

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

George D. Warrington
Executive Director

NJ TRANSIT
One Penn Plaza East
Newark, New Jersey 07105-2246
973-491-7000



October 13, 2006

Dear Governor Corzine:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., and NJ Transit Mercer, Inc. Board of Directors held on Wednesday, October 11, 2006.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gwen A. Watson".

Gwen A. Watson
Board Secretary

Enclosures

Honorable Jon Corzine
Governor, State of New Jersey
State House
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, October 11, 2006.

Present:

Kris Kolluri, Esq., Chairman
A. Matthew Boxer, Governor's Representative
Robert Smartt, Treasurer's Representative
Patrick W. Parkinson
Kenneth E. Pringle

George D. Warrington, Executive Director
Lynn Bowersox, Assistant Executive Director, Corporate Commun. & External Affairs
James Gigantino, Acting Vice President & General Manager, Bus Operations
William Duggan, Vice President & General Manager, Rail Operations
Kenneth Worton, Deputy Attorney General
Vincent Soleo, Assistant Executive Director, Procurement & Support Services
James Redeker, Assistant Executive Director, Policy, Technology & Customer Services
Richard Sarles, Assistant Executive Director, Capital Planning and Programs
H. Charles Wedel, Chief Financial Officer & Treasurer
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Jan Walden, Assistant Executive Director, Diversity
Gwen A. Watson, Board Secretary
Robert Guarnieri, Auditor General

Chairman Kris Kolluri convened the Open Session at 9:22 am in accordance with the Open Public Meetings Act and asked for a motion to enter Executive Session to discuss litigation matters and contract negotiations. A motion was made by Patrick W. Parkinson, seconded by A. Matthew Boxer and unanimously adopted.

Chairman Kris Kolluri reconvened the Open Session at 9:40 am and asked for a motion to adopt the minutes of the September 13, 2006 meeting. A motion was made by Patrick W. Parkinson, seconded by Robert Smartt and unanimously adopted.

Executive Director George Warrington highlighted the following from his monthly business report.

Executive Director Warrington said new rail schedules will go into effect on October 30, 2006 which reflect some notable improvements thanks to a very good effort by Bill Duggan's team who worked closely and cooperatively with Amtrak to continue to increase capacity.

What they achieved is no small feat given physical plant constraints, traffic density, and the aggressive equipment manipulations that are required.

Executive Director Warrington highlighted a few improvements customers will see with the new timetables:

- Added two new Northeast Corridor early morning (outer zone) express trains from Princeton Junction to Newark and New York, and a new reverse morning peak train from New York to Trenton.
- Added a new morning express train from Long Branch and a new local from South Amboy. Many North Jersey Coast Line morning peak arrival and departure times will change about five to ten minutes, largely driven by Amtrak adjusting its train schedules, as well as the addition of new trains.
- Added three new trains on the Raritan Valley Line; restored an evening peak train on the Morris & Essex Lines, and added a train on the Main/Bergen that fills a 70-minute gap in service.

Executive Director Warrington said that across the system, this would add 5,000 seats in the peak periods to the base of nearly 205,000 seats today. Since 2002, NJ TRANSIT added 200 year-round trains, 119 on weekdays and 81 on weekends.

Executive Director Warrington noted that NJ TRANSIT is offering an additional eight Northeast Corridor and eight Morris & Essex weekend and holiday express trains through January for customers who take advantage of shopping and entertainment in New Jersey and New York City.

NJ TRANSIT will once again, continue its partnership with dozens of restaurants and Broadway venues offering discounts to transit customers, and reminded riders of NJ TRANSIT's family friendly program where two kids 11 years old and under ride free on weekends and holidays with a fare-paying adult.

Executive Director Warrington said for years, the Raritan Valley Line customers have had to navigate two sets of stairways in Newark Penn Station to board trains bound for New York. Forty percent of the more than 10,700 Raritan Valley Line customers do this daily.

NJ TRANSIT made progress in providing some degree of same platform transfer capability. However, this convenience has only been available for customers traveling off-peak, on the weekends, and for a handful of peak period trains.

Executive Director Warrington said that following today's Board action to purchase switches and to begin signal work to modify Hudson interlocking near Newark Penn Station, NJ TRANSIT is targeting the end of 2007, to offer cross platform transfers to Raritan Valley Line customers traveling on virtually all (11 out of 13) morning peak period trains.

(NJT BOARD –10/11/2006)

The schedule for all of this work is contingent on Amtrak support with its forces, which NJ TRANSIT has requested as one of the Northeast Corridor priorities.

Executive Director Warrington said on the Hoboken side, NJ TRANSIT is seeking the Board's approval today to purchase new train departure boards to replace the antiquated equipment that has been in the facility for more than 18 years.

While there are four large boards currently on the concourse, three of them are unreliable, and one simply does not work. Nothing is more critical than customer communication. The new train boards will go a long way in providing necessary track assignment and departure information to riders when they are up and running next summer.

Executive Director Warrington said on the bus side, NJ TRANSIT is seeking approval today to initiate a pilot program to install video cameras on 74 buses and 48 regional supervisor vehicles (122 vehicles), which will help in overall safety and security of customers and operators.

Executive Director Warrington said the video system, which is getting praise from members of the bus union, captures occurrences on board the bus as well as incidents outside the vehicle. Lenses will be installed on the fleet in Big Tree garage that serves routes in Essex, Passaic, Bergen and Union counties. The one-year pilot program, beginning in January, will enable NJ TRANSIT to quantify the benefits of the installation with a focus on operator safety, customer safety and the unique ability to reconstruct incidents. He said he would return to the board in three months with an update.

Executive Director Warrington said he was pleased to report that NJ TRANSIT has six multi-level cars on the property that have been cycling through an extensive testing program. He said four of the six cars operated in Pueblo at the Federal Railroad Administration testing facility have already clocked 40,000 miles and, here in New Jersey, all six cars have run a total of 9,000 miles, touching every main line track. On a parallel track, NJ TRANSIT has been testing every aspect of the cars' performance from the braking systems, door operations, and revenue service simulation to instrumented wheel/truck set testing, as well as crew and mechanic training. NJ TRANSIT is targeting December 11, 2006 to operate the first train set in revenue service. These cars have a much more customer friendly two-two seating configuration, while still providing on average 15 to 20 percent more seats than conventional single level cars.

By December 2006, NJ TRANSIT will have nine multi-level cars available for service. The delivery schedule calls for the manufacturer, Bombardier Transportation, to produce seven cars per month from February through July 2007, ramping up to 10 cars a month until all 234 are on the property.

Executive Director Warrington said NJ TRANSIT would begin cycling more multi-levels into service beginning in March and April 2007, not only on the Northeast Corridor but

also throughout the system including the Morris & Essex Lines and North Jersey Coast Line.

Executive Director Warrington thanked the Port Authority for its support, the entire NJ TRANSIT Board for its guidance, the railroad employees who were consulted from day one on design and detail, and the customer focus group who helped to shape the final product.

Executive Director Warrington invited the Board and members of the public over to Penn Station following the meeting to tour a multi-level six-car train set on Track A. He said four of the six cars have testing equipment inside, which include weighted barrels to simulate passenger loads during testing, and calibration and monitoring equipment.

William Wright said the Advisory Committee would meet next week. Mr. Wright said he was happy to hear that ridership is growing. He was pleased about the multi-level cars and looks forward to seeing them. Mr. Wright said the train is about moving people and this is important. He said more transit is needed.

There was one public comment on agenda items. Board Secretary Watson announced a five-minute time limit for all speakers.

Peter Palmer, Raritan Valley Rail Coalition, said they have had a productive partnership with NJ TRANSIT over the last eight years. He said their short-term interest is the Whitehouse Sidings project that is being done and their long-term interest is THE Tunnel. Mr. Palmer said he is pleased to see agenda item 0610-66, Hudson Interlocking Modifications (Same Platform Transfer for Raritan Valley Line): Contract Amendments for Track Material Procurement and thanked the Board for moving this along.

Executive Director Warrington presented the following Action Items for approval:

0610-66: HUDSON INTERLOCKING MODIFICATIONS (SAME PLATFORM TRANSFER FOR RARITAN VALLEY LINE): CONTRACT AMENDMENTS FOR TRACK MATERIAL PROCUREMENT

The Hudson Interlocking Modifications will eliminate the need for 11,000 daily Raritan Valley customers to navigate two sets of stairs during peak period to change to New York bound trains. Because of scheduling and operating constraints, most Raritan Valley service currently operates to Track 5 in Newark Penn Station, where passengers must exit via the stairs to the concourse level and go back up the stairs for New York bound trains on Tracks 1 or 2. This modification to the interlocking is one in a series of capital investments NJ TRANSIT is making to improve rail service between Newark and New York for current customers and in anticipation of increased ridership in the future. In order to accomplish this same platform transfer project, modifications must be made to Amtrak's

Northeast Corridor Hudson Interlocking, east of Newark Penn Station, converting an existing Amtrak track into a temporary storage track for Raritan Valley Trains. Approval is requested to enter into a contract amendment with VAE Nortrak to purchase switches for this project at a cost not to exceed \$650,000 plus five percent for contingencies. Approval is requested to amend an existing contract with Progress Rail Services to purchase the rail for this project at a cost not to exceed \$550,000 plus five percent for contingencies.

Kenneth E. Pringle moved the resolution, Patrick W. Parkinson seconded it and it was unanimously adopted.

0610-67: MEADOWS MAINTENANCE COMPLEX FACILITY EXPANSION: CONTRACT AMENDMENT FOR DESIGN OF THE DROP TABLE BUILDING EXPANSION AND NEW ELECTRICAL SUBSTATION

The Locomotive Shop at the Meadows Maintenance Facility houses a drop table, which is almost 20 years old and in need of rehabilitation. The drop table is working at capacity and cannot be rehabilitated while in constant use. In order to accommodate and maintain an expanded and more diverse fleet of locomotives, and after an extensive review of the Meadows Maintenance Facility capacity and operations, approval is requested to contract for engineering to expand the locomotive shop building and add a second locomotive wheel set drop table and new electrical substation to power the expanded locomotive shop. The request is to amend an existing contract for design services with STV Incorporated at a cost not to exceed \$1,858,000 plus five percent for contingencies.

Patrick W. Parkinson moved the resolution, A. Matthew Boxer seconded it. Participating in the unanimous approval were Robert Smartt and Kenneth E. Pringle.

Executive Director Warrington presented the following Consent Items for approval:

0610-68: PASSENGER SIGNAGE UPGRADE FOR HOBOKEN RAIL TERMINAL

Authorization to enter into a sole source contract with Gough & Associates of Orlando, Florida to purchase and install new signage and an extended one year of support over and above the first year of covered warranty services for a total amount not to exceed \$475,000, plus five percent for contingencies, subject to the availability of funds.

0610-69: BUS ON-BOARD CAMERA SYSTEM PILOT PROGRAM

Authorization to enter into procurement by exception with Drive Cam Corp. of San Diego, California for hardware, support infrastructure, installation

and one year of managed services for the purpose of a pilot program at a cost not to exceed \$424,272 plus five percent for contingencies.

The Consent Calendar was moved in its entirety by Patrick W. Parkinson, seconded by A. Matthew Boxer and unanimously adopted.

There were five public comments on non-agenda items.

Rose Heck on behalf of the New Jersey Association of Railroad Passengers said it appears that NJ TRANSIT is in the process of perpetrating a gross deception on the people of Eastern Bergen County. She said NJ TRANSIT offers benefits to other areas but in the process is wreaking havoc on the towns of Ridgefield, Palisades Park, Leonia, Englewood and Tenafly. She said the Mayors representing these towns have an obligation to seek the truth.

Ms. Heck said with an increasing Global Warming Crisis, a smart, efficient, environmentally sound, cost effective mode of transportation is necessary. She said the technology is used in Hudson County and elsewhere in the nation.

Ms. Heck emphasized that Homeland Security should be of paramount importance to everyone on the East Coast and asked the Board to look at the facts. She asked if NJ TRANSIT is only interested in getting people into another tunnel. She said THE Tunnel is important but so is the Hudson Bergen Light Rail Extension into Bergen County and suggested that both should be built.

She said NJ TRANSIT has documented proof as to the success of the Hudson Bergen Light Rail system and yet the facts are denied. Ms. Heck said NJ TRANSIT representatives continue to ignore the facts, making promises, but giving no answers when asked as to how they will be achieved. Ms. Heck commented that NJ TRANSIT did not complete the questionnaire that Mr. May requested at the last board meeting. Instead Richard Sarles sent a letter to a panel member at the New Jersey Association of Railroad Passengers that indicated a line-specific distribution plan and forecast was prepared but the federal government was preventing NJ TRANSIT from supplying this information. Ms. Heck said when the New Jersey Association of Railroad Passengers panel met with the Federal Transit Administration, they indicated they knew of no legal or bureaucratic reason why the operating plan for the Trans-Hudson Express Tunnel could not be released.

Ms. Heck said she still has not received NJ TRANSIT's current plan regarding which lines will be operated through the tunnel system when it is completed and the frequency of service for each. She said she was promised this information at the August meeting. She again asked for the answers to the questionnaire that was previously provided to the Board. Ms. Heck said accountability and responsibility should not be empty words and the government has an obligation to use dollars wisely, not waste them.

Ms. Heck said NJ TRANSIT claims that bringing diesel multiple units (DMUs) into Bergen County to serve its guesstimated 34,000 passengers in 2030 will precipitate the use of between eight to 10 double decker passenger trains (each car is 85 feet long) pulled by a locomotive. She said this would necessitate a high platform station of at least a sixth of a mile in each of the stations in each of the towns along the Northern Branch. Ms. Heck said she does not believe the governing bodies of these towns are aware of this. Ms. Heck requested NJ TRANSIT to devote one day to an open meeting where the New Jersey Association of Railroad Passengers panel can present its case for the extension of the Hudson Bergen Light Rail vs. the diesel multiple unit plan that NJ TRANSIT has planned and asked when can she have an answer to that invitation.

Ms. Heck said the Hudson Bergen Light Rail cars are quiet, environmentally more sound, more cost effective, run at grade level and have low floor cars. She said nationwide, extensions are being built to existing light rail systems.

Ms. Heck claims NJ TRANSIT has a double standard. It continues to build extensions in Hudson County and proceeds with plans to bring the Hudson Bergen Light Rail to the Meadowlands. She just learned that plans are being considered to extend the Hudson Bergen Light Rail system in Jersey City in the area of Route 440 to enhance its planned new developments.

Ms. Heck said the New Jersey Association of Railroad Passengers would seek the help of Governor Corzine in reviewing the information purported to be facts by NJ TRANSIT in its decision-making policy. Ms. Heck asked a series of questions: Why NJ TRANSIT is taking its direction from the Meadowlands Commission (see 2004 document attached)? Why NJ TRANSIT is planning to bring a South Jersey light rail car to Bergen County instead of its proposed South Korean DMU? Why NJ TRANSIT plans to circumvent the bidding process by taking over an unsigned North Carolina Contract for these same cars they plan to purchase? Why NJ TRANSIT plans to proceed first with the Passaic-Bergen Line before it moves on the plan for the Northern Extension? Why NJ TRANSIT is willing to spend one and a half billion dollars for a DMU system along the Northern? Ms. Heck requested answers to all of these questions.

Jack May on behalf of the New Jersey Association of Railroad Passengers said he reviewed the Transportation Research Board's website and saw a paper entitled "*Using FRA Compliant Self-Powered Railcars to Offer Urban Transit Service in Shared Track Environment*". He said it was authored by the consultant firm of KKO and Associates together with the New Jersey Institute of Technology and specifically addresses NJ TRANSIT's plans to operate diesel multiple unit cars on the Northern Branch instead of the Hudson Bergen light rail cars. He said the paper emphasizes the issues of line capacity (operations of both freight and passenger trains on the Northern Branch at the same time) and the horizontal clearances that are necessary to perform these operations safely and without damage to either the railcars or the station platforms.

Mr. May said in the section regarding the differences between Federal Railroad Administration Compliant diesel multiple unit cars and light rail vehicles, it states that

“compliant cars require high level boarding”. It further mentions that federal law requires “all rail transit cars must provide level boarding for persons with disabilities”. Mr. May said because of the need for high level platforms, the report sets out two possibilities (1) platforms with retractable extensions and breakaway edges with a bridge plate to fill gaps for wheelchairs, or (2) equipping all of the diesel multiple units with two 15-inch wings (one on each side) to fill the gap between the platform and car doors. He said NJ TRANSIT is leaning toward option 2. Mr. May asked if NJ TRANSIT paid for part or all of the KKO/NJIT study and if the Board authorized such a study. Mr. May said as time goes on more and more questions about the diesel multiple unit plans are coming to light. He said the diesel multiple unit shuttle will carry less people and it is unlikely to be extended to Manhattan for decades if at all. He said NJ TRANSIT will pass off a low floor diesel light rail vehicle to the people and public officials of Bergen County as an example of what the diesel multiple unit plan will be like but the truth is they will have high level platforms and a wing attachment. Mr. May urged the Board to go back to the proven successful transportation mode for New Jersey’s Waterfront that is light rail. He said it is time to go back to the original well thought out plan, the economical extension of the Hudson Bergen Light Rail system to Tenafly.

Phillip G. Craig on behalf of the New Jersey Association of Railroad Passengers said at the last board meeting he asked several questions about Executive Director Warrington advising public officials that NJ TRANSIT plans to purchase a fleet of diesel multiple unit cars for use on the Northern Branch from a South Korean manufacturer. Mr. Craig said he questioned the accuracy of a public statement by Assemblywoman and Bergen County Freeholder Valerie Huttie that NJ TRANSIT is planning to provide a demonstration ride on the Northern Branch for public officials and the media in a diesel multiple unit and to subsequently place the vehicle on display for public inspection at stations along the line. Mr. Craig said he received a courteous, informative letter from Mr. Sarles.

Mr. Craig said the letter raises further concerns. He said as Mr. May indicated, it appears that NJ TRANSIT reached a decision, either with or without the consent of the Board, to move the proposed Passaic-Bergen project ahead of the Northern Branch project. Mr. May said Mr. Sarles letter confirmed that the diesel multiple unit contract will be awarded to United Transit Systems, a consortium of Sojitz Corporation of Japan and Rotem of South Korea.

Mr. Craig said Rotem made arrangements for certain public officials of towns located along the Northern Branch to travel recently to South Korea to view the diesel multiple units and to visit its manufacturing facilities. He said those invited had only to pay for their airfares and supposedly their lodging, meals, entertainment and other in country expenses were covered by the Koreans. He said while this may have been perceived as a “good marketing” strategy by NJ TRANSIT’s prospective contractor, it will leave the objectivity of those involved suspect when their public positions are taken.

Mr. Craig said NJ TRANSIT’s plans for taking over a major procurement contract that was negotiated by a public agency of another State and for which notice to proceed was

never issued, sounds very strange. He said he would not be surprised if other potential manufacturers do not object to this transparent attempt to avoid competitive bidding as required by the rules of the State of New Jersey.

Mr. Craig said Mr. Sarles acknowledged the NJ TRANSIT would bring a diesel powered River LINE car to Bergen County at a modest cost of \$5,000 to \$10,000 to highlight characteristics of a modern, diesel-powered vehicle. Mr. Craig said contrary to Mr. Sarles' explanation "the vehicle exhibition will serve as a contribution to public understanding of the diesel multiple unit vehicle" is nothing less than a gross deception, something that the Board should be embarrassed about. Mr. Craig said the River LINE car is not representative of a Federal Railroad Administration compliant vehicle.

Mr. Craig said it is clear to him that NJ TRANSIT is pulling the stops out to get State, County and Local elected officials to mold public opinion and mislead the people of Bergen County about the technology choices before them and their environmental consequences.

Mr. Craig said the diesel multiple unit plan is a bad choice for eastern Bergen County and will be told to all who listen. He said Executive Director Warrington's vaunted "one seat ride to midtown Manhattan via THE Tunnel, promised sometime after 2020, will never happen.

David Peter Alan on behalf of the Lackawanna Coalition distributed a copy of the fall issue of *Railgram*. Mr. Alan commented on the drastic cuts made to the weekend service between Summit and Hoboken. Weekend service to Hoboken on the Morris & Essex Lines has been cut in half, purportedly to cut costs. Mr. Alan objected to these cuts, both for their severity, and for the fact that they were implemented without advance notice to the riders, their communities or to the advocacy organizations. Mr. Alan said he hoped that these cuts could be reversed, but weekend service has also been significantly reduced on the North Jersey Coast Line between Long Branch and Bay Head. He said that reduction was implemented with little advance notice and without consulting with advocates for the riders. He further expects cuts on the Gladstone Line and possibly on the Raritan Line.

Mr. Alan said he knows of no Board members or senior managers who are dependent on transit for their entire mobility. He and others in the advocacy movement are transit-dependent and whenever there is a cut in service, their mobility is taken away.

Mr. Alan said when fares were raised last year, peak hour and commutation fares increased 10 percent and off peak rail fares increased 25 percent. He said the Lackawanna Coalition and the New Jersey Association of Railroad Passengers objected to such high increases in off-peak fares and they predicted a large increase would result in reduced ridership. With the recent cuts in service, management confirmed that the prediction was correct, a steep rise in off-peak fares has resulted in low off-peak ridership.

Mr. Alan said this is the start of the cycle of the 1960s and 1970s when fares increased, ridership dropped and service was cut. He said it is time to reverse the latest round of cuts by bringing back the service that was eliminated, promising that there will be no more cuts on any rail line and restructuring fares to encourage off-peak travel.

Board Member Patrick W. Parkinson commented that after the last fare increase, ridership rose five percent across the board. Mr. Alan asked to see the peak and off-peak figures and said he would work with NJ TRANSIT on fare restructuring.

Al Cafiero on behalf of Senator Cardinale said NJ TRANSIT considered a Hudson Bergen Light Rail extension to the Sports Complex but dropped the proposal because there were too many obstacles to make it practical. He said in 2003, Hudson County began its campaign to extend the Hudson Bergen Light Rail westward instead of having it go through Tenafly. By 2004, NJ TRANSIT accepted the proposal as evident in the Report of the New Jersey Meadowlands Commission. Mr. Cafiero questioned whether the Board considered and voted on a proposal to change the destination of the Hudson Bergen Light Rail from Tenafly to the Sports Complex. He said he does not believe it was ever presented to the Board because the Board would not pass an item that would attempt to increase the profits of the developers at the expense of the ordinary people in Eastern Bergen.

Mr. Cafiero said NJ TRANSIT insisted that if Eastern Bergen is to get any rail service, it must give up the electric Hudson Bergen Light Rail that would provide a one-seat ride directly to the Ferry, Hoboken and PATH. He said NJ TRANSIT claims it could save a half-billion dollars if the diesel shuttle service is used. Mr. Cafiero said when all other factors are considered, the differences in capital costs between diesels and light rail systems are insignificant.

Mr. Cafiero said Eastern Bergen County needs a one-seat ride to connections for downtown New York and the rest of New Jersey through Hoboken. He said the Hudson Bergen Light Rail should be extended to Tenafly to help reduce traffic. The arguments about diesel multiple unit cars and light rail vehicles are smokescreens. He said if the Board approves a diesel shuttle to Tenafly, the Board would be committing NJ TRANSIT to spend about \$3 billion for an extension of the Hudson Bergen Light Rail to Xanadu. He said that is a politically preferred alternative. Mr. Cafiero urged the Board to extend the Hudson Bergen Light Rail to Tenafly.

Since there were no further comments or business, the Chairman called for adjournment and a motion to adjourn was made by Kenneth E. Pringle, seconded by Patrick W. Parkinson and unanimously adopted.

The meeting was adjourned at approximately 10:35 pm.

**NEW JERSEY TRANSIT CORPORATION
 NJ TRANSIT BUS OPERATIONS, INC.
 NJ TRANSIT RAIL OPERATIONS, INC.
 NJ TRANSIT MERCER, INC.
 REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING**

OCTOBER 11, 2006

MINUTES

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ACTION ITEMS

0610-66 HUDSON INTERLOCKING MODIFICATIONS (SAME PLATFORM TRANSFER FOR RARITAN VALLEY LINE): CONTRACT AMENDMENTS FOR TRACK MATERIAL PROCUREMENT 37917

Authorization to amend the contract (No. 05-627) with VAE Nortrack of Birmingham, Alabama for the purchase of switches for Hudson Interlocking modifications at a cost not to exceed \$650,000, plus five percent for contingencies, for a total contract authorization of \$4,025,932; and

Authorization to amend the contract (No. 04-613) with Progress Rail Services of Reading, Pennsylvania for the purchase of rail for Hudson Interlocking modifications at a cost not to exceed \$550,000, plus five percent for contingencies, for a total contract authorization of \$3,325,510.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS INC.
NJ TRANSIT RAIL OPERATIONS INC.
NJ TRANSIT MERCER INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
OCTOBER 11, 2006
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- 0610-67 MEADOWS MAINTENANCE COMPLEX FACILITY 37920
EXPANSION: CONTRACT AMENDMENT FOR DESIGN
OF THE DROP TABLE BUILDING EXPANSION AND NEW
ELECTRICAL SUBSTATION

Authorization to amend the professional services contract (No.01-068) with STV Incorporated of New York, NY for design services for the locomotive shop drop table building expansion and electrical substation at the Meadows Maintenance Complex at a cost not to exceed \$1,858,000, plus five percent for contingencies, for a total contract authorization of \$12,660,900

CONSENT CALENDAR

- 0610-68 PASSENGER SIGNAGE UPGRADE FOR HOBOKEN RAIL 37924
TERMINAL

Authorization to enter into a sole source contract with Gough & Associates of Orlando, Florida to purchase and install new signage and an extended one year of support over and above the first year of covered warranty services for a total amount not to exceed \$475,000, plus five percent for contingencies, subject to the availability of funds.

- 0610-69 BUS-ON-BOARD CAMERA SYSTEM PILOT PROGRAM 37927

Authorization to enter into procurement by exception with Drive Cam Corp. of San Diego, California for hardware, support infrastructure, installation and one year of managed services for purpose of a pilot program at a cost not to exceed \$424,272, plus five percent of contingencies.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss litigation matters and contract negotiations; and

BE IT FURTHER RESOLVED that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.

APPROVAL OF MINUTES

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. Board of Directors be approved by the Board; and

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the September 13, 2006 Board meeting of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc. and NJ TRANSIT Mercer, Inc. were forwarded to the Governor on September 15, 2006;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the September 13, 2006 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. Board of Directors' meetings are hereby approved.

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

George D. Warrington
Executive Director



TO: BOARD OF DIRECTORS
 FROM: GEORGE D. WARRINGTON
 DATE: OCTOBER 11, 2006
 SUBJECT: EXECUTIVE DIRECTOR'S REPORT - OCTOBER 2006

On October 29, new rail schedules will take effect, and I am pleased to report some notable improvements that reflect our ongoing efforts to increase capacity.

For our Northeast Corridor customers, we have added two new early morning "outer zone" trains that express from Princeton Junction to Newark, serving New York, as well as a new reverse morning peak train from New York to Trenton. On the North Jersey Coast Line, we have added a new morning express train from Long Branch and a new local from South Amboy. And, we have added three new trains on the Raritan Valley Line, restored an evening peak train on the Morris & Essex Lines, and added a train on the Main/Bergen Line that fills a 70-minute gap in service. Across the system, these changes will add 5,000 seats in the peak period to the base of 205,000 seats today.

This month, we continue to work toward providing Raritan Valley Line customers with consistent same-platform transfers at Newark Penn Station. For years, our RVL customers have had to navigate two sets of stairways in Newark Penn Station to board connecting service to New York. While we have made progress in providing some degree of same-platform transfer capability, this convenience is currently only available for customers traveling off-peak, on the weekends, and on a handful of peak period trains. Following today's Board action to purchase switches and to begin signal work to modify Hudson interlocking near Newark Penn Station, we are targeting the end of 2007 to begin offering same-platform transfers to RVL customers traveling on virtually all of our morning peak period trains.

On the Hoboken side, today the Board will consider approval of the purchase of new train departure boards to replace the antiquated equipment that has been in Hoboken Terminal for more than 18 years. While there are four large boards currently on the concourse, three of them are unreliable, and one simply does not work. Customer communication is critical to our operations, and the new train boards will go a long way in providing necessary train departure information to our riders when it is up and running next summer.

On the bus side, we are seeking the Board's approval to initiate a pilot program to install video cameras on 74 buses and 48 regional supervisor vehicles—which we believe will help in the overall safety and security of our customers and operators—that capture occurrences on board the bus as well incidents outside the vehicle. Lenses will be installed on our fleet in Big Tree garage, which serves routes in Essex, Passaic, Bergen and Union counties. The one-year pilot program, beginning in January, will allow us to quantify the benefits of a program like this, including customer and driver safety issues and the unique ability to reconstruct incidents.

Finally, I want to note that with six multi-level cars on the property going through an extensive shake down testing program, we are targeting December 11 to run the first multi-level train set in revenue service.

As you know, these cars have a much more customer friendly 2-2 seating configuration, while still providing on average 15 to 20 percent more seats than conventional single level cars. By December, we will have nine multi-level cars available for service. The delivery schedule calls for the manufacturer, Bombardier Transportation, to produce seven cars per month from February through July 2007, ramping up to 10 cars a month until all 234 are on the property. We will begin cycling more multi-level trains into service beginning in March/April, not only on the Northeast Corridor, but throughout the system—including the Morris & Essex Lines and North Jersey Coast Line.

I want to thank the Port Authority for their support, the entire NJ TRANSIT Board for their guidance, our railroad employees who we consulted from day one on design and detail, and our customer focus group, who helped to shape the final product. Following today's meeting, I invite the Board and members of the public over to Penn Station to tour a multi-level six-car train set on Track A.

EXECUTIVE DIRECTOR'S MONTHLY REPORT OCTOBER 2006

- 1. HIGHLIGHTS**
- 2. CUSTOMER AND COMMUNITY INITIATIVES**
- 3. EMPLOYEE RECOGNITION**
- 4. DBE/MBE PROGRAM**
- 5. PERFORMANCE MEASURES**

HIGHLIGHTS

NJ TRANSIT HQ dedicated to honor transportation visionary Louis J. Gambaccini

Last month, Governor Jon S. Corzine joined NJ TRANSIT in honoring Louis J. Gambaccini—the man responsible for helping to create the New Jersey Transit Corporation—with the dedication of our headquarters building at One Penn Plaza East in Newark.

In 1978, then-Governor Brendan Byrne selected Gambaccini to serve as the state's Transportation Commissioner at a period when New Jersey's transportation system was an irrational, undercapitalized collection of nearly 30 bankrupt bus companies and seven freight railroads that were providing inadequate service. Gambaccini crafted a strategy to transform the system beginning with a series of policy papers, the most memorable of which was named "The Horror Story," culminating in legislation that created NJ TRANSIT in 1979 – the nation's first statewide public transit agency.

To honor his historic contributions, "Louis J. Gambaccini Building" signage has been installed and a dedication plaque will be permanently displayed in the lobby of NJ TRANSIT headquarters.

Gambaccini also served at The Port Authority of New York and New Jersey and the Southeastern Pennsylvania Transportation Authority (SEPTA), as he shaped transportation policy and developed innovative solutions for more than four decades of public service. He is currently a senior fellow at the Alan M. Voorhees Transportation Center at Rutgers University's Edward J. Bloustein School of Planning and Public Policy.

NJ TRANSIT begins work to extend HBLR to 8th Street in Bayonne

Plans to extend Hudson-Bergen Light Rail service in Bayonne moved forward on September 13 with the NJ TRANSIT Board of Directors approving work needed to advertise a design/build contract to construct a one-mile extension of the track alignment and a new station at 8th Street.

The light rail line, which has enhanced the quality of life for thousands of residents and commuters since it opened in 2000, will be extended from its current southern terminus at 22nd Street.

The Board action allows for completion of preliminary design work on the track alignment and the new station, as well as environmental work and other tasks associated with the preparation of the design/build package.

From the elevated 22nd Street Station, the light rail tracks will be extended south, hugging the existing Conrail right-of-way along Avenue E. A viaduct will carry light rail vehicles over local streets to an elevated platform at the new 8th Street Station, which will feature an elevator and stairs between street and platform levels.

As a result of community meetings, the station will be located on the east side of Avenue C and on the south side of 8th Street, with architecture reminiscent of the old Central Railroad of New Jersey (CNJ) station that once stood near the site.

Construction is expected to start in 2008 with completion in late 2009. NJ TRANSIT plans to award a design/build construction contract for the project in mid-2007.

Once open, 8th Street will be the 24th Hudson-Bergen Light Rail station.

Expanded late-night service in the works for River LINE

Customers will benefit from expanded River LINE service next summer, as a result of \$1.3 million in signal enhancements to allow for late-night light rail service between Camden and the Route 73 Park & Ride in Pennsauken.

The contract amendment approved on September 13 by the NJ TRANSIT Board of Directors includes modification of the River LINE's signal system between the 36th Street and Pennsauken/Route 73 stations. With this investment, the River LINE will be able to operate between Camden and Pennsauken until midnight seven nights a week, providing better service for customers, particularly second-shift employees and people attending evening events at the Tweeter Center and on the Camden Waterfront.

River LINE trips that currently operate only between the Entertainment Center and 36th Street stations between 10 p.m. and midnight will be extended to the Pennsauken-Route 73 Park & Ride, which offers 452 parking spaces and is conveniently located near several major highways, including Route 73, Route 130, the New Jersey Turnpike and I-295.

The plan for the expanded service comes on the heels of a successful trial this summer of a free bus connection at 36th Street Station to transport customers returning from the Camden Waterfront to the Route 73 Park & Ride between 10 p.m. and midnight.

Since the River LINE opened on March 15, 2004, NJ TRANSIT has made the following service enhancements:

- Introduced 15-minute peak-period service in June 2004
- Enhanced Capital Connection bus service in Trenton to provide better connections with River LINE trains in June 2004
- Launched new early morning service to Trenton from Florence and Roebling in September 2004, enabling customers to make earlier connections to Northeast Corridor trains
- Launched new early morning service from Cinnaminson to Camden in January 2005
- Introduced a new late-night service option in June 2006 by extending the 9:30 p.m. trip from Camden to 36th Street to the Pennsauken/Route 73 Park & Ride.

Construction of new Wayne/Route 23 Park & Ride approved by NJ TRANSIT Board

Commuters along Routes 23, 46 and Interstate 80 will soon enjoy greater convenience and easier access to express buses and Montclair-Boonton Line trains, as a result of action taken on September 13 by the NJ TRANSIT Board of Directors.

The board awarded a \$16.3 million construction contract to J.H. Reid General Contractor of South Plainfield to build the Wayne/Route 23 Park & Ride, a multi-modal hub that will include bus and rail platforms, as well as a new 1,000-space parking lot.

The contract includes construction of an ADA-accessible high-level train platform on the Montclair-Boonton Line, bus-boarding areas, a surface parking lot and modifications to adjacent roads. The facility will be equipped with canopies and heated waiting areas for passenger comfort, as well as a state-of-the-art passenger information system.

Located on a 10-acre parcel at the West Belt Road Interchange near the intersection of Routes 23, 46 and Interstate 80, the new park & ride will be directly accessible from Route 23, eliminating the need for commuters to use local roads.

The facility will offer express bus service to the Port Authority Bus Terminal in Midtown Manhattan seven days a week and rail service to Hoboken Terminal on weekdays. Rail customers en route to New York may transfer to MidTOWN DIRECT trains at Montclair State University (MSU) Station or at Newark Broad Street.

Construction is expected to start this fall and be completed in early 2008.

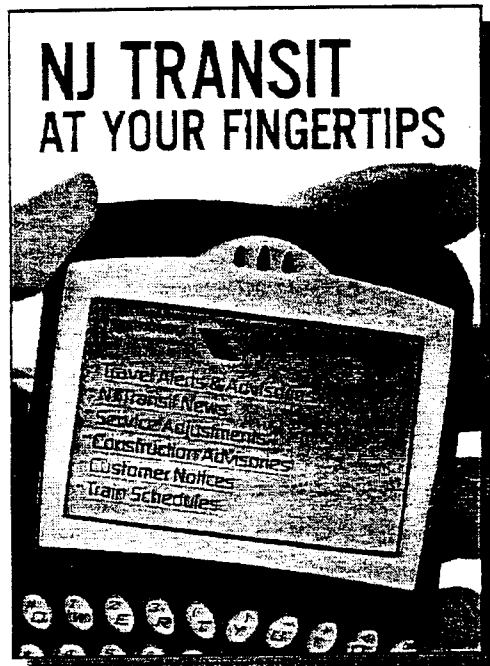
CUSTOMER AND COMMUNITY INITIATIVES

NJ TRANSIT launches new web features for on-the-go customers

NJ TRANSIT customers can now access essential information, including train status, train schedules and fares—when they need it and wherever they are—through any web-enabled mobile device.

Thanks to a recently installed technology upgrade, NJ TRANSIT customers can tap into the most popular areas of njtransit.com in a streamlined format optimized for mobile devices, such as Blackberry®, Treo™ or web-enabled cell phones.

NJ TRANSIT customers now have the power to scan up-to-the-minute train information while waiting on a station platform, find the next departure while sitting in a Midtown restaurant or get the details about an upcoming schedule change while riding in the middle seat.



For maximum convenience, customers can continue to use the same URL for NJ TRANSIT that they already know—www.njtransit.com. The system automatically provides optimized on-the-go content when a customer logs on using a mobile device.

My Transit alert system gains speed, capacity

We recently added server capacity to our popular My Transit alert system to provide faster delivery of delay information and the ability to accommodate more customers. With My Transit, NJ TRANSIT will send an alert directly to a customer's cell phone, pager or email whenever there is a delay affecting their designated itinerary. Signing up is quick, simple and free at www.njtransit.com. Customers select their preferred method of notification—pager, SMS (text message) or email—and enter information about the rail, bus or light rail trips they take each day.

New high-tech approach to "Lost & Found"

We also announced the launch of a corporate-wide computer database for managing lost-and-found items and a new customer webpage for assistance in recovering those lost items. Prior to this technology investment, NJ TRANSIT relied on a paper-based system for lost-and-found

inventory, without a centralized database, requiring customers to “call around” to any of 21 locations where lost-and-found items were turned in.

The new computerized system gives a customer who reports a lost item a case number and attempts to match the lost item to the inventory of found items. Customers are notified when a possible match is identified, usually within 48 hours. In the first nine months of 2006, a total of 3,489 items have been returned to customers, including 724 cell phones, 438 pairs of eyeglasses, 419 wallets, 338 umbrellas and 148 backpacks.

In addition to the new web page, customers can now find assistance in locating lost items by calling a single number—1-800-772-2222—or from any NJ TRANSIT customer service office.

River LINE offers earlier, later service effective September 25

River LINE customers at several Burlington County stations now enjoy earlier and later light rail service, as part of a schedule change that took effect Monday, September 25.

For customers in Burlington City, the new schedule offers new pre-dawn northbound and southbound departures, enabling customers to make earlier connections to Northeast Corridor trains in Trenton and PATCO trains in Camden. In addition, a new 9:30 p.m. trip from Trenton to Burlington South Station enables customers to connect to the River LINE from later Northeast Corridor trains.

Highlights of the new schedule include:

- Two new northbound trips depart Burlington South Station at 6:01 a.m. and 6:17 a.m., arriving in Trenton at 6:28 a.m. and 6:45 a.m., respectively. Previously, the earliest northbound trip departed Burlington South Station at 6:30 a.m. and arrived in Trenton at 6:58 a.m.
- A new southbound trip departs Burlington Towne Centre at 6:03 a.m. and arrives at the Walter Rand Transportation Center at 6:37 a.m., providing earlier service for customers boarding at Burlington South, Beverly/Edgewater Park, Delanco and Riverside. Previously, the earliest southbound departure from Burlington Towne Centre was at 6:28 a.m.
- A new southbound trip departs Trenton at 5:45 a.m. and makes all station stops, including Burlington Towne Center Station at 6:15 a.m. and the Walter Rand

Transportation Center at 6:49 a.m. Previously, the first southbound departure from Trenton was at 6:00 a.m.

- In the evening, a new 9:30 p.m. southbound departure from Trenton makes all station stops to Burlington South Station, where it arrives at 9:54 p.m.

NJ TRANSIT conducts book drive for Hispanic Heritage celebration

As part of its 2006 Hispanic Heritage Month Celebration, NJ TRANSIT encouraged its customers and employees to make a difference in their community by donating books for New Jersey hospitals, shelters and community centers.

Customers were able to donate their books—new or used, English or Spanish—during the morning and evening peak periods on September 22 and September 25 at various book drive locations. In addition, drop-off bins were stationed at Customer Service offices through September 29.

Every customer who donated a book was entered for a chance to win tickets to the New Jersey Devils, the New Jersey Nets, the New York Knicks, the New York Rangers and Madame Tussauds Wax Museum.

In recognition of the month, NJ TRANSIT will host a festival at Broad Street Station Plaza on Thursday, October 12. At the event, collected books will be distributed to New Jersey hospitals, shelters and community centers.

EMPLOYEE RECOGNITION

NJ TRANSIT names Jan Walden as new Diversity Programs leader

NJ TRANSIT has named Jan Walden as the new Assistant Executive Director of the newly formed Office of Diversity Programs, which combines the Business Diversity and Equal Employment Opportunity/Affirmative Action (EEO/AA) units into a single, streamlined organization. Jan most recently led the Business Diversity unit—previously housed within the Procurement and Support Services department—as the Senior Director of Business Diversity.

For more than 25 years, Jan has held leadership positions in NJ TRANSIT's various diversity programs. She has been instrumental in helping NJ TRANSIT attain goals of awarding 25 to 35 percent of all contracts to SBE/MBE/WBE firms—which translates to millions of dollars going into the small business community—and she developed and currently directs a program that includes a full-service Small Business Development Support Office. Under Jan's leadership, NJ TRANSIT has awarded more than \$500 million to minority and women-owned businesses. She and her team have also piloted a technical and financial assistance program in conjunction with the Regional Alliance for Small Contractors, with approximately 30 firms participating in the loan program and \$16 million in loans disbursed.

As a result of Jan's leadership in the area of business diversity, NJ TRANSIT received the Corporation of the Year Award from the New York/New Jersey Minority Purchasing Council. She holds the distinction of having twice been presented with awards at the White House, from President Reagan and President George H. W. Bush for her efforts.

As the newest member of the Executive Management Team, Jan will report directly to Executive Director George D. Warrington on all diversity issues.

NJ TRANSIT Bus & Light Rail honor Distinguished Award winners

Bus and Light Rail Operations hosted a luncheon at the Ferry St. Training Center on September 22 to honor their 2006 winners of the Distinguished Service Award for performance above and beyond the call of duty.

From a total of 409 employees considered for the award this year, the 43 selected winners follow:

- Geraldo Arroyo, Bus Operator, Wayne Garage
- Tiran Billups, Bus Operator, Hilton Garage

- Mauro Boada, Bus Operator, Greenville Garage
- Joseph Bodine, LRT Training Specialist, Newark City Subway
- Doris Bowers, Admin Asst., Fairview Garage
- Gerald Cameron, Bus Operator, Market Street Garage
- Edward Collier, Bus Operator, Orange Garage
- Norene Daniels, Admin Asst., Ferry Street
- Paul Dare, Bus Operator, Washington Twp. Garage
- James Devaney, Bus Operator, Oradell Garage
- Giuseppe DiPierro, Technical Specialist, Central Maintenance Facility
- Edward Dombrowski, Mechanic, Ironbound Garage
- Marilyn Ferris, Depot Clerk A, Fairview Garage
- Joao Figueiredo, Bus Operator, Ironbound Garage
- Vincent Giammusso, Supervisor, Newton Ave.
- Edward Gibson, Bus Operator, Egg Harbor Garage
- Rick Gierolewicz, Supervisor, Rt. 9 Corridor
- Robert Gilligan, Supervisor, Orange Garage
- Philip Harmer, Bus Operator, Howell Garage
- Martin Heraghty, Bus Operator, Howell Garage
- Kenia Higuera, Administrator, Ferry Street
- Ivan Hood, Bus Operator, Egg Harbor Garage
- Robert Kalczuk, Bus Operator, Ironbound Garage
- Kathy Lascio, Bus Operator, Newton Ave.
- Kevin Little, Bus Operator, Big Tree Garage
- Myra McCutcheon, LRT Training Specialist, Newark City Subway
- Evon McKendall, Cleaner, Hilton Garage
- Alfred Mercigliano, Starter, PABT
- Barcell Morgan, Bus Operator, Howell Garage
- Tyrone Newman, Terminal Worker, AC Terminal
- Cu Nguyen, Mechanic, Central Maintenance Facility
- Dexter October, Bus Operator, Orange Garage
- Eric Pettiford, Bus Operator, Greenville Garage
- Octavio Quintero, Bus Operator, Meadowlands Garage
- Peter W. Reilly, Asst. Director, Central Maintenance Facility
- Stacy Robinson, Depot Clerk, Oradell Garage
- Carol Shabazz, Bus Operator, Washington Twp. Garage
- William Shortes, Technical Specialist, Central Maintenance Facility

- Kathy Vasile, Starter, PABT
- William Walker, Bus Operator, Orange Garage
- Margaret Williams, Inspector B, AC Terminal
- Robert Wilson, Mechanic, Central Maintenance Facility
- *Honorary Recipient:* Allison Demyanovich, Chief Service Planning

These recipients needed to meet one or more of the program's criteria in the areas of problem solving, teamwork, remedying a crisis, exemplary leadership and/or performing duties above and beyond the call of duty.

NJ TRANSIT employees bid farewell after outstanding careers

Fifteen NJ TRANSIT employees retired in September with careers ranging from 6 to 56 years of service:

1. Harold Campanell (Oaklyn) Washington Township Garage Bus Operator – 56 years
2. Sue B. Ferraro (Cranford) General Office Building - Administrator Assistant – 34 years
3. Michel Rutherford (Maywood) Oradell Garage Maintenance – 30 years
4. Cleave Cutliff (Brooklyn, NY) Big Tree Garage Bus Operator – 27 years
5. Bruce Roberts (Plainfield) Ironbound Garage Bus Operator – 27 years
6. Alison J. Demyanovich (Chatham) Penn Plaza - Chief Service Planning & Dev. – 25 years
7. James L. Roberts (Bloomfield) Big Tree Garage Bus Operator – 25 years
8. Leslie Williams (Newark) Orange Garage Repairman – 25 years
9. Bertha Reddick (Newark) Penn Plaza - Manager of Capital Projects – 24 years
10. Rose Fiallo-Buzinky (Old Bridge) Wayne Garage Bus Operator – 23 years
11. Beatrice Robbins (Hillside) Penn Plaza - Customer Service Rep. – 23 years
12. Linda D. Crenshaw (Hillside) Orange Garage Bus Operator – 17 years
13. Donald E. White (Jersey City) Fairview Garage Bus Operator – 17 years
14. Gladstone G. Lewis (Bronx, NY) Market Street Garage Repairman – 14 years
15. Carl Anselmi (Red Bank) Penn Plaza - LD Operation Systems – 6 years

DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Diversity DBE/SBE Participation**Federally Funded Contracts**

\$260,731,725 in federal funds was awarded during October thru September of FY 06*. Disadvantaged Business Enterprises (DBEs) were awarded \$56,094,210 or 21.5 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$103,804,615 in state-funded contract dollars was awarded during July thru September FY 07. ** Of that total, Small Business Enterprises (SBEs) received \$6,551,360 or 6.3 percent. Category 1 SBEs received \$4,505,914 or 4.3 percent. Category 2 SBEs received \$734,046 or 0.7 percent. Category 4 SBEs received \$1,311,400 or 1.3 percent. ***

Federal & State Contracts Total

\$364,536,340 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$62,645,570 or 17.2 percent of federal and state contract dollars was won by DBEs and SBEs.

Hudson-Bergen Light Rail Transit System Project

Of \$1,433,024,411 in contract dollars awarded for the Hudson-Bergen Light Rail Transit System project****, \$180,729,496 or 12.6 percent has been received by DBEs. Of the \$180,729,496, 6 percent or \$86,823,647 has been won by Women Business Enterprises (WBEs) who are classified as DBEs.

*Fiscal year beginning October 1, 2005

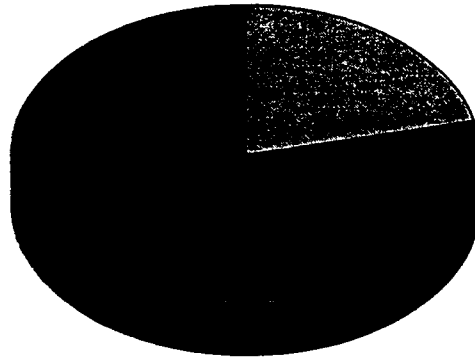
**Fiscal year beginning July 1, 2006

***Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000

****This YTD figure reflects federal dollars expended on an annual basis; including change orders, for the period from December, 1996 through April 2005.

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THRU SEPTEMBER 2006)**

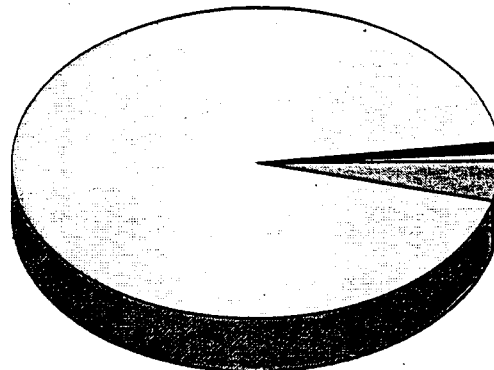
NON-DBE
FEDERAL
\$204,637,515
78.5%



DBE RACE
NEUTRAL &
RACE
CONSCIOUS
\$56,094,210
21.5%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THRU SEPTEMBER 2006)**

NON-SBE STATE
\$97,253,255
93.7%



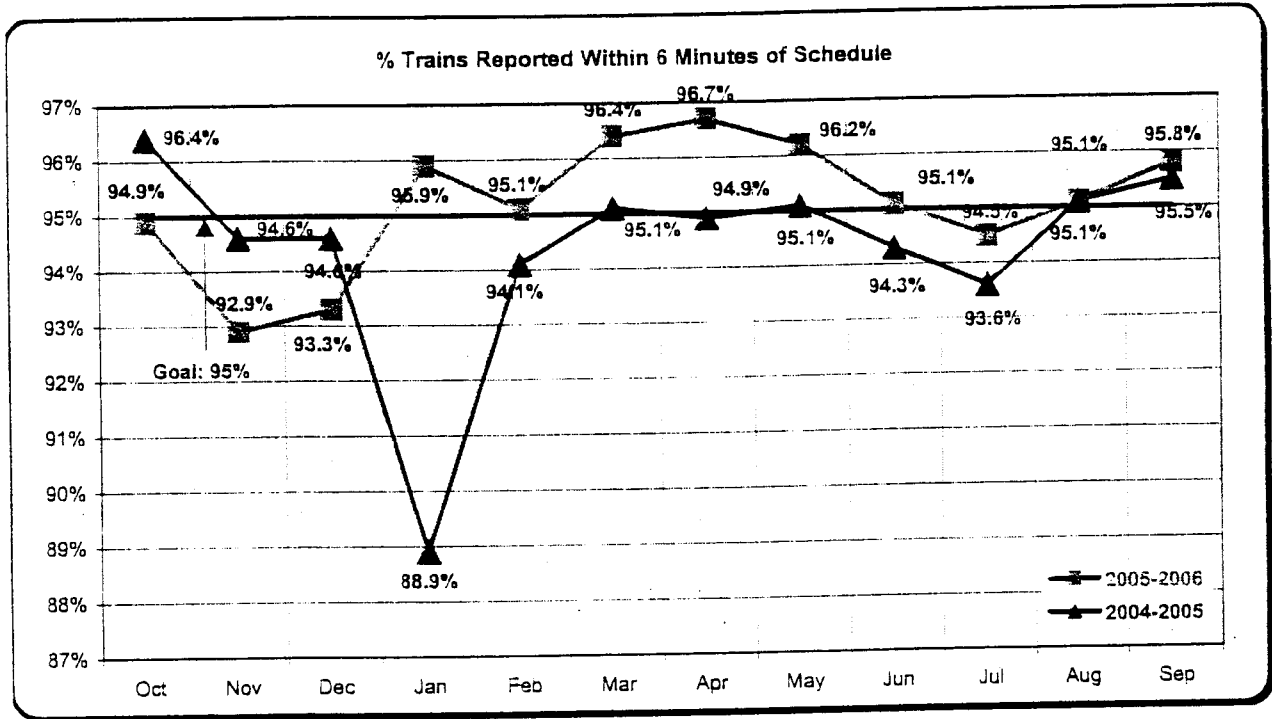
SBE-4
\$1,311,400
1.3%

SBE-2
\$734,046
0.7%

SBE-1
\$4,505,914
4.3%

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL OCTOBER 2004 - SEPTEMBER 2006



	2005	2006	# Change
September Comparison	95.5%	95.8%	0.3%

	2004-2005	2005-2006	# Change
12-Month Average October - September	94.4%	95.2%	0.8%

Analysis:

Rail On-Time Performance for September 2006 was 95.8%. Of the 18,124 trains that were scheduled to operate, 17,355 were on time, while 769 trains (or 4.2%) were delayed. Causes of delay included:

Tropical Storm Ernesto, which affected the infrastructure on the North Jersey Coast Line, on September 2nd;

Separate instances of mechanical problems experienced by NJ TRANSIT trains on September 5th and 26th;

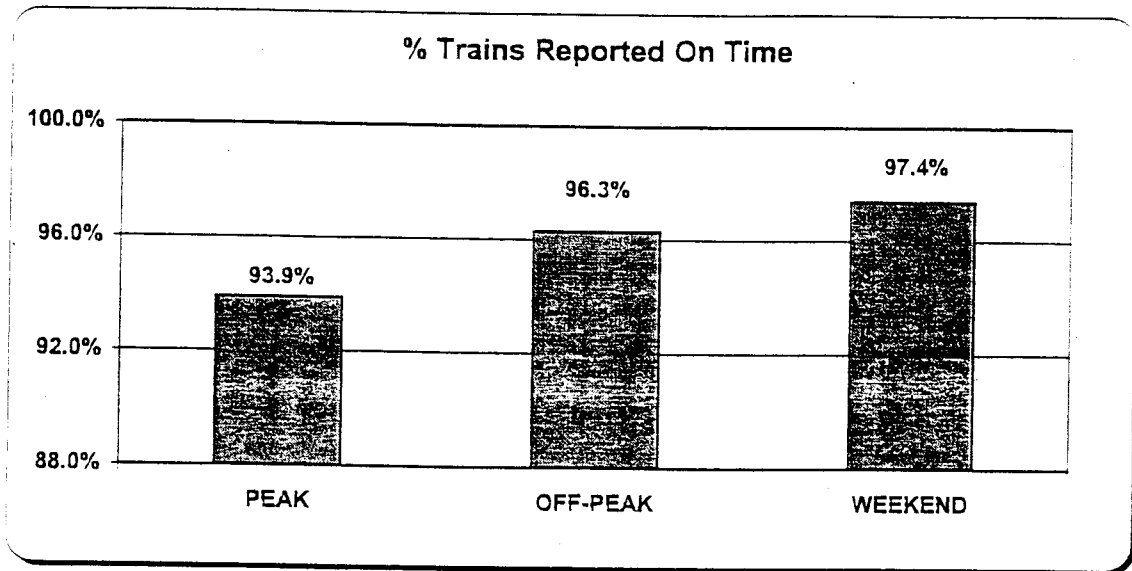
A disabled Amtrak train just outside of Newark Penn Station on September 7th; and

The temporary shutdown of Penn Station New York by Amtrak Police in response to a report of a suspicious package on September 11th.

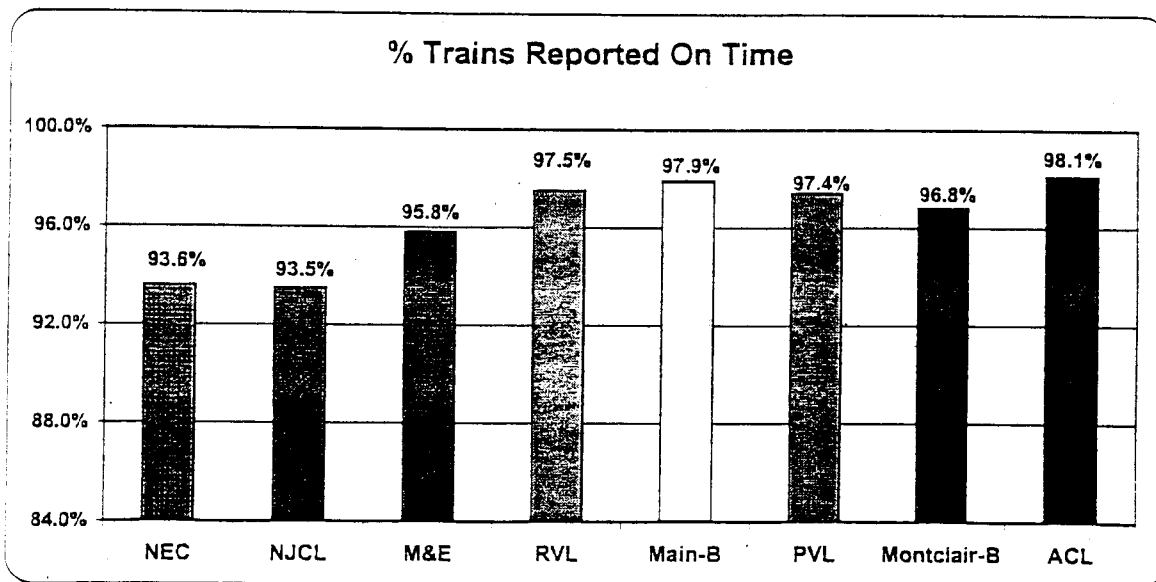
The 12-month average for Rail On-Time Performance systemwide for October 2005 - September 2006 was 95.2%, above the average for the previous 12-month period.

ON-TIME PERFORMANCE RAIL

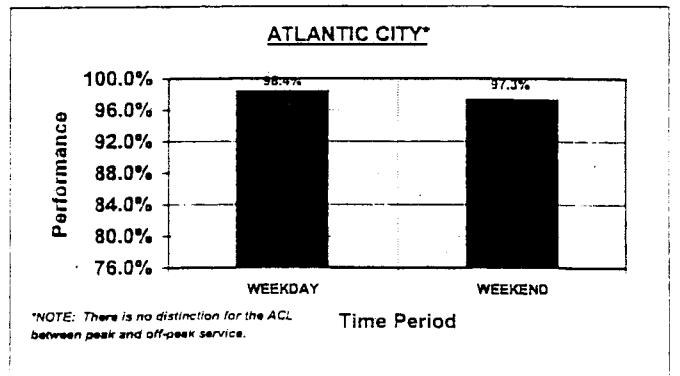
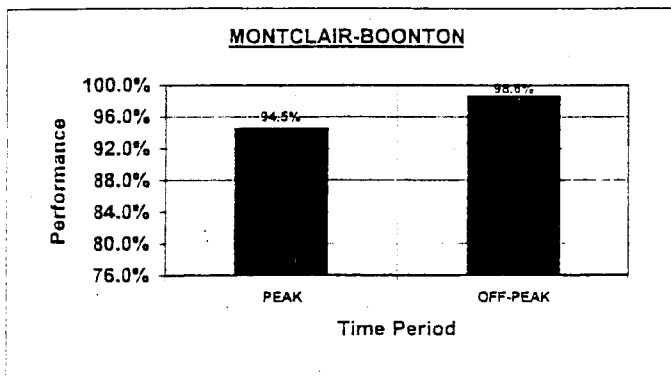
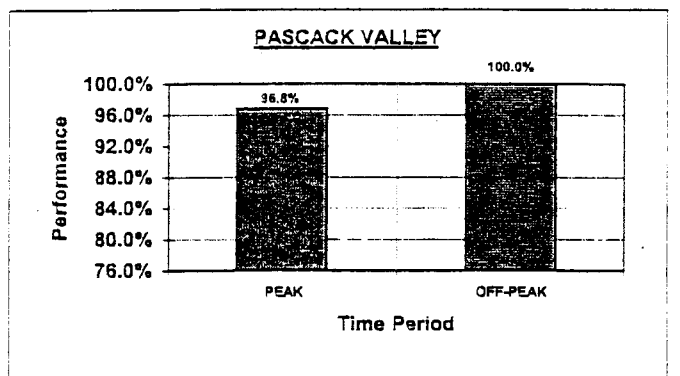
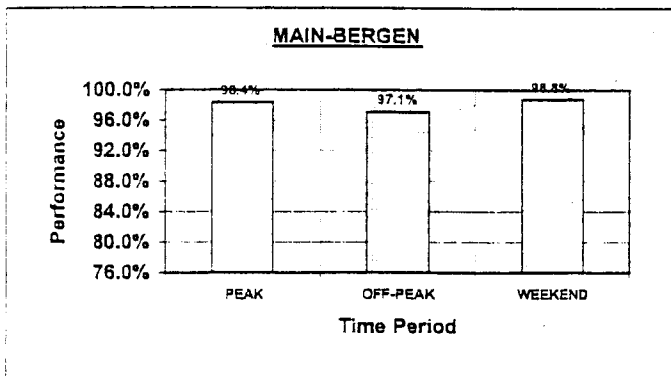
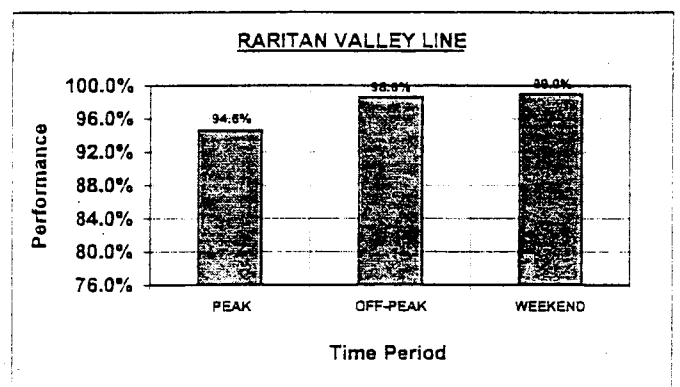
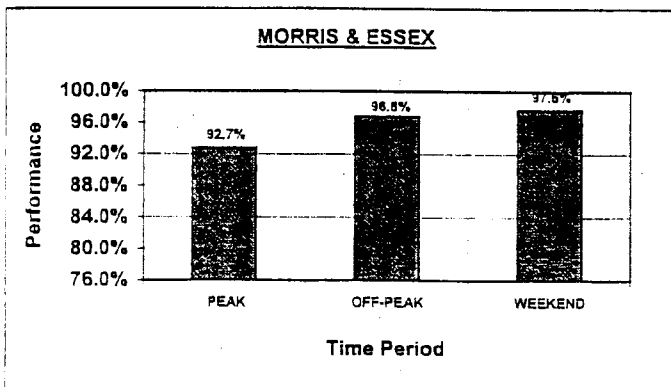
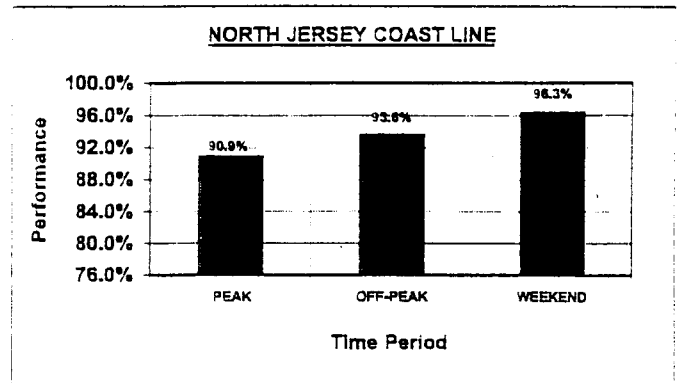
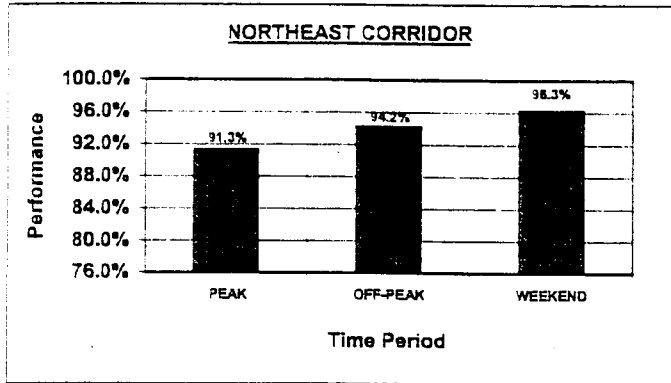
SUMMARY BY TIME PERIOD SEPTEMBER 2006



SUMMARY BY LINE SEPTEMBER 2006

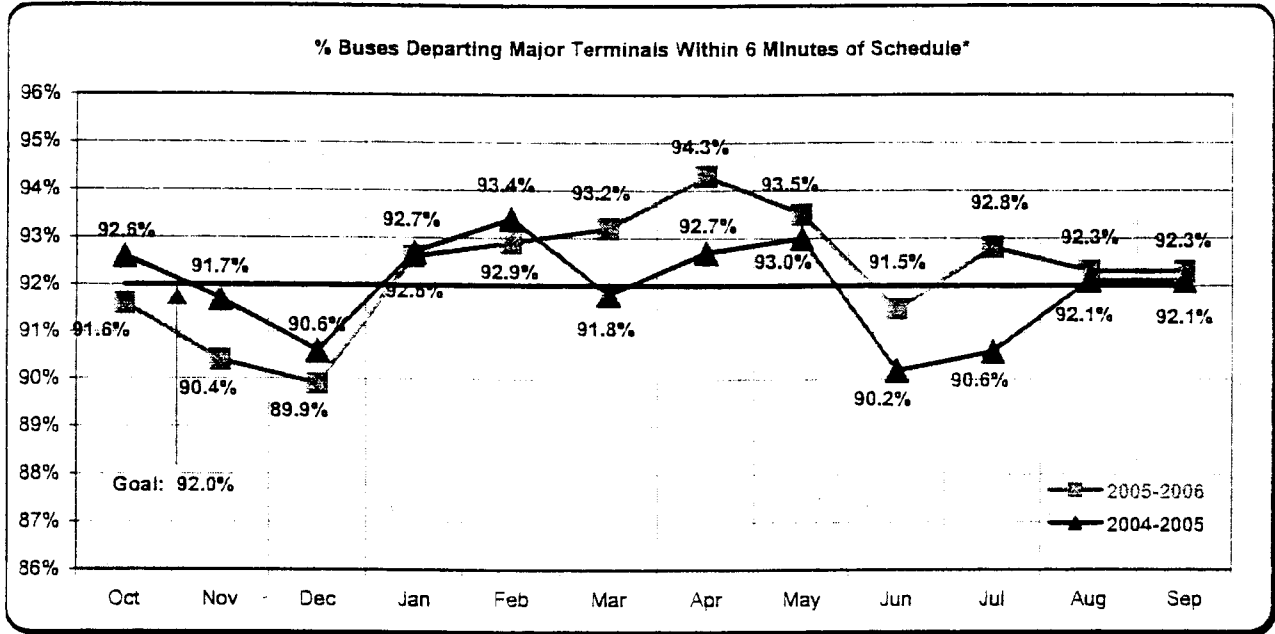


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD SEPTEMBER 2006



*NOTE: There is no distinction for the ACL between peak and off-peak service.

NJ TRANSIT ON-TIME PERFORMANCE BUS OCTOBER 2004 - SEPTEMBER 2006



*Note: Includes the Walter Rand Transportation Center, Atlantic City Bus Terminal, Port Authority Bus Terminal and Newark Penn Station

	2005	2006	# Change
September Comparison	92.3%	92.1%	-0.2%

	2004-2005	2005-2006	# Change
12-Month Average October - September	92.0%	92.3%	0.3%

Analysis:

Bus On-Time Performance for September 2006 was 92.1%. Of the 29,389 monitored departures, 2,318 (or 7.9%) experienced delays. Key sources of delay included:

Seasonal traffic on the Garden State Parkway and Atlantic City Expressway;

Heavy rains near the Walter Rand Transportation Center on September 5th;

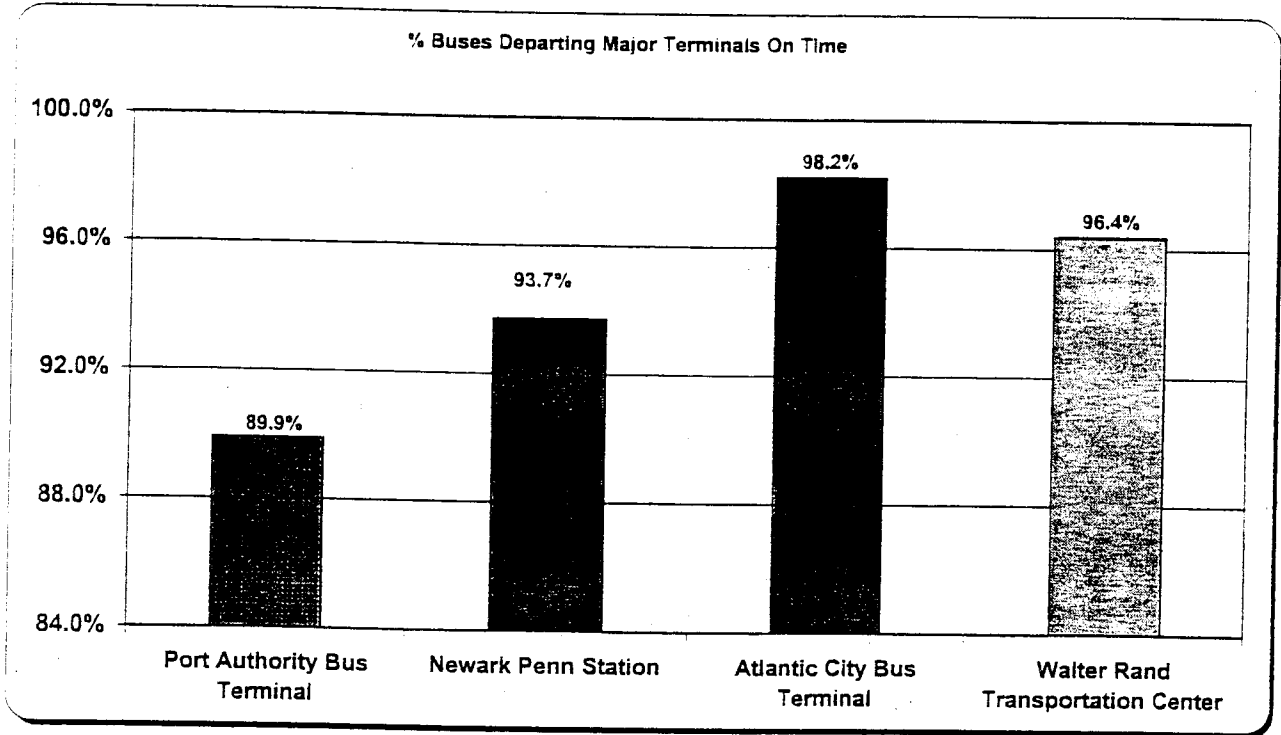
A traffic accident in the inbound direction of the Lincoln Tunnel near the Port Authority Bus Terminal on September 15th; and

A traffic accident near the Walter Rand Transportation Center on September 25th.

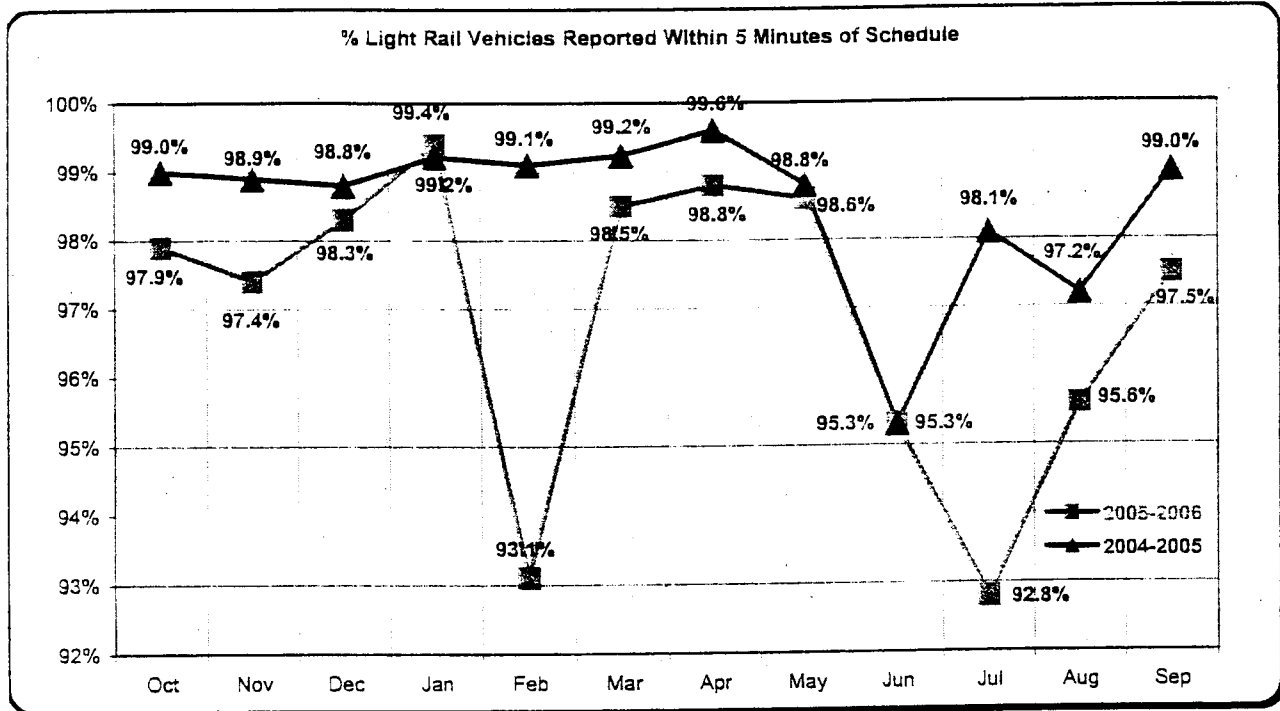
The 12-month average for Bus On-Time Performance for October 2005 - September 2006 was 92.3%, surpassing the performance goal of 92.0%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL
SEPTEMBER 2006



NJ TRANSIT ON-TIME PERFORMANCE HUDSON-BERGEN LIGHT RAIL OCTOBER 2004 - SEPTEMBER 2006



	2005	2006	# Change
September Comparison	99.0%	97.5%	-1.5%

	2004-2005	2005-2006	# Change
12-Month Average October - September	96.9%	98.5%	-1.6%

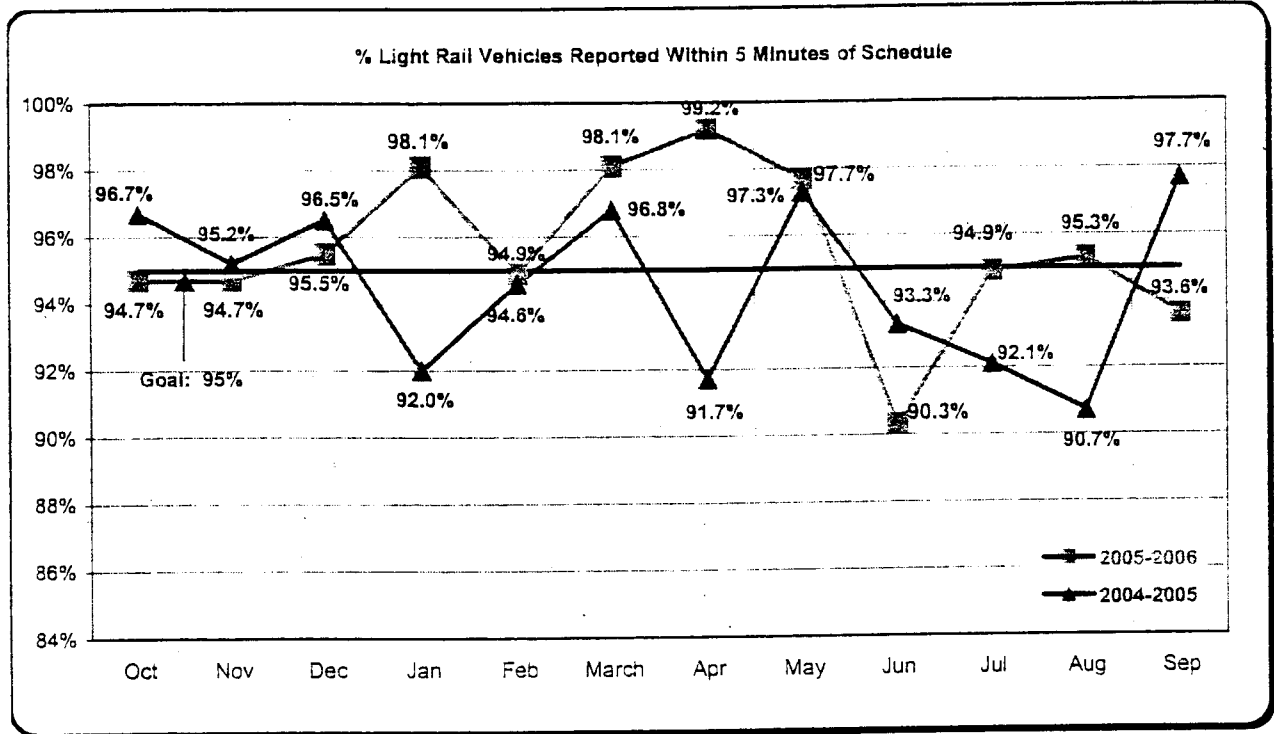
Analysis:

Hudson-Bergen Light Rail (HBLR) On-Time Performance for September 2006 was 97.5%. Of the 16,600 scheduled trips for the month, 412 (or 2.5%) were delayed. Causes of delay included:

- A gas main break on September 1st;
- Scheduled maintenance on September 8th, 9th, 22nd, and 23rd;
- An equipment failure on September 15th; and
- A grade crossing incident on September 27th.

The 12-month average for HBLR On-Time Performance for October 2005 - September 2006 was 98.7%, 1.6 percentage points below the average of the previous 12-month period.

NJ TRANSIT ON-TIME PERFORMANCE River LINE OCTOBER 2004 - SEPTEMBER 2006



	2005	2006	# Change
September Comparison	97.7%	93.6%	-4.1%

	2004-2005	2005-2006	# Change
12-Month Average October - September	94.6%	95.6%	1.0%

Analysis:

River LINE On-Time Performance for September 2006 was 93.6%. Of the 2,879 trips scheduled for the month, 183 (or 6.4%) were delayed. Causes of delay included:

Storm-related and vehicle failures on September 2nd;

A computer system failure on September 7th;

Heavy travel due to the Wood Street Fair in Burlington City on September 9th; and

A trespasser incident on September 15th.

The 12-month average for River LINE On-Time Performance for October 2005 - September 2006 was 95.6%, an increase of one percentage point over the performance of the previous 12-month period.

ACTION ITEMS

ITEM 0610-66: HUDSON INTERLOCKING MODIFICATIONS (SAME PLATFORM TRANSFER FOR RARITAN VALLEY LINE): CONTRACT AMENDMENTS FOR TRACK MATERIAL PROCUREMENT

BENEFITS

The Hudson Interlocking modifications are part of a series of capital investments to improve rail service between Newark Penn Station and Penn Station New York. The modifications to Hudson Interlocking will improve Raritan Valley Line service by providing customers a same platform transfer to New York-bound trains.

Currently, Raritan Valley Line customers during the peak period must navigate two sets of stairs and the concourse level to transfer in Newark Penn Station to New York-bound trains and PATH service on Tracks 1 and 2. The interlocking modifications will allow most Raritan Valley Line trains to operate via Tracks 1 and 2, eliminating the transfer between platforms, improving customer convenience and reducing commute times.

Raritan Valley Line passengers at this time can transfer directly to connecting New York City-bound trains on Track 1 during off-peak hours on weekdays and all day on weekends.

PURPOSE

Authorization of this amendment is required to purchase track switches and rail in time for installation in spring 2007. Existing contracts with VAE Nortrack for Pascack Valley and Meadowlands track material and with Progress Rail Services for continuous welded rail are being amended to obtain these materials. Both VAE Nortrak and Progress Rail Services were selected as the lowest responsive, responsible bidders through a competitive procurement process.

ACTION (Justification: Efficiencies)

Staff seeks authorization to amend the contract (No. 05-627) with VAE Nortrack of Birmingham, Alabama for the purchase of switches for Hudson Interlocking modifications at a cost not to exceed \$650,000, plus five percent for contingencies, for a total contract authorization of \$4,025,932.

Staff also seeks authorization to amend the contract (No. 04-613) with Progress Rail Services of Reading, Pennsylvania for the purchase of rail for Hudson Interlocking modifications at a cost not to exceed \$550,000, plus five percent for contingencies, for a total contract authorization of \$3,325,510.

This item has been reviewed and recommended by the Board Capital Planning Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorizations:	\$650,000 + 5 percent for contingencies, for a total contract authorization of \$4,025,932 for the purchase of switches
	\$550,000 + 5 percent for contingencies for a total contract authorization of \$3,325,510 for the purchase of rail
Total Project Cost:	\$ 19,000,000
Projected Date of Completion:	November 2006 (Design) August 2007 (Construction)
Anticipated Source of Funds:	FTA
DBE Goal:	Race - Neutral
Future Related Authorizations:	None
Impacts of Subsequent Operating Budgets	\$85,000 (annual switch/signal maintenance)

RESOLUTION

WHEREAS, Hudson Interlocking modifications will increase the number of Raritan Valley Line customers arriving on Tracks 1 and 2 at Newark Penn Station for a same platform transfer to New York-bound trains; and

WHEREAS, purchase of track material for Hudson Interlocking is required to maintain the project schedule; and

WHEREAS, VAE Nortrak of Birmingham, Alabama was previously selected as the lowest responsive, responsible bidder through a competitive procurement process; and

WHEREAS, Progress Rail Services of Reading, Pennsylvania was previously selected as the lowest responsive, responsible bidders through a competitive procurement process;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend the contract (No. 05-627) with VAE Nortrak of Birmingham, Alabama for the purchase of switches for Hudson Interlocking modifications at a cost not to exceed \$650,000 for a total contract cost of \$4,025,932, plus five percent for contingencies, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend the contract (No. 04-613) with Progress Rail Services of Reading, Pennsylvania for the purchase of rail for Hudson Interlocking modifications at a cost not to exceed \$550,000 plus five percent for contingencies, for a total contract authorization of \$3,325,510, subject to the availability of funds.

**ITEM 0610-67: MEADOWS MAINTENANCE COMPLEX FACILITY EXPANSION:
CONTRACT AMENDMENT FOR DESIGN OF THE DROP TABLE
BUILDING EXPANSION AND NEW ELECTRICAL SUBSTATION**

BENEFITS

NJ TRANSIT is planning for or procuring new single level and multilevel rail cars, electric and diesel locomotives, and diesel multiple unit rail cars to provide additional seating capacity for customers and to support new services. With the new vehicle purchases, NJ TRANSIT's rail fleet will be nearly 50 percent larger than when the Meadows Maintenance Complex (MMC) was constructed. The expanded fleet and new federal regulations for vehicle inspections will require additional capacity at the maintenance facility.

This project will expand the locomotive shop building, add a second locomotive wheel set drop table and new electrical substation to improve operating efficiencies, ensure fleet reliability, and allow rehabilitation of the existing drop table. The locomotive wheel set drop table is permanently installed in the floor of the shop and allows the assembly that contains the wheels and other components to be lowered from the locomotive so they can be serviced.

PURPOSE

Authorization of this contract amendment will allow for preliminary and final design of the locomotive shop drop table building expansion and a new electrical substation. The building expansion will provide an additional 13,000 square feet of workspace with a new state-of-the-art wheel set drop table and a new substation that will power the expanded locomotive shop.

ACTION (Justification: Capacity)

Staff seeks authorization to amend the professional services contract (No.01-068) with STV Incorporated of New York, NY for design services for the locomotive shop drop table building expansion and electrical substation at the Meadows Maintenance Complex at a cost not to exceed \$1,858,000, plus five percent for contingencies, for a total contract authorization of \$12,660,900.

This item has been reviewed and recommended by the Board Capital Planning Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization:	Design Services \$1,858,000, plus 5% for contingency \$12,661,000 (Total Contract)
Total Project Cost:	\$45,525,000

Projected Date of Completion: December 2009 – Complete construction

Anticipated Source of Funds: Federal and State

DBE Goal: 30%

Future Related Authorizations: Construction, Construction Management, and Construction Assistance

RESOLUTION

WHEREAS, NJ TRANSIT seeks to improve its transportation services and facilities; and

WHEREAS, NJ TRANSIT is procuring new single level and multilevel rail cars, electric and diesel locomotives, and diesel multiple unit rail cars; and

WHEREAS, the locomotive shop at the Meadows Maintenance Complex must be expanded to accommodate new vehicle purchases; and

WHEREAS, NJ TRANSIT previously selected STV, Incorporated through a competitive procurement process;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend the professional services contract (No.01-068) with STV Incorporated of New York, NY for design services for the locomotive shop drop table building expansion and electrical substation at the Meadows Maintenance Complex at a cost not to exceed \$1,858,000, plus five percent for contingencies, for a total contract authorization of \$12,661,000.

CONSENT CALENDAR

ITEM 0610-68: PASSENGER SIGNAGE UPGRADE FOR HOBOKEN RAIL TERMINAL

BENEFITS

In support of NJ TRANSIT's objective to improve passenger information, staff is recommending a sole source purchase of passenger information signs for Hoboken Rail Terminal including one additional year of warranty over the first year of included warranty coverage.

PURPOSE

NJ TRANSIT operates gateboards purchased and installed by Gough & Associates at the Hoboken Rail Terminal. In addition, Gough & Associates has installed passenger signage at Penn Station New York, Summit Station, and Port Authority Bus Terminal ticket office and they are currently implementing new systems at Woodbridge, Red Bank, Trenton and Newark Broad Street stations.

Gateboard displays at Hoboken were replaced in 2005. The four larger passenger information display boards in the concourse were originally installed in 1988 and are failing on a more frequent basis, as the original manufacturer can no longer support this equipment. In order to maintain continuity of the equipment and to maintain the historical appearance of the signage with other signage at the station, staff is recommending that the Board authorize a sole source contract with Gough & Associates to purchase the larger passenger information displays and to extend system support on the equipment for a period of one year in addition to the first year covered under warranty.

ACTION (Justification: Customer Service)

Staff seeks authorization to enter into a sole source contract with Gough & Associates of Orlando, Florida to purchase and install new signage and an extended one year of support over and above the first year of covered warranty services for a total amount not to exceed \$475,000, plus five percent for contingencies, subject to the availability of funds.

This item has been reviewed and recommended by the Board Capital Planning Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization: \$475,000 (Includes an extended one year contract for support over the first year of warranty) + 5% for contingencies

Projected Date of Completion: June 2007

Anticipated Source of Funds:	System Wide Project
DBE Goal:	N/A - Sole Source Procurement
Future/Related Authorization:	N/A

RESOLUTION

WHEREAS, the existing passenger information boards located in the concourse of Hoboken Rail Terminal are failing on a more frequent basis; and

WHEREAS, smaller gateboard signage was replaced last year using equipment purchased and installed by Gough and Associates; and

WHEREAS, all signage must be integrated into one system and maintain an appearance that has been historically approved;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a sole source contract with Gough & Associates of Orlando, Florida for the purchase and installation of new passenger information displays at Hoboken Rail Terminal and an extended one year of support over the first year warranty for a total amount not to exceed \$475,000, plus five percent for contingencies, subject to the availability of funds.

ITEM 0610-69: BUS-ON-BOARD CAMERA SYSTEM PILOT PROGRAM**BENEFITS**

In support of NJ TRANSIT'S mission to safeguard passengers, employees and rolling stock, staff is recommending a pilot program to purchase, install and test a bus-on-board camera system on the bus fleet assigned to the Big Tree Garage. The system recommended offers unique features that not only improve security through video surveillance but also offers the opportunity to improve driver safety performance as well as reduce claims expenses. It provides "snapshots" of video only when an event occurs and categorizes each event so that review is manageable. It is the only system that provides this feature and is being requested as a sole-source procurement.

On board camera systems are emerging as nearly standard equipment on transit vehicles as transit operators seek to enhance bus security in the post-9/11 era. Conventional on-board systems record activities on board a bus using up to seven cameras. Extremely large amounts of data are obtained which must be stored, archived and retrieved as needed.

In addition to capital costs of approximately \$25,000 per bus, a significant investment in Information Technology infrastructure is required for storage and retrieval of data.

The proposed system to be tested provides the opportunity to accomplish our mission of safeguarding equipment, passengers and employees at greatly reduced costs.

PURPOSE

The proposed "Drive Cam System" along with a garage wireless infrastructure, computer servers and associated equipment will be installed on the entire fleet of Big Tree Garage (74 buses) as well as (48) Regional Supervisors vehicles.

Unlike a conventional camera system, Drive Cam only records data under the following conditions:

- When triggered by the operator.
- By a significant sudden change in "g-force" such as a collision or high-speed maneuver.
- When triggered the camera saves ten seconds of history as well as ten seconds of the immediate future (after activation).

Each time the bus returns to the depot any events are automatically downloaded through a wireless network to a computer server. The pilot program includes one year of managed service by the vendor who will review, prioritize and transmit useable data to NJ TRANSIT each day. All video images are always available and accessible by NJ TRANSIT.

ACTION (Justification: Safety and Security)

Staff seeks authorization to enter into procurement by exception with Drive Cam Corp. of San Diego, California for hardware, support infrastructure, installation and one year of managed services for purpose of a pilot program at a cost not to exceed \$424,272, plus five percent of contingencies.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS

Requested Authorization:	\$424,272 plus 5% for contingencies
Total Project Cost:	\$424,272 plus 5% for contingencies
Estimated Project Duration:	4-6 months from NTP January 2007 Estimated
Anticipated Source of Funds:	TTF
DBE Goal:	None
Related/Future Authorizations:	None

RESOLUTION

WHEREAS, NJ TRANSIT seeks to safeguard its passengers, employees and rolling stock through video surveillance; and

WHEREAS, new technology allows for a unique operating perspective on recording only "events" on bus coaches as well as recording data on collisions and erratic driving; and

WHEREAS, this system is available only through Drive-Cam of San Diego, California; and

WHEREAS, the proposed system offers a considerable cost savings compared to conventional on-board camera systems; and

WHEREAS, the system to be installed will be tested as a pilot program for a period of one year before proceeding with future installations;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a sole-source contract with Drive-Cam of San Diego, California for the pilot installation of 74 on-board camera systems, site infrastructure including wireless LAN, servers and additional hardware at our Big Tree Garage located in Nutley, New Jersey and one year of Managed Services at a cost not to exceed \$424,272, plus five percent for contingencies, subject to the availability of funds.