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# Committee Meeting

of

## SENATE LEGISLATIVE OVERSIGHT COMMITTEE ASSEMBLY JUDICIARY COMMITTEE

*“The Committees will receive testimony from invited guests, including Wick Moorman, President and Chief Executive Officer of Amtrak; Scot Naparstek, Vice President and Chief Operating Officer of Amtrak; and Steven Santoro, Executive Director of NJ Transit.*

*The hearing will focus on the causes of the recent Amtrak derailments at Pennsylvania Station in New York and the NJ Transit train breakdown in the North River Tunnels; the responsibility for safety and maintenance on the Northeast Corridor Line; the response of both agencies to the commuter delays and overcrowding that resulted from the incidents; and the impact of the planned Gateway Project on trans-Hudson rail capacity, safety, and service”*

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

**DATE:** April 28, 2017  
10:00 a.m.

**MEMBERS OF COMMITTEES PRESENT:**

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

Assemblyman John F. McKeon, Chair  
Assemblywoman Elizabeth Maher Muoio  
Assemblyman Andrew Zwicker  
Assemblyman Michael Patrick Carroll  
Assemblyman Erik Peterson



**ALSO PRESENT:**

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

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

Kevin Logan  
*Assembly Republican  
Committee Aide*

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

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ROBERT M. GORDON  
Chairman

LORETTA WEINBERG  
Vice-Chair

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

SARAH A. FLETCHER  
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## New Jersey State Legislature

SENATE LEGISLATIVE OVERSIGHT COMMITTEE  
STATE HOUSE ANNEX  
PO BOX 068  
TRENTON NJ 08625-0068

### COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE LEGISLATIVE OVERSIGHT COMMITTEE

FROM: SENATOR ROBERT M. GORDON, CHAIRMAN

SUBJECT: COMMITTEE MEETING – APRIL 28, 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.*

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**The Senate Legislative Oversight Committee will jointly meet with the Assembly Judiciary Committee on Friday, April 28, 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 Wick Moorman, President and Chief Executive Officer of Amtrak, Scot Naparstek, Vice President and Chief Operating Officer of Amtrak, and Steven Santoro, Executive Director of NJ Transit.

The hearing will focus on the causes of the recent Amtrak derailments at Pennsylvania Station in New York and the NJ Transit train breakdown in the North River Tunnels; the responsibility for safety and maintenance on the Northeast Corridor Line; the response of both agencies to the commuter delays and overcrowding that resulted from the incidents; and the impact of the planned Gateway Project on trans-Hudson rail capacity, safety, and service.

Issued 4/19/17

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JOHN F. McKEON  
Chair

GORDON M. JOHNSON  
Vice-Chair

JOSEPH A. LAGANA  
ELIZABETH MAHER MUOIO  
ANDREW ZWICKER  
MICHAEL PATRICK CARROLL  
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**New Jersey State Legislature**  
**ASSEMBLY JUDICIARY COMMITTEE**  
STATE HOUSE ANNEX  
PO BOX 068  
TRENTON NJ 08625-0068

**COMMITTEE NOTICE**

**TO: MEMBERS OF THE ASSEMBLY JUDICIARY COMMITTEE**

**FROM: ASSEMBLYMAN JOHN F. McKEON, CHAIRMAN**

**SUBJECT: COMMITTEE MEETING - APRIL 28, 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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**ASSEMBLYMAN JOHN F. McKEON (Chair):** Before I turn it over to Chairman Gordon, if anybody is late who was supposed to be here, New Jersey Transit will give you a slip. (laughter and groans)

**SENATOR ROBERT M. GORDON (Chair):** I hope the rest of the hearing goes better than that one. (laughter)

**SENATOR GORDON:** Good morning, everyone.

This hearing -- this joint hearing of the Assembly Judiciary Committee and Senate Legislative Oversight Committee will come to order.

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):** Chairman Gordon.

**SENATOR GORDON:** Here.

**MS. FLETCHER:** Senator Ruiz.

**SENATOR RUIZ:** Here.

**MS. FLETCHER:** Senator Kean.

**SENATOR KEAN:** Here.

**MS. FLETCHER:** Senator Kyrillos.

**SENATOR KYRILLOS:** Yes.

**SENATOR GORDON:** On your side.

**ASSEMBLYMAN McKEON:** Yes, please.

**MS. BAVATI (Committee Aide):** Assemblyman Peterson.

**ASSEMBLYMAN PETERSON:** Here.

**MS. BAVATI:** Assemblyman Carroll.

**ASSEMBLYMAN CARROL:** Present.

**MS. BAVATI:** Assemblyman Zwicker.

ASSEMBLYMAN ZWICKER: Here.

MS. BAVATI: Assemblywoman Muoio.

ASSEMBLYWOMAN MUOIO: Here.

MS. BAVATI: Chairman McKeon.

ASSEMBLYMAN McKEON: Present.

And if we can, Assemblyman Peterson, if you would like to have the pleasure of introducing two of your children who are here with you today on Bring Your Child to Work Week.

ASSEMBLYMAN PETERMAN: Yes; so as my staff will tell you, I'm always late. So I am late by a day to Take Your Child to Work (laughter). I have two of my daughters -- my oldest and my youngest, Sophie and Samantha -- here with me today. And I thought this would be -- this Committee hearing would be a good experience for them, not only to see this beautiful room, and to see what our State is all about, but to see an issue that's topical and being talked about today in the press; and to see what happens, and to get an idea of how government runs.

So thank you for indulging me.

ASSEMBLYMAN McKEON: Welcome; very much so.

Chairman.

SENATOR GORDON: Thank you, Chairman.

I want to welcome our witnesses today, from both Amtrak and New Jersey Transit.

Before we hear from them, I have a brief statement I'd like to make; and it is as follows.

After years of neglect and underfunding, it is clear that our region's and our nation's mass transit infrastructure is in a state of

crisis. New Jersey's rail and bus commuters have suffered a lot in recent years, but the last five weeks have been among the worst; indeed, a foretaste of what we face if one of the Sandy-damaged Hudson River tunnels is forced to close.

Two derailments just 10 days apart at New York's Penn Station, including an April 3 derailment that closed 8 out of 21 tracks and caused a week of overcrowding, frustration, and delays.

Then came a breakdown that trapped 1,200 New Jersey Transit riders in the Hudson tunnel for three hours; another Amtrak breakdown; and a series of electrical problems.

These breakdowns, one after another, have made New Jersey Transit's rail commute a nightmare for 80,000 daily trans-Hudson commuters, and spilled over to create delays for the hundreds of thousands who commute by PATH, bus, and car. They threaten our region's quality of life and economic future.

Today we will hear from the top executives at Amtrak and New Jersey Transit about why these breakdowns occurred, what could have been done to prevent them, how they plan to fix our broken rail system, and how they plan to serve the tens of thousands of rail commuters who will be displaced or delayed by the planned closures of New York Penn Station tracks and platforms this summer.

What is clear is that the current system of management for our regional transportation network is not working. We need better coordination, better contingency planning for emergencies, and better customer service. We need answers, and we need the finger-pointing to stop.

We know that both Amtrak and New Jersey Transit have been underfunded for years, but we need to know why emergency repairs were not made to the New York Penn Station tracks prior to the derailments, when Amtrak officials knew that the condition of the creaking timbers and worn steel beams under the tracks posed a safety threat. And if they do not pose a safety threat, we need to understand why Amtrak is reportedly planning to shut down four to six tracks this summer, during rush hour, to expedite the repair schedule, knowing the commuter nightmare that will create.

We know that it is the height of hypocrisy for Governor Christie to attack Amtrak and to threaten to withhold funding for our Northeast Corridor contribution. After all, he was the one who cancelled the ARC tunnel, and New Jersey Transit has a worse safety record than Amtrak. Not only that, New Jersey Transit was the last commuter agency in the Northeast to reach agreement with Amtrak on its Northeast Corridor funding agreement, and the Christie Administration didn't sign an agreement to pay its bill to Amtrak for Fiscal Year 2016 until April 3, after the morning derailment.

We are puzzled why Amtrak developed and announced its plan for major repairs and track closures this summer before meeting with and informing New Jersey Transit and the Long Island Railroad, which carry 92 percent of the passengers that use Penn Station.

And that lack of coordination is not an isolated incident. I met with senior PATH officials yesterday, after the Port Authority Board meeting, and learned that neither Amtrak nor New Jersey Transit has reached out yet to PATH. I find that remarkable, given the fact that on

the day of the March 24 derailment, PATH carried a record 325,000 passengers, including 60,000 displaced New Jersey Transit commuters, and an extra 50,000 riders a day the week after the April 3 derailment. Maybe you should include PATH in your planning for how to handle the Penn Station repairs; they are waiting to hear from you.

More than anything, the commuter crisis of the past five weeks underscores the need for us to do everything we can to make sure that the Gateway Rail Tunnel project moves forward as quickly as possible. Construction is ready to go on the Portal Bridge in July, and tunnel construction work could begin this fall, but only if the Federal funding is there.

We cannot afford to play Russian roulette with the lives and livelihoods of our commuters by gambling that the 106-year-old Hudson River tunnels -- whose structure and electrical systems were ravaged by Sandy -- will be able to stay in service until the Gateway tunnels are finished. We saw what happened with a New Jersey Transit train breakdown in the tunnel, and we risk a regional recession and *commuter Armageddon* -- as Senator Booker put it -- if one of those tunnels has to be closed for months of repairs.

Clearly, time is not on our side.

Chairman McKeon.

ASSEMBLYMAN McKEON: Thank you very much, Chairman.

You mentioned *Chairman McKeon*, but I'm not Chairman McKeon right now. I'm one of the tens of thousands of commuters who have been long-frustrated.

I'm the commuter who I have known from birth, who no longer lives with me, but is an embedded lobbyist -- as maybe many of us have in our own households. I know Assemblywoman Muoio has one of those, in your spouse, who is a commuter every day. I know that those of you who don't have anybody directly who commutes in your life, knowing the diligence of this group, that you've spoken to many of our constituents -- again, numbering in the tens of thousands -- who are incredibly frustrated.

My animus isn't directed toward you or anyone too much in particular; as much as I feel as if this all needs to be discussed before we try to get back to what was the best transit system, as it should be, in this entire country.

The going back -- the fact that we should be less than a year away from a third rail tunnel is just maddening to the commuter. From 1995 to 2009 -- 15 years in the making; \$600 million spent. And finally, there was a groundbreaking in June 2009.

Well, then there was a new Governor; and the new Governor, in his transition report -- I quote, "The ARC rail tunnel is critically important to the economic recovery of New Jersey." The same transition comment -- "The ARC rail tunnel project should proceed as planned."

Three months later, Governor Christie, in writing to Secretary of Transportation LaHood, said, "I want to restate my commitment that these funds controlled by the State of New Jersey will go forward. I will not let this expire on my watch."

A contract is awarded in May; in September, Director Weinstein of New Jersey Transit said the project is going forward. Then, all of a sudden, there's change. It's October, and Governor Christie's office

decides that, of what was an \$8.6 billion project -- he somehow figures out there's going to be more than \$5 billion of cost overruns.

Now, by the way -- just to continue the frustration from Mr. and Mrs. Commuter -- of that \$8.6 billion that was to build this tunnel that should be opened in the next six months, only \$3 billion of that was New Jersey dollars; the rest was from the Federal government or other sources.

Secretary LaHood tried to give the Governor space; he came personally here to Trenton to speak with him to say, "Look, you don't want to do this. This will be your legacy." And several weeks later, with the \$600 million spent, the ARC tunnel was dead, per the Governor's decision.

And lo and behold, a couple of months later, the Transportation Trust Fund five-year plan came out, and it was that exact \$3 billion that we had already encumbered and earmarked for that project.

The commuters' personal favorite is that March of 2012, the GAO -- the Government Accounting Office, nonpartisan -- came out and specifically said -- and concluded that, "Christie's basis for cancelation was a misrepresentation." And I quote. Again, we should be less than a year away from a third tunnel, and I'm going to note a quote, that I wish wasn't as prophetic as it was, from Secretary LaHood. "The Governor's decision to stop work on this project means commuters -- who would have saved 45 minutes each day thanks to the ARC tunnel -- will instead see no end to traffic, congestion, and ever-longer wait times on train platforms."

So that brings us to the hypocrisy of the last 30 days. The fact that the Governor has the temerity to blame anyone but himself -- pointing at Amtrak -- is astounding to me. This isn't the first time this Committee has met. What this Committee has denoted thus far is that in the last

seven years, New Jersey Transit fare increases have been historic: 34 percent; that there's been underfunding, where capital monies have gone to operations in the sum of \$500 million a year, almost representing 25 percent of the operating budget. Oh, and P.S. -- there's been mismanagement to the extent of a bunch of political patronage at the highest levels in running NJ Transit. It's outrageous.

And you touched on it, Mr. Chairman -- it's related to resources. Because now -- not that you're not going to be in the hot seat in a little while -- but look: Amtrak and the Northeast Corridor has gone from 22 million riders to 30 million riders, from 2010 to presently. That's a big increase. Yet, the apex of their funding was \$1.7 billion, going back to 1999; this year it's \$1.4 billion. Now, there are always efficiencies, ladies and gentlemen, but the bottom line is that decisions were made by the people leading this country to underfund something that's of vital impact to our economy and way of life here in the Northeast. And with a state that does nothing -- and many of the states -- but give more back than it gets from Washington.

The PowerPoint, I guess, that we're going to put up will maybe be a reminder of the 30-day nightmare. The Senator noted the derailments -- the four additional days of hours upon hours of delays -- and over that 30 days, of an hour a day of delays at least.

Now, I read in today's paper that Amtrak has announced that after this 30-day nightmare, "Well, we're going to do the repairs." And the Governor's going to take a victory lap; incredibly so.

Let's just point to that for a moment, and then I'm going to let everybody get to their questions. The contract that the Governor and the

Attorney General relied on said that, "We're not going to pay you unless basic maintenance, known as the state of good repair, per that contract, is completed." Now, I don't know how much money Amtrak has laying around; but I'm looking at your own data put together that says that, just in the next five years, to do that basic state of good repair, it's going to cost \$7.3 billion. So is that what you're going to spend over this summer in order to get us in contractual compliance? It's a bait-and switch, and it's nonsense. And the commuters -- we, all of us, are commuters today -- deserve better.

SENATOR GORDON: Thank you, Mr. Chairman.

Senator Kean, do you have a statement that you would like to make?

SENATOR KEAN: Thank you, Mr. Chairman.

My constituents are shocked that it has come to this -- that the communication breakdown, that the physical breakdown, that the things that have led to health, and safety, and quality of life, and economic problems for so many people throughout the state and, actually, throughout this region -- are frustrated that it has actually come to this.

If I may, it reinforces the importance of the Gateway project; it reinforces the importance of economic growth; it reinforces the importance of us working together to find out what was known, at what time, and how you can allow for a breakdown -- whoever is responsible -- to get to this point. And it's important that we get these questions answered, and it's important that we work together, on a bipartisan basis, to ensure the funds are there so that our constituents, our friends, our families are not as

impacted as they have been throughout the course -- not only for the last five weeks, but for many, many years; these many years.

Thank you, Mr. Chairman.

SENATOR GORDON: Thank you, Senator Kean.

Anyone else on the Committee like to make some opening remarks?

Senator Ruiz.

SENATOR RUIZ: Thank you, Chairman.

Good morning, everyone, and thank you, Amtrak, for coming here.

I am not sure where the geographic location is of all of my colleagues who are serving on the Joint Committee Task Force (*sic*). But as the individual who represents the City of Newark, I have two incredible hubs, the Broad Street Station and Newark Penn Station. And so when we joined both Senator Booker and the Governor for a presser, I rattled off numbers that, while I was saying them out loud, were incredible; the amounts and volume that we experience at Newark Penn Station is a tremendous asset, but now it's going to become a tremendous question mark, when all this work proceeds.

There is a lot of conversation about what will happen at New York Penn Station; and oftentimes, when we're having these conversations about interstate issues, New Jersey gets the second gear. Well, we're here to remind you that while this process is ongoing, the State of New Jersey has to be at the forefront of this conversation; that the hubs that are held in our communities -- like Newark, Hoboken, and other big transit stops -- that there has to be major coordination; and that funding has to go to those sites

to be sure that our commuters have better and more pleasant, and, most importantly, safe travels to and from work -- that that becomes more of a part of this conversation.

SENATOR GORDON: Thank you.

Senator Weinberg, you have an opening statement?

**SENATOR LORETTA WEINBERG (Vice Chair):** Not really an opening statement, but I'd like to join Senator Ruiz in raising the issue of the coordination.

And I have been involved in infrastructure that has to do with bus transportation between New Jersey and New York. And I would hope that because of the delays that are going to be anticipated, that both Amtrak and New Jersey Transit are looking at the buses as an alternate and a way to, maybe, make life a little bit easier for certain commuters -- so that that is being coordinated too. That's a question, not a statement.

SENATOR GORDON: If no other members of the Committee wish to make a comment, we will--

ASSEMBLYMAN McKEON: Senator, Assemblywoman Muoio--

SENATOR GORDON: Oh, I'm sorry; Assemblywoman.

ASSEMBLYWOMAN MUOIO: Thank you.

The Northeast Corridor and New Jersey Transit originate in my district, here in the 15th. We have two station stops here -- one in Trenton and one in West Windsor, which are in our district; and a third in Hamilton in Mercer County. And as Assemblyman McKeon mentioned, my husband gets on, along with thousands of other people in Hamilton, and then transfers to the PATH every day. I said to somebody, reading his

texts when he's on his way home at night is like reading our modern version of the *Canterbury Tales* -- the journey that he takes every day and the stories he could tell about sitting on those trains.

And I just want to bring this back to the most important aspect of this meeting, which is that these delays and cancelations affect people's lives. These are missed soccer games, missed school productions, missed family meals. For one family, it's a woman who will never be coming home again. And it's lost business, it's workers who stress every day that they're going to miss a meeting, be docked pay, lose their jobs.

And, you know, we've talked about hypocrisy in some earlier remarks. And I'd like to also mention the Governor's remarks about the United Airlines debacle in the past month. And, you know, he said, "I can tell you, I could fill a book with all the complaints I have about United Airline from constituents. Passengers are fed up and they should be. And with United, the customer is always last," were the Governor's remarks.

Well, I'd like to say to the Governor, I could fill a book with the complaints we've received from 15th Legislative District constituents who take his agency's transportation arm -- New Jersey Transit. And we received more complaints -- more constituent complaints in the 15th Legislative District about New Jersey Transit than about any other government service that we receive complaints about. New Jersey Transit, number one, in terms of complaints from our customers.

So I would say to the Governor, before you start complaining about other businesses, look to your own house.

And to New Jersey Transit and Amtrak, I view your mission as being simple: to deliver your passengers safely and reliably; and you have failed in that mission.

So I'm interested in finding out how we've gotten to this point; but I am even more interested in finding out how we can fix this, and we can give you the tools you need to succeed.

So thank you very much.

SENATOR GORDON: Thank you, Assemblywoman.

At this point, we'd like to turn to our first set of witnesses. The plan today is, in the first half of the hearing, to hear from Amtrak; and the second half from New Jersey Transit.

And we are pleased to have with us today people who are in a position to answer our questions. The CEO of Amtrak, Wick Moorman; as well as his Chief Operating Officer -- I believe that's the title -- Scot Naparstek; and someone who has testified before us before, Steve Gardner, who is very knowledgeable about Gateway and other capital projects.

So Mr. Moorman, thank you very much for being here.

**CHARLES WICKLIFFE "WICK" MOORMAN IV:**  
Does that work (referring to PA microphone)?

SENATOR GORDON: I think so; yes.

MR. MOORMAN: Thank you, Chairman Gordon, Chairman McKeon, members of the Senate and the Assembly, fellow witnesses, Sophie and Samantha. Good morning to all of you, and thanks for the opportunity to appear before all of you and discuss Amtrak, and to answer all of your many good questions.

I am Wick Moorman; I'm Amtrak's President and CEO. And as was mentioned, I'm joined by Scot Naparstek, who is our Chief Operating Officer.

And we're obviously here today to talk about the recent derailments in New York Penn, and the larger set of issues that pertain to the Northeast Corridor.

But let me start by echoing a statement that I've made numerous times to numerous people. We understand the disruptions, and the problems, and the hardships that we cause -- that are caused when there are delays in the commute. Commutes are never fun at the best of times, and when they are lengthened for any reason -- and particularly when those reasons have to do with Amtrak -- we understand that; we apologize for that; it is our goal and our job to make sure that we do everything humanly possible to minimize any impact on the traveling public. And I do want you to understand that that is our mission, and we are dedicated to carrying out that mission.

So let me start by trying to place the incidents of the last weeks into the context of some of the unique operational challenges that we face due to the congestion and fragility of Penn Station. I will also talk a little bit about how we believe that we can work with -- actually, continue to work with our commuter partners to improve the immediate situation at Penn Station, as well as the larger challenges -- which have been mentioned -- that we all face in terms of keeping this very complex and congested rail system flowing.

Scot is going to talk to you about the actual derailments themselves -- the causes -- and about the challenges of operating this

railroad under conditions of congestion that are so extreme that every task out there is literally minute by minute.

But let me take just a moment, before I begin--

ASSEMBLYMAN McKEON: Sir, I'm sorry. Could you just pull the mike closer?

MR. MOORMAN: Sure.

ASSEMBLYMAN McKEON: It's hard to--

MR. MOORMAN: Which one? Both?

ASSEMBLYMAN McKEON: You're not getting picked up.

I think the red one, and you might have just shut it off.

Now you're on.

MR. MOORMAN: I'm not always adept at technology.

(laughter)

ASSEMBLYWOMAN MUOIO: Don't say that.

ASSEMBLYMAN McKEON: We're just-- Bad line. (laughter)

MR. MOORMAN: Oh, okay; all right. I'm *very* adept at technology. (laughter)

ASSEMBLYWOMAN MUOIO: There you go. (laughter)

MR. MOORMAN: So let me tell you, just a moment, about who I am and what my role here at Amtrak is.

I recently became Chief Executive Officer of Amtrak, really, in September of last year. I spent over 40 years in the freight railroad business, and retired as the Chief Executive Officer and Chairman of Norfolk Southern Corporation, which also proudly serves the State of New Jersey, as all of you know.

I will say I was extraordinarily happy in retirement; I was not looking for a new job. But I was convinced -- or, another way to put it, I was talked into coming to do the Amtrak job by another resident of New Jersey, our Board Chair, Tony Coscia, whom many of you know.

And I will say also that was to my wife's great dismay -- and *disgust* is not too strong a word.

However, I did it for a couple of reasons. One is, I believe that Amtrak is incredibly important to not only the Northeast Corridor and the State of New Jersey, but the entire country. And I wanted to do something that I felt was important for the country, and I also wanted to give back something to an industry that, quite frankly, I've loved since I was a little boy.

So here I am. And the aim for my tenure at Amtrak, in conjunction with our Board of Directors, is fairly straightforward. I'm here to help make Amtrak a great corporation with a strong safety culture that efficiently delivers an excellent product across all of our markets, including all of our relationships with our commuter partners.

And I will also say, parenthetically, that I spent my first 12 years at Norfolk as a track guy, so I am very, very interested in infrastructure, state of good repair, and our efficient and effective operating and capital program, to make sure that Amtrak's infrastructure is as good as it can be.

So enough about myself.

Let me turn to New York Penn Station. As you all know, it's the busiest railroad station in America. Three operators use the Penn Station tracks. All of you know Long Island Rail Road operates trains in

and out of Penn Station from the east, through the East River tunnels, to Long Island; while the New Jersey Transit tracks move east and west through the Hudson River tunnels. And some New Jersey Transit trains actual go east, and are serviced in our Sunnyside Yard on Long Island.

And of course, Amtrak uses the infrastructure as well. We operate about 12 percent of the traffic -- about 156 train movements a day -- through the terminal.

The station accommodates, on a weekday, 1,300 train movements on an infrastructure that was designed for a very different era, for much lower levels of traffic. To give you some numbers: Since 1976, the total number of train movements at Penn Station has doubled. In real and proportional terms, the growth in commuter train traffic accounts for the majority of that increase. Amtrak has increased 112 movements -- 72 percent -- and the number of commuter trains has more than doubled since 1976, from 505 to 1,034; with New Jersey Transit having grown the most, both in real and proportional terms, from 147 daily commuter trains in 1976, to 456 in 2014 -- a more than 200 percent increase over that period of time.

Let me say, also, that the 661 total train movements that Penn Station accommodated in 1976 were a historic high at that time. This station was never intended to carry that volume of traffic, let alone what it carries today. And it's not just the tracks; the platforms, for example, were designed to accommodate far fewer people on a train than you typically get today on a heavily loaded rush hour train -- which, as all of you know, may have upwards of 1,200 passengers. As a result -- I think you have all seen

this -- the platforms are very narrow in Penn Station, and they have even narrower stairwells for access to the platforms.

Also obvious to all of you, I think, is the congestion and the lack of space above the platforms -- the result of the destruction of the historic Penn Station, with its magnificent head house, in the 1960s; where we lost all the passenger waiting and ticketing space and, quite frankly, forfeited the passenger experience as well.

I will tell you that the fact that the station handles the volume of traffic today that it does at all is a real testimony to the tenacity, the fortitude, and skill of all of the railroaders at Amtrak, New Jersey Transit, and Long Island Rail Road. They have kept the place running, but we are operating at the limits of possible.

The long-term consequences of this were demonstrated dramatically when Amtrak train 2151 derailed on Friday, March 4. The derailment happened at a switch that connected what we call the *lower tracks* -- platforms 1 through 6 -- with the North Tube of the Hudson River tunnel. It blocked routes to and from the South Tube and tracks 1 through 11 in Penn Station, as well as what we call the *Empire Connection*, which Amtrak trains use to reach Metro-North for our services to Albany and all the way to Chicago.

Scot's going to tell you a little more about that derailment; but I think the important thing here is that the results were a dramatic illustration of the consequences of what was a comparatively small infrastructure failure at Penn. New Jersey Transit suspended service in and out of Penn Station between 9:00 a.m. and 4:00 p.m., when limited outbound service resumed, with some delays.

And I will let the witnesses for New Jersey Transit speak to the impacts that they incurred. But note that in addition to these significant disruptions, Long Island Rail Road lost the use of more than 50 percent of its normal track space; 29 of the 87 scheduled afternoon LIRR trains were cancelled, affecting another 70,000 passengers; 16 Amtrak trains had to be canceled or truncated, and another 20 terminated at Croton-Harmon, New York, where we had to make alternative arrangements to move our passengers to their destinations.

There are a lot of challenges that come with maintaining such a heavily used infrastructure, and they are compounded tremendously by age and lack of investment. Again, Scot will provide you with the details on these derailments, and he will talk about some of the challenges that come with trying to maintain Penn Station under these conditions.

I do want to address up front, however, this notion -- this idea that somehow Amtrak is not maintaining the Northeast Corridor. That is just categorically incorrect. To the contrary, we have done a good job in maintaining somewhat old and fragile infrastructure that supports the highest density of train traffic in North America. One illustration of that is that New Jersey Transit's on-time performance on the Northeast Corridor has been 90 percent for the past several years. And it would be simply impossible for that to be true were we not adequately maintaining the railroad. And in fact, I will tell you, New Jersey Transit's on-time performance over the Corridor has been better than Amtrak's own performance over the past number of years.

Now, this does not mean that we can't do a better job in maintaining this important asset. We should, we can, and we will. In fact,

getting better at things like this maintenance is, as I said, part of the reason I was brought in to help lead Amtrak. But everyone needs to understand that the railroad is not and, frankly, for a long time has not ever been in a true state of good repair, meaning that many of the assets that make up our infrastructure are now past the point where they would normally be replaced. That doesn't mean that the assets are unsafe; they're not. But it does mean that they are prone to problems that impact reliability and performance, and also increase the maintenance requirements in the station. We have publicized this fact for decades now, and made it very clear that while we clearly understand our responsibilities for maintaining the NEC, we can't and won't pretend that the years of underinvestment and steady traffic growth -- as I've discussed before -- have not created a situation where the reliability of the system is less than we would all desire.

So let me take a minute, then, to describe our view of the roots of this situation -- and it also gets to some of the financial issues that have been raised.

As you know, the Northeast Corridor is the main line that connects all of this region's major cities. I don't need to tell you the statistics: 20 percent of the GDP of this country and 18 percent of the population reside on 2 percent of the land mass; and the Northeast Corridor is the rail spine that connects it all.

As all of those cities have grown and, in particular, as highway congestion has increased, it has become a critical connection. It links not only the long distance travel -- which is critical for business up and down the Corridor -- but all of the suburban commuter systems that use the

Corridor to serve central business districts up and down the Corridor. And there are eight commuter systems that use the Northeast Corridor.

Throughout much of Amtrak's ownership of the Northeast Corridor, the mainline and its capital needs were thought to be the primary responsibility of the Federal government and Amtrak, whose intercity service is really the principal reason that the railroad was transferred to Amtrak in 1976. And given this, the various commuter railroads generally paid Amtrak only a portion of the operating and capital costs attributable to their use, and they enjoyed fairly low-cost access to existing Northeast Corridor capacity. And remember, for a long time, that capacity existed.

Meanwhile, the Federal government was not providing the funding really necessary to put the Corridor in the state of good repair it needed to be and to make up for the amounts that other folks were not investing.

So this situation created an incentive where all Northeast Corridor users -- the commuters -- had very strong incentives to maximize their use of the Corridor; and the hope obviously was, on everyone's part -- including Amtrak -- that the Federal government would one day deal with all the capacity constraints and state of good repair issues that are now being exacerbated by even greater use.

So commuter railroads up and down the Northeast Corridor invested in increasing service, buying new equipment, and building stations; while, at the same time, the core assets -- the railroad itself -- were getting older and more fragile.

Now, no one doubts -- no one would ever say that these investments didn't have an extraordinarily beneficial effect for the

stakeholders. We support commuter operations up and down the Corridor. The basic fact of the matter was that this lack of investment in the basic infrastructure by all parties was creating an untenable situation. And it was recognition of this fact that led Congress to pass the Passenger Rail Investment and Improvement Act -- the so-called *PRIIA Act* -- in 2008. PRIIA created -- and I think, I'm sure all of you know this -- the Northeast Corridor Commission, which was empowered to develop and implement a cost-sharing mechanism for the full operating and capital costs of the Northeast Corridor, to make sure they were allocated according to use, up and down the railroad.

The State of New Jersey was obviously a key member of the Northeast Corridor Commission.

It took the Northeast Corridor Commission a number of years to study the issue, to work on these issues; and they finally developed a new common cost-sharing policy, which adjusted the historic levels of payments between the owners and the users across the Corridor to reflect current usage. Now, for New Jersey Transit, this meant the need to increase capital payments to Amtrak for the part of the NEC infrastructure they use, to a range of somewhere between \$82 million and \$105 million annually. This covers the basic infrastructure renewal work, with the amounts to be phased in over a period of years. The policy also increased New Jersey Transit's contribution to operating costs -- which covers station operations and maintenance, policing, train dispatching, infrastructure and investment, and basic maintenance -- to \$97 million a year, on an annual basis. These increased financial obligations went into effect on October 1, 2015; and I

think, as was stated, Amtrak and New Jersey Transit finally completed the agreements implementing this arrangement earlier this year.

These agreements are important because they committed Amtrak and New Jersey Transit to work together -- which is what we always try to do -- in a very robust, joint planning process that will help New Jersey Transit and the State of New Jersey understand how their capital funding is being used, and absolutely ensure that their priorities are reflected in both our five-year and one-year annual investment programs that are now developed by the NEC Commission.

This support is very welcome. And although the funding levels for the Northeast Corridor from Amtrak, the Federal government, and all of agencies are still far from adequate to achieve this true state of good repair anytime soon -- let alone advance major projects like Gateway -- this increased investment from New Jersey Transit will allow us to significantly turn the tide of underinvestment on the New Jersey portion of the Northeast Corridor.

But let me say this about money. Funding alone doesn't solve all of the problems, because the challenges of infrastructure maintenance, under the conditions prevailing at Penn Station, are only partially financial. What really matters in there is that the heavy traffic pattern makes the day-to-day work of maintenance and repair extraordinarily challenging, since much of the work can only be done in very limited windows in the middle of the night or over weekends. And I will tell you this challenge is only going to get harder as we undertake the major renewal and improvement projects that have to be done prior to the Gateway program being completed.

I will say, as an aside, as an old track guy at Norfolk Southern -- it is the most complex, difficult place that could ever be imagined to do track work; it's just that simple. It is like nothing else I have ever seen, either in this country or in Europe, in terms of its complexity and difficulty.

Now, stepping back, as Amtrak has testified before, Gateway is the ultimate solution to this complex set of challenges, in addition to the new capacity absolutely critical that it will ultimately deliver. There are the risks -- which all of you are aware of -- to the existing infrastructure that must be addressed. You all know that both the East River tunnels and the Hudson River tunnels were inundated during Superstorm Sandy; and that long-term damage from the immersion in saltwater is going to require a complete rebuilding of all of those tunnels.

To do that, we obviously have to build another tunnel first, because we cannot stand to have one of the two Hudson River tunnels out of service for the estimated year-and-a-half it takes to rebuild it. Those tunnels today carry, by the way, 200,000 passengers every weekday.

Similarly, as mentioned, we need to build a new Portal Bridge; we need to expand our infrastructure. The Portal Bridge, and another bridge in that area, are both well over 100 years old; and we have to continue to build and replace if we're going to preserve -- let alone expand -- access into New York Penn Station from New Jersey.

Now, the good news is, I'm very glad to report that, on these issues, New Jersey Transit and Amtrak are in lockstep about this; and we, by and large, have an excellent partnership about this, and most of the other issues, along with the Port Authority and U.S. DOT. We are all

working together to advance these projects. I will tell you, there's not a moment to lose on this.

So that's the long-term solution. Let me briefly talk about something that was referred to yesterday, and that's the series of initiatives that we announced that are designed in the near-term, not only to strengthen the infrastructure at Penn Station, but to improve operations and preparedness as well.

As many of you may have read, there were a number of them. I'll start -- the New York Penn Station Infrastructure Renewal program; that will expedite major track work and switch renewal work over the course of the coming year. Scot will describe this; we are jointly developing that plan with New Jersey Transit and Long Island Rail Road. And the in-depth discussions to start to work through that plan together -- because this has to be a joint effort -- will begin at the beginning of next week.

Our goal in this, while we do it, is to get this work done; it needs to be done. But to do it in such a way with our partners that we absolutely minimize the disruption in the station while it's going on; and that's a pledge we make to you.

In addition to that, we've announced a coordination review. As all of you know, Penn Station -- above the track level, on the passenger level, is a somewhat vulcanized, incoherent, incohesive set of spaces. We want an independent review of the interaction, coordination, and collaboration of all of the concourses; that will obviously be a joint effort as well. I felt it was important that we have a third party take the lead in that, rather than Amtrak itself. For that reason, we have asked Tom Prendergast,

who is the former head of MTA, to come in and assist us in working through the issues.

We are proposing a development of a Joint Station Concourse Operations Center, similar to the operations center that we have that manages the platforms and the dispatching. We think we can bring better technology in with joint staffing, enhance the passenger experience, and, importantly, be ready to respond to disruptions and other incidents as we operate the station.

And finally, we internally are building a Safety and Security Task Force. We will be working with our partners; but also with first responders, law enforcement, other stakeholders. We want to review all of our processes and procedures relating to things like disabled trains, emergencies in the station. We want to make sure that we're adequately prepared and adequately trained to handle those.

We at Amtrak are creating a Mobile Response Team to address potential station overcrowding during peak periods. And we're also making some equipment changes -- technology changes to improve communications and surveillance.

These are important measures, critical measures. They're short-term, but they will improve the immediate conditions and our collective response capacity at Penn Station.

But I'll start to wrap up my remarks by saying that we all need to move beyond the approach of just *patching* fixes to the infrastructure. That's a challenge, obviously, because of the limitations we face; limits to money and, even more importantly, limits to our ability to work in a narrow, tight, heavily congested, and highly complex piece of infrastructure.

Cooperation will be vital because we are going to have to adjust train schedules and modify operations to support some of this work.

The key to this success will be a strong partnership between all of the railroads at Penn Station, and a commitment which we make to you today to work together to get a real solution that delivers better reliability and better performance.

To that end, as I think you know, Amtrak recently received a letter from New Jersey Transit's Executive Director, Steve Santoro, asking Amtrak for additional information, new rights, changes in protocol, and a stronger partnership. We're still working through all those requests, but I will tell you that we are eager to work collaboratively to address the issues in Penn Station and on the Northeast Corridor -- together with New Jersey Transit. And I will tell you that I believe, in general, our organizations have a very good working relationship at the ground level. I look forward to working with Steve Santoro, all of his colleagues, and our partners at New Jersey Transit, and all of you to chart a better future for this region -- this economic and cultural capital of the world.

I think this is important because our futures are bound together on this railroad. None of us can tolerate a future where we have more and more service disruptions like we have seen. Amtrak is the owner and the operator of the Northeast Corridor and Penn Station. We understand our responsibilities. And we will take all of the actions required to fulfill all of those responsibilities, working jointly with our partners.

But remember, there's a longer-term goal in mind; and that's that we need to stay vocal, stay united, and work together to achieve our common aim of getting Gateway built, so that Penn Station and the

Northeast Corridor have the capacity they need to serve this region for decades to come.

Thank you.

SENATOR GORDON: Thank you, Mr. Moorman.

You gave us a lot of material to ponder.

Mr. Naparstek, did you want to make some comments about -- specific comments about the incidents over the last five weeks?

**S C O T N A P A R S T E K:** Yes, sir.

Chairman Gordon, Chairman McKeon, members of the committee, good morning and thank you for the opportunity to testify today.

My name is Scot Naparstek, and I am the Chief Operating Officer of Amtrak. I am responsible to Wick Moorman and to the Amtrak Board of Directors for the operation of the 21,000-mile Amtrak system, and the maintenance of our equipment and infrastructure.

Therefore, I am responsible for the operation and maintenance of New York Penn Station. And based on that, I do want to apologize for the inconvenience that all commuters have gone through over the last 30 days.

Dating from 1910, the station now hosts more than 1,300 trains on every weekday, which, as you heard, is twice as many as it carried in 1976. The number of station tracks were never expanded to support the volume of traffic, and more trains have been added onto an aging and constrained system that was already operating beyond capacity, stressing the 149 switches and more than a thousand track components that keep trains moving every day.

Additionally, the station has signaling and electrification systems dating from the 1930s, and many electrical and mechanical components including HVAC systems, fire and life safety systems; and the structure itself -- which must all be maintained and renewed aggressively to support the tremendous demands placed on them at the nation's busiest transportation facility.

As Wick said, the extraordinary use of the station today illustrates a larger theme. The facility is simply over-capacity and has not received all of the systematic renewal and maintenance it badly needs. We have a 108-year-old station that is completely full, doing things it was never designed to do, with no margin for error.

As we have just witnessed, under these conditions, relatively small or isolated incidents, that might have minimal impacts elsewhere on our system, can swell suddenly into major service disruptions here.

You can see to my right (indicates) there is a plan of the station tracks, and this will give you some idea of how complex Penn Station is. At either end of the station, you can see how the tracks funnel into the East and Hudson River tunnels.

These giant complexes of switches and signals are heavily trafficked, and a comparatively minor disruption here can shut down access to a tunnel entirely, which is a major issue.

Amtrak conducts regularly scheduled maintenance and inspections on all infrastructure components, and biweekly track inspections are a part of our daily routine. In addition to the biweekly track inspections, all switches receive comprehensive monthly inspections. There

are also major infrastructure improvement programs in process now, and more to come in the future.

While these projects are vital, their substantial work requirements must also be juggled into the station's maintenance needs and the operation of trains in a facility that is at full capacity, even when everything is running well.

The heavy train traffic also restricts the time available for maintenance and reduces asset life cycles, requiring more frequent asset replacement.

Our opportunities to inspect and maintain infrastructure are limited to off-peak hours, between 11:30 p.m. and 4:30 a.m. during the work week. Much work is scheduled on the weekends, but it is often the case that we must prioritize between the need to work in the station, in the tunnels, or on one of the ongoing capacity or improvement projects, therefore, so as to minimize the impacts of this work on weekend train schedules.

The inability to take track out of service for long periods of time makes it very difficult to undertake larger-scale projects. Short duration outages are very inefficient, as mobilizing and demobilizing can require a major portion of the outage timeframe. All this makes work harder to get done, and also drives up the maintenance costs.

Before I discuss the two recent derailments and the NJT Train 3850 event, I need to stress two points. The first, and the most important, is that in most cases Amtrak sets and observes track standards that are more restrictive and, therefore, safer, than those mandated by the Federal Railroad Administration. We use automated inspections to measure track

geometry, and ultrasound testing to ensure the integrity of our rail. Whenever a track condition is discovered, protocol is followed to either reduce authorized speeds, or take the track out of service and repair the condition.

Prior to both derailments, track inspections were completed as required. Although conditions were noted on inspection reports for being close to, but within permitted tolerance at both locations, these track conditions were being monitored to ensure the track remained in compliance.

The first derailment involved Amtrak Acela train 2151, which derailed at low speed while leaving the station on March 24, within a minute of departure. The rear door of the last car of the train and the rear power car were still adjacent to the platform when the Acela train sideswiped a New Jersey Transit train after leaving the rails. You can see the yellow highlighted spot here on the map to indicate the point of derailment (indicates).

As you can see, a train that derails on these tracks blocks tunnel access; and that is a serious problem at any time of the day, but particularly at rush hour.

This derailment was caused by a slight mismatch of just one-quarter inch of a newly installed track component called a *frog*, a grooved casting at the center of the switch where the rails meet. This frog had been replaced approximately six weeks before the derailment as part of a renewal program which was incrementally upgrading the infrastructure, as track outages permitted. It was connected to an existing smaller curve-worn section of rail, creating the mismatch. The crews attempted to reduce the

mismatch at the time of installation by grinding the frog, so the profile of the existing rail and the newly installed frog were within Amtrak's specifications. At the time of installation, the joint met the standards; but it is now clear that it did not meet them at the time of derailment, and the natural forces the train exerted at a curve caused the flange of the wheel to catch the edge of the joint and ride up over it, derailing the train.

We have since revised our standards so that a mismatch of the kind that existed upon installation of the new frog would definitely be considered outside of tolerance and not permissible. We also immediately inspected frogs in all our major stations, including Penn Station, to ensure this condition was not present anywhere else.

The derailment of New Jersey Transit train 3926 on April 3 was caused by defective ties. The train was entering Penn Station from the South Tube of the Hudson River tunnel when the rails spread beneath the third car of the train, causing it to drop down between the rails and derail the fifth, sixth, and seventh cars. In this incident, several consecutive ties failed under the movement of the train, and the connections of the rail fastening system lost their effectiveness, allowing the rails to slide outward along the ties.

While we were fortunate that some cars reached the platform before coming to a stop and passengers were able to exit the train from the adjacent platform, passengers from behind the derailed cars had to be evacuated by climbing down onto the track bed, walking forward, and reboarding the train to exit onto the platform.

Our track inspectors had noted some tie displacement in this area during their biweekly inspections, but because the track gauge -- which

is the distance between the rails -- appeared to be within allowable limits, immediate repairs were not deemed to be required, with the expectation that the ties would be replaced during upcoming renewal work.

Our forces made substantial repairs to the track, signal, and electrical systems that included major repairs to three switches, replacement of four switch machines and their associated cable and operating rods, as well as replacement of numerous electrical bonds in the rail, and two broken rails and numerous damaged ties. You can see here on the diagram (indicates) where the train derailed.

That derailment limited access to the South Tube to the lowered-numbered tracks, here at the bottom--

ASSEMBLYMAN McKEON: Excuse me; I don't want to interrupt. But did you happen to bring smaller copies for all of us to take a look at? It's very hard for us old people to see.

MR. MOORMAN: Why don't we just move it closer? Let us just move it right up by you, and--

ASSEMBLYMAN McKEON: I think somebody can help you out; put it in the middle.

And the other thing is, as the Senator and I were speaking -- we don't have copies of your written testimony. We would appreciate having that.

SENATOR GORDON: We may have gotten those.

MR. NAPARSTEK: --while the higher-numbered tracks at the top could only reach the North Tube. We lost a significant amount of flexibility, which was a bigger issue than just track availability.

The equipment was re-railed the morning after the derailment, and the track was returned to service on the morning of April 7 -- a period of five days -- which entailed a very considerable disruption of scheduled service. We have worked jointly with the FRA to inspect the track at Penn Station, and here on this track diagram -- that would be the second one, Stephen -- here on this track diagram you see where we concentrated our efforts, focusing on the heavily trafficked junction points, or *interlockings*, at the tunnel entrances.

Based on their findings, we have conducted some minor repairs, and advanced the schedule of work for tie replacement we had previously planned for Track 7 within the station. Details of these inspections have been shared with Long Island Rail Road and New Jersey Transit.

The third incident involved New Jersey Transit train 3850, en route from Trenton to New York Penn on Friday, April 14. Our power directors, who are responsible for managing the supply of power to the overhead wires that power trains, received a report of an electrical trip. This is similar to a circuit breaker tripping in your house when something shorts out. The engineer reported a loud noise and a loss of air pressure on the train, so he began to troubleshoot the locomotive, thinking it might be an air system issue. When the power directors reenergized the system, it held power and an Amtrak rescue engine was sent, arriving 40 minutes after the train stopped.

We learned then that the NJT engine had a damaged *pantograph*, the mechanical arm that contacts the overhead wires to draw current. When a pantograph breaks, it can pull down the wires, so we sent an electric traction maintainer out, because we had an early report that

some wire was down. We did discuss evacuation from the tunnel, but the report of a downed wire was a concern, as it could create a hazard to evacuating passengers.

Upon inspection, when we realized how badly the pantograph was damaged, we decided that the safest course would be to cut it away. Once that was done, we were able to reenergize, raise the second pantograph on the locomotive, and move the train under its own power back to the station. It arrived at 6:02 p.m., almost three hours late.

We conducted a thorough investigation of the tunnel and found no wire down or other issue with the structure of the electric catenary system, although we found and repaired the point where the electrical arc occurred.

Upon inspection, it was determined that the pantograph was missing the carbon strip at the point where the pantograph rides along the wire. Our conclusion has, therefore, been that the cause of this incident appears to be related to the pantograph on the locomotive, rather than a problem with Amtrak's electrical system infrastructure.

While this was going on, we were only able to use a single tube of the Hudson River tunnel. This caused delays and congestion at Penn Station, and extreme crowding within the passenger concourse as passengers waited for trains. It was under these conditions that a non-passenger, an occupant of Penn Station, tried to strike an Amtrak Police Officer on our concourse. In response to that attack, an Amtrak Police Officer then used a Taser. When somebody in the crowd heard the noise of the Taser, they confused it with gunshots and yelled, starting a spontaneous movement toward the doors.

Due to the disabled New Jersey Transit train, the command post at the station was staffed and communicating with the New York Police and Fire Departments, who were already present. Law enforcement was able to confirm that no shots were, indeed, fired within five minutes of the Taser event, and immediately began making announcements to that effect over the public address system. All agencies in the station shared that information with their personnel over their radios.

An after-action review of the event was held on April 20, attended by representatives of the railroads, first responders, law enforcement agencies, and other stakeholders. We are planning also to hold a tabletop exercise in June, with the goal of reviewing and improving our performance in such situations in the future.

We never want incidents of these kinds to happen, and we work hard to prevent them. They are frightening, dangerous, inconvenient, and costly to the railroads and to our economy, but they are also a product of the situation that we have created by placing so many people and trains in such a constrained facility.

These three incidents highlight just how vulnerable this system is. Everything in a century-old station with 40-year-old track must be 100 percent effective at all times to avoid potentially massive service disruptions. A single, relatively minor incident can take a tunnel out of service and, at a minimum, a tunnel outage can cause sufficient chaos to disrupt an entire morning or evening rush hour.

We do not have an effective backup or margin of error in this station because our system is always at capacity. The risk is, perhaps, best

demonstrated by the Hudson River tunnels, and explains why it is so crucial that we undertake the Gateway program as soon as possible.

We've now reached the point where the station handles more daily users than LaGuardia, JFK, and Newark Liberty airports combined, in vastly undersized passenger spaces. The time available for maintenance and repair has decreased significantly, in response to the ever-growing traffic levels, creating more wear and tear on the aging infrastructure.

Our people have had to become very resourceful, and they do a good job of maintaining the station and the Northeast Corridor to ensure its safety and continued operation. As Wick just said, if this was not true, on-time performance for New Jersey Transit trains in the Northeast Corridor would not be in the 90 percent range on an annual basis.

However, we need to do an even better job, and a new strategy for maintaining this infrastructure is required. Keeping components in service beyond their expected life cycle greatly increases the risk for failure, and a significant number of the track components at Penn Station are approaching the end of their useful lives.

Over the past few years, Amtrak has begun a program to renew the track at Penn Station, but we have reached the limits of what can be done on weekends and nights alone. As Wick has announced, the time has come when we must now undertake a series of major track and switch renewal projects in Penn Station, beginning with the complex of tracks and switches in the western portion of the station, known as *A Interlocking*, which, again, you can see on the diagram (indicates).

We plan to advance this work through a series of major projects, beginning in May and continuing through the fall, to quickly

achieve the benefits of this renewal work for our partners and for all our passengers.

In addition to *A* Interlocking, we will be doing further renewal work on various station tracks through, roughly, June of 2018, with a majority of that work being done on weekends. This work will require track closures, operational coordination, and schedule changes, which will impact the services of all the railroads operating at Penn Station. However, we will work collaboratively with both railroads to find the optimal way to get this and other projects done quickly, while minimizing the impact on scheduled train service and passengers.

As we come to consensus on the plan and schedules, we will communicate them and the associated benefits and impacts to all of you, as well as the broader public.

We understand the implications of this initiative, and none of it will be easy. However, this is essential work and I am confident that if we can sustain the station in the short-to-medium term, we can build ourselves the breathing space we will need to deliver the major improvements New York Penn Station will need to serve the metropolitan area for decades to come.

I thank you for the opportunity to testify, and look forward to questions.

SENATOR GORDON: Thank you, Mr. Naparstek. You really took us through a good deal of detail.

For those who might not have been able to absorb it all, can you summarize, very succinctly -- what are the lessons that you've learned from these incidents? Are there things that these incidents have in

common; how are they different; what conclusions can you draw about the state of the system; and what happens if we don't make these repairs that you announced yesterday?

MR. NAPARSTEK: I think the biggest conclusion we draw -- we have been playing a balancing act for quite some time. We have balanced the need of service, the need for maintenance against each other. And we've used our expertise and our judgment; we've done inspections; and we've done what we can with -- we've done everything we can to keep the station safe and running well.

The stress that we're putting on the station is increasing; and the need to increase due to that -- our need to increase the amount of time that we need at the renewal phase has increased. And I think the biggest takeaway is we need to act -- before we have any other series of events, we need to act to renew the station. And we still need to balance -- we need to balance the needs of the commuter, the public, but we also have to put more pressure on ourselves to do the renewal work faster.

SENATOR GORDON: Am I correct in understanding that the reason you need a shutdown, or you need to shut down certain sections, is because of these space constraints that you just -- you just can't do the work in these short periods, given the inefficiency of doing that?

MR. NAPARSTEK: As Wick addressed -- I mean, funding is a constraint; but day-to-day, the biggest constraint is time. Typically, during the night, we would get three to four hours of access to track. And the amount of work you can do between mobilizing and demobilizing and that work is really too -- is really minimal. So then we rely on 55-hour outages. So we have been doing, for many, many years, 55-hour outages on

weekends. And to be -- the size of some of the renewal work has just reached a point; and when you look at the complications of the interlockings, it's reached a point where there is no ability to get the work done to renew all the assets that need to be renewed, in the 55-hour window. That's really what creates the need for the continuous outages.

SENATOR GORDON: Mr. Moorman, did you want to add something?

MR. MOORMAN: Let me just briefly add to that.

As Scot has said, Amtrak, a few years ago, began a program for renewal of the assets. And the good news is, there's a lot of that station that's been renewed. But that use of weekend outages, in addition to being inefficient, we have found that there are lots of other things to do in the station that also take weekends. And what has happened is that we have now reached a point where, if we were to try to continue to do this in 55-hour weekends -- this is the most complex piece of the station -- there are pieces of it that just can't be done in a weekend. And even if we tried to stretch it, we have reached a point now with these assets where, if we stretched this out another year, or two, or three -- and that's what it would take -- we are running more and more risk for the kind of unplanned disruptions that we've seen in the last month.

SENATOR GORDON: So it would be fair to say that if we don't do -- if we don't have these shutdowns, if we don't do this extended maintenance, we're going to see -- we're likely to see more derailments and other incidents of the kind that we've seen over the last few weeks.

MR. MOORMAN: I think that certainly increases the likelihood that we'll have other issues if we don't go ahead and address this work quickly and decisively to get it done.

SENATOR GORDON: You may well have described this a few minutes ago, but could you -- and perhaps this is a question better addressed to New Jersey Transit -- can you tell us what the practical effect will be on commuters over -- it sounds like it's a 14-month period where we're going to be doing this work. How many tracks are going to be shut down; what does that mean in terms of commuter delays and throughput of trains? How is this going to affect our constituents?

MR. MOORMAN: Let me answer that to the best of my ability.

But let me first address a point you raised early on, which is the timing of the announcements to do all of this work.

In terms of the renewal work, we immediately, after these two derailments, went back and said, "Let's take a look at how we accelerate getting this major work done." And it's taken us some period of time to really even understand the implications and how we would go about it in an accelerated fashion. We have now reached the point where we have an understanding of how that works. And in the meantime, as you know, there's been a lot of speculation in the press and everywhere else about where there were going to be outages, what was going to happen; and we felt it was important to go ahead and announce this absolutely essential renewal project.

We understand the broad plan; we understand the components that need to be changed out; we understand a timetable that works. We

can't answer your question until we have gone over that plan with New Jersey Transit and Long Island Rail Road, we've understood their service implications; and to the extent that things can be managed, what they would prefer to see in order to minimize the impact to their passengers. And there will be impacts to everyone, and, obviously, including Amtrak.

As I said, we are going to be in those discussions at the beginning of the week. We will jointly arrive at the best plan that we can and announce it to everyone in plenty of time -- including the implications for service that you're asking about -- so that people have time to prepare for it. But right now, until we have those collaborative conversations, we really don't know all the answers to your questions.

SENATOR GORDON: But we're talking about four to six tracks out of 21?

MR. MOORMAN: Well, again, we don't know. There are 21; there will be tracks closed, not all-- It may be different numbers of tracks closed at different times of the day; we have to work through that. Obviously, our goal is to have the least number of tracks closed that we possibly can during peaks -- during the two peaks. But you know, again, that's just part of what we have to do.

I will say something -- you mentioned 18 months. As Scot said, our intention is to go get the critical areas done this summer. We will have more renewal work to do in the station, but we're planning on doing most, if not all of that over weekends, stretching out past the summer, into 2018.

SENATOR GORDON: You know, I know this is a difficult question to answer, given the fact that you haven't done the inspections

and had the conversations with your partners. But can you give us, sort of, the outside date as to when this is likely to be done?

MR. MOORMAN: Well, our current thought process -- before talking with everyone -- is this will require two or three significant outages during the summer; and our intention right now is to hopefully -- again, without having come up with a final plan -- to have them done, hopefully, by something that approaches Labor Day.

SENATOR WEINBERG: Say that again; sorry.

SENATOR GORDON: Labor Day of--

MR. MOORMAN: Of 2017 -- these significant outages.

SENATOR GORDON: And what is a *significant outage*?

MR. MOORMAN: A significant outage is work that impacts the station beyond the weekend.

SENATOR GORDON: Okay.

Will New Jersey Transit and the LIRR-- How much say will they have? Will they be able to say, "That's just something unacceptable; we're not going to do it that way?" I mean, who-- Forgive me, but who's driving the bus on this? (laughter)

MR. MOORMAN: Well, you know, it's Amtrak's responsibility to maintain the station, and the track, and to ensure that we don't start to run the risk of any more unplanned outages. So in that regard, we are prioritizing this work, and we need to get it done.

SENATOR GORDON: I've been monopolizing the questions. Chairman McKeon.

ASSEMBLYMAN McKEON: Thank you very much.

And I'll try to go as quick as possible.

Again, listening to your response to the Senator's question about long-term -- or lessons learned, long-term renewal was the lesson learned? I mean, there are 300,000 people on trains today. Are they safe? Long-term is today and tomorrow.

MR. NAPARSTEK: They are safe; they are safe today. If we felt anything was not safe, it would not be in operation.

Part of the answer to the question, "If we don't do the renewal work, what would happen?" -- if you look at your timeline and you look at Track 7 coming out, that's an example of where we didn't get to; where we did renewal work, but we had to, under maintenance work, take a track out of service to do the renewal work. We found, during the inspections, that that was not work we wanted to wait on. So if we find any of the infrastructure that we feel is not safe, it will come out of service.

ASSEMBLYMAN McKEON: I appreciate that. I understood, I think, from your testimony that the derailment of April 3 -- that you knew about the issue that ultimately was found to have lead to the derailment, but it was on a list and you just didn't get to it yet.

Now, let me ask you, going backwards, did you also know of the issue that led to the derailment one, knowing that you do these inspections every two weeks, per your testimony, and didn't get to that either, notwithstanding that you knew of the issue?

MR. NAPARSTEK: In the case of the April 3 derailment, we knew we were towards the edge of the specification. We did not know that we -- that effectively, that we had crossed the specification; or that the effect of life, in terms of the fastening system, was over.

What was noted was that--

ASSEMBLYMAN McKEON: Can we tease that out, because maybe I didn't understand. I thought that it was on a list to be repaired, based upon an inspection that took place within two weeks of that derailment. Is that correct?

MR. NAPARSTEK: It was on a list to have renewal work done -- that was forecast to be done. It was felt--

ASSEMBLYMAN McKEON: And what was-- I'm sorry.

MR. NAPARSTEK: I'm sorry.

ASSEMBLYMAN McKEON: And I would assume that you wouldn't have let it go for the two weeks, or however long it was, before the derailment happened if you anticipated it would be going that quickly. That's fair; you didn't do it purposely.

MR. NAPARSTEK: Yes.

ASSEMBLYMAN McKEON: Okay. But we were wrong, right? At the end of the day; we're human, we were wrong, and it led to a derailment.

MR. NAPARSTEK: Right.

ASSEMBLYMAN McKEON: What are we doing to change that so we're not wrong anymore about that? Or is that just impossible to do?

MR. NAPARSTEK: So when you look at the specifics of April 3, one of the things that we've done -- in each of the cases, we have modified our specification as well. Essentially, we've made our specifications more stringent. We set -- there are standards set for what class--

ASSEMBLYMAN McKEON: And that's a reasonable answer; I'm happy to hear that.

MR. NAPARSTEK: Right.

ASSEMBLYMAN McKEON: We all are.

MR. NAPARSTEK: So when you look at gauge, the rail underneath Penn Station is considered a Class 1 gauge rail, or Class 1 track, based on the speed in which it runs. Looking at what happened on April 3, for purposes of looking at gauge, we have changed our standard to Class 4, essentially making it stricter so that -- essentially, we would have taken that track -- based on where it was at the inspection point, we would have taken that track out of service and would have immediately begun the renewal work.

ASSEMBLYMAN McKEON: Okay; and we're all glad that that's going to change prospectively.

Let me just go back a little bit, then. Then going to the number one, the first derailment -- was it the same scenario, where it was something that was known to us, per our biweekly inspections; we just didn't know it was going to go that quick and we didn't get it done?

MR. NAPARSTEK: It was known that there was a-- As I mentioned, it was known that a mismatch had occurred between the new frog and the adjacent curved section of track. The crews had ground, thinking they had ground flash enough and bringing it within a quarter-of-an-inch specification. In the end, what we've done as well is essentially gone from -- for any replacement of frogs, we will go to Class 4, which takes it from a quarter--

ASSEMBLYMAN McKEON: All right; I hear you. But that-- Again, maybe it's not lost upon people a lot smarter than I am about the technical detail. But the bottom line is that the scenario number one -- we saw that something was going to fail. We didn't know it was going to fail before we got to it; but it did. Then we let it happen again, a second time, the same scenario. Is it two accidents before we then change our specifications? Is it the press; is it the legislative hearings?

When there's an issue like this, why did it take -- at least, knowing here there were two in a row -- why did it take something that was a second incident before we said, "Hey, maybe we should change things here, because safety is at risk."

MR. NAPARSTEK: In terms of the two specifications, these are very different specifications. The incidents are unrelated in terms of the causes.

In neither case did the folks, or did the people doing the inspections, note an out-of-specification condition. However, what we've done is to ensure that it doesn't repeat -- we've essentially tightened the specification in both cases. We will systemically go through and look at where else we can tighten specifications.

ASSEMBLYMAN McKEON: Okay; fair enough. So they were the same scenario, but just different specs kind of things. So you would-- After spec number one, you know it; your science, not to be as accurate as you thought it was, you would make the change. We just didn't wait for a second one to happen before the change occurred. They were two separate kinds of things.

MR. NAPARSTEK: Yes.

ASSEMBLYMAN McKEON: Right? Fair enough.

Let me ask you about the April 14, and a piece of that -- the Good Friday circumstance.

I believe your testimony was the *power collector*. If that's not the best term-- It is.

MR. NAPARSTEK: Right.

ASSEMBLYMAN McKEON: That was a NJ Transit issue, and not an Amtrak issue. Is that fair to say?

MR. NAPARSTEK: All our evaluations says that, yes.

ASSEMBLYMAN McKEON: Okay. The Governor was quite critical, saying that Amtrak is trying to obfuscate their own failings, or whatever the heck it was that he said. The investigation is still open. The statements that were made as it relates to what occurred here, you stand by them, they were accurate. Is that a fact?

MR. NAPARSTEK: Yes.

ASSEMBLYMAN McKEON: Okay; fair enough.

Did you know -- and I'll ask Mr. Santoro -- is that train that failed still in service?

MR. NAPARSTEK: I'm sorry?

ASSEMBLYMAN McKEON: Would you know if that train that failed is still in service?

MR. NAPARSTEK: It's New Jersey Transit equipment, sir; I could not--

ASSEMBLYMAN McKEON: Fair enough.

You know, the question is probably directed at you, and it's not rhetorical. I'm wondering, since we're at least a decade away from another

-- a third Hudson rail tunnel, how are we going to deal with this capacity. I mean, you were very eloquent in laying out what are facts, are numbers, as it relates to, I guess the good news -- the popularity of these commuter lines. It's at least 10 years, maybe more; and God knows what will happen with funding and the politics that's out there. How are you going to manage this?

MR. MOORMAN: That's a great question, and I don't have an answer, other than to say -- again, go back to the fact that Amtrak owns and operates the station -- all we can do is go in and ensure that it runs as well as it possibly can under these conditions. But we are not going to put any more trains into Penn Station over the next 10 years.

ASSEMBLYMAN McKEON: I know the Senator wants to jump in but, I mean, if you don't have the answer, where does it lie?

Please.

SENATOR GORDON: Let me just jump in here for a second.

If you will forgive me for really getting into the weeds.

My understanding is that, in 2004, when the ARC tunnel was still in its planning stages, New Jersey Transit had a plan that would have lengthened -- I don't know why it was New Jersey Transit as opposed to Amtrak -- but there was a plan to lengthen platforms 1 through 4 in Penn Station. And I'm told that they -- those platforms accommodate 50 percent of New Jersey Transit riders. And that supposedly would enable New Jersey Transit to run 12-car, rather than 8-car, trains. And that plan was dropped; and I'm told by staff that that would mean -- if it had been implemented, another 400 passengers per train could be accommodated. And that seems to be a way of increasing capacity independent of building new tunnels.

Is that something that would be feasible; is that something that should be revisited?

MR. MOORMAN: You know, I have recently heard about that proposal; I think I had heard originally it was Tracks 1 and 2. But there is apparently some ability to do that -- to extend those tracks, I guess under Seventh Avenue. And as you point out, they're stub-end tracks, but they're located so that New Jersey Transit is really, almost, the sole user.

You know, we will go back, obviously, and work with New Jersey Transit and see what the engineering is required, and what kind of construction would be required that would also -- that's something that could be done sooner. It also would, kind of, fit in with our longer-term plans for the new Penn South Station, in terms of where we plan for access into the station. So that is -- that would be, at least, some additional capacity.

We are delighted to go back and look at it with the New Jersey Transit folks.

SENATOR GORDON: You know, I can tell you -- we raised the subject because we've been harping on this with PATH. We believe that we can increase the capacity of PATH by extending the platforms at the Grove Street Station at least, and possibly another one in Jersey City, that would allow a 20 percent increase in capacity. It would allow them to run 10-car trains rather than 8-car trains. And so we encourage you to take a look at that.

MR. MOORMAN: We will make a priority of looking at that with NJT.

SENATOR GORDON: I interrupted you.

ASSEMBLYMAN McKEON: No; never, Chairman. We speak as one voice. (laughter)

I have another area of questions, and I promise I'll end with a softball at the end. (laughter)

The contract -- the Governor wrote to you on April 5 and indicated he was directing the State Treasurer not to pay its obligation. I think the contract is for \$177 million, which is a part of about \$1 billion that Amtrak counts on from the 12 member states, if you will, from the Northeast Corridor.

A day later -- and I think we have it on our list -- the Attorney General wrote and indicated they were contemplating legal action, per that contract, on a clause that indicates *state of good repair*. So I want-- And today we hear the Governor is saying he's satisfied -- so I guess, no lawsuit.

So let me talk to you about state of good repair. My understanding, per the definition, is that that's basic infrastructure assets like the rails, ties, signals, wires. And it's really when they get beyond their useful life, at that point, they get put together.

Now, there is a report per the, I guess, Intestate Improvement Act of 2008 -- must be some Congressional, some Federal law -- so Amtrak, in meeting its obligation, had issued a report, just in 2015. And that report indicated that it would take you \$7.3 billion over five years to get in a state of good repair. And that's just for basic stuff -- I didn't even get into the major projects, which you projected at \$13.3 billion.

If the Governor or the Attorney General was right about state of good repair, and are now looking to back off of that, how could that be, knowing your own report as to what that expenditure is projected to be, of

\$7.3 billion? I assume that's not what's being spent this summer -- or anywhere close to that.

MR. MOORMAN: Let me first comment that, obviously as I told you, I'm reasonably new to Amtrak. And I am trying, also, to get my arms around this whole issue around state of good repair.

The way I would define the Corridor, in general, is if you look at the track structure, it's reasonably good. It operates at high speeds, and while we can always improve ride quality and things like that, it's okay.

The signal system and the catenary system are both antiquated; and a large part of that expenditure, I assume, would be aimed at improving them. And then, of course, beyond that, there are the issues like the half-dozen, 100-year-old bridges and other old infrastructure.

ASSEMBLYMAN McKEON: Well, the Portal Bridge and everything else goes to the \$13.3 billion; so I'm just going to--

MR. MOORMAN: And that goes -- some of that-- Right.

ASSEMBLYMAN McKEON: --give you a pass on that. I'm at the \$7 billion, now, in state of good repair, and what the contract says.

MR. MOORMAN: Right; and-- Well, I can comment on the state of good repair in terms of the numbers. I think that includes a lot of antiquated infrastructure that's out there; a lot of it is around some of the stations, catenary, the signal system, and things like that.

ASSEMBLYMAN McKEON: Geez; I mean, I'm trying to do my best to not be overly dramatic, but that just seems incredible to me that this could have been allowed to get to this state. And I understand that your public service here is admirable; but that comment that you just made

to me is just so unacceptable to everybody, relative to where basic -- basic infrastructure has gone to.

So are you ready for the softball? I'm going to quote the Governor again. Governor Christie said that, "Amtrak has no regards for its customers."

It's yours. (laughter)

MR. MOORMAN: Should I go back to state of good repair for a couple of minutes here? (laughter)

No; let me say this, in general. All of you are enormously frustrated with what's happened in the last month; and rightfully so. Because the incidents -- and Amtrak bears responsibility for a significant amount of the incidents -- has seriously disrupted the lives of a lot of folks in New Jersey. We understand that. But I will tell you emphatically that Amtrak cares, not only for its customers, but for every passenger who rides on the Northeast Corridor. And that's -- I cannot say it as emphatically -- any more emphatically than that.

ASSEMBLYMAN McKEON: I take you at the genuineness of what you say; and we have a lot of smart and prepared members here who would like to ask questions, so I will defer.

SENATOR GORDON: And let me turn to one of the smarter ones, Senator Weinberg. (laughter)

SENATOR WEINBERG: That's a tough introduction.

I have a couple of questions, one of which might be a little bit more generic than the specifics that we've been into.

But first of all, Mr. Moorman, you mentioned the 2008 Federal cost-sharing bill that was passed by Congress.

MR. MOORMAN: Yes, ma'am.

SENATOR WEINBERG: Okay. And you said that that increased capital money coming into Amtrak from your partners. Am I right about that?

MR. MOORMAN: That's correct. Although the bill was passed in 2008, it's only been in the past two or three years -- most of the agreed-- It took a while to figure out the cost allocation mechanisms, and then each state had to -- we had to negotiate with each state as to the agreement. So as I think was mentioned, last year was the first year for New Jersey Transit.

SENATOR WEINBERG: But that was -- if I understand that correctly, that is the increase in money available for capital expenditures, correct?

MR. MOORMAN: Right. As that money has started to come in, that will be for capital expenditures in each of the states that provides it.

SENATOR WEINBERG: So do we have any idea what that increase was, over and above what you were getting prior to the implementation of this law?

MR. MOORMAN: Hold on; the brains of the outfit is handing me a sheet of paper.

(addressing staff) No, what's the total PRIIA -- the total PRIIA capital for the Corridor, post-PRIIA?

STEPHEN J. GARDNER: The total amount of investment for this basic infrastructure piece -- and that's what the PRIIA calculations provide for -- will eventually be about \$530 million. Right now, it's less. This is the entire Corridor, from Washington to Boston; it's about \$480

million for this work, up and down the Corridor. And that's contributions from all the owners and all of the users. And remember, the Corridor is owned by three separate owners; and so different railroads have different pieces of that work, and each of the users of those assets contribute.

MR. MOORMAN: Right.

SENATOR WEINBERG: So is that \$480 million an increase over what you used to get?

MR. GARDNER: It is; it is, yes. It's a significant increase, compared to the contributions from some of the agencies. The history of the contributions from the different railroads, in part, depends on when they started to operate service. But for the most part, those railroads that have been using Northeast Corridor for the longest had the larger increases because their original contribution stemmed from agreements made many years ago, at different levels of service.

SENATOR WEINBERG: Okay; maybe I'm oversimplifying this. But that means that our taxpayers -- people who are supporting the money that goes to the partners of Amtrak -- are beginning, this past year -- are paying more money for capital expenditures to Amtrak.

MR. GARDNER: Correct.

SENATOR WEINBERG: So I didn't oversimplify, thank you very much. (laughter)

And while we're talking about your partners, Marty Robbins -- who many of us think is kind of New Jersey's transportation guru (laughter), and if my eyesight is -- my long-distance eyesight is correct, is sitting in the front row behind you -- had an op-ed piece. He co-authored an op-ed piece very recently in one of our state's newspapers. And I think it

was entitled, *One Penn Station (sic)*, in which he suggested that a new approach should be that New Jersey Transit, Long Island Rail Road, and Amtrak should jointly run Penn Station and maintain it. Do you think that approach makes any sense? And remember, he's sitting right behind you. (laughter)

MR. MOORMAN: And he's a guru, so--

You know, I think that's -- there have been a lot of proposals about who should own and operate Penn Station. I, as you know, have not been at Amtrak long; I really don't have any kind of vested interest in that question.

I think that what's important is that whoever operates -- actually owns and operates Penn Station, tries to do it in such a way that it balances the needs of all of the users -- particularly the two major commuter agencies -- and does so in an impartial manner and is active and aggressive in maintaining the infrastructure.

Now, I will tell you that I think that Amtrak is capable of doing that; and in fact, if you look at the history of Penn Station for the past 40 years, Amtrak has done a good job of that. Is there another structure that would work? We can certainly look at that.

But the immediate goal for me, as CEO of Amtrak, is to make sure that Amtrak is doing the best possible job it can in fulfilling those roles and responsibilities, in the short term, with our announcement and the actions we're taking; and then working with all of you and all of our partners to aggressively promote and get funding for the Gateway project.

One thing I would say, parenthetically, that I didn't understand when I came here -- and I've been struck by -- is that the reason the

Gateway project is where it is today -- that it exists and that, in fact, some of the projects are through their environmental review and, in fact, ready for full funding and construction -- the Portal North Bridge being a great example of it -- is that Amtrak took it upon itself, over the past few years, using its limited resources, to build a project plan, to put it together, and to assemble a coalition.

Now, that doesn't mean that Amtrak should be the company that executes Gateway; and in fact, now I'm sure you know there's a Gateway Development Corporation, and that should be the organization that carries the ball forward and builds the delivery mechanism. But I want to tell you that from my perspective, I think Amtrak has done a very good job, under very difficult circumstances, of operating and maintaining Penn Station, and doing so in a way that's balanced for all the users of the property.

SENATOR WEINBERG: Well, I'm going to give a small commercial on behalf of customer service of Amtrak.

You have a great group of ticket booth folks at Penn Station Newark -- a group of women -- who many of us who might be taking that Northeast Corridor train -- we've almost gotten to know by name. They represent Amtrak well; they look after other people who are sitting in Penn Station.

So I just pass that on. In terms of customer service, you should give those, predominantly, women some kind of an award for the work they do on your behalf.

And secondly, I was on a train that did break down between -- an Amtrak train on the Northeast Corridor. It was about a year ago; it

wasn't a result of a derailment, but whatever the mechanical problem was. And it is very tough to get off those trains when they're not at a platform, and the bottom step is, probably, higher or taller than I am. And your staff was very helpful; a limited amount of people who were there were, kind of, getting us to leap off that step and then climb back on to-- By the way, it was a New Jersey Transit train that came to rescue us. So there was some cooperation going on there. It looked like something from out of the 1950s, but there it was, and it was still operating, obviously. (laughter) It came to bail us all out of that tunnel.

So I just want to say that some of your rank and file employees who are out there meeting the public -- some of them are really doing a good job, and I appreciate that. So that's the only good thing you're going to hear from me. (laughter)

MR. MOORMAN: Well, let me say I appreciate that. I get asked a lot, since I've been at Amtrak, what's the thing that I've been most surprised about -- and I'm not sure *surprised* is the right word -- but Amtrak, by and large, just has terrific employees who do understand -- to the earlier question -- that it's about customer service. And they are the bedrock of the company; they are what make the company work.

SENATOR WEINBERG: Let me get back to the more mundane now.

When there are disruptions, an Amtrak train and a New Jersey Transit stopped. Is there an argument? How does that work out between everyone -- partners here -- on how both Amtrak, New Jersey Transit, the Long Island Rail Road -- whatever -- who gets precedence? How are these things solved?

MR. MOORMAN: As you probably know, we dispatch the railroad from the Penn Station Control Center, which is adjacent to Penn. The dispatchers are all in there; the train directors; and all of the carriers are represented. And we all do our level best to try to operate the station in such a way that it maintains the maximum amount of fluidity, given whatever is going on. And that can have very different implications, depending on what kind of problem there is and where it is. Because as you can see from the chart, there could be a problem in one of the East River tunnels, and the impact on Long Island Rail Road may be far more significant than on the New Jersey Transit or Amtrak; and then in the Hudson tunnels, it can work the other way -- or if there is a train breakdown. But we do our level best; and the folks in the dispatching center are charged to do this, to keep in mind what's most important is the overall health and well-being of the station operations and the adjacent operations around it.

SENATOR WEINBERG: Okay.

And lastly, I'd like to follow up on questions, I guess, that both our Chairs asked.

Are you going to be able to give us -- after you meet with New Jersey Transit, I think, you said next week -- an actual schedule of when these slowdowns will begin, and when they are projected to end; as well as how we're going to manage all that in-between time?

MR. MOORMAN: Absolutely.

SENATOR WEINBERG: And do you have an idea when you're going to get back to us with that?

MR. MOORMAN: You know, it will take some amount of conversation. I've had some conversation already with Steve Santoro. It would be our hope that we will work through all the details next week and, by sometime around the beginning of the week after, have those plans -- including each of us having the actual plans for what train service will be, so we can start publicizing -- giving that to you; but, maybe more importantly, publicizing it widely to all of the riders.

SENATOR WEINBERG: Okay; thank you very much.

MR. MOORMAN: Thank you.

SENATOR GORDON: Senator Kean.

SENATOR KEAN: Thank you, Mr. Chairman.

I'd like to follow up on Senator Weinberg's approach.

I guess one question is, real time -- do you have experience with, sort of, speaking to interoperability and cross-honoring other entities throughout the country, throughout the region? Do you have that type of experience and that type of expectation for the next two years?

MR. MOORMAN: I will just tell you that's not a field in which I have immersed myself right yet. Fortunately, I have a colleague who knows all about this, I think, and I will turn the microphone over to Stephen.

SENATOR KEAN: Thank you.

MR. GARDNER: So in general, throughout the Corridor, when there are disruptions -- and I think the Senator just probably illustrated this well -- when there are disruptions between the carriers, the various railroads try and help each other out. So we will cross-honor each other's passengers when there are disruptions. The whole goal here is to maintain fluidity

across the network; and we have a very cooperative relationship with NJT and with all of the railroads to try and minimize the impact of disruptions when they occur.

As it comes to the work here of the coming weeks, and then the work over the summer, we'll be looking with all of our partners, again, about how we maximize the service, using all of the trains movements that are available. And coordinating also with both the cities, and the Port Authority, and the other methods of transports -- that they understand what the impacts are of this, and they can address it, whether it's the ferry service or other areas that might be impacted

But the first thing we have to do is come to agreement on the basic plan; and then coordinate across the region to try and minimize the interruption and keep people moving.

SENATOR KEAN: Coordinate and communicate.

MR. GARDNER: Absolutely.

SENATOR KEAN: And then-- Thank you.

Also, I think in some of your earlier testimony you stated that there would be-- Do you inspect on a bimonthly basis, or is it--

MR. MOORMAN: No, it's twice a week.

SENATOR KEAN: Okay; so it's on a biweekly basis--

MR. MOORMAN: Yes.

SENATOR KEAN: --you inspect. And so you were saying when you grade track-- What's the difference between a Grade 1 and a Grade 4 standard?

MR. NAPARSTEK: Essentially it's the speed in which you can -- the maximum speed in which you can operate on. So given the speeds in

Penn Station, it's a Class-- It would be -- it can go as low as Class 1 track. The typical speed is 15 miles per hour or less.

SENATOR KEAN: Okay, and a 4 -- it would be what?

MR. MOORMAN: Is that 79, or is that--

MR. GARDNER: That's right; 79.

MR. NAPARSTEK: It's 79.

MR. MOORMAN: It's 79 miles per hour.

SENATOR KEAN: Given that standard -- and you understand that, I guess, the parameter is a little bit off -- what was the-- Was there any -- or was there an exponential increase in areas of concern for service, given you've got, now, different inspection standards, I guess? What was the order of magnitude in new concerns, or new problems? Were there any?

MR. NAPARSTEK: So when you look at the decrease in gauge, the specification was decreased-- To be honest, I'm trying to recall if it was a quarter-of-an-inch or a half-inch. So essentially, the maximum width of the gauge is decreased before we would say it needs to come out of service. I'm thinking Class 1; Class 4 is a half-inch difference.

SENATOR KEAN: Okay.

MR. NAPARSTEK: And in the other -- for the other, the curve-worn rail -- in terms of the rail mismatch -- it was allowable to a quarter-of-an-inch, and there's a sixteenth-inch less. So it's now-- I'm sorry, an eighth of an inch less; so it's now an eighth of an inch.

SENATOR KEAN: So I guess, therefore, the question is, given those different parameter assessments, what would-- You had one set of

concerns; were there 2x, 3x, or fewer areas and avenues of concerns and new repair opportunities?

MR. NAPARSTEK: Essentially if you look at-- Given the new specifications, we are going to pull -- essentially do renewal work or maintenance work quicker for that condition. So we will not allow it--- So you look at gauge -- the gauge as the rail would wear, it would get wider. So we will replace that rail quicker.

SENATOR KEAN: Well, I guess the question is-- But you identified-- If I may, I'm sorry, sir.

MR. MOORMAN: Let me try and answer what I think you're driving at.

SENATOR KEAN: Okay.

MR. MOORMAN: When we changed these standards, did we find anything that suddenly was out of the new standard that needed immediate repairs? We found a very few places.

SENATOR KEAN: Okay.

MR. MOORMAN: But I think another piece of this, in terms of the need for renewal, is that we do know there are locations where we are more likely to exceed these new standards sooner rather than later. Which is just one more reason why we need to go ahead and renew all of that infrastructure to ensure that we will meet those standards for a long time to come.

Does that--

SENATOR KEAN: That does answer -- that does. Thank you.

And the final area, if I may.

To the extent-- The Gateway project is critical, as a hearts and lungs approach to, I would say, not only the region, but to the entire country. To the extent you can identify -- this is an over time issue, not today, necessarily -- to the extent you see that there are things that New Jersey is not doing well; I mean, laws are needed to be changed, standards -- whatever the approach may be -- we want to be a strong partner in making sure we work with you to make this thing a reality. So if you need allies in either funding concerns, or allies in standard setting -- whatever it is -- to try to create truly bipartisan -- if I may through the Chair -- or regional advocacy groups, we will work wholeheartedly with you to make sure that this Gateway project is a reality as soon as humanly possible.

MR. MOORMAN: Let me say I really appreciate that. And New Jersey has been great -- all of you have -- in support of this project.

I think the thing that we all need to do is what I said in my testimony: We need to stay very vocal about the need for that project.

SENATOR KEAN: Thank you.

Thank you, Mr. Chairman.

SENATOR GORDON: Thank you, Senator Kean.

Senator Ruiz, you have some questions?

SENATOR RUIZ: Thank you, Chairman; through you.

And thank you for being here today to answer some of the questions.

And correct me if I didn't hear you properly -- I think in some of the remarks that were being made, there was kind of an assessment as to the number of hours that were needed for ongoing repair when you were just doing general maintenance overall -- annually, weekly, monthly. And

that at the time you all realized that those number of hours weren't enough to cover the work that you needed to do.

If you knew that then, what has changed in the mindset of Amtrak to ensure that when you need extra hours, what will be different, moving forward, so that we don't get to this point that we are today?

MR. MOORMAN: Well, I'll answer that.

I think that what we have to do is undertake this more extensive renewal sooner rather than later; because once it's done, it significantly reduces the maintenance load in the terminal for a good while to come. It becomes more just kind of inspection and little -- fix a little thing here, fix a little thing there. That's why -- that's one of the driving reasons to go and do it because, as you say, as we have progressed and as time to maintain has become less, you know, we are closer and closer to reaching the point with these assets where, just to keep them going, it requires maintenance hours that we don't necessarily have in the terminal.

MR. NAPARSTEK: It will also-- By doing the work we will then create time to not only maintain the station, but also create time to do the capacity improvement work -- whether it's incremental today, or more far-reaching in the future.

So getting -- being able to do the renewal work will let us get ahead of the curve on the work that we need to do, both in maintaining the station, running at 100 percent effectiveness, as well the improvements that are necessary for the station.

SENATOR RUIZ: Thank you; I appreciate that.

Through the Chair, as a Budget member -- and I think I have several colleagues from both houses that serve on Budget -- a frustration

that I see here, all the time, is that government is great at responding in crises -- right? -- because you have no other alternate but to create an action plan. But we're horrendous, and our partner agencies, at creating proactive approaches to long-term planning, which is where we're at today with our infrastructure and our rail system.

So while some of this will create long-term, I guess, solutions as part of a longer maintenance plan, the greater long-term project is the Gateway. And I've heard many of you describe it in the responses. What is it that Amtrak is doing to aggressively pursue -- that we ensure that we get the funding critically needed so that this project starts?

MR. MOORMAN: That's a great question.

And I think that the first thing, obviously, that we've done, that I described, is that Amtrak, using its own resources and funding, really has brought the Gateway project to where it is today -- in terms of being a real program, with projects that are ready to go, and work going on. For example, the environmental work on the new tunnels should be done sometime early next year. So that's step one. And Amtrak-- As I said, having just gotten here, I didn't know it -- it's remarkable what's been done.

The second thing that we do -- that I personally do -- is when I go to Capitol Hill -- which I do frequently, and I visit with Senators and House members from all over the country, to talk about Amtrak -- I talk about Gateway. And I think it is incumbent upon us to be, in some ways, more of a national voice for these critical projects; and to be able to describe them, and articulate why they have to be done for the nation's well-being, to the folks who might be in Colorado or someplace like that. I think that's a role that Amtrak can and will play aggressively.

SENATOR RUIZ: The April 3 derailment -- there were news reports that commuters had a difficult time listening to -- or there were actually no announcements made on that train about what was happening. Does Amtrak have a policy in place to announce if passengers are stuck on a train; do the systems work? Oftentimes, when we're on trains it sounds like, if you recall, the Charlie Brown teacher coming over the mike -- that you can barely hear what they're saying. Have you looked over -- at those mechanisms to be sure that at least that's in place, so that we can give information when it's critically needed? Because it seems that passengers are getting more information these days via Twitter, Instagram, and Facebook posts, as opposed to getting it from a direct source.

MR. MOORMAN: Yes, that is another great question, and observation too, about--

SENATOR RUIZ: I'm batting a thousand, here, with great questions, right? (laughter)

MR. MOORMAN: Yes; I know, I know -- but it was; and particularly an observation around social media.

So on Amtrak trains proper, we do a lot of training for our conductors, our assistant conductors, in terms of trying to ensure that they are making frequent announcements, particularly when there is any kind of delay. And they are tied in; we can improve the technology, but they're tied into our Network Operations Center in Wilmington so they can have an understanding of what's going on and why there might be a delay.

We can do better; and one of the things our passengers tell us is that we can improve. And we have programs underway, including our refurbishment of a lot of our older equipment on the Corridor, which

includes fixing those *waa-waa-waa* PA sounds. It's absolutely critical; we're very focused on it; we measure it, in terms of our customer satisfaction index. It's one of the key things that we have to do to make our customers -- to ensure that our customers have a good experience.

SENATOR RUIZ: In your press release yesterday, you alluded to the Joint Station Concourse Operations Center, which I think is a hub that you want to create with all the partner agencies, so that there is one stop for the beginning and end of all, I guess, communications of travel, or where the plan is going to be disseminated from.

Chairman Gordon, at the beginning of his remarks, stated that the Port Authority, in its PATH capacity, didn't seem to be part of this matrix. I'm just going to encourage, again, that if they're not, that we do include them. A lot of the passengers who are traveling in the northern region -- when they can't travel vis-à-vis NJ Transit they are, you know, zig-zagging around using the PATH, which creates the overflow at Newark, and at Hoboken, and the Jersey City stops.

MR. MOORMAN: Right.

SENATOR RUIZ: Will additional resources be needed for that hub, and who will fund that?

MR. MOORMAN: Well, we'll certainly commit resources to it. And to the extent that there's funding, we would obviously hope it's a collaborate effort. But, you know, Amtrak is going to take the lead on developing these proposals; hopefully, we'll get concurrence from our partners. And to some extent, without concurrence from our partners, it will be ineffective because they control parts of the station.

I think everybody thinks that it's a good idea, and it's something that we really need to do to make sure Penn, with all of its complexity, works better than it does today.

SENATOR RUIZ: Thank you.

And my last question -- and you don't have to respond to this, because it is more directed for NJ Transit, except that I won't be here.

Commuters on a monthly pass have really, you know -- they've spent their money in good faith that they could travel back and forth safely, and get to work and come back to their families. And that hasn't happened. I know that when I purchase something and it's not 100 percent quality, I have the ability to go back and get a refund. So on behalf of the commuters in the State of New Jersey, I hope that in these conversations there is something to an approach for commuter compensation for what we've put them through in the last month; and perhaps, what they are going to be put through, moving forward.

Thank you, Chairman.

SENATOR GORDON: Excellent point.

Assemblywoman Muoio.

ASSEMBLYWOMAN MUOIO: Thank you.

I'm going-- A lot of my more specific questions are already asked and answered. But I want to focus, sort of, on the theme that Senator Ruiz mentioned -- on proactive planning.

Starting first, retroactively, you mentioned that this is a system that's over capacity; it makes it very difficult to get trains in and out; very difficult to do maintenance. The tunnels weren't built to accommodate this type of traffic; the station wasn't built to accommodate this type of traffic.

But my question is, we didn't all wake up one day and all of sudden traffic had grown out of control and, "Oh, my gosh, what do we do?" I mean, this has been a steady increase for over a hundred years. Why -- what is your-- And I know this all didn't happen on your guys' watch, but what is your feeling for why facilities and infrastructure have not adjusted over the years to accommodate the increase in traffic?

MR. MOORMAN: Well, as you say, none of us were here for a large part of that. I would just say, looking back at a very high-level, Amtrak was not funded very well for a long period of time and, in fact, it was proposed to defund it. The states and the commuter agencies weren't involved in the same way that they are today, and that's been one of the benefits of PRIIA. And no one was -- no one was talking about it and coming forward with a -- the right plans and the right coalition to advance those plans. And hopefully, that's the lesson that we've learned in terms of how we approach Gateway -- that it has to be different and we do different things.

ASSEMBLYWOMAN MUOIO: Okay; I'm glad you brought up Gateway, because that was my next question.

You mentioned that you've been going to Capitol Hill, speaking to Congress. Have you spoken to the President? Because his budget includes nothing for Gateway. And that is a great concern -- President Obama supported a new Hudson River crossing. This budget -- his budget that he's proposing, at this point, includes nothing for that project; and I'm just wondering if you speak to the White House about the project?

MR. MOORMAN: I've not spoken to the White House about the project. We have had conversations with folks in the Administration, in general.

And I would offer this -- that as you quite rightly say, there's nothing in the budget. But the President has put together an Infrastructure Commission to look at infrastructure projects. The two principals on it are both long-time residents of the City of New York; I think they understand very clearly the implications for the region that are attached to not doing Gateway. And I think that when they come forward, the President will listen to them and they will be very positive about the need to do the project.

And you know, our hope, our expectation -- whatever it is -- is that there still is going to be, independent of the budget, an infrastructure program; and that's where the Gateway program would always -- would fit in anyway.

So it's a long process; we'll see. We, together, need to continue to make the case that it's absolutely critical.

ASSEMBLYWOMAN MUOIO: Okay. So essentially the President's proposal right now on Gateway is to appoint a commission? That's the current status?

MR. MOORMAN: Well, the commission is going to take a look at infrastructure needs across the country. Because if you're going to have an infrastructure package of the size that both parties have talked about, I think there needs to be some coordination; and a commission may well be the best and most appropriate way to do that -- to look across the entire country.

The good news, again, is that in any article you read about infrastructure anywhere, the Gateway project is always near the top of the list, if not at the top of the list.

ASSEMBLYWOMAN MUOIO: The Gateway Development Corporation -- I don't know if you've been working with them at all -- that's run, currently, my understanding is, by a former Christie staffer, Rich Bagger.

MR. MOORMAN: I'm going to refer to Amtrak's representative working with the Gateway Development Commission (*sic*).

MR. GARDNER: There are four trustees on the Gateway Program Development Corporation, and Richard Bagger is the Trustee from New Jersey.

ASSEMBLYWOMAN MUOIO: Is that his only title, *Trustee*?

MR. GARDNER: It's Chair and Trustee, correct.

ASSEMBLYWOMAN MUOIO: Okay; thank you.

I know there have been some comments about a public-private partnership to fund this. Do you know -- do you have any information on how that would work? There have been no details provided.

MR. GARDNER: Well, so, I think -- and I think some of the reporting was a little erroneous here. I think Amtrak -- all the partners, Gateway Development Corp -- have always talked about the need for a strong base of funding -- of public sector funding, Federal funding -- to make this project go forward. The question that we have before us is, with that base of funding, how do we actually execute the project? Are there procurement methods that bring in the right balance of agency and private sector capacity to undertake the project?

So I think the -- without speaking on behalf of the Gateway Development Corp; I could speak on behalf of Amtrak -- that certainly our view is that we're going to be looking for all methods of implementing the project; and whether there are opportunities for looking at partnerships, we will do so. But the primary focus -- and the path that we believe is required -- is to build that base of Federal, State, and Amtrak support in order to advance the project; and then to find partners to help us deliver it.

ASSEMBLYWOMAN MUOIO: So knowing what you know, and what we've heard today about the congestion, the difficulty in maintenance, the difficulty in getting access to the tracks because of the congestion, and the sort of long-range -- very long range, it sounds like -- hopes for Gateway, how damaging would you say the Governor's decision was to cancel the ARC tunnel project when he first came to office?

MR. MOORMAN: Well, I-- So I'll go back to what I've said before.

I've been at Amtrak for seven months; before that, I really just knew about Amtrak. I guess I'd read something about a *tunnel*, but it's not really a proposal that I was ever familiar with. And quite frankly, I really haven't looked at it much since then, in terms of what it would have done.

I think, you know, from my perspective, just looking forward, we have a project in front of us now that makes sense, and that's what we talk about.

ASSEMBLYWOMAN MUOIO: All right; let me put it this way. If you had a tunnel available to you next year, as opposed to, at earliest, 10 years from now, would it have eased this -- would it have eased

problems and difficulties faced by you, by New Jersey Transit, Long Island Rail Road, PATH?

MR. MOORMAN: Well, I will answer it honestly, in the sense that the eminent need for new tunnels, right now, in addition to capacity, is really resiliency. These tunnels, as we know, were flooded; when they were flooded, there was an expectation that there was a certain amount of time -- and the estimate was very broad, 10 to 20 years -- before we would see the chlorides that soaked the tunnels start to cause significant reliability issues. Not only spalling of the concrete benchwalls, but deterioration of the electric cable that is actually buried in those benchwalls.

We have not started to see that deterioration, but we will at some point. And what our expected failure mode is, we'll just start to see more and more problems in those tunnels, to the point where their reliability is impacted and we just can't -- we cannot operate them on a regular basis and guarantee access to the terminal.

At that point, we have to take one out of service; and of course, the down side is, they're the same age, they were flooded at the same time. We might not be able to even keep one running.

At that point, we need at least one new tunnel to start work on the old ones, and not impact Penn Station. You know, our timeline for needing that tunnel right now is -- if we get it within 10 years, we think we're fine. If we had it tomorrow, we'd just run trains through it, and then start planning the rehabilitation at some point in the future.

ASSEMBLYWOMAN MUOIO: So tomorrow would be better; that's all I'm getting at.

And one thing that I left out -- I mean, not only dealing with the congestion, but the ARC was also a response to homeland security needs, is my understanding -- something else now that will not be met for another 10 years or so.

MR. MOORMAN: I just don't know that.

ASSEMBLYWOMAN MUOIO: Not on your watch; okay.

One other thing I wanted to clarify. The ARC tunnel price was -- price tag was, I believe, around \$10 billion. The price tag for Gateway is roughly \$23 billion; am I correct in that?

MR. GARDNER: In that range; yes. But the program is significantly different. It's includes a new tunnel under the Hudson, but also an expansion of the tracks between Newark and that tunnel, from two to four tracks; rehabilitation or new structures there; and then an expansion of Penn Station so that the congestion that you see here can be dealt with. So a different program.

ASSEMBLYWOMAN MUOIO: Okay.

My last thing I just want to say -- it's more of an impression. That my impression of the system is that there are too many cooks, in a way. We have a lot of players working at Penn Station and working on all these lines coming in and out. And my hope -- I'm glad that everybody is going to be sitting down together and working on a coordination plan, but that's what I would urge. Between, you know, infrastructure improvements, crisis management, coordination of schedules -- to have fewer cooks, I think, would help this system between New Jersey Transit, Amtrak, Long Island Rail Road, PATH. I think that's something that's sorely missing, and I would hope that that would be a focus in your meetings in the future.

MR. MOORMAN: We understand that, and we'll work this way.

Let me correct one thing that I may have left a wrong impression with you, in terms of if we had a tunnel today.

The tunnel would have to go into Penn Station for us to do what would need to be done. I mean, we couldn't-- If there's a tunnel going somewhere else, we still can't shut down a tunnel into Penn Station. The key is continuing to serve that station with two tunnels. I just wanted to make sure I was clear in that.

SENATOR GORDON: Okay.

I would like to turn to Assemblyman Zwicker.

ASSEMBLYMAN ZWICKER: Thank you, Mr. Chairman; and thank you to you both.

I want to start by echoing what my colleagues said before, and as you've expressed -- you know, the frustration that all New Jersey commuters feel about what's going on.

On April 3 at 6:29 p.m., I received a message from one of my constituents that said, "This is the worst commuting day in 19 years that I have been commuting; four hours this morning. Now, this evening, I am at Penn Station for two hours with virtually no trains leaving. We are looking at a total of seven to eight hours of commuting today, the worst I have ever done in 19 years."

Obviously, this is something that we all want to fix. And we also know that our infrastructure -- which, of course, is our roads, our buses, our trains -- are crucial to our economic vitality.

I'd like to burrow in, if I may, to a few of these. I don't know if you know this or not, but I'm a physicist by training, and this looks to be one of the most complicated optimization problems that I've seen in a long time. I'm deeply concerned that it's not a solvable problem; and following up on what Assemblywoman Muoio said before, the length of time it will take to get to a new tunnel, and what's going to happen in the next weeks and months into years, is a problem that is just going to get worse, and worse, and worse no matter what we do.

So I want to ask a couple of questions.

So first, going back to the very first derailment on March 24. If I understood you correctly, you said that there was a quarter-inch offset between two connecting pieces of rail on a curve, right? And that the specification -- that is greater than your specification was previously -- right? -- and that you ground that down, trying to fix it. So what was that?

And then you also said, following that, that now you're going to make that offset be shorter. So could you just go back into what that was, real quick?

MR. NAPARSTEK: Essentially, when they installed the frog --- which is a new rail -- and they put it against the curve, they had a misalignment in-- Yes, they went in and ground--

ASSEMBLYMAN ZWICKER: A frog connects two pieces of the rail?

MR. NAPARSTEK: Basically, it's two-- Part of the frog is a curved rail that then abuts to an adjacent rail.

ASSEMBLYMAN ZWICKER: Okay.

MR. NAPARSTEK: So they went in and they ground, to bring the mismatch in less than a quarter of an inch, which should then become within our specification at the time.

ASSEMBLYMAN ZWICKER: But that was before the issue, right?

MR. NAPARSTEK: That was at the time of installation, which was approximately six weeks prior.

So in the-- This point is inspected twice a week. So when we look at the inspections, it was felt that it was still within specification, which believed--

ASSEMBLYMAN ZWICKER: Stop right there for a second.

MR. NAPARSTEK: Yes.

ASSEMBLYMAN ZWICKER: When you say that -- what do mean it was *felt* like it was in-- Was it, or was it not?

MR. NAPARSTEK: It was within specifications on the reports.

ASSEMBLYMAN ZWICKER: Okay.

MR. NAPARSTEK: The feeling is, as you go in the curve, instead of -- normally, when a wheel would ride on rail, you ride on the top of the rail, force is down. So as you go into a curve, there's a tendency, then, for the force to push outward. That's where we feel it caught the lip, and then rode up above.

ASSEMBLYMAN ZWICKER: Okay.

MR. NAPARSTEK: Now, to be clear -- so that part of the fix was basically tightening the spec by, I believe, a sixteenth of an inch.

The other thing -- what we did with the specification is say that if that misalignment occurs, we will just change the adjacent rail and eliminate it. That's what -- it will cause us to do that as well.

ASSEMBLYMAN ZWICKER: Okay.

And I think I heard-- While you've changed this specification and made it tighter, you have not finished inspecting all of the rail to see whether it meets this new tighter specification.

MR. NAPARSTEK: Right after this incident occurred, we inspected all frogs within Penn Station, as well as our other major stations, including Washington, Chicago, Boston, etc.

ASSEMBLYMAN ZWICKER: Okay.

For the April 3 derailment, that was a widening of the rail itself.

MR. NAPARSTEK: Right.

ASSEMBLYMAN ZWICKER: So the timbers are designed to keep a very fixed distance -- a very precise distance between the rails, right?

MR. NAPARSTEK: Yes.

ASSEMBLYMAN ZWICKER: So we've talked a lot about -- you said it appears to be okay elsewhere, right? That-- No?

MR. NAPARSTEK: Well, we-- When you say *appears*-- So we measure the gauge, and the measurement says whether it's in specification or not.

ASSEMBLYMAN ZWICKER: So are all other pieces of rail within specification currently?

MR. NAPARSTEK: If the rail is in service, it is within specification.

ASSEMBLYMAN ZWICKER: And everything here is in service (indicates chart)?

How many lines -- how many tracks are not--

MR. NAPARSTEK: No, Track No. 7 is not in service at the moment.

ASSEMBLYMAN ZWICKER: Okay; so except for Track 7, all other tracks are within specification for this distance; that if it comes out of specification, can lead to a problem -- and even what happened, which is a derailment.

MR. NAPARSTEK: Yes.

ASSEMBLYMAN ZWICKER: Okay.

So you talked about speed as one of the things that you changed before, but you haven't talked about weight. And when we talk about increasing capacity -- and there was a question I know before about -- from the Chairman -- about whether or not we could make trains longer. We also know New Jersey Transit has not necessarily made the trains higher, but has added two layers -- it's a double-decker train, which also means it's a heavier train. So does-- As you go through all of this, is this -- are these calculations based upon the heaviest of the trains? Because the weight down, obviously, will cause a spreading out if those pieces of wood -- those timbers -- are not holding everything in place.

MR. MOORMAN: Yes; it's a good question.

The FRA track standards, which govern us -- Class 1s, 2, 3, 4, 5, 6 -- are essentially designed for freight railroad operation, primarily. The parameters still work for passenger operations as well; but the freight cars,

by and large, are heavier than the heaviest New Jersey Transit car in which every seat is full.

So the weight is not the issue at Penn Station; it's--

ASSEMBLYMAN ZWICKER: Okay; so the weight doesn't matter.

MR. MOORMAN: Well, weight is much less consequential; weight eventually, always, will cause wear. But the wear standards that the FRA standards are designed for are actually for heavier cars.

ASSEMBLYMAN ZWICKER: Okay, as opposed to a speed around a curve, which is going to put a force as well, and you've brought those speeds--

MR. MOORMAN: Which is independent of, you know, how much the car actually weighs.

ASSEMBLYMAN ZWICKER: Right; okay.

Then the last series of issues had to do with switches and signals. And I thought I heard someone say that we have signals that date back to the 1930s. Is that a true statement?

MR. NAPARSTEK: That is a true statement.

ASSEMBLYMAN ZWICKER: So what about-- Well, a lot of questions there. Switches -- do we have switches that go back to the 1930s; or how far back do they go?

MR. MOORMAN: Well, there is some infrastructure-- I mean, the design goes back to the time the station was built; the actual infrastructure-- There is still some track in there, including some switches, that we think were installed sometime in the 1970s.

ASSEMBLYMAN ZWICKER: In the 1970s.

MR. NAPARSTEK: Yes.

ASSEMBLYMAN ZWICKER: So I understand that amount of time -- or, at least think I understand the amount of time it would take to have to replace timber, after timber, after timber. Why would it take-- Well, a couple of questions now. Why do we have signals from the 1930s, is one. And why would it take a long time to repair a switch? Couldn't we simply have a new switch come in, swap out an old switch, put another one in? So two different questions there.

MR. MOORMAN: Let me start.

MR. NAPARSTEK: Okay.

MR. MOORMAN: That's what we're talking about; that's renewal.

Now, the issue is that, one, these are not just standard, old railroad switches. These are complex pieces of track work to allow multiple routes in a very short space.

ASSEMBLYMAN ZWICKER: How complicated-- I'm sorry -- how complicated can these be, right? I mean, it's just a switch to move back and forth, to bring one train in and another one in, right?

MR. MOORMAN: I'll give you two examples.

ASSEMBLYMAN ZWICKER: Yes.

MR. MOORMAN: Okay. One is that there are things that are up there -- Stephen, you might go point -- called *double slip switches*. And that's a switch in which a crossing-- You have both a crossing and switches attached to the crossing so that every train that comes up can either cross the track, or go left on the track, or right on the track. It's complex; it's mostly custom-made.

The other example I'll give you, in terms of really difficult things to deal with, are -- right in the throat of the station there are crossovers between the two tracks. And where those rails cross in the center is also custom-made, and that all is on -- everything is on 24-foot-long timbers. So the difficulty of dealing with that in that environment is enormous.

ASSEMBLYMAN ZWICKER: Okay.

So two more questions are all I have.

One is -- and it's sort of on that last thing you just said. You said it's incredibly difficult to make repairs in Penn Station, right? And so what of that is just frequency of trains? You seem to imply there were other issues. Is it related to what you're talking about right now? Or what makes it so complicated besides just the frequency of trains to make a repair at Penn Station?

MR. MOORMAN: The other thing is that the area is so congested in terms of track, track, track, track, right?

ASSEMBLYMAN ZWICKER: Just physically close together.

MR. MOORMAN: All physically there -- that some of the normal repair mechanisms with -- for example, you mentioned changing timbers. Out in most railroads, you take the fasteners off and you slide a timber out to the side, and you slide the new one in. And you just go down that process and refasten it, and you're done.

Because you can't slide things to the side, you have to take everything apart, take all of that out, and then reassemble it. So that's step one in complexity.

Step two in complexity is, you can't go up because of the wires and the building. So you can't bring any kind-- It's very difficult to bring effective lifting in, which you would ordinarily use to handle these.

ASSEMBLYMAN ZWICKER: So following up on that, then, and looking at this plus the other rat's nest diagram -- so things are close together; you have to worry about safety of commuters; you have to worry about safety of your workers making these repairs, obviously.

MR. MOORMAN: Very much so.

ASSEMBLYMAN ZWICKER: Right.

MR. MOORMAN: Right.

ASSEMBLYMAN ZWICKER: That's going to be crucial.

So if you're going to make a repair on a track at one of these bottlenecks, what's the minimum number of adjacent tracks that you also have to take out of service? Because what I'm hearing is, if Track 7 needs repair, and Track 8 is right next to it, it's too close. You need -- you can't have your workers right there.

So what's the minimum number of tracks that are necessary if you're going to make -- to come out of service.

MR. NAPARSTEK: It will vary on what you're actually repairing. So even on Track 7 -- which we're doing work right now -- there is work that can be done with just Track 7 out. So we do that work -- and there is protection that has to be established, for anytime we do work, for it to be safe -- to be safe for our workers, as well as for the passengers on the incoming trains and the outgoing trains.

But there is work that can be done that can be done just with that track out of service and protection for the track. There are times -- and

we will do this, then, off-peak hours -- where, for instance, some of the timbers-- When we look at timbers that the switches ride on -- can be as long as 24 feet. When we go to pull one of those timbers, we can cut it; so you'll cut it, but you do need to go into the other tracks. So we will pull protection on that track, but we will do it at an off-peak hour when the capacity of the station can handle it.

ASSEMBLYMAN ZWICKER: So in the worst-case scenario -- whether it's a 24-foot piece of wood, whether it's electrical issue, whatever it might be -- where the tracks are as close together as possible -- in that worst-case scenario, how many tracks do you have to take out at once to do a repair on what would be, perhaps, the middle track there? Is it two others, is it four others?

MR. NAPARSTEK: Your worst-case scenario, if you say I have to do it, and I have to do it now -- which also gets into how we stage things -- but would be, say, three tracks. So if you're in a middle track, and you want to be safe, and you're looking at-- But it's also one of the reasons -- This is part of the management and part of the dispatching of the station, where, if you discover a track defect and you pull that track out of service, you won't just send a crew at rush hour to fix it. You're better running the station with one track out of service and adjusting for that, and then going in, say, at 11:00 p.m., during the hours we can afford to do it.

ASSEMBLYMAN ZWICKER: Right; okay.

And then my last question is not technical, it's economic.

Is this true -- that the Northeast Corridor is the only, or one of the only lines that is profitable for Amtrak?

MR. MOORMAN: So if you look at -- and I won't go into Amtrak accounting with you -- but the bottom line answer is, "yes." It certainly makes a substantial amount of money; several hundred million dollars, in terms of its operating costs, even when we allocate GNA and Amtrak system overheads to it. It's profitable in that sense.

What is it not profitable -- where it's not profitable is in the sense of a private company using gap reporting, because the money that we generate is not sufficient to fully fund the capital that's required on an annual basis to run the Corridor.

ASSEMBLYMAN ZWICKER: Right; which means that it makes you dependent upon revenue coming from the Federal government.

MR. MOORMAN: Yes.

ASSEMBLYMAN ZWICKER: Right? Right.

MR. MOORMAN: That's correct.

ASSEMBLYMAN ZWICKER: Okay.

And will make you potentially more and more dependent as this Northeast Corridor line is running into these sort of difficulties.

MR. MOORMAN: Well, that's certainly something that can happen; but, you know, we're continuing to work to reduce our operating losses, and every dollar we reduce in operating loss is a dollar we can put to capital.

ASSEMBLYMAN ZWICKER: Thank you.

Thank you, Mr. Chairman.

SENATOR GORDON: Thank you.

I'd just like to insert a question here just to -- because I think it follows with what Assemblyman Zwicker was saying.

We have, as part of the Gateway project, a plan to increase the capacity of Penn Station; we're expanding Penn Station, as I understand it. Will the effect of that be to make things less congested in the current facility so it's easier to do the regular maintenance? I mean, will we have fewer trains coming through, per unit of time, so that you're able to do the maintenance more efficiently?

MR. MOORMAN: That's exactly right.

At the end of Gateway, when we have not only the new tracks and platforms in Penn South, but we have better access, particularly from the west with four Hudson River tubes rather than two, it will mitigate some of the problems.

Now, obviously the first thing that's going to happen is, you know, some of that capacity people are going to want to fill. But that's why we are planning -- in our plans for Penn South, we're not only planning to add capacity, but we're also planning to create space where more capacity could be added 20 or 30 years from now.

SENATOR GORDON: Okay.

Let me turn to Senator Kyrillos.

SENATOR KYRILLOS: Thank you, Senator Gordon.

I was going to congratulate both Chairs for this hearing -- putting a spotlight on this big challenge for the region. But since I was called dead last, maybe I'll just thank Assemblyman McKeon, solely, for his leadership on this. (laughter)

ASSEMBLYMAN McKEON: And I did ask the Senator to call you earlier.

SENATOR KYRILLOS: I know that you tried to do that; and Senator Gordon is my friend, so I can get away with that.

ASSEMBLYMAN McKEON: But Senator, we do have several of your colleagues next to you who are going to speak as well, so you're not quite dead last.

SENATOR KYRILLOS: There you go; very good.

But I do congratulate you, because as we all know, there is huge frustration out there and a lot of anger and a lot of emotion. And we need to crystalize it in the ways that we're doing this morning and beyond.

I was struck by a commuters quote in the press this morning -- which I heard repeated on the radio -- reflecting on his daily work, and his commute, and his challenges. This commuter says, "It's all you're thinking about all day long." This might be a constituent of yours, Senator Kean, from Millburn -- if that's your district. "I'm sure there are people who stay longer, schedule meetings around the evening rush. It's killing productivity." He goes on to talk about the psychological weight that it adds to so many people all around the region.

And I know you guys realize this -- and to the CEO, let me just say I think you have handled yourself very, very well this morning. You're obviously a trained professional; and I think it's good, frankly, for the people of the region to know that you arrived in September; that you've had a great career in this arena; and that you're working with some, obviously, good professionals to deal with the problem.

Two things about the short-term challenge; and then a question about the longer-term.

These incidents that are up there on the screen -- the derailments, the train stoppages in tunnels; one New Jersey Transit, one Amtrak. You gave a good historic underpinning on why we're here -- the problems of the aging infrastructure, the lack of funding, etc. When people ask us, "Is this--" because there are different reasons, right? -- two different underpinnings for the derailments. This is coincidence that all of this occurs in one month? You know, we've been through a hundred years; we've been through funding challenges; we've been through Sandy. And now it just kind of seems that it is all hitting within weeks of each other.

MR. MOORMAN: You know, I think in terms of track-caused derailments, there is some level of coincidence. They had very different causes; and either was -- combined were not indicators of any specific condition, which is why I think Scot and I both said that, you know, the lesson to draw from all of them is, you know, two-fold. First and foremost, our responsibility is to make sure that we never have a track-caused derailment. And I will say if you go back and look, the number of track-caused derailments in Penn Station over the past 10 or 15 years has been very, very low -- at least, the numbers I have had a look at.

But first of all, it is our responsibility to make sure they're-- We set the stage so they don't happen; that's why we're taking the efforts that we are. And then second, as we have talked about this morning, is the fragility of this place.

SENATOR KYRILLOS: Right.

I don't know what the sheer amount of man-hours, work weeks it takes to do these short-term repairs that you're going to announce the week after next, right? I think the Chief Operating Officer said it's going to

stretch into 2018; one of you said that. And it's obviously very frustrating, difficult to pace this out. Have you thought about talking to the political, business, civic leadership of the region to freeze days down -- or big employers -- recognize that we have this huge transportation infrastructure, economic, societal crisis that we all are involved with; and to give you guys some days at a time that would speed things up maybe by weeks or months, and make things less painful for everybody at the same time? That might, at the end of the day, be more economically viable or economically advantageous for the states involved, and the region, and better for people's lives.

You know, we have snowstorms; we close down the roads. We have states of emergency that could go on for a day, or two, or three. We lived through a Hurricane Sandy crisis where things were shut down for nearly two weeks -- which I'm not suggesting. But we had no electricity in many parts of New Jersey -- and I assume, parts of New York City as well; I don't remember -- for 11 days; 11 days of no electricity.

Now, there was a short-term economic kick to the region that I remember reading about; but shortly thereafter, it all kind of rebounded and rebooted, and there was equilibrium of sorts. Is that a notion that you've thought about? And it's not just a discussion that would involve you and New Jersey Transit; it's a bigger discussion, because I realize Connecticut and other parts of New York state going into Grand Central Station -- not affected, but it's going to affect the whole. And should we just shut down for one, or two, or three short-term periods; that maybe in and around weekends -- a Friday, a Monday -- so that you can accelerate this thing and get it done much sooner than you otherwise might?

MR. MOORMAN: Let me address two or three things there.

One is that -- what we're talking about is our best proposal on acceleration, which we think is absolutely essential in order to get this critical work down.

You mentioned 2018; again, our focus is on this summer, because we've been doing the kind of work that will stretch into 2018 for some years on the weekends. So that, I think, is manageable. I think what you're saying, though, kind of, is an excellent point in the sense -- not of shutting everything down, but I think a lot of companies and individuals -- if they have adequate notice of what's going to be going on, and how their commute will be impacted -- will make plans to telecommute; will make alternative plans in terms of how they're doing their work.

What is so incredibly disruptive, and what we're trying so hard to get out of and away from, are these unplanned outages that then are disruptive because people have not had time to prepare.

So we will certainly talk about the implications; I think that does lead to the broader conversation that you're talking about. But the first thing is to make sure that people have adequate notice and know exactly, to the fullest extent we and New Jersey Transit and LIRR talk about it -- which I think we can outline in great detail, "Here's what it's going to look like so you can plan, whatever it is, as a business, as an individual, you think is most appropriate."

SENATOR KYRILLOS: Well, I think that's important; you are absolutely right when you do come back to us, to the public -- and you said the week after next. And you may need longer than that because it's a big deal. And you have to let everybody know, "This Tuesday, this Friday" --

whatever -- "it's going to be screwed up." And you have to get it out there really loudly; and it's not really in your job description per se, but there has to be some mechanism to reach out, to keep constituencies and to get buy-in from the private sector.

You know, the Chamber of Commerce President was in the audience for a while, you know; State Chamber person-- You know, I'm sure that there are going to be a lot of business leaders, civic leaders who understand that; obviously the political leadership. And you may want to look at a couple of scenarios where you can aggregate some days at a time rather than, you know, weekends and between 3:00 a.m. and 5:00 a.m. in the morning -- whatever it is -- so you can get it done sooner rather than later. And I think, you know -- I know there are a lot of rank and file employees who would, you know, love that; but I think that you know the business, and political and governmental leadership understands that, and you can get a lot of buy-in. And the society has lived through periods of time where things are just shut down because it's just for the good of the order, or a necessary part of the order.

So I'm sure you'll think that through, and we'll all think that through.

In terms of the long-term, you know, you mentioned this Presidential infrastructure commission. Is the lack of a resolution or response from it -- is that delaying our Gateway plans? The Portal Bridge is supposed to be dealt with in July; you have other ongoing items for the tunnels; construction of the tunnel. In the meantime, is that being held up because of the question mark on funding?

MR. MOORMAN: So we have some preliminary funding on Portal; we are doing some early work on that. And as I mentioned, the design and, particularly, the NEPA process has concluded.

But we will come to a point, fairly soon, in which we need additional funding to go forward. I think the issue -- the tunnel-- We, as I think I mentioned, will complete the environmental process early next year; maybe March or April -- Stephen? -- somewhere in that range. At that point, we'll be ready to go forward, and that's when -- that's our horizon for wanting to have some kind of assurance about funding.

Once we get past the middle of 2018, we are waiting.

SENATOR KYRILLOS: What's supposed to happen to the Portal Bridge in July? And is that going to happen?

MR. GARDNER: Currently, the Portal Bridge is certainly our best success story we have to date -- partnership between Amtrak and NJT to develop the design for the Bridge and get it through the environmental process. And New Jersey Transit received a TIGER grant from the U.S. Department of Transportation to advance early work, and has funding to do that.

So we are going through the Gateway Development Corp and, with NJT in the lead, working through the Federal Transit Administration's New Starts Project -- a capital investment program that would provide a significant portion of the Federal funds for Portal Bridge. So we're still in the process of working with the agency. Clearly, funding would need to be available from the Federal Transit Administration, if we get through that process, to undertake the work; and that is yet to be known.

So I would say, at the moment we're not stopped, were advancing on Portal. But we do have a big question yet to come on the Federal portion of the program for Portal Bridge.

SENATOR KYRILLOS: Well, it's pretty clear we have to get this funding situation in place. And I don't think it says very much about the New Jersey Congressional delegation, the New York Congressional delegation, both sides of the aisle -- it's not a partisan comment -- that we have lived through decades of things being underfunded; that we're the economic and financial, cultural capital of the world. Perhaps -- and we have a station that's in horrible shape; we have trains that break down; you go to other parts of the country, other parts of the world, and you have gleaming, shining places.

So you know what? I hear the criticisms of Governor Christie on the tunnel thing, you know? Was it going to be done in a year? I don't know if that would have happened. It would have gone to a different location -- as the CEO alluded to -- rather than Penn Station. That has to get done.

But you know, let's hope Senator Schumer can leverage his position as the Senate Minority Leader. He's the highest-ranking guy from New York, or from the region in general. And let's figure out how to put the kind of pressure on the Congress -- and the Administration, obviously, as well -- to get the decisions made.

So that's very important. Maybe we ought to do a little resolution urging both President Trump, and the majority and the minority in Congress -- which has a lot to do with a lot of the holdups and a lot of

progress for the country, as I looked at the vote tallies in recent weeks, the recent 100 days -- and get their job going.

All right; thank you very much, Mr. Chairman.

SENATOR GORDON: Thank you, Senator.

And I am certainly amenable to that suggestion.

If I could, Chairman, I'd just like to insert a question to Mr. Gardner.

If the Federal New Starts Program is eliminated, does the Portal Bridge project and Gateway shut down?

MR. GARDNER: Well, I think what we've seen is a budget proposal from the Administration. What Congress does with that budget proposal, how they advance with the New Starts program with the FTA funding, is yet to be known.

So I think this really, at this stage, is a conversation between the Executive Branch and the Legislative Branch; they are going to have to resolve that issue. Obviously, Amtrak is using all we can to educate everyone in Congress and the Administration about the importance of both Portal Bridge and the Gateway project, generally; so we are, as our CEO has said -- we're optimistic that folks understand the importance of this program.

But there is a timing pressure, so this has to get resolved first. I mean, the first thing -- they're not even done with Fiscal Year 2017 yet, let alone Fiscal Year 2018. This is a Fiscal Year 2018 problem; we need funding in that year. So I think it is incumbent upon all of us to be incredibly strong advocates at this point, so that when we come to that next phase of Federal budget making, the funding is available for us to proceed.

SENATOR GORDON: John, did you want to say something?

ASSEMBLYMAN McKEON: No; are you finished questioning? If so, I was going to tease Senator Kyrillos and just say although Senator Schumer, I'm sure, appreciates the prompts, I think Donald Trump is the most decorated of the New York delegation, if you will.

SENATOR KYRILLOS: Well, that's true. I bet you he'll get done what gets to his desk, though.

ASSEMBLYMAN McKEON: I hope that that's the case.

Assemblyman Peterson -- no pressure, your daughters are watching.

ASSEMBLYMAN PETERSON: I just--

SENATOR GORDON: Before Assemblyman Peterson speaks, would his daughters like to make any comments? (laughter)

ASSEMBLYMAN PETERSON: Sammy, you want to say something? (no response) (laughter)

She might have the best question out of all of us.

I just have a very brief question.

First, Mr. Moorman and Mr. Naparstek, I think you've done a great job today. I feel like now I know how to fix a railroad, after Assemblyman Zwicker went through it with you. (laughter)

ASSEMBLYMAN McKEON: You're hired.

ASSEMBLYMAN PETERSON: But it really revealed the challenges that you're facing; because who would have ever thought about the height issue and being able to bring in equipment, and having to repair

tracks, and just the way about it. Most people don't give consideration as to the limitations of the space and the nature of what you're trying to do.

And therefore, they think, "Well, this should just get done." And once you explain it, then you realize the difficulties of it -- the way you have to stage to get it ready, and then do the work, and then have to be back out.

So I think both of you have done a very good job today.

Mr. Moorman, I realize that you've inherited this problem, but I do have a question. I want to pick your mind a little bit, on the private sector side.

So if I understood the testimony correct today, this rail station was basically redone in 1976 -- around there?

MR. MOORMAN: No, the station -- the Corridor came to Amtrak, including the station, in 1976. A lot of the infrastructure work in the station, we believe, was renewed at that time; or it would have been after that, because it was -- it came to us, ultimately, as a result of the Penn Central bankruptcy and the creation of Conrail. So there is still some infrastructure down there that dates, probably, from the mid to late 1970s, I would say.

ASSEMBLYMAN PETERSON: Okay. Do you know when the last renewal project was?

MR. MOORMAN: I don't think there has been any significant renewal project -- I'm looking for memories that are longer than mine -- I don't think it's been for quite some time until we, Amtrak, started the renewal process probably five, four years ago?

MR. GARDNER: Four.

MR. NAPARSTEK: It was 2011.

MR. MOORMAN: It was 2011. And before that time, remember, that in the 1990s and in the 2000s, the future of Amtrak was in question because there were folks who felt that it -- something should be done with it, other than continue to support it at the Federal level.

ASSEMBLYMAN PETERSON: So going back to your private sector -- you worked for Norfolk Southern?

MR. MOORMAN: Norfolk Southern.

ASSEMBLYMAN PETERSON: And they do renewal projects?

MR. MOORMAN: They do.

ASSEMBLYMAN PETERSON: Do they have a normal timeframe in which they do them within? Is it every 5 years, every 10 years, every 15 years?

MR. MOORMAN: Depending on the track components, the broad answer is "yes." It's a cycle-- You know, the way you maintain a railroad is on a cycle basis. You understand the life of the components and you don't have to renew everything every time, but you go through and renew those components that are worn out.

And the other difficulty which I haven't talked about is that in terms of maintenance of these kinds of assets -- once you get behind, it is incredibly difficult to catch up because, one, you're not staffed to do an enormous amount of work in a short period of time; and two -- and this is particularly important in Penn -- you don't have the time to do an enormous amount of work. So this program, four years ago, was a renewal process that basically was going in and looking at a lot of assets that were

close to due, if not due to be renewed. But because we didn't want to disrupt service, we were doing it just on weekends to get the work done.

ASSEMBLYMAN PETERSON: So if -- so some of these renewal projects should have been, probably, started earlier, is that fair to say?

MR. MOORMAN: Well, I think -- you know, I wasn't here. I don't know; I didn't--

ASSEMBLYMAN PETERSON: That's why it's easy for you to give an opinion on it, right? (laughter)

MR. MOORMAN: It might be an ill-informed opinion. I will say this. I think, as I said before, you know, in a normal operation at Norfolk Southern or one of those companies, you have a -- you want to maintain at a steady state, and that requires that every year you have a plan for the assets you're going to go renew and replace. And you also understand that you have a fairly -- you have a good picture, going forward, of how much you're going to be able to budget to do that, and that's where the issues with Amtrak were.

ASSEMBLYMAN PETERSON: Okay. And you do that because that reduces the amount of time of interruption of services, right?

MR. MOORMAN: It reduces the amount of interruption; it reduces the expense. And it ensures that at all times you have good infrastructure.

ASSEMBLYMAN PETERSON: And so, in the past, in an attempt to minimize interruption, we should have done a little better schedule. And now we're at a point where it's going to take more time and more interruption to get caught back up?

MR. MOORMAN: No, I wouldn't phrase it quite that way. What I would say is that the plan, as I understand it, was put together in such a way to renew these assets, trying to minimize the disruption at the terminal. And that's clearly, if you can do it -- as we have all heard -- the right thing to do. But as proved out in actual practice, is that while we have been able to renew substantial parts of it, we have found that we don't -- because of other needs in the terminal, either maintenance or other major projects -- we have not, perhaps, pursued that renewal over the period of years that were originally anticipated, and it's stretching out longer. The longer you stretch it out, the closer you come to creating situations like we've just recently seen. And it is our best judgement -- my best judgement that we need to go ahead and get this done so that these unplanned outages that we've experienced will be eliminated in the future.

ASSEMBLYMAN PETERSON: Thank you.

SENATOR GORDON: Thank you, Assemblyman.

The hour is getting late. Before we close, I would just like to address one issue that may have been mentioned in our testimony, but I'd like to flesh out a little bit -- and that is the subject of emergency planning, emergency management.

In an earlier phase of my career, I did emergency plans for public facilities, and I would be interested to know if you could just tell us -- are there emergency plans developed for a wide range of contingencies? And are these plans tested, either through tabletop exercises or actual drills? You know, was there a contingency plan, an emergency operations plan to deal with crowd control for the kind of situation that arose when the police used their Taser?

Can you tell us about emergency planning at the facility in general?

MR. MOORMAN: Well, absolutely.

Amtrak has an emergency planning group that I think is a highly effective group. We have an emergency planning manager on site at Penn Station, with staff.

I think that they do a lot of planning; I think they do some, at least, tabletop. I'm not sure, to tell you the truth -- and this is part of our process to review all of this -- how much actual drilling that we do because, to some extent, that became difficult in an environment like Penn.

But your question is exactly right. What we have is a group; we have done planning; we coordinate, obviously, with emergency responders. But it's time for us to go back and look at all of that, and look at it in terms of the kinds of situations that we may face more of in the future, with incidents like this Taser incident. I think we can do better, and that's what we're intent on doing.

SENATOR GORDON: You know, I can tell you I have had a meeting with an emergency planner who was formerly working for a transportation organization. The idea he is promoting -- and I just ask you to bring this back to your staff to consider -- prepositioned equipment so that if there is some incident requiring the evacuation of people from trains, that you don't lose those valuable minutes in getting the stuff to the site of the incident; that there's a closet with this equipment prepositioned, ready to go, to be able to move people out of trains and down the tracks, and so on. I just share that thought.

MR. MOORMAN: No, that's a great suggestion. We do some of that; and probably the biggest example of that is we have full-time, running in Penn Station, rescue locomotives to go get trains out of the tunnels, and we deploy them as soon as we can. And that was part of what Scot described.

But I think you're exactly right. This is the time to go back and to review the coordination across the station to try and make life better in normal times, but to make sure that we are coordinated and have thought through all of these situations and done everything we can, including things like you're suggesting, to make sure that we respond better.

You know, Senator, I'm telling you something that all of you know. The world has changed, and we need to make sure that we're changing with it.

SENATOR GORDON: Right.

At this point, let me just thank you all very much for your very detailed, comprehensive presentation here. I think we have all learned a great deal about the need for the renewal; the constraints that you're operating under. We're hopeful that you'll take back some of the suggestions that you've heard from us.

I'd like to echo the comments of Senator Kean when he said that if there are things that we can do legislatively or in a lobbying capacity with the Federal officials, we stand ready to do that in a bipartisan basis. I want to help you get the resources that you need.

With that, thank you very much for being here. I will say that we're going to recess this-- You know, I'm going to give the Chairman a minute, but I want to make a public service announcement that we are

going to recess, after his comments, for about 20 minutes or so; and we're going to reconvene to hear from Steve Santoro, the Executive Director of New Jersey Transit.

Chairman McKeon, you're on.

SENATOR KEAN: So you're saying the Senate side is convened now.

SENATOR GORDON: Yes. (laughter)

ASSEMBLYMAN McKEON: Very briefly, I wanted to compliment you, Mr. Chairman. You're incredibly well-prepared and hardworking, and I appreciate being a colleague. And the same goes out to partisan and nonpartisan staff -- all of you have helped us try to ask intelligent questions, and your work efforts are extraordinary.

I just want to note that since we've been here at 10:00 a.m., I've gotten about seven pages of Facebook comments, and multiple ones, and these have all come from just my account -- and I'm not a person who is always on Facebook -- and all relative to these hearings. That means people are paying attention; I think we know that already, but that's demonstrative of that. And I will leave these -- out of respect for the folks communicating -- and make them a part of the record.

And the last point to you, sir, and all the people who you lead. Your capabilities and genuineness come across; and that means a lot. But your history, as learned as it is, was kind of from a freight perspective; it wasn't in the Northeast Corridor, and you're now entering a culture that's now a peak-oriented service -- in Amtrak. So I know that your skill set, as deep as it is, is going to adapt out of concern to make certain that when we're doing these repairs that we look out for the 300,000 New Jerseyans a

day who are on our lines -- let alone, probably, a million when you take into account your own riders and LIRR.

Thank you.

MR. MOORMAN: Thank you.

I'll just close by saying that even when I was CEO of a freight company, I made sure that our operating people paid special attention to Amtrak, because I always told them, "There are people on those trains." And we know there are people on New Jersey Transit trains, and we will pay attention to that.

Thank you.

ASSEMBLYMAN McKEON: Thank you.

SENATOR GORDON: Thank you very much.

**(Committee recesses at 1:20 p.m.)**

**(Committee reconvenes at 2:00 p.m.)**

SENATOR GORDON: Good afternoon, everyone.

This joint meeting of the Senate Legislative Oversight Committee and Assembly Judiciary Committee will reconvene.

We are pleased to have the Executive Director of New Jersey Transit, Steve Santoro, back with us; and his colleagues.

The objective of this meeting is to try to understand what is behind the recent incidents and breakdowns, the derailed vehicles, the breakdown of a train in a tunnel; and get at the root causes of these incidents and to learn what steps are being taken to address them in the

short term, and also the long-term problem of renewing this critical infrastructure.

I want to stress that we expect to have Mr. Santoro back at a future point to continue our discussions emanating from the series of hearings we've had over the last few months on New Jersey Transit. We're really focusing on the recent incidents here and the need for addressing these infrastructure problems.

Chairman McKeon, any comments to make?

ASSEMBLYMAN McKEON: Yes; thank you, Mr. Chairman.

Just very briefly -- welcome; and I believe, for the public's sake, April 12 (*sic*) is when you'll be back. I think that's scheduled--

SENATOR GORDON: It can't be April 12.

ASSEMBLYMAN McKEON: Oh, I'm sorry -- May 12; sorry about that. I'm looking-- It says the 12th; I just forgot it's already May. So I think we'll see you back here on the 12<sup>th</sup>, when we will all have much by way of questions that are more systemic issues that are going forward. So I appreciate you being here, you and your team, and all of your diligence.

So I will turn it over to the Chairman to begin the questioning.

SENATOR GORDON: Okay.

Mr. Santoro, do you have an opening statement to make?

**STEVEN H. SANTORO:** I do.

I have an abbreviated opening; I had some additional information there that we will skip, relative to the progress New Jersey Transit's been making.

So I do have an opening statement.

And good morning, Chairmen, and members of the Committees. Thank you for providing this opportunity for New Jersey Transit to discuss the issues before us today.

I am joined today by several members of my executive team to help answer your questions.

I know the Committees' interest today is focused on the recent disruptions to our customers' commute and their lives. Their commutes have been ruined due to two derailments at Penn Station New York, as well as due to a New Jersey Transit train being stuck in one of the Hudson tunnels for nearly three hours, stranding our customers.

As you know, the first derailment occurred on the morning of March 12, when an Amtrak Acela train derailed and sideswiped New Jersey Transit train No. 6214 as our train entered the station; and the second on April 3, when a known track defect caused New Jersey Transit No. 3926 to derail as it entered the station.

And one of our trains, on its way into New York, became disabled in the tunnel on Friday afternoon, April 14.

Since then, our customers have suffered hours and hours of delays due to Amtrak problems with the Portal Bridge, problems with their overhead wires, problems with their trains; as well as because of ongoing inspections and work at Penn Station in the wake of these derailments. These delays have occurred on the weekends and weekdays. And as you have heard, there will be more work on Penn Station's infrastructure later this summer, work that will itself create more delays.

Our customers, your constituents, are fed up; and so am I.

So today, I know the Committee is interested in hearing about the causes of the various incidents -- the safety, maintenance, and repair of Penn Station track and signaling systems; and the contingency planning and response of the railroads to the derailments, as well as the delays.

I also understand you would like to discuss New Jersey Transit's payments to Amtrak for use of the Northeast Corridor.

All of these are of critical interest to us at New Jersey Transit, and to the 94,000 customers who make almost 190,000 trips into and out of Penn Station each weekday.

The safety of our customers, of all of our employees, and the public is our number one priority. New Jersey Transit is the largest commuter railroad user on the Northeast Corridor. We run almost 350 trains a day in and out of Penn Station, more than three times as many as Amtrak. So we, like you, were extremely concerned when these incidents occurred, and with the derailments so close together -- both in time and in location.

As you know, in the wake of the derailments, Governor Christie called for a complete and independent review of the infrastructure and maintenance protocols at Penn Station, and independent verification of the safety of the tracks. New Jersey Transit has echoed that call; and since then, Amtrak has been inspecting the track areas at Penn Station, along with the Federal Railroad Administration -- but without Transit or Long Island Rail Road. Nor has Amtrak hired an independent firm to verify the inspections of Penn Station's infrastructure.

They have, however, found a number of conditions that require immediate repair work -- work that, this week, has caused extensive delays for New Jersey Transit customers.

As you have heard from the Amtrak executives who just testified, New Jersey Transit and Amtrak have met to discuss safety concerns and the state of the infrastructure. And Amtrak President Wick Moorman -- who spoke this morning -- has assured us of his commitment to safety.

I have met with and discussed New Jersey Transit's concerns with the Federal Railroad Administration, which is the agency that is charged with safety oversight of Amtrak, of New Jersey Transit, and other national railroads. But frankly, the time has come for New Jersey to be more than just a tenant participating in discussions with the landlord. This time -- the time has come for us to have more voice in these matters, not just at Penn Station New York, but along the entire Northeast Corridor through New Jersey.

We need better coordination with Amtrak on New Jersey Transit's sole benefits projects, as well, that we are undertaking to improve the experience of our customers. These include projects such as station rehabilitation in Elizabeth, New Brunswick, and Newark Penn Station; as well as our plan for the Delco Lead, which is part of our resiliency plan to guard our system against effects of future storms.

The focus may be on Penn Station New York now, and rightly so. But we must not let our efforts on these other projects evaporate.

New Jersey Transit and our customers have a vital interest in safety at Penn Station and on the Northeast Corridor, regardless of the

terms of our business relationship with Amtrak. But as the Committee members and many others have noted, New Jersey Transit pays handsomely for using Amtrak's tracks and facilities. This means, of course, that our customers and New Jersey Transit citizens pay, through their fares and their taxes.

Let me explain briefly how the financial aspects of this relationship work, including how the terms have changed in the last several years due to changes in Federal law -- all of which you've heard this morning, but I'll expand on some of these.

For decades, New Jersey Transit has paid Amtrak for its share of operational costs of using the Northeast Corridor and Penn Station. These regular daily expenses include the cost of power to our trains, for inspections and maintenance of our locomotives and trains that we store in Amtrak's yards, and for numerous other routine expenses. Altogether, such operational expenses have traditionally added up to about \$75 million per year, a figure that is rising. And I emphasize *operational expenses* versus *capital*.

But New Jersey Transit does more. For 20 years we have paid Amtrak significant sums to help Amtrak perform long-term capital improvements on the Northeast Corridor in New Jersey. In fact, since 1997, under a program to do work that will benefit New Jersey Transit customers' trips, as well as those of Amtrak's customers, New Jersey Transit has paid Amtrak over half a billion dollars -- \$577 million to be exact -- towards capital improvements such as the replacement of aging catenary power wires, rail switches, and concrete railroad ties.

These payments do not include the tens of millions of dollars more that New Jersey Transit has spent on its own, maintaining and rehabilitating stations such as Metropark, Newark Penn, New Brunswick, Princeton Junction, and Trenton; stations that also are used by Amtrak customers.

Our capital payments to Amtrak have risen, and will continue to rise, under the Federal Passenger Rail Improvement and Investment Act of 2008 -- PRIIA. Congress enacted PRIIA to reset the fundamental financial relationship between the landlord, Amtrak, and its tenants, New Jersey Transit and the other commuter railroads that use the Northeast Corridor. Before PRIIA, Amtrak was responsible for all the base costs of running and maintaining the Northeast Corridor. New Jersey Transit paid a fee for using the NEC, to reimburse Amtrak for additional costs to operate New Jersey Transit's rail service.

But under PRIIA, New Jersey Transit and other commuter railroads are mandated to pay for the so-called *fully allocated costs* of running New Jersey Transit trains on the Corridor. That allocation is based on a complicated formula that takes into account wear and tear, the number and weight of our trains, and many other factors.

PRIIA's formulas can be complex; but the bottom line for New Jersey is straightforward: Our annual combined payments to Amtrak for operating costs and capital improvements are doubling. Those payments are jumping from a total of about \$100 million a year before PRIIA, to about \$200 million a year when PRIIA payments fully kick in, sometime after 2019. This is a very large sum; and for that money, New Jersey Transit customers and New Jersey citizens expect a high level of service.

And they deserve a much larger voice in how the NEC operates, and how capital dollars are used and prioritized.

As part of a plan to improve conditions in New York Station, yesterday Amtrak just proposed a Joint Station Concourse Operations Center that would bring together the managers of the various Penn Station concourses and technology to strengthen the coordination, enhance the passenger experience, and improve our responses to disruptions, incidents, and other events that occur anywhere in the station. While that is a worthy project -- and, of course, we will never walk away from a concept that improves our customers' overall transit experience -- however, Mr. Chairmen, what we hear loudest from our customers, over and over again, is the frustration that builds when they sit on the tracks in a New Jersey Transit train, not moving, and all too often being passed up by one of a several Amtrak trains.

May I remind all of us that by 2019, New Jersey Transit will pay \$200 million a year to operate on and over, but has no role in dispatching trains into and out of the station. This is done by Amtrak and the Long Island Rail Road.

A Joint Station Concourse Operations Center will be welcome in the future. But last night, this morning, and for each peak commuting period, Amtrak dispatches trains from the Penn Station Control Center. Amtrak can immediately improve the conditions for all New Jersey customers by jointly reviewing with Transit all the dispatching protocols on the Northeast Corridor, including instructions to Penn Station Control Center dispatchers, and making necessary adjustments to achieve greater

parity in train dispatching, and improving the experience of New Jersey commuters immediately.

And New Jersey Transit has a very limited say in where Amtrak spends its capital improvement or maintenance money on the Corridor in our state.

We are demanding a change. New Jersey must have more input on Amtrak's priorities for repair and replacement of infrastructure, to ensure that the state of good repair efforts -- those projects most directly tied to the safe and reliable service -- are being advanced where they are needed most, so that our customers can have safe, reliable service, day in and day out.

And New Jersey Transit must have a meaningful say in Amtrak's long-term NEC plans and investments in New Jersey. We must work together to make sure those efforts help, and do not hinder, New Jersey Transit's current or future operations.

Now let me turn to another important topic -- New Jersey Transit's response to the derailments and the disabled train in the tunnel, and the disruption that they caused to our service and to the commutes and the lives of our customers.

I want to emphasize that we at New Jersey Transit do everything possible to maximize the Transit service available, within the very real physical constraints of an emergency situation. It will never be nearly as much service as our customers want and deserve, or as much as we at Transit want to deliver.

The April 3 derailment provides a good example. Many have asked how a minor derailment could cause such a major disruption for so

many days. The answer is, the railroad equivalent of a truck accident that damages two of the three lanes on Route 80, which then prevents the traffic that does get by on the remaining lane from accessing crucial on and off ramps.

The April 3 derailment damage immediately rendered 8 of Penn Station's 21 tracks unavailable, and in a spot that prevented New Jersey Transit from reaching a number of the station platforms we use every day.

New Jersey Transit has contingency plans for such emergencies. Whether the emergency is due to damage to rail infrastructure, or a widespread power outage, or an extreme weather event, the basic premise is that we use all available transit modes as much as possible to make up for the damaged portion of the transportation system.

So when key rail assets are down, we augment the rail service that can be run with added service and connections with bus lines, with PATH, and with ferries. Unfortunately, bus cannot ever entirely replace rail. Nor, for that matter, could rail entirely replace bus if, for example, the Lincoln Tunnel were closed for a prolonged period. The number of customers is too great, and the number of buses, and trains, and drivers, crews too limited.

Immediately following the April 3 derailment, we implemented our contingency plans, adjusted to fit the specific circumstances of that incident. To that end, we operated a rail schedule that the limited station trackage could reliably accommodate. Since that was significantly fewer trains to and from Manhattan than our normal weekday schedule, we added bus service in and out of the City, we instituted cross-honoring with bus,

light rail, PATH, and ferries to offer our customers alternatives for their trips.

The trains were crowded. There was some additional congestion at the Port Authority Bus Terminal and on PATH. Service was not as robust as our customers would have liked, but I can assure you that it was the most service that could be provided, given the situation and the constraints.

As some members of the Committees and others have observed, the derailment demonstrated how there is such a very little margin of error in the trans-Hudson system that we have today. Thus the need for a strong program to ensure tracks, switches, and other infrastructure is kept in a state of good repair, with proper notification by Amtrak to New Jersey Transit in advance of work occurring, so that we can notify our customers and work to mitigate the effects of any service disruptions.

Communications is another aspect of this issue. I know that the Committee members and our customers have questions about Transit -- whether Transit does all it can to communicate information about service disruptions, and I am prepared to answer them.

Chairmen and members of the Committee, thank you for providing me the opportunity to discuss these matters, and I will be happy to take questions.

SENATOR GORDON: Thank you, Mr. Santoro.

This morning we, as you know, heard a good deal from Amtrak about their plans for renewal at Penn Station; and about the plans announced yesterday for closing down certain sections to do work that can't be done on a short-term basis.

I have a number of questions about that. First, when did Amtrak inform you of what the plans were? Secondly, how much input did you have on this? And I would be very interested in your assessment of how prudent their plan is; does it make sense; is it justified? I would like your reaction to what they announced yesterday.

MR. SANTORO: So in response to the first part of your question -- I'm guessing, maybe, early this week and maybe late last week, Wick Moorman and I started discussions with regard to what are the next steps with regard to Amtrak remediating the problems at New York Penn Station.

I think we probably talked every day since then about the progression of those plans. I haven't seen the plans yet, although I've been informed that during Wick's presentation we did receive those plans. We do need to -- and I know that's news -- but we haven't yet assessed them and we have to do that over the weekend.

SENATOR WEINBERG: So that might have been a positive outcome of the hearing?

MR. SANTORO: It depends on what's in the plan. (laughter)

SENATOR GORDON: It would certainly be interesting--

MR. SANTORO: And I'll give you some parameters.

SENATOR GORDON: I think we'd be interested in seeing a copy of that plan.

MR. SANTORO: Okay; I guess I can't-- Okay; we will -- our Chief of Staff will put that down.

So we haven't yet assessed; we don't know the impact to our customers yet. But to give some parameters -- because I know everyone's

looking for parameters early on before this complete evaluation is performed by both New Jersey Transit and the Long Island Rail Road. Our normal 6:00 a.m. to 10:00 a.m. service, on a regular weekday -- full service -- we run 63 trains into Penn Station in that period of time; 63. On a holiday schedule -- which we have fallen back on over the course of some of these incidences -- we run 25 trains into Penn Station during the 6:00 a.m. to 10:00 a.m. period. And our weekend service, we run 13 trains between 6:00 a.m. and 10:00 a.m. into Penn Station.

So the holiday service of 25 trains in that period, which we call the *peak period* -- not the *peak of the peak*, but the peak period -- is 25 trains an hour, less than half of a regular day service. And we have all experienced, over the course of the recent incidences -- we have run holiday services the next day after those incidences, and there was overcrowding. There was overcrowding in spite of the fact that we added additional ferry service out of Hoboken; we added additional buses in and out of the Port Authority Bus Terminal; and then just modified some other schedules.

So there is-- If this outage plan allows us to only operate 25 trains, we've experienced what that impact will be.

SENATOR GORDON: Senator Weinberg would like to just insert a question.

SENATOR WEINBERG: If I may, a question based on what you just said, Mr. Santoro.

How do you notify your customers that they have the alternative of a bus or a ferry? How do they know that before they're stuck on the train in the tunnel?

MR. SANTORO: So there are a couple of iterations to that question and answer.

So if an incident -- as has happened several times over the course of the last several weeks -- occurred, the next day -- based on the information that we're getting out of the impact to Penn Station -- we will put out a schedule, probably early evening, and announce to our customers -- through our website, through social media, through our mobile app -- what that schedule is going to look like. And that's the day before the next-day service.

On the day of the service, we've implemented, I think, an improvement of the communication over the past month -- is that at stations-- We've heard from customers several times; that's kind of a consistent message, and it is very relevant to your question, Senator. So if a customer is approaching Newark Penn-- So you look at the three major stations, Hoboken, Newark Penn, and Secaucus. Those are our three locations where alternatives do exist for other modes -- to get on a bus, to get on PATH, to get on our main Pascack-Bergen Line service into Hoboken. So we are now directly announcing, at those station locations, what's going on as soon as we know what's going on, in terms of-- So if a train gets stuck between Secaucus and Newark Penn -- and New York Penn, we can get customers, generally, up to Secaucus; and certainly we can get them to Newark Penn.

So we need to be announcing at those locations, when customers arrive at those stations -- and we're doing that, we started on Monday at those locations -- what the situation is, and what are the potential alternatives, so a customer can either stay on a train and wait,

depending on the severity of the incident, or take alternative means. Or we have heard a lot people calling Uber -- not even availing themselves of PATH or other means. They'll just call Uber.

So it is incumbent on us, and we have made an improvement to our protocol to tell the customers as early as possible, and especially at those locations, what is happening in front of them so that they can make informed choices.

SENATOR GORDON: Senator Kean, did you want to follow up?

SENATOR KEAN: Yes, just quick.

Thank you, Mr. Chairman; through you.

Just to follow up on some of your earlier statements, just now, regarding the 63 crossings; and by crossings, you mean in one direction.

MR. SANTORO: That's in one direction.

SENATOR KEAN: Okay.

MR. SANTORO: In one direction.

SENATOR KEAN: Yes; 25-- Because we've had situations in my district where they tried to define a crossing as a two-way. I was just making sure.

MR. SANTORO: No, that's--

SENATOR KEAN: Yes, so--

MR. SANTORO: --a very valid question.

SENATOR KEAN: Yes. So, number one. Number two, of the overall slots, 63 is what percentage of the 6:00 a.m. to 10:00 a.m. slots; or in the 25 holiday hours, what would be the total crossings?

MR. SANTORO: Well, those are-- The 63 are New Jersey Transit trains--

SENATOR KEAN: As a percentage of-- But what is 63? What would you say, in that slot, are the total crossings, so we can get-- Because part of this is--

MR. SANTORO: Well, those are--

SENATOR KEAN: --obviously getting additional slots into the station, right? I mean, part of this conversation we're having is also making sure that we have a greater percentage of slots so there could be potentially 68 crossings, for example.

MR. SANTORO: No. So the 63 are all of our crossings, all of our one-way trains into Manhattan. There are no other crossings into Manhattan with New Jersey Transit trains--

SENATOR KEAN: Right. But how many slots--

MR. SANTORO: --for those hours. So there are additional crossings after those hours of 6:00 a.m. to 10:00 a.m. We have less service, so there would be less than that; and then at the peak periods going in the other direction.

SENATOR KEAN: I guess my question is, how many trains use those tunnels between 6:00 a.m. and 10:00 a.m.?

SENATOR WEINBERG: Including Amtrak.

SENATOR KEAN: Yes, including all -- not just you. What I'm saying -- 63 of what number?

MR. SANTORO: Oh, okay, okay. Sorry about that; now I get it.

So there are 13 Amtrak trains between that 6:00 a.m. and 10:00 a.m. So it's a total of 76.

SENATOR KEAN: Seventy-six total crossings; okay.

Thank you.

Sorry; thank you, Mr. Chairman.

SENATOR GORDON: Okay.

With the benefit of a passage of a few days, can you comment on the kinds of lessons that you've learned from these incidents, and have they led to any changes in procedures or planning?

MR. SANTORO: So I think I mentioned, probably the most important change is customer notification. It's no secret that New Jersey Transit has been criticized over several, even, years that our customer notifications during events was less than robust. And that has clearly been recognized, since I started as Executive Director -- one month after Wick Moorman. When we do our customer surveys, when we hear about -- when we mine our -- data mine our social media, customer communications is always a significant -- it always rises to the top as an issue.

So as I have suggested, one improvement that we made is station announcements. We need to be able to allow our customers to be provided the greatest amount of information so they can make informed decisions. That's one thing. We're rolling out a new app -- I think it rolled out, partially, either today or yesterday -- which was in the planning stages for several months. So it isn't a direct reaction to these incidents, so it's something that we're constantly looking at -- is improving our customer outreach; because, I've said, it's been noted several times that that is one of our things we need to improve.

So that app is going to have an alert capability; it's only going out on Android phones now; we hope next week it will be released for the full IOS so all of our customers will be able to have that.

So it will have a feature where alerts will become prominent in the mobile app, I think. From the website perspective I think we've done a pretty good job putting out information, in general terms; but we're constantly looking at the level of detail that we're providing in terms of these alerts and information. For these severe types of events, for sure, because it does -- from our customers' perspective it does -- when we have a severe event, we want to be able to offer the opportunity for alternative modes during that event.

SENATOR GORDON: Okay.

You had mentioned just a moment ago that when one of these incidents occurs, you rely on greater use of buses, ferries. Are there opportunities to expand on the current level of service by ferries and buses? I think I'd be specifically interested to know if, in fact, we're going to see more events like this, that perhaps you need a larger inventory of buses. I mean, if there was an opportunity to--

Let me shorten the question. Would a supplementary appropriation for additional buses, or some other mode, give you greater backup, greater resources to work with? I mean, does that make sense?

MR. SANTORO: So let-- I'll parse that into the couple of different modes.

More buses, from a capital perspective -- that would be interesting, but that's not the end of the story. So if we have 100 more buses, 200 more buses, we will need bus drivers; we will also need more

capacity at PABT -- the Port Authority Bus Terminal; we will need more capacity on the Lincoln Tunnel, or there will be longer lines at that Lincoln Tunnel. So just more capital might not do it for buses.

SENATOR GORDON: Okay.

MR. SANTORO: With regard to ferries. One could argue that now is the opportunity to look closer at ferries. You make a great point. And it's not that New Jersey Transit has not looked at those; but in the light of the last few weeks and what we're looking at going forward, ferries do have some capacity; ferries have the ability to increase capacity. We've been in contact with ferry operators as early as this morning to discuss the potential need for additional ferry service for a longer period of time, relative to the outages that Wick has mentioned.

So ferries, for the short term, are something that we should be looking at; ferries for the longer term we should be looking at as well. But I can go into more detail with that, but maybe now is not the time to do that.

SENATOR GORDON: I have to tell you, I never understood-- I mean, I understand the economics of ferries, and they require a heavy subsidy. But I have really never understood why we don't take greater advantage of ferries than we do. I think members of this committee are talking about having a meeting with some of the major ferry operators to try to understand whether there are greater opportunities there. It's certainly something that we need to explore.

You mentioned that there was a reduction from 63 trains to 25.

MR. SANTORO: And I don't know if that's in that plan; excuse me for interrupting.

SENATOR GORDON: Okay.

MR. SANTORO: But that's -- these are two known points that we've experienced.

SENATOR GORDON: But Amtrak is still running 13 trains during that time period?

MR. SANTORO: On a regular, no-event, non-event day when we run holiday service -- on holidays--

SENATOR GORDON: No, but I mean, if there's some kind of emergency event -- you know, you find that instead of running 63 trains, you have to run 25 -- is there a commensurate reduction in Amtrak so that maybe you could, as a commuter-serving organization, go to 30 trains to fill in that gap? I mean, is there flexibility on the part of Amtrak to do that?

MR. SANTORO: So I believe Wick mentioned this today -- this morning -- a little bit. But during both derailments, and the incident of the train being stuck in the tunnel, Amtrak was impacted. They had to turn some trains -- they pushed some trains into New York, as we did, but they turned some trains in Newark Penn. So they were definitely impacted, and their customers were impacted by those three events.

With regard to moving forward, and how service on the remaining tracks, that aren't taken out of service to do this replenishment -- that's going to be part of the discussion between Amtrak, and New Jersey Transit, and Long Island Rail Road -- how are we divvying up the shortage of track.

SENATOR GORDON: One of the other things we were talking about earlier today were ways of just increasing trans-Hudson capacity without major infrastructure investments. And one of the thoughts we were talking about was-- Well, we explained -- we talked about

how PATH really filled -- played a major role during this emergency, and I think taking 60,000 riders who normally would use New Jersey Transit.

Are you in communication with PATH? Because I have to tell you that I had a meeting with PATH leadership yesterday about working more closely with New Jersey Transit. And they suggested that they had really not heard from you, at least during this emergency period; and I think that there is an opportunity for closer cooperation. And this seems to be one safety valve that's available.

MR. SANTORO: So I am surprised to hear that you were told we haven't been in touch with them for all of these incidences -- these three incidences and beyond. We were in communication with PATH; Mike Marino is a great guy, who is very responsive to our needs. Talking about customers -- one of the incidences, and I don't recall which-- Newark Penn Station was becoming crowded because many people had taken PATH -- and this is an afternoon service -- had taken PATH into Newark Penn. Newark Penn was getting crowded and we had police setting up barricades and then monitoring crowds -- our New Jersey Transit Police Department. But it was becoming overcrowded. So we were in contact with Mike Marino, General Manager of PATH, and he actually slowed up trains so that would allow trains that were operating through -- New Jersey Transit trains, operating through Newark Penn, to pick up the passengers off the platforms; then a PATH train would then come to Newark Penn and then unload.

So we coordinated with them significantly over these three incidences, and I think going forward, even in anticipation of what we're

going to experience this summer. You know, my Chief of Staff has been in contact with the Port Authority.

SENATOR GORDON: I may have misheard something.

You mentioned the problems-- I interpreted them as *organizational problems* -- that you don't have enough input with Amtrak. You suggested there needed to be some kind of organizational change that would facilitate greater coordination, greater input from New Jersey Transit in the decision making.

Can you suggest what organizational changes might be needed? Do you have any -- have you given any thought to how these structures should be changed?

MR. SANTORO: Sure.

So what I heard today from Wick was encouraging; and I think many of you were impressed with Wick in the context of a seasoned veteran. He seems to be sensitive to customers; he seems to be sensitive to infrastructure as well, and the overlapping of those two.

At one level, I'm encouraged by that change in leadership, and specifically with Wick Moorman. So there's hope.

I mentioned -- and the Governor's mentioned before -- this landlord-tenant relationship, which it really is a landlord-tenant. And it's been problematic to us in terms of several of the things I've spoken about. But overall, day to day, we have a pretty good relationship with Amtrak, so I do not want to suggest anything otherwise here. We've heard -- we have a pretty good on-time performance in the Northeast Corridor this morning; day-to-day operations -- we're talking multiple times a day. Jim Sincaglia

here has been working for the railroad -- talks to them multiple times a day. So there is not a lack of information exchanged in any way, shape, or form.

But when it comes to major decisions, like how to operate into Penn, how to operate along the Corridor, in terms of dispatching -- we've worked hard through these new agreements to get at least something in writing in terms of prioritization, and raising up issues to various progressions of management. But at the end of the day, we're still a tenant to this landlord, with Amtrak being the landlord. And I didn't hear anything from Wick that's going to suggest he's interested in changing that.

But there's -- the concept of a terminal company, at least at Penn Station, is something that we might want to look at. But I think Penn Station is the focus, and I think again, in my testimony too -- and then I would be remiss not to mention it -- that there are other sole benefit projects that New Jersey Transit-- As I said, Elizabeth Station -- we own Elizabeth Station -- it's certainly in need of a full replacement. We got the final design done, but we have to rely on Amtrak to review our designs; we have to rely on Amtrak to provide flagmen for the construction of that project; and we have several other projects along the Northeast Corridor that are of that same ilk. So there are several levels of coordination that needs to be, I think, strengthened. And I keep hearing the word *partnering*. I would love to partner with them, going forward.

SENATOR GORDON: It sounds like, from what you said, that there's -- it just strikes me there needs to be some kind of new governing structure in which New Jersey Transit and the so-called *tenant railroads* just have greater input.

MR. SANTORO: So one other thing I did forget to mention.

So Penn Station is probably unique. Three railroads, as you heard today; a lot of crowding, not any room for error. So that might be an exception in terms of looking at a more separate and even-handed management scheme.

Along the Northeast Corridor itself, the PRIIA law -- which was not just a funding law -- that's a significant impact. But I believe the intent of the Northeast Corridor Commission, which is an outgrowth of the mandated Commission by that PRIIA law, the intent was for all the commuter railroads to have a better input into the operation of the Northeast Corridor. That's just started; the policy that was signed, I think, by all railroads was executed in October 2015. A lot of growing pains, in terms of, again, Amtrak's view of things as an owner, as a landlord. There has to be a significant cultural change, I believe, within Amtrak in the context, though, of this NEC Corridor Commission. Right now, but for Penn Station, that's probably the best way -- certainly the only way right now, but maybe the best way -- that we need to, at least, try to make work over the next couple of years. It's going to take a couple of years to really develop that process, get all the information from Amtrak; then Amtrak change their systems so that we can have information that we need for both prioritization of projects and analysis of actual costs spent in New Jersey that match what our contribution is.

SENATOR GORDON: I'll just jump to Penn Station for a moment.

You just touched on this a moment ago. If you listen to this morning's hearing, you'll know that Senator Weinberg asked about -- specifically about whether there is a better way of managing Penn Station,

along the lines of the recommendations that Marty Robbins made in his op-ed of last weekend -- creating one entity, an amalgam of the LIRR, New Jersey Transit, Amtrak. Do you have any thoughts about that proposal?

MR. SANTORO: It's something to consider, for sure. I think we need to do something at Penn Station. From us, and the Long Island Rail Road, understanding the infrastructure condition, because we're not aware of that infrastructure condition in the context of, that it was close to failing and now in need of this particular program that's going to be activated in the summer.

So bottom line -- but I'm not a lawyer and don't know how this would all work. But a terminal company has been talked about for several years; or a third party corporation that we're all trustees of that actually operates Penn Station. So that's a concept of a terminal company -- one concept of the definition of a terminal company.

SENATOR GORDON: Okay.

And I'd also just like -- I know the time is getting late, and I want to allow my other colleagues to ask their questions.

But a question I asked of Amtrak, relating to an earlier proposal to expand -- I think it is platforms 1 through 4 at Penn Station. Apparently a concept originally proposed in 2004, as part of an early version of the ARC tunnel planning, supposedly would allow New Jersey Transit -- which I gather is the major user of those platforms -- to carry 50 percent more passengers as a result being able to go from an 8-car to a 12-car train set. Does that -- is that an issue or a proposal worth examining further, or revisiting?

MR. SANTORO: It's probably worth revisiting; but let me add some meat to those bones.

At the time that those concepts were developed, the cost -- it's an east extension further into Manhattan, and there was a west extension of those, potentially, four platforms. I think it was four platforms. Two of the platforms heading east were easy to extend -- relatively easy; two of the -- I think Tracks 1 and 2 were very difficult because they were on a curve. Not impossible, but with all the switches that were spoken about this morning, would have to be modified. So that's a tough one.

Extending the platform east, you literally have to break through a wall, a wall that contains several layers of electrical equipment; I think even, I believe, a substation. So it's not an easy task. Even if the-- So if the-- Under the assumption that it was doable, back then, sending both east and west was about a \$200 million project; and that's assuming everything went right. And that \$200 million, as I recall -- and I'll go back and look -- we would only get one car per platform; one extra car per platform for that money. So to get more cars per platform, we would have to have gone into the basement of one of the buildings on the east side of Seventh Avenue; which, interestingly enough, I came to find out that there's a design -- the actual columns for that building are situated in such a way to accommodate rail tracks. So when Penn Central -- when Pennsy was there they had some foresight.

But we were going to have to acquire that property; we were going to have to get the permission of the building owner to put trains underneath that building. And I think that might get you -- get us the 12-

car trains. But it's beyond that \$200 million, and certainly an interesting property acquisition issue.

SENATOR GORDON: At this point, let me turn to my colleagues.

Assemblyman McKean.

ASSEMBLYMAN McKEON: Yes, thank you; thank you, Commissioner.

And you know, I'm sorry to even -- to go there, but I got something texted to me from my Facebook, and it's from a commuter today. And it reads, "Stopped outside of the tunnel; perfect time to hear about the meeting. Train 6640 announced delay -- duh -- but no explanation. Eighteen minutes later, we start to roll."

When I say it's not *fair* to you; sure it is. I was a Mayor; when the street wasn't plowed, it wasn't me that didn't plow it, but it was fair.

That's today. So all the good things that we're talking about -- and delays are delays -- but just on the communication level, there's a practical matter on train 6640 today that occurred. And then, by the way, that commuter went on to talk about a 90-minute delay to go 12 miles a week before.

So I reference that as it relates to all the positive talk we seem to be having today -- as to the real world.

I also -- just a little incredulous; and again I promised you I wasn't going to be crazy, but now I'm inspired to be. (laughter) The NEC's agreements-- First off, New Jersey was the last -- and you weren't there then, to negotiate those details. So I can't imagine that doesn't impact on our ability to negotiate and leverage, because we were the last out of 12.

But secondly, a lot of the things that you're speaking about to Senator Gordon, in response to his questions -- aren't those things that should have been negotiated in that initial agreement, that we're going to ask for them now, and say, "Please"? I don't understand that; who's responsible for that?

MR. SANTORO: So I can answer some of those questions.

So from the communication standpoint, yes; so the alerts went out. The cause of it -- we are trying to get better at, at least providing some level-- It might have said track issues, or operations issues; I mean, we're constantly--

ASSEMBLYMAN McKEON: I'm the last one to cut you off. That is what it is; that is-- How would you know -- you're just sitting here. So I wasn't expecting an answer. But I really want to know, in the bigger picture, why we don't have a better deal with Amtrak. That's why we're talking about it now.

MR. SANTORO: So I don't believe we're the last to sign those agreements. I'm told -- it's my understanding that there are several commuter agencies that have not signed those agreements to date. So we are not the last.

ASSEMBLYMAN McKEON: I'll only defer to your knowledge; I'm going by nonpartisan staff and the information that they gave to me--

MR. SANTORO: Okay.

ASSEMBLYMAN McKEON: --and a copy of the agreement.

MR. SANTORO: So the source for that -- correcting the latest information -- is one of the reports that the Northeast Corridor Commission

is putting out very shortly, or has put out. So I'm fairly certain there are several other states that have not signed it.

ASSEMBLYMAN McKEON: So I am going to accept your answer as the truth, for certain.

MR. SANTORO: Okay, okay.

ASSEMBLYMAN McKEON: I'm certain you would only be putting it that way if you thought it was to be truthful.

MR. SANTORO: So with regard--

ASSEMBLYMAN McKEON: But why don't we have a better deal?

MR. SANTORO: We don't have a better deal because of the Northeast Corridor Commission process; because of the law that says that Amtrak is the owner of the property, they are the landlord of the property; and we will be -- all the commuters are negotiating under that pretext. That's the simple answer. And why did it take so long, even to get to where we are today? It's because, from the very beginning, Amtrak has been negotiating as a landlord, and it took us this long -- it took us over a year-and-a-half-- And I was a participant in those negotiations, so I am familiar with it -- to get from-- Amtrak's a landlord, and New Jersey Transit is going to "do whatever we say, and pay us whatever the formula dictates." And it took us time to get an increase in their on-time performance requirements; to get dispatching language in those agreements; to get a negotiation on the capital program; and trying to get additional information for raising up disputes through the management process. That's what took so long.

ASSEMBLYMAN McKEON: Okay; so again, I'm going to defer to your expertise in indicating that they've got the leverage. They're the landlord, they're the owner; you don't like it, you don't have a choice.

Let's talk about a choice. Would you agree that we would be in a much better shape if, less than a year from now, we had a third tunnel that was available, that Amtrak had nothing to do with?

MR. SANTORO: So that's a totally different story, and that's a totally different discussion.

ASSEMBLYMAN McKEON: You don't have to answer it, because you're in a position. But is the answer self-evident?

MR. SANTORO: Under circumstances, the answer is "yes." If it's a tunnel that's properly located, that doesn't have the issues that were suggested that existed from the ARC project, the answer would be "yes." If it was properly located; if it was fundable; if New Jersey Transit and the State of New Jersey had the money to build it, the answer would be "yes."

ASSEMBLYMAN McKEON: All right; we'll just-- I'm not going to -- we can harken back to those last seven years; the independent nonpartisan reports of GSO and otherwise to answer those questions. But that's an issue for this Governor and the people, frankly, and not necessarily with you.

I do want to -- speaking of the Governor, and his criticism of Amtrak concerning the April -- Good Friday, April 14 *derailment*; or I don't know if that's the right term -- the *power delay*. The testimony that we heard was that the power collector on one of the NJ Transit trains malfunctioned; I guess it happens -- and that was the reason for that delay, as opposed to anything that was Amtrak's responsibility. Is that correct?

MR. SANTORO: That's correct.

ASSEMBLYMAN McKEON: All right; fair enough.

And I won't ask the next question -- so that means the Governor was wrong, but I'll just keep it to self-evident answers.

And speaking of that -- of that issue, and I'll end with this and leave it to some very patient colleagues.

The Governor had threatened Amtrak, as it related to not paying them any further. And I know that NJ Transit, in prior testimony, has been cash-starved, quite frankly, for the last seven years, until, maybe, very recently; that there's been a -- you know, 25 percent of its operating budget has come from capital monies that were shifted over in the sum of \$500 million a year. Was it a really good idea, looking at an agency like Amtrak, to threaten them with money? Is that in the best interest of New Jersey commuters?

MR. SANTORO: So I can't speak for the Governor, but I believe the strategy was to get Amtrak's attention. I believe the Governor has said that, and that attention's been gotten. At the end of the day, when Amtrak is responsive, I'm certain that that money will get paid at some point in time. But it got their attention.

ASSEMBLYMAN McKEON: Well, I hope that that attention isn't like, "So here come the delays." Be careful what you wish for.

So we're going to ask for you to give it your thoughtful analysis, and we'll be there to be of assistance.

And I'm very much a big fan of yours, and I appreciate it.

MR. SANTORO: I appreciate that, Chairman.

ASSEMBLYMAN McKEON: Thank you.

SENATOR GORDON: Thank you, Chairman.

Before I turn to Senator Weinberg -- Senator Kyrillos, did you want to hop in on this?

SENATOR KYRILLOS: On an unrelated -- related, but not -- an item we've touched on. Is that all right, Mr. Chairman?

SENATOR GORDON: Go ahead.

SENATOR KYRILLOS: Thank you; thank you, Mr. Chairman.

We've been talking about the Northeast Corridor line obviously; let me shift quickly to the North Jersey Coastline. And as you know, Mr. Director, not only are we going to have to deal with delays and problems, and upset commuters, and a harmed economy as a result, in the Penn Station context, but you know we've talked about this big proposed JCP&L powerline, proposed on your track line, 10 miles of railroad track from the Matawan Aberdeen train station in the north to the Red Bank train station in the south. And it would affect, obviously, everything south of Red Bank through Long Branch, Asbury Park, Point Pleasant, down into Bay Head.

And I know this is a little bit off subject, but it's with the overarching subject of how do we make sure New Jersey's economy goes strongly, and how do we get our commuters and our people to work on time.

So, you know, there's not going to be a powerline project -- which I don't think is necessary -- without the approval of the New Jersey Transit Board, as you know. And you know, I'm not going to ask you to forecast how and when that kind of a vote may or may not take place.

But have you looked at or can you tell me what kind of displacement, dislocation, effect the construction of this high-tension powerline -- that the largest of the poles are so high that the FAA will require blinking lights at the tops of them -- how that will affect the North Jersey Coastline, the train stations involved; what kind of delays will ensue from the construction of it, so that we're not here at another hearing like this, talking about that train line problem?

MR. SANTORO: So the short answer is, no, I cannot give you those details about how our customers are going to be impacted as a result of the construction.

But the longer answer is -- we've had two meetings with JCP&L; we've asked them for information relative to their design, relative to their construction, relative to their construction means and methods. And when we receive those, we will be able to make a better assessment of the impacts to our customers; and when that happens, I will get back to you.

SENATOR KYRILLOS: So you don't know where those poles are going to be placed along the track line.

MR. SANTORO: We have a general idea; we do have some--

SENATOR KYRILLOS: You don't know exactly where they'll go.

MR. SANTORO: Not exactly, but we have a general idea.

SENATOR KYRILLOS: Because that's what you've asked for.

MR. SANTORO: Yes; that and several other design elements that might affect our train schedules.

SENATOR KYRILLOS: In your judgement, do you think that possible construction will cause the closing down of a train station, or more than one?

MR. SANTORO: But you said you weren't going to ask me that question. (laughter)

SENATOR KYRILLOS: No I said -- I wasn't going to ask you whether or not you would approve the line.

MR. SANTORO: Oh, sorry. I don't know that.

SENATOR KYRILLOS: But if it were theoretically approved, would you have to close down whole stations in order to do the construction?

MR. SANTORO: I don't know the answer, but it's not out of the realm of possibility.

SENATOR KYRILLOS: I've been told that you would have to close down the Matawan Aberdeen train station. Have you heard that?

MR. SANTORO: I have not heard that until this--

SENATOR KYRILLOS: Okay. You're not surprised that that might be possible.

MR. SANTORO: It's a possibility.

SENATOR KYRILLOS: You're not surprised that it is a possibility.

MR. SANTORO: I'm not surprised that that's a possibility.

SENATOR KYRILLOS: I've been told that you'd have to close down the Hazlet train station. Have you heard about that?

MR. SANTORO: No.

SENATOR KYRILLOS: All right.

I've been told you'd have to close down the Middletown train station at different stages of construction. You haven't heard about Middletown closing down?

MR. SANTORO: I have not heard about that.

SENATOR KYRILLOS: Okay.

Would you think of -- and I believe that you don't know that, but you'll have to face that.

In addition to the stations themselves being closed down, if they were going to construct the project as you've seen it, there will be scheduled changes, right? -- delays that affect the entire North Jersey Coastline, presumably, not just the affected geography; is that fair to say?

MR. SANTORO: There might be that possibility, yes.

SENATOR KYRILLOS: Yes, okay.

All right, thank you, Mr. Director.

SENATOR GORDON: Thank you, Senator.

Senator Weinberg, do you have any questions?

SENATOR WEINBERG: Yes, well, let me go back to something that you testified about, which question I think I asked the Amtrak people this morning -- and that's about how they decide which train goes by when everybody's stuck. You seemed to indicate in your testimony that there's a little feeling of an uneven playing field here, too, when customers on New Jersey Transit are stuck in a tunnel, or wherever, and they watch Amtrak trains whizzing by. Can you address that a little bit?

MR. SANTORO: Yes, Senator.

So on our, just, regular service, we have the North Jersey Coastline that connects into the Northeast Corridor. And some of the

trains go all the way into New York; some may go to Hoboken, some may terminate in Newark Penn. So there is a connection there. So it's like an intersection, or an entrance ramp on a highway.

The Raritan Valley Line -- well, most of these trains terminate in Newark Penn; there is an intersection there as well.

And then probably the most significant intersection is where our Midtown Direct trains come out from the west, go onto the Northeast Corridor. They used to just go into Hoboken. A couple of decades ago that connection was made, and that's a very well-liked service -- a direct service into New York, called the *Midtown Direct*.

So there's a protocol for those *meets* that sometimes do not happen as well as they can. There's been a lot of discussion with Amtrak on that; they've made improvements over the course of, probably, the last couple of years. And we've written into the agreements that there is a protocol, and the protocol should be followed. And sometimes that will happen, but it's certainly incumbent on New Jersey Transit to make sure that what's papered in the agreement, with regard to the rules of those intersections, are carried forth by Amtrak.

SENATOR WEINBERG: Okay.

Now I understand that next week -- I think he said next week you were all going to be meeting to work on this new plan for what takes place while these improvements are being made.

I'd like to follow up on something that Senator Gordon asked you, then, and I'm not sure I got the answer, or that you got the whole question. But, for instance, if you have to reduce your 63 trains to 30 trains because of this repair work that's going on, is Amtrak taking the same

hit, or can Amtrak reduce their trains by one more, and we can get 20,000 more commuters through -- so that the impact on the actual riders is taken into consideration as you work out these plans?

Am I clear on what you (indiscernible)?

MR. SANTORO: Yes, absolutely. And I think my response to Chairman Gordon was that there has not been that level of -- well, I didn't say it this way -- but there has not been that level of discussion. It will have to happen in our negotiations and in the context of reviewing their plan. And I could think about some criteria off the top of my head, but it's not just Amtrak too; it's Long Island Rail Road. Long Island Rail Road uses those tracks as well to get into their West Side yard. So it's going to be an interesting set of negotiations, to say the least.

SENATOR WEINBERG: Well, I hope that one of the -- that the main criteria will be affecting the least amount of people, whether they're on Amtrak, New Jersey Transit, or the LIRR.

MR. SANTORO: So that is certainly is one criteria, and we are going to have (indiscernible) for that.

Not necessarily in defense of Amtrak, but just off the top of my head, I know they have a longer distance from Washington to New York, and sometimes those trains go into Boston. So that will probably be their perspective in terms of these negotiations. So like I said, it will be interesting.

SENATOR WEINBERG: Okay.

Now, I know that you referred to this landlord tenant relationship, which I guess it is. But it seems that with the passage of that Federal law in 2008 -- took this long to implement it. So now the tenant is

paying a lot more rent and capital improvements than it used to. I don't think that a great many of our taxpayers or train riders realize that their taxes and their ticket prices -- commuter ticket prices are going to an increase to Amtrak, whether deserved or not. I won't get into that discussion.

But shouldn't that give the tenant a little more help here, in terms of the leases they signed?

MR. SANTORO: So there are two components of these new agreements -- this \$100 million; from \$100 million to \$200 million. One is the operating side; and those increased costs are in our Fiscal year 2018 budget, and we've actually had to retroactively pay that increase in Fiscal Year 2017 as well. And the capital side of things is going to be an increased payment -- the use of the Transportation Trust Fund to pay for those increased capital costs as well.

Look, I think we all know that the capital costs are certainly needed, as evidenced by the derailments, which is one of the reason we signed those agreements. Irrespective of whether people think that it's a good deal, bad deal, we signed them, we thought we needed to; we needed to step up to the plate: abide by the law -- the Federal law; and step up to the plate to invest more money into the Northeast Corridor. And we're willing to do that; we programmed it. The TTF reauthorization significantly helps towards us dealing with that increase. But they're a needed resource; they're needed funds to do the needed repairs.

SENATOR WEINBERG: Well, I agree with you. And also, as you said, it was the result of a Federal law, so we have to follow it.

Do you think we're paying our fair share of what we should be paying there?

MR. SANTORO: I believe we are. There is a fair amount of backup analysis that we participated in, on both the capital side and the operating side, in developing the algorithms, and spreadsheets, and all the divvying up of-- We actually went down to the switch level -- who uses that switch more than the other. Or "We're the only ones who use the switch, now we're paying 100 percent for the maintenance of that switch." It's down to that level of detail. I haven't seen that, and I can't believe that that's the level that we did, but that's what I'm told.

SENATOR WEINBERG: Yes, I'm sure-- Are the negotiators all men? (laughter)

MR. SANTORO: Excuse me? (laughter) I missed that one; I missed that one.

SENATOR WEINBERG: Sorry.

SENATOR WEINBERG: Here I always bring the subject back to that somehow.

But in any event, I just think-- And I want to mention it again, because I don't think the average New Jerseyan, or even the average train or a bus rider, realizes how much extra money -- money that didn't exist before to Amtrak -- is now going to Amtrak directly from our residents. And I think we have to shepherd that money. I'm not saying down to the switches, but certainly to make sure that this capital money is being invested so that our commuters and the people who ride those trains can rely on the safety, as well as getting there on time.

MR. SANTORO: I agree a thousand percent, Senator.

. And during the negotiation with Amtrak, and in context of the Northeast Corridor Commission, that has been one of my primary advocacies for negotiations, and transparency within the Northeast Corridor and from Amtrak. Because they are the ones that put out the first annual plan. So there is an annual plan that goes into some level of detail; and we have some level of negotiations that target prioritization, but not nearly enough. One of the things that we have requested from Amtrak, one of the bits of -- or suggestions that -- or requests from Amtrak in the letter that I had sent to Wick, was what we called a *risk assessment* of the Northeast Corridor that's within New Jersey. So a risk assessment was done; meaning, you know, what's the condition of the asset; if that asset fails, what's the impact? If we had had that level of transparency for Penn Station, guess what? We would have known that Penn Station, with its high impact and low asset condition -- we should be focusing on that. There are a couple of other major assets that I don't have that information on, and I want that information on. Swift Interlocking is where the Midtown Direct trains come on to the Northeast Corridor and come off the Northeast Corridor. If that's not operating well, then that's going to impact both the Northeast Corridor and the Midtown Direct; and where the North Jersey Coastline gets on the Northeast Corridor too. So those are, kind of, three -- and County Yards-- There are several pinch points from just a track and signal perspective. Wick had mentioned this morning that the catenary signals are decades old and they are overdue for replacement. And that's been a point of failure for our customers -- catenary wire down, signal issues.

We can pass out our chart, even after, through the Chair, of how many infrastructure-related delays are attributable to New Jersey

Transit and attributable to Amtrak. So we have that data over the last five years, and it's predominantly Amtrak infrastructure that has caused delays.

So we have a lot of information. We do want a more stronger seat at the table.

SENATOR WEINBERG: Well, I'm glad to hear that you talked about asking for a risk assessment of assets, because one of the things that bothers me-- Well, first of all, lesson learned; that should have been, I guess, one of the lessons learned out of all of this -- the importance of knowing what the assets are, and the condition they are in, and who needs the spotlight most at any given moment.

But to me the most frustrating part is, while all of this was going on, we all realized the problems with underfunding and everything else that we talk about regularly. But if people from the bureaucracy haven't come and said, "Listen, this is an emergency," and they wait until the emergency has happened, then it's really hard for us to shift the priorities of our resources to where they should be, limited as they are.

So I think things like what you mentioned about a risk assessment should be one of the most important lessons that comes out of all of this -- my own unprofessional comment, not being an engineer, etc., or a scientist.

SENATOR GORDON: Thank you, Senator Weinberg.

Assemblywoman Muoio.

ASSEMBLYWOMAN MUOIO: Thank you.

I'm going to assume you heard our comments this morning to Amtrak? Okay; because those comments are applied equally to both Amtrak -- at least for my comments -- and New Jersey Transit.

And my concern is that, you know, we talk about -- you talked about the partnership. But each agency has their own work cut out for them; each agency has issues. The issues facing New Jersey Transit commuters recently are only the latest in a long line of difficulties for New Jersey Transit consumers. And so we can't lay this all at Amtrak's door.

You know, safety concerns -- the safety of our customers, you mentioned in your opening statement, is your number one priority. And the *Bloomberg Report*, out yesterday morning, stated that New Jersey Transit faced 67 safety citations over two years; and for the past five years, New Jersey Transit has been the leader for commuter rail fines. In terms of financial support, the Governor has diverted roughly \$3 billion from capital projects for New Jersey Transit to cover, instead, day-to-day ops and cover budget holes.

And one area in particular that I would just like to focus on, and I'll be -- I won't go on -- it's customers communications. Because I think part of the problem is the customer -- the commuters are often the last people to learn of problems. And they're the ones who have to be able to pivot quickly and make arrangements for family, make arrangements for businesses. And they're often left in the dark, sometimes literally, about delays and cancellations; or they don't find out about them until it's too late for them to make other plans.

So I'd like to suggest a complete overhaul of your customer communications systems while this overhaul of -- this hoped-for overhaul of infrastructure is going on.

And I just want to note a few specifics. You mentioned earlier that you have technological -- like social media ways that people can find

out, through technology, about delays. But at times, it seems that there is a delay in that message, so that they don't receive word that the train is delayed until after the train was supposed to have already arrived. So they can't make alternate plans.

Now, you have social media -- you have Facebook and Twitter, right? You have an app, Departure Vision; and then you have e-mail, texting, MyTransit alerts. Are those manned, or *womanned*, by live people, or how are those -- how does that information get out?

MR. SANTORO: Yes, they are all manned by or womanned by individuals -- employees.

So before I get into that, though, I would like to comment, as I did yesterday, on the Bloomberg article. That data is from two years ago.

ASSEMBLYWOMAN MUOIO: Yes.

MR. SANTORO: We've long-since moved passed that, in terms of our safety, and the safety protocols, and focus on safety. So I don't want to get into it; but I just felt compelled to comment on it because that came up yesterday at the Senate Budget hearing.

ASSEMBLYWOMAN MUOIO: And I only mentioned it because -- I prefaced it, as you know, with this-- The latest troubles are just part of a long line. So that's why I mentioned it.

MR. SANTORO: So with regard to customer communications, a couple of things. We're rolling out a new app. Our head of Customer Service -- I've directed her-- Because we have these different types of -- means of communicating with our customers. And up until recently -- which we just started this -- one person in the Communications Department is now going to be responsible for making sure that social media

information gets sent out. And these are live people sending out these tweets, and reading them, and responding to them. Departure Vision, up until recently -- that was out of a different department, website out of a different department. So to your point that we need to, as a minimum, understand or have, from one source-- And the railroad sends out their own communications as well. So for emergency situations like this; or even minor events that are going to -- pick a duration, 30 minutes, 45 minutes-- I don't want to diminish that and call them just *minor*, because they are certainly inconveniences to our customers. But now one person is going to be responsible to make sure that messaging is correct; that the level of details of those messages are the best we can provide -- and sometimes we don't have the information as to a cause, and sometimes there are delays in terms of interpreting what an individual event is going to do, in terms of delays.

So now there is one individual responsible for making sure that there is a consistent message, and it is -- and those messages are sent out to all those mediums. And someday we'll be able to put that all into one electronic database and send everything out. And we're actually working on that.

ASSEMBLYWOMAN MUOIO: So that will be the main place where customers will go to interact with New Jersey Transit if they need--

MR. SANTORO: Well, this is a coordinator; this is a coordinator to make sure that all of those different elements are being tweeted out, Facebooked out, alerted out. And then we'll work on a technology fix that ideally-- It's one big database that sends out

information to all of these mediums. Because we're going to continue to have those mediums with us for a while.

And I'll add one other thing. The extra \$140 million -- the accelerated \$140 million that New Jersey Transit is going to be receiving from the Transportation Trust Fund -- one of those projects that we're working on is to have handheld devices for our conductors. Because that is one of our weak links as well -- that we need to improve on getting information to our conductors in a more timely manner.

So we will be purchasing handheld phones; and again, that will be yet another medium for this one coordinator to send a message so that our conductors have the latest information. Because there have been complaints, even from our conductors -- and valid complaints from our conductors that they don't always have the latest information that they need to advise our customers on trains.

ASSEMBLYWOMAN MUOIO: Okay.

One other thing on where people can get information. It's my understanding that you have a customer service line for people who don't have access to social media; but that it's staffed from 8:30 to 5. Is that true?

MR. SANTORO: I think we've changed that. I think we've extended those hours to--

ASSEMBLYWOMAN MUOIO: To run the rush hour.

MR. SANTORO: To run during rush hour -- for social media. I think our TIC -- The Information Center -- it's probably still those hours. But from a social media standpoint, we've got a couple of people and now we've stretched it to the beginning of rush hour to the end of rush hour.

ASSEMBLYWOMAN MUOIO: Okay. You may want to extend that for the call-in also.

In terms of onboard communication-- I think you were mentioning to Senator Weinberg, maybe, about this -- you want to make statements when there are problems. You have three stations; you want to focus on making statements to customers so that they would find out when they got there.

Are you going to do something similar for onboard communications? Because typically, you know, the onboard-- Well, you know the status of the onboard communications -- someone did a great impression earlier of the waa-waa-waa from *Peanuts*. And it's not just a question of letting people know something has happened; but when they can expect it to be taken care of and addressed, for planning purposes. And it would also go a long way to eliminating panic-type situations that we've had in some recent incidents, where people are stuck somewhere -- whether it's in a station, or on a train, or in a tunnel -- and they don't know what's happening; and that's what causes difficulties.

MR. SANTORO: Agreed; so let me talk about that.

So, for instance, the incident with the train stuck in the tunnel. That ultimately took three hours to resolve that issue and get our customers back--

ASSEMBLYWOMAN MUOIO: I don't mean to focus on that incident.

MR. SANTORO: No, no, no. But it relates to information; I get that.

So when we first heard about it -- and I believe Amtrak believed that that incident was not going to take the hours, but eventually it literally did take the hours. So the first hour, when we thought that issue would be resolved quickly -- more quickly than three hours -- we would send out alerts that said -- I don't know what the number; maybe 30-minute delay, 50-minute delay, an hour delay. But then it evolved into three hours, which cascaded every train that needed to go into that tunnel back, so that the situation changed. My point being that we don't always have-- The situation evolves, so we don't have, at the very beginning of a situation, the ultimate end result, which doesn't mean that we shouldn't be putting out information as quickly as possible. But putting that information out -- we've been doing it in the context of "there's a 30-minute delay;" then 20 minutes later, it becomes a 60-minute delay; and then 20 minutes later, it becomes a 90-minute delay. And that's because of evolving -- or information or evolving situational awareness.

But we do need to do a much better job, at the end of the day, to get as much information out as we can in all mediums and in a timely manner so our customers can make decisions.

ASSEMBLYWOMAN MUOIO: Okay.

Just two more points. One, now, I've read the Governor's remarks about how he didn't think the New Jersey Transit trains were crowded, which just cracked me up because he clearly hasn't ridden on a New Jersey Transit train, at least at rush hour. But I don't think that's an issue for him.

Do you have rules-- I know the buses -- your buses have rules regarding the number of people who can stand on a bus. Do you rules for how many people can stand on a train?

MR. SANTORO: No, we don't.

ASSEMBLYWOMAN MUOIO: Okay, thank you.

And then, just as to transfers to other trains. We've heard plenty of stories about commuters missing a train because theirs is delayed and then the connection doesn't wait. Is there any attempt to communicate-- I know it's a classic problem between the PATH and other trains that it's coming in to meet at Newark Penn Station. But is there any type of coordination effort made when a train is running late to -- especially if it's, say, a PATH train, where the bulk of the commuters getting on a train that's starting at Newark Penn Station would be coming from that train? Is there any coordination amongst your own -- ignoring the Amtrak, which we know we really don't have much coordination with. But amongst your own trains, do you coordinate, in terms of schedules?

**JAMES A. SINCAGLIA:** Yes, we do.

What we do is, we have people in our Operations Center who watch the trains and the locations where we have connections, and where we run trains on Amtrak, where we connect at Secaucus. So we do watch and have a process.

But actually we had an interesting experience. We had a couple of customer-focus groups; and one was at Secaucus and one was at Hoboken. What I tried to explain to some of the customers is, when we hold your connection we're affecting the customers on that train we're holding also. So I had a customer at one location bring up a point that,

“You don’t always hold my connection;” and then I had a customer at a different forum bring up, “Why do you always hold our train for the connection?”

So when we do hold connections, we are impacting customers on that train also, and sometimes hundreds of them. So when we make that decision, we try to base it on how long it is until the next trains arrives, and try to minimize the impact to the least number of customers.

ASSEMBLYWOMAN MUOIO: All right. We just -- we get calls about-- They watch the train as they’re all running down the ramp with their briefcases; they watch it pull out. So that was a pretty close connection; it wasn’t that the people would have had to wait for 10 minutes. It just seems--

MR. SINCAGLIA: And sometimes part of the problem -- I don’t mean to interrupt you -- is people. On a good day, they make a connection with a train that is really not their scheduled connection. But if they get out of New York on time, and run through the fare gate, they can make that train. We wouldn’t hold that as a published connection, because that is not their scheduled connection.

ASSEMBLYWOMAN MUOIO: Okay.

The point of most of my questions, though, is that we know -- we’ve heard all day about the problems we’re going to have, the infrastructure difficulties, and that it’s a long-range -- it’s going to be a long-range project, and we’re going to be in for difficulties for years to come. But the ones who will be in for the most trouble are the commuters. And so whatever we can do to ease the burden for the commuters who are paying for all of this -- I think we should.

So that's -- I'd just like to put that out there.

Thank you very much.

ASSEMBLYMAN McKEON: I just have a quick follow-up before we turn it over to Assemblyman Zwicker.

In response to Assemblywoman Muoio's question about the Bloomberg story -- about the long-standing FRA violations. It was passed off again as, "That's from a long time ago." But in looking at your testimony, I think, before the Budget Committee in the Senate, regarding the funding -- we're going to be adding 599 employees, which I think is a great thing, and they should have been there for the last seven years. But the reason you answered as to *why*, was to comply with FRA audit recommendations; and of course, the enhanced safety and oversight, as well as engineering positions to deal with FRA.

So I mean, again, a news story is a news story. But isn't there some-- That's the reason you're doing it -- to comply with just-- I have to ask, is it really yesterday's news?

MR. SANTORO: Well, that particular incidence was yesterday's news.

But to your point, Mr. Chairman -- as I testified November 4, we had some work to do; the FRA is always on our sites. Sometimes they'll do an intense review; sometimes they'll do a general review on our system. And based on their insight and knowledge of what happened at other railroads in this region, they have suggested that we enhance some of our supervision -- which we call *senior trainmasters* -- which is part of the additional-- We're adding 10 of those in the Fiscal Year 2018 budget. They're suggesting that-- Although we believe our-- I don't think they're

suggesting, as we're taking it on ourselves -- that as we've seen in the recent months, track condition is important; that's probably the most fundamentally important element of the infrastructure. So we're adding, I believe, 13 additional positions for what we call the track -- I think *track tamping*, where we will have a more robust track maintenance program.

So no, I did not want to leave the impression that all of our issues are behind us and we don't need to be proactive, going forward. That is not the case. We are being proactive in our Fiscal Year 2018 budget, and we're continuing to be proactive in all elements -- from training-- We probably need more focus on training and testing of our rail employees.

So no, there is definitely more work to be done, and we're moving in that direction.

ASSEMBLYMAN McKEON: Thank you so much for that clarification. I appreciate it.

Andrew.

SENATOR GORDON: Assemblyman Zwicker.

ASSEMBLYMAN ZWICKER: Thank you, Mr. Chairman.

I have some questions about safety and reliability. I just want to come back to some of the things that you testified and talked about earlier.

So if I heard you correctly, as we were going through the three issues -- the March 24 mismatch of the rail; the April 3 problem with the timber; and the April 14 issue with switches -- you said, quickly, that you have studied, for the last five years, the delays that New Jersey Transit has experienced. And that -- and this is my question for you -- I don't know if

you said the vast majority, or you've quantified it, but they come down to Amtrak infrastructure. So could you just fill that in a little bit more?

MR. SANTORO: So we have -- I'll get the chart; we'll get the chart out.

ASSEMBLYMAN ZWICKER: Perfect; you have a chart.

MR. SANTORO: We have a chart.

So we culled data from our database, which actually -- and you should talk about this, Jim -- on a daily basis, we speak with Amtrak to determine specific issues along the Corridor.

Do you want to talk a little bit about that?

MR. SINCAGLIA: Sure.

We have a liaison in Amtrak's 40 Office, their Control Center. And that's who we work with to coordinate and go over any of the issues we have.

What you see on the board there is the relation of delays attributable by year to Amtrak infrastructure failures, as opposed to delays attributable to New Jersey Transit infrastructure failures.

MR. SANTORO: What are some of the Transit failures -- mechanical?

MR. SINCAGLIA: No, this is truly infrastructure. These delays only relate to switch failures, catenary failures, pure infrastructure failures.

ASSEMBLYMAN ZWICKER: Correct. So these are not skewed to make you look good and they look bad.

MR. SINCAGLIA: No--

ASSEMBLYMAN ZWICKER: These are -- this is the data.

MR. SINCAGLIA: This is the data; correct.

ASSEMBLYMAN ZWICKER: Okay.

So -- okay. And then 2017 is partial, as you wrote here, "Includes data through April 25;" so just a few days ago. It shows, just by eyeballing it, that New Jersey Transit is having a year similar to 2016, 2015; but Amtrak is not, because if we compare 2012, Amtrak had 1,152 delays from January 1 through April 25. They already have more than that, right? That's what I'm reading here, correct?

MR. SANTORO: Correct.

ASSEMBLYMAN ZWICKER: Okay. And without doing the math quickly in my head -- I'm sorry, I can't do that -- you're about close to the same.

So going with that then--

**PAUL WYCKOFF:** Assemblyman, I just want to clarify.

ASSEMBLYMAN ZWICKER: Yes.

MR. WYCKOFF: Only the last column -- the 2017 column -- is year-to-date. The others are for full years, okay?

ASSEMBLYMAN ZWICKER: These are-- Oh, okay. These are just-- For a point of clarification, just to be clear: we are looking at the Northeast Corridor only? Or are we looking at nationally for Amtrak, and New Jersey Transit -- what? So what--

MR. SINCAGLIA: What you're looking at is, any delay of a New Jersey Transit train--

ASSEMBLYMAN ZWICKER: In red.

MR. SINCAGLIA: In rail (*sic*), either related to an Amtrak infrastructure failure, with the blue graph; or a New Jersey Transit infrastructure failure, on any of our lines, throughout the entire system.

ASSEMBLYMAN ZWICKER: Okay, so anywhere--

MR. SINCAGLIA: So this is the system -- this is all of our delays.

ASSEMBLYMAN ZWICKER: --in your system. Okay; ah, okay.

MR. WYCKOFF: So in other words, Assemblyman, let's take through April 25 in that last column. The grand total of delays to New Jersey Transit trains is the 1429 plus the 160.

ASSEMBLYMAN ZWICKER: Yes.

MR. WYCKOFF: But of that grand total, that's how the causes break out.

ASSEMBLYMAN ZWICKER: So -- okay. So there are two different things here, right? You're saying -- so 1,500-- From January 1 to April 25, there have been 1,589 delays. So in four months, 120 days-- So there are more than 10 New Jersey Transit delays a day in your system, is what you're saying, right?

MR. SINCAGLIA: That's just related to infrastructure failures.

ASSEMBLYMAN ZWICKER: Oh, so there are even more. You consider--

MR. SINCAGLIA: These are just the infrastructure delays.

ASSEMBLYMAN ZWICKER: And just to be clear, is the electrical above -- is that infrastructure?

MR. SINCAGLIA: It could be; it could be the catenary, it could be a switch failure, it could be a track failure.

ASSEMBLYMAN ZWICKER: It could.

Okay; so this would imply -- as I look at this quickly -- that New Jersey Transit is actually -- regardless of, now, what's causing it -- because we're thinking of our commuters, our constituents -- is on track to set a record for delays since 2012.

MR. SINCAGLIA: It does appear that way.

ASSEMBLYMAN ZWICKER: Okay; why?

MR. SINCAGLIA: Amtrak's had some unfortunate infrastructure failures over the last month that drives these numbers up very quickly.

ASSEMBLYMAN ZWICKER: So in the end, it is because of the more than a week that there were delays from these incidents. That's what's causing this.

MR. SINCAGLIA: Correct.

ASSEMBLYMAN ZWICKER: Right, okay; got it.

Thank you.

So I expressed a deep concern earlier this morning that this problem of safety and reliability -- infrastructure safety and reliability is worrying me; that it is not solvable -- that we are at a point where, given the volume that we're trying to do right here-- Let me rephrase it; it's not solvable without dramatic increases in on-time -- sorry, increases in the delays. Is that correct? That we're in a place where, as our constituents are telling us, it's getting worse and worse and worse. What we heard this

morning was that the amount of time available for Amtrak to repairs its infrastructure is very small. It didn't leave me with a lot of confidence.

So I want to come back to something that you said earlier, Mr. Director, which is that it seems that you and New Jersey Transit have been locked out of the inspections. *Locked out* might be -- is that too strong a word? You're nodding, so that seems to be true. So they're doing their inspections; so the partnership, the communication that we're all hoping would happen, is not happening.

MR. SANTORO: That's correct. Amtrak is doing the inspections with the FRA.

ASSEMBLYMAN ZWICKER: You also wrote, "Amtrak has not hired an independent firm to verify the inspections." Is that just an opinion, or is that coming from, "We need to have this--"

MR. SANTORO: That's to our knowledge. As I said, the FRA is-- I would even suggest that the FRA is doing the inspections along with Amtrak. So Amtrak -- FRA has their own inspectors out there.

ASSEMBLYMAN ZWICKER: Okay.

Coming back to-- So different sort of safety issue now. Something that Assemblywoman Muoio asked. You know, as we're dealing with delays and issues, and tracks out of service, and people trying to get to work, you said there are no guidelines in terms of how many people to put onto a train. So do we have concerns-- I mean, there's a bunch of different concerns. The weight of a train leading to problems with infrastructure, number one; the health of people and the safety of people, as we had to deal with when we had someone -- when we had a train stuck. What are we doing about these sorts of things?

MR. SANTORO: So in terms of the weight of the train. I don't think there's a significant issue, or even any issue.

But with regard to customers and crowding on trains, that is something that we are definitely going to be -- need to consider when we review the Amtrak proposal. And if their proposal -- the conclusion is that their proposal is the only, or the best, or however you want to characterize it -- results in us only able to run holiday service, we are going to have a concern with regard to overcrowding.

ASSEMBLYMAN ZWICKER: Do you have a sense yet of how you will address that concern?

MR. SANTORO: I've not gotten to the details; but certainly, one element is that we might even have to have people on platforms to control crowds, which is an extremely difficult thing to do.

ASSEMBLYMAN ZWICKER: You mean physically saying, "Stop; you can't get on this train."

MR. SANTORO: It is an alternative, arguably; you know, we would have to look at resources relative to that. But it's a potential solution.

SENATOR GORDON: May I just insert a question here?

If, in fact, you do experience this reduction -- 63 trains to 25 over a protracted period, won't that have a significant revenue impact, a fare box impact? And have you thought about what that might be?

MR. SANTORO: Well, I thought about that. There's a potential that there is going to be a fiscal impact, a financial impact to New Jersey Transit at several levels. One is if we're adding more ferry service and we're paying for that; or someone is paying for that. Let's not even get to

the point of who's going to pay for it, because that will have to be a discussion as well.

So in terms extra costs -- if we're going to cross-honor with PATH to accommodate -- which is our goal -- to accommodate our customers to get across the river -- there is going to be a cost associated with that. If we're going to add additional ferry service, there is going to be a cost associated with that. If we're going to add extra bus service, there's a cost associated with that.

So yes, I am very concerned about the fiscal impacts just to New Jersey Transit, potentially -- and you can go beyond that to the region, as was discussed this morning a little bit. And potential loss -- permanent loss of ridership is a concern of mine.

ASSEMBLYMAN ZWICKER: So that's a good point, and I want to pick up on that.

So one of my constituents wrote to me on April 3 that it was the worst commute of his 19 years of commuting; it was many, many hours when all was said and done. And given the volume of constituent communication I've received, and my colleagues have received, and I assume New Jersey Transit has received -- all that, times *blank* -- it's not just that there is enormous frustration, but people talk about -- on two sides -- one, getting to work for their livelihood; and one, getting home to their personal lives. And the cost of that is incalculable.

But it is obvious that people rely on New Jersey Transit for their daily existence. And you know that, as part of your customer service. So as part of customer service, you also know -- and I just saw it; it was recently posted -- people are so frustrated right now that they don't care

about this, right? They just know they're on a New Jersey Transit train, and it's delayed, it's on holiday service -- you know, whatever it might be. And the landlord-tenant issues, the infrastructure issues, are just -- they just want to get to work or they want to get home.

So my question for you is -- there is some movement on social media right now that New Jersey Transit should offer a refund of some kind for the April mess. And I'd like to get your comments on -- from-- You know, that is, obviously, a public relations-customer service thing; that's also a fiscal things; there are lots of things that are wrapped up into that.

But if there's a three-hour delay, why not do something like that for good customer service?

MR. SANTORO: So I think you've touched on all of my answers.

Certainly, our customers are frustrated. But that question is certainly complex, in terms of the fiscal impacts. There's a -- customers are paying fares; fares are being subsidized by other taxpayers of New Jersey too. So those -- all those elements certainly affect any decision that's going to be thought about and discussed.

ASSEMBLYMAN ZWICKER: Thank you. I mean, I would just say -- personal opinion -- there might be some way to balance all of those for good public relations, and maybe to just show our constituents and your riders that you really are thinking about them and their livelihoods.

So thank you.

MR. SANTORO: Thank you.

ASSEMBLYMAN ZWICKER: Thank you, Mr. Chairman.

SENATOR GORDON: Thank you.

I think, given the hour, while I have a number of other questions here, I think, if necessary, I'll send them to you. I think we should bring this hearing to an end.

Assemblyman and Co-Chairman McKeon sends his regrets. He had to run for an Amtrak train that he's taking to Washington (laughter) to the demonstration regarding climate change, I'm told.

I want to thank Mr. Santoro, and Paul, and your staff for answering our questions. We'll be having you back in the near future to continue the conversation we've been having, really for several months now, addressing the needs of New Jersey Transit and our commuters.

I want to thank all the members of the Committee, and certainly the staff who provide a tremendous amount of support for us in pulling together information very quickly for these hearings.

And thank you all; the Committee will stand in recess.

Thank you.

MR. SANTORO: Thank you.

**(MEETING CONCLUDED)**