

Jon S. Corzine
Governor

Stephen Dilts
Acting Commissioner

Richard R. Sarles
Executive Director

NJ TRANSIT

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Newark, New Jersey 07105-2246
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December 12, 2008

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, December 10, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Gwen A. Watson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gwen A. Watson
Board Secretary

Enclosures

Honorable Jon S. 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, December 10, 2008:

Present:

Stephen Dilts, Acting Chairman
Myron P. Shevell, Vice Chairman
Robert Shane, Governor's Representative
Patrick O'Connor, Treasurer's Representative
Kenneth E. Pringle
Susan L. Hayes
Flora Castillo

Richard R. Sarles, Executive Director
Gwen A. Watson, Board Secretary
H. Charles Wedel, Chief Financial Officer & Treasurer
Lynn Bowersox, Assistant Executive Director, Communications & Customer Service
James Gigantino, Vice President & General Manager, Bus Operations
William Duggan, Vice President & General Manager, Rail Operations
James Redeker, Vice President, Technology Services
Steve Santoro, Assistant Executive Director, Capital Planning and Programs
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Jan Walden, Assistant Executive Director, Diversity
Warren A. Hersh, Auditor General
Mala Narayanan, Deputy Attorney General

Acting Chairman Stephen Dilts convened the Open Session at 9:04 a.m. in accordance with the Open Public Meetings Act and asked for a motion to enter Executive Session to discuss contract negotiations and attorney-client, litigation and personnel matters. A motion was made by Patrick O'Connor, seconded by Flora Castillo and unanimously adopted.

Acting Chairman Stephen Dilts reconvened the Open Session at 9:50 a.m. and asked for a motion to adopt the minutes of the November 12, 2008 meeting. Acting Chairman Dilts recused himself from a vote on these minutes, having not attended. A motion was made by Myron P. Shevell seconded by Susan L. Hayes and unanimously adopted.

Executive Director Richard R. Sarles highlighted the following from his monthly business report.

Executive Director Sarles welcomed Acting Chairman Stephen Dilts to the NJ TRANSIT Board of Directors and said he looks forward to working with him. He arrives at both a challenging and exciting time for NJ TRANSIT.

Economic Stimulus

Executive Director Sarles said President-elect Obama and Congressional leaders are planning bold steps to stimulate the nation's faltering economy. Consensus is building for a stimulus package that includes transportation projects with twin benefits investing in the future and creating jobs here and now. Under Governor Corzine's leadership, New Jersey is ready to go to work on dozens of projects to replace bridges, widen roadways and improve mass transit.

NJ TRANSIT answered the Governor's call for projects and is ready for construction in a resounding way with a project that will have an enormous, immediate economic impact in terms of jobs, 6,000 each year of construction, and a terrific long-term impact by enhancing workforce mobility and regional competitiveness for decades to come with the Mass Transit Tunnel project. A Record of Decision from the Federal Transit Administration is expected very soon.

A Record of Decision completes the environmental review process and paves the way for crucial Federal funding which NJ TRANSIT is hoping to obtain in the near future with help of the Congressional delegation.

Jersey City Bus Study

Executive Director Sarles will be co-hosting the last of four open-houses with Jersey City next week to get comments and suggestions for improving bus service for residents. Meetings have been held in response to service changes by private carriers and illustrates NJ TRANSIT's commitment to Jersey City residents. The outcome of the meetings will be service recommendations to determine where NJ TRANSIT will put its resources as they become available. It is an inclusive process, with residents, local and county officials, members of the North Jersey Transportation Planning Authority and NJ TRANSIT staff. A report is expected to be released to the public in the coming year.

New Buses

Executive Director Sarles said there are two items on today's agenda that would increase capacity. They include the purchase of 39 low-floor buses and 18 new cruiser-style buses manufactured by Motor Coach Industries (MCI). All 57 buses meet or exceed the latest environmental standards. The low-floor buses are 32-foot-long transit-style buses that will be the first low-floor buses in the fleet. They accommodate 26 seated passengers and 22 standees, more than the Nova B Buses they will replace. The low floors, combined with wheelchair lifts and a kneeling feature, will benefit customers with disabilities. He said 26 of them will be assigned to the Egg Harbor Garage and operate on Ventnor Avenue in Atlantic City, while 13 will be for contracted service in Morris County. When Board Member Flora Castillo first arrived on the Board nine years ago, purchases of smaller-sized buses for the Atlantic City area was a priority based on feedback from the community. These new buses replace the ones she inaugurated back then and continues to be her commitment to meeting community needs. The 18 cruiser-style buses, for longer trips, seats 57 passengers and will be

deployed throughout the state. The buses fill a need created by growing ridership, especially the New York commuter routes to the Port Authority Bus Terminal and to provide for operating flexibility.

Santa Train

Executive Director Sarles said the annual "Santa Train" operated on the Main Line last week and about 200 children boarded the train at Paterson and Waldwick stations. He thanked the Railmen for Children, NJ TRANSIT trainmen and conductors, as well as retirees, who raise money for gifts and volunteer their time to make this such a success each year.

Suzanne Mack presented the Advisory Committee report. She welcomed Acting Chairman Dilts and said she was pleased to see him. Ms. Mack explained there are two Advisory Committees, the North Jersey Transit Advisory Committee and the South Jersey Transit Advisory Committee. The committees consists of county and municipal government representatives and concerned citizens and meet once a month. As the legislation dictates, the committees advise the Board and it is an excellent relationship. Ms. Mack said a joint North and South Advisory Committee meeting will be held on January 26, 2009. Board Member Pringle is the liaison with the committees and he has provided valuable input and the committees are pleased he is in that role. Ms. Mack said NJ TRANSIT has excellent staff and looks forward to a continuing working relationship. Ms. Mack said Anna Marie Gonnella of South Jersey was unable to attend today's Board meeting but asked if South Jersey could be included as a priority to receive new equipment.

David Peter Alan presented the Senior Citizen and Disabled Resident Transportation Advisory Committee report. Mr. Alan said this committee is not well known as the North and South Jersey Advisory Committees, but it was established by the Senior Citizens and Disabled Resident Transportation Assistance Act of 1984 and has been helping to improve the mobility of senior citizens and people with disabilities. Colleagues Bill Wright and Gary Johnson are also members of this committee.

Mr. Alan said one of the primary roles of this committee is to review grant applications made under the Senior Citizens and Disabled Resident Transportation Assistance Program. The 21 counties apply for these grants to help fund special transportation for senior citizens and people with disabilities, for shopping, the doctor's office or lunch at the Senior Center.

Mr. Alan said all of the applications from the counties were approved. The committee was impressed with the way the county transportation providers managed to serve a population that is increasing in size, maintained prior levels of service and found ways to save money that did not adversely affect the service they provided to their clients. He said this was done in an increasingly difficult climate for financing anything in the public sector.

Mr. Alan said it is a challenge to secure adequate funding for transportation providers, including NJ TRANSIT. The funding needs to serve senior citizens and people with

disabilities are especially acute, since these constituencies are growing rapidly in numbers and these people are the most dependent on the transportation services that NJ TRANSIT and the counties provide.

Mr. Alan said there is one means for increased funding that is now before the Legislature. Senate Bill 1830 and its companion Assembly Bill 2046 provide for an increase in the share of the entire Casino Revenue Fund that would be dedicated to the sort of services that are supported by the Senior Citizens and Disabled Resident Transportation Assistance program. The proposal would increase that portion from 7 ½ to 8 ½ percent. No tax increase would be required, but the overall Casino Revenue Fund is shrinking and the increase for senior citizens and people with disabilities is urgently needed. Mr. Alan urged support of this legislation.

Executive Director Sarles said it is time to recognize the new "Billion-dollar man," or as he could rightly say, "the new 1.25 billion-dollar man," Kris Kolluri, the new Chief Executive Officer of the Schools Development Authority. Under nearly three years of his leadership, NJ TRANSIT accomplished the Hudson Bergen Light Rail to Tonelle Avenue, the Weehawken ferry opening, the launch of Multilevels with more than 200 on the property, the major bus acquisition program to modernize half the fleet and the opening of the new intermodal facilities at Trenton Transit Center and Wayne/Route 23.

Executive Director Sarles said the most notable of Kris Kolluri's accomplishments is the advancement of the Mass Transit Tunnel. He understood the magnitude of this critical project and its impact on the future of transportation and the economy. The completion of preliminary engineering and the stimulus package in coming months is due, in large part, to Kris Kolluri's leadership. As a colleague and friend, Executive Director Sarles thanked Kris Kolluri for his work at NJ TRANSIT and his strong advocacy, passion and wise counsel will be greatly missed. Executive Director Sarles wished him well at Schools Development Authority where his skills will enable the authority to accomplish its important mission.

Board Member Shevell said Kris Kolluri's leadership and vision is unbelievable and will miss him personally and professionally. It is most important to have a good education for children and to move this state forward in the future. Board Member Shevell said God Bless, wished him the best and looks forward to working with him in his new role.

Board Member Hayes thanked Kris Kolluri for his leadership and she was pleased to serve on the Board with him. She looks forward to him transforming the education system the same way he did transit.

Board Member Castillo said one of Kris Kolluri's biggest accomplishments was serving as a role model for women and minorities and he is leaving a great legacy not only at NJ TRANSIT but across the state. She thanked him for his leadership and friendship and said he will be a tremendous success in his new role.

Board Member Pringle said he always considered his association with Kris Kolluri the highlight of his career. Kris Kolluri had the courage to address policy issues on a state level with competence. He has tremendous vision for the transportation system and

has concern for the simplest issues. Kris Kolluri never hesitated to step out and get involved in little issues that matter.

Board Member Shane said it is a great opportunity to work with Kris Kolluri not only on the NJ TRANSIT Board but on other boards as well. He has always admired the compassion and leadership that Mr. Kolluri brought to the position of Commissioner and Board Member Shane will have the privilege of continuing to work with him in his new position, since Mr. Shane also represents the Authorities Unit at that agency.

Board Member O'Connor said he has had the longest relationship with Kris Kolluri and wished him the best of luck.

Acting Chairman Dilts said it is an honor to follow Kris Kolluri in the Chairman's role, after serving as his deputy for three years. He said Kris Kolluri brings all his energy and passion to all the Boards he serves. Acting Chairman Dilts thanked Kris Kolluri for all that he has done and said he is glad that he is there for the school children.

Suzanne Mack said she has had a welcoming relationship with Kris Kolluri and echoed what Acting Chairman Dilts had said. She said he pays attention to the details and cares about every one of the customers. She will miss his leadership and wished him well at the Schools Development Authority.

Kris Kolluri said it was a great honor to serve on the NJ TRANSIT Board of Directors and thanked all of the employees. He said when he thinks about his years here, he thinks of the impact and legacy of the late George Warrington. Mr. Warrington taught him and he was grateful for the opportunity to work with him.

Executive Director Sarles said NJ TRANSIT reached a major milestone with the approval of the Environmental Impact Statement for the Access to the Region's Core project and expects to receive the Record of Decision shortly. It was a long road to reach this goal and still a further way to go. Executive Director Sarles said a number of people participated in this process, including Kris Kolluri. Executive Director Sarles also thanked Steve Santoro and William Duggan and their respective staffs, Tom Schulze, Jeremy Colangelo-Bryan, Peter Garino and Alan Weinberg for their accomplishments on this project.

Acting Chairman Dilts thanked Governor Corzine for appointing him to this position and is looking forward to working with a dedicated and talented Board and staff at NJ TRANSIT. He said NJ TRANSIT plays a unique role in this state and has an outstanding reputation throughout the state and nation.

Board Member Kenneth E. Pringle presented the Capital Planning, Policy & Privatization Committee report to the Board. The Committee reviewed the purchase of 57 new low floor and cruiser buses that will enable the agency to better serve bus routes throughout the state and meet our growing ridership demand. The Committee discussed the need for a rail operations emergency backup center to provide redundancy for the Rail Operations Center in Kearny in case of an outage at that facility,

heard details of the federally funded design phase for the Lackawanna Cutoff project and had a first look at the Draft 2010 Capital Program.

Board Member Flora Castillo presented the Administration Committee report to the Board. The Committee had its first look at the Fiscal Year 2010 Draft Capital Program estimated to be \$1.2 billion. The program includes funding for the first phase of the rail fleet plan, new transit bus purchases, Portal Bridge and for progressing transit systems such as Northern Branch, Hudson-Bergen Light Rail 8th Street Extension and the Passaic-Bergen rail project. This program ensures system reliability, addresses capacity demands and meets safety requirements and mandates.

There were four public comments on agenda items. Board Secretary Watson announced a three minute time limit for speakers.

William Wright commented on the item Lackawanna Cut-off and said this passenger restoration project must be restored with all potential uses in mind. Originally, this engineering marvel served both local and long distance passenger trains and allowed nationwide freight train access to the largest market in America. This vital factor must be kept in mind as this first restorative step is taken.

NJ TRANSIT's initial role is rightfully serving Sussex County with additional plans to move westward to Blairstown and another station where Route 94 crosses the Cut-off at Knowlton before proceeding westward into Pennsylvania with a potential station at the tourist-oriented Delaware Water Gap to an initial terminal at East Stroudsburg. Pennsylvania's Department of Transportation will then oversee joint operation westward through the Poconos to final local train service at Scranton. Incoming President Obama's renewed interest in Amtrak will ultimately allow Amtrak service to be restored along New York State's "southern tier" from Binghamton via Buffalo to Niagara Falls.

Mr. Wright said New Jersey's port needs another class one or regional freight rail link. While CSX does use the region both as a destination as their line has been dubbed their "mainline from Miami to Montreal", Norfolk Southern lacks a northern destination and thus terminates in northern New Jersey. Both lines amply serve ports in the southeast which do compete with Port New York/Newark. It is vital this additional rail link be protected.

Mr. Wright said those who oppose this restoration preach a false doctrine. The Sierra Club, supposed bastions of environmentalism, have spoken against the Cut-off giving spreading sprawl as their "reason". He said we already have sprawl which restoring the Cut-off will help solve. In addition, the fully restored Cut-off will enable motorists from the west for the first time in a generation a chance to leave their autos at home. Worldwide energy concerns dictate restoring these rail lines. The market is there and must be served.

James T. Raleigh commented on Mr. Wright's statement with regard to Lackawanna Cut-off Passenger Restoration project. Mr. Raleigh said the Sierra Club's objection to this project is tied in with the Highlands Preservation Act and their significant concerns about watershed protection. They are opposed to the project because it would result in

hauling New York garbage through New Jersey to the Poconos. Mr. Raleigh said he does not understand why NJ TRANSIT should spend New Jersey money to benefit real estate developers in Pennsylvania. This project may take traffic off of Route 80 but it does not connect to enough places to serve as traffic relief. The project would be used as a tourist attraction and NJ TRANSIT is not in the tourist business.

Mr. Raleigh also commented on the bus purchase item. He said spending more money on buses to the Port Authority Bus Terminal will only increase the waiting line.

Mr. Raleigh commented on the item Sale of Comet I Cars to Caltrans. He said it seems NJ TRANSIT wants to sell the cars because there is no place to store them. Mr. Raleigh said the Comet I railcars could be used in daytime service in order to spare the bi-level railcars from getting worn out.

Joseph M. Clift welcomed Acting Chairman Dilts. Mr. Clift is a resident of Manhattan, a past director of planning and strategic planning, representative of the Regional Rail Working Group, New Jersey Association of Railroad Passengers, Lackawanna Coalition and Empire Passengers Association and is interested in getting the Access to the Region's Core project back on track.

Mr. Clift commented on the item Lackawanna Cutoff Passenger Restoration Project, saying it is good idea but said if there are funding problems, he questioned the need to start design. Executive Director Sarles said the design is funded by earmarks that will expire if not utilized and allows NJ TRANSIT to get the design done and move forward. Mr. Clift mentioned that in-house staff could work on a project like this rather than going to an outside organization. Executive Director Sarles said even though there are very enthusiastic rail engineering staff, there are a limited number that do design work. Even though outside consultants are brought in to do the work, the rail operations and rail engineering staff are involved in the design to ensure it is done the way NJ TRANSIT wants it done.

Mr. Clift commented on the item Certificates of Participation and asked how the status of the AIG issue affects this item. Executive Director Sarles said the Certificates of Participation item is not related to the AIG issue.

David Peter Alan, Lackawanna Coalition, commented on several agenda items. Mr. Alan urged NJ TRANSIT to keep its old buses even though new buses are being bought. Buses have been scarce lately and with more people turning to transit, more buses will be needed in the future.

Mr. Alan said the Coalition supported the Lackawanna Cut-off project since its inception and they are glad that some progress has been made lately toward making Scranton service a reality, far beyond the first segment to Andover. However, the requested expenditure for design services appears to represent a great deal of money, especially since no one has been told whether this is only for the segment to Andover or the entire line to Scranton. Mr. Alan suggested that NJ TRANSIT consider using in-house engineers, who appear to be perfectly competent, rather than one of the most

expensive engineering firms in the state. Mr. Alan said NJ TRANSIT could do the same for the Trenton Station project. Mr. Alan said that, most importantly, the public needs to know what would be done for this expenditure, so people can comment intelligently on the value to be received for the money to be spent.

Mr. Alan cautioned NJ TRANSIT before that the Comet I cars that are for sale may be needed at NJ TRANSIT someday, but his comment was ignored. Mr. Alan issued the same caution and said other transit providers are looking for equipment they can lease. Mr. Alan suggested looking into this alternative before selling any more railcars.

Mr. Alan commented on the item Selection of Special Counsel and said that \$350,000 appears to be a great deal of money to pay for a legal fee. There are many competent lawyers who would handle such a matter at significantly lower per hour fees. Mr. Alan reiterated that he needs to know more before he can comment intelligently on the value NJ TRANSIT would receive for the money to be spent.

Mr. Alan said he previously complained that the public is not given sufficient information to comment appropriately on board agenda items. There has been some improvement over the past two years, but performance has been spotty, especially with items 0812-94 and 0812-95. Reading these items as they are written does not give the public any idea of what they mean. Mr. Alan said he is an attorney with an MBA and he does not understand them. He reiterated that he could comment on these items if he knew what they meant.

Mr. Alan said he received a more detailed interpretative statement this morning but that it is not appropriate notice, especially given the complex financial issue. Mr. Alan said former Chairman Kolluri mentioned the AIG risk of \$150 million and said if he knew more, he could provide better comments.

Executive Director Sarles presented the following Action Items for approval:

0812-88: PURCHASE OF 39 LOW FLOOR TRANSIT BUSES

Authorization is requested to contract with North American Bus Industries, Inc. to purchase 39 new smaller buses to replace those which have been in service since the late 1990's. These 32 foot transit buses, which seat 26 passengers and accommodate 22 standees, are the first that NJ TRANSIT has purchased with the low floor feature. They will have a kneeling feature to aid mobility impaired customers as well as a wheelchair ramp at the front door and will be deployed to the southern New Jersey garages and to contracted services in Morris County. The cost for these buses will not exceed \$12,479,220 plus five percent for contingencies.

Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

0812-89: PURCHASE OF 18 CRUISER BUSES

To accommodate the continually growing bus ridership, especially on New York commuter routes to the Port Authority Bus Terminal, authorization is requested to purchase 18 additional cruiser buses from Motor Coach Industries. These buses are similar to the other 1060 cruiser buses which NJ TRANSIT operates and will be deployed to the more heavily traveled northern New Jersey routes in Bergen, Essex, Middlesex, Somerset, Passaic and Union counties. The cost will not exceed \$9 million plus five percent for contingencies.

Kenneth E. Pringle moved the resolution, Susan L. Hayes seconded it and it was unanimously adopted.

0812-90: RAIL OPERATIONS CENTER: CONTRACT AWARD FOR EMERGENCY BACK-UP FACILITY

For business continuity purposes, there is a need for a train control and dispatching center, power dispatching and passenger communications center to backup the Rail Operations Center, or ROC, in the Meadowlands. Although the ROC has backup power, it is vulnerable to other outages or temporary loss of operation. Authorization is requested to contract with SunGard Availability Services to duplicate the operations-critical functions with communications, data and power systems ready to operate rail service if required. The facility proposed is already equipped with all necessary electrical, network and security capabilities and the cost will not exceed \$1,104,000 plus five percent for a period of three years with two one year options.

Flora Castillo moved the resolution, Susan L. Hayes seconded it and it was unanimously adopted.

0812-91: LACKAWANNA CUT-OFF PASSENGER RESTORATION PROJECT MINIMAL OPERABLE SEGMENT (MOS) PORT MORRIS TO ANDOVER: AMENDMENT OF CONTRACT TO ADD DESIGN SERVICES

A long standing goal has been to provide commuters who must use the congested I-80 corridor, particularly in Morris County, with improved public transportation alternatives. The proposed Lackawanna Cut-Off would serve those commuters boarding the Montclair/Boonton Line traveling to and from destinations within New Jersey and Manhattan. The project consists of a 7.3 mile single track rail line from Port Morris to Andover, with a new station in Andover and a 65 space commuter parking lot. Authorization is requested to amend an existing contract with Jacobs Engineering Group, Inc. for the second phase of this project, right-of-way

design for track work, wetland investigation for drainage system design and oversight of the permitting process for the Minimal Operable Segment. A milestone was reached in September when the Federal Transit Administration issued a Finding of No Significant Impact allowing NJ TRANSIT to enter into final design. The federally funded contract amendment will not exceed \$1,947,000 plus five percent for contingencies.

Flora Castillo moved the resolution, Patrick O'Connor seconded it and it was unanimously adopted.

Board Member Pringle voted yes on this item since the Federal earmark is available. However, he cautioned about approving expansions of service in the future. Board Member Pringle said not to curtail expansions but to look for new sources of funding, such as participation from counties and local government. He said part of this project is being pushed to alleviate congestion on Route 80. When NJ TRANSIT expands service it should be truly supported and funded by local government.

0812-92: TRENTON TRANSIT CENTER REHABILITATION: AMENDMENT TO CONSTRUCTION MANAGEMENT SERVICES CONTRACT

The Trenton Transit Center has been transformed into the type of passenger station that a state capitol deserves. More than 7500 daily customers enjoy the new building with improved ticketing, expanded waiting areas and accessible restrooms. Because of the extended duration of construction to complete the concourse, authorization is requested to amend an existing contract for construction management services with Michael Baker Jr., Inc. in the amount of \$490,000 plus five percent for contingencies.

Myron P. Shevell moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

0812-93: SALE OF COMET I RAIL CARS TO CALTRANS

As the new Multilevel railcars have arrived, NJ TRANSIT has been retiring older Comet I railcars which were originally purchased in 1968. NJ TRANSIT recently sold eight of these cars to SEPTA. NJ TRANSIT now has an opportunity to sell 14 of these retired commuter rail cars to the California Department of Transportation Rail Division for \$75,000 each for a total estimated revenue of \$1,050,000.

Board Member Shevell asked if NJ TRANSIT was certain there is no longer a need for these railcars and Executive Director Sarles said no.

Flora Castillo moved the resolution, Susan L. Hayes seconded it and it was unanimously adopted.

0812-94: CERTIFICATES OF PARTICIPATION – AUTHORIZING THE SUBSTITUTION AND EXCHANGE OF EQUIPMENT IN CONNECTION WITH LEASE/PURCHASE OF CERTAIN ROLLING STOCK

This item allows staff to reallocate the proceeds from the sale of 2005A Certificates of Participation, or COPS, financing to now be used to purchase dual-powered locomotives and to use the Series 2009A COPS financing to purchase additional Multilevel vehicles under various options, as well as other dual-powered locomotives. Authorization is requested to approve the Substitution and Exchange of Equipment in Connection with Lease/Purchase of Certain Rolling Stock item.

Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

0812-95: REIMBURSEMENT RESOLUTION: DUAL-POWERED LOCOMOTIVES AND MULTILEVEL VEHICLES: AMENDMENT TO ITEM 0808-59

Authorization is requested to adopt a reimbursement resolution which will allow NJ TRANSIT to recover contractual amounts paid to Bombardier for dual-powered locomotives during the 60 day “lookback” period permitted under the tax code.

Kenneth E. Pringle moved the resolution, Myron P. Shevell seconded it and it was unanimously adopted.

Executive Director Sarles presented the following Consent Item for approval:

0812-96: SELECTION OF SPECIAL COUNSEL

Authorization to continue to compensate DeCotiis, Fitzpatrick, Cole & Wisler as Special Counsel with respect to the Newark Bus Complex litigation, at an amount not to exceed \$350,000 subject to the availability of funds.

The Consent Calendar was moved in its entirety by Flora Castillo, seconded by Susan L. Hayes and unanimously adopted.

Executive Director Sarles wished everyone a great holiday season with family and friends.

There were four public comments on non-agenda items.

James T. Raleigh distributed a map that outlined the two track connection from the Access to the Region's Core tunnels to New York Penn Station. He said one picture is worth a thousand words. He reviewed the Draft and Final Environmental Impact Statements and is concerned how the connection to New York Penn Station has been

dismissed for local environmental and construction issues. Mr. Raleigh said his map shows the nine items between the Hudson River and the connection with the Empire Line on 10th Avenue. This discussion was stimulated from letters and Freeholder John D'Amico's questions about a month ago. He was told that there would be a 200 foot wide cut in New York City streets for five years in order to build the connection. Mr. Raleigh said the only cut and cover is the Hudson River and tunneling under the Long Island Railroad Yards. Mr. Raleigh said NJ TRANSIT wants to build the 34th Street Station. Mr. Raleigh is concerned about losing the connection to Penn Station since it would serve more New Jersey people rather than having the commuters go down 175 feet at the 34th Street Station.

Joseph M. Clift distributed news articles from the Asbury Park Press and The Record, about his statement made at the November 12, 2008 NJ TRANSIT Board Meeting and the abstract page of the Final Environmental Impact Statement (copy attached). He said the two news articles and his statement mention that the project increased from \$7.6 billion to \$8.7 billion. However, the abstract of the Final Environmental Impact Statement shows a different picture. It states \$7.6 billion to \$8.7 billion with a footnote on \$8.7 billion. The footnote states that the project cost is \$8.7 billion with an additional \$400 million for rolling stock for the full 2030 operating plan. This brings the total cost to \$9.1 billion. Mr. Clift said both he and the press did not have the correct dollar amount and he believes it is incumbent on NJ TRANSIT to tell people there was an error in its statement as well as the press articles. He was shocked that no one corrected this impression to the reporters on the transportation beat. Mr. Clift called for the Board and New Jersey legislators, freeholders and council members affected by the Access to the Region's Core funding to ask for a full clear statement on how this project will be paid for. Mr. Clift requested a paper which details that this project is fully funded.

David Peter Alan, Lackawanna Coalition, acknowledged James J. Price who retired last month. Mr. Alan said Mr. Price was always willing to talk to the Coalition, listen to what they had to say and always returned phone calls. When Mr. Price retired, the Coalition was discussing the possibility of reinstating the Hoboken trains that had been cut from the schedule and Mr. Alan looks forward to continuing this dialogue with management.

Mr. Alan suggested three changes in the next version of the TEA-LU statute. First, the percentage of funding for transit increase from the current 18 percent to at least 25 percent and preferably 30 percent to help build up the nation's transit. Second, the federal operating support is provided for transit; and third, that programs like JARC and CMAQ be continued, rather than being turned into generic grants. Issues like this can make a great deal of difference in funding for NJ TRANSIT. Mr. Alan said he is prepared to fight alongside NJ TRANSIT to secure sufficient funding to restore the service lost during this year and enhance mobility through increased transit service.

Sufficient funding to provide adequate service, along with optimal operation of such service, are goals that are vital to both managers and riders. As the representatives of the riders, the Lackawanna Coalition, New Jersey Association of Railroad Passengers and allied organizations he wishes to work in concert with management to help to achieve these goals. If there is to be an effective combined effort, management must be completely truthful and candid with its riders and the organizations that represent the

riders. Mr. Alan said service cuts must no longer be sprung on riders without prior notice. Representatives of the riding public must be allowed to take an active role in planning and implementation of long-term and short-term projects that will affect transit. This means a meaningful opportunity to provide input and advice concerning planning, operations and other transit issues.

Mr. Alan insisted on full transparency in the planning and implementation of projects. He asked for documentation behind the decision in 2003 to eliminate Alternative G, with its East Side Access feature, from consideration as part of the Access to the Region's Core Project. Mr. Alan said he was refused and learned from the Final Environmental Impact Statement that the report requested was not prepared for release to the public. This is decision-making based on secret documents and it has no place in a democracy.

Mr. Alan hopes that the Obama Administration and the next Congress will bring better times for transit riders as well as for transit management.

Zoe Baldwin, Tri-State Transportation Campaign, commented on the Access to the Region's Core project. She said there are numerous organizations and agencies in support of this project and they are all in agreement that project needs to be done. She read a list of the many organizations supporting the Access to the Region's Core project.

Acting Chairman Dilts asked Executive Director Sarles to comment about the speakers' concerns raised on the Access to the Region's Core project. Executive Director Sarles said the Access to the Region's Core project has been through an exhaustive public process since 2003 that involved hundreds of meetings with concerned citizens, liaison groups, public hearings which were all recorded, all responded to and documented. The process concludes with the Final Environmental Impact Statement and the Record of Decision. The comment about connecting Penn Station is addressed in the Final Environmental Impact Statement. The original proposal in the DEIS was to provide a connection to Penn Station --- although almost all of the new capacity or additional trains were associated with the expanded platforms under 34th Street. However, after further review it was determined that a connection to Penn Station was not feasible to construct and would have created significant environmental impacts. It also important to remember that existing Penn Station New York has very narrow platforms and adding any additional service at that station would make it even more difficult to cleared platforms for each arriving and departing train. It is not a good location to bring in new trains.

Executive Director Sarles said the decision was made to put the station under 34th Street. It is not uncommon today to see new rail systems designed at lower depths in urban areas because of all the development that has taken place of the past century. That is why we needed to go deeper for new track platforms and added capacity. Executive Director Sarles noted that the existing Penn Station is 50 feet below ground. If NJ TRANSIT came in at that level, it would be too steep for the tracks to operate and would also interfere with the current MTA Number 7 Lines Extension, which is currently under construction. It is not practical or feasible to have the Penn Station Connection and the decision was made and discussed in great detail with the City of New York.

He also added that Current Water Tunnel #1 precludes the expansion of underground tunnels further east than the proposed station. When Water Tunnel #3 is completed in the several years (approximately 5 to 7 years), we can revisit with New York City the potential to expand the upper tracks further east as part of a future rail project.

Since there were no further comments or business, Acting Chairman Dilts called for adjournment and a motion to adjourn was made by Myron P. Shevell seconded by Kenneth E. Pringle and unanimously adopted. The meeting was adjourned at approximately 11:00 a.m.

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

DECEMBER 10, 2008

MINUTES

- EXECUTIVE SESSION AUTHORIZATION
- APPROVAL OF MINUTES OF PREVIOUS MEETINGS
- EXECUTIVE DIRECTOR’S MONTHLY REPORT
- ADVISORY COMMITTEE REPORTS -
- BOARD COMMITTEE REPORTS -
 - *Capital Planning, Policy & Privatization Committee-Shevell
 - *Administration Committee-Castillo
- PUBLIC COMMENTS ON AGENDA ITEMS -

ACTION ITEMS

0812-88 PURCHASE OF 39 LOW FLOOR TRANSIT BUSES 40639

Authorization to enter into a Procurement-by-Exception contract (No. 09-033) with North American Bus Industries, Inc. of Anniston, Alabama for the acquisition of 39 low floor buses at a cost not to exceed \$12,479,220, plus five percent for contingencies, subject to the availability of funds.

0812-89 PURCHASE OF 18 CRUISER BUSES 40642

Authorization to enter into a Procurement-by-Exception contract (No. 09-044) with Motor Coach Industries, Inc. of Schaumburg, Illinois, for the purchase of 18 new cruiser buses at a cost not to exceed \$9,000,000 plus five percent for contingencies, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
DECEMBER 10, 2008
MINUTES
PAGE 2

**0812-90 RAIL OPERATIONS CENTER: CONTRACT AWARD FOR 40645
EMERGENCY BACK-UP FACILITY**

Authorization to contract (No. 09-303) with SunGard Availability Services LP of Wayne, Pennsylvania, in the amount of \$1,104,000, plus five percent for contingencies, to provide an Emergency back-up facility for the Rail Operations Center for a period of three-years with two additional one-year options, subject to the availability of funds.

**0812-91 LACKAWANNA CUT-OFF PASSENGER RESTORATION 40648
PROJECT MINIMAL OPERABLE SEGMENT (MOS) PORT
MORRIS TO ANDOVER: AMENDMENT OF CONTRACT TO ADD
DESIGN SERVICES**

Authorization to amend the professional services contract (No. 02-084) with Jacobs Engineering Group, Inc. (formerly Edwards & Kelcey, Inc.) of Morristown, New Jersey, to provide design services for the Lackawanna Cut-Off MOS from Port Morris to Andover, New Jersey, at a cost not to exceed \$1,947,000, plus five percent for contingencies, for a total contract authorization of \$5,827,798, subject to the availability of funds.

**0812-92 TRENTON TRANSIT CENTER REHABILITATION: AMENDMENT 40651
TO CONSTRUCTION MANAGEMENT SERVICES CONTRACT**

Authorization to amend the professional services contract (No. 04-078) with Michael Baker Jr., Inc. of Hamilton, New Jersey, for additional construction management services in the amount of \$490,000, plus five percent for contingencies, for a total contract authorization of \$5,915,700, subject to the availability of funds.

0812-93 SALE OF COMET I RAIL CARS TO CALTRANS 40654

Authorization to enter into a sale agreement with Caltrans for 14 Comet I rail cars with an estimated revenue of \$1,050,000.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
DECEMBER 10, 2008
MINUTES
PAGE 3

**0812-94 CERTIFICATES OF PARTICIPATION- AUTHORIZING THE 40656
SUBSTITUTION AND EXCHANGE OF EQUIPMENT IN
CONNECTION WITH LEASE/PURCHASE OF CERTAIN ROLLING
STOCK**

Adoption of this Item will allow the substitution and exchange of equipment under the Certificates of Participation Series 2005A and Certificates of Participation Series 2009A.

**0812-95 REIMBURSEMENT RESOLUTION: DUAL-POWERED 40662
LOCOMOTIVES AND MULTILEVEL VEHICLES: AMENDMENT TO
ITEM 0808-59**

Adoption of Reimbursement Resolution to recover prior payments.

CONSENT ITEM

0812-96 SELECTION OF SPECIAL COUNSEL 40668

Authorization to continue to compensate DeCotiis, Fitzpatrick, Cole & Wisler as Special Counsel with respect to the Newark Bus Complex litigation, at an amount not to exceed \$350,000 subject to the availability of funds.

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 contract negotiations and attorney-client, litigation and personnel matters; 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 November 12, 2008, Board meetings 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 November 17, 2008;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the November 12, 2008 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

Stephen Dilts
Acting Commissioner

Richard R. Sarles
Executive Director

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



TO: BOARD OF DIRECTORS
FROM: RICHARD R. SARLES *Richard R Sarles*
DATE: DECEMBER 10, 2008
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – DECEMBER 2008

This month, we welcome Stephen Dilts, who as of December 1 has been the Acting Transportation Commissioner and NJ TRANSIT Board Chairman. On behalf of NJ TRANSIT, I would like to extend my congratulations to Steve, who is arriving at both a challenging and exciting time for the agency.

As you know, President-elect Obama and our congressional leaders are planning bold steps to stimulate the nation's faltering economy. Consensus is building for a stimulus package that includes transportation projects with twin benefits—both investing in the future and creating jobs in the here and now. Under Governor Corzine's leadership, New Jersey is ready to go to work on dozens of projects to replace bridges, widen roadways and improve mass transit. The Governor called for projects ready for construction, and NJ TRANSIT answered in a resounding way with a project that will have an enormous, immediate economic impact in terms of jobs—generating 6,000 each year of construction—and terrific long-term impact by enhancing workforce mobility and regional competitiveness for decades to come.

I am referring, of course, to the Mass Transit Tunnel project. We are expecting a Record of Decision (ROD) from the Federal Transit Administration very soon, which will complete the environmental review process and pave the way for crucial federal funding that we hope to obtain in the near future with the help of our congressional delegation.

On the bus side, there are two items for the Board's consideration that will increase capacity—the purchase of 39 low-floor buses and the purchase of 18 new cruiser-style buses, all 57 of which will meet or exceed the latest environmental and ADA standards. The low floor buses will be a first for NJ TRANSIT's fleet and will replace some of our older buses. At 32-feet in length, these transit-style buses can accommodate 26 seated passengers and 22 standees, more than the buses they will replace. The low-floor design will enable customers to board and exit the bus more rapidly than buses with steps, and a ramp in the front door and kneeling feature will accommodate customers with disabilities. The 18 cruiser-style buses, used for longer trips, seat 57 passengers and will be deployed throughout the state, filling a need created by growing ridership and providing for greater operational flexibility.

Finally, I would like to recognize Kris Kolluri, the State's new CEO of the Schools Development Authority. Under his leadership as Transportation Commissioner and NJ TRANSIT Board Chairman, we have accomplished much: the extension of Hudson-Bergen Light Rail to Tonnelles Avenue, the opening of the Port Imperial Ferry Terminal in Weehawken, the launch of multilevel vehicles on our rail lines, a major bus acquisition program to modernize half the fleet, and the opening of new intermodal facilities at Trenton Transit Center and Wayne/Route 23. The most notable of his accomplishments is the advancement of the Mass Transit Tunnel, a critical project that Kris understood the magnitude of and recognized its impact on the future of transportation and our economy. As a colleague and friend, Kris, I thank you for your work here at NJ TRANSIT and will miss your strong advocacy, your passion and your wise counsel. We all wish you well at the Schools Development Authority, where your skills will enable the authority to accomplish its important mission.

EXECUTIVE DIRECTOR'S MONTHLY REPORT DECEMBER 2008

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

HIGHLIGHTS

NJ TRANSIT launches online news feeds for vital service info

On November 12, NJ TRANSIT Executive Director Richard Sarles announced the latest in an ongoing series of technology upgrades to improve customer access to current travel information—including train, bus and light rail status—through the launch of RSS feeds.

RSS, short for Really Simple Syndication, provides an easy way for websites such as njtransit.com to distribute content to other websites and individual users. After partnering with WCBS News Radio 880 to test the technology, NJ TRANSIT last month became the first agency in the region to launch RSS feeds for travel alerts.

Through RSS feeds, media websites will be able to display up-to-the-minute NJ TRANSIT travel information directly, while customers can add NJ TRANSIT feeds to their personal homepages through sites such as Google.

The feeds provide information directly from My Transit, NJ TRANSIT's free, personalized system for sending alerts directly to a customer's cell phone, pager or email whenever there is a delay affecting their designated itinerary. Advisories are posted for delays in service of 15 minutes or more, cancellations, suspensions and closures affecting a specific train, bus route, light rail line or boarding location. The information is continually updated weekdays from 6 a.m. until 10 p.m. and weekends from 7 a.m. until 7 p.m.

NJ TRANSIT launched its My Transit alert system in 2001, a model used by other transit agencies and the first of its kind to provide train specific service updates electronically to customers' email, cell phones and mobile devices. In 2003, the agency created a new function within its Rail Operations Center dedicated to relaying real-time service information to both train crews and customers, including issuing My Transit alerts.

In July 2008, NJ TRANSIT expanded My Transit alert service to include local and intrastate bus routes, in addition to the interstate bus, rail and light rail services that were already available.

NJ TRANSIT RSS feeds are available to anyone who wishes to subscribe, by simply clicking on the orange RSS link on the Travel Alerts page of njtransit.com to add the NJ TRANSIT alert feed to a page or website. NJ TRANSIT recommends that the "refresh rate" be set to every 1-2 minutes to ensure that the latest travel information is presented.

NJ TRANSIT plans on offering RSS feeds for customer information, such as service and station advisories, in the near future.

CUSTOMER AND COMMUNITY INITIATIVES

Traveling between NJ TRANSIT, SEPTA now easier than ever

Just in time for the busy holiday travel season, last month NJ TRANSIT and SEPTA began a six-month effort promoting the ease of traveling between the two systems—including trips between Philadelphia and New York—with a simple connection at the new Trenton Transit Center.

SEPTA customers have easy access to Newark and New York by transferring to NJ TRANSIT Northeast Corridor rail service at Trenton Transit Center, which recently underwent a \$79 million renovation. The new station—more than double its original size—provides the latest customer amenities, including new passenger waiting areas, improved retail options, modern restroom facilities, state-of-the-art customer information displays and 24-hour security.

Communication materials, which began appearing on both transit systems November 25, highlight affordable travel opportunities to great destinations in New Jersey, Philadelphia and New York and encourage customers to visit a new webpage, www.njtransit.com/SEPTA.

SEPTA trains and stations will feature Newark and New York destinations accessible by NJ TRANSIT's Northeast Corridor service, including the New Jersey Performing Arts Center and the new Prudential Center, home of the New Jersey Devils hockey and Seton Hall University basketball teams. New York destinations include The Radio City Christmas Spectacular at Radio City Music Hall, Cirque du Soleil's Wintuk at the WaMu Theatre, Broadway shows and exhibits at the American Museum of Natural History.

Meanwhile, NJ TRANSIT trains and stations will promote great Philadelphia destinations and events, including the Reading Terminal Market, the Pennsylvania Ballet's production of "The Nutcracker," the Mummers Parade, the Academy of Natural Sciences and the Holiday Light Show at Macy's Center City.

NJ TRANSIT customers have easy access to Philadelphia by transferring at Trenton to SEPTA's R7 rail service.

The effort includes posters, fliers, community outreach and a sweepstakes—available online—where customers can enter for a chance to win weekend getaway packages in New York and Newark. The packages include overnight hotel accommodations, meals and tickets to sports and entertainment events.

NJ TRANSIT and SEPTA have worked together to improve scheduling for convenient transfers at Trenton in an effort to make inter-agency travel easier than ever. In addition, the two transit agencies recently introduced joint-ticketing options that enable customers to purchase NJ TRANSIT and SEPTA tickets in a single transaction. Customers can purchase tickets for trips involving NJ TRANSIT and SEPTA service at all NJ TRANSIT rail ticket vending machines, at NJ TRANSIT rail ticket windows and at SEPTA ticket windows at Suburban and Market Street East stations and at SEPTA ticket vending machines at 30th Street Station.

Customers can travel between New York and Philadelphia for as low as \$18.75 each way, based on an off-peak round trip purchase.

To save even more on weekends, families can take advantage of NJ TRANSIT's Family Supersaver, which allows up to two children ages 5-11 to ride free on NJ TRANSIT with each fare-paying adult.

NJ TRANSIT's Northeast Corridor service provides access to destinations throughout New Jersey, as well as Penn Station New York in the heart of Midtown Manhattan. SEPTA's R7 Line provides access to Center City Philadelphia and connecting SEPTA service to Philadelphia International Airport and destinations in Bucks, Montgomery, Chester and Delaware counties.

NJ TRANSIT offers 'early getaway' and extra service for Thanksgiving holiday weekend

NJ TRANSIT offered "early getaway" rail and bus service on Wednesday, November 26 for the benefit of customers leaving work early for the Thanksgiving holiday, as well as extra trains on Thursday, November 27 to accommodate customers traveling to the Macy's Thanksgiving Day Parade.

On Friday, November 28, traditionally the busiest shopping day of the year, additional trains operated to New York and enhanced bus service was offered to shopping centers throughout New Jersey.

Also on Wednesday, November 26, NJ TRANSIT offered additional service to Newark Liberty International Airport from New York and Newark to accommodate Thanksgiving holiday travel. Eight westbound Northeast Corridor trains added a stop at Newark Liberty International Airport Station.

In addition, NJ TRANSIT's Family Super Saver Fare, which allows up to two children 11 and younger to travel free with each fare-paying adult, was in effect from 7 p.m. Wednesday, November 26 until 6 a.m. Monday, December 1 for the Thanksgiving holiday.

NJ TRANSIT offers extra bus service to New Jersey malls this holiday season

NJ TRANSIT will provide shoppers and retail employees with the convenience of additional bus service to 16 major shopping destinations throughout New Jersey this holiday season to accommodate extended store hours and busy shopping times throughout the day.

Customers will benefit from additional bus trips or expanded service on 22 routes serving many of the busiest malls in northern, central and southern New Jersey during the period from Friday, November 28 through the weekend after Christmas.

In Northern New Jersey, additional service will be provided to Bridgewater Commons, Elizabeth Center at 13A (IKEA), Garden State Plaza (Paramus), IKEA Paramus, Jersey Gardens (Elizabeth), Livingston Mall, Mill Creek Mall (Secaucus), Newport Centre Mall (Jersey City), The Mall at Short Hills, Willowbrook Mall (Wayne), Wayne Towne Center Mall and West Belt Mall (Wayne).

In Central and Southern New Jersey, additional service will operate to Cherry Hill Mall, Hamilton Mall (Mays Landing), Moorestown Mall and Shore Mall (Egg Harbor).

For complete schedule details, customers should visit www.njtransit.com or consult special holiday timetables, available on board buses and at Customer Service offices.

Following is a list of NJ TRANSIT bus routes providing additional service:

- **11 Willowbrook Mall-Newark** (Willowbrook Mall, Wayne Towne Center, West Belt Mall)
- **40 Kearny-Jersey Gardens** (Elizabeth Center at Exit 13A IKEA and Jersey Gardens)
- **70 Newark-Summit-Livingston** (Livingston Mall and The Mall at Short Hills)
- **73 Newark-Orange-Livingston** (Livingston Mall)
- **86 Nungessers-Newport Centre** (Newport Centre Mall)
- **111 New York-IKEA-Jersey Gardens** (Elizabeth Center at Exit 13A)
- **114 Bridgewater-New York** (Bridgewater Commons)
- **115 Rahway-New York** (Jersey Gardens)

- **163 Ridgewood-New York** (Garden State Plaza and IKEA Paramus)
- **171 Paterson-New York** (Garden State Plaza)
- **175 Ridgewood-New York** (Garden State Plaza)
- **197 Willowbrook Mall-Newark** (Willowbrook Mall, Wayne Towne Center and West Belt Mall)
- **320 Mill Creek-Harmon Meadow-North Bergen Park & Ride-New York** (Harmon Meadow and Mill Creek Mall)
- **404 Philadelphia-Cherry Hill Mall** (Cherry Hill Mall)
- **405 Philadelphia Merchantville-Cherry Hill Mall** (Cherry Hill Mall)
- **407 Philadelphia-Merchantville-Moorestown Mall** (Moorestown Mall)
- **502 Atlantic City-Hamilton Mall-Atlantic/Cape Community College** (Shore Mall and Hamilton Mall)
- **704 Paterson-Willowbrook Mall** (Willowbrook Mall, Wayne Towne Center and West Belt Mall)
- **705 Passaic-Willowbrook Mall** (Willowbrook Mall, Wayne Towne Center and West Belt Mall)
- **709 Bloomfield-Paramus** (Garden State Plaza)
- **712 Hackensack-Willowbrook Mall** (Willowbrook Mall, Wayne Towne Center and West Belt Mall)
- **748 Paterson-Wayne-Willowbrook Mall** (Willowbrook Mall, Wayne Towne Center and West Belt Mall)

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Fourteen NJ TRANSIT employees retired in November with careers ranging from 14 to 38 years of service:

1. Shirley Davis (Lakewood) Ticket Agent, Howell Garage – 38 years
2. Richard L. Fanslav (Saddle Brook) Sr. Tech. Services Specialist, MMC – 34 years
3. William Moylan (Sparrow Bush, NY) General Foreman – 34 years
4. Richard Kerr (Haverford, PA) Dir. Innovative Service & Sales, Penn Plaza – 33 years
5. Michael Lippens (Keansburg) Principal Project Engineer, Penn Plaza – 32 years
6. Stephen J. Klejst (Hillsborough) Dep. Gen. Mgr. Safety/Training, Penn Plaza – 31 years
7. Alton Highsmith (Jersey City) Bus Operator, Meadowlands Garage – 29 years
8. Rosemarie B. Hahn (Northampton, PA) Accounting Clerk, GOB – 28 years
9. Richard White (Hamilton) Resident Engineer, ED&C Const. Management. – 28 years
10. Joseph F. Allen (West Orange) Dir. HR Strat. & Policy, Penn Plaza – 27 years
11. Esther Yuen (West Windsor) Manager Transportation System, Penn Plaza – 26 years
12. Roslyn L. Diamond (South Orange) Assistant Director, Penn Plaza – 23 years
13. Albert W. Laning (Pennsauken) Bus Operator, Washington Township – 16 years
14. Robert S. Sudol (Mahwah) Bus Operator, Wayne Garage – 14 years

DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Diversity DBE/SBE Participation

Federally Funded Contracts

\$101,850 in federal funds were awarded during October through November of FY 09.* Disadvantaged Business Enterprises (DBEs) were awarded \$101,850 or 100 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$33,532,391 in state-funded contract dollars were awarded during July through November FY 09. ** Of that total, Small Business Enterprises (SBEs) received \$7,474,557 or 22.3 percent. Category 1 SBEs received \$0.00 or 0.0 percent. Category 2 SBEs received \$0.00 or 0.0 percent. Category 3 SBEs received \$2,108,914 or 6.3 percent. Category 4 SBEs received \$0.00 or 0.0 percent. Category 5 SBEs received \$5,365,643 or 16 percent ***

Federal & State Contracts Total

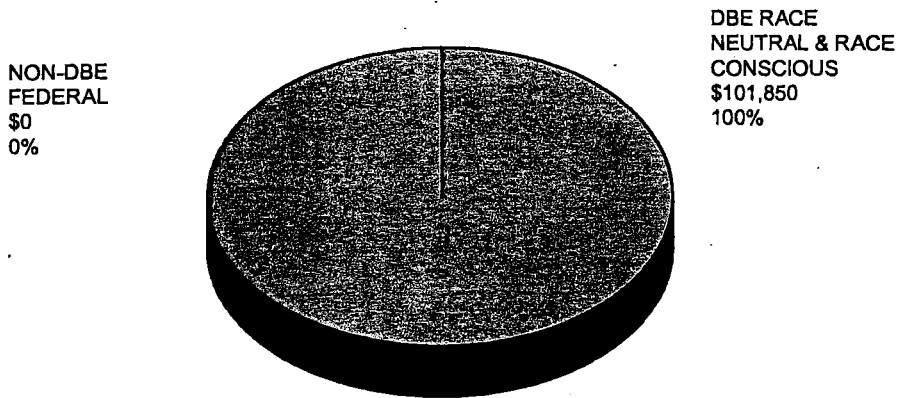
\$33,634,241 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$7,576,407 or 22.5 percent of federal and state contract dollars was won by DBEs and SBEs.

*Fiscal year beginning October 1, 2008

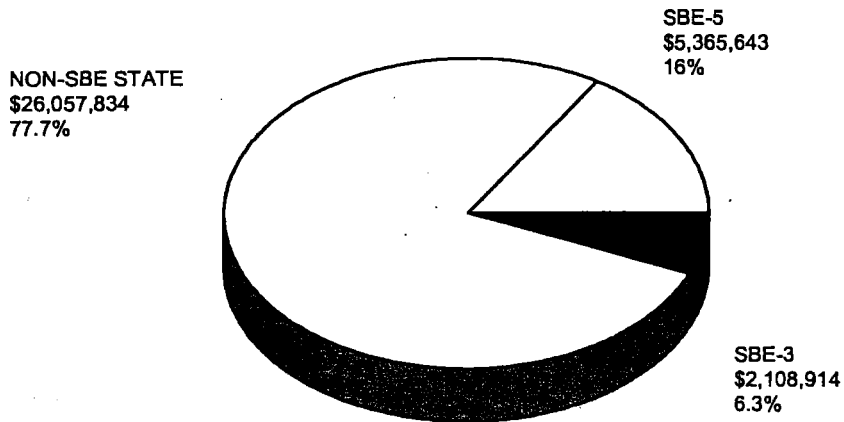
**Fiscal year beginning July 1, 2008

***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

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH NOVEMBER 08)***



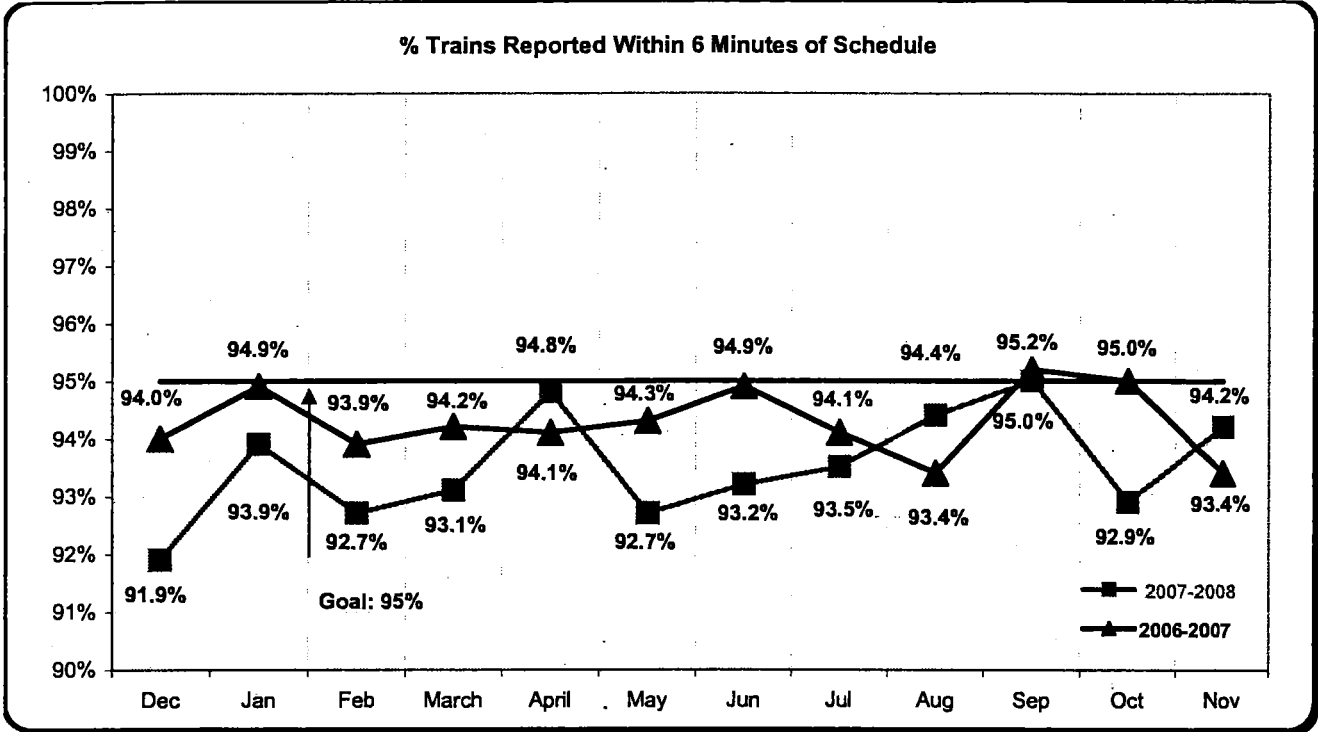
**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH NOVEMBER 08)****



Fiscal Year Beginning October 1, 2008*
Fiscal Year Beginning July 1, 2008**
(This report covers contracts above \$29,000)

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL DECEMBER 2006 - NOVEMBER 2008



	2007	2008	# Change
November Comparison	93.4%	94.2%	0.8%

	2006-2007	2007-2008	# Change
12-Month Average December - November	94.3%	93.5%	-0.8%

Analysis:

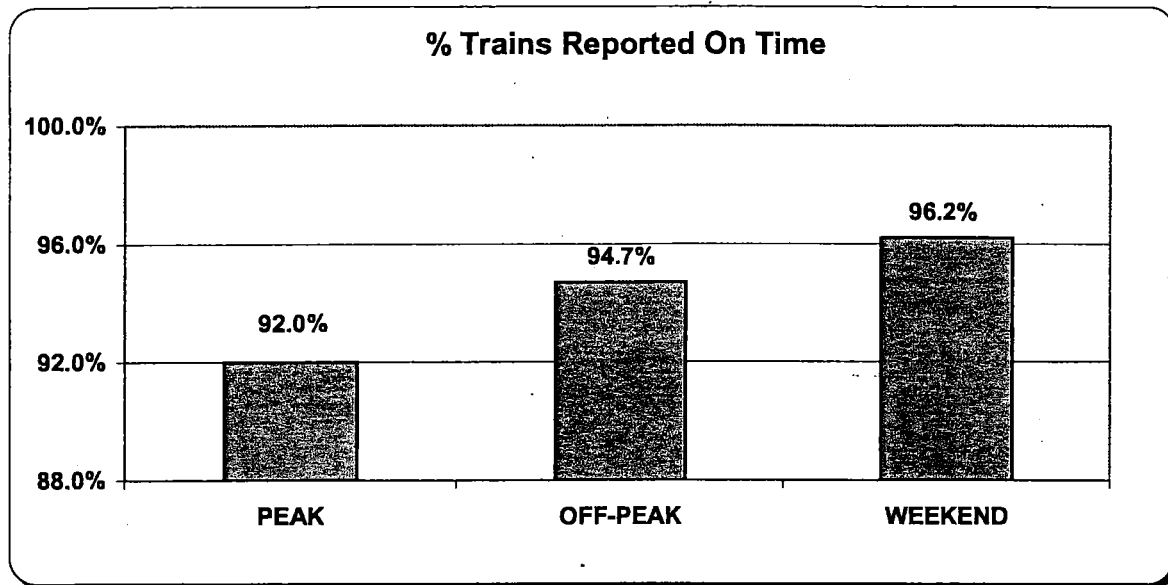
Rail On-Time Performance for November 2008 was 94.2%. Of the 18,184 trains that were scheduled to operate, 17,137 were on time, while 1,047 trains (or 5.7%) were delayed. Key causes of delay included:

- Slippery rail conditions resulted in 143 delays.
- NJ TRANSIT trains experienced mechanical failures on 11/6 and 11/12.
- Amtrak trains experienced signal problems on 11/7 and 11/13.
- A fire on 11/26 in the tunnel from Penn Station New York affected 108 trains.

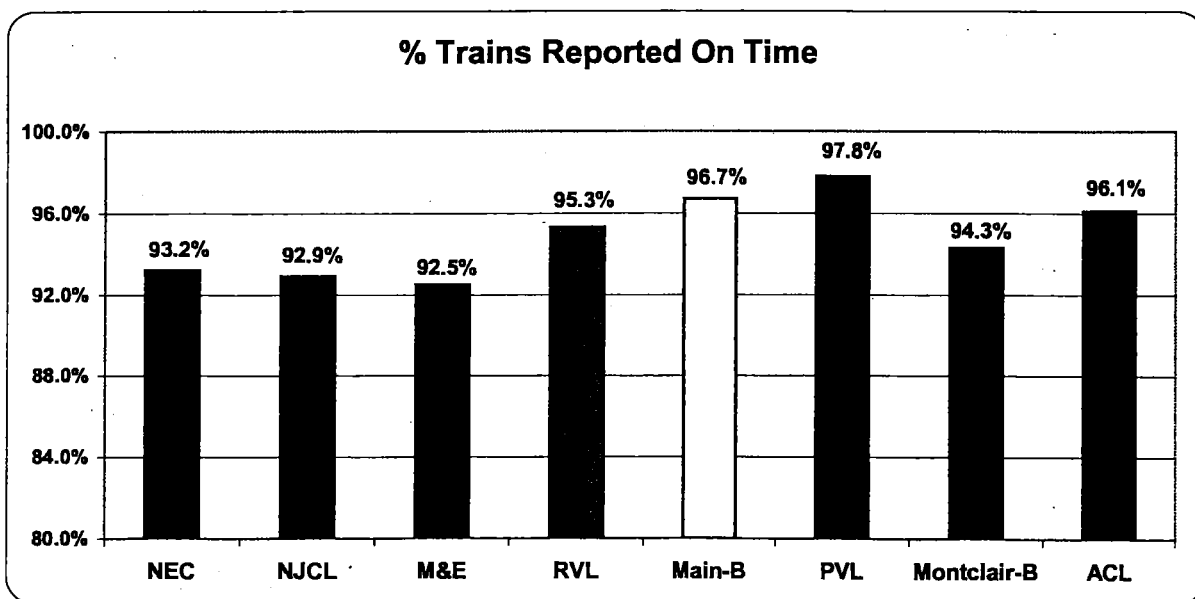
The 12-month average for Rail On-Time Performance for December 2007 - November 2008 was 93.5%.

ON-TIME PERFORMANCE RAIL

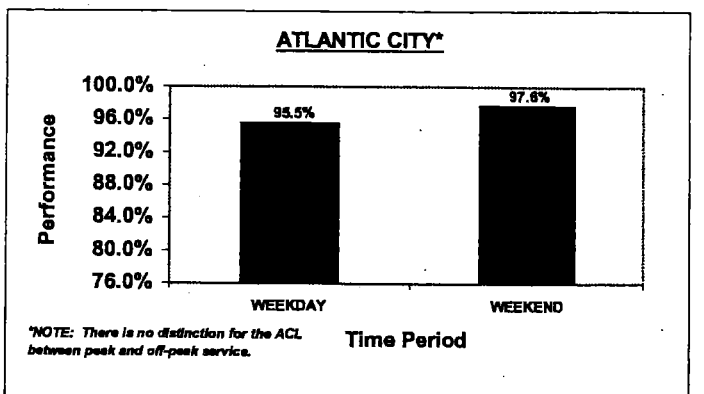
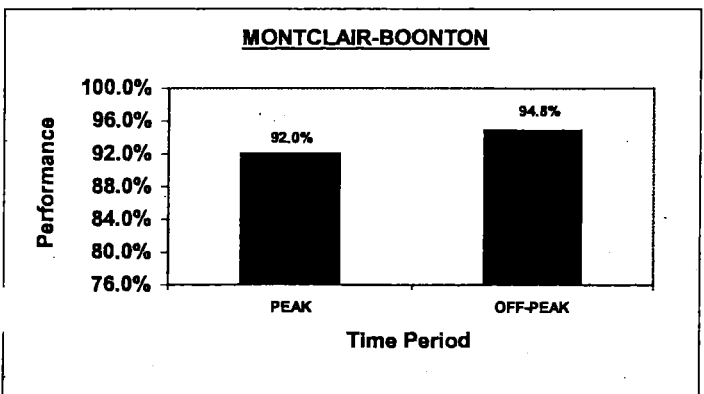
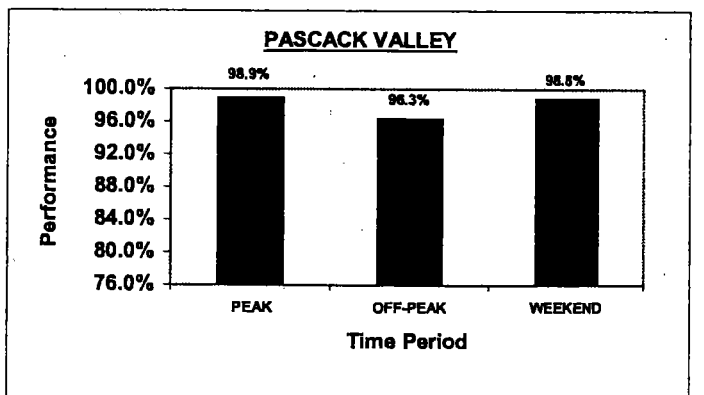
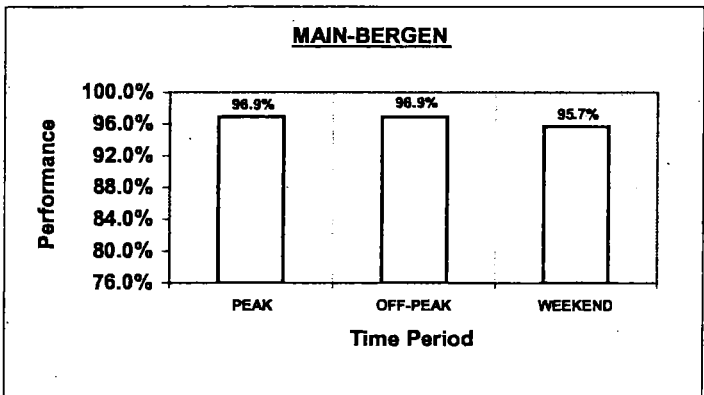
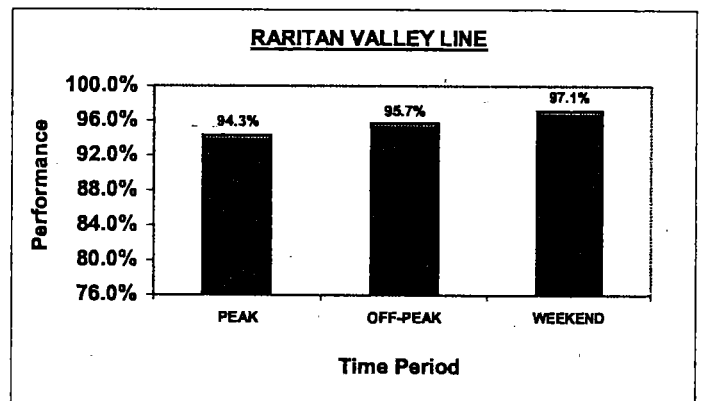
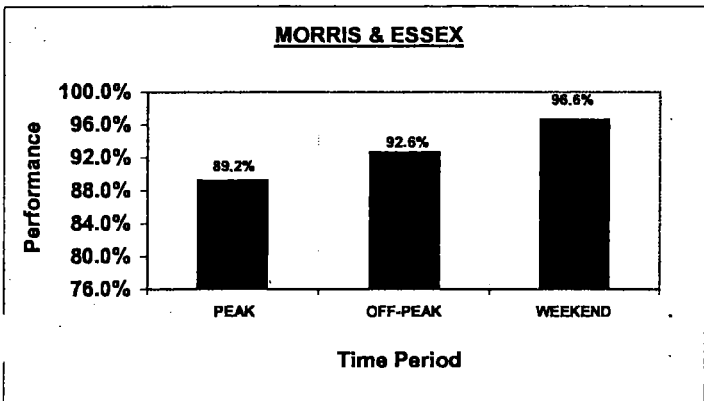
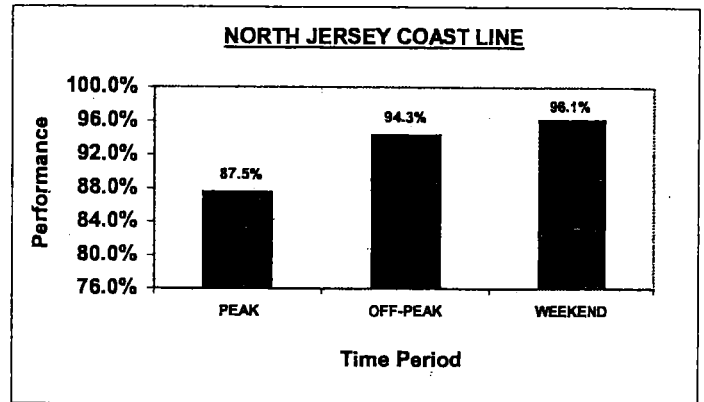
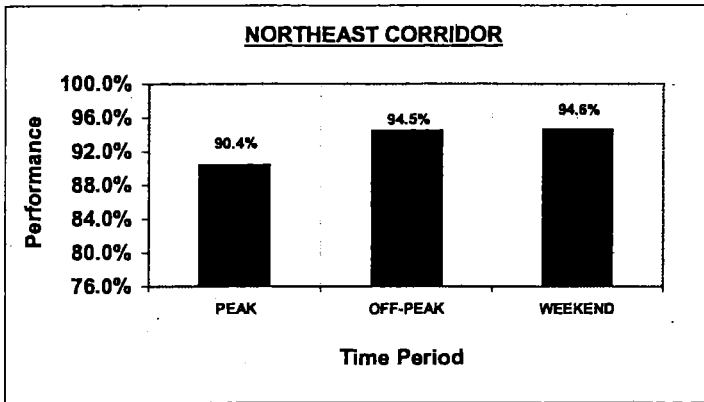
SUMMARY BY TIME PERIOD NOVEMBER 2008



SUMMARY BY LINE NOVEMBER 2008

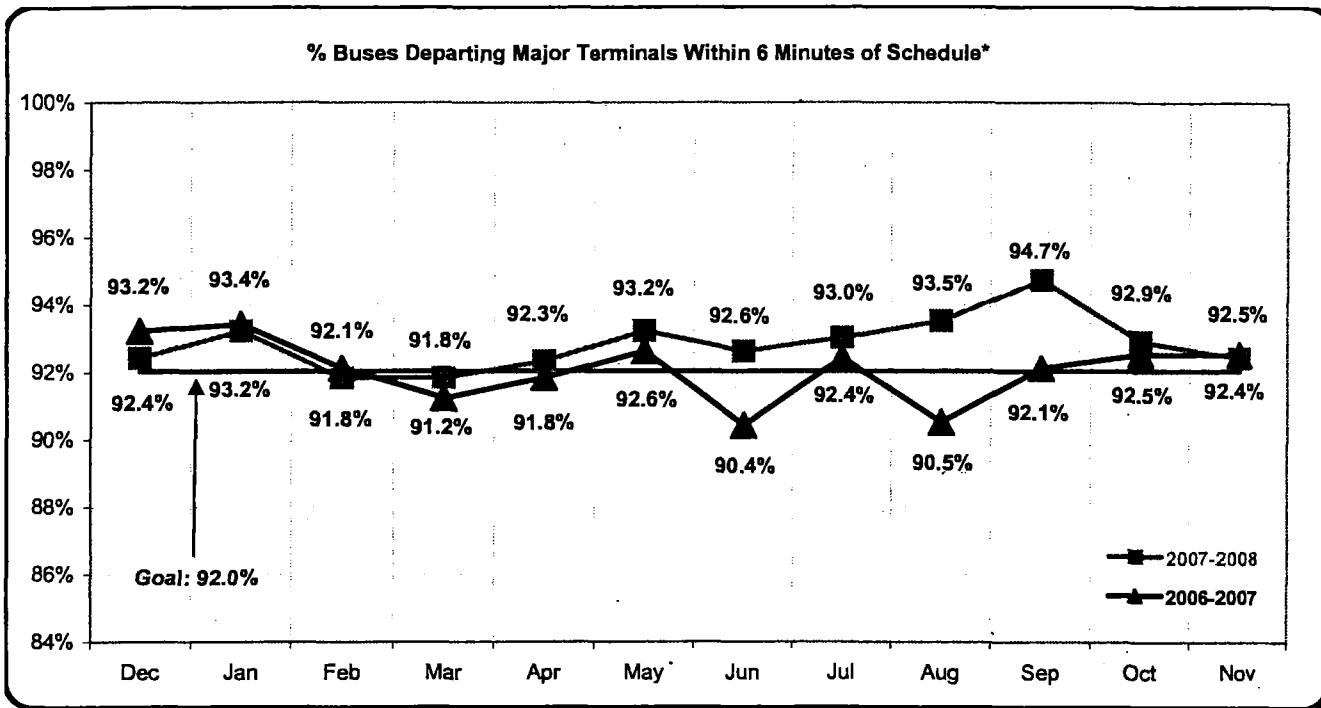


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD NOVEMBER 2008



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

NJ TRANSIT ON-TIME PERFORMANCE BUS DECEMBER 2006 - NOVEMBER 2008



*Note: Includes the Walter Rand Transportation Center, Atlantic City Bus Terminal, Port Authority Bus Terminal, Newark Penn Station, and, as of July, 2008, Hoboken Terminal.

	2007	2008	% Change
November Comparison	92.5%	92.4%	-0.1%

	2006-2007	2007-2008	% Change
12-Month Average December - November	92.1%	92.8%	0.7%

Analysis:

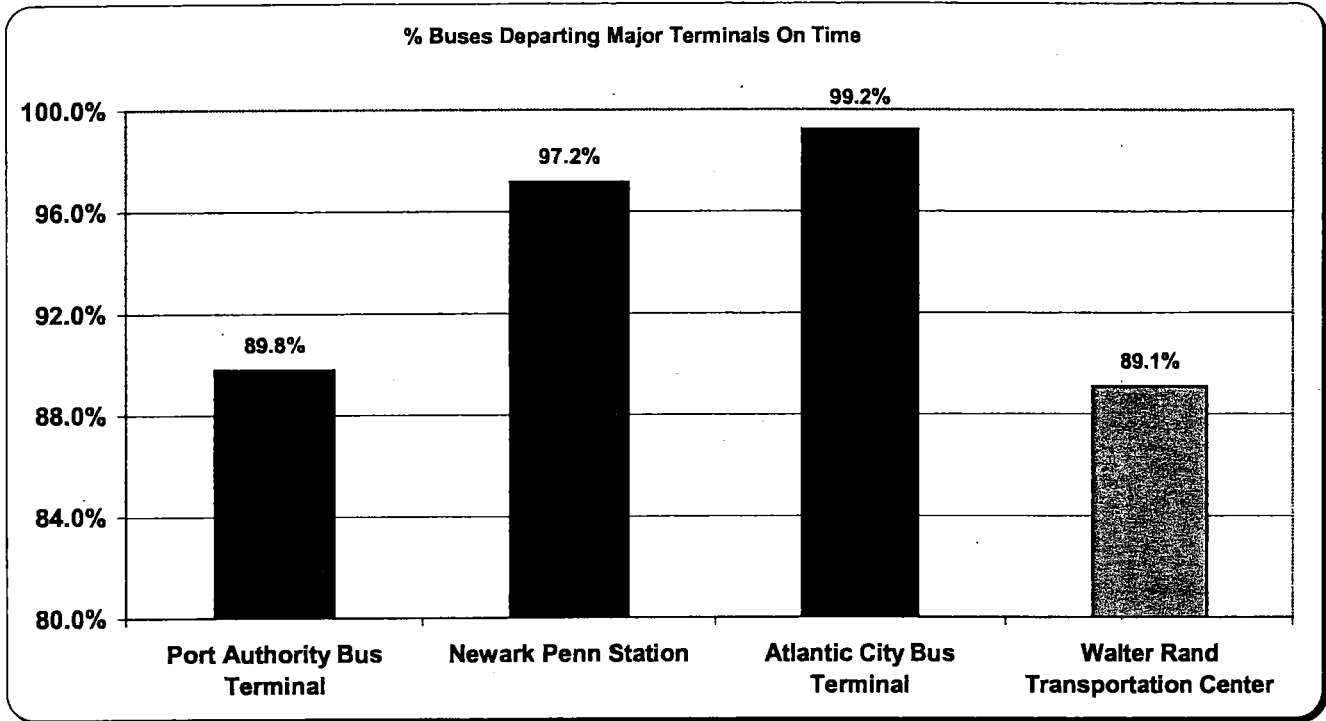
Bus On-Time Performance for November 2008 was 92.4%. Of the 29,167 monitored departures, 2,218 (or 7.6%) experienced delays. Key sources of delay included:

- Car breakdown in Lincoln Tunnel on 11/19.
- Inbound delays to the PABT of 45 minutes on 11/25 and one hour on 11/26.
- Traffic delays due to heavy rain on Market and Broad Streets in Philadelphia on 11/6.
- General traffic congestion delays in Philadelphia on 11/17 and 11/18.

The 12-month average for Bus On-Time Performance for December 2007 - November 2008 was 92.8%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL NOVEMBER 2008

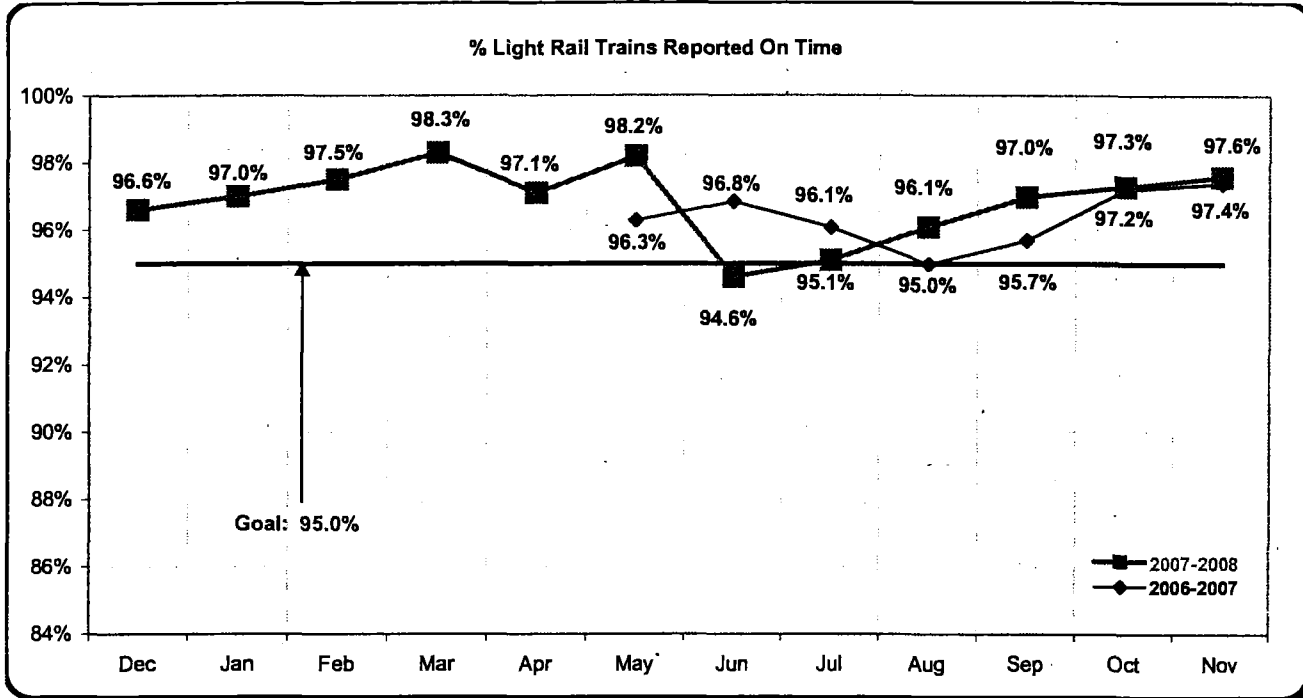


NJ TRANSIT

ON-TIME PERFORMANCE

LIGHT RAIL - SYSTEMWIDE

MAY 2007- NOVEMBER 2008



*Note: Starting May 2007

	2007	2008	# Change
November Comparison	97.4%	97.6%	0.2%

	2006-2007	2007-2008	# Change
12-Month Average December-November	NA	96.9%	NA

Analysis:

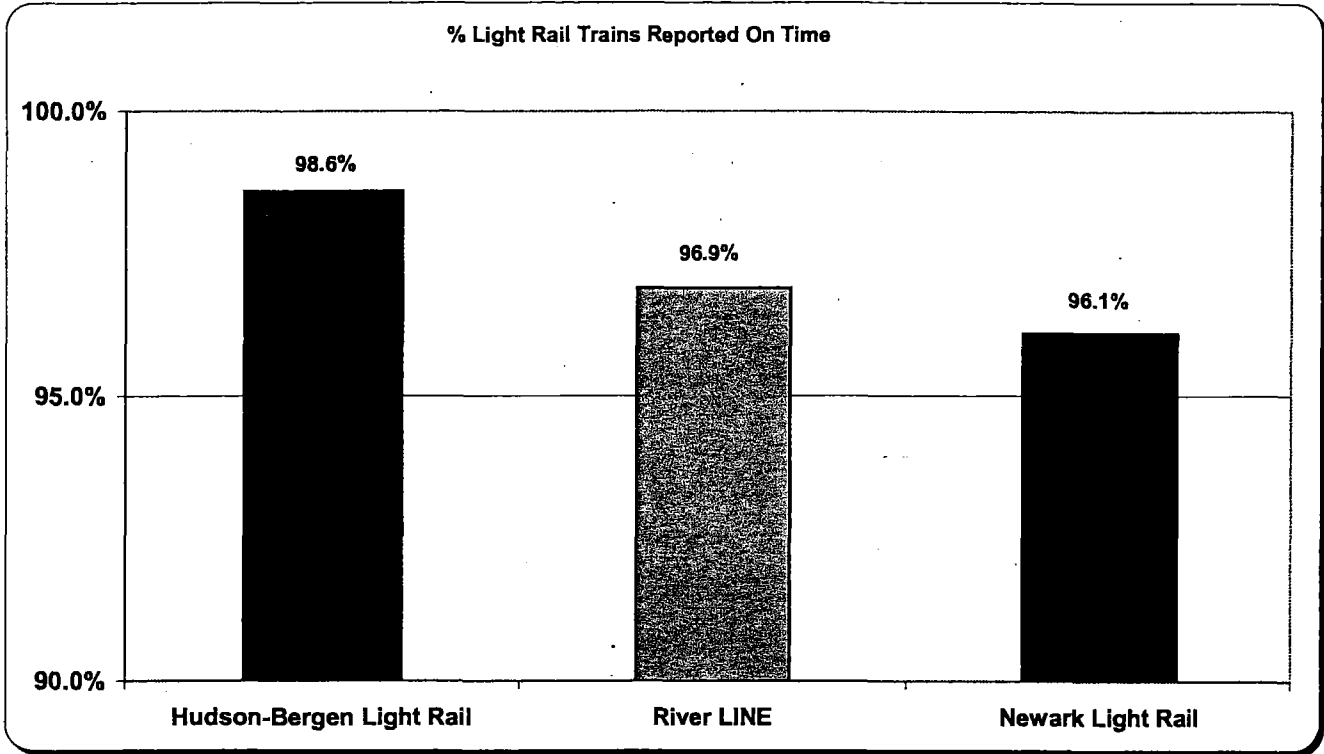
Light Rail On-Time Performance systemwide was 97.6% for the month of November 2008. Of the 29,761 scheduled trains, 711 (or 2.3%) experienced delays. Causes of delay during the month included:

- Suspension of River LINE service between Camden's Waterfront Entertainment Center and the Walter Rand Transportation Center on 11/2 to accomodate the Larc School for Disabled Children's 10K-Walk.
- HBLR equipment failure on 11/5 and overhead wire damage on 11/17.
- Scheduled track outage on 11/1 and 11/2 on Newark Light Rail for the Bloomfield Rehabilitation project and overhead wire maintenance on 11/8, 11/9 and 11/16.

The 12-month average for Light Rail On-Time Performance for December 2007- November 2008 was 96.9%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE NOVEMBER 2008



ACTION ITEMS

ITEM 0812-88: PURCHASE OF 39 LOW FLOOR TRANSIT BUSES

BENEFITS

The purchase of 39 32-foot transit buses will replace the 30-foot NOVA B buses that have been in service since 1999 and which are eligible for replacement under Federal Transit Administration guidelines. The new buses will improve service reliability and offer comfortable interiors for our customers. The buses will be low floor and will be equipped with a wheelchair ramp in the front door and a kneeling feature to aid mobility impaired customers with boarding.

The new buses will have a capacity of 26 seated passengers and 22 standees. All buses will be 102 inches wide by 32 feet long. Additionally, the new buses will meet or exceed the latest environmental standards by incorporating technologies to reduce exhaust emissions including particulate matter and NOx. The clean diesel technologies will achieve emissions levels comparable to compressed natural gas powered buses.

PURPOSE

Authorization of this contract will allow for the purchase of 26 new low floor 32-foot transit buses for use by NJ TRANSIT Bus Operations on routes in southern New Jersey and 13 new low floor buses for use on contracted routes in Morris County. The buses will be manufactured during the third and fourth quarters of calendar year 2009.

The buses will be procured through an assignable option from Miami-Dade Transit for the purchase of low floor buses. Miami-Dade Transit conducted a competitive procurement process for low floor buses and deemed North American Bus Industries, Inc. of Anniston, Alabama, to be the most responsive proposer. This procurement is considered to be Procurement-by-Exception per Executive Order 37.

ACTION (Justification: State of Good Repair)

Staff seeks authorization to enter into a Procurement-by-Exception contract (No. 09-033) with North American Bus Industries, Inc. of Anniston, Alabama, for the acquisition of 39 low floor buses at a cost not to exceed \$12,479,220, 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: \$ 12,479,220 + 5% contingency

Total Project Cost: \$ 14,035,000

Projected Date of Completion:	February 2011
Anticipated Source of Funds:	Transportation Trust Fund
Diversity Goal:	NA
Future Related Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT's 30-foot 1999 NOVA B buses are eligible for replacement under Federal Transit Administration guidelines; and

WHEREAS, new Transit buses will improve service reliability and offer low floor boarding and alighting for customers; and

WHEREAS, the new buses will be fully accessible for all customers and meet the latest environmental standards; and

WHEREAS, Miami-Dade Transit conducted a competitive procurement process for low floor buses and deemed North American Bus Industries, Inc. of Anniston, Alabama, to be the most responsive proposer; and

WHEREAS, NJ TRANSIT obtained an assignable option on this contract from Miami-Dade Transit for 39 buses;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a Procurement-by-Exception contract (No. 09-033) with North American Bus Industries, Inc. of Anniston, Alabama for the acquisition of 39 low floor buses at a cost not to exceed \$12,479,220, plus five percent for contingencies, subject to the availability of funds.

ITEM 0812-89: PURCHASE OF 18 CRUISER BUSES

BENEFITS

NJ TRANSIT has experienced rapid growth on various bus lines throughout the State. Staff identified the need to purchase additional cruiser buses to fill this need. The new equipment will ensure that NJ TRANSIT is able to continue to provide comfortable and reliable service. The new equipment is essential as NJ TRANSIT ridership continues to grow on many bus routes, especially on New York commuter routes to the Port Authority Bus Terminal, and traffic continues to affect equipment availability, especially during the peak periods. The new cruiser buses will be similar to NJ TRANSIT's existing fleet of cruiser buses in operation throughout the State, which have proven to be reliable and easy to maintain.

PURPOSE

To ensure immediate delivery of 18 new cruiser buses, staff recommends the award of a Procurement-by-Exception contract to Motor Coach Industries, Inc., of Schaumburg, Illinois, for this equipment. The buses will meet NJ TRANSIT's specifications for dynamic signage and customer accessibility and will be equipped to meet or exceed the latest environmental standards. This action, in addition to providing fleet compatibility with the 1,060 cruiser buses currently operated by NJ TRANSIT, will allow for cost avoidance in the areas of operator and maintenance training, parts inventory costs and availability, as well as special shop equipment needed to maintain a different style cruiser bus.

This contract is being awarded in accordance with the sole source provisions of Executive Order 37.

ACTION (Justification: System Expansion)

Staff seeks authorization to enter into a Procurement-by-Exception contract (No 09-044) with Motor Coach Industries, Inc. of Schaumburg, Illinois, for the purchase of 18 new cruiser buses at a cost not to exceed \$9,000,000 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 Authorizations:	\$ 9,000,000	+ 5% contingency
Total Project Cost:	\$ 9,600,000	
Project Date of Completion:	July 2009	

Anticipated Source of Funds:	Transportation Trust Fund
Diversity Goal:	Transit Vehicle Manufacturer
Future Related Authorizations:	None
Impacts on Subsequent Operating Budgets:	TBD

RESOLUTION

WHEREAS, NJ TRANSIT recently completed an evaluation of the bus fleet and its ability to serve growing ridership and meet rigorous daily service demands throughout the State; and

WHEREAS, staff identified the need to add cruiser buses to the fleet to meet ridership growth, allow for schedule adjustments, and provide operating flexibility; and

WHEREAS, the purchase of 18 cruiser buses from Motor Coach Industries, Inc., of Schaumburg, Illinois on a Procurement-by-Exception basis will ensure that the vehicles will be delivered immediately and that the new vehicles will be compatible with the current fleet;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a Procurement-by-Exception contract (No. 09-044) with Motor Coach Industries, Inc. of Schaumburg, Illinois, for the purchase of 18 new cruiser buses at a cost not to exceed \$9,000,000, plus five percent for contingencies, subject to the availability of funds.

ITEM 0812-90: RAIL OPERATIONS CENTER: CONTRACT AWARD FOR EMERGENCY BACK-UP FACILITY

BENEFITS

The Rail Operations Center (ROC), located in Hudson County, New Jersey, is NJ TRANSIT Rail Operations' central facility for dispatching trains and power – and monitoring signals – for its commuter rail lines. Providing an emergency back-up facility for the ROC will ensure NJ TRANSIT's ability to continue to operate commuter rail service in the event of an outage at the ROC.

PURPOSE

In order to ensure uninterrupted commuter rail service in the event of an outage at the ROC, NJ TRANSIT has identified the need to provide a separate back-up facility that duplicates the most critical ROC functions for communications between the dispatchers and the train lines. Authorization of this contract will enable NJ TRANSIT to secure a back-up facility at a remote location.

NJ TRANSIT will equip the facility to allow transparent operation of commuter rail services in the event of a ROC outage. NJ TRANSIT forces will install the equipment in the backup facility and construct communications links, radio and switching equipment required to connect the emergency back-up facility to the train lines.

ACTION (Justification: Business Efficiency/Security/Reliability)

Staff seeks authorization to contract (No. 09-303) with SunGard Availability Services LP of Wayne, Pennsylvania, in the amount of \$1,104,000, plus five percent for contingencies, to provide an emergency back-up facility for the Rail Operations Center for a period of three years with two additional one-year options, 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: \$ 1,104,000 + 5% contingency

Total Project Cost: \$ 2,900,000

Projected Date of Completion: June 2010 (in-service date)

Anticipated Source of Funds: Transportation Trust Fund

Diversity Goal: 0%

Related/Future Authorizations: None

Impacts on Subsequent Operating Budgets:	<u>FY</u>	<u>Facility</u>	<u>O&M</u>	<u>Total</u>
	2011	\$ 210,000	\$ 375,000	\$ 585,000
	2012	\$ 210,000	\$ 375,000	\$ 585,000
	2013	\$ 210,000	\$ 375,000	\$ 585,000
	2014	\$ 210,000	\$ 375,000	\$ 585,000

RESOLUTION

WHEREAS, the Rail Operations Center (ROC) in Hudson County is NJ TRANSIT Rail Operations (NJTRO) central facility for dispatching trains and traction power on its commuter rail lines; and

WHEREAS, NJ TRANSIT seeks a remote back-up facility from which NJTRO staff can continue to operate train service in the event that the ROC is disabled or unusable; and

WHEREAS, upon completion of a competitive procurement process, it was determined that SunGard Availability Services LP was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED, the Chairman or Executive Director is authorized to contract (No. 09-303) with SunGard Availability Services LP of Wayne, Pennsylvania, in the amount of \$1,104,000, plus five percent for contingencies, to provide an emergency back-up facility for the Rail Operations Center for a period of three years with two additional one-year options, subject to the availability of funds.

ITEM 0812-91: LACKAWANNA CUT-OFF PASSENGER RESTORATION PROJECT MINIMAL OPERABLE SEGMENT (MOS) PORT MORRIS TO ANDOVER: AMENDMENT OF CONTRACT TO ADD DESIGN SERVICES

BENEFITS

NJ TRANSIT is working to provide travelers with transit alternatives to congested roads and aid in the compliance with clean air legislation. One of the rail system extension projects that supports these goals is the restoration of the Lackawanna Cut-Off in western New Jersey. This project seeks to provide improved public transportation for commuters who must use the congested I-80 corridor, particularly in Morris County. The Cut-Off would serve commuters boarding the Montclair/Boonton Line traveling to and from destinations in New Jersey and Manhattan.

PURPOSE

Authorization of this contract amendment will allow for right-of-way design for track work, wetland investigation for drainage system design, and administration of the design permit process for the Lackawanna Cut-Off Minimal Operable Segment (MOS). A single-track rail line is planned for a distance of 7.3 miles from Port Morris to Andover, New Jersey. The MOS will be a rail spur off the outer end of NJ TRANSIT's existing Montclair/Boonton Line. One grade crossing will be designed at Brooklyn-Stanhope Road in Stanhope. The balance of the right-of-way is grade-separated and will traverse over and under several existing vehicular roadways. A new station with parking for 65 cars will be constructed off Roseville Road in Andover, the MOS terminus.

The original procurement processes for the consultant services contract included two Phases: Phase 1 – Conceptual Planning and Phase 2 – Engineering. Phase 1 is now complete. A Finding of No Significant Impact (FONSI) was issued on September 12, 2008, and the Federal Transit Administration (FTA) has granted permission to enter into final design.

ACTION (Capital Program Justification: New System Expansion)

Staff seeks authorization to amend the professional services contract (No. 02-084) with Jacobs Engineering Group, Inc. (formerly Edwards & Kelcey, Inc.) of Morristown, New Jersey, to provide design services for the Lackawanna Cut-Off MOS from Port Morris to Andover, New Jersey, at a cost not to exceed \$1,947,000, plus five percent for contingencies, for a total contract authorization of \$5,827,798, subject to the availability of funds.

FISCAL IMPACTS

Requested Authorization:	This Authorization	\$	1,947,000	+ 5% contingency
	Total Authorization	\$	5,827,798	

Total Project Cost: \$ 36,624,000

Projected Date of Completion: May 2010 – Complete 100% Design

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

Diversity Goal: 30% DBE

Related/Future Authorizations: Construction
Construction Management
Construction Assistance
Track Material Purchase

**Impacts on Subsequent
Operating Budgets:** \$2,100,000 annually

RESOLUTION

WHEREAS, NJ TRANSIT is working to increase the availability of New Jersey's Public transportation, provide transit alternatives to congested roads and aid in the compliance with clean air legislation; and

WHEREAS, one of the projects that supports these goals is the restoration of passenger rail service on the Lackawanna Cut-Off in western New Jersey; and

WHEREAS, the Cut-Off will serve commuters traveling to destinations in New Jersey and Manhattan; and

WHEREAS, NJ TRANSIT previously selected Edwards & Kelcey, Inc. (now Jacobs Engineering Group, Inc.) through a competitive procurement process for conceptual planning of the Lackawanna Cut-Off Passenger Restoration Project;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to amend the professional services contract (No. 02-084) with Jacobs Engineering Group, Inc. (formerly Edwards & Kelcey, Inc.) of Morristown, New Jersey, to provide design services for the Lackawanna Cut-Off MOS from Port Morris to Andover, New Jersey, at a cost not to exceed \$1,947,000, plus five percent for contingencies, for a total contract authorization of \$5,827,798, subject to the availability of funds.

ITEM 0812-92: TRENTON TRANSIT CENTER REHABILITATION: AMENDMENT TO CONSTRUCTION MANAGEMENT SERVICES CONTRACT

BENEFITS

The rehabilitation and expansion of Trenton Transit Center on the Northeast Corridor will bring this facility, last renovated in 1972, to a state of good repair. This project will also improve access, circulation and customer comfort for the 7,500 daily customers and accommodate for the area's redevelopment and future ridership growth.

The project provides improved ticketing capability, expanded waiting areas, accessible restrooms, improved access to the front of the building, and improved vehicular circulation. When completed the Trenton Transit Center will provide enhanced retail areas. The project will also include a major redesign of the plaza areas around the station with emphasis on better connections to NJ TRANSIT's River LINE and bus services to Trenton's business district.

PURPOSE

The Trenton Transit Center Rehabilitation project encountered design and construction issues relating to construction phasing required to complete working over the Northeast Corridor unforeseen site conditions, modifications requested by Amtrak, and less than expected productivity by the general contractor. This contributed in part to a longer project schedule, leading to the need for additional construction management services.

Authorization of this contract amendment for construction management services will allow for continued professional services to address the extended schedule, unforeseen outage delays, responses to requests for information, and resolution of construction issues, as well as project oversight and inspection.

ACTION (Capital Program Justification: State of Good Repair)

Staff seeks authorization to amend the professional services contract (No. 04-078) with Michael Baker Jr., Inc. of Hamilton, New Jersey, for additional construction management services in the amount of \$490,000, plus five percent for contingencies, for a total contract authorization of \$5,915,700, 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:	This Authorization	\$	490,000	+ 5% contingency
	Total Authorization	\$	5,915,700	

Total Project Cost: \$ 78,982,000

Projected Date of Completion: April 2009

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

Diversity Goal: 30% DBE

Related/Future Authorizations: None

Impacts on Subsequent	Due to this item	None
Operating Budgets:	Due to this project	TBD

RESOLUTION

WHEREAS, the rehabilitation of Trenton Transit Center is necessary to improve access, circulation and comfort for the existing 7,500 daily customers and to accommodate future ridership growth; and

WHEREAS, design and construction issues relating to construction phasing required to complete working over the Northeast Corridor unforeseen site conditions, Amtrak requested modifications and less than expected productivity by the general contractor have contributed to additional construction management effort and contributed in part to a longer project schedule; and

WHEREAS, additional construction management services are required to oversee and inspect project construction activities as a result of the longer project schedule;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to amend the professional services contract (No. 04-078) with Michael Baker Jr., Inc. of Hamilton, New Jersey, for additional construction management services in the amount of \$490,000, plus five percent for contingencies, for a total authorization of \$5,915,700, subject to the availability of funds.

ITEM 0812-93: SALE OF COMET I RAIL CARS TO CALTRANS

BENEFITS

NJ TRANSIT will receive an estimated \$1,050,000 non-operating revenues from the sale of 14 of its surplus Comet I commuter rail cars to the California Department of Transportation Rail Division (Caltrans). These rail cars are retired from service and are being replaced with new Multilevel cars. With the arrival of the new equipment, NJ TRANSIT seeks to generate revenue from these old Comet I cars.

PURPOSE

NJ TRANSIT owns 103 Comet I rail cars of which 30 were originally purchased in 1968 and the remaining purchased between 1971 and 1972. All were overhauled between 1986-88. These rail cars are now being retired as new multilevel cars are delivered. Since these rail cars can be used in revenue service only by a few commuter railroad agencies, NJ TRANSIT has a one time opportunity to sell some of these rail cars to Caltrans. NJ TRANSIT and Caltrans agreed to a \$75,000 sale price each for the Comet I cars given their age and condition. These rail cars will require maintenance work by Caltrans before they can be placed in service.

NJ TRANSIT will benefit by from the sale of these rail cars to Caltrans by receiving one time revenues. Also, such arrangements will permit NJ TRANSIT to remove surplus equipment from at-capacity rail storage yards.

ACTION (Justification: Business Improvement Revenue Enhancement)

Staff seeks authorize to enter into a sale agreement with Caltrans for 14 Comet I rail cars with an estimated revenue of \$1,050,000.

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

FISCAL IMPACTS

Requested Authorization:	\$1,050,000 in revenues
Total Project Cost:	N/A
Projected Date of Completion:	2008
Anticipated Source of Funds	N/A
Diversity Goal:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budget:	None

RESOLUTION

WHEREAS, NJ TRANSIT has Comet I rail cars which are no longer useful to NJ TRANSIT due to age and condition; and

WHEREAS, NJ TRANSIT is receiving new Multilevel rail cars to replace the Comet I rail cars and there is limited storage area on NJ TRANSIT's system for the old equipment that is no longer needed in current operations; and

WHEREAS, the California Dept. of Transportation Rail Division (Caltrans) has expressed interest in purchasing fourteen (14) NJ TRANSIT Comet I rail cars for use in its operations; and

WHEREAS, NJ TRANSIT has been able to negotiate favorable rates to sell these cars; and

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a sale agreement with Caltrans to dispose of 14 Comet I rail cars with an estimated revenue of \$1,050,000.

ITEM 0812-94 : CERTIFICATES OF PARTICIPATION- AUTHORIZING THE SUBSTITUTION AND EXCHANGE OF EQUIPMENT IN CONNECTION WITH LEASE/PURCHASE OF CERTAIN ROLLING STOCK

BENEFITS:

Approval of this Item will allow staff to reallocate the proceeds from the Sale of the 2005A Certificates of Participation and Certificates of Participation Series 2009A.

PURPOSE:

In September 2005, NJ TRANSIT financed the acquisition of 131 Bombardier Multilevel railcars and spare parts under Options 'A' through 'C' by issuing Certificates of Participation ('COPs'). The COPs are payable from future Federal Transit Administration (FTA) 5307 grants. In addition, in April 2008, 37 Multilevel railcars under Option "D" were designated to be financed from the proceeds of the COPs in exchange for 34 Multilevel railcars to be purchased under Option "A" being financed from the proceeds of the 2008A State Certificates of Participation.

In September 2008 the Board authorized State Certificates of Participation Series 2008B to finance the acquisition of an additional 50 Multilevel cars under Options 'E' and 'F' and 26 dual power locomotives. Due to the financial crisis the Series 2008B issue was delayed and will now be issued as the Series 2009A State Certificates of Participation.

Since NJ TRANSIT has been informed that no Federal funds would be made available for the purchase of any Multilevel cars, the Federal Series 2005A COPs will now be used to acquire 22 dual power locomotives, spare parts and associated engineering costs. The remaining four units will be financed through the forthcoming 2009A State Certificates of Participation together with all of the option Multilevel cars, excluding those financed with the State 2008A Certificates of Participation.

ACTION

Adoption of this Item will allow the substitution and exchange of equipment under the Certificates of Participation Series 2005A and Certificates of Participation Series 2009A.

FISCAL IMPACTS

Requested Authorization:	Reallocation of equipment between 2005A and 2009A Certificates of Participation.
Diversity Goal:	N/A
Projected Date of Completion:	2009A Notes to be sold in January 2009

RESOLUTION AUTHORIZING THE SUBSTITUTION AND EXCHANGE OF EQUIPMENT IN CONNECTION WITH LEASE/PURCHASE FINANCING OF CERTAIN ROLLING STOCK

Adopted December 10, 2008

WHEREAS, New Jersey Transit Corporation (the "Corporation") has entered into that certain Contract No. 01-097, dated March 7, 2003, with Bombardier Transit Corporation (the "Manufacturer"), as amended and supplemented from time to time in accordance with the terms thereof (the "Railcar Contract"), pursuant to which the Manufacturer has agreed to manufacture, deliver and install Multilevel railcars, together with any additions or substitutions thereto, in accordance with the terms and provisions of the Railcar Contract; and

WHEREAS, on September 7, 2005, Subordinated Certificates of Participation (Series 2005A) (the "Series 2005A Certificates") representing the proportionate interests of the owners thereof in certain lease payments to be made by the Corporation, as lessee, pursuant to a Master Equipment Lease Purchase Agreement Relating to Certain Equipment Leased by New Jersey Transit Corporation, dated as of March 15, 1999, between NJ TRANSIT and The Apris Group, Ltd., as lessor, as amended and supplemented (the "Series 2005A Lease Agreement"), were executed and delivered to the purchasers thereof by The Bank of New York, in its capacity as Trustee for the Series 2005A Certificates (the "Series 2005A Trustee"); and

WHEREAS, the Series 2005A Certificates were issued primarily for the purpose of financing the costs of acquiring 131 Multilevel railcars, together with any additions or substitutions thereto and spare parts therefore (collectively, the "Original Series 2005A Equipment") which the Manufacturer is obligated to manufacture, deliver and install pursuant to the Railcar Contract upon exercise by the Corporation of Options A, B and C thereunder; and

WHEREAS, in connection with the issuance of the Series 2005A Certificates, all of the Corporation's right, title and interest in and to those sections of the Railcar Contract which provide for the manufacture and delivery of the Original Series 2005A Equipment were assigned to the

Series 2005A Trustee, subject to the reservation of certain reserved rights by the Corporation; and

WHEREAS, at the request of the Corporation and in accordance with the provisions of the Series 2005A Lease Agreement, the Series 2005A Trustee has heretofore assigned to Apris Financial Advisors Ltd., in its capacity as the Lessor (the "Series 2008A Lessor") under an Equipment Lease Purchase Agreement (Series 2008A) Relating to Certain Equipment Leased by the State of New Jersey Commencing in Fiscal Year 2008, dated as of April 1, 2008, by and between the State of New Jersey, acting by and through the Director of the Division of Purchase and Property in the Department of the Treasury, and the Series 2008A Lessor, all of its right, title and interest in and to those sections of the Railcar Contract which provide for the manufacture and delivery of 34 Multilevel railcars which the Manufacturer is obligated to manufacture, deliver and install pursuant to Option A under the Railcar Contract (the "Assigned Option A Railcars"); and

WHEREAS, the Manufacturer has also agreed to manufacture, deliver and install, upon exercise by the Corporation of Option D under the Railcar Contract, an additional 37 Multilevel railcars, together with any additions or substitutions thereto and spare parts therefor (the "Option D Equipment" and, together with the Original Series 2005A Equipment, the "Series 2005A Equipment"); and

WHEREAS, simultaneously with the assignment from the Series 2005A Trustee to the Series 2008A Lessor relating to the Assigned Option A Railcars described above and in substitution and exchange for the Assigned Option A Railcars, the Corporation assigned to the Series 2005A Trustee certain of its right, title and interest in and to those sections of the Railcar Contract which provide for the manufacture and delivery of the Option D Equipment; and

WHEREAS, the principal or redemption price of, and interest on, the Series 2005A Certificates are payable primarily from funds received by the Corporation from the Federal Transit Administration ("FTA") pursuant to 49 U.S.C. §5307 (or any successor provisions thereto) for the funding of the Series 2005A Equipment (the "Federal Funds"); and

WHEREAS, NJ TRANSIT has been informed that no Federal Funds will be made available for the purchase of the Series 2005A Equipment or any other Multilevel railcars to be manufactured, delivered and installed pursuant to the Railcar Contract; and

WHEREAS, the Corporation has also entered into that certain Contract No. 07-062, dated August 18, 2008, with the Manufacturer, as amended and supplemented from time to time in accordance with the terms thereof (the "Locomotive Contract"), pursuant to which the Manufacturer is obligated to manufacture, deliver and install 26 dual-powered locomotives, together with any additions or substitutions thereto and spare parts therefore, in accordance with the terms and provisions of the Locomotive Contract; and

WHEREAS, the Corporation now desires to finance (i) the costs of acquiring 22 of the dual-powered locomotives to be manufactured, delivered and installed pursuant to the Locomotive Contract (the "Assigned Locomotives") from the proceeds of the Series 2005A Certificates, and (ii) the costs of acquiring the remaining 4 dual-powered locomotives to be manufactured, delivered and installed pursuant to the Locomotive Contract and all of the Series 2005A Equipment from the proceeds of a new financing of such equipment to be undertaken by the Corporation, including, without limitation, the proceeds of any series of certificates of participation to be hereafter issued in connection with a lease purchase agreement relating to such equipment which is entered into between by and between the State of New Jersey, acting by and through the Director of the Division of Purchase and Property in the Department of the Treasury, as Lessee, and a lessor to be hereafter determined; and

WHEREAS, the Series 2005A Lease Agreement permits the Corporation and the Series 2005A Trustee to substitute and exchange the Assigned Locomotives for the Series 2005A Equipment upon compliance with the provisions of Section 7.2 of the Series 2005A Lease Agreement; and

WHEREAS, upon completion of such substitution and exchange of the Assigned Locomotives for the Series 2005A Equipment, the proceeds of the Series 2005A Certificates

will be available to pay the costs of acquiring the Assigned Locomotives; and

WHEREAS, the Corporation desires to authorize the substitution and exchange by the Corporation and the Series 2005A Trustee of the Assigned Locomotives for the Series 2005 Equipment and to authorize certain officers of the Corporation to execute and deliver any and all such documents, and to take any and all such actions, as may be necessary, proper or desirable to effectuate, facilitate and carry out the substitution and exchange by the Corporation and the Series 2005A Trustee of the Assigned Locomotives for the Series 2005 Equipment, all in accordance with the Series 2005A Lease Agreement, including, without limitation, the provisions of Section 7.2 thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NEW JERSEY TRANSIT CORPORATION AS FOLLOWS:

Section 1. The Corporation hereby elects to substitute and exchange the Assigned Locomotives for the Series 2005A Equipment and the substitution and exchange by the Corporation and the Series 2005A Trustee of the Assigned Locomotives for the Series 2005 Equipment, as contemplated by, and in compliance with, the provisions of the Series 2005A Lease Agreement, including, without limitation, the provisions of Section 7.2 thereof, is hereby authorized and approved.

Section 2. The Chairman, Vice Chairman, Treasurer, Chief Financial Officer, Secretary and Executive Director of the Corporation, or any other officer of the Corporation who shall be appointed by the Executive Director to have the power to execute the documents and carry out the transactions contemplated by this Resolution, are hereby authorized and directed by, for and on behalf of, and in the name of, the Corporation, to execute and deliver any and all assignments, instruments, certificates, affidavits, opinions, directions, instructions and other documents, and to take any and all other actions, as may be necessary, proper or desirable to effectuate, facilitate and carry out the substitution and exchange by the Corporation and the Series 2005A Trustee of the Assigned Locomotives for the Series 2005 Equipment, as contemplated by, and in compliance

with, the Series 2005A Lease Agreement, including, without limitation, the provisions of Section 7.2 thereof.

Section 3. This Resolution shall take effect as provided in the New Jersey Public Transportation Act of 1979, as amended.

ITEM 0812-95: REIMBURSEMENT RESOLUTION: DUAL-POWERED LOCOMOTIVES AND MULTILEVEL VEHICLES: ACTION TO AMEND PREVIOUS BOARD RESOLUTION NO. 0808-59

BENEFITS

Authorization of this reimbursement resolution will allow NJ TRANSIT to recover contractual amounts paid to Bombardier for dual-powered locomotives and option Multilevel vehicles during the 60 day 'lookback' period permitted under the tax code.

PURPOSE

NJ TRANSIT is acquiring four dual-powered locomotives and 184 Multilevel vehicles with the proceeds of a Certificates of Participation ('COPs') financing.

NJ TRANSIT will make mobilization payments to Bombardier based upon contractual milestones. NJ TRANSIT is permitted under the tax code to reimburse itself with subsequent note proceeds for payments made prior to the financing with the adoption of a reimbursement resolution within 60 days of the date of payment.

In August 2008, the Board approved a Reimbursement Resolution for 26 dual-powered locomotives and 50 Multilevel railcars to be acquired under options 'E' and 'F'. Since no federal funds will be used for the acquisition of the Multilevel cars, the Series 2005A Certificates of Participation will now finance 22 locomotives under the Dual-Powered locomotive contract. All of the option Multilevel cars, excluding those financed with the State 2008A Certificates of Participation, together with four dual-powered locomotives, will now be financed with the proceeds of the 2009A State Certificates of Participation.

This Board Item amends Item 0808-59 adopted by the Board on August 13, 2008.

ACTION

Adoption of Reimbursement Resolution to recover prior payments.

FISCAL IMPACTS

Requested Authorization:	Adoption of Reimbursement Resolution
Total Project Cost:	N/A
Projected Date of Completion:	2009
Anticipated Source of Funds:	N/A
Diversity Goal:	N/A
Related/Future Authorizations:	N/A

**Impact on Subsequent
Operating Budgets:**

N/A

RESOLUTION OF NEW JERSEY TRANSIT CORPORATION DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF FROM THE PROCEEDS OF TAX-EXEMPT DEBT OBLIGATIONS FOR CERTAIN COSTS AND EXPENSES PAID PRIOR TO THE ISSUANCE OF SUCH DEBT OBLIGATIONS IN CONNECTION WITH THE ACQUISITION OF CERTAIN LOCOMOTIVES AND MULTILEVEL VEHICLES

**Adopted August 13, 2008 and
Amended and Restated December 10, 2008**

WHEREAS, pursuant to N.J.S.A. 27:25-1 et seq. (the "Act"), New Jersey Transit Corporation (the "Corporation") is authorized to purchase, lease as lessee, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, for any public or private entity; and

WHEREAS, the Corporation intends to purchase approximately four locomotives, plus spare parts, and approximately 184 Multilevel vehicles (collectively, the "Equipment") pursuant to contracts between the Corporation and Bombardier Transit Corporation; and

WHEREAS, the Corporation reasonably expects that the cost of purchasing the Equipment, together with the costs of certain engineering services, internal quality control and other related costs associated the purchase of the Equipment (collectively, the "Project Costs"), will be financed on a long-term basis from the proceeds of debt obligations to be hereafter issued by the Corporation or by the State of New Jersey or an agency or authority of the State of New Jersey on behalf of the Corporation (the "Debt Obligations"); and

WHEREAS, prior to the date of issuance of the Debt Obligations, the Corporation has paid (within 60 days prior to the date hereof), and may continue to pay, for certain Project Costs with funds of the Corporation that are not borrowed funds; and

WHEREAS, the Corporation reasonably anticipates that the interest on the Debt Obligations will be excludable from gross income under Section 103 of the Internal

Revenue Code of 1986, as amended (the "Code") for purposes of federal income taxation; and

WHEREAS, the Corporation desires to preserve the right to treat an allocation of the proceeds of the Debt Obligations to the reimbursement of the Project Costs paid prior to the issuance of the Debt Obligations as an expenditure for such Project Costs to be reimbursed for purposes of Sections 103 and 141 through 150, inclusive, of the Code;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NEW JERSEY TRANSIT CORPORATION AS FOLLOWS:

Section 1. The Corporation reasonably expects to reimburse the expenditure of Project Costs paid prior to the issuance of the Debt Obligations with the proceeds of the Debt Obligations.

Section 2. This Resolution is intended to be, and hereby is, a declaration of the Corporation's official intent to (a) incur and pay certain Projects Costs prior to the issuance of the Debt Obligations, and (b) reimburse itself for such Project Costs from the proceeds of the Debt Obligations in accordance with Treasury Regulations §1.150-2 promulgated under the Code.

Section 3. The maximum principal amount of Debt Obligations presently expected to be issued for the purpose of permanently financing the Project Costs (including, without limitation, costs of issuance, the funding of reserve funds, if any, and the amounts to be used to reimburse the Corporation for Project Costs paid prior to the issuance of the Debt Obligations) is \$500 million.

Section 4. The Project Costs to be reimbursed with the proceeds of the Debt Obligations will be "capital expenditures" within the meaning of Section 150 of the Code and Treasury Regulation §1.150-2(d)(3) promulgated thereunder, or a cost of issuance of the Debt Obligations.

Section 5. No reimbursement allocation of the proceeds of the Debt Obligations will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Code. The

proceeds of the Debt Obligations used to reimburse the Corporation for Project Costs, or funds corresponding to such amounts, will not be used, within one year after the reimbursement allocation, in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of the Debt Obligations or another issue of debt obligations of the Corporation, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1).

Section 6. No reimbursement allocation of the proceeds of the Debt Obligations will occur later than 18 months after the later of (i) the date the expenditure from a source of funds other than the proceeds of the Debt Obligations is paid, or (ii) the date the Equipment with respect to which the reimbursed cost was paid is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

Section 7. The Chairman, Vice Chairman, Treasurer, Chief Financial Officer, Secretary and Executive Director of the Corporation are hereby authorized and directed by, for and on behalf of, and in the name of, the Corporation, to execute any and all documents and take any and all other actions as may be necessary or desirable to carry out the intent and purpose of this Resolution.

Section 8. This Resolution shall take effect as provided in the Act.

CONSENT CALENDAR

ITEM 0812-96: SELECTION OF SPECIAL COUNSEL

BENEFITS

Engaging outside legal counsel provides efficiencies and flexibility in the assignment of legal services and complements the services provided by the Transportation, Construction and Condemnation Section (TC&C) of the New Jersey Division of Law. The Attorney General makes new assignments through individual retention letters.

The legal services currently provided by DeCotiis, Fitzpatrick, Cole & Wisler as Special Counsel include:

- Litigation and counseling
- Real estate development, leasing and other real estate related activity

PURPOSE

NJ TRANSIT requires significant and varied legal expertise in support of its day-to-day operations. DeCotiis, Fitzpatrick, Cole & Wisler, as Special Counsel, has assisted NJ TRANSIT with regard to ongoing litigation related to a complex case at the Newark Bus Complex (NBC) stemming from a disagreement between 11-14 Newark Urban Renewal Limited partnership, an affiliate of Hartz Mountain Industries (Hartz) over the terms of lease agreements entered into in 1986. Hartz filed a lawsuit seeking a declaration from the Court stating that NJ TRANSIT's right to renew its lease term commencing in 2011 has been extinguished. Currently, NJ TRANSIT and Hartz are engaged in discovery in preparation for trial.

The Attorney General has designated DeCotiis, Fitzpatrick, Cole & Wisler as Special Counsel to NJ TRANSIT for the projects referenced above. This authorization enables the Attorney General in conjunction with NJ TRANSIT to continue to allocate legal service requirements between the Division of Law and Special Counsel based on the specific expertise required and the availability of experienced staff.

ACTION

Staff seeks authorization to continue to compensate DeCotiis, Fitzpatrick, Cole & Wisler as Special Counsel with respect to the Newark Bus Complex litigation at an amount not to exceed \$350,000 subject to the availability of funds.

FISCAL IMPACTS

Requested Authorization:	\$350,000
Anticipated Source of Funds:	Operating Budget
Projected Date of Completion:	December 2009
Diversity Goal:	N/A

RESOLUTION

WHEREAS, NJ TRANSIT requires significant and varied legal expertise in support of its day-to-day operations; and

WHEREAS, the Attorney General has previously designated Decotiis as Special Counsel; and

WHEREAS, NJ TRANSIT would continue to benefit from the use of Special Counsel to assist in litigation activities;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to continue to compensate DeCotiis, Fitzpatrick, Cole & Wisler as Special Counsel with respect to the Newark Bus Complex litigation at an amount not to exceed \$350,000, subject to the availability of funds.

Port Authority chair: 2nd Hudson tunnel will help economy

By Larry Higgs, Transportation Writer November 7, 2008



JERSEY CITY — Port Authority Chairman Anthony Coscia said fast-tracking the proposed second Hudson River rail tunnel to start construction next year will help the economy, and called on the federal government to speed approvals and help finance the massive project.

Coscia, speaking at the St. Peter's College 37th annual business symposium, also said the Port Authority plans to fast track \$3 billion worth of capital projects to stimulate the economy and create jobs.

"A federal stimulus package that contains (tunnel) funding would allow us to get a shovel in the ground in the first half of 2009 and get people to work as soon as possible," Coscia said.

Funding for the project is now estimated to cost \$8.7 billion instead of \$7.6 billion, due to inflation. Financing is split among New Jersey, the Port Authority of New York and New Jersey and the federal government. New Jersey is paying about 20 percent and the Port Authority and Washington are slated to pay about 40 percent each. New York state isn't contributing, although Port Authority officials consider the agency's funding to cover New York State.

Coscia said while the agency's revenues are likely to be affected by the economic downturn, he said another toll increase to fund major projects is not being considered.

So far a meeting with federal officials hasn't been scheduled, he said.

A list of specific projects that could be fast-tracked will be generated as part of the Port Authority's 2009 capital plan, said Ron Marsico, Port Authority spokesman.

"In recent weeks we have undertaken a comprehensive analysis of the agency's capital plan to identify projects that are shovel ready and fully funded and will generate the most jobs for the region in the shortest possible time frame," Coscia said.

Coscia estimated that for every \$1 billion spent by the Port Authority for major projects, that creates 47,000 new jobs and creates \$6 billion in additional economic output.

Transportation

Rail tunnel cost estimate raised 14 percent

Tuesday, November 11, 2008, by Tom Davis, Staff Writer

NorthJersey.com

NJ Transit got the go-ahead Monday to increase the estimated cost of a second New York City rail tunnel to \$8.7 billion — or by 14 percent.

The North Jersey Transportation Planning Authority endorsed the new cost estimate to account for potential inflation.

The panel is responsible for authorizing federal grant money that is spent on transportation projects in North Jersey. NJ Transit is seeking \$3 billion to help fund the tunnel, known as the Access to the Region's Core project.

Richard Sarles, NJ Transit executive director, said the new cost estimate comes as a result of a "rigorous cost analysis" conducted in consultation with the Federal Transit Administration.

"We've completed preliminary engineering, and this is what comes out of it — what we feel is the cost," he said.

The authority's action came on the same day that Governor Corzine announced that the Federal Transit Administration has approved the project's environmental-impact statement.

After a 30-day comment period, the FTA can issue a "record of decision" that would open the door for New Jersey to receive the \$3 billion.

So far, Port Authority and New Jersey officials have contributed nearly \$6 billion toward a tunnel that is expected to double rail capacity between New Jersey and New York City by 2017. NJ Transit officials hope to begin work next year, saying the project could stimulate the sour economy.

"This key federal approval dovetails with our economic recovery plan, which includes a commitment to major capital projects that can jump-start the state's construction sector and ensure the creation of thousands of jobs for New Jersey residents," Corzine said.

Several rail advocates appeared at the planning authority's Monday meeting to protest the cost hike, saying New York officials are not contributing enough money to fund a project that should extend beyond Penn Station, and transport commuters to Manhattan's East Side.

"If you want to help your rail riders and prove me wrong, this is probably your last chance," said David Peter Alan, chairman of the Lackawanna Coalition advocacy group.

Sarles said both states are contributing a fair share of the money, pointing out that the Port Authority is a bi-state agency whose executive director is appointed by the New York governor.

"The Port Authority is contributing \$3 billion to the project. The turnpike is contributing \$1.25 billion to the project," he said. "Tolls are being collected from New Yorkers. They're paying for part of the tunnel."

E-mail: davist@northjersey.com

Statement of Joseph M. Clift
Member, Regional Rail Working Group
New Jersey Transit Board Meeting
November 12, 2008

Good morning Mr. Chairman and members of the board. I am here today to ask you to save \$3 billion of precious New Jersey infrastructure funding.

How can you accomplish this laudable, some might even say praiseworthy or heroic, action? By **not approving** NJ Transit's recently announced \$1.1 billion increase in the cost of the ARC project, and by instructing NJ Transit to change the scope of work for ARC. Switching the New York terminus of ARC from the planned \$4.6 billion – yes that's \$4.6 billion! – 34th Street station to existing New York Penn Station, a connection developed and presented by NJ Transit consultants in February of last year, **will save \$3 billion**.

At this moment in time, NJ Transit has identified only \$5.5 billion of "other people's money" for ARC – \$3.0 billion from the Port Authority and \$2.5 billion from the federal New Starts program. The balance of the \$8.7 billion budget – \$3.2 billion – has to come from "New Jersey's money". Every dollar saved on the cost of ARC is 100% New Jersey's to keep or to not raise taxes, fees or tolls to get the dollar in the first place. Conversely, every extra dollar spent on ARC is a dollar lost by New Jersey or a requirement to raise taxes, fees or tolls to replace that dollar.

Another way to look at the impact of the \$1.1 billion ARC increase is to divide it evenly among the 13 counties and two cities of the North Jersey Transportation Planning Authority, which I did at their board meeting this last Monday – it works out to \$73 million each that will not be available for infrastructure investment. What could you do in your community with \$73 million?

Including the \$419 million hit recently taken by the Transportation Trust Fund, reported in the media yesterday, New Jersey is down \$1.5 billion in state infrastructure funding just in the last two weeks – that's the wrong direction to be going during this tough fiscal period.

Doesn't it make sense in these incredibly difficult times to take a hard look at NJ Transit not going it alone in an ultra-expensive, 20-story deep, dead-end New York Penn Station Expansion, where in actual fact, this so called expansion will be a 14-story climb just to get up to the existing Penn Station mezzanine?

Isn't saving \$3 billion worth the effort for NJ Transit to work with Amtrak, the owner of New York Penn Station, and the Long Island Railroad (LIRR), NY Penn's current major tenant, to bring the new trans-Hudson tunnels into the station?

- Amtrak would benefit directly from having access to the new tunnels, especially as a back up for its 100-year old tunnels.
- The stage would be set for future one-seat ride service to Grand Central Terminal, freeing 100,000 daily trans-Hudson riders from the necessary subway, bus, cab or long walk required today to get to the east side of Midtown. Absent such a connection, New Jersey rail riders will be relegated to permanent "second class" status, while Metro-North riders today and LIRR riders in 2015, when the MTA's East Side Access project is finished, are afforded a short walk to their East Side job sites.
- NJ Transit riders would save the extra time entailed in using a station 20-stories beneath the street.

My name is Joseph M. Clift. I am a resident of Manhattan and past Director of Planning and Director of Strategic Planning for the Long Island Railroad and past Manager of Operations Planning & Strategic Planning Analyst for ConRail. I am speaking today as a representative of the Regional Rail Working Group (RRWG), a consortium of rail advocacy organizations in the tri-state area, including the New Jersey Association of Railroad Passengers, the Lackawanna Coalition and the Empire State Passengers Association and for the RRWG's alliance of organizations intent on getting ARC back on track.

Thank you for listening to my statement today – please act on it to save that precious \$3 billion.

ACCESS TO THE REGION'S CORE
IN
HUDSON COUNTY, NEW JERSEY
AND
NEW YORK COUNTY, NEW YORK

FINAL ENVIRONMENTAL IMPACT STATEMENT

PREPARED PURSUANT TO:

National Environmental Policy Act of 1969, §102 (42 U.S.C. §4332); Federal Transit Law (49 U.S.C. §5301(e), §5323(b), and §5324(b)); 49 U.S.C. §303 (formerly Department of Transportation Act of 1966, §4(f)); National Historic Preservation Act of 1966, §106 (16 U.S.C. §470f); Executive Order 11990 (Protection of Wetlands); Executive Order 12372 (Intergovernmental Review of Federal Programs); Executive Order 11988 (Floodplain Management); Executive Order 12898 (Environmental Justice); and other applicable laws, regulations, orders, and guidelines

by the

FEDERAL TRANSIT ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION

and the

NJ TRANSIT CORPORATION

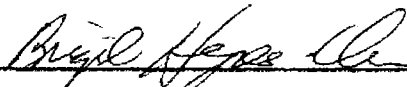
with the cooperation of

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

UNITED STATES ARMY CORPS OF ENGINEERS


UNITED STATES COAST GUARD

FEDERAL RAILROAD ADMINISTRATION



Brigid Hynes-Cherin
Regional Administrator, Region II
Federal Transit Administration

10/27/08
Date of Approval



Richard R. Sarles
Executive Director
NJ TRANSIT CORPORATION

10/24/08
Date of Approval

ABSTRACT

The Federal Transit Administration (FTA) and NJ TRANSIT have completed a Final Environmental Impact Statement (FEIS) and Section 4(f) Evaluation for the Access to the Region's Core (ARC) project. As a result of public and agency comments received on the Build Alternative (documented in the Draft Environmental Impact Statement published in February 2007 and Supplemental Draft Environmental Impact Statement published in March 2008), and advancement of preliminary engineering, NJ TRANSIT has refined elements of the Build Alternative to avoid, minimize or mitigate projected impacts, without sacrificing achievement of project goals and objectives.

The Build Alternative traverses a project area within Kearny, Secaucus, Jersey City, North Bergen, Union City and Hoboken in New Jersey, the Hudson River, and the Borough of Manhattan in New York. The project consists of additional commuter rail tracks and connections on the Northeast Corridor, new tunnels under the Palisades in New Jersey, the Hudson River and Manhattan, and connections to new station capacity and tracks under West 34th Street from Eighth Avenue to Sixth Avenue.

The purpose of ARC is to increase trans-Hudson commuter rail capacity to: accommodate projected ridership growth from rail lines west of the Hudson River; enhance passenger convenience via a one-seat ride on five NJ TRANSIT lines; and improve system safety and reliability between Frank R. Lautenberg Station in New Jersey and midtown Manhattan.

The capital cost estimate for the Build Alternative in the FEIS is \$7.6 billion (year of expenditure dollars). Subsequent to the printing of the FEIS, the capital cost of the Build Alternative increased to \$8.7 billion¹ (year of expenditure dollars). The capital cost increase is due to a change in the assumptions for annual inflation and contingency costs as a result of on-going Preliminary Engineering.

The types of social, economic and environmental impacts considered for the Build Alternative (during construction and on a long-term basis) include: transportation, land use and demographics, environmental justice, visual resources and aesthetics, air quality, noise and vibration, ecology, water resources, parklands, contaminated materials, safety and security, energy, utilities, historic and archaeological resources, and Section 4(f) property use. Measures to mitigate anticipated impacts are detailed in this FEIS.

FOR ADDITIONAL INFORMATION CONCERNING THIS DOCUMENT, CONTACT:

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¹ Project cost is \$8.7 billion with an additional \$400 million for rolling stock for the full 2030 operating plan. This brings the total cost to \$9.1 billion, the amount used in the FTA project evaluation process.