

PUBLIC HEARING

before

SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE

on

SENATE BILL NO. 2144
"Transit Authority and Toll Road Consolidation Law"

Held:
May 2, 1973
Assembly Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Richard R. Stout (Chairman)
Senator Garrett W. Hagedorn

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SENATOR RICHARD R. STOUT (Chairman): We will call the hearing to order. This is a hearing held by the Senate Committee on Transportation and Communications on Senate bill 2144, the principal sponsor being Senator Hagedorn of Bergen County. The purpose of the bill is to establish a New Jersey transit authority and toll road consolidation law. The sponsor is here and we are going to ask him to state the purpose of the bill for the purpose of the record and I will call now on Senator Garrett Hagedorn of Bergen County.

Incidentally, the other three members of the Committee have all indicated their desire and intention to be here this morning. Two of them are gubernatorial candidates and I am sure they are not going to get here if I know anything about candidates in May. The third one I understand is on his way, that is Senator Hollenbeck.

Senator Hagedorn?

S E N A T O R G A R R E T T H A G E D O R N: Good morning. I might explain our tardiness too. We were tied up on the Turnpike and Route #1 with respect to the manhunt that is going on due to the unfortunate tragedy that has taken place on the Turnpike, where a Trooper was shot.

I am pleased to testify here today before the Senate Transportation and Communications Committee dealing with Senate bill 2144, which I have sponsored.

I am sure that all of you here today know my deep and sincere dedication to mass transportation. Bergen County, the area which I represent, is as interested in providing safe, efficient and reliable modern mass transportation facilities as is the rest of the State.

The New Jersey Transit Authority was recommended by Governor William T. Cahill in his Third Annual Message to the Legislature. This proposal is an innovative one

which would utilize the knowledge, leadership and expertise of the New Jersey Turnpike Authority, the Parkway Authority and the Expressway Authority which have proven so effective in the past.

This proposed legislation will provide an important vehicle for the development and improvement of rail, bus and marine mass transit facilities in the State of New Jersey. By bringing the New Jersey Turnpike Authority, the Parkway Authority and the Expressway Authority under one legal structure the opportunity exists for achieving innovative mass transit improvements throughout the State of New Jersey and assisting in the implementation of the State Department of Transportation's Master Plan. The Department of Transportation, through membership of the Commissioner on the various toll road authorities and the parent transit authority, will be able to coordinate a balanced transportation plan and work towards a harmonious network of transportation facilities.

The membership of the Transit Authority would consist of the members of the subsidiary toll road authorities, with the membership of each existing authority serving as a special committee to handle the daily operations of the various road authorities. The actions of the transit agency would be subject to the veto power of the Governor to insure complete accountability and the members of the authority would be appointed by the Governor with the advice and consent of the Senate.

Each of the existing toll road authorities retains its separate identity and corporate existence, but as a subsidiary of the New Jersey Transit Authority. Each would exercise its powers and duties under the statutes which created them and subject to those laws. The Transit Authority law and amendments to the

Toll Authority law would expressly provide that present bond obligations are protected. All toll road improvements under construction would be completed and new projects would be decided by the consolidated membership. I am greatly impressed by the fact that the legislation expressly provides that there is to be no interference with the operation, maintenance, reconstruction and repairs of these present toll facilities.

The Transit Authority is empowered by Senate 2144 to determine and undertake mass transit projects where needed, with particular reliance on the Department of Transportation's Master Plan. Primarily this authority is envisioned as a financing and contracting authority with broad powers common to all State authorities to insure maximum flexibility and allow borrowing at lowest possible costs. The authority could enter into contracts with others to operate mass transit facilities and would be eligible for Federal and State aid for its mass transit projects and services. Obviously there are practical and financial limitations on what the authority could undertake. However, I would hope that once the legislation was adopted the authority would embark on the necessary long-range studies and plans so that one or two significant projects could be immediately undertaken.

The authority could collect fares and fees and issue bonds to be repaid from those revenues to finance those new projects after it determined which projects would and could be built and how much money was needed. The authority could receive "excess revenues" over and above the amounts needed by the respective toll road authorities for their operating expenses, maintenance and repair costs, debt service, reserve requirements and all other financial obligations. The bonds of the authority would be backed by a "moral pledge" of the State which could be used at the option of the authority to improve its

credit rating and produce lower borrowing costs. This provision is found in Section 18c of the bill and is similar to that found in such legislation as that creating the South Jersey Port Corporation. Basically, although the bonds of the authority are not debts or legally binding upon the State, the State would make a promise, although admittedly not legally enforceable, to make up any deficiencies in the debt service if any occurred. The legislation, however, also provides that the fares and charges of the authority are to be established so that, together with any excess revenues, the mass transit facilities will be self-supporting in its operations.

There is also a provision that if the transit authority has any excess revenues of its own that they can be turned back to the various toll road authorities. The principal thought in this scheme of legislation is that monies raised from the transit authority or its subsidiaries are to be used for transportation purposes, rather than for purposes which may only have a remote connection with transportation.

I recognize that this legislation is a bold step. I also recognize that there may be those who feel that money should not be spent for mass transportation. In my opinion, this is vital legislation which is necessary for the economic viability of this State. Modern mass transit facilities will have the salutary effects of making public transportation available to a great number of our citizens, reducing road congestion and reducing the use of the automobile which contributes so heavily now to our air pollution problems.

One final thing, in reviewing the bill some minor technical corrections were found warranted. In addition, some amendments were deemed desirable to emphasize the requirement that all plans of the mass transit authority should be consistent with the Department of Transportation's Master Plan. Amendments are submitted herewith which would accomplish this. In addition, certain other

amendments clarify what was intended from the beginning, that this proposed authority is dealing with the problem of transportation of large numbers of people, and not getting involved in commercial ventures which are outside the mass transit system. Thank you.

SENATOR STOUT: Thank you, Senator.

I will now call the Commissioner of the Department of Transportation of New Jersey, the Honorable John Kohl.

C O M M I S S I O N E R J O H N K O H L: Mr. Chairman, I am pleased to be here today to present my views, as the Commissioner of Transportation, on Senate bill #2144, which provides for the creation of the New Jersey Transit Authority.

As members of this Committee are well aware, transit development has been hampered by the lack of assured, continuing sources of capital funds for the financing of needed improvements and expansion. It is now well established that governmental provision of such capital is essential, particularly at the State level.

Yet, in New Jersey, only two sources of such transit capital funds presently are available to the State - annual appropriations by the Legislature and periodic bond issues which require Statewide voter approval. Both have been manifestly inadequate to meet the growing demand for transit expansion.

Sporadically over the years proposals for supplementing public transportation funding have sought to utilize the resources of the State's remarkably successful toll road agencies. The proposal you are now considering is the first to promise a workable and effective mechanism - the New Jersey Transit Authority - for mobilizing the talents and funding abilities of the toll agencies to help the State solve its most pressing transportation problems.

This new authority, if brought into being by enactment of S-2144, will also be a useful instrument in strengthening the unified direction of New Jersey's transportation programs already lodged, in theory at least, in the Department of Transportation.

Senate Bill No. 2144 calls for the consolidation of the three toll road authorities under the umbrella of the New Jersey Transit Authority. The 16 members of the Board of Commissioners of the NJTA will also constitute the governing bodies of the three highway authorities which will continue to exist. The initial membership of the Transit Authority will be made up of the Commissioner of Transportation, serving ex officio, and five members presently serving on each of the the toll road authorities. The members will be first appointed for staggered terms of 1 to 4 years, and thereafter the members will be appointed by the Governor for 4-year terms with the advice and consent of the Senate. Thus, a continuity and stability of direction is maintained.

This bill necessarily grants broad powers to the NJTA so that it can fulfill its purpose of providing superior transit service in this State. It does not limit the role of the Authority to any particular mode of transportation. As planning may dictate, it may utilize any or all of the different modes -- rail, road, or water -- in carrying out its corporate purposes; it may purchase or lease existing facilities or build new ones; it may refurbish existing service or create wholly new service; and it may operate this service itself or contract with a carrier to provide the required service. Additionally, the Authority will be eligible to receive Federal aid for its projects.

The Transit Authority, pursuant to this legislation, will be required to participate in the formulation of the Department of Transportation's master plan and before implementing any project the Authority must determine that the service or facilities to be provided are consistent with the master plan. To further insure public accountability actions of the Transit Authority will be subject to Gubernatorial veto.

The Authority will be empowered to issue revenue bonds in order to acquire the necessary capital to finance public transportation projects. To the same end, the Transit Authority will be authorized to receive and the toll road authorities authorized to pay over revenues in excess of their operating expenses, maintenance and repair costs, financial obligations, including debt service and reserve requirements and all other payments due under the terms of bond or notes.

The excess revenues received by the NJTA may provide a basis for the issuance of bonds. These excess revenues could generate bonding capacity of roughly 10 to 15 times the amount of excess revenues.

New Jersey is the most urbanized, industrialized and densely populated State in the Nation. In order to insure orderly growth and maintenance of a livable environment in the decades ahead it is imperative that we achieve a balanced transportation program. This Authority will help to strike the balance which has previously been weighted heavily in favor of highway construction. This is not to say that we should not continue to improve our highway system in New Jersey, but is merely to recognize that highways alone can not accommodate the transportation needs of our State. For example, it has been estimated that if the number of people using the rails today to

travel to Newark and New York on an average weekday were to take their automobiles it would take the equivalent of 40 additional lanes of superhighway to handle the traffic and an investment of an amount in the order of \$400 million, almost four times the total State commuter subsidy from 1960 to date.

We must also recognize that many of our citizens do not drive - our senior citizens, our children, our sick, our handicapped and many of our poor who cannot afford an automobile.

We must provide the public with an alternative to the automobile now. We cannot afford to wait until our two-car families become three and four-car families. Air pollution problems increase each day so that the use of mass transit facilities will not only relieve congestion but provide a means for lowering automobile air pollution levels.

I believe the public will utilize well-planned public transportation if modern and efficient facilities are combined with convenient service. The Agency can help New Jersey to modernize its transportation approaches and provide quality service.

Just as the toll road authorities helped to solve our highway problems by concentrating their efforts on specific tasks, I believe that the NJTA can best serve New Jersey by embarking upon carefully selected transportation projects of significant dimension, and moving with the dispatch that they have exhibited in the past to bring those projects to fruition.

There are many projects the Department of Transportation would like to undertake that it presently cannot because of lack of funds. Furthermore, there is increasing resistance from the public to new highway construction because of dislocation problems, noise and air pollution and invasion of diminishing open space. Additionally, because it has responsibility for all

transportation in New Jersey. DOT cannot put everything aside and concentrate its efforts on a few major projects as the NJTA will be able to do.

Another important dimension of this plan is its effect on the planning process for Transportation in New Jersey. For the first time the toll roads and the NJTA will participate in the formulation of the master plan of the Department of Transportation which is constantly being updated. This bill also requires, as I mentioned before, that any project undertaken by the Authority be consistent with the State's master plan.

Heretofore there was, at best, an informal relationship between the Department of Transportation and the Authorities. The membership of the Commissioner of Transportation on the governing boards of the NJTA and each of the toll roads will insure a continuing dialogue between DOT and the authorities.

I believe that this plan represents a major step forward in New Jersey's efforts to develop a balanced transportation system. Thank you, Senator.

SENATOR STOUT: Thank you.

Do you have any questions, Senator Hagedorn?

SENATOR HAGEDORN: No, I have no questions.

SENATOR STOUT: Commissioner, one thing I have noticed; as I understand it all the members of this Transit Authority would be presently serving members of the three Authorities.

COMMISSIONER KOHL: Initially, yes.

SENATOR STOUT: Is there a provision to have some public members, or some members from other areas?

COMMISSIONER KOHL: Not in the present bill.

SENATOR STOUT: Would you think that would be a good suggestion?

COMMISSIONER KOHL: As the terms of the present Commissioners expire they would be replaced by new

appointments made by the Governor with the advice and consent of the Senate and would represent the public as they do now.

SENATOR STOUT: And they wouldn't always be the members of the three Authorities?

COMMISSIONER KOHL: Not the present members.
no.

SENATOR STOUT: Would they have to be a member of the Authority to qualify to be a member of the Transit Authority?

COMMISSIONER KOHL: No. I think it is the reverse. The Commissioners of the Transit Authority would ex officio be members of the-- Five members would represent each of the three present agencies.

SENATOR STOUT: Tell me the relationship between this new proposed Authority and the Department of Transportation. It appears to be, as I read it, within the Department but by the same token it has an ambiguous relationship, in my opinion, as I read the bill now.

COMMISSIONER KOHL: In order to be effective the Authority must be semi-autonomous. The role of the Commissioner of Transportation, as a member of the Authority, provides an official tie with the toll agencies that has been lacking. We have had an informal relationship, as you know. There has been a Committee that has met from time to time to discuss common problems, but under the bill the Transit Authority, the new Authority, would be required to participate in the formulation of the master plan which is a statutory obligation of the Department of Transportation and the development of any specific project would require the determination that that project would be consistent with the State's master plan, so there would be an officially established tie rather than an informal tie as presently exists.

SENATOR STOUT: I understand that, I think. Now with respect to -- Several months ago we had a hearing in this very Chamber concerning the role of the Port Authority with respect to mass transportation projects, mostly in North Jersey. Now how would this new agency relate to the Port Authority itself and also that plan which the Port Authority is taking prominent part in?

COMMISSIONER KOHL: First of all the Port Authority, as you well understand, is an interstate agency and requires New York participation, officially, in the approval of projects, so that it is in a different ball park. But through the organization of this Authority and the Department of Transportation and the Governor's relationship to the Port Authority, with his power of veto over their actions there is a definite line of control established.

SENATOR STOUT: But the only person who can do that is the Governor. How does the Governor relate their plans and projects to the plans of the New Jersey Transit Authority?

COMMISSIONER KOHL: It places an obligation upon the Commissioner in the Department of Transportation to keep the Governor thoroughly informed and with this mechanism the channels of communication are opened and maintained, so that there is a much more effective way of keeping the Governor's office informed.

SENATOR STOUT: Another question I had was, under this proposal can this Authority build highways and bridges?

COMMISSIONER KOHL: No.

SENATOR STOUT: It can't?

COMMISSIONER KOHL: No. The subsidiary Authorities, the present Authorities, carrying out their functions as defined in their enabling legislation, could, with the approval of the NJTA and with

the required approvals, as called for by the present legislation governing them, undertake expansion of their facilities but these would not be independently promoted. They would be consistent with the State's master plan.

SENATOR STOUT: You mean the Transit Authority would not independently promote it, they would authorize, or direct, or urge one of the present Authorities to undertake a project?

COMMISSIONER KOHL: Yes. For example, an improvement in the Garden State Parkway could be effected under this as regards expansion. So it does not limit the role but any of the activities in the highway field would have to be those carried on by the existing Authorities under the limitations of their statutory provisions and with the approval of the NJTA and the Department of Transportation.

SENATOR STOUT: Suppose there was a proposal or a need for the reestablishment of water transportation to New York - I am thinking of this - to replace the old ferry; would this Authority be in a position to promote that?

COMMISSIONER KOHL: Under the provisions of the legislation it could undertake such a project. Of course that moves into the interstate realm and would require the necessary consent of the State of New York, but such a water agency could be developed under the aegis of the New Jersey Transit Authority.

SENATOR STOUT: Is the real thrust of this to promote and encourage and coordinate mass transportation? If you build a road, why it takes care of all, mass transportation and the private automobile. Mass transportation, as I view it anyway, is using vehicles that take more than one family, or more than five or ten people.

COMMISSIONER KOHL: Correct.

SENATOR STOUT: Is that the main thrust of this?

COMMISSIONER KOHL: The thrust of this is to provide means of financing those major projects in mass, or public, transportation, a project such as the Lindenwold Line in South Jersey where presently the difficulties of funding such projects make it virtually impossible to accomplish in any short order of time.

SENATOR STOUT: If a connector were needed, such as is being built now, I believe, between the Turnpike and the Parkway - New Brunswick to Toms River - would this Authority be able to promote this and determine what role both the Garden State Parkway and the New Jersey Turnpike would play in its construction, or how much they would participate?

COMMISSIONER KOHL: Yes, precisely. The New Jersey Transit Authority itself would not directly involve itself in the project but through its subsidiary authorities - the present agencies that would become subsidiaries - they would carry out the project, but there would be that official overriding coordination.

SENATOR STOUT: One other question I would like to ask you is where does the Commuter Operating Agency fit in with this?

COMMISSIONER KOHL: The Commuter Operating Agency, of course, has a specialized and unique role, primarily in maintaining the present contracts with the railroads and the bus carriers for the provision of State support. It could continue in that role. It might well be that it would be determined through the wisdom of the Legislature that this function should be absorbed by the New Jersey Transit Authority but that is a question that can be determined later. There is no immediate conflict between the roles of the two agencies.

SENATOR STOUT: No, but it is another layer,

it is another group of people you have to deal with. The legislation we have passed in the past few years and the money they are authorized to spend and the new program that you instituted last week on buses, it seems to me makes the COA a key feature in this whole business. They can set schedules now, I suppose. They can buy buses. They can buy railroad cars and engines and they really can control the whole mass transportation picture, and they are not in this thing.

COMMISSIONER KOHL: The COA, of course, has no ability of its own to raise funds. This has been a handicap in its operation. It has been, really, an administrative agency to carry out the provisions of the legislative acts that provide for support of public transportation services. But the COA does not have any statutory authority to issue bonds or to raise revenues on its own.

SENATOR STOUT: Do you think that in light of this proposal that perhaps the functions now of the COA should be transferred to the New Jersey Transit Authority, which would be better able to coordinate them, which would have the authority to raise funds - raise revenue - and also has the authority to receive them? I suppose if the legislature could give them to COA it could give it to this Authority and probably have better staffing.

COMMISSIONER KOHL: The COA, obviously, does not have the relationship with the present toll authorities and I think the role of the COA needs to be carefully reviewed once the NJTA would come into being. I see no immediate conflict between the role of the COA and the proposed new Authority but ultimately I would say that after careful review that perhaps the functions of the COA should be transferred or at least revised to make sure that the most effective mechanisms are continued.

SENATOR STOUT: Another thing that I was going to ask you shouldn't, somehow, the railroads be represented on this membership of the New Jersey Transit Authority - whether they be people actually from the railroads or people who have expertise in it, or people who have been dealing with it? How do we take care of that gap?

COMMISSIONER KOHL: That eventually can be taken care of by the appointment of new members of the Commission. At the present there would be a transition period in which the present commissioners would serve out their terms but their replacements could be drawn as wisdom would dictate.

SENATOR HAGEDORN: Commissioner, do you see any merit in building into this legislation specific provision that within a certain period of time this be accomplished?

COMMISSIONER KOHL: I did not hear the first part of the question.

SENATOR HAGEDORN: In other words, our present legislation provides that we will incorporate into the new Authority the membership on the present three Authorities. When their terms expire, I think we should have an amendment in here that would provide representation, probably, for the trucking and the automobile industry and the railroad industry on this board - a certain percentage of this board should comprise that representation.

COMMISSIONER KOHL: This poses a complex question of avoiding conflict of interest. It may well be that the New Jersey Transit Authority would be contracting with the various railroads or bus companies that were receiving aid from the Authority and I think the tying down of the makeup of the Commission is unwise. I think the broad representation and the necessary expertise will arise through the pressures that are developed for appointments to the Commission.

SENATOR HAGEDORN: Thank you.

SENATOR STOUT: Here is a real difficult one that I want to ask you or Governor Driscoll when he appears: can this body raise a toll?

COMMISSIONER KOHL: I would presume that under the broad powers it could but this is a question that the Commissioners themselves would have to wrestle with, depending upon the circumstances at the time.

SENATOR STOUT: Do you think they should have the power to raise the tolls?

COMMISSIONER KOHL: Yes. But, again, the Governor would have the power to veto such an increase if the public interest was not being served by such a proposal.

SENATOR STOUT: That is all the questions I have. Do you have any more questions, Senator?

SENATOR HAGEDORN: No.

SENATOR STOUT: Thank you very much, Commissioner.

Now we are going to have some witnesses at our next hearing who are going to perhaps, question the wisdom of this and it may be that either by written interrogatory or by inviting you to come back, we may ask you to answer whatever questions they raise.

COMMISSIONER KOHL: We will be glad to be of any assistance.

SENATOR STOUT: If you will stand by for two or three months we will be happy.

COMMISSIONER KOHL: Right. Thank you.

SENATOR STOUT: The Three Chairmen of the three Highway Authorities in New Jersey are present this morning. Mr. John Kelly of the Atlantic City Expressway. Mr. George Wallhauser, Sr. of the New Jersey Highway Authority, known as the Garden State Parkway and former Governor Alfred E. Driscoll the Chairman of the New Jersey Turnpike. Governor Driscoll is going to speak on behalf of the three Authorities

and I might say that this is a gentleman who, perhaps, knows more about Authorities than anyone I can think of and was the sole, most instrumental person in establishing the world's greatest road, the New Jersey Turnpike and also the Garden State Parkway. He wasn't here when the Expressway was authorized.

We are happy to have you here, Governor and we appreciate your taking the time to appear.

A L F R E D E. D R I S C O L L: Senator Stout, I am very happy to be here. This is not the first time I have been in these Chambers and I hope it is not my last time.

I have discovered from talking to some young reporters that they don't remember who I am so I would like to say that I am a former member of the New Jersey Legislature, a former Governor of New Jersey, a former businessman and, incidentally, a former representative, as a lawyer, of railroads - when they paid their bills. I am now privileged to speak, not only for myself as Chairman of the New Jersey Turnpike Authority, but for Congressman Wallhauser, as Chairman of the New Jersey Highway Authority, and Chairman Kelly, as Chairman of the Atlantic City Expressway, with respect to bill #2144.

Each of our Authorities enthusiastically supports the proposed New Jersey Transit Authority as an excellent vehicle to provide much needed improvements to what I like to term - and this is my expression now, not theirs - a balanced transportation system for New Jersey.

We believe that our three Authorities have been able to make a substantial contribution to New Jersey's highway system and we are confident that if this bill is enacted that we will be able to make a similar contribution to New Jersey's balanced transportation network.

It should be made clear that this bill will not prevent the three toll roads from making necessary improvements and even undertaking expansion projects, where they are deemed advisable. Some critics have suggested otherwise. However, they fail to realize that the same 16 members will be the governing body for each of the toll roads and the N.J.T.A. with the addition of the Commissioner of D.O.T. Thus, if there is a greater need for expansion of one or more of the toll roads than for construction of a mass transportation facility, the 16 members will weigh the pros and cons and subject to veto of the Governor, choose the project which will do the most good for the great majority of our citizens of New Jersey.

It should be pointed out that every effort has been made in this legislation to protect the rights of the bondholders of the three Authorities. S-2144 provides for this in Section 27 as well as in the sections of the bill amending the statutes relating to the New Jersey Highway Authority, New Jersey Expressway Authority, and the New Jersey Turnpike Authority. The bill also provides that all outstanding legal obligations of the three road Authorities must be paid before any excess revenues can be paid to the New Jersey Transit Authority for use on mass transportation projects.

Here I might add to the prepared statement that I have. Just within the last two or three days the New Jersey Turnpike Authority engaged in some financing and we are very happy that the recognized authorities, with respect to rating our securities rated the outstanding securities as AA and the projected security as A, which was in contrast to some statements made by critics of this proposed legislation. In other words, the investment public doesn't regard this legislation as prejudicial.

This plan will allow excess revenues to be

placed where they will do the most good. At present such revenues can only be used for highway improvement or expansion or be turned over to the Treasurer of the State of New Jersey. This is unnecessarily restrictive, in our opinion. In order to achieve a balanced transportation system it is imperative that we spend the money where it is needed most.

While the N.J.T.A. will have authority to review the toll structures of the existing roads, it is premature to speculate on toll increases at this time. Until we have determined the tasks that we are to perform and the magnitude of those tasks, we certainly can't determine the method of financing. Obviously two or three years of good intelligent planning will be appropriate in order to select the most viable and worthwhile projects. In this regard we agree with Commissioner Kohl's earlier statements that N.J.T.A. can best assist our citizenry by concentrating its efforts on major innovative public transportation projects which the State will not be able to undertake for lack of funds or other reasons.

The proposal which you are considering also adds a new dimension to the State's planning process. The new Transit Agency, and through it the three Highway Authorities, will now participate in the formulation of the Department of Transportation's Master Plan. This will insure coordination of the efforts of all State Agencies and Authorities engaged in transportation.

Some critics of this plan have charged that it gives the N.J.T.A. unrestricted powers and that the Authority will be unresponsive to the public needs. Nothing could be further from the truth. Mr. Chairman. The Commissioner of Transportation will be a voting member of the Transit Authority and each of the three Highway Authorities and any project undertaken by the

Transit Authority must be consistent with the Department of Transportation's Master Plan and all of the Transit Authority's actions are subject to gubernatorial veto.

We are not suggesting that the New Jersey Transit Authority is a panacea for all the transportation ills of our State. However, we are sure that it will prove to be a useful instrument which can fill selective transportation needs that would otherwise be unsatisfied.

I might add, Mr. Chairman, that New Jersey is almost unique among the states of this country in that the Commissioners who serve on these various Authorities are unpaid and therefore I submit that they are public members, not hired hands.

If there are any questions, I will be glad to answer them.

SENATOR STOUT: Pro bono publico?

GOVERNOR DRISCOLL: Yes, exactly.

SENATOR STOUT: That's Latin.

Do you have any questions, Senator Hagedorn?

SENATOR HAGEDORN: No questions.

SENATOR STOUT: I have one. To get back to the question of membership, I don't see anyone on this proposed body that really represents the commuter or railroad transportation. I don't know how you get them because the three Authorities at the moment are oriented toward highway improvement - highway construction - and moving people on highways. Now how about the rails and how about the buses?

GOVERNOR DRISCOLL: Well, Senator, with respect to the Turnpike Authority, as you know we are engaged in the construction of "park and ride" facilities and it is my understanding that the Highway Authority - the Garden State Parkway - is also engaged in similar studies. So, to that extent, we are providing well-lighted,

protected facilities where a person can drive his or her car and park it and get on a bus and go to New York or go to Philadelphia as the case may be.

We have not had the same experience with regard to railroads but I would love to discuss this subject at length with you. If you continue to operate railroads the way they have been operated in the past you are just throwing your money down the drain. You are going to have to come up with a brand new innovative system and I say that against my background of experience with railroads. I was a railroad buff and I got paid too.

SENATOR STOUT: Governor, knowing you - some here may not - and having served under you in the Legislature--

GOVERNOR DRISCOLL: No, you served with me.

SENATOR STOUT: --served with you, well that's a question, sir. I would like nothing more than for you to get interested in railroads and mass transportation. I think that would be one of the best things that could possibly happen, knowing your record of achievement. I think that would be fine and I want to include that on the record that I certainly feel this new Authority should concern itself very seriously with rail transportation and particularly commuter transportation.

GOVERNOR DRISCOLL: I agree.

SENATOR STOUT: I had another question now if I can find it. They keep talking about excess revenues. Now have there ever been any excess revenues from any of these Authorities?

GOVERNOR DRISCOLL: Well, the best evidence of excess revenues is the fact that we have been paying off the Turnpike Authority bonds well in excess of the date when they were due. The answer is, depending on how we handle our financing we can produce excess revenues.

SENATOR STOUT: I know the schedule and it has been way ahead of what the anticipation was but don't we have

a danger here of one of these roads paying more than its share? In other words the Turnpike serves the length of the State and they are profitable and they have paid off way ahead of schedule and I suppose they could pay it all off very shortly, but if that happens, then aren't those excess revenues going to be spread all over the State? I am not saying this is bad but I mean wouldn't it put a burden on the Turnpike for example?

GOVERNOR DRISCOLL: No, Senator, I don't think so. I think that if you are really dedicated to moving large numbers of people from the suburbs to New York City, from the suburbs to Philadelphia, then a way can be found to accomplish that purpose and I don't think it would be spread all over the State. In fact the legislation provides, of course, that the new Authority can receive grants from, as I remember, Senator, the Federal and State government. Is that correct?

SENATOR HAGEDORN: That is correct.

SENATOR STOUT: This would be a planning group as well as an operating group?

GOVERNOR DRISCOLL: Oh, yes. It would be ridiculous to go right into a program without adequate planning - a real project. As I said in my prepared statement, I don't think we should look for a panacea tomorrow. This isn't going to be anything instant but this legislation does provide the vehicle by which we can mobilize all our forces. I have to make a public confession. I was so angry with the Port of New York Authority that I said we are not going to have any Authority in New Jersey as big as the Port of New York Authority and therefore we had a Highway Authority. In retrospect maybe I was wrong, but you learn by living. I guess.

SENATOR STOUT: Well, thank you very much for your testimony this morning. As I said to Commissioner

Kohl, there will be some questions raised from time to time and we are going to feel free, either by written interrogatory or by asking you, or one of your staff, to come back.

GOVERNOR DRISCOLL: Sure, we would be glad to.

SENATOR STOUT: Thank you very much.

Mr. Thomas Foley, New Jersey Motor Truck Association?

We have a substitution. Mr. Richard Brown, the President of the New Jersey Motor Truck Association, is here.

R I C H A R D I. B R O W N: Senator Stout, I don't know if you noticed but my prepared statement just walked in the door about 30 seconds ago.

SENATOR STOUT: Do you want to file it or do you want to comment on it, or do you want to read it?

MR. BROWN: I am going to skip over some of it.

SENATOR STOUT: Yes, it is pretty long. Why don't you skip over it a bit.

MR. BROWN: Good morning. My name is Richard Brown. I am the President of the New Jersey Motor Truck Association. The New Jersey Motor Truck Association is a 59-year-old, non-profit organization headquartered in East Brunswick and numbering more than 1,000 member companies, comprising a broad cross-section of this State's big trucking industry.

On behalf of these members, I voice deep appreciation for this opportunity to present to the Senate Transportation and Communications Committee the views of the New Jersey Motor Truck Association on the proposed Mass Transit Authority and Toll Road Consolidation Law.

Let's start on a positive note. We admire the boldness and the imaginativeness inherent in this plan. It is provocative. It is interesting. It is attractive -

at least at first blush. Moreover, we heartily applaud the proposal's overriding aim of improving and expanding mass transit facilities for the purpose of relieving highway congestion. As truckmen waging a profit-draining battle daily with traffic jams and snarls on many segments of New Jersey's deficient State highway system, we have an absolute veneration for anything aimed at relieving traffic congestion. Such congestion is a greedy vampire that bleeds a motor carrier's revenues and threatens his very business survival.

Yes, this proposed legislation is innovative and it strives for a goal that must be realized for the economic progress of the State and the welfare of its citizens. However, we now move from politeness to realism and urge rejection of the bill.

Our stand on this legislation is the product of essentially two things. First, our own experience in the New Jersey transportation scene and the knowledge gained therefrom. Second, we have interesting and significant facts revealed by a public opinion survey which was commissioned by the New Jersey Motor Truck Association.

Our Association, in seeking to develop a fair, constructive and well-considered position on Senate bill #2144, decided that this effort would benefit greatly from a public opinion survey probing the sentiments of New Jersey's citizens on certain aspects and implications of the matters covered by the bill.

Accordingly, our Association retained Opinion, Inc., of Stamford, Connecticut, a reputable independent firm specializing in attitudinal research, to make the survey, which was completed just a few days ago. During the course of this talk, I will refer to that survey's results which, I believe, will help to shed much light on why the New Jersey Motor Truck Association opposes approval of the New Jersey Transit Authority and Toll Road Consolidation Law.

This opposition is founded on four points as follows:

First - the plan's viability pivots on the availability of sufficient excess revenues from the State's three toll roads.

Second - compelling indications are that such excess revenues will not be forthcoming in sufficient quantity in the foreseeable future, if ever.

Third - this inadequacy will force the proposed New Jersey Transit Authority to impose sharp boosts in tolls on the New Jersey Turnpike, Garden State Parkway and Atlantic City Expressway.

Four - such steep toll increases not only will be utterly self-defeating but will have a fearful side-effect that will threaten the financial stability of each of the three tollways and create havoc on the State Highway network.

At the heart of our fears about this bill is its mischievous potential for boosting tolls to a pernicious level. Under the bill's provisions, the jurisdiction of the proposed New Jersey Transit Authority over the three toll roads mandates that they establish and maintain tolls and other charges at such rates as shall be necessary to generate surplus revenues for transfer to the Transit Authority.

Let us bear in mind that the ability of the Transit Authority to market its bonds will be tightly linked to the degree of certainty surrounding steady receipt of sufficient excess revenues from the toll roads. Indeed, in reading this legislation, much of the language in the bill is concerned with assuring bondholders that nothing will interfere with the flow of surpluses from the Transit Authority. Clearly, the sufficiency of these excess revenues is critical to this bill.

Now it becomes pertinent to inquire into the

availability of these surplus revenues and whether they will be enough to enable the Transit Authority to do a job or even to survive. When we do this, we find that prospective surpluses fall shockingly short of the amount needed to sustain the Transit Authority's functions. Consequently, if this bill becomes law, it is as certain as the day follows night that the Turnpike, the Parkway, and the Expressway will have to boost their tolls - and boost them sharply.

The evidence supporting this conclusion has been supplied by the Newark Star-Ledger, the State's biggest newspaper. In its issue of last February 21st, the Star-Ledger quoted the comptroller of the Atlantic City Expressway as seeing no surplus revenues coming from that tollway for the foreseeable future. The Executive Director of the Garden State Parkway, according to the Star-Ledger, estimated that the highway would generate \$10 million to \$11 million in excess reserves starting in 1976.

Then the Star-Ledger quoted the Turnpike Authority's chairman as saying that approximately \$8 million a year could be made available, depending on how the road decides to handle its bonded indebtedness. It should be noted that this estimate was made more than two months before the Turnpike Authority was given a green light to proceed with work on the \$315 million Governor Driscoll Expressway spur between South Brunswick and Toms River and also the Authority's decision to market upwards of \$500 million on bonds to finance the Driscoll and other projects. Therefore, whether that estimate of \$8 million in surplus revenues still stands is a matter for quite a bit of conjecture.

It should be noted that there has been no attack on the Star-Ledger's figures since they were first published and then repeated in subsequent articles on the Transit Authority proposal. Therefore, it must

be assumed that the newspaper has painted a true picture of what may be expected in surplus revenues.

We submit, Senators, that in the face of the monstrous costs involved in expanding and improving mass transit facilities, and in meeting the huge deficits they generate, the \$19 million which the Star-Ledger estimates is pitiful peanuts.

As you well know, it is painfully apparent that in seeking to improve and expand mass transit, we become involved in a formidable endeavor with an insatiable appetite for astronomical sums of money, with little or no likelihood of breaking even, let alone making a profit. All of this makes it abundantly apparent that the \$19 million a year in surplus revenues possibly available to the proposed Transit Authority is a laughable pittance. And from this it becomes equally evident that if this bill becomes law, the newly created Transit Authority will have to boost tolls sky-high.

How would the more than 3 ½ million motor vehicle owners in this State react to such a move? Two answers are available. The first answer came when the Turnpike Authority recently tried to boost its minimum charge from ten cents to twenty-five cents. This proposal died aborning because the Turnpike Authority was bombarded by bitter protests.

Now, the second answer - the one supplied by the Opinion, Inc. poll. The poll, interestingly, uncovered a schizoid or split-personality response from interviewees. On the one hand, a majority favored the bill under review here, at least in principle. The question was posed this way, and I quote: "Governor Cahill has proposed a new agency called the New Jersey Transit Authority. This agency would be authorized to use surplus revenues from New Jersey's three toll roads for improving bus and rail passenger service. Do you favor or oppose the creation of such an agency?"

Now in response, 65% favored the proposed agency, 18% opposed it and 17% said they didn't know. It can be theorized that the opposition was weak because, in the public mind, a vote against mass transit improvement is akin to ridiculing motherhood and attacking vitamins.

Now here's where the split personality comes in - when it was indicated to those interviewees that they might have to pay increased tolls to achieve mass transit improvement, the pendulum swung dramatically the other way. The question was put this way, and I quote: "If in order to create an improved bus and rail system, this new New Jersey Transit Authority had to raise tolls on the New Jersey Turnpike, Garden State Parkway and Atlantic City Expressway, would you favor or oppose a toll increase?"

In answer to this question 61% opposed this proposition, 31% favored it and 8% said they didn't know. In other words, virtually twice as many of those interviewed were against paying toll increases to improve mass transit as favored it. It is this opposition that exposes what we believe to be a fatal defect in the rationale of Senate bill #2144.

Things really got hairy when the interviewees were presented with a hypothetical scale of toll-increase percentages and asked which of the percentage increases would force them to abandon the toll roads and ride on available alternate non-toll routes. The response here should be carefully noted.

Twenty-one percent of the interviewees said they would quit if tolls were hiked a mere 10%. Now 10% wouldn't even get the Garden State Parkway's 25¢ toll up to 30¢ and yet 21% of the people said they would abandon the Parkway and ride free roads.

Twenty-five percent said they would quit if tolls were increased twenty-five percent.

Forty percent said they would leave the tollways if tolls were raised fifty percent.

When we sought reaction to a 100% jump in tolls - which we believe is a distinct possibility if the Transit Authority proposal is enacted - the interviewees balked at such an increase and we got a statistically meaningless answer.

Now let's translate these toll-road abandonment percentages into living, breathing figures in terms of their impact on (1) the finances of each toll road and (2) swelling traffic on these segments of the State Highway system that provide alternates to the tollways. The computations involved in this extrapolation are based on the three toll roads' traffic volumes and toll revenues in 1972.

In 1972, the daily average of passenger cars on the Turnpike was 255,000; on the Parkway, 455,000; and on the Expressway, 22,000, or a total daily average of 732,000 cars on all three tollways. When we extrapolate the poll's findings on the percentages of those who would seek alternate available routes, depending on the severity of hypothetical toll increases, we find the following:

1. Under a ten percent toll boost, the daily average of cars on the Expressway would drop by 4,620; on the Turnpike by 53,550; and on the Parkway by 95,550. In summary, just a ten percent toll jump would persuade the drivers of more than 153,000 cars to transfer to available alternates in the State highway system.

2. If tolls were increased twenty-five percent, the daily car average on the Expressway would diminish by 5,500; on the Turnpike by 63,750 and on the Parkway by 113,750, or a total average daily diversion of 183,000 cars.

3. If tolls were hiked 50% the Expressway

loses 8,800 cars, the Turnpike loses 102,000 cars and the Parkway loses 182,000 cars, adding up to a daily average of nearly 293,000 autos dumped onto alternate non-toll roads.

Now, we have to make an adjustment for truck traffic on the Turnpike. We don't know how bus owners would react to toll increases. Since buses are so much at the mercy of their schedules, however, we will have to assume that they would have to sweat it out unless given some special subsidy consideration. Trucks comprise twelve percent of the Turnpike's traffic volume, averaging daily about 36,000 vehicles. Based on surveys of our members last year, after the Triborough Bridge and Tunnel Authority boosted its tolls from 50 to 100% and the Delaware River Port Authority instituted a 50% across-the-board toll jump on the Walt Whitman and Ben Franklin Bridges, we can estimate fairly accurately how many would desert the Turnpike if hit with the toll increase percentages used in our poll. Depending on the severity of the increase in the range from 10% to 50%, we figure the Turnpike would lose an average of from 4,000 to 13,000 units a day, maybe not too impressive in numbers but awfully painful in financial impact as will be seen later.

What all this adds up to, Senators, is very bad news. It tells us that if tolls are boosted across-the-board from 10% to 50% we can expect a daily average of from 157,000 to 306,000 cars and trucks a day, depending on the size of the boost, to abandon the toll roads and swarm onto whatever alternate non-toll routes that can be found in the State Highway network. This Committee doesn't have to be told that the great bulk of this exodus from the toll roads would hit alternates in the central and northern portions of the State where traffic congestion is the heaviest.

The result, of course, would be utter chaos.

Most available alternates in this State fall short of moving their present traffic volume expeditiously and safely. This is the bitter fruit of New Jersey's reprehensible 25-year policy of diverting huge amounts of highway-use revenues to non-highway purposes.

Now let's move from the contemplation of chaos to still more bad news, namely, how this exodus of vehicles would affect the toll roads financially. To conserve time, I will compress this phase of the discussion in the belief that by now the Committee is acquainted with the rationale and mechanics of our projections.

Based on 1972 revenues, and again depending on how high a percentage of toll increase, the annual loss in toll income for the Turnpike would range from \$12.5 million to \$27 million, for the Garden State Parkway from more than \$10 million to nearly \$20 million and for the Atlantic City Expressway from \$1 million to \$2 million or total annual loss of from nearly \$24 million to nearly \$55 million.

These totals include loss of revenue from trucks on the Turnpike, which we estimate would range from \$3.5 million to \$10.5 million a year. Although trucks presently represent only 12% of the vehicles using the Turnpike, they pay 35% of the road's toll revenue, or \$25 million in 1972.

Based on the evidence adduced by our poll and the logical translation of the evidence into figures reflecting impact on traffic volumes and toll revenues, it is painfully obvious that Senate bill #2144, far from making a contribution to improving transportation in New Jersey, could go a long way toward ruining it. The bill is a self-defeating measure with a great potential for harm. We urge that it be quickly and quietly interred.

Since S-2144 is not the answer, how does the

New Jersey Motor Truck Association view the transportation problems of our State and what suggestions does it offer for solving these problems?

We believe that too much of today's transportation thinking is influenced by Nineteenth Century concepts, accenting movement of people by inflexible rail systems from outlying areas to an urban core. This pattern has changed, particularly in New Jersey, as a result of the great post-World War II dispersal of population to the suburbs and beyond. The new transport demand is for inter-suburban transit which can, in most cases, be served by the bus. To supply this service, buses must have adequate highways engineered and built to handle modern traffic volumes with reasonable speed and safety.

Finally, no matter what strides we are able to make in improving mass transit, the vast bulk of travel in this State will continue to be on tires. This Senate Committee is undoubtedly aware of the three-quarter million dollar study being done for the State Department of Transportation by the consulting firms of Wilbur Smith and Associates and Ford, Bacon & Davis, Inc. A recently issued interim report on this study said, "it has been estimated that 97.4% of all person trips within New Jersey are made on the State's roads and streets."

Then this report pointed out that New Jersey has an average of only 0.009 lane miles per resident, a ratio only half to one-quarter of the lane miles per capita available to highway users in many other states. This was followed in the report by the following comment - and again I quote: "In short, New Jersey has the most intensely utilized highway system in the nation and its congestion has increased each year because funds available for highway improvements have not kept pace with growth in automobile and truck traffic volumes." And that's what the high-priced

experts have to say about the sorry condition of our State Highway systems.

In conclusion, in place of this bill, we urge that appropriate steps be taken to form a commission to make a thorough and comprehensive study of New Jersey's transportation problems toward the end of developing sound long-term methods of funding the State's transportation needs. We ask that if such a commission is created, its membership include a representative of the trucking industry in recognition of its importance in New Jersey's transportation complex. Thank you very much.

SENATOR STOUT: Thank you, Mr. Brown.

Do you have any questions, Senator Hagedorn?

SENATOR HAGEDORN: No questions.

SENATOR STOUT: You heard some answers in response to questions we asked Commissioner Kohl and former Governor Driscoll, don't they answer some of your questions about a planning agency, or a coordinating body that would be able to look at the highways, buses, rails, air and marine as a group?

MR. BROWN: Frankly, no, Senator Stout. I think that what we see here in concept is an idea where we will raise the money first and figure how we are going to spend it later. I recognize that it seems to be the spending will be along the lines spelled out by the New Jersey Master Transportation Plan but I think little or no thought has been given to the consequences - the bad side effects - of this legislation and how it will adversely affect people, especially highway toll-road users, when this plan was formulated. I think therein lies its fatal defect, that it wasn't thought out carefully enough to begin with and our suggestion is that thorough planning encompassing all modes of transportation, before legislation is introduced, is the solution here,

not planning after we have passed the bill.

SENATOR STOUT: Governor Driscoll indicated that planning would be the first order of business as far as this new agency was concerned. What I want to say is that some of the answers we heard today indicated that this agency would be able to receive Federal grants and other funds which, if we read correctly, are going to increase in size in the next few years for mass transportation. This would be the body that would analyze the State of New Jersey's needs and would be authorized to receive the funds and would be authorized to direct, or encourage, each of the three toll authorities. It would also be the department that would spend the money in the proper way - and help the railroads too, for that matter. Does that answer the problem?

MR. BROWN: No, sir, I don't think it does. The fact still remains that this particular bill inevitably - and I really have to respectfully say that we have studied this more carefully than others - will cause substantial increases in tolls. Those tolls are not justified. There is no reason why users of the Turnpike and the Parkway and the Garden State Expressway should have to pay increased tolls. We applaud the concept of forming some sort of a commuter transportation agency which can improve the lot of people relying on public transportation all over the State, both to and from the urban core and the inter-suburban transit, where we feel there is even a greater necessity. But we don't think that it is necessary to take over the three toll roads and combine them into an agency in order to be able to qualify for a Federal grant. I think there are probably a lot of other ways that can be done. I don't think this is the proper way to do it.

SENATOR STOUT: That's right but your industry's basic purpose is to unclog the highways so that your

trucks can move in a reasonable time and aren't going to use up all your profits waiting for a light or in a traffic jam.

Now if this agency is able to funnel mass transportation, transportation of people to their jobs - either by bus, rail or some other method or extra money, whatever it happens to be - doesn't that benefit you?

MR. BROWN: Obviously we would be very pleased to see highway congestion alleviated. We are not sure that just throwing money at mass transit - which seems to be the way they want to do things these days - will solve the problem. One good example: I think they call it the Quincy Line in Massachusetts which cost one-hundred and eleven million dollars - one-hundred and eleven million dollars. That line only took 1,000 cars off the road. That is not relieving congestion, it is only a pittance. On the other hand, we show that if you increase tolls a mere 10% you are going to have a substantial abandonment of the toll roads and a much more severe - 20's and 30's of thousands of cars added to the free roads - burden put on the free roads. Raising tolls is not the way to relieve congestion.

SENATOR HAGEDORN: Do you really feel that these people are going to transfer to the normal streets and tolerate the delays in getting somewhere, actually?

MR. BROWN: The toll users?

SENATOR HAGEDORN: You were mentioning that maybe 30% would remove themselves from the toll roads onto the other streets. Do you really believe that - that they are going to tolerate these terrific delays?

MR. BROWN: Senator Hagedorn, let me answer the question this way. It costs \$7, \$8 or \$10 for a truck to use the New Jersey Turnpike for its full length. Now using the Turnpike for its full length

may save one-half hour or three-quarters of an hour in time, transiting the State from one end to the other. I think that at the present time the toll charge makes the use of the Turnpike marginal as it is. In other words it is really kind of six of one and one-half dozen of another because you do save a little bit of time but you are paying the toll.

New Jersey, unlike any other state, does not relieve us from tax burdens while we are using the Turnpike. In many other states you don't pay the same highway use tax while you are paying tolls. We don't have that benefit in New Jersey. Consequently I think that even a small increase in truck tolls will throw the pendulum - the economic balance - to the point where it becomes economically practical and sensible to use the combination of Route #1 and Route #130 to pass through the State.

SENATOR HAGEDORN: For example, what is the traveling time on the Turnpike say from the George Washington Bridge to Philadelphia now?

MR. BROWN: From the George Washington Bridge to Philadelphia? I probably have people here that could answer that question better than I but I would say approximately 100 minutes.

SENATOR HAGEDORN: What do you estimate the time would be if you take the private roads?

MR. BROWN: Well, except at rush hours--

SENATOR HAGEDORN: Any time.

MR. BROWN: All right. Obviously you have to add some time to rush hours. Except at rush hours, you are talking about 2 hours or maybe 2 hours and 10 minutes. Now at rush hours - you would have rush hours either in the New York area or in the Philadelphia area, you would never get it both places on the same trip - you would have to add another twenty minutes to one-half hour to the rush hours, I would think.

SENATOR HAGEDORN: You don't really believe it would double the time?

MR. BROWN: No, sir, I don't.

SENATOR HAGEDORN: That has been my experience.

MR. BROWN: Well, as I say, I drove a truck and I drove the old roads, in most cases between New York and Philadelphia. We study the time very carefully, still, and except at peak rush hours we use the free roads from New York to Philadelphia, for instance. We do not use them if we are heading further South - heading to Delaware, Maryland and beyond - where we can use the whole length of the Turnpike. We do use the Turnpike then. But that is my own company. I think that even there the economic justification of the Turnpike is marginal, except at the worst rush hours.

SENATOR HAGEDORN: Could the large trailer jobs that are using the Turnpike negotiate some of the other streets?

MR. BROWN: Well, they have to anyway. They still have to make their deliveries wherever they are going.

SENATOR HAGEDORN: The same size trailer trucks?

MR. BROWN: Oh, yes. New Jersey, again, has one of the most antiquated length laws of all of the states. We have a situation where you have to use ridiculously long equipment both over the road and for local deliveries because of the way our length laws are set up. We have tried to get the Legislature to change that.

SENATOR HAGEDORN: That is another matter.

MR. BROWN: That is another hearing.

SENATOR HAGEDORN: I have no further questions.

SENATOR STOUT: I just want to say one thing. I agree with you that there should be some representation of the motor truck industry on any planning committee, or in any group, that plans our roads because it is too important to our State, as you indicated, and it is too

important to our economy for their views not to be recognized. I would urge that somewhere in here we would make sure that this body does hear from buses, rail, truckers and probably, the way it is going now, even campers.

SENATOR HAGEDORN: I have one other question. In your analysis of the survey made by this organization, did they contact the three Authorities for any figures to substantiate what they have indicated?

MR. BROWN: Yes. The figures which are included in here are based on the 1972 user figures which we have received from the three Authorities.

SENATOR HAGEDORN: Except, did they contact the Authorities to discuss any questions they might have with respect to increases, and projected increases - the percentage of increases?

MR. BROWN: Not that I know of, Senator, no.

SENATOR HAGEDORN: In other words it is purely speculative on their part as of this moment?

MR. BROWN: Yes.

SENATOR STOUT: Thank you very much, Mr. Brown.

I have a note from Senator Crabiel. He is delayed and will be unable to be here with us. He sends his best regards.

I now call Stanley Osowski of the Greater Newark Chamber of Commerce.

S T A N L E Y O S O W S K I: Good morning, gentlemen. I am Stanley Osowski, Vice President of the Greater Newark Chamber of Commerce. I am speaking to you today in place of Tony Wilson who is Chairman of our Transportation Committee and a businessman in Newark. He is held up on business there and will be unable to make it.

I am representing the 1,200 member companies that are part of our Chamber of Commerce. As we all know, New Jersey's transportation problems are critical and

growing even more severe with each passing day. The answer to these problems, especially in our State's crowded urban areas, is more and better public transportation. You, Senator Hagedorn, and Commissioner Kohl pointed this out earlier in the day. We believe the majority of New Jersey's residents agree with this contention. Certainly the fact that last November's transportation bond issue appeared to be heavily weighted toward more highway construction contributed to its defeat at the polls. And the Regional Plan Association's recent poll on transportation showed 92% of the respondents answering "yes" to the question: "Should public policy in the New York-New Jersey-Connecticut Region encourage more reliance on public transportation?"

Last November's bond issue (which, as you know, passed in Essex County) would have been helpful to Newark and its surrounding area. It would have provided funds for extending the Newark City Subway - often called America's greatest underdeveloped transportation resource - up Springfield Avenue to Irvington Center. It would also have provided funds for improving the Broad Street Erie-Lackawanna railroad station, and for buying many new and much needed buses. In addition, it would have helped make the journey to work easier for the nearly two-thirds of the city's work force that commutes by improving the equipment of suburban railroads.

Because that bond issue failed, we now see many of these projects indefinitely postponed, or, as in the case of the bus purchases, being undertaken at the expense of other important projects, such as the Montclair connection of the Erie-Lackawanna line.

Obviously, the bill before you gentlemen today is a creative attempt at making more money for transit available to our increasingly crowded urban areas.

It does, however, raise many questions which need answering. As with all such authorities the problem of public accountability and ultimate responsibility is raised. How much input will the average New Jersey resident and voter have on its decision-making process? How much input will his elected representatives have? Will the State put its full faith and credit behind the Authority's bonds or will they be backed only by the excess revenue from the three existing Authorities? When will the Authority begin to undertake projects? What will its priorities be? Will the improvements promised in 1968 and 1972 finally be made? Will innovative technological systems be considered and planned? How will the Authority relate to the New Jersey Department of Transportation and the two bi-State agencies?

I hope you will be considering these questions today and will provide answers to them. Indeed, some of them have been answered here. They are the questions the members of my organization have been asking. With them in hand I can return to Newark and help determine if the proposal embodied in S-2144 is, indeed, the beginning of the solution our State's urban areas so desperately need.

SENATOR STOUT: Thank you, Mr. Osowski. As you indicated, some of your questions have been answered and more will be as the hearing goes along. We are meeting again on the 16th and we will probably have a later session. The transcript will be printed. We are not in a big hurry on this now because the Legislature won't come back for some months.

I suggest that you include a request that you receive a copy of the transcript.

MR. OSOWSKI: I will do that because, as I stated, our members are particularly interested in these questions and they represent the most urban

area of the State. They will be very affected by this.

SENATOR STOUT: Thank you very much, Mr. Osowski.

I neglected to announce this morning that the Executive Director of the Garden State Parkway is here - Mr. John Gallagher. I want that on the record.

I will now call Mr. Frank Tilley, Executive Director, Bergen County Board of Transportation.

F R A N K T I L L E Y: Senator Stout, Senator Hagedorn, my name is Frank E. Tilley. I am the Executive Director of the Board of Transportation of Bergen County. The Board of Transportation is an official agency of County government, responsible to the Board of Chosen Freeholders, the County governing body, for the preservation, improvement, and expansion of public transportation facilities in our jurisdiction. I would like to add that I am also, by appointment of Governor Cahill, a member of the Commuter Advisory Committee, which is a statutory arm of the New Jersey Department of Transportation.

My purpose today is to endorse the concept of the Authority approach in administering and resolving our public transportation problems, and to support, with certain reservations, the thrust of S-2144.

The trend has been well established across the United States for some years now, with the result that transit authorities have become the chosen instrumentality by many states, counties and municipalities for the purpose of preserving, operating, improving and expanding public transportation facilities and services. The intent of S-2144 is to follow this successful trend and, in so doing, establish the necessary machinery for rationalizing, coordinating, restructuring and even saving the great assets we have in our basic public transportation

systems, both bus and rail.

One of the chief advantages of an Authority is the opportunity it affords for long-range planning and implementation, for continuity of program. In New Jersey heretofore public transportation plans and programs have suffered periodic setbacks each time there has been a change in administration, and this is inevitable if public transportation is to continue to be administered through a politically-sensitive department of State government.

The chances for effectiveness of a new State Transportation Authority will depend in large measure upon the composition of the Authority's membership. It has been the practice all too commonly to appoint as members of other authorities persons whose expertise lies primarily in the field of fiscal and financial affairs, with occasionally an attorney or two. Persons with knowledgeability of the areas of the authority's operating responsibilities are almost always absent, as are representatives of the users of the services provided by authorities. We find in examining S-2144 that no provision is made to correct this situation. If anything, the fact that the new Transportation Authority would be composed of 15 representatives of highway bodies suggests such a strong orientation to highways and vehicular

transportation that the fate of public transit, left hopelessly to the tender mercies of persons with scant sympathy for the problems of the bus and rail industries, would be uncertain at best.

At the same time we recognize that the interests of the three existing roadway authorities deserve to be represented and protected. There is room for compromise. As a suggestion, let two--at most, three-- directors of each of the present three highway authorities be appointed to the new Transit Authority. Let the remaining members of the new Authority(why must there necessarily be 15-- why not 12?) be knowledgeable and qualified commuters, or representatives of county or municipal transportation boards, agencies or equivalent organizations. It is important that we break with the syndrome that dictates that Authority directors must invariably be bank presidents or insurance company executives.

As provided in S-2144 the "New Jersey Transit Authority" would be "established in the Department of Transportation". There is no necessity for placing the Authority within the Department, nor in fact is there any logical reason for doing so, aside from the fact that the legislation which created each of the highway authorities made similar provision. In practice such a relationship conceivably could interfere with the operations of the Authority, and it would continue to leave the Commissioner

in the difficult position of attempting to ride two horses at once-- which is one of the problems within the existing structure of the Department of Transportation. Furthermore, the proposed legislation provides as follows: "The jurisdiction, supervision, powers and duties of the Board of Public Utilities Commissioners or of the New Jersey Department of Transportation (underline added) shall not extend to the Authority in the exercise of any of its powers under this act..."(Article 2, Section 8, paragraph j, page 15, commencing at line 103). This is confusing and contradictory; certainly if the Department is to have no jurisdiction over the Authority in the exercise of any of its powers, then there is no logical reason whatsoever to place the Authority within the Department. It is recommended that the Department revert to its former role of Highway Department, which it had been up until 1965 and for which assignment it is better equipped, considering the overwhelming proportion of its staff presently involved with highway projects, than it is for an effective effort in public transportation.

In this connection, it should be noted that S-2144 affords no clue as to the future role of either the Department of Transportation or of the Commuter Operating Agency. As for the latter there would be no meaningful function if the proposed legislation is enacted, and the agency ought to be eliminated as a provision of S-2144. This also raises

the question about the role of the Commuter Advisory Committee, a statutory group created by the same law that converted the Highway Department into the Transportation Department. It is here recommended that the Commuter Advisory Committee should be continued, but transferred from the Department to serve as an adjunct to the proposed new Authority. Furthermore, the deficiency in present law whereby the Commuter Advisory Committee finds itself with no actual advisory capacity in fact, should be remedied and some advisory responsibility should be assigned it in its relationship with the Authority. The name of the Authority should be "New Jersey Transportation (rather than Transit) Authority". In the transportation industry the word "transit" is commonly used to refer to operations by bus or rail carriers on local routes. The word "transportation", on the other hand, suggests a much broader concept and is more appropriate for this legislation which contemplates bringing under one roof with public transportation the three separate highway authorities. This may be viewed as merely a matter of semantics, but that after all is what the art of writing legislation is all about. Throughout S-2144, where reference is made to a "Transit Authority", it is suggested that the word "Transportation" be substituted.

By the same token, it is recommended that the term "public transportation" be used wherever "mass transportation" appears. Commissioner Kohl has repeatedly urged use of the

former as being more correct and appropriate where reference is made to movement by common carrier.

Similarly, one of the most misused words in the transportation lexicon is "commuter". The word that should be substituted is "passenger", as at line 10, page 3, under Section 2c, and wherever else the word "commuter" appears. We should be concerned about the public transportation problems and needs of all users, that is "passengers", of public transportation, not only "commuters", that is those who use transit for the journey to work. "Passenger" is the broader term which is more appropriate in this legislation.

It is recommended that the wording of Section 2d, Article 1, be changed commencing after the word "scope" on line 25, page 4, deleting the following words: "attract the vastly expanded patronage necessary if mass transit is to". The suggestion is that this passage should read instead, "... to offer services of such quality, scope and economy as will meet the needs of the residents of this State". "Vastly expanded patronage" sounds impressive but it is not appropriate to many local public transportation services which are essential even though, in relative terms, they cannot be expected to attract vastly expanded patronage.

Under Article 2, Section 6a, on page 10 at line 15, it is suggested that the words "or work" be inserted so that this passage will read: "... mass transportation for

persons who live or work in the area..."

In the same section, at line 17 on page 10, it is suggested that the word "suitable" be inserted so that the passage will read "be adequate, feasible or suitable for such purposes". The same insertion should be made at line 28, page 10. Under Article 2, Section 6n, it is suggested that specific provision be made for the appointment and employment by the Authority of "a director of operations", and that this be inserted at line 60, page 12.

In keeping with earlier comments in this statement concerning the separation of the Department of Transportation and the Authority, it is recommended that the last sentence in Section 11a of Article 2, commencing at line 17 on page 18, be deleted.

As quoted on page 31 at line 39 of S-2144, provision had been made in Chapter 16 of the Laws of 1952 establishing the New Jersey Highway Authority that one of the qualifications for appointment as a member of that Authority was residency in the State as a qualified elector therein for a period of at least one year next preceding his appointment. No such qualification is provided in S-2144 for appointment as a member of the proposed new Authority. It is here recommended that a residency requirement for Authority members be incorporated in Section 4b of Article 2.

There appears to be a discrepancy on page 9 of the bill, in Section 4h of Article 2. The period of time following

a meeting of the proposed Authority during which no action shall have force or effect until the minutes of the meeting have been approved by the Governor is referred as a 15-day period. For consistency with comparable provisions of the three separate statutes which created the three highway authorities involved in this bill, it is suggested that the period of time should be 10 days. (Note page 32 at line 89; page 35 at line 17; and page 39 at line 92,).

It is recommended that paragraph (B) of Section 40, commencing at line 34 on page 40, should be deleted in its entirety. As written it is confusing and appears to be contradictory, if what it means is that tolls may be reduced when not required for the purposes of the Turnpike Authority. Throughout S-2144, however, it is specified that excess revenues are to spill over to the Transit Authority, and inference also is made to the power of the new Authority to raise tolls as required for public transportation purposes. Paragraph (B) accordingly adds nothing except possible confusion.

Finally, it should be noted that reference is made at line 35, page 4, to "The Mass Transit Authority." Since no such agency is referred to anywhere in the bill, it is recommended that this wording be corrected.

In summary, this is a statement intended to be supportive of the Transportation Authority concept. Members of the Legislature are urged, however, to remember that the needs and problems of public transportation are distinct

from those of highways and private vehicular transportation and will be best administered by a separate independent authority, following the experience of comparable agencies already established and functioning in many other areas of the United States.

Now, if I may, Senator Stout, I'd like to have just two minutes more to comment on some of the testimony you have heard already this morning.

SENATOR STOUT: I wish you would, yes.

MR. TILLEY: My concept of the Authority, as indicated in the prepared statement, is one patterned after other successful authorities around the country, where the authority would take over and operate public transportation facilities in New Jersey.

I get the impression, having listened to Commissioner Kohl and Governor Driscoll, that what is contemplated here instead, at least in their minds, is an Authority which would be little more than a funding vehicle for a pet project now and then, which the Authority, through its special ability to derive excess revenues from the Highway Authorities, might be in a position to fund. In my concept this doesn't begin to be broad enough. It doesn't approach our basic problem. It doesn't recognize that public transportation today is no longer self-supporting or self-sustaining - if it were, we wouldn't need a Transportation Authority.

Concerning my good friend, Mr. Brown, and his comments on tolls, I don't think anybody has to spend a nickle making a survey to find out that the public will resist, if you ask them, any increase in tolls or, for that matter, the price of anything else.

On the other hand, I would point out to you, sir, that approximately a year and one-half ago the Triborough Bridge and Tunnel Authority of New York City raised the tolls on all of its facilities within New York City, not by 5%, not by 10% but it doubled the

tolls - a 100% increase. The experience of the TBTA was this, for a period of several weeks there was something of a drop-off in traffic but within six weeks, the TBTA reported, its facilities were just as busy, just as heavily used and just as congested as they had ever been before the tolls were raised. Thank you, Senator.

SENATOR STOUT: Do you have any questions, Senator Hagedorn?

SENATOR HAGEDORN: I have asked Mr. Tilley all my questions privately.

SENATOR STOUT: I think some of your questions and remarks were answered this morning, or at least an indication was given as to the way they are thinking. I think both your views and the answers given are very helpful in determining just what form and purpose this agency will take.

Perhaps it is unfortunate that we do have three toll agencies now which have to be gotten around somehow, which have to be used or taken advantage of. They are part of the picture because they control a great deal of the traffic flow in the State.

MR. TILLEY: Well, as indicated in my prepared statement, Senator Stout, I believe the three existing toll-road Authorities should be recognized and should participate in any new Transportation Authority, such as contemplated by the legislation.

On the other hand, in my own mind I find it difficult to understand why the interest of each of these bodies could not be sufficiently and adequately represented by some of their present membership without necessarily taking all five members of each of the three bodies and putting them in a new fifteen-man body, particularly when users are not represented at all in that body.

SENATOR STOUT: I don't have any more questions.

Senator Hagedorn has a comment.

SENATOR HAGEDORN: Recognizing the great dedication that Frank Tilley has with respect to, particularly, mass transportation, I would say that we would certainly want to consider every one of your suggestions. I think they have a great deal of merit.

MR. TILLEY: Thank you, Senator.

SENATOR STOUT: Thank you, Mr. Tilley.

I have on the list three more witnesses. Their names are Frank Quinn, Irvin McFarland and Frank Barry. Now are there any others in the room who want to be heard? Because if that is all we have we will stay and finish up this morning.

We will take a five-minute break and then continue on with the hearing.

(short recess)

Mr. Frank Quinn, New Jersey American Automobile Association?

F R A N K J. Q U I N N: My name is Frank Quinn, I am Executive Director of the Automobile Club of Central New Jersey, an affiliate of the American Automobile Association. I appear here today as the State Chairman of the Public Affairs Council of the AAA, which is made up of the managers of the six AAA Clubs with more than 300,000 consumers that use the toll roads in the State of New Jersey.

At the very outset, Senator Stout, I should like to commend you and the members of your committee for your determination to give all groups and individuals an opportunity to be fully heard on this far-reaching concept.

I regret that we are here today discussing what could be described as a proposed solution to a non-defined problem. Stated another way, gentlemen, I regret that we are not discussing a proposed master plan for balanced transportation in New Jersey. It is the considered judgement of the group I represent,

that such a master plan must proceed any legislative decision on the super-agency envisioned in the bill before us. We believe we must find out where, how, and on what, we would spend monies that would be raised by this bill before creating any agency designed to make such funds available.

I do appreciate that the sponsors of this legislation have made it plain that they see it as an opportunity to stimulate full public discussion on the transportation needs of New Jersey and, specifically, whether or not the scheme before us will provide the means to subsidize mass transportation. It is in this spirit that I should like to suggest to this committee that the bill before you is first and foremost a revenue-producing bill. I suggest to you that any careful reading of this legislation, and I particularly direct your attention to the bottom of page 15 and the top of page 16, makes it clear that the agency you would create is commanded to produce surplus monies regardless of how high they would have to raise tolls on the three affected toll roads.

It is our opinion that passage of this bill in any form would mean the end of the construction of any future major free highways in this State. This bill and the concept behind it is designed to make New Jersey the toll road capital of the world. I further suggest to you that the passage of this bill or any bill based on its basic concepts would have the practical effect of making the Department of Transportation in this State, which was created in 1966, an unnecessary appendage to state government. Simply stated, the super agency would usurp all of the present powers and the responsibilities of this department of government.

The super agency, as we read it, would be totally free of legislative or executive control. It would have power to control the economic development of New Jersey without any requirement that the projects it undertakes would be economically feasible.

Let's face it. Regardless of mounting deficits, this Authority would have the blanket authority to just raise tolls higher and higher and higher. One indication of the power proposed for this Authority can also be seen on page 15 where the super agency is specifically exempted from the jurisdiction or supervision of the power of the Public Utility Commission and the New Jersey Department of Transportation. In short, the Authority proposed could do pretty much what it damn well pleased, including building, buying or condemning electric generators, buying the bankrupt Penn-Central and condemning and operating every major bus company or railroad serving New Jersey. This reference to rail service raises the question as to whether or not the sponsors of this legislation are proposing this Authority as a means of meeting the deficits of passenger railroads. I shudder at the thought that New Jersey is about to follow the lead of the New York Transit Authority. I would remind you, gentlemen, that the Authority has increased tolls by 150% in an effort to fill the bottomless pit of the New York subway system.

If there is serious thought being given to the State acquisition of passenger railroads, and I hope this is not true, the people of New Jersey are entitled to know the price tag both for the acquisition and for the deficit operation of such service.

I will not bore the Committee with the long list of deficit railroad operations now strangling various jurisdictions. One or two examples should suffice. The Metro System in Washington, D.C. will cost each homeowner in the District approximately \$4 200. Closer to home, we had the sorry experience of the motorists of southern New Jersey whose bridge tolls across the Delaware River have been increased by 140% in four years to make up the deficits of the so-called "model" Lindenwold Commuter Railroad.

Another point deserves your attention. There are some misguided persons who see the tolls of the New Jersey Turnpike, the Parkway and the Atlantic City Expressway as a golden river of out-of-state dollars. We believe this is an untrue picture and we have tried in recent days to obtain from these Authorities the actual figures concerning the percentage of their toll revenue derived from out-of-state motorists as compared to New Jersey drivers. That information has not yet been forwarded to us and I would suggest that this Committee could be persuasive in getting this information and making it public. It is our opinion that you will find that the majority of tolls are presently paid by your constituents.

In closing, Senator, I should like to return to my initial thought that what we really need in New Jersey is not action on Senate bill 2144, but action on a master plan for transportation. On behalf of the Public Affairs Council of the AAA I should like to offer our fullest cooperation and help in hammering-out such a plan in working to develop a balanced rail and rubber blueprint consistent with New Jersey's needs and willingness to pay.

I'd like to leave just a few questions with you to mull over. Gentlemen, do you want to create another autonomous body which you would have no control

over? Do you want to leave the development of future growth of this State within such an organization? Do you want to see the end of future highway expansion in New Jersey - free highways we are talking about - and how much should the motorists of the State be expected to pay in additional tolls and taxes without any benefits derived?

With the adoption of this bill, it is obvious we will have toll roads running from Trenton to the seashore, from New York to the Poconos and from Camden to Asbury Park and all up and down the State. We can see, as we have an indication already, what the future holds with the new approved section of the New Jersey Turnpike from New Brunswick to Toms River. This is only the beginning. Thank you.

SENATOR STOUT: Do you have any questions, Senator?

SENATOR HAGEDORN: Yes. My first question is - do you have anything to substantiate your observations that the tolls would have to be raised on the three Authority roads?

MR. QUINN: Well, from the wording of the bill, Senator, it says that excess funds must be accrued to meet the needs of the Transit Authority.

SENATOR HAGEDORN: Well, it says that excess funds will be made available to use by the Transit Authority, is that right? Does that indicate in any way that there is going to be an increase?

MR. QUINN: It says excess funds must be accrued to finance some of these projects of the Transit Authority.

SENATOR HAGEDORN: I still maintain it doesn't indicate that there is going to be any increases.

Now you also observed that the super agency would be totally free of legislative or executive control and if you read the bill you will find out that the Governor has veto power over the Authority members.

MR. QUINN: We realize that but the executive control over the Authority-- The Authority could easily have some programs in operation by the time the Governor got to the point of trying to veto them. They could already be going.

SENATOR HAGEDORN: I would say that is not true.

Another observation you made regards mounting deficits. Could you tell me what deficits you have in mind?

MR. QUINN: What was that again?

SENATOR HAGEDORN: In another observation you say "let's face it, regardless of mounting deficits this Authority would have the blanket authority." Can you tell me what deficits you have in mind?

MR. QUINN: the deficits of the mass transit operations in the State.

SENATOR HAGEDORN: Do you really think that the establishment of this Authority is going to provide them with and give the encouragement to buy generators or to buy bankrupt railroads or take over every operating bus agency in the State, really?

MR. QUINN: Well, it is provided for in the bill. Why would it be in there if they didn't figure at some time they may do it?

SENATOR HAGEDORN: One other question. Can you tell me the reason for the increase in the New York Subway System by 150%? Have you any idea why it was increased?

MR. QUINN: Supposedly to meet the - that was the toll system over the bridges - deficit on the subways in New York.

SENATOR HAGEDORN: Would you feel that the labor and normal increases in the operation and replacement of equipment would have any effect on that?

MR. QUINN: Possibly, yes. But, again, the motorist going across the bridges is paying the bill.

SENATOR HAGEDORN: You give a figure here about the Metro System in Washington, D.C. You say it will cost each homeowner in the District approximately \$4,200. Have you also provided any figures that would indicate how much each homeowner pays for any highway system we have in this State?

MR. QUINN: No, we don't have that figure. He pays it in his taxes - gasoline taxes.

SENATOR HAGEDORN: Do you believe in the Garden State Parkway as an effective instrument?

MR. QUINN: Yes.

SENATOR HAGEDORN: Do you feel that could have been built at that speed and cost had it been done any other way except by an Authority?

MR. QUINN: It could have been done - both the New Jersey Turnpike and the Garden State Parkway - if the taxes that the motorists were paying over and over and over for years had been used for building highways. This is what the whole problem is in this State.

SENATOR HAGEDORN: Well, you realize what the problem is. Our Constitution only provides for a general fund; it doesn't provide for a dedicated tax.

MR. QUINN: I realize that but it could if it was changed.

SENATOR HAGEDORN: I did notice one thing and that is that you want to work for a balanced rail and rubber blueprint consistent with New Jersey's needs which means that you do recognize the need for mass transportation, whether it be bus or railroads.

MR. QUINN: Yes, we do, definitely. There is a need for it but I don't know that this is the answer to it.

SENATOR HAGEDORN: Then I might observe that that is the intent of this legislation.

SENATOR STOUT: I don't have any questions, Mr. Quinn. Thank you very much.

We will not call a fellow who was the first one here this morning, Mr. Irvin McFarland, United Transportation Union.

I R V I N M c F A R L A N D: Senator Stout, Senator Hagedorn, I don't have a prepared statement, I just have some written remarks.

My name is Irvin McFarland. I am the State Legislative Director of the United Transportation Union, and as with the previous speaker, Frank Tilley, I serve on Governor Cahill's Commuter Advisory Committee.

I am greatly concerned with the bill because it is absent of any appointments from transportation. It is my opinion there are many well informed transportation experts who would be an asset and with their expertise they would bring to the governing committee a quality and balanced transportation system to the citizens of the State of New Jersey.

As State Director of the United Transportation Union, I would like the record to show that I am in support of the creation of the New Jersey Transit Authority because the rail industry within the State is in a precarious financial crisis and the bus industry is following the same path as the rail industry.

It is unknown how long the State Legislature will continue to vote favorably to release millions of dollars for subsidy payments to transportation, both rail and bus. It is apparent we must have a new approach.

The Central Railroad of New Jersey was in a legal crisis in January 1973, facing termination of all passenger services. It became necessary to ask the Legislature for an emergency appropriation of \$3 million to continue its operation to June 30, 1973. Creating the New Jersey Transit Authority would eliminate the crisis our rail systems constantly face and provide a long-range plan.

Now I'd like to make a few remarks in answer to Mr. Richard Brown of the New Jersey Motor Truck Association. Mr. Brown said that by creating this agency it would not affect rail transit - commuters switching to rail transportation. He said they would continue to use the highways unless tolls were raised to such a level that they would have to use the free roads, but that it was quite obvious they wouldn't use mass rail and bus transportation.

Contrary, the Lindenwold Line in Southern New Jersey is an example. Before that line there was a minimal rail service and congested highways; there are now 39,000 people using that system in the morning and 39,000 people in the evening, and this has been reflected in the tolls of the DRPA. People are now using the rapid transit system and have come off the highway. So I think that what this bill is trying to project - S-2144 - would be to have a mass, balanced, transportation system. Thank you.

SENATOR STOUT: Are there any questions, Senator?

SENATOR HAGEDORN: Yes. Mr. McFarland, do you have any idea of the time that was saved by the establishment of the Lindenwold Railroad - the travel time saved, from one end of the line to the other - as compared to travel by car or bus?

MR. MCFARLAND: Yes, sir. Being a resident of Southern New Jersey and driving on the White Horse Pike, which this PATCO transit line parallels, I am familiar with this. It used to take one hour and fifteen minutes from Lindenwold to 16th and Locust, costing 60¢ to go across the Delaware River Bridge - the Benjamin Franklin Bridge. It now costs 75¢ to go across on the PATCO line and only takes 22 minutes.

SENATOR HAGEDORN: I noticed the previous speaker said that in four years time the tolls on that line had been increased 140%. Are you familiar with

that increase in cost and can you substantiate that?

MR. McFARLAND: On what is that, sir?

SENATOR HAGEDORN: On the Lindenwold Line. He said that the tolls across the Delaware Bridge had been increased by 140% in four years to make up the deficit on the Lindenwold Line. Can you substantiate that?

MR. McFARLAND: The bridge toll was at one time 35¢ and I believe they raised it to 50¢ and then to 60¢. I don't use the bridge that much in Southern New Jersey but I do know it was 35¢ at one time and is presently 60¢. From 35¢ to 60¢ is an increase of 25¢ and that wouldn't be 140%.

SENATOR HAGEDORN: I think it used to be 25¢ once too, back in Governor Driscoll's time.

MR. McFARLAND: Yes, sir, and back in World War II they dropped it down to 20¢ but they got tired of handing the nickle back in change so they made it a round figure of 25¢.

SENATOR STOUT: I don't have any questions. I just want to say that I agree with your views concerning representatives from the rail industry. That is most important. Both management and labor should be represented. Thank you.

SENATOR HAGEDORN: I would like to say I subscribe to that theory too and that hopefully it will be incorporated in the bill.

SENATOR STOUT: Thank you for coming.

MR. McFARLAND: Thank you, sir.

SENATOR STOUT: Mr. Frank Barry?

F R A N K C. B A R R Y: My name is Frank C. Barry and I am Eastern Regional Manager for Passenger Train Journal, an international magazine seeking to provide a wide-range of opinion on the subject of rail passenger service. I am also a charter member of the National Association of Railroad Passengers and formerly served

as Regional Membership Chairman for Northern New Jersey.

Locally speaking, I serve as Secretary and Chairman of the Railroad Subcommittee Transit Committee of Bergen County.

Mr. Chairman, I wish to preface my remarks today by stating that I arrived in these Assembly Chambers before the 10:00 A.M. announced starting time despite the need to ride three passenger trains - (1) Erie Lackawanna-Pascack Valley Line from North Hackensack to Hoboken; (2) Erie Lackawanna-Montclair Branch of the Morristown Line from Hoboken to Newark, Broad Street Station and (3) a brisk 15 minute walk to the Penn Central Station for the Penn Central Line to Trenton.

SENATOR STOUT: How can a guy be so lucky?

MR. BARRY: And I was here on time, sir.

The comments on S-2144 that I am about to make are not my words. They are the thoughts of Colonel L. Alfred Jenny, a world famous railroad consultant. Colonel Jenny has served as consultant to practically every private and public body that has made a serious study of our railroad problem. Colonel Jenny is now 87½ years of age and has specifically requested that I speak in his behalf. (Reading)

Comments on S-2144, a bill to create a Super Transit Authority by Colonel L. Alfred Jenny, Railroad Consultant, 128 East Madison Avenue, Dumont, New Jersey. Date of report, April 1973.

Having had over 60 years of responsible experience in planning large and complicated railroad facilities, and having been consultant to practically every private and public body that has made a serious study of our New Jersey railroad problem, I feel that I not only have the right, but the duty, to speak out on this matter, particularly when an improper solution is offered, such as S-2144.

In the first place I must say that this bill is much too complicated and too long to serve a practical purpose. I doubt that many legislators, who are to vote on this, have taken the trouble to read all 44 pages of this bill as I have done.

Basically the bill is based on the erroneous premise that highway oriented bodies could, or would, work hard to create good surpluses and then plan to use them to improve competing railroad facilities. It just will not work as it would create a serious conflict of interest. It is like placing the proverbial fox into a chicken coop to guard the chickens.

The only sound thing I find in this bill is the recognition that we must treat all forms of surface transportation as one problem, where the profits of the lucrative branch can be used to defray the deficit-prone other branches.

On the negative side there are many improper provisions. The principal fault is to include our State Transportation Commissioner as a member of this super authority. He and his highway oriented department have clearly shown that they are incapable of providing an effective solution of our acute railroad problem. As I will show, they have failed miserably in their duty to solve this problem and there is no reason to feel that they would do better on this new authority.

While these highway authorities have done a good job in solving their respective highway problems, it is unrealistic to assume that they would do equally well in solving our acute railroad problem.

In section 6, paragraph "c" it states that the solution proposed must conform to "the Transportation Department Master Plan as it relates to a unified mass transportation policy of the State". This clearly shows that this bill was drafted by, and for, our Transportation Department and not in the interest of our people.

Let me make one point very clear here and that is the fact that we have no railroad master plan, nor do we have a unified transportation policy. So, why try to fool the legislators and the people of New Jersey into believing that such a plan and policy exists.

Their so-called revised Master Plan for Transportation of 1972 is no master plan at all. It is nothing but a conglomeration of separated and uncoordinated makeshift proposals that could not possibly be

fitted into a properly coordinated overall master plan such as we must have if we ever hope to solve our acute railroad problem. The whole paragraph is inconsistent with the best interests of the people of New Jersey as it would make any solution depend upon the highway minded and Port Authority oriented Transportation Department's wishes.

In further proof of the fact that we can not trust our Transportation Department to help solve our acute railroad problem is its recent giveaway to the Port Authority in connection with the C.R.R. of N.J. and the plan to bring commuter trains into Penn Station in New York. How impractical the use of the Penn Station is may be seen from the following. The Port Authority states that 9 new trains could be brought into that station during the peak hour. Now, if connections to Kennedy and Newark Airports and the link to Stewart Airport near Newburgh are made, as proposed, and if each of them brings in only one train during this rush hour period, there would be only 6 train spaces left in that station for our commuter service. We would have 5 lines left in New Jersey, or, say there would be one train available for each line during the rush hour, when, in fact, we should have trains running at 5 or 10 minute intervals to warrant the expenditure of \$ 150 million which they estimate it would cost to make the necessary connection. Furthermore, Penn Station in New York is in a wrong location as most passengers would have to use one or more other means of transportation to reach their destination. Then too there is no room for necessary expansion.

Now they propose to use a part of the West Shore Railroad right of way for a bus lane, called the "Transitway", when, in fact, they should have done everything possible to help reestablish railroad passenger service on our railroads where such service had been abandoned. This proposed Transitway has actually been designed to be a new feeder line for the Port Authority trans-Hudson vehicular facilities. It shows again that our Transportation Department, with the Governor's blessing, is actually working in the interest of the Port Authority and not in the best interest of our people.

In Section 8, paragraph "e", it states that the funds are to be sufficient to keep the new authority and its subsidiaries "on a self-sustaining basis". That, of course, is wishful thinking and may never be realized.

Under Section 14, paragraph "v" it states "To limit the powers of the authority to construct, acquire or operate any structure, facility, or properties which may compete or tend to compete with any of its facilities". While this may sound innocuous, it, in fact, prohibits the authority from creating any railroad facilities that may be in competition with any highway facilities. That is a very dangerous limitation. The basic premise of any effective railroad plan is to take as much traffic away from our polluted and overcrowded highways and place this on rails, as it should be. This clearly shows that the new authority would be hamstrung in its efforts to solve our acute railroad problem in an effective manner and that it would, in fact, become an adjunct of our Transportation Department and its amateur experts.

From my personal contact I know that, since World War II, the only administration in Trenton that seemed to have understood our acute railroad problem, and took effective steps to help solve it, was when Mr. Driscoll was Governor.

The present administration has clearly shown that it is too highway minded and Port Authority oriented to fully understand our true transportation problem of our railroads that is facing the people of this great and sovereign State of New Jersey to be able to comprehend a logical solution in the interest of all of our people.

S-2144 is not in the best interest of the people of New Jersey. It would eliminate any chance we would have in ever solving our acute railroad problem the way it must be solved. Accordingly, S-2144 should be defeated.

It must be apparent to anyone who has read the entire bill that it is basically unsound, has some untrue provisions, and is designed as an adjunct of our Transportation Department, which has failed us in solving our railroad problem.

What we need is an entirely different approach where the Legislature has some voice in the decisions affecting all of our people, and where the members of such an authority can not have any other state or bistate post so as to be able to act wholly independently in the interest of solving our acute railroad problem. I have prepared such a bill.

In connection with this problem I wish to refer to the report which I made for the Transit Committee of Bergen County, dated October 1972. I there show what is wrong with that so-called "Master Plan" of our Transportation Department, and what actually must be done to solve our railroad problem so as to serve this entire region effectively. A copy of that report will be submitted to the Committee holding the hearing on S-2144. Respectfully submitted, L. Alfred Jenny.

SENATOR STOUT: Did you give a copy of this to the secretary?

MR. BARRY: No, I have it here.

SENATOR STOUT: If you will give one to her we will mark that as an exhibit of this hearing.

(See page 66)

Do you have any questions, Senator?

SENATOR HAGEDORN: No. Unfortunately Colonel Jenny is not here and my questions would have to be directed to Colonel Jenny.

SENATOR STOUT: Thank you for your information this morning and for bringing these other manuals with you. You have raised a very important question and I know the Committee is going to consider it. Thank you very much.

MR. BARRY: You are welcome.

SENATOR HAGEDORN: I would just like to make the observation that the Director of Transportation of Passaic County is present and supports the concept of S-2144.

SENATOR STOUT: That concludes this morning's hearing. We have another hearing scheduled tentatively for May 16th. We are going to ask the witnesses to comment; some have already volunteered. But if there is any change in that we will advise those we have already notified to be here on the 16th.

The hearing is adjourned.

TRANSIT COMMITTEE OF BERGEN COUNTY
Arthur B. McLaughlin, Chairman

REPORT ON THE RAILROAD PHASE OF THE
REVISED MASTER PLAN FOR TRANSPORTATION, 1972
OF THE STATE OF NEW JERSEY
AND
RECOMMENDATIONS FOR A
PROPER SOLUTION, OR
A MASTER PLAN

By

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October, 1972

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October, 1972

Mr. Arthur B. McLaughlin, Chairman
Transit Committee of Bergen County

Dear Mr. McLaughlin:

In accordance with a request made by your Committee, and transmitted to me by Mr. Frank C. Barry on October 13, 1972, for my comments on the railroad phase of the Master Plan for Transportation, 1972, issued by the State Department of Transportation, and my recommendations, I hereby submit my report.

In order to make this report as complete as possible it was necessary to make a rather detailed study and analysis of the whole problem involved.

I think this report should give the reader a better understanding of the many problems involved in such a study and will thus enable him to see the need for the recommendations made.

The report shows the need for independent thinking so as to arrive at an overall solution and the creation of a wholly independent Railroad Authority to solve our acute problem, free from any other conflicting interests.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "L. Alfred Jenny", written in a cursive style.

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The comments here are restricted to the proposals made for railroad improvements in the Northwest and Southwest quadrants of the Metropolitan area, or the Northern and Central Sectors shown on the Master Plan.

THE NORTHERN SECTOR

Unfortunately the plans do not show what existing railroads are used, and what portions of the plans are new railroad connections. They only present a picture of what railroad passenger lines will be in existence when that plan is adopted.

Coming to the northeast corner of Bergen County we find that they plan to build a new railroad connection between Emerson on the New Jersey and New York Railroad, or so-called Pascack Valley line, and Haworth on the West Shore line of the Penn-Central Railroad.

All passenger trains on the New Jersey and New York line would thus be shunted over to the West Shore Railroad from Emerson to Haworth and move south on the West Shore from Haworth to a proposed new line into mid-Manhattan at about North Bergen.

Now all towns on the New Jersey and New York line have train service today. But, under their plan, the towns of Oradell, New Milford, River Edge, North Hackensack, Hasbrouck Heights, Teterboro, Wood Ridge, Moonachie and Carlstadt will be deprived of any railroad passenger service. Anyone now commuting, say between Westwood and Hackensack, could no longer do so. That, of course, is wholly improper and unacceptable.

On the West Shore Railroad, they would omit all passenger service north of Haworth. Thus, Harrington Park, Old Tappan and Northvale in Bergen County, and all towns on the West Shore in Rockland County, would be left without any railroad passenger service once we succeed

too is wholly improper.

In any such planning we must provide for the distant future. According to newspaper reports Dr. Ronan, of the Metropolitan Transportation Authority in New York, is planning to enlarge the Stewart Airport near Newburgh and carry the passengers over the West Shore Railroad into New York. If passenger service is not restored on this line, at least to Haverstraw, he would be confronted with an almost impossible and very costly task of providing adequate rail passenger service to serve that airport.

I will dwell on the proposed mid-Manhattan line in connection with my comments on the Meadows line and the proposed tunnel to Manhattan. But, it should be pointed out here that, unless such a tunnel is built, the West Shore passengers would be left hanging in the air at North Bergen under their plan.

The plan proposes to restore passenger service on the Susquehanna from Hackensack to Ridgefield Park. It is hard to see how such a short line, with Hackensack as its main support, could be made to pay. What is needed here is a restoration of the Susquehanna passenger service from Butler to mid-Manhattan. Bergen County needs such an east-west artery.

The Northern Railroad, serving the entire area from Nyack to Ridgefield, has been eliminated completely from any railroad passenger restoration. That is a very serious omission. With proper connections to Manhattan this important region could be made a good revenue producer.

They recommend the electrification of such lines as they propose to be retained for passenger service. They state that the main arteries in northern New Jersey were the Erie Main Line and the West Shore. Thus, there seems to be agreement that, at least these two railroads would be electrified. In addition to that they propose to electrify the entire New Jersey and New York Railroad even though they retain no passenger service below Emerson. It must be realized, however, that all grade crossings would have to be eliminated before high speed electrification can be accomplished. Whether this can be done at the outset, or as the first task after a Manhattan connection has been established, is, of course, a muted question depending upon available financing.

In my plans I have long advocated a new connection between the Boonton Branch of the Erie Lackawanna Railway at Great Notch and Clifton so as to restore to that line the possibility of reaching mid-Manhattan, which possibility was taken from that line when over 7 miles of its track at Paterson was taken by our Highway Department for construction of Interstate 80.

I am, therefore, pleased to note that the new plan has accepted this proposal.

Ever since 1935 I have advocated the construction of a new artery from Lyndhurst, across the Meadows, to mid-Manhattan. The new plan accepts this plan in principle, but, instead of taking the route which I have proposed they plan to extend the Great Notch-Clifton line in Clifton to connect with the Erie Lackawanna main line there and proceed, over a new connection, to Rutherford and, a new line from some unidentified point below Rutherford to North Bergen and mid-Manhattan. In doing this they rob the southern portion of Passaic, and particularly Lyndhurst, of any direct railroad passenger service. Anyone now commuting between say Lyndhurst and Paterson or Passaic could no longer do so. That too is improper.

Their plan proposes a double deck 4 track tunnel to 48th Street in Manhattan with a terminal there at 8th Avenue. It states that it will have "a double tracked railroad line on the upper level and a double-tracked rapid transit line on the lower level." I inquired as to just what the difference was between these 2 designations and if the lower level was to be used for buses. I was advised that they had no plans to build additional tunnels for rubber-tired vehicles at the present time.

I had always advocated that any new railroad tunnels should be built large enough to accommodate standard railroad equipment. I inquired about the size of their tunnels and was pleased to note that "they would be of sufficient size to accommodate the largest standard passenger equipment currently in use today." So, we agree at least on a few points.

With my many decades of experience in this field, and having been consultant to practically every private and public body that has made a serious study of our railroad problem, I can not possibly see the need of building a 4 track tunnel now or in the near future. It will take many years to get enough passengers away from the highways to use the new railroad facilities. I believe strongly that a 2 track tunnel, with proper signaling, can accommodate all our passenger needs for at least 2 decades. If warranted then, new tunnels could be built. Today, a 4 track tunnel would be a financial loss unless it is proposed to use the upper level for freight. I have always proposed using the 2 track tunnel for freight during off-rush hours to bring in added revenue. Or, could it be that, when it is proved that 4 tunnels are not needed for railroad purposes, the lower 2 tunnels be converted to highway use?

A TERMINAL IN MID-MANHATTAN

I have great misgivings regarding their plan to bring our mid-Manhattan line to a terminal at 48th Street and 8th Avenue, or even a little farther east.

In the first place 50th Street should be used for the line to enter mid-Manhattan because on the 4 west side subways there is one station at 49th Street, 2 at 50th Street, and 1 at 51st Street. The 50th

ways.

No doubt the 48th Street location was used because Dr. Ronan wants to build a people mover from the 2nd Avenue subway to the west side of Manhattan. But, why should we be guided by what Dr. Ronan wants? It seems to me that the sovereign State of New Jersey should have a controlling voice as to where its passengers are to be brought into Manhattan.

As to the terminal itself there are some serious objections insofar as the passengers from New Jersey are concerned. I know from long experience that our commuters would not use such a facility if they were brought to a terminal in upper mid-Manhattan and there would have to transfer to overcrowded subways, with one or more other transfers, to reach destination. Their plan would also require long passageways to these subway stations and to the important Rockefeller Center. That too is a serious handicap.

I am advised that our Transportation Department will be guided largely by the Metropolitan Transportation Authority (M.T.A.) and the Port Authority in any final plans regarding this phase of its Master Plan. This raises some questions.

Could it be:

1. That the Port Authority realizes that bringing our passengers into such a terminal will limit the use made of it and thus reduce the competition with its lucrative trans-Hudson vehicular facilities?
2. That the M.T.A. is hoping to get additional traffic and revenues on its subway lines from these New Jersey passengers?
3. That such a project can only be made to pay by erecting huge buildings over that terminal area, such as the ugly square box towers of the World Trade Center, or a similar monstrosity, that would ruin, not only the pleasant sky line of this area, but kill the private office developments of the great Rockefeller Center and its entire surrounding area?

ANOTHER IMPORTANT QUESTION

The report states that the Meadows line and the Hudson River tunnel and related facilities are "projects to be moved forward by others."

Here we have the only phase of its so-called Master Plan that could form a part of a future overall solution of our acute railroad problem which they say that somebody else would have to undertake. This is conclusive evidence that a new wholly independent bistate Authority is needed to solve this problem. We can not allow vested interests in competing facilities to decide what we can, or can not do.

THE CENTRAL SECTOR

While we in Bergen County are not directly concerned with problems of the Central Sector it was felt that one phase of that problem should be called to your attention as it was a callous disregard of the peoples' interest.

The Central Railroad of New Jersey is the main artery under consideration there. It should be remembered that, originally, the passengers on this railroad as well as the Seashore Line had a direct entrance into lower Manhattan via a ferry from the Central Railroad terminal in Jersey City.

When our then Highway Department wanted the Port Authority to take over the Hudson and Manhattan Railroad it had to enter into certain agreements. One was to build a link between the Central Railroad and the Penn Railroad to bring the Central Railroad passengers into the Penn Station at Newark for transfer to the Hudson and Manhattan Railroad. This was the so-called Aldene Plan.

This was a cruel blow to the entire region and left Elizabeth, Bayonne and the Shore Line region without any direct railroad service to New York. The Central Railroad passengers, and Elizabeth, and Shore Line passengers, had to take a round-about route to reach Manhattan.

Apparently, in order to appease Elizabeth, they are now proposing a new line from Elizabeth to Newark via the Newark Airport. While that would give Elizabeth a more direct link with Manhattan, it can only be described as a makeshift round-about solution. Bayonne is still left to its own devices. That is not the way to solve such vital problems.

One very important facility has here been overlooked, but which should receive serious attention. New Jersey needs a new Central Food Market, where our grocers and butchers can get their supplies. That should be somewhere in the vicinity of Jersey City, or North Bergen, provided with ample track and trucking facilities.

SUMMATION

One can not help but wonder why our State Transportation Department has followed such a stultifying policy in an endeavor to solve our acute railroad problem. Its so-called Master Plan is not a MASTER PLAN insofar as a solution of our railroad problem is concerned. It is a conglomeration of separate small solutions of individual problems which could not possibly be made a part of a comprehensive overall solution, such as we must have. The money spent on solving such separate details would be largely wasted once we agree on a broad overall solution.

We should stop wasting time and money on such makeshift solutions and concentrate our efforts on developing a broad overall solution, serving our entire metropolitan area in an effective manner.

That, of course, requires unbiased and expert thinking, not hamstrung by interference of other vested interests who place their individual interest first when what we need is an independent body devoted to serve the public interest only.

It seems obvious that our Transportation Department was hamstrung in its efforts to solve this problem and had to be guided largely by what the Port Authority and the Metropolitan Transportation Authority wanted. That, of course, is wrong and is proof that we need an independent Authority if we ever hope to solve this problem the way it must be solved, that is, in the interest of our entire metropolitan region.

CAUTION

Irrespective of what some people may think, one thing should be made very clear; unless we create an independent Railroad Authority, and it produces a comprehensive Master Plan, such as I am proposing here, we will never be able to reestablish passenger transportation on our railroads where such service has now been abandoned. That is a certainty.

It must thus be obvious to any thinking person that our foremost problem today is the creation of such an independent Railroad Authority.

A PROPOSED MASTER PLAN

Foreward

Practically every large metropolitan region in this country has created some authority to solve its rail transit problems. Plans have been made and some are under construction, such as Washington and San Francisco. The San Francisco Bay Area Rapid Transit Plan is nearing completion and a portion of it is already in operation. New Jersey has created the so-called Lindenwold Plan which is a great improvement over previous methods and has proved successful in operation.

In contrast with these efforts the New Jersey area of the greater New York metropolitan region has been starved by a lack of intestinal fortitude on the part of our leaders and the Legislature. The following bodies have been appointed to solve this problem, but their recommendations rest on dusty shelves in Trenton.

1. New York-New Jersey Port and Harbor Development Commission (1917-1922) (predecessor of the Port Authority).
2. Port of New York Authority (1922 to date).
3. The North Jersey Transit Commission (1922-1930).
4. Suburban Transit Engineering Board (1928-1930).
5. New Jersey Regional Planning Commission (1950-1952).
6. New Jersey Metropolitan Rapid Transit Commission.
New York Metropolitan Rapid Transit Commission. (both 1952-1954)
In 1953 they joined and made a Joint Report, March 1954.

7. Metropolitan Rapid Transit Commission (1954-1958).
This was a bistate body.

In addition to that we had several other agencies working on this problem such as the Tri-State Transportation Commission, the Transportation Departments of both New Jersey and New York, the Regional Plan Association and various other bodies. Several private studies have been made. Some of these made some valuable contributions.

All of these efforts, made at great cost, have been in vain because of a lack of effective leadership.

Bills to create a Railroad Authority have been introduced in our Legislature in Trenton in 1940, 1965 and several times since then, the latest in 1972, with no definite action being taken. I doubt that some of these bills have even been read by many of our Legislators. What is wrong? The answer must be self-evident.

We now must take positive action and create a wholly independent Railroad Authority where none of the members can have any other state or bistate posts so that they can solve this problem in an overall fashion in the interest of our entire metropolitan region. Mr. John Borg, former owner of the Bergen Record, and the New York Times had stated properly that "no small plans will do".

ORIGIN AND DESTINATION DATA
OF OUR PASSENGERS

Unfortunately, we have no up-to-date data on this basic element showing area destinations in New York; as is essential. But, as this forms the key to any effective solution of our acute railroad problem we must use such area destination data as we have. Various surveys have been made. While the volume of destinations in some areas has changed, the general pattern has not changed.

They all showed that the largest percentage of our people have mid-Manhattan destinations, i.e., between 14th Street and Central Park; that the destinations are about equally divided east and west of a line down 5th Avenue and Broadway downtown. This is a very important factor to be taken into consideration in planning an effective solution.

The New York Times had stated that we had three important centers of destination concentration, i.e., the Rockefeller Center and the Grand Central areas in mid-town and the City Hall-Wall Street area downtown.

The latest available survey shows that, of those with mid-Manhattan destination, about 10% of our people had destination in the so-called Penn Station region, including that railroad, the Hudson and Manhattan and the Port Authority Bus Terminal; about 22% went to the general area of Rockefeller Center, about 30% to the Grand Central Terminal area, and about 38% down, east and west of 5th Avenue, and other scattered areas.

It also showed that about 51% of all passengers from New Jersey came from the Northwest Quadrant, and about 49% from the Southwest Quadrant of this metropolitan area, and that about 75% of those from the Northwest Quadrant had mid-Manhattan destination, and about 60% from the Southwest Quadrant.

While an up-to-date survey may show somewhat different results, I believe it would be more in the volume of destinations rather than in the areas of concentration.

It must thus be obvious that any plan to serve our people in such an effective manner as to get them to return to the railroads must bring them directly to these areas of destination concentration. Bringing them merely to a terminal in upper mid-Manhattan simply will not do this.

This also shows that trying to bring our people into Penn Station in New York, or via the Hudson and Manhattan (now PATH) line would require possibly 90% of these people to use one or more other rapid transit facilities to reach destination. They just would not do so.

Every serious plan proposed has provided for a direct distribution of our people over an independent north-south artery down through the center of Manhattan. Even the Port Authority has used this principle and in the report of the Suburban Transit Engineering Board, appointed and directed by the Port Authority, states in its report of March 25, 1930, page 41, that such a new line, "separate from and in addition to the city transportation system", would have to be created.

In addition to this we now have a reverse movement of New York residents working in New Jersey. We do not know where they come from or what their destination is in New Jersey. Since this appears to be a movement of considerable proportions, that too would have to be given serious consideration.

THE JENNY RAPID TRANSIT PLAN

This plan differs from all other plans in many of its provisions. It has been designed so as to intercept and tap all important railroad rapid transit and highway arteries at such points where these arteries have a maximum concentration of traffic. It will convey the passengers from these points of concentration to their destination over one central artery, in the shortest and most direct manner, and with but one transfer at first, and direct rail operation later with no transfer. As a consequence, harmful diffusion of traffic over several lines, as would be the case under a loop plan, is avoided and the fullest use is made of existing facilities. This will assure that the fullest possible mass-use will be made of the facilities to be created and which is essential to assure the economic soundness of any such project.

The Route

As shown in the plan on the opposite page, which was last revised in 1971, a new, high-speed, double track, automatically operated electrified artery is provided across the Hackensack Meadows from Kingsland, below Lyndhurst, to North Bergen. From here the line would go under the Palisades and the Hudson River to 50th Street in Manhattan where transfers could be made to all four west side subways. That can not be done at other locations. From 50th Street the line turns south on Madison Avenue to a point below the Grand Central Terminal, then over to 5th Avenue, down 5th Avenue, West Broadway and lower Broadway to the Battery. From the Battery a new tunnel is provided under the Hudson River to the Central Railroad of New Jersey at Jersey City. Detail plans and profiles for this project up to this point have been worked out and were accepted by the engineers of the Board of Transportation at the time this plan was originally conceived. Since about 50% of all passengers have destination east of a 5th Avenue and lower Broadway line, this artery would serve all of them to the best advantage.

Since the passengers of the Central Railroad of New Jersey are now forced to take a roundabout route to reach Manhattan, and that whole line, and particularly Elizabeth, the Shore Line area and Bayonne have been deprived of a direct line into Manhattan, it is here planned to rectify this cruel disregard of the interests of these areas and to extend this rapid transit line over Central Railroad of New Jersey tracks to Elizabeth. Thus, Bayonne, Staten Island, Elizabeth, the Shore Line and all of the Central Railroad of New Jersey can be connected directly with Manhattan as it should be.

High speed electric trains would start at one end of the route and go through to the other end, and return, thus serving the whole route. During rush hours, and if the traffic should warrant this, some trains could also start at the New Durham Transfer and go as

far as the Wall Street station in Manhattan, and return.

About 7 miles of the Boonton Branch track was sold to the State Highway Department for highway use, at a time when that Department was supposed to help improve our railroad service, not abolish it. Consequently it will now be necessary to create a new link between the Greenwood Lake Branch, now also used by the Boonton Branch, and the Erie Lackawanna line in Passaic. This would permit the passengers of both of these branches to also have direct access to mid-Manhattan, as is afforded other areas.

Special Features

Where this rapid transit line intercepts the railroad lines in the Meadows, railroad terminals are provided so that all trains could, if desired, terminate here. This would eliminate the costly waterfront passenger terminals that could then be devoted to more lucrative industrial or commercial purposes from which the railroads and the respective communities would benefit. Some trains will, of necessity, have to go down to Jersey City.

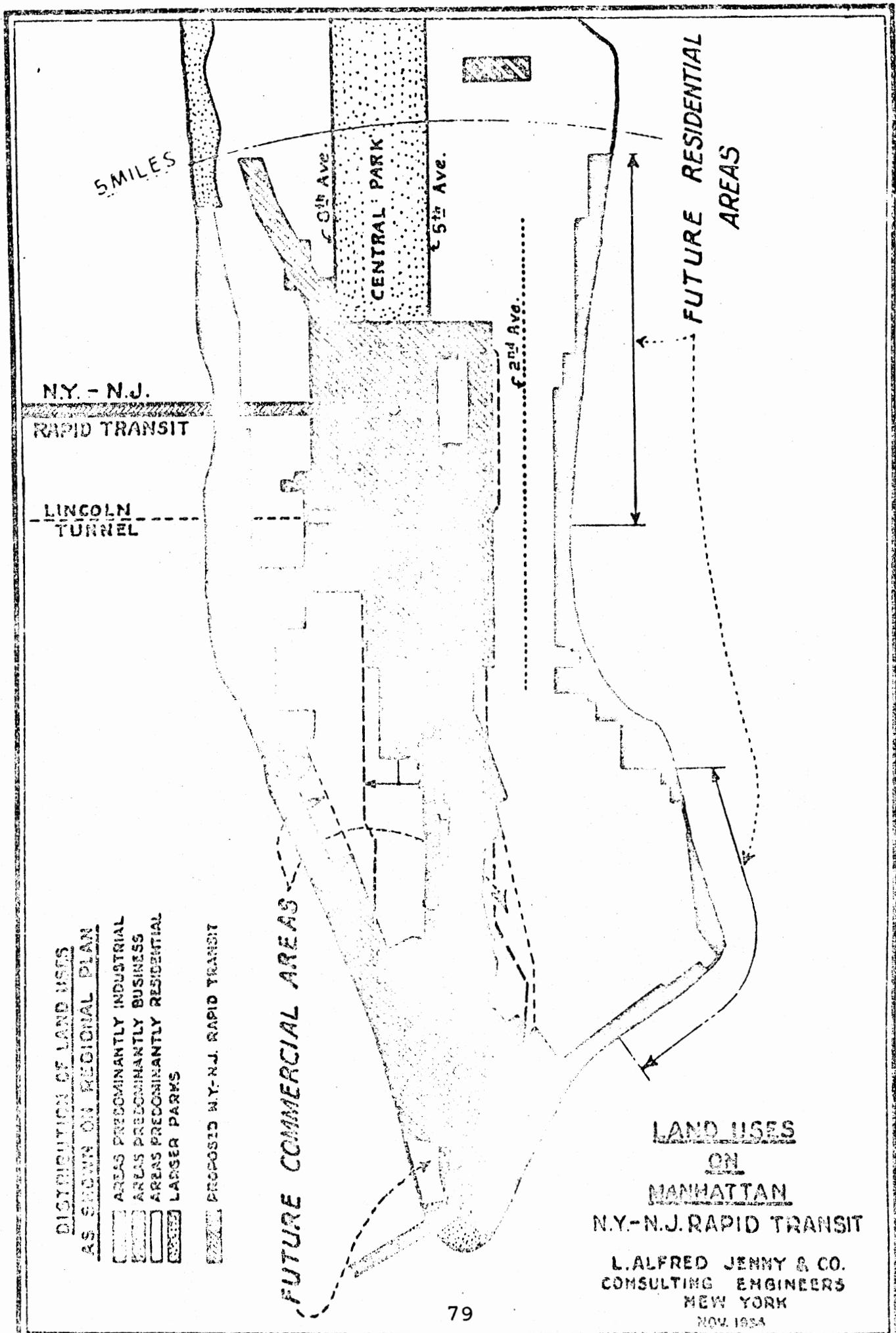
At these intersection points, stations would be provided on the rapid transit line where these people could transfer from the railroads to the rapid transit system until direct service from one's hometown into New York can be established, as is provided in this plan, and as may be desired by the people of this region.

At these transfer points there would also be provided large bus and car parking facilities where the passengers from these transportation media can also transfer to the rapid transit line. Highway connections would have to be provided between these points and the nearest main highways.

The time saved by all of these passengers would probably be about $3/4$ hour in each direction, or possibly $1\frac{1}{2}$ hour per day, depending upon one's destination, to say nothing of the increased speed and travel comfort.

In New York two other important features have been added. At the Grand Central Terminal a new station is provided on this rapid transit line, thus permitting our passengers to transfer here to Penn Central or New Haven Division trains. At the same time, it would permit the passengers from these railroads to transfer to this rapid transit line for travel to points south, or over to the Rockefeller Center region, an important facility not provided today.

If desired, a direct rail connection can be made here between the tracks of the Grand Central Terminal and this new artery, thus permitting trains from Westchester or Connecticut to proceed south in Manhattan. This is simple, because the artery is to be built large enough for standard railroad equipment.



The other point is that a new station has been provided on the Long Island Railroad at the 34th Street station on the rapid transit line. Since about 50% of the Long Island passengers have also destination east of 5th Avenue, according to earlier records, these passengers could then get off at the new station and would thus avoid the back-tracking from 7th Avenue to 5th Avenue. This plan was discussed with P.R.R. officials in 1934, when it was conceived, and they fully cooperated with plans and other data needed.

Both of these features will bring to the rapid transit line very considerable added revenues at practically no added cost of operation.

It may thus be seen that this new artery is so planned as to provide the maximum possible amount of traffic, with a minimum of cost. No other plan makes such provisions.

The line in Manhattan would be below other subway lines and could be tunneled, thus avoiding the tearing up of any streets. This was a condition stipulated by the then Board of Transportation in New York when this plan was submitted to them in 1934.

In addition to this it should be pointed out that this new artery would have maximum traffic in both directions, a feat not accomplished in most commuter services.

Business Area Served in Manhattan

As proof that the proposed line is located so as to serve the business heart of Manhattan to the best advantage, and where most of these passengers could reach their destination within a 5 minute walk from the new artery, this rapid transit route has been superimposed upon a Regional Plan Association Land Use Map of Manhattan. This plan is shown on the opposite page. The area covered by business establishments in Manhattan has been extended considerably since this map was made, about 1934.

Other Connections

The plan shows a future link from the terminal of the Jersey Central Railroad to a point in the western part of Jersey City, either east or west of the Hackensack River, where a station could be provided to serve the Penn Central Railroad and the two Erie Lackawanna railroad lines. The reason why this was not shown as an original development is that it was felt that the passengers from these carriers would probably continue to use the H & M R. R. (now PATH line) for some time to come. However, this link can be built at any time it may be deemed advisable to do so.

A new link is shown from the southerly end of Bayonne to Staten Island so as to provide rapid transit service for this Island. These people would save very considerable time with such a facility. This would be much cheaper than the tunnel recently proposed under the Upper Bay.

Another link is shown from a point near the Battery in Manhattan over to Brooklyn so as to connect there with the Long Island Railroad. In addition to serving passengers, freight from New Jersey could thus reach Long Island and New England.

A new link is shown, partly new but mostly over existing railroads between the Airport at Newark and New Durham so as to serve that airport, and give northeastern New Jersey a direct line into Newark, and avoid the need of going into New York first, as is the case today.

No other plan makes such important provisions.

Construction

A new type of station plan has been developed in connection with this project. In view of the fact that the station stops, and not the lines, are the bottlenecks on such a system, and thus control the number of trains that can be operated over such a line, it was decided to split each of the "two tracks" at these stations in New York so as to provide "4 track" stations on the "2 track" artery. As we had complete cooperation from the City and the Board of Transportation at the time this new type of plan was conceived, the plans were submitted to the engineers of this Board for review and comments. Their answer was that the plan was not only feasible and practical, but that this "two track" subway, with "4 track stations", could handle about 90% as many trains as could be operated on the present 4 track subways, and that this new subway could be built at only a little more than $\frac{1}{2}$ the cost of building a 4 track subway. No other plan makes such a provision that will enable us to run many more trains over this "2 track" line in the future than would be possible under any other plan proposed.

Size of Tunnels

In view of the fact that no one could possibly tell what the future requirements of such a facility might be, even 25 or 50 years from now, in peace or war, it was deemed advisable already in my 1935 plan, to make the tunnel sections large enough to accommodate standard railroad equipment so as to give this expensive facility unlimited possibilities. This also permits the use of larger commuter cars, with their greater passenger capacity per car mile, with relatively little added cost, an important economic consideration.

I am glad to note here that our Transportation Department now agrees with this proposal.

Railroad Gauge and Platforms

In the San Francisco Bay Area Rapid Transit Line the gauge has been increased from the standard 4'-8 $\frac{1}{2}$ " to 5'-6" so as to permit high speed operation and greater ease of travel.

In view of the fact that we would be using all of our railroads as feeder lines we will have to use the standard 4'-8½" gauge. It is realized, however, that, in order to attain higher speeds, the center of gravity on the railroad cars will have to be lowered. The car platforms are now about 4'-2" above the top of rail and the station platforms 4'-0" above top of rail. Both of these should be lowered about 6" which would give us approximately the same advantages as is provided at San Francisco.

Freight

In order to achieve effective consolidation of our railroads, and as an added feature, and to generate substantial added revenues, the plan is designed to bring in freight trains, at low speed, over this new mid-Manhattan artery during off-rush hours, or at night, and to distribute these trains north and south over the Penn-Central west side tracks in Manhattan.

Freight operations would be consolidated in New Jersey and cars for Manhattan classified either for delivery south, or north, at a yard to be provided near North Bergen. This would eliminate much of the trucking in the streets of Manhattan and should help to increase railroad freight for Manhattan as direct rail service would thus be available without the present system of lightering all freight, or of taking it up to Selkirk on the New Jersey side and then down to New York City on the New York side with over two hundred miles of extra travel.

With the connection from the Battery to Brooklyn, it will also be possible to carry Long Island, or New England freight from Jersey City and link this with the New York Connecting Railroad over the Hell Gate Bridge, thus saving much time and money. That would be another revenue producer.

No other plan makes such a provision.

Because of the type of construction proposed for this artery in New York and under the Palisades it can be said that it will be cooler in the summer, with more comfort, and warmer in the winter than are the present subways.

Storage and Repair Facilities

Car storage and complete repair facilities have been provided a short distance west of the New Durham Transfer on the Meadows line. This is an essential facility which has been overlooked in other plans offered for solving our railroad problem.

Electricity

It is not proposed to generate our own electric power but rather to purchase it by making several inter-connecting links with private power producers. The inter-connections should serve as a guarantee that, should one producer fail, we still could get current from

other sources. A 600 V. direct current has here been proposed which is used here generally for this purpose, and overhead distribution, rather than the third rail system. It is realized that some railroads here use other types of current and that an expert detailed study would be necessary to make a final decision.

Comments

One thing should be emphasized here, and that is the fact that we have spent billions of dollars on super-highways, bridges, and tunnels to serve the subsidized vehicular traffic, yet we have not spent one cent on building a proper overall rapid transit solution. No sooner is such a highway project in operation when a demand for more such facilities arises which never can, and never will, solve our metropolitan transportation problem.

Furthermore, these super-highways have a very wide right of way-500 feet or even more in some cases. This takes away much valuable rural land, and what is worse, takes huge slices of built-up areas in our communities, displacing many scores of families, at great cost and discomfort.

In comparison with this, the proposed railroad line would go mostly through the open areas of the Meadows, or underground, and will require a relatively narrow strip of right of way. Such an artery will enhance real estate values all along the full length of the rapid transit line.

It is high time that we stop this terrific congestion and pollution on our highways and provide rail rapid transit facilities that will free us of this hazard to our health and comfort.

It should be pointed out here that The Meadows Development and the Sports Complex can never reach their full potential unless such an effective rapid transit line is built, with an independent distribution in New York, requiring no transfer.

Such a direct connection with the business and financial centers in Manhattan is a must insofar as these developments are concerned.

It should also be emphasized here that New York needs such a facility as much as does New Jersey to prevent the flight of business and industrial enterprises from the city and to make it easier for their New Jersey employees to reach their destination.

The Port Authority is now making plans to rebuild the piers along the Hudson River north of 46th Street. In view of the fact that subaqueous tunnels must approach the shore line under a pier and not in the

berthing slip, the Port Authority should be requested to make the necessary preparation in the foundations of Pier 90 at 50th Street to permit the building of two standard size railroad tunnels under that pier without tearing up any part of the pier. If that is not done now we would be confronted with a huge cost of tearing down most of that pier to allow the tunnel construction to proceed and then to rebuild it again.

Financing

The question has often been asked; How much is such an overall solution going to cost and how will it be financed? Because of continuously rising costs it is nearly impossible to make such an estimate.

The San Francisco Bay Area Rapid Transit, designed and supervised by the engineering firm of Parsons, Brinckerhoff, Quade and Douglas of New York, in cooperation with a San Francisco firm, has stated recently that the cost of that 75 mile enterprise would be about 1.4 Billion dollars. This has overland lines, elevated and underwater arteries.

The plan proposed here is 25 miles long, or only $1/3$ of the length of the San Francisco facility. Since much of their facility was built several years ago we must concede that our project would cost proportionately more than theirs did. In 1935, with a detailed quantity estimate, it was estimated that this facility could be built for 200 million dollars. That estimate was then approved by the engineers of the Board of Transportation in New York.

Today this project would probably cost 750 million dollars, including equipment, storage and repair facilities.

Under present arrangements the Federal Government is supposed to contribute $2/3$ of the cost of acquiring land and building the project. Recently, Mr. Case, our Senator in Washington, has been pushing for the use of that sacred Highway Fund for such purposes and the contribution of 90% of the costs by the Federal Government, instead of $2/3$, the same as is done for highway projects. While many urban representatives in Congress agree with the use of the highway fund, they seem to lean to the present arrangement of a $2/3$ contribution.

In this connection it is important to note that Mr. Volpe, the Secretary of Transportation, has been very active in support of such a measure to use that Highway Trust Fund also for rail rapid transit purposes. Thus, with governmental support, we may have such a law next year.

Let us assume here that the Federal Government would contribute $2/3$ of the cost, regardless of from which fund the money is to come. That would leave $1/3$, 250 million dollars, to be raised locally, or 125 million dollars from each State, New York and New Jersey. These bonds should be guaranteed by the two states so as to reduce the interest rates to be paid by the Authority that would build and operate the project.

It may thus be seen that, assuming that the estimate of cost is approximately right, all that the State of New Jersey would have to do is to guarantee interest and amortization charges on 125 million dollars. That, most certainly, is within the capability of our great state to do.

It is not fair that some agencies enjoy profitable transportation facilities while others would have to struggle with deficit prone facilities. It is here suggested that the Port Authority be asked to bear a considerable share of any possible deficit, particularly during the early stages.

If the Port Authority feels that it can not do this then the two States should pass laws directing the Port Authority to collect a surcharge on all of its trans-Hudson vehicular facilities sufficiently large to cover its full share.

Who Should Build and Operate This Vital Project

Late in 1951, the then New Jersey Regional Planning Commission, of which Senator Van Alstyne was chairman, and Governor Driscoll, wanted the Port Authority to undertake this task. I, as their consultant, recommended against this proposal. At a meeting held in Princeton, where I was present, they were persuaded by a member of the Port Authority not to ask this Authority to do that but, instead, to create an independent body to undertake this task. In a conference with Governor Dewey, he agreed with that proposal and, in fact, stated that we would rue the day we gave this project to the Port Authority. The Metropolitan Rapid Transit Commission was then created.

Governor Cahill has wasted 3 years of our valuable time in a futile effort to try to get the Port Authority to undertake this task. I have pleaded with him in person and in correspondence to give up this idea and support us in our effort to create a wholly independent Railroad Authority to carry out this task. My reason for this is as follows:

The Port Authority is primarily interested in retaining its income from its lucrative trans-Hudson vehicular facilities and not to do anything that would create a serious competition with its facilities. It would never plan such an overall solution as we must have. I believe that, if I were a member of its Board, I too would want to preserve that great asset. But, I am an independent consultant trying to do what is best for all of our people, irrespective of what vested interests may be hurt a little.

Anybody that takes over this project would ultimately have to take over all of our railroads in the commuter area and operate them in the interest of all our people. That, most certainly, is not a job for the Port Authority.

Even if the Port Authority would agree to undertake this task, or the States would pass a law eliminating that portion of the 1962 pact to free the Port Authority from any further railroad obligation, it could not actually do so.

It has sold bonds with the understanding that it would not be asked to spend any more money on railroad facilities. Since many of these bonds are still outstanding, and the owners unknown, it would take many years of dubious negotiations to try to clear this hurdle. Furthermore, it must be a foregone conclusion that some large bondholders would take this matter into court with many more years of fruitless litigation.

We must create a wholly independent Railroad Authority whose members can not hold any state or bistrate positions, and who can, thus, do what is in the best interest of all of our people in this great region of New Jersey. It could issue its own bonds, instead of asking our people to support a public bond issue for such a purpose.

In view of the fact that the voters of New Jersey have shown their opposition to the proposed transportation bond issue, the creation of such a railroad--oriented Authority now appears to be absolutely essential.

Benefits To This Region

The benefits to this region that would come from the creation of such an overall solution as I have recommended, which is a true MASTER PLAN, would be so great as to defy making any prognostication today.

In the first place, it would give work to about 50,000 people over a 4 year construction period in all allied branches of manufacture and construction. That is a very important element today.

Once built and in operation this facility would greatly raise the social and economic wellbeing of this entire region and would provide a better quality of life. It would give permanent jobs to thousands of people and vastly improve the traveling comfort of our commuters and do so in much less time than is required today.

Revenues

There are many ways in which such an Authority can obtain revenues aside from the fares to be charged.

After it has taken over the railroads, it could lease to the railroads the right to carry freight over its arteries at periods not to interfere with adequate passenger service. This, in itself, would bring in considerable revenues.

Then provision has been made to carry freight into New York from New Jersey, and there is another provision to carry freight through

the Battery tunnels to Long Island and New England. That, too, would add to its revenues.

Parking fees at its large parking lots in the Meadows and some at Union City.

Billboards in the trains and stations.

Buildings to be erected at all of its stations in New Jersey and New York. It must acquire property at its stations in New York to build shafts to carry excavated material to the street. So there is here such an opportunity for added revenues.

Stores and vending facilities at its mezzanines and stations.

Fares from Staten Island passengers, a possibility not provided under any other plan, as well as added fares from Grand Central and Long Island passengers, also, not provided in any other plan.

Publicity

Unfortunately we have had only sporadic support from our Newspapers. Many of them, including The Record, have supported some of the make-shift plans proposed by our transportation agencies, none of which have materialized because they just did not offer a satisfactory solution. Such a pusillanimous approach, that can only obfuscate our real interest, is very harmful.

We must have a continuous effort on the part of our important news media pointing out the need for concerted action by our Legislature and our State Administration. But, please forget the Port Authority in this connection.

Civil Defense

Operation During An Emergency

As this artery would be built large enough to accommodate standard railroad equipment, it would be possible to bring trains from any of the New Jersey railroads over this artery, either to serve the City, or to help in its evacuation in case of a military emergency. At present, most of the evacuation would have to be north, using overcrowded facilities.

Since this artery would be built, mostly in rock, and below the level of the New York subways, it would become the safest railroad artery in New York in case of such an emergency. The large station mezzanines could be used to shelter huge masses of people, or the concentration of large masses of people who may wish to take trains at these stations for points of safety in the hinterland of New Jersey or points beyond. Since there would be 7 stations in Manhattan, two trains, one in each direction, could be held at these 4 track stations for loading people while still continuing the usual rapid-transit service.

As many people would want to flee over the most direct rout to safety,

and since such a route to New Jersey would provide that possibility, it must be obvious that such a facility would become a necessity insofar as the City of New York is concerned, and its provision should now be a must.

At Union City in New Jersey, where the tracks would have more than 120 feet of solid rock cover, a huge shelter area could easily be established here, not only to shelter people, but also to store valuable records of banks, institutions and other business establishments.

At all of the suggested shelter areas certain necessities of life, and such things as drugs and other medical needs, could be stored, and such things as bread could be made and baked right at these emergency facilities.

The important feature of this proposal is that it can be provided at very little extra cost.

Again, it must be said, that no other rapid transit plan ever submitted, offers such advantages.

Comments By Others

From the above, it may be seen that this plan has received many years of expert study. It is a regionally coordinated and integrated plan, taking full advantage of existing lines, at the least cost, with the greatest possibility of economic success.

Many favorable official and unofficial comments have been made regarding this plan. To cite only two: One such was made by the Hon. Charles R. Erdman, then the head of the Department of Economic Development in Trenton, when he submitted a report, which I had made for his Department, to the Governor and Legislature on December 23, 1946.

Commenting on the Jenny Plan, he said:

"The advantages to be obtained would be somewhat as follows:

- "a." A freer intercourse of railroad traffic within the State.
- "b." A direct railroad link between this State and the City of New York, permitting an uninterrupted passage of railroad trains from any point in New Jersey into the heart of the City of New York.
- "c." A possibility of opening up to profitable development the vast unused area comprising the Hackensack Meadows.
- "d." The distribution of our vast, and growing, army of commuters, residing in New Jersey but working in New York, in the City of New York, with supplemental transportation arteries there, if need be.

- "e. The freeing of vast New Jersey waterfront areas, now serving primarily as a transit facility for New York passengers, for more profitable industrial and waterfront development. Furthermore, public safety would seem to require the removal of these fire hazards, including the ferry boats, if a calamity even worse than the recent waterfront fire at Staten Island is to be avoided.
- "f. The reduction of traveling time between points within New Jersey, as well as between New Jersey and New York City.
- "g." The interest of the largest possible number of people and the greatest possible area in our State, and thus help in promoting the economic wellbeing of our people, which is the specific concern of this Council.
- "h. The common development and operation of such a project by all interested parties, each accepting its respective responsibility."

Perhaps the most concise, yet complete comment was made by the INTER-MUNICIPAL GROUP FOR BETTER RAIL SERVICE in its report of February 16, 1956. It said, among other things:

"This plan recognizes the need for economy of commuter time, construction dollars and cost of operation, as well as offering an integrated, coordinated solution to the area problem. It is based on a maximum use of existing facilities, with a minimum of new construction and a maximum of revenue sources. **It is expected that the passenger mass-use and freight use of the facilities will make the project financially successful.

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