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TRANSCRIPT OF HEARING

BEFORE

JOINT APPROPRIATIONS COMMITTEE

STATE DEPARTMENT OF TRANSPORTATION

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solution. I don't know whether that answers your question or not.

ASSEMBLYMAN GIMSON: Well, following this line then, what you are saying is that there is a duplication of effort in some degree or another and that possibly either in your department or in the Department of Motor Vehicles we ought to have an area of control that covers this entirely for our road system.

MR. GOLDBERG: I did not say and I did not mean that there is a duplication of effort. What I did say is that there is a division of responsibility and that, therefore, since you have responsibility being exercised by different agencies, it is possible to have different views between the agencies as to what is the proper solution.

I will tell you quite frankly that the problem with the local installations isn't so much duplication of effort, but the fact that I don't think that agency is nearly staffed up to the level that it ought to be if it is going to service these local requirements that it now must handle. I would say even if that entire agency were picked up and put in the Department of Transportation, that problem would persist and I don't believe that the Department of Transportation with the existing personnel and the present operation in the Division would have enough capacity to provide the communities the kind of service and the speed of reaction and the specifics with regard to how the installation must be provided and that if

we were to do something like that, whether it is in the Division or whether it is in this Department, it would require in my opinion more staffing.

ASSEMBLYMAN GIMSON: You are not ruling out the possibility that your department might be able to better handle these services than the way it is now where you have the split in responsibility, are you?

MR. GOLDBERG: Well, I am not ruling anything out, Assemblyman, and I will say this: If a policy judgment is made by the Governor and the Legislature that this should become a responsibility of the Department of Transportation, we would accept it and do the best we can with it. I must admit that I have a number of responsibilities now and I am not actively going around seeking to expand them. But I will accept whatever responsibilities I am given.

ASSEMBLYMAN GIMSON: Commissioner, while we are in the area of traffic engineering, I have noticed that so-called three- and four-way traffic signal installations as we see in many areas are considerably less in use in the State of New Jersey than in other parts of the country. Is there any reason other than economics for this?

MR. GOLDBERG: I think Assistant Commissioner Mullen is closer to that and he will try to respond to it.

MR. MULLEN: Well, I will give you a layman's version of what the engineers have told me on many occasions. If you want

a detailed engineering analysis, that can be provided. Basically, it works like this: There is only so much time on a signal. The more you split it up, the less interval you can have without materially affecting the flow of traffic on the main road and if you affect the flow of traffic on the main road too much, you cause a great problem. Our traffic volumes are higher in New Jersey than in many other states and that is why we don't have as many three-phase or four-phase signals as other states because when we introduce a three-phase or a four-phase signal, we can only do it by robbing time from the most heavily congested artery, which is the main highway. It is studied. We have tried it. We have a number of them in operation. But professionally speaking, our engineers are not happy with the results where we have introduced them. We introduce them only as a last expedient. It is not an economic matter.

ASSEMBLYMAN GIMSON: Now the question arose in previous meetings about the replacement program for your vehicular equipment for which the Governor has recommended \$2 million on page 343. Would you address yourself to this program, Commissioner?

MR. GOLDBERG: I believe we have a full report on that, Mr. Chairman, and I would suggest that Mr. McGlone cover that subject. Mr. McGlone --

ASSEMBLYMAN GIMSON: Before you start, I would like to tell you that I checked to see where your lawn mowers are and

they are not in that account.

MR. GOLDBERG: Well, we will give you what we think is a full report, Mr. Chairman, and if it is inadequate, we will attempt to supplement it.

MR. MC GLONE: For some number of years the employees involved in the use of the equipment, plus the travelling public, have been concerned about the condition of our vehicular equipment. This would include the carry-alls, trucks, other miscellaneous pieces of rolling stock and equipment.

A survey was done by the Division of Maintenance together with the Bureau of Industrial Engineering roughly two years ago and it disclosed some startling facts. For example, 67 per cent of all the equipment that we had on hand was obsolete and in poor or inferior condition. In many cases it was really unsafe for the driver to drive the vehicle or unsafe for the vehicle to even be on the road. Sedans, for example, were 67 per cent obsolete; carry-alls and station wagons, 75 per cent; pick-up trucks, 60 per cent; utility trucks, 68 per cent; utility and canopy I.T.'s and trucks, 54 per cent; stake body, 46, and so on.

The department developed a series of standards and criteria for the retirement of the vehicles. In other words, how many miles should the vehicle travel and how many years should the vehicle stand up. These criteria were established on the basis of ASHO standards on the basis of the Federal

government, the Highway Department's experience and history with the vehicles and other governmental agencies. The result of this was an over-all plan that was developed by the Department for the replacement and the updating and modernization of its fleet. This doesn't include, however, the purchasing of equipment far beyond or technically beyond what we had already. There was some improvement in the type of vehicle we were buying, but not an optimum improvement.

I might point out that along with the problem of safety and the appearance of the vehicle, we also had a problem of economy. For example, the net cost to the State by '66 of maintaining the obsolete vehicles exceeded \$7500 per truck when the acquisition cost was only \$2,648. In other words, we were paying almost three times as much to maintain the truck than it would have cost to go out and buy the truck new. This is 2.8 times the original cost. The repair cost per mile in the sixth year increased by 44 per cent over the fifth year. In the sixth and seventh years alone the annual repair cost approximated \$1800 per truck or 67 per cent of the acquisition cost. Projecting this analysis to the '58 and '59 trucks, over \$100,000 in repair costs were uneconomically and unnecessarily spent. This is just one category of vehicles, trucks.

This completes now the first year of our experience with the program. This coupled with an extensive preventive maintenance program that requires each vehicle be brought in every six

months for a major overhaul, together with minor check-overs every other month, keeps the fleet in good working order, keeps it safe, and has appreciably lessened our repair costs per vehicle.

ASSEMBLYMAN GIMSON: Assemblyman Todd.

ASSEMBLYMAN TODD: Mr. Chairman, I don't want to get off on a side track, but I would be very interested in a breakdown on the pick-up trucks where it costs you \$7500 to maintain a \$2800 item. Being heavily involved in maintenance, I just cannot accept that figure. I think perhaps the repair bills might bear some scrutiny.

MR. MC GLONE: These are actual costs, Assemblyman, obtained from our cost accounting division. It is a simple case of allowing a vehicle to run far beyond its life expectancy. For every mile it runs, you run a greater risk of having breakdown and the breakdown occurs. For every five days the vehicle is on the road, it is in the garage an additional five days and it is being repaired. It not only causes a loss of dollars in the mechanics' time, but a loss of utility to the working crew in the field. These figures incidentally do not consider lost dollars to the crew, only repair dollars, and that is material and labor.

ASSEMBLYMAN TODD: Through you, Mr. Chairman, is this the first time that you have gone on a comprehensive program of preventive maintenance rather than a breakdown and repair system?

MR. MC GLONE: No. This goes back actually several years, the actual analysis of this. But this is the first time that an over-all comprehensive study was made along with actual cost figures and the application of a basic criteria to when vehicles should be retired, to what constitutes a sound, operating vehicle and to what would constitute a proper investment for the size of the fleet we have to maintain, considering the maintenance, construction and miscellaneous other projects that we are required to do.

ASSEMBLYMAN TODD: May I ask one more equipment question? Again this particular question has probably very little to do with this year's budget, but hopefully it might have something to do with next year's. What is your professional opinion or policy, if you have one on this item, for the use of rotary mowers on highways as opposed to a sickle-bar, hammer-knife setup. I ask this because it seems to me particularly with the condition, as you have indicated, of some of your equipment, I can see - and I think we are lucky it hasn't happened yet - where a rotary mower can throw a blade into a vehicle. I wonder if a conversion to hammer-knife might not be a good idea.

MR. MC GLONE: Actually, I am not technically competent to really answer that question since I am not a landscape supervisor. I would think to some degree the landscape versus the hammer-type or any other type would depend to some degree upon the size of the mower involved and the type of terrain it was

mowing. The rotary, I would imagine, is particularly applicable in small areas where small equipment could be economically run and could easily be sent out over the area. I would think the larger piece of equipment would be retained for large runs along the highway. As I say, it is not a technically-competent answer perhaps, but it is the best right now that I can provide. However, we would be able to furnish you with a letter from our landscape people.

ASSEMBLYMAN TODD: I would be interested in that.

MR. GOLDBERG: Let me say that we don't have that kind of documentation here. But even on the material we have, for instance, obviously a large number of the pieces we use now are reel mowers. I have a listing of 214 pieces of reel mowers, which are, of course, much safer than the rotary. Off the top, I don't know how many rotors we have and I think the other type of equipment you referred to is being used by the Department and I think its utility has been looked into by the Department in the past. I recall seeing some reports on it. But I must admit that we don't have this afternoon that kind of detail, but I think if the Committee would like to get into some of these operational aspects, we could provide you with that equipment.

I will say this, that the reason for this report which was dated October, '66, and actually carried out in advance of the date that it was released, was to get a comprehensive view as to

what equipment we had, what condition it was in and how we could best set up a program of replacement and maintenance because up until that time the Department did not have well organized that kind of material. Out of this report grew a proposal for a three-year program, of which this year's appropriation in the current budget is, I think, the first year. We are now requesting in the upcoming budget the second year's appropriation and if that is received, the following year we would anticipate requesting the final installment which would put our equipment fleet on a current basis that would be both sound from a safety standpoint and from an economic standpoint. This is fairly well documented. I think the Appropriations Committee last year had this report before they passed on the request that we made. I realize that many members of this Committee did not serve last year and if there is an interest in somebody seeing this report, we would be more than happy to furnish you with it. I think we have to make more copies. I think I am about out of them. We can duplicate additional copies and provide them to the Committee.

ASSEMBLYMAN GIMSON: Assemblyman Irwin.

ASSEMBLYMAN IRWIN: Through you, Mr. Chairman, and to Mr. McGlone, I think you said there was a net repair cost, was it, per truck in '66 of \$7500? Is that an average per truck?

MR. MC GLONE: No. This is the extreme on the worst end of the vehicles.

ASSEMBLYMAN IRWIN: This is an extreme figure?

MR. MC GLONE: Yes, and that extreme figure though actually accounted for a good percentage of them. I don't mean to minimize that number by saying it was just those on the worst end. We are talking about the vehicles that are 67 per cent obsolete. Therefore, we have to recognize that a good number of them are going to be on the extreme end. The exact number, the study will probably identify, and, if not, I could certainly furnish that based upon our original worksheets and investigation.

ASSEMBLYMAN IRWIN: I would be more interested if there is a figure that is an average per truck or average per vehicle.

MR. MC GLONE: That probably is available and we can furnish that too. As I say, the figure of \$7500 per year, certainly isn't the rare extreme. I don't know where it would fall, whether it would be the median, the mode or the mean. But by the same token, a good number of the vehicles would fall into that category in trucks. We are talking about trucks specifically.

ASSEMBLYMAN IRWIN: Again, through you, Mr. Chairman. When you use the figure 67 per cent obsolete or 75 per cent obsolete, I take it you are referring to obsolete as defined by the standards developed by the Department. Is that right?

MR. MC GLONE: No.

ASSEMBLYMAN IRWIN: Will you explain what obsolete means then?

MR. MC GLONE: It is a combination of things. It would be first of all standards developed by the American Association of State Highway Officials who do provide certain standards for us, the Federal government, the use of their standards, investigations within the Department based upon our own people who are knowledgeable, specifically those in maintenance, together with our industrial engineers. This combined information set forth certain standards that the fleet should have, based upon the fact that we are, number one, a governmental agency and not subject to depreciation, based upon the fact that certain minimum safety standards are required, based upon just the operational aspect - how long will a vehicle travel and what the ratio of inside shop versus outside shop should be. All these things were combined. Standards and criteria were set and these are the bases for the replacement program.

ASSEMBLYMAN IRWIN: May I ask who specifically developed the standard and who made the determination as to whether or not at that time, 1966 we are talking about now, they were obsolete?

MR. MC GLONE: The Bureau of Industrial Engineering in the Division of Maintenance of the Department of Transportation.

ASSEMBLYMAN IRWIN: And do you have figures that would show at that time how many vehicles were unsafe, non-operational?

MR. MC GLONE: Yes. We have those figures, the unsafe figures, those that have been in the garage for an extended period

of time because of unsafe conditions, by actual vehicle number, I might add. The report has them.

ASSEMBLYMAN IRWIN: How about now? What is the condition now with respect to unsafe vehicles or non-operative vehicles?

MR. MC GLONE: We have many of them still.

ASSEMBLYMAN IRWIN: Do you have numbers?

MR. MC GLONE: Yes, we have numbers available, but not here. We brought the report along to show you how a year and a half ago the situation looked and this shows you not only numbers, but it pinpoints the specific vehicles, equipment number E 29, E 94, E 95, that kind of thing. So we are quite specific as it was when the program was initiated a year ago, slightly over a year ago. Today we didn't bring the figures with us, but we can furnish them.

ASSEMBLYMAN IRWIN: May I continue, Mr. Chairman?

ASSEMBLYMAN GIMSON: Well, one thing there now, the "E", doesn't this refer to a piece of equipment rather than a passenger or a utility vehicle?

MR. MC GLONE: That is true, Assemblyman. We also have in here though the passenger vehicles. I happen to have it open to a piece of equipment. That is why I cited that.

ASSEMBLYMAN GIMSON: All right. Go ahead, Assemblyman.

ASSEMBLYMAN IRWIN: On page 344 of the budget, there was a request for additions and improvements, a request in the

amount of \$875,695, and a recommendation of \$350,000, which I understand to be for additional vehicles.

MR. MC GLONE: That is true.

ASSEMBLYMAN IRWIN: Now is that request of \$875,695 hinged to the number of vehicles that are regarded by the Department as being unsafe or obsolete or not available for use?

MR. MC GLONE: No. This is a parallel thing. The \$2 million is for nothing more than updating the equipment and bringing it ---

ASSEMBLYMAN IRWIN: Excuse me. You are talking about the wrong figure. I am talking about the \$875,000.

MR. MC GLONE: Well, I am going to join those up.

ASSEMBLYMAN IRWIN: O.K.

MR. MC GLONE: The \$2 million is for nothing more than to bring the fleet up to an acceptable standard so that it is what a fleet should be. The additional amount that you have just cited is to maintain the fleet at that high level. In other words, this is replacement money where the other actually is new money or money to retire the other vehicles, if I understand you correctly.

ASSEMBLYMAN IRWIN: Yes. So you are saying that the \$2 million is to trade in obsolete or unsafe vehicles and get new ones for them.

MR. MC GLONE: Yes.

ASSEMBLYMAN IRWIN: And the \$350 thousand which has been

recommended is for additions to the fleet.

MR. MC GLONE: That is true if I understand correctly. I'm sorry. Could you cite the line?

MR. GOLDBERG: It is right. The \$350 thousand is for equipment over and above what the fleet now has. It is not to modernize or update the fleet and we have provided to the budget officials a detailed breakdown as to what equipment this would buy. We have this information so that you can see vehicle by vehicle, area by area, what this money is supposed to provide to the Department.

ASSEMBLYMAN IRWIN: Further through you, Mr. Chairman, with respect to the additional vehicles to be purchased, where the recommendation is \$350 thousand, are any of those purchases hinged to anticipated additional personnel coming into the Department?

MR. MC GLONE: No. They are hinged to just the basic retirement of certain vehicles.

ASSEMBLYMAN IRWIN: This is additions to the fleet.

MR. GOLDBERG: That's right.

MR. MC GLONE: No, this would be to some extent passenger cars. That kind of thing would definitely be linked to new people or additional people, but the other, the rolling stock, would be to maintain our existing position.

ASSEMBLYMAN IRWIN: Well, I am dealing now with the

new vehicles. Let us assume, for example, that no new positions were added. How would that affect your request for additional vehicles?

MR. MC GLONE: I could be more specific. Forty sedans of the over-all budget request of 51 - now this is directly connected to your question and the dollars involved - are required to replace private mileage vehicles now being used for State business where yearly mileage exceeds 17,500 miles. By reducing the new equipment account, the Department is forced into poor economics of paying for private use of sedans, etc. Anyway, it is to replace vehicles that we now are paying mileage on.

ASSEMBLYMAN IRWIN: Where would we find that expense now in the budget where we are paying the mileage?

MR. MC GLONE: Travel expense. Traffic Engineering requires additional vehicles for field inspections. Six vibra-pack rollers are included in that with trailers. It would provide the best-known equipment available for permanent patching of highways. York rakes, a new type of equipment presently in our fleet, which enables us to reconstruct grass areas four times as fast as before. That actually covers the \$300 thousand.

MR. GOLDBERG: I would say, as you can see, the request of the Department has been reduced substantially and in making that reduction, I believe that the staff of the Budget and Accounting did reflect the other cut-backs in the budget in the

equipment area. In other words, as they cut back our request for additional personnel, they did adjust, I believe, the equipment requests that we made in this area so that we didn't end up with money for equipment to service new people that we are not now going to be able to get because of other budget cuts. I think that is really the gist of what you were looking for.

ASSEMBLYMAN IRWIN: Essentially that is right, except that if there were additional -- my real question was if there were additional cuts in the number of people to be anticipated, would your vehicle requirements cut back and the answer, I take it, is no.

MR. MC GLONE: No, it would not.

ASSEMBLYMAN GIMSON: Is that all you have on that?

ASSEMBLYMAN IRWIN: One further question in the area, just so I am clear on all of these areas, under maintenance of property, there is an item of \$925,000 for gas, oil and repair.

MR. GOLDBERG: Can you give us the page?

ASSEMBLYMAN IRWIN: Page 343.

MR. GOLDBERG: The \$925,000 that was recommended, is that what you mean, that item?

ASSEMBLYMAN IRWIN: \$925 thousand recommended, yes.

MR. GOLDBERG: Wait a minute. No, I don't think that is right. That is vehicular equipment.

ASSEMBLYMAN IRWIN: Vehicular equipment. I was given

to understand that includes gas, oil and repairs.

MR. GOLDBERG: No. This is to provide tools, parts and other items required for the maintenance and repair of the equipment fleet, to provide for the work performed by outside vendors, such as welding, frame-straightening, front-system alignment, on equipment damaged as a result of non-collectible accidents, and parts represent roughly 90 per cent of the total repairs.

ASSEMBLYMAN IRWIN: There is no fuel in there?

MR. GOLDBERG: Not in this account. There is fuel in there somewhere.

ASSEMBLYMAN IRWIN: Would that be the \$500 thousand item on page 342?

MR. GOLDBERG: Miss Brown says yes, and she generally knows.

ASSEMBLYMAN IRWIN: O.K. Thank you.

COMMISSIONER GIMSON: Commissioner, in regard to the same line of questioning, what is the practice of the Department in allocating vehicles for commuting?

MR. MC GLONE: We don't allocate, Assemblyman, vehicles for commuting. We have a set policy on the allocation of vehicles. It is based upon actually the job content and the assignment of the individual. For example, non-maintenance employees travelling over 17,500 miles in executing their job functions are assigned a State vehicle. This determination is based upon acquisition costs and over-head costs versus the

mileage. A taxi fleet is maintained for those who need a car on a day basis and aren't assigned a car because of the fact that their work doesn't normally provide for one. Maintenance field supervisors, including foremen, are assigned sedans and pick-up trucks and all average over 22 or 25 thousand miles per year performing their daily normal functions. Maintenance crews are allocated equipment according to the crew size or the quota and the complexity of the maintenance section, based on the individual section inventories. That is actually how we make the assignments.

ASSEMBLYMAN GIMSON: Do you have a breakdown there as to ratio of employees and motor vehicle equipment?

MR. MC GLONE: Well, we have a breakdown of the specific equipment in the booklet. Let me see if I can locate it here. We have a summary of equipment here. It does not relate the number of employees, but it does specifically show, for example, that we don't have one vehicle for every employee, something like that.

MR. GOLDBERG: You would like the summaries and the summaries are that in rolling stock we have 503 sedans. This relates roughly to the fact that the Department has approximately 5,000 employees on the payroll. We have 98 carry-alls, 3 station wagons, 201 half-ton pickups, 32 three-quarter ton pickups, which totals I believe 837 vehicles. We have other trucks: dump trucks, panel trucks, stake bodies,

and so forth, which total in number 753 additional trucks, in addition to the ones we have delineated. We have special-purpose equipment on wheels, 847 of those, which includes concrete mixers, sweepers, trailers, fork lifts, graders, hay rakes, mowers, mud jacks, rollers, tar kettles and so forth. Those three categories total 2,437 pieces of equipment. We have in addition special-purpose equipment not on wheels, such as pile drivers and pavement breaks. There are 960 pieces of that equipment. We have special tools, such as air, electric and gasoline engines, and there are 245 pieces of that. We have 1159 snow plows. The total number of equipment as of this counting, 4801 pieces of equipment.

ASSEMBLYMAN GIMSON: Commissioner, our figures here show that ---

MR. GOLDBERG: Would you tell me, Mr. Chairman, where you are reading from.

ASSEMBLYMAN GIMSON: 342. It says, passenger cars, actual, 1967, 601. Have you 100 cars that you lost somewhere along the way?

MR. GOLDBERG: Our figures show 503. Mr. McGlone, can you reconcile that?

MRS. BROWN: Carry-alls were included.

MR. MC GLONE: One would include carry-alls.--

MR. GOLDBERG: That gives you 602.

MR. MC GLONE: [Continuing] -- because our foremen travel

by carry-alls. So that's an additional almost 100. So that's about 600.

ASSEMBLYMAN GIMSON: Are carry-alls the suburbanite, the station-wagon type vehicle?

MR. MC GLONE: Principally the foremen use them and some residents - not too many - mostly foremen. There're about 100 involved.

ASSEMBLYMAN GIMSON: Our figure here shows 988 trucks. Now does this include all trucks, those that have snow plows on them and so forth?

MR. GOLDBERG: Well, the plows are listed differently. The truck figures I just gave you were 201 half-ton pickups, 32 three-quarter ton pickups and 753 other kinds of trucks which very quickly comes out roughly to the figure you just gave us.

ASSEMBLYMAN GIMSON: Then this road equipment of 3,434 vehicles --

MR. GOLDBERG: Well, they are not vehicles and they are not listed as vehicles. They are listed as equipment and the figures that we just gave you indicate ---

ASSEMBLYMAN GIMSON: You said that included the lawn mowers and so forth?

MR. GOLDBERG: It includes a combination of items, among them being certain mowers, a certain kind of mowing equipment.

ASSEMBLYMAN GIMSON: According to our figures, this

isn't right. They are supposedly shown in your 494 account.

MR. GOLDBERG: Mr. Chairman, if you will make a reference to the budget, then I will try and follow it.

ASSEMBLYMAN GIMSON: Well, in our accounting they don't show up in these figures, these accounts.

MR. GOLDBERG: You are not then making reference to figures in the budget?

ASSEMBLYMAN GIMSON: Possibly your glue pots or your tar pots might show up in these figures, but not your lawn mowers.

MR. GOLDBERG: Mr. Chairman, let me say, if we can see the figures that you have, we will attempt to give you an explanation for any inconsistency which may at the moment appear to exist.

ASSEMBLYMAN GIMSON: The inconsistency actually relates to a certain newspaper article where I just wanted to let you know that we know where your lawn mowers are.

MR. GOLDBERG: Thank you, Mr. Chairman. I believe we also know where they are.

ASSEMBLYMAN GIMSON: I would hope so. They are in an item called Other Equipment on page 344, your \$3900 figure.

MR. GOLDBERG: Well, if there is any additional information that you need to reconcile these figures, we will provide them. But I think the summaries generally coincide with the figures we have in the budget.

ASSEMBLYMAN GIMSON: In connection with the obsolete

equipment that the Highway Department gets rid of, is this some of the equipment that has been resold to contractors and municipal road departments, etc.?

MR. GOLDBERG: The procedure on disposing of surplus equipment, I think is handled through Purchase and Property. Exactly how do we handle that?

MR. MC GLONE: It is handled through Purchase and Property. We maintain the passenger cars, a few of them, at our yards until they are ready to be sold, but they are sold on bids and disposed of by Purchase and Property.

MR. GOLDBERG: And they are sold to the general public and whoever makes the high bid, gets the equipment, whether he is a contractor or private citizen or whoever it is.

ASSEMBLYMAN GIMSON: Evidently some of these contractors and municipal agencies have better maintenance departments than you because they feel this equipment is quite useable and in some cases that they are getting a real good buy when they purchase rollers and things of that nature.

On the vehicular, I think that is all the questions I have. Does anybody else have any questions?

Senator Kay.

SENATOR KAY: Through you, Mr. Chairman, again referring to page 343 of the budget, the item of vehicular equipment, the maintenance of the fleet. Now I see in 1967, it actually cost you about \$884,000 to maintain the fleet. This year you

were given \$550,000 and, of course, we are asked to approve \$925,000. I am just wondering if the \$550,000 has carried you this far or would you know whether you are over-spent in that particular account?

MR. MC GLONE: Offhand, Senator, I couldn't say. Our accounts are generally though fairly low and I couldn't really give you a specific answer as of this minute. I again could furnish you with the information though.

SENATOR KAY: From what appears in the budget under your requested item of \$975,000, you must have anticipated that in the current year it is going to cost you somewhere around that to maintain the fleet. Am I right?

MR. GOLDBERG: I think, Senator, as you pointed out we actually expended in fiscal '67 \$884,000. That was a year in which there was appropriated only \$417,000 and the cost of maintaining the fleet required a transfer of \$490,000. At the same time we got for this year, before the final '67 figures were in, only \$550,000. And I think it is fair to assume that with this kind of constant expenditure, we are very likely to be something in excess of what we actually spent in '67 and what was appropriated for the current year and it is on that basis that we have projected -- well, we initially projected a cost of \$975,000 and the budget recommends \$925,000.

SENATOR KAY: I just wondered where then perhaps between now and July 1 in your department budget you are going to have three or four hundred thousand dollars available for transfer into

vehicular maintenance.

MR. GOLDBERG: If there is a shortage there, where are some of the likely sources where we will be forced to seek funds?

MR. MC GLONE: Well, we would have to take it, Senator, from existing programs and that would depend upon the priority of the programs in the Division of Maintenance, the 610 fund. It would be a case of weighing which is of more importance, to keep our vehicles rolling on the road and maintain the highways or is it more important to do other things, mow lawns, for example; mow grass, for example, that kind of thing.

MR. GOLDBERG: We may be able to give you a little amplification. Apparently there is some explanation.

MR. MULLEN: I think the budget people are probably aware of this, but all of our equipment is purchased through the Equipment Bureau, although it is used by other bureaus and divisions. Over the years the Equipment Bureau charges them, in effect, rent for the unit of equipment which is supposed to take care of the cost of operating it. Over the years we previously got appropriations in the other funds, for example, an appropriation in the construction fund to pay for the use of this equipment which in turn, when paid over to the Equipment Bureau, defrayed these costs. This year we are not doing that, I have just been told by our budget experts. All the money is being placed in one place. Over the years, I think it was the

practice of the Budget Bureau to recognize this inter-departmental arrangement and adjust our appropriations accordingly. So this year we are requesting all of the money in the one spot. I don't know whether it has been adjusted or not; apparently it has.

SENATOR HARRY L. SEARS (Chairman): Any other questions to this point, gentlemen?

SENATOR KNOWLTON: Through you, Mr. Chairman - Commissioner Goldberg, I think we are all aware of the state of the highway system in New Jersey and I guess we are all aware of the fact that a lot has to be done to it. Has your department, based upon populations of various areas and the need for getting people to and from jobs and so on - has your department made a priority list of where you think the areas are that need more highways and renovation of highways, etc.?

MR. GOLDBERG: Yes, sir, we have and this will be delineated in the Master Plan that will be available next week. I will say that we have not attempted to establish a priority list that is very fine in the sense of where the next \$100 million should go. We have not reduced it down to that level because quite frankly with the kinds of needs that New Jersey has, I think that kind of short priority list has relatively little meaning. As a matter of fact, where you spend, say, your next \$100 million worth of construction money is going to be dictated more by the accident of where particular projects stand now in terms of

completion than necessarily by a general over-all priority approach. But we have surveyed the needs of the State, as we see them. Of course, this is subject to some discussion and dispute even. We have attempted to look at these needs in near totality and we have attempted to indicate what we think are first priority in terms of roads that ought to be built within the next ten-year period.

SENATOR KNOWLTON: And the location of those roads?

MR. GOLDBERG: We locate them and we cost them. Now we cost them in the sense of a general estimate as to what the project would cost, not in terms of what the contracts will actually go for, and that is the distinction between the way we handle the budget and the way we handle the over-all plan. But the plan will list them, road by road, project by project, improvement by improvement. It will locate them and it will cost them and we will indicate in general categories what we think the priority should be. This will be, of course, our judgment, but it will be a judgment in part reflected by the conversations that we have had with numerous local officials, numerous legislative personnel, over the period of the year, the status of the project in terms of it being partially completed, and so forth.

SENATOR KNOWLTON: Thank you, Mr. Commissioner.

SENATOR SEARS: Are copies of this plan going to be available next week for distribution?

MR. GOLDBERG: Yes, Mr. Chairman. Let me say by way of explanation, first of all, it is now physically being produced so it isn't available right now. I feel that in deference to the Legislature, before we discuss it in any public forum in any detail, we should attempt to sit down with the Governor and at least a representative group of the Legislature so that they can be acquainted with our views before it becomes a document in the newspaper. We have suggested that we have such a meeting with the members of the Legislative Conference supplemented by representatives of the Transportation and the Appropriations Committees because I believe both of these committees will have a particular interest in what the document will have to say. And following that kind of discussion, we would intend to make it available generally to the public.

SENATOR KNOWLTON: Mr. Chairman, may we go on to another subject?

SENATOR SEARS: Yes.

SENATOR KNOWLTON: Through you, Mr. Chairman - Commissioner, the other day in the newspapers I read that the railroads think that we ought to spend on them somewhere in the neighborhood of between \$350 million to \$400 million to equip them better to handle passenger service. In view of the fact that the American public seems to have a love affair for a car, do you think that money spent to improve passenger service is going

to lure the driver away from his car and put him on a passenger train?

MR. GOLDBERG: I believe that the automobile is here to stay. I don't think the railroads are going to put them out of business. But I do believe that it is absolutely essential for this State to carry out within a reasonably short period of time, five to six years, the kind of capital improvements and modernization program on the railroads that has been discussed publicly for the last several years. I believe that the Association of Railroads is in large part repeating suggestions and proposals which have been advanced by Governor Hughes and by many others, including commuter groups and the like.

We cover this thing in the Master Plan in considerable detail. We document the reasons why we think it is in the selfish interest of the motorist as well as in the interest of the rail commuter to carry out this kind of program. I believe that the documentation in that report can better explain the department's position than I can today before this group. Without wishing to duck the question - I can assure you, I don't - I would rather let it go to where you can see the plan and it will be out next week and if it then seems useful to the Legislature to follow up that document with some kind of discussion, the department would be more than willing to make itself available for any questions that the Committee or the Legislature

would have.

SENATOR KNOWLTON: Thank you.

SENATOR SEARS: Assemblyman Smith has a question.

Is it on this same subject?

ASSEMBLYMAN SMITH: Yes. Mr. Chairman, through you, I recognize the Commissioner as an expert on railroads and I will take your opinion. We are asked to spend in this budget \$11.2 million for railroads and most of that is in the way of subsidies. We have about 60,000 daily passengers which, I would guess, on a per year basis, according to my figures, comes to about \$200 minus something a year for each one of those commuters. Now my end of the county doesn't get any benefit from it and right away I am giving you a lot of support here with this Committee because that means that North Jersey gets the benefit of this. How long do you think, Commissioner, that we have to go and pour this kind of money for this kind of a return into the railroads?

MR. GOLDBERG: I would say, Assemblyman, that it is likely that if we want to continue rail passenger service, some level of subsidy support is going to be required for the foreseeable future. I believe, however, that the present level of the subsidies can be improved upon once you carry out a capital improvement program because with electrification, with modernization of the railroad cars and the other improvements that will come about, the operating deficit will be reduced and I would only

say this: In order to evaluate whether this expenditure of public funds is desirable or not, what I think we have to do is look at the alternatives that are available to us and see what kind of situation we would have or what kind of financial problem we would have if we make a policy decision that we are not going to support the railroads.

First of all, I can tell you quite frankly, with the exception of the main line of the Pennsylvania Railroad, with that single exception, if the State of New Jersey decides to abandon its support of railroads, there will not be passenger service on the other lines and we will have to accept the fact that those people who are on those railroads will have to be accommodated some other way and it is there where the rub comes because from what we can tell the "some other way" is a very expensive way and more than being expensive, it is also a way which is probably unrealistic in terms of our ability to create much more road capacity in the area of the State that these railroads now serve. And I do recognize and we realize that geographically the existing rail commuter program services a relatively small part of the State. I would point out, however, that from a population standpoint, it has an impact in an area which represents about two-thirds of the State's population. Therefore, it is a program which is of great interest to the overwhelming percentage of the entire State in terms of population, although not in terms of geography. If you were to take the 60,000 rail

commuters and force them to find alternative ways to their destination in the Newark metropolitan area and in the New York metropolitan area, you would have to be willing to consider either a level of congestion which is far beyond what now exists there, and I think that is intolerable, or you would have to consider a capital improvement program that would far outstrip what it would cost us to keep these trains running because these trains do something that is very vital besides losing money, they take a percentage of the travelling public off the highways at the most important period of time of the day. They take them off during the peak moving hours. It isn't a direct correlation and it isn't an exact figure, but it gives you some idea of the magnitude of the problem if we realize that the three crossings of the Hudson River, the George Washington Bridge, the Lincoln Tunnel and the Holland Tunnel, now move under present congested conditions less than 40,000 vehicles into New York City between 7 to 10 A.M. in the morning. That is all those facilities are handling now. Now if you take 40,000 people who are now going into Manhattan and dump them on to the highways and provide them with the mix of cars and busses that will have to be created, you are going to have quite a mess. In our opinion, if this is the alternative to the level of support that we are talking about for the railroads, it is much less palatable and it is the judgment of the department, therefore, that as undesirable as it may seem off the top to put this kind

of money into the railroads, the alternative is much less desirable and it is on this basis that we make the recommendations that we do.

ASSEMBLYMAN SMITH: Then I take it, in answer to that question, Mr. Commissioner, that it is your opinion that we will have to go on ad infinitum paying probably a larger ratio than \$200 per person per year to facilitate this.

MR. GOLDBERG: I don't think that the operation deficit will necessarily increase. I think, as I said, it can decrease and, therefore, the average per commuter may well drop below that level, if that is the correct figure, and I would point out that the reason we have the deficit that we have now on the rails is largely attributable to the fact that they attract people only during the peak period and if you can only get them on at that worst period of time, you have to maximize the amount of equipment and maximize the amount of labor and then after you have done it, to move them during that very short period of time, you have that capacity sitting around not really serving any useful purpose. But we have had some recent developments, such as the new Madison Square Garden at 34th Street in New York. The program that we will recommend will envision direct operation of, say, Erie Lackawanna trains from the Morris and Bergen County areas into Penn Station at 34th Street, direct operation of the Central Railroad trains from the shore and the main line into 34th Street in Manhattan. With things like the Madison Square

Garden, with things like the World Trade Center in lower Manhattan developing there, there is some hope of generating some off-peak traffic. Now if you can generate the off-peak traffic, this is like surplus money and this money can be available to cut down the deficit and I would say that it is in this direction that our hopes lie for improving the revenue position of the railroads. But I will say this, that even if, in fact, we have to maintain the railroads on a deficit basis for the foreseeable future, the department would believe that that is much preferable to the alternative that we see available.

ASSEMBLYMAN SMITH: Thank you.

ASSEMBLYMAN IRWIN: Through you, Mr. Chairman.  
I can't give you the page number in the budget, Commissioner,  
but there is somewhere in here an item dealing with  
matching funds that has to do with a request for \$960,000  
and a recommendation of \$250,000.

MR. GOLDBERG: Highway Safety, do you mean?

ASSEMBLYMAN IRWIN: Highway safety, yes. And my  
question is, at the time you made the request for \$960,000  
did you submit a proposal as to what you would do with the  
\$960,000 if you received it?

MR. GOLDBERG: I think that Assistant Commissioner  
Mullen who, by the way, is the Governor's designated  
representative on highway safety and, therefore, directly  
vested with the responsibility for the general administration  
of the program, can give you that answer better than I.

MR. MULLEN: The money that was requested --

ASSEMBLYMAN IRWIN: Well, if you will, just take  
the first question and then we can go ahead to the next one.  
Was a proposal submitted with the request as to where the  
money was to be spent?

MR. MULLEN: Not on an itemized basis. The money  
was requested against an estimate of how much of the  
federal funds available we would need cash to match. This  
is a federal matching program which allows the state to  
use matching services in kind.

ASSEMBLYMAN IRWIN: So that it was a request based upon a desire to maximize the federal money available?

MR. MULLEN: That's right.

ASSEMBLYMAN IRWIN: There was no immediate proposal attached thereto.

MR. MULLEN: No specific itemized proposal. I have, generally speaking, here a listing of the types of things that would be available. There's no question of being able to utilize the funds because of the type of thing you can use it on. But it's not a one-department type situation. This money is in the Transportation Department budget really for purposes of convenience. However, it is available for several departments of the State and all of the political subdivisions.

ASSEMBLYMAN IRWIN: It's really intended to be doled out, isn't that right?

MR. MULLEN: That's correct.

ASSEMBLYMAN IRWIN: And did you have requests from any other departments to form a basis for the \$960,000 or any amount?

MR. MULLEN: Oh, yes. We have estimates from some of the departments that show that the anticipated costs of some of these programs would far exceed the amount of money available. For example, driver education.

If a driver education statute is passed this year, as was contemplated last year, the estimated cost of that would use up one year's allocation all by itself. But that isn't the way it's working. If I may, the law requires that 40% of the money is to be used through the local political subdivisions, and we are spending our initial money, currently, to develop what the federal law requires which is a statewide highway safety program which must be submitted by the Governor and approved by the Federal Highway Administrator as of January 1, 1969, under the existing statute. And that statewide highway safety program, when developed, will generally allocate the money as between state agencies and the local agencies, and also among the various state agencies.

At the present time we have about \$700,000 available to us currently this year. We've obligated \$150,000 generally in small grants to the various departments to enable them to do their part in planning the areawide program.

The request has been reduced on the estimate but we will be able to use more in the way of matching services in kind.

ASSEMBLYMAN IRWIN: And if you were to get the amount recommended, you would then have \$950,000 available?

MR. MULLEN: In state dollars?

ASSEMBLYMAN IRWIN: In dollars.

MR. MULLEN: Well, for every dollar that we get in state dollars we have a federal dollar available. We have the federal dollars available even if we don't get the state dollars on the premise we may be able to match them from services provided through regular appropriations.

ASSEMBLYMAN IRWIN: Well, let me ask this question then. If you get the \$250,000 recommended, how much will you have available?

MR. MULLEN: Well, we will still aim for a program in the neighborhood of probably a million dollars, of which a half million dollars will be federal dollars and a quarter of the dollars, \$250,000, will be the appropriation, and a quarter in dollars will be provided through matching services for which the funds are appropriated otherwise.

ASSEMBLYMAN IRWIN: And do I understand from your previous testimony that you are developing a road safety program now to utilize this money?

MR. MULLEN: That is correct. The money that we have been given, and the money that the other states have been given under this program so far, is substantially less than the Congress has authorized. In other words, Congress has authorized funds for 3 years which total six and a half million dollars for New Jersey, but at

the present time there is a limitation upon New Jersey which is substantially less than that. It's running about \$825,000 for the current year and about \$900,000 to \$1 million next year, we have been told. And we are not going to get the balance of the money until we develop an approved program, but it will remain available.

ASSEMBLYMAN IRWIN: Mr. Chairman, I don't want to hog the floor but there are just two other areas that I would like to pursue, if I may.

SENATOR SEARS: Go ahead.

ASSEMBLYMAN IRWIN: On page 338 and on page 346 of the budget there are three items, one for \$100,000, one for 125,000, and one \$200,000, Commissioner Goldberg, which appear to be expenses for consultants' services, training, I'm not sure, but my question is, one, is this for consultant services; and, two, what are they for; and, three, why do we need them?

MR. GOLDBERG: Well, I think we better take them one at a time because it's quite possible that they are different. If you will give me the reference to the first one, I probably have some material on it.

ASSEMBLYMAN IRWIN: The first one is staff training.

MR. GOLDBERG: Staff training? That's on page 337?

ASSEMBLYMAN IRWIN: 338.

MR. GOLDBERG: All right. Let's start with that.

This is not for consultants. The department requested \$200,000, the recommendation was \$100,000. It relates to the training courses conducted by the Department and the cost of tuition and other expenses involved in training people.

The Department traditionally has had its share of difficulty in recruiting trained or expert personnel and, quite frankly, we expect this difficulty in recruitment to persist. Even if our salary levels were a great deal better than they are now, qualified people have a choice of positions and it's tough to get your share. And what the Department has instituted over a period of years is a fairly extensive program of training - and it runs across the board, and it's training for the unskilled, semi-skilled and maintenance operations, and the like; it's training in the engineering area where some of our employees in the evening at department expense can pursue instruction and achieve degrees in engineering. And it's for this purpose that this money is expended.

And I would say this, that if it weren't for the fact that the Department used this approach to upgrade the personnel that it has, it would find it impossible to staff its operation to any extent at all. And some of

the best men that the Department has are men who started at relatively low positions and over the years went through a series of training programs and reached positions of considerable responsibility in the Department. And, I must admit, when I went over as Commissioner I was quite surprised by the amount of training we did, but I will tell you also that I also think it is one of the best programs that we have, and this is done not only, as I say, in regard to the engineering level but in the maintenance level. In the past year we've pursued an active program of recruiting what people sometimes euphemistically call disadvantaged people who don't have adequate education, haven't had adequate opportunities. We've done pretty well. We've hired I think more than a hundred in this category and we've brought them on and these people at the time they joined the department had limited capacity to help the department. They could do certain things but not a great deal. But many of them, after they've been exposed to training programs, have developed to the point where they've become extremely useful. And this is the category that these funds belong to.

ASSEMBLYMAN IRWIN: This is money then paid to schools or educational institutions to train the people in the Department. Primarily, you say.

MR. McGLONE: Some of it is. A lot of it is our own in-house training. We have a training bureau, a

bureau of training and development in the Department and it provides in-house training programs. It also provides for training of our negotiators, our appraisers, the civil technology program that the Commissioner mentioned, special professional programs in geology and other things.

I might point out that we also get a derivative of dollars and cents back in this program. Some of our programs are programs in work simplification and value engineering. And through these programs employees provide us with better ways of doing things that result in tangible dollar savings to the Department.

These programs, including the foreman school for maintenance foreman actually result in thousands and thousands of dollars saved in the department by better ways of doing things.

ASSEMBLYMAN IRWIN: Some of it, you say, is done by the department. What percentage is that?

MR. McGLONE: The bulk of it is done by the department.

ASSEMBLYMAN IRWIN: The bulk of it is money spent by your own department, not paid out to some private educational institution.

MR. McGLONE: No. The civil technology program is paid to an outside institution, junior colleges, for example.

ASSEMBLYMAN IRWIN: How much?

MR. McGLONE: The rest, we pay private instructors to come in and train in our training quarters.

ASSEMBLYMAN IRWIN: So that, in effect, it is --

MR. McGLONE: A combination.

ASSEMBLYMAN IRWIN: -- consulting services. People coming into the department and training on the job, something like that.

MR. McGLONE: No, it's not really. A lot of it is really done by our own personnel. We do have others coming in. For example, our program in supervisory training is done by a combination of our own personnel plus guest speakers. Now this --

ASSEMBLYMAN IRWIN: I don't mean to cut you off but I'm really getting more than I'm looking for in the way of an answer.

When you say a lot of it is done by your own personnel, that would be included in the salary account of the department, wouldn't it? It wouldn't be included in this \$100,000.

MR. McGLONE: That's right.

ASSEMBLYMAN IRWIN: But the \$100,000 is to pay outside people.

MR. McGLONE: It includes materials, it includes visual aids and text books and a variety of other things

necessary to conduct the training session.

ASSEMBLYMAN IRWIN: My next question with respect to this is, is there any particular institution or organization that gets the bulk of this or a large percentage of it? And, if so, which one?

MR. McGLONE: No. Junior colleges --

ASSEMBLYMAN IRWIN: I'm satisfied.

MR. MULLEN: We have for example a --

MR. GOLDBERG: If he's satisfied, Russ --

ASSEMBLYMAN IRWIN: I think there were two other items along the same line.

MR. GOLDBERG: I think the next one was --  
What page was the next one?

ASSEMBLYMAN IRWIN: Same page, 338, next line, \$125,000, other professionals.

MR. GOLDBERG: That would be what you would call consultants in the usual sense. It relates to requirements in our area, particularly with regard to our computer operations and so forth.

ASSEMBLYMAN IRWIN: Consultants in computer operations?

MR. GOLDBERG: Yes.

ASSEMBLYMAN IRWIN: And the other one was on page 346. I think that's also other professionals.

MR. GOLDBERG: Is that the item of \$200,000 under

Public Transportation?

ASSEMBLYMAN IRWIN: Yes.

MR. GOLDBERG: That, again, is what could be classified as consultants. In this area we have a particular need for expert assistance. For instance, the bases on which we pay out subsidies to railroads are under a very complex accounting formula known as avoidable costs. The railroads have some of the top accounting firms which do their computation; we employ a consultant to do our computation; and the two consultants spend the rest of the year fighting about it.

This is not the kind of thing that we have the expertise in the department to do. And it is absolutely necessary to be able to bring in this kind of top level professional competence in order for us to carry out these negotiations with the rail carriers.

ASSEMBLYMAN IRWIN: Just one company, one consultant?

MR. GOLDBERG: On that particular one it happens to be one consultant. There are more than that in that consulting account although I think the expense for avoidable cost computation this year is \$78,000. So that one item accounts for a considerable amount of that entire fund.

ASSEMBLYMAN IRWIN: One last item, and this one

I think probably is an easy one.

On page 347 there is an item for \$600,000 for improvement to Trenton Railroad Station. My question is, where does this item, this expenditure stand in the department's priorities of events as compared with certain items which the Governor has deferred, for example.

MR. GOLDBERG: It has an extremely high priority and we are very pleased that the Governor was able to include this within the budget even though it was necessary to defer other items. It is the second half of the appropriation for what we received the first installment of funds on this year.

We are in the process of completing our plans and work on the design of the Trenton Station. The project, to carry through to completion, will require the full amount of money and if we didn't get it in this budget at this time, in effect, we would be stalled in going forward with this project which is really on the drawing board right now.

So, given the position of the project and the fact that half of the money was provided last year, we believe that this has an extremely high priority.

ASSEMBLYMAN IRWIN: Thank you, Mr. Chairman.  
I'm sorry I took so long.

SENATOR SEARS: Mr. Gimson.

ASSEMBLYMAN GIMSON: In regard to this same item, when do you anticipate this project being under contract and when will the funds be expended?

MR. GOLDBERG: Mr. Berman, I think, is closer to that.

MR. BERMAN: We're working now on finalizing the preliminary design. We would expect that the funds would be expended in about four to five months which would be the initial phase of that construction. I think if the present progress in finalizing these preliminary designs continues over the next weeks, in about five months we would expect the construction contract to be let.

ASSEMBLYMAN GIMSON: And if you let the construction contracts in about oh, five weeks, probably means sometime before July, when would you anticipate an expenditure of the \$700,000 from last year and the \$600,000 from this year, allocation or expenditure.

MR. BERMAN: The time that the first phase of this - the time that the first construction contract is let for the first phase would be the construction of the vehicular bridge, we would expend the \$700,000 which was appropriated for this year plus some of the anticipated appropriation for next year. Those funds would be committed at the time the construction contract was let.

ASSEMBLYMAN GIMSON: Now, is this the vehicular

bridge on Clinton Avenue or is this a new vehicular bridge over which traffic will be carried from where to where?

MR. BERMAN: This is a new vehicular bridge which would in effect be alongside of the existing station, carrying traffic from Fairview Avenue, I believe it is, to Walnut Avenue extension, carrying traffic alongside the new proposed station.

ASSEMBLYMAN GIMSON: Does this mean that the State is merely going to put the money up and that the building belongs to the railroad or that the state is going to have proprietary rights, or what will the situation be?

MR. BERMAN: The state will own the new railroad station.

ASSEMBLYMAN GIMSON: Will the railroad pay us for their use of this station?

MR. BERMAN: Well, to the extent that the station would be used for passenger facilities, the railroad will not pay us for the use of the station. If there were concessions that were to be put in the new station then there would be some agreement with the railroad as to the utilization of that area. The railroad, of course, would maintain the station.

ASSEMBLYMAN GIMSON: Is this setting a precedent

in this area?

MR. BERMAN: It's not actually setting a precedent. This is part of a nationwide program for the provision of new passenger stations. We have a projected station at Woodbridge and a station going in at Maryland, and in all of these stations the government is paying for the station facility. The railroads are not putting any money into capital improvements for passenger service. So that if we want new facilities, if we want to attract people to the stations, the government, both state and federal and local in some instances, is providing the funds for these stations.

MR. GOLDBERG: I would like to just amplify this in this regard. We touched on the fact that the state is paying subsidies to the Erie Lackawanna and Central Railroad, which is correct. We have a different relationship with the Pennsylvania Railroad and one which we think is highly superior, and that is that we do not pay them a subsidy. The railroads do not have --

ASSEMBLYMAN GIMSON: We buy them cars and railroad stations --

MR. GOLDBERG: Right. And, therefore, what we do is compute out what would normally be paid to the Pennsy by way of subsidy and instead of paying it over to the railroad we convert it into capital improvements which

include new cars and new stations. Now that is a substantial difference because with the Erie Lackawanna, for example, we will undoubtedly, if we want the improvements, have to pay not only the subsidy but also the capital improvement on top of the subsidy. So we believe that the department was able to work out a very good arrangement with the Pennsy. We were able to do it because the Pennsy economically is in a much better position than the other carriers and, therefore, we felt that it was fairer or more appropriate that they get a lesser degree of assistance than the other carriers. And we have a contract with the Pennsy which envisions a certain level of capital support. The Trenton Station is part of that capital support. The new car purchase which is now underway is part of that also.

ASSEMBLYMAN GIMSON: Commissioner, I guess two years ago, maybe it was last year, I don't know, the passenger car purchase program was supposedly in lieu of three years' allocation of funds to the Pennsylvania Railroad, subsidies.

Now this year we see more passenger cars in the deferred area but they are a budgetary item. And we also see, even though you don't refer to it as a subsidy, this renovation of the Trenton Railroad Station. And, evidently, there is no agreement or no proposal at the present time, which has been formalized, as to where we stand and what we might get from the Railroad after the station is completed,

as far as their office space, the part of the station that will be used for railroad operations and administration, the different concessionaire agreements as to how this will be handled moneywise so far as rent, or whatever it is, to the state.

It looks to me like we're going into a program of spending money without the usual longterm agreement and knowing what we're going to get and what we're going to spend.

MR. GOLDBERG: We do have a longterm agreement. It is specified in the contract. Copies of the contract have been made available in the past. There's a contract with the Pennsylvania Railroad which was negotiated and entered into I think back in 1965. The timetable that is in this budget is the timetable that is in that contract and, therefore, we do believe that we're proceeding appropriately. We would be more than happy to make copies of these contracts available to the Committee, if you would like to review them.

I would agree, however, that it is imperative if we want to carry out this kind of program in an orderly fashion that we do it on a longrange basis and we do it on a basis that's a little more appropriate than annual budgeting. And no one will get a quarrel from me if they want to point out the inadequacies of the annual budget

approach to a program of this type because I couldn't agree more and, I hate to say it, in the master plan we do cover this.

ASSEMBLYMAN GIMSON: Well, do we know how much we will receive in revenues from this station when we complete this million three expenditure?

MR. GOLDBERG: Revenues from what source?

ASSEMBLYMAN GIMSON: This agreement. You say we have a contractual agreement and we are going to be supplying office space, administrative space for the railroad, aren't we?

MR. GOLDBERG: No.

ASSEMBLYMAN GIMSON: They're not going to use any of this space for their --

MR. GOLDBERG: They're going to use it for ticket counters and they're going to use it for a reception room and for escalators and rest rooms, but there is not going to be an office building for the administrative staff of the Pennsylvania Railroad, except insofar as they carry it on in the ticket area. That will be in there.

Now there are some possibilities of going beyond what we call a minimum plan. However, the department has taken the position that if we're going to produce anything other than a minimum station, it will be necessary for funds

for that expanded station to be provided from sources other than the State of New Jersey.

As of this moment we have no commitments or no understandings either with the Pennsy or private developers or the Department of Housing and Urban Development that such additional funds can be provided. We believe it would be desirable to generate additional investment and if it can be generated we would like to see the station expanded. But I would like to emphasize that if the station is expanded then the expense of that expansion, in our opinion, will have to come from sources other than state appropriations.

SENATOR SEARS: Senator Guarini?

SENATOR GUARINI: Commissioner, I haven't yet seen a main station without concessions. In fact, people look for them and you have to provide some kind of comfort and service. Are there any concessions and agreements made and does the state stand to be the beneficiary or does the railroad stand to be the beneficiary?

MR. GOLDBERG: Well, the minimum station contemplates retention of part of the existing station which would continue to house some of the commercial concessions. Now this, admittedly, is not a completely desirable arrangement and, therefore, I think everybody believes in abstract that it would be much more desirable to have a bigger station

so that these commercial enterprises could be fitted into the new quarters. And we favor it. But I've said, rather flatly, that if that's going to happen the money will have to come from somebody other than state appropriations.

SENATOR GUARINI: And would the State under any circumstance get any concessions for their investment in the station or would that be considered the Railroad's propriety?

MR. GOLDBERG: Well, if those concessions are built with money other than state money, presumably the concession money will go to handle that investment.

SENATOR GUARINI: Well, isn't it difficult to deliniate between what the investment is of the state and the investment of the railroad for concessions?

MR. GOLDBERG: No, because we know pretty much what we can deliver for a million three and it isn't a great deal.

SENATOR GUARINI: When we talk about a master plan, are we talking about an integrated system of transportation which would include rail and highways, or are we putting emphasis on just highways?

MR. GOLDBERG: The master plan that the department will submit next week covers the range of needs that we see in the area of highways and particularly the commuter or rail sector. And I think we state in the report quite

frankly that this is an initial effort, that undoubtedly from time to time there will have to be revisions and modifications and additions. We are quite conscious of the fact that our recommendations in certain areas are at best very preliminary. I am not laying out any extensive program in the area of aviation nor with regard to certain kinds of bus operations. But it is an integrated transportation plan in the sense that it relates not only to highway needs but to rail needs, and extensive rail needs as we see them.

SENATOR GUARINI: So it does cover both rubber and steel. I just wondered what the general concept --

MR. GOLDBERG: Yes, sir. And the proposals we have are geared to the implementation of a program in both of these areas.

SENATOR GUARINI: All right, thank you.

SENATOR SEARS: Mr. Todd?

ASSEMBLYMAN TODD: I would like to change the subject unless anyone has a question.

SENATOR KNOWLTON: Through you, Mr. Chairman. Commissioner, I'm not quite sure of something you just said. Do you touch upon bus transportation lightly or in depth or what, in your master plan.

MR. GOLDBERG: There is very little in terms of specific programs for busses in the master plan, primarily

because this is a capital improvement plan. And when we deal with capital improvements they fall, as we see it, into two basic categories, the improvement of the highway system and the improvement of the existing rail, or largely the existing rail network.

We have a great interest in the bus situation and developing bus programs and we're aware that they're there and there will be requirements with regard to busses that go beyond any capital improvement program.

The department has, without regard to what's in this report, some programs under foot right now, or under way right now, with regard to bus transportation. I think the most critical need in terms of bus transportation is in the metropolitan area, and this is all in deference to you gentlemen from South Jersey, I mean the New York metropolitan area, - and we know, for instance, that the Port of New York Authority is pretty well committed to doubling the capacity of the bus terminal in Manhattan; we know also that one of the difficulties in servicing the existing terminal, even if it's expanded, is the lack of adequate express facilities between the vicinity of the Turnpike and the terminal point in Manhattan. And as part of the present interstate system, the department has a project known as Interstate 495 which is an improvement of the stretch of Route 3, in effect, between the Turnpike and the Lincoln

Tunnel. And in carrying out our plans for that particular improvement, we are giving emphasis to a facility which would accommodate, at least during the peak periods, express movement of busses. So that in some respects we are dealing with the physical problems of movement of busses to a considerable extent.

Quite frankly, there are other problems with the bus companies. There are problems about operating deficits, for example. And this is an area on which the department is not yet prepared to make specific recommendations; it's an area that we would suggest the Legislature move into with great care and great caution and great deliberation. And we intend to approach it in exactly the same way ourselves.

SENATOR SEARS: Mr. Schluter, do you have a question?

ASSEMBLYMAN SCHLUTER: Yes, through you, Mr. Chairman.

On the matter of the Trenton Railroad Station, does this contract have any reversion clause or what is the length of life of the contract, and presumably it does have a length of life, or are there possibilities for alteration or modification at a later time or under certain circumstances?

MR. BERNARD: The State will own the facility. There is no reversion clause in the contract. Presumably

any agreement later on will have to be the subject of further negotiations and additional agreements between the railroad and the State. We are not contemplating --

ASSEMBLYMAN SCHLUTER: Excuse me, how long does that contract go for?

MR. BERMAN: Well, the point is that as to this station, once it is built, the state will own the facility so there will be no length of term in the contract.

ASSEMBLYMAN SCHLUTER: You mean, in other words, it provides for the perpetual use of the station by the Pennsylvania Railroad facilities as long as they are in existence?

MR. BERMAN: As long as the station presumably is operative, because they have to maintain it.

ASSEMBLYMAN SCHLUTER: Through you, Mr. Chairman, may I request a copy of this contract?

SENATOR SEARS: Is it available?

MR. BERMAN: The actual details of the contract have not yet been worked out.

MR. GOLDBERG: I should clarify that. The existing contract with the Pennsylvania Railroad is available and that delineates the basic agreements between the state and the railroad, the railroad's agreement to render a certain level of passenger service and the state's agreement to provide a certain level of capital improvement.

That contract is available and you may have a copy of that contract. But if you are talking about any supplemental agreement about the train station, that document has not been totally worked out and naturally is not available.

ASSEMBLYMAN SCHLUTER: Could I make a request, Mr. Chairman, for a copy of the contract.

SENATOR SEARS: That's a service contract.

MR. GOLDBERG: It's more than service, it's capital improvement.

SENATOR SEARS: The indication seems to be that there was a contract and we want to be sure what the status is between the parties.

MR. GOLDBERG: Let me explain. There is a contract between the State of New Jersey and the Pennsylvania Railroad - correct me if I'm wrong, Bob, - which sets forth the commitment of the railroad to continue a level of passenger service for a period of time. What's the period of time?

MR. BERMAN: It runs through to 1977.

MR. GOLDBERG: All right.

SENATOR SEARS: That's the one on the passenger cars, then.

MR. GOLDBERG: No, no. That's the one that says that the State of New Jersey will carry out a certain level of capital improvement which includes passenger cars

but goes beyond and is pursuant to that over-all agreement which contemplates state furnishing of capital improvements, that we are dealing with a particular improvement and the particular improvement in this case happens to be the train station. At an earlier point in time it happened to be the furnishing of new rolling stock to the Pennsylvania Railroad. There will be other ones. There are improvements to other stations such as - I think Metuchen is one and some of the others.

So there is a basic contract which establishes the basic obligations. That does exist. When you're talking about whether there is a contract with regard to the Pennsylvania Station or an agreement with regard to how the station is going to be utilized, and so forth, that has not reached the point where that is a contract.

SENATOR SEARS: Well, then, how can you answer the question. I gathered the answer was that we will own the station in perpetuity. In what agreement is that found or is that to be in the agreement to be worked out?

MR. BERMAN: That has been the subject of negotiation and understanding in a series of agreements and meetings that we've had with the Railroad. There is no question as to that. The Railroad has agreed to that and that will be, in fact, one of the terms. Actually, we haven't signed a contract. We have draft proposals of contracts and

we fairly well know what the terms are.

SENATOR SEARS: But we have expended some money on the station under the provision agreement.

MR. BERMAN: Some preliminary engineering.

MR. GOLDBERG: A relatively small amount for the preliminary studies.

SENATOR SEARS: Any other questions on this subject?

SENATOR GUARINI: Mr. Chairman, I want to know what use it will do us, the perpetuity of the station which you make a point about, if the land doesn't belong to us and the facilities of the station are for the only purpose and only use of the Railroad. It will never do any good to the State of New Jersey. Why do you make this point that we will own this facility? That only implies an obligation further. We'd be better off if we gave it to them. What advantage does it have to the State of New Jersey.

MR. BERMAN: Well, because presumably that facility along with the cars, which we will own, and the other capital improvements which we will own, is the inducement for the railroad's contractual agreement to provide existing levels of service through 1977.

SENATOR GUARINI: Wouldn't it be a better inducement if we gave it to them, give them the money and the station and the rolling stock?

MR. BERMAN: Presumably if they defaulted they would have to go after the improvements.

SENATOR GUARINI: Well, they'll never default as long as we subsidize.

MR. BERMAN: Oh, we're not subsidizing. The moneys that we're providing to the Pennsylvania Railroad in terms of capital improvement are only a portion of the losses, the avoidable losses on passenger service by Pennsylvania Railroad.

SENATOR GUARINI: Depending upon what series of books they choose to keep.

Now you are also aware of the fact that a railroad that went into bankruptcy last year, the trustee in bankruptcy was the same man and management appointed by the court that was operating the railroad before it went into bankruptcy, aren't you?

MR. BERMAN: One of the trustees.

MR. GOLDBERG: We're aware of that. We are also aware of the fact that that was a judgment that rests in the U. S. District Court.

SENATOR GUARINI: We understand this. This is why I don't make a point that it's the fault of the Department of Transportation. But we keep giving money to the same people that did a pretty bad job in painting the living room and we say now come into the bedroom and continue on.

MR. GOLDBERG: I think we all recognize that we have an awkward situation that doesn't lend itself to the most logical abstract solution when government is injected into a situation where it has to deal with carriers which are privately owned which are carrying out services in part in which we have a statutory responsibility and other services for which we have no statutory responsibility, such as freight; where we are trying to utilize facilities or maintain services on facilities which are partially used for our purposes and partially used for other purposes. And I have no doubt at all that the present arrangement leaves something to be desired from a purely logical standpoint.

I, in defense of the arrangement, merely point out how we got into this situation and the reasons why we're doing what we're doing now.

We got into the railroad business not as a voluntary decision. We got into it, quite frankly for those of you who may not be aware of it, because the Congress of the United States in its wisdom in 1958 decided to change the rules of the game. And after determining that the railroads of this country were losing something in excess of \$700 million a year on passenger service, made a decision that the railroads no longer had to bear the brunt of that burden. And having made that decision, the

federal government passed and the problem then became one for someone other than the federal government to handle. And the question that we were confronted with in New Jersey very simply was, were we willing, as a matter of public action, to pick up the deficit cost of passenger service or were we prepared to see that service go down the drain.

Now we got that problem overnight. We got it long before we were prepared to handle it, and we moved into it with relatively little time to approach it in any kind of rational manner. And, quite frankly, we moved into it by inches. And the initial subsidies that we put into the railroads were a great deal less than the actual losses by any standard, whether fully allocated costs or avoidable costs or any other costs. And, in addition, we were confronted with a situation where in order to maintain the most important services we had painful decisions as to whether we would permit less significant services to be cut. And we went through a whole series of agonizing decisions. And we did it within the concepts where the Governor and the Legislature of this State felt that it wasn't fair to commit the public's money to the solution of this very difficult and very costly problem. And what we did was, I think, ingenious and I think commendable and I think the minimum that had to be done under the circumstances.

We decided that we would at least take the revenue from the commuter benefit tax or the Emergency Transportation Tax Act, which is a tax on the people living in New York and working in New Jersey, and use that revenue to fund this program. And it was only until recently, in fact two years ago, that we picked up any revenue from any other sources. And we picked up only the beginning of that revenue and I would submit the revenue we picked up two years ago is precisely now the revenue that's being deferred.

Now, there are a lot of things that can be criticized about this program in the abstract, and I'll tell you quite frankly I can do it as well as anybody else, but I think if we're going to criticize the program we have to do it in terms of what we're willing to do as an alternative to it. And up to now this department has seen relatively little public support for the kind of approaches which would make it possible for us to be a little more systematic. I have not seen any great outpouring of public support for outright ownership of these facilities, and I would suggest that if we attempted it immediately our immediate cost obligations would increase considerably because to a certain extent it is still possible to have the railroads carry at least a part of the cost of these services.

So I think, if we are going to stay in this business, - and I have suggested in my earlier statements

that in our opinion we must - that it is now time to approach this systematically on a long-range basis with an over-all improvement program. And we will recommend one. And I will tell you gentlemen, right here and now, it isn't cheap. And we will then have an opportunity of deciding what we want to do.

Now I will tell this Committee and the balance of the Legislature, if it is the policy judgment of the Legislature not to carry out that program we will do the best we can with what you give us. But I would suggest that it is unrealistic and unreal for anyone, whether he's a legislator or a member of the general public, to expect us to produce a better product or a better level of service than we have funds to buy. And we're buying now right about the level of service that we're paying for.

SENATOR SEARS: Do you have any indication, Commissioner, as to whether the Jersey Central will have to be in this year, come in this year for some additional money? Do you have any feel for it?

MR. GOLDBERG: Well, Senator, as you recall, last year the man who was then president of the railroad said to the legislative body that if he didn't get \$7 million the railroad would fold. And the Department of Transportation said that if we got \$2 million we would carry that railroad. And we got \$2 million and, what's more,

we didn't give it to the railroad, we lent it to them. I have trustee certificates and a 4% interest rate and the railroad is still running. And it is my judgment that the railroad will continue to run through this fiscal period. But I will tell you that the Central Railroad is not the healthiest railroad in the country, and it has real economic problems. And on some of my bad nights I'm very conscious of them. And we are in the process now of seeing whether what is admittedly an interim condition can be moved to a more stable long-range relationship. We believe that the solution to the particular problems of the Central Railroad lie in merger and we are actively pursuing discussions with railroads which we think ought to assume the responsibility for this in the hopes of bringing about that condition at the earliest possible date.

SENATOR SEARS: Senator Guarini.

SENATOR GUARINI: While you plead a very good case for the railroad, at the same time the stock does appreciate and freight profit does go up.

Now what I would like to ask is this. In the negotiations with the railroads do we ask for, beside passenger service, any quid pro quo, for instance, of the land that they own. Now we know that the railroads own a great deal of land, for instance in the meadowlands, a

good part of it is owned by the railroads. Do we just give them funds and not get back any of their assets that might be a good asset to us to use for municipal planning or to use for state and regional planning?

MR. GOLDBERG: We do not get back that kind of property in part because what they are rendering in terms of service is equivalent to what they're now getting from us.

I would point out that the rules of the game about the railroads are set by the federal government. It has something to do with the supremacy clause in the United States Constitution. For instance, we just had a merger between the N&W and the Erie Lackawanna, not a merger but the ICC ordered Erie Lackawanna into the N&W, which we think is an excellent move. And the ICC made it clear that on the freight operations the N&W was going to have certain kinds of responsibilities. But I would suggest to those members of the Committee who have an interest in this subject that they look at the terms and conditions on the passenger service.

Now what the ICC has said on the Erie Lackawanna passenger service is that the N&W when it operates the Erie Lackawanna is to continue it so long as the State of New Jersey pays for it.

Now what that means in simplest terms is that when we stop paying for it they stop running it.

Now I must admit that this isn't the way that I prefer it to be and if I had more leverage I would be delighted to use it. But I think it's a mistake for us to talk about a kind of leverage that doesn't exist. And really the question is, do we want this service. Now, if we want this service, we're going to have to pay for it. And if we want to make a policy judgment that the service isn't worthwhile, that Morris County and Essex County and Hudson County, for that matter, where these cars all go through, don't need the trains running and that these people can manage some other way, that's a point of view. I don't happen to share it. The Department doesn't recommend it. But we'll live with whatever the policy judgment of the Legislature is.

SENATOR GUARINI: My last question, Mr. Chairman. I won't belabor this any further. So that I might know, we could not make an arrangement with the Pennsylvania Railroad and say, yes, we will give you a million dollars for the station in Trenton if you will release back a certain amount of land which is valued in a given amount of money to the state or the municipality as a return for our investment.

MR. GOLDBERG: No, sir. I do not believe that we have the negotiating power to come out with that result.

SENATOR SEARS: Mr. Smith?

ASSEMBLYMAN SMITH: Through you, Mr. Chairman, just so the Commissioner doesn't look too good and he has a lot of railroads after him, isn't it true that the Central Railroad defaulted in their taxes in a substantial amount?

MR. GOLDBERG: Yes, sir.

ASSEMBLYMAN SMITH: Which is reflected in the income and which is really a loss of revenue to the State which we now have to pick up?

MR. GOLDBERG: That is correct.

ASSEMBLYMAN SMITH: Do you know how much that is?

MR. GOLDBERG: I think it's about a million two or a million three, something a little over a million one.

ASSEMBLYMAN SMITH: Through you, Mr. Chairman, that's an additional subsidy to the railroads?

MR. GOLDBERG: Well, it's a lien on the railroad. It is not something that the State at least at this moment has forgiven or relinquished. It is true, however, that in terms of their cash flow they have not had the ability to pay it. Whether it will never be paid, whether it will be a debt that is later forgiven, is something that hasn't been resolved right now. It is possible that the Department may have some recommendations with regard to that later on.

SENATOR SEARS: All right, Mr. Schluter.

ASSEMBLYMAN SCHLUTER: Just one quick question

through you, Mr. Chairman. May I respectfully request of the Commissioner that in the negotiations for a contract with the Pennsylvania Railroad and the railroad station to keep in mind the interests of the City of Trenton and the County because with their plans for a transit authority there might be something that could be worked out to the advantage of the State and to the other parties.

MR. GOLDBERG: Let me say, Assemblyman, that I agree with you fully and as a matter of fact we have made a very deliberate effort to consult particularly with the City and also with the County. We did brief the City and County officials on several occasions. We are in consultation with the City officials almost constantly and we are attempting to work out a design on the station which would lend itself to a further development of the area by the city or by private developers. So we are aware of this point and we are making a deliberate effort to do what we're going to do in a manner which is most compatible with what the city and the county may want to do later on.

SENATOR SEARS: Mr. Todd?

ASSEMBLYMAN TODD: Are we through with the railroads for a while?

ASSEMBLYMAN SEARS: Yes.

ASSEMBLYMAN TODD: May I develop a line of questioning in another direction which is upwards?

ASSEMBLYMAN SEARS: Go ahead. "Upwards," you mean we are going to spend more money?

ASSEMBLYMAN TODD: Possibly.

ASSEMBLYMAN SEARS: All right, go ahead.

ASSEMBLYMAN TODD: Commissioner, through you, Mr. Chairman, you told us several times today that you have a Master Plan on the press and we can expect it next week, that it deals primarily with rubber and steel. I would wonder if you might give us or shed a little light on what that Master Plan does about the possibility of the location of the Jet Port within the borders of the State of New Jersey and how that affects your Master Plan?

MR. GOLDBERG: You want me to shoot all my bullets at once? It does not recommend a site for another jet port in New Jersey. I thought we ought to get the suspense over quickly. I think everyone in this room is well aware that this is one of the more difficult problems that we have in the area of aviation and one that's been with us for almost ten years now. And the Department is as anxious as anyone to see a proper solution to the problem but, as everyone

knows, there has not been any agreement on site which, from a technical, physical, economic and sociological standpoint, is suitable. We have some that are physically suitable but not economically; we have got some that are economically feasible but not sociologically; we have some that are sociologically but not technically - I don't know - and as this group, I believe, knows, there is a citizen group of businessmen and industrialists who have undertaken a further study of this matter under the chairmanship of Seward Johnson of Johnson & Johnson. This is a committee which is expected to report shortly and, for the moment at least, the department is waiting for the development of additional information which may help point the way to a solution. So we don't answer it in this report.

ASSEMBLYMAN TODD: I don't mean to belabor the lack of a selected site for the port facility but I will express my firm opinion that I think it's long past the time for the previous Blue Ribbon commission to search around and justify an idea that they start out with before they begin their study, and I think perhaps it does fall in your bailiwick as the Commissioner and head of the Department of Transportation of the State of New Jersey to take a firm stand on two items: one, whether this facility is needed and, two, whether in fact it should be

within the borders of the State of New Jersey, and then possibly, three, the very unpalatable and disagreeable position of recommending a site. The only reason I push this particular area is I am going to look with interest at your Master Plan because I think from a practical aviation standpoint, this facility has a 90-10 chance of winding up somewhere within the borders of New Jersey - maybe it's 60-40, but it's something over 50-50, and I would submit that this is going to have a terrific impact on your Master Plan and I don't really see how you could draw a Master Plan without being a little bit firmer in your convictions on this item than you seem to be.

MR. GOLDBERG: Well, let me address myself to your question. First of all, I think you asked me do I believe it is needed. I have stated numerous times publicly that in my judgment it is needed and that it would be a tragedy for this area if we failed to reach an agreement on a site where this facility can be built, because I think that this area is running a terrible economic risk in turning its back on this kind of facility at this point in our history. So my position, I think, on that is clear. I have no objection to an airport going in a suitable location anywhere and that means, for that matter, in New York, but it is my opinion that the most likely place for such an airport is in

New Jersey. It is my opinion that if there were suitable sites in New York or Connecticut, the airport would be there already, and the fact that it isn't there is a very clear indication that they don't have sites.

When it comes to the question of location, there was a time when I was thinking of firm positions and I must admit that it didn't seem to serve a useful public purpose. (Laughter). And I believe that it will take a lot more than my judgment on this subject to solve it, although if you want to vest me with that much authority I'll give it a shot. I agree that we ought to move beyond the Blue Ribbon Committee stage. I think we all know that this is a tough one. We have reached an age in our development where people honestly, sincerely, and maybe properly, are considering paying the penalty of not moving forward rather than paying the penalty for living with that kind of problem. And this is a judgment in a democratic society that people have a right to make. The people in this kind of country have a right to be wrong if enough of them are insistent on that course of action, and maybe, in the final analysis, they will end up right even though some of us could quarrel with their judgment initially.

Obviously, if there is going to be a quick solution to the Jetport situation in New Jersey, it lies in the Pines. It lies in the Pines simply because this is an area which is

most acceptable from a human standpoint. And at this point I think the human factor is extremely important, but I don't think you are going to get a solution of the jetport question in the Pines simply because it is acceptable from a human standpoint. It's going to have to work from an economic standpoint as well, or the people of this State are going to have to decide as a matter of policy that they are willing to put a heavy level of subsidy into an area which otherwise economically won't sustain itself. Now, in my opinion, the people of New Jersey are not close to making that kind of decision and, therefore, the real hope in the Pines is coming up with some kind of approach that will get over the economic and the technical air space problems that have plagued a solution in that area up to now.

In that sense, I am greatly interested in what the Johnson Committee will come out with, because they are presumably looking very carefully at the economic side, and I don't think that there has been adequate study of the economic problems with regard to a pine land solution.

I wish there were a way I could do more to resolve this problem than I can. I will tell you that statutorily I have almost no authority in this area. All I have is a lot of temerity. I have a Division of Aviation which consists of a handful of people and a budget of \$100,000 and no legislative authority. So when you say that I've got

the responsibility, I feel it but I don't see it, either economically or statutorily. The Department has recommended that consideration be given. I think this Legislature has indicated some interest in the development of an authority which can try and move this problem from the purely academic stage to a consideration of the real problems that have to be overcome if we are going to do anything in this area. In my opinion, it's an authority that ought to be located within the Department of Transportation, because if that facility is going to work, what we do with regard to rails, what we do with regard to the highways, is vital. I would agree that not being certain about a jetport site at this point of time does make it difficult to make some decisions with regard to what highway and rail decisions should be, and that's true. But I'm confronted with this kind of problem: I can wait until the Department knows everything, in which case nobody in his lifetime will ever see the report, or I can decide to go on the basis of the best information that's available at a given point in time. Now, I've made the second judgment and I believe it's the only one that as a matter of responsibility I can make. But this doesn't mean that, having made that judgment and made this list of names and this list of priorities, that future events won't require them to be re-shaped. We are suggesting a long-range program and we are suggesting a method of financing a long-range program and we are suggesting a means

of flexibility, whereby if in the fifth year of the program it becomes obvious that road improvements, for instance, which we say are now second priority, ought to become first priority, that kind of adjustment could be made. I believe that the over-all road network and I believe that the basic rail configuration that we are talking about could accommodate a series of alternative locations, and what would be required is not a shifting of the network so much as a shifting of priorities and I think the plan would lend itself to that.

ASSEMBLYMAN TODD: Mr. Chairman, I would like to pursue this line of questioning in a somewhat slightly different direction, if I may, although on the same subject. First let me say that perhaps the legislature should give you the authority to augment your temerity and we might have this situation resolved.

MR. GOLDBERG: I'm not really suggesting that. I withdraw the offer.

ASSEMBLYMAN TODD: I believe that I requested, Mr. Chairman, that the Chief of the Division of Aeronautics be available to this Committee -

MR. GOLDBERG: He is here. Frank, would you come up here, Gentlemen, Colonel Girard is Director of the Division of Aeronautics in the Department of Transportation.

F R A N K G I R A R D came forward and took the witness stand.

ASSEMBLYMAN TODD: Through you, Mr. Chairman - Colonel, as you know, I have certain malice aforethought in any questioning in this area. I would like to ask you point-blank in the interest of economy that we are faced with in this budget, about some of the fiscal problems that we have. You are only a \$175,000 item. I notice that you requested \$390,000 and \$174,000 was approved. I wonder if you could tell us how many of those items were program items, total-container items, so to speak; in fact, the \$174,000 to maintain the skeleton staff that you have, in view of the problems and workload that you have, is somewhat unrealistic and perhaps should be put on "an all or nothing basis."

COLONEL GIRARD: Well, Mr. Assemblyman, it is a very direct question. Our capabilities, as the Commissioner has pointed out, are directly related to our budget, because when we get into the main problems in aviation in the State of New Jersey, it relates to the comparable problems the railroads have and, unless we do something for aviation in New Jersey we are just going to go backward in the economic situation.

ASSEMBLYMAN TODD: Are you implying by that, Colonel, that there is in fact some economic benefits to the State through the existence of aviation?

COLONEL GIRARD: Yes, sir. It is a definite economic factor to the continuance of our industrial growth. At the present time we have approximately 2,200 aircraft based in the State of New Jersey and they are concentrated primarily in the northeastern part of the State of New Jersey and we are in danger of losing most of our airports open to the public in that area. And if we do, many of the factories that were based in those areas, particularly in the Morristown, Hanover, Lincoln Park, Totowa and Wayne area will not be able to have the corporate service that they have been used to.

ASSEMBLYMAN TODD: Through you, Mr. Chairman - Colonel, other states have recently undertaken terrific programs to augment already existing ones, both in Ohio and Vermont, in the form of facilities and aid to navigational facilities, lighting, instrument approach facilities, state-operated beacons, etc., the constructing of airports and the use of abandoned highways, even if their effort is so small as to publish an aviation chart - I meant to ask Commissioner Roe, since he publishes so much else, maybe he ought to do that too - there is a singular lack of any promotion or any atmosphere of progress in New Jersey - what do you attribute this to?

COLONEL GIRARD: Money - lack of money. For example, Mr. Assemblyman, the State of Massachusetts, which

is comparable to the State of New Jersey in relation to size, has an annual program where they expend approximately five hundred thousand dollars a year in support of their publicly-owned airports. They have 26 publicly-owned airports and the State of Massachusetts picks up 40 per cent of the sponsor's share of this total airport program; in other words, the federal government will pay 50 per cent for the development of the airport, the State of Massachusetts 40 per cent, and the local sponsor - the county or municipality - will pay the other 10 per cent. In New Jersey the local sponsor must pay the 50 per cent, and this is the reason we cannot get many of the counties or municipalities to take an interest in sponsoring the development of much-needed airports.

ASSEMBLYMAN TODD: Through you, Mr. Chairman, is it not a fact, Frank, that there is a tremendous amount of revenue available from aviation sources that could permit your department to increase your budget without increasing any appropriation, in the form of user charges, so to speak - and God help me for applying the term; I'll be tarred and feathered tomorrow - but is it not true that aviation programs in other states are to a large degree self-sufficient?

COLONEL GIRARD: Yes, out of the 21 states that have programs, 19 of the states have a fuel tax of some sort, and only 2 have programs without a fuel tax or some type of thing. Massachusetts is one and I just can't recall

the other at the present time, but 21 states have a fuel tax and they direct this fuel tax strictly to the advancement of aviation. Ohio is the other one.

ASSEMBLYMAN TODD: Through you, Mr. Chairman, are any of the fees collected by the State of New Jersey for operating licenses or aircraft registration or for penalties involved in not registering aircraft or various areas that you have for generating revenues - does any of this come to you or does it run into the general treasury?

COLONEL GIRARD: No, sir, it all goes into the general treasury. Last year we collected approximately \$74,000 for aircraft registration. Of course, we returned half of that sum to the local tax of the municipality, and this year we are collecting approximately \$4,000 in fines for lack of registration and will collect about \$2,000 for other airport license fees and, of course, the unclaimed fuel tax - the person who buys a gallon of gasoline for an aircraft pays the six cents State fuel tax and he is entitled to a refund of that tax that he has paid. However, most of them except the corporations do not apply for this refund, so there is a good sum of money remaining in the general treasury from a direct aviation source.

ASSEMBLYMAN TODD: Through you, Mr. Chairman, one final question: Do either the Commissioner or Colonel Girard - all three of us were present last week at Rutgers,

at Mr. Bright's interim report on Project EAGLE - do either of you gentlemen feel that the use of low-level air space and stall type equipment is going to be meaningful in relieving any of the passenger congestion and the peak-hour situation and problems that we have now in the State?

MR. GOLDBERG: We believe that this possibility offers enough attractiveness to be worth exploring carefully. I think it's a little too soon to state with absolute conviction that it will or it won't accomplish certain things, but I was impressed with the presentation that was put out by the Eagleton Institute. Of course, Colonel Girard on behalf of the department worked very closely with Cooper Bright and the others in carrying out this first phase of the experiment and the department would hope to continue to operate with regard to this project. I suspect that low-level aviation as with every other mode of transportation will not lead to replacement of any other mode, but I suspect very strongly that it has its proper place in forming a certain part of the transportation movement in a state like New Jersey and that, if we don't develop this kind of potential, what we may do is either not have that degree of capacity available to us that it could provide or we will tend to overload and maybe overspend money in

other areas which could be better applied to this form of movement. Just as I don't think that trains are going to put the cars out of business, I don't think the planes are going to put the cars or even the trains out of business necessarily, but I do believe that a certain percentage of the movement for certain kinds of people can be accommodated this way and it's a meaningful enough percentage to be worth pursuing.

ASSEMBLYMAN TODD: One final question of Colonel Girard. It goes back to one of the original questions that I asked in the beginning. In your three or four hundred thousand dollar requested budget and your \$174,000 recommended budget, do you feel you can do an adequate job for \$174,000?

COLONEL GIRARD: No, sir.

ASSEMBLYMAN TODD: What programs will you specifically eliminate because of the cut?

COLONEL GIRARD: Well, by being limited to \$175,000, we cannot even begin to start to encourage the municipalities or the counties to continue to develop airports or begin thinking about it. Unless we can start to offer the counties or the sponsoring agency some possibility of state aid in the future, they are not going to go into the airport business, because it's not as

financially sound situation today if you don't have state aid in addition to the federal aid. You take an airport such as you run, it's one of the best airports in the State, yet I'm sure it could be a lot better airport if you had some type of state aid and I'm sure your municipality would be interested in taking over that airport if state aid was also available to maintain and expand the airport. This is the situation we are running into. We have it in Mercer County and Morris County; they have good airports but they can't be expanded as rapidly as they should be to relieve the awful congestion we have in the New York area now. One of our greatest problems in New York and New Jersey and in all the metropolitan areas of the country is to develop reliever airports for the primary scheduled commercial airlines. Unless we can induce the general aviation aircraft to go to other airports than the primary airports, we are going to run into delays which will hence divert traffic away from the New York area. At the present time the Civil Aeronautics Board is conducting a study to authorize many aircraft that now land at Newark, LaGuardia or Kennedy, to land at Boston, Westchester, Reading and other areas and this is just going to divert a considerable amount of money from this area. Every air passenger that lands in the New York area spends approximately \$42 in the area, and we are going to miss out on those economic factors. In addition, if we don't have decent reliever airports, the delay for the average commercial aircraft in 1970 will be two hours.

Of course, it's a theoretical delay and I don't think people would accept the two hours, but we just won't have the capacity to service these people unless we can not only take the general aviation aircraft out but improve the facilities of the general aviation aircraft and have a reliable schedule, and the only way we can do this is by providing instrument landing systems and lighting systems so that these people can operate on a regular scheduled basis the same as the airlines. And many of our corporations are very heavily involved in the use of corporate aircraft and they must have as reliable a schedule as the scheduled commercial airliner and they cannot do it unless we have first-class facilities.

MR. GOLDBERG: Let me interject at this point, the problem that is going to develop in aviation is a problem that we are well aware of in the area of highways and to a certain extent the area of railroads, and in terms of an orderly approach to it, we believe that what's going to be needed is a means to carry out some kind of a long-range plan. I agree with Colonel Girard that he can't do everything or we can't do everything that we ought to do with the kind of money that's in this budget. I would also suspect that if the legislature, from some unknown source were able to give us a substantial amount of money over and above what we are asking for here, we could probably utilize it very effectively in the first year. What's going to be needed is some indication

of where the State wants to go with regard to this kind of problem. Now if we want to go into a program of capital improvements, if we want to go into a program of really expanded inspections, if we want to go into a program of state aid, it's going to require the Department to develop a certain kind of capability. I'll tell you quite frankly that one of the toughest things in carrying out sophisticated programs, and all of our programs are sophisticated, is the recruitment and the training of adequate personnel, and one of our prime problems is that even when we are successful finally in getting some of the money to hire the kind of people that we want, it takes a while to find the body, you know, to fit with the budgeted position, and these kinds of things don't happen overnight. Some of our problems of transportation are directly attributable to the fact that manpower just doesn't exist. I spent a great deal of time and the whole department spent a great deal of time trying to find people who have the talents to carry out the kind of programs that we are responsible for. They are tough to lay your hands on and when you offer them the kind of price that we've got, they're even tougher. But we manage. We started, for instance, last January with a public transportation operation of, what was it?—two, you and Herb Thomas. That's what I had last January in the railroads, and we moved from two<sup>to</sup> where we have a small sized staff which is still inadequate but at least it's a lot better, and I would

hope over a period of time that we could improve on it. But I think it would be unfair to this Committee if we were to say that the only problems with these kinds of programs is immediate money, although I'll tell you I don't want to degrade its importance. But more important than that, really, is some policy agreement as to where we want to go and some understanding as to how we are going to finance it and how we're going to program it, because otherwise, even if you're putting the money in there, as a matter of fact it's going to be relatively inefficient in terms of expenditure, because if you don't know from year to year what you're going to have available to carry out a program, you are really not going to be able to get the maximum benefit out of it. And I'll tell you, if anything proves it it's the highway program. We don't get full value for our dollar, not because I believe the Department is basically inefficient - I'll tell you it's not; not because I think we're in a position to greatly improve what the present arrangement is, because I don't think that we can greatly improve it - you can always improve to some extent - but because we are dealing with an approach to a long-range problem on an annual basis and it doesn't make sense.

Unfortunately, of all the things I said the Master Plan will cover, the area it won't cover to any good extent really is aviation, and the reason very simply is that you

have to make judgments of priority and we put our priorities where we thought the urgency was and it was in highways and it was in rail, and our attention now is going to start to shift in the aviation area and I would hope that within a reasonably sort period of time we can make suggestions that the legislature can consider in that area. But all the suggestions have got to come down in a final analysis to our belief that if you want to carry out major programs, capital programs, expensive programs, we've got to get off this annual appropriation basis if you really expect us to do the most efficient kind of job. Now, if you don't want us to do it that way, we'll do it the best we can, or at least what we feel is the best we can. but I think you are entitled to our judgment. You are entitled to know what we believe is the best way to handle problems which are too complex to cover in a single day before an Appropriation Committee, because no matter how long you guys look at this budget, no matter how hard you study it, you and I both know that you can't really get into it. I've lived with this budget for a year and I don't know what's in it to the fullest possible extent. And knowing that you operate under this handicap, you have a very strong feeling that we've got an obligation to try to explain to you at least what some of the over-all problems are and some of our ideas as to how it could be done better.

Now, of course, after we've done that, it then remains for others to decide whether we've done it well or whether it leaves something to be desired. But at least we have the responsibility in a move, that first step, so that you can at least react to what we are suggesting.

SENATOR SEARS: Senator Coffee?

SENATOR COFFEE: First of all, I think it's pretty obvious that two new members of the legislature, one on one side of the aisle and one on the other and each of us in a different house, are both of us very much interested in aviation. Assemblyman Todd, of course, has been operating a private airfield or airport and I've been active a lot of years in a public airport owned and operated by the county government. It goes without saying that aviation in New Jersey, practically for all time and presently, I think, is considered the stepchild of the State and much more must be done. I was hopeful and I still am hopeful that when the Department of Transportation was formed and the Division of Aeronautics was moved from Conservation and Development into Transportation that this would at least be the beginning of bigger and better things for aviation in New Jersey. I'm sure it will be and I know that it can be. I think it needs some help from the Department of Transportation and is going to need some guidance and eventually some money from the legislature,

and I feel quite certain that the executive branch of the State Government will be on the same team with all of us.

I have four or five questions I would like to ask and I think Colonel Girard is the person best qualified to answer them. Will you tell me a little bit more about the fuel tax, Frank. I want to know, for example, is it a 6¢ State tax; is this on kerosene, jet fuel and all octanes, or -

COLONEL GIRARD: No, sir, strictly on aviation gas.

SENATOR COFFEE: Can you give us some idea how much money is collected in New Jersey? Where does it go? And how much of it is reclaimed by corporations?

COLONEL GIRARD: The last figures I have, Senator, are - in 1966 there were approximately 27 million gallons of general aviation fuel sold. Of that amount, 15.9 million were reclaimed, so approximately 12 million gallons there was no refund claimed on that, so it is 12 million times six cents, which is approximately \$720,000.

SENATOR COFFEE: On what basis are some of these moneys returned?

COLONEL GIRARD: By statute all motor fuels, as defined in the statute, purchased for the use in aircraft or for agricultural purposes are exempt from the

fuel tax. However, as a matter of accounting, they pay the tax initially and then they are entitled to a refund on that fuel.

SENATOR COFFEE: And the \$720,000 collected, that remains in the State Treasury as what, general revenue?

COLONEL GIRARD: Yes, sir.

SENATOR COFFEE: Are we thinking - I think Mr. Goldberg should really listen to this question - are we thinking in terms of developing an over-all master plan for aviation in the State of New Jersey much along the same lines as the Master Plan which will be released next week, and I ask this because I definitely think there should be a comprehensive master plan for general aviation, private airports, county airports, and going into the major jet-port which we all hope some day will be built in New Jersey.

MR. GOLDBERG: Without seeming to duck the question, we are at a point with that plan where there are still some open policy questions. In general terms, I would hope that it is comprehensive enough to lay out a range of proposals to deal with the present problem. But the fact that it isn't in the present Master Plan is an indication that in our minds we are not really ready in a public discussion to say exactly what it will do. What I say and what the Department says of highways and rails, we believe we have documented and we think it makes sense and we are

willing to stand behind. Until we are in a comparable position with a set of recommendations for aviation, I don't really want to commit to one approach or another because it is conceivable that certain things we are thinking about now, when we think about it a little more and talk to some more people, just may not turn out to be as good as they may look at the moment and I would just rather not get into it. We're not ready.

SENATOR COFFEE: When will we be ready?

MR. BERMAN: Part of the requested appropriation in this budget was for planning funds and we are moving to the extent that we have funds available to implement like the Tri-state's general aviation report to cover the entire State of New Jersey with the same kind of thing. It really depends upon the availability of implementing planning funds because planning obviously is the first stage, and then when we finish that stage we can come up with a series of implementing recommendations. I would hope that we would be ready in a year.

SENATOR COFFEE: Is there any time schedule or has a date been made public when the Seward Johnson Committee which is studying the problems of the jetport will release their final recommendations?

MR. GOLDBERG: Well, that committee originally indicated that it would be available March 1st and they

have since indicated that it will be delayed, or it has been delayed beyond that. The last I recall is maybe early April. Frank, do you recall anything better than that?

COLONEL GIRARD: That was the last we had, early April.

SENATOR COFFEE: One last question, Mr. Chairman. I want to refer to the Governor's Blue Ribbon Commission that is studying capital construction needs in the State in all areas. Are they giving any thought so far as you know to moneys to be used in aviation areas, including the proposed jetport in New Jersey?

MR. GOLDBERG: I don't know what the Committee will cover. I do know that we have discussed what we are doing with the Committee. We have made available to them a great deal of material that we have and we will make available to them the Master Plan that we are going to release and in fact I am scheduled to testify before the Subcommittee on Transportation of this committee on, I think, March 25th, and at a later date before the full committee. I suspect that to a certain extent their consideration of this subject will be affected by what we put before them and in that regard, in terms of anything this year, in terms of major capital for aviation, at least for the moment the department is not prepared to make

that kind of recommendation this year.

I say that not in terms that I don't think the problem is here and that it wouldn't be desirable to do something, but I think if the State is going to talk in terms of substantial financial support in a new area, and we have no financial support in this area now, that the people and the legislature are entitled to some documentation as to what ought to be done, the reasons why it ought to be done, and the benefits that will flow from it. And I suppose we have this responsibility of doing it but we haven't got that material to the point where I'm satisfied with it and I'm not prepared to try and convince a committee like that that they ought to move ahead of us.

Now if other people are better prepared than we and can convince the committee that there are certain things that ought to be done right now, then that is a possibility. I will say that the Master Plan doesn't deal in great detail with aviation. It does touch on it and we do make some suggestions about modest level of funds over a period of years being available for implementing programs in this area. We do get into the area, we do make some suggestions. I don't want to oversell them; I don't want to create the impression that we are going to come out with something in a lot more detail than we are going to. It isn't going to be that kind of program,

at least as of now.

SENATOR SEARS: All right, gentlemen, anything else?

ASSEMBLYMAN GIMSON: There is just one thing I don't buy. I don't own an airport but I would like to know whether or not the Division of Aeronautics is carrying out its mission here so far as looking out for the interests of the citizens of the State and the safety and the investigatorial powers that they have and the administrative powers that they have. Are you doing your job as far as the act calls for?

COLONEL GIRARD: It's physically impossible to do the job as the act calls for. We are actually working crisis by crisis in many areas. When we get involved in a situation such as Red Bank Airport where they have a few accidents and where there is great public reaction and emotion, understandably, in regard to that we spend many hours on a project like this. We just don't have enough inspectors and enough people to treat every subject in the way I interpret the words of the statute. We just need more people to do what we are required to do.

ASSEMBLYMAN GIMSON: Well, from what I understood your Commissioner to say, if we had the money available you probably couldn't spend it.

MR. GOLDBERG: Now let me amplify what seems to

be an ambiguity. I said that if we were to get large sums of money, a million dollars or something like that, in this area, it is unlikely that within the single fiscal period we could arrange to dispose of that large additional unexpected fund. I didn't mean to imply that what the department requested it did not believe it could utilize, although I will tell you this, that in shaping the request we kept in mind our ability to recruit our present level of expenditures. Our experience last year, where we asked for four hundred thousand dollars and the Governor cut it and the Legislature cut it even further - and I don't think the \$175,000 represents the maximum that we could effectively use, it represented a judgment on the part of the department as to what was a reasonable request and we believe that the appropriation that is before you is a minimum appropriation and we believe that we can handle it effectively or we wouldn't have asked for it. We did request \$400,000 this year which was a cut from last year of four hundred and seventy-four. We did scale it down. Remember that. We believe we could have handled what we requested but we recognize that there are budget problems.

ASSEMBLYMAN GIMSON: Through you, Mr. Chairman, I wonder if possibly, since it seems to be kind of a small operation, your Division of Aeronautics, and a kind of closely developed type of thing here, and your minimal

amount of employees, if possibly during the period available to us this Department could come back with an estimate of exactly what they need to operate their mission, not the frills or ribbons but at least what they need to operate what the legislature and the Governor feel that their mission is and in looking out for the interests of the people of the State of New Jersey.

MR. GOLDBERG: Mr. Chairman, we can do that. It will be primarily in the operational areas rather than the capital. It will reflect substantially the request that we originally submitted except this - with the caveat that it be re-examined to make sure that there are not items in there that can be deferred or foregone under difficult financial circumstances, if that is the wish of the committee.

ASSEMBLYMAN GIMSON: Well, what I am wondering is actually, if we've got a department that is charged with doing a job and isn't doing it, in what areas specifically isn't this being done? In other words, is it in this area of other professionals where the big cut seems to have been; is this the area where you can't do your job in now?

MR. GOLDBERG: The area is basically the regulatory area. There are statutory responsibilities in the department to regulate, inspect, and generally supervise aviation activities and in order to carry that

out, it requires a certain level of manpower. Quite frankly, as Colonel Girard indicates, with the amount of manpower we have, we have to cut those things below a level that we like. Now once you get beyond the statutory, regulatory responsibilities of the department, you really get into entirely different areas, because beyond that area the department does not have existing statutory responsibilities and you get into the question as to - do you want to expand the mission of the department and this is a question of different magnitude. It's a question really that requires legislative direction as to what the legislature thinks this department ought to do. We don't have the responsibility to operate airports; we don't have the responsibility to provide state aid to airports; we don't have the responsibility beyond really planning for the growing aviation needs of the State of New Jersey. In terms of implementing them or operating them right now, the statute doesn't give that to the department, so the deficiency we are concerned about, which this budget will help, because I think it ought to be clear that this budget does provide for additional help in areas where we are the most concerned, is the regulatory area. If you would like supplementary material in regard to that, we will provide it.

ASSEMBLYMAN GIMSON: We are looking at an organization here that is looking out for an industry in our

State that provides income to the State and we seem to be treating them like a poor cousin, compared to the railroads where it's questionable as to whether we get very much, if anything, other than commuter services, which we pay for.

MR. GOLDBERG: I think Assistant Commissioner Berman wanted to supplement my remarks.

MR. BERMAN: Just to this extent, that we have now about the same number of employees in the Division of Aeronautics as we have on the public transportation side, so if you're talking about operating employees, they are approximately equal.

ASSEMBLYMAN GIMSON: I can understand that when you're losing money but aviation isn't yet, I don't think, to that degree. It doesn't take as much money to put out subsidies to the railroads, who have probably created a lot of their own problems through the years, but here we're looking at an industry that is coming, that has not gone by but it's on its way up. Maybe we ought to be growing along with it and planning for its growth.

ASSEMBLYMAN SEARS: Well, I think it would be well if you did supply us, Mr. Goldberg, with that information. There seems to be a desire for it by the committee.

MR. GOLDBERG: We will go through this matter again and provide you with supplementary material.

ASSEMBLYMAN SEARS: Gentlemen, if there is nothing else, we will stand adjourned until next Thursday morning at ten o'clock.

ASSEMBLYMAN GIMSON: Mr. Chairman, I don't think we got everything we wanted out of Commissioner Goldberg. Do you suppose we might reserve -

ASSEMBLYMAN SEARS: We may want you again.

ASSEMBLYMAN IRWIN: I would like to suggest, Mr. Chairman, that perhaps we should reserve the right to call Mr. Goldberg again, after the Master Plan.

ASSEMBLYMAN SEARS: Well, that will be next week. With that in mind, thank you.

MR. GOLDBERG: Senator, I would like to talk to you about some of my scheduling difficulties and I certainly would be available to return to the committee if the committee so chooses and I would be more than willing to discuss in whatever detail the committee might like the Master Plan once it's a public document.

ASSEMBLYMAN SEARS: We expect to be around for a while.

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