from its Philadelphia headquarters to its Atlantic Region headquarters

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in Newark. As part of this reorganization, a new communication center will soon be in place to better meet the needs of our commuters. We, in Conrail, are dedicated to improve service and work closely with the D.O.T. to make sure that it is done. With our re-organization on the Region, we feel we have the expertise to do the job. Our performance has improved in all areas but we are not satisfied with the performance and will not be until all lines are in the high 90's for on time performance.

I thank you.

C. E. Wogan

June 20, 1978

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