

PUBLIC HEARING

before

SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE

SENATE BILL NO. 7

(Establishes South Jersey Transportation Authority)

and

SENATE BILL NO. 2537

(Establishes South Jersey and Atlantic Transportation Authority as
State instrumentality for operation and improvement of airport facilities)

October 18, 1988
Room 403
State House Annex
Trenton, New Jersey

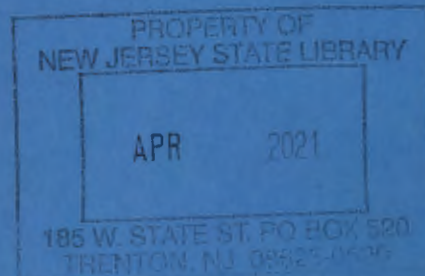
MEMBERS OF COMMITTEE PRESENT:

Senator Walter Rand, Chairman
Senator S. Thomas Gagliano
Senator James R. Hurley

ALSO PRESENT:

Senator William L. Gormley
District 2

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



New Jersey State Library

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New Jersey State Legislature

**SENATE TRANSPORTATION
AND COMMUNICATIONS COMMITTEE**

STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625
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WALTER RAND
Chairman
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Vice-Chairman
FRANCIS J. McMANIMON
S. THOMAS GAGLIANO
JAMES R. HURLEY

September 27, 1988

NOTICE OF PUBLIC HEARING

The Senate Transportation and Communications Committee will hold a public hearing on October 18, 1988 at 10:00 a.m. in Room 403 of the State House Annex, Trenton, New Jersey.

The subject of the hearing will be airport development in southern New Jersey and will focus on the following bills:

S-7 (Rand)-Establishes South Jersey Transportation Authority.

S-2537 (Gormley)-Establishes South Jersey and Atlantic Transportation Authority as State instrumentality for operation and improvement of airport facilities.

Those persons wishing to testify at, or wishing further information on the public hearing should contact Peter R. Manoogian, Committee Aide, at (609) 984-7381. In the event that a large number of persons wish to testify, the chairman may limit the time allotted for oral testimony by individuals to no more than ten minutes, although a longer written statement may be presented for inclusion in the public record.

This hearing will be the first in a series of public hearings to be held by the committee on this matter.

SENATE, No. 7
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel
PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Senator RAND

1 **AN ACT** creating the South Jersey Transportation Authority as
2 the successor to the New Jersey Expressway Authority, to
3 acquire, construct, enlarge, maintain, improve, repair,
4 operate and support expressway and transportation projects,
5 including the Atlantic City Expressway, and repealing parts of
6 the statutory law.

7

8 **BE IT ENACTED** *by the Senate and General Assembly of the*
9 *State of New Jersey:*

10 1. This act shall be known and may be cited as the "South
11 Jersey Transportation Authority Act."

12 2. The Legislature finds and declares that:

13 a. It is the public policy of this State to foster the
14 development and improvement of a comprehensive, efficient,
15 convenient, economical, adequate, modern and safe
16 transportation system to meet the essential social and economic
17 needs of the citizens of this State.

18 b. Rapid development in the South Jersey area, particularly
19 the intense development in the Camden-Atlantic City corridor
20 and in the Atlantic county area resulting from the development
21 of the casino industry in Atlantic City, has caused serious
22 transportation problems in South Jersey.

23 c. There are serious deficiencies in the transportation system
24 available to the residents, visitors and commuters within the
25 southern region of this State, consisting of the area
26 encompassed by the counties of Atlantic, Burlington, Camden,
27 Cape May, Cumberland, Gloucester, Ocean and Salem.

28 d. In particular, residents, visitors and commuters in the
29 region do not have sufficient public transportation services
30 available to them; the roads, bridges and other components of
31 the transportation system in the region are not adequate to
32 handle the increased traffic into and through the region; and
33 airports in the region are not adequate to handle the increased
34 traffic into and through the region; and airports in the region
35 are in need of stronger supervision and control.

1 e. It is in the public interest to restructure the New Jersey
Expressway Authority and create a South Jersey Transportation
3 Authority in order to alleviate the transportation problems in
South Jersey, by acquiring, constructing, maintaining,
5 improving, enlarging, repairing, operating, and supporting
expressway and transportation projects and by providing a forum
7 for coordinating regional planning.

3. The purposes of the South Jersey Transportation Authority,
9 shall be to:

a. Acquire, construct, maintain, improve, enlarge, repair,
11 operate and support expressway and transportation projects as
provided in this act; and

13 b. Assist in planning for the development of the
transportation system in South Jersey in conjunction with
15 federal, State, local and other public entities, as appropriate.

4. As used in this act, unless a different meaning clearly
17 appears from the context:

a. "Atlantic City Expressway" means the Atlantic City
19 Expressway constructed by the New Jersey Expressway
Authority pursuant to section 40 of P.L. 1962, c. 10 (C.
21 27:12C-40);

b. "Authority" means the South Jersey Transportation
23 Authority created by this act;

c. "Bond" means any bond, and "note" means any note, of the
25 authority authorized pursuant to the provisions of this act;

d. "Commissioner" means the Commissioner of the State
27 Department of Transportation;

e. "County" means any county of the State;

29 f. "Department" means the Department of Transportation;

g. "Expressway project" or "highway project" means any
31 express highway, super highway or motorway at such locations
and between such termini as theretofore established by the New
33 Jersey Expressway Authority or as herein established or as may
hereafter be established by law, and acquired or to be acquired
35 or constructed or to be constructed under the provisions of this
act by the authority, including the Atlantic City Expressway,
37 over which abutters have no easements or rights of light, air or
direct access by reason of the fact that their properties abut
39 thereon, and shall include but not be limited to all bridges,
parking facilities, tunnels, overpasses, underpasses.

1 interchanges, traffic circles, grade separations, entrance plazas,
 2 approaches, toll houses, service areas, stations and facilities,
 3 communications, facilities, administration, storage and other
 4 buildings, and other structures related to the use of the express
 5 highway, superhighway or motorway, intersecting highways and
 6 bridges and feeder roads which the authority may deem
 7 necessary or desirable for the operation of such project,
 8 together with all property rights, easements and interests which
 9 may be acquired by the authority for the construction or the
 10 operation of such project;

11 h. "Feeder road" means any road which is necessary to create
 or facilitate access to an expressway project;

13 i. "Governing body" means, in the case of a county other than
 14 a county organized pursuant to the "Optional County Charter
 15 Law," P.L. 1972, c. 154 (C. 40:41A-1 et seq.), the board of
 16 chosen freeholders, or in the case of a county organized
 17 pursuant to the "Optional County Charter Law," P.L. 1972, c.
 18 154 (C. 40:41A-1 et seq.) in accordance with that act, or, in the
 19 case of a school district, the board of education, or, in the case
 20 of a municipality or any other governmental subdivision, the
 21 commission, council, board or body, by whatever name it may be
 known, having charge of its finances;

23 j. "Municipality" means any city, borough, village, town or
 township of the State but not a county or a school district;

25 k. "Original authority" means the New Jersey Expressway
 Authority created by P.L. 1962, c. 10 (C. 27:12C-4);

27 l. "Owner" means and includes any individuals, copartnership,
 28 associations, private or municipal corporations, and counties,
 29 municipalities or other governmental subdivisions of the State
 having any title or interest in any property, rights, easements
 30 and interests authorized to be acquired pursuant to this act;

m. "Project" means an expressway or transportation project;

33 n. "Public highway" means and shall include any public
 highway road or street in the State, whether maintained by the
 34 State or by any county, municipality or other governmental
 subdivision;

37 o. "Real property" means lands within the State, above or
 below water, and improvements thereof or thereon, or any
 38 riparian or other rights or interests therein;

1 p. "South Jersey" means the area encompassing the counties
of Atlantic, Burlington, Camden, Cape May, Cumberland,
3 Gloucester, Ocean and Salem; and

q. "Transportation project" means and refers to all modes of
5 transportation, including surface, aerial, water (including but
not limited to ocean, river and navigable stream) including the
7 equipment and facilities used in connection with these modes,
and the vehicles or means of conveyance or carriage used
9 therewith. This definition includes but is not limited to any
area, place, building, structure, equipment, materials, supplies
11 or real property designed to provide or used in providing rail,
motorbus, paratransit, parking, air or marine service (whether
13 regular route, charter, passenger or freight) or any two or more
of these services, to the public, and includes but is not limited
15 to stations, shelters and terminals, airports, heliports, docking
and launching facilities, port facilities, parking facilities, ramps,
17 track connections, signal systems, power systems, information
and communication systems, roadbeds, transit lines or rights of
19 way, equipment storage and servicing facilities, bridges, grade
crossings, rail cars, locomotives, motorbus and other motor
21 vehicles, boats, ferries and other marine vehicles, aircraft,
maintenance and garage facilities, revenue handling equipment
23 and any other building, structure, equipment, materials, supplies
or real property employed or used in any other mode for
25 transporting people or goods, or the marketing of transportation
services. Transportation project shall encompass any of the
27 planning necessary to foster a comprehensive, efficient,
convenient and economical transportation system in South
29 Jersey, and any planning necessary for the execution of any
transportation project.

31 5. There is hereby established in the State Department of
Transportation a public body corporate and politic, with
33 corporate succession, to be known as "South Jersey
Transportation Authority," as the successor to the New Jersey
35 Expressway Authority created by section 4 of P.L. 1962, c. 10
(C. 27:12C-4). For the purpose of complying with the provisions
37 of Article V, Section IV, paragraph 1 of the New Jersey
Constitution, the South Jersey Transportation Authority is
39 hereby allocated within the Department of Transportation, but
notwithstanding that allocation, the authority shall be

1 independent of any supervision or control by the Department of
Transportation or any board or officer thereof. The South
3 Jersey Transportation Authority, which shall be a continuation
of the New Jersey Expressway Authority, shall constitute a
5 political subdivision of the State established as an
instrumentality exercising public and essential governmental
7 functions to provide for the public safety, convenience, benefit
and welfare, and the exercise by the authority of the powers
9 conferred by this act shall be deemed and held to be an essential
governmental function of the State.

11 6. a. The authority shall consist of the Commissioner of
Transportation, who shall be an ex officio voting member; and
13 the Executive Director of the New Jersey Transit Corporation
who shall be an ex officio nonvoting member; and eight members
15 who shall be appointed by the Governor with the advice and
consent of the Senate, including two residents from Atlantic
17 County, one of whom shall be a representative of Atlantic City,
two residents from Camden county, one resident from
19 Gloucester County and each of the three remaining members to
be appointed from the remaining counties in South Jersey in the
21 following rotating order: Burlington, Cumberland, Ocean, Salem,
and Cape May.

23 b. The members of the New Jersey Expressway Authority as
of the effective date of this act shall continue to serve until the
25 end of their terms and until their successors shall have been
appointed and qualified. As his current term expires, the
27 appointed member of the New Jersey Expressway Authority
from Cape May county shall be replaced by a member from the
29 otherwise unrepresented counties in accordance with the order
previously specified in this section. The terms of members
31 appointed in accordance with this section shall be three years.

c. The Commissioner of Transportation may designate a
33 representative from among the employees of the department to
represent him at meetings of the authority and such designee
35 may lawfully vote and otherwise act on behalf of the
commissioner. The designation shall be made annually in writing
37 delivered to the authority, and shall continue in effect until
revoked or amended by written notice delivered to the authority.

39 d. The Executive Director of the New Jersey Transit
Corporation may designate a representative from among the

1 employees of the corporation to represent him at meetings of
the authority and such designee may act on behalf of the
3 director. The designation shall be made annually in writing
delivered to the authority and shall continue in effect until
5 revoked or amended by written notice delivered to the authority.

7 7. a. Not more than four of the appointed members shall be
members of the same political party. Each such member shall
have been a qualified voter of the State for at least one year
9 preceding the appointment. Each member shall hold office for
the term of his appointment and until his successor shall have
11 been appointed and qualified. Any vacancy among the members
shall be filled by appointment only for the unexpired term but
13 such appointment shall not be made sooner than 15 days after
the occurrence of such vacancy. A person appointed to fill an
15 unexpired term shall be a resident of the same county as the
member whose unexpired terms he is filling.

17 b. The authority, upon the first appointment of its members
and thereafter on or after May 1 in each year, shall annually
19 elect from among its members, including the ex officio voting
member, a chairman and a vice-chairman who shall hold office
21 until May 1 next ensuing and until their respective successors
shall have been appointed and qualified. The authority may also
23 appoint and employ, without regard to the provisions of Title 11,
Civil Service, of the Revised Statutes, a secretary, a treasurer,
25 an executive director, a general counsel and a chief engineer
and such other consulting engineers, special attorneys or
27 counsel, accountants, construction, legal and financial experts,
and other agents and employees as it may require, and it shall
29 determine their qualifications, terms of office, duties and
compensation.

31 c. The powers of the authority shall be vested in the members
thereof in office from time to time, and a majority of its voting
33 members shall constitute a quorum at any meeting thereof.
Action may be taken and motions and resolutions adopted by the
35 authority at any meeting by a vote of a majority of the voting
members, unless the bylaws of the authority shall require a
37 larger number. No vacancy in the membership of the board shall
impair the right of a quorum to exercise all the rights and
39 perform all the duties of the authority.

1 8. a. The members of the authority shall serve without
compensation, but the authority may reimburse its members for
3 necessary expenses incurred in the discharge of their duties.

5 b. No member of the governing body of a county shall be
appointed as a member of the authority.

7 c. Any appointed member of the authority may be removed
by the Governor for incapacity, inefficiency, neglect of duty,
misconduct in office or other disqualifying cause but only after
9 he shall have been given a copy of the charges against him and,
not sooner than 10 days thereafter, been afforded opportunity
11 for a hearing, in person or by counsel, with respect to such
charges.

13 9. a. All bondholders and other creditors of the original
authority and persons having claims against or contracts with
15 the original authority of any kind or character may enforce such
debts, claims and contracts against the authority as the
17 successor to the original authority in the same manner as they
might have had against the original authority, and the rights and
19 remedies of such bondholders, creditors and persons having
claims or contracts shall not be limited or restricted in any
21 manner by this act. All property, rights and powers of the
original authority are hereby vested in and shall be exercised by
23 the authority, subject, however, to all pledges, covenants,
agreements and trusts made or created by the original authority,
25 respectively. All debts, liabilities, obligations, agreements and
covenants of the original authority, except to the extent
27 otherwise specifically provided or established to the contrary in
this act, are hereby imposed upon the authority. In continuing
29 the functions and carrying out the contracts, obligations and
duties of the original authority, the authority is hereby
31 authorized to act in its own name or in the name of the original
authority as may be convenient or advisable under the
33 circumstances from time to time.

35 b. Any references to the original authority in any other law
or regulation shall be deemed to refer and apply to the authority.

37 c. All regulations of the original authority shall continue to
be in effect as the regulations of the authority until amended,
supplemented or rescinded by the authority in accordance with
39 law.

1 d. All employees of the original authority shall become
employees of the authority. Nothing in this act shall affect the
3 civil service status, if any, of those employees or their rights,
privileges, obligations or status with respect to any pension or
5 retirement system.

e. The powers vested in the authority by this act shall be
7 construed as being in addition to and not in diminution of the
powers heretofore vested by law in the original authority.

9 10. a. In order to facilitate vehicular traffic and provide for
the construction of modern express highways embodying modern
11 safety devices including center divisions, adequate shoulder
widths, long sight distances, limitations on access, multiple lanes
13 in each direction and grade separations at all intersections with
other highways and railroads, the authority is hereby authorized
15 and empowered to acquire, construct, maintain, improve,
enlarge, repair and operate expressway projects at the location
17 or locations previously or hereinafter established and at such
other locations as shall hereafter be established by law.

19 b. The authority is also authorized and empowered to acquire,
construct, maintain, improve, enlarge, repair, operate and
21 support transportation projects within South Jersey;

c. In addition, the authority is authorized and empowered to
23 assist in planning for the development of the transportation
system in South Jersey, in conjunction with federal, State, local,
25 and other public entities, as appropriate.

11. The authority shall be a public body corporate and politic
27 and shall have perpetual succession and shall have the following
powers:

29 a. To adopt bylaws for the regulation of its affairs and the
conduct of its business;

31 b. To adopt and have an official common seal and alter the
same at pleasure;

33 c. To maintain an office at such place or places within the
State as it may designate;

35 d. To sue and be sued;

e. To acquire, construct, maintain, improve, repair and
37 operate projects;

f. To construct, maintain, improve, repair and operate feeder
39 roads;

1 g. To issue bonds or notes of the authority for expressway and
3 transportation projects and to provide for the rights of the
holders thereof as provided in this act;

5 h. In the exercise of any of its powers to fix and revise from
time to time and charge and collect tolls or other charges for
transit over or use of any project acquired or constructed by it;

7 i. To establish rules and regulations for the use of any project;

9 j. To acquire, lease as lessee, hold and dispose of real and
personal property or any interest therein, in the exercise of its
powers and the performance of its duties under this act;

11 k. To acquire in the name of the authority by purchase or
otherwise, on such terms and conditions and in such manner as it
13 may deem proper, or by the exercise or the power of eminent
domain, any land and other property which it may determine is
15 reasonably necessary for any project or for the relocation or
reconstruction of any public highway by the authority under the
17 provisions of this act or the construction of any feeder road
which the authority is or may be authorized to construct and any
19 and all rights, title and interest in such land and other property,
including public lands, parks, playgrounds, reservations,
21 highways or parkways owned by or in which any county,
municipality or other governmental subdivision of the State has
23 any right, title or interest, or parts thereof or rights therein,
and any fee simple absolute or any lesser interest in private
25 property, and any fee simple absolute in. easements upon, or the
benefit of restrictions upon abutting property to preserve and
27 protect projects:

l. To locate and designate, and to establish, limit and control
29 such points of ingress and egress from each project as may be
necessary or desirable in the judgment of the authority to insure
31 the proper operation and maintenance of such project; and to
prohibit entrance to such project from any point or points not so
33 designated;

m. Subject to the limitations of this act, to acquire,
35 construct, maintain, improve, repair or operate any public
highway connecting with any one or more projects which in the
37 opinion of the authority will increase the use of a project or
projects, to take over for maintenance, improvement, repair or
39 operation any existing public highway as a feeder road all to

1 realign any such existing public highway and build additional
sections of road over new alignment in connection with such
3 existing public highway;

n. To receive and accept from any federal agency, subject to
5 the approval of the Governor, grants for or in aid of the
acquisition or construction of any project, and to receive and
7 accept aid or contributions from any other source, of either
money, property, labor or other things of value, to be held, used
9 and applied only for the purposes for which such grants and
contributions may be made;

11 o. Subject to the limitations of this act, to determine the
location, type and character of any project and all other matters
13 in connection with the project;

p. Subject to the rights and security interests of the holders
15 from time to time of bonds or notes theretofore or hereafter
issued by the authority, to enter into contracts with the State or
17 the Department of Transportation or the New Jersey
Transportation Trust Fund Authority established by section 4 of
19 the New Jersey Transportation Trust Fund Authority Act of
1984, P.L. 1984, c. 73 (C. 27:1B-1 et al.), providing for the
21 payment from the revenues of the authority to the State or to
the New Jersey Transportation Trust Fund Authority of the
23 amount or amounts of revenues that may be set forth in or
determined in accordance with the contracts, provided, that the
25 payments shall be used solely for financing highway and
transportation projects in the counties of Ocean, Burlington,
27 Camden, Gloucester, Atlantic, Salem, Cumberland and Cape
May, including the payment of principal and interest on any
29 bonds, notes or other obligations issued or entered into by the
New Jersey Transportation Trust Fund Authority, the proceeds
31 of which shall be allocated by the New Jersey Transportation
Trust Fund Authority to highway and transportation projects
33 within the counties aforesaid; any contracts authorized pursuant
to this section may include conditions and covenants necessary
35 and desirable to facilitate the issuance and sale of bonds, notes
and other obligations of the New Jersey Transportation Trust
37 Fund Authority. Any agreements entered into between the
Department of Transportation and the authority pursuant to this
39 subsection shall terminate upon the effective date of any

1 agreement entered into between the authority and the New
Jersey Transportation Trust Fund Authority providing for
3 payment of revenues of the authority directly from the
authority to the New Jersey Transportation Trust Fund
5 Authority.

q. To establish a separate interest bearing account, to be
7 known as the South Jersey Transportation Fund, which shall be
used to finance highway or transportation projects and to
9 deposit the payment which may be received by the authority for
highway and transportation projects in accordance with
11 subsection p. of this section to the fund, provided, that a law is
enacted permitting or requiring such payments by the New
13 Jersey Transportation Trust Fund Authority to this account or to
the authority or that the New Jersey Transportation Trust Fund
15 Authority shall contract or agree to make such payments.

r. To lease as lessee, or hold or dispose of, property within
17 the South Jersey area which is used or may be useful for
expressway and transportation projects; and

s. To enter into any and all amendments or contracts
19 executing any and all acts or things necessary, convenient or
desirable for the purposes of the authority or to carry out any
21 power expressly given in this act.

12. The erection, use or maintenance of any structure for the
23 display of outdoor advertising on the Atlantic City Expressway
shall be consistent with the provisions of P.L. 1959, c. 191 (C.
25 54:40-50 et seq.) and the regulations promulgated pursuant to
section 15 of P.L. 1959, c. 191 (C. 54:40-64).
27

13. The State shall have the right, upon furnishing the
29 authority with sufficient funds therefor, to require the authority
to redeem, pay or cause to be paid, at or prior to maturity, in
31 whole or in part, any bonds issued by the authority under this act
or under P.L. 1962, c. 10, provided that the redemption or
33 payment shall be made in accordance with the provisions of any
contract entered into by the authority with the holders of such
35 bonds.

14. a. To the end that the Atlantic City Expressway and such
37 other expressway projects as may be herein or thereafter
established shall be operated in a manner consistent with the
best interests of the riding public using such expressways and so
39 that the expressways shall receive necessary and appropriate

1 maintenance and repair, there is established in the South Jersey
Transportation Authority and under the jurisdiction of the
3 authority an operating division to be charged by the authority
with the responsibility, as determined by the authority, for the
5 consistent maintenance, improvement, enlargement, repair and
operation of expressway projects.

7 b. The authority may establish such other operating divisions
as it deems necessary in the authority and under its jurisdiction
9 with the responsibility of the division to be determined by the
authority pursuant to this act. Upon the acquisition or operation
11 by the authority of a transportation project authorized in
section 49 or section 50 of this act or upon the authority's
13 entering into a contract or agreement concerning airports or
heliports provided for in this subsection, there shall be
15 established an operating division to be known as the "airport
division" with the responsibility for the construction,
17 enlargement, maintenance, improvement, repair, operation and
support of airports and heliports. The airport division shall be
19 headed by an executive director with knowledge and experience
in aviation or aeronautics. However, the authority may enter
21 into a contract or agreement providing for the construction,
enlargement, maintenance, improvement, repair, operation or
23 support of airports and heliports by an entity other than the
airport division or the authority. This entity shall be under the
25 ultimate supervision of the airport division, as determined by
the authority and in accordance with the contract or agreement,
27 except that in the case of the Federal Aviation Administration,
the airport division shall have no supervisory powers.

29 c. Upon the establishment of the airport division, there shall
be established an advisory committee to be appointed by the
31 Governor with the advice and consent of the Senate. The
committee shall consist of county and municipal government
33 representatives, representatives of the United States
Department of Transportation, Federal Aviation Administration
35 or its successor, and concerned citizens, in the number and for
such term as may be fixed by the authority, and shall advise the
37 authority and the airport division concerning airport and heliport
matters. At least a majority of the membership of the
39 committee shall consist of residents of those municipalities,
including the city of Atlantic City, directly affected by the

1 operation of the airport or airports for which the airport division
has responsibility or ultimate supervision.

3 The Federal Aviation Administration may designate one of its
representatives on this committee as a liaison to the authority
5 and the airport division concerning matters related to the
Atlantic City Regional Airport-Pomona, a transportation
7 project herein authorized and established.

d. The establishment and existence of these operating
9 divisions shall in no way diminish or impair the rights, duties,
powers, responsibilities and obligations of the authority as
11 provided in this act.

15. The South Jersey Transportation Authority, in the
13 exercise of its authority to make and enter into contracts and
agreements necessary or incidental to the performance of its
15 duties and the execution of its powers, shall adopt standing
operating rules and procedures providing that, except as
17 hereinafter provided, no contract on behalf of the authority
shall be entered into for the doing of any work, or for the hiring
19 of equipment or vehicles, where the sum to be expended exceeds
the sum of \$7,500.00 unless the authority shall first publicly
21 advertise for bids therefor, and shall award the contract to the
lowest responsible bidder; except that this advertising shall not
23 be required where the contract to be entered into is one for the
furnishing or performing services of a professional nature or for
25 the supplying of any product or the rendering of any service by a
public utility subject to the jurisdiction of the Board of Public
27 Utilities of this State and tariffs and schedules of the charges,
made, charged, or exacted by the public utility for any such
29 products to be supplied or services to be rendered are filed with
the board.

31 This section shall not prevent the authority from having any
work done by its own employees, nor shall it apply to repairs, or
33 to the furnishing of materials, supplies or labor, or the hiring of
equipment or vehicles, when the safety or protection of its or
35 other public property or the public convenience require, or the
exigency of the authority's service will not admit of such
37 advertisement. In this case the authority shall, by resolution,
passed by the affirmative vote of a majority of its members,
39 declare the exigency or emergency to exist, and set forth in

1 the resolution the nature thereof and the approximate amount to
be so expended.

3 16. Nothing contained in this act shall be construed to
authorize or empower the authority a. to vacate, close, connect
5 with, adjust, relocate, cross or otherwise physically affect any
State highway unless plans therefor shall have previously been
7 delivered to the commissioner and no objections to said plans
shall have been made by the commissioner within 21 days after
9 such delivery, or b. to acquire State property or any interest
therein by the exercise of the power of eminent domain, or c. to
11 mortgage real property.

17. The authority shall not engage in the construction or
13 operation of any facility or activity not directly related to the
use of a project except as may be specially authorized by law.

15 18. The authority may by resolution determine to combine
two or more projects described in the resolution, and the
17 projects so described shall thereafter constitute and be deemed
to be one project within the meaning and for all the purposes of
19 this act.

19. The authority and its authorized agents and employees
21 may enter upon any lands, waters and premises other than State
property for the purpose of making surveys, soundings, drillings
23 and examinations as it may deem necessary or convenient for
the purposes of this act, and this entry shall not be deemed a
25 trespass, not shall the entry for this purpose be deemed an entry
under any condemnation proceedings which may be then
27 pending. The authority shall make reimbursement for any actual
damages resulting to such lands, waters and premises as a result
29 of such activities.

20. a. Subject to the limitations of this act, the authority
31 shall have power to construct and reconstruct traffic circles,
interchanges and grade separation at intersections of any
33 project with public highways and to change and adjust the lines
and grades of the public highways so as to accommodate the
35 same to the design of the project. The cost of construction and
any damage incurred in changing and adjusting the lines and
37 grades of the public highways shall be ascertained and, unless
otherwise provided for, paid by the authority as a part of the
39 cost of the project.

b. Subject to the limitations of this act, if the authority shall
41 find it necessary in connection with any project to change the

1 location of any portion of any public highway, it shall cause the
public highway to be reconstructed at such location as the
3 authority shall deem most favorable and of substantially the
same type and in as good condition as the original public
5 highway. The cost of the reconstruction and any damage
incurred in changing the location of any such highway shall be
7 ascertained and, unless otherwise provided for, paid by the
authority as a part of the cost of the project.

9 c. Any public highway, affected by any project may be
vacated or relocated by the authority in the manner now
11 provided by law for the vacation or relocation of public roads
and any damages awarded on account thereof shall be
13 ascertained and, unless otherwise provided for, paid by the
authority as a part of the cost of the project.

15 21. In addition to the other powers conferred upon it by this
act or by any other law and not limitation thereof, the
17 authority, in connection with construction or operation of any
project, shall have power to make reasonable regulations for the
19 installation, construction, maintenance, repair, renewal,
relocation and removal of tracks, pipes, mains, conduits, cables,
21 wires, towers, poles or any other equipment and appliances (in
this section called "works") of any public utility as defined in
23 R.S. 48:2-13, in, on or along, over or under any project, public
highway or real property, including public lands or waters.
25 Whenever in connection with construction or operation of any
project, the authority shall determine that it is necessary that
27 any such works, which now are or hereafter may be located in,
on, along, over under any project, public highway, or real
29 property, should be relocated in the project, public highway, or
real property or should be removed therefrom, the public utility
31 owning or operating such works shall relocate or remove the
same in accordance with the order of the authority, provided,
33 however, that the cost and expenses of the relocation or
removal, including the cost of installing these moves in a new
35 location or new locations, and the cost of any lands or any rights
or interest in lands or any other rights acquire to accomplish the
37 relocation or removal, less the cost of any lands or any rights or
interest in lands or any other rights of the public utility, paid to
39 the public utility in connection with the relocation or removal of
such works, shall be paid by the authority and shall be included
41 in the cost of the project.

1 In case of any relocation or removal of works, as aforesaid,
the authority shall own and maintain, repair and renew
3 structures within the rights of way of railroad companies
carrying any project or feeder road over railroads, and the
5 authority shall bear the cost of maintenance, repair and renewal
of structures within the rights of way of railroad companies
7 carrying railroads over any project or feeder road, but this
provision shall not relieve any railroad company from
9 responsibility for damage caused to any authority or railroad
structure by the operation of its railroad. Such approaches,
11 curbing, sidewalk paving, guard rails on approaches and surface
paving projects or feeder roads as shall be within the rights of
13 way of a railroad company or companies shall be owned and
maintained, repaired and renewed by the authority; rails, pipes
15 and lines shall be owned and maintained, repaired and renewed
by the railroad company or companies.

17 22. If the authority, by resolution, determines that it is a
reasonable public necessity to acquire, for any expressway
19 project, lands owned by or under the control or jurisdiction of
any county park commission, it shall, within 10 days after its
21 adoption of the resolution, serve a copy of the resolution upon
the park commission. The park commission may within 20 days
23 after service upon it appeal from the determination of the
authority to the Appellate Division of the Superior Court, which
25 shall hear and determine the question of whether or not the
taking of the land in question in preference to some other route,
27 is a reasonable public necessity, and if the court shall determine
that the taking is such a reasonable public necessity, the
29 authority may thereupon proceed therewith.

31 23. Before taking over any existing public highway as a
feeder road, the authority shall obtain the consent of any
authorities then exercising jurisdiction over the highway, which
33 are hereby authorized to give this consent by resolution of its
governing body in the case of any county or municipality or
35 other governmental subdivision by any written instrument or in
any other case. Each feeder road or section thereof acquired or
37 constructed, or public highway taken over from these authorities
as a feeder road, in connection with an expressway project by
39 the authority shall for all purposes of this act be deemed to
constitute part of the project, except that the authority may
41 turn back to the authorities a. any public highway taken over as

1 a feeder road from the authorities or b. any feeder road or
section thereof constructed upon a new alignment in substitution
3 for the previous alignment of a public highway so taken over
unless 80% or more of the feeder road or section is constructed
5 upon a new alignment.

24. a. Upon the exercise of the power of eminent domain by
7 the authority, the compensation to be paid thereunder shall be
ascertained and paid in the manner provided in chapter 1 of
9 Title 20 of the Revised Statutes in so far as the provisions
thereof are applicable and not inconsistent with the provisions
11 contained in this act. The authority may join in separate
subdivisions in one petition or complaint the descriptions of any
13 number of tracts or parcels of land or property to be
condemned, and the named of any number of owners and other
15 parties who may have an interest therein and all the land or
property included in the petition or complaint may be
17 condemned in a single proceeding; except that separate awards
shall be made for each tract or parcel of land or property; and
19 provided that each of the tracts or parcels of land or property
lies wholly in or has a substantial part of its value lying wholly
21 within the same county.

b. Upon the filing by the authority of a complaint in any
23 action to fix the compensation to be paid for any property or at
any time thereafter, the authority may file with the clerk of the
25 county in which the property is located and also with the clerk
of the Superior Court a declaration of taking, signed by the
27 authority, declaring that possession of one or more of the tracts
or parcels of land or property described in the complaint is
29 thereby being taken by and for the use of the authority. The
declaration of taking shall be sufficient if it sets forth (1) a
31 description of each tract or parcel of land or property to be so
taken sufficient for the identification thereof to which there
33 may or may not be attached a plan or map thereof, (2) a
statement of the estate or interest in the land or property being
35 taken, (3) a statement of the sum of money estimated by the
authority by resolution to be just compensation for the taking of
37 the estate or interest in each tract or parcel of land or property
described in the declaration, and (4) an allegation that, in
39 compliance with the provisions of this act, the authority has
established and is maintaining a trust fund as hereinafter
41 provided.

1 c. Upon the filing by the authority of a declaration of taking
of property as provided in this act, the authority shall deposit
3 with the clerk of the Superior Court the amount of the
estimated compensation stated in the declaration. In addition to
5 the deposits with the clerk of the Superior Court, the authority
at all times shall maintain a fund on deposit with a bank or trust
7 company doing business in the State in an amount at least equal
to the aggregate amount deposited with the clerk of the
9 Superior Court as estimated compensation for all property
described in declarations of taking with respect to which the
11 compensation has not been finally determined and paid to the
persons entitled thereto or into court. The fund shall consist of
13 cash or securities readily convertible into cash constituting legal
investments for trust funds under the laws of the State or may
15 consist of all or some part of the proceeds or bonds or notes of
the authority held by any trustee for the holders of the bonds or
17 notes and available for payment for the land or other property
described in the declarations of taking. The fund shall be held
19 by or on behalf of the authority, to secure and may be applied to
the payment of just compensation for the land or other property
21 described in such declarations of taking. The authority shall be
entitled to withdraw from said fund from time to time so much
23 as may then be in excess of the aggregate amount of the
estimated compensation for all land or other property described
25 in declarations of taking with respect to which the compensation
has not been finally determined and paid to the persons entitled
27 thereto or into court.

 d. Upon the filing by the authority of a declaration of taking
29 of property as provided in this act and the depositing with the
clerk of the Superior Court of the amount of the estimated
31 compensation stated in said declaration, the authority, without
other process or proceedings, shall be entitled to the exclusive
33 possession and use of each tract of land or property described in
the declaration and may forthwith enter into and take possession
35 of the land or property, it being the intent of this provision that
the action to fix compensation to be paid or any other
37 proceedings relating to the taking of the land or interest therein
or other property shall not delay the taking of possession thereof
39 and the use thereof by the authority for the purpose or purposes
for which the authority is authorized by law to acquire or

1 condemn the land or other property or interest therein.

2 e. The authority shall cause notice of the filing of a
3 declaration of taking of property as provided in this act and of
4 the making of the deposit required by this act with respect
5 thereto to be served upon each party to the action to fix the
6 compensation to be paid who resides in the State, either
7 personally or by leaving a copy thereof at his residence if
8 known, and upon each such party who resides out of the State,
9 by mailing a copy thereof to him at his residence if known. In
10 the event that the residence of any party or the name of the
11 party is unknown, the notice shall be published at least once in a
12 newspaper published or circulating in the county or counties in
13 which the property is located. This service, mailing or
14 publication shall be made within 30 days after filing the
15 declaration. Upon the application of any party in interest and
16 after notice to other parties in interest, including the authority,
17 the Superior Court may direct that the money deposited with
18 the clerk of the Superior Court or any part thereof be paid
19 forthwith to the person or persons entitled thereto for or on
20 account of the just compensation to be awarded in the action,
21 provided that each such person shall have filed with the clerk of
22 the Superior Court a consent in writing that, in the event the
23 award in the said action shall be less than the amount deposited,
24 the court, after such notice as the court prescribes and hearing,
25 may determine his liability, if any, for the return of the
26 difference or any part thereof and enter judgment therefor. If
27 the amount of the award as finally determined shall exceed the
28 amount so deposited, the person or persons to whom the award is
29 payable shall be entitled to recover from the authority the
30 difference between the amount of the deposit and the amount of
31 the award, with interest at the rate of 6% per annum thereon
32 from the date of making the deposit. If the amount of the
33 award as so determined shall be less than the amount so
34 deposited, the clerk of the Superior Court shall return the
35 difference between the amount of the award and the deposit to
36 the authority unless the theretofore been distributed, in which
37 event the court, on application of the authority and notice to all
38 persons interested in the award and affording them an
39 opportunity to be heard, shall enter judgment in favor of the
40 authority for the difference against the party or parties liable
41 for the return thereof.

1 f. The authority shall not abandon any consideration
proceeding subsequent to the date upon which it has taken
3 possession of the land or property as provided in this act.

25. a. Each expressway project when constructed and opened
5 to traffic shall be maintained and kept in good condition and
repair by the authority. Each project and any part thereof shall
7 be policed and operated by such force of police, toll-takers,
operating employees and other persons as the authority may
9 employ or authorize.

b. Subject to the terms of any agreement by it with the
11 holders of bonds or notes, if the authority, shall find that any
part of an expressway project is not suitable or sufficient as a
13 highway to carry mixed traffic, the authority shall have power
to exclude from that part any traffic other than passenger
15 motor vehicles.

26. a. The authority shall have the power and is hereby
17 authorized from time to time to issue its bonds or notes for any
of its corporate purposes, including the payment, funding, or
19 refunding of principal or interest or redemption premiums on
any bonds or notes of interest to be funded or refunded have or
21 have not become due.

b. Except as may be otherwise expressly provided by the
23 authority, every issue of bonds or notes shall be general
obligations payable out of any moneys or revenues of the
25 authority, subject only to any agreements with the holders of
particular bonds or notes pledging any particular bonds or
27 revenues. The authority may issue such types of bonds or notes
as it may determine, including (without limiting the generality
29 of the foregoing) bonds or notes on which the principal and
interest are payable (1) exclusively from the income and
31 revenues of the project financed with the proceeds of the bonds
or notes; (2) exclusively from the income and revenues of
33 certain designated projects are not financed in whole or in part
with the proceeds of the bonds or notes; or (3) from its revenues
35 generally. Any bonds or notes may be additionally secured by a
pledge of any grant or contribution from the federal government
37 or any state or person or a pledge of any moneys, income or
revenues of the authority from any source whatsoever.

1 c. Any provision of any law to the contrary notwithstanding,
any bond or note issued pursuant to this act shall be fully
3 negotiable within the meaning and for all purposes of the
negotiable instruments of the law of the State, and each holder
5 or owner of such a bond or note, or of any coupon shall be
conclusively deemed to have agreed that the bond, note or
7 coupon is and shall be fully negotiable within the meaning and
for all purposes of the negotiable instruments law.

9 d. Bonds or notes of the authority shall be authorized by
resolution of the authority and may be issued in one or more
11 series and shall bear such date or dates, mature at such time or
times not exceeding 40 years from the date thereof, bear
13 interest at a rate or rates within such maximum rate as shall be
determined by the authority, be in such denomination or
15 denominations, be in such form either coupon or registered,
carry such conversion or registration privileges, have such rank
17 or priority, be executed in such manner, be payable from such
sources in such medium of payment at such place or places
19 within or without the State, and be subject to such terms of
redemption (with or without premium) as the resolution or
21 resolutions may provide.

e. Bonds or notes of the authority may be sold at public or
23 private sale at such price or prices as the authority shall
determine.

25 f. No resolution or other action of the authority providing for
the issuance of bonds, refunding bonds or other obligations or for
27 the fixing, revising or adjusting of tolls for the use of any
project or parts or sections thereof shall be adopted or
29 otherwise made effective by the authority without the prior
approval in writing of the Governor and either the State
31 Treasurer or the Comptroller of the Treasury.

A true copy of the minutes of every meeting of the authority
33 shall be forthwith delivered by and under the certification of the
secretary thereof to the Governor and the Office of Legislative
35 Services. No action taken at the meeting by the authority shall
have force or effect until the earlier of 10 days, exclusive of
37 Saturdays, Sundays, and public holidays, after the copy of the
minutes shall have been so delivered, or the approval thereof by
39 the Governor. If, in the 10-day period, the Governor returns the
copy of the minutes with veto of any action taken by the
41 authority or any member thereof at the meeting except action

1 to negotiate or execute a collective negotiation agreement with
3 a certified public employee organization representing employees
5 of the authority, the action shall be null and of no effect. The
7 veto shall also be concurrently filed with the Office of
9 Legislative Services. The minutes of any meeting at which the
11 authority proposes or approves its operating or capital outlay
13 budget shall include a copy of that budget. The powers
15 conferred by subsection f. herein, upon the Governor, the State
17 Treasurer and the Comptroller of the Treasury shall be
exercised with due regard for the rights of the holders of bonds
of the authority at any time outstanding, and nothing in, or done
pursuant to, this subsection shall in any way limit, restrict or
alter the obligation or powers of the authority or any
representative or officer of the authority, to carry out and
perform in every detail each and every covenant, agreement or
contract at any time made or entered into by or on behalf of the
authority with respect to its bonds or for the benefit, protection
or security of the holders thereof.

19 27. In any resolution of the authority authorizing or relating
21 to the issuance of any bonds or notes, the authority, in order to
23 secure the payment of the bonds or notes and in addition to its
other powers, shall have power by provisions therein which shall
constitute covenants by, the authority and contracts with the
holders of the bonds or notes:

25 a. To pledge to any payment or purpose all or any part of its
27 tolls or revenues to which its right then exists or play thereafter
come into existence, and the moneys derived therefrom, and the
proceeds of any bonds or notes;

29 b. To covenant against pledging all or any part of its tolls or
31 revenues, or against mortgaging all or any part of its real or
33 personal property then owned or thereafter acquired, or against
permitting or suffering any lien on the tolls, revenues or
property;

35 c. To covenant with respect to limitations on any right to
sell, lease or otherwise dispose of any project or any part
thereof or any property of any kind;

37 d. To covenant as to any bonds and notes to be issued and the
39 limitations thereon and the terms and conditions thereof and as
to the custody, application and disposition of the proceeds
thereof;

1 e. To covenant as to the issuance of additional bonds or notes
or as to limitations on the issuance of additional bonds or notes
3 and on the incurring of other debts by it;

f. To covenant as to the payment of the principal of or
5 interest on the bonds or notes, or any other obligations, as to the
sources and methods of the payment, as to the rank or priority
7 of any bonds, notes or obligations with respect to any lien or
security or as to the acceleration of the maturity of any such
9 bonds, notes or obligations;

g. To provide for the replacement of lost, stolen, destroyed
11 or mutilated bonds or notes;

h. To covenant against extending the time for the payment of
13 bonds or notes or interest thereon;

i. To covenant as to the redemption of bonds or notes and
15 privileges of exchange thereof for other bonds or note of the
authority;

j. To covenant as to the rates of toll and other charges to be
17 established and charged the amount to be raised each year or
19 other period of time by tolls or other revenues and as to the use
and disposition to be made thereof;

k. To covenant to create or authorize the creation of special
21 funds or moneys to be held in pledge or otherwise for
23 construction, operating expenses, payment or redemption of
bonds or notes, reserves or other purposes and as to the use and
25 disposition of the moneys held in the funds;

l. To establish the procedure, if any, by which the terms of
27 any contract or covenant with or for the benefit of the holders
of bonds or notes may be amended or abrogated, the amount of
29 bonds or notes the holders of which must consent thereto, and
the manner in which the consent may be given;

m. To covenant as to the construction, improvement,
31 operation or maintenance of its real and personal property, the
33 replacement thereof, the insurance to be carried thereon, and
the use and disposition of insurance moneys;

n. To provide for the rights and liabilities, powers and duties
35 arising upon the breach of any covenant, condition or obligation
37 and to prescribe the events of default and the terms and
conditions upon which any or all of the bonds, notes or other
39 obligations of the authority shall become or may be declared

1 due and payable before maturity and the terms and conditions
upon which any declaration and its consequences may be waived;

3 o. To vest in a trustee or trustees within or without the State
such property, rights, powers and duties in trust as the authority
5 may determine and to limit the rights, powers and duties in
powers of the trustee;

7 p. To pay the costs or expenses incident to the enforcement
of the bonds or notes or of the provisions of the resolution or of
9 any covenant or agreement of the authority with the holders of
its bonds or notes;

11 q. To limit the powers of the authority to construct, acquire
or operate any structures, facilities or properties which may
13 compete or tend to compete with any of its projects;

r. To limit the rights of the holder of any bonds or note to
15 enforce any pledge or covenant securing bonds or notes; and

s. To make covenants other than and in addition to the
17 covenants herein expressly authorized, of like or different
character, and to make such covenants to do or refrain from
19 doing such acts and things as may be necessary, or convenient
and desirable, in order to better secure bonds or notes or which,
21 in the absolute discretion of the authority, will tend to make
bonds or notes more marketable, notwithstanding that the
23 covenants, acts or things may not be enumerated herein.

28. Any pledge of tolls or other revenues or other moneys
25 made by the authority shall be valid and binding from the time
when the pledge is made; the tolls or other revenues or other
27 moneys so pledged and thereafter received by the authority shall
immediately be subject to the lien of such pledge without any
29 physical delivery, thereof or further act, and the lien of any
pledge shall be valid and binding as against all parties having
31 claims of any kind in tort, contract or otherwise against the
authority, irrespective of whether the parties have notice
33 thereof. Neither the resolution nor any other instrument by
which a pledge is created need be filed or recorded except in the
35 records of the authority.

29. Neither the members of the authority nor any person
37 executing bonds or notes issued pursuant to this act shall be
liable personally on the bonds or notes by reason of the issuance
thereof. Bonds and notes issued by the authority pursuant to

1 this act shall not be in any way a debt or liability of the State or
any subdivision thereof and shall not create or constitute any
3 indebtedness, liability or obligation of the State or any
subdivision, except the authority and any county which in
5 accordance with this act shall have guaranteed payment of the
principal of and interest on such bonds or notes.

7 30. The authority shall have power to purchase bonds or notes
of the authority out of any funds available therefor. The
9 authority may hold, cancel or resell the bonds or notes subject
to and in accordance with holders of its bonds or notes.

11 31. The authority is hereby authorized to fix, revise, charge
and collect tolls and charges for the use of each project and the
13 different parts or sections thereof, and the contract with any
person, partnership, association or corporation desiring the use
15 of any part thereof, including the right-of-way adjoining a
paved portion, for operation or placing thereon telephone,
17 telegraph, electric light or powerlines, gas stations, garages,
stores, hotels, or restaurants, or for any other purpose, and to
19 fix the terms, conditions, rents and rates of charges for that
use; provided that a sufficient number of gas stations may be
21 authorized to be established in the service areas along any
project to permit reasonable competition by private business in
23 the public interest; and provided, further, that no toll shall be
charged for the passage of any ambulance, first-aid or
25 emergency aid vehicle, vehicular fire-fighting apparatus, or
other similar vehicle, operated for the benefit of the public by
27 the State or by any county or municipality or charitable or
nonprofit corporation or organization, first-aid squad,
29 emergency squad, or fire company of this State; and provided,
further, that no contract shall be required, and no rent, fee or
31 other charge of any kind shall be imposed. for the use and
occupation (other than for railroad, railway, express, subway or
33 autobus purposes) of the highway portion of any project for the
installation, construction, use, operation, maintenance or repair,
35 renewal, relocation or removal of tracks, pipes, mains, conduits,
cables, wires, towers, holes or other equipment or appliances in,
37 on, along, over or under any such project by any public utility as
defined in section R.S. 27:7-1 which is subject to taxation
39 pursuant to either P.L. 1940, c. 4 (C. 54:30A-16 et seq.) or P.L.
1940, c. 5 (C. 54:30A-49 et seq.), or pursuant to any other law

1 imposing a tax for the privilege of using the public streets,
highways, roads or other public places in the State. Such tolls
3 and charges shall be so fixed and adjusted as to effectuate the
purposes of this act including assisting in the funding of
5 transportation projects and the establishment and maintenance
of a South Jersey Transportation Fund and in any event to carry
7 out and perform the terms and provisions of any contract with
or for the benefit of holders of bonds or notes. Such tolls and
9 charges shall not be subject to supervision or regulation by any
other commission, board, bureau or agency of the State or
11 subdivision of the State. The use and disposition of tolls,
charges and revenues shall be subject to the provisions of any
13 resolution authorizing the issuance of the bonds or notes.

32. The authority shall, whenever it desires to, increase any
15 existing toll or establish any new toll for the use of any project
and the different parts or sections thereof, hold a public hearing
17 on the proposed toll at least 45 days prior to the date on which
the toll is proposed to become effective.

33. The authority shall cause to be published notice of the
19 hearing at least 10 days prior to the hearing at least 10
21 newspapers with a daily circulation in this State.

34. All counties and municipalities and other governmental
23 subdivisions, all authorities, and all public commissions of the
State, notwithstanding any contrary provision of law, are hereby
25 authorized and empowered to lease, lend, grant or convey to the
authority at its request upon the terms and conditions as the
27 governing body or other proper authorities of the counties,
municipalities and governmental subdivisions, authorities and
29 departments, agencies or commissions of the State may deem
reasonable an fair and without the necessity for any
31 advertisement, order of court or other action or formality, other
than the authorizing resolution of the county, municipality or
33 subdivision concerned or the regular and formal action of any
other authority concerned any real property or interest therein
35 which may be necessary or convenient to the effectuation of the
purposes of the authority, including public highways and other
37 real property already devoted to public use. At such time as the
authority shall undertake to construct any part of a project and
39 shall acquire any portion of a State highway route as part of

1 that project, the jurisdiction of the department over that
 portion shall cease. No property of the State, other than
 3 riparian lands or lands under water and similar lands or interest
 therein referred to in Title 12, Commerce and Navigation, of
 5 the Revised Statutes, as amended, shall be so granted, leased or
 conveyed to the authority except upon payment to the State of
 7 such price therefor (if any) as may be fixed by the State House
 Commission.

9 35. For the purpose of aiding the authority and cooperating in
 the planning, undertaking, acquisition, construction or operation
 11 of any project, any county or municipality may a. acquire real
 property in its name for the project or for the widening of
 13 existing roads, streets, parkways, avenues or highways or for
 new roads, streets, parkways, avenues or highways to the
 15 project, or partly for such purposes and partly for other county
 or municipal purposes, by purchase or condemnation in the
 17 manner provided by law for the acquisition of real property by
 the county or municipality, b. furnish, dedicate, close, vacate,
 19 pave, install, grade, regrade, plan or replan parks, streets, roads,
 roadways, alleys, sidewalks or other public places as it may
 21 otherwise be empowered to do, and c. do any and all things
 necessary or convenient to aid and cooperate in the planning,
 23 undertaking, construction or operation of the project, and cause
 services to be furnished to the authority or any character which
 25 the county or municipality is otherwise empowered to furnish,
 and to incur the entire expense thereof.

27 36. For the purpose of aiding the authority and cooperating in
 the planning, undertaking, acquisition, construction or operation
 29 of any project, any county by resolution of its governing body, or
 any municipality by ordinance of its governing body, shall have
 31 power from time to time and for such period and upon such
 terms, with or without consideration, as may be provided by the
 33 resolution or ordinance and acceptance of the authority, a. to
 appropriate moneys for the purposes of the authority, and to
 35 loan or donate the money to the authority in those installments
 and upon those terms as may be agreed upon with the authority.

37 b. To covenant and agree with the authority to pay to or on
 the order of the authority annually, or at shorter intervals as a
 39 subsidy for the promotion of its purposes not exceeding such
 sums of money as may be stated in the resolution or ordinance

1 or computed in accordance therewith, c. upon authorization by
it in accordance with law of the performance of any act or thing
3 which it is empowered by law to authorize and perform and
after appropriation of the moneys (if any) necessary for the
5 performance, to covenant and agree with the authority to do and
perform such act or thing as to the time, manner and other
7 details of its doing and performance, and d. to appropriate
money for all or any part of the cost of acquisition or
9 construction of the project, and, in accordance with the
limitations and any exceptions thereto and in the manner or
11 mode of procedure prescribed by the Local Bond Law to incur
indebtedness, borrow money and issue its negotiable bonds for
13 the purpose of financing the project and appropriation, and to
pay the proceeds of the bonds to the authority.

15 37. For the purpose of aiding the authority in the planning,
undertaking, acquisition, construction, or operation of any
17 project, any county may, pursuant to resolution duly adopted by
its governing body after notice published and a hearing thereon
19 held in the manner provided with regard to county bond
resolutions pursuant to the Local Bond Law and with or without
21 consideration and upon those terms and conditions as may be
agreed to by and between the county and the authority,
23 unconditionally guarantee the punctual payment of the principal
of and interest on any bonds or notes of the authority. Any
25 guarantee of bonds or notes of the authority made pursuant to
this section shall be evidenced by endorsement thereof on the
27 bonds or notes, executed in the name of the county and on its
behalf by such officer thereof as may be designated in the
29 resolution authorizing the guaranty, and that county shall
thereupon and thereafter be obligated to pay the principal of
31 and interest on the bonds or notes in the same manner and to the
same extent as in the case of bonds or notes issued by it. Any
33 such guaranty of bonds or notes by the authority by a county
may be made, and any resolution authorizing the guaranty may
35 be adopted in the manner aforesaid, notwithstanding any debt or
other limitations including particularly any limitation under or
37 pursuant to the Local Bond Law, but the principal amount of
bonds or notes so guaranteed, shall, after their issuance, be
39 included in the gross debt of that county for the purpose of
determining the indebtedness of that county under or pursuant

1 to the Local Bond Law. The principal amount of the bonds or
notes so guaranteed and included in gross debt shall be deducted
3 and is hereby declared to be and to constitute a deduction from
such gross debt under and for all the purposes of the Local Bond
5 Law. a. from and after the time of issuance of the bonds or
notes until the end of the fourth fiscal year beginning next after
7 the completion of acquisition or construction of the project to
be financed from the proceeds thereof and b. in any annual debt
9 statement filed pursuant to the Local Bond Law, as of the end of
the fiscal year in any subsequent fiscal year unless the county in
11 that year shall have been required to make any payment on
account of the principal of or interest on such bonds or notes.

13 38. Every county or municipality which shall make any
contract, covenant or agreement with the authority pursuant to
15 this act is hereby authorized and directed to do and perform any
and all acts or things necessary or convenient and desirable, to
17 carry out and perform the same and to provide for the pay silent
or discharge of any obligation thereunder in the same manner as
19 other obligations. Any such contract, covenant or agreement,
and any instrument making or evidencing the same, may be
21 pledged or assigned by the authority to secure its bonds and
thereafter may not be modified except as provided by the terms
23 of the instrument or by the terms of the pledge or assignment.

39. If the department shall have incurred or paid any costs or
25 expenses with respect to an expressway project or with respect
to preliminary studies of the feasibility or location thereof, the
27 commissioner may from time to time certify the amount thereof
to the authority. Immediately upon the first ensuing issuance by
29 the authority of any bonds or notes for financing the project, the
amount of the costs and expenses so certified by the
31 commissioner shall be reimbursed by the authority to the State
from the proceeds of the bonds or notes.

33 40. All property of the authority shall be exempt from levy
and sale by virtue of an execution and in execution or other
35 judicial process shall issue against the same There shall any
judgment against the authority be a charge or lien upon its
37 property; provided, that nothing herein contained shall apply to
or limit the rights of the holder of any bonds or notes to pursue
39 any remedy for the enforcement of any pledge or lien given by
the authority on its revenues or other moneys.

1 41. All projects and other property of the authority are
hereby declared to be public property of a political subdivision
3 of the State and devoted to an essential public and governmental
function and purpose and shall be exempt from all taxes and
5 special assessments of the State or any subdivision thereof. All
bonds or notes issued pursuant to this act are hereby declared to
7 be issued by a political subdivision of this State and for an
essential public and governmental purpose and to each a public
9 instrumentality and the bonds and notes, and the interest
thereon and the income therefrom, and all tolls, charges, funds,
11 revenues, income and other moneys pledged or available to pay,
or secure the payment of such bonds or notes, or interest
13 thereon, shall at all times be exempt from taxation except for
transfer inheritance and estate taxes.

15 42. All banks, trust companies, savings banks, investment
companies and other persons carrying on a banking business are
17 each hereby authorized to give to the authority a good and
sufficient undertaking with such sureties as shall be approved by
19 the authority to the effect that the bank or banking institution
as hereinbefore described shall faithfully keep and pay over to
21 the order of or upon the warrant of the authority or its
authorized agent all those funds as may be deposited with it by
23 the authority and agreed interest thereon, at these times upon
these demands as may be agreed to with the authority or, in lieu
25 of these sureties, deposit with the authority or its authorized
agent or any trustee therefor or for the holders of any bonds or
27 notes, as collateral, these securities as the authority may
approve. The deposits of the authority may be evidenced or
29 secured by a depository collateral agreement in that form and
upon these terms and conditions as may be agreed upon by the
31 authority and at that bank or banking institution.

33 43. Notwithstanding any restriction contained in any other
law, the State and all public officers, municipalities, counties,
political subdivisions and public bodies and agencies thereof, all
35 banks, trust companies, savings banks and institutions, building
and loan associations, investment companies, savings and loan
37 associations, and other persons carrying on a banking or
investment business, all insurance companies, insurance
39 associations and other persons carrying on an insurance business,
and all executors, administrators, guardians, trustees and other

1 fiduciaries, may legally invest any sinking funds, moneys or
2 other funds belonging to them or within their control in any
3 bonds or notes issued pursuant to this act, and these bonds and
4 notes shall be authorized security for any and all public deposits.

5 44. a. Except as otherwise provided in section 31 of this act,
6 no vehicle shall be permitted to make use of any expressway
7 project except upon the payment of such tolls as may from time
8 to time be prescribed by the authority. It is hereby declared to
9 be unlawful for any person to refuse to pay, or to evade or to
10 attempt to evade the payment of such tolls.

11 b. No vehicle shall be operated on any project carelessly or
12 recklessly, or in disregard of the rights or safety of others, or
13 without due caution or prudence, or in a manner so as to
14 endanger unreasonably or to be likely to endanger unreasonably
15 persons or property, while the operator thereof is under the
16 influence of intoxicating liquors or any narcotic or
17 habit-forming drug, nor shall any vehicle be so constructed,
18 equipped, lacking in equipment, loaded or operated in such a
19 condition of disrepair as to endanger unreasonably or to be likely
20 to endanger unreasonably persons or property.

21 c. A person operating a vehicle on any project shall operate
22 at a careful and prudent speed, having due regard to the rights
23 and safety of others and to the traffic, surface and width of the
24 highway, and any other conditions then existing; and do person
25 shall operate a vehicle on any project at such a speed as to
26 endanger life, limb or property; except that it shall be prima
27 facie lawful for a driver of a vehicle to operate it at a speed not
28 exceeding a speed limit which is designated by the authority as a
29 reasonable and safe speed limit, when appropriate signs giving
30 notice of that speed limit are erected at the roadside or
31 otherwise posted for the information of operators of vehicles.

32 d. No person shall operate a vehicle on any project at such a
33 slow speed as to impede or block the normal and reasonable
34 movement of traffic except when reduced speed is necessary for
35 safe operation thereof;

36 e. No person shall operate a vehicle on any project in
37 violation of any speed limit designated by regulation adopted by
38 the authority as hereinafter provided.

39 f. All persons operating vehicles upon any project must at all
40 times comply with any lawful order, signal or direction by voice

1 or hand of any police officer engaged in the direction of traffic
upon such project. When traffic on a project is controlled by
3 traffic lights, signs or by mechanical or electrical signals, those
lights, signs and signals shall be obeyed unless a police officer
5 directs otherwise.

g. All persons operating vehicles upon any project, or seeking
7 to do so, must at all times comply with regulations, not
inconsistent with the other sections, of this act, adopted by the
9 authority concerning types, weights and sizes of vehicles
permitted, to use the project, and with regulations adopted by
11 the authority for or prohibiting the parking of vehicles,
concerning the making of turns and the use of particular traffic
13 lanes, together with any and all other regulations adopted by the
authority to control traffic and prohibit acts hazardous in their
15 nature or tending to impede or block the normal and reasonable
flow of traffic upon the project; except that prior to the
17 adoption of any regulation for the control of traffic on any such
project, including the designation of any speed limits, the
19 authority shall investigate and consider the need for and
desirability of such regulation for the safety of persons and
21 property, including the authority's property, and the
contribution which any such regulation would make toward the
23 efficient and safe handling of traffic and use of the project, and
shall determine that the regulation is necessary or desirable to
25 accomplish the purposes or one or some of them, and that upon
or prior to the effective date of any such regulation and during
27 its continuance, notice thereof shall be given to the drivers of
vehicles by appropriate signs erected at the roadside or
29 otherwise posted. The authority is hereby authorized and
empowered to make, adopt and promulgate regulations referred
31 to in this section in accordance with the provisions hereof.
Regulations adopted by the authority pursuant to the provisions
33 of this section shall in so far as practicable, having due regard
to the features of the project and the characteristics of traffic
35 thereon and except as to maximum or minimum speed limits, be
consistent with the provisions of Title 39 of the Revised
37 Statutes applicable to similar subjects. The authority shall have
power to amend, supplement or repeal any regulation adopted by
39 under the provisions of this section. No regulation and no
amendment or supplement thereto or repealer thereof adopted
41 by the authority shall take effect until it is filed with the

1 Secretary of State, by the filing of a copy thereof certified by
the secretary of the authority.

3 h. The operator of any vehicle upon a project involved in an
incident resulting in injury or death to any person or damage to
5 any property shall immediately stop the vehicle at the scene of
the incident, render such assistance as may be needed, and give
7 his name, address, and operator's license and motor vehicle
registration number to the person injured and to any officer or
9 witness of the injury and shall make a report of the incident in
accordance with law.

11 i. No person shall transport in or upon any expressway
project, any dynamite, nitroglycerin, black powder, fire works,
13 blasting caps or other explosives, gasoline, alcohol, ether, liquid
shellac, kerosene, turpentine, formaldehyde or other
15 inflammable or combustible liquids, ammonium nitrate, sodium
chlorate, wet hemp, powdered metallic magnesium,
17 nitro-cellulose film, peroxides or other readily inflammable
solids or oxidizing materials, hydrochloric acid, sulfuric acid, or
19 other corrosive liquids, prussic acid, phosgene, arsenic, carbolic
acid, potassium cyanide, tear gas, lewisite or any other
21 poisonous substances, liquids or gases, or any compressed gas, or
any radioactive article, substance or material, at such time or
23 place or in such manner or condition as to endanger
unreasonably or as to be likely to endanger unreasonably persons
25 or property.

j. If the violation of any provision of this section or the
27 violation of any regulation adopted by the authority under the
provisions of this section would have been a violation of law or
29 ordinance if committed on any public road, street or highway in
the municipality in which such violation occurred, it shall be
31 tried and punished in the same manner as if it had been
committed in such municipality.

33 k. Notwithstanding the provisions of subsection j. of this
section, if, the violation of the provisions of subsection i. of
35 this section shall result in injury or death to a person or persons
or damage to property in excess of the value of \$5,000.00, such
37 violation shall constitute a high misdemeanor.

l. Except as provided in subparagraph j. or k. of this section,
39 any violation of any of the provisions of this section, including
but not limited to those regarding the payment of tolls, and any

1 violation of any regulation adopted by the authority under the
provisions of this section shall be pursuable by a fine not
3 exceeding \$200.00 or by imprisonment not exceeding 30 days or
by both such fine and imprisonment. Such a violation shall be
5 tried in a summary way and shall be within the jurisdiction of
and may be brought in the Special Civil Part of the Law Division
7 of the Superior Court or any municipal court in the county
where the offense was committed. Proceedings under this
9 section may be instituted on any day of the week, and the
institution of the proceedings on a Sunday or a holiday shall be
11 no bar to the successful prosecution thereof. Any process
served on a Sunday, or a holiday shall be as valid as if served on
13 any other day of the week. When imposing any penalty under
the provisions of this paragraph the court having jurisdiction
15 shall be guided by the appropriate provisions of any statute
fixing uniform penalties for violation of provisions of the motor
17 vehicle and traffic laws contained in Title 39 of the Revised
Statutes.

19 m. In any prosecution, for violating a regulation of the
authority, adopted pursuant to the provisions of this section
21 copies of any such regulation when authenticated under the seal
of the authority by its secretary or assistant secretary shall be
23 evidence in like manner and equal effect as the original.

n. No resolution or ordinance heretofore or hereafter adopted
25 by the governing body of any county or municipality for the
control and regulation of traffic shall be applicable to vehicles
27 while upon any project operated by the authority.

o. In addition to any punishment or penalty provided by other
29 paragraphs of this section, every registration certificate and
every license certificate to drive motor vehicles may be
31 suspended or revoked and any person may be prohibited from
obtaining driver's license or a registration certificate and the
33 reciprocity privileges of a nonresident may be suspended or
revoked by the Director of the Division of Motor Vehicles for a
35 violation of any of the provisions of this section, after due
notice in writing of such proposed suspension, revocation or
37 prohibition and the ground thereof, all otherwise in accordance
with the powers, practice and procedure established by the
39 provisions of Title 39 of the Revised Statutes applicable to such
suspension, revocation or prohibition.

1 p. Except as otherwise provided by this section or by any
regulation of the authority made in accordance with the
3 provisions hereof, the requirements of Title 39 of the Revised
Statutes applicable to persons using, driving or operating
5 vehicles on the public highways of this State and to vehicles so
used, driven or operated shall be applicable to persons using,
7 driving or operating vehicles on any expressway project and to
vehicles so used, driven or operated.

9 45. On or before the last day of February in each year the
authority shall make an annual report of its activities for the
11 preceding calendar year to the Governor and to the Legislature.
Each such report shall set forth a complete operating and
13 financial statement covering its operations during the year. The
authority shall cause an audit of its books and account to be
15 made at least once in each year by certified public accountants
and the cost thereof may be treated as a part of the cost of
17 construction or of operation of a project or projects, and a copy
thereof shall be filed with the State Treasurer.

19 46. Notwithstanding any inconsistent provisions of this act or
any other law, the South Jersey Transportation Authority shall
21 submit to the Governor, the Chairmen of the Appropriations
Committees of the Senate and General Assembly, and the
23 Director of the Division of Budget and Accounting of the
Department of the Treasury, the following reports:

25 a. Within 90 days after the end of each of its fiscal years, a
complete and detailed report of (1) its operations and
27 accomplishments during that year; (2) its receipts and
disbursements, or revenues and expenses, during that year in
29 accordance with the categories or classifications established by
the authority for its own operating and capital outlay purposes
31 and in accordance with such other categories and classifications
as may be designated by any of the persons enumerated in this
33 section; (3) its assets and liabilities at the end of that year,
including the status of reserve, depreciation, special or other
35 funds including the receipts and payments of these funds; (4) a
schedule of its bonds and notes outstanding at the end of that
37 year, together with a statement of the amounts redeemed and
incurred; (5) a listing of all contracts exceeding \$100,000.00
39 entered into during that year;

1 b. Before the close of each of its fiscal years, a complete and
3 detailed report of its operating capital construction budget, in
5 the form and detail established by the authority for its own
7 operating and capital outlay budget and in such form and detail
9 as may be designated by any of the persons enumerated in this
section for the next succeeding fiscal year, including its receipts
and disbursements, or revenues and expenses, for the prior fiscal
year and its estimated receipts and disbursements, or revenues
and expenses, for that year and for the succeeding fiscal year.

11 47. Any member, agent or employee of the authority who is
13 interested, either directly or indirectly, in any contract of
another with the authority or the sale of any property, either
real or personal, to the authority, shall be guilty of a
misdemeanor.

15 48. a. The authority, pursuant to the provisions of this act, is
17 authorized to acquire, construct, maintain, improve, repair and
19 operate a project, which is hereby established and shall be
known as the "Atlantic City Expressway," consisting of a
highway extending and located as follows: Beginning at a
westerly terminus in the township of Gloucester in the county of
21 Camden at such connection with the North-South Freeway as
the authority may select as the most feasible and practicable,
23 and extending in a general southeasterly direction and between
the White Horse and Black Horse Pikes thence, in various
25 sections located in the township of Gloucester, the township of
Washington in the county of Gloucester and the township of
27 Monroe in the county of Gloucester or any of them, to and
through the township of Winslow in the county of "Camden, and
29 thence through the town of Hammonton, township of Hamilton,
township of Egg Harbor, city of Pleasantville, and again the
31 township of Egg Harbor, and the city of Atlantic City, all in the
county of Atlantic, to an easterly terminus within the city of
33 Atlantic City, southeasterly of Beach Thorofare, at a connection
or connections with such public highway or highways or other
35 public facilities as may be determined by the authority to be the
most feasible and practicable or at a point in Cape May county.

37 The authority is also authorized to acquire, construct,
maintain, improve, repair and operate a project which is hereby
39 established and shall be known as the "Cape May Expressway"

1 consisting of a highway connected with the "Atlantic City
Expressway" at or in the vicinity of Hammonton and extending
3 in a general southeasterly direction to a point at or in the
vicinity of the Garden State Parkway at Seaville, Cape May
5 county.

b. The Department of Transportation shall undertake
7 immediately a study of the engineering and financial feasibility
of a project supplementary to the project herein authorized
9 which project shall consist of constructing a spur or
supplemental toll road which shall proceed eastwardly from the
11 general vicinity of the Delaware Memorial Bridge and connect
with the project herein authorized. If such study shall
13 demonstrate the feasibility of such a supplemental project, the
authority is hereby authorized to acquire, construct, maintain,
15 improve, repair and operate that project subject to and in
conformity with the provisions of this act.

17 49. a. The authority is authorized to acquire, maintain,
improve, repair, operate and support a transportation project,
19 which is hereby established and shall be known as the "Atlantic
City Regional Airport-Pomona," consisting of the airport known
21 as the Atlantic City Airport, or a portion thereof, located in Egg
Harbor, Hamilton and Galloway townships, county of Atlantic.
23 If the authority deems it necessary or convenient, it may by
resolution alter the title of the project.

25 b. The authority is further authorized to enter into a contract
or agreement with the federal government, a county or
27 municipal government, including but not limited to the United
States Department of Transportation Federal Aviation
29 Administration, concerning the acquisition, maintenance,
improvement, repair, operation, or support of this project.

31 50. a. The authority is authorized to acquire, maintain,
improve, repair, operate and support a transportation project,
33 which is hereby established and shall be known as the "Atlantic
City Airport-Bader Field," consisting of the airport known as
35 the Atlantic City Municipal Airport/Bader Field, located in the
city of Atlantic City, county of Atlantic. If the authority deems
37 it necessary or convenient, it may by resolution alter the title of
the project.

39 b. The authority is further authorized to enter into a contract
or agreement with a county or municipal government, including

1 but not limited to the city of Atlantic City, concerning the
acquisition, maintenance, improvement, repair, operation or
3 support of this project.

51. In order that there shall be coordination between regional
5 and county transportation authorities in South Jersey, the
Atlantic County Transportation Authority, created pursuant to
7 P.L. 1980, c. 44 (C. 40:35B-1 et seq.), shall consult with the
South Jersey Transportation Authority concerning transportation
9 issues in the Atlantic county region, and shall promptly deliver
the minutes of every meeting of the Atlantic County
11 Transportation Authority to the South Jersey Transportation
Authority. However, no approval by the latter shall be required
13 for the minutes of the Atlantic County Transportation Authority
to be effective.

52. The State of New Jersey does hereby pledge to and
15 covenant and agree with the holders of any bonds or notes issued
pursuant to authority of this act that the State will not limit or
17 alter the rights or powers hereby vested in the authority to
acquire, construct, maintain, improve, repair and operate any
19 project, or to perform and fulfill the terms of any agreement
made with the holders of the bonds or notes, or to fix, establish,
21 charge and collect such tolls or other charges as may be
convenient or necessary to produce sufficient revenues to meet
23 all expenses of the authority and fulfill the terms of any
agreement made with the holders of the bonds or notes, and that
25 the State will not in any way impair the rights or remedies of
such holders or modify in any way the exemptions from taxation
27 provided for in this act, until the bonds and notes, together with
interest thereon, with interest on any unpaid installments of
29 interest, and all costs and expenses in connection with any
action or proceedings by or on behalf of such holders, are fully
31 met and discharged or provided for.

53. This act shall be construed liberally to effectuate the
33 legislative intent and as complete and independent authority for
the performance of each and every act and thing herein
35 authorized, and the authority shall not constitute or be deemed
to be a county or municipality or agency or component of a
37 county or municipality for the purposes of any other law, and
shall not be subject to regulation as to its tolls or other charges
39 by any officer, board, agency, commission or other office of the
State, except that within the meaning and for all purposes
41

1 of sections 2, 3, 4, 8, 9, and 11 to 25, inclusive, of chapter 25 of
 2 Title 40, of the Revised Statutes, the authority shall be deemed
 3 to constitute a board, agency, or department of a county of
 4 which a resident is a member of the authority.

5 54. If any section, subsection, clause or provision of this act
 6 shall be adjudged unconstitutional or to be ineffective in whole
 7 or in part, to the extent that the act is not adjudged
 8 unconstitutional or is not ineffective, it shall be valid and
 9 effective and no other section, subsection, clause or provision of
 10 this act shall on account thereof be deemed invalid or
 11 ineffective, and the inapplicability or invalidity of any section,
 12 subsection, clause or provision of this act in any one or more
 13 instances or under any one or more circumstances shall not be
 14 taken to affect or prejudice in any way its applicability or
 15 validity in any other instance or under any other circumstances,
 16 and to this end the provisions of this act are declared to be
 17 severable.

18 55. The following are repealed:

19 P.L. 1962, c. 10 (C. 27:12C-1 et seq.)
 20 P.L. 1968, c. 462 (C. 27:12C-11.1)
 21 P.L. 1969, c. 196, section 2 (C. 27:12C-12.1)
 22 P.L. 1970, c. 183 (C. 27:12C-38.1)
 23 P.L. 1977, c. 360 (C. 27:12C-26.1 et seq.)
 24 56. This act shall take effect immediately.

25

26 STATEMENT

27 This bill creates the South Jersey Transportation Authority as
 28 the successor to the New Jersey Expressway Authority, whose
 29 authorizing statutes are repealed. Rapid development in the
 30 South Jersey area, particularly the intense development in the
 31 Camden-Atlantic City corridor and in the Atlantic county area
 32 resulting from the development of the casino industry in South
 33 Jersey, has caused serious transportation problems in South
 34 Jersey. To deal with these problems the authority has the
 35 following purposes: to acquire, construct, maintain, improve,
 36 enlarge, repair, operate and support expressway projects,
 37 including the Atlantic City Expressway, and transportation
 38 projects. Transportation projects are broadly defined to
 39 encompass all modes of transportation, including rail and
 40
 41

1 motorbus and aerial, as well as airports and heliports.
Legislative approval would be required for any of these projects,
3 however. The authority is also to assist in planning for the
development of the transportation system in South Jersey,
5 defined as the counties of Atlantic, Burlington, Camden, Cape
May, Cumberland, Gloucester, Ocean and Salem.

7 The authority's membership is to consist of the Commissioner
of Transportation, as an ex officio voting member; the
9 Executive Director of the New Jersey Transit Corporation, as an
ex officio nonvoting member; and eight members appointed by
11 the Governor with the advice and consent of the Senate. Of the
appointed members, two shall be residents of Atlantic county
13 (one of whom shall be a representative of Atlantic City), two
shall be residents of Camden county, and one shall be a resident
15 of Gloucester county and the three additional members shall be
from the remaining counties in South Jersey on a rotating basis.

17 The bill provides for the creation of two operating divisions:
an expressway division and an airport division. The former
19 division will have the responsibility for expressway projects
while the latter division will have the responsibility for airports
21 and heliports. The airport division is to be headed by an
executive director with knowledge and experience in aviation or
23 aeronautics. The airport division, as well as the authority, will
have an advisory committee consisting in the majority of
25 residents of those municipalities directly affected by the
airports for which the division has responsibility.

27 The bill authorizes and establishes two transportation
projects--the "Atlantic City Regional Airport-Pomona,"
29 consisting of the airport known as the Atlantic City Airport, and
"Atlantic City Airport-Bader Field," consisting of the airport
31 known as the Atlantic City Municipal Airport/Bader Field. The
authority is empowered to alter the names of these projects.
33 The bill provides for contracts and agreements concerning these
two airports to be made between the authority and public or
35 private entities, including the Federal Aviation Administration
and the city of Atlantic City. The bill also provides for the
37 possibility of contracting for the operation of the airports by an
entity other than the authority or the airport division.

1 Finally, the bill provides for the continuation of the rights,
obligations and duties of the New Jersey Expressway Authority,
3 as well as the continuation of employee rights and the rights of
the bondholders, within the structure of the newly established
5 authority many of the existing provisions of law applicable to
the Expressway Authority are made applicable through
7 reenactment, with modifications, to the South Jersey
Transportation Authority. In general, sections 15 to 48 of this
9 bill are reenactments of existing provisions.

11

AUTHORITIES AND REGIONAL COMMISSIONS

13

Transportation

15

Establishes South Jersey Transportation Authority.

SENATE, No. 2537
STATE OF NEW JERSEY

INTRODUCED MAY 16, 1988

By Senators GORMLEY, GAGLIANO, HAINES and HURLEY

1 AN ACT concerning transportation authorities in regions of the
2 State in which are located municipalities in which casino
3 gaming is authorized, amending and supplementing P.L. 1980.
4 c. 44. amending the title of that act, and making an
5 appropriation.

7 BE IT ENACTED *by the Senate and General Assembly of the*
8 *State of New Jersey:*

9 1. The title of P.L. 1980, c. 44 is amended to read as follows:

10 AN ACT authorizing the planning, development, construction,
11 acquisition, financing and operation of transportation systems [by
12 or on behalf of] in the region surrounding counties in which are
13 located municipalities in which casino gaming is authorized,
14 providing for the establishment of [county transportation
15 authorities] a South Jersey and Atlantic Transportation Authority
16 for the performance of those functions, the issuance of bonds and
17 other obligations therefor, and service charges to meet the
18 expenses thereof, and supplementing Title 40 of the Revised
19 Statutes.

20 2. Section 1 of P.L. 1980, c. 44 (C. 40:35B-1) is amended to
21 read as follows:

22 1. This act shall be known and may be cited as the "[County]
23 South Jersey and Atlantic Transportation Authorities Act."
24 (cf: P.L. 1980, c. 44, s. 1)

25 3. Section 2 of P.L. 1980, c. 44 (C. 40:35B-2) is amended to
26 read as follows:

27 2. The Legislature finds and declares that, as a result of the
28 "Casino Control Act" (P.L. 1977, c. 110; C. 5:12-1 et seq.) and
29 the introduction and development of legalized casino gaming in
30 Atlantic City, intense demands have been placed upon the
31 citizens of the greater Atlantic County region for the
32 development and provision of integrated and adequate
33 transportation systems. The Legislature finds that the orderly

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 planning, development, construction, acquisition, financing and
operation of modern transportation systems [on a countywide
3 basis] in that region will benefit residents of, and visitors to, this
State, promote the economic vitality of the region and the State,
5 avoid the evils of haphazard growth and land-use development,
and advance the efficient use of energy and other resources. The
7 Legislature further finds that the present and future need for
regional planning and development of transportation systems in
9 the greater Atlantic County region is a wholly exceptional
situation, no parallel to which exists, or is likely to exist in the
11 near future, anywhere in the State.

The Legislature, therefore, declares that it is in the public
13 interest of the citizens of this State to foster and promote by all
reasonable means the provision of modern transportation and
15 parking facilities in the greater Atlantic County region, and that
the best means to accomplish this purpose is to [authorize the
17 creation of] create an appropriate State regionally-oriented
instrumentality [in the county] which will permit the most direct
19 and immediate attention to the particular transportation needs of
the greater Atlantic County region consistent with the need for,
21 and procedures and structures established with respect to,
efficient and convenient Statewide transportation systems.

23 The Legislature further finds and declares that the proper
development of transportation systems, and particularly airport
25 facilities, in the greater Atlantic County region is a matter of
importance to the whole southern region of the State, and to the
27 citizens of the State as a whole; that in order to assure this
proper development it is necessary to provide for a State
29 instrumentality characterized by appropriate regional orientation
and representation and by greater guidance and support by State
31 government; and that it is appropriate to amend and supplement
this act for this purpose in order to assure continuity with respect
33 to the public purposes and interests which the Legislature has in
the past sought, and continues now to seek, to further with
35 respect to the transportation needs of the region.

(cf: P.L. 1980, c. 44, s. 2)

37 4. Section 3 of P.L. 1980, c. 44 (C. 40:35B-3) is amended to
read as follows:

39 3. As used in this act:

- 1 a. "Authority" or "County transportation authority" means [a
county transportation authority] the South Jersey and Atlantic
3 Transportation Authority created pursuant to section 4 of this act;
- 5 b. "Bonds" means any bonds, notes or other evidence of
financial indebtedness issued by an authority pursuant to this act;
- 7 c. "Cost" means, in addition to the usual connotations thereof,
the cost of acquisition or construction of all or any property,
9 rights, easements and franchises deemed by an authority to be
necessary or useful and convenient therefor, including interest or
11 discount on bonds to finance such cost, engineering and inspection
costs and legal expenses, the cost of financial, professional and
other advice, and the cost of issuance of the bonds;
- 13 d. "Construction" means the planning, designing, construction,
reconstruction, replacement, extension, enlargement,
15 improvement and betterment of parking and transportation
facilities, and includes the demolition, clearance and removal of
17 buildings or structures on land acquired, held, leased or used for
that facility;
- 19 e. "District" means the area within the boundaries of [the
county which created the authority] Atlantic County, unless
21 specifically enlarged pursuant to contracts authorized by this
1988 amendatory and supplementary act;
- 23 f. "Parking facility" means any area or place, garage, building,
or other improvement or structure for the parking or storage of
25 motor or other vehicles, including, without limitation: all real and
personal property, driveways, roads and other structures or areas
27 necessary or useful or convenient for access to a facility from a
public street, road or highway, or from any transportation
29 facility; meters, mechanical equipment necessary or useful, or
convenient for or in connection with that parking or storage; and
31 any structures, buildings, space or accommodations, whether
constructed by an authority or by the lessee, to be leased for any
33 business, commercial or other use, including the sale of gasoline
or accessories for, or the repair or other servicing of automobiles
35 and other motor vehicles, if, in the opinion of an authority, the
inclusion, provision and leasing is necessary to assist in defraying
37 the expenses of the authority and make possible the operation of
the parking facility at reasonable rates, but the authority shall
39 not itself engage in the sale of gasoline or accessories for, or in

1 the repair or other servicing of, automobiles or other motor
vehicles except in emergency, nor in the sale of any service or
3 commodity of trade or commerce:

g. "Transportation facility" means any area, place, building, or
5 other structure designed to provide rail passenger and freight
service, motorbus regular route service, paratransit service,
7 motorbus charter service, air passenger and freight service,
ormarine passenger service, or any two or more of these services,
9 to the public, and includes passenger stations, shelters and
terminals, airports, air passenger terminals, runways, hangars,
11 loading facilities, repair shops, parking areas, facilities for the
preparation of in-flight meals, accommodations for temporary or
13 over night use by passengers, retail areas, restaurants and
facilities located within an airport or air passenger terminal, and
15 other facilities functionally related to the needs or convenience
of passengers, shipping companies, airlines, and commercial and
17 industrial users, heliports, docking and launching facilities,
parking facilities, ramps, track connections, signal systems,
19 power systems, information and communication systems,
roadbeds, transit lanes or rights of way, equipment storage and
21 servicing facilities, bridges, grade crossings, rail cars,
locomotives, motorbus and other motor vehicles, boats and other
23 marine vehicles, aircraft, maintenance and garage facilities,
revenue handling equipment and any other equipment, facility or
25 property useful for or related to the provision of these services:

h. "Motorbus regular route service" means the operation of
27 any motorbus or motorbuses on streets, public highways or other
facilities, over a fixed route and between fixed termini on a
29 regular schedule for the purpose of carrying passengers, for hire
or otherwise, within the district or between points within the
31 district and points without the district:

i. "Paratransit service" means any service, other than
33 motorbus regular route service and charter service, including but
not limited to, dial-a-ride, non-regular route, jitney or
35 community minibus, and shared-ride services such as vanpools,
limousines or taxicabs which are regularly available to the
37 public. Paratransit services shall not include limousine or taxicab
service reserved for the private and exclusive use of individual
39 passengers:

1 j. "Motorbus charter service" means subscription, tour and
other special motorbus services;

3 k. "Rail passenger and freight service" means the operation of
5 railroad, subway, or light rail systems including fixed and
automated guideway systems for the purpose of carrying
7 passengers or freight in the district or between points within the
district and points without the district;

l. "Air passenger and air freight service" means any service
9 which involves the carriage of persons or freight for
compensation or hire by aircraft;

11 m. "Marine passenger service" means any service which
involves the carriage of persons for compensation or hire by
13 waterborne craft;

n. "Transportation system" means all parking and
15 transportation facilities acquired, constructed, leased or operated
by a county transportation authority for the purpose of providing
17 to the public motorbus regular route service, paratransit service,
motorbus charter service, rail passenger and freight service, air
19 passenger and air freight service, marine passenger service and
any other service necessary for the fulfillment of the purposes of
21 this act; and,

o. "Public transportation" or "public transportation service"
23 means motorbus regular route service, paratransit service,
motorbus charter service, rail passenger and freight service, air
25 passenger and air freight service, and marine passenger service.
(cf: P.L. 1980, c. 44, s. 3)

27 5. Section 4 of P.L. 1980, c. 44 (C. 40:35B-4) is amended to
read as follows:

29 4. a. [The governing body of any county in which is located a
municipality in which casino gaming is authorized may by
31 ordinance or resolution, as appropriate, create a public body
corporate and politic with perpetual succession under the name
33 and style of "the transportation authority" with the name of such
county inserted. Every] There is established a South Jersey and
35 Atlantic Transportation Authority, as a public body corporate and
politic with perpetual succession. The authority is constituted an
37 instrumentality of the [county] State exercising public and
essential governmental functions. For the purposes of Article V,
39 Section IV, paragraph 1, the authority is allocated to the

1 Department of Transportation, but shall, nevertheless, be
2 independent of supervision and control of the department. The
3 South Jersey and Atlantic Transportation Authority shall be the
4 successor agency and continuation of the Atlantic County
5 Transportation Authority. The authority shall constitute a
6 political subdivision of the State established as an instrumentality
7 exercising public and essential governmental functions to provide
8 for the public safety, convenience, benefit and welfare, and the
9 exercise by the authority of the powers conferred by this act and
10 by the act of which this act is amendatory and supplementary
11 shall be deemed and held to be an essential governmental
12 function of the State.

13 b. The authority shall be governed by a board which shall
14 consist of [seven] nine members. [Five members shall be
15 residents of the county, and shall be appointed by the governing
16 body of the county. One member shall be a representative of the
17 county government, appointed by the governing body of the
18 county from among the freeholders, department heads and
19 division directors of the county. One member shall be the
20 Commissioner of the Department of Transportation, ex officio.
21 Of the six members appointed by the governing body of the
22 county, no more than three shall be members of the same
23 political party.] Three members shall be appointed by the
24 governing body of the municipality in which casino gaming is
25 authorized and shall be residents of the city. Three members
26 shall be appointed by the governing body of the county in which
27 that municipality is located, of whom two shall be residents of
28 two of the three municipalities in which is located, or which
29 border, the airport facility operated by the authority under this
30 act. The appointment of two members by the county from among
31 the residents of these municipalities shall be rotated among the
32 three municipalities, so that at the expiration of the term of a
33 member so appointed, the successor shall be a resident of the
34 municipality not represented by an appointment during the term
35 of the member to be succeeded. Three members shall be
36 appointed by the Governor, with the advice and consent of the
37 Senate, and shall be residents of one of the eight southernmost
38 counties of the State; that is, Cape May, Cumberland, Salem,
39 Gloucester, Atlantic, Camden, Burlington, and Ocean counties.

1 No more than two of the three members appointed by each
2 appointing authority shall be of the same political party.
3 Members shall be qualified for appointment by virtue of their
4 knowledge of aviation, transportation, law, public finance, public
5 administration or such other qualifications as would be
6 appropriate to oversee the planning, management, and operation
7 of an airport.

8 c. Each member of the board shall serve for a [5 year term to
9 commence on July 1 of the year of appointment, except that, of
10 those first appointed, one shall serve for a term of 1 year, one
11 shall serve for a term of 2 years, one shall serve for a term of 3
12 years, one shall serve for a term of 4 years, and one shall serve
13 for a term of 5 years.

14 The representative of the county government shall be annually
15 appointed to serve for a 1 year term to commence on July 1 of
16 the year of appointment.] three year term, except that, of those
17 first appointed by each appointing authority, one shall serve for a
18 term of one year, one for a term of two years, and one for a term
19 of three years. The terms of all initial members shall commence
20 on the first day of the first full month occurring 90 days after the
21 appointment by the Governor of his three members.

22 d. The chairman and vice-chairman of the board shall be
23 [designated upon appointment by the county governing body from
24 among the public members appointed thereby. The first chairman
25 of the board shall be that member appointed by the county
26 governing body for a initial 5 year term.] elected by the members
27 from among themselves at the first meeting of the board
28 occurring after the effective date of this 1988 amendatory and
29 supplementary act or as soon thereafter as may be practicable.

30 e. The Commissioner of the Department of Transportation and
31 the Administrator of the Federal Aviation Administration may
32 each designate a representative from among the employees of his
33 department or administration to represent him at meetings of the
34 board and such designee may lawfully [vote] participate in all
35 meetings, activities and proceedings of the board and otherwise
36 act on behalf of the commissioner or administrator, but shall not
37 be entitled to vote. [The designation shall be made annually in
38 writing delivered to the board and shall continue in effect until
39 revoked or amended by written notice delivered to the board.]

1 f. [Except for the commissioner, each] Each member of the
3 board shall have been a qualified voter of the State for at least
5 one year preceding appointment. Each member shall hold office
7 for the term of appointment and until his successor shall have
9 been appointed and qualified. A member of the board may be
11 removed from office for cause by the respective appointing
13 authority. Any member of the authority may be removed by the
15 Governor for incapacity, inefficiency, neglect of duty,
17 misconduct in office or other disqualifying cause but only after
19 he shall have been given a copy of the charges against him and,
21 not sooner than 10 days thereafter, been afforded opportunity for
23 a hearing, in person or by counsel, with respect to the charges. A
25 vacancy in the membership of the board, occurring other than by
27 expiration of term, shall be filled in the same manner as the
29 original appointment for the unexpired term. [If the member
31 representing the county government shall, for any reason, vacate
33 his position with the county government his membership on the
35 board shall immediately terminate, and the position shall be
37 vacant.] If any [public] member shall become a holder of, or
39 candidate for, any elective office, or accept appointment to fill
any elective office, his membership on the board shall
immediately terminate, and the position shall be vacant.

23 g. [A copy of the ordinance or resolution for the creation of an
25 authority adopted pursuant to this section, duly certified by the
27 appropriate officer of the county, shall be filed in the office of
29 the Secretary of State and the office of the Director of the
31 Division of Local Government Services. Upon proof of the filing,
33 the authority shall, in any suit, action or proceeding involving the
35 validity or enforcement of, or relating to, any contract or
37 obligation or act of the authority, be conclusively deemed to have
39 been lawfully and properly created and authorized to transact
business and exercise its powers under this act. A copy of any
certified ordinance or resolution, duly certified by or on behalf of
the Secretary of State, shall be admissible in evidence in any suit,
action or proceeding.] (Deleted by amendment,
P.L. _____, c. _____).

37 h. A copy of each order or resolution appointing any member
39 of an authority pursuant to this section, duly certified by the
appropriate officer, shall be filed in the office of the Secretary

1 of State [and the office of the Director of the Division of Local
2 Government Services]. A copy of the certified order or
3 resolution, duly certified by or on behalf of the Secretary of
4 State, shall be admissible in evidence of the due and proper
5 appointment of the member or members named therein.

6 i. The terms of all members of the Atlantic County
7 Transportation Authority shall terminate upon the
8 commencement of the terms of the initial members appointed
9 pursuant to this 1988 amendatory and supplementary act.

(cf: P.L. 1980, c. 44, s. 4)

11 6. Section 5 of P.L. 1980, c. 44 (C. 40:35B-5) is amended to
12 read as follows:

13 5. The governing body of any municipality in which any
14 [transportation] airport facility of the authority is located, or
15 which borders on the airport facility, and which is not entitled to
16 appoint members to the board, may annually appoint a resident of
17 the municipality as its representative to the board. The
18 representative shall not be a member or an officer of the
19 authority, but shall participate in all meetings, activities and
20 proceedings of the board.

21 (cf: P.L. 1980, c. 44, s. 5)

22 7. Section 7 of P.L. 1980, c. 44 (C. 40:35B-7) is amended to
23 read as follows:

24 7. The [county transportation] authority, on or before July 10
25 annually, shall organize and elect from among its members a
26 chairman and a vice-chairman, [who shall hold office until his
27 successor has been appointed and qualified] except as provided
28 for the initial chairman and vice-chairman, pursuant to this 1988
29 amendatory and supplementary act. The authority may also
30 appoint as officers a secretary, an executive director, division
31 directors, and a fiscal officer, who need not be members, and
32 determine their qualifications, terms of office, duties and
33 compensation. The authority may also employ, without regard to
34 Title 11 of the Revised Statutes, engineers, architects, attorneys,
35 accountants, construction and financial experts, superintendents,
36 managers and such other agents and employees as it may require,
37 and determine their duties and compensation.

(cf: P.L. 1980, c. 44, s. 7)

39 8. Section 8 of P.L. 1980, c. 44 (C. 40:35B-8) is amended to

1 read as follows:

3 8. a. The powers of the authority shall be vested in the
5 members thereof in office from time to time, and a majority of
7 its members shall constitute a quorum at any meeting thereof.
9 Action may be taken and motions and resolutions adopted by the
authority at any meeting by a vote of a majority of the members,
unless the bylaws of the authority shall require a larger number.
No vacancy in the membership of the board shall impair the right
of a quorum to exercise all the rights and perform all the duties
of the board.

11 b. The minutes of every meeting of the authority shall be
promptly delivered by and under the certification of the
13 secretary to the [chief executive officer of the county]
Governor. No action taken at the meeting by the board shall be
15 effective until approved by the [chief executive officer] Governor
or until 10 days after the copy of the minutes shall have been
17 delivered. If in the 10-day period, the [chief executive officer]
Governor returns the copy of the minutes with a veto of any
19 action taken by the board or any member thereof at the meeting,
that action shall be of no effect. The [chief executive officer]
21 Governor may approve all or any part of the action taken at that
meeting prior to the expiration of the 10-day period. The veto
23 powers accorded under this subsection shall not affect in any way
the covenants contained in the bond indentures of the authority,
25 nor any collective bargaining agreement or binding arbitration
decision reached pursuant to this act.

27 (cf: P.L. 1980, c. 44, s. 8)

29 9. Section 9 of P.L. 1980, c. 44 (C. 40:35B-9) is amended to
read as follows:

31 9. The authority may reimburse its members for necessary
expenses incurred in the discharge of their duties. [The ordinance
or resolution for the creation of the authority may authorize
33 payment or compensation for service to members of the
authority, other than the Commissioner of Transportation or the
35 representative of the county government, within such annual or
other limitations as may be stated in the ordinance or resolution.
37 Any such provision or limitation stated in the ordinance or
resolution may be amended, supplemented, repealed or added by
39 subsequent ordinance or resolution, as appropriate, but no

1 reduction of the payment for compensation shall be effective
2 during the remaining term of any member of the authority then in
3 office, except upon that member's written consent.] No member
4 shall receive any payment or compensation of any kind from the
5 authority except as authorized by this section.

(cf: P.L. 1980, c. 44, s. 9)

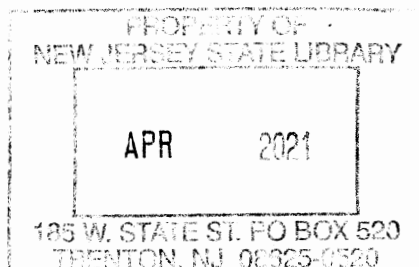
7 10. Section 10 of P.L. 1980, c. 44 (C. 40:35B-10) is amended to
8 read as follows:

9 10. No member, officer or employee of an authority shall have
10 or acquire any interest, direct or indirect, in the transportation
11 system or in any property included or planned to be included in
12 the transportation system, or in any property adjacent to the
13 transportation system which would directly benefit from that
14 location, or in any contract or proposed contract for materials or
15 services to be furnished to or used by the authority. No person
16 who is an officer, director or employee of a holder of, or an
17 applicant for, a casino license issued or to be issued under the
18 "Casino Control Act" (P.L.1977, c. 110; C. 5:12-1 et seq.) shall
19 be [a member or] an officer of [an] the authority created pursuant
20 to this 1988 amendatory and supplementary act, but no member,
21 officer or employee of the authority shall be considered to be a
22 State officer or employee or a special State officer or employee
23 subject to the provisions of the "New Jersey Conflicts of Interest
24 Law," P.L. 1971, c. 182 (C. 52:13D-12 et seq.) solely by virtue of
25 that membership or employment.

(cf: P.L. 1980, c. 44, s. 10)

27 11. Section 12 of P.L. 1980, c. 44 (C. 40:35B-12) is amended to
28 read as follows:

29 12. The [governing body of any county which has created an
30 authority pursuant to this act may, by ordinance or resolution, as
31 appropriate, dissolve that] authority may be dissolved by law on
32 the condition that: a. either the members of the authority have
33 not been appointed or the authority by resolution has consented
34 to its dissolution; and, b. the authority has no debts or obligations
35 outstanding. [A copy of the ordinance or resolution, as the case
36 may be, for the dissolution of the authority pursuant to this
37 section duly certified by the appropriate officer of the county
38 shall be filed in the office of the Secretary of State, and the
39 Director of Local Government Services.] Upon proof [of the



1 filing, and upon proof] that either the authority had no debts or
obligations outstanding [at the time of the adoption of the
3 ordinance or resolution], or all creditors or other obligees of the
authority have consented to the [ordinance] dissolution, the
5 authority shall be conclusively deemed to have been lawfully and
properly dissolved and the property of the authority shall be
7 vested in the [county adopting the ordinance or resolution] State,
in the manner prescribed therein. [A copy of the ordinance or
9 resolution, duly certified by or on behalf of the Secretary of
State, shall be admissible in evidence in any action, or
11 proceeding, and shall be conclusive evidence of proper filing.]

(cf: P.L. 1980, c. 44, s. 12)

13 12. Section 14 of P.L. 1980, c. 44 (C. 40:35B-14) is amended to
read as follows:

15 14. The authority shall prepare, or cause to be prepared, and,
after public hearing, adopt a master plan for the development
17 within the district of a transportation system. The authority may
from time to time, after public hearing and pursuant to the
19 procedures provided in this act, amend the master plan. The
master plan shall include a report presenting the objectives,
21 assumptions, standards and principles embodied in the various
coordinated parts of the master plan. In preparing the master
23 plan or any amendment thereto, the authority shall consult with
the State Department of Transportation, the New Jersey Transit
25 Corporation, the Federal Aviation Administration, and any other
State or any Federal agency having an interest in the
27 development of transportation in the district.

In preparing the master plan or any amendment thereto, the
29 authority shall consider the existing and proposed patterns of land
use development of municipalities within the district. In
31 addition, the master plan shall contain the following elements:

a. An identification of existing and projected needs of the
33 district for efficient, economical and integrated public
transportation services, and proposed programs to provide and
35 promote an efficient, economical and integrated transportation
system to meet those needs;

b. An identification of the services, facilities and other
37 elements to be acquired, constructed, leased, operated and
provided within the transportation system, and a program for the
39

1 acquisition, construction, lease, operation and provision of those
services, facilities and other elements, which program may be
3 timed by various stages for the development of the transportation
system;

5 c. Plans for the preservation, improvement and expansion of
the transportation system, with special emphasis on the
7 coordination. (1) of airport facilities, transportation and parking
facilities to be acquired, constructed or leased; (2) of air
9 passenger, air freight and other transportation services to be
operated or provided; and, (3) of the use of rail rights of way,
11 highways and public streets for transportation services:

d. Plans for the coordination of the activities of the authority
13 with other public agencies and authorities, and, with respect to
airport facilities, for the protection of the research and
15 development mission of the Federal Aviation Technical Center at
Pomona and of the defense functions of the Air National Guard;
17 and,

e. An identification of existing parking and transportation
19 facilities within the district to be acquired under this act.

The authority shall submit the master plan and any amendment
21 thereto to such independent transportation planning agency as
may be designated by the Commissioner of Transportation, or as
23 shall be established by law, prior to the adoption thereof. The
agency may approve, conditionally approve, or disapprove the
25 master plan or amendment. If the agency shall approve the
master plan or amendment, the authority may adopt the master
27 plan or amendment as approved. If the agency shall disapprove
the master plan or amendment, it shall return the master plan or
29 amendment to the authority with its objections thereto. The
authority shall resubmit the master plan or amendment to the
31 agency with changes designed to conform the master plan or
amendment with the objections of the agency. The agency shall
33 approve the resubmitted master plan or amendment if it
conforms with the objections, and the authority upon that
35 approval shall then adopt the master plan or amendment as
approved. If the agency shall conditionally approve the master
37 plan or amendment, it shall return the master plan or amendment
to the authority with the specific changes it requires therein for
39 approval. The authority shall then make those specific changes in

1 the master plan or amendment, and shall adopt the master plan or amendment with the changes.

3 Upon adoption, the master plan and any amendment thereof shall be filed with the Governor, the State Department of
5 Transportation, the New Jersey Transit Corporation, the Federal Aviation Administration, the governing body of [the county]
7 Atlantic County, the governing body of [the] each municipality [having the largest population] within [the] that county, and the governing body of each county and municipality in which authority transportation or parking facilities are located.

9
11 (cf: P.L. 1980, c. 44, s. 14)

13 13. Section 15 of P.L. 1980, c. 44 (C. 40:35B-15) is amended to read as follows:

15 15. In addition to the powers and duties conferred upon it elsewhere in this act, the authority may do all acts necessary and reasonably incident to carrying out the objectives of this act,
17 including, but not limited to, the following:

19 a. To adopt and have a common seal and to alter it at pleasure;

b. To sue and be sued;

21 c. To acquire, hold, use and dispose of its charges and other revenues and other moneys in its own name;

23 d. In its own name, but for the [county] State, to acquire, rent, hold, use and dispose of other personal property for the purposes of the authority, and to acquire by purchase, gift, condemnation
25 or otherwise, or lease as lessee, real property and easements therein, necessary or useful and convenient for the purposes of
27 the authority, whether subject to mortgages, deeds of trust or other liens, or otherwise, and to hold and to use the same, and to
29 dispose of property so acquired no longer necessary for the purposes of the authority;

31 e. To grant by franchise, lease or otherwise, the use of any project, facilities or property owned and controlled by it to any
33 person for such consideration and for such period or periods of time and upon such other terms and conditions as it may fix and
35 agree upon, including, but not limited to, the condition that the user shall or may construct or provide any buildings or structures
37 or improvements on the project, facilities or property, or portions thereof;

39 f. To provide for and secure the payment of any bonds and the

1 rights of the holders thereof, and to purchase, hold and dispose of
any bonds;

3 g. To determine the exact location, type and character of and
all matters in connection with all or any part of the
5 transportation system which it is authorized to own, construct,
establish, effectuate, operate, or control and to enter on any
7 lands, waters or premises for the purpose of making such surveys,
diagrams, maps or plans or for the purpose of making such
9 soundings or borings as it deems necessary or convenient;

h. To make and enforce bylaws or rules and regulations for the
11 management and regulation of its business and affairs and for the
use, maintenance and operation of the transportation system and
13 any other of its properties, and to amend the same; it shall
publish the same and file them in accordance with the
15 "Administrative Procedure Act," P.L. 1968, c. 410 (C. 52:14B-1
et seq.) with the Director of the Office of Administrative Law;

17 i. To acquire, purchase, construct, lease, operate, maintain
and undertake any parking or transportation facility and to make
19 service charges for the use thereof;

j. To call to its assistance and avail itself of the service of any
21 employees of any Federal, State, county or municipal
department, authority or other agency as it may require and as
23 may be available to it for its purposes;

k. To plan, design, construct, equip, operate, improve and
25 maintain, either directly or by contract with any public or private
entity, public transportation services, parking and transportation
27 facilities or any parts or functions thereof, and other
transportation projects, or any parts or functions thereof;

29 l. To apply for, accept and expend money from any Federal,
State or county or municipal agency or instrumentality, and from
31 any private source; comply with Federal and State statutes, rules
and regulations; and qualify for and receive all forms of financial
33 assistance available under federal law to assure the continuance
of, or for the support or improvement of public transportation,
35 and as may be necessary for that purpose to enter into
agreements, including federally required labor protective
37 agreements;

m. To restrict the rights of persons to enter upon or construct
39 any works in or upon any property owned or leased by the

1 authority, except under such terms as the authority may
prescribe; perform or contract for the performance of all acts
3 necessary for the management, maintenance and repair of real or
personal property leased or otherwise used or occupied pursuant
5 to this act;

n. To set and collect fares and determine levels of service for
7 service provided by the authority either directly or by contract,
including, but not limited to, such reduced fare programs as
9 deemed appropriate by the authority. Revenues derived from this
service may be collected by the authority and shall be available
11 to the authority for use in furtherance of any of the purposes of
this act;

13 o. To set and collect rentals, fees, charges or other payments
from the lease, use, occupancy or disposition of properties owned
15 or leased by the authority. Such revenues shall be available to
the authority for use in furtherance of any of the purposes of this
17 act;

p. To deposit authority revenues in interest bearing accounts
19 or in the State of New Jersey Cash Management Fund established
pursuant to section 1 of P.L. 1977, c. 28 (C. 52:18A-90.4);

21 q. To procure and enter into contracts for any type of
insurance and indemnify against loss or damage to property from
23 any cause, including loss of use and occupancy, against death or
injury of any person, against employees' liability, against any act
25 of any member, officer, employee or servant of the authority,
whether part-time, full-time, compensated or noncompensated,
27 in the performance of the duties of his office or employment, or
any other insurable risk. In addition, the authority may carry its
29 own liability insurance;

r. To promote the use of authority services, coordinate ticket
31 sales and passenger information and sell, lease or otherwise
contract for advertising in or on the equipment or facilities of
33 the authority;

s. To adopt and maintain employee benefit programs for
35 employees of the authority including, but not limited to, pension,
deferred compensation, medical, disability, and death benefits,
37 and which programs may utilize insurance contracts, trust funds,
and any other appropriate means of providing the stipulated
benefits, and may involve new plans or the continuation of plans
39 previously established by entities acquired by the authority;

1 t. To own, vote, and exercise all other rights incidental to the
ownership of shares of the capital stock of any incorporated
3 entity acquired by the authority pursuant to the powers granted
by this act;

5 u. To apply for and accept, from appropriate regulatory
bodies, authority to operate public transportation services where
7 necessary;

v. To delegate to subordinate officers of the authority such
9 powers and duties as the authority shall deem necessary and
proper to carry out the purposes of this act;

11 w. To enter into any contracts, execute any instruments, and
do and perform any acts or things necessary, convenient or
13 desirable for the purposes of the authority or to carry out any
power expressly given in this act, subject to sections 16 and 17 of
15 this act.

x. To establish by the promulgation of rules and regulations
17 pursuant to the "Administrative Procedure Act," P.L. 1968, c.
410 (C. 52:14B-1 et seq.), a plan for the management, control and
19 regulation of motorbus regular route and motorbus charter
services within the district and as specifically set forth in this
21 1983 amendatory and supplementary act, except those services
which are operated pursuant to "The New Jersey Public
23 Transportation Act of 1979," P.L. 1979,
c. 150 (C. 27:25-1 et seq.). A public hearing shall be held on
25 these proposed rules and regulations pursuant to subsections (a)
and (g) of section 4 of the "Administrative Procedure Act," P.L.
27 1968, c. 410 (C. 52:14B-4); and].

y. To receive and accept aid, donation or contribution from
29 any public or private source, of either money, property, labor or
other things of value, to be held, used and applied only for the
31 purposes for which such aid, donation or contribution may be
made.

33 z. To establish, by resolution, and charge fees for the review
by the authority of development proposals for transportation
35 facilities within the district.

37 aa. To enter into agreements with educational institutions to
facilitate the development of educational and training programs
in aviation, aeronautics, air traffic control, or similar programs
39 designed to increase technical or managerial skills related to the

1 management and operation of airport facilities.

(cf: P.L. 1983, c. 242, s. 1.)

3 14. Section 18 of P.L. 1980, c. 44 (C. 40:35B-18) is amended to
read as follows:

5 18. The authority may enter into contracts with any public or
private entity for the provision of adequate public transportation
7 and parking facilities; but with the exception of marine and air
passenger and freight service, the authority may not contract for
9 public transportation services beyond the district without the
written consent of the New Jersey Transit Corporation created
11 under P.L. 1979, c. 150 (C. 27:25-1 et seq.) and the Commissioner
of Transportation unless the services were provided or authorized
13 to be provided by a public or private entity acquired by the
authority and only to the extent that the acquired entity is
15 providing or is authorized to provide the services.

A contract entered into with a public entity outside the district
17 pursuant to this section may provide that the territorial limits of
that entity shall be included within the district for the purposes
19 of the authority's master plan and its other powers and
responsibilities, but only with respect to the public transportation
21 services or facilities set forth in the contract. The contract shall
be subject to the approval of the Commissioner of Transportation.

23 (cf: P.L. 1980, c. 44, s. 18)

15. Section 36 of P.L. 1980, c. 44 (C. 40:35B-36) is amended to
25 read as follows:

36. a. The authority may acquire by purchase, condemnation,
27 lease, gift or otherwise, on terms and conditions and in the
manner it deems proper, for use by the authority or for use by
29 any other public or private entity providing rail passenger and
freight, motorbus regular route, paratransit, marine passenger,
31 air passenger and freight or motorbus charter services, all or part
of the facility, plant, equipment, property, shares of stock, rights
33 of property, reserve funds, employees' pension or retirement
funds, special funds, franchises, licenses, patents, permits and
35 papers, documents and records of a public or private entity
providing that service within the district.

37 b. The authority may acquire by purchase, condemnation,
lease, gift or otherwise, on the terms and conditions and in the
39 manner it deems proper, any land or property, real or personal.

1 tangible or intangible which it may determine is reasonably
2 necessary for the purposes of the authority under the provisions
3 of this act.

4 c. (1) The authority, when acquiring property pursuant to
5 subsections a. or b. of this section shall exercise its power of
6 eminent domain in accordance with the provisions of the
7 "Eminent Domain Act of 1971," P.L. 1971, c. 361 (C. 20:3-1 et
8 seq.).

9 (2) As used in this act, the definition of property in section 2
10 of P.L. 1971, c. 361 (C. 20:3-2) includes all property referred to
11 in subsections a. or b. of this section, and the provisions of P.L.
12 1971, c. 361 shall apply to that property.

13 d. (1) If the authority shall determine to acquire by
14 condemnation all outstanding shares of corporate stock of a
15 company, and if the stock is owned by 10 or more individuals or
16 entities, the court, on application of the authority, shall appoint a
17 trustee who shall act as representative of all stockholders for the
18 purpose of the condemnation proceedings. Upon the appointment
19 of a trustee, the authority may file a single condemnation action
20 condemning all outstanding shares of stock and naming the
21 appointed trustee as representative of all defendant owners.

22 (2) When a trustee has been appointed pursuant to this section,
23 the court may award the trustee a reasonable fee as payment for
24 services rendered. Other costs, expenses and fees shall be paid
25 from the proceeds of the condemnation award or settlement if
26 amicably resolved.

27 e. A State agency, State authority, county, municipality,
28 bistate authority, or other political subdivision of the State is
29 authorized to donate, give, transfer or assign any asset or
30 property it now owns or may hereafter acquire to the authority
31 which may be necessary for the furtherance of the objectives of
32 this act.

33 f. Upon the filing of a declaration of taking the authority shall
34 be entitled to the immediate possession of all property and assets
35 named therein; and in the case of a condemnation pursuant to
36 subsection d. or the acquisition of the entire assets of any entity,
37 the authority shall be entitled to immediate possession and
38 control of all assets and facilities and shall have exclusive
39 management authority over the entity taken.

(cf: P.L. 1980, c. 44, s. 36)

1 16. Section 43 of P.L. 1980, c. 44 (C. 40:35B-43) is amended to
read as follows:

3 43. Any county or municipality within the district may from
time to time, pursuant to ordinance or resolution, as appropriate,
5 of its governing body, and for such period and upon such terms,
with or without consideration, as may be provided in the
7 ordinance or resolution, as the case may be, and accepted by the
authority, appropriate money for all or any part of the cost of
9 acquisition or construction of the transportation system of the
authority.

11 The State, county or any municipality within the district may
enter into agreements with the authority for the provision of such
13 assistance as the authority may require, and for such periods as
may be necessary, for the acquisition, construction, improvement
15 and operation of the transportation system, subject to the
appropriation of funds therefor.

17 Prior to commencing operation of a new civil aviation
terminal, or a new or expanded airport runway, the authority
19 shall develop and adopt, by resolution, an impact plan setting
forth measures to be taken by the authority to mitigate any
21 deleterious effects which increased airport activity related to the
terminal or runway may have on neighboring communities or
23 municipalities, which shall include, but not be limited to, a plan
to compensate municipalities for fire, ambulance, police or other
25 emergency services rendered by those municipalities in
connection with airport activity, and a noise mitigation program
27 in accordance with Federal aviation regulations concerning
airport noise compatibility planning programs.

29 (cf: P.L.1980, c. 44, s. 43)

17. (New section) The authority shall establish such operating
31 divisions as it deems necessary within the authority and under its
jurisdiction with the responsibility of each division to be
33 determined by the authority, except as follows. One operating
division shall be the "airport division" with the responsibility for
35 the construction, enlargement, maintenance, improvement,
repair, operation and support of airports. The airport division
37 shall be headed by a director with knowledge and experience in
aviation or aeronautics. One operating division shall be the
39 "motorbus and parking facilities division" with the responsibility

1 for the provision to the public of those services heretofore
provided by the county transportation authority prior to the
3 effective date of this 1988 amendatory and supplementary act.
The division shall be headed by a director with knowledge and
5 experience in these services. The establishment and existence of
these operating divisions shall in no way diminish or impair the
7 rights, duties, powers, responsibilities and obligations of the
authority as provided by law.

9 18. (New section) a. The authority may, by resolution, provide
for the establishment of an airport security police force and for
11 the appointment of airport security police officers for authority
airport facilities.

13 b. Applications for the position of airport security police
officer shall be forwarded to the chief law enforcement officer
15 of the county in which the airport facility is located, who shall
investigate and determine the character, competency, integrity
17 and fitness of the applicant. If the chief law enforcement officer
of the county shall approve the application, he shall issue a
19 commission to the person appointed, a copy of which shall be
filed in the office of the Superintendent of State Police and with
21 the chief of police of each municipality in the district.

c. Each person so appointed and commissioned shall, within
23 one year of the date of his commission, successfully complete a
police training course at a school approved and authorized by the
25 Police Training Commission, unless the Police Training
Commission excepts the person from the requirement on the basis
27 that the person has previously successfully completed a police
training course conducted by a federal, State or other public or
29 private agency, the requirements of which are substantially
equivalent to those of a school approved by the commission.

31 d. Persons so appointed and commissioned shall, while on duty,
within the limits of airport property of the authority, possess all
33 the powers of policemen in criminal cases and offenses against
the law, and shall be considered to be law enforcement officers
35 for the purposes of Chapter 39 of Title 2C of the New Jersey
Statutes.

37 e. In connection with traffic and parking violations, airport
security police officers shall, while on duty and within the limits
39 of airport property, have the power to enforce the laws

1 regulating traffic and the operation of motor vehicles, and to
issue and use traffic tickets and summonses of a type similar to
3 those used by the New Jersey State Police. Upon the issuance of
a traffic or parking ticket or summons by an airport security
5 police officer, a copy thereof shall be sent to the municipality in
which the airport is located. Following the receipt of a ticket or
7 summons, the municipality shall proceed as if the municipality
had issued the ticket or summons.

9 f. Each airport security police officer, when on duty, except
when employed as a detective, shall wear in plain view a
11 nameplate and a metallic shield with the word "police" and the
name or style of the authority.

13 g. Nothing in this section shall limit or impair the rights and
powers of any State, county or municipal law enforcement officer
15 in the performance of his duties.

19. (New section) a. All bondholders and other creditors of the
17 Atlantic County Transportation Authority and persons having
claims against or contracts with that county transportation
19 authority of any kind or character may enforce such debts, claims
and contracts against the South Jersey and Atlantic
21 Transportation Authority as the successor to that county
transportation authority, and the rights and remedies of
23 bondholders, creditors and persons having claims or contracts
shall not be limited or restricted in any manner by this 1988
25 amendatory and supplementary act. All property, rights and
powers of that county transportation authority are hereby vested
27 in and shall be exercised by the South Jersey and Atlantic
Transportation Authority, subject, however, to all pledges,
29 covenants, agreements and trusts made or created by that county
transportation authority. All debts, liabilities, obligations,
31 agreements and covenants of that county transportation
authority, except to the extent otherwise specifically provided or
33 established to the contrary in this 1988 amendatory and
supplementary act, are hereby imposed upon the South Jersey and
35 Atlantic Transportation Authority. In continuing the functions
and carrying out the contracts, obligations and duties of that
37 county transportation authority, the South Jersey and Atlantic
Transportation Authority is hereby authorized to act in its own
39 name or in the name of the county transportation authority as

1 may be convenient or advisable under the circumstances from
time to time.

3 b. All officers and employees of that county transportation
authority shall continue in that or similar office or employment
5 with the South Jersey and Atlantic Transportation Authority, and
shall not be dismissed from such office or employment, except
7 for good cause and after an opportunity to be heard, for one year
after the effective date of this 1988 amendatory and
9 supplementary act. Nothing in this 1988 amendatory and
supplementary act shall affect the civil service status, if any, of
11 those officers or employees or their rights, privileges, obligations
or status with respect to any pension or retirement system. Any
13 collective bargaining agreements entered into by that county
transportation authority with any of its employees shall continue
15 in effect for the term of the agreement, notwithstanding that the
employees affected by the agreement shall be employees of the
17 South Jersey and Atlantic Transportation Authority, but the
agreement shall be binding for both the employees and the South
19 Jersey and Atlantic Transportation Authority. The provisions of
this subsection shall not apply to any officer or employee
21 appointed or employed, or any collective bargaining agreement
entered into, on or after the date of enactment of this 1988
23 amendatory and supplementary act.

c. Any references to that county transportation authority in
25 any law or regulation shall be deemed to refer and apply to the
South Jersey and Atlantic Transportation Authority.

27 d. All regulations of the county transportation authority shall
continue to be in effect as the regulations of the South Jersey
29 and Atlantic Transportation Authority until amended,
supplemented or rescinded in accordance with law.

31 20. (New section) In order to assist in the transition to the
new structure and responsibilities of the authority set forth in
33 this 1988 amendatory and supplementary act, the State Treasurer
and the Commissioner of the Department of Transportation shall
35 prepare and submit to the board of the authority upon its
organization after the effective date of this amendatory and
37 supplementary act a transition budget to provide for the
continuation of services previously performed by the county
39 transportation authority, and for the commencement of new

1 responsibilities to be performed by the authority, which budget
shall govern the authority's financial operations until it shall
3 adopt a budget for a full fiscal year. The State Treasurer and
Commissioner shall, in preparing the transition budget, take into
5 account all revenues, assets and liabilities continuing from the
county transportation authority and any appropriations provided
7 by the Legislature to the authority. The budget so submitted
shall be part of the minutes of the authority, along with any
9 amendments or other alterations made by the board of the
authority.

11 21. (New section) a. The authority shall, on or before
February 28 of each year, adopt, by resolution and after public
13 hearing, a proposed operational and capital budget for the fiscal
year commencing July 1 of that year. The budget so proposed
15 shall be in such form and contain such information and supporting
documentation as the State Treasurer shall by rule or regulation
17 require. The proposed budget shall be submitted within 15 days
of adoption to the State Treasurer and the Commissioner of the
19 Department of Transportation for review. The State Treasurer
shall complete his review within 30 days after submission, and
21 shall return the proposed budget to the authority along with any
written recommendations for changes in the budget, or in the
23 rates or charges levied by the authority, which the State
Treasurer may deem necessary to provide for the sound financial
25 conduct of the public services of the authority, and to protect the
fiscal integrity of the authority's projects and facilities.

27 Upon receipt of the recommendations of the State Treasurer,
the authority may proceed to adopt by resolution the budget for
29 the ensuing fiscal year. The State Treasurer's recommendations
shall be placed in the minutes of the authority, and the authority
31 shall take action to adopt or not each recommendation so that
each such action appears in the authority minutes. The budget
33 shall be deemed finally adopted only upon completion of the
Governor's review of the minutes and of any actions by the
35 Governor and the authority resulting from that review.

b. The State Treasurer in reviewing the proposed budget of the
37 authority shall consider and make recommendations to the
Governor for State appropriations to the authority to be included
39 in the State budget for the ensuing State fiscal year. The

1 Governor shall include in his proposed annual budget such
amounts to be appropriated to the authority in the ensuing State
3 fiscal year as the Governor deems necessary or advisable to
provide for the sound financial conduct of the public services of
5 the authority, and to protect the fiscal integrity of the
authority's projects and facilities. The Governor may propose
7 that the payment of the appropriated amount to the authority
shall be contingent upon the taking of certain actions by the
9 authority with respect to its rates or charges or other financial
matters, or upon the taking of certain actions by particular local
11 governmental units in financial support of the authority.
Payments of State moneys to the authority shall be subject to
13 legislative appropriations therefor, and within the limits and
conditions established by law.

15 22. (New section) The Legislature finds and declares that the
proper development of transportation systems in the Atlantic
17 County region requires the establishment, improvement and
modernization of an airport to provide air passenger and freight
19 services, and that the following conditions are conducive to that
development:

21 a. The relinquishment by the City of Atlantic City to the
authority of any interest, whether by reversion or otherwise, in
23 the properties located in Egg Harbor township, county of
Atlantic, held by the Federal Aviation Administration and known
25 as the Atlantic City International Airport; and,

b. The transfer of property now owned by the City of Atlantic
27 City in and around the Atlantic City Airport, and consisting of
approximately 83 acres of land, to the authority.

29 The Governor is hereby authorized, on behalf of the authority
and prior to its organization under this 1988 amendatory and
31 supplementary act, to enter into such agreements or contracts,
and to make such acquisition, disposition, transfer, or other
33 action relating to the change in ownership of these properties and
interests, as shall be necessary for accomplishing the purposes of
35 this section.

No agreement or contract entered into by the Governor
37 pursuant to this section shall be executed without prior written
approval of the presiding officers of both houses of the
Legislature. The Governor shall submit, for the advice and
39 consent of the Senate, his nominations for appointment to the

1 authority only after the execution of the contract or agreement.

23. (New section) There is appropriated to the South Jersey
3 and Atlantic Transportation Authority the sum of \$500,000 to
assist in the transition of the authority to new responsibilities and
5 structure.

24. This act shall take effect immediately, but sections 1
7 through 21 and section 23 shall not become operative until such
time as a contract or agreement is executed pursuant to section
9 22 of this act.

11 STATEMENT

13
This bill establishes a South Jersey and Atlantic Transportation
15 Authority by revising the law under which the Atlantic County
Transportation Authority is governed to provide the basis for the
17 operation and improvement of the Atlantic City International
Airport by a suitable regional public instrumentality. At the
19 same time, the legislation recognizes the strong State interest in
the development of the transportation system of that region by
21 transforming the county authority to a State instrumentality,
augmenting its powers and responsibilities and providing for
23 expanded regional representation on the authority. The
membership of the authority would be nine members, appointed in
25 equal numbers by the Governor, the county of Atlantic, and the
city of Atlantic City. The Governor's appointments would
27 represent the eight South Jersey counties. The Commissioner of
the Department of Transportation and the Administrator of the
29 Federal Aviation Administration would sit as ex-officio,
nonvoting members.

31 As a State instrumentality, the authority would be subject to
gubernatorial veto of the minutes of the authority. The
33 authority's transportation master plan and amendments thereof
would be subject to State DOT approval. The authority's annual
35 capital and operating budget would be subject to review by the
State Treasurer and to veto by the Governor through the
37 authority minutes, prior to final budget adoption.

The new authority is constituted the successor to the existing
39 county transportation authority, with additional powers and

1 responsibilities related to airport development. The transition to
the new authority structure is contingent upon the transfer of
3 Atlantic City's interests in the airport to the authority. The
Governor is authorized to enter into contracts and agreements to
5 this effect, with the contract or agreement subject to written
approval of the presiding officers of the Houses of the
7 Legislature. After the entering into of the contract or
agreement, the Governor's appointments would be made, subject
9 to advice and consent of the Senate. The transition to the new
structure is timed to occur at the beginning of the full month
11 occurring 90 days after the Governor's appointments are made.

To assist in the transition, the State Treasurer and the
13 Commissioner of Transportation are jointly required to develop
an interim, transition budget for the authority. The legislation
15 appropriates \$500,000 to the authority for use in making the
transition to new structure and responsibilities.

17

19 AUTHORITIES AND REGIONAL COMMISSIONS

Air Transportation

21

Establishes South Jersey and Atlantic Transportation Authority as
23 State instrumentality for operation and improvement of airport
facilities, appropriates \$500,000.

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* * * * *

SENATOR WALTER RAND (Chairman): Good morning, ladies and gentlemen. My name is Walter Rand, and I am Chairman of the Senate Transportation and Communications Committee. I would like to welcome you here today. At this time, I would like to introduce those persons present at the Committee table. On my extreme right is Senator Hurley, from Cumberland County and Cape May County, and Senator Gagliano, from Monmouth County. On my extreme left is Senator Gormley, the author of one of the bills, from Atlantic County; Madelyn Rumowicz, representing the Majority staff, who is my aide; and on this side, Peter Manoogian, who represents Legislative Services' staff. On the other side -- if he comes back -- Mr. John Strachan, who is the legislative aide on the Minority side.

If you wish to speak today and have not notified the Committee, please give your name to Peter Manoogian, our Committee aide, after the opening remarks are concluded.

I call this public hearing to order for the purpose of hearing testimony concerning airport development in southern New Jersey. This is the first in a series of public hearings on this subject. The particular focus of this hearing is S-7 and S-2537. Senate Bill 7, which I sponsored, provides for the creation of the South Jersey Transportation Authority as the successor to the New Jersey Expressway Authority, which operates the Atlantic City Expressway, to continue the operation of the Expressway, as well as to operate airports.

To this end, an Expressway Operating Division is created, as well as an Airport Division. The Authority's Board is to consist of the Commissioner of Transportation ex officio, the Executive Director of New Jersey Transit ex officio non-voting, and the remaining eight members would be appointed from the various counties in South Jersey. The bill establishes both the Atlantic City Regional Airport Pomona and the Atlantic City Airport Bader Field as transportation projects under the Authority.

Senate Bill No. 2537, sponsored by Senator Gormley, provides for the creation of the South Jersey and Atlantic Transportation Authority as the successor to the Atlantic County Transportation Authority, and as a State instrumentality rather than a county instrumentality. It provides for an Airport Division and for a Motorbus and Parking Facilities Division. The former Division would presumably have responsibility for airports within the area under the jurisdiction of the Authority. The bill authorizes the Governor to enter into agreements to transfer ownership necessary to provide for the acquisition of airport properties.

The membership of the Authority would be nine members, appointed in equal numbers by the Governor, the County of Atlantic, and the City of Atlantic City. The Governor's appointments would represent the eight South Jersey counties. The Commissioner of Transportation, and the Administrator of the FAA would sit as ex officio non-voting members. It should be noted that the City of Atlantic City has proposed substantial amendments to this bill, proposing the setting up of an Airport Administration, rather than an Operating Division, and making other substantial changes.

Our fundamental purpose here is to explore the question of what sort of mechanism would be suitable for the development of airports in South Jersey, be it the authorities proposed in S-7 or S-2537 or some other type of body? What should be the membership of such a body? And what should be the scope of its powers?

We look forward to the views of those testifying here today on these matters.

May I just say one more thing? This is the first of a series of hearings during which we hope to reach some kind of a conclusion that will, if not make everybody happy, will not make everybody unhappy -- our favorite remark for when you structure a bill. We will be holding a public hearing in

either Atlantic County or Atlantic City -- not that Atlantic City is not part of Atlantic County -- but in either one of those two locations. Due notice will be given to the respective persons who want to testify at that particular time. I don't know exactly when that will be, but I hope that within the next couple of months, or the next six weeks, we will be able to set the particular date.

At this time, let me see if Senator Gagliano or Senator Hurley have any opening remarks. The floor is theirs. Senator Gagliano?

SENATOR GAGLIANO: I just have one remark, Mr. Chairman. I think that a South Jersey airport is an extremely important proposal. We have talked about it, I think, for quite a while now. I congratulate you for bringing this to hearings, because I believe we should move as fast as we can toward a South Jersey airport. I think it is extremely important. I think it would be a great intermediate airport, connected as it would be between -- in a sense between Newark and Philadelphia.

I support it. The mechanism, I know, we will be trying to determine today and at future hearings. I just hope that the people of Atlantic City and Atlantic County can help us to focus on a decision here, because it just seems to me that we have taken too long to come up with an answer to the problem.

SENATOR RAND: Thank you very much, Senator Gagliano. I want to say one thing: Knowing of your great interest in trains, I am happy to see you here today having the same concerns for airplanes. (laughter)

SENATOR GAGLIANO: I am happy to be here, Mr. Chairman. I have a great interest in trains, you're right, and buses, parking lots--

SENATOR HURLEY: Automobiles.

SENATOR GAGLIANO: --automobiles, boats, canals -- anything, anything that will move us.

SENATOR RAND: Okay, thank you very much, Senator Gagliano.

SENATOR GAGLIANO: And I am moved by your statement. (laughter)

SENATOR RAND: Senator Gormley -- one of my favorite people -- certainly we would like to hear from you, if you would like to make some comments.

SENATOR GORMLEY: If anything, people have heard too much from me on this issue. This is the day for public comment to begin. I appreciate the opportunity to sit up here with the Committee.

What I will do -- and you set the tenor for the meeting -- is listen. It is a complex issue. There are a lot of sides to it, but I think this is going to result in a resolution in the near future. I appreciate the opportunity to be here today. Let's just go forward and get the public's comments.

SENATOR RAND: You certainly don't want to make any public comments about the Governor and I.

SENATOR GORMLEY: Both of you are two of my favorite people. (laughter) And I think Tom Gagliano has an interest in all modes of transportation.

SENATOR RAND: Thank you very much, Senator Gormley.

SENATOR GAGLIANO: Including the bicycle. I have a bike.

SENATOR RAND: We have a statement from Congressman Hughes. It is a pretty lengthy statement. It goes on for about three pages. We will enter it into the record. If, at any future time, the Congressman wishes to testify before this Committee, he certainly will be advised and he certainly will be welcome. Peter (speaking to Committee aide), if you will please give this to the hearing reporter, we will enter that into the record.

We will start off this morning with the Honorable Dolores Cooper, member of the New Jersey General Assembly. Good morning, Assemblywoman Cooper. How are you today?

A S S E M B L Y W O M A N D O L O R E S G. C O O P E R:
Good morning, Senator Rand. I am ready and raring.

SENATOR RAND: Good. Do you need my glasses, Dolores?

ASSEMBLYWOMAN COOPER: I don't wear them. I don't need them.

SENATOR RAND: Okay.

ASSEMBLYWOMAN COOPER: Good morning, Senator Rand, Chair of the Transportation Committee, and Committee members. I thank you for the invitation and the opportunity to appear before you today to offer my views on legislation of great importance, not only to my constituents in Atlantic County, but to every citizen in the State of New Jersey.

In essence, Senate Bill No. 2537, and its Assembly counterpart, A-3184, would establish a public Authority to operate and improve airport facilities at the site of the Atlantic City International Airport, in Pomona. The legislation would replace the current Atlantic County Transportation Authority with a new agency -- the South Jersey and Atlantic Transportation Authority. This new Authority, as we all know without it having to be said, would consist of nine voting members, three of whom would be appointed by the government of Atlantic County; three of whom would be appointed by Atlantic City; and the remaining three by the Governor. The Commissioner of Transportation and the Administrator of the Federal Aviation Administration would serve as non-voting members, ex officio. Two of the three county appointments would be made from the three Atlantic County municipalities -- Galloway, Egg Harbor, and Hamilton Townships -- which share borders with the Pomona Airport facility.

In my comments on this legislation, I am mindful of the fact that a modern, fully equipped airport that is

genuinely capable of accommodating national and international air traffic provided by major scheduled air carriers is absolutely essential to the continued economic growth and prosperity of the entire South Jersey region; to the tourism industry of this State; to the Atlantic City casino industry; and, therefore, to the entire State of New Jersey. And, because it is so essential, it is incumbent upon the Legislature -- and upon each of us as legislators -- to make certain that the statutory mechanism we create to accomplish this objective is actually capable of fulfilling its objective.

In this spirit, I wish to commend my friend, colleague, and fellow Atlantic County representative, Senator William Gormley, for the effort he has made to reconcile the many diverse interests whose cooperation is essential if the airport we all wish is ever to become a reality.

I must, however, note that the legislation we are considering today accomplishes that reconciliation only by sacrificing the goal for which that reconciliation is necessary. In other words, this legislation, in an effort to accommodate political interests in Atlantic City, Atlantic County, and the State, actually creates an Authority that may well not be able to accomplish anything positive and in the public interest, because its members will be totally subject to the political pressure that will be imposed upon them by interests that do not wish any airport construction whatsoever at the Pomona site, and will certainly oppose the kind of construction necessary to provide a genuinely international facility.

The principal problem, as I see it, is that while the government of Atlantic City publicly says that it very much wants an international airport to be constructed at Pomona, its actions over many years -- up to and including this morning -- certainly belie those public statements. What the government of Atlantic City truly wants is political power, patronage, and

cash, and that, sadly, has been the action of the City throughout the decade of casino gaming. By granting Atlantic City the right to appoint three members to this new Authority, this legislation is, in effect, guaranteeing that at least one-third of the Authority will represent the interests of Atlantic City politicians, rather than the genuine public interest of the citizens of Atlantic City, to say nothing of the interest of the citizens of Atlantic County and all of New Jersey.

But, even more fatal, in my view, than this concession to Atlantic City, and that, in fact, is all the power to appoint three members really is, is an even worse concession to the political interests of Galloway, Hamilton, and Egg Harbor Townships. And here I wish to make a particularly important point.

Please don't misunderstand me. I know the people of these townships, and I have worked with their municipal leaders for years. I respect and admire them immensely. When I say that this legislation makes a concession, that is not -- I repeat, not -- to be taken as a criticism of them, as much as it is a recognition of the reality of the political pressure they will face from the citizens of these municipalities. The problem, of course, is that Galloway, Hamilton, and Egg Harbor Townships just happen to be, not only the municipalities that will be most directly affected by the airport in Pomona, but the very same municipalities that will be required to accommodate most of the commercial and residential growth of Atlantic County, because the Pinelands Master Plan has placed so much of Atlantic County outside these Townships "off limits" to any such commercial and residential construction.

Therefore, we are trying to place a major international airport in the heart of a region that is going to experience the greatest population growth and business development in South Jersey. And that, my colleagues, is a

recipe for disaster, and in the case of this legislation, it is a recipe for stagnation, for obstruction, and for the failure of the very objectives this legislation purports to accomplish. By giving these townships two representatives on the new Authority, we are giving them a license to ally themselves with the purely political interests of Atlantic City, thereby having five votes, a majority, to block any airport construction whatsoever, unless and until Atlantic City gets what it really wants, which, again, as always -- history repeats itself -- is power, patronage, and cash, and until the three townships get what they want, which is an airport that does not create congestion, does not create pollution, does not pose the risk of accidents, does not create noise, does not, in fact, do what a major international airport is going to have to do if it is to fulfill the purposes of having such an airport in the first place.

Many people seem to think that granting the Governor veto power over Authority minutes provides sufficient guarantee that the public interest of the citizens of New Jersey will be represented and maintained. I respectfully disagree.

There is no doubt that a gubernatorial veto could be a most effective way to block any wrongful, counterproductive action by this new Authority. If the Authority was, for example, to propose construction that would violate State standards, or seek to impose parking fees or landing fees that were excessive, the right of the Governor to say, "No," would be valuable.

However, with a majority of Authority members agreeing on a policy of no action whatsoever -- no construction, no airport, nothing -- until the worst and most base political objectives of Atlantic City's politicians were accommodated, then the veto of the Governor is meaningless and useless. For not even our esteemed and justifiably admired Governor can possibly veto a negative. In other words, if a majority of the

Authority wants to do nothing at all, and prevents any vote to act on airport construction of any kind, then the Governor's veto power will not, and cannot, force them to act. A "veto" is a device to prevent wrongful action, not a means to require rightful action. And that, my friends, is the key.

In sum, then, this legislation is certainly well-intended, a noble effort to seek a politically acceptable compromise to the major players in Atlantic County. But it is, in fact, a license to obstruct, a license to prevent, a license to deny the fulfillment of the objectives virtually everyone agrees are essential to the growth, prosperity, and development of all of South Jersey.

If I sound overly harsh and unduly cynical regarding the real motives of the government of Atlantic City, I put it to you, my colleagues, that I have lived with the poisoned fruits of their political maneuvers for too many years now to be accused of misrepresentation.

Once again, and for the last time, the government of Atlantic City will permit an international airport to be constructed in Pomona only if they can effectively control its patronage and gain its revenues. And they will add their three votes to the two votes of the most affected municipalities to prevent that airport from ever being built. All of my experience, and I have lived in Atlantic County for 41 very happy and productive and fruitful years, makes me absolutely certain that this will, in fact, be the end result of this legislation, if it is enacted in its present form. And no one, I am convinced, can deny that my fears are at least a distinct and built-in possibility.

In conclusion, Mr. Chairman and Committee members, I sincerely believe that the legitimate concerns of the people in Egg Harbor Township, Galloway Township, and Hamilton Township can be accommodated and, in fact, must be accommodated. My whole position on this legislation -- S-2537 -- is that it will

not only fail to result in an airport, but will also fail to protect those citizens, because it will submit their fate to political maneuvers, rather than clear and specific guarantees of airport safety and airport operations that do not threaten to destroy the quality of life they are entitled to enjoy.

I believe that Senator Rand's bill will do a much better job of protecting those citizens, because Senator Rand's bill would reduce the impact of Atlantic City politics. Citizens and airport are only incompatible if those airports are not responsive to citizen interests. S-2537 makes any airport in Pomona responsive primarily to the political interests of Atlantic City and, for that reason alone, it requires radical amendment.

Thank you very much.

SENATOR RAND: Thank you, Assemblywoman Cooper. Please sit there for just one moment. There may be some questions from the members of the Committee. Senator Gagliano, are there any questions you would like to ask?

SENATOR GAGLIANO: Yes. Assemblywoman Cooper, would you recommend a combination of the two bills -- Senator Rand's bill and Senator Gormley's bill -- in order, first of all, to reduce the effect of the Atlantic City politics -- as you call it -- and secondly, maybe to move things along more quickly in terms of, let's say, more efficiency, by absorbing the Atlantic City Expressway operation, which is already in effect? Is that what you're saying?

ASSEMBLYWOMAN COOPER: Yes. It is very obvious that the lack of airport attendance after the opening of the first casino door is the marking device which will hurt them for the next decade into the future. I feel the key word is "compromise." Perhaps there can be a compromise between the two bills, to expedite the legislation necessary.

I have spoken to -- they have contacted me -- many casino executives, and they are just waiting with baited

breath. I mean, are they going to survive, or are they going to die? That is what is left. You can just survive so long, and no more, on casino buses and \$10 in quarters and parking lots and that. We've got to have the airport as soon as possible, or we will be sitting here 10 years from today with 13 empty casinos.

SENATOR GAGLIANO: May I ask a couple of questions about the geography? I'm not so clear on that. How far is the airport property from, shall we say, the new rail terminal, in terms of miles?

ASSEMBLYWOMAN COOPER: About eight or nine miles.

SENATOR GAGLIANO: Is there a four-lane road connecting the two at this point?

ASSEMBLYWOMAN COOPER: Well, you go from the Expressway off, and then there are some, I call them the old country roads, leading into the airport.

SENATOR GAGLIANO: But they would be redeveloped?

ASSEMBLYWOMAN COOPER: There is a circle that leads from the White Horse Pike and the-- It is a circle with arteries that lead into the FAA Terminal, which goes into the Atlantic City Airport.

SENATOR GORMLEY: If I may interject, for informational purposes, we are working with the Atlantic City Expressway right now, on a cooperative basis, to encourage a new interchange. That new interchange would place the tentative site of a new airport approximately one mile from the Atlantic City Expressway, for two reasons: One, immediate access, and two, so that the local communities do not wind up with a lot of unnecessary traffic finding the airport.

SENATOR GAGLIANO: Right, and that would mean then, probably, if you are talking seven or eight, or even 10 miles--

SENATOR GORMLEY: A 10- or 11-mile run.

SENATOR GAGLIANO: --you would be talking about 15 minutes by bus or limousine, or whatever.

ASSEMBLYWOMAN COOPER: As a matter of fact -- if I may just inject a personal comment -- this summer when I was going to a convention, the airline had given me the wrong airport. I was supposed to leave from Bader Field, and they sent me out to Atlantic City Airport and, of course, they were holding the plane for me to come back. Unfortunately, I got caught in a traffic maze of buses, and instead of making it in about 10 or 12 minutes, it took me almost 25 minutes. This is the kind of congestion we have even now, so you know what it is going to be like in the future.

SENATOR GAGLIANO: Now, with respect to the airport, it is my understanding -- because we had a hearing on this once before, once or twice before -- that substantially, most of the real estate that makes up the airport is owned by the City of Atlantic City. Is that correct?

ASSEMBLYWOMAN COOPER: Yes.

SENATOR GORMLEY: I don't want to test it, but I will limit this to information.

SENATOR RAND: Are you asking the question?

SENATOR GAGLIANO: Yeah, I just don't-- It seems to me--

SENATOR RAND: Senator Gormley, do you know the amount of land owned by Atlantic City?

SENATOR GORMLEY: Eighty-three acres is owned in title by the City of Atlantic City. The balance -- about 4900 acres-- Atlantic City has a right of reverter, if it is used for non-governmental purposes. Now, the question that has arisen in the past was, would the continuation of an airport run by another agency, if it were to be in an adversarial vein-- Would that have been a non-governmental purpose? That is a question that this compromise did not resolve.

SENATOR GAGLIANO: The 4900 acres being owned -- originally -- by the City of Atlantic City, transferred to the FAA--

SENATOR GORMLEY: Exactly.

SENATOR GAGLIANO: --and the FAA said, "If we no longer use it for governmental purposes, then it will revert to the City of Atlantic City."

SENATOR RAND: Fifty-five thousand dollars they gave it to them for.

SENATOR GAGLIANO: Fifty-five thousand?

SENATOR RAND: Fifty-five thousand. They can get that back. If it is not to be used for governmental purposes, then it reverts back to the Atlantic City for the initial payment the Federal government made to Atlantic City.

SENATOR GAGLIANO: Under those circumstances -- and I heard your testimony, and I know how you feel about it -- don't you think it is necessary to deal with the City of Atlantic City on a very straightforward basis? I mean, the 83 acres they own -- which is apparently the terminal area -- then they have the right of reverter with respect to 4900 acres-- How can you not deal with their interests, since they own the real estate? Without real estate, you don't have an airport.

ASSEMBLYWOMAN COOPER: Senator, the first casino door opened in 1978. It is now 1988. It is a decade of waiting for this. Don't you think that as we approach the second decade-- Doesn't that tell you that something is drastically wrong?

SENATOR GAGLIANO: Oh, I don't disagree. I know we had one heck of a time just finding parking for buses in Atlantic City. Really, something should have been worked out locally.

SENATOR RAND: In defense of the whole issue, Senator Gagliano, the responsibility rests on this Committee, as we are addressing these bills, to balance out the interests of everybody, whether it be Atlantic City or Atlantic County or South Jersey or the State of New Jersey. That is what we are all about.

SENATOR GAGLIANO: Well, since I am from about 75 miles from here, I feel I can be the compromiser.

SENATOR RAND: Absolutely. I have no problem with that. You have always--

SENATOR GAGLIANO: I really don't have a direct interest, and I am not much of a gambler, so-- But really, you're saying that something is wrong, Assemblywoman Cooper, but how do you propose that we get the parties together?

ASSEMBLYWOMAN COOPER: Well, as I said, the basic word is "compromise." That's it.

SENATOR GAGLIANO: Yes, but how do you propose we compromise?

ASSEMBLYWOMAN COOPER: I am asking the Senate Committee to determine that.

SENATOR GAGLIANO: Oh, you don't have a proposal?

ASSEMBLYWOMAN COOPER: Well, pick the best of his, and pick the best of his, and the parties involved sit down and negotiate.

SENATOR GAGLIANO: All right. Thank you.

SENATOR GORMLEY: If I may, just for informational purposes, prior to the compromise, there was a body of thought -- and this is one of the arguments that was going on -- that said governmental purpose would encompass the continuation of an airport, in that the FAA, had they chosen to, or could choose to do, could deal directly with a State-created agency, or the State of New Jersey directly. And the State of New Jersey could have come in and taken over, not the 83 acres, but taken over the planning and development on the reverter property, provided there be a declaratory judgment, or whatever the governmental purposes would encompass an operation of an airport. But we never got to that litigation.

But that is a question that is there. We can give you diametrically opposed opinions on either side, one that you could just come in and take it and use it as an airport, and

that would not go against the reverter clause. So, there was a dichotomy of opinion on that. It is not as though it is open and shut. That is my point for--

SENATOR RAND: We are hoping that from these hearings -- and it will have to be more than one, because there are other people waiting to testify in the proximity of Atlantic County -- we can develop a scenario so that at least we can hear the expressions of all the factions and all persons, and maybe we can get a basis for some type of situation. I never heard Senator Gormley say to me -- nor I think to any member of this Committee -- "This is what it has got to be."

SENATOR GORMLEY: Well, this is. I don't want one word changed in this bill. (laughter)

SENATOR RAND: But, I think--

SENATOR GORMLEY: You liked that, didn't you? I mean, it's all thrown out.

SENATOR RAND: What we certainly have to do is attempt to address the issues. You know Senator Gagliano and Senator Hurley. That is indeed the value of this Committee, that we, on a bipartisan basis, we address the issues, and we structure bills which we think are good for everybody in the State. Hopefully -- hopefully, I say -- these are tremendous policy decisions to be made, and tremendous decisions to be made concerning every agency connected, including the concerns of Atlantic City and the concerns of Atlantic County and the concerns of all of the people.

I suppose we are going to get some information -- I hope so, when people testify. You heard one person just now. I would hope that we would hear a lot of views, a lot of recommendations, and a lot of suggestions. I must tell you, I might have my own mind-set, but I am going to listen. I am going to pay attention. I am going to try to absorb all the recommendations made by the respective persons and the respective agencies. We are going to try to get a bill out that is beneficial to everybody.

SENATOR GAGLIANO: Mr. Chairman, with reference to the interests of Atlantic City, who is testifying today from Atlantic City? Is there a witness?

SENATOR RAND: Let me look at the list. No.

SENATOR GAGLIANO: That doesn't make sense at all.

SENATOR RAND: Well--

ASSEMBLYWOMAN COOPER: You understand now.

SENATOR GAGLIANO: To me, they have the casinos; they own the real estate; they can determine lots of issues.

SENATOR RAND: Senator Gagliano, I don't want in any way to cut you off, because I will let you speak as long as you want, but in all deference to Atlantic City, they sent us a letter, and they requested us to have a hearing in Atlantic City. I have heard from a number of people from Atlantic City. It was my intention originally to hold the hearing either in Atlantic County or Atlantic City. Atlantic City is part of Atlantic County, and I don't want to separate the two, but you get in this position, and you say Atlantic City and Atlantic County.

SENATOR GORMLEY: That's right.

SENATOR RAND: I am trying to make that very clear to myself. We are talking of two entities, but really one and the same. We most likely, and again at the request and the urgency of some public figures down there, including the governing board -- the governing authority -- along with some other public figures, in the private sector as well as the public sector-- We most likely will have a hearing in Atlantic City. We are not going to get all of the answers here today. I don't know if we are going to get all of the answers at the next one.

SENATOR GAGLIANO: Never.

SENATOR RAND: If we never get the answers, then I'll tell you, we're in bad trouble, Senator Gagliano.

SENATOR GAGLIANO: No, I'm just saying-- Certainly, in deference to you, Mr. Chairman, I know you probably, through

staff and yourself, tried to get them to come up here. We would have been glad to meet down there, as we have done in the past. But it just seems to me that the Mayor and Council, or whatever the governing body is, are the principal players in this thing, and we should really know where they stand.

SENATOR RAND: Senator Gagliano, I am sure those people will be in touch with this entire Committee.

SENATOR GAGLIANO: Good.

SENATOR RAND: They will sit down with you, and they will discuss with you. You will hear, and you can question them. I feel very confident that they are not boycotting this hearing. They would like to be heard in Atlantic City, and I think they have a right to be heard in Atlantic City. I know that this Committee leans over backwards to accommodate all the interests of everyone concerned with this bill, and we are going to continue to do that.

ASSEMBLYWOMAN COOPER: In conclusion, Senator Rand and Committee, if I may, a couple of personal comments. Right now, at this point in time, according to the material furnished to me for my constituents, the casino industry employs a little over 68,000 people. In 10 years, it will be made more only if there is an airport to bring in the customers to give employment to the present 68,000. Those 68,000 come from all over the State of New Jersey, as you probably know.

SENATOR RAND: Assemblywoman Cooper, I appreciate your remarks and your concerns.

ASSEMBLYWOMAN COOPER: I am just sorry to hear Congressman Hughes' message, because representing the Federal level of government, I was very honored that he extended invitations to me to attend previous hearings in Atlantic City, which were quite shocking and quite -- how shall I say it, trying to be courteous -- the revelation on intergovernmental activities, and the fact that I decided to represent not only my 180,000 constituents, but the casino industry, as well as the casinos, whose future lives depend on it.

SENATOR RAND: Senator Hurley, is there anything you would like to add?

SENATOR HURLEY: No, I am anxious to listen to more.

SENATOR RAND: Okay. Senator Gormley, you have the last shot.

SENATOR GORMLEY: No. Dolores gave very frank testimony. Some people might not like it, but she has an honest point of view, and it was well taken.

ASSEMBLYWOMAN COOPER: Thank you.

SENATOR RAND: Thank you very much. We appreciate your coming, Dolores.

ASSEMBLYWOMAN COOPER: Good luck.

SENATOR RAND: Thank you. Carolyn McCallum, Department of Transportation? I didn't know whether you wanted to make a presentation or not. Your name is on the list.

C A R O L Y N M c C A L L U M: (speaking from audience) I am on the list, but we are not offering any formal testimony today, other than it should be on the record that the Department does support the bill in concept. We are really looking forward to the public testimony and discussion and refinement of the bill.

SENATOR RAND: Which bill are you talking about? Are you talking about Senator Rand's bill or Senator Gormley's bill, or does the Department want to take it over themselves?

SENATOR GORMLEY: That's one person we all like, everybody, okay?

MS. McCALLUM: That's why I didn't come up to the microphone. (laughter)

SENATOR RAND: You agree with those who disagree and with those who agree.

MS. McCALLUM: I am speaking about S-2537. I think I have the number right.

SENATOR RAND: Yes, S-2537.

MS. McCALLUM: We testified back in 1985 on what is now S-7. We were on the record at that time.

SENATOR RAND: I know, you love everybody.

MS. McCALLUM: It was S what, S-19?

SENATOR RAND: S-7.

MS. McCALLUM: S-7 now, but what was the other number? We testified on that.

SENATOR GAGLIANO: In two years, it will be S-1.

MS. McCALLUM: What's that?

SENATOR RAND: I surrendered that to Senator Weiss. Thank you very much.

Donald Linky, Esq., from Brener, Wallack and Hill? May I tell the audience that Mr. Linky was former Chief of Planning under Governor Brendan Byrne? Chief of Policy or Planning, which was it?

D O N A L D L I N K Y, E S Q.: Both.

SENATOR RAND: Both, okay. Good morning, Donald.

MR. LINKY: Good morning, Mr. Chairman. I appreciate the invitation to testify here this morning. It gives me a chance to renew some old friendships and acquaintances.

I am appearing here representing no one. I say that sadly, as a practicing lawyer. No one is paying for my--

SENATOR GORMLEY: Well, let's see how the testimony goes. You never know. (laughter)

SENATOR GAGLIANO: There may be a retainer agreement.

MR. LINKY: It's probably worth about as much as I am being paid for it.

Mr. Chairman, members of the Committee: I believe my invitation here was generated largely by my involvement in some of the original discussions that led to the first draft of S-7, and the concept of regional planning in South Jersey, and the various impacts of casino gambling and economic development in South Jersey. I am more familiar with S-7, but I would also like to talk to the general issue, I guess, of airport development in the Atlantic County and South Jersey region, which is the focus of your discussion today.

I don't have any formal remarks, but thought it would be best to talk somewhat off the cuff and discuss some of the planning and economic impact issues that led to the development of the approach that is now embodied in S-7, and discuss its relationship to Senator Gormley's proposal also, and perhaps also try to touch on alternative ways to develop some compromises or meshing between the two approaches.

I don't think the two bills are necessarily conflicting or that it is impossible to develop a suitable compromise. S-7 developed at the end of the Byrne administration because of various factors. Some of them were related to the impacts of casino gambling; others were simply our concern that we had to develop a new strategy for developing ordered approaches toward transportation and economic planning in the State. Some of those approaches were taken from such concepts as the Hackensack Meadowlands Development Commission; some on land use preservation through the Pinelands; and some other regional approaches that we had been looking at around the country, and other types of entities that seemed to make the most sense to us.

We saw the situation where the Atlantic City Expressway was developing a substantial surplus after many years of very tight financial circumstances, and that some of that revenue could be utilized in a much broader way to meet some of South Jersey's needs. We also felt that the old concepts of highway authorities didn't seem to make much sense any more. We developed the original highway authorities when our transportation programs were less integrated and less interrelated than they are today. In truth, some of those highway authorities have become substantial revenue generators, but they have also become -- and I think we have seen this in the papers in the last few years -- somewhat independent, somewhat narrow little fiefdoms, developing their own little turf, but not having broader ideas as to what the State or regional needs were just outside their own little corridors.

So, one of our objectives in what is now S-7, was to develop a mechanism by which some of that new revenue that was being generated could be broadened to newer types of transportation and economic development infrastructure. I am not that familiar with the current fiscal situation of the Authority, but it seems to me that the Expressway Authority provides a mechanism -- provides one of the only mechanisms -- we have of funds to prime the pump of economic development in Atlantic City and Atlantic County and throughout South Jersey, to complement some of the revenue that is being generated by the casinos themselves.

I think it would be a mistake if we looked too narrowly on the needs of South Jersey and Atlantic County and Atlantic City, and ignore the significant potential we have through this financial mechanism to meet the broader infrastructure needs of the region.

Airport development in the Atlantic County region is your focus today, but I don't think it is by any means a sure thing that airport development can fiscally be viable in Atlantic City and Atlantic County, without some sort of support. Now, I don't know where that financial support is going to come from. I doubt that there is going to be much Federal revenue available. I don't know of any State programs without new appropriations which would be available. It would seem to me that at least the Expressway revenue would be a particular source to look for partial financing and partial support of the airport needs of the Atlantic County region.

The economics of airport development and operation, to the extent that I am current with them at this point, are that airports no longer are financially very stable or secure. Airports throughout this region have been financed by contracts with major carriers. Those major carriers, given their competitive and their industry position, are looking to cut costs. They are not looking to create additional overhead on

their part. We have to make a strong case that a major international airport in Atlantic City, in Atlantic County, serving its needs makes economic sense. I am not sure we can make that case simply as an airport.

So I would suggest that the Expressway revenue is one way that could help prop up the financial attractiveness of any airport development in the county.

In a broader sense, I think it is a mistake to expect that we should look at the transportation needs of Atlantic County in segregation from the larger regional needs. We have found, I think, that some of the projections that we were making in the Governor's Office of Policy and Planning when the casino referendum was first approved, have proven to be wrong. The impacts are much broader from a regional standpoint; that casino employees are living throughout South Jersey. With the development of new rail service connecting the western counties with Atlantic City, we expect that it will be easier for employees in Atlantic City to be living further and further to the west, and the impacts of growth and development, and the needs of transportation, are going, I think, to further expand throughout the region.

So, to try to look at the Atlantic County transportation needs and the casino impacts in isolation, I think, is a mistake. I also think it is a mistake to ignore some of the other economic impacts. We have to diversify South Jersey's economy away from the dominance of casino gambling. Casino gambling has obviously been a significant and productive source of jobs, tax revenues, and a lot of other positive benefits. But South Jersey is developing with other types of industry, with new technology, with service industries, with some manufacturing. We have to, I think, look at this region as a coordinated whole. Senator Rand's bill, I believe, is still the best approach to doing that.

I wanted to try to suggest some ways of possible compromise, and I am sure in the hearing today, and in the further hearings you are going to have, you will probably hear a lot better ideas. But it seems to me that both bills could be integrated. Senator Rand's bill -- S-7 -- provides an overall regional mechanism. Sections 49 and 50 of that bill provide that the Authority of this entity contract with other operating entities to operate an airport. Conceivably, I think both bills could be amended suitably to create a South Jersey regional transportation agency, using the Expressway revenue, while having that agency having the capability to contract with an operating entity for the airport, which could meet some of Senator Gormley's very, I think, complex problems in dealing with the various interests in Atlantic County and Atlantic City.

I don't have any special knowledge about how to resolve those interests. Those are really local concerns, and I think concerns that Senator Gormley is certainly on top of. But I do think that an overall regional agency could be meshed with an operating entity for the airport, having the regional agency, frankly, having the control by hopefully providing some financial support through the Expressway revenue, as well as by, I think -- through the negotiations and the contractual agreements that could be provided between the two different entities, to develop a system by which both interests could be served.

Senator, I think that is really the gist of my testimony. I would be happy to answer any questions.

SENATOR RAND: Don, thank you very much. Senator Gagliano has some questions.

SENATOR GAGLIANO: Thank you, Mr. Chairman. Don, in your testimony, you indicated that you would rely upon the Atlantic City Expressway as a source of funding. Well, isn't there really an opportunity here for a major source of funding to be, if not direct, to be certainly guaranteed with respect

to the number of airplanes and other activity by the casinos themselves? Isn't it true that the persons who come in by plane, as opposed to by bus or car, are much more, shall we say, active, in terms of their involvement in the casinos, and don't they bring in more money, and bring in more opportunities for income? So, wouldn't it make sense for the casinos to step up to the bat here and get together and say -- and they may have, I don't get the local press from down there; I get the Asbury Park Press, not the Atlantic City Press--

SENATOR GORMLEY: The other Press.

SENATOR GAGLIANO: The other Press. They may have stepped up to the bat and said, "Well, if you decide that we will have a regional airport, where at least intermediate-sized aircraft will arrive here" -- maybe not 747s, but something that is at least intermediate in size, 200-passenger planes, or something -- "then we will see to it that we will have a certain number of landings per year" -- which would give revenue -- "and we will see to it that there is a certain amount of fuel purchased there; and we will see to it that parking fees will be generated there." The airport would then have a base upon which they could go out to the financial community and get some money -- and borrow.

It just seems to me that you didn't say anything about that. I realize you are talking about a regional airport to serve all kinds of needs, but the casinos initially, I think, have the most to gain from an airport facility.

MR. LINKY: Senator, I suggest your question is probably best directed to Tom Carver, who I notice is going to testify somewhat later. I think the Casino Association and the casinos themselves have recognized the importance of a major airport facility to their own well-being and to the long-term future of their industry. I suspect that the priority that they place toward airport development would translate into a fairly cooperative attitude toward developing the types of arrangements which I think you so rightly identify.

I think the point we probably both agree on is that the financial viability of this airport proposal is not guaranteed; that there have to be arrangements, either through casino industry guarantees, subsidies, whatever. We have also seen, I guess, this week Mr. Trump's new involvement in the airport industry, which might provide a very interesting connection. But the bottom line, I believe, is that a major airport is vital toward Atlantic City becoming a first-class resort. I don't think anyone is now suggesting that Atlantic City has reached its potential, and I don't think that anyone believes that it can ever reach its potential unless we have a major development -- a major airport development in Atlantic County.

SENATOR GAGLIANO: In your planning, Don, when you were with the administration, were there discussions on how an Atlantic County airport would fit in vis-a-vis the Newark Airport and, say, the Philadelphia airports? I mean, obviously there are--

For example, take someone from Ocean County, or from parts of Camden County -- I would say the eastern portions of Camden County -- if they are going on a trip, they would probably much rather go to an Atlantic County airport, if they could make the connections from there to go on their air trip, than, say, going up to Newark, with all that traffic and the costs involved. Or, from the Camden County area, and Gloucester and that area in there -- South Jersey -- wouldn't they also be interested in traveling from Atlantic County if they could by air? Were studies made on those issues?

MR. LINKY: Senator, I don't really recall any specific studies. I believe some very cursory studies were made as part of the master plan discussions at that time. But I would have to confess that at that point, I think we were so early in the process that we really didn't have good data. Also, the airport situation at that time was radically different than what it is right now. We were dealing--

SENATOR GAGLIANO: You were dealing with Bader Field.

MR. LINKY: Well, we were dealing with Bader Field. We were also dealing with Newark Airport, which was underutilized at that time, and the Philadelphia Airport, which I don't think was really at the capacity it is now. So, the situation is so different, that anything I could say about any studies that were done in the '70s, would probably be of little interest or significance.

SENATOR GAGLIANO: To your knowledge, have any studies been done on an upgraded basis to take into account an Atlantic County facility -- a regional facility for Atlantic County and South Jersey?

MR. LINKY: I have just been away from it too long. I don't know.

SENATOR GAGLIANO: Thank you.

SENATOR RAND: Senator Gagliano, if nothing else, the Atlantic City Airport, from the information that has been submitted to me, would be a pressure valve for both Newark--

SENATOR GAGLIANO: That's what I would think.

SENATOR RAND: --and Philadelphia, in the next decade. It may not be right away, but it certainly would grow. As the noise pollution begins in Philadelphia coming in-- We have that in my district.

SENATOR GAGLIANO: We have it in mine.

SENATOR RAND: Complaints every day. You have it in your district. So, there is no question, so we might as well give it to Senator Gormley's district, and let him partake of some of the good parts. I mean the noise and all like that, Senator.

SENATOR GORMLEY: Thank you for saying that aloud.

SENATOR RAND: Is there anything you would like to ask Don?

SENATOR GORMLEY: I would just like to concur with the concept of using Expressway moneys as a regional planning

vehicle. We banter a lot in the State about regional planning. We have, between the Parkway, the Turnpike, and the Expressway, the vehicles that should have been used on a regional planning basis, and not merely to see how thick they could pave. Consequently, a recommendation that we had made to the Governor in 1984 was included in his State of the State Address -- the interchange that I talked about earlier -- asking the Expressway to use its money for an interchange. That technically would be within its prerogative, but really as a regional planning vehicle for Atlantic County, both for the airport, and also for a beltway loop for Atlantic County; the reason being, you know, you look at the Route 1 Corridor, and that is where these toll roads should have been looking in the past. It doesn't matter how wide you make it. If there is nowhere to go once you hit the ramp, it doesn't matter. So, I fully concur.

In all fairness to the casino industry, I think you will find that they are ready to make the commitment. I think, because they are an industry that, quite frankly, is highly visible, and all too often-- I mean, a legislator recently put a bill in just to raise the casino tax, because the program had been so successful so far, why not raise the tax even more? That is not what you do to a successful program. I think what they need -- and maybe they won't be able to articulate this, because it would be perceived negatively by some politicians -- is a stable agency to deal with. I think once they had that stable agency, it would be good business for them to deal with it. And believe me, they have been as visible as they can be, given the political sensitivity of the industry. But I can honestly state that if they had an agency to deal with -- believe me, Tom (addressed to Mr. Carver), the arrangements that you accurately point out -- they would be more than willing to do them.

The problem is negotiating within, let's say, a governmental situation, that isn't best suited for these types of arrangements. Once you come forward and say you will do it, then we go to the next layer of negotiations. I think they would be willing to come forward if they knew, "Here's the agency. These are the negotiations. This agency can move forward. Now we will go to the next group of negotiations." That has been a problem. So I think the stability of what I know will come out of this Committee will give, I think, them the opportunity not to be dealing with a black hole.

SENATOR RAND: Thank you, Senator Gormley. Don, I know you had-- Let me see if I can pursue this for a minute. I don't want to add anything to it, but I just want to reaffirm my stand, which I made public in certain comments. I know that the regionalization issue touched you, because you also said-- You mentioned that not only do we have to address Atlantic City's needs, but the needs of the entire area, which is growing. We have an area -- a three-county area -- which has grown to a million two at this particular point, and is probably growing faster than any part of the State, from the information that was just put out -- the Burlington, Camden, and Gloucester area.

When you said you wanted to regionalize it, was it with the idea of making sure that the impact goes to the other counties of South Jersey, namely we are talking about Cumberland, Salem, and Gloucester? Is that what the emphasis was, to make sure that they were all incorporated into an overall situation? The reason why I say that is--

First, let me point out two things: The Atlantic City Expressway doesn't go just into Atlantic County. It goes through two of my counties, namely Camden County and Gloucester County. Number two -- and I really don't want to get into this, but I address this to the Atlantic City folks -- the people I represent are not enamored of the Atlantic City

Railroad. In fact, they have a nomenclature for it, which is the "Gamblers' Express." Continually, I have to try to get them off of that dead weight, very frankly, of calling it that. But if I don't address that constituency, we don't get a cooperative constituency in the overall situation.

MR. LINKY: Senator, I think the practical answer is that you can't segregate Atlantic County away from the regional needs of South Jersey. The economic development is going to occur throughout the region. Casino impacts have spread, I think, throughout South Jersey, but regardless of whether they are casino oriented or not, you can't develop a transportation system in South Jersey or, indeed, an economic infrastructure in South Jersey, I think, unless you look at it as a coordinated region. I say that for financial reasons. I say that simply for planning reasons. The area still, and particularly, I think, with the sort of major preservation in the Pinelands and the limited areas we have for development, has to be looked at as a region where you can have growth on the western fringes that supports development in Atlantic County, and vice versa.

It may be, frankly, that in another 10 years we will be talking about people commuting from Cape May to Salem and Gloucester and to Camden County, if we can see the level of economic development that is occurring in the western fringes of the area. To look at it as sort of segregated pockets of counties, I think, just doesn't make sense.

SENATOR GORMLEY: But the Port Authority, isn't that 20 miles?

SENATOR GAGLIANO: Twenty-five.

SENATOR GORMLEY: Twenty-five?

SENATOR GAGLIANO: Twenty-five from the Statue of Liberty, technically.

SENATOR GORMLEY: When you were in Policy and Planning, was it considered to extend that beyond 25 miles?

MR. LINKY: I don't think we ever felt that politically we could ever crack that nut, Senator.

SENATOR GORMLEY: See, you do have a bit of that fiefdom feeling in South Jersey.

SENATOR GAGLIANO: But for certain purposes it was expanded -- for the purchase of buses.

SENATOR RAND: Yes, 75 miles.

MR. LINKY: That's right. We did develop mechanisms, again, to use some of the Port Authority revenue to service broader needs than the Port Authority. But also, the density of population, obviously, in the Port Authority district is so much higher than the--

SENATOR GORMLEY: I am just citing the northern end.

MR. LINKY: Right, I understand that, but I think the densities, and also the infrastructure that the Port Authority took over-- Remember, the Port Authority was basically given the bridges and tunnels as their, sort of revenue source, to fund a lot of development that they use that revenue from.

SENATOR GORMLEY: Would you say to just put the airport under the existing Expressway Authority, with its existing make-up?

MR. LINKY: No. I think you have an opportunity here to do something very significant. I would not try to be narrower than you have to be. I think the various modes of transportation-- We talked about Senator Gagliano's diverse interest in the different forms of transportation, but they all fit together. It seems a mistake to me to try to segregate just airports and just the Expressway away. You have to plan as a region. You have to integrate, I think, the transportation relating from surface vehicle transportation with the railroad, with the airport, and I think we have some exciting possibilities to link some of those different systems together.

We talked about, I think, where is the railroad going to relate to the airport? Is there some way to develop some sort of rapid people-mover connecting these different facilities?

SENATOR GORMLEY: That is an embarrassment and a waste of money -- the people-mover.

MR. LINKY: Oh, I agree with that.

SENATOR GORMLEY: That is a joke.

MR. LINKY: I am not talking about the people-mover; I am talking--

SENATOR GORMLEY: Okay. Whenever I hear that mentioned-- That is the world's greatest joke -- people-movers. I'm sorry.

MR. LINKY: I agree with you. Monorails and people-movers are always on the lowest--

SENATOR GORMLEY: You ought to concentrate on one-way traffic on occasion. That is a lot cheaper.

MR. LINKY: Right. But I think there are ways to develop very effective ways of moving people between different modes of transportation which make sense for a very comprehensive agency.

SENATOR GORMLEY: Okay, thank you.

SENATOR RAND: Senator Hurley, do you have anything?

SENATOR HURLEY: No, thank you.

SENATOR RAND: Don, thank you very much. We appreciate your coming down here, taking your valuable time. We will try to get you some retainers. (laughter)

SENATOR GORMLEY: Not out loud, please.

SENATOR RAND: No, no, there are people here who might want him to represent them.

SENATOR GORMLEY: Okay, yeah.

SENATOR RAND: There are certain things you can't represent, and certain things Senator Gagliano can't.

MR. LINKY: I appreciate that commitment in the record.

SENATOR RAND: Thank you very much, Don.

SENATOR GAGLIANO: Travel time would be too expensive for me, Walter, down there.

SENATOR RAND: Elizabeth J. Rosenthal, Legislative Specialist, Department of Personnel? Good morning.

E L I Z A B E T H J. R O S E N T H A L: Good morning, Senator. As you mentioned, my name is Elizabeth Rosenthal, from the Department of Personnel.

The reason why I am here today is not to express a position on development of the airport in Atlantic City, but to express our concerns, present in both S-7 and S-2537, on the personnel provisions of the bill, which do not actually take up too many lines, but do have a large impact on the appointment process that would take place.

Now, I just want to point out that I was in touch with your Committee aide. As a matter of fact, Mr. Chairman, I did speak with your aide on our concerns, and forwarded a letter.

SENATOR RAND: Yes, we have that letter today. Thank you.

MS. ROSENTHAL: Okay. Concerning S-2537, some time ago, we were informed that Senator Gormley said he would be amenable to change S-2537 according to our concerns. Basically what they are is-- The personnel provision would place everyone in the transportation authority outside of Title 11A, which is the Civil Service Reform Act. That would basically just mean that there would be some other kind of personnel system that we have no idea at all about.

Basically, we would just like to explain that we would like to take out that language, and insert language saying the opposite; that the employees would be subject to Title 11A. All that would mean is, the employees would be subject to one of three types of services that currently exist under 11A. One is career service, which includes competitive testing and permanent status. Another is unclassified service for

positions that you cannot really test for, and would not include permanent status. The third is senior executive service, which could be either career service or unclassified, depending on the nature of the work. Nevertheless, senior executive service itself provides more flexibility, because it is for high level managerial positions. It is a new program, and we are really excited about it and would like to get it off the ground.

We just want to say that the Civil Service Reform Act does provide the required flexibility in appointments for agencies. We would just urge that that language be inserted for whatever bill comes out of this Committee, whether it is both bills or a combination.

SENATOR RAND: Senator Hurley, anything?

SENATOR HURLEY: No, thank you.

SENATOR RAND: Thank you very much.

MS. ROSENTHAL: Thank you very much.

SENATOR RAND: We appreciate your testimony. We have the letter, and we certainly will take that into consideration.

MS. ROSENTHAL: Okay, thank you very much.

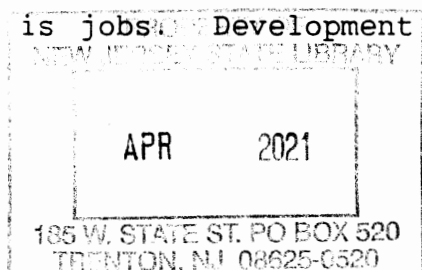
SENATOR RAND: Thank you again. Frank Seney, Office of Business Advocacy, Department of Commerce, Energy and Economic Development? Good morning.

F R A N K J. S E N E Y: Good morning. I was interested in your comments earlier. Senator Gagliano isn't here right now, but I know he is the railroad guy. He is the guy who keeps you on the right track.

SENATOR RAND: The choo-choo is out there.

MR. SENEY: He keeps you on the right track.

My name is Frank Seney. I am with the Department of Commerce, Energy and Economic Development, more specifically the Office of Business Advocacy, which is hopefully industry's ombudsman. The State Department of Commerce's primary concern is jobs. Development of an Atlantic City Airport would bring



an estimated 2500 jobs to the region by 1995, increasing to 4800 by the year 2005. During the construction phase, an estimated \$684 million in salaries and wages would be generated.

Additionally, tourism is the State's leading employer, providing jobs for some 218,000 workers. Our tourist industry generates over \$13 billion in revenues annually, ranking the State fifth in the nation in tourism dollars.

If the State is to maintain its position in this field, it must provide the necessary travel links to accommodate today's travelers. It has been estimated that as many as 270,000 additional conventioners would come to Atlantic City annually, if direct air service were available. These business travelers would bring an additional \$100 million to the economy. As you know, a survey of frequent flyers has ranked Atlantic City as one of the most inaccessible cities in North America. This has to be corrected if this State's tourism industry is to grow, not wither in the years ahead.

It is obvious that the casinos have been successful, generating more than 68,000 new jobs, but we believe the region can do better and that there is room for improvement. A major air facility would be a most appropriate stimulus for greater job creation.

New Jersey's transportation network is a key factor in its economic revival. An excellent highway system, connected to two of the nation's major ports, has brought major firms, both foreign and domestic, into New Jersey. The State has supported this transportation system through the Transportation Trust Fund.

We believe that just as the State has supported the development and maintenance of its highways, it must similarly support its airways for the benefit of business and tourism travelers, and the State's economy as well.

Taking a look at the southern region of the State, recent reports from the State Labor Department show that the

local economy experiences periodic downturns, with a significant portion of the work force employed in seasonal jobs. In one part of the region, seasonal layoffs caused a 6200 job loss between June and July. Ups and downs in the work force are characteristic of an agricultural economy. A major air facility would help to mitigate these periodic declines.

Furthermore, the southern New Jersey region has become more and more attractive to manufacturers seeking sites for new operating facilities. In fact, during the first half of this year, manufacturing employment was up over 1300 jobs in one southern six-county region. As I am sure you all know, manufacturing statewide has been on the decline, and these increases in South Jersey are most welcome, and should be encouraged.

A full-service air facility would undoubtedly provide another incentive for manufacturers to locate and expand in southern New Jersey, furthering this new and positive trend.

In conclusion, the State Commerce Department wholeheartedly endorses the proposed airport expansion, and stands ready to provide whatever business development support services it can to make this proposal a reality.

Gentlemen, thank you very much.

SENATOR RAND: Mr. Seney, thank you very much.

The Honorable Richard E. Squires, County Executive of Atlantic County. Good morning, sir.

C O U N T Y E X E C. R I C H A R D E. S Q U I R E S:
Good morning, Senators. I have asked Rick Dovey of my staff to circulate a copy of the remarks, in case, shall we say, I miss the part that you wanted to hear.

First of all, it is a pleasure to be here -- to appear before the Committee to discuss the future of the Atlantic City International Airport.

As you may be aware, since I became County Executive in January 1984, I have been pushing for the creation of an

appropriate regional authority to plan, develop, and operate the civilian airport which shares the grounds of the Federal Aviation Administration Technical Center in Egg Harbor Township. That was brought out earlier. I just want to clarify the fact that we are talking about the civilian airport which shares the grounds of the Federal Aviation Administration Technical Center in Egg Harbor Township.

I have always taken the position that the exact form of the authority is secondary to getting it off the ground so the airport can meet the demand for air service. The only issue on which I have been adamant is that representation on the authority board include the various governmental agencies with valid responsibility to watch out for the interests of the people whose taxes, services, and lifestyle will be affected.

Like many important issues in our neck of the woods, progress has not come easy. But in the past year, great advances have been made toward resolving the many conflicts that have stood in the way of accord.

We believed that an existing countywide entity, the Atlantic County Transportation Authority, was the appropriate arm to assume this role. Its enabling legislation in 1980 gave it the power needed to enter into a lease with the FAA, fund and build needed terminal facilities, and operate the airport.

For reasons that I believe stemmed primarily from the creation of ACTA and its assumption of power from the municipal parking authority originally, this scheme was clearly labeled by Atlantic City officials as unacceptable.

Over time, with the prodding of my administration, the intervention of U.S. Senator Frank Lautenberg and Second District Congressman William Hughes, the hiring of former U.S. Transportation Secretary William Coleman by the City, the leadership of Atlantic County Senator William Gormley, and the full cooperation of Governor Tom Kean and his staff, we have come a great distance in recent months.

The legislation before you, authored by Senator Gormley, is an appropriate solution to this issue. It provides representation for the City of Atlantic City, which has operated the airport for many years and which owns the property on which the current terminal is located. It also calls for the city to receive compensation for its ownership and investment in the facility. I have always supported the City's right to receive appropriate payment for the lease of its property and its facilities.

It further provides a voice for the county, which, of course, represents the interests of the region in which the airport is located and which will bear the brunt of future development. And it provides a voice to the State, which bears the responsibility for representing broader regional interests and which will be called upon to provide needed financing to get the authority up and running.

I encourage the Legislature to examine potential ongoing sources of revenue beyond the initial \$500,000 appropriation.

As proposed, this authority meets the requirements established in 1983 by the FAA and by Senator Lautenberg and Congressman Hughes, who sponsored Federal law last year blocking further funding until such an authority has been created.

It is FAA policy to get out of the business of operating civilian airports. Just as it turned over Washington National Airport to a regional authority, it wishes to hand over responsibility for the Atlantic City International Airport to an appropriate representative body.

I want to stress the importance of time. Ten years ago, I called for action on the airport issue as the first casino was opening its doors in Atlantic City. The industry needs to attract clientele from beyond the areas where car and bus travel is feasible. But casino interests are by no means the only cause for taking action.

Sixty percent of Americans who attend conventions travel by air. The lack of adequate facilities and commercial routes is the number one reason why growth in our convention business has not reached its potential.

There is also the need for South Jersey citizens to have access to air routes. The FAA has determined the need for a regional air facility to ease congestion at Philadelphia, Newark, and New York airports. Air travelers from Cape May or Pleasantville frequently have no choice but to drive right by the Atlantic City Airport to get to their flights 60 miles west or 120 miles north.

In spite of the limitations of the existing terminal, Piedmont and U.S. Air are flying out of Atlantic City, as well as the Eastern and Continental commuter connections. Donald Trump is contemplating service to Atlantic City with his newly acquired Eastern Shuttle. None of these carriers can expand service unless the airport grows.

Another factor to consider is the need to coordinate infrastructure and land use improvements and noise compatibility programs. The authority will be the logical entity to handle these important aspects of airport development.

To close, I wish to stress Atlantic County's support for S-2537. This legislation will provide adequate representation to the parties who have a stake in the future of the Atlantic City International Airport. The greater Atlantic City area needs this airport to meet its potential, and it no longer enjoys the luxury of time. I urge this Committee, the Senate, and the Assembly to endorse this measure and help us to succeed in bringing legitimate air service to Atlantic County.

In summary, let me suggest that one of the first things we need is to have an authority, or someone in charge, coordinating all of these actions. As you know, this has been something where each and every time something develops, it has been a question as to where you take the problem.

Thank you very much.

SENATOR RAND: Mr. Squires, thank you very much.

Deputy Mayor Harry W. Leeds, Jr., of Galloway Township.

D E P U T Y M A Y O R H A R R Y W. L E E D S, J R.:

Thank you very much. I will be brief, short, concise.

Before I read my statement, I think I would like to preface it with this: The success of the airport in South Jersey depends on a total commitment from the elected officials, the business community, and all other agencies. Let's look at the big picture, and see where this funding mechanism is going to come from. There is an \$8 billion trust fund the Federal government has out there. It is very important that we, at the local level, and you, at the Senate level, look at H.R. 3131, Congressman Hughes' bill. Within that bill, it spells out the parameters by which this authority and the membership of it should be created.

I will now read my statement: I am speaking to you as Deputy Mayor of Galloway Township, and I wish to share the concerns not only of my township, but of all the residents of Atlantic County, with regard to the legislation which proposes the creation of the South Jersey Transportation Authority. I believe there are several issues which you must consider, as you review the proposed legislation and place it in form for further consideration and adoption.

First among these issues is the representation of the communities that will be most affected by this Authority. The proposed expansion of the airport will take place on property that for years has been owned and controlled by the City of Atlantic City. Obviously, certain protections must be made to ensure the rights of Atlantic City.

The airport facility itself affects three mainland communities of Atlantic County. Specifically, the airport either falls within, or is adjacent to, Egg Harbor Township, Hamilton Township, and Galloway Township. There is no question

but that these communities will be impacted by the expansion of the airport. Accordingly, I firmly believe that each of these communities deserves at least one representative on the Authority that will administer the airport.

Another major concern relates to the funding mechanism for this Authority. I believe the funding mechanism must be carefully and completely spelled out in the legislation. The relationship between the source of any funds -- for example, the State -- will obviously affect the actual structure of the Authority and its overall viability. Funding mechanisms should not be left to chance, but should be detailed and complete in any legislation of this kind.

A third major area of concern relates to overall planning considerations. The airport is adjacent to the Pinelands. Additionally, the planning and development mechanisms of the individual townships that are adjacent to the airport must be considered. Consideration should be given to the way in which the proposed expansion will be presented to the various planning boards of the municipalities and to the State agencies, such as the Pinelands Commission.

I would also call your attention to a piece of Federal legislation; specifically H.R. 3131, which was introduced in the House of Representatives by Congressman William Hughes of the Second Congressional District. There is an obvious need for Federal support for legislation of the type you are considering. In view of the fact that the Federal Aviation Administration will be involved in the operation of the airport, consideration must be given to the contents of Congressman Hughes' bill, to ensure that the steps you are about to take are consistent with the Federal position on this airport.

I realize this is the first of several Committee hearings that will deal with this legislation. However, I felt it important to come before you and raise certain issues, even

at this early stage. I believe that the expansion of the airport facility in Atlantic County would be of great benefit, both to Atlantic County and to the State of New Jersey. However, that expansion must be done with an eye toward the impact it will have on the communities in Atlantic County, as well as the environmental impacts.'

To be successful, the new Authority must blend the interests of the county, the State, and the Federal government. Given the sizable impact the expansion of the airport would have on the residents of Atlantic County, I urge you to conduct a public hearing in Atlantic County to solicit input from elected officials and citizens of that area.

I hope you will keep these comments in mind as you proceed with the structuring of this legislation. Thank you very much.

SENATOR RAND: Deputy Mayor Leeds, I thank you very much for your testimony, and thank you for driving all the way up here.

SENATOR GAGLIANO: Mr. Chairman, may I, just a comment?

SENATOR RAND: Yes, Senator Gagliano. Will you please stay there for just one moment, Deputy Mayor Leeds?

DEPUTY MAYOR LEEDS: Yes, sir.

SENATOR GAGLIANO: Deputy Mayor Leeds, with respect to what you say about H.R. 3131, can you give us a capsule on that? I have never seen it.

DEPUTY MAYOR LEEDS: Yes, sir. I direct your-- If no one has a copy of H.R. 3131--

SENATOR GAGLIANO: Well, we have the letter from the Congressman, but I didn't get a chance to read it. I got here a little late.

DEPUTY MAYOR LEEDS: Let me refer you to page 3, line 21(I): "A governing board which includes (but need not be limited to) voting representatives of the City of Atlantic City, the County of Atlantic, and the municipalities which are adjacent to or are directly impacted by the airport."

SENATOR GAGLIANO: That is in Federal legislation?

DEPUTY MAYOR LEEDS: Yes, sir.

SENATOR GAGLIANO: That's interesting. I don't remember seeing anything like that in Federal legislation before.

DEPUTY MAYOR LEEDS: It is in this one, sir.

SENATOR GAGLIANO: Okay. That bill has not passed yet.

DEPUTY MAYOR LEEDS: Yes, sir. This is a law of the land.

SENATOR GAGLIANO: That's a law, oh my God.

DEPUTY MAYOR LEEDS: It is a law of the land.

SENATOR RAND: It's part of the law.

SENATOR GAGLIANO: Oh, okay.

SENATOR RAND: Thank you, sir.

DEPUTY MAYOR LEEDS: Thank you very much.

SENATOR GORMLEY: Just to clarify--

SENATOR RAND: Do you want Mr. Leeds here? (no response)

SENATOR GORMLEY: The make-up of the Authority is in accordance with the Federal law. This outline of membership was originally suggested by Congressman Hughes, so it conforms to the law. That's all.

SENATOR RAND: Senator Hurley?

SENATOR HURLEY: May I ask a question?

DEPUTY MAYOR LEEDS: Yes, sir.

SENATOR HURLEY: Your comments about representation-- Is that in conformance with the bill sponsored by Senator Gormley?

DEPUTY MAYOR LEEDS: We have a little disagreement on who does the appointing.

SENATOR HURLEY: The way I read it, I thought it said that two of the three members would come from two of the municipalities that border on -- or in which the airport property is located.

DEPUTY MAYOR LEEDS: Yeah, there has been a--

SENATOR HURLEY: You testified that you wanted representation from each of those three.

DEPUTY MAYOR LEEDS: Yes, sir.

SENATOR HURLEY: Is there a difference of opinion there?

SENATOR GORMLEY: Well, the only point I am addressing is as it pertains to the Federal legislation. The bill-- I mean, Mayor Leeds has a difference of opinion as to who should appoint. The question above the political disagreements of who should appoint, is the interpretation of the Federal legislation. The author of the Federal legislation was the person who suggested this format originally for the bill. I just want to make that very, very clear. So consequently, this conforms to the Federal legislation of the bill, because you do have people appointed from the townships.

SENATOR RAND: Let me read to you what is in the bill, Senator Hurley. The bill says: "Three members shall be appointed by the governing body of the municipality in which casino gaming is authorized, and shall be residents of the city."

SENATOR HURLEY: I understand that.

SENATOR RAND: "Three members shall be appointed by the governing body of the county in which that municipality is located, of whom two shall be residents of two of the three municipalities in which is located or which border the airport facility operated by the Authority under this Act. The appointment of two members by the county from among the residents of these municipalities shall be rotated among the three municipalities, so that at the expiration of the term of a member so appointed, the successor shall be a resident of the municipality not represented by an appointment during the term of the member to be succeeded."

In other words, it is a rotation. That third member will get a shot, and one will drop off -- a revolving situation.

SENATOR GAGLIANO: Egg Harbor, Galloway, and Hamilton.

SENATOR GORMLEY: And that specific make-up was recommended last December in a meeting with Congressman Hughes.

DEPUTY MAYOR LEEDS: Yeah.

SENATOR GORMLEY: So, in terms of the Federal legislation, it conforms as per Bill Hughes' outline of the bill. But that is not to say that there aren't disagreements as to -- as there always are going to be with bills of this nature--

DEPUTY MAYOR LEEDS: Yeah. We're not--

SENATOR RAND: If I take your position, you would like to see one from each of the three townships permanently appointed. Is that correct, sir? From what I read in your testimony--

DEPUTY MAYOR LEEDS: That has been the position of Galloway Township. I am not speaking for my Council now. Even though I am appointed as the negotiator, I would have to go back to my governing body to--

SENATOR RAND: Could we get an expression of that, because I think, if I remember what you said here -- and I will go back -- there is no question-- "I firmly believe that each of these communities deserve at least one representative on any Authority that will administer the airport" -- and I underlined that. That is your personal position?

DEPUTY MAYOR LEEDS: No, that is Council's position. I am not in a position to say I would compromise.

SENATOR RAND: Okay. Then you are giving me the position of your Council, that there ought to be one representative from each of the involved municipalities.

DEPUTY MAYOR LEEDS: Yes, sir.

SENATOR RAND: Okay. I get you now. Senator Hurley, do you--

SENATOR HURLEY: I think it might be well for you to clear that up with your Council, in light of the interpretation expressed here by Senator Gormley.

DEPUTY MAYOR LEEDS: Let me add something, so I am not misleading. We have taken the position that we want representation, even with a rotation. It is not necessary that he be voting, but he should still be up there. You have to have that continuity. You know, there is no reason why an individual can't be sitting, even though he doesn't have a vote.

SENATOR RAND: You mean, even as an observer?

DEPUTY MAYOR LEEDS: Right.

SENATOR GORMLEY: You have to understand: Congressman Hughes and I said that over and above the two appointments that would be appointed by the county-- We said, find the three ex officios. Now, the City's major problem with the bill, as I understand it -- and I don't want to testify for the City -- is-- They have a problem with the three ex officio members from the townships -- non-voting members. They have a problem with three non-voters. I didn't think that would be a major problem -- the non-voting. It meant something to the townships, and I said, "Fine." But the City has related that that is a major problem; that there be additional non-voting representation from the townships. I am pretty accurate on that.

SENATOR RAND: You asked also for a hearing in Atlantic County. We will certainly give you that, whether it be in Atlantic City, or someplace else in the county. We will have a hearing there, we can assure you, at which time anybody from your -- certainly from your township-- We will be happy to hear from them at that particular time. You will be notified as to when that hearing will take place.

DEPUTY MAYOR LEEDS: I would like to offer from Galloway Township, since we have renovated Gross' Winery and have made a brand-new municipal complex, that facility for your use. It is right off the Parkway, so you--

SENATOR GORMLEY: There is no wine left, Jim. Don't get excited. You were all--

SENATOR RAND: We thank you very much.

SENATOR HURLEY: Forget it; forget it.

SENATOR GAGLIANO: Yeah, one thing we don't need here is wine.

SENATOR RAND: Thank you, sir. Raymond Townsend, Committeeperson, Hamilton Township? (no response)

SENATOR HURLEY: Mr. Chairman?

SENATOR RAND: Yes?

SENATOR HURLEY: Someone must be here from Hamilton, but it's not that name.

SENATOR RAND: Is there anyone from Hamilton Township here?

LARRY BOUCHONVILLE: (speaking from audience) Mr. Townsend was preempted and could not make it.

SENATOR RAND: And who are you, sir?

MR. BOUCHONVILLE: I am Larry Bouchonville, from Hamilton Walk.

SENATOR RAND: Oh, okay. All right, sir, then you're up next. Then maybe we'll have Mr. Carver and Ms. Asselta. Good morning, sir.

MR. BOUCHONVILLE: Mr. Chairman, Committee members: My name is Larry Bouchonville. I am a resident of the Hamilton Walk community in Hamilton Township. I am here to represent the residents of that community as Vice President of the Homeowners' Association.

The Association's Airport Committee has written a statement for me to read to you this morning. It is in regard, of course, to the South Jersey and Atlantic Transportation Authority -- S-2537 and A-3184 -- and at least in part, S-7, as well.

Now, there are several subjects we are addressing here. Expanse of the South Jersey and Atlantic Transportation

Authority: As proposed, this Authority would have jurisdiction over all public transportation in eight counties. Why such a bureaucracy to oversee the Atlantic City International Airport? Won't counties such as Camden, Cumberland, Salem, Gloucester, and most of Burlington, whose population and industrial centers are closer to Philadelphia, continue to be best served by the Philadelphia International Airport? Won't Newark remain the airport of choice for most of Ocean County?

Why shouldn't the Authority be limited to Atlantic County? Atlantic City, and its adjacent communities, along with the communities of Hamilton, Galloway, Absecon, and Egg Harbor, are all in Atlantic County. Aren't the latter four those primarily and adversely affected by the airport and the actions of the Authority? Is this proposal an attempt to get those other counties to share in the impending tax liabilities of this airport?

Second subject, voting body: Why should Atlantic City have three votes, when the municipalities in which the airport resides have only two votes among the three, or we could say four, if we include Absecon? Atlantic City and the casinos will derive the benefits of an expanded airport, but none of the noise, pollution, traffic, and danger. When a plane crashes, it will not be the Atlantic City fire fighters or the Atlantic City police and rescue squads who will have to respond. It is not Atlantic City that will lose the ratables from lands that cannot be developed for homes. It is not Atlantic City that will pay for the increased municipal services necessary to see that these passengers get from the airport to the casinos. The case made for an industrialized South Jersey flies in the face of Pinelands protection and preservation and the farming industry, so important to the well-being of this State. Why should any other counties or appointments by the Governor have any say in the selection of people who will determine what takes place in Atlantic County?

Atlantic City owns only 84 acres on which the existing terminal stands. This bill provides financial compensation to Atlantic City for that property. The FAA owns the other 5000 acres, including the land proposed for the new terminal and new runway. Accordingly, what is the justification for giving Atlantic City three votes, instead of one? Further, why shouldn't each of the negatively affected townships have one vote each?

Pinelands Commission: The Pinelands Commission is not recognized by this bill as having any authority, participation, or even consultant function in the airport planning or development. In preparing the airport master plan, shouldn't the Commission be consulted, as well as the State Department of Transportation, the New Jersey Transit Corporation, and the FAA? Is this an effort to negate the Pinelands' environmental concerns for the airport expansion over the aquifer? What is the fate of the White Cedar Forest on the FAA's grounds that is in the path of the proposed runway?

New Jersey Department of Transportation: Plans are already being made to implement a limited access by-pass route or beltway so the airport traffic from the proposed new terminal can reach the Garden State Parkway, the Atlantic City Expressway, the White and Black Horse Pikes, and Route 40. Isn't the present terminal's easy access to these same roads just as satisfactory? Is this unseemly haste an effort to lock in the roadway right of way to prevent a review and possible changes in the site positions of the proposed new terminal and new south parallel airport runway? Could the beltway be an effort to have this cost, which should be part of the Authority's responsibility, borne by the State's taxpayers? Or, is it both?

Should this traffic ever develop to justify this expenditure, wouldn't it be wise for the Department of Transportation to have a commitment from Atlantic City that

they will develop a plan to process this traffic in Atlantic City? If Atlantic City does not, then won't the money for the roadway, utility relocations, rights of way, etc., have been wasted?

The Authority as an Entity: It, like similar authorities, would be independent of the New Jersey Legislature and free to act without control or restraint by that body. As presently planned, wouldn't this body be even more independent, and thus less likely to respond to the concerns and best interests of the people directly impacted? Actions of the Authority need not consider the best interests of the State of New Jersey or Atlantic County, i.e., the recent actions of the Port of New York and New Jersey Authority in the Expanded East Coast -- air traffic -- Study, the EECS; the Turnpike Authority with their plan for "golden parachutes" for the retiring Commissioners; the Garden State Parkway with their covert plans for toll hikes after election; and the Expressway plans for excess pay and retirement benefits for toll collectors?.

This bill will permit appointments to the Authority to be chosen for their positions by gerrymandered political subdivisions controlled by various politicians with different levels of political authority. Historically, doesn't this result in many appointments without proper regard for adequate credentials, ability, or competence? These appointees know to whom they are indebted, and traditionally they repay their obligations with appropriate, corresponding, lower staff appointments. The organization created in this manner sacrifices quality, competence, and the ability to function efficiently. Generally, authorities are clumsy, inefficient mechanisms, but they do permit politicians in the State Legislature the opportunity to avoid blame. Eventually, this centralization of power makes the smaller community politician subservient to the top political and elected officials and their appointees for future appointments. This inevitably

leads to the destruction of autonomy in the local municipalities.

Economics: There are sufficient reasons to believe that the airport Authority could not become economically viable and would thus be a liability supported by the taxpayers of the State of New Jersey. Since as with all airports, there will be no profitable revenues, they will be unable to issue revenue bonds. The major airlines have already committed funds to the \$315 million expansion of the Philadelphia International Airport, only 40 miles away. Thus, why should anyone believe the major airlines will foresee a profitable future and assist in the funding for this new terminal?

Hasn't the present proposal failed to consider any of the liability aspects of the plan for the proposed airport expansion and road system development? It is our belief that should the actual cost to the State taxpayer, and in particular the tax consequences on the residents of the counties which will be subjected to this Authority, be disclosed, it would be rejected on that basis alone.

Is this proposal designed specifically to benefit the casinos? If not, why then did Mr. Carver, President of the Casino Association, proceed with a \$500,000 mail campaign designed to enable them to claim public support? Based upon the casinos' ongoing contribution to the State, perhaps, the casinos have a legitimate claim that the State should provide a better airport. However, we do not believe that this Authority and the present indiscriminate and hasty planning is the way to get it.

Should this airport be the prime priority of the casino industry? Instead, we caution that present growth indications are that the current casino market is near saturation because of the failure of Atlantic City to successfully combat the interrelated problems of crime, grime, drugs, traffic, and housing. The prevalence of these problems

has a direct bearing upon the tourist and the convention trade. In turn, they compound the casinos' parking, labor shortages, service, and hospitality concerns which have slowed the industry's growth. Accordingly, direct action to correct these concerns would increase the tourist and convention trade and bring higher income people into the area for jobs and services. In short, wouldn't better housing availability in the area entice people to move to Atlantic County and to take jobs in the casinos? People do not want to risk their families in areas prevalent with crime and drugs.

Need for Runway Expansion: Las Vegas, with a similar runway configuration to the one in existence at Atlantic City, handles six million passengers each year. Since this is more than the passengers forecast for the year 2005, why should the plan waste money to construct another runway? By the way, Atlantic City presently has an unused 1500-foot runway. Why should this Authority consider using funds for a totally unnecessary runway until there is a proven demand?

Unanswered Questions: Have the expenses for the provision of noise abatement remedies, the purchase of properties for rights of way, the costs of highway and utility relocations, and the costs for noise abatement and housing purchases and relocations been considered? When will the results of the environmental noise, safety, and quality of life studies be known? Since they and the many unknown costs will determine if this airport expansion and the Authority are a go or no go situation, shouldn't such an expensive measure be tabled until such time as all of these factors have been determined?

Thank you very much.

SENATOR RAND: Thank you very much, Mr. Bouchonville. Senator Gormley, I think you had a couple of questions. Sir, would you just stay for a moment or two? (addressed to witness)

SENATOR GORMLEY: Just a few comments. I think a lot of the comments were -- many of the concerns were very valid and very real. The questions that were raised are all ones that have to be addressed.

In terms of the legislation, the way it is set up, because there is State funding involved, the budget would have to come in front of the Appropriations Committee, the State Senate, and the State Assembly every year. That is unlike every other authority, and you are correct in bringing up your fears about creating other authorities. That is more than accurate, and you are to be commended for bringing that up.

I hope you realize why there is a bifurcation of appointments. Originally, we had wanted to stick with the County Transportation Authority. This is the bill that I put in as a result of compromise. I think -- and I have said it before -- the mere fact of land ownership-- I have not traditionally endorsed that as a mechanism for representation. If that be the case, Donald Trump would have four seats on City Council in Atlantic City.

So, I think you have some very valid points. I hope you realize that we started very similar to your position philosophically, but certain compromises were reached along the way.

One other point, in terms of planning-- In terms of tabling money spent, no money is going to be spent until this agency is created. You're right. You have an enormous amount of planning questions, and they all deserve to be reviewed by an agency, hopefully uninhibited by politicians or too much political influence. Consequently, the reason to get the agency in place is to consider your points, my points, and not to spend a nickel on capital construction, so that we get an agency in place that is devoid of, let's say, the political chaos that has been going on, to sit down and really do a viable plan.

For a citizen to come forward and touch all of these points accurately, you are to be commended. They are all points that have been taken into consideration through this process.

MR. BOUCHONVILLE: Thank you very much, Senator Gormley.

SENATOR RAND: I will get to you, Senator Hurley, in just one moment. Mr. Bouchonville, let me assure you that the agency will not be created -- and I am glad Carolyn McCallum is here -- until we get some answers from the Department of Transportation. We will make sure that they are prepared to answer the technical questions which you ask. This Committee is not empowered to spend a quarter of a million, or a half a million dollars for a feasibility study, but there is an Office of Aviation in the Department of Transportation. We are going to ask them technical questions, to which we expect answers before we create an Authority.

Some of your points are very well taken. I do not agree with all of them, but many of your points are very valid, very important, and questions are going to be asked of the Department of Transportation. We are going to expect them to answer those questions to this Committee. We will avail ourselves of their expertise to answer those very highly technical questions.

Senator Hurley?

SENATOR HURLEY: Just for my benefit, tell me something about your organization. How many people do you represent, and what is Hamilton Walk?

MR. BOUCHONVILLE: Hamilton Walk is a development in Hamilton Township. It is located off of Route 575, behind the Hamilton Mall and the race track. It lies approximately a mile and a quarter to a mile and a half from where the end of the proposed runway would be. The traffic from that runway would fly directly down the middle of the development. This

development is still under construction. There are currently about 70 to 75 homes occupied. There will be a total of 107 homes when it is completed.

SENATOR HURLEY: Thank you.

MR. BOUCHONVILLE: You're welcome.

SENATOR RAND: Mr. Bouchonville, thank you very much.

Thomas Carver, President, Casino Association of New Jersey? I think I recognize that gentleman. Good afternoon.

T H O M A S D. C A R V E R: Senator, how are you? It's good to see you again.

SENATOR RAND: It's good to see you this afternoon.

MR. CARVER: This is on taxis at Newark Airport. Is that correct?

SENATOR RAND: Pardon me?

MR. CARVER: Is this on taxis at Newark Airport?

SENATOR GAGLIANO: Yes, that's it.

SENATOR RAND: This is on New Jersey Transit.

MR. CARVER: With me is Peter Sheridan, who is our General Counsel and Vice President of Legal Affairs, Mr. Chairman.

I deeply appreciate the opportunity to discuss with you the most critical development and government issues our region will face in the next 25 years. The manner in which this legislation develops will affect whether or not southern New Jersey reaches its unlimited potential; whether we shall be able to plan and develop on a logical, sequential basis; or whether we shall stagnate by permitting growth on an ad hoc basis, minus the necessary transportation infrastructure improvements required in a timely fashion.

Cohesive, comprehensive transportation policies and planning are required to both promote and protect New Jersey's future. Good, solid transportation infrastructure will promote our distinct geographical advantages. It will also allow us to retain our hard-earned economic gains before it is too late to do so.

Recently, several major newspapers, specifically The Star-Ledger and The New York Times, reported extensively on conditions in Atlantic City and the southern region. These series pointed out a litany of misinterpretations, miscalculations, and misconceptions concerning the impact of casinos. The articles detailed the detrimental consequences of concentrating on home rule, local and regional pride, and political control to the exclusion of reasonable alternatives. Last week, I forwarded copies of those series, and other recent pertinent articles, to each member of the Legislature. I would urge all members to take the time to read the material and to reach their own conclusions.

The threshold issue, I believe, is whether we should continue on this 10-year path, or chart an alternate course based on the facts a decade later.

In a sense, we are very lucky. It is not often, given the explosive growth and dynamic conditions already experienced, that a second chance comes along. But in this case, it has. Our growth, the increase in employment, the new homes and new business have, for the most part, been concentrated in a relatively small area of the region. Our transportation problems, while serious, are not overwhelming. Therefore, we have the opportunity not only to do that which we failed to do at the outset, but we also have the opportunity to map the future in a logical, progressive, intelligent manner. It is late, but not too late. The fat lady may be humming, but she isn't singing.

Nevertheless, the factors which precluded solutions in the '70s still exist today. Political and home rule issues abound, not only in Atlantic City and Atlantic County, but across the lines of the numerous authorities charged with transportation and development. Growth has become the "G" word to many of our citizens who fail to understand that it will continue whether we wish it to or not. We must take steps to

allay such fears and to convince the people, and ourselves, that controlled, coordinated, and planned growth can benefit everyone.

This Committee, and this Legislature, are in the unique position of playing the key role. Today you can begin the process to establish a governmental structure designed to assure that a comprehensive, coordinated, all-inclusive transportation plan is evolved in southern New Jersey. The task will be far from easy, and the issues are varied and complex. I would like to share some thoughts relating to several of these major components with you.

The casino industry is a part of New Jersey. The days of the so-called casino experiment, if they ever existed at all, are over. The industry, arguably, has become the most significant single 10-year economic event in our history. It is an unparalleled economic foundation. Its economic benefits are legion: almost 70,000 direct and indirect jobs; more than \$1.3 billion for the State's seniors and disabled; more than a billion dollars over the next 25 years for redevelopment throughout New Jersey; and more than \$800 million annually to New Jersey firms for goods and services, and I could continue.

The key point, however, for our purposes is that the State of New Jersey is both an economic partner, as well as an economic beneficiary of the industry. It is highly speculative that the public money detailed above would, or could, be replaced by taxation should the industry falter. Therefore, it can reasonably be suggested that the private and public sectors of New Jersey have a vested and continuing interest in the economic vitality of the industry.

Where does the industry stand in 1988? Economically, it is in questionable condition. The minority of its members report profits in excess of 5%. Some houses face a dim future, with the possibility of failure an ever present condition.

In addition, the industry is overheating. Additional capacity is under construction. Serious employment shortages will be exacerbated by next year. It is obvious that the local employment base is virtually exhausted. After 10 years, it is also obvious that the industry cannot continue to rely exclusively on a bus and car market from a 150-mile radius. In short, we must change our methods of marketing, operation, and employee recruitment to reflect changing conditions. We are doing so. However, we will not succeed without the commitment of the public sector to provide the necessary transportation facilities and services.

As mentioned, casinos are an unparalleled economic foundation. They are, and should be, merely the first step to other development, to new commerce and industry, more jobs, and to additional residential construction which could improve the quality of life for every citizen in the eight-county region. The analysis and recommendations of your Committee will determine the degree of possibility and probability of those results.

With this background, may I address some major components of the separate proposed legislative packages?

The first major concern is the development of adequate air terminal facilities to serve the region. While not merely a casino industry issue, I cannot minimize its importance to the future economic vitality of the industry. We desperately need improved air service, and we are working very hard to obtain it. Without it, the industry will not grow appreciably; in fact, it will stagnate. We will not be able to compete with other major convention and resort destinations.

To reiterate, this is much more than a casino issue. A functioning regional airport designed to accommodate regular air service will serve as an independent economic generator totally apart and independent from the casino industry. It will help to assure industry success, but simultaneously it

will decrease our economic dominance. It can assure that new industry and commerce will be developed. It will broaden southern New Jersey's economic base so that reliance on a single service-oriented industry will be lessened. We need only to see the results created by increased traffic at Newark International to see what can happen.

In addition to airport development, however, there will be other major transportation improvements required. Access roadways, improvements to existing roads, street widenings, and other work both in Atlantic City and the region are already required, and the list will grow. The legislation contemplates these needs. Both the Assembly and the Senate bills clearly reflect the intention to establish an agency charged to produce a coordinated, comprehensive transportation plan; and an agency which will have the ability to plan, construct, finance, and operate the facilities required.

May I next turn to the financial issue? Public transportation agencies finance improvements in two basic ways: the sale of municipal type bonds, and user fees. Although any agency created as a result of these bills will certainly employ both methods, it is important to point out that the financing of public facilities, especially airports, has undergone major changes in the deregulated atmosphere of the 1980s. Prior to deregulation, major carriers usually negotiated long-term lease agreements with airport authorities. These leases formed the basis for airport financing. Since deregulation, few carriers are willing to enter into such agreements unless they do so for their own terminal facilities at established destinations. Examples such as United at O'Hare and Continental at Newark are the exception, not the rule.

Atlantic City is not a high demand destination within the airline industry. We must create that demand. As a result, major airlines will not underwrite massive financing

for new terminal development. Nor can we expect that they will support exorbitant lease arrangements. Airport development and construction, particularly in Atlantic City, must be based on realistic traffic estimates and reasonable financing structures. User fees cannot be used to generate profits on the backs of air carriers. To assume that this is possible would be folly.

Therefore, the financing of potential development of new air terminal facilities at Pomona must be addressed as part of any legislative solution. In addition, funding will be required for other transportation needs, including additional airport parking and terminal frontage, hangers, maintenance, crash/fire/rescue equipment, police, security, and other staff. Financing will also be required off-airport. Roadway improvements, traffic signalization, and other needs will require extensive financial commitment.

Contrary to some popular thinking, most transportation facilities are not money producers, especially during the early years. It takes time for airports to produce operating profits while development and start-up costs are being amortized.

In short, a reliable, permanent method of financing must be established within the legislation. Although a variety of funding sources are under consideration, and each would be acceptable, the most sensible method would be to employ the toll mechanism and bonding capability of the Atlantic City Expressway for such purposes, for several reasons.

It is imperative that we begin to leverage our transportation dollars in every possible way. Our great toll roads must be part of this process. They can no longer exist in a vacuum, and the interdependency of transportation facilities and services must be recognized. These concepts are not new. The Port Authority of New York and New Jersey has, for many years, used such mechanisms to fund needed transportation facilities. Tolls helped to build Newark

International, as well as La Guardia and Kennedy. None of these facilities would have been possible without such financing concepts. They may not be possible in southern New Jersey without a similar approach.

As you are aware, the legislation introduced by Senator William Gormley calls for the new agency to incorporate and undertake the functions of the Atlantic County Transportation Authority. We strongly concur that the responsibilities and duties of the Atlantic County Transportation Authority be melded into the agency concept under review in the Senate and Assembly. It would serve little purpose to have yet another agency created to duplicate or complement the work of a second.

We make no recommendations concerning the make-up of such an Authority, except to state that interests of Atlantic City and Atlantic County should be a primary concern -- not the primary concern, but a primary concern.

Atlantic City has vested rights in the existing airport properties. These rights must be protected and secured. This can be accomplished under an appropriate lease arrangement between an Authority and the City. In addition, the City has insisted that it receive adequate -- and I emphasize "adequate" -- voting representation on the Authority. This is not unreasonable.

Similarly, Atlantic County and its affected municipalities desire appropriate representation. At present, differences remain between these jurisdictions. Nevertheless, leaders in the City and the county have reached basic agreement. There is no reason to assume that overall agreement cannot be reached to protect the interests of the entire region.

A State which built the Meadowlands Complex; which has continued the unique bistate compact with New York to operate the Port Authority; and which created the Transportation Trust Fund, can resolve these issues.

It is time. It is time to address transportation issues on a regional basis. It is time for intelligent thinking and rational compromise. It is time to do the right thing -- time to place political issues, civic pride, and the common good in perspective. It is time.

Once again, Mr. Chairman, I thank you on behalf of Mr. Sheridan, myself, and also the industry. We would be happy to answer any questions you may have for us.

SENATOR RAND: Mr. Carver, thank you very much. I certainly am very appreciative, and the Committee is very appreciative of your testimony. I would just ask you one question, but I am sure the other members want to ask you some also.

You spoke of adequate compensation and, of course, I have no problem with that. And yet, how do you correlate your statement -- and I appreciate that they are both truisms -- that airports are losing propositions, even when you nurture them, and even when you see that they make a lot of progress, and so forth? Do you want to address that? Do you have a specific recommendation? I know you say a public/private partnership. Would you like to be a little more explicit? And, tell it like it is.

SENATOR GAGLIANO: Did you bring your checkbook?

SENATOR RAND: No, I don't have a checkbook. I want to see what--

MR. CARVER: Well, I think the words I used were "adequate representation," but I think I understand what you are referring to, Senator.

SENATOR RAND: Adequate compensation.

MR. CARVER: The City of Atlantic City is the owner, as I understand it -- and I'm sure that Senator Gormley, or anyone else who has a greater knowledge, will correct me if a stray-- But, as I understand it, the City owns the 83 acres -- the property in Pomona -- that the airport is situated on. It

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also owns the airport which your bill refers to, which is Bader Field.

If, in fact, an Authority were to take over, either by lease agreement or by title, those properties, quite obviously there would have to be compensation returned to Atlantic City. It seems logical, based on agreements the communities in this State have, such as Newark with the Port Authority, that a lease agreement can be worked out that satisfies both the needs of Atlantic City and the charges that the Authority might be given. The degree of compensation, I think, has to be realistic. I think it has to be adequate. Without really knowing the figures involved, without having--

See, the problem right now is, we are talking in a vacuum here. People talk about building a new terminal building. The existing terminal building, for all intents and purposes, in Atlantic City -- at Pomona -- with some modifications, some of which are taking place now, and additional ones as needed, could carry us for a bit. But the planning process required, and the immediacy of the need to begin the process of development in terms of the planning process, are upon us right now.

What you really have to have is a realistic appreciation of what your traffic is going to be, because your traffic determines what your charges are going to be, and the charges determine what your lease agreement can bear and what your relationship would be with the users of your air terminal facility.

Senator Gagliano asked a couple of good questions before -- I think it was Senator Gagliano -- number one of which-- The difference in Atlantic City which is unique and apart, I think, from any other locality I know of, is that because of the presence of the casino industry, we have the possibility of changing demand at a moment's notice. For example, I have a document with me. I can't release it. It is

not my document, although it is an airline that we are working with now. It is a private placement memorandum for that airline. In my judgment, if it were to start -- and we are as close as the width of this cover sheet, perhaps, to getting this under way-- We have been close for a long time, but we have not managed to close the ring yet. But if we were to begin this process tomorrow, demand figures would escalate dramatically at once; at once.

The region to be served is an eight-county region, the entire region of South Jersey. Senator Gagliano is absolutely correct. Based on the most recent study that we commissioned, and we think it is the most complete study done on air service in South Jersey, people from Toms River -- at least in Ocean County -- all the way to Cape May, and all the way, Senator, from your county, Camden, to Atlantic County, would use that airport for the right services. We are now losing over 300,000 people from the region a year to Philadelphia, merely because they must go there to get an airplane. We do not have adequate service.

We have a demand. We have a demand right now that we know of, of a million passengers a year, which could grow up to seven million in a reasonable period of time if, in fact, we had the service.

So, I mean, these are the conditions that we are really dealing with. It is a dynamic, explosive condition which we really don't have a handle on yet.

SENATOR RAND: Mr. Carver, I'm sure you are familiar with these two -- the Atlantic City International Airport--

MR. CARVER: Yes, the Berger reports?

SENATOR RAND: Yes. There is quite a divergence--

MR. CARVER: Absolutely.

SENATOR RAND: --from your study to this study. The break-even point on this is a million two, and that is projected in 1990--something -- '92 or '93. Could you get this Committee a copy of your study--

MR. CARVER: Yes.

SENATOR RAND: --and we will submit it to the Department of Transportation so they can give us their evaluation of it?

MR. CARVER: Absolutely.

SENATOR RAND: There is a tremendous, tremendous discrepancy in the figures.

MR. CARVER: Senator, allow me to explain why. There is nothing wrong with the Berger study. The Berger study is a logical presentation of what ordinarily would happen in terms of air service development if, in fact, we did not have the possibility of the casino industry creating an instant demand.

I mean, the Berger facts do not take into account the facts that I am citing, nor should they. That was a planning document. It is a working document, and it is really a first draft of what you might do at Atlantic City International Airport.

SENATOR RAND: You will submit a copy of yours to us?

MR. CARVER: Yes, sir. I will be very happy to.

SENATOR RAND: We thank you. Senator Gagliano?

SENATOR GAGLIANO: Tom, I know you have a substantial background in airport management and facilities. One of the things we heard from the gentleman from Hamilton Walk, was their concern about noise and pollution and that sort of thing. We learned from other hearings we have had with this Committee that there are basically -- is it three, type one, type two, type three aircraft? -- the latest now under construction, which is a very noise sensitive aircraft, and which would allow for aircraft to operate in that area without disturbing people. I mean, I now have in Colts Neck -- and you are familiar with it -- a person who allowed his back yard to be used as a place for a noise sensor, because of the changes in the patterns to Newark. We have a tremendous amount of complaints about noise.

I guess my question is, would it be possible, if we get to the point where we have an operating airport, to have the latest state-of-the-art aircraft only land there? I know that sounds somewhat outlandish maybe, but we have to be concerned, as we go into new areas with more aircraft, with respect to noise. I mean, I don't think there is anyone in the State who hasn't had some complaints. As you know, once people believe they hear noise, they hear it even more and more. It becomes a mental thing with them also.

MR. CARVER: We were always convinced, basically from all of the studies we did, Senator, that people often saw noise before they heard it. I think, very frankly, with all due respect to some of the complaints -- not from Colts Neck, because I know there are holding patterns over your area-- Some of the complaints that are now coming in from areas of West Jersey, which previously did not have traffic-- We have found out, again going back to a time in the past, that once the presence of an airplane in the area becomes something in people's minds-- They could be talking without realizing there was a plane, and they will look up, and immediately there is the reaction, "Listen to that noise." I mean, that is a human reaction. I don't mean to be critical of people having it.

Conditions with respect to Hamilton Walk-- I think Senator Gormley was right. They are realistic concerns. I think no matter how quiet an airplane is, if it is landing over your house, you know it is there. You are going to hear it. The repetition of that is the creation of a greater degree of aggravation.

We do have one opportunity in Atlantic County which is unique, I think, in terms of the Northeast, and that is that the areas surrounding the airport right now, for the most part, and the potential area where planes could be flying, for the most part, do not have homes immediately at the end of the runways. It is my understanding -- and again, it is only

hearsay on my part -- that the Pinelands Commission has directed that the growth areas in places like Galloway Township, and Egg Harbor Township, I believe, would, in fact, be zoned for residential areas right at the end of those runways. Now, that is absolutely sheer governmental stupidity. I don't know who is right or wrong in this case, but, I mean, you can't do both without really creating some very, very serious problems. Either constrain your ability to use the facility that is there for the State of New Jersey to use, or make life miserable for the poor people, who, I assure you, will be sold those homes under the assurances that the planes always fly in the other direction. I mean, you have seen this repeated in Queens; you have seen it repeated in New Jersey; and it has probably been replicated in every airport community in the country.

So, we have to use our intellects and a reasonable approach to this problem, but I think we have to balance the need -- again, not of the casino industry, but the need of the entire State of New Jersey. Senator, you know this better than anybody, I guess. We who have lived in northern New Jersey most of our lives realize that you cannot move-- You almost can't get to work north of Monmouth County, if you have to go up into northern New Jersey on a morning basis. I mean, the Turnpike and the Parkway do not move.

We are very proud of the fact that we are moving businesses from New York into northern New Jersey, but how long is that going to continue? I mean, you can't move in the northern part of our State. So, growth by definition, I suspect, is going to be limited, whether we want to limit it or not. And it is going to start to spread elsewhere, whether we want it to or not. Certainly the area for potential growth is in South Jersey, whether we want it to be or not. The question is: Do we do it logically, or do we allow it to overwhelm us, and do we allow people to come in and just do it to us, without having some basis for making it the right approach?

SENATOR GAGLIANO: Okay. One other question, Tom: Without disclosing confidences, I presume that in the event this Authority -- whether it is under S-7 or whether it is under Senator Gormley's bill, or some combination -- is formed, the casino industry would be willing to financially give their support, whether it be with guaranteed landings or the use of the facility or whatever it might be. The casino industry would be willing to support this endeavor, so that we would not be creating a situation where we might not be able to support it financially.

MR. CARVER: Well again, Senator, I guess that is one of the reasons I zeroed in on the possibility of tapping the bonding capability and toll stream of the Expressway. But in answer to your question, we do fund -- as you are aware, I'm sure -- a variety of things now. There are millions of dollars in the system in Atlantic City right now. There is not a great deal of prioritization of need in Atlantic City right now. For example, under the CRDA legislation, the first three years of any casino's involvement -- which is by statute; we have no choice in the matter -- all of the money goes for housing or housing-related activity in Atlantic City itself.

SENATOR GAGLIANO: And you're paying the money?

MR. CARVER: We do. We have no say in how it goes, but we pay the money. The issue really comes down to a reasonable interpretation of what that is. I mean, for example, we may, some people believe-- Reasonable people believe that we may be building more housing than we have a demand for right now. Some people believe that; other people do not. The majority of the CRDA Board does not, I assure you. But nevertheless, how much can private industry, which across-the-board is reporting a 2.1% profit ratio-- I mean, some houses are making money; some are very seriously not. We are about to undergo a very serious traumatic experience, if and when both the Taj Mahal opens and Resorts remains open. In

addition to which, the possibility exists for another casino at the foot of the Atlantic City Expressway -- the Hollywood Casino. I have to be quite frank with you. There is no game plan to this. I mean, we are overheating. We may be building too much capacity right now.

Private enterprise does what it wishes with its money, up to a degree, but, I mean, I-- We have never refused to sit down with any agency, any State body, to talk about our involvement in supporting public projects. So this-- Certainly we could commit to that right here and now. Whether or not we have the capability of doing that, plus everything else, is conjectural, at this point.

SENATOR GAGLIANO: Okay. I heard your answer. May I ask one more?

SENATOR RAND: Sure.

SENATOR GAGLIANO: It is not every day we have this opportunity.

SENATOR RAND: No, that's perfectly all right. We can stay until five o'clock.

SENATOR GAGLIANO: With respect to-- What did you called it, the CRDA?

MR. CARVER: Yes, sir.

SENATOR GAGLIANO: Is the CRDA, in addition to building new housing, able to rehabilitate housing?

MR. CARVER: Yes.

SENATOR GAGLIANO: Housing that is existing?

MR. CARVER: Yes, and it has.

SENATOR GAGLIANO: It does do that?

MR. CARVER: Yes, sir.

SENATOR GAGLIANO: It has been doing it?

MR. CARVER: Yes, in Atlantic City.

SENATOR GAGLIANO: How much a year would you say they spend in terms of rehabilitating existing housing stock?

MR. CARVER: Well, the vast majority of the money has gone into new construction.

SENATOR GAGLIANO: Here is the reason I say that, and maybe Senator Gormley has the answer. I was in Atlantic City last week -- I stayed at the Radisson -- at a conference. We invited people from Maine to Florida. These are people who are in the fishing and marine industries. Every year they meet -- once or twice a year -- and they meet usually along the shore somewhere, either at the Hamptons on Long Island or places like that, from Maine to Florida. Last year we met in Key West.

Frankly, I was very disturbed with respect to the neighborhood in which the Radisson was constructed. I was not proud of the way that neighborhood looked -- appeared. I felt that a few million dollars in rehabilitation of the existing homes and businesses would have made a lot of sense. I don't know where the new housing is being constructed, but new roofs, new fronts, paint, windows, basic infrastructure-- Improvements would have made so much sense. I was disturbed, I have to tell you. I say that because I know there are millions of dollars out there. As you said, there are millions of dollars in the system, but I don't know where they are going. They did not go into the housing stock in that area.

SENATOR GORMLEY: Time. No more units of housing have been built per capita in any other city in the country in the last six or seven years, than Atlantic City. And there isn't a higher ratio of housing for low and moderate income.

SENATOR GAGLIANO: I'm talking about renovations of existing housing stock.

SENATOR GORMLEY: If you renovate existing housing, you have a problem. You have a problem with flood insurance. Those older units of housing were built at a time where, quite frankly-- One of the redevelopment problems in Atlantic City is, it takes about a half a million dollars a block, to fill the block in order to get flood insurance. Some of those rehabable buildings-- When they used to do studies about all

rehab-- Talking to people who really know what they are doing, very few of them can be rehabed, and none of them -- none of them-- You can't get flood insurance, because they are so-- Only in Atlantic City, but that is what happens. That is a unique problem, the flooding, and the fill problem.

SENATOR RAND: Senator Gagliano--

SENATOR GAGLIANO: Thank you. I know that is another issue, but it is certainly related.

SENATOR RAND: --in the vernacular, it ain't pretty.. After 10 or 11 years--

SENATOR GAGLIANO: It should be pretty.

SENATOR RAND: I think it is 11 or 12 years since I voted for it. If I had my druthers, it would be done in a different way. This is a result of why we are here today, because we are trying to rectify some of the things that we didn't do when we should have done them. I don't know how many people here voted for casino gambling. I don't think Senator Gormley was there. I think Senator Hurley was there, and I think you were there. Is that correct? (no response) I know that I, in the Assembly, voted for-- I was one of the 42 votes. But again, that is hindsight, rather than foresight.

But it certainly has not developed the way I personally anticipated that my vote would go.

SENATOR GAGLIANO: May I ask one more question, as long as I--

SENATOR RAND: You've got one more question. You've got two minutes, before we call on the young lady.

SENATOR GAGLIANO: I am getting into a lot of trouble here, but I am not planning to go to Atlantic City--

SENATOR RAND: You're got two minutes, Senator.

SENATOR GAGLIANO: --for a few weeks anyhow. They may forget my face by the time I get there.

SENATOR RAND: Tom, will you answer him within two minutes?

MR. CARVER: I'll do my best.

SENATOR RAND: Thank you.

SENATOR GAGLIANO: Tom, one last question, and the thing that I have always-- You know, there are several people from my area who commute to Atlantic City. They go to work, go into the building, and eight or nine or ten hours later come out of the building, take a shuttle bus back to the Expressway, and go back to wherever they came from.

In my opinion, that is self-defeating in terms of trying to help Atlantic City survive. When the casinos keep the people who work there in the buildings the full time, and then shuttle them out of town, obviously the drug store-- They are not going to buy a bottle of aspirin; they are not going to go out and buy a hot dog or a lunch or even get a little sunlight, because there is no reason for them to go out. At least that is my understanding.

It just seems to me that the Casino Association ought to look at that, because, for example, when you have an office building-- Well, take New York. You have an office building with 1000 employees. Lunchtime, coffee break time, they go to the local bank. They go out for whatever consumer needs they may have that they want to get during their lunch hour. They might even buy a necktie or a new dress or something.

I don't see that happening in Atlantic City when I'm there. The employees remain inside. Maybe they don't want them to be able to fraternize with the customers. But, that has the tendency overall of being very self-defeating to Atlantic City, because probably of 70,000 employees, you have maybe 25,000 working there at any one time in the various casinos. Well, if 10,000 of those people came out for a sandwich or, as I say, to go to buy some cosmetics, or any number of things, it would seem to me that this would do much for the local industries or the local stores.

SENATOR GORMLEY: Excuse me. One of the problems--

SENATOR GAGLIANO: Is me?

SENATOR GORMLEY: No. One of the problems is the problem you have with many downtowns in the State. Obviously, because there are casinos, it is easier to say, "It is the casinos." I think you will find that malls have had as much to do with Atlantic City's problem-- I think we find that in many places, but because there are casinos--

There are two major projects -- the airport and the convention center. The convention center is being built across town. It would be a vehicle that would cause people to walk across-- It is exactly what you're saying. If you don't get the bodies walking across it, you have a problem, which is another major State project.

I would only tell you that in terms of what has happened -- and everybody can say, "It is not pretty"-- Inner city urban areas in this State, quite frankly -- and I am going to be very honest about this -- are not pretty. You have this. It is not unique to Atlantic City. That should not be an excuse for Atlantic City, because there has been a level of political chaos that hasn't really taken advantage of all their advantages.

SENATOR RAND: Thank you, Senator Gormley. Thank you, Mr. Carver. We appreciate it very much.

The last speaker -- and the young lady has been very, very patient -- will be Marlene Z. Asselta, Executive Director, Southern New Jersey Development Council. Good afternoon.

M A R L E N E Z. A S S E L T A: Good afternoon, Senator.

SENATOR RAND: Let's have a little quiet, please; a little order. We have one more person here to testify, and we would appreciate the same decorum offered here as was offered to everyone else. Thank you.

MS. ASSELTA: Thank you. My name is Marlene Asselta. I am Executive Director of the Southern New Jersey Development Council. The Council is an eight-county regional lobbying and

economic development organization, whose membership is made up by significant representation from the public/private sectors, encompassing virtually all segments of the business, industry, government, and educational communities.

The Council serves as a distinctive and unifying formal entity in coordinating the regional economic development and planning throughout the eight southernmost counties of the State of New Jersey -- Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem.

I would like to express our appreciation for the opportunity to appear before you as you consider legislation that will establish the South Jersey and Atlantic Transportation Authority. We certainly welcome the opportunity for our comments and recommendations to be included in this process of long-range transportation planning. You are to be commended for the thoroughness and patience you are exhibiting with a project of this magnitude and one that will have significant impact on the State of New Jersey, particularly the southern New Jersey region.

Just as every region of the State feels that its particular needs are the most unique and important, we at the Development Council are certainly no exception.

The southern New Jersey region is experiencing one of the greatest development rates in the history of the State. It is imperative that we maintain and develop our transportation system in an orderly and timely manner to successfully manage and continue to move ahead.

The Board of Trustees of the Council feels that the proposed expansion and improvements to the Atlantic City International Airport is one of the cornerstones on which the future sustained growth of the southern New Jersey region rests.

Our information indicates that all areas of southern New Jersey would benefit from the implementation of this project. It is expected that as a direct result of the

improved and expanded airport, the economy of southern New Jersey would be enhanced by an estimated \$684 million in wages and salaries alone.

By the year 2005, the indirect employment impact on southern New Jersey is projected to generate an additional 2352 new jobs throughout the region. Most of the indirect benefits associated with the expanded airport facilities are projected to be distributed throughout all of southern New Jersey. Wholesale trade, business services, eating and drinking establishments, and hotels are expected to be the largest beneficiaries of airport improvement.

A more focused argument for the expansion of the Atlantic City International Airport can be found within the boundaries of Atlantic City itself. The new convention center will have the capacity to accommodate 92% of all conventions. The airport expansion will make it possible to hold an additional 12 to 18 major conventions a year. It has been projected that these additional conventions will develop an additional 300,000 to 450,000 delegates. Approximately 60% of these delegates will arrive by air. The additional convention business would generate \$22 million in extra luxury taxes.

Further, the casino industry has done much to add to the growth of the southern New Jersey region. This industry would also benefit greatly from this proposed expansion. The casino industry currently consumes \$1.1 billion annually in supplies and services. More than 50% of this total is purchased directly from South Jersey firms. This generated \$556 million in additional business for southern New Jersey firms, and indirectly, additional jobs and income for the region's residents. It is projected that much of the required supplies and materials for the construction and operation of the improved and expanded airport will follow the same distribution patterns, and it will not be lost to other areas of the country.

The number of passengers that will be able to use the improved and expanded Atlantic City International Airport totals 25.6 million additional passengers between 1992 and 2005. These additional passengers would otherwise be diverted to Newark or Philadelphia International Airports because of the current capacity constraints at Atlantic City International. It is further projected that these passengers will save \$1.5 billion in time, inconvenience, and out-of-pocket transportation expenses. In addition, with airport improvements, passengers are projected to save an additional \$32 million dollars from reduced flight delays over a 20-year period. We feel that most of these savings will add to the income that will be disposed of throughout the region.

Business firms continue to decentralize away from the older congested urban areas, namely the New York and Philadelphia areas, and into the less congested southern New Jersey environment. The most logical place to arrive and depart would be the Atlantic City International Airport. Many of these business travelers will find that geographically the Atlantic City International Airport is much more conducive to efficient business operations from a travel and shipping standpoint, than Philadelphia or Newark Airports. There is much less traffic congestion and travel time between airport and office would be reduced.

As a result of the close scrutiny of these current trends and projected forecasts, the public/private sectors of this region are coalescing to work towards the creation of the Authority that will govern the eventual expansion of the Atlantic City International Airport program.

Moreover, under the direction of the Southern New Jersey Development Council, a transportation coalition is now being formed to specifically support and endorse regionalized approaches to southern New Jersey's multi-model transportation network. This includes air, rail, highway, and marine travel.

Business organizations and government entities from each of the eight southern counties will soon appear before the New Jersey Legislature, Federal delegation, and Governor's office to seek funding, support, and legislative initiatives, and encourage implementation of regionalized transportation projects.

The commitment being made by both the Southern New Jersey Development Council and the Transportation Coalition of Southern New Jersey, and the businesses, governments, and individuals within these two organizations, is but a small indication of the seriousness with which we view the economic revitalization of southern New Jersey and its transportation infrastructure, beginning with the proposed Atlantic City International Airport.

We strongly encourage this Committee to look favorably upon the passage of this legislation, and to work out whatever compromises and amendments you need. But do move ahead and help us to help ourselves.

SENATOR RAND: Ms. Asselta, thank you very much. At least we will close on a positive note here today.

MS. ASSELTA: Well, thank you. After hearing all of this, I was about ready to rewrite it all.

SENATOR RAND: No, no. We are very appreciative of your coming up here. Are there any other questions, or anything? (no response) Thank you very much, Marlene.

I don't think there is anyone else. I think we finished everybody. Is there anyone we missed? (no response) Then this hearing is adjourned.

(HEARING CONCLUDED)

APPENDIX

WILLIAM J. HUGHES
2ND DISTRICT, NEW JERSEY

COMMITTEES
COMMITTEE ON THE JUDICIARY
CHAIRMAN
SUBCOMMITTEE ON CRIME

COMMITTEE ON MERCHANT
MARINE AND FISHERIES

SELECT COMMITTEE ON AGING

SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL

Congress of the United States
House of Representatives
Washington, DC 20515

October 17, 1988

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The Honorable Walter Rand
Chairman
Senate Transportation and Communications Committee
The State House
Trenton, NJ 08625

Dear ~~Chairman Rand~~ *Walter*

Thank you for inviting me to testify before the Senate Transportation and Communications Committee on October 18, 1988 regarding S-7 and S-2537. Unfortunately, Congress will be in session on that day and I will be unable to appear before the Committee. However, I would like to take advantage of this opportunity to present some brief remarks regarding this matter.

Over the past several years there has been great interest in the future development of the Atlantic City International Airport. As southern New Jersey has grown and prospered it has become increasingly evident that an expanded and improved airport is likely to be an essential component of the basic transportation infrastructure needed to accommodate this growth.

For many years, an effort has been underway by the Federal Aviation Administration (FAA) and local government to consider future needs and to devise the most effective means whereby airport development could move forward. And, in 1983, the FAA released the "Atlantic City Airports Role Study" which considered the numerous complexities surrounding this issue and established an FAA position regarding future development.

Before discussing the future of this facility and the FAA's position, it would be useful to review the present situation: The current Atlantic City International Airport consists of an Atlantic City owned eighty three acre civil aviation terminal area. That terminal utilizes the runways and other facilities owned and operated by the United States within the surrounding six thousand acre Federal Aviation Administration Technical Center (FAATC) located within Hamilton, Galloway and Egg Harbor Townships in Atlantic County. The FAATC is also home to the New Jersey Air National Guard's (NJANG) 177th Fighter Squadron.

The FAATC is this nation's premier aviation research, development and testing facility and the NJANG fulfills a vital national defense mission from its base at the FAATC. Over the past thirty years the federal government has made enormous investments in support of these crucial operations. Therefore, it is absolutely essential that any future activity or expansion at the airport consider and be designed so as to protect these critically important dual federal missions.

PLEASE RESPOND TO.

WASHINGTON ()

1X ✓
NORTHFIELD ()

PENNSVILLE ()

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The Honorable Walter Rand
Re: Atlantic City International Airport

In order to address these concerns, the FAA's 1983 "Atlantic City Airports Role Study" suggested that an airport authority be created which would have those attributes necessary to successfully pursue airport development. Included among those requirements are the following:

- *Adequate financial and institutional stability to assume operation and maintenance of the airport
- *Sufficient independence to ensure continuity and long-term implementation of commitments and plans
- *A measure of governmental responsibility for the townships adjoining the airport
- *Areawide transportation responsibility sufficient to adequately address the problems of airport access to Atlantic City
- *Commitment to protection of the FAA's research and development mission
- *FAA must have representation at a policy making level

Further, in 1987, Senator Frank Lautenberg and I, sharing the FAA's concerns, introduced legislation in the United States Congress to amend the Airport and Airways Improvement Act of 1982. Our legislation restricted the FAA from conveying any interest in property or awarding any funds for Atlantic City airport development purposes until such time as the FAA's requirements were satisfied. I have enclosed for your reference a copy of my bill, HR 3131, which lists those requirements.

Over the past year a determined effort has been made by state legislators, city, county and township officials to reach agreement regarding the formation of a new regional airport authority which would operate in accord with the legislative and FAA requirements. I was pleased at initial progress as a consensus began to emerge regarding many of the important issues being discussed. Unfortunately, that consensus has begun to erode. It is again time for parochial concerns to be set aside so this work can continue.

Atlantic City, Atlantic County, the townships in which the airport is situate and all of southern New Jersey will be deeply impacted by this project. It is essential that as plans are made for the development of this facility that the process provide a meaningful role for all involved. At the same time, the legitimate federal interests and concerns must be recognized and addressed.

Southern New Jersey is growing by leaps and bounds. An expanded, modern airport can be an important focal point for new development as well as a facility to meet the ever increasing demand for newer and more efficient transportation services. I believe that the Atlantic City airport is an outstanding resource which must be utilized to full advantage. To their credit, the City of Atlantic City is already expanding and improving the present facilities and efforts to attract new scheduled commercial service are bearing fruit.

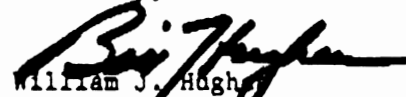
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The Honorable Walter Rand
Re: Atlantic City International Airport

It is extremely important that progress continue in the months ahead. I am hopeful that through continuing dialogue and legislative initiatives such as those being considered today a new course will be charted which will lead southern New Jersey to an even brighter future.

I would like to offer my congratulations and thanks to all involved and wish you every success as this effort continues. I look forward to working with you on this most important issue and I hope you will not hesitate to contact me if I can provide any assistance. It would also be appreciated if these remarks could be included in the record of this hearing.

With kind personal regards,

Sincerely,


William J. Hughes
Member of Congress

WJH:jhm

Enc.

100TH CONGRESS
1ST SESSION

H. R. 3131

AUG 17 1987

To amend the Airport and Airway Improvement Act of 1982, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 1987

Mr. HUGHES introduced the following bill; which was referred to the Committee on Public Works and Transportation

A BILL

To amend the Airport and Airway Improvement Act of 1982,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Airport and Airway Improvement Act of 1982 (title
4 V of Public Law 97-248, 96 Stat. 677), as amended, is
5 amended by adding at the end thereof the following new
6 section:

7 "SEC. 530. ATLANTIC CITY AIRPORT.

8 "(a) LIMITATION ON FUNDING OR TRANSFER OF
9 PROPERTY.—Notwithstanding any other provision of law,
10 with regard to the Atlantic City Airport, at Pomona, New

1 Jersey, the Federal Aviation Administration shall not convey
2 any interest in property (pursuant to section 516 of this title)
3 to any municipality or any other entity operating such air-
4 port, nor shall any funds authorized by this Act be available
5 to such municipality or entity for any planning, study, design,
6 engineering, or construction of a runway extension, new
7 runway, new passenger terminal, or improvements to or ex-
8 pansion of the existing passenger terminal at such airport,
9 until such time as—

10 “(1) the Master Plan Update for Atlantic City
11 Airport and Bader Field, prepared pursuant to Federal
12 Aviation Administration Contract FA-EA-2656, is
13 completed and released; and

14 “(2) the Administrator of the Federal Aviation
15 Administration finds that a public entity has been cre-
16 ated to operate and manage the Atlantic City Airport,
17 which entity has the following characteristics:

18 “(A) the authority to enter into contracts and
19 other agreements, including contracts, leases, co-
20 operative agreements, or other transactions with
21 any agency or instrumentality of the United
22 States;

23 “(B) the standing to sue and be sued in its
24 own name;

1 “(C) the authority to hire and dismiss officers
2 and employees;

3 “(D) the power to adopt, amend and repeal
4 bylaws, rules, regulations governing the manner
5 in which its business may be conducted and the
6 powers vested in it may be exercised;

7 “(E) the authority to acquire, in its own
8 name, an interest in such real or personal proper-
9 ty as is necessary or appropriate for the operation
10 and maintenance of the airport;

11 “(F) the power to acquire property by the
12 exercise of the right of eminent domain;

13 “(G) the power to borrow money by issuing
14 marketable obligations, or such other means as is
15 permissible for public authorities under the laws of
16 the State of New Jersey;

17 “(H) adequate financial resources to carry
18 out all activities which are ordinarily necessary
19 and appropriate to operate and maintain an air-
20 port;

21 “(I) a governing board which includes (but
22 need not be limited to) voting representatives of
23 the City of Atlantic City, the County of Atlantic,
24 and the municipalities which are adjacent to or
25 are directly impacted by the airport;

4

1 “(J) a charter which includes (i) a require-
2 ment that members of the governing board have
3 expertise in transportation, finance, law, public
4 administration, aviation, or such other qualifica-
5 tions as would be appropriate to oversee the plan-
6 ning, management, and operation of an airport;
7 and (ii) procedures which protect the research and
8 development mission of the Federal Aviation
9 Technical Center at Pomona, New Jersey, and
10 the defense functions of the Air National Guard;
11 and

12 “(K) the authority to carry out comprehen-
13 sive transportation planning to minimize traffic
14 congestion and facilitate access to and from the
15 airport.

16 “(b) SAFETY FUNDS NOT SUBJECT TO LIMITATION.—
17 The limitation on funds set forth in subsection (a) shall not
18 apply to any expenditure which the Administrator of the Fed-
19 eral Aviation Administration determines is needed for safety
20 purposes.

21 “(c) EFFECTIVE DATE.—The restriction set forth in
22 subsection (a) shall be applicable only to funds which are au-
23 thorized for the fiscal year beginning October 1, 1987. Not-
24 withstanding any other provision of law, the funds restricted

5

- 1 under subsection (a) shall become available at such time as
- 2 the conditions set forth in subsection (a) are satisfied."

○

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U.S. Department
of Transportation
**Federal Aviation
Administration**

Technical Center

Atlantic City Int'l Airport
New Jersey 08405

October 14, 1988

The Honorable Walter Rand
Chairman
Senate Transportation and Communications
Committee
Trenton, NJ 08625

Dear Mr. Rand:

In response to Peter Manoogian's letter of September 29, the Federal Aviation Administration (FAA) Technical Center appreciates the opportunity to provide information for inclusion into public record with regard to senate bills S-7 (Rand) and S-2537 (Gormley).

Towards that end, I am enclosing a copy of section 312, Atlantic City Airports of the Airport and Airway Safety and Capacity Expansion Act of 1987. This section places certain restrictions on the FAA's ability to transfer property at the airport. I believe it is important that this legislation be considered in your deliberations.

Sincerely,

for Edward T. Harris
Director

Enclosure

cc:
Peter R. Manoogian ✓

9X

shall be no access to information in the Register under this paragraph if such information was entered in the Register more than 3 years before the date of such request, unless such information relates to revocations or suspensions which are still in effect on the date of the request. Information submitted to the Register by States under the Act of July 14, 1960 (74 Stat. 526), or under this Act shall be subject to access for the purpose of this paragraph during the transition to the Register established under section 203(a) of this Act.

(c) **CONFORMING AMENDMENTS.**—Section 206(b) of such Act is further amended by adding at the end of each of paragraphs (1), (2), and (4) (as redesignated by subsection (b) of this section) the following new sentence: "Information submitted to the Register by States under the Act of July 14, 1960 (74 Stat. 526), and under this Act shall be subject to access for the purpose of this paragraph during the transition to the Register established under section 203(a) of this Act."

SEC. 366. LOW ACTIVITY LEVEL I AIR TRAFFIC CONTROL TOWER CONTRACT PROGRAM.

The Secretary shall continue in effect the low activity (VFR) Level I air traffic control tower contract program established under section 526 of the Airport and Airway Improvement Act of 1982 with respect to existing contract towers and shall extend such program to other towers as practicable.

SEC. 367. ELIGIBILITY OF DERMOTT, ARKANSAS, MUNICIPAL AIRPORT.

In the administration of the provisions of the Airport and Airway Improvement Act of 1982, the municipal airport of the city of Dermott, Arkansas, shall not be denied eligibility for assistance under such Act on the basis that such airport is located on leased land, if such lease is for a period of at least 99 years, and if the land so leased consists of at least 25 acres.

SEC. 368. STANDARDS FOR NAVIGATIONAL AIDS.

Not later than December 31, 1988, the Secretary shall promulgate regulations to establish criteria for the installation of airport control towers and other navigational aids. For each type of facility, the regulations shall, at a minimum, consider traffic density (number of aircraft operations without consideration of aircraft size), terrain and other obstacles to navigation, weather characteristics, passengers served, and potential aircraft operating efficiencies.

SEC. 369. LONG-TERM AIRPORT CAPACITY NEEDS.

(a) **STUDY.**—The Secretary shall conduct a study for the purpose of developing an overall airport system plan through the year 2010 which will assure the long-term availability of adequate airport system capacity.

(b) **REPORTS.**—

(1) **PRELIMINARY REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Secretary shall transmit to Congress a preliminary report on the status of the plan being developed under subsection (a).

(2) **FINAL REPORT.**—Not later than January 1, 1990, the Secretary shall transmit to Congress a final report on the results of the study conducted under subsection (a), together with the plan developed under such subsection.

(c) **FUNDING.**—There shall be available to the Secretary from the Airport and Airway Trust Fund \$250,000 per fiscal year for each of fiscal years 1988 and 1989 for carrying out this section. Such funds shall remain available until expended.

SEC. 370. RADIO NAVIGATION SYSTEMS.

(a) **SYNCHRONIZATION.**—

(1) **LORAN-C MASTER TRANSMITTERS.**—Not later than September 30, 1989, the Secretary shall take such action as may be necessary to synchronize all Loran-C master transmitters

located in the United States and all Loran-C master transmitters subject to the jurisdiction of the United States. Each such master transmitter shall be synchronized to within approximately 100 nanoseconds of universal time.

(2) **OTHER LORAN-C TRANSMITTERS.**—

(A) **IMPACT STUDY.**—The Secretary shall conduct a study of the impact on users of Loran-C transmitted signals of synchronizing time of signal transmissions among all secondary Loran-C transmitters in the United States in accordance with the standard set forth in the second sentence of paragraph (1).

(B) **REPORT.**—Not later than September 30, 1989, the Secretary shall transmit to Congress a report on the results of the study conducted under subparagraph (A).

(3) **AUTHORIZATION.**—There shall be available for carrying out this subsection from the Airport and Airway Trust Fund \$750,000 for fiscal year 1988 and \$500,000 for fiscal year 1989. Such funds shall remain available until expended.

(b) **INTEROPERABILITY OF RADIO NAVIGATION SYSTEMS.**—

(1) **STUDY.**—The Secretary shall study and evaluate methods of coordinating the time references of the Loran-C transmitter system and the global positioning satellite system to within approximately 30 nanoseconds of each other for the purpose of making possible the interchange of positioning data between the 2 systems.

(2) **REPORT.**—Not later than September 30, 1989, the Secretary shall transmit to Congress a report on the results of the study conducted under paragraph (1).

(3) **AUTHORIZATION.**—There shall be available for carrying out this subsection from the Airport and Airway Trust Fund \$500,000 for fiscal year 1988. Such funds shall remain available until expended.

(c) **DEVELOPMENT OF MINIMUM STANDARDS.**—Not later than September 30, 1989, the Administrator shall establish by regulation minimum standards under which a radio navigation system may be certified as the sole radio navigation system required in an aircraft for operation in airspace of the United States.

SEC. 371. REPORTING OF ACCIDENTS TO NTSB.

(a) **GENERAL RULE.**—Section 304(a)(6) of the Independent Safety Board Act of 1974 (49 U.S.C. App. 1903(a)(6)) is amended to read as follows:

"(6) establish by regulation requirements binding on persons reporting (A) accidents and aviation incidents subject to the Board's investigatory jurisdiction under this subsection, and (B) accidents and aviation incidents involving public aircraft other than aircraft of the Armed Forces and the Intelligence Agencies."

(b) **REPORT TO CONGRESS.**—Not later than 18 months after the date of the enactment of this Act, the National Transportation Safety Board shall report to the Congress its findings on public aircraft accidents and incidents.

SEC. 372. ATLANTIC CITY AIRPORT.

(a) **LIMITATION ON FUNDING OR TRANSFERS OF PROPERTY.**—Notwithstanding any other provision of law, with regard to the Atlantic City Airport, at Pomona, New Jersey, the Federal Aviation Administration shall not convey any interest in property (pursuant to section 516 of the Airport and Airway Improvement Act of 1982) to any municipality or any other entity operating such airport, nor shall any funds authorized to be appropriated for fiscal year 1987 by such Act be available to such municipality or entity for any planning, study, design, engineering, or construction of a runway extension, new runway, new passenger terminal, or im-

provements to or expansion of the existing passenger terminal at such airport, until such time as—

(1) the master plan update for Atlantic City Airport and Bader Field, prepared pursuant to Federal Aviation Administration Contract FA-EA-2656, is completed and released; and

(2) the Administrator finds that a public entity has been created to operate and manage the Atlantic City Airport, which entity has the following characteristics:

(A) the authority to enter into contracts and other agreements, including contracts, leases, cooperative agreements, or other transactions with any agency or instrumentality of the United States;

(B) the standing to sue and be sued in its own name;

(C) the authority to hire and dismiss officers and employees;

(D) the power to adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised;

(E) the authority to acquire, in its own name, an interest in such real or personal property as is necessary or appropriate for the operation and maintenance of the airport;

(F) the power to acquire property by the exercise of the right of eminent domain;

(G) the power to borrow money by issuing marketable obligations, or such other means as is permissible for public authorities under the laws of the State of New Jersey;

(H) adequate financial resources to carry out all activities which are ordinarily necessary and appropriate to operate and maintain an airport;

(I) a governing board which includes (but need not be limited to) voting representatives of the city of Atlantic City, the county of Atlantic, and the municipalities which are adjacent to or are directly impacted by the airport;

(J) a charter which includes (i) a requirement that members of the governing board have expertise in transportation, finance, law, public administration, aviation, or such other qualifications as would be appropriate to oversee the planning, management, and operation of an airport, and (ii) procedures which protect the research and development mission of the Federal Aviation Technical Center at Pomona, New Jersey, and the defense functions of the Air National Guard; and

(K) the authority to carry out comprehensive transportation planning to minimize the traffic congestion and facilitate access to and from the airport.

(b) **SAFETY FUNDS NOT SUBJECT TO LIMITATION.**—The limitation on funds set forth in subsection (a) shall not apply to any expenditure which the Administrator determines is needed for safety purposes.

(c) **AVAILABILITY OF RESTRICTED FUNDS.**—Notwithstanding any other provision of law, the funds restricted under subsection (a) shall become available at such time as the conditions set forth in subsection (a) are satisfied.

SEC. 373. RELEASE OF CERTAIN CONDITIONS

(a) **STAPLETON INTERNATIONAL AIRPORT, DENVER, COLORADO.**—

(1) **AUTHORITY TO GRANT RELEASE.**—Notwithstanding section 16 of the Federal Airport Act (as in effect on the date of each conveyance referred to in this subsection) with respect to such conveyance, the Secretary is authorized, subject to the provisions of section 4 of the Act of October 1, 1949 (63 Stat. 700; 50 U.S.C. App. 1622c), and the provisions of paragraph (2) of this subsection, to grant release—

request 50,000 Americans be stationed in Honduras and he is going to ask for \$250 million in additional military aid. He has told us that is what he will have to do.

In El Salvador, that fledgling democracy is going to need assistance, so is Costa Rica which does not have an army, and Guatemala will need assistance as well.

Either we do what is necessary now by helping the Contras or we are going to have to pay dearly later. Many people had doubts about this before, and I can understand that, because we have been debating it a lot and we have heard different stories coming across the national news media. But now we have the facts. The defense minister of Nicaragua himself has told us what he plans to do.

Major Miranda has given us secret documents that show the secret agreements that they have signed with the Soviets. There is no question about it.

□ 1940

Now the U.S. Congress when we come back after the holidays must vote for additional Contra aid. If we do not, we are going to rue the day.

It is that old statement that has been made in television commercials for years when they show a guy with a Fram oil filter on television and he says you can either pay me now or pay me later. The implication is if you buy Fram oil filters you are going to keep your engine in good shape and you will not have to pay for major repairs for your automobile engine someplace down the road.

The statement I am making tonight is you can pay now by helping the Contras fight for freedom and give them the wherewithal to put that country into the free column, as was promised them in 1979 and again in August of this year at Esquipulas, or later it is going to cost us billions of dollars and a lot of young American lives. We need to deal with this problem. We can no longer dilly-dally. The time is late.

They told us what they plan to do and this Congress must act for the American people and for the people of Central America.

CONFERENCE REPORT ON H.R. 2310

Mr. HOWARD submitted the following conference report and statement on the bill (H.R. 2310) to amend the Airport and Airway Improvement Act of 1982 for the purpose of extending the authorization of appropriations for airport and airway improvements, and for other purposes:

CONFERENCE REPORT (H. REPT. 100-484)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2310) to amend the Airport and Airway Improvement Act of 1982 for the purpose of extending the authorization of appropriations for airport and airway improvements,

and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Airport and Airway Safety and Capacity Expansion Act of 1987".

(b) **TABLE OF CONTENTS.**—

Sec. 1. Short title and table of contents.

Sec. 2. Secretary and Administrator defined.

TITLE I—AIRPORT AND AIRWAY IMPROVEMENT ACT AMENDMENTS

Sec. 101. Amendment of Airport and Airway Improvement Act of 1982.

Sec. 102. Declaration of policy.

Sec. 103. Definitions.

Sec. 104. National airport and airway system plans.

Sec. 105. Authorization of appropriations.

Sec. 106. Apportionment of funds.

Sec. 107. Limitations on uses of funds.

Sec. 108. State sponsorship.

Sec. 109. Project sponsorship.

Sec. 110. Grant agreements.

Sec. 111. Project costs.

Sec. 112. Limitation on powers.

Sec. 113. Part-time operation of flight service stations.

Sec. 114. Explosive detection K-9 teams.

Sec. 115. Denial of funds for projects using products or services of foreign countries that deny fair market opportunities.

Sec. 116. State block grant pilot program.

TITLE II—FEDERAL AVIATION ACT AMENDMENTS

Sec. 201. Amendment of Federal Aviation Act of 1958.

Sec. 202. Essential air service.

Sec. 203. Aircraft collision avoidance systems.

Sec. 204. Civil penalties.

Sec. 205. Indemnification of Federal Aviation Administration employees.

Sec. 206. Hazards to safe and efficient air commerce and the preservation of navigable airspace and airport traffic capacity.

Sec. 207. Public aircraft defined.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Noise abatement.

Sec. 302. Air traffic controller workforce.

Sec. 303. Safety rulemaking proceedings.

Sec. 304. Inflation adjustment on collection of certain aviation fees.

Sec. 305. Amendments to the National Driver Register Act.

Sec. 306. Low activity level I air traffic control tower contract program.

Sec. 307. Eligibility of Dermott, Arkansas, municipal airport.

Sec. 308. Standards for navigational aids.

Sec. 309. Long-term airport capacity needs.

Sec. 310. Radio navigation systems.

Sec. 311. Reporting of accidents to NTSB.

Sec. 312. Atlantic City Airport.

Sec. 313. Release of certain conditions.

Sec. 314. Flight service station in Juneau, Alaska.

Sec. 315. Grand Canyon Airport.

TITLE IV—EXTENSION OF AVIATION-RELATED TAXES AND AIRPORT AND AIRWAY TRUST FUND SPENDING AUTHORITY

Sec. 401. Short title.

Sec. 402. 3-year extension of aviation-related taxes.

Sec. 403. Extension of Airport and Airway Trust Fund spending authority.

Sec. 404. Exemption for certain emergency medical transportation by helicopter.

Sec. 405. Reduction in aviation-related taxes where appropriations are significantly below authorizations.

SEC. 2. SECRETARY AND ADMINISTRATOR DEFINED.

As used in this Act—

(1) the term "Secretary" means the Secretary of Transportation; and

(2) the term "Administrator" means the Administrator of the Federal Aviation Administration.

TITLE I—AIRPORT AND AIRWAY IMPROVEMENT ACT AMENDMENTS

SEC. 101. AMENDMENT OF AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2201-2225).

SEC. 102. DECLARATION OF POLICY.

(a) **COMPREHENSIVE AIR SPACE PLAN.**—Section 502(a)(4) is amended—

(1) by inserting "a vertical visual guidance system," after "precision approach system"; and

(2) by inserting "distance-to-go signs for each primary and secondary runway, a surface movement radar system at each category III airport, a taxiway lighting and sign system," after "vertical guidance on all runways."

(b) **CARGO HUB AIRPORTS.**—Section 502(a) is amended—

(1) by redesignating paragraphs (7), (8), and (9) as paragraphs (8), (9), and (10), respectively; and

(2) by inserting after paragraph (6) the following new paragraph:

"(7) cargo hub airports play a critical role in the movement of commerce through the airport and airway system and appropriate provisions should be made to facilitate the development and enhancement of such airports."

(c) **INCREASING AIRPORT CAPACITY; NONAVIATION USE OF AIRSPACE; LIMITATION ON ARTIFICIAL RESTRICTIONS ON AIRPORT CAPACITY.**—Section 502(a) is amended—

(1) by striking out "and" at the end of paragraph (9), as redesignated by subsection (b);

(2) by striking out the period at the end of paragraph (10), as so redesignated, and by inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(11) airport construction and improvement projects which increase the capacity of facilities to accommodate passenger and cargo traffic, thereby increasing safety and efficiency and reducing delays, should be undertaken to the maximum feasible extent;

"(12) it is in the national interest to ensure that nonaviation usage of navigable airspace be accommodated but not allowed to decrease the safety and capacity of the airspace and airport system; and

"(13) artificial restrictions on airport capacity are not in the public interest and should not be imposed to alleviate air traffic delays unless other reasonably available and less burdensome alternatives have first been attempted."

(d) **SENSE OF CONGRESS.**—It is the sense of Congress that any regulation under which the Administrator limits the number of in-