
Committee Meeting

of

SENATE LEGISLATIVE OVERSIGHT COMMITTEE

ASSEMBLY JUDICIARY COMMITTEE

“The Committees will receive testimony from invited guests, including senior staff members from NJ Transit, Amtrak, PATH, and New York Waterways.

The meeting will focus on the summer renovation project at New York Penn Station, its impact on commuters, and the status of the Gateway Tunnel and Portal Bridge projects”

LOCATION: Committee Room 4
State House Annex
Trenton, New Jersey

DATE: July 19, 2017
10:00 a.m.

MEMBERS OF COMMITTEES PRESENT:

Senator Robert M. Gordon, Chair
Senator M. Teresa Ruiz
Senator Thomas H. Kean Jr.
Senator Joseph M. Kyrillos Jr.

Assemblyman John F. McKeon, Chair
Assemblyman Gordon M. Johnson, Vice Chair
Assemblyman Joseph A. Lagana
Assemblywoman Elizabeth Maher Muoio
Assemblyman Andrew Zwicker
Assemblyman Robert Auth



ALSO PRESENT:

Miriam Bavati
Sarah A. Fletcher
*Office of Legislative Services
Committee Aides*

Mark J. Magyar
Senate Majority
Kate McDonnell
*Assembly Majority
Committee Aides*

Theodore Conrad
Senate Republican
Glen Beebe
*Assembly Republican
Committee Aides*

***Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***



ROBERT M. GORDON
Chairman

LORETTA WEINBERG
Vice-Chair

M. TERESA RUIZ
PAUL A. SARLO
THOMAS H. KEAN, JR.
JOSEPH M. KYRILLOS, JR.

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New Jersey State Legislature

SENATE LEGISLATIVE OVERSIGHT COMMITTEE
STATE HOUSE ANNEX
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COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE LEGISLATIVE OVERSIGHT COMMITTEE

FROM: SENATOR ROBERT M. GORDON, CHAIRMAN

SUBJECT: COMMITTEE MEETING – JULY 19, 2017

The public may address comments and questions to Sarah A. Fletcher, Committee Aide, or make bill status and scheduling inquiries to Shirley Link, Secretary, at (609)847-3855, fax (609)292-0561, or e-mail: OLSAideSLO@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The Senate Legislative Oversight Committee will jointly meet with the Assembly Judiciary Committee on Wednesday, July 19, 2017 at 10:00 AM in Committee Room 4, 1st Floor, State House Annex, Trenton, New Jersey.

The committees will receive testimony from invited guests, including senior staff members from NJ Transit, Amtrak, PATH, and New York Waterways. The meeting will focus on the summer renovation project at New York Penn Station, its impact on commuters, and the status of the Gateway Tunnel and Portal Bridge projects.

Issued 7/12/17

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Chair

GORDON M. JOHNSON
Vice-Chair

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New Jersey State Legislature
ASSEMBLY JUDICIARY COMMITTEE
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COMMITTEE NOTICE

TO: MEMBERS OF THE ASSEMBLY JUDICIARY COMMITTEE

FROM: ASSEMBLYMAN JOHN F. McKEON, CHAIRMAN

SUBJECT: COMMITTEE MEETING - JULY 19, 2017

The public may address comments and questions to Miriam Bavati, Committee Aide, or make bill status and scheduling inquiries to Denise Darmody, Secretary, at (609)847-3865, fax (609)292-6510, or e-mail: OLSAideAJU@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

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SENATOR ROBERT M. GORDON (Chair): Good morning, and welcome to this joint meeting of the Senate Legislative Oversight Committee and the Assembly Judiciary Committee.

Would you all please rise and join me in the Pledge of Allegiance? (all recite pledge)

May I have a roll call please?

MS. FLETCHER (Committee Aide): Senator Gordon.

SENATOR GORDON: Here.

MS. FLETCHER: Senator Ruiz.

SENATOR RUIZ: Here.

MS. FLETCHER: Senator Kean.

SENATOR KEAN: Here.

MS. FLETCHER: Senator Kyrillos.

SENATOR KEAN: He's here; yes. (laughter)

Joe.

SENATOR KYRILLOS: Yes. (laughter)

SENATOR GORDON: And on the Assembly side.

ASSEMBLYMAN JOHN F. McKEON (Chair): The Assembly side, please.

MS. BAVATI (Committee Aide): Assemblyman Auth.

ASSEMBLYMAN GORDON M. JOHNSON (Vice Chair):
Auth?

ASSEMBLYMAN McKEON: Present; he's present.

ASSEMBLYMAN AUTH: Present; thank you.

MS. BAVATI: Assemblyman Auth is here.

Assemblyman Zwicker.

ASSEMBLYMAN ZWICKER: Here.

MS. BAVATI: Assemblywoman Muoio.

ASSEMBLYWOMAN MUOIO: Here.

MS. BAVATI: Assemblyman Lagana.

ASSEMBLYMAN McKEON: He's here; he just stepped away for a moment.

MS. BAVATI: He's here?

ASSEMBLYMAN JOHNSON: Yes.

MS. BAVATI: Assemblyman Johnson.

ASSEMBLYMAN JOHNSON: Here.

MS. BAVATI: Chairman McKeon.

ASSEMBLYMAN McKEON: Present.

SENATOR GORDON: Good morning, everyone.

I have a brief statement to make.

For New Jersey rail commuters, the *Summer of Hell* has not been quite as hot as expected, although we have over seven weeks to go. For the most part, Amtrak's repairs appear to be on schedule, and New Jersey Transit, PATH, and New York Waterway have executed their contingency plan to find alternative routes to New York City for the 20,000 rail commuters displaced by the work at New York Penn Station.

That is not to say that there have not been problems. The most disquieting and controversial was New Jersey Transit's cancellation of scheduled trains due to a shortage of engineers available to work for the required shifts. We have heard dueling explanations: from the exercise of bumping rights to a shortage of engineers; and we plan to get to the bottom of that issue today.

The train cancellations were just one of several headaches yesterday morning. The breakdown of a New Jersey Transit bus in the bus express lane caused hour-long backups at the Port Authority Bus Terminal, and an electrical problem caused a 20-minute delay on PATH. It was yet another reminder of just how precarious and interconnected our mass transit system is.

One of the positives, however, has been the resiliency of our commuters who have moved from rail, to bus, to PATH, to ferry, seeking the most convenient or, in some cases, the least inconvenient commute; certainly, more driving adding to traffic on our highways and at the Port Authority bridges and tunnels.

And we are learning a lot this summer. We are learning that PATH has the capacity to carry tens of thousands of additional riders, and that we should be looking to do everything we can to extend PATH platforms in Jersey City so the system can carry even more.

We are learning that ferries can be a viable option. Not ferries with a \$94-per-passenger subsidy, like the one in Atlantic Highlands that was funded out of ARC money; but the New York Waterway ferries that have been pressed into service on the Hoboken-to-39th-Street route.

We are learning that New Jersey Transit and its unions need to work together better, and perhaps negotiate a side agreement on the exercise of contractual bumping rights in emergency situations like the one we find ourselves in this summer.

And most of all -- not that anyone up here ever doubted it -- we hope that everyone learns that we have to do everything we can to increase trans-Hudson capacity, particularly securing dedicated funding from

Washington for the Gateway tunnels and speeding up construction of additional capacity at the Port Authority Bus Terminal. Because it's important to understand that the loss of 25 percent of trans-Hudson capacity that we're losing as a result of the track closures at New York Penn Station this summer is just one-third of the capacity we will lose if just one of the two existing Hudson rail tunnels has to close for repairs. Now, that's a hellish thought.

Chairman McKeon.

ASSEMBLYMAN McKEON: Thank you very much, Co-Chair. And I appreciate your professionalism and your well-thought-out statement, as always.

Thanks to all of the Committee members -- my colleagues in the Legislature, both the Senate and the Assembly. Although summer meetings are becoming more frequent, nonetheless I appreciate all of your professionalism and being available for this very important topic. And similarly, as always, we all have great respect for both partisan and nonpartisan staff for all of the incredible hard work they've done in getting us here today.

I was in San Francisco for business on Monday, and had gone out a little bit early to meet up with my daughter who is living out in California now. And as I was doing the things that doting fathers always do to convince her to try to -- please come home, back to New Jersey, she said to me, "Dad, you know, it's the 50th anniversary of the Summer of Love here in San Francisco," (laughter) and you're going back," -- yes, I was old enough to be down there, for sure, but she was teasing me -- and said, "You're going back to New Jersey to the Summer of Hell." And other than

cutting her off from the phone plan that she's now on, I thought about that a bit -- and I will get to it in a moment -- because it relates to the Summer of Hell, if you will. As my Co-Chair noted, it's been a very great effort by New Jersey Transit and all the other agencies in order to alleviate that pain some.

I wasn't as savvy as my colleague, who was going Facebook Live for the first couple of days. (laughter) But on July 12--

SENATOR GORDON: What's Facebook? (laughter)

ASSEMBLYMAN McKEON: --but on July 12, Wednesday -- giving it a couple of days -- I jumped on the 7:46 in Maplewood and took Manhattan Direct. I asked Larry Higgs to go with me -- he blew me off; thank you, Larry -- and it was a fine ride. I got a seat; there was no issue. Similarly, it wasn't too much of a burden to get to the PATH; not that I had a seat, but nonetheless, it ran as it should. And it was -- talking to commuters -- just an extra 30, 40 minutes on what it would have ordinarily taken them, under what are now extraordinary circumstances.

So be mindful that although the Summer of Hell, if you will, hasn't been the Armageddon we were all concerned with; nonetheless, on the average, it's costing the commuter a good hour each way -- or not each way, but at least an hour, collectively, of their time, this summer, as we go forward. And it all goes back to a necessity -- having to do with years of neglect and then, unfortunately, a whole number of derailments in March that led us to this.

It's important today to learn from Amtrak as it relates to -- as those repairs are going forward, even though the ones planned seem to be on time; and we'll tease that out a little bit today -- what else it is that they

might have found, what we're going to know in the future. Because getting back to what my daughter was saying -- in my view, 10 years from now, in 2026, it will be the 60th anniversary of the Summer of Love in San Francisco. But we'll still be at least three or four years away from the real solution to this problem -- and that being a third means of access through a tunnel. And that should be disconcerting to all of us. We're going to have our challenges to make certain that the next decade, at a minimum, is livable for the commuters, and is preservative of what is the most economic -- the key economic vein to the vitality of this metropolitan area.

So with that, I'm certain that the Chairman will start off with some questions.

SENATOR GORDON: Well, before we have any more questions, I'd like to give Senator Kean an opportunity to make a statement.

SENATOR KEAN: Thank you, Mr. Chairman.

Thank you also, Mr. Chairman.

I had commuters yesterday calling into my office from Summit -- my constituents. We are talking about three-hour delays yesterday morning, and rightfully concerned about the state of the infrastructure in our state and across the river. We are talking about raiding of funds; people calling in and obviously talking about an issue that I brought up before this Committee in the past, regarding the issue of bumping rights, and seniority systems, and how that impacts predictability for the commuters in the State of New Jersey and across the Hudson.

And they rightfully are frustrated, and concerned, and angry, and want actions; and then want answers, as we go forward. So we need to address many of those questions here today, Mr. Chairman.

Like the Chairman, I do want to recognize the fact that there is some work being done in Washington, D.C., on behalf of the people in the State of New Jersey. Chairman Frelinghuysen has secured \$900 million for the Gateway project, because that is a project that is vitally important to the people in the state and this region. And I know, on a bipartisan basis, we are focused on the importance of that issue, just as that topic has been focused on -- securing dredging of the Port, and all those development projects. He has worked hard, on a bipartisan basis, to secure that vital funding, because that Gateway project is a very important project -- rather than ending in a dead-end in a basement, blocks away from where it should. That project is what is important for the residents and commuters; not only of Essex and Union counties, but for Bergen, and Passaic, and everybody throughout Somerset, and everybody throughout-- It's a very important project; we need to get all things going forward.

Thank you, Mr. Chairman.

SENATOR GORDON: Thank you.

ASSEMBLYMAN McKEON: Well, if I could, Mr. Chairman, I would be happy to give any of my colleagues in the Assembly, or other Senators, the opportunity to make a statement if they were so inclined. (no response)

ASSEMBLYMAN McKEON: No?

And with love and respect to Senator Kean, the Gateway project is far from a certainty -- and that should be the subject of another

hearing -- from my understanding, as it relates to the funding and the uncertainty, let alone the billions we're talking about.

SENATOR GORDON: We will be getting into that today.

Would any other Senators like to make a comment? (no response)

Okay.

We have four principle witnesses today, and they are Michael DeCataldo, who is Vice President of Operations East for Amtrak; Steven Santoro, Executive Director of New Jersey Transit, who has been here on a number of occasions; as well as Michael Marino, the Director and General Manager of PATH; and Armand Pohan, Chairman of New York Waterway.

And we're going to begin with Mr. DeCataldo from Amtrak.

Welcome.

M I C H A E L J. D e C A T A L D O, Jr.: Chairman Gordon, Chairman McKeon, members of the Subcommittee, and fellow witnesses, good morning.

SENATOR GORDON: I believe your microphone needs to be turned on. (referring to PA microphone)

MR. DeCATALDO: Do I just-- It's good now?

SENATOR GORDON: Okay.

MR. DeCATALDO: Thank you; I'll start again, then. I apologize for that.

Chairman Gordon, Chairman McKeon, members of the Subcommittee, and fellow witnesses, good morning.

My name is Mike DeCataldo, and I am the Vice President, Operations East at Amtrak. In this capacity, I am responsible for Amtrak's

operations on the Eastern Seaboard, which includes all of our services into and out of New York Penn Station.

It's an honor to be joining you today on behalf of Amtrak and our President, Wick Moorman.

We are now two weeks into the Infrastructure Renewal Program at Penn Station. We have had a promising start, without significant service issues or disruptions, and we are looking forward to making significant progress on addressing some of the outstanding issues related to infrastructure at New York Penn.

As I'm sure you know, passenger rail plays a critical role in the economic life of the Northeast Region. Seventeen percent of the nation's population inhabits the area, producing 20 percent of the nation's GDP, with a total annual economic output of \$3 trillion -- more than the output of France, and easily enough for the region to qualify as its own G-7 nation. It is one of the world's most productive regions, but its productivity and economic vitality depend heavily on an overall transportation system that is in poor condition and at capacity at many critical points.

Since Mr. Moorman's testimony in April, and Mr. Naparstek and Mr. Gardner's testimony in May, we've made good progress on several initiatives designed to improve conditions for travelers at Penn Station, in addition to the renewal project. Amtrak is hiring a diverse team of domestic and international experts to help us improve the day-to-day operation and coordination between the various railroads. This effort includes development of best practices and a framework for a joint station operations center; and we are working with New Jersey Transit and Long Island Rail Road to affirm the scope.

Additionally, with this work, we're also setting the stage to create a new entity to seek private sector partners in facility management to bring world-class expertise to the management of this complex and challenging environment.

The New York Penn Station and Tunnel System Emergency Preparedness Task Force has been created to focus and coordinate the efforts of a strong coalition of transportation providers, city and state law enforcement, first responders, the City Office of Emergency Management, and state and Federal transportation agencies. By increasing communication and engagement between all of these agencies, we can continually improve and further refine our approach to safety, security, and emergency management for the station and tunnel complex. The Task Force is meeting on a bi-weekly basis during the renewal period, and we have expanded our unified command post at New York Penn Station to help coordinate the efforts of these organizations.

Since May, the Renewal Program at New York Penn Station has made significant progress, and we began the most intensive phase of the program on July 7. It's inevitably the case that programs in heavily trafficked areas like this are always challenging, particularly when we have to reconcile the needs of three different operators. It's never easy to reconcile everyone's needs; but thanks to the cooperation we've had from New Jersey Transit and Long Island Rail Road, we were able to arrive at a set of schedules that worked from the operational perspective and that kept the unavoidable disruptions to a minimum. And we were able to execute a smooth implementation of the schedules that we had planned for July 10, which included very successful efforts by all three railroads to *surge*

managers and staff to the station to provide additional support for travelers who might need assistance.

The Renewal Program intensified on the weekend of July 10, and we will continue to offer modified weekday services through the period of intensive work. Our Engineering Department has a force of approximately 360 people onsite, working on a 24/7 basis, to meet our published schedule to complete this phase of the renewal program. Even prior to this, we've been busy advancing elements of the program on weekends, so even though the intensive phase of the program is just getting underway, we have already completed work on some important components of this project, with scheduled work for the week of July 7 to 13 complete.

These include removing and replacing 600 ties as part of the renewal of station Track 7.

Significant progress at A Interlocking, which is on the west end of the station -- which several of your members visited not very long ago -- including replacement of the 69A and 69B switches, significant progress on the replacement of 89 switch, and the preparatory work for replacement of 37/71 core scissor crossover.

Wood, timber and rail replacement within JO interlocking, which is on the east end of the station, was completed.

Replacement of the first 96 ties in Line 1 of the East River tunnel, with several thousand more to come.

Removal of old rail and 3rd rail, demolition of track bed, removal of old concrete and ties, installation of new ties, and the pouring of 140 feet of new concrete on Track 10.

Replacement of ties within station Track 2; and the positioning of equipment and material in New York and New Jersey in preparation for the extensive summer work in July and August, as well as daily work maintenance.

Removal and replacement of old power and signal cables on 6X Track.

This is a continuous process, and just as work went on prior to July 10, it will continue, as we have previously stated, after September 1; although we expect most of that work to take place on the weekends, when impacts to scheduled service, particularly commuter service, are minimal.

We realize these efforts create inconvenience for the traveling public, but we are very confident that this coordinated and planned disruption that is necessary for us to do this work, will help to avoid random disruptions that cause the railroads that serve New York Penn Station, and our commuters, and travelers such anxiety.

To ensure we're keeping everyone informed, we are publishing a Weekly Progress Report that is available on our website, at amtrak.com/NYPRenewal. This highlights the work accomplished during the week, and includes a stoplight chart showing the pace of progress on key activities.

While the Renewal Program will address some of the station's most urgent track needs, it won't address the many other systems that make reliable service possible, such as our signals, tunnels, or electric traction systems. Nor will it support the new tracks and platforms the station will need to handle the larger volume of traffic -- what we refer to as *capacity*. These improvements in the heavily trafficked territory between Newark,

New Jersey and Penn Station, New York are bundled in the infrastructure investment program known as the *Gateway Program*, which has made important strides in the last year, thanks to cooperation among the states of New Jersey, New York, the Federal government, New Jersey Transit, and Amtrak.

There is literally no portion of the existing railroad in Northern New Jersey and Manhattan that will not require significant capacity augmentations to accommodate the traffic growth that we can confidently predict for the coming years. In a region that is expected to add 7 million new residents by 2040, the need for transportation capacity is only going to become more pressing. Ridership at Penn Station is expected to grow by 70 percent by 2040, and the only way to meet this growth in demand will be investment to create the capacity the region needs.

The Gateway Program addresses this challenge by adding new track, tunnel, bridge, electric, signal, and station capacity to the railroad between Newark, New Jersey and New York City, and by renewing existing assets, while minimizing impacts to existing service.

Since 2013, Amtrak and its partners have constructed 1,000 feet of a concrete casing to protect the right-of-way through Manhattan for a new Hudson River tunnel connecting to Penn Station. This month, the Draft Environmental Impact Statement for the Hudson River Tunnel Project was published by the Federal Railroad Administration, and public hearings will take place in New York and New Jersey in early August.

Plans to replace the Portal Bridge are ready to go; funding is the principal remaining challenge before construction can begin.

Much progress has been made, but we need New Jersey's continued support to keep up the momentum of the Gateway Program. We have reached a critical crossroads, and it is time for us to decide whether we wish to invest and move forward, or to fall back -- because that is the choice. It is simply not possible for us to stand still. We can and must set our sights on the vision of an infrastructure that provides this region's vibrant economy with the transportation system it needs to grow and prosper in the decades to come.

Thank you very much for the opportunity to testify on this important topic today, and I look forward to answering any questions you may have.

SENATOR GORDON: Thank you, Mr. DeCataldo.

I'm going to have some questions about the repairs and Gateway in a moment.

Just an aside -- you made some reference to some changes in the organization of emergency management, which is a subject of interest to me and with the support of the Committee, this is probably a topic we want to look at more intensively at some future hearing.

But I would like to just get to the impact of this work on the summer schedules. How does the Amtrak schedule you have in place now during this construction period compare with what would be the normal Amtrak schedule? Has there been a significant reduction?

MR. DeCATALDO: For the Amtrak service during the rush hour periods, a.m. and p.m., we reduced our service by about 32 percent -- and that is during the rush hours. We've also reduced--

SENATOR GORDON: I'm sorry; how many?

MR. DeCATALDO: Thirty-two percent.

SENATOR GORDON: Thirty-two percent.

MR. DeCATALDO: Yes. So we have also reduced some of our service during the off-peak. But the focus for the schedule adjustments was to accommodate the greatest number of customers coming into Penn during the a.m. and p.m. peak. Clearly, we run less trains than New Jersey Transit; but from a percentage standpoint we have taken the greatest impact as far as reductions.

SENATOR GORDON: Do you have any estimates on what the impact on ridership has been?

MR. DeCATALDO: Currently, right now, we are reviewing that. But it does not appear that we have seen a significant impact to our ridership. They seem to have made adjustments to the trains on either side of the ones that we have had to cancel.

SENATOR GORDON: Okay.

Just getting to the work that's underway -- can you tell us about what you have been -- you mentioned the switches and the A Interlocking areas that you have been working on. Just generally, what have you been finding as you have gotten your hands in the dirt down there? Are the switches and the tracks in worse condition than you had anticipated; better? I mean, what have you been finding there?

MR. DeCATALDO: I mean, the good news portion of it is that we have conducted a very intensive investigation and inspection of the entire complex -- from A Interlocking, JO, and all the station tracks. So right now, as we commence this work and work through it, we really have not found any surprises.

I think one of the bigger issues that we always contend with is getting material into and out of the station. During your visit you saw how constrained it was. We have some very large switch machines; some very large switch panels -- large pieces of equipment. We have to navigate through that territory. The other big issue is removing all the spoils. Currently, we have completed demolition of Track 10, which is almost 1,000 feet long. So we demolished all the concrete, we removed the ties, and we're still removing material. So one of the big challenges that we're finding is getting material in and out, but so far we have not had any issues with that.

SENATOR GORDON: Have you learned anything that is going to affect the way you handle the next phase on the Long Island Rail Road side?

MR. DeCATALDO: At this point, given the success that we've had with Track 10 -- because a lot of the work for the Long Island side will involve some of the body tracks -- I think we're pretty confident that our means and methods will suffice.

SENATOR GORDON: And are you able to comment on how you think the work on the Long Island Rail Road side of the station is going to affect the New Jersey Transit--

MR. DeCATALDO: Given that the work on the Long Island side of the railroad is significantly less intense than the work that is going on in A Interlocking-- At this point, we have not sat down with our other two partners to discuss schedules, but the anticipation is that it will not be as severe as what we're seeing today.

SENATOR GORDON: Do you know how many track closures will be involved?

MR. DeCATALDO: As we go forward in 2018, it appears that, at least according to the plan, that it would be one station track on the Long Island side for each 30-day period. So it's not nearly as intense as what we have today.

SENATOR GORDON: Okay.

Regarding the schedule -- we've been hearing some optimistic reports. Can you -- how would you characterize the schedule? Do you anticipate that the -- is there any possibility that the work will be completed in a shorter timeframe?

MR. DeCATALDO: Right now, based on our schedule, we are optimistic that we will complete on schedule. Everyone who I know knocks wood, continually, each and every day. But the progress we've made is better than we had anticipated. If we are able to complete this phase of the project sooner, we will roll out the next phase very quickly. So at this point, I would hesitate and say, it's kind of premature to say how much earlier we may or may not get done. But we are on plan, and we are slightly ahead of schedule.

SENATOR GORDON: Okay.

I'd like to -- I want to turn to my colleagues in a minute. But before I do, I'd like to touch on the Gateway issue which, of course, is very important.

The Senate Minority Leader mentioned that the House Appropriations Committee had found \$900 million for the initial phases of this project. As I recall, they basically took the money from the TIGER

grant program, and also Fast Start (*sic*) programs. At this point we don't know what's happening in the Senate Appropriations Committee or how the White House will react to all of this. Can you give us, perhaps, some more detailed update of where things stand regarding Gateway funding and the Portal Bridge project?

MR. DeCATALDO: Actually, unfortunately, Mr. Chairman, I cannot. I'm the operations expert for this, and my focus is on moving our customers and trains safely and efficiently. So I apologize for that.

SENATOR GORDON: Okay; well, here's an operations question.

If someone handed you a check for \$900 million, would you -- would those funds be applied to the Portal Bridge project, and when could we expect that project completed?

MR. DeCATALDO: I will defer to some others. But, I mean, the fact that we have design done for Portal Bridge and are just awaiting funding, I would think \$900 million would help kick that project off.

SENATOR GORDON: Okay.

Let me turn to other members of the Committee.

Mr. Chairman.

ASSEMBLYMAN McKEON: Yes, thanks very much.

And I'm going to defer to members as well. But I'm going to -- understanding that there are some limitations relative to what you're able to share with us, tease out a little bit about Gateway -- which, again, is the biggest concern for me because that's really the answer to all of this; but, unfortunately, 10 to 15 years into the future.

My understanding of the \$900 million, vis-à-vis TIGER grants and First Starts (*sic*), is that that money was taken from projects -- other projects around the country, or transferred, as the Senator mentioned. And my understanding of civics is that the United States Senate is going to have to sign off on that.

So relative to you getting handed a \$900 million check -- that's not going to happen any time soon, or at least it's far from a certainty.

Secondly, you know, the Gateway projects, all told, are about \$29 billion to complete eight separate programs. The Gateway Project Development Corp. was put together because, understandably, Amtrak -- you would agree -- doesn't themselves have the expertise to oversee something like that. So they have a compilation of -- Amtrak being a part of it -- but New York, New Jersey representatives, as well as representatives from the DOT. At the end of June this year, the DOT pulled out; they saw it as a potential conflict of interest because they would oversee the funds if, indeed, they were to come at some point in time.

Now, the DOT is still -- not withstanding that conflict because of an act of Congress -- involved in the Moynihan Station, as well as Union Station. But there is not one piece of legislation in the queue to give that same relief to get back on the Gateway. So that's another significant impediment in the way.

The Fiscal Year 2018 budget, sir, as I understand it, with New Start's funding, is drafted in a way so that projects that aren't already being built, or are shovel-ready, are precluded from funding. So again, Gateway is at zero, from that perspective.

And then, just lastly, as it relates to the numbers -- the draft environmental impact statement, that was out on the tunnel that we should be three months away from completing, was \$7.7 billion. The cost that the environmental impact study has now projected for Gateway is \$11.1 billion; and another \$2 billion relative to just fixing the tunnels we have, for a total of \$13 billion. So that number is doubled. And again, as I understand the draft environmental infrastructure project and the way it works, there are hearings starting in August. If we're lucky, by this time next year, there will be an approval; and assuming someone has \$13 billion sitting around in Congress, the first we'll see this tunnel completed will be 2030.

So I say that because I am a person filled with optimism, but also realism. And there are a lot of *ifs* along that path that I just laid out. But if it all goes together and there is \$13 billion there, we're talking about 2030, which makes your job that much more important. We have a lot of commuters to worry about and, again, the economic vitality of this whole region to preserve for at least the next 15 years, dealing with what we have. And that's what we need to concentrate on.

So I don't know if that bears an answer, or is my statement. But I would be happy to receive your comments.

MR. DeCATALDO: I think I would agree with all that you said. And it does significantly complicate the operations for all three railroads into Penn -- New Jersey Transit, Amtrak, and Long Island. And in the meantime, we'll do everything we can to make sure that we keep the infrastructure that we have in a safe, reliable condition so that we can move the customers we have; with hopes that the funding and the policies become

possible to make all that a reality -- and hopefully, sometime sooner than 2030.

ASSEMBLYMAN McKEON: Thank you very much.

Let me just go to one of the Senators--

SENATOR GORDON: Just a follow-up question on that.

Can we expect work to begin soon on the Portal Bridge this summer?

MR. DeCATALDO: I don't have an answer for that; I don't know. But I'll check for you and get back.

SENATOR GORDON: Okay.

But the project is ready to go if the funding is in place?

MR. DeCATALDO: My understanding is, the design is complete, yes.

SENATOR GORDON: Okay.

I believe there are some members of the Assembly--

ASSEMBLYMAN McKEON: I saw Liz's hand first.

SENATOR GORDON: Okay.

ASSEMBLYMAN MUOIO: Okay.

Just a follow-up on some testimony we heard in earlier hearings about the catenary wires. When we took our tour of the line, that was pointed out as a specific area of future vulnerability -- the state of the catenary wires, essentially running up the length of the state -- at least on the Northeast Corridor Line. And we were told by Mr. Gardner that there was no funding at that point in place, but that they were going to be exploring possible funding sources for the catenary wires. Has there been any progress made in that regard?

MR. DeCATALDO: I do not know.

ASSEMBLYWOMAN MUOIO: You don't know if there's been any progress made?

MR. DeCATALDO: I don't know if there's been any progress exploring funding for the catenary.

ASSEMBLYWOMAN MUOIO: Okay.

If funding is not secured, what do you see as the potential effect on train service in New Jersey?

MR. DeCATALDO: Well, we will continue to maintain and inspect. Right now, as you know, the significant portion of the catenary is being replaced between New Brunswick and Trenton. So there is a portion where -- in that portion, the catenary is being inspected, being replaced.

But as far as any funding for the new catenary system, I am not aware of that -- to replace that.

ASSEMBLYWOMAN MUOIO: My understanding from Mr. Gardner -- when we had the tour, when I asked that question -- was that it would cost hundreds of millions of dollars to replace the catenary wires across the state.

MR. DeCATALDO: I don't know.

ASSEMBLYWOMAN MUOIO: Okay.

How long do you think -- if we do not receive additional funding to replace the wires, how long do you anticipate it will be before these -- the aging wires that we have now will start posing a risk to rail service?

MR. DeCATALDO: I don't know if I can quantify a specific time for that. You know, we inspect on a frequent basis; we maintain

repairs as necessary. So I think that's a very difficult question to answer -- to pinpoint with a timeframe.

ASSEMBLYWOMAN MUOIO: Okay; all right. Thank you.

SENATOR GORDON: I was just pointing out -- as I recall from our tour, those catenary wires were first installed in 1934, during the FDR Administration.

Senator Kean, did you have some questions?

SENATOR KEAN: Thank you, Mr. Chairman; through you. The CEO, the former CEO of Amtrak (*sic*) -- retired about a month ago -- Richard Anderson gave a speech about a month ago at the Press Club. Are you aware of that speech at all?

MR. DeCATALDO: I am not.

SENATOR KEAN: Well, in it he stated there is a significant difference between what used to be called the *ARC project* and the *Gateway project*, and the efficiency for the purpose of Penn Station and throughput. And he said that the ARC project was a failure in that regard, is my memory of that speech; and he said the Gateway project would be transformative, relative to the purpose of both Penn Station and really through the region.

Do you agree with that assessment?

MR. DeCATALDO: That the Gateway program will be transformative for the region?

SENATOR KEAN: Compared to the ARC-- What the final-- What I think this Committee needs to be clear on -- and for the community to be clear on -- is that the ARC project changed over time. The ARC project, in its conception, was one that, similarly to the Gateway project, was seen to connect to a different station at a different elevation,

and in its final stage, dead-ended -- dead-ended into a new basement, 100 feet down. So in the end, the project's scope and purpose changed from one that was supposed to be interactive between the various railroad stations and commuter lines, into one that simply had a very different purpose at the end of it. Is that an accurate assessment of the ARC project's timeline?

MR. DeCATALDO: That is my understanding.

SENATOR KEAN: Okay.

And in addition to that, the ARC project -- and all of its various projects, including the Bergen Loop-- Excuse me, the Gateway project and all its various subsidiaries -- the Bergen Loop, and other things that are important to all of our commuters, -- were never funded under the ARC concept, or by the Port Authority proposals, or anything else. The only entity that now truly funds and has a plan for funding the entirety of the Bergen Loop and all the ancillary projects associated with the Gateway project is the Gateway project. Is that an accurate assessment?

MR. DeCATALDO: I do not know.

SENATOR KEAN: It is.

MR. DeCATALDO: Okay.

SENATOR KEAN: So I just want to say that as we're looking at this for the purposes over time, in addition to the near-term and the importance of the maintenance and coordination, now and going forward over the next couple of years, we also have to understand that the Gateway project is vitally important for the purposes of all of our commuters; and working in partnership, as I think we have all seen, is very important at all levels of government.

Thank you.

SENATOR GORDON: Thank you; thank you, Senator.

ASSEMBLYMAN McKEON: Assemblyman.

ASSEMBLYMAN LAGANA: Thank you, Chairman.

I think one of the major reasons why we're in this mess -- and I think we can all agree that it's a mess -- is because of the lack of communication between the different agencies, whether it's Amtrak, New Jersey Transit, LIRR, PATH; and whether it's a fault of the New Jersey, New York, or the Federal government, or it's the fault of all three, why we've gotten to this point.

So I think it's imperative, going forward, that the agencies continue to communicate and talk about their plans, talk about what they see in the future as far as providing adequate services to their commuters. Now, specifically to the current repairs, what is the-- And I know -- I guess you're the Director of Operations -- what is the current communication between the agencies; is it daily, is it weekly? Or how are they all communicating to make sure that things are going to be running on schedule and that the repairs are going to be done when they say that they are done?

MR. DeCATALDO: On the operational level, we meet and communicate daily with New Jersey Transit and the Long Island Rail Road. As you mentioned earlier, we have -- we publish a weekly progress report for everyone to see. We also have daily briefings that we are -- that New Jersey Transit and Long Island -- are a part of, as far progress we've made, any issues we've encountered, and how we actually operate the railroad, and

how the services perform -- not only the day before, but what we're doing currently.

ASSEMBLYMAN LAGANA: Who from Amtrak specifically speaks to -- from New Jersey Transit. Do you know the people--

MR. DeCATALDO: I frequently speak with Bob Lavell; my Deputy General Manager, Steve Young, speaks frequently with Bob's staff. I mean, the communications are on a daily-- And I don't mean-- By daily, I don't mean once a day; I mean continuously during the day. New Jersey Transit is in our Train Dispatching Office; we also share offices with them in New York Penn. So we have great interaction on a daily basis.

ASSEMBLYMAN LAGANA: Okay. And again, just to reiterate the point -- I think, going forward, beyond repair I think it's extremely important that the agencies continue to talk.

This has been our, maybe, fifth or sixth hearing we've had in the past few months. And past testimony has yielded evidence showing that New Jersey Transit has asked Amtrak for reports on Penn Station which were refused; and I'm not sure if they ever received them. There have been discussions or testimony about Amtrak being owed money by New Jersey Transit; and the exact amount of what was owed we're not sure, or how these payments are being made. So there seems to be, really -- just really a disjointed relationship where even a progress report or payments that are to be made between the agencies can't really be identified, or really a lack of a reason why something so simple as a report would not be given to an agency.

So I'm glad that you're speaking daily, and I would hope that it would continue throughout the repair process and beyond the repair

process. Because I can tell you that -- and the Senator testified earlier -- we're getting lots of calls from constituents; people are not happy. And I think that it's really --- we've gotten to this point as a matter of necessity, I believe, because I don't think we could have gone another month or two without doing something about Penn Station. I just hope that, collectively, the organizations put their heads together to see what's best for these commuters as we progress here, and as the year goes on.

So thank you for your testimony.

MR. DeCATALDO: You're welcome.

SENATOR GORDON: Any Senators wish to ask some questions? (no response)

Okay.

ASSEMBLYMAN McKEON: Andrew.

Oh, Gordon; my Vice Chairman. I did it to him again.

ASSEMBLYMAN JOHNSON: That's okay. I defer to my friend, my colleague, Assemblyman Zwicker.

ASSEMBLYMAN ZWICKER: Thank you, Vice Chairman.

ASSEMBLYMAN McKEON: Yourself, and then Assemblyman Auth.

ASSEMBLYMAN ZWICKER: A couple of questions, following up on some of your replies before.

When you talked about the catenary wires -- you talked about issues there. You said, "Well, we inspect them, and there is significant repair work going on there." I would like to get your thoughts on inspections overall, and the implications from inspections to repair work.

So Amtrak does inspections of all of its infrastructure pretty regularly. There was a joint inspection with the Federal Railroad Administration. You know, that's a part of how you do business. On the other side of that is -- we are now in this place where there are major disruptions; we are doing what is called *emergency work, necessary work*. I'd like to get your thoughts and opinion on why is there such a disconnect. If we are repairing -- I'm sorry -- if we are inspecting continually, and we are aware, how did we get to this point, in your opinion?

MR. DeCATALDO: Well, I think the answer is pretty easy for that -- is the inspection and daily maintenance that we do is similar to many other railroads. We meet or exceed all the Federal requirements for that.

But what we're talking about here are component replacements -- that have been referenced as being either from 1930s or older. So at some point, no matter how much you inspect and maintain, you still need to replace components; and that's where we are right now, that's what the Renewal Program in New York Penn is doing. Its talking about renewing and replacing those older components that have been maintained, have been inspected for decades now. The time has come to actually replace the components.

ASSEMBLYMAN ZWICKER: What are your thoughts on why is it 80 years from a moment that, let's say, a switch or a signal is put in to the fact that we're now acknowledging that we have to repair them in such a way that we have such significant disruptions of service.

MR. DeCATALDO: The plan to renew and replace the switches in Penn is something that had been planned for a while. Part of it

is a funding issue, and part of it is with the amount of service that's operated into the station. At some point -- and the point has been reached where we have all realized that in order to make these repairs in a timely fashion, we've had to really modify service and affect all of our customers. And I think part of the reason is, decades of underinvestment in the infrastructure, combined with the great increase in the usage of Penn, have created perhaps some of the reluctance of getting some of the work done sooner.

ASSEMBLYMAN ZWICKER: And my last question is, what are your thoughts and your opinion on -- as we go through this work, this summer to the end of the year, and into the next year -- we are, as you've just said, replacing very aging pieces of the infrastructure. When this planned work is done, is this just a Band-Aid? Is this-- How significant is this; what percentage of the total work, in your opinion, that really needs to happen on this infrastructure will have occurred? Where are we going to be at the end of this work late next year?

MR. DeCATALDO: At the end of this coming work-- I mean where we're focusing primarily is on the track bed, on the basic railroad -- the switches and rails. That's just one component of the system; we still have signals, we have electric power, we have traction power. So, you know, this is just the start of a very long process to renew the components in and around the complex.

ASSEMBLYMAN ZWICKER: Do you have a sense of how long that process will take?

MR. DeCATALDO: I do not.

ASSEMBLYMAN ZWICKER: Okay; thank you.

MR. DeCATALDO: You're welcome.

ASSEMBLYMAN ZWICKER: Thank you, Mr. Chairman.

ASSEMBLYMAN McKEON: Thank you.

Assemblyman.

ASSEMBLYMAN JOHNSON: Thank you, Chair.

And thank you, Mr. DeCataldo (indicating pronunciation) -- okay, right?

MR. DeCATALDO: Yes, sir.

ASSEMBLYMAN JOHNSON: Okay, good.

One or two questions. New York Penn is the busiest station in the Amtrak system.

MR. DeCATALDO: That is correct.

ASSEMBLYMAN JOHNSON: And they anticipate an increased ridership over the next 10 to 20 years.

MR. DeCATALDO: Yes, sir.

ASSEMBLYMAN JOHNSON: Then how come the maintenance program didn't reflect that? In other words, it's the busiest station you have in your system there; you're expecting increased traffic -- or increased ridership in the upcoming year; yet there was no maintenance plan to reflect that? Why is that?

MR. DeCATALDO: The maintenance plan we have today reflects the operation that we run today.

ASSEMBLYMAN JOHNSON: Right.

MR. DeCATALDO: You know, the additional ridership will only come into Penn with additional capacity that's created by the Gateway program. Additionally, for Amtrak, we're purchasing additional high-speed

train sets. So in order for the actual capacity and ridership increase to occur, there are investments that we need to make, both in the infrastructure and on the equipment side. So as we expand the physical capacity of the railroad, the inspection processes will ensure that those are maintained properly.

ASSEMBLYMAN JOHNSON: Does Amtrak rely on Federal funds to maintain the tracks?

MR. DeCATALDO: Yes, sir.

ASSEMBLYMAN JOHNSON: Have these funds been forthcoming over the years?

MR. DeCATALDO: I would think that, clearly, there has been an underinvestment--

ASSEMBLYMAN JOHNSON: For the New York region, that is.

MR. DeCATALDO: There has been an underinvestment in the infrastructure for the entire region.

ASSEMBLYMAN JOHNSON: There has?

MR. DeCATALDO: There has been an underinvestment.

ASSEMBLYMAN JOHNSON: Underinvestment?

MR. DeCATALDO: Yes, sir.

ASSEMBLYMAN JOHNSON: Okay; all right.

Where are we with the Moynihan Station? Is that on track, or--

MR. DeCATALDO: I can't-- As far as I know, it is. But I don't have an answer to that question.

ASSEMBLYMAN JOHNSON: That was a terrible pun; on track? (laughter)

Is that on schedule?

MR. DeCATALDO: I do not know. I'm not aware of whether it is or is not.

ASSEMBLYMAN JOHNSON: Okay.

The weekly progress report I have in front of me here, July 14 -- July 7 to July 13 -- in this timeline, this work was all done.

MR. DeCATALDO: Yes, sir.

ASSEMBLYMAN JOHNSON: It's completed.

July 14 to July 20 -- or July 19. That's scheduled to be completed?

MR. DeCATALDO: That's ongoing now.

ASSEMBLYMAN JOHNSON: And MSG -- you had to replace two complex frogs. What's a *frog*? I know what a *frog* is.

MR. DeCATALDO: It's not quite the frog that you're thinking.

ASSEMBLYMAN JOHNSON: Okay.

MR. DeCATALDO: From a railroad standpoint, it's the component of the track bed where the rails come together, where the switches are.

ASSEMBLYMAN JOHNSON: I see. Okay; all right.

MR. DeCATALDO: It looks like a frog when you look at it from above it. It looks like a frog, splayed out.

ASSEMBLYMAN JOHNSON: I see, all right.

You mentioned in your opening remarks that you had to replace third rails.

MR. DeCATALDO: Yes, sir.

ASSEMBLYMAN JOHNSON: But we have catenary lines. There is third-rail within the station itself?

MR. DeCATALDO: Yes; within the complex itself, there are third rails on the majority of the racks. Long Island Rail Road uses third rail--

ASSEMBLYMAN JOHNSON: Oh, they use third rail?

MR. DeCATALDO: Yes, they do. And Amtrak also uses third rail for its Empire Service that goes up to Albany. That's a third-rail powered locomotive as well.

ASSEMBLYMAN JOHNSON: Okay; all right.

Chair, that's all I have.

ASSEMBLYMAN McKEON: Thank you, Assemblyman.

Assemblyman Auth.

ASSEMBLYMAN AUTH: Thank you, Chairman; through you.

Good morning, and thank you for your testimony.

I just wanted to follow up with you quickly about the train with the -- coming in from Miami with 165 people on it. And then the following train that went out to pull that rain into the station.

My understanding is, both of them were electric, and, therefore, the second train fell prey to the same problem that the first train did. And so the question that begs asking is, is there a contingency plan in place now? Do you have a diesel train that would be able to handle this problem so that we don't encounter this in the foreseeable future?

MR. DeCATALDO: The answer to your question is “yes.”

In New York, for rescue, we have *protec* locomotives. We have one *protec* locomotive that is an electric locomotive that you mentioned; we also have a dual-mode locomotive which is a diesel and a third-rail locomotive.

The incident that you are referring to -- the reason we dispatched an electric locomotive to rescue that electric locomotive was because, according to our power dispatcher, it was not an electrical problem with the catenary at the time. That’s why we dispatched that locomotive. Subsequent to the second locomotive going out and becoming disabled, losing power, that’s when we discovered that it was an overhead catenary issue. If we had known initially that it was an overhead catenary power issue, we would have sent that diesel locomotive first.

ASSEMBLYMAN AUTH: Thank you very much.

Thank you, Chairman.

ASSEMBLYMAN McKEON: Thank you.

There is a follow-up question, I believe on that same topic, from Assemblywoman Muoio.

ASSEMBLYWOMAN MUOIO: Oh, yes. Thank you.

I had not been aware of some responses that came in late last night from Amtrak regarding catenary wires. So I just wanted to follow up on the catenary issue, because when you look on Amtrak’s website there’s a lot of information about how important the catenary wires -- that they provide the power for the Northeast Corridor trains and the Keystone trains. So I really want to try and get to the bottom of what’s going on with those.

In one of the answers that was provided -- and I am not sure who the person was who provided the answer to the Committee -- in answer to the question, "How was service on the Northeast Corridor be affected if funding is not secured to replace the wires?" The answer is, "There will be an increasing number of service disruptions due to catenary issues as the wires age, the wires become increasingly brittle with age," -- which we can all agree they've aged -- "So fatigue breaks are expected to increase, especially at those locations that are being held by hardware that prevents inspection of the catenary wires."

How many locations are there where catenary-- Do you know roughly where catenary wires are encased in hardware that prevents inspection?

MR. DeCATALDO: I do not; but the reference there is the fact that the catenary is held up by different clips. And I think the reference is that underneath those clips, perhaps, is where fatigue might be hard to discover.

ASSEMBLYWOMAN MUOIO: So you're saying that this is incorrect; that the hardware does not prevent inspection of the wires?

MR. DeCATALDO: Oh no; it does. It does prevent because you cannot physically see it.

ASSEMBLYWOMAN MUOIO: Okay. So those are not-- Do you have any idea how many of those sites there are along the line?

MR. DeCATALDO: I do not; I do not.

ASSEMBLYWOMAN MUOIO: The work you referred to -- the replacement of wires between Trenton and New Brunswick -- do you have an estimate as to how much that costs, that project?

MR. DeCATALDO: I do not.

ASSEMBLYWOMAN MUOIO: Okay.

One of the other answers provided in response to the question, “How long do you anticipate it will be before aging catenary wires begin to cause major service disruptions on the Northeast Corridor,” the answer was, “We have service disruptions on the Northeast Corridor now due to aging catenary wires. Heat and changes in temperature can make the traction power systems especially vulnerable, due to its older design and condition causing these disruptions.”

If we’re already experiencing disruptions due to catenary wires, why is there no plan? I mean, earlier you said there’s no plan; we can -- one of the responses to these questions was, “We have the earlier work done between Trenton and New Brunswick to use as a model, but it’s going to depend on where we do the work and the design of the work.” Why hasn’t that already been done by Amtrak if we’re already experiencing issues on these wires on, probably, your highest use corridor, with what we all admit is an aged infrastructure?

MR. DeCATALDO: I don’t have a specific answer to that. And once again, most of the infrastructure on our corridor is in need of replacement, and I would think that that study is being done now -- but I do not know for sure, and we can follow up with better answers for you.

ASSEMBLYWOMAN MUOIO: All right; if you could. And I would just say that the study should have been done four years ago. But I’m shocked that there is -- recognizing that there is an issue already, now, that we haven’t done something until this point; that we don’t have a plan in place.

But thank you.

SENATOR GORDON: Okay.

ASSEMBLYMAN McKEON: Any other members with follow-ups? I have one or two very minor things, if no one else does.

ASSEMBLYMAN JOHNSON: I have a quick one.

ASSEMBLYMAN McKEON: Sure, Assemblyman.

ASSEMBLYMAN JOHNSON: Thank you, Chair.

Just a quick question regarding catenary wires.

What's the lifespan of a catenary wire?

MR. DeCATALDO: I do not know.

ASSEMBLYMAN JOHNSON: Or the shelf life, or whatever it is.

MR. DeCATALDO: I don't now, but it's pretty long.

SENATOR GORDON: Apparently almost a century.

ASSEMBLYMAN JOHNSON: In the maintenance plan with other railroads, when do they swap out their catenary wires? How many hours, or how many years, or-- Is there, like--

MR. DeCATALDO: I'm sorry; I don't know. I can't answer that question.

ASSEMBLYMAN JOHNSON: You don't have that either?

MR. DeCATALDO: I do not.

ASSEMBLYMAN JOHNSON: Okay.

Okay; thank you.

ASSEMBLYMAN McKEON: Thank you.

I think you're going to expect some follow-up from this Committee asking information on a catenary wires, based on the line of questioning.

MR. DeCATALDO: Yes, sir.

ASSEMBLYMAN McKEON: And just two other -- not necessarily minor points. But July 6 was the latest derailments. Is Amtrak accepting responsibility? It was a faulty track again that led to that issue.

MR. DeCATALDO: Yes; yes, sir.

ASSEMBLYMAN McKEON: Okay.

And then secondly, the last our information indicates, there was \$71.8 million that New Jersey Transit owed in Northeast Corridor payments to Amtrak. Are you aware of the status of -- if any portion of that money has been remitted?

MR. DeCATALDO: I am not.

ASSEMBLYMAN McKEON: Okay.

I just-- You know, the most telling part -- and we all appreciate your testimony. I'm taking away, "Most of the infrastructure in the Northeast Corridor needs replacement." You know, shame on all of us.

Thank you.

SENATOR GORDON: Amen.

Thank you very much, Mr. DeCataldo. I think we have no further questions. We appreciate your testimony and your efforts to respond to our inquiries.

Thank you very much.

MR. DeCATALDO: Thank you.

SENATOR GORDON: Our next witness will be Steve Santoro, Executive Director of New Jersey Transit, who we welcome back.

Mr. Santoro, do you wish to proceed?

S T E V E N H. S A N T O R O: Good morning, Mr. Chairman.

I'm Steve Santoro; I've been here a few times, as you've stated before.

This is Chief Trucillo (indicates); he's the head of the New Jersey Transit Police Department. And if there are any questions about how we operate from an emergency operations standpoint, he can walk us through how we're dealing with this particular situation from an emergency readiness standpoint.

Good morning, Mr. Chairman and members of the Committees. Thank you for providing this opportunity to discuss Amtrak's summer repair work and New Jersey Transit's summer schedule.

I also want to thank our transportation partners, particularly at PATH and New York Waterway, for their hard work in helping to make the summer travel as smooth as possible under the constraints of the Amtrak work. As we discussed at the end of May, we at New Jersey Transit developed a summer service plan with customer safety as a top priority, while providing customers the most travel options to get back and forth across the Hudson River.

The summer schedule maintains the regular travel patterns for 75 percent of our customers and reduces the chance of extreme overcrowding.

At one-and-a-half weeks into Amtrak's extensive emergency repair work at Penn Station New York, New Jersey Transit's summer schedule is working, moving customers safely and reliably.

Part of the reason for that is our extensive preparation, coordination, and immediate reaction by bus, rail, police, and other staff as situations arise. We have established an Emergency Operations Center, the EOC, a state-of-the-art facility that allows key staff to have instant access to information on what is happening on the transit system, and to work together to resolve issues before they become major problems.

For example, at Hoboken last Thursday morning, a PATH train became disabled, disrupting service at Hoboken. Managers in the field and at the EOC immediately worked to redirect customers to ferries, ensuring that crowding on PATH entrance stairways was minimized. Similarly, during the p.m. rush at Hoboken, staff has been making real-time changes as they monitor conditions -- from how ferry lines are queued to where scheduled monitors are placed -- to keep the flow of customers moving safely and effectively.

While we have been fortunate not to have any system-wide service disruptions to date, we have faced a few challenges, with intermittent delays and occasional congestion.

Most notably, we have faced some staffing challenges, which we are addressing. We are working with the union to ensure every position is covered. We do not normally schedule service changes in the summer, due to the fact that during every schedule change engineers select their job shifts, and this takes several days for all engineers to settle their work assignments. In the summer, we have more people on vacation; and rail

employees scheduled their vacations by pick at the beginning of the year, long before anyone knew Amtrak was going to be performing these emergency summer repairs.

We also have people taking sick days, taking optional days off, or taking unexcused absences.

So all of these factors combined can exacerbate the shift vacancies on any given day. We are doing everything within our control to maximize the number of employees filling the shifts, to deliver the service we have scheduled.

I'm very proud of our New Jersey Transit employees; I'm also every proud and grateful to our customers. Our customers -- your constituents -- have been terrific. They have been patient and helpful, and they have been very well prepared; and we deeply appreciate that. We also appreciate their feedback and suggestions, because these help us to provide better service.

Now, let me update you on what we have been seeing out there in the Transit system.

The number of customers riding into Hoboken in the mornings is in line with our planners' forecasts. Some 10,000 Midtown Direct customers are taking the train to Hoboken in the morning, and then taking advantage of the free cross-honoring with PATH and ferries to make their way across the Hudson. And about 3,500 customers a day are taking the four early morning Midtown Direct trains to Penn Station New York, approximately double the pre-summer number.

Meanwhile, a supplemental bus service from Maplewood, and South Orange, and Summit, which we created after direct requests from

customers, has gotten a strong response. More than 275 people a day are taking the express bus to the Port Authority Bus Terminal from Maplewood, with more than 200 using the bus from South Orange, and about 175 from Summit.

Ridership on the Northeast Corridor, the Raritan Valley Line, and the Main, Pascack, Bergen lines are continuing at typical levels. So the overall experience in the first week-and-a-half has been good.

But I want to stress -- New Jersey Transit is not allowing that to make us complacent. We are treating every day as Day One, and that means we are not putting our feet up and letting our guard down.

We want to continue to urge our customers to remain up-to-date and ready; and the best way is to stand ahead of events by making sure they receive our alerts and keep checking *The Update*, our special information portal website for the summer schedule.

The first week-and-a-half of the summer service schedule has gone as well as it did because of our customers. Our customers did their homework and planned their trips.

Communication has been key to helping our customers optimize their experience. In addition to the availability of *The Update* and regular social media, we have rolled out more lines of communication in order to keep customers informed every step of the way. For example, we have made New Jersey Transit's first web video, and a *how to take the ferry* video from New York Waterway, available on *The Update*, which is www.njtransit.com/theupdate.

We have also provided improved signage at Hoboken Terminal, and additional infographs and handouts at Hoboken and other locations.

We have made targeted, specific outreach to North Jersey Coast Line customers, and we have used customer feedback to improve navigation and usability of *The Update* website and provide more information.

Our summer service messages are even being transmitted on digital radio, such as Pandora and Spotify.

I and my top managers -- including the General Managers of Rail and Bus Operations -- have been out riding the system and visiting terminals and stations to listen to our customers firsthand. Also, our employee ambassadors have been out in force, at stations small and large, and customers clearly appreciate their presence. They are proving to be a great resource for information and answering customer questions, and they will continue to be out there for the duration of the Amtrak summer work.

So using all these communication methods, the information our customers need is getting through.

Since the launch of the public awareness campaign, *The Update* has had more than 300,000 unique site visitors, and more than 700,000 total hits. *The Update* is getting about 10,000 hits per day. This is more than twice as many unique visitors and more than three times the number of the total site visits as there were just a few weeks ago.

Many of you have played a valuable role in spreading the word about the preparation. We count on your voices to help us reach our customers.

Of course, our customers have been reaching out to us. We've heard from many of them on many aspects of the summer schedule, including from a number of the North Jersey Coast Line riders who go to and from Hoboken. These customers must now go to Secaucus and transfer

to a Hoboken train, due to the physical inability of the single-track connection between the Northeast Corridor and the tracks to the Hoboken Terminal to handle additional trains reliably and safely. I have asked the appropriate New Jersey Transit teams to review this situation and make a recommendation for dealing with this; and potentially giving some relief to our customers.

Next, I know the Committee asked questions about finances. We are continuing to monitor revenues and cross-honoring costs, and the project is consistent with earlier estimates. I also know there is strong sentiment that New Jersey Transit bill Amtrak for any extra costs in New Jersey Transit's budget. We are keeping our options open on that front, as I have said before. Our priority has been delivering the service for our customers.

You heard from Amtrak earlier today that their work is proceeding on schedule. We all want that progress to continue so that our customers' commutes can return to normal in September.

We are monitoring Amtrak's work closely; and going forward, I continue to seek more input for New Jersey on Amtrak's priorities for repair and replacement of infrastructure. We must ensure that the state of good repair efforts on the Northeast Corridor are focused where they are needed most, and that track, switches, catenary, and other infrastructure be kept reliable and safe.

The first days of the Amtrak repairs have gone well, but our customers' commutes and their lives are still being disrupted every day. We have not lost sight of that.

Chairman and members of the Committee, thank you for providing me with this opportunity to discuss these matters with you today. And if you have any questions, I'll be happy to answer them.

SENATOR GORDON: Thank you, Mr. Santoro, for that status report.

And I think, as you may know, on the first day I took the 7:24 out of Radburn and observed the situation in Hoboken. And, at least on that first day, and the days following, things -- the traffic moved fairly well, I thought. However, yesterday we began hearing of some problems relating to staffing issues, and I'd like to focus some questions on those.

How many trains have been cancelled due to a shortage of engineers, or other train crews, since the beginning of this repair period at Penn Station; and when did that start?

MR. SANTORO: So I have to do some math to add them up.

But let-- I have some information here that I'll-- I'll walk you through cancellations related to crew shortages from the beginning of July, which is before the summer schedule was implemented. And I will give it to you on a daily basis.

So on July 1, which was a Sunday, there were none. On July 3 -- I don't know what happened to July 2, so I apologize about that -- there were 5; that was a Monday.

On July 4 -- which was a holiday -- there was zero; on July 5, there was zero; on July 6, there was zero; July 7, there was zero; July 8 there was zero; July 9, there were 2 -- and that's pretty much when the transition started to the new schedule; July 10 -- which was a Monday -- 7; July 11, there was zero; July 12, there was 1; July 13, there were 4; July 14 -- which

was a Friday -- we had 4; July 15, there was 1; July 16 -- which was a Sunday -- there were 26; and on July 17 -- which was the Monday following that -- there were 14.

SENATOR GORDON: Okay.

We've had some -- the staff has had some conversations with Jim Brown who, as you know, is the General Chairman of the Brotherhood of Locomotive Engineers; actually, extensive conversations with him. And his view is that these problems go beyond just people taking advantage of the contractual language. And he would contend that New Jersey Transit has a manpower shortage. We not only have, according to him, physical infrastructure problems, but a human resource problem, as well, due to a shortage of engineers -- stemming, in part, from engineers moving to other systems because of the attraction of higher pay.

He stated, in his report to us -- and I should, just for the benefit of everyone -- he was invited to appear here, and he said he would -- I believe he normally would be here, but he's operating his locomotive today, and we didn't want to take him -- we didn't want to add a number to that column. But he assured us that, at some point in the future, he would be happy to appear here and respond to questions.

But he did tell us that there were, what he called, *129 train annulments* due to mechanical problems and insufficient manpower between July 11 -- the second day of the Penn Station work -- and July 18.

Could you define for us, if you can, what an *annulment* is, and whether those numbers are accurate? I don't know how they compare to the numbers that you just read.

MR. SANTORO: Well, first of all, his numbers seem to be higher than ours for the month of July; he even has higher numbers since July 10. But to the point of -- were there annulments caused by other than crews' availability--

SENATOR GORDON: Is an annulment a cancellation of a train?

MR. SANTORO: I'll let Bobby Lavell, the head of Rail Operations, define *annulment*. (laughter)

ROBERT LAVELL: (off mike) So an annulment is a cancellation of a scheduled train from its initial depot.

SENATOR GORDON: Okay.

MR. SANTORO: As opposed to a *cancellation*; the definition of cancellation, I think, Bobby, is the train has already left--

SENATOR GORDON: Yes; okay.

MR. SANTORO: So, yes, there have-- I think part of your question was-- I can't verify his numbers, but I have these numbers in front of me that were given to me by the Rail Ops. And there were a total of 112 in July, which is a combination of the crew shortage, and equipment issues, and other infrastructure issues.

SENATOR GORDON: Okay. And how does that compare to what we could call a *normal* period?

MR. SANTORO: So the reason I gave you all of July was maybe to make a point. I had mentioned a lot of zeroes in the beginning of the month, except for that July 3, which is a "5" for crew shortages. Once the new schedule commenced, there was a fairly consistent number of 4 or 5, which is partially attributable to the discussion I think you had in your

opening remarks, and New Jersey Transit's response to some of the press inquiries -- that there is -- this rollover and 48-hour process for seniority picking the assignments. And the numbers seem to bear out that prior to the new schedule change there were a lot of zeroes there. And when the new schedule began, they ticked up to, like I said, a number of maybe 4; one anomaly was 7 -- and that was probably predominantly due to this rollover process. Except for the unique numbers of 26 on Sunday, July 16, and 14 on July 17, and I would suggest that those two numbers do not represent the rollover process.

SENATOR GORDON: So those higher numbers -- did we see that number because engineers, for whatever reason, decided that they were going to exercise that 48-hour privilege they had? You know, perhaps taking an unofficial job action; something not endorsed by their union, but just because they could and, perhaps, they were annoyed because of disrupted weekend plans or vacation plans? I'm kind of speculating here. How would you--

MR. SANTORO: Well, I would speculate as well; but it's probably all of the above, with regards to those numbers of 26 and 14. But it's pure speculation on my part.

SENATOR GORDON: Yes.

One thing that confuses me-- I mean, we -- I think everyone who is planning for this work knew about these contractual provisions. I gather these -- this 48-hour provision is not anything new, but has been in the contract for a long time.

MR. SANTORO: That's correct.

SENATOR GORDON: Shouldn't we have anticipated that there might be this problem? You had mentioned earlier that a number of these engineers -- all these engineers make their vacation plans months in advance. Wasn't anyone doing some manpower planning and just seeing who was going to be available and who was not?

MR. SANTORO: So I-- In the context of that question, it was probably our understanding that we could accommodate the rollover; but what we couldn't accommodate was something like a 26 fit number of a crew shortage, and a 14. But I think, going forward -- as you had suggested, I think, in your opening remarks -- that's something that we will be planning to do, and we actually have set up a meeting this coming Friday to talk to the BLE rep -- to have those conversations. Because when the summer schedule is finished at the end of August, we are going to have to go through the same process in September. And we need, I think, to your point, to be better prepared to deal with this.

SENATOR GORDON: Mr. Brown provided some data, and we'll share this with you in writing.

He said that, "New Jersey Transit has approximately 350 engineers to fill 312 daily assignments," and noted that, "20 engineers are out on a weekly vacation each week; 14 engineers are allotted single-day's vacation or personal days per day; 6 to 8 engineers are required to attend rules classes per day; engineers have relief days that vary, depending on the day of the week; and there can be losses of staffing because of sickness, military obligations, family medical leave, jury duty, military duty." And he presented these numbers to make the argument that New Jersey Transit

really is understaffed, and that is contributing to this -- not simply people exercising this provision of their contract.

I mean, would you concede that you have a problem with staffing levels?

MR. SANTORO: So, no, I wouldn't. But let me -- I'll expand on that.

I'm not sure the numbers that they were given -- we have our own set of numbers. We do have staff that actually tracks all of that; averages out on a monthly basis. So let me assure you that we have a level of rigor, in terms of when we schedule engineers -- that that information, which I would characterize as accurate in the context of there are sick days, there are people on military leave, people who take vacations -- absolutely. And we do have data associated with that and analytics associated with that. And as I've said, even just in July we've had enough staff to deal with those situations.

SENATOR GORDON: It appears that on July 16 and July 17 we had something like 40 engineers who were out. I mean, that's -- you would have to call that an *outlier*.

MR. SANTORO: We would call it an *outlier*, yes.

SENATOR GORDON: So we're just trying to understand what prompted that, and how it's a--

MR. SANTORO: Well, we will be having discussions with the union on that.

SENATOR GORDON: Mr. Brown also asserted that part of the problem is that New Jersey Transit has -- is encountering problems just competing with other systems, like the MTA and Amtrak, in terms of being

able to match salaries and attract new engineers. Is the agency at a disadvantage in terms of being able to compete for talent?

MR. SANTORO: I don't know if I would characterize it that way. We did, from a transparency standpoint-- Since January, we lost three engineers -- I think that's the proper count -- to go to Metro North. We've lost other engineers to retirement. And as I have stated many times -- the issue with retirements is something that we are dealing with, and we need to probably be a little more aggressive in dealing with the retirement process going forward. And I think, as you look from a training perspective, it takes close to two years to train an engineer. We have several engineers -- I don't know the exact count -- in the queue now to come out of that training program. We need to be very aggressive, going forward, keeping a number of those engineers, certainly, in the queue so that we are assured that we have enough staff, going forward.

I had to say it, but I said "no" to the question: are we shorthanded? Look, we have a budget and a headcount that is adequate, and has been proven adequate for many years. So I don't think there is any question that it's not a budget issue, it's not a headcount issue. It is something that we need to deal with every day in terms of staying ahead of the curve with regard to retirements and operations.

SENATOR GORDON: Right.

When you find yourself with insufficient staff so that you have to annul a scheduled train, how do you let the customers know about that?

MR. SANTORO: Well, I think I've spoken several times before in front of this Committee and other committees. Back when I started, one of the number one issues that our customers had with New Jersey Transit

was the insufficient communication to our customers when things are happening. And certainly, one of the things that will inconvenience our customers is an annulment of a train. So we have stepped up that communication -- even before the summer schedule was implemented. And we have stepped it up even more so, which is part of the reason why, probably, people are finding out that there are annulments and delays -- because we have stepped up that level of communication to our customers through social media and other means. Not just to say that there's a train delay or a train annulment. We try to explain why, to give the customer a little more information, instead of just "an operation issue" or "a police activity;" although a police activity -- we would probably keep it as "police activity."

But we are attempting to -- and I think we have been successful in providing better communication to our customers, especially since July 10.

SENATOR GORDON: In my opening comments I made the suggestion that New Jersey Transit might want to consider negotiating a side agreement with the union that would be activated in these emergency types of situations, that would give you more flexibility in staffing. Do you think there is merit to that idea?

MR. SANTORO: I do, and those conversations will start on Friday.

SENATOR GORDON: Okay.

I've been dominating the questioning here.

Co-Chair.

ASSEMBLYMAN McKEON: Yes; thank you very much.

And I'll try to be brief.

A couple of things, Director. Thank you, first off, for all your efforts. I know it's an extraordinary time.

I'd asked the representative of Amtrak about the monies owed; perhaps you can tell me. We had -- the last information we had, we owed Amtrak -- *we* meaning New Jersey Transit -- \$71.8 million. I heard in your testimony with Senator Gordon that you were continuing to weigh options as it relates to financial responsibility. Where are we now; what kind of money have we held back?

MR. SANTORO: So we have paid Amtrak a substantial amount of money over the course of the last several weeks, related to the work that they have performed. But we have withheld money related to their contractual obligation to maintain the Northeast Corridor in a state of good repair.

ASSEMBLYMAN McKEON: Okay.

MR. SANTORO: I don't have the dollars for that, though.

ASSEMBLYMAN McKEON: Well, I mean, can you estimate? It's \$71.8 million, you're saying -- substantial. Have we paid them \$30 million, \$40 million, \$50 million?

MR. SANTORO: It's probably \$40 million to \$50 million, in that number.

ASSEMBLYMAN McKEON: Okay; and withheld, give or take, about \$30 million.

MR. SANTORO: Right; but every month it accrues.

ASSEMBLYMAN McKEON: Okay; fair enough. Thank you for that answer.

You mentioned the free cross-honoring; and this gets back to that other question: free to the commuter, but not necessarily free to New Jersey Transit.

Usually with cross-honoring, my understanding is that the Port Authority, which is responsible for PATH, will not charge you money for that when cross-honoring is in play. It might be inclement weather -- you know, whatever which it might be -- when cross-honoring occurs. Is that usually the case?

MR. SANTORO: No; I believe we do compensate PATH for those -- taking extra customers.

ASSEMBLYMAN McKEON: Well, in those circumstances beyond the Summer of Hell, if you will, do we get some kind of discounted rate from them when there is cross-honoring?

MR. SANTORO: I don't believe we do, because it is usually a day or two.

ASSEMBLYMAN McKEON: Okay. So my understanding is that we're paying full fare now -- or, at least, reimbursing them -- for this several months, from July through August. And that's business as usual?

MR. SANTORO: Well, we haven't completed the actual agreement for this. But PATH is cross-honoring, and that's a discussion that we have to have with them, in terms of a long-term -- which this is a long-term. It's not a onsy and twosy; it's a long-term commitment on their part, which they are certainly expending additional funds to provide the extra service.

ASSEMBLYMAN McKEON: So let me understand that. Right now, I guess, without an agreement, we're paying 100 percent; but

you're trying to negotiate some discount. But that's up to their good graces, if you will.

MR. SANTORO: It's in discussions now.

ASSEMBLYMAN McKEON: Again, I don't want to play lawyer here, but unless they voluntarily decide--

MR. SANTORO: Yes; unless they agree to provide a discount, then we'll be paying full fare.

ASSEMBLYMAN McKEON: And was full fare in your financial planning, relative to the cost?

MR. SANTORO: Yes.

ASSEMBLYMAN McKEON: Okay; fair enough.

Thank you for the efforts of you and all of your staff, as it relates to the buses that you referenced. I think South Orange was already in play; but we sat with you and asked for Maplewood, as well as Summit. That made the most sense. And I am pleased by the numbers regarding the ridership.

I don't want to get into all the challenges in providing those direct buses along the whole Morris and Essex Line, but based on the success, based on what you're seeing, is there any possibility of adding, maybe, up to some of the more busy lines like Madison, for example, and any of the others?

MR. SANTORO: So we will continue to look at that. We have not changed any of our schedules at this point in time. But we did have that discussion, and we'll be looking at that towards the end of this week, in terms of what modifications we might be able to make or what transfers of services we may be able to undertake. Some of the earlier buses coming out

of South Orange are less than -- very much less than full. So there may be some adjustments that we can make. But as we discussed, or maybe I discussed before, there are -- most of the-- We purchased the services of bus companies to provide both services -- extra services on a day-to-day basis, and have reserved buses as well. So we still need to -- probably a few more days of the use of those. We actually used some of those reserved buses today on the Hudson-Bergen Line, where we suspended service because of a -- it was a gas leak, and we had to suspend service, and we utilized those buses, which is what they were for -- contingency purposes. But we will take a look at it.

ASSEMBLYMAN McKEON: Well, I appreciate the continued open lines of communication. And in your opening comments you were good enough to indicate that was the consumers' or the commuters' request. But the commuters were well represented by respective mayors, you know, throughout the district. And it was a great effort on their part; and my colleagues, Senator Codey and Assemblywoman Jasey as well.

MR. SANTORO: Indeed.

ASSEMBLYMAN McKEON: I want to reference something, honestly -- and I don't want to be negative -- but I have a real concern with. And I will go through it, and then we'll talk about what we're going to do, hopefully, to -- unfortunately, to rectify it.

When we had our May 31 hearing -- and it was on the heels of a less-than-pleasant experience when we were kept from, along with those mayors, from meeting with yourself and other folks from NJ Transit. After that -- beyond that experience, and beyond our hearing, you received two letters -- and when I say *you*, I'm talking about NJ Transit -- one dated June

12, when we requested all correspondence from the Governor's Office between -- March of 2017 forward, regarding the summer plan.

Another correspondence followed up, co-authored by the Senator and I, on June 16, asking for expected ridership, revenue reduction information, as well as any correspondence, again, between NJ Transit and the Governor's Office concerning fare reduction. There was testimony about that Office's direct involvement in those decisions.

Ten days later -- which is somewhat reasonable -- June 23, we received back, in response, 1,200 pages. The letters could not have been more precise about talking about March of 2017 forward. Yet -- and this is just a -- not a summary, but I guess a key of the documents that we received back -- 1,200 pages of which -- some going back to 1987, 1993, 1995, 1989, 1998-- You get what I'm saying. There was absolutely only one document -- one -- that was even dated in that timeframe, May 2017, and it's basically a forwarded contract involving regulatory testing for the locomotives.

I don't know who was responsible for those responses; and the caveat was, "You'll continue to get more information that's responsive." It's now -- what's today's date? July 18?

SENATOR GORDON: July 19.

ASSEMBLYMAN McKEON: July 19. That's the sum-total of what this Committee has seen. And frankly, that's unacceptable.

So I have some questions about that. Who was responsible for that response? Now, I understand that you're the Executive Director. But who could have put this together, where things are totally unrelated to the specific request, and the one thing falling within the parameters really has

nothing to do with what we were looking for? I know you're the Director. Is there somebody to turn to who we can ask, "Who did this?"

MR. SANTORO: Well, I think a bunch of people, a bunch of staff. So from one person -- I don't know, but I can get back to you on that.

ASSEMBLYMAN McKEON: Okay, well-- And I appreciate that.

And I just-- I don't know that you mean to do this. But a lot of time, unfortunately, of the people sitting around here -- and mine included, let alone the staff, who is as busy as your staff is -- had to go through 1,200 pages to come up with, "Wow, this isn't anything as to what we asked for." And that's just not a good use of anybody's time -- all of which, who are here, not expecting to have to have been -- over this issue.

In the response of your letter of June 23, it indicated that there were -- you would be sending, again, supplemental information that was "non-privileged records." So I assume by that response that you are deeming some of this to be "privileged." Is that fair to say?

MR. SANTORO: I'll have to get back to you on that, in terms of legality and the definition of *privileged* and *non-privileged*.

ASSEMBLYMAN McKEON: Okay. And then if I was to ask you what privilege was being raised, you wouldn't be in a position to raise that.

MR. SANTORO: Respectfully, that would be correct.

ASSEMBLYMAN McKEON: All right. The Governor's Office has a liaison directly to NJ Transit, is it fair to say? Or is it the case?

MR. SANTORO: The Governor's Authorities Unit.

ASSEMBLYMAN McKEON: Okay. The Governor's Authority Unit.

Let me try to tease this out. Jacqueline Halldow was New Jersey Transit's Chief of Staff, I think, from sometime in 2011 until March 2016. So you are familiar with her serving in that capacity?

MR. SANTORO: Yes.

ASSEMBLYMAN McKEON: Okay. And as of April 2016, she became Deputy Chief of Staff of Governor Christie. I believe as late as January 2017, she was noted as the Governor's direct contact with the National Governor's Association.

Now, sometime in the early spring of 2017, was she technically back working for New Jersey Transit?

MR. SANTORO: Correct.

ASSEMBLYMAN McKEON: Okay. And in what capacity is Ms. Halldow?

MR. SANTORO: She is now my Chief of Staff.

ASSEMBLYMAN McKEON: She's the Chief of Staff; okay.

As it relates to, again, all of the correspondence that was requested and all of the documents over that important timeframe to this Committee-- With due respect -- and we have been, I think, more than patient -- this Committee has subpoena power. By Friday, all of those requests, along with another request looking for a *privilege log* -- if there are documents that are deemed to be privileged, so we can have another authority decide as to whether or not, indeed, there is a viable privilege that would keep those from us and, frankly, from the public -- will be delivered this Friday. And so we'll look forward to working with you on being more

responsive. I'm sorry it has to come this, but I feel as if it is my responsibility that we're given no further choice.

Thank you.

Senator, any questions?

SENATOR GORDON: Yes.

I know Senator Kean and Senator Kyrillos--

SENATOR KEAN: Joe wants to go first, and that's fine.

SENATOR GORDON: Okay, Senator Kyrillos.

SENATOR KYRILLOS: Thank you, Mr. Chairman, very much.

Mr. Director, good to see you.

MR. SANTORO: Thank you.

SENATOR KYRILLOS: I know it's a busy summer for you.

I think that a summary for your remarks, and maybe for the operations of the summer, is in one of your final talking points here. "The first days of the Amtrak repairs have gone well, but our customers' commutes and their lives are still being disrupted every day. We have not lost sight of that."

I think that sums it up well. I'm really upset over these engineers -- employees of yours, of ours at New Jersey Transit -- State employees -- who didn't show up to work. Now, I listened to the interplay with you and the Co-Chairs; and, you know, the fact of the matter is -- let's just be clear about this, right? There was a schedule change; it does affect people's lives; there are vacations in the summer; some are admirably serving in the military. All that is true and valid, correct?

MR. SANTORO: It's correct.

SENATOR KYRILLOS: However, what does this exactly mean? And I say this on behalf of all the people -- the ones I heard about were on the North Jersey Coast Line -- were sitting at stations on hot summer days, not even knowing their trains were canceled. So I am speaking for them. What does this mean?

We also have people taking unscheduled sick days, optional days off, taking unexcused absences. And that, of course, I guess in aggregate, is what makes this different from other problems or situations of the past. What does that mean?

MR. SANTORO: Well, it clearly means your constituents -- or whoever was communicating with you -- who were clearly affected by the fact that we did not have enough crews to engineer those trains that were scheduled.

SENATOR KYRILLOS: So optional days off and unexcused absences -- what that really means is, guys not showing up to work, not doing their jobs. I don't know Mr. Brown; he is the union head?

SENATOR GORDON: Yes.

SENATOR KYRILLOS: Okay, Mr. Brown -- who ought to be here next time, it seems to me -- he wants to make this a situation about workforce and all that stuff. Well, you know, that's great; we can look at that in the fullness of time. You've already said that you think you have an adequate budget. But we're really talking about people not showing up to work and screwing the passengers of New Jersey Transit in the process. Is that what we're talking about, Mr. Director?

MR. SANTORO: That is the end product of our workers.

SENATOR KYRILLOS: Right; okay.

So that means-- And you can't fire them, right?

MR. SANTORO: No, they go through a disciplinary process if they don't report on a-- If they have an unexcused absence, they go through a disciplinary process.

SENATOR KYRILLOS: Are you starting processes for some of those people?

MR. LAVELL (off mike): Yes, we have an ongoing process of monitoring all employees' attendance, and we take appropriate actions -- that's our disciplinary process.

SENATOR KYRILLOS: So what were the days when we had the inordinate amount of annulments?

MR. SANTORO: It was Sunday, July 16 and Monday, July 17.

SENATOR KYRILLOS: So have you started the disciplinary process for some of those unexcused absent employees for July 16 and 17?

MR. LAVELL: We are looking at all absences on those days, whether they be an excused absence, whether they be unexcused absence, or whether they be in the pick position -- to pick additional positions. We're looking at all of that, and we will have that conversation with Mr. Brown on Friday when he is in our office.

SENATOR KYRILLOS: So you're looking at that. And do you anticipate that there will be discipline taken on some people in some of those situations?

MR. LAVELL: Once we review that, we will be able to give you a better answer.

SENATOR KYRILLOS: Can you get back to me on that--

MR. LAVELL: Yes, sir.

SENATOR KYRILLOS: --and the members of the Committee?

MR. LAVELL: Yes, sir.

SENATOR KYRILLOS: Mr. Director, do you think that the people who decided to blow off work -- do you think they understand that most of the passengers who were sitting on the hot sidelines -- if they didn't show up to work, they'd get fired?

MR. SANTORO: I can't answer that. But certainly those who didn't show up to work certainly understand well what may become of them if it was deemed an inappropriate action on their part.

SENATOR KYRILLOS: Well, let's just be--

MR. SANTORO: And we'll go through the disciplinary process.

SENATOR KYRILLOS: You know, I just want to make this point, because we danced around it. Those trains-- Some of them, if not all -- maybe not all of them -- were people -- because people decided they don't care enough about their jobs, the system, and the people who they serve, to come to work. And so with all the stresses and all the problems of the system right now, for all the reasons that we know about, we shouldn't have that.

MR. SANTORO: So I definitely agree with that.

I think the fact that we're having this hearing, the fact that this has come to light -- that there is an impact to our customers -- I think is certainly a positive thing, in terms of an outcome of a bad situation -- that our customers are certainly impacted and it's not fair to them to be impacted in such a way that it causes hardship for them.

SENATOR KYRILLOS: Mr. Director, maybe you said this earlier, but how many extra buses are there out there now, that have been commissioned through the private carriers that you deal with, to offset the train schedule problems?

MR. SANTORO: So from the private carriers, we commissioned 85 of those buses; and in addition to that, we have taken some of our buses to add supplemental service.

SENATOR KYRILLOS: So 85, plus whatever; 100-plus buses. So maybe the workers should get this message. Because I hear from people that they like the bus. Maybe some of those 100 buses should stay on the road, and we won't need as many engineers. I heard a lot about the ferry that was heavily subsidized. I read about it in the New York Times; that's my District. I don't know all the economics of it; it certainly didn't read well. I just don't know the details. But I can tell you this. We have very full ferry operations from Highlands -- Atlantic Highlands and Belfort to New York City, filled, at very high prices, with no public subsidy. This ferry that you all read about is an anomaly; it is a singular situation. So we subsidize buses, we subsidize trains, we obviously pay for the roads. But no subsidy for ferries. Well, maybe we should start to think about that. Maybe that's a better, more efficient, faster way to get people across. Maybe the engineers who didn't show up to work should understand that we should look at that, but notwithstanding this one particular situation.

So having said that, Mr. Director, in August you're going to take whatever extra precautions you think you need--

MR. SANTORO: We are going to--

SENATOR KYRILLOS: --to deal with another schedule change?

MR. SANTORO: We'll start that dialogue on Friday.

SENATOR KYRILLOS: All right; thank you, sir.

And one point -- quick topic, Mr. Chairman; I'm sorry.

I've mentioned this big Jersey Central Power line -- electric set of 150-foot-plus towers that are going to go up over, I think, 11 lines of train line of the North Jersey Coast Line. I know you told me, last time we spoke, that you weren't sure, but you wouldn't be surprised -- I think I'm describing your reaction accurately -- if you had to close down whole train stations if that project were ever to be approved.

MR. SANTORO: That's correct. I think there are -- I think what I said was during the construction of the electric lines we would have to close down stations for some period of time, which, again, is a significant impact to our customers.

SENATOR KYRILLOS: Right. So I just want to -- just get this out there for people to understand as different governmental bodies evaluate that proposal. That's going to be a lot worse than this, right? -- for the people who go to those train stations and depend on that train service?

MR. SANTORO: Certainly for the North Jersey Coast Line customers, yes.

SENATOR KYRILLOS: Yes. All the stuff that we hear about -- people have to take the trains every day. Forget about those of us who have to -- who do it occasionally for business and leisure activities in the City and whatnot. All that we're feeling, we're hearing, we're reading about -- that's going to be worse, right?

MR. SANTORO: Agreed.

SENATOR KYRILLOS: Right; okay.

Thank you, Mr. Director.

SENATOR GORDON: Thank you, Senator Kyrillos.

Senator Kean, and then Senator Ruiz.

SENATOR KEAN: Thank you, Mr. Chairman.

I want to follow up on Senator Kyrillos' questions.

You talked about July 16 and 17, where there were 26 and 14 people. What happened yesterday, would you anticipate happening tomorrow? I mean, do you have any new-- What's happened today?

MR. LAVELL: Yesterday we had one annulment, for no engineer, coming out of New York in the morning. The rest of the day was filled. Today, we do not have any annulments because of any shortage of crews.

SENATOR KEAN: Do you anticipate-- So you have a total of 350 -- 350 engineers? What is the total number of engineers you have?

MR. LAVELL: We have budgeted for 383 engineers, sir.

SENATOR KEAN: Okay. So when you're talking about 26 and 14, that is an extraordinarily high percentage of people who simply walked away from their responsibilities.

MR. SANTORO: That is extremely high.

SENATOR KEAN: And irresponsible. And irresponsible.

MR. SANTORO: And irresponsible.

SENATOR KEAN: Okay.

How many engineers have actually, over the time, exercised the 48-hour leave over the period? Is it--

MR. LAVELL: I don't have that information at this point.

SENATOR KEAN: Can you get it to us -- this Committee?

MR. LAVELL: Yes, we'll try to get you that.

SENATOR KEAN: Also, in 2010 to 2011, this Legislature passed, over my objection, an instate residency requirement for State employees and individuals to work in the education system -- higher ed and otherwise. Has that impacted your ability to hire engineers?

MR. LAVELL: No. We've had -- we've been hiring engineers since 2011. We usually have a class of, like 24, 26. But I can just tell you that the failure rate is somewhere up in the 60 and 70 percent range.

SENATOR KEAN: Sixty to seventy percent of the applicants fail the engineering--

MR. LAVELL: That's the failure rate; the failure rate of the students in the classes.

SENATOR KEAN: Okay. So was there a higher level of application? I mean, if you're talking about each class, were there more applicants before this law was put into place? I mean, it has to have an impact; you're limiting applicants.

MR. SANTORO: So let me answer that. We can get you those numbers; I don't think we have them -- those numbers available. But I did testify, at one point a couple of sessions ago, that in many departments within New Jersey Transit that particular law did constrain us a little bit, in terms of getting qualified individuals to fill vacancies.

SENATOR KEAN: And perhaps -- through you, Mr. Chairman, and to you, sir -- perhaps it's actions like that that have led to commuter experiences we're all talking about.

MR. SANTORO: We'd have to verify that.

SENATOR KEAN: Well, I'm saying -- because limiting the number of people you can hire because of a--

MR. SANTORO: In a broad sense, yes. I can't specifically talk, as I said, to the locomotive engineers; but yes, in a broad sense it has created situations where we can't get the qualified people who don't live in the state.

SENATOR KEAN: We should be attracting the best and the brightest in the State of New Jersey to work on behalf of the people of the State of New Jersey. And I think that we should be focused on this as one of a possible solutions -- is to repeal that law.

Thank you.

SENATOR GORDON: Thank you.

Just to follow up on that; and then I'll turn to Senator Ruiz, who has been waiting patiently.

We just heard 383 positions are budgeted; there are 350, approximately now, in service; 17 in training. And we also just heard that there's a 60 -- possibly a 60 percent failure rate. So I don't know whether those 17 are ready to graduate or not. But you know, I just want to reinforce what we just heard. It sounds like we're not able to, for whatever reason, attract the number that we need. And maybe it's a money issue, a salary issue; and maybe that's something we need to take a look at.

MR. SANTORO: Just for clarification. Our numbers are the three -- three budgeted; and we have 370 employees, locomotive engineers as employees.

SENATOR GORDON: Okay.

Let me turn to Senator Ruiz.

SENATOR RUIZ: Thank you, Chairman; through you.

I want to stay on this line of questioning.

There were no annulments today. Was it because you called -- was there any backup reinforcement that was called to fill in any gaps that, perhaps, where there were call-outs?

MR. SANTORO: Yes. During the normal process that we have -- we have what we call *an extra board*, who are individuals qualified to operate--

SENATOR RUIZ: As fillers.

MR. SANTORO: And we call them as we need them.

SENATOR RUIZ: So I guess my question would be-- Because it was reported there were zero today. Were there any of these people who were filled in -- that would make the zero really a higher number, and not a true zero?

MR. SANTORO: Well, the way we're structured is that these -- we do have these contingency engineers which are called-- It's called the *extra board*, Bob?

MR. LAVELL: Yes.

MR. SANTORO: --who are available if we don't have enough engineers reporting as they're scheduled to report.

SENATOR RUIZ: How long does the training take for the drivers?

MR. SANTORO: The training? It's a two-year program.

SENATOR RUIZ: So it seems that we're really behind the pool here, as far as having a bench that we can lean in on when we're ready to

hire. Are you doing anything to increase that -- to advocate to go out to hire?

MR. SANTORO: We'll be starting up a new class; we have a class now, and we're starting up a new class next month.

SENATOR RUIZ: But the class wouldn't even fill in the vacancies that you currently have.

MR. SANTORO: At 17? What do we have? -- 13. We have 13 vacancies, yes. And as I said before, we need to be aggressive in filling those vacancies.

SENATOR RUIZ: So is there a strategy, moving forward, in place to have a media campaign to go out to hire, to train, to make sure that we have a bench that we can lean on?

MR. SANTORO: Yes; and part of that strategy is that there have been recent layoffs of locomotive engineers in the area. And we're actively pursuing those to apply for these posted positions.

SENATOR RUIZ: As just to-- In an aside, in Newark Penn Station, do you see that ridership off the Transit lines -- are they getting off at Newark Penn and hopping on the PATH for an easier commute, perhaps?

MR. SANTORO: We are seeing an uptick in individuals getting off at the Newark Broad Street, using light rail to get to Newark Penn Station. I don't think at the PATH-- I don't have that information -- whether they go to PATH or go directly into Penn.

SENATOR RUIZ: Or the bus.

MR. SANTORO: But we've seen an uptick in that travel pattern.

SENATOR RUIZ: Okay. That's all the questions I have.
Thank you.

SENATOR GORDON: Okay.
Assemblyman.

ASSEMBLYMAN McKEON: Assemblyman.

ASSEMBLYMAN LAGANA: Thank you, Mr. Chairman.
And thank you, Mr. Director, for your great testimony.

Just reading an article on *NJ.com*, "New Jersey Transit cancels at least 20 buses due to operational issues"-- that's from three hours ago. It appears that out of the 20 buses, there were several coming from the Lakewood-Old Bridge area; and the other buses -- I guess 17 or so -- coming from Bergen, Passaic, and Hudson. Nancy Snyder from NJ Transit said, "The operational issues are a result of reallocating our bus resources to accommodate higher demand areas and work around the revised rail service schedule." Can you, kind of, discuss why something like this would happen?

MR. SANTORO: So each morning we have 4,600 starts of buses. So today, 20 of them did not -- 20 of those 4,600 buses did not start. So hardly -- a small percentage, but still affecting customers who were planning on taking those buses.

ASSEMBLYMAN LAGANA: What does that mean for the customer? So is it -- someone who is waiting at the bus stop for the 8:15, and it just doesn't come, or--

MR. SANTORO: That's correct. And it's usually the early morning buses. And I will let Mike Kilcoyne go into a little more detail, in terms of explaining how that works.

MICHAEL P. KILCOYNE: Good morning.

So the delays this morning were spread over seven different garages. So there were one to three departures scheduled to leave that did not, in those seven garages.

Typically what happens with a customer -- we will target, if we're missing a trip, those lines that have the most robust service on them. So if we have a delay that's not going to leave the garage, we'll make sure that that delay impacts a line that has a bus every 7 minutes or a bus every 10 minutes, to make sure that those lines that don't have as much robust service -- something along the scale of a 20-minute service -- would not be impacted by that. And if it happens more than one or two days in a row, we'll spread those trips around so the same people aren't impacted day after day.

Having said that, we do have 20 extra buses and extra lines operating on our existing service, in addition to the 20 that were missing this morning -- 20 departures from the beginnings of the lines. So it's a balance; it is something that we strive to overcome.

ASSEMBLYMAN LAGANA: So basically you identify the lines that have the most amount of buses passing through.

MR. KILCOYNE: That's correct.

ASSEMBLYMAN LAGANA: So you wouldn't do it on a line where it would be, let's say, every half hour or 40 minutes; it would be where they are coming continuously, essentially.

MR. KILCOYNE: That's correct. There are certain lines we have a bus every three minutes. So if we are missing a departure, what we'll do is, we will take one of those buses out of there and then squeeze the two

buses on the outside a little closer together so that it's not impactful to the customers.

ASSEMBLYMAN LAGANA: I know the repairs are started, so we're kind of painstakingly making our way through this. But do you anticipate this happening often as we proceed?

MR. KILCOYNE: It's an ongoing challenge; we address it every single day. We have what we call *roll call operators* in each garage; they are there, in position, in case an operator is missing. There are occasions where the call-outs overcome the number of roll call operators that we have. We do have very cooperative operators; they will move their trips, they will move their runs and changes. So we have been pretty successful in managing that.

ASSEMBLYMAN LAGANA: Do you anticipate having to contract with more private bus companies to fill in the gaps here, or do you think that we're adequate as we proceed?

MR. KILCOYNE: We're doing okay so far; we're adequate where we stand. We are operating, I think, nine different sites with extra service across our system, both New Jersey Transit and contracted carriers. So for instance, when the HBLR went down this morning, we were able to take our contingency fleet and be able to bus that line immediately; so virtually no time was lost. The same is true on an issue that we had on the M&E earlier in the week, where we were able to take that contingency fleet and enhance the bus service that was operating out of Maplewood and Summit to limit the delays for those customers as well. So it's working as planned.

ASSEMBLYMAN LAGANA: Okay; thank you for your explanation.

I asked the gentleman from Amtrak earlier whether or not they were communicating adequately with NJ Transit. Do you find that to be true?

MR. SANTORO: I think the simple answer is "yes." We have boots on the ground monitoring the progress, and good cooperation. From an operations standpoint, as the gentleman, Mike DeCataldo, mentioned today, we do have good communications between him and Bobby Lavell.

ASSEMBLYMAN LAGANA: Just as a final point -- the *Bergen Record* wrote an op-ed the day after the first day of the repairs. And they made several suggestions and several points about the future and how we're delivering these types of services to our constituents. And Senator Kyrillos touched on it when he discussed the ferry and possible subsidizing; whether it works or it doesn't work, but just a consideration.

They also talked about potentially increasing buses until the Gateway project is completed and the Portal Bridge is completed -- which may take many years. But just with the increased traffic and the amount of people now moving into areas where the congestion is just really becoming unmanageable, is there any plan, or is there any type of committee, any type of department that NJ Transit would utilize in conjunction with -- whether it's the Federal government, or with the state of New York -- where we're thinking 10, 15, 20 years down the road, beyond an extra tunnel? Where we're talking about things like, you know, maybe we do need to increase bus services; maybe there should be discussions about increased ferry services; and what role the agency should play as far as subsidizing,

and whether or not that's appropriate. Are we looking at any type of future plans that we would be able to come up with -- you know, something that's adequate? Because it just seems like the more the years go on, the more and more people utilizing these services. And I think that even with an additional tunnel at some point, we're going to have to make these decisions. What is your opinion on that?

MR. SANTORO: Well, it's a very interesting and relevant question, and I will answer it at two levels -- well, probably three levels.

Certainly, within this state, we have plans to increase the capacity on our trains by buying multi-level cars; replacing our older, single-level cars with multi-level coaches. That will increase capacity trans-Hudson. Clearly, there may be challenges on the other side; Penn Station has to be -- Penn Station needs to be in a state of good repair; escalators and elevators need to operate, which we haven't even talked about. We've talked a lot about track, but it's the entire infrastructure of Penn Station that needs to be maintained -- monitored and maintained. Because you get customers on a platform, and if there are no escalators or no elevators for ADA accessibility, that becomes a problem as well.

So there's-- We have had discussions with Amtrak -- some successful, some less successful -- in terms of trying to deal with some of those situations. We are -- and very relevant to that -- we are in conceptual design for what we call the -- oh, what is it called? -- the *mid-concourse*? That's not the proper terminology, but extending an existing concourse to accommodate access to other tracks -- that will allow us to get the customers off our trains and down to the platforms more quickly. That's not a tomorrow project, but it is a project that has significant viability in

terms of, as you said, a shorter-term solution to dealing with that. And again, probably needed in the context of -- that if we can bring more customers on multi-level trains, then we're going to need the capacity on the platforms. From a regional perspective, we're talking Gateway with Amtrak, and others as well.

From a broader standpoint, the Federal government -- the FRA, in particular -- has produced a document called *NEC Future*, which is probably a longer-term vision of not just New Jersey and New York, but the entire Northeast Corridor. That record of decision -- it's in a programmatic environmental document -- that record of decision has been published recently; and what we are in dialogue with the FRA is, kind of, parsing that out and creating a shorter-term, more-than-just-New-Jersey Northeast Corridor plan.

And I might add that the Northeast Corridor Commission -- which was established under the PRIA Law, for which we are now obligated -- and willingly pay for additional costs -- we're paying additional funds to Amtrak to maintain the infrastructure for operations and maintenance. We've spoken about that before -- which we are paying, but withholding some money as appropriate -- we think appropriate. That process, that Commission that contains eight states, the city of Washington D.C., Amtrak, and the FRA -- the Federal government -- that, to me, is the venue for which we collectively -- the eight states and Amtrak -- move forward, on a multi-state basis, to make sure that the Northeast Corridor is meeting just not the needs of New Jersey, but the needs of the entire state (*sic*). Many of our residents go down to Washington D.C., and many other customers go to Boston. So the intent of the *NEC Future* document, the intent of the

Northeast Corridor -- and especially the Northeast Corridor, in my mind -- was not just a funding mechanism, but it was a transparency mechanism, it was a collaboration mechanism. That needs to step up its game; and I'm a participant in that, and I hopefully intend to push that venue.

ASSEMBLYMAN LAGANA: Thank you, sir.

SENATOR GORDON: Assemblyman Zwicker.

ASSEMBLYMAN McKEON: Yes; excuse me, Assemblyman.

ASSEMBLYMAN ZWICKER: Thank you, Mr. Chairman.

I'd like to go back to the cancellations in July. Can you take us through your decision tree? We heard a little bit about what you did with buses. How do you decide which particular train line you're going to cancel?

MR. SANTORO: Go ahead, Bob.

MR. LAVELL: (off mike) All right; so we have a roster of trains that we are staffed, both on the Newark Division and the Hoboken Division. Each engineer has what they call a *pick* for a position. We look at the entire system; each engineer, again, has an assignment that he picks. And we have what we call *crew callers* that look at the assignments, on a 24-hour basis, when we know within a few hours of what jobs are not picked by engineers -- that do not have an engineer.

In this particular incident, most of the annulments were on our Hoboken Division -- where we knew, in enough time, to try to make some changes to our schedule to accommodate the customers on the Newark trains. That's done by our Rail Operations Center that is in Kearny; and then that information gets distributed through -- in this situation, for our Office of Emergency Management -- all the particular parties that are

involved with this between Bus and Rail. And our communications gets that information; that information is then pushed out to our customers.

ASSEMBLYMAN ZWICKER: So, okay; keep on going. So on Monday, there were -- you reported 14 annulments. Were 4 of those rush-hour trains on the Northeast Corridor? That's what I have in front of me.

MR. LAVELL: Yes.

ASSEMBLYMAN ZWICKER: So why were those canceled?

MR. LAVELL: We had no engineers.

ASSEMBLYMAN ZWICKER: You suspended service on what you call the *Princeton shuttle*; it's actually called the *Dinky*. Why did you completely suspend service on the Dinky?

MR. LAVELL: The Princeton shuttle had two issues. We had some Amtrak outages on the overnight. The car that is -- or the two cars that are assigned to that service, the Dinky, were left on the platform of the Princeton Junction station. The catenary wire was de-energized; the car was dead. It loses its catenary, and so does not have power to power up the car. And the engineer did show up in the morning for his assignment on time. We could not get the car livened back up again; so, therefore, we called our partners in Bus and we had to bus that line until we got the car livened up.

But also on that day, we had a scheduled outage -- a midday outage -- to perform maintenance on both track and catenary.

ASSEMBLYMAN ZWICKER: Wait, can you go right back? So that was not an engineer issue; that was a failure of the overhead electrical wire?

MR. LAVELL: No, sir. That was a manpower failure that should have de-energized that car; and we are dealing with that internally.

ASSEMBLYMAN ZWICKER: Sorry, I still -- I don't-- I apologize; I don't get it. So someone didn't show up to do what exactly?

MR. LAVELL: We had a program in place-- When the overhead wire is de-energized, we actually lower the pantograph -- that's the device that's on the top of the car that makes contact with the catenary. The procedure that was in place was that that pantograph should have been lowered; the battery switch should have been shut off on the car; when Amtrak gave us the catenary wire back, we should have had a mechanic there on the property to reverse that procedure and energize that car. That did not happen.

ASSEMBLYMAN ZWICKER: Okay. So this is not related to issues of sufficient engineers; that part is clear.

MR. SANTORO: Correct.

MR. LAVELL: No, sir.

ASSEMBLYMAN ZWICKER: Okay.

So if I look at the numbers, right? And as the Director took us through, there are a bunch of times where there were zeroes; today, there is, currently, a zero, at least as of right now. Yesterday, we know there was one. We have these two outliers for Monday, this day, which is why I thought it was related to the engineer; and Sunday before.

I guess I'll go back to you, Mr. Director.

You've said a couple of times you have a meeting planned for Friday with the head of the engineers' union. What's the agenda of the meeting; what's the goal of the meeting; what's the outcome of the meeting?

MR. SANTORO: Well, I think the agenda of the meeting is to address the ability to -- the discussion to address the issues of locomotive engineers not showing up when they are scheduled to show up; that's one thing. And we'll have the discussion about potentially relaxing the 48-hour rule as we transform back to the original schedule before the summer schedule. Those are the two agenda items.

ASSEMBLYMAN ZWICKER: What do you expect to be the outcome of that?

MR. SANTORO: Well, I hope the outcome is that there is some flexibility. And irrespective of the details, that at the end of the day we will have enough locomotive engineers to run the original service that we're going to turn on in September.

ASSEMBLYMAN ZWICKER: So if the meeting is successful, based upon your historical numbers, you would expect that annulments will be either zero, or one, or two, three, four, as opposed to these higher numbers.

MR. SANTORO: Correct.

ASSEMBLYMAN ZWICKER: All right. And those are -- the numbers you were reporting previously -- those are pretty much typical, those lower numbers.

MR. SANTORO: For the change-over schedule, yes. We've looked at -- and this is just an average, and numbers can sometimes be deceiving -- we've looked at the past year, in terms of annulments due to shortages of engineers, and it averaged less than one per day.

ASSEMBLYMAN ZWICKER: Great.

So how much, starting -- as you gave us the numbers in July, you know, the numbers are-- Well, you said there were a bunch of zeroes; there's a seven after we started work, there are a couple of fours, in terms of annulments. So is this enough information to anticipate that, as we go through this period this summer, the number of annulments, on average, is going to be higher?

MR. SANTORO: No, I think we're anticipating annulments being certainly less than four; kind of closer to zero.

ASSEMBLYMAN ZWICKER: Okay; thank you.

Thank you, Mr. Chairman.

ASSEMBLYMAN McKEON: Thank you.

Assemblywoman Muoio.

ASSEMBLYWOMAN MUOIO: Thank you.

Most of my questions have been asked. I just want to talk about the engineer shortage for a minute.

I also called Mr. Brown from the Brotherhood of Locomotive Engineers, because I also was concerned, having read the article in the paper yesterday.

He mentioned -- you know, we've talked a little bit about this -- that this shortage in engineers has predated the current crisis; and that since the end of 2015, his rough estimate was that we've lost 50 engineers and replaced, roughly, 28 of those engineers. And that with the work also, now, necessitated by this summer -- that requires an additional 10 engineers based on the work that had to be done up in Penn Station.

MR. SANTORO: So I can't answer the first question; but we are gathering that type of information as we speak.

With regard to-- What was the second question again? Sorry.

ASSEMBLYWOMAN MUOIO: Ten additional engineering positions necessitated by the work in Penn Station.

MR. SANTORO: No, I don't think that's true. We have data from our Rail Ops folks that the number of starts, or engineers assignments, are very similar to the pre-summer.

ASSEMBLYWOMAN MUOIO: So no additional engineering issues.

MR. SANTORO: That's not the numbers that I have in front of me.

ASSEMBLYWOMAN MUOIO: He also mentioned that there is a shortage of road foreman positions; and that engineers are the ones who have the qualifications necessary to fill those vacancies. So some are pulled from the roster to plug the vacancies in the road foremen positions?

MR. SANTORO: Correct; road foremen are management staff that are qualified to operate as engineers. They typically do come from the engineering ranks, and we do sometimes draw upon them to operate trains when we need to.

ASSEMBLYWOMAN MUOIO: Okay.

And I might have missed this earlier, but you mentioned you are having a meeting Friday. You didn't have a similar meeting prior to this, with the unions, prior to the big change here in July that we--

MR. LAVELL: (off mike) No, we had a meeting with both Mr. Brown and the representative from the UTU, who represents the conductors. We talked all of this through. We had commitments from both of the General Chairmen that they would talk to their constituents.

And they felt that we had a smooth transition through this whole job change.

The one thing that was cautioned is, again, as Mr. Santoro said, this was very difficult because it was summertime change that we were not accustomed to.

ASSEMBLYWOMAN MUOIO: Okay. So they acknowledged, early on, that there might be some problems.

MR. LAVELL: But they said that they would help us and they would talk to their constituents, and we had to work with them. And, you know, we took their word that we would not have issues, yes.

ASSEMBLYWOMAN MUOIO: Okay. But you acknowledge there is a shortage right now of engineers, essentially.

MR. SANTORO: Well, I wouldn't use the word *shortage* in the context of-- We have 383 budgeted, and we have 370. So we're not at full strength in terms of our budget; but, as has been demonstrated by the numbers, we can operate train service with no annulments due to crew shortages.

ASSEMBLYWOMAN MUOIO: Do you know the number budgeted in the past? Has that number increased or decreased over the past five years?

MR. SANTORO: My understanding is that it has been -- the 383 has been 383 for many, many years. I don't have, hardly, a definitive answer in terms of the many, many years, but we can get that information.

ASSEMBLYWOMAN MUOIO: Okay.

MR. SANTORO: But I know for 2017, it has been 383; for 2018, it is going to be 383. But we can get more definitive information to you.

ASSEMBLYWOMAN MUOIO: Okay.

Because the one thing that concerns me -- I don't like the idea of making the union employees scapegoats for problems that may be caused by other situations. I mean, clearly, this has been something we've been discussing for months here in this Committee. This is a major undertaking by New Jersey Transit, by Amtrak. And I am hearing that people are accosting engineers, basically, in their -- in the cabs of the train. One came up the other day, and knocked on the window and started yelling at the engineer because engineers weren't coming to work. So that concerns me. I know, as a group, they work extremely hard, and we depend on them to get us safely-- To have this state moving safely.

So I just think there should be a recognition -- maybe an acknowledgment -- by New Jersey Transit, publicly, that we are shorthanded a bit in the engineering office; this is a major undertaking, a major adjustment during this summer. And that we're all working together to make this transition and make this work.

One other issue -- just on the information that I think Chairman McKeon mentioned earlier that he is waiting-- In terms of revenue, if you could possibly provide information -- I would just like, kind of, a snapshot in terms of ridership over the past five years. I'm curious what the purchase of tickets, 10-day trip passes, and monthly passes from June and July of 2017 -- what those numbers were; the same two months from 2016; and then the same two months from 2012 -- just, sort of, to

compare how our ridership has been affected over the past five years. I would appreciate that.

MR. SANTORO: We can do that.

ASSEMBLYWOMAN MUOIO: Thank you.

ASSEMBLYMAN McKEON: Co-Chair? Vice Chair?

(laughter)

ASSEMBLYMAN JOHNSON: Thank you, Chair -- one of the Chairs.

ASSEMBLYMAN McKEON: Vice, Vice, Double-Vice Chair.

ASSEMBLYMAN JOHNSON: Double-Vice Chair.

Quick -- just one question.

On July 16, 26 trains were canceled, as we've heard. How many people per train set?

MR. SANTORO: It would depend--

ASSEMBLYMAN JOHNSON: Can we go with 800?

MR. SANTORO: They range from, probably, on a Sunday night, 600 to 1,000.

ASSEMBLYMAN JOHNSON: So we use 800 people per train set as a number; that's in-between. So we're saying that 20,000 people were denied train service that day.

MR. SANTORO: Well, that sounds a little high.

ASSEMBLYMAN JOHNSON: Well, we take the 26 trains--

MR. SANTORO: Maybe my range is not correct.

ASSEMBLYMAN JOHNSON: --and multiply it by 800 people, times 26.

MR. SANTORO: Well, maybe averages don't work.

I'll have to check; 20,000 seems like a lot.

SENATOR GORDON: It's 20,800.

ASSEMBLYMAN JOHNSON: To be exact, 20,800; right.

(laughter)

And on July 17, when you had 14 trains canceled -- if you use 800 people per train, it's about 12,200.

So, distinctly, there is a problem -- or there was a problem. I'm hoping that this situation between the engineers and New Jersey Transit is corrected, because this is not acceptable to the people who rely on train service. We have 20,000 people on one day and 12,000 on another day denied train service, waiting at the stations; and these trains aren't showing up.

On the other side of this, for the Chief -- the Police Chief; it's good to see you here today, sir. I'm glad that you were able to expand your police force, increase the numbers of police personnel, as your men and women there provide the safety for the riders.

When do these people -- when are they expected to be on -- initializing in the street, on the rails, protecting the riders -- the ridership?

CHIEF CHRISTOPHER TRUCILLO: The 25 recruits, Assemblyman, will graduate in October.

ASSEMBLYMAN JOHNSON: Okay.

CHIEF TRUCILLO: And then they will immediately be in the street, under our field training program. But that training will go on, on our equipment, in the field, where customers will feel more secure--

ASSEMBLYMAN JOHNSON: Right.

CHIEF TRUCILLO: --because they're there.

ASSEMBLYMAN JOHNSON: And how is the retirement situation? Are you losing men and women, or anticipate losing men and women in Calendar Year 2017-2018?

CHIEF TRUCILLO: We attrit probably anywhere between 5 to 10 a year.

ASSEMBLYMAN JOHNSON: Okay.

CHIEF TRUCILLO: And I expect that will continue into 2018. But we have recruitment going on, and we have people in the queue to train and put into the field. So I am confident that we'll be able to fill those vacancies.

ASSEMBLYMAN JOHNSON: All right; thank you, Chief.

CHIEF TRUCILLO: Thanks.

ASSEMBLYMAN JOHNSON: And thank you, Chair.

ASSEMBLYMAN McKEON: Thank you.

Chairman.

SENATOR GORDON: Yes; I just would like to close--

I'm sorry; Assemblyman Auth. I'm sorry.

ASSEMBLYMAN McKEON: Oh, I am so sorry.

ASSEMBLYMAN AUTH: No worries; thank you very much.

(laughter)

ASSEMBLYMAN McKEON: I had my head down.

ASSEMBLYMAN AUTH: We're all friends here. (laughter)

Mr. Santoro, thank you for your testimony this morning.

You mentioned something to me that I caught, and I thought it was worth examining. And I was hoping you could help me further expand on the issues of Penn Station. You said there were other issues other than

the tracks that were problems. Could you expound on that a little bit for me, please?

MR. SANTORO: Well, on an ongoing basis, I think my point was that it's not just tracks that need to be paid attention to; it's an entire infrastructure that moves thousands of people; thousands of our customers, and Long Island Rail Road customers, and Amtrak customers who move through Penn Station. So, I mean, certainly the first order of business, from a safety perspective and a reliability perspective, is tracks in state of good repair, signal systems in state of good repair, catenary in a state of good repair. But it doesn't necessarily stop there. As I said, escalators and elevators need to be maintained properly, and that needs to be programmed into Amtrak's annual budget, and three-year budget, and five-year budget. And on the concourse level, lighting -- usual stuff.

But one of the things that could cause issues, in terms of moving customers, is escalators and elevators.

ASSEMBLYMAN AUTH: Thank you.

Another question, if you would allow me, through you, Mr. Chairman?

ASSEMBLYMAN McKEON: Of course.

SENATOR GORDON: Yes.

ASSEMBLYMAN AUTH: Thank you.

Among the train cancellations that you've mentioned, what percentage was associated with mechanical breakdown, as opposed to labor issues in the past month or so, when you were giving an outline of those numbers?

MR. SANTORO: So I do have those numbers.

For the month of July -- July 1 through July 17 -- 57 percent were manpower shortages, or crews not showing up; 25 percent were mechanical issues; 14 percent were infrastructure issues related to Amtrak; and 5 percent were just miscellaneous.

ASSEMBLYMAN AUTH: Okay; thank you.

And then to follow up with that, Senator Gordon has taken some time today to discuss the labor issues this morning, with regard to the pay parity with other train associations -- Long Island Rail Road, MTA, and so on. My question would be to you -- didn't you recently have a mediator come in and enter into negotiations with labor to resolve some issues that you just had with New Jersey Transit employees? And weren't the two union recommendations accepted by the mediator; and, in some cases, wasn't as much as six years' back pay used as a settlement?

MR. SANTORO: I believe that's correct.

ASSEMBLYMAN AUTH: So from that, I would think that there is general parity amongst the other railroads in the region.

MR. SANTORO: I don't know if that's true or not. But to your point, the contracts were negotiated and settled, I believe, last year; I don't know the exact date. I think they were negotiated before arbitration; I don't know the details of that. But those are contracts that are still -- were negotiated; back pay was given to all those employees who were participants in those contracts. And I think the contract expires in about 2019; in 2019. So I think with regard to parity, I would have to check; but those contracts were negotiated in good faith, with arbitration being the final determiner of the settlement of those contracts.

ASSEMBLYMAN AUTH: And one final question, if I may.

Do you feel that a continuation of this labor issue would be a violation of the Railroad Labor Act?

MR. SANTORO: That's a legal opinion that I'm not prepared to answer.

ASSEMBLYMAN AUTH: Okay; thank you very much.

Thank you, Mr. Chairman.

ASSEMBLYMAN McKEON: Thank you, Assemblyman
Any other members?

SENATOR GORDON: I just have a couple of final questions -- it's been a long period of questioning for Mr. Santoro -- and that relates to the reduction in ridership over this summer. Do you have any estimates of what that reduction is going to be for the summer period? And did any of it start actually in the springtime after the derailments?

MR. SANTORO: I don't have those numbers, but I have heard anecdotally that right after the derailments that some of our customers took other modes. But I don't have the numbers, and it's anecdotal.

SENATOR GORDON: And when you get those numbers, I think we would also be interested in knowing what the financial impact is of just the decline in ridership, as opposed to the cross-honoring of tickets.

I have no further questions; if there are--

ASSEMBLYMAN McKEON: It's done, other than thanks.

SENATOR GORDON: We want to thank you very much for, once again, appearing here. I thought this was a very productive and substantive conversation that we had today. So we thank you and your team for being here.

Our next witness will be Michael Marino, who is the Director and General Manager of the PATH system, if he is here.

Welcome, Mr. Marino. I see you're here with Tina Lado from the Port Authority, no stranger to this building. (laughter)

M I C H A E L P. M A R I N O: It looks like everybody else behind doesn't want to sit up in front, so I don't know what that means. (laughter)

But with me I have my Chief of Staff, Rebecca Cassidy--

SENATOR GORDON: Your microphone is not on.

ASSEMBLYMAN McKEON: Put your mike on, sir.

MR. MARINO: Which one? I'm good? Okay, sorry.

With me I have my Chief of Staff, Rebecca Cassidy; and my Marketing Director, Jessica Mills; and our media expert, Scott Ladd. And I think they're behind me.

SENATOR GORDON: Please proceed.

MR. MARINO: Okay. Just excuse me -- my voice. Last week we met in Hoboken; I think it was on Monday or Tuesday. And I ended up with bronchitis after that -- standing in that heat for the five days last week. So just excuse my voice.

Good morning, Chairman Gordon, Chairman McKeon, and members of the Committees. Thank you for inviting us back; we're pleased to be here today.

At the last hearing I relayed to you that PATH was working with Amtrak, New Jersey Transit, and Long Island Rail Road in an advisory role to help understand their plans; and to know how best to adjust our own operations.

Today I'm pleased to report that those nine weeks of planning have paid off for PATH. Last week -- the first week of Amtrak's New York Penn Station work and adjusted rail service -- PATH carried an average of 305,185 riders a day on our system. Last July, our average daily ridership was 272,460, almost 33,000 less. We cross-honored over 100,000 passengers in the first week, on an average of about 21,000 additional riders each day, starting last Monday. In another comparison, our weekday average ridership in June was 288,215.

As you know, at New Jersey Transit's request, PATH is cross-honoring passengers at Hoboken, 33rd Street, and World Trade Center. At the last hearing we also shared with you mitigation plans PATH was able to put in place to accommodate our anticipated ridership increase. Those measures, so far, have been successfully executed.

We have increased the frequency of our service by adding extra uptown trains along our Hoboken-to-33rd-Street route during morning and afternoon rush hours. Trains are arriving every 5 minutes instead of every 7 minutes. With this service increase, we have maintained, since last Monday, our on-time performance of 98 percent. And that was last week; we're tracking that way so far this week.

In addition, we have stationed maintenance people in key locations along our system who can quickly diagnose and resolve any operational issues that may arise. I think one day last week one of our trains had an emergency brake application; that took us six minutes to rectify, because the maintenance crews were positioned in areas that we thought that we could -- which is an interlocking at Hoboken -- that sometimes, when we're doing our crossover moves, we have some

equipment problems with that. But that has been the only delay that we've had, and it was a total of six minutes; and we kept on the 98 percent for the morning rush hour.

The Port Authority also has increased police presence along our system, and we have assigned K-9 units to be onsite during peak periods. In the morning, they're at Hoboken; and in the afternoon, they're at 33rd Street. And we have one necessary down at the World Trade Center -- in case we have unattended bags, we have to have police presence immediately.

Additionally, PATH has implemented basically a volunteer ambassador program, with more than 100 management staff and agency volunteers serving each week at Hoboken, 33rd Street, and World Trade Center to help direct passenger flow, work with the cross-honoring that we're doing for New Jersey Transit customers, and provide customer service. At each location, there is also a senior manager of PATH supervising that operation in the morning and in the afternoon at each of the three locations.

PATH executive staff -- people like me -- are out in the field during the morning and afternoon rush hours to oversee and make decisions -- quick decisions -- when necessary. And we have been very lucky; we haven't had to make quick decisions -- just that one day.

We remain in constant communication with our partner agencies to discuss any challenges and to share information. We share ridership information with New Jersey Transit on a daily basis, and we have weekly calls with New Jersey Transit's customer service teams to review the

prior week and discuss any adjustments that may need to be made, based on the flow of passengers.

PATH hosted a multi-agency Penn Station Improvement Project Discussion Workshop on July 7, which brought together representatives from Amtrak, MTA, Long Island Rail Road, New Jersey Transit, and the Port Authority to share and discuss the final plans for this summer's New York Penn Station work and the resulting service adjustments around them. This helped all of our agencies ensure we are all on the same page and were prepared for the start-up on July 10.

We will continue to work closely with our partner agencies to ensure a potential *Summer of Hell* becomes more of a *Summer of Inconvenience*; and that our customers benefit from as smooth a transportation experience as possible.

As a 24/7 operating railroad on a 100-year-old infrastructure, we know that incidents will happen. But we've strategically positioned, we believe, our resources and made plans to resolve any issue as quickly as possible when they happen.

Before I close, I want to address PATH's capacity which, although heavily taxed during these outages, will be increased through our 10-year capital program with such initiatives as our new signal system -- the PTC/ATC/CBT system that we have talked about previously with you folks; the purchase of new trains and new train cars; and the completion of the new Harrison Station, which you may see when you're travelling outside of Newark and into New York.

We are seeing an increase in our ridership as a result both the explosion of municipal development around our train stations, and the increase due to the New York Penn Station work.

I mentioned earlier that our average weekday ridership last month was more than 288,000. That was 3.7 percent higher than in June 2016. In fact, this past June was the highest month of PATH ridership on record. And we look forward to continuing our dialogue with our stakeholders to find partnership opportunities to meet this growing demand on our system.

I thank the Chairmen and the Committee members for allowing us to come and talk with you this morning. And I'm happy to answer any questions you may have at this time.

SENATOR GORDON: Thank you, Mr. Marino. You always seem to give us a very impressive report.

You mentioned the ridership numbers. How close are to your capacity at this point?

MR. MARINO: I'm very close. I have a fleet of 350 PA-5 cars; that's the newer Kawasaki version that now runs on PATH. We're running 330 of those cars every day and meeting the FRA requirements for inspection and 90-day service inspections for the cars.

So right now, we're holding our own. As I said, we have people strategically located for any breakdowns we may have. In a previous testimony, a question was asked about summer heat and what it does to the railroad. And I explained that we had taken the initiative, many months ago, to rebuild our system in these areas -- that we were going to run the additional trains. And as evidenced in the first week, we had no issues.

And as you all know, it was very hot last week; and our trains performed at 98 percent capacity for each day. So we believe that the maintenance initiatives that we took -- pushed forward to adapt to this outage plan -- worked.

SENATOR GORDON: I may have missed these numbers. You're installing the automated train control system which, as I understand it, will allow you to run trains closer together.

MR. MARINO: Yes, sir.

SENATOR GORDON: Is it still your expectation that you can increase capacity by about 15 percent by doing that?

MR. MARINO: Yes. We believe that -- right now, we're running six- to seven-minute headways on all of our lines. We instituted a five-minute headway out of Hoboken in the morning and out of 33rd Street at night. That's basically due to train calling; we do that mostly manually, with radio transmission from engineer cab to the dispatchers. When the new PTC/ATC system is fully implemented -- and we expect to have that done by the end of next year -- we'll be able to decrease the headways between the trains and run somewhere between three and four minutes in between each train that we operate.

SENATOR GORDON: Okay; wow. So you're still expecting that that will be completed by the end of 2018?

MR. MARINO: Yes; that's our plan; and we're on target for that today.

SENATOR GORDON: Okay.

Regarding just the trends in ridership -- and I may have missed some of the numbers you were citing. I'm led to believe that -- at least the

numbers that were provided to me earlier were that you're carrying 50,000 more passengers as a result of the work that's going on now. Do I have that right?

MR. MARINO: No. I'll give you the number; earlier I gave that.

We're averaging about -- close to 22,000 additional customers because of the Penn Station outages since last Monday.

SENATOR GORDON: Okay. And do you have a breakdown of those numbers between the Hoboken-to-Midtown, as opposed to the Newark-to--

MR. MARINO: World Trade Center.

SENATOR GORDON: --World Trade Center line?

MR. MARINO: I do; you'll just have to give me a minute to give you the exact numbers. Most of our ridership increases are between Hoboken and the 33rd Street Station in the morning.

SENATOR GORDON: Okay.

MR. MARINO: And basically what we're running -- this morning we ran close to 14,000 people on that route. In the evening, we're seeing an increase out of World Trade Center, because people are finding it easier to get to World Trade Center and then get on our trains--

SENATOR GORDON: Right.

MR. MARINO: --to get back where it's easier for them to get off in the morning at Hoboken and get uptown. So we're seeing a comparable amount of ridership in the afternoons that matches the morning commute. So that puts us-- We're averaging, right now, Senator, about 24,000 people each day, if we average out the first seven days.

SENATOR GORDON: Okay.

I'm going to be attending the Port Authority meeting tomorrow; and one of the subjects I'm going to be talking about is -- and we've talked about this -- the expansion of the -- the idea of expanding the Jersey City platforms to try to increase capacity.

Can you talk about what's needed to try to get a planning process underway for that?

MR. MARINO: I think we're talking about the 10-car platform program.

SENATOR GORDON: Right; yes.

MR. MARINO: That is not now in the 10-year capital plan because of--

SENATOR GORDON: That's right.

MR. MARINO: --a study that has to be conducted, relative to what has to happen in order to do that. If you look at where the 10-car platforms are required, there is -- we have to get out into the tunnels; we have to extend the platform into the tunnels. It will be ring tunnels that were installed a hundred years ago. So there has to be a design concept to that, to see how we do that. It's not something that cannot be done, but it's something that does have to be designed. That may be something that we will be talking about; I'll also be at the meeting tomorrow. Tomorrow we're presenting our three new substations, to replace our 50-year-old substations to the Board for approval to continue those projects.

The 10-car platform -- I'm sure that Chairman Degnan and Executive Director Foye will have some more information on those tomorrow.

SENATOR GORDON: Okay.

And just one final question about the reimbursement during this period of summer work. How does it work; are you reimbursed per rider?

MR. MARINO: Yes. We're counting all the passengers who are coming to us from Hoboken by looking at their iPhone or their ticket stub that says *Hoboken*.

SENATOR GORDON: Yes.

MR. MARINO: So we're counting -- manually, at this time -- so that's where we're getting our numbers, and we're verifying our numbers through our counters. And the MOU that is being reviewed between New Jersey Transit and the Port Authority PATH is to pay us -- reimburse us for the \$2.75 fare. And we have agreed that we will meet weekly to verify the numbers; New Jersey Transit does have some ambassadors out working alongside our ambassadors while we're doing these counts. And we will meet weekly to vet those numbers. Rebecca, my Chief of Staff, is funneling those numbers to New Jersey Transit the next day; so today's calculation will go to New Jersey Transit tomorrow morning for their review and concurrence. And then we've agreed -- through the MOU, which is still being reviewed by our law departments -- we agreed that every quarter there will be a reimbursement to PATH; or vice versa, because they cross-honor us when we have some disruptions to service out of Newark.

SENATOR GORDON: Are you able to say, at this point, how the numbers are going to work out? Will you cover your marginal costs? Are you expecting to operate at a loss, break even, or what?

MR. MARINO: Well, we won't break even. And as you know, and as we've testified before, the fare doesn't cover all of the operating costs to run a railroad, you know, from an infrastructure standpoint and from a manpower and policing standpoint. So we believe that we will assume some costs in our operating budget to assist New Jersey Transit. But we believe that the \$2.75 is at least comparable to what we normally get from our paying customers. And we're operating now -- we believe that the costs for this outage plan for the next nine weeks is going to hit us at about \$875,000 in excess--

SENATOR GORDON: Okay.

MR. MARINO: --this year.

SENATOR GORDON: Thank you.

I have no further questions.

ASSEMBLYMAN McKEON: Thank you very much, Co-Chair. Assembly members, I'll defer to you.

ASSEMBLYMAN JOHNSON: I just have one.

ASSEMBLYMAN McKEON: For the record, I deferred to Assemblyman Auth, and he isn't here. (laughter)

Co-Vice Chair.

ASSEMBLYMAN JOHNSON: So I guess the Vice Chair gets to ask the question. (laughter)

Thank you, again, for coming -- coming before us.

MR. MARINO: Yes, sir.

ASSEMBLYMAN JOHNSON: You mentioned in your testimony that you now run your trains at five-minute intervals--

MR. MARINO: Yes, sir.

ASSEMBLYMAN JOHNSON: --instead of seven.

And I think you said that by running at five-minute intervals you can increase your capacity by 15 percent? Was that--

MR. MARINO: Close to it. It actually--

ASSEMBLYMAN JOHNSON: Close.

MR. MARINO: It actually equates to four trains -- four additional trains on the route.

ASSEMBLYMAN JOHNSON: Okay. How many people per train set?

MR. MARINO: We carry about 80 people per car; we're running 7 cars out of Hoboken; so that's 560 people.

ASSEMBLYMAN JOHNSON: So 560 people per train set, about?

MR. MARINO: Yes.

ASSEMBLYMAN JOHNSON: Okay. So that will increase your rider-- You say your ridership is about 280,000 per day--

MR. MARINO: Yes; I think--

ASSEMBLYMAN JOHNSON: --and then another 42,000 could probably be added to that with this five-minute interval. But that's still not enough to meet the need of the development that's being built.

MR. MARINO: No.

ASSEMBLYMAN JOHNSON: Not close.

MR. MARINO: I mean, we're getting -- we've been allowed to get involved in some of the planning with some of the mayors. And what they're professing to us -- me as Director, and as a representative of the Port Authority -- I don't think that we could keep up with the development--

ASSEMBLYMAN JOHNSON: Yes.

MR. MARINO: --from the residential side and from the retail side, as to what some of these developments plans are at Journal Square, at Harrison, Exchange Place, Grove Street, and so on down the line.

ASSEMBLYMAN JOHNSON: How long is the line, the PATH line, the rail line?

MR. MARINO: Total, 26.5 miles.

ASSEMBLYMAN JOHNSON: It's 26.5.

MR. MARINO: Which is 13.2 in each direction.

ASSEMBLYMAN JOHNSON: It's 13-- (laughter).

ASSEMBLYMAN ZWICKER: That doesn't add up.

MR. MARINO: Well, whatever that-- It's 26.5 -- is what we're regulated by the FRA for.

ASSEMBLYMAN JOHNSON: Okay; apparently my colleague has an issue with that number, but-- (laughter)

MR. MARINO: Well, we have 13 train stations; we can go out and measure them if you'd like. (laughter)

ASSEMBLYMAN JOHNSON: No; that's quite all right.

Thank you for your answers.

Chair, I'm finished, so you can pass it on.

ASSEMBLYMAN McKEON: The number has got Assemblyman Zwicker-- (laughter)

ASSEMBLYMAN ZWICKER: No, no, no.

I just wanted to say thank you. You answer our questions precisely, you answer them concisely, you're on point. And by all reports, you provide a tremendous service to the people of New Jersey. So, you

know, I'm teasing my colleague here, but really I just want to thank you for everything you do.

MR. MARINO: Thank you; we appreciate that, and I'll pass that on to my employees.

ASSEMBLYMAN ZWICKER: Please do.

MR. MARINO: Maybe that will make them want to stay doing this for the next nine weeks. It's a hard task, let me tell you.

ASSEMBLYMAN ZWICKER: And you have, clearly, such an important job in this. And every report we get is that you are meeting and exceeding what you've been asked to do.

MR. MARINO: Thank you.

ASSEMBLYMAN ZWICKER: So thank you.

MR. MARINO: I appreciate that very much; thank you. And so do my employees.

ASSEMBLYMAN McKEON: Very briefly -- and I echo my colleagues comments. It really is refreshing and a pleasure to have you before us, and being so forthcoming and informational.

I just note what was chilling about your prepared testimony, to me, is relative to the 10-year capital plan, and knowing how you're being tested. And let's not let PATH be the next mistake regarding the attention that the Port needs to pay to make certain that those investments are made.

MR. MARINO: That happens to be the statement I make at almost every capital planning meeting.

ASSEMBLYMAN McKEON: Well, you know, you have a lot of people here who would have your back. So whether publicly or, maybe, privately, if it's not what it should be, we should know.

MR. MARINO: Yes, sir.

ASSEMBLYMAN McKEON: Thank you.

MR. MARINO: Thank you.

SENATOR GORDON: You know, I want to take advantage of your being here and ask a couple of questions about the PATH extension to Newark.

MR. MARINO: Yes, sir.

SENATOR GORDON: Can you give us an update on where that is and what the timeline is?

MR. MARINO: I can give you an update as best as I can.

We're a client for that project now; we're not managing that project where we were two years ago. The Chairman has made a decision to put it into our Special Capital Department, which is being run by -- I think Steve Plate was here a couple of months ago talking to you about that project. So we do have additional planning authorization; I think it's around \$40 million to continue our planning study through Steve's group. We, basically, just had a session that we -- New Jersey Transit and Amtrak just agreed to, to tell them where we are and where we're heading with the planning. There are property acquisitions that are going to be required for that project -- as I'm sure you well know -- some of it with Amtrak, some of it with Conrail, and some with private development in that area. There are some environmental issues in there because some of it is through an old railyard from many, many years ago.

We believe our alignment is set; and that's what we want to talk to both railroads about -- on how it intersects with their property lines and our property lines -- basically the Pascack Valley Line out of Hunter

Interlocking, and then down onto the Northeast Corridor -- to get us onto the south side of the railroad, so that we're not interfering with Northeast Corridor operations, and tag our track onto the existing structure.

SENATOR GORDON: Okay. Will those be designed for 10-car trains?

MR. MARINO: Yes.

SENATOR GORDON: Okay.

MR. MARINO: Yes.

SENATOR GORDON: Given what you've observed in Hoboken over the last 10 days or so, if we had a facility at Newark Airport with a park-and-ride-- I mean, would that -- do you think that would provide a viable alternative for people to get across the Hudson?

MR. MARINO: I think it would, yes. I've been working on that project since I worked for Amtrak many, many years ago. I was on the first planning committee for the Newark -- when the project was being built. And it was always a vision from my predecessors -- who no longer work in the industry -- that that could be a viable location for a small bus depot, to stop a lot of buses from getting into the crowding situations in New York, and hop on a train and get to the World Trade Center and 33rd Street, I believe, much faster.

And I think that's part of the planning that's going on -- is what, really, to make of this location. And I think it would serve your question very well.

SENATOR GORDON: Okay.

I have no further questions.

ASSEMBLYMAN McKEON: Thank you.

SENATOR GORDON: Thank you very much, Mr. Marino--

MR. MARINO: Yes, sir; nice to see you again.

SENATOR GORDON: --as always. Great, thank you.

MR. MARINO: I hope to see you again in Hoboken. Well, not in Hoboken; I won't be there. I'll meet you somewhere else.

Thank you.

SENATOR GORDON: We'll see you tomorrow at the World Trade Center.

MR. MARINO: Yes, sir. Have a good day.

Thank you.

SENATOR GORDON: And our final witness is Armand Pohan, the Chairman of New York Waterway. He testified here, I believe, at our last hearing; and we welcome him back.

Mr. Pohan, please proceed.

ASSEMBLYMAN McKEON: A prerogative of the Chair -- I understand your position is also -- you're one of us, to the extent that you're an elected official, sir?

SENATOR GORDON: He is.

A R M A N D P O H A N: Can I take the Fifth on that, or do I have to admit to-- (laughter)

ASSEMBLYMAN McKEON: You want to take the Fifth? I think you're Council President in Fort Lee, so I may have some questions. (laughter)

SENATOR GORDON: I used to represent Fort Lee.

ASSEMBLYMAN JOHNSON: Now I have it, so--

MR. POHAN: Now Gordon is stuck with me. (laughter)

ASSEMBLYMAN JOHNSON: Sorry; great experience.

MR. POHAN: So anyway, good afternoon, members of the Committee. My name is Armand Pohan, and I am Chairman of New York Waterway, the largest privately owned commuter ferry service in the nation. And not -- I repeat -- not the ferry company that's running the subsidized service out of Monmouth County. (laughter) I want to make that -- I wish I could make that clear to Mr. Kyriillos, as I think he noted -- Senator Kyriillos knows that already.

We are now halfway through the second week of the emergency track repairs at Penn Station, New York; and I am happy to report that New York Waterway has been able to make a solid contribution to the carefully planned transportation alternatives resulting from the diversion of Morris and Essex Lines passengers through the Hoboken Train Station.

By agreement with New Jersey Transit, New York Waterway has provided two, 399-passenger ferryboats for service at 15-minute intervals, between Hoboken and West 39th Street in Manhattan, during the morning rush hours of 7:00 a.m. to 10:30 a.m., and during the evening rush hours, from 4:00 p.m. to 8:30 p.m.

To accommodate these incremental ferry passengers riding on our connecting bus service on 5 cross-town Manhattan routes, we have also added an additional 8 buses in the morning and 6 additional buses in the evening to our normal 37-bus service.

In addition, we have stationed a number of customer service representatives, both at Hoboken and at West 39th Street in the morning and at West 39th Street in the evening, to assist passengers new to our service in getting on the correct boat and the correct bus.

By further agreement with New Jersey Transit, we have cross-honored all New Jersey Transit train passengers seeking to ride our two existing ferry routes between the Hoboken Train Station and downtown Manhattan.

Thanks to excellent and constant communication with New Jersey Transit and PATH personnel, the ferry operations to and from Hoboken have gone very smoothly, with almost no customer complaints and with many grateful expressions of customer satisfaction, both to our staff and to the media. The best indication of that satisfaction is the ridership itself. Ridership on the Hoboken-to-Midtown run grew steadily from 2,445 total passengers on Monday, July 10, to 2,783 total passengers on Thursday, July 14. Similarly, cross-honored passengers on the Hoboken-to-downtown runs increased from 2,213 trips on Monday, July 10, to 3,841 trips on Thursday, July 14.

Last Friday's numbers were lower, as they are for all modes of commuter transportation on a Friday in the summer.

Last week's trend continued into the current week, with total cross-honored ridership for Monday, July 18, exceeding the prior Monday by 33 percent.

These incremental riders have not strained the capacity of the ferry system. On the busiest morning trip from Hoboken to Midtown last week -- the 8:15 a.m. on Thursday, July 13 -- we carried 355 passengers, or 89 percent of capacity. Overall, on the busiest day last week, Thursday, the Hoboken-to-Midtown service ran at 23.2 percent capacity through the morning and evening rush hours.

Beyond the numbers carried, the New York Waterway ferry system also provides an element of redundancy in the event of disruptions to the PATH system. Such a breakdown briefly occurred for less than 10 minutes around 9:00 a.m. last Thursday, July 11. During the period between 9:00 a.m. and 9:15 a.m., New York Waterway was able to send an additional boat into Hoboken to take additional New Jersey Transit customers to Midtown. This flexibility adds to the operational safety net.

It has been a pleasure for New York Waterway to work with our partners at New Jersey Transit and PATH in this endeavor. We continue to stand at the ready, as required, and as I believe will be required in the future in order to repair, replace, and expand an aging and ever-more-burdened transportation infrastructure.

So with that, Chairman, I'll take any questions that the Committee might have.

SENATOR GORDON: Thank you, Mr. Pohan.

You know, we've heard more evidence today that ferries offer great potential to help us satisfy our trans-Hudson capacity needs. It is certainly a lot easier to expand by adding boats and a facility, than building tunnels under the river.

MR. POHAN: Yes.

SENATOR GORDON: And I think it's just a matter of the State making a commitment to do that.

Can you talk about how this is going to work for New York Waterway financially, in terms of the reimbursement? I can just repeat the question I did -- that I posed to PATH about how does the reimbursement

work; is it per rider? And will you -- how will the economics work out for you?

MR. POHAN: Yes.

Our agreement with Transit with respect to the Hoboken-to-West-39th-Street service -- the two boat service, which is a service that we don't ordinarily run -- we had an agreement with Transit which pays us \$1,600 an hour per vessel to bring the passengers from Hoboken to Midtown and to give them the connecting bus services as well. Without connecting bus service, the rate would be \$1,200 an hour. But since this is critical to the Midtown service -- you can't just leave people on West 39th Street and the West Side Highway -- the bus service is critical.

So for each hour of service, and then 15 minutes of start-up and shut-down time before and after the service, we are being paid at the rate of \$1,600 an hour.

For the cross-honoring on the existing runs -- from Hoboken Train Station to World Financial Center; from Hoboken Train Station to Pier 11 at the foot of Wall Street -- we are being reimbursed. We are counting tickets presented by New Jersey Transit train customers, and we are presenting those tickets to Transit, giving them a headcount. And we are being reimbursed by Transit on those tickets at the lowest of the monthly rate -- actually down to the nearest quarter of whatever the monthly rate is for a customer who is going from Hoboken to World Financial Center -- they can ride at the monthly rate. If the monthly rate is \$4.32, we're charging Transit \$4.25. So what is ordinarily a \$6 ticket, from Hoboken to World Financial Center, we're charging \$4.25; for what is ordinarily a \$7 ticket from Hoboken to Pier 11, we're charging \$5.

The number of people who were cross-honored last week, from Hoboken to Pier 11 was 6,954 for the entire week; to World Financial Center was 7,826 riders.

We sent our first bill to Transit on Monday. We have decided that we will bill them by the week for the prior week; although, by agreement, we don't even expect to actually get paid until, probably, the middle of August. The agreement is actually used for monthly billing and for monthly payment. But we didn't want to have sticker shock occur at the end of the month; we'd rather keep them apprised as they're going along as to what the charges are.

For last week, the charge for the boats was \$134,000; and for the cross-honoring of 14,000 people -- it totaled about \$70,000, for a total bill of \$202,000 for last week. And we will continue to bill on that basis.

SENATOR GORDON: I don't want to surprise you with this question, because it was probably not discussed in your earlier conversations with staff. But I would like to take advantage of your being here.

I happen to think that there is great potential in expanding ferry service on a long-term basis, as I think it's an underutilized mode. We have had conversations about what the potential is, in terms of providing an expanded ferry facility and increasing ridership at the-- We've talked about how the subsidy required would be, as I recall, much less than the subsidy we provide for other modes of transportation. Could you just, sort of, summarize what you think the opportunity is? Because I think we're getting a new Administration in the front office. There will be an opportunity to, sort of, rethink transportation policy as it relates to crossing

the Hudson. And I was just hoping you could provide some information that would be useful as we put those plans together.

MR. POHAN: Well, the biggest challenge I think that New Jersey Transit seems to have, in the area in which we operate in Bergen-Hudson -- and at least as they narrated to us -- is the increasing congestion in East Bergen, coming down -- either trying to get across the bridge and coming down to the Lincoln Tunnel. And as you know, this is a River Road problem; it's a Port Authority Bus Terminal problem -- as you, and Senator Weinberg, and Assemblyman Johnson are well aware of.

And the ferry provides the opportunity to deal with overspill; to deal with this capacity issue. By our calculation, if it were possible for us to reduce the fare with a subsidy from Transit or the State on the order of \$2 a head, we could pick up that incremental ridership at a lower cost than what our normal customer is paying. But because it is incremental, we could incur it. You could take quite a few people out of the Lincoln Tunnel, out of the Port Authority Bus Terminal.

But we have tried this before on our own; we have tried it without a subsidy. And the fact is that transportation is still very price-sensitive. The people who take the ferry and who pay for the ferry value their time, and have the means to value their time, at a much higher rate than most of the people who are taking the bus.

And so without a reduction from what our prices are to ride the ferry, you're not going to move the people off the buses in sufficient numbers. We tried it a couple of years ago, and we were diverting about 500 people off the buses at a fare of about \$5.60. But, you know, the bus is still about \$3.50. And so unless you can-- That was enough to divert 500

people -- to take the fare down from \$7 to \$5.50. But to get meaningful numbers out of the Tunnel, out of the Port Authority Bus Terminal, it would take a fare that is comparable to the Transit fare. It doesn't have to be exactly the Transit fare; maybe not. About half the people who go to the Port Authority Bus Terminal take a second mode of transportation. They take the subway from there; for most of them, that's another \$1.75 or \$2.

So that's why, maybe, you don't have to meet the Transit fare exactly. And the people who go the Port Authority and walk to their destination from the Port Authority -- they'll take the bus; they like that price.

But if something could be done to give the customer an equivalent of the bus, plus the subway, then I think you could make a meaningful diversion of people from the Port Authority Bus Terminal.

We're actually great believers that, one way or another, more people are going to come to us. We're optimists, so we shouldn't be entrepreneurs. And we're planning to build some additional 500-passenger boats; and we're going to start them, actually, soon. And whether we're going to need them for additional service out of Hoboken and whether we're going to need them for additional service out of Weehawken -- we just see that in the future there's going to be this need, and we want to be ahead of the curve. It takes about 18 to 21 months to build a boat, and so we're talking about, even now, something that wouldn't be available for a year or two. But that's a lot shorter than what it takes to build a bus terminal or--

SENATOR GORDON: A tunnel.

MR. POHAN: --a tunnel. (laughter)

SENATOR GORDON: I know you referred to the congestion issues related to getting people down to the ferry slips. I recently attended a briefing session on the expansion of the Hudson-Bergen Light Rail system into northeastern Bergen County, with the terminus being extended from North Bergen to Englewood Hospital--

MR. POHAN: Yes.

SENATOR GORDON: --which would provide a new alternative for, certainly, the eastern half of Bergen County. And I recall being told that it will be a 31-minute trip from Englewood Hospital to the river. I would assume that that could be a major source of passengers for you.

MR. POHAN: The light rail studies that have been done, even 10, 15 years ago, which always contemplated the light rail going up into -- maybe as far as Tenafly, and maybe only as far as Englewood Hospital, projected that it would bring another 3,000 to 5,000 riders every day to the ferry terminal. The capacity and design of the ferry terminal itself contemplated that additional amount of ridership. They built a flyway over Port Imperial Boulevard in contemplation of having much-larger numbers of people going from the light rail to the ferry than presently do so. So that has always been-- When the system was conceived back in the late 1980s, early 1990s -- as Marty Robbins, who is sitting behind me, can tell you, because he knows the history of transportation in New Jersey since the oxcart (laughter) -- the positioning of the ferry terminal, the commitment of New Jersey -- the State and New Jersey Transit -- to put a ferry terminal, fund a ferry terminal at that location, was driven, in part, by the

anticipation that the light rail would also be coming there and it would be an ideal junction point to intercept people and take them into Manhattan.

SENATOR GORDON: Marty Robbins actually once told me that they cross-honored oxcarts. (laughter)

Does anyone else have any further questions?

ASSEMBLYMAN McKEON: I'll defer to my Committee.

ASSEMBLYMAN JOHNSON: Yes.

ASSEMBLYMAN McKEON: Yes, Vice Chair.

ASSEMBLYMAN JOHNSON: Good to see you again.

MR. POHAN: Likewise.

ASSEMBLYMAN JOHNSON: Any discussion -- this is about the expansion, now, or about the feasibility of a ferry to Harlem, 125th Street, from New Jersey.

MR. POHAN: Actually, we have had discussions going on with Columbia, which is building a huge complex of offices, classrooms, residences right at the foot of 125th Street. And that may be the vehicle by which we could jumpstart a service. We've actually -- we've looked at various scenarios of a boat that might go from Weehawken, to Edgewater, to 125th Street, although that would require some from a -- sent from Edgewater as well.

Until Columbia is willing to make a little more of a commitment to the financing of it-- Because this is -- we don't think for a start-up it would be a very heavy traffic lane. But Columbia did have a lot of reason to want to do it as part of the real estate--

ASSEMBLYMAN JOHNSON: Their expansion.

MR. POHAN: --expansion that they're doing there.

So that's a discussion that's actively taking place.

ASSEMBLYMAN JOHNSON: And my second question: New York City has announced a ferry service from Queens, Brooklyn, to Manhattan. And the fare for that is the same as taking a New York City bus. Who is subsidizing that? Is that the City, or the state; is it--

MR. POHAN: I believe the City of New York is subsidizing that -- heavily subsidizing that. When the East River ferry service was started about five years ago, six years ago -- and we were actually operating the service -- the price was \$4 on a weekday and \$6 on the weekend for the service. When Mayor de Blasio decided to announce that he was expanding that ferry service to all these additional points in Brooklyn and Queens -- eventually the Bronx as well -- he announced that the fare would be cut to \$2.75.

I know that the subsidy, just for the East River ferry, was about \$2.2 million; and that averaged out to about \$3 per rider. They have now cut it to \$2.75; and not only for what is the shortest run in the system -- the East River -- but even out to the Rockaways, it's the same \$2.75 price. It's a great price; they are inundated with people on the weekends. The lines are--

ASSEMBLYMAN JOHNSON: The lines are--

MR. POHAN: --unmanageable. And so whatever they anticipated is the amount of annual subsidy, which was probably in the order of \$20 million for the East River, they're probably going to be closer to \$30 million at this point--

ASSEMBLYMAN JOHNSON: Yes.

MR. POHAN: --the way the thing is going.

ASSEMBLYMAN JOHNSON: Okay; thank you.

ASSEMBLYMAN McKEON: Any other members with questions? (no response)

Just a quick comment. Assemblyman Gordon said please don't run against him. (laughter)

And beyond that, in sincerity, what Senator Gordon had said -- you know, in part the charge of the Committee, as we've crafted it, is to come up with almost a transition plan for whoever the next Governor might be. So, you know, in your thoughtful time and with your expertise, if you could, maybe, share with us, relative to some things that you've testified to today-- You know, I know there's a new subway line that goes to the West Side. When you said to me, "You can't leave them on 39th Street and just let them walk" -- there are some, maybe, moving parts, or at least components that are in play that you could help us, with, knowing how ferry service is a part of the solution.

MR. POHAN: I would be happy to help the Committee to do that; either, you know, working with all of you, with Mark, or however you want to do it. We love to tell our story.

ASSEMBLYMAN McKEON: Okay. I don't even know if we have to have you back here, if you give us something like that. This is, "If I were King, this is what I would do." Self interest -- I don't mean to even say it that way -- but you're using your expertise that would help us along as well.

MR. POHAN: I'd be happy to do it.

And Bob would be pleased to know that I'm not running again this year for the Council, so-- Too busy with my day job. (laughter)

ASSEMBLYMAN McKEON: Watch it, Gordon; he's announcing--

ASSEMBLYMAN JOHNSON: I think he just did. (laughter)

SENATOR GORDON: Okay; well, seeing no other questions, I want to thank you, Mr. Pohan, very much, for being here, as always.

And I'm going to adjourn this hearing.

Thank you; thank you very much.

MR. POHAN: Thank you.

ASSEMBLYMAN McKEON: I think we're back -- what's the date? August--

MR. MAGYAR (Committee Aide): August 10.

ASSEMBLYMAN McKEON: August 10; we'll see you all August 10.

(MEETING CONCLUDED)