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# ***Commission Meeting***

of

## NEW JERSEY GENERAL AVIATION STUDY COMMISSION

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**LOCATION:** Committee Room 16  
State House Annex  
Trenton, New Jersey

**DATE:** June 25, 1996  
1:00 p.m.

**MEMBERS OF COMMISSION PRESENT:**

John J. McNamara Jr., Esq., Chairman  
Senator C. William Haines  
John S. Penn  
Linda Castner  
Jack Elliott  
Philip W. Engle  
Peter S. Hines  
Suzanne Solberg Nagle  
Henry M. Rowan



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

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Commission Subcommittee on  
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“Transportation New Jersey”  
submitted by  
John S. Penn

5x

mlf: 1-102 (Internet edition 1997)

**JOHN J. McNAMARA JR., ESQ. (Chairman):** I'm Jack McNamara. It's June 25. I'd like to call to order the meeting of the New Jersey General Aviation Study Commission for June.

Our role call.

Abe Abuchowski. (no response)

Assemblyman Bagger. (no response)

Linda Castner.

MS. CASTNER: Here.

MR. McNAMARA: Huntley Lawrence. (no response)

Jack Elliott.

MR. ELLIOTT: Here.

MR. McNAMARA: Philip Engle.

MR. ELLIOTT: He's on the way. They think he had a detour.

MR. McNAMARA: Okay.

Senator Haines.

SENATOR HAINES: Here.

MR. McNAMARA: Pete Hines.

MR. HINES: Here.

MR. McNAMARA: Bob Yudin. (no response)

Wesley Jost. (no response)

Suzanne Nagle.

MS. NAGLE: Here.

MR. McNAMARA: Joseph Odenheimer. (no response)

Jack Penn.

MR. ELLIOTT: He's on the way, also, with Phil.

MR. McNAMARA: Henry Rowan.

MR. ROWAN: Here.

MR. McNAMARA: And Fred Telling. (no response)

I had the pleasure of having a phone conversation with Bob Yudin earlier this week, which I guess had to be yesterday, and he has just come out of the hospital. He suffered a heart attack while performing his duties as a fireman for his township. He was in the fire carrying the full fire fighting pack and carrying an inch-and-a-half line, felt dizzy beyond what he knew would be normal for the circumstances, went outside on a truck, took him to the hospital; and we're happy to report that it happened all so quickly that although he had a heart attack, he had the most minimal damage because they were able to get to it immediately. But he won't be here today, and he hopes that he can join us maybe at our next meeting.

Has everybody received proper notice of this meeting?

UNIDENTIFIED COMMISSION MEMBER: I didn't.

MR. ENGLE: How did you get here so fast?

UNIDENTIFIED COMMISSION MEMBER: We flew.

MR. McNAMARA: These gentlemen have already been marked present.

There being no objections to notice, we'll assume that proper notice was given. Has everybody received the transcripts of all meetings except for March 27, April 30, and May 28? (no response) All right.

The purpose of today's meeting -- we've had our sessions of organization back in January and February of '95. We've formed ourselves into committees. We have conducted for 18 months our affairs and for over

a year hearings. In some months, we've conducted hearings all day long on three or four occasions, and I'm sure there are more witnesses that we could call, but we have -- in private conversation with some of the Commissioners, and if anybody disagrees with it, they should put it on record today.

We are beginning to notice a certain redundancy in the testimony that we are hearing. We've conducted, or so at least overseen, and had the results of an economic impact study of all general aviation airports in the State of New Jersey.

We've conducted a study of airport policy among our 49 sister states, 40 of whom have responded. We've conducted a study of all the townships that either host or neighbor airports in the State, 22 townships. More than 22 have already responded. We've conducted a study of all the general aviation airports in the State. These studies were done by questionnaire -- 27. More than 27 have responded. We've heard from all the alphabet groups: the NJDOT, the FAA, Delaware Valley Regional Planning Commission, the Civil Air Patrol. We've had real estate appraisers. We've had experts from MIT. We've had noise and environmental engineers. We've had the National Business Aircraft Association, Midlantic Aviation Coalition, Air of New Jersey, the League of Municipalities, the Chambers of Commerce, New Jersey Aviation Education Council, Great Eastern Balloon Association, and even the Rev, which is Reverend White, of course, and his Eagle Scouts.

We've heard testimony from more than 61 witnesses: 24 of them representing airports and 17 representing townships hosting airports. There comes a time, I think, when we have to say that we've heard enough witnesses to be able to deliberate, to make decisions, and make recommendations to the

Legislature in accord with our statutory charge and subject to your comments and opinions. I would suggest that that time has come.

I notice, for the record, for the first time in 18 months the Chairman's been given a gavel. (laughter)

Recurring themes that I would suggest we borne witness to, subject again to comments by fellow Commissioners, which I will invite them in it-- But those that I've noticed are that airports have a significant economic impact in this State and in their communities, and that impact inures more to the benefit of the community than to the airport owner, and especially, that is evident in the case of private airport owners. The community is generally unaware of this economic impact.

Communities generally like their airports as they are, and they resist the suggestion of change. Airport expansion, the suggestion of jet traffic begets a reaction, the premise for which is usually unreasonable. It's a negative reaction and the premise for it is usually unreasonable. We were witness to that in the Solberg affair with Readington and Branchburg where the community was convinced that on lengthening a runway there 5500 feet, 747s would be landing at Solberg, and it was beyond suggestion to them that the runway was not stressed to accommodate a heavy aircraft. That suggestion, as I understand the testimony, even the Mayor believed that a 747 could land on a runway that wasn't up to FAA standards for a heavy 350,000-pound aircraft.

The community rejection of corporate jets, I believe, is based more on misconception or misperception than reason. I believe that we have added our experts from MIT and our Mr. Young, our expert who counsels at Teterboro and the cities affected by Teterboro, and they both indicated to us

that one person could be affected adversely by the same noise in one circumstance and not affected in another circumstance. Mr. Young actually said it, that it's a matter of perception. If the community perceives that there is something wrong with an airplane, they will have an adverse reaction to airport noise, and if they don't have that perception, then they will not. I do not mean to suggest that airport noise isn't real. We all know that it is. We all know that some aircraft make noise that could be categorized as some of the loudest noises in our environment.

I think that we could make a finding of fact that heavy aircraft cannot use airports with runways which are not specifically designed for them in accord with the Federal Aviation regulations, and we should make that finding for the benefit of the Legislature.

We could find that privately owned airports are generally not good investments or good businesses, that litigation costs for development of airports is enormous and discourages airport growth. We've heard from several airports in a series of hearings. I believe it was Allaire who reported that to achieve the improvements that they've achieved on their airports, they had to have over three-quarters of a million dollars expended in attorneys' fees, and I believe it was Trinca that had a quarter of a million and Somerset that had a hundred fifty thousand. I believe, in the case of Somerset, their litigation expense emulated the expense of the improvement they were intending to make. Although I'm not sure of that, but I know they were trying to build 20 T-hangers.

New Jersey -- I think we could find that New Jersey, historically, has not spent enough on its airport program as a State, compared to our sister

states, and that will be evident in the compilation of our sister states airport policy study. Historically, it has done poorly with airport AIP funding, the Airport Improvement Program of the Federal government, and even the increase that is available now under the present administration represents a minimal level of making the commitment that is required to have a good aviation infrastructure in the State.

We have had repeated testimony from airports that real estate taxes are one of their major problems. I think we could make that finding, and we have not had substantial testimony from the townships that the contribution made by airport real estate taxes is a significant element of their income.

We have noticed that on repeated occasions that airport owners or operators have testified that the administration of the environmental protection regulations and the other regulations having to do with the development of their airports or the improvement of their airports have sometimes been at cross-purposes and that they were not able to make the improvements that they believe were important for safety.

In one case we know of, with Morristown Airport, it actually took something in the nature of the suggestion of a confrontation between the Department of Transportation and Department of Environmental Protection to cut some trees that had they not been cut, were obviously dangerous to air transportation.

We have had a number of airports testify that processing applications for permits to improve their facility has been enormously expensive and difficult. We have seen, I think, and I think we could make a



finding to this effect, that where airports and townships have a committee, an airport committee, on which each is represented, which conducts its business effectively -- meaning not that the township and the airport are in agreement, but rather that they communicate and actually have some system of mandatory communication -- there are fewer problems. The airport has fewer problems with its township and the township has fewer problems with its airport.

We have seen that because airports are bad businesses and because the State is losing its airports, there ought to be some means for an airport owner to have the best of both worlds, if you will. It might sound grand or a grand plan for the airport owner, but if the State is going to maintain its aviation infrastructure, I think that some mechanisms have to be put in place for the airport owner to realize the benefit of cashing in on an enormous capital investment and continuing to operate an airport, subject to the obligation to continue to operate the airport, and of course, I'm suggesting that we could make a finding that the State should adopt a policy to sell development rights on airports to the State at fair market value.

All of these things I suggest are recurring themes that we've heard more than once from witnesses, and we have now to proceed to make findings of fact, and we have now to, based on those findings, make recommendations to the Legislature. I have little pride of authorship in suggesting these things, and I invite everyone to come on the record with their observations, and having done that, I think then we should turn our attention to consideration of what sort of recommendations we should make to the Legislature.

Are there comments?

MR. ROWAN: A question, Jack, if I may? On your committee reports, you have several here with an NR. Does that stand for no report or some such thing on the agenda?

MR. McNAMARA: On my agenda I had "Reports will be requested of all Committees," and then I had NR after everyone. I apologize for that.

MR. ROWAN: The NR stands for what?

MR. McNAMARA: No report.

MR. ROWAN: No report?

MR. McNAMARA: It's been our accepted shorthand through our life to--

MR. ROWAN: Okay. No that's fine. I assumed so. Bill Haines and I are the Airport Funding Committee, and we did submit a questionnaire through, I guess, your office, Jack, and we never got any-- If there were responses from the airports that we sent those to, we never got those responses submitted to Senator Haines or myself. So we therefore have not had that information to write a report. I assumed it was being done within the office in some manner, but if we get the responses -- if there were any, maybe there weren't any -- but if there were responses and they turn those over to Mister -- I keep calling you mister, Bill -- Senator Haines and myself, we can get a report written.

MR. PENN: I don't know. I could check with Theresa. I have no idea. Most everything she got in she forwarded it up to you from time to time when she got in to open it.

MR. McNAMARA: No, we did not receive, from your office, any of those. We received--

MR. PENN: I -- some of yours.

MS. NAGLE: I got mine.

MR. McNAMARA: A lot of the state -- sister state survey was sent up to us, and I believe all the airport matter was sent to--

MR. PENN: But I will check tomorrow with Theresa to see if she has any reports. They may not come back at all. That's a possibility.

MR. ROWAN: There may be nobody responded, but the reply address was your office, I believe, and therefore we haven't had access to it.

MS. NAGLE: We had to send our questionnaire three times to get a response.

MR. ROWAN: Did you?

MS. NAGLE: And then we only heard from 27 airports.

MR. McNAMARA: There is an enormous amount of gardening in doing these surveys. I know Mrs. Nagle had to, she said, do it three times and call up airport owners and encourage them to fill it out and send it in, and Mr. Engle, who is doing the same thing on the side of the municipalities, was every month sending them letters and resending out questionnaires. I guess initially there was an addressing problem where the airport might be listed in the name of one township but actually be in a different township.

But, Jack, if you would check on that.

MR. PENN: Yours was what? An economic study, is that what it was?

MR. ROWAN: The airport funding study is the--

MR. PENN: In other words, what addressed how the airports are individually funded?

MR. ROWAN: It had to do with the Federal and municipal funding assistance programs that they participated in over the years.

SENATOR HAINES: What they have done (indiscernible) over the years--

MR. PENN: Okay. It may have overlapped then, which would have been a little bit of a problem. The fact that at the same time we were doing that State Economic Impact Study, and we had sent out lots of questionnaires, and we had someone going to each one of the airports and filling those out, they may have-- You have confused one with the other, because I think a lot of the questions you probably have we had also on our questionnaires, and it may have been an overlap though, and we do have-- I guess you've seen our copies of the Economic Impact Study, which we did have completed, over there. I think a lot of the information is there. But we will go back to the office, and I will find out if there is anything there. I'll certainly forward it to you.

MR. ROWAN: Thank you. Good.

MR. McNAMARA: Do you or does the Airport Funding Committee have any other report? Do you have anything else to say?

MR. ROWAN: Not on that subject at the moment. I have, I think, some conclusions from what I know of the whole study in some of the testimony that we've read, or perhaps my opinion and my conclusions.

I do think that in finalizing a report, the economic impact is a very vital issue for the Legislature and the public to understand, because as you say

-- and most people don't recognize the value of the airports or the value to their community. So I think we need to stress that, and my recommended thrust is, some of you brought up, of making sure that the airports do not become more valuable as developable land, as for development, than they do as an airport and open space. And I think either under the Green Acres type of program or under an airport program, the acquisition at the fair market value of development rights is the way to preserve airports. Because the land becomes so valuable that the current owners may well want to ride it out for their lifetime, but when their children or their grandchildren come along, they don't fly, they don't have the same interest as the parents, and that's when so many things will die. So I think the development rights -- the purchase of development rights -- and a taxation based on no development rights, is going to make the difference in retaining airports.

SENATOR HAINES: I think also, along with that, your air safety zones should be in that development right package. In other words, you not only buy the development rights for the airport, but somebody starts building houses right at the end of the runway, and you're going to kill the airport even if the people want to continue, and I've seen that happen in a couple of cases.

MR. ROWAN: Good point.

SENATOR HAINES: So I think you not only need to buy development rights for the existing airport, but the air safety zones at the end of the runway.

MR. McNAMARA: Okay.

SENATOR HAINES: And I think they should -- there should be a priority situation. Certainly. There are many companies that want to locate

in New Jersey, Pennsylvania, Delaware, and so forth, and one of the things they look at is the access of a local airport where they can have their company airplanes, because they may have branches that are in, not near, major airports, and they want to fly their company planes to these branches. And if that's the case, this is a key to development, and of course, the Governor has said many times that New Jersey's open for business. But when a business comes in, and only a few have, this is one of the factors they're going to look at.

Your company. You've got a runway right next to the company.

MR. ROWAN: We had to build our own. The nearest airport was deteriorating. It's now growing nicely but the previous ownership, it was a mess.

MR. McNAMARA: Okay, thank you.

That has gotten us to an area of committee reports and I apologize. We sent out this notice saying that reports will be requested of all Committees and then, using our shorthand which we've been using through our life, left the no report, NR, for no reports, after each Committee. So it's understandable if there are no Committee -- if any particular Committee doesn't have a report. But I am going to ask each Committee represented, in any event, in case they've prepared one.

Integration of Aviation and the State of Transportation System. Assemblyman Bagger isn't here. Jack, you're on that Committee. Do you know if there's some report?

MR. PENN: We, in the Department of Transportation this year, we've developed, over the last 18 months, a blueprint of where the transportation in the State of New Jersey is going to design a system, and it's

an intermodal transportation system, and for the first time working with the Commissioner, ultimately, we have aviation as part of that intermodal transportation and recognize the importance of general aviation in the overall scope of the plans.

I have with me, today, a copy of our final draft of the final report of the intermodal transportation system, which I would like to pass out to each one of the members, and as they have time to go through it, I think that they will see that we're in there, and it's stressed a number of times in the report of the importance of general aviation and aviation as part of our overall system, Mr. Chairman. So I would like to pass these out.

MR. McNAMARA: Please distribute them, and let's give one to the reporter.

MR. PENN: Senator Haines probably already received these in his office but--

MR. McNAMARA: Mr. Penn, can you summarize for us so that we won't have to read this whole report right now? Can you summarize for us what kind of accommodations are going to be made to aviation in the intermodal planning?

MR. PENN: What kind of accommodations?

MR. McNAMARA: Yes. I mean it's all right to say that we're recognizing aviation.

MR. PENN: I think that we're already doing that. I think that we've gotten funding from the Transportation Trust Fund, which we never got before.

MR. McNAMARA: Right.

MR. PENN: And we're making improvements to airports. As you know, we've also helped the township acquire an airport. We have two or three more right now that are in that mode. We also are working with a number of counties and communities that are interested in pursuing that. We're also working with a lot of the airports that are coming in for their various programs. I think I've presented that to you in the past, which I'll be happy to give again, as our improvement programs are restless throughout the year.

But what the important thing is that where we were recognized, for the first time, as part of the system, and they put their money where their mouth was, which is important.

MR. McNAMARA: Is anyone suggesting that new intermodal facilities will be established at existing airports or new airports will be established at the nexus of intermodal facilities?

MR. PENN: We have on the drawing board a couple of projects. One is an aviation rail freight port. A facility which is a container highway that will interface with the cargo at Newark, tie into the port, and tie into the rail. We are working on a couple of other projects that are similar to that, working for the first time-- Again, we've developed a good relation to the Conrail. We are exploring a couple of places in South Jersey where we hope to be able to establish more cargo and freight services. It would be a tie-in with the trucking and the rail, which makes it all part of the system, and there's a number of projects on the drawing board right now that would do this and will enhance the manner in which we are doing business.

MR. McNAMARA: Are any new airports planned in this?



MR. PENN: There are no new airports planned in this at this time. The size of our State, I don't think the chances of building any new airports are very likely. I think there's a couple of possibilities or a couple of private airports that may go public though. There are a couple of private airports that the owners have said that they would entertain the idea of taking their airport and, instead, of making it a private airport, make it a public use airport. So you have three of them I know right offhand that have come to us and suggested that.

MR. McNAMARA: You see, correct me if I'm wrong, is the intermodel concept a concept of people being able to step off of one means of conveyance and onto another?

MR. PENN: That's what--

MR. McNAMARA: People are afraid rather.

MR. PENN: That's the ultimate goal -- is to have all types of transportation readily available. As you know, we had a lot to do with enhancing the air carrier out of Trenton Mercer Airport. We feel that's a step in the right direction. In other words, you have the people in Central Jersey right now only have to go to Trenton Airport, and they can go to Boston, they can go to Richmond, they can go to Atlanta, and in the wintertime they can go to Florida, and that enhances our system.

We also have, you know, the corporate and general aviation to fly into Trenton Mercer Airport, and then they're able to access Eastwind and go on from there, and we have two other -- well, one other airline right now that wants to come into Trenton that would -- talking in terms of 30 to 40 flights a day.

MR. McNAMARA: This *Transportation New Jersey*, what is its relationship to the plan that is called the New Jersey Development and Redevelopment Plan.

MR. PENN: No. This is a blueprint that was put together by the Department of Transportation strictly by-- Our plan, where we see DOT moving and bringing in the various elements: the rail, the freight, the air, and ports and terminals. That's what this plan is. This is a blueprint. It's put together --

MR. McNAMARA: But will this be referenced in the further revisions of the New Jersey Development Plan. As I understand it, airports are not a recognized facility in the last edition of New Jersey--

MR. PENN: You're talking about the State Plan?

MR. McNAMARA: Yes.

MR. PENN: That's the State Plan which is-- When the State Plan was first developed and Senator Haines was-- We asked for aviation to be included in it, and they never included it. What was the name of that fellow from Maryland that headed the State Plan in New Jersey? Gilbert. Gilbert.

SENATOR HAINES: Yes.

MR. PENN: And I met with him on a number of occasions, and he didn't think that there was a real impact from aviation on the development plans. Now that Plan was really devised with the idea of moving people back into the urban areas and out of the suburban areas. That was the idea, as to drive businesses and the people back where the infrastructure was instead of developing new infrastructure. Therefore, he didn't see where aviation was (indiscernible) of that Plan.

SENATOR HAINES: The Plan itself was on the back burner.

MR. PENN: Yes.

SENATOR HAINES: It's been put on the back burner. One of the things that made it fail almost in added inception was the fact that you can't redevelop the inner cities because of the regulatory network that prevents you from developing inner cities because, once you go in there, then you'll have a pollution problem, and so forth and so on. Now we're trying to work some of that out. We've got the Brown Fields Program and some of these other things where you don't--

If you're developing -- redeveloping the inner cities, you don't have to have groundage you can eat. You know, I think we want as pristine a condition as you can get. But let's face it, where you have old inner cities with sidewalks and curves and all kinds of things that are there and maybe some oil spills, and I'm talking about somebody draining the crank case of their car and this kind of thing, you don't have pristine conditions. And to get pristine conditions you just can't uproot all the soil in the area and ship it out to Utah and then put new soil down and start from scratch. We've discovered that. So what we're doing is saying, "Hey, we can pave over some of this, and the existing conditions will stay there. But it will be safe to go ahead and use and maybe make a shopping center out of it, or use it for something else that's worthwhile. Maybe put some housing in there and so forth." But what you do is you do with what you have, rather than trying to make it totally pristine.

The conflict between DEP and the folks that wanted to redo the inner cities was like this. They just were fighting each other and it didn't work.

MR. PENN: But what the Senator said is very true. If you went down to the City of Elizabeth, the City of Newark, some of our sewer and water pipes were still made of wood, and they just couldn't carry any new infrastructure. They couldn't even support what was there, and in order to rebuild these cities, the massive amounts of money were just unbelievable. They put it on the end. The developers, frankly, just wouldn't come in and spend that kind of money for the return they were going to get. So when Senator says that the State Plan is on the back burner, I'd say it's been on the back burner for a number of years, because the goals that they wanted to achieve, which was to stop what they call spreading development out there and drive everybody back to the cities, just didn't work and so that was a part of it.

This Plan addresses upgrading viable things. For instance, upgrading -- doing the extensions in Newark Airport that we need to do the runways over there, which the Senator and I have talked about. Our runways over there don't allow flights to go from here to the rim nations without having to -- because it's just not long enough for a fully equipped plane can't get near. It's only 9000 and some feet. Kennedy has 12,000 feet. To move these programs along and improve what we have and enhance the aviation of the studies we have that have room for enhancement, we're looking at maybe an extension over here at Trenton Mercer Airport right now. We're looking at two or three others that will be able to handle aircraft that would meet some of those needs.

MR. McNAMARA: The only point of my question was the last time that type of plan was made, general aviation airports were completely ignored.

MR. PENN: Right.

MR. McNAMARA: And my question is now, if a plan like it were developed again, would that condition change somehow because of--

MR. PENN: I would think that with the present administration it would change a great deal.

MR. McNAMARA: Okay.

MR. PENN: First of all, this is a blueprint. This is not a plan. This is a blueprint that sets down specific goals, and we refer to them as flags. Build a Transportation Trust Fund project, one-run system, many modes, deliver highest quality services, deploy tomorrow's technologies today, do easier things easier, hard things -- these are flags that we have, and we tie them in. If you look over on -- one over and build a Transportation Trust Fund project-- I know Pete who has to notice the picture of our Trenton Mercer Airport right in front of Ronson Aviation, which he was king of for 27 years. These are all projects that we're working on, and I don't--

You asked a question, will there be new airports built in New Jersey? I would say not that I know of in the foreseeable future. Now, a county -- and Phil and I too-- We'd like to see at least one good airport in every county in the State of New Jersey, and by good, I'm talking about something that has 4000 or 5000 feet. In South Carolina and in North Carolina, they're making -- they're building one airport in every county in South Carolina, and they're doing the same thing in North Carolina.

MR. McNAMARA: Which we know they did in Ohio, and Ohio and North Carolina are sucking businesses even out of our State.

Okay. Let's go on. Mrs. Nagle, the Reliever Airport Committee.

MS. NAGLE: Hi. As you said, Chairman, we heard from 27 airports that responded with our written questionnaire. Would you like me to read those or-- I'll be making copies and have that sent out with the responses.

MR. McNAMARA: Read what?

MS. NAGLE: The list of the airports that have responded.

MR. McNAMARA: The list of the airports that have responded? No. That's not necessary. We'll just add that to the record.

MS. NAGLE: Okay. And then we heard -- I'm showing 19, but I was not--

MR. McNAMARA: Unless any Commissioner here wants to hear that.

MS. NAGLE: And then we heard from -- I'm showing 19, you said 24. I was not at every meeting, so possibly somewhere in there -- airports directly.

In addition to some of the comments that you made--

MR. McNAMARA: Suzie, I'm sorry. You're saying that your records show that we had 19 airport representatives testify?

MS. NAGLE: Right. The actual owners. I mean sometimes we had townships coming or economic authorities coming.

MR. McNAMARA: There could be a difference in our numbers, because if an airport had two witnesses that would speak for it, I would have counted the witnesses, and you're counting the airports. Okay.

MS. NAGLE: In addition to the comments that you made in your opening statement, I think one recurrent thing that kept showing up in the questionnaires and in the testimony was getting property tax relief for the privately owned airports. In addition to the actual cash outlay that the airport owners have to make, it also causes a reservation in the minds of the airport owners because they have to, even though there's a grant available, they have to justify in their minds that they can afford to on these improvements, and sometimes it's just too prohibited. They can't afford to do it because they know they can't pay the property taxes.

The other thing that we've talked about is having a special airport assessment so there's some consistency throughout the State on how airports are assessed. So there's some equitable way that they're paying taxes.

The other concern that's been throughout the privately owned airport questionnaire was the concern of long-term ownership, as Mr. Rowan said, that, you know, it may go from one generation possibly to the second generation. But then you're dealing with children of children, and where's it going to go from there. It doesn't look promising.

The other question that's been brought up repeatedly, and I thought that the lawyer -- I believe his name was Mr. Kelly from Green Township where Atrinka Airport is located -- said it would solve a lot of problems if we knew who had the ultimate authority over airports. A lot of airports are experiencing high litigation costs, and it just goes on and on until they get discouraged and either not do anything or come to some agreement that possibly is not in the best interests of aviation in the State.

Also as you said, Mr. McNamara, that there's much municipal opposition to many airports when they try to make improvements, and there is some municipal opposition or maybe not the municipality itself, but neighbors that don't want the airport to exist at all. So in addition to trying to run a business where they're not receiving income as they should from the investment that they have in their land, there's a lot of negative feelings for them and for their children that are in the school.

Another point that Kent Lynn made, from Sky Manor Airport, was to stress the importance of low-interest loans. A lot of things are eligible for funding, but some are not and some are so low on the totem pole that it's impossible to ever make those improvements. They would have to use their own money, and as he said, he had a very difficult time getting loans from banks.

The airports today, I think we all agree here, need to be upgraded to meet today's standards. So when you have a problem with financing, and you have a problem with municipal opposition, it makes it very difficult.

Somehow the Legislature needs to know that just as cars decided to add airbags and ABS braking, airports also need to make improvements. They need to be lit, they need to be wider, they need to be longer, and they need to be paved. And these are things -- they need parallel taxiways. All of these things are safety improvements, and yet, the neighborhood views them as jets coming or more noise, that their property values are being diminished. Everything-- That their quality of life is being destroyed. Somehow or other there needs to be a balance there so that the State can meet the needs of the aviation community and the businesses.



MR. McNAMARA: Is this a summary of the airports study?

MS. NAGLE: The questionnaire response.

MR. McNAMARA: The questionnaire study, okay.

Thank you very much, Ms. Nagle.

Mr. Engle, Municipal Relations.

Mr. Penn.

MR. PENN: I was just going to make one comment. We know where the ultimate authority rests, but getting there seems to be the difficult part. We had a number of airports that could have come to the State and had sought relief, but instead, they tried to be good neighbors and didn't want to take that route.

They could have, on the first time they were said no to by their Planning Board or Board of Adjustment, could have come to the State. Many of them chose not to do that. They have a process they go through. They must be turned down or a certain time has to elapse on a local level, and then they can come to the State. We don't seem to have much problem with helicopter operators doing that. We granted a lot of those. They seem to go into town, the town says no, they come to us, and they get their approvals if it meets all the-- By the way, we haven't turned one down yet, because they've met the criteria we've set up. But it takes a long time for them to get there.

MR. McNAMARA: Well, I think that-- I'm not the least bit surprised by that item playing back in the airport survey, because we've seen it parroted in many different ways, and when I mentioned earlier that there is a problem of perception-- One of the problems with perception, I believe, grows out of the fact that nobody knows who regulates airport noise. We had

that attorney from Green Township come in here and say, “You know, it would be so simple if, in my work as an attorney for the township, if somebody told me that either the Federal government or the State government has set a standard for noise, then I would be able to say to the township, ‘If it’s below *X* decibels, you can’t complain, and if it’s above *X* decibels, you can complain.’” And just imagine what that kind of standard would do for a myriad of airport problems.

The people who are neighbors and the citizens’ groups who represent them, if they knew that the airport was not violating a State standard, which preempts any local regulation, and that the improvements at the airport wouldn’t violate the State standard, the attorneys are going to have to advise the application is okay.

So I’m not at all surprised, and I think that’s pretty much what-- Everybody knows who’s got the ultimate authority in the State, for all the things that the State does regulate, and, of course, that’s in your office or the DOT, and everybody knows, once an airport clears the ground that the Federal government has the ultimate authority. But that’s only in the areas that those two entities undertake to regulate, and there has not been, I don’t believe or at least we haven’t seen evidence of it -- clear evidence of it -- that a standard was set for noise. I would suggest that even though some of other things such as safety and pollution in the nature of air pollution have been reasons for municipalities to resist the development or the improvement of their airports that the real reason -- the major reason is noise, and the only other valid reason might be one of road infrastructure to serve increased usage of the airport. But the major, I think, if you had to put it arbitrarily and quantify it somehow, I

would say 95 percent of the resistance to airports in the State is noise and that nobody understands who regulates that and that there is no standard for it.

Wait a minute.

Jack.

MR. PENN: I was just going to say that you had the fellow in here from MIT who tried to explain noise and the effect of noise. As you probably know, as you go down the highway, you've noticed that the noise barriers that have been put up.

MR. McNAMARA: Yes.

MR. PENN: There are tests and there are standards and there are the things that, in other words, has to be above -- I think it's -- 68 DCBs for it to consider a noise barrier. They run test after test at airports and along highways, and your gentleman explained it very well. The noise along a highway is constant, but it's a lot higher than the noise from the airport. The airport is a noise that comes, it's an object passing through the air and it goes and it disappears. It's not there long. The other noise becomes constant and your ear gets attuned to it.

So I don't think you can really set a standard. I don't see how you possibly can set a standard because you have to do it over a period of time, and so forth, and it would be a very difficult thing. As you know what they've been going through with the FAA on the noise over the whole State of New Jersey, and their readings are not as high as the readings you get off the highways.

SENATOR HAINES: Mr. Chairman.

MR. McNAMARA: I agree. I mean I'm not saying that it -- I think all I'm pointing out is the problem, and I am only responding to the

comment about there being some doubt about who has the ultimate authority, and I'm suggesting that really nobody doubts that DOT has the ultimate authority for approving an airport's license or that FAA has the ultimate authority for approving an aircraft's operation in the air. But what I think that really means is who has the ultimate authority to regulate airport noise or aircraft noise because that's the major problem, and whether there's a way to do it is a different question.

SENATOR HAINES: Mr. Chairman, I think it gets involved with the airport safety zone in the fact that if you do locate too close to the airport with your housing, and so forth, that individual is going to be a complainer. We have, in the Legislature-- One of our biggest problems is that you build a road, and these developers will build houses right next to the road, and then those people will buy the house, and then they'll come to us and say, "Why don't you put up a sound barrier." Well, why did you buy the house right next to the goddamn road -- I'm sorry. But you don't say that to the people. But these people will buy houses right next to the road.

MR. PENN: Absolutely.

SENATOR HAINES: Then they'll come pound on my door and say, "Why don't you put up a noise barrier." And as a matter of fact, Mr. Chairman, these noise barriers are not as effective as you might think they are, and there's a case that Frank Wilson and I talked about where people out in California went out and paraded and they pestered the legislators to the point where they had to build this noise barrier. They built the noise barrier, and then the people said, "Hey, you're obstructing our view." And the people went out and tore down the darn noise barrier.

MR. ROWAN: That's people, Bill.

SENATOR HAINES: So you know, we're dealing with people that's the problem.

MR. ENGLE: And you know one thing, Mr. Chairman, you're talking about noise. After being in this noise business for quite a few years, noise is only a symptom of the real problem, and the reason some of the community advisory and community groups working together with the airport are so successful, and I think Henry Young said it while he was here -- becomes a matter of control. People fear what they cannot control, and an aircraft is something that they do not control. As long as you give, in the communities, the perception that they have some control over what's going on at the airport, you run into less problems than you do if they're there floundering all by themselves.

Noise is just a perception, and noise is just the tip of the iceberg. If you get right down to it, there's a control and a fear. A fear that an airplane's going to fall on their head, and it's the education and the communication with the community that -- where I think, really, you get the most success.

MR. McNAMARA: Well, I think we're all more or less saying the same thing except that you, Philip, suggested perhaps that there's a way to solve the noise problem by giving the community a channel of communication with the airports so that they can feel that they can be controlled. But I'm saying that if they don't have that kind of a channel, they perceive that -- their perceptions of what they're faced with just cause them to be afraid, and that's exactly what we're -- isn't that exactly what we've seen? Every time a

township came in here, how many of them said, "We like the airport they way it is, but we don't want it to change." They perceive that any change is something that they can't control, and they're afraid of it. They're afraid of it before they even hear about it. But let's move on. We're really doing this a little prematurely.

Municipal Relations, Phil.

MR. ENGLE: Well, I think you said it before, in that we've had the number of communities in here speaking to us. All of the questionnaires have been turned over to staff for a compilation, and I believe Mr. Herr is working on that.

MR. McNAMARA: We have received in my office the number of questionnaires that I recited earlier, which I think is somewhere around 20.

MR. ENGLE: Right, and they're being compiled now into the categories and all like that for the report.

MR. McNAMARA: And they-- When that is done, we will circulate that as soon as that is done. Do you have anything else?

MR. ENGLE: No. That's it.

MR. McNAMARA: Okay. Airport Closures, Mr. Elliott.

MR. ELLIOTT: Mr. Chairman, our Committee has prepared a report which summarizes our findings and then makes recommendations, and I have a copy of it here which--

MR. McNAMARA: Would you like to make that report?

MR. ELLIOTT: Well, I can do that if you wish.

MR. McNAMARA: Why don't you go ahead.

MR. ELLIOTT: All right. The Subcommittee on Airport Closings has investigated and reported on the reasons for the closing of 13 New Jersey general aviation airports.

The research done by the Committee revealed the most common reason for closings was high land values and developers' interest in buying the land. The sale of the airports to developers was often precipitated by declining airport business.

In the case of North Brunswick Airport, the end of G.I. Bill training caused the downturn of development off the end of the runway and contributed to the decision to sell. At Camden Central Airport business went into a steep decline after the opening of Philadelphia Airport, which attracted the airline business which had been operated at Camden. Red Bank Airport was sold to developers after a series of accidents fomented local opposition to the airport. Hadley Airport would have needed a costly upgrade in order to survive. The community was opposed to preservation of the airport and the land was sold to a developer, who erected a shopping center, industrial park, and hotel.

High taxes, hostile local governments, and owners who were not interested in maintaining an airport all weighed in equally as causes of closings after the pressure of high land values and developers' interest in paying the price to get the land.

Totowa-Wayne Airport, which was one of the best and most profitable airport operations in the State, was forced to close after the township doubled the taxes in two consecutive years. Taxes at Asbury Park Airport rose more than 600 percent from 1966 to 1972, climbing from less than \$6000 to

\$36,000. Taxes at Somerset Hills Airport saw its taxes rise 500 percent, from \$2000 a year to \$10,000, over a period of 16 years.

Phillipsburg Airport was closed after 10 years of litigation with a township school board, which wanted to build a school on the airport land. The courts ruled the township had the right to condemn the land and build a school. Community opposition contributed to the closing of Red Bank Airport.

Hanover Airport closed because it was rundown, mismanaged, and not producing enough revenue to carry itself, and its absentee owners were not interested in owning a facility which provided no return.

Budlake Airport closed because the owner who lived about 500 feet from the runway and did not like the noise refused to renew the lease.

Murchio Airport closed when the owner/operator died and his survivors had no interest in the airports.

Flanders Valley Airport closed when the developers encroached on the runway, building homes very close to the approach end of one runway.

North Brunswick Airport was another case where encroachment contributed to an airport's closing.

At Colts Neck Airport, the corporation which bought the land for development and then decided not to proceed because of a downturn in the economy closed the airport on the advice of lawyers who recommended the action because of alleged exposure to liability. That land is still vacant.

Recommendations: The area where action could most readily be taken to help preserve the State's remaining airports, in the opinion of this Subcommittee, is in the matter of taxation. Tax relief would relieve a



substantial burden from the State's privately owned airports and provide incentive for their continued operation.

The most often recommended suggestion for tax relief, eliminated taxes on public use portions of an airport such as runways and taxiways, even if feasible, would not solve the problem. Communities could still raise the rate on the taxable portion of the airport to drive the operator out of business as was done, for example, at Totowa-Wayne, a successful operation.

To discriminate against any enterprise, including an airport, in tax decision is illegal. However, no airport forced out of business by this means has ever fought it in court, possibly because of the expense, the drawn-out procedures, and the frustration of having to go through such a process in order to run a legitimate business.

The Committee would offer two suggestions for dealing with this problem. The first would be to include airports in the legislation dealing with railroad taxes. Railroads pay only a minimal fee on rights-of-way, stations, maintenance facilities, storage yards, switching yards, and other land necessary to the operation of the railroad.

General aviation airports, as part of the State and national transportation infrastructure, should be entitled to the same consideration as railroads.

A second suggestion would be to have the State pay a fee to general aviation airport host communities in lieu of taxes. This would assure the community of getting a greater return than they would under the Railroad Act, and it would provide the State with a basis for exercising jurisdiction over general aviation airport matters in which the host community might be

involved. It would insure the State preservation of the airport system which is vital to the economy in the State. Communities, if offered the choice between loss of revenues as a result of the Railroad Act or preserving those revenues through a State provision for replacing tax revenues, not a standard tax rate basis, would likely choose the latter.

The Subcommittee would recommend that part of this agreement would include provisions for any issue involving the local airport to be brought before an airport committee made up of representatives from both the State and the local community. Another provision of this same legislation might include a permit procedure for airport improvements, which would go through the State, combining all permits into a single application with a single fee and reasonable time limits, so that airports would not have to apply for a whole host of permits with separate fees and time limits and separate procedures for approval.

On another matter, testimony before the Commission has indicated that, without exception, airports which have committees made up of both airport and local government officials have a line of communications which solves many problems and prevents the development of others.

It would be the suggestion of this Committee that the Division of Aeronautics strongly urge all general aviation airports to attempt to establish such committees and report the results of those efforts to the Division.

In cases where such committees are established, it would be suggested that a report of committee proceedings be forwarded to the Division. This would make it possible to pass on to all airports constructive actions

which may result from those committees in order to provide a blueprint for other airports.

It is also suggested that the airport safety zoning law be reexamined to possibly include procedures for the acquisition, when available, of clear zone properties and the inclusion of the law requiring notification of potential residential property buyers of the proximity of an airport. It should also include substantial penalties for real estate agents who offer clients false information, such as “the airport is going to close.”

A final suggestion. Members of the State Legislature usually take anti-airport positions because they think that will win them the approval of a majority of their constituents and local politicians. There is evidence that anti-airport groups are not a majority, in many cases, and get more than their share of publicity creating the impression because they are active and seek publicity, while those who have no problem with a local airport remain silent.

There are a number of members of the Legislature who are favorably disposed toward aviation. It is suggested that perhaps the Division of Aeronautics could convene these legislators to discuss methods of making facts available to fellow legislators and of debunking inaccurate information which often influences them.

They might also be asked for comments on recommendations of the General Aviation Study Commission, particularly with a view toward shaping legislation that might be effective and might have a chance of passing.

Report submitted by Committee members Jack Elliott, Chairman, and Linda Castner.

MR. McNAMARA: Thank you very much, Mr. Elliott. I know that you've worked extremely hard on this, and the investigation of your trying to find some of the former owners of our lost airports is sometimes more difficult than finding the lost airport. They-- And it's an excellent job and an excellent report. Thank you very much. The last Committee is the Preservation and Expansion of the Airport System. Mr. Hines, do you have any reports?

MR. HINES: Mr. Chairman, I did not receive your notice and was not aware of the written report requirement to date. I will get together with Mr. Abuchowski, and we'll put a final report together here shortly for you. And I will say though, that in several conversations with him, the mere title of our subject here virtually encompasses everything that's been said here. That's very hard to define how to put our report together. But we'll do something for you here shortly.

MR. ROWAN: Your report should be the final report of this entire Commission.

MR. HINES: That's what I'm thinking. That's what we discussed.

MR. ROWAN: Do a good job.

MR. McNAMARA: And if you need any materials for that, I have several crates.

MR. HINES: May I ask this one question, sir. Will we, the panel members here, get a copy of the Economic Impact Study?

MR. McNAMARA: Absolutely. Did you not get one?

MR. HINES: No, sir.

MR. McNAMARA: Mr. Penn, are you in possession of a number of them?

MR. PENN: I have this summary.

Do you have a summary?

MR. HINES: No, I don't.

MR. PENN: I'll give you some. I can-- If you want the full report I have it.

MR. HINES: Whatever.

MR. PENN: But I'll give you a summary right now.

MR. HINES: Okay.

MR. McNAMARA: It would be good if--

MR. PENN: I can send every member a copy of the summary if you'd like to.

MR. McNAMARA: How about sending every member a copy of the full report? That's what we had been promised.

MR. PENN: You're on the Committee.

MR. McNAMARA: Yes, but I'm the Chairman of it.

MR. PENN: Well, we're going to--

MR. McNAMARA: What's her name, from Ohio?

MR. ENGLE: Barbara Fritsche.

MR. McNAMARA: Barbara Fritsche had promised that every Commissioner would be mailed the full report.

MS. NAGLE: Is it released yet?

MR. PENN: The full report is in final printing right now. We have the summary done, and we're also having the 12-page summary in

addition to this brief one I've given you now. There's also going to be an individual one for each and every airport which will be available, and that's--

You have a copy there, Jack. That's what's being printed. The balance of those are being printed now.

MR. McNAMARA: Okay. We have this as Exhibit 26 in our record.

MR. PENN: We only had a few of those available, as you see, finishing up and printing up, because they wanted more money so--

MR. McNAMARA: I hope they didn't get it.

MR. PENN: And there will be a video, also, being done.

MR. McNAMARA: Really?

MR. PENN: Yes.

SENATOR HAINES: Any chance that video could be used on public television?

MR. PENN: I would think it probably could be. I've been talking, at length, with Elizabeth Christopherson, down at NJN about getting some aviation shows on. I had gone to Bill Leavens who does *Wings Over New Jersey*; however, he does it in three-quarter and they need the larger tape. So that's the rundown on NJN. But I think that when the video is done-- As a matter of fact, in choosing the company to do the video, they had one of the people from NJN sit in and review all the videos that were submitted by the various companies that made their proposal to do it. I would like to see it run on NJN or/and also on cable.

SENATOR HAINES: Right. They have to give a certain amount of free time, and I would think this would be an excellent thing to satisfy their requirements.

MR. PENN: We -- unfortunately, and what you say is true, that we've had some success with some of the cable companies, and we've had very poor success with other ones. A lot of them just don't seem to think that aviation is important. We've even had stories right in their own catchment area right where they are doing it, and they still don't broadcast them. If they do, they put them on at 12:00 at night when nobody sees it. So we are fighting that battle, and I think we'll be successful in the long run with it.

SENATOR HAINES: If nothing else, the legislators watch New Jersey Network, because it's the only place you can really get New Jersey news.

MR. PENN: Right.

SENATOR HAINES: So it might be good for the legislators to see these things and the economic impact that this aviation thing-- It would be more impressive for them to see it on New Jersey Network than for me to try to convince them that they ought to be supporting aviation. They listen to 101.5. You know that, Jack. And I don't suggest that as a place to go but--

MR. PENN: Well, you know they did interview me on 101.5 on the Economic Impact Study--

SENATOR HAINES: Did they do that?

MR. PENN: And I was on there. I went over the whole thing with them, and it was-- I had a lot of calls on it. A lot of people heard it, as you know, they have a pretty good listening thing. They did it 8:00 one morning,

which is drive time, and I had a lot of calls on it. I went over the whole thing and took all their questions, and we did do that show.

Incidentally, there is another channel, you know, in New Jersey right now, Channel 12, which is a 24-hour New Jersey news channel. They have their own helicopter and everything, and it's owned by *The Star-Ledger*. And they're having a hell of a time to have the cable companies put it on.

MR. McNAMARA: That's Channel 12?

MR. PENN: Channel 12. It's like it's--

MR. McNAMARA: Normal Channel 12.

MR. PENN: Pardon?

MR. McNAMARA: Normal Channel 12?

MR. ENGLE: Cable.

MR. PENN: Cable 12.

MR. McNAMARA: Oh, okay.

MR. PENN: They did our whole Horizon 2000 and they-- I was able to see a tape of it afterwards. It was very good. They went up and did our conference. They were there. They did interviews with a lot of people. They've also covered some of the Economic Impact Study, and they've been very vigilant. However, their coverage isn't-- They don't have enough cable companies that are doing that.

MR. McNAMARA: We're getting a little bit--

MR. PENN: I would like to really work with, I guess, Nancy Becker. Is she still working with the cable industry?

SENATOR HAINES: Yeah, thought so.



MR. PENN: I think I ought to really talk to her and see about getting some of our stuff on these cable stations, because they really give us-- As you've said, if their obligation is to do a certain amount of public input in order to maintain their franchise, but they seem a little reluctant to do it.

MR. McNAMARA: We have some old business to discuss. The first thing is I have a bill from John Handsman for his air travel. I told him that he would come down from MIT and give us his testimony free of charge. He normally charges for his testimony as an expert witness couple of hundred dollars an hour. But he came down and testified before us free of charge, and I told him we'd pay his travel costs. And thanks to Jack Penn's efforts to get the airline to come into Trenton, his airfare round-trip to Boston was \$81. He had \$20 to park at Boston and a toll of \$1.00, and he submitted a bill for \$102. I think that is the first money that we have spent as a Commission, and I guess I just hand this to you for payment.

Do I, Jack?

MR. PENN: Well, you can start there. Actually I was going to do a 50/50 in the room here, if that's okay?

MR. McNAMARA: He's got East-- He's got the attached invoice from Eastwind, and he's attached all of the appropriate receipts, and they add up appropriately.

MR. PENN: You have a budget. We have a line item, and it's been money into an account.

MR. McNAMARA: I hope we haven't spent any of it because I was unaware of it.

MR. PENN: Well, you know about it because that's how we set up your office down there, right? That all got charged against that.

MR McNAMARA: Good God, I didn't realize. I thought they were just giving us equipment.

MR. PENN: It's all charged. We're paying so much a day for all your equipment you got down there.

MR. McNAMARA: Okay. That's the next item of old business.

MR. PENN: I know you use it a lot.

MR. McNAMARA: We asked to get some help from the Office of Legislative Services. We essentially asked for a small office and a place where we could have a couple of people from OLS come over and work with us and help us review the somewhat sizable amount of evidence that we've had submitted to us in exhibits and transcripts, and being unfamiliar with the ways of government, I wasn't prepared for the response. But the response was we would get nobody to help us, but instead they gave us a building, and I suggested that we might have some equipment in that building, and we're now -- it's not yet ready, but I guess they're going to have a fax machine and a telephone and a copy machine put in there and some word processing equipment.

I've had a young man working in my office, working on the computer there, and using my phones and my fax machine to communicate with our various sister states to bring our sister state study up to the level that it's at. It turns out, as everybody conducting these surveys knows, that once you get an answer to a question, it doesn't really seem to be the same answer that everyone-- It doesn't have the same quality in it that the other states have

addressed so they-- You have to get back in touch and see what they really meant -- what question they were really answering, and that's what he's been doing.

With some effort, we will move that operation down here. Of course we're now at 18 months into our life. We have 6 months left to go, and I think by the time the thing gets ready, we might have enough -- it might be just in time for us to have a farewell party.

MR. PENN: Mr. Chairman--

MR. McNAMARA: But we still have no permanent employees, and that's sort of a -- not permanent, but I mean we have no employees at all.

MR. PENN: We have a State contract with Kelly, and you were offered a secretary from Kelly. But it's going to be your call, and you have to--

MR. McNAMARA: I'll tell you, my experience with Kelly is you don't really get very good people, and -- but we don't really need a secretary. What we need is something in the nature of a paralegal, and I have contacted both Seton Hall and Rutgers Law School and interviewed some people from there and even suggested -- even offered jobs to a couple of them, and by the time it was over, they had gone and found a job with someone else.

MR. ENGLE: Jack, how about an intern from Mercer County Community's Aviation Program?

MR. McNAMARA: There's a lot of research and a lot of writing, and I'm not sure this is the kind of a thing they could use a -- just a college student for.

MR. PENN: Well, you know Raritan Community College has a paralegal course over there so, I mean, I'm sure that they have-- They run a

certified paralegal course at Raritan County Community College. I think that's a possibility. You know, you have a--

MR. McNAMARA: That is a good idea I suppose.

MR. PENN: I would almost venture that Mercer County Community College also runs a paralegal program. I don't know, but I would--

MR. McNAMARA: It would probably be better at Mercer County because-- Actually the reason that the promising young people that came and interviewed with me didn't take the job in the end was it was in Trenton, and they represented it to them not just a long, but an expensive commute.

But in any event, we do have an office. It's right across the street. I've suggested that for if nothing else be done, a sign saying General Aviation Study Commission be put up in front of it, so that every time the Governor leaves she will be able to see that we're in business or at least present.

MR. PENN: But then she'll see we're closed.

MS. NAGLE: Leave the light on.

MR. McNAMARA: Well, I don't know. It might be that-- Abe Abuchowski has suggested to me that he could become very active in this, and if Pete Hines is going to work with him on it, the three of us will be able to get through these things and prepare some kind of a report that would be an honest and a fair summary of what has transpired to date. We've all been through the evidence. We just need to have a summary of it.

It's not a real issue, because if we went in there today, we wouldn't have -- I think we'd have telephones and some word processing ability, but we wouldn't have-- For instance, we wanted to make some copies today. Were we able to do that today, Suzie?

No. We wanted to make some copies today, and we don't have a copy machine yet.

MR. PENN: I think there's a copy machine over there, because they called me a couple of times last week and they wanted to add equipment to go in there.

MR. McNAMARA: I spoke with -- what was his name?

MR. PENN: Don Chiacchio.

MR. McNAMARA: No.

MR. PENN: Peter Yule.

MR. McNAMARA: I spoke with Peter Yule yesterday, and he told me there was some delay in getting the equipment. I hope we're not being billed for it before we get it.

MR. PENN: No. We're being billed for only what we've got. I know we have the phone system in there.

MR. McNAMARA: I didn't have any idea we were being billed for this.

MR. PENN: Whenever you work within the government, somebody pays for something all the way down the line. If I go out and I do a topping, and I use State forces, that's billed back against me. I mean, this is how it works. So, yes, this is billed-- They set up a budget for you, and that budget is what's paying for these items.

MR. McNAMARA: Well, in any event, let us-- Unless there is any further comments or thoughts on that--

SENATOR HAINES: Well, I think, really, one of the things, and you've outlined this pretty well, one of the things you ought to get to Bagger

and myself are suggested-at legislation. We can run this through OLS and let them come up with the legislation, bring it back to the Commission and say, "Is this what you want?" and then introduce it, because it takes awhile, Mr. Chairman, to get legislation. You have to go through your various committees.

Now, and I'm Chairman of the Transportation Committee. That would help there. But in certain cases you have to go through Appropriations. For instance, if you want to designate these areas as we're going to buy the development rights, then of course, there's costs, and it may require a bond issue. It may require a change in existing bond issues, and so forth. So it would have to go through both the Transportation Committee and the Appropriations Committee before it comes to the full Senate, and it has to do the same thing in the House. It takes time to develop these things, and really, we're looking at fall session now, and we're looking at next year being an election year. So it's timely that we got a list of what you feel, and I know you've done a lot of work on this. It would be suggested-at legislation that we get a -- Bagger and I could take to the group and let them develop this legislation, and then we can bring it back to you. And his legislation and mine should be identical, because you don't want something different in the Senate than you do in the House, because you're just duplicating effort.

MR. McNAMARA: I'm hoping-- As a matter of fact, I was hoping being here today, as you can see from our agenda, that we would consider today our report and our recommendation to the Legislature. And I think that we ought to-- I just wanted to attend to a couple of other things and then get to discussing exactly what it is that we would hope would be included in legislation, even if it's in an interim bill, and then I would hope to ask you,

Senator, and Assemblyman Bagger and perhaps Fred Telling and Mr. Penn and myself to collaborate to make some outline of the legislation that the Commission would recommend such that OLS could-- such that it would be sufficient for OLS to do its thing with the hearing.

SENATOR HAINES: Yes. It doesn't have to be too complete. We can take it to OLS and let them work it up and bring it back.

MR. McNAMARA: Can we do anything with OLS through you to get some of their people to give us some help writing this report?

SENATOR HAINES: No. No, because what we can do with OLS-- You give me legislation, I can take it to them, and they can develop it, and then I can bring it back to you and say, "Is this what you want? Is this what the Commission feels is satisfactory?" And we can scribble all over it and do whatever we want, then we take it back to OLS, and they work on it. You know, we go back and forth. We're really on a-- By Thursday this week, we're going to be done until September, so we got a vacant period here in the summer. But we ought to be able to introduce this if we do our homework in September.

MR. McNAMARA: What--

MR. PENN: One thing, Jack. When you want to go back-- I can't remember who the fellow was from OLS that called you and spoke to you, but he had said that he would have staff available after the budget--

MR. McNAMARA: Right.

MR. PENN: --which winds up this week.

SENATOR HAINES: Yes.

MR. PENN: He said he couldn't break anybody loose for you at all until the budget season was over.

MR. McNAMARA: That's right.

MR. PENN: And that -- I guess your debate will be on--

SENATOR HAINES: Well, Jack, you don't even need me as far as that's concerned, because you can work with OLS directly--

MR. PENN: I know.

SENATOR HAINES: --and get this legislation ready, and then Bagger and I can introduce it, or somebody else can introduce it.

MR. PENN: I have people up in our office, you know, who draft--

SENATOR HAINES: Right.

MR. PENN: --and they could draft the preliminary. That bill is basically-- What I'd like to do is not touch-- What I have was added on to that railroad bill down there.

SENATOR HAINES: That railroad thing-- Boy, that hits home with me in terms of how to handle this thing because you have something that already is set precedent, and if you have something that's already set precedent, you have the mechanics already there. I mean it's beautiful. All you have to do is adopt that to the airports.

MR. McNAMARA: Well, let's-- Let me just ask this question, picking up on what Jack just said and for the benefit of the whole Commission. The discussion with OLS began in February, even before that, and they said to us that they had people out there who were experts and did nothing else besides go through these kinds of transcripts and exhibits, and so on, and write reports for the benefit of the Legislature. The head of their services up there



said, "That's what we do," and he said in addition to that, "If you want to propose a bill -- a Senator or an Assemblyman wants to propose a bill, we draft a bill, and we do all the legal research to--"

SENATOR HAINES: That's right.

MR. McNAMARA: "--marry it to all the other laws we have on the books." So they have two important functions that would be helpful to us, and I said to them that-- They also said to me, by the way, that we had the right under the legislation to have a secretary deemed, and I knew that. I didn't see too much the point of it, but if it turned out, what that meant was that OLS would give us a person who would be our secretary and then all the notices and preparation of agenda and putting signs up inside the room and etc. would be taken care of by the secretary, which would have been an enormous help. Then as our talks went along, I said, "Listen, if you can give us a couple of guys to help get this report written, it would be a big help." They said to us, after they told me that this is what they do, they said, " Well, you can't have the guys because we've got the budget hearings beginning, and we've got so much to do to wrap up the term that we couldn't help you until July."

At the time July was too far off. Now that July is upon us, I wonder, Senator, do you think we could go back to them? I know Senator Haines was involved in it at the time, and he didn't -- he thought the prospects were late and we weren't going to get any help before July, but do you think--

SENATOR HAINES: No. It's absolutely there. You know OLS-- Jack, you may know more about this than I do, but it's kind of unique in New Jersey because it is a bipartisan group, and it is pledged that if a Democrat introduces a piece of legislation I cannot steal that piece of legislation, and

introduce it. In other words, they are pledged that they will not allow me to introduce a piece of legislation if it's already been prepared by a Democrat. Or if I introduce a piece of legislation, they can't take it to a Democrat and say you can introduce this first, and it's worked. Except for Pallone it worked. But I'm not being facetious but that-- He was stealing bills from everybody. But mostly, mostly it works very well.

Mostly it works very well, and it's a very high-class group of people, and I think New Jersey can be proud of the fact that we do have a bipartisan staff that does this. Many other states have strictly partisan staff, and these people do go back-- As Jack says, they do the research and they go back and look at the law as it currently is and they study that and they will not allow a piece of legislation to go in that is in conflict with existing laws. In other words, you can change existing law, but they have to look at existing law, and many pieces of legislation have the existing law in there, and then they have the modifications in the bill. So it's basic research and it's done very well.

MR. McNAMARA: Bill, is it possible for you to get back in touch with them and see if they can give us some help writing this report?

SENATOR HAINES: I think Jack and I can do that, because--

MR. PENN: Well, I had the one fellow -- who is it now that's head of Legislative Services? Not Al Porroni -- Al is still head of State House Commission? He still head of-- But we had someone who--

MR. McNAMARA: Steve Kuepper -- and Peter -- is the Section Chief there and--

MR. PENN: Well, one, because the Governor, the Governor--

MR. McNAMARA: He's the one that I was talking with--

MR. PENN: I would just get on the phone and give him a call again because they got a letter from the Governor to go ahead and do this, and if you run into a brick wall, then give me a call.

MR. McNAMARA: Ted, you've been involved in this. Is it politically a better approach for--

SENATOR HAINES: No, politically it doesn't.

MR. PENN: It doesn't make a difference because they're bipartisan.

SENATOR HAINES: Totally bipartisan.

MR. PENN: It doesn't make a difference at all. They don't even want to hear that -- the Republican.

MR. McNAMARA: No, I don't mean politically. I don't mean politically in the bipartisan sense. I mean does it make more sense for you to ask them before I go back to them?

SENATOR HAINES: I think it makes more sense for Jack to do it, but I'll work with you on the thing, Jack--

MR. PENN: All right.

MR. McNAMARA: Okay. You see there was--

SENATOR HAINES: Basically, if you analyze legislation, it's introduced, a very high percentage of it comes directly from the departments.

MR. PENN: But what Jack is talking about is staff.

SENATOR HAINES: I understand that.

MR. PENN: And he wants to know -- he wants to see who he can get if they can cut a couple of people loose after the 1st of July to start reviewing this, and I--

SENATOR HAINES: Well, I'll work with you on it, Jack.

MR. PENN: All right.

SENATOR HAINES: And if we're going to have future meetings, and so forth, it would be very nice to have a staff person here because, as you say, there are people-- At some of these meetings, there are people down on the first floor that couldn't find where the meeting was because the notices were not there, and so forth, in the building, and that kind of thing can be taken care of by staff, which is very well said. But we'll work together on that. But I think between now and September we ought to have some outlines for legislation and get OLS in this period after budget because they do have an open period.

MR. McNAMARA: Well, let's move on to that, and we'll just leave this as something that you and Senator Haines will -- and I will somehow work out-- And I'm not really looking any longer to cut some people out of OLS. I think they've very patiently brought me up to speed on what they do, and essentially, they don't work outside the office, they tell me.

All I wanted to do was to have a secure place where we could store original evidence that had been submitted to us, which was the reason that I had asked for a small office, and then I hoped that the OLS people would be able to go there and review the evidence and write a summary of it and do a report. They may not want to work that way. They may want to work in their offices. But I assume that-- It's foreign to me in the court system to think of delivering evidence over to someone else, but perhaps that's done every day with the Office of Legislative Services. It must be. They certainly handle --

when the Senate conducts a hearing like this, they certainly handle all the evidence. Don't they, and do the report on it?

SENATOR HAINES: Well--

MR. PENN: It's just being done right here.

MR. McNAMARA: That's right. That's what's being done right here.

SENATOR HAINES: Jack, when you have a Senate hearing, you have the bipartisan staff, which is OLS. You also have your partisan staff at the hearings, so that you have democratic staff before their republican staff people -- bipartisan staff people. So any Senate committee meeting that's what you have. You have three sets of standards.

MR. McNAMARA: Well, when you have-- See what's being done here is OLS is making the transcript of this hearing, but now our transcripts would make quite a high pile, and that's not what the Legislature hired us to submit to them. They'd like a report. Somebody has to boil that down into a report. I guess OLS does that.

SENATOR HAINES: Well, I'm not sure. I mean my contact with OLS has been legislation. That's it.

MR. PENN: Mine too has been legislation.

MR. McNAMARA: They tell me that they have some of the finest research and report writers in the State--

MR. PENN: That's why I think you-- Perhaps you just go right back to the person--

MR. McNAMARA: --people we've spoken with before.

MR. PENN: That's what I would do because they had said -- Mike Lihvarcik told me that after July 1st they would be able to cut somebody loose.

MR. McNAMARA: Okay. But let's--

MR. PENN: Mike talked to you too -- Mike Lihvarcik.

MR. McNAMARA: Let's leave it that way and we'll, between us, work it out. Let's turn our attention for just a moment to consideration of future meetings. Fred Telling was a little concerned recently that the attendance at our meetings isn't what it could be if the meetings were held at a different time of day, and does anybody here feel that if we held evening meetings that it would be more convenient for them? Does anybody feel if we held evening meetings it would be less convenient for them?

MS. NAGLE: It doesn't matter.

MR. McNAMARA: It doesn't matter to you two, but two, four, six out of eight here indicate that it would be less convenient. Last Tuesday of July would be the 30th. What, Senator Haines, if we were to make a recommendation to the Legislature, does it make a difference whether we make that recommendation for legislation on July 16, on June 25--

SENATOR HAINES: No.

MR. McNAMARA: --or August 15?

SENATOR HAINES: Basically, if you make the recommendation to the Senate, normally the person you make the recommendation to is the Chairman of the Transportation Committee, and I'm Chairman of the Transportation Committee. So basically, I can assure you pretty much that we can get the legislation through the Transportation Committee.

The other key member in the Senate is the Appropriations Committee, and that's Bobby Littell, who is also very important. On the Assembly side, Alex DeCroce is the Chairman of the Transportation Committee, and Walter Kavanaugh, who's a good friend of Jack Penn's and a good friend of mine, is Chairman of the Appropriations Committee.

So I think, really, your ducks are pretty well lined up for this as long as it's reasonable legislation.

MR. McNAMARA: I didn't make my question clear. All I'm asking is-- You said that the Legislature comes back to session in September.

SENATOR HAINES: Right.

MR. McNAMARA: If we were to make a recommendation to them today, would it be considered before September?

SENATOR HAINES: No, because basically you have to go through OLS. They have to draw up the legislation, and then, really, it should come back to this Commission or you, Mr. Chairman, to at least review it and see if what OLS has done is what you want, and then it goes to the Committees.

MR. McNAMARA: But what I-- I'm still not asking the question correctly.

SENATOR HAINES: Yes.

MR. McNAMARA: If we had that piece of legislation back from OLS today, and we agreed that is what we wanted to recommend to the legislation--

SENATOR HAINES: It could be introduced on Thursday, but that's not going to happen.

MR. McNAMARA: No. But passing Thursday, the next time it could be introduced would be when?

SENATOR HAINES: Well, there will be a Senate session on the 25th of July, I think. But that's pretty tight to me. I think you basically got to consider September.

MR. McNAMARA: September.

SENATOR HAINES: And that would be -- what? -- the 10th, the 15th of September. It probably will be the first meetings.

MR. McNAMARA: The reason I--

SENATOR HAINES: Then we'll meet regularly on through until Christmas.

MR. McNAMARA: And, Jack, is, in your experience, the Assembly going to work pretty much the same way?

MR. PENN: Yes, they work the same -- basically the same. The schedule is not too much different.

MR. McNAMARA: You know, the reason I'm asking is I want to know how to schedule meetings through the summer, whether we should--

MR. PENN: Well, the Senate and the Assembly are not going to be meeting during the summer.

MR. McNAMARA: Right.

MR. PENN: I don't think-- I speak for myself, but I think that the first and most important thing to do is to give a summary of whatever testimony you've got done. I don't think you need the whole Commission to do that. I think that, secondly, then when you've got that done, you have to look at what type of legislation you want to have come out of it. Again, you



put together a committee on it, and then when the whole legislation is finally put in some sort of form, make copies of it, bring it in, and have the whole Commission take a look at, and say, "Is this what we're doing; is this what we want to know?"

You know, if you have too big a committee, it's like the man who designed a camel. You've got to put down your direction as to what you want to do.

MR. McNAMARA: Okay. All right.

SENATOR HAINES: There are certain parameters that OLS is going to say, "This will work but this won't work," and so they're going to have something to say about what the legislation is. But basically, the lining up the ducks should be done mid-September.

MR. McNAMARA: All right. I guess that-- Now let me ask a final question. It has been suggested that we would make an interim report -- a short interim report -- with a recommendation for legislation and then do a final report, which we would submit in September together with any final recommendation for legislation.

SENATOR HAINES: Yes. Well, I think you're pretty clear on what you want here, and I don't know that it gets that complicated, really.

MR. McNAMARA: So what you're suggesting is--

SENATOR HAINES: Well, I think really you could almost meet with Jack and myself, and we could put together an outline and give it to OLS and then come back to the full Commission.

Does this make any sense to you?

MR. McNAMARA: Yes it does. It makes perfect sense to me. The only-- I'm still trying to tap from your experience and find out is it better to do it with just one report and one recommendation for legislation, or is it--

SENATOR HAINES: You're going to have various pieces of legislation. New Jersey is different than the Federal, and I think people get confused with this. The Feds can come out with a piece of legislation that designates clean water and buys a car from some guy and in East St. Louis-- I mean they can have such varied legislation that can go all over the map. New Jersey legislation is better. It's very narrow. So that if we go for the Railroad Act that's one piece of legislation. If we go for buying development rights, that's another piece of legislation. I think you--

MR. McNAMARA: I see. So we can make-- We're going to end up making recommendations for 10 or 12 pieces of legislation.

SENATOR HAINES: It could be.

MR. McNAMARA: Yes I see.

SENATOR HAINES: It could be.

MR. PENN: Each subject has to stand on its own. A bill can't have even more than one subject.

SENATOR HAINES: Right. You can't. New Jersey is different. New Jersey is much better than the Federal deal, because the Feds just -- this is the way they get pork barreled. You know, they have a piece of legislation they know everybody is going to vote on and all of--

MR. PENN: That's what Lautenberg did on Linden Airport.

MR. ENGLE: Yes.

MR. ROWAN: Right.

MR. PENN: The bill had nothing to do with it, a foreign aid bill. He threw in a thing, and Linden Airport will weigh their AIP obligations, you know.

SENATOR HAINES: But it's-- You know, OLS will straighten us out on that. I mean, you can make a laundry list, Jack, and submit it.

MR. McNAMARA: Then it becomes several pieces of legislation as it goes through their mill.

SENATOR HAINES: Yes. It's almost better, I think, that you make the laundry list, give it to Jack or myself, we'll give it to OLS, then bring it to the Commission.

MR. McNAMARA: Okay.

SENATOR HAINES: The three of us don't even have to meet hardly, because I think we all know what we want.

MS. CASTNER: Jack, I was just going to say, if every one of us has done part of this report from our Subcommittees, I mean there's nothing more we can add to our report. I mean we made recommendations. If everybody else has that, which I think they've voiced even if it isn't on a piece of paper yet, and we gave it to you -- and none of us is really qualified to deal with the legislative issues at all.

SENATOR HAINES: Right.

MS. CASTNER: So somebody, and I don't think it is even the three of you -- seems to me it is OLS with the experts in writing it-- But give something back to us, and then this group meets again--

SENATOR HAINES: Right.

MS. CASTNER: --and checks it off and says, "Yes/no, this one's not quite what it is we said," and then it goes back. It's like writing a grant proposal. Very specialized people write those things. So you know the ins and outs like you're trying to explain.

SENATOR HAINES: The point is OLS can bring it back to us.

MS. CASTNER: Quickly.

SENATOR HAINES: Now, they can bring it back to you, Jack, and you can scribble on there and say, "This is not right," and send it back to them. But then, when you are satisfied with what they have, you bring it to the full Commission, and the full Commission says, "Hey this should be changed, that should be changed." Then we give it back to OLS.

MR. McNAMARA: Okay. Well I--

SENATOR HAINES: It's relatively simple, Jack.

MR. McNAMARA: I have a pretty good -- thanks to you -- a pretty good understanding now of what is going to transpire. We will just trudge ahead and prepare our report. I think at this time, we can agree with respect to -- I mean at this time meaning at this meeting -- we can agree with respect to certain things that we would like to see done, based on the testimony that we've heard.

We ourselves don't need a report to know, or at least to have, some consensus about some things that we want to have done. We've been here firsthand and heard the witnesses ourselves and received their exhibits. There will be other things that might come out of the report that -- what might suggest other pieces of legislation.

They-- I think we can have some consensus here at this meeting, and that I would like to ask each of you to just do a little white sheet of items of legislation that you would recommend to the Legislature, recommend that the Legislature adopt, and fax them to me. It doesn't have to be a report. It just can be one line for each different item of legislation and such that I will have everyone's thoughts on it, and I can collate those thoughts and at least know that we've solicited the input from each Commissioner.

Jack Penn's -- I mean Jack Elliott's report that he wrote is -- if I could just get a copy of that, Jack, that's all I'd want from you.

MR. ELLIOTT: I have copies if anybody wants them.

MR. McNAMARA: I'd like -- if you give me that, that's all I need from you. You've made your recommendation in there.

MR. ELLIOTT: Yes.

MR. McNAMARA: Right. Jack Penn has recommended from his Committee that we recommend an amendment to the act that regulates railroads.

MR. PENN: That's in Jack Elliott's --

MR. McNAMARA: And I guess in Jack Elliott's report. I stand corrected.

MR. ELLIOTT: I have discussed that with Jack, and he was very helpful.

MR. McNAMARA: And this is something that has been discussed by several of the Commissioners, and I'd like to discuss that now.

MR. PENN: We have that backup report that we got from the

(indiscernible) which is -- got an outline, basically, on everything you need to know in order to go forward with the legislation.

MR. McNAMARA: Right.

MR. PENN: All we're going to do is amend an existing act.

MR. McNAMARA: Right. (indiscernible)

SENATOR HAINES: Mr. Chairman, will you excuse me? I've got a 4:00 plane.

MR. McNAMARA: Thank you very much, Senator. I'm happy to see you and happy to see you in good health.

SENATOR HAINES: Well, I'm getting there. It's slow. But I think you're doing a very important thing. Don't forget we introduce legislation -- it doesn't mean that Community Affairs and some of these other groups that represent the townships are not going to oppose it -- and what we've got to do is sell it. You introduce it and you sell it. And that may mean that some of the Commission here is going to have to attend some of the Senate hearings, my Committee hearings, Appropriation Committee hearings, and some of the other things.

So I think what we've got to do is not only-- You know, you're familiar with that aspect of it, and we've got something that's very worthwhile to sell.

MR. McNAMARA: Well, I think that-- And when we make recommendations out of this Commission that it's imperative for the Commission to stand behind its recommendations. I mean this is a legislative study commission. We've done a study for the Legislature. We're making our

report to the Legislature. The Legislature has more questions for us. It's imperative that we go before it and answer them.

SENATOR HAINES: The worst thing you could be is chairman of a committee and have the whole room full of people that are opposed to your bill.

MR. PENN: We've been there.

MR. McNAMARA: Senator, I have nine children. I'm there sometimes every night at dinner.

MR. PENN: You have to get a-- (indiscernible)

SENATOR HAINES: Okay. Thank you.

MR. PENN: Thanks, Bill.

MR. ROWAN: Thank you, Bill.

SENATOR HAINES: You bet.

MR. McNAMARA: I have--

MR. ENGLE: Jack, one question. In looking at this, and maybe Jack Penn here is the best one to answer this, there are things that fall within DOT regulation which we may be looking at and things which fall within legislation-- Are there any guidelines, Jack, that differentiate?

MR. McNAMARA: Will OLS break that out for us?

MR. PENN: Well, no there are certain-- If you're looking at rules and regulations that can be done a little differently, that can be done-- You draft the rules, put the regulation-- You post a notice -- a time period for responses--

MR. ENGLE: Right.

MR. PENN: And then if there are-- Based on the responses, you take a look at it, and you may adjust them or you may move them. That's something that affected anything within a DOT that we would be in a position to do. Anything that would affect another part of the government would have to be done legislatively, because I don't have the power to go over to Community Affairs or Congress or something like that and change their regulations. I can change my own, but I can't change somebody else's, unfortunately.

However, there are certain things that we are working cooperatively with Community Affairs. In the early part of our testimony, we talked about some of the dual regulations. One dealt with fire inspections at your airports and the fact that Community Affairs was overseeing fire, and DOT was coming back the next day and doing another inspection.

We've worked out a deal with Community Affairs now that we will be doing all the fire inspections as part of our regular inspection. Therefore, you will not be getting a bill from the local fire guy anymore which depends on what town you live in and how much you pay. We heard things as high as \$1300-\$1500 for those inspections, and we're going -- we'll improve in ours.

The only thing that we are not able to do is fuel. Fuel is still a hazmat, and that comes under another page, and that's one of the things. That's something that we can address and we can do. But I think that one of -- you know, myself I've got a copy of all those reports, but I'd sure like to see them collated somehow because--

MR. McNAMARA: Yes. They will be.



MR. PENN: If there's any possible way that-- And I know that we're going to think of things later on. If we come out of here with four or five pieces of legislation, that's very good. If we get one or two of them passed, that's very good. We get that Railroad Act thing done, that's a biggie.

MR. McNAMARA: Jack, in benefit of the record, would you please explain how that would work -- not how it would work, but just tell us what would happen if we were to amend the Railroad Act to include airports.

MR. PENN: Well, that would mean that the airports and their amenities would be treated the same way as they are as railroads and their amenities under the Railroad Act.

MR. McNAMARA: And how does that work?

MR. PENN: Well, the Railroad Act, from what I understand that there's a very low rate-- I don't know whether it's in your report there. It's a very small rate which they charge on the railroad right-of-way, and you've got to compare the railroad right-of-way to your runways, and then they talk about the amenities that go along to support that rail line. It turns into your switching, your rail yards, your stations, and so forth. They are taxed at a very low rate. I don't know. I forget what the rate is.

MR. McNAMARA: I think in the rail-- They suggested in here that there were three classes of railroad property and that two were not taxed and one was taxed.

MR. PENN: That's right.

MR. McNAMARA: And that the tax on the one that was taxed was a rate that was set by the State and that the State perhaps remitted a certain amount to the locale -- the local municipality.

MR. PENN: We're just looking for parity. The same thing and--

MR. McNAMARA: And that might address Jack Elliott's concerns.

MR. PENN: What Jack Elliott suggested in his report is exactly that, as far as I'm reading. I've read Jack's report. I've had the advantage of having read it. I think that's what he referred to: the Railroad Act and putting airports under that same Act. What Bill Haines and I say, if all we did was just amend the Railroad Act to include airports and their facilities, we would accomplish the same thing on having a whole new piece of legislation drafted.

MR. McNAMARA: Well, the logic of it is compelling, and we certainly can't conclude, after everything we've heard, that an airport is any less an element of the transportation system than a railroad, and if there's something that should be done for the railroad element of the transportation system in general terms, it ought to also be done for the airport or the aviation side.

MR. PENN: What about our roads?

MR. McNAMARA: The same for the roads.

MR. PENN: There's no tax on the roads.

MR. McNAMARA: Exactly. They are all elements of the transportation system.

MR. PENN: And they're all part of the transportation system. Last year, as you probably know, I preached the fact that the 20 miles of a paved runway we have in the State of Jersey is no different from the road that passes in front of your house. It takes a person from point A to point B so it should be treated the same way.

MR. McNAMARA: Except it's less expensive. Half-- A substantial amount of it's paid for by private citizens instead of by the public and--

MR. PENN: There's no Belgium block curves on a runway.

MR. McNAMARA: That's right.

MS. NAGLE: Let's hope not.

MR. McNAMARA: Does any Commissioner here not understand the importance of a recommendation that the Railroad Act be amended to include airports?

MS. NAGLE: I would like to see-- Maybe we should just--

MR. McNAMARA: This is a yes or no question.

MS. NAGLE: I would like to see what the rate is because -- just to make sure that it wouldn't be harmful to certain airports.

MR. McNAMARA: Oh. Okay. I see. So there's that element on--

MR. PENN: You have a copy of the report?

MS. NAGLE: Yes. I'm going to look at it.

MR. PENN: It's all in there.

MR. McNAMARA: Do you have the report with you?

MS. NAGLE: No.

MR. McNAMARA: Okay. Railroad property is classified into three classes: Main stem, which would be the tracks and the appurtenances to the road bed; real estate used for railroad purposes other than main stem and -- that's Class II -- and Class III is facilities used in passenger service. The property tax is not imposed on Class I, which is the main stem, and Class III

which are the facilities used in passenger service. Class II property is subject to State tax. The State tax on Class II is imposed at a rate of \$4.75 for each \$100.00 of true value of such property.

MS. CASTNER: What Suzie is saying is that \$4.00 and something has to be compared to other farm assessment that you might already have is less.

MR. PENN: But your-- (indiscernible)

MS. NAGLE: No. But in Readington we're paying \$1.85 or something like that.

MS. CASTNER: Yes, this would make it higher.

MR. ELLIOTT: But it's part of the overall package in which the majority of your property is not taxed at all.

MS. NAGLE: Right. I just think it's worth playing with it. Right.

MR. McNAMARA: Well, let's do an analysis here. You don't get farmland assessment on your runway do you? Do you pay taxes on the value of your runway? (no response) All right. In this, you would certainly have to consider runways, taxiways, ramp areas--

MS. CASTNER: Those are very small percentages of the overall tax property.

MR. McNAMARA: Okay. But that would be certainly main stem property.

MS. CASTNER: But it's an extremely small amount of property versus the 120 acres on either side of that and the other 200-- There's 400-and-so acres there. Suzie's got 700 acres on hers. That is a different usage, and we've been putting it in farmland assessments.

MR. McNAMARA: So what you're suggesting is that that land would stay in the farmlands assessment and the main stem analogous items would be not taxed at all. Runway, taxiway, ramp areas, and the facilities used in passenger service would not be taxed at all. That would be the terminal. And that the balance of the property would be considered -- except for the farmland property -- would be considered similar to Class II property which would be taxed at the rate of \$4.75 per \$100.00 evaluation.

MS. CASTNER: I've given that to our lawyer to review our tax situation. I don't see how that affected the same question that Suzie asked. Unless you even had a terminal that really was -- at least you'd have to have a Part 135 to be considered that you are taking passengers.

MR. McNAMARA: Not at all. Not at all.

MS. CASTNER: Well, it's not--

MR. McNAMARA: I don't think that's correct. I think anybody that comes out and gets in an airplane and flies away is a passenger in an airplane.

MR. ENGLE: I would say that your mainstream would be your runways and taxiways.

MR. McNAMARA: Right. Your ramp areas.

MR. ENGLE: Your Class III property would be your ramps, hangers, and pertinent buildings on the property.

MS. CASTNER: There's a very big difference.

MR. ENGLE: And the Class II would probably be things like your safety zones or your safety--

MR. PENN: I don't know what you're considering Class II. I don't know that.

MR. ROWAN: We need open land, I would think.

MS. CASTNER: I just think it would be wise to--

MR. ROWAN: I think Class II would be everything else, and it could be grossly misinterpreted by our local municipalities where they can put the airport right out of business. I think that's pretty dangerous, because \$4.75 is a terrible tax rate.

MS. CASTNER: Right.

MR. McNAMARA: Yes, it is a terrible tax rate. But I'll tell you what else that the local municipality doesn't determine it. Isn't it DOT that determines it, Jack?

MR. PENN: No, not DOT. It would probably be Treasury of Taxation that does it in the State. I don't have any idea. You know, I have to find out.

MS. CASTNER: I think this is one of those research things that a clerk for somebody who could do very well, where you'd actually call the airports and see -- do what I'm doing. Do what Suzie's going to do. Find out how it actually affects your property tax.

MR. ROWAN: Sure.

MS. CASTNER: And on the face of it, our guy thought it was going to cost us more money.

MR. McNAMARA: Well, we certainly don't want to make a recommendation that would increase taxes.

MR. PENN: (indiscernible; Commission members speaking at once)

MS. CASTNER: Well, if they gave you the choice of keeping it in farm assessment or not, then it didn't matter. If they don't give you the choice and tell you it is an airport, you can't be half apple and half orange.

MR. PENN: Well, I think that even under your farming assessment, you're defining that part of the property which is airport and which part of the property is farm.

MS. CASTNER: The open areas that actually have crops on them.

MR. PENN: Or you can have a forestry program, too.

MS. NAGLE: Right, or a lot of bucolic crops.

MR. McNAMARA: I don't see that just because you own a couple 200 acres that -- and it's in your name -- that all 200 acres have to be deemed an airport.

MS. CASTNER: It doesn't. It's done by deed in our township. If you have a deed for this block of property -- and our property is not all on one deed. There's four or five deeds there. I mean you go and pay your tax bill, you pay per block of property. You don't pay-- They don't combine it all together for you.

MR. PENN: When you do your farmland assessment, they break out the house and an acre, 2 acres on the thing--

MS. CASTNER: On the bill, yes.

MR. PENN: --and that you pay the full rate on. The rest of your land you're paying on the farmland rate.

MS. CASTNER: Per block.

MR. PENN: What?

MS. CASTNER: Per block of property.

MR. PENN: Well, the balance of the land is paid. Maybe your airport is taken out separately, too.

MS. CASTNER: That's on two different blocks.

MR. McNAMARA: Linda, if you have a block of land-- Let's just say, in this case, you have one, and you're a farmer. The assessor divides that one line into two.

MS. CASTNER: I realize that.

MR. McNAMARA: And he calls one a cue and one is a regular--

MS. CASTNER: But it's on the same bill.

MR. McNAMARA: --and you get billed for all your buildings.

MR. PENN: You only get one bill, sure.

MS. CASTNER: It says dwelling, and then it says open land, then it says improvements on it.

MR. McNAMARA: Right.

MS. CASTNER: What I'm saying--

MR. McNAMARA: There is no reason that you couldn't have an airport on that land also. So that you, as a land owner, would have a farm -- you'd have one piece of land. You'd have a farm on part of it, and you'd have an airport on part of it, and you'd have your dwelling on part of it. And there's no reason that that can't be, for tax purposes, divided just the way it's divided now for farmland assessment.

MS. CASTNER: I'm just suggesting that you want to do that before we present something that doesn't allow you to do that.



MR. McNAMARA: And I think that that comment is well taken.

MS. CASTNER: Because a railroad is a railroad is a railroad, I think. Whereas, a big block of property might be--

MR. PENN: Well, I'll tell you that you'd be surprised about how much property the railroads own.

MS. CASTNER: That's not railroad?

MR. PENN: That's not railroad. A lot of property.

MS. CASTNER: But I agree with Suzie, that's a high rate for--

MR. PENN: Well, I know that that rate is set on a-- I don't know when that rate was set. I don't have any idea when that rate was set -- that bill. This railroad thing goes back to 18 something when this became a law, and if you remember that up until about -- I'm going to suggest it was 20 years ago -- you were assessed at 50 percent, and then it went to 100 percent. But at one time everybody was assessed at 50 percent, and I don't know-- I have no idea what that rate goes against.

MS. CASTNER: Would the rates true value-- Would there be, in this legislation, a method for the rate for airports to be evaluated and set each year versus just going with whatever the railroad rate is.

MR. PENN: I don't know. I don't know.

MS. CASTNER: Because that could be-- You know, you could be subject to another industry.

MR. PENN: Well, one thing that we don't want to do is to-- That's right. But the railroads, I'll tell you right now, are not complaining at all because under my jurisdiction, also, are all the railroads. And they're very happy with the way -- and the short lines are making a lot of money.

MS. NAGLE: But they have miles and miles of track. We have one mile.

MR. PENN: I know.

MS. CASTNER: So there's a big difference.

MR. ROWAN: You have one mile of runway and maybe the equivalent of 10 times as much land.

MS. NAGLE: Right.

MR. ROWAN: And I think we have to consider the development rights of the airport. I mean outline the airport. I don't think you can include 700 acres as an airport.

MR. PENN: No.

MR. ROWAN: Outline the airport, and I don't know that the Railroad Act-- The Railroad Act might apply to runways and buildings, but some special legislation might guide it through the development rights of the land, as appropriate, so that we take that Class II railroad property and make it nontaxable or reduce taxes based on the State paying for the development rights. And I don't think we can just assume the Railroad Act is going to protect the airport, because I don't believe it is, particularly not at \$4.75. That scared me to death.

MS. CASTNER: I think it's going in the right direction to evaluate it and look at it as an option. But I don't think that taking it as it is and just plugging in a couple changes is going to solve the problem. I think that the development rights has a lot to do with it, because you have to keep so much open land, whereas, I'm assuming that with the railroad you don't have to have that much open land to support that track.

MR. ENGLE: I think Linda had a good idea before, Jack, in that if we could have someone, maybe the young fellow who is working for you right now, call around to the airports, find out how much they're being taxed, how they're being taxed, and--

MR. McNAMARA: This is not a bad idea, but he's not going to be able to do that.

MS. NAGLE: Well, we already know what they're paying in property taxes. The question is how is it determined.

MS. CASTNER: Divided up.

MR. McNAMARA: You have that as part of your survey?

MS. NAGLE: No. He-- Jack has that as part of it -- of the Economic Impact.

MR. PENN: On the Economic Impact Study we have a lot of them in there. But I'm just saying, let's take a real good look at that -- what they have submitted there.

MR. ENGLE: Yes.

MS. CASTNER: Could that be gotten from the tax assessor?

MR. McNAMARA: We've got it.

MS. CASTNER: I mean, could it--

MR. PENN: All you got to do is go in to the assessor.

MS. CASTNER: Yes, but you don't have it divided out.

MR. PENN: If you know what the rate is, you know exactly what the taxes are.

MS. CASTNER: Yes, but you don't have it-- If you looked at ours, you couldn't tell. You couldn't tell if that was my mother's house, my house, the farm. You couldn't tell.

MR. PENN: The assessor knows though.

MS. CASTNER: That's what I'm saying. Can't you go to-- You don't really have my information.

MR. ENGLE: Yes.

MS. CASTNER: What you have is a blanket number -- 10,000-20,000 whatever it is. But that is like the Fritsche area. That is not what you need.

MR. ENGLE: Yes.

MS. CASTNER: But my house has nothing to do with it. The farmhouse really has nothing to do with it, but the pastures up there have nothing to do with it. That 110 or whatever it is right around the airport that's what has to do with it. So somebody from the actual facility is going to have to work with you to get you that number, and I think they'd figure out that that is a pretty critical thing to know. You know, that's why I took it over to our guy. I gave it to him -- Christ, I gave it to him six months ago.

MR. PENN: Has he gotten back to you yet?

MR. McNAMARA: How would this affect Teterboro?

MR. ENGLE: It wouldn't.

MR. PENN: It wouldn't. They don't pay any taxes.

MS. CASTNER: They don't pay taxes.

MR. McNAMARA: Because they're Port Authority.

MS. CASTNER: No. Municipally.

MR. McNAMARA: How would it affect Essex County?

MS. CASTNER: They don't pay property taxes. There's just a private-- (indiscernible)

MR. McNAMARA: Because they have a negotiated tax.

MR. ENGLE: No. They have an in lieu of tax payment.

MR. McNAMARA: They have a fee they negotiate.

MR. ELLIOTT: The ECIA pays a fee in lieu of taxes, and the same is true with the Port Authority at Teterboro.

MR. ENGLE: Yes.

MR. ELLIOTT: They pay a fee in lieu of taxes.

MR. McNAMARA: Right.

And Morristown would not be affected because--

MR. ELLIOTT: No.

MR. ENGLE: Because it's municipally owned.

MR. McNAMARA: Municipally owned and exempt from taxation.

MS. NAGLE: It's just to the privately owned airports.

MR. ELLIOTT: This only applies to privately owned airports.

MR. PENN: Public use.

MR. ENGLE: Privately owned airports.

MR. ELLIOTT: Public use, privately owned airports.

MS. CASTNER: Why don't we start with--

MS. NAGLE: Volunteering. I can ask--

MS. CASTNER: Why don't we start with Suzie and I get -- because I've already given this to Tom, and I put a big star here to call him as

soon as I get home to see where it is. Why don't we, as two airport owners, get the information on ours and see how that affects our tax rate? Then you certainly could use us as some kind of guide. We're looking--

MR. McNAMARA: You could give a call to Naomi--

MS. CASTNER: Right. To the--

MR. McNAMARA: --and maybe a few others and do a little study on it and let us know.

MS. CASTNER: Okay.

MR. McNAMARA: Jack, what other aspects of the Railroad Act are beneficial to airports? How about regulation?

MR. PENN: (indiscernible; Commission members speaking at once) --I haven't looked at it recently.

MS. CASTNER: That's a good idea.

MR. McNAMARA: I'd like to move on a little bit here and see if we can get out of here in a reasonable hour today.

MR. ENGLE: That's why we gave you the clock, Jack.

MR. McNAMARA: I want to suggest to you things that we could recommend to the Legislature. These are not necessarily my recommendations, but they are items that I have heard various Commissioners raise, and if you are in opposition to them, I'd like you to please go on the record. And if you are not in opposition to them but are in favor of them, then you needn't make a comment, but you may if you wish.

We've already discussed the reduction of real estate taxes, and I believe that we've already shown a consensus, and that we are in favor of that.

The second item would be the establishment of one regulating agency to oversee all airport development.

MR. ENGLE: Jack, don't we have that already?

MR. McNAMARA: No, we don't. Privately owned airport and a municipality wants to build a *T*-hanger has to make an application to a local planning board that usually get kicked over to a board of adjustment. It then has the Department of Environmental Protection come in and a soil conservation come in. It has sometimes a County Highway Department -- etc. etc. etc. And I'm not suggesting that any airport wouldn't be subject to all of the laws -- all the State laws.

We've had the League of Municipalities come in and tell us one of their problems is when the host township, which has control over the airport, wants to develop the airport, and the neighboring town, which has all the adverse impact of the airport, comes into that hearing.

They have no authority. They don't have any control, and what they really want to have is some agency over that situation that can be a common arbiter of those problems. And of course, what one would envision is that that overseer would be the Department of Transportation, and that it could conduct the hearings that an airport would normally have to attend before its local planning board.

If it wants to make an improvement, it would make the application to DOT, and its host township, its neighboring township, and all other parties could come into that hearing. They'd all have to be noticed, of course, just the way they would be now. And they'd have to come in to that hearing and let

DOT -- make the Commissioner of the DOT-- make the final decision. This way airports don't have to go from pillar to post, simply to build a T-hanger.

MS. CASTNER: This is not a new agency. This is just a method of administrating procedure?

MR. McNAMARA: This is a new procedure without a new agency. That's correct. I'm not suggesting that we create a new agency.

MS. CASTNER: So there would just be-- I'm picturing it in my mind. There's a door that says Airport Everything.

MR. PENN: One-stop shopping.

MS. CASTNER: Right. Thank you. Wal-Mart. I go into the--

MR. ROWAN: We already have a Department of Aeronautics in Jersey. Isn't that what they're called?

MS. CASTNER: Yes.

MR. PENN: The Division of Aeronautics, which is us.

MR. ROWAN: And they-- When we've had some -- our little airport -- private airport -- was done, they were involved and very helpful, and I'm really anxious to get it done. Now, we had to go through some local approvals, too, and I don't think you can eliminate local approvals, but you may be able to use the agency -- the Department of Aeronautics -- to do a little refereeing or promoting or what have you.

MS. CASTNER: Could we just--

MR. McNAMARA: At this moment, the Department of Transportation is the final stop prior to litigation on an application.

MR. PENN: That's not exactly true. It's the Office of Administrative Law and then to us. OAL and then--



MR. McNAMARA: Well, that's only by reference of the Commissioner. The Commissioner-- If an airport wants to make an improvement and is turned down by the local planning board or the local board of adjustment, he has the right of appeal, or it has a right of appeal to the Commissioner of the Department of Transportation.

Now, the Commissioner, typical of all the departments, would refer the hearing of that matter to the Office of Legislative-- No. To the administrative law judges, and they would make a determination, which he could review and overturn if he wanted to. Is that your understanding?

MR. PENN: That's true.

MR. McNAMARA: Yes.

MR. PENN: Well, yes. The thing is that-- Yes, that's true.

MR. McNAMARA: Now, if his decision is challenged by the municipality, it can only be challenged on the grounds of having been arbitrary, capricious, unreasonable, or otherwise contrary to New Jersey law. No other issue would be heard on the appeal.

MS. CASTNER: All right. But now what we're saying is I want to put up *T*-hangers, and I'm going to go directly to Jack's office.

MR. McNAMARA: That's right.

MS. CASTNER: And what are you going to do, Jack?

MR. PENN: I'll say go ahead.

MS. CASTNER: Do permits come from your office, or do they go back from your office that we filled out to the township?

MR. PENN: Well I-- That's what we're talking about, legislation. That you have to decide what you want to do.

MR. McNAMARA: Permits would come from the DOT.

MR. PENN: This would be a new approach.

MS. CASTNER: Okay. But I've got to say this. Somebody said before about the fear and the community involvement and the participation of the community in it. You can cause so many more problems for an airport owner by having them think that no matter what they say or feel those guys down at the one-stop shopping are going to give the Solberg's anything they want over there, so it doesn't matter what we're doing here.

To me, there should be an easier road for the airport operator to get those things done without -- and I do go through this regularly -- to get things to happen or be examined or serviced or something. You'd, like, spend all day on the phone to get something done.

So if I wanted to do the *T*-hangers, and I currently wanted to do them now, I would have to, according to Alexandria Township, go to the planning board and actually submit a plot plan. Submit the plot plan, which isn't going to get approved the first time, which is going to go back and all that kind of stuff, and I'm finally going to get approval after about a \$6000-\$7000 investment to build the hangers.

Now, are you telling me that I would come -- that we're going to recommend that we would bypass the individual township, which is going to get them mad, come down to your office, and just do it? Or are we going to come to your office and your office is somehow going to interact with the local fathers on the zoning and the regulations on that? Say I want to put up a big museum or I want to do something like Allaire was going to do that the

township got mad about -- a convention center or something. That is out of the auspices of--

MR. McNAMARA: That's not an airport improvement. That's--

MS. CASTNER: But he did try to do it that way.

MR. McNAMARA: That's a different-- That's a different matter.

MR. ENGLE: Jack, one thing I think we have to consider.

MR. McNAMARA: Let me answer this.

MS. CASTNER: So how would you--

MR. McNAMARA: Let me answer this question. The question is answered this way.

MS. CASTNER: Wait a minute. Wait a minute. Wait a minute.

MR. McNAMARA: Here's-- The proposal is coming from here. What would happen in your case is, you would have to prepare all the same engineering documents that you would have to prepare for your local planning board. You would come to a hearing before the Department of Transportation, whether it was before an administrative law judge, with a Commissioner himself, within the providence of the Commissioner, or some other designated person.

You would come to a hearing, the same as you would before your planning board. Other parties at that hearing would include: Alexandria Township; any neighboring township that might be affected by your airport; all the parties that would be noticed if you were to make that application under the local ordinance in Alexandria Township; certainly all adjoining land owners; Department of Environmental Protection, and any other -- most likely

the Hunterdon County Road Department -- the Department of Roads; State Highway Department. Any other appropriate department would be noticed.

They would all come to one hearing, and the whole matter would have to be resolved in one hearing. Everybody would have standing to come in and make their comments in one hearing instead of having to go through a series of hearings.

MS. CASTNER: What if I didn't have to go through any hearings in our normal procedure right now? I just went to my planning board, the planning board looked at it, they said, "Yes that's okay," and we could have gone right ahead, and nobody would have been there from the environmental group or the road department or anything.

MR. PENN: That's the way it should be.

MS. CASTNER: That's currently how it is in my situation. So now you've just made it worse for me.

MR. PENN: Yes.

MR. McNAMARA: Well, your situation in terms of our experience is unique.

MS. CASTNER: Because we've worked at it.

MR. ELLIOTT: Are you saying that the Environmental Protection Agency doesn't give a damn what you do?

MS. CASTNER: I'm saying that right now, if we wanted to put up another hanger--

MR. ELLIOTT: The Environmental--

MS. CASTNER: They would not come into that meeting. We would go to the planning board. Willie, who sits on the planning board, would

take it in and present it. He would have already discussed it and gone through who might have a concern about this or that ahead of time at the two or three meetings ahead, which he's already been doing. Next time he goes through, he's got his strategy out. He presents it and it passes.

MR. ELLIOTT: I don't still understand how you bypass the DEP, because they're involved in everything. You want to turn a State-- (indiscernible)

MS. CASTNER: How could the DEP have any--

MR. PENN: Only if it's wetlands.

MS. CASTNER: How could the DEP have anything to do with us putting in a new hanger if it's an accepted use in our township, and we have done our perk test or whatever you have to-- Why would they be there For anything?

MR. PENN: They wouldn't.

MR. ELLIOTT: There is no reason in my opinion.

MS. CASTNER: Well, they're not there.

MR. ELLIOTT: They don't have to be anywhere, but they are.

MS. CASTNER: They're not at ours. If it's an accepted use, and you've done what you're supposed to do, you go right through it.

MR. ROWAN: Jack, I've got to run too. I wanted to hear the rest of your suggestions you have sent in to read--

MR. McNAMARA: I'm going to bypass this one, and I'm going to move on and come back to this one because it's taking more time than I had thought it would, and some of our Commissioners have to leave.

Third, sale of development rights. This is a simple airport that says, "We'll remain an airport in perpetuity if you'll pay us for our land value as it is now." Is there opposition to that?

MS. CASTNER: Can you buy it back? Say your heirs down the line want to buy it back?

MR. McNAMARA: I'm going to ask the Commissioners to say yes or no on the initial review of these, and then we can discuss refinements of them subsequently.

MR. PENN: What you're asking for is, is this something we should consider. Is that what your--

MR. McNAMARA: That's essentially it, yes.

MR. PENN: Okay.

MR. McNAMARA: Okay.

Is there opposition to considering this? (no response)

Okay.

Making a community/airport committees a mandatory feature of any legislative package for the benefit of airports.

MR. ELLIOTT: I think you can recommend it, but I don't know how you can make it mandatory.

MR. McNAMARA: You could say, "If you are going to receive grants and aid for the improvement of your airport, you are going to have to establish a committee," similar to what the FAA says if you are going to receive Airport Improvement Program funds.

MR. PENN: It's not a requirement of the FAA, Jack.

MR. McNAMARA: Don't you have to have a TAC committee?

MR. PENN: Only as part of the Master Plan.

MR. McNAMARA: For the Master Plan, right.

MR. PENN: That's all.

MR. McNAMARA: But you don't get AIP funds without a master plan.

MR. PENN: No. But the committee is just a committee for the master plan.

MR. McNAMARA: Okay. Now I have-- I said we're not going to discuss these. This was a recommendation to consider making community airport committees a mandatory feature through legislation -- through any legislation -- that would anew the benefit of the airport such as grants and aid -- consideration of it. Refinements can come later. Who is opposed to consideration of it?

MR. ROWAN: I am.

MS. CASTNER: Me too.

MR. McNAMARA: One, two, three, four, okay. So we would be tied on that one.

MR. HINES: I have no opinion on it.

MR. McNAMARA: What's that?

MR. HINES: I have no opinion on it at this point.

MS. NAGLE: I think it's a great idea. I'm just afraid you're going to have a local municipality that's going to use this as their wedge to keep anything from happening.

MR. McNAMARA: What I'm saying is-- Understand what I'm saying. I'm saying, considering a way--

Are you suggesting-- Those who are against this are saying that we do not want to consider making--

MS. NAGLE: I think it's a good idea. I think it's a recommendation, but to make it mandatory I think is hard for a lot of airports.

MR. McNAMARA: Let me-- Don't misunderstand. Making it mandatory does not mean giving the community the upper hand in the committee or having the committee have any authority over the airport. The committee is simply a -- I envision this committee simply as a conduit through which communication is achieved between the airport and the municipality.

MR. PENN: Jack, maybe one thing. Maybe instead of putting it the way you put it there, to say, should we consider some way of making the airport and the community work together through a community committee and looking at ways to do that. Yes, then I'd think that would be something that people could go along with. But when you say making it mandatory through legislation, I think that's where your problem is coming in.

MR. McNAMARA: How else can you do it if you don't have it as part of legislation?

MR. ELLIOTT: What we could do--

MR. PENN: You can make some things in DOT regs.

MS. CASTNER: You could make, simply, that the airport owner attends one out of every other township monthly meeting or does some kind of report or something that's-- Mandatory means that you're forcing the issue in front of those people.

MR. PENN: See, we're looking at--



MR. McNAMARA: How about making the airport owner a mandatory member of the planning board. Adding a member.

MS. CASTNER: You'd never get them to do that. They tried to kick my brother out.

MR. ELLIOTT: The town wouldn't accept that, and suppose Solberg says-- (remaining comments indiscernible; Commission members speaking at once)

MR. McNAMARA: Please, please let me finish. As you know, under the law of the State of New Jersey, a planning board is a very special animal, and it has specified members. It must have a mayor. It must have a member of the board of health. It must have a member of the zoning board, etc., etc.

We have talked often about having municipalities recognize their airports. Why is this not a good idea? I know you might think this sounds impossible. It only is because of where we have come from. But what's the compelling logic?

MS. CASTNER: My logic is that--

MR. McNAMARA: We have the 1983 Act in 1996. People still haven't recognized an airport zone -- communities have not.

MS. CASTNER: And that would be part of my logic. You're forcing down their throats something that is a fabulous idea. My father sat on it, my brother sits on it now, because they know what you're saying is true: having the impact and the ability to sit there and see what's going on and help shape it is important. Now, that's totally different--

MR. McNAMARA: And making them available to the township who wants to come in and ask them questions.

MS. CASTNER: But that is totally different than a mandatory position that you are telling the township you will take Suzie Solberg Nagle on that committee or else.

MR. McNAMARA: So what.

MS. CASTNER: So how would you like to be her and having to sit down at that meeting?

MR. McNAMARA: We've already said to them, "You will take the mayor, you will take a member of the board of health, you will take a member of the zoning board, you will take two members of the public at large."

MS. CASTNER: It's different because she's a private owner of something that people think is making her a zillion bucks.

MR. ELLIOTT: Suppose the town rejects the idea--

MS. CASTNER: Right.

MR. McNAMARA: What's that?

MR. ELLIOTT: --and says, "We don't want to be on this committee." How can you force them?

MR. ROWAN: Well, we weren't going to discuss the pros and cons.

MR. McNAMARA: Okay. Yes, right.

Let's move on. We'll put that in abeyance.

Develop airports in an economically reasonable manner which encourages their vitality. In other words, encourage the development of airports or make it more -- make it easier for airports to have light industry,

restaurants, and motels -- things that are natural adjuncts to airports -- so that the adjoining land around an airport will encourage the airport to remain there. That's been a recommendation. Is there anybody against that? (no response)

Fast-track aviation litigation.

MR. ROWAN: Great if you're good.

MR. MCNAMARA: Okay. Airport zone must be made a permitted use. We have the confusion about whether it's a--

MS. CASTNER: Condition.

MR. McNAMARA: --conditional use or not. It wasn't ever meant to be anything other than a permitted use. Anybody against that? (no response) Okay.

Giving to the State of New Jersey the right of first refusal to purchase airports upon their sale.

MR. PENN: I don't think you can get the State to write a first refusal on all airports. I think if it was going for a nonairport use, then the State might be interested in it. But personally, I'm going to sell my airport to Suzie because she needs another one. You know, I don't think that the State should have the right to buy it first.

MR. McNAMARA: All right.

MR. PENN: What I'm saying is, if the State is-- If the intent is to close the airport and build a shopping center on it, then the State might have the right of first refusal.

MR. McNAMARA: Okay.

MS. CASTNER: At fair market value, Jack?

MR. PENN: What?

MS. CASTNER: At fair--

MR. McNAMARA: Absolutely. At fair market value. Okay, and what you're saying, Jack, is the right of first refusal should attend to a change of views.

MR. PENN: Right. That's my opinion.

MR. McNAMARA: I think that's the sentiment of the Commissioner who made the comment -- who was you.

State must have the authority to regulate aircraft noise.

MR. ROWAN: I'm grossly opposed.

MR. PENN: I am too.

MR. McNAMARA: Okay. Do you think the local government should have that authority?

MR. PENN: No.

MS. CASTNER: Nobody should.

MR. ROWAN: Nobody should have that authority.

MR. PENN: That is addressed to the FAA right now.

MR. ENGLE: That's right.

MS. CASTNER: Right.

MR. McNAMARA: Okay.

MR. PENN: As a matter of fact, Bob Franks introduced legislation, and it would have turned that over to the State to regulate, and the State wanted no part of it and--

MR. McNAMARA: Is he from Springfield or some--

MR. PENN: Yes.

MR. McNAMARA: Yes. He had a good idea, I thought, when in '83 the Airport Zoning and Hazard Zoning and Safety Act was adopted, he suggested that the zone be widened to include all areas affected by airport noise and--

MR. ENGLE: That would have been the whole State.

MR. ROWAN: Airports don't make noise. Airplanes make noise, and if they want to regulate so then regulate the airplanes. But airports are very quiet until an airplane takes off. So it's the airplanes that make noise not the airports.

MR. McNAMARA: This is a very refined distinction.

MR. ELLIOTT: Well, it's an important distinction.

MR. ENGLE: No, it's not. It's an argument that's used all the time.

MS. CASTNER: That's right.

MR. PENN: That's right.

MS. CASTNER: I have no control over--

MR. ROWAN: A very important distinction.

MR. McNAMARA: Okay. We're going to have to move on.

Airports must be included in the State Development and Redevelopment Plan. I don't know how you'd legislate that.

MR. PENN: That plan-- If Bill Haines-- That whole thing is on the back burner.

MR. ENGLE: Yes.

MR. PENN: They didn't fund it this year at all.

MR. McNAMARA: Okay.

Airports-- This is a thought I had today. I was listening to some comments made over here about the condemnation of an airport. I don't think that municipality should have the authority to condemn airports for other public uses. It, I think, runs contrary to State policy, and I think the Legislature should take a position that that is not appropriate.

MR. PENN: Well, the only thing is you run into a thing called eminent domain right now.

MR. ENGLE: Yes.

MR. PENN: The State has eminent domain, the Federal government has eminent domain, and that's a constitutional thing and--

MR. McNAMARA: No, I'm not -- I'm not running a vow of any constitutional provision. If the Township of Bedminster wanted to go out and condemn Route 206 and make a playing field out of it, they can't do it. And if they want to go condemn Somerset Airport and make a playing field out of it, they shouldn't be able to do that either.

MS. CASTNER: And what does eminent domain say? That they have the--

MR. PENN: The State government and the Federal government have the right of eminent domain over all property. In other words, they can come in and decide they want to build a road through the Fritsche property up there. You can fight it. You can do whatever you want. But they actually have the ultimate right. They don't even have to pay you at that point. They can go in and take the land and build a road, and you can fight about it later on in court or anything else. I know this battle, too, on Route 78 that's never

been solved that is still in litigation over value. But that is the right of eminent domain.

MR. ENGLE: Is that in every municipality, Jack?

MR. PENN: What?

MR. ENGLE: Is that in every municipality?

MR. PENN: The municipalities have the right of eminent domain. All government agencies have the right of eminent domain. Most of them don't use it. We are the last thing in the world that DOT would ever use eminent domain. It has to be a real arbitrary situation, when they get down to eminent domain, they try to work around it.

There are a lot of people that like their property taken under the threat of eminent domain because there are certain tax advantages involved. In other words, the money you get under that thing is money that you have a right to reinvest for a period of 18 months with a 6-months extension up to 24 months -- you can reinvest that money without any tax consequences. But as far as a blanket, you can put it in, but, I'll tell you something, I don't think it's going to go anyplace.

MR. McNAMARA: Jack, what would happen if Bedminster-- I ask you, they've got an interstate highway, and they have a State highway running through them. What would happen if Bedminster wanted to condemn them?

MR. PENN: Well, first of all, they don't have the authority because a higher government agency owns it. The higher the agency is--

MR. McNAMARA: Okay. Then we will make it subset any airport that has received State funding for any purpose should be beyond the

reach of the eminent domain of the local government. I don't mean to deny the State of New Jersey its sovereign right.

The reason eminent domain is not used is because of the Fifth Amendment of the Constitution, which requires just compensation first and, secondly, that condemnation be made for public use.

MS. CASTNER: That sounds like a battle whichever way it went. I mean it sounds like you'd have--

MR. ELLIOTT: Phillipsburg Airport was condemned, and they had accepted no money from anybody. It was in a court for 10 years, and the courts ruled the land is condemned. They're going to build a school on that land.

MR. McNAMARA: What's that?

MR. ELLIOTT: Phillipsburg Airport.

MR. McNAMARA: What? You're saying suppose it? What's this?

MS. CASTNER: No, it did. It did happen.

MR. McNAMARA: What airport?

MR. ELLIOTT: Phillipsburg.

MR. McNAMARA: Phillipsburg.

MR. ELLIOTT: The land was condemned because the town wanted to build a school on the airport property. Now, you mentioned before that there should be an exception if they took public money. Well, they didn't take any public money. It was in courts and litigation for 10 years, and the town won, and the airport was closed so they could build a school.



MR. McNAMARA: I think the State has got to make a decision whether -- and I think it has made a decision in our enabling legislation. It has identified a problem of losing general aviation airports.

If the State, as it does, has the authority to condemn land, it can say, "General aviation airports are an important asset to the State, and we do not want to lose more of them." Now, it's already said that. That's in our enabling legislation. It can certainly follow on and say, "If we have the right to condemn those airports, we certainly have the right to keep the municipalities from condemning those airports." If we have the right to condemn them for the State purposes, for the public use of this State, we certainly have the right to prohibit the municipalities from condemning them.

MR. ROWAN: In other words, the State has the right to condemn a municipality property for its own public use. Is that correct?

MR. McNAMARA: Sure.

MR. ROWAN: Well, then it has that right, right now then.

MR. McNAMARA: Certainly.

MR. ROWAN: If the municipality comes along and says, "Well, I've got a school -- build a school." The State can say, "No. We want to condemn that property for a public use airport."

MR. McNAMARA: And what I'm saying is that we want to have it understood -- just included in legislation -- that the municipality can't come along and condemn an airport for school purposes. It did that before, and we lost an airport. And what the State is now saying in our legislation is that we don't want to lose more airports.

MR. ROWAN: In other words, we want to give it the right -- the State the right -- to block what happened in Phillipsburg?

MR. McNAMARA: That's right.

MR. ROWAN: And I think that's good.

MR. McNAMARA: Anyone opposed? (no response)

MR. PENN: Let me ask you this. How about a municipality or a city that owns an airport and decides to change the use of that airport?

MR. McNAMARA: It has to offer a right of first refusal to the State.

MR. PENN: Well, then you better talk about Bader Field, because they want to build a ballpark in the middle of Atlantic City, and they have a 10 year thing, and nobody cares. They're just going right ahead.

MR. McNAMARA: Well, that's why this legislation is important.

MR. PENN: In other words, what we're saying is that the city that owns an airport would not have a right to close that airport?

MR. McNAMARA: Yes, that's what we're saying. We're saying that a city that -- whether it owns an airport or not won't have a right to close the airport.

MS. CASTNER: Yes, but how will--

MR. McNAMARA: We have seen considerable evidence already here that an airport benefits more than the local city, right. The State has a genuine interest--

MR. PENN: I'd love to see that, but it will never fly.

MR. McNAMARA: Anyhow no one is opposed to it. That's the list. Now we have to revisit community airport committees and the issue of

standards, I guess, if we're going to consider it at all, of aircraft noise -- airport noise. Okay.

Final question for today: Can we think of any additional witnesses that ought to be called before this Commission? (no response) How about somebody from Department of Environmental Protection? (no response) We've talked about asking Commissioner Shinn to come in.

MR. PENN: You can ask him, I doubt it. He'll probably send Mark Smith. He won't come himself. I doubt if he'd come himself.

MR. McNAMARA: Right. But--

MR. PENN: I don't have any objection if you want to ask somebody from DEP to come in, but I thought we were almost to the point of writing a report. I mean, we're going to get back into more testimony, and then you're going to have more report.

MR. McNAMARA: Right, but the report, number one, could always be-- It's going to take some time to write it. Number two, it could always be supplemented. Number three, legislation is going to take some time to be adopted, and it's going to go through the normal maceration process of adopting legislation, and along the way, there'll be many changes, I'm sure, recommended, and no one should-- I suppose, we shouldn't be barred from making any recommendation of amendment to our own proposal.

MR. PENN: It's your call.

MR. ENGLE: I've got a question, Jack.

MR. McNAMARA: Well, I'm not so much suggesting it as asking my fellow Commissioners if they can think of any way that our record is

incomplete, not well balanced, whether there's some issue that we haven't addressed, some witness that we should call that we haven't called.

MS. CASTNER: I'm more concerned that we haven't taken the-- That where we are now is that we're down to six or seven bullet points that you have there, and just the time that you've been sitting here, you can see there are a lot of points of clarification, and I think, rather than listening to somebody else come in, I'd really like to see us figure out a way to get more knowledgeable legislative kind of background writing people, which I don't-- Maybe Jack is the only one or the two Jacks are the only ones that can do that.

I think we need to get the facts a little more specific on those before we come up with this final report, and I think that's what we should be focused on right now. The bad news is I don't think too many of us can do that. I think we are beyond our kind of expertise there. What we need to do is get some clerks or people who really get into the research, get that stuff, and then get it back to us, and any way we can help in just what we know is in our own daily careers, try to get that to those people.

But I don't think there is a lot of value anymore in getting more people in. I really think we need to go find those six or seven points that we have here.

MR. McNAMARA: Okay. If, as we go along, any Commissioner feels that we have neglected some area of consideration, please just let me know, and we'll consider having another day of taking the testimony from one witness or two witnesses. Something like that.

As it stands now, we are scheduled to meet on the last Tuesday of July and the last Tuesday of August. We will probably circulate some kind of

a report -- proposed. As you send in to me all of your thoughts on legislative items that might be considered, we will certainly put together a master list of those things and circulate that, and then we will figure out some mechanism so that those things can be considered, hopefully prior to our meeting in July. And in July it would be nice if we could finalize our thoughts on what we should recommend for legislation and, perhaps, even before the last Tuesday in July, come to that point, turn the thing over to OLS to do their work, and meet on the last Tuesday of -- maybe cancel the meeting in July, and meet on the last Tuesday of August to consider what they come back with. Does that sound like it fits into the scheme of things, Jack? We are unfamiliar with it, but you know something about it.

MR. PENN: Well, I think you're going to have a conversation with OLS to find out if they're going to have anybody who will be able to review this thing. They said after July 1 they would, and I don't think that we can-- You know, then they came back and said, "Yes, hire the paralegals you need," and they put some money in the budget. But I guess they don't feel that they can really do it.

MR. McNAMARA: My problem has been that qualified people are few.

MR. PENN: Right.

MR. McNAMARA: And the ones that we found didn't want to work in Trenton.

MR. PENN: Well, I'm not sure-- I certainly cannot commit any way at all for what OLS is going to say. I mean, I don't know.

MR. McNAMARA: That's not what I'm asking.

MR. PENN: I mean, they've had a very busy time during their budget season. They're right up to their neck in work there. But I can't remember who it was that you talked to in OLS, but he called me, and he spoke to you, and he had said that after July he could do something with us. Of course, that was prompted by a call from Michael Lihvarcik at Treasury, I guess, or at OMB over there, to move this thing along. I think that we have to go back to them and see if they do have people, in fact, that can take all this testimony and collate it. But otherwise we've got a lot of paperwork.

MR. McNAMARA: This is by way of saying that unless otherwise notified, we'll meet on the last Tuesday in July and the last Tuesday in August, and somehow we'll try and make an effort to creating things to a point of better organization as quickly as possible.

MR. HINES: Mr. Chairman.

MR. McNAMARA: Pete?

MR. HINES: Mr. Chairman, is it possible to get the minutes of this meeting here sent to us posthaste, rather than the other ones that have not been sent to us?

MR. McNAMARA: That's a good point.

Harry, we've got four now with this meeting -- four transcripts outstanding -- and we really are at a point where we need to have them to do our job.

HEARING REPORTER: Mr. Chairman, I appreciate the needs of the Commission and the Commissioners. My priorities, if you will, are set by the legislative leaders -- by the Senate and the Assembly. I can take direction from them. I will make note to my immediate superiors the urgency

you feel this is required. I can tell you right now that we're in pretty good shape, and I think I can get this done at a reasonably quick turnaround. But that's not to say that tomorrow something doesn't come down the pike where the Senate President or the Speaker says, "Oh no, no, this is much more important," and of course, since I'm an employee of the Legislature, I would certainly meet their wishes, and that's in no way to be disrespectful to you.

MR. McNAMARA: We appreciate everything you do for us, Mr. White, and we always have. And it's good news to hear that your staff is breaking free-- A betting man might say that we'd have the transcripts pretty soon?

HEARING REPORTER: Yes, sir.

MR. McNAMARA: Thank you very much.

MR. ELLIOTT: But, Jack, you just listed the 11 points that you thought we ought to consider. I just think that we ought to establish priorities so that we concentrate our efforts on those issues that are most important and don't get sidetracked by some that are not as important as others.

MR. McNAMARA: Right. I agree, and I think after everybody-- After we get a complete master list, maybe we can figure out some way to have the Commissioners prioritize and send back to me what they think is the proper priority for the suggestions, and then we can address them in that way. Does that sound like a suitable way to do it?

MR. ELLIOTT: Fine.

MR. PENN: Mr. Chairman, I've been reading in some aviation publications that the state of Maryland just passed some sort of a tax relief

program for airports, and it's a new program, and I think maybe we should try and get a copy of that.

MR. McNAMARA: Okay. I'm not sure that we don't already have it. We've been, in our communication with the other states, asking them for their tax laws, and--

MR. PENN: You may very well have it, but I think that Linda and Suzie have raised a good point today of doing an investigation into this railroad tax thing to make sure that it's going to accomplish what we really want it to accomplish, and therefore, looking at the Maryland thing, maybe we have a fallback position. That's all.

MR. McNAMARA: Well, I--

MR. PENN: Well, I think that is like the number one priority that I can see is some sort of tax relief for the public use on restricted airports -- unrestricted public use airports.

MS. CASTNER: You got it. We understand.

MR. McNAMARA: Just off the top of my head, I believe there are nine -- at least nine -- states that have programs of tax abatement or development right programs for their airports. So many of the other-- I mean, privately owned, which means taxable, airports in other states are such a small percentage of the public use airport mix that it isn't a major problem for them.

Is there other business to come before this Commission? (no response ) There being none we stand adjourned.

**(MEETING CONCLUDED)**



