
Committee Meeting

SENATE LEGISLATIVE OVERSIGHT COMMITTEE ASSEMBLY JUDICIARY COMMITTEE

“The Committees will receive testimony from invited guests, including senior staff from Amtrak, NJ Transit, PATH and the region’s ferry operators.

The hearing will focus on the plan developed by Amtrak, NJ Transit and the Long Island Railroad for major repairs at New York Penn Station. The meeting will also focus on how NJ Transit, PATH, Amtrak and the region’s ferry operators can work together to minimize the impact of service disruptions on the region’s trans-Hudson rail commuters”

LOCATION: Sheila Y. Oliver Conference Center
Essex County Government Complex
Newark, New Jersey

DATE: May 31, 2017
10:00 a.m.

MEMBERS OF COMMITTEES PRESENT:

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

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



ALSO PRESENT:

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

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

Theodore Conrad
Senate Republican
Glen Beebe
Assembly Republican
Committee Aides

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



ROBERT M. GORDON
Chairman

LORETTA WEINBERG
Vice-Chair

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

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New Jersey State Legislature

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

COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE LEGISLATIVE OVERSIGHT COMMITTEE

FROM: SENATOR ROBERT M. GORDON, CHAIRMAN

SUBJECT: COMMITTEE MEETING – MAY 31, 2017

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

The Senate Legislative Oversight Committee will jointly meet with the Assembly Judiciary Committee on Wednesday, May 31, 2017 at 10:00 AM in the Sheila Y. Oliver Conference Center, on the 14th floor of the Leroy F. Smith Jr. Public Safety Building in the Essex County Government Complex, at 60 Nelson Place, Newark, New Jersey.

The committees will receive testimony from invited guests, including senior staff from Amtrak, NJ Transit, PATH and the region's ferry operators. The meeting will focus on the plan developed by Amtrak, NJ Transit and the Long Island Railroad for major repairs at New York Penn Station. The meeting will also focus on how NJ Transit, PATH, Amtrak and the region's ferry operators can work together to minimize the impact of service disruptions on the region's trans-Hudson rail commuters.

Issued 5/24/17

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JOHN F. McKEON
Chair

GORDON M. JOHNSON
Vice-Chair

JOSEPH A. LAGANA
ELIZABETH MAHER MUOIO
ANDREW ZWICKER
MICHAEL PATRICK CARROLL
ERIK PETERSON



New Jersey State Legislature
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COMMITTEE NOTICE

TO: MEMBERS OF THE ASSEMBLY JUDICIARY COMMITTEE
FROM: ASSEMBLYMAN JOHN F. McKEON, CHAIRMAN
SUBJECT: COMMITTEE MEETING - MAY 31, 2017

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

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Photos and Conditions of NJ Transit Properties in City of East Orange
submitted by
Mayor Lester E. Taylor III

WEB ONLY

WEB ONLY documents are attached to the online copy of this hearing.

To Access, go to New Jersey Legislature's website Homepage:

<http://www.njleg.state.nj.us>.

In left column of Homepage scroll down to:

LEGISLATIVE PUBLICATIONS (last heading in left column),

CLICK ON "Public Hearing Transcripts".

On **Public Hearing Transcripts** page, CLICK ON "2017 Public Hearings";

Under "Senate Legislative Oversight Committee" find **Committee Meeting of Senate
Legislative Oversight Committee and Assembly Judiciary Committee Hearing,
May 30, 2017**

At bottom of hearing description, CLICK ON appendix to open.

These documents, etc., are at the end of the appendix (after page 68x).

SENATOR ROBERT M. GORDON (Co-Chair): Good morning.

This meeting of the Senate Legislative Oversight Committee and Assembly Judiciary Committee will come to order.

Good morning, everyone. Would you please rise and join me in the flag salute? (Audience recites the Pledge of Allegiance)

Again, good morning, everyone.

I'd like to start out by thanking Senator Ruiz for graciously hosting this hearing today at the Essex County Administrative Complex. We are very grateful for the kindness you've shown us.

Senator Ruiz, would you like to make a comment?

SENATOR RUIZ: Thank you, Chairman.

Good morning. I just want to welcome everyone to the Legislative District, District 29, that I happen to be the Senator of. It is the best city in the Garden State. No offense to anyone here today.

What I wanted to highlight was that you are currently sitting on the fourteenth floor of a former jail. And when we first took office, anyone who had visited the complex prior, you could really take note of the difference that has occurred here: from the historic building that was under a Federal consent order, all the way up to the Veterans Park, which was a dilapidated parking structure. So when people question if government can work, the answer is absolutely yes, when you have good management in place. So I want to welcome you again to the Sheila Y. Oliver Conference Center. I hope that your experience today is as smooth as it could possibly be and doesn't get derailed. (laughter)

SENATOR GORDON: Thank you, Senator.

I have some brief introductory remarks. Clearly, the suspension of the Morris and Essex Lines Midtown Direct service to New York Penn Station, and the diversion of tens of thousands of displaced rail commuters daily to PATH and New York Waterway's ferries will have an impact throughout northern and central New Jersey. PATH trains will be more crowded and thousands of commuters will crowd onto buses or drive to work, creating further delays at the bridges and tunnels. And as we predicted several weeks ago, the repairs will eliminate about 25 percent of NJ Transit rail service to New York's Penn Station.

Since our last Committee meeting, Amtrak's work plan for the summer is little changed. But NJ Transit has issued a plan that calls for the elimination of Midtown Direct service on the Morris and Essex line to Manhattan, replacing it with rail service to Hoboken that will require commuters to continue their journey on PATH or by ferry.

We need to thoroughly examine the agreement that NJ Transit, Amtrak, and the Long Island Rail Road reached to ensure that the pain is equally shared among commuters on these three railroads, and that's why we are here today.

We will be hearing first from NJ Transit Executive Director Steve Santoro on how the agency decided on the current plan, and whether it will be sufficient to avert the so-called *summer from hell* that so many of us fear. We will then hear from Amtrak Chief Operating Officer Scot Naparstek and Executive Vice President Stephen Gardner on Amtrak's repair plans for New York's Penn Station this summer; its impact on NJ Transit, Amtrak, and the Long Island Rail Road; and what lays ahead for NJ Transit commuters next year when work begins on the Long Island Rail

Road side of the station. We will then hear from PATH Director Michael Marino and Deputy Director Clarelle DeGraffe on PATH's ability to handle the heavy additional load that is the crux of the NJ Transit contingency plan for this summer. And then we will hear from New York Waterway Chairman Armand Pohan on how ferries can serve as an important part of the solution.

We will also hear from elected officials and commuter leaders from the Morris and Essex line whose displaced commuters are being asked to bear the brunt of this summer's disruptions; a topic I'm sure my Co-Chair, Assemblyman John McKeon, will have a lot to say about.

And with that, let me turn to my Co-Chair, Assemblyman John McKeon.

ASSEMBLYMAN JOHN F. McKEON (Co-Chair): Yes, thank you, Senator Gordon. As always, it's a pleasure to work with you, as well as with all staff who worked so hard in continuing to staff this Committee.

I would like to just, in a very ministerial way, ask for a roll call, please.

SENATOR GORDON: I knew I forgot something. Thank you.

MS. BAVATI (Committee Aide): Assemblyman Auth.

ASSEMBLYMAN AUTH: Present.

MS. BAVATI: Assemblywoman Munoz.

ASSEMBLYWOMAN MUNOZ: Here.

MS. BAVATI: Assemblyman Zwicker.

ASSEMBLYMAN ZWICKER: Here.

MS. BAVATI: Assemblywoman Muoio.

ASSEMBLYWOMAN MUOIO: Here.

MS. BAVATI: Assemblyman Lagana.

ASSEMBLYMAN LAGANA: Here.

MS. BAVATI: Assemblyman Johnson.

ASSEMBLYMAN JOHNSON: Here.

MS. BAVATI: Chairman McKeon.

ASSEMBLYMAN McKEON: Present.

SENATOR GORDON: Sarah, can we have a roll call as well?

MS. FLETCHER (Committee Aide): Chairman Gordon.

SENATOR GORDON: Here.

MS. FLETCHER: Senator Ruiz.

SENATOR RUIZ: Here.

SENATOR GORDON: Okay. Our first witness, as I mentioned--

ASSEMBLYMAN McKEON: Yes, a few words.

SENATOR GORDON: I'm sorry.

ASSEMBLYMAN McKEON: No worries.

I wanted to, although he's not here, acknowledge our County Executive Joseph DiVincenzo. I know he's in a meeting as we speak and maybe will pop in on us. But a lot of the transformative circumstances, as referenced by Senator Ruiz, came under his leadership, and we all appreciate that.

I'd also like to acknowledge -- I call them murderer's row, and that's probably how they feel right about now -- a number of very prestigious mayors, all of whom are my colleagues and friends: Mayor Deluca, from Maplewood; Mayor Collum, from South Orange; Mayor

Connelly, from Madison; Mayor Klein, from Livingston; Mayor Dougherty, from Morristown; and I believe I saw Mayor Taylor, from East Orange; and I don't know if Mayor Radest, from Summit -- Mayor Radest, welcome to you as well. I know we're going to have an opportunity to hear from all of you a little bit later in the hearing.

I'm going to just take five minutes to vent. I want you all to appreciate -- I don't know if you had the experience I had, Senator, with all of the activity that's here now; boy it was tough to get parking. For about 10 minutes of total time, we were all nervous to get to where we wanted to go -- disruptive of what the day was going to be. And that was just 10 minutes. And I know how I feel right now.

So channel yourself in the eyes of the 300,000 commuters who, as we speak today, are experiencing-- (microphone drops) It's important to hear what I have to say. Thank you.

In any event, just the frustration that maybe a lot of us felt, for the 10 minutes that we felt it today, just in trying to find parking; think of how that is day after day, morning after morning, evening after evening for our commuters. Let's all of us keep that in mind as it relates to the mission of this Committee.

I also think it's important to reflect a little bit back upon where we've been. Today is going in a little bit of a different direction concerning what will be, as touted, the *summer of hell*. Look, Penn Station, in 1980, had 650 trains. In 2017, it's got 1,300. It's not rocket science as to what went on. And that's the reason why we're going to try to build a third tunnel. And when push comes to shove, we're less than a year away, if that had

gone forward, from a third tunnel, which would have been more than a light at the end of the tunnel -- but the solution, and the long-term solution.

This is over a period of time -- let's remember what this Committee has found. There's been 34 percent fare increases in the last seven-and-a-half years. We noted that, frankly, upper management -- and certainly not the gentlemen who are here, and not the majority of hard-working people at NJ Transit -- but there's a big number of political patronage appointees that are running that railroad, and that's wrong. And we also know that we took an average of \$500 million a year out of the capital budget for the last seven-and-a-half years and used it to supplement operating. You don't have to be an expert to understand what's been allowed to have happened here.

Now we have an announcement, on May 23, out of the Governor's Office, that between July 10 and September 1, 3 out of the 21 tracks were going to be closed, and it was going to be exclusive to the Morris and Essex lines. That's 25 percent of the trains, 99 of the trains, 55 of which are Manhattan direct. Truthfully, the Gladstone Branch, which is also affected -- most of those trains already go to Hoboken. So this is about the Morris and Essex lines. So keep that in the box for a minute.

Number one: There was no communication. I'm an elected member of the Legislature that represents a good part of that district. None of my colleagues, no one in the Legislature to my knowledge, was told that that was going to happen. All the mayors I referenced before -- not one of them heard from anybody what was going to happen. Rather, we got it in a press release, number one.

Number two: I want to know if this is political science as opposed to railroad science. I'm not talking about picking on a district because it happens to be represented by myself, or Senator Codey, or Assemblywoman Jasey; nothing like that at all. But part of what the announcement was is that fares were going to be cut by 50 percent. So I guess to try to deflect some of the blame and some of the sting, the administration said, "Well, if we cut fares by half, maybe it will be better accepted by those 23,000 commuters. We can't very well do that for the whole system, and 10 percent really won't mean anything to anybody, so let's try to deflect the blame again."

Whose idea was this? I really want to know. Was this Amtrak's idea? We'll hear from them. We're going to ask: Was this NJ Transit's idea? Was it a combination of the two? Or did it come from the Governor's Office?

Now I'm going to just divert. And, again, you know I respect and admire the panel that's here. I had nothing to do with arranging for yesterday's meeting. There was a meeting that was supposed to take place with a number of mayors who represent 23,000 of your riders. I was told to come down to Newark, to your headquarters, yesterday. All those mayors I referenced before were in that lobby, including myself and Senator-Governor Codey. No one had the courtesy to come down and say, "We can't meet with you." No one had the courtesy to pick out a conference room and say, "Let's talk away from the cameras, and let's try to talk this through." Do you know what we got? We had somebody come down -- and I felt bad for him because it was someone who wasn't in the know

about any of this -- and said, "Hey, guys, there's a legislative hearing tomorrow." Well, there is; and here we are.

That is just -- and every one of my colleagues, because it's not about McKeon, or Codey, or Jasey, or anybody else, or any of the mayors' names. It's about respect for the office, and we were all very much disrespected yesterday.

Here are some of the questions-- And one other point on that: This Committee is a very unique Committee, as we have subpoena power. We have thus far not used that subpoena power out of respect, knowing that you would all be forthcoming. But I said three months ago when we started this process, this Committee wasn't to be trifled with, and I feel like we're now being trifled with.

I am going to ask the Speaker to post a subpoena relative to getting the communications back and forth between NJ Transit and the Governor's Office as it relates to the decision-making process concerning that announcement from May 23. I want to know. We all should want to know. There needs to be transparency. That's going to be the request.

Questions: Can the PATH-- All the diversions to Hoboken-- From what I hear from commuters, the PATH trains can't handle what they have. The people have to wait two cycles. Now we're going to fill in thousands of people. The ferries -- we're going to need to know how many are going to be there as viable. There are other things that you've done. There's been bus lines dealt with, the Pulaski Skyway. There's the potential for light rail from the Broad Street Station to Penn Station. Are those tickets going to be cross-honored? Buses, like in Springfield for example --

Milburn, Summit, Short Hills is pretty close. Are those buses going to be available to have your monthly passes and use those?

And the last point puts us all in a little bit of a difficult position because, I guess, two-thirds of the commuters aren't going to be affected by the *summer of hell*, just those on the Morris and Essex line. That's just not fair. We need to talk that through. It needs to be equally shouldered. I'm sorry there's one commuter that has to deal with it. They don't deserve it; they deserve better. But nonetheless, this is something that has to be equally shared, in my humble opinion, unless you can do a heck of a job understanding why that wouldn't be the case.

So, again, I'm rude to have to speak this way in front of three people I very much respect, but I feel like I have to because I am nobody but one of those 300,000 commuters, and this is how we feel.

With that--

SENATOR GORDON: Thank you, Mr. Chairman.

At this point, I'd like to welcome Senate Majority Leader Loretta Weinberg; and the Minority Leader, Senator Kean, to the Committee.

Senator Ruiz wanted to recognize a colleague from Essex County.

SENATOR RUIZ: I believe I saw Freeholder President Britnee Timberlake. Thank you for attending, and also thank you for your staff who did a phenomenal job, in conjunction with the County Executive's Office, to coordinate for today. Thank you.

SENATOR GORDON: Thank you.

Senator Weinberg.

SENATOR WEINBERG: Yes, thank you, Mr. Chairman. I would like to echo the comments that were made, as I heard them coming into the room, from Assemblyman McKeon. I read the story in this morning's *Ledger*, and I thought it must be a misprint or a miscommunication of some kind that a Senator, and an Assemblyman, and members of the Legislature--

SENATOR GORDON: And former Governor.

SENATOR WEINBERG: --turned up at the NJ Transit offices, and nobody could meet with them.

If I also remember our last meeting, the way we left this was that Amtrak, and LIRR, and NJ Transit were going to meet and come up with a plan, which would then be reported back to us and publicized so that riders would know what's going on and what kind of inconvenience they have to undertake.

I'm really shocked at what I read in today's paper, and I would hate to draw an analogy that NJ Transit is beginning to sound a little bit like the old Port Authority of New York and New Jersey. I hope we don't have to start going to meetings regularly. But this is completely unacceptable.

Assemblyman McKeon, to you and Senator Codey -- for having taken the time to go down there--

ASSEMBLYMAN McKEON: And the mayors.

SENATOR WEINBERG: And the mayors. I'm sorry, I'm not familiar with-- I have trouble keeping the 70 mayors in Bergen County straight, let alone Essex County -- and the mayors. But it really is inappropriate, it is unacceptable, and I hope you have a good answer for

what took place and how this so-called plan was rolled out without any indication back to this Committee, without any chance for people to have public input into how this is going to affect their lives. I'm extremely disappointed.

Thank you.

SENATOR GORDON: Thank you, Majority Leader.

Any other comments? (no response)

At this point we'll hear from Mr. Santoro of NJ Transit.

Just a housekeeping note for my colleagues: I'm advised that if you want the microphone to be activated you need to press that little bar on the device and actually hold it down.

Mr. Santoro, could you please proceed?

S T E V E N H. S A N T O R O: Good morning, Chairmen, and members of the Committees. Thank you for providing this opportunity for NJ Transit to discuss the issues before us today.

Much has happened since I last addressed you a little more than four weeks ago. Amtrak has acknowledged that it must perform extensive and disruptive work to its tracks and infrastructure at Penn Station New York this summer, due to years of its neglect. Like you, we have challenged Amtrak to make the necessary repairs. Amtrak maintains that this work must be performed now.

Since 1997, nearly \$600 million dollars from our customers and the taxpayers of New Jersey has been transferred to Amtrak for proper maintenance, and we've all been shortchanged for far too long. NJ Transit must have a meaningful say on Amtrak's long-term Northeast Corridor plans and investments in New Jersey. We must work together to make sure

these efforts help, and do not hinder, NJ Transits's current or future operations.

I have heard from our customers that their lives have been turned upside down by the almost daily delays resulting from Amtrak's emergency repair work that is now going on at Penn Station. And this is before the continuous summer work that Amtrak will perform in July and August. Amtrak's work will reduce the number of trains that NJ Transit can send in and out of Penn Station, particularly during peak periods. With Amtrak taking out multiple tracks that NJ Transit uses every single day, we developed a modified summer rail schedule that will be in effect from July 10 through September 1 to meet the constraints they have put upon our customers.

The location and extent of Amtrak's work means that instead of being able to send 21 trains into New York during the busiest hours of the morning rush, we will only be able to send 15. Even under these constraints, our experienced transportation service planners were able to develop a service plan that allows three-quarters of our customers to continue to experience their regular travel pattern into New York. Nearly all customers traveling on the Northeast Corridor, North Jersey Coast Line, Raritan Valley, Montclair-Boonton, Pascack Valley, Main/Bergen and the Port Jervis Lines will continue their same travel patterns as they do today.

I would like to emphasize that over the years, NJ Transit is proud to have developed a rail system that creates the best possible direct service into New York. However, there is an impact to having fewer trains per hour into New York during this two-month period. Some of our customers will no longer have their one-seat ride into and out of Manhattan

each weekday. Recognizing the inconvenience of the affected customers on the Morris and Essex Lines, we will charge much lower fares, 50 to 63 percent less than the price they usually pay for their tickets and passes. And we will offer free cross-honoring with PATH and the ferries.

More than 80 percent of NJ Transit customers travel over a portion of Amtrak's Northeast Corridor at some point during their trip. The development of this summer service plan, in response to Amtrak's continuous track work, was carefully considered. NJ Transit's experienced service planners analyzed the reduced capacity at Penn Station, and developed a service plan with the goal of moving as many customers as possible across the Hudson River, to and from New York, safely and reliably.

The broad outlines of the summer service plan were announced last week. To provide the maximum number of travel options, we are also developing a strategic increase in bus service in affected areas. Light rail service will also be adjusted. You will see a robust customer communication campaign in concert with the release of the schedules and travel alternatives the first full week of June. NJ Transit employee ambassadors will be out at key terminals including Penn Station, Hoboken, Newark, and other locations, beginning next month, to answer questions and hand out information to help prepare customers for the continuous Amtrak outages that will impact them this summer. We will provide our customers with as much information as we can, as soon as we have it through traditional media, social media, and other medium we can. Also, I am strongly advising customers on all modes of transportation to remain aware of the

status of the system by signing up for *My Transit* alerts, monitoring Twitter, and the NJ Transit website.

There is no denying the situation that Amtrak has created. Our service plan will make the best of this harsh reality. The fare reductions and extent of cross-honoring are unprecedented. But commutes will not be normal this summer, and we are committed to doing everything we can to mitigate the disruptions. I assure you, I too am concerned about the personal cost to our customers who will be inconvenienced by this summer schedule created to accommodate Amtrak's work.

NJ Transit worked hard constructing the physical interconnection of the old Erie Lackawanna and the Pennsylvania Railroads to provide the Midtown Direct service that has produced stellar economic and customer benefits since it began, almost 21 years ago. September 5 cannot come soon enough for myself and NJ Transit to restore service that we have worked so hard to build over the years, particularly with the opening of Midtown Direct service for Morris and Essex customers.

And more than ever, I am also focused on an aspect that had been discussed at our last meeting in April. We need to fundamentally change NJ Transit's relationship with Amtrak from that of beleaguered tenant whose fate is at the whim of its landlord, to that of an agency whose needs are respected and taken seriously. The time has come for us to have much more of a voice in the operation and future of Penn Station and the Northeast Corridor in New Jersey.

For the summer, we have insisted on having a Joint Station Operations Center at Penn Station for better crowd management and customer communication. We have also insisted Amtrak have rescue

engines crewed and ready to respond if there is a breakdown or disruption this summer, to keep one delayed train from creating a cascade of misery for the customers on many other trains.

We also have insisted on a number of other steps to benefit New Jersey customers this summer, including that the West End Concourse at Penn Station New York be opened for NJ Transit customers, that the blanket 10-mile-per-hour speed restriction now in place near Penn Station be lifted prior to July 10, that NJ Transit is allowed to perform field inspections of the renewal work, that Amtrak provide daily written progress reports, and that a NJ Transit representative be involved in day-to-day dispatching decisions.

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

Chairmen, and members of the Committee, thank you for providing me the opportunity to discuss these matters with you. And now I am happy to take any questions.

SENATOR GORDON: Thank you.

Assemblyman McKeon, would you begin?

ASSEMBLYMAN McKEON: Sure.

Thank you for being here, Director, and your staff.

I don't want to belabor the point. What occurred, occurred. But could someone explain to me as to why, knowing that you had several members of the Legislature and no less than five mayors in your lobby

yesterday, that no one would talk to us? No one would even come down to say why someone wasn't available.

Now, I know the meeting Friday, to be fair, it was a personal issue that-- I trust in your integrity that that was, in earnest, what the story was. What was the deal yesterday? Why did we get a security guard handing us something like we were soliciting illegally?

SENATOR GORDON: Including a former Governor.

ASSEMBLYMAN McKEON: Including a former Governor.

MR. SANTORO: So I think the simple logic is that we were having this meeting today. This is the best venue, as has been stated by others in the background. This is the best forum for us to answer questions that we know are going to be asked in public, and that would reach the largest audience so that we could explain, as I expect the questions are going to come, why the service plan was chosen.

ASSEMBLYMAN McKEON: I guess, Director, so it was your -- you were involved in the decision not to meet with the mayors that were in your lobby yesterday?

MR. SANTORO: There were discussions. This meeting yesterday -- you acknowledged Friday -- that the meeting was moved from Friday.

SENATOR WEINBERG: Can you speak up? I don't know if this microphone is on.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Mr. Chairman, we can't hear back here. I can't even hear from here. Is there a way that the speakers can move the mikes so the room can hear them?

SENATOR GORDON: Can we amplify those microphones any? (negative response)

Speak closer to the mike.

MR. SANTORO: Is that better?

ASSEMBLYMAN McKEON: Well, if they can't hear you in the very front row, I can't imagine.

MR. SANTORO: Is that better?

ASSEMBLYMAN McKEON: I can hear you fine. I mean that's--

SENATOR GORDON: We can certainly hear you up here.

MR. SANTORO: How about now? Hello? I'll speak as loud as I can.

So as I was saying, I think the meeting was rescheduled from Monday to June 6 and 7. That notification had gone out, I think, verbally and possibly by email to those mayors, some of which came to our office on Tuesday.

ASSEMBLYMAN McKEON: Look, I mean, I don't want to get into a back and forth as to all of that. But at the end of the day, there is such a lack of sensitivity -- to understand that mayors, who are in the front line, the people who are accessible to the 23,000 people that use your railroad, who are hearing it directly from them-- And for them to have taken time out of -- they're all part-time. They do it full-time, but they're not paid for the most part. They all came to sit with somebody so they could tell their constituents, "We were there, we voiced your concerns." It's just incredible to me that they wouldn't have been given the courtesy of at least somebody coming down to see them.

My embarrassment aside, as well as the Governor's, to say, "Oh, they're going to meet. They probably don't realize that you're all here." And the more people we called and spoke to, it became very clear that we were just getting shut out. That is just so disrespectful to the office that all of you are vested in, relative to the mayors being there. And I'm personally embarrassed for it. It wasn't the right thing to do.

We're going to have to move on, because there are those 23,000 commuters that we have to deal with.

SENATOR WEINBERG: Mr. Chairman, just before--

SENATOR GORDON: Senator Weinberg.

SENATOR WEINBERG: Just before you move on, I really believe that we should be sending a letter to the Board of NJ Transit. The mayors and the legislators who were present deserve an apology. And it is up to the Board to do that. And I would hope this Committee follows through.

Mr. Santoro, again, I'm personally disappointed in what I thought we were going to see -- a new roadway here in terms of openness, transparency. And it looks like we're going backwards instead.

So please, if you all agree, I think we should follow up with that letter to the Board.

SENATOR GORDON: Unless there's some objection, we will submit that letter to the Board.

ASSEMBLYMAN McKEON: My nature is to be conciliatory, and I appreciate that, Senator.

SENATOR WEINBERG: Well, it's not my nature. (laughter)

ASSEMBLYMAN McKEON: I was giving that caveat, because I could speak for the mayors sitting there. They don't need an apology. What they need is relief on behalf of their constituents. And that's what they really are here for, not to be coddled but to get results.

Now, I want to understand the process and the communication as to the decision to just select the Morris-Essex line. Let me start with this: Was that 100 percent NJ Transit's doing?

SENATOR RUIZ: I'm sorry, Chairman. If I could just--

So, evidently, some release was sent out to different offices with some description of a plan. I never saw that release so I'm not sure if I missed that in the opening remarks. You are completely aware of what the plan is. But before questions can be answered, could we get a thumbprint of what the projected proposal is, so that everybody is aware of what is being discussed here?

ASSEMBLYMAN McKEON: I'd be happy to defer to the Director. I thought in his opening comments he went through that in some detail.

SENATOR RUIZ: Okay, I apologize then.

I'll look at your opening remarks.

MR. SANTORO: So just to quickly summarize the plan. The several lines that operate on the Northeast Corridor itself, from Trenton to New York: the North Jersey Coast Line; the Raritan Valley Line; the main Pascack Valley-Bergen Line, which doesn't go on the Northeast Corridor; and several others, other than the Morris and Essex Lines and the Montclair-Boonton Line, are all going to have a similar service to what they

have on a regular weekday. The impacted lines that will be affected by this plan are predominantly the Morris and Essex Lines.

ASSEMBLYMAN McKEON: So now let's get to that decision. Was that decision solely made by NJ Transit?

MR. SANTORO: The answer is, yes. I have, sitting next to me, Jim Sincaglia, who is the head of transportation planning. He has a staff of service planners who went through a couple of scenarios, one being to see if we could share the pain across several lines. I'll get into more detail as to why we couldn't do that. But in the--

ASSEMBLYMAN McKEON: I'm going to ask you to speak up as well. I'm having a--

SENATOR GORDON: We're having trouble here.

MR. SANTORO: Is that better? (affirmative responses)

Keep reminding me if I start losing my volume.

As I was saying, professional planners, service planners within NJ Transit -- and we have several of them -- these are the department of service planners that look at train movements, look at crew assignments, look at where yards are where we can store trains mid-day and evening. They're familiar with our customer -- where our customer is at. We have information regarding the number of customers that are on particular lines. We took all of that, and we essentially went through three processes. We came up with three very preliminary scenarios. One is to try to spread the pain. Cut trains on the Northeast Corridor, cut trains on the Morris and Essex, and on the peripheral lines along there. Those are the two most affected, because those are the two that generally go into Manhattan. The Morris-Essex Line goes into Manhattan with the Midtown Directs; the

Montclair-Boonton line goes into Manhattan with the Midtown Directs; and the Northeast Corridor trains, Trenton to New York, certainly go into Penn Station New York; and the North Jersey Coast Line runs on the Northeast Corridor, and goes into New York as well.

So we looked at an option that tried to literally spread the pain. We looked at an option where every single Midtown Direct would be cancelled and transferred to Hoboken. And then we took a middle approach where certain Midtown Direct trains would be redirected to Hoboken. And the Montclair-Boonton Line would still maintain their Midtown Direct service into Manhattan. And that last service was what we had selected moving forward.

So it looked at, as I said, train movements, yard, customers, experiences, the number of customers on those individual lines. The outcome was that the only capacity that exists-- If we're removing capacity from 21 trains an hour to 15 trains an hour out of Penn Station -- that's the reduction that Amtrak had proposed and, working with them, have accepted -- where can we move those customers who aren't going to go to Manhattan? And the best place we can move them, because we have capacity, is into Hoboken. So that's the fundamental thinking of how we got to where we are.

And as you've alluded to, and that I've alluded to, and the Governor's press releases have alluded to, we are enhancing that service plan with additional buses; with more frequent light rail service between Newark Broad Street and Newark Penn, which will give options to Morris and Essex customers to get off at Broad Street, take the light rail, and then go into Newark Penn and get on a Northeast Corridor train. Yes, it's not a

one-seat ride anymore as it was before, but that's an option. Also, we haven't finalized the plans, but the enhanced bus service -- what it looks like out of South Orange, out of Newark Broad, and extra service to accommodate potential extra riders at Hoboken.

ASSEMBLYMAN McKEON: Can you repeat the very last part of what you said about the extra service to South Orange?

MR. SANTORO: Extra bus service. So there will be bus service. And we have to work with the community because buses don't normally go there, and we're going to increase the bus service that we have; especially, I think, it's going to go directly into Manhattan from South Orange. So we actually have to work with the community to figure out how those buses are going to maneuver.

ASSEMBLYMAN McKEON: That's news to the extent that that wasn't publicly announced until this moment.

As it relates, just so, again-- I know you went and gave a detailed answer, and we could probably spend hours understanding why all those factors were weighed against, if you will, the Morris-Essex Line versus all the other lines. It's just hard to believe they don't all have the same, similar issues.

Just to make it clear: There's going to be three tracks that are going to be closed during the repairs -- 3 of the 21. Is that correct?

MR. SANTORO: I believe so, yes.

ASSEMBLYMAN McKEON: All right. And those three tracks themselves, other than they're in Penn Station, aren't unique to any particular line. There are a lot of different switching things that go on.

MR. SANTORO: That's correct.

ASSEMBLYMAN McKEON: Okay. So that's not the issue. The issue is going back to, "Here is just what we chose."

I was asking you about communication. Is your testimony that there was no communication with the Governor's Office up until May 23 when you said, "This is what we decided to do," and then he went ahead and announced it?

MR. SANTORO: That's correct. As the Governor, I believe, mentioned at one of the events that we held in Newark for our bus camera -- adding bus cameras, 360-degree bus cameras to our buses -- he had mentioned that he had spent an hour with me going over the plan. So we delivered the plan to the Governor, and that was the plan that we presented, the plan that I just spoke of.

ASSEMBLYMAN McKEON: I'll accept your testimony as being truthful, as I know you're trying to be; that there was no input from the Administration relative to this plan. This came out of NJ Transit, and NJ Transit alone.

MR. SANTORO: That's correct.

ASSEMBLYMAN McKEON: Relative to the communication piece I referenced, yesterday's debacle aside, why was it that it came out the way it did? For example, what we're just talking about now -- bus service to South Orange. The mayors, again being at the front line of these changes and needing to work with you, knew nothing about this, let alone this Committee or any members of the Legislature. I mean, you had to know this was a pretty high-profile plan. We had hearings just a week or two before.

MR. SANTORO: Let me give you an overview of the timeline, backing off from July 10.

ASSEMBLYMAN McKEON: I don't want to cut you off. I know the timeline. On May 23 the Governor announced, "This is what we're doing," and no one else knew about it.

MR. SANTORO: So July 10, the new service plan must go into effect. That's the date that Amtrak has set. June 19, monthly passes go on sale -- June 19. So we have to have a plan in place, communicated, all the mitigations all set up, generally, by that time so that we can communicate to our customers that when they're buying a monthly plan, they're monthly tickets, that they have enough lead time to determine which options are best for them; whether they're going to Penn Station; whether they're going to take the earlier trains that we're providing here, which I did not mention and I should have, which I will do later. So June 19 is the deadline from us, working back from July 10, because that's when monthlies go on sale. Decisions need to be made.

That is a couple of weeks from now. We had to have a plan in place so that we could then work on the fare structure so that we could reprogram all of our ticket vending machines, which takes a month. So there is lead time that you and the Committee members are not privy to, because we didn't communicate that to you -- but I'm doing that now. That required a decision to be made when we made it. And that's the time where -- I will sit here today and say, with as much honesty as I can, that the decision, based on the timeline of the July 10 mandate -- inform our customers -- we had to make a decision on what the service plan was going to be when we did it, which was maybe a week, week-and-a-half ago, in

order to meet the timeline for this work to be performed and Amtrak-- So there was not time for hearings or public feedback.

ASSEMBLYMAN McKEON: There certainly, I would imagine, would be time to reconsider components of this plan, based upon what we're going to hear from the disruptions that are going to be visited on a certain segment of your commuter population.

MR. SANTORO: I guess my job today is to convince you and all the panel members that there is no better option than what we proposed. That was what I was going to attempt to do today.

ASSEMBLYMAN McKEON: The fare reductions -- the total -- that was solely the thought of NJ Transit.

MR. SANTORO: Absolutely.

ASSEMBLYMAN McKEON: I know you could use the \$15 million that you're going to lose.

MR. SANTORO: Yes, that's the number that's out there in terms of the fair reductions. And yes, one of the things that we presented to the Governor was the fare reduction. We had lots of internal discussions with my staff, from the customer service representative, fare collections people, finance -- \$15 million is going to go to fare reductions. And our thinking was the inconvenience to the customers, the Midtown Direct customers, needed to be offset, and that offset was a fare reduction.

SENATOR GORDON: Excuse me. So it's your testimony that the idea for the fare reduction did not come from the Governor's Office but was internal from NJ Transit.

MR. SANTORO: We presented a fare reduction concept, and the Governor took that and actually--

SENATOR WEINBERG: The Governor took it and what? What was the rest of your sentence?

MR. SANTORO: He actually increased the fare reduction.

SENATOR GORDON: A cynical person might think that because it's easier to program the vending machines on one line, that if a decision were made to offer a discount, it would target the impact to the Morris and Essex Line.

MR. SANTORO: No, it was the other way around. The impact -- that we at NJ Transit, and the professionals of NJ Transit, decided that it was the best plan to get as many people across the Hudson River, which is the plan that's out there now. Because of the inconvenience, that some form of fare cut, fare reduction needed to be put into place to accommodate that inconvenience.

ASSEMBLYMAN McKEON: I'm not trying to play prosecutor here, but I think your testimony a moment ago was that the Governor had no input, that this was the plan NJ Transit solely put together.

MR. SANTORO: He had no input into the--

ASSEMBLYMAN McKEON: I'm sorry, let me finish, please -- that NJ Transit put together -- and I'm paraphrasing -- was sent to him and he announced it. Was this one-hour meeting -- is that when he told you to make it more? And what did you suggested, and what did he change it to?

MR. SANTORO: I'm not sure we need to get into the details -- all the details that we discussed. But just to be clear, the service plan which came out from NJ Transit, where the Midtown Direct service would be significantly reduced and then redirected into Hoboken -- that came from the NJ Transit planners and was presented.

ASSEMBLYMAN McKEON: What was your recommendation for the decrease, and what did the Governor change it to?

MR. SANTORO: He increased it.

ASSEMBLYMAN McKEON: From what to what?

MR. SANTORO: No.

SENATOR WEINBERG: What does that mean?

MR. SANTORO: He increased the reduction, a higher percentage of fare reduction.

ASSEMBLYMAN McKEON: I'm just asking: from 10 percent to 60 percent, from 50 percent to 60 percent?

SENATOR GORDON: In total it's 56 percent to 63 percent.

MR. SANTORO: That's the range. That's where we ended up based on the discussions that we had in this hour-long meeting.

ASSEMBLYMAN McKEON: We understand that's the range. I'm just asking: What was your recommendation, and what was it increased to by the Governor? Now, if you don't want to answer, don't answer.

MR. SANTORO: I'd prefer not to answer.

SENATOR WEINBERG: You what?

ASSEMBLYMAN McKEON: Prefer not to answer is what I heard.

But there were -- I'm imaging some written communications by email back and forth, and we'll see if we can get them -- get it that way.

I'm very respectful of a lot of smart people who have worked very hard, who have questions to ask. I really could go on for hours. I guess I'm going to end with just a basic area of inquiry. Again, like a lot of us, I have a built-in lobbyist who lives with me who does commute, but I'm not

personally there. My understanding is that during rush hour at Hoboken, the PATH trains are overcrowded as it is and often commuters have to wait for a cycle or two to even get on the train, let alone get a seat. What's the number of commuters that you're now going to, from Manhattan Direct, filter from Morris-Essex into Hoboken?

MR. SANTORO: In the two peak hours between 7:00 and 9:00, 7,400 customers in the morning will get diverted into Hoboken.

ASSEMBLYMAN McKEON: And for those 7,400 commuters to-- Let me ask -- and I'll get there in a little bit of a different way -- what would be the average time, if everything went well, that it will now take for a Manhattan Direct Morris-Essex rider to get to Penn Station, if you will, by the circuitous method, whether it's ferry or whether it's by PATH? And maybe it's two different times.

MR. SANTORO: So if we're taking-- If customers want to take PATH, using the 33rd Street line, it will be up to 30 minutes longer. If they took the ferries--

ASSEMBLYMAN McKEON: I just want to be clear: 30 minutes longer if they go PATH?

MR. SANTORO: Correct. And it will be 45 minutes if they take the ferry, depending on where they go.

ASSEMBLYMAN McKEON: And just to be clear again: 45 minutes in addition, relative to the--

MR. SANTORO: Midtown Direct service.

ASSEMBLYMAN McKEON: Midtown Direct if they went with the ferry.

And now getting back to where I was going about the 7,000 additional people, what are we doing, if anything, to make sure they're accommodated? Let me go back to my premise. Would you agree that commuters sometimes have to wait for two cycles to even get on the PATH out of Hoboken.

MR. SANTORO: I don't know, but I will acquiesce to that. I've heard that there are problems on PATH.

ASSEMBLYMAN McKEON: Commissioner (*sic*), that gets me crazy. How could we not know that before we would make this kind of a decision?

MR. SANTORO: Because we've been in contact -- and you'll hear it this afternoon -- with PATH. And they will be adding train service to accommodate these extra 7400 customers.

ASSEMBLYMAN McKEON: So there will be extra trains in the morning?

MR. SANTORO: Correct, and the afternoon as well.

ASSEMBLYMAN McKEON: Yes, well, that's the reverse back. And again, just to state the obvious, if your reverse commute is going to both be by the PATH, that's another hour a day for commuters in the summer.

MR. SANTORO: That's correct.

ASSEMBLYMAN McKEON: And it's an hour-and-a-half a day added if they choose the ferry option. *Summer of hell* is a good way to put it. I guess PATH is coming so we can ask them about the number of trains and what their opinions are.

Again, out of respect to my colleagues who are here, who I'm sure have a lot of questions, I'm going to defer and start with Senator Gordon.

SENATOR GORDON: Thank you, Assemblyman.

I'd like to just turn back to this issue of the discounted fare. I was advised that, as we just discussed, the range was from 56 to 63 percent. When one hears numbers like that, one assumes that it emerged from some kind of spreadsheet analysis. But from what I'm hearing, this was kind of a number just grabbed from the air from the Governor's Office or--

MR. SANTORO: No, there was a spreadsheet analysis by station.

SENATOR GORDON: Okay. What kind of revenue impact do you expect that to have on the agency?

MR. SANTORO: Our numbers are \$15 million.

SENATOR GORDON: I've heard the \$15 million associated with the cross-honoring of-- Have I got that wrong?

MR. SANTORO: That's \$15 million including both the fare reduction and the cross-honoring. And these are estimates, obviously, depending on how many people take the ferries, how many people take PATH.

SENATOR GORDON: I thought the Governor said, or someone said they were going to be able to find that kind of money. If that money just doesn't materialize somewhere, how is that going to affect the NJ Transit budget?

MR. SANTORO: It will affect the FY '18 budget, as will other things in FY '18. But obviously there is going to be \$15 million that we're

not going to have in FY '18. That's in the short-term. As I've stated in, I guess, the Assembly Budget hearing four weeks ago or so, that we are indeed leaving all of our options open to recover that money.

SENATOR GORDON: Meaning that you may need to propose a fare increase to try to recover those funds?

MR. SANTORO: No, what I mean is that there is still some, in our eyes, liability with regard to Amtrak's causing this situation.

SENATOR GORDON: I see. So you may go to Amtrak to recover those funds.

MR. SANTORO: We're leaving our options open, and that's one of those options.

SENATOR GORDON: Okay. I've been told -- I just learned about shoulder service, which I take it means running trains that are before the peak hours in the morning and the afternoon. I didn't catch it in your earlier statement. Are you planning to offer shoulder service to try to decrease the capacity near to the peak points?

MR. SANTORO: So very specifically, we are not diverting all Midtown Direct service on the Morris and Essex Line to Hoboken. We will have trains starting very early in the morning -- the normal Midtown Direct trains. They will continue to act as the Midtown Direct trains going to Manhattan. I think we've got four between the hours of roughly 5:00 and 7:00 that will continue as the Midtown Direct trains into Manhattan. After that period, then the Midtown Direct trains on the Morris and Essex Line will be diverted to Hoboken.

SENATOR GORDON: Would you be able to add more?

MR. SANTORO: No.

SENATOR GORDON: At this point, if there were a decision to share the pain a little bit more, is there any thought that you might cut back trains on other lines during the peak hours?

MR. SANTORO: So when you look at the Northeast Corridor, first with Trenton to Penn Station; then you add on top of that the North Jersey Coast Line, which utilizes the Northeast Corridor going into Hoboken, it was our feeling that based on ridership, based on the situation of the number of passengers who are riding those two lines -- and we can add to that the Raritan Valley Line, which does not directly go into Manhattan during peak hours, but customers are dropped off there -- that we felt we could not cut any service out of the Northeast Corridor. It is the trunk line going into Penn Station. If you cut a train which is filled with 1,200 people, they would get off at Newark, and they would go find another train to New York, and they might not be able to find a train to New York because it might be filled. So that's the fundamental logic of us not considering that. It would not be prudent to cut any train service along the Northeast Corridor. Because customers, while you might like them to get on the PATH and go to Hoboken, the likely scenario is that they're just going to stay on the Newark Penn platforms and wait for the next train. And if that happens twice, then those platforms can become very dangerous. That is our fundamental reason why we can't cut service along the Northeast Corridor.

SENATOR GORDON: In recent weeks, of course, we've seen derailments and other unforeseen events. You've laid out a plan built around the delays related to the three tracks being taken out of service. What happens if, while we're going through these repairs, there is a

derailment, some unforeseen event? Do you have a contingency plan to respond to that?

MR. SANTORO: Well, we are contemplating -- and we haven't finalized that yet. Well, there are a couple of things going. One is crowd control on the Hoboken side, for sure, if things get backed up. We've been working throughout all of our stations to make sure that we've got the maximum level of crowd control in that particular instance if something happens.

If there is a derailment at Penn Station, similar to what we had before -- I'm not going to sugar coat it -- there are going to be issues throughout the system. And what this plan does, with the diversion of the Midtown Direct trains into Hoboken, that was -- that capacity in Hoboken was the contingency plan for significant events like a derailment at Penn Station. But that capacity now is being taken by the Midtown Direct trains. So I'm not going to sugar coat it, something like that could create a big issue.

SENATOR GORDON: I want to give other colleagues an opportunity to have some questions.

Senator Weinberg, Senator Kean.

SENATOR WEINBERG: Thank you.

I'd like to go back to the spreadsheet that came up with the amount of money you were going to give in a fare reduction. What did that analysis show? What was the percentage?

MR. SANTORO: Well, we took the fares, we looked at the Midtown Direct -- how much it would cost a particular station along the M and E; what it would normally cost to go to New York. The way the fare

reductions were calculated was, then, that individual, say at Dover, who was going to take a Midtown Direct, would then buy a ticket to Hoboken, which costs less than New York Midtown Direct fare; we then discounted that, which ended up being somewhere between 50 and 63 percent depending on if it was Dover, Mount Tabor, or other stations. And then, on top of that, we estimated what the cross-honoring was going to cost us. And that's the sum total of the \$15 million.

SENATOR WEINBERG: So is that the percentage? I'm a little confused here. The 56 to 63 percent -- is that what is being offered that helps to make up that \$15 million?

MR. SANTORO: I'm sorry?

SENATOR WEINBERG: What is the discount that you are actually offering, including--

MR. SANTORO: Well, it depends on the customer and where they start at a station. So that's why it's a range of 50 to 63 percent.

SENATOR WEINBERG: Okay. So that's what you came up with in your analysis, correct?

MR. SANTORO: Well, we created some options, and that's why the final option was selected that resulted in this 50 to 63 percent.

SENATOR WEINBERG: So what did you do, you gave the Governor various options?

MR. SANTORO: We presented options.

SENATOR WEINBERG: I'm sorry?

MR. SANTORO: We presented options, yes.

SENATOR WEINBERG: So you presented options to the Governor.

MR. SANTORO: Yes.

SENATOR WEINBERG: Now, you weren't -- NJ Transit was not at the press conference that the Governor had. Is that true?

MR. SANTORO: That's true.

SENATOR WEINBERG: Okay. Did you know about the press conference in advance?

MR. SANTORO: Yes.

SENATOR WEINBERG: Was that a yes?

MR. SANTORO: Yes.

SENATOR WEINBERG: Did you know what the option was that the Governor was taking?

MR. SANTORO: Yes.

SENATOR WEINBERG: Okay. Well, hopefully we will get those documents.

Let me move to a slightly different subject. We're hearing now about all the problems which seem to be leading back to Amtrak -- that it isn't the underfunding of NJ Transit or anything else that led to all these problems; it's whatever Amtrak has done wrong. And perhaps that's accurate. But if Amtrak is, in fact, to blame for the decline in quality of service, has NJ Transit ever brought this to the Legislature, or brought it up at Budget hearings, or come to any kind of a meeting to express the problems that Amtrak was creating for our commuters?

MR. SANTORO: So, NJ Transit was not aware of the level of degradation that exists right now at Penn Station.

SENATOR WEINBERG: You were not aware of that at all?

MR. SANTORO: We were not aware of that, no.

SENATOR GORDON: Excuse me. I think that's a pretty clear example of why there needs to be closer coordination and perhaps an organizational change which brings NJ Transit and Amtrak together -- so that you're inspecting the tracks together so you're aware of that level of degradation.

MR. SANTORO: I wholly agree. Communication between NJ Transit and Amtrak, and Amtrak's -- the condition of all of our tracks. We know the condition of some of the tracks because we've been negotiating increasing some of that track along the -- increasing the state of the repair, and we're paying for that. But we do not know, we do not have a document in our possession that has a comprehensive analysis of the condition of the assets along the Northeast Corridor, and particularly in Penn Station New York. And we've asked for that -- that condition assessment that I mentioned at the last either Senate Budget hearing, or the Assembly Budget hearing, or the last Joint Oversight hearing. We need, and the legislators need, I believe, a condition assessment so that we can work with Amtrak to identify priorities and come to an agreement on how they're going to get funded.

SENATOR WEINBERG: So it wasn't until all of these mishaps of the last couple of months, derailments, that you became aware of what was really going on there.

MR. SANTORO: That's correct, at Penn Station and pretty much along the entire Corridor. As I said, there are some areas along the Northeast Corridor that we have particularly -- very specifically funded, so we know the condition of that section of track, but not Penn Station New York.

SENATOR WEINBERG: I also still have a concern on this \$15 million, which I thought the Governor said he was going to find somewhere. I think my colleague Senator Gordon talked about that a few minutes ago. But do you have some kind of contingency plan if that's going to come out of the NJ Transit budget?

MR. SANTORO: That will evolve over the FY '18 spending.

SENATOR WEINBERG: So you're not sure whether it's going to come out of your budget or not.

MR. SANTORO: At this point in time, I don't have a specific line item in our budget for \$15 million. But as I said before, we are leaving all of our legal options open and can pursue them.

SENATOR GORDON: So that means you're moving into Fiscal '18 with an unbalanced budget for the deficit of possibly \$15 million.

MR. SANTORO: Well, from a counter perspective, if we ended up going after Amtrak, then the answer is no.

SENATOR WEINBERG: Okay, I have no further questions. I don't want to know anymore. (laughter)

ASSEMBLYMAN McKEON: I'm just going to take a moment to acknowledge Essex County Sheriff Armando Fontoura. I don't know if he stepped out already, but he had stepped in. Thank you for the work you did today, Sheriff.

SENATOR GORDON: Is he taking someone into custody? (laughter)

ASSEMBLYMAN McKEON: Yes.

SENATOR GORDON: Senator Ruiz, do you have any questions?

SENATOR RUIZ: Sure.

You have to leave, so go ahead, Gordon.

ASSEMBLYMAN McKEON: That's fine with me. We're trying to flip back and forth.

ASSEMBLYMAN JOHNSON: Stand by.

Thank you. I'll be brief because I know we have a lot of people with a lot of questions on the dais here.

In your opening remarks you said that you're going from 21 trains to 15 trains.

MR. SANTORO: Correct.

ASSEMBLYMAN JOHNSON: Per hour.

MR. SANTORO: Per hour.

ASSEMBLYMAN JOHNSON: And 1,200 people per train.

MR. SANTORO: A full multi-level is 1,200 people per train.

ASSEMBLYMAN JOHNSON: So we're going from 25,000 people down to 18,000 -- I did the math already on that -- per hour. The difference is about 7,200 people. They will be taking buses and other transportation.

MR. SANTORO: The majority of them will be redirected to Hoboken where they will take PATH and ferries.

ASSEMBLYMAN JOHNSON: And what about on the bus side?

MR. SANTORO: On the bus side, we're supplying additional services, as I said, in South Orange, in Newark Broad Street, and in Hoboken to supplement any of the riders who may not want to -- they may

choose to take the bus into New York versus going to Hoboken and taking PATH.

ASSEMBLYMAN JOHNSON: Do you know how many people that would be? Do you have a guess on those who will be taking the bus?

MR. SANTORO: We're estimating maybe a couple of thousands who might take those extra buses over the course of the several--

ASSEMBLYMAN JOHNSON: This increased capacity that will be on the bus side now -- did you hire bus drivers? How is that going to work?

MR. SANTORO: We are using the private carriers to do that work.

ASSEMBLYMAN JOHNSON: So you're increasing the private carriers' capacity.

MR. SANTORO: Yes, we're utilizing the contracts with the private carriers who offer that service.

ASSEMBLYMAN JOHNSON: Okay. That was my questions.
Thank you, Chairman.

ASSEMBLYMAN McKEON: Senator Ruiz.

SENATOR RUIZ: Thank you, Chairmen.

Assemblyman McKeon kept talking about people experiencing pain, and it seems that commuters on the Morris-Essex Line will feel the bulk of it. However, let's be honest here: Every commuter is going to be experiencing pain. And I'm hearing about a fare reduction for a certain group of riders. But I would suspect that if you're on the Northeast Corridor Line, and you're at New York Penn Station, there's a probability, a huge possibility that you will get on a train if you can get on that train and

stand. There are no accommodations being made for the totality of the commuter ridership at this point in time?

MR. SANTORO: So the answer is that we are not modifying any of the service along the Northeast Corridor. So the Trenton to New York Penn train service stays exactly as it is. The North Jersey Coast Line from Bayhead to New York or Newark stays as it is. There may be some tweaks at times, but generally, for the most part, (indiscernible), or whatever terminology you want to use, there's no change. So their fares will stay the same.

To your point on the Morris and Essex Line, all of those customers will feel some impact at Hoboken. Even if a customer is riding from Dover to Hoboken normally, they are going to experience potentially more crowding, certainly more people at Hoboken, so they will be inconvenienced. And they are going to be receiving the fare discount as well.

SENATOR RUIZ: I appreciate your answer, but I think everyone is going to be hugely inconvenienced during this time. I get it. I'm not happy with the answer.

I just want to rewind here. In your remarks, I'm glad you got into some detail as to what the plans are. I don't know if I heard this properly. So the Morris-Essex Line will go into South Orange and come all the way to Broad Street Station in Newark? Will it go up to those points or not run at all?

MR. SANTORO: I apologize. The Morris and Essex Midtown Direct Lines-- They'll still have morning service into New York. But after the morning service up to 7:00 p.m. roughly, those other Midtown Direct

trains will be redirected to Hoboken. To accommodate to the best of our ability, in terms of capacity, we are going to add bus service directly into Manhattan from South Orange, from Newark Broad Street Station. Those will be direct bus service-- That will be direct service, extra bus service that does not exist now, directly into Manhattan for those customers who want to choose to take a bus into Manhattan versus going to Hoboken.

SENATOR RUIZ: Have you coordinated with South Orange and Newark's Department of Public Works and their local police departments? Because the traffic in those areas going into downtown on a regular morning, without an excess of bus transportation-- I just want to talk about the coordination plan of this.

MR. SANTORO: I don't believe we reached out, but we certainly will have to do that, as I mentioned.

SENATOR RUIZ: And NJ Transit will undoubtedly have your police units at these respective areas in a larger capacity than you usually have.

MR. SANTORO: To the extent that we have-- We have police resources that we have, but we will certainly be deploying them strategically where we think the crowds are going to exist.

SENATOR RUIZ: I bring this up, because the areas that have these hubs of transportation -- if they're not part of the conversation, the bulk of making sure that things run smoothly during this timeframe is going to fall on the municipalities. The fire departments should be alerted, the departments of public works, the local police departments, the local university police departments, even our residents. We're all going to have some kind of distress during this timeframe. I get it. We have to do it, but

it's just-- I'm sitting here listening to everything -- and I don't know about any one of my colleagues -- I'm still a little bit confused. I hope when all of this information comes out that it's as clear as possible for the commuter themselves. But there has got to be broader mass communication to the hubs that are going to be hosting these extra capacity issues, to make transit easier into New York City and back.

MR. SANTORO: And we fully intend to do that.

SENATOR GORDON: Assemblyman Lagana.

ASSEMBLYMAN McKEON: Do you guys want to--
Whomever.

Assemblywoman Muoio, please.

ASSEMBLYWOMAN MUOIO: Go ahead. You go first.

ASSEMBLYMAN LAGANA: Thank you, Chairman.

I just want to piggyback on what Senator Ruiz--

ASSEMBLYMAN McKEON: I tried to skip you. What do you mean, "Thank you?" (laughter)

ASSEMBLYMAN LAGANA: I'm thanking Senator Gordon.
(laughter)

I wanted to piggyback on what Senator Ruiz was talking about: Feeling the pain throughout the entire area. The District that Senator Gordon and I represent is District 38, which does not include the Essex and Morris Lines; but does include the Bergen County Line, which does begin up in Suffern, and the connection goes through several municipalities that we represent. The connect appears -- the connection is at the Secaucus Junction, and then from there goes to Penn Station, and then over to

Hoboken. How many of the riders or the commuters on that Line do you anticipate go to the Hoboken Station?

MR. SANTORO: On the Main Bergen Pascack Lines, 7,000 go to Hoboken roughly right now in the peak two hours; it will be greater all day.

ASSEMBLYMAN LAGANA: So presumably, the 7,000 that begin on that Line and go into Hoboken are also going to experience delays. Wouldn't that be correct?

MR. SANTORO: We're hoping not. The train movement plan into Hoboken -- yes, there will be more trains going into Hoboken, but we believe we can accommodate those additional trains.

ASSEMBLYMAN LAGANA: Just as one of the representatives of the commuters in this District, to make sure that I'm representing them appropriately-- When the construction happens, and these repairs are being made, if there are significant delays that are being experienced more than which is anticipated, and my constituents begin to call our offices and say, "We're starting off in Glen Rock or in Fair Lawn, and we're going down to the PATH Station in Hoboken, and the delays are not what we expected. There are huge backlogs. We were told this wasn't going to affect our line, but it is affecting us." Now, as it stands today, the discounted rates are not applicable to those riders, correct?

MR. SANTORO: Correct.

ASSEMBLYMAN LAGANA: So the 56 to 63 percent which, again, I'm still unclear as to how it would be parceled out between commuters and how it would affect each rider-- Is there going to be some type of mechanism in place where we can contact the agency to advise them

that our riders -- not on the Morris-Essex Line -- are experiencing significant delays and should take part in this discount option?

MR. SANTORO: Well, we are going to aggressively set up a campaign that's going to advise our customers of what the plan is. We certainly need to do that and will be doing that over the course of the next two weeks. I believe there's a hotline that's going to be set up to receive calls like that.

ASSEMBLYMAN LAGANA: I appreciate the candor in your answers as it relates to this topic, but I just want to make sure and clear that when this does happen, and the calls do begin to come in questioning us about-- Again, representing them appropriately to make sure that they, too, can potentially take part in this process; that we are going to have a direct line to the agency to make sure that they do, or that they can -- I don't want to say *reap* the benefits, because there is no benefit here -- but can take part in this program.

MR. SANTORO: Well, there's certainly going to be a communication line open. If you're suggesting that sometime in between or during the months of July and August that we, NJ Transit, will somehow be able to modify the fare structure, I don't think we can do that.

ASSEMBLYMAN McKEON: Assemblywoman Muoio.

ASSEMBLYWOMAN MUOIO: Thank you.

First of all, I'd just like to say I read through all the material received for today's hearing. Just one point: You had said to Chairman McKeon that you didn't communicate some of the answers or questions, and didn't meet with his officials the other day because you had this hearing today. We called the hearing. I mean, the Chairs called the

hearing. What was your plan if we had not called for a hearing to get this information?

MR. SANTORO: Well, the hearing has been scheduled for many, many days, maybe weeks. That's a hypothetical I suppose. Not to be disrespectful, but I don't know what would have happened if the hearing wasn't there. And it's today.

ASSEMBLYWOMAN MUOIO: I guess it remains to be seen how we would have all found out if we hadn't asked for you to come in here today.

I see three prongs essentially that we have to focus on: coordination, communication, and completion. Completion, I guess, I'll have to leave to ask the Amtrak officials. Coordination and communication would essentially be part of your bailiwick. Coordination -- and you mentioned to Senator Ruiz that you didn't feel that any of the other lines would be affected. And in your testimony you list the Northeast Corridor, North Jersey Coast, Raritan Valley, Montclair-Boonton, Pascack, Main-Bergen, and Port Jervis. So you're saying those schedules will not be changed at all.

MR. SANTORO: Possibly tweaked. But the concept-- I don't want to say "at all," but the concept is that they will not be changed.

ASSEMBLYWOMAN MUOIO: Because in your testimony you say that they can -- I think your words were, "Continue to experience their regular travel pattern into New York."

MR. SANTORO: Yes, travel patterns.

ASSEMBLYWOMAN MUOIO: And this is not a news flash coming from me, because we've spoken before. But their regular travel

pattern is not good -- service as it exists. I, like Chair McKeon, live with my NJ Transit lobbyist who takes the Northeast Corridor into the PATH, into Lower Manhattan every day.

MR. SANTORO: It wasn't meant to be cute. We didn't want to say that they will never -- if you have an 8:10 train out of Metuchen, it might go to 8:15 or something like that. It may. But I do acknowledge that our customers have not been experiencing -- they're experiencing delays literally every day going into Penn Station. That is a fact.

ASSEMBLYWOMAN MUOIO: Right. We're having problems now.

MR. SANTORO: And one of the reasons -- not the primary reason, but not the only reason -- is that Amtrak, when the two derailments occurred, and when they -- Amtrak, along with the FRA -- performed their inspections of every inch of Penn Station, they discovered track conditions that were unsafe and needed to be fixed. And they fixed a few of them. They're continuing to fix them. But while they're fixing them -- those that they can't get to right away -- they have reduced the speed going into the platforms from 15 miles an hour to 10 miles an hour. So it takes a little longer. Five miles an hour doesn't sound like much, but it is affecting how many trains can get into Penn Station on time. And we've demanded that those 10-mile-an-hour speed restrictions be lifted before -- prior to July 10, to eliminate that impediment to making your service as reliable as possible.

ASSEMBLYWOMAN MUOIO: Just a follow-up to that, and what Senator Weinberg was asking you about with communication between Amtrak and NJ Transit. There has been a lot of blame laid at the doorstep of Amtrak by NJ Transit and the Governor in the past few weeks. And you

responded to Senator Weinberg that you were not aware of the nature of the problem, or the extent of the problem until recently. What did you-- How do you account for the difficulties that travelers on NJ Transit have had for prior years leading up to this point? I mean, this is not-- It's been particularly egregious recently, but there have been delays, miscommunication, and issues for years. What do you-- How do you account for those?

MR. SANTORO: So, for example -- some of the examples that cause delays along the Northeast Corridor prior to any of this happening: catenary wire, which is old. And we are aware that the catenary wire along the Northeast Corridor is old.

ASSEMBLYWOMAN MUOIO: And that is Amtrak's responsibility?

MR. SANTORO: That is Amtrak's responsibility as well, but NJ Transit is aware of that and have, for many years, asked them to upgrade the catenary system; the signal system as well. So what I was referencing, just to be clear, was the overall condition of New York Penn, and the level of degradation -- we were not aware of that.

To your point: Over the course of many years, things have happened along the Northeast Corridor that have caused delays, some of which are NJ Transit's on account of breakdowns, some of which are Amtrak's catenary systems that break and they repair them, some of which are switches that fail along the Northeast Corridor which are Amtrak's, some of which Amtrak has been repairing. But the level of degradation of New York Penn we were not aware of.

ASSEMBLYMAN McKEON: Assemblywoman, when I say I'm cutting you off, I'm going to ask you to defer your continued questioning. Amtrak needs to be out of here by 12:45 and thus-- But Mr. Santoro has graciously agreed to stay. And we will have Amtrak up, we'll get through them in the time allotted.

And then, Director, we're going to have the mayors say their peace, because it would be nice that you'd be here to listen to it. And then we'll bring you back up and pick back up with Assemblywoman Muoio, Assemblyman Zwicker, and our colleagues to ask questions. That's how we're going to play it.

SENATOR GORDON: Gentlemen, thank you for your testimony. We may well have, as Assemblyman McKeon mentioned, some follow-up questions.

At this point, we're going to ask the representatives from Amtrak to come and testify, specifically Chief Operating Officer Scot Naparstek; and Stephen Gardner, the Executive Vice President for Planning, Technology, and Public Affairs.

PAUL WYCKOFF: Through the Chair.

SENATOR GORDON: Mr. Wyckoff.

MR. WYCKOFF: Before they come up, if I could just clarify one thing. There will be an update, in terms of communication. There should be an update going out shortly to all legislative offices and all municipal offices that lays out some more of the information, including about the early morning trains.

And just to clarify for the Assemblyman, the Main-Bergen will get cross-honored with PATH and ferries. That will extend to those lines too.

ASSEMBLYMAN LAGANA: I'm sorry, could you repeat that?

MR. WYCKOFF: Everybody on the Main-Bergen Line will also be able to cross-honor with PATH and ferries. Just so that's clear.

ASSEMBLYMAN LAGANA: Not a fare reduction.

MR. WYCKOFF: Right, not a fare reduction but a cross-honoring.

ASSEMBLYMAN McKEON: All right, thank you.

Sheriff Fontoura, put them under house arrest, please.
(laughter)

SENATOR GORDON: Mr. Naparstek and Mr. Gardner, welcome back to the Committee. You've testified before, and we welcome your remarks.

STEPHEN J. GARDNER: Thank you, Mr. Chairman.

Chair McKeon, members of the Senate and the Assembly, fellow witnesses, good morning.

On behalf of our President and CEO, Wick Moorman, I am here today to discuss the upcoming renewal work at Penn Station this summer. I'm joined by my colleague Scot Naparstek, our Chief Operating Officer, and together we will be available to answer questions following my statement.

Given that Mr. Moorman recently testified before you about the history of the Station and the context for our upcoming work, and that many of you had a chance to join me on a recent tour of the Gateway

Program and the Station, I will focus my remarks on bringing you up to date on the progress of the renewal program as we approach our first period of continuous work. I know all of you are interested and concerned about how this work will impact NJ Transit operations into and out of Penn Station. We at Amtrak understand this, and I can assure you we are working together with NJ Transit and the Long Island Rail Road to minimize the disruption for all passengers while we advance these necessary investments.

Many of you now have seen some of the infrastructure yourselves. I know you appreciate why we have to do this work now. The sheer volume of train traffic, the aging condition of the assets due to chronic underinvestment, and the criticality of this network to the whole region means that the time for small fixes is past and a more comprehensive approach is required. As you know, we have already begun track renewal work in the Station during weekends; and have finalized our plans for the two major continuous work projects over the summer, which are set to begin on July 7 and end at Labor Day. As we reported in our earlier testimony, additional weekend work will follow the summer work, lasting through approximately June 2018.

From the customer's point of view, the primary impacts at Penn Station will fall in the July 10 to September 1 timeframe. Up to three tracks will be closed during the July to August work period, and up to five tracks will be closed on weekends for renewal work, limiting the number of trains that can access Penn Station. Because this work is occurring in the western part of Penn Station, where trains are sorted to and from the Hudson River Tunnel, Amtrak and NJ Transit will be the most directly

impacted during this phase of the program. However, the benefits of this work will help all three railroads by enhancing reliability, and freeing up time and workforce for us to focus on other priorities within the Station after the renewal job is complete.

To determine the impacts on service and to build a workable schedule of operations during the renewal period, Amtrak shared the work plan and available trains-per-hour capacity with both Long Island Rail Road and NJ Transit as soon as it was ready. Each railroad undertook service planning to identify the optimal use of the remaining capacity and to build a schedule that could be in effect for the summer work period. Each railroad will now take the lead in communicating new schedules and service changes to their customers, along with possible travel alternatives.

Although the work will not directly affect their assets, our planning efforts have also included PATH, New York City, Metro North, and the Moynihan program to ensure coordination, since we expect they will experience changes to their ridership, usage patterns, or project schedules as a result of the program.

During this summer period, Amtrak train schedules will incur the largest impacts of the three railroads in term of proportional reductions in train service. As we announced yesterday, Amtrak will cancel three weekday Northeast Regional round trips -- a total of six trains -- between New York and Washington. The schedules for our Keystone Service trains between New York and Harrisburg, Pennsylvania, will also be modified. Three of the weekday Keystone Service round trips will start or terminate at Philadelphia, and one will start and terminate here in Newark, while service between Philadelphia and Harrisburg will continue to operate as scheduled.

Our Crescent, which connects New York with Atlanta and New Orleans, will now terminate and originate at Washington, DC, and connections will be provided for Crescent passengers to other Northeast Corridor trains to and from New York and intermediate points. Lastly, we are still working on the plan for the Empire Service trains that connect New York City to Albany, Rochester, and Buffalo, and we will announce changes to this service soon.

We know that passengers are rightly concerned about travel during this period of time, and that's why we are committed to providing information well in advance of these changes, and will be establishing systems to ensure that our passengers will have the most up-to-date information throughout the program. Additionally, Amtrak is taking ample precautions to ensure that we are able to get this work accomplished on schedule, and provide extra support to passengers in the Station and on our trains during this summer period.

To help oversee and manage the renewal work, we've hired national infrastructure solutions firm HNTB Corporation to supplement our project management and technical services, and we are supplementing our forces with additional labor and management personnel. On the communications front, we are in the midst of developing a comprehensive plan aimed at our customers, commuter partners, city and state governments, and the general public. Our outreach will employ increased social media and web content, special *station ambassadors* who will be positioned to help passengers, and our traditional communications methods -- all to keep the public and the traveling customers informed about the projects and the progress.

ASSEMBLYMAN McKEON: I'm sorry to do this to you again, and appreciate your words, but for some reason the people right behind you can't hear you. So if you could bring that closer to you--

MR. GARDNER: Sure thing. Is this--

ASSEMBLYMAN McKEON: I think you have to hold it like you're going to croon a Sinatra song.

MR. GARDNER: Okay. Finally, Amtrak's Emergency Management, Corporate Security, and Police Departments are busy refining incident protocols, and strengthening coordination between the various entities at Penn and the local emergency responders so that we are well prepared to safely handle any disruptions or incidents that occur. Despite this planning, we know that this is going to be a frustrating few months for passengers at Penn Station as they adjust to the new schedules and reduced service levels. We understand your frustration as well, but there are no easy solutions to addressing the problems of overuse and underinvestment that now face us. I can, however, assure you that this important work needs to be done and that Amtrak is up to the challenge. The paradigm, of fitting vital renewal and maintenance work into limited windows so that peak-period service is never impacted, must change if we are to get ahead of the challenge and start on the path towards greater operational reliability.

We recognize the difficulty of such decisions and the regrettable inconvenience they can cause passengers, but we can't pretend that a facility with so little spare capacity and significantly aged assets can operate indefinitely under such heavy loads without more time to make basic investments in its core infrastructure. We will aggressively pursue such investments to the extent possible, and we trust that our commuter

partners will support an approach that does not wait for problems to occur, but rather anticipates and addresses them.

With our existing funding in FY 2017, we have the resources to advance this work now, and we are dedicated to doing everything we can to ensure the program accomplishes its objectives. We will keep a close eye on the renewal program as it progresses and, in the event of any disruptions or delays to service that occur during this period, we will work collaboratively with our partners to quickly respond and keep the public informed.

We look forward to staying in touch with each of you over the coming months, as we take these important steps to provide the people of this region the efficient and effective transportation solutions they expect, not just for today and tomorrow, but for years to come. As we've discussed before, however, reliable rail service into New York from New Jersey is only possible through two important steps.

First, both NJ Transit and Amtrak need to leave behind the years of underinvestment, and fulfill our obligations to fully fund our respective shares of the basic infrastructure capital and operating expenses of our shared-use NEC territory, both now and in the future.

Second, we need the Administration, the two states and their commuter railroads, and Congress to predictably fund the Gateway Program and the expansion and renewal of the key Northeast Corridor bridges, tunnels, and station capacity that it contains. Without reliable and increased funding for this program, the tunnels and bridges serving the Station and future growth for any service to New York City are both at significant risk. Amtrak has done its best to hold this incredibly complex, busy, and fragile infrastructure together over the years so that NJ Transit

has been able to achieve 90 percent or better on-time performance for their trains at Penn Station on an annual basis. But this performance can't last without major renewal of the existing infrastructure and an expansion of capacity made possible by the Gateway Program.

Finally, let me touch on the Station concourses. Earlier this month, Wick Moorman, our CEO, proposed what we believe to be the next logical step in the effort to improve the Station's separately run and grossly undersized concourses: the creation of a new concourse development entity which will unify the management and operations of the Station's passenger space, and partner with the private sector to bring in world-class expertise to improve the Station. Penn Station is a unique and challenging facility. We believe that its proper management and development require the very best talent and experience. Accordingly, we plan to solicit a private-sector partner for our concourse to enhance its operation, and have proposed consolidating the management of all of the concourses into a unified structure that could hire a proven private-sector building management firm to improve the Station's functionality and operation on a contractual basis. We hope to have NJ Transit's participation in this effort, and look forward to working with them and with you to further develop this proposal.

Thank you for the opportunity to testify today, and thank you for your support for improving the Northeast Corridor and Penn Station. We will keep you informed as the planning and work progresses through the summer. I look forward to working with each of you to develop the necessary resources to keep this improvement going and to make the vitally important Gateway Program a reality.

Thank you very much.

SENATOR GORDON: Thank you very much.

Mr. Naparstek, did you have a separate comment?

S C O T N A P A R S T E K: No, I don't.

MR. GARDNER: A single statement from us.

SENATOR GORDON: Okay, great.

We've heard a number of comments in recent weeks from Governors Christie and Cuomo, which in my mind characterize Amtrak as king of the whipping boy, the problem behind these delays, and so on. How do you respond to that? Here is your opportunity to present your case.

MR. GARDNER: Well, I would say, Mr. Chairman, our purpose here today, and generally, is to try and run the best railroad that we can for both our passengers, and our commuter partners and their passengers. I would say our focus here is on getting the work done that we've outlined, moving ahead trying to create the infrastructure that we need to reliably support service. We've tried to avoid conversations around blame. I think the focus here is really: How do we move forward? We know moving forward requires cooperation and joint investment in these facilities, and that's what we're focused on doing.

SENATOR GORDON: Okay. We just heard testimony from Mr. Santoro that NJ Transit wasn't aware of the degree of degradation to the tracks in Penn Station, although I thought we've been hearing about this from other sources. Can you comment on the information sharing between NJ Transit and Amtrak on track conditions, for example?

MR. GARDNER: Well, I would say I think we've publicized, fairly widely, the program of renewal at the track level that we've been

undertaking for several years, known as the *Zero Defect* or *Total Track Replacement Program* depending on which part of the Station it's in. So I think that's broadly been understood. And for decades now, Amtrak has been pointing out the issues associated with the infrastructure: that it's overused, that it's old, that it needs continual investment from both -- from really all sources of use.

So I think the specifics of our plan have been primarily the conversations around outages and the scheduling of the work. Under the new agreements we have entered into with NJ Transit -- now that they are contributing, essentially, their fair share of the operating and capital contributions -- we are having a much broader set of conversations about the work program that's underway; and also using Northeast Corridor commissions to, essentially, create a common capital program, which NJ Transit is aware of and has a seat at the table as we develop.

So I think the condition, generally, has been understood. The requirement for more investment has been understood. We've been long planning the work there. What we're doing now is accelerating that work. We're bringing that work in, trying to get it done in this period of time over the summer, so that the complex benefits from the work being completely finished, and creating a more reliable situation in this part of the Station, and providing an opportunity for us to invest our resources and use the very scarce time to make improvements throughout the complex.

SENATOR GORDON: Have Governors Cuomo and Christie been withholding their Northeast Corridor payments?

MR. GARDNER: Well, we understand that certainly we've had some failure to make payments from NJ Transit. I'm not aware that we've

received that from Long Island Rail Road. But we're confident that we can work through that with NJ Transit. What's important here is that these payments are reimbursements for the cost that we incur for the delivery of all the service and the operation of the territory that the railroads use.

The capital payments are basic investments to undertake the kind of work we're doing now: track work, fixing of the wires, the common assets. Under the new agreements we have with NJ Transit, they are now paying a proportionate share for that basic work, and that creates a significant new amount of investment that we can program, and improve the assets; but that's not been the case for a long time. We are anxious to continue to receive the investments that they're obligated to so that we can continue to work.

SENATOR GORDON: You've mentioned your plans to outsource management of the concourse. I just want to be clear about something. There have been proposals to create one entity, the so-called *Penn Station Company* -- or *One Penn Station* -- that would bring all the entities together: NJ Transit, the LIRR, Amtrak into one organization that manages not just the concourses, but train operations as well. Can you comment on that? Have there been any further conversations internally about that?

MR. GARDNER: Well, you're correct. Our proposal is that we try and unify the operation of the concourses. Today we've got three separate concourses, and we think that there's a lot of value that could be created -- for passengers, for passenger experience, for the efficient operation of the facility -- by thinking about the management of this area as one unified building, which today that view doesn't really exist. That is

where we think we should start in this conversation. Our view about a larger consort-- We're always open to conversations. We think that currently the infrastructure management is something that Amtrak can do with the proper resources and investments. We are up to that. And the Northeast Corridor is a continuous asset that is important to run the entire service between Washington, and New York, and beyond. So in general, we think that the continual control of that asset is appropriately placed with Amtrak.

Having said that, we remain open to different constructs. We've got, of course, the shared dispatching environment today with Long Island Rail Road, and our first effort here--

SENATOR GORDON: But not NJ Transit.

MR. GARDNER: Right. NJ Transit is present in PSCC and the control center. They have a role to play there with us and in constant coordination between all the carriers. I mean, as you're familiar, sir, the goal here is to get all of the trains on schedule, into and out of the complex. I think, in general, if you look at our performance records here, we do a good job of doing that, with Amtrak having the largest delays of any of the carriers.

I'm not sure that the changing of that relationship changes the outcome. What fundamentally drives delays in this situation is the lack of capacity and the age of the infrastructure. So what really will fix on-time performance for all of the carriers is if we create more track space and have that track tunnel capacity into Manhattan sufficiently in place to handle the current volume and all the growth that, frankly, all the railroads foresee in the future.

SENATOR GORDON: I think those of us who took what I will call the *class trip* to Penn Station now have a great appreciation of just how compact that space is. I think you've characterized the-- We're talking about expanding trans-Hudson volume with a new Gateway tunnel. As you said, if you're expanding the hose, you need a bigger pail to collect the water. And clearly we have something that's too small now.

Within recent days, Governor Cuomo appointed some kind of commission, I believe -- Penn Station panel -- to look into problems at Penn Station. Have you had any contact with them at this point?

MR. GARDNER: We have not, sir.

SENATOR GORDON: Have you been advised of what their role is going to be?

MR. GARDNER: We have not, sir.

SENATOR GORDON: Okay. I'd like to just take advantage of your presence here and ask: Have you gotten any new information about the status of Gateway, particularly as it relates to Federal funding for it?

MR. GARDNER: Well, you may be familiar with the budget submittal from the Administration. We are trying to analyze that right now, currently. We did receive very good news relative to Federal funding in Fiscal Year '17. The Federal government completed their spending package, and in that spending package increased the amount of funding available for Amtrak's capital investment by \$105 million, of which a significant portion of that can be used for the Gateway Program. So we are now in a good position to begin investments for the Portal Bridge program, for instance. But we need the other pieces of the funding to be in place. So we're optimistic that Congress understands the needs here. It's unclear, of

course, how Federal funding will proceed. But we are working both with the Administration and Congress to highlight how important this program is -- we do think that all parties understand its importance -- and to find a path forward that allows us to begin the first project here in earnest, which would be Portal Bridge; and to continue the work on the Hudson Tunnel program, which is underway and on which we hope to complete the environmental and initial engineering work by next spring.

SENATOR GORDON: One of the things we learned on our inspection is that there's going to be work done several months in the future on the Long Island Rail Road portion of the Station. And as we learned, everything is connected in that small space. Can you tell us what kind of impact that work will have on NJ Transit?

MR. NAPARSTEK: The work that would go on, potentially in early 2018, will have more of an impact on the Long Island Rail Road than NJ Transit. Just like Steven mentioned in his briefing, because of doing the work at A-Interlocking, which is the inlet and outlet for NJ Transit and Amtrak heading to New Jersey, it has more of an effect on NJ Transit and Amtrak trains. So as we move to the east side, we move to the JO-Interlocking that will have a bigger impact on the Long Island Rail Road.

The issue or the involvement of NJ Transit will be any time we take any tracks. And this goes back to the testimony we had the previous time. We are at or above capacity. I mean, we are running a constrained system. So anything that affects capacity has an impact throughout the Station. If things run perfectly, even with a little bit less capacity we're okay. But our ability to react to circumstances, to things that are -- say just the slower off-boarding of a train because of whatever reason -- we have to

recover. And any time we take a track out of service, our ability to recover is lessened. So those are the types of impacts I would still potentially expect if we move forward, or when we move forward, with the body tracks on the Long Island Rail Road side.

MR. GARDNER: And I would add, the work, as I mentioned before, coming in '18 is primarily weekend work, not peak-period weekday work like the work in the summer.

MR. NAPARSTEK: No, there could be some. I don't want to profess there may not-- Because of the size of the program -- again, the fact that we may have extensive track work -- I could see it leaking past weekend work to covering--

MR. GARDNER: But primarily weekends.

MR. NAPARSTEK: We're going to do as much as possible on weekends.

SENATOR GORDON: I want to turn to my colleagues. Before I do, I would like to just put this -- the Amtrak problems -- in perspective, at least as I see it. You don't need to respond to this.

It just seems to me that for many, many years, Congress has not adequately invested in Amtrak, certainly in the Northeast Corridor. And I think what we're seeing now is the result of those years of underinvestment in a resource that's really critical to the national economy. And I'm hoping that members of Congress are listening and will get the message, and we'll see some of the resources you need in the budgets that are coming out of this new Administration.

Assemblyman McKeon.

ASSEMBLYMAN McKEON: Thank you, Senator, for your thoughtful questions.

I'd just like to acknowledge Phil Alagia, the County Executive's Chief of Staff who's joined us. And thank you for accommodating this meeting today, Phil.

Not to belabor the issue, but my blood started to boil again when you talked about: "Hey, we've got to go forward with Gateway." We should be less than a year away from a third tunnel, and that's the long-term problem. To quote Secretary LaHood, "On a going-forward basis, every commuter in this state and in the tristate area could expect an additional 45 minutes a day, based, as a consequence, on not concluding that tunnel." So if I'm this Administration, I'm doing all I can to point at Amtrak and everywhere else, except for introspectively; which is where the issue will be for at least the next decade, if we're that lucky, with all the politics falling into place and, God knows, the precious resources to fund the Gateway project.

Now, getting back to NJ Transit, relative to their decisions to disrupt just one line, the Morris-Essex Line, did you, Amtrak, have anything to do with that?

MR. GARDNER: No, sir, Mr. Chairman. Our job was to determine how many trains could operate in the terminal. We did this collectively -- the capacity that's available. And then, essentially, that capacity number was provided to each of the railroads, and they determined how best to prioritize its use to meet the needs of their customers.

ASSEMBLYMAN McKEON: May I ask you-- You said basically you need three tracks for X number of hours, and left it to them to figure it out.

MR. GARDNER: We were able to produce essentially the number of trains per hour at different periods of the Station that could be operated. And then each carrier was responsible for figuring out what trains they would utilize -- or what trains would utilize that available space at that period of time. There would be a reduction in the number of trains because of the reduction in the number of tracks.

ASSEMBLYMAN McKEON: Makes sense. Mr. Santoro, before, indicated there was a need to get this information out, I guess, a week ago today based on, ultimately, the deadline to get moving. So I assume then, the LIRR -- do they have a separate and distinct plan as well? (affirmative response) The answer is yes?

MR. NAPARSTEK: Yes, they do.

ASSEMBLYMAN McKEON: And based upon their plan -- I'm not familiar with it -- you tell me: Are they spreading out, so to speak, the pain among all their lines, or did they do the same and just pick on 25 percent, or one particular line?

MR. NAPARSTEK: My honest answer is: I can't really get in -- I don't have the details on the LIRR plan. They certainly worked with us and NJ Transit to understand the capacity, especially the capacity at peak, which is the prize capacity. But they internally are working with -- to maximize the capacity they have. But at the same time, they are not above that capacity; but how they've affected their individual lines I couldn't answer.

ASSEMBLYMAN McKEON: So the answer is: You don't know yet what it is they're doing -- if it's similarly just picking on one line versus spreading it out.

MR. GARDNER: We don't. And the Long Island Rail Road, I don't believe, has completed their work. So I don't think this is yet complete for them.

ASSEMBLYMAN McKEON: But they have the same timeframe, I assume, as NJ Transit as far as needing to implement this by July 10, right?

MR. GARDNER: Absolutely, yes.

ASSEMBLYMAN McKEON: But their plan isn't yet out, which is a little inconsistent with what we heard about the necessity to move quickly on this.

Regarding testimony from Mr. Santoro -- and I'm paraphrasing again, and he's going to be back up here to clarify it if I'm stating it wrong -- but he indicated that Amtrak is not providing -- and "no idea" as it relates to the state of the track and the ultimate needs. How could that be? We're all here. Is that true?

MR. GARDNER: Again, Amtrak has long discussed its needs for greater investment. I've talked about the various resources and improvements that need to be made up and down the Northeast Corridor. We've done that. And for the past two years, we've had a collaborative planning process which has articulated where we intend to spend our funds and the issues addressing it.

I would say it's fair to say that it's Amtrak's job to inspect the infrastructure, to know its current condition. But the work plan that we

have had underway, and the need to replace tracks in Penn Station and do track renewal work, is where, I'm saying, I think has been understood. Certainly, operationally, we have schedules and outages that go out over a period of time.

ASSEMBLYMAN McKEON: I don't mean to cut you off, and respect what you're saying. Thank you, from all of us again, for the class trip that the Senator referenced. I think the operative word that day was *frightening* as it relates to what we saw.

But relative to fully allowing NJ Transit to know the conditions of the infrastructure-- I don't understand why that should be an issue. It's a yes or no answer. Is there information that you withhold from them?

MR. GARDNER: No. Look, in terms of the condition of the railroad: we're absolutely willing to share information regarding its current state. NJ Transit understands our work program, which is the work we intend to do for the Northeast Corridor and the areas that affect NJ Transit. Our job is, again, to take the resources that we have, and the time we have, and be able to program dollars to make improvements. So there's no issue with sharing with NJ Transit what work we are out there intending to do and why we intend to do the work.

ASSEMBLYMAN McKEON: Mr. Santoro, you don't have to get up. What is it that you want to know that they don't tell you? I'd like to ask that for you.

MR. SANTORO: There was no indication that the tracks were in such poor condition that two derailments would occur in one month. I don't have that information. I don't know-- I would have to hire staff to review all of that, and I'm willing to do that. But what Mr. Gardner is

saying -- and he's accurate -- we have an understanding of what the work is. What we don't have an understanding of is the condition of the track that would have caused two derailments in one month.

ASSEMBLYMAN McKEON: And being in a position to know those things would help you in providing better service for the 300,000 commuters.

MR. SANTORO: It would help us to coordinate with Amtrak to prioritize the work that needs to be done. Even if we knew it -- I don't know if we really want to get into this -- there are a lot of constraints that Amtrak has on that as well.

ASSEMBLYMAN McKEON: Thank you. I didn't mean to cut you off. I'm trying to--

MR. SANTORO: I could go on for--

ASSEMBLYMAN McKEON: I know you could, and that's why I was stopping you. (laughter)

Just look-- Again, today, I'm a commuter. We all are. Can you just appreciate the level of frustration by two governmental agencies that are in the same business not sharing the kind of information that could be helpful in easing this burden; which, frankly, just looks chronic to me, from where I sit?

MR. GARDNER: I would say that the derailments that occurred were for different causes. The first derailment, as you know, was a result of actually a repair -- of undertaking incremental, scheduled repair. I don't think there was a track condition that -- some chronic condition that that derailment was related to.

I understand Mr. Santoro's perspective. And we have committed to NJ Transit -- that they are interested in understanding the condition of each of the assets; that's work that we can do with them. We're happy to share that information. In general, our goal is -- particularly now that NJ Transit is a partner in terms of the major capital funding -- to work together to prioritize the investments that we will be making so that the service can be reliable for both carriers within the constraints that we operate under. So I can commit to that cooperation with NJ Transit.

ASSEMBLYMAN McKEON: I appreciate that, and the earnest manner in which you responded, and the sincerity behind it. But now we need to see it happen in practice. And while you're saying it, NJ Transit, themselves, have been responsible, I think, for at least one of the delays -- derailments, or whatever it was -- it was some wire that was our responsibility as well -- catenary.

MR. GARDNER: We assume, generally, that each of the railroads are doing the jobs, and they do them well, generally, to maintain them. We don't inspect NJ Transit's equipment before it comes on to the Northeast Corridor, even though it's the predominant amount of equipment that's out there, because we can trust them. We know NJ Transit is trying to do their best. So the situation relies on us on the different railroads pursuing the work as professionals. We believe that largely happens.

ASSEMBLYMAN McKEON: Your jobs are hard enough, especially given what you have. But the lack of cooperation is just

something that will maybe help a little bit, and hopefully will continue to be fostered by, if by nothing else, all of us asking for that to be the case.

The last area I just wanted to discuss with you was the \$15 million that's going to end up being lost in revenue. I believe I heard the Commissioner say that Amtrak was going to potentially be responsible for that. Would you agree with that statement that Amtrak's going to pick up that \$15 million?

MR. GARDNER: I would not agree with that statement.

ASSEMBLYMAN McKEON: Why am I not surprised?
(laughter)

MR. GARDNER: Again, the situation is such that the cost that people and agencies are investing in the railroad is to maintain the railroad and operate the railroad. There are many impacts for all of the operators associated with various issues with equipment, with Station delays, with the infrastructure, and we all absorb them, essentially, as part of our costs in the program. We haven't had conversations with NJ Transit about this, but it's not something that we discussed. Certainly, Amtrak has--

ASSEMBLYMAN McKEON: I just want to hear that you have not had discussions, you said.

MR. GARDNER: We have not had discussions with NJ Transit.

ASSEMBLYMAN McKEON: And there was no attempt, maybe proactively, to talk about, "Look, landlord, this is in part because of you. You should help us with this"? Nothing like that has happened.

MR. GARDNER: We've not had conversations with them to my knowledge.

ASSEMBLYMAN McKEON: And relative to those kinds of conversations with some of your 12 partners around the Northeast Corridor, have there ever been those kinds of discussions? Have you ever had that kind of an agreement when you've run into a similar situation in one of your other 12 partner states?

MR. GARDNER: As far as I'm aware, we have not had that kind of arrangement with any entity. The truth is that service, at times, is curtailed for planned work. I mean, that's what this is. This is planned investment work that will involve some disruption. And sometimes, when that work is underway, some of the costs are shared by the various entities in different ways related to the capital work. But as far as I'm aware, we don't have agreements of the nature you're describing.

ASSEMBLYMAN McKEON: Okay. Thank you for being so patient. We're mindful of your time, so let me stop and see if some of our colleagues have a few things to ask.

SENATOR GORDON: Senator Weinberg.

SENATOR WEINBERG: Thank you, Mr. Chairman.

I have a couple of questions. First of all, I want -- something confused me when you talked about bringing in a private partner. Did you say something about you're going to bring in a private partner for your concourse? Did I hear that right?

MR. GARDNER: Well, Senator, because we only control our concourse -- the NJ Transit and Long Island Rail Road concourses are leased under 99-year leases, so they are in control of their concourses, they manage them, they operate them, they maintain them. So we obviously couldn't engage in the solicitation for their leasehold space. But what we are

interested in is strengthening the management of the building. We have various stations where we hire professional building managers to help maintain the building and manage its daily operations. That doesn't mean we hire someone to sell our tickets, for instance. But we have a building manager, a professional building company, that works with us. And we think that's appropriate relative to our concourse, which is known as Level B, for the portion of the space that Amtrak controls.

What we think would be even better is if all of the concourses were to be unified and we were collectively to go out and look for someone who could provide those kinds of services across all three concourses. That's what we've proposed. That's why we would like to work with NJ Transit and with Long Island Rail Road. But in the absence of that cooperation, we can proceed at least to try and improve the space that we control. But we think it would be best if we could do it collectively.

SENATOR WEINBERG: Earlier when I asked Mr. Santoro, "Did NJ Transit ever come forth to the Legislature, to the Administration, wherever about the problems that were existing with Amtrak?", Mr. Santoro said -- I think I'm paraphrasing right -- that they weren't aware of how badly the infrastructure condition was.

When we took that -- what my two colleagues here have called the *class trip* -- we took that train ride. You have that train with the big glass panel that is used to inspect the tracks. Did anybody from NJ Transit ever get a ride like that to take a look at what was happening with the infrastructure, or did Amtrak ever think of inviting NJ Transit to come along and realize how frightening all of this was, to coin the phrase?

MR. GARDNER: Well, Senator, by virtue of NJ Transit's sort of dominance in terms of operations, they know the railroad as well as we do in terms of its actual condition -- the sheer volume of trains, the 450 trains a day we jointly operate through this area. So I would say NJ Transit certainly knows the characteristics of the railroad, they know its condition, they know where issues, that we have presently, are causing delays or impacts on our system. We keep very detailed delay records; impact by cause. So I think there's good knowledge, a good exchange between both parties. Not to mention also that there are many current Amtrak employees who were former NJ Transit employees, and vice versa. There's a very common group of people here who know this railroad and know it well.

What I would say is that we've had, for a long time previously, a joint benefits program in which we jointly invested in capital improvements. Every year it was Amtrak's job to come forward and put forward a list of capital improvements to be undertaken in this territory. The amount of funding that New Jersey is willing to invest in that program -- to essentially try and renew the basic capital assets -- has dramatically declined over the past several years, leading up to 2015 in which there was no investment on this level. So I think they've understood.

SENATOR WEINBERG: Let me interrupt you there for a minute. There was an investment from New Jersey on this joint benefit plan earlier, and it's now reduced to zero? Is that correct?

MR. GARDNER: Well, before the new agreements, which fully implement cost-sharing between the parties, there was a history, under our old agreement -- so the joint benefit program, where essentially you would put in 50/50 capital investment to make improvements in the territory.

And those investments went from highs of in the \$45 million range in 2008-2009, down to \$28 million, \$27 million, \$20 million, \$23 million, \$21 million in 2013, to no investment in 2015. So there was just a steady decrease of the investment in the capital infrastructure that NJ Transit relies on. Every year we put forward a program based on what they told us they might be willing to fund. So it's been a long trajectory, I would say. And that has been rectified significantly, to NJ Transit's credit, by the enactment of new agreements which now obligate New Jersey to make significant investments in the common infrastructure. But throughout that period of time, Amtrak was clear about the investment priorities we had for this territory and our desire to jointly fund -- dedicate dollars to this territory.

SENATOR WEINBERG: So, right now, it went from a high of \$45 million to zero, correct?

MR. GARDNER: Between -- that's correct.

SENATOR WEINBERG: Between 2009 and--

MR. GARDNER: Basically the high water mark after some one-time major payments between 1997 and 2001 -- this was all part of the new initiatives structure. We had amendments that permitted investments in 2008 of \$45 million, and then that was down to \$21 million by 2014, and zero in 2015.

SENATOR WEINBERG: Okay, thank you.

You know, there has to be-- I must say, I don't have the solution to offer. But I do know the solution (*sic*) is the communication between these two agencies seems to be sorely lacking in the ways of -- when you realize the problems -- and I'm really addressing this to both of

you now -- the critical problems that have arisen here, and nobody came forth to raise a red flag, to say anything about what was happening to this infrastructure. We all know about the tunnel. It got plenty of press. And we know what everybody is working toward to rectify that. But in the meantime, all of this infrastructure is falling apart, and New Jersey's investment is going down, down, down. And neither one of your agencies seem to have come forth and said, "We have a major problem here, and we need your attention." Somehow you have to figure out a way that you work together and decide what those critical moments are, and then come to the people who can maybe do something about it, whether it's the Budget Committees of the Legislature, if it's the Administration. You know what? You might even have to go over the heads of people who don't react, and go out on behalf of the customers who use your facilities. That's who you should be reporting to. I am just amazed, the more I hear, about the lack of this-- "Well, yeah, we all knew we had a problem, but we had a problem." You have to find ways to represent the people who are riding those trains on a daily basis. I can't offer you the answer right now, but it seems to me you should have it.

ASSEMBLYMAN McKEON: I know that you had a limited window, but if there are any members, let's try to-- We're going to play one question and one question only.

SENATOR RUIZ: Thank you, Chairman.

Just one question -- and I don't know if this was asked when I stepped out. Amtrak will be running pretty much on your regular schedule, on a limited schedule?

MR. GARDNER: No, Senator, on a limited schedule. We're taking, actually, the greatest reduction in train service of all three carriers.

SENATOR RUIZ: Okay. But you will be available, and you'll be stopping in Newark Penn Station. Are you coordinating with NJ Transit to cross-honor tickets during this timeframe? I keep reiterating the same thing: When someone is trying to get home, or to and from work, we have to give the best ability to that commuter to figure out what is going to be their quickest recourse to get over the water, however they see fit. If we don't give them the tools to do that on that given day, it's going to make it even worse.

MR. GARDNER: So, Amtrak's plan -- we have a significant reduction in service, nearly 40 percent, essentially, at the peak period in terms of train volumes; we're taking out a bunch of trains. And so as a result, we actually expect to have very significant loadings on the trains that we have. And, of course, we have a different situation than our commuter brethren. We have reserved service. So all of our seats are essentially reserved and people are purchasing tickets for those seats. Our trains are also lower capacity than NJ Transit, for instance, in terms of the seating and the arrangements. So our expectation is that we will have very full trains during this period of time. And, again, because of the reserve nature of our trains, we don't have people walk up and just get on the train. You have to have a ticket, and each seat has to be accounted for.

In this instance, I think, our cooperation with NJ Transit has been to try and get the best amount of service that we can into the Station. All of us are trying to figure out how to serve the demand that we see over this peak period of time. Amtrak's in a different situation relative to the

way our trains operate -- than the commuter trains -- to be able to permit for the broad cross-honoring on our service.

SENATOR RUIZ: I understand the things that you do, but how you've done them in the past-- What I'm encouraging everyone who takes a commuter to and from home to work -- that we have to think creatively and outside of the box. And if that means getting together with any kind of provider, which is private buses, NJ Transit, PATH, you all, figuring out different ways -- Lyft, Uber, whatever it is -- everybody has to get in a room and figure this out simultaneously while this project is going on. I keep hearing how we do things, we're trying to do this. But to me -- and I'm just going to speak for myself -- there doesn't appear to be enough conversation about how to be creative on behalf of the rider.

ASSEMBLYMAN McKEON: Assemblywoman.

Again, we're all going to try to keep it to a question each, because these gentlemen are already on overtime.

ASSEMBLYWOMAN MUOIO: On our tour that we took with you, you pointed out the catenary over the tracks, and you mentioned at one point that the condition of those wires is not great and that they need to be replaced the length, essentially, of the state. Some work has been done in South Jersey. But essentially from Trenton-north, all of that wiring needs to be replaced, correct?

MR. GARDNER: Yes. The overhead catenary here generally is a very old design, roughly 1934. Much of the assets are old and in need of both a modern design and replacement. This has been a long-standing need up and down the railroad. As you mentioned, in South Jersey -- north of Trenton, we are engaged right now in a major project, a \$450 million

Federal project, to essentially install new electric wires and the support system, and also expand electric generation capacity. This will have very significant benefits for both Amtrak and NJ Transit. We are undertaking that work, nearing completion. But that type of investment, which is to install new designs and upgrade the facilities, is absolutely critical to continue, because it is an area of disruption for both railroads.

ASSEMBLYWOMAN MUOIO: Correct. That's what I was getting at. This is one of the causes of some of our problems on both lines, because it provides the power source for both Amtrak and NJ Transit trains.

MR. GARDNER: Exactly. One of the critical issues is that the wires, when they get hot, they expand and they sag. And when that happens, they can get caught in the panograph, which is the collecting implement that grabs the current from the wires. So it is a major source of vulnerability for reliable service on the Corridor, one that we would like to address. But just to give you a sense of the order of magnitude here: \$450 million to do less than 20 miles, including some other electric traction upgrades. It's a very significant investment and one that needs to be long-term. But we have the capacity, and now the know-how and the design, to continue this work. We need the partnership, in terms of funding, to continue it. And also I would say it has impacts on service. The work we're doing in South Jersey requires us to take an entire track out of service, out of the four tracks. We've had good cooperation with NJ Transit to accomplish that. But that is the situation that we're in.

ASSEMBLYWOMAN MUOIO: So \$450 million for 20 miles. Essentially, what would it be to do Trenton to New York? Do you have any portion of that funding right now to do any of that work? And last, the

work you say you're going to be doing on weekends once this summer project is completed, and then you do your other maintenance issues that you need to deal with -- for weekends leading through 2018, does that take into account any of this catenary work that's necessary? Because my question, finally, to wrap up is: Is this our next disaster in the making, or is this something we're just kicking down the road again so that we have another major problem looking at us?

MR. GARDNER: Well, we can certainly try and get you an estimate for what the additional work would cost. In general, this is a problem that exists between New York and Washington, D.C. The entire railroad, really, has catenary from this age -- some a little bit older, some a little bit younger, but basically from the '20s and '30s. So we are looking at how to continue the work once we finish this program, even if it's sort of incremental, piece by piece, by piece. But to do a major segment would require very significant investments. But we do think, to your point, we've got to continue the path of improvement here, because this is a major vulnerability. It's one of the oldest elements of the infrastructure that's out there, and it's critical. Without it, trains don't move. So we do think it's high on the list.

But to your point, of course we've got the tunnel to deal with. We've got huge needs up and down this Corridor. We've got a tunnel in Baltimore that's from 1873 that needs to be replaced. We have massive investments that are required here.

ASSEMBLYWOMAN MUOIO: But right now, it's not-- You said it needs to be on the list. Is it on your list for the work you're going to be doing through 2018? Are you doing any work on the catenary?

MR. NAPARSTEK: No. At this point, the work we're talking about is all at ground level, so track, etc. We are beginning to look at the catenary, as you mentioned, as well as the communication signals and saying, "What do we need to do to modernize and upgrade those?" So we are looking at what would be the right program for those, again, as we look at and continue to inspect. So we do continual inspections of all these assets. There is, today, an indication that we need to look at it, but not an indication of an imminent issue. The real issue is, as Mr. Gardner said, as things occur, as the temperatures go up, temperatures go down, we get ice forming. The older the infrastructure, the more susceptible it is to an unforecasted need to repair. And we're trying to do everything we can to pull unforecasted repairs out.

ASSEMBLYMAN McKEON: The Co-Chairman whispered to me that if you'll be silly enough to do it, we're going to want to have you back.

Assemblyman Johnson gave me his one question, because it goes back to a lot of what we're talking about today. It's a short walk from Grand Central Station to Penn Station, truthfully. Can you divert trains to Grand Central, and then that way make some more capacity available to NJ Transit so it's not as bad?

MR. NAPARSTEK: We are working on plans to-- So the trains we're talking about is our Empire Line. We are working on plans to reduce service into Penn Station on the Empire Line. We have not reached agreements with Grand Central or with the state of New York, etc. We are absolutely in discussion and working on it. We hope very soon to be able to come out with what our schedule will be around the Empire Line.

ASSEMBLYMAN McKEON: All right. Thank you for that question. And that's some hope for us. We're all on a tight timeframe here.

MR. GARDNER: Just to be clear on that: Only a very small percentage of the overall trains in Penn Station can be diverted to a place like Grand Central, because the railroad -- the Northeast Corridor does not connect to Grand Central directly this way. And the power requirements are different. That train is served by third rail DC, as opposed to overhead AC wire.

ASSEMBLYMAN McKEON: But, I mean, it's possible on a limited basis.

MR. GARDNER: For some trains. For some Amtrak trains it's technically possible. But the amount of -- those trains are the trains that come from the North (indiscernible), so compared to the trains on the Main Line there's just far fewer.

SENATOR GORDON: Assemblywoman Munoz.

ASSEMBLYWOMAN MUNOZ: Thank you very much.

Just to be clear: I represent District 21, which is Summit, Berkley Heights, New Providence, and Chatham, which are on the Newtown Direct Line. So it does impact also Republican districts as well. (laughter) That's important to know, because it's not--

ASSEMBLYMAN McKEON: I represent most of them, thank you very much.

ASSEMBLYWOMAN MUNOZ: But my point is that it's not-- I don't know that it was a decision to go after Democratic districts, because certainly it affects Republican districts.

My understanding, from what I'm hearing today, is that it's very clear that there is a true failure of communication between Amtrak and NJ Transit. I can hear that -- everything we hear-- Mr. Santoro says he did not know the state of the tracks. You say he should have. I know I have to keep it short. The people who we represent are the commuters, and we need better communication from you all to our commuters.

One thing Mr. Santoro said two hours ago was that one of the things to ease the problem was to move people from Broad Street to Newark Penn Station via the Light Rail. But you're telling us that there is no more capacity on the trains. I've taken Amtrak many times up to New England, which is where my mother is. If our commuters can't get on those trains because there are no seats available, what is the purpose-- This may not be a question for you to answer. We're looking at a solution that may not be a solution. Moving people from Newark Broad Street Station over to Penn Station, and you talk about the safety issues on the tracks and the platforms-- You're saying they're reserved seats, and there's no more capacity on those lines. How does that alleviate the problem? Again, that may not be something you can answer. Are there going to be seats available on your Amtrak lines into New York Penn Station for these commuters? Because that's been one of the solutions that has been suggested. I was going to ask Mr. Santoro that when I got an opportunity.

MR. GARDNER: Assemblywoman, we're going to do our best to maintain as much service as possible by adding cars to the trains we will be running so that we have sufficient seats to meet the demand. As you know, people purchase our tickets. They go online, they go to tickets, and that's how the tickets will be available. So they will be available to anyone

who needs them. We'll try and increase the seats on the trains that we have where we can. We can't do that for our Acela (indiscernible), they don't add cars. But our regional (indiscernible) we can. So our goal will be to have as much capacity available for the demand.

I'll let Mr. Santoro address the other issue. I assume he's making reference to the NJ Transit and PATH service available for Newark. But Amtrak's trains that will run there--

ASSEMBLYWOMAN MUNOZ: Because he said about the Light Rail-- So it won't be-- You won't be able to make an impulsive decision to make that train, the way we can now. I live in Summit. We come into Hoboken. We need to take the ferry, we take the PATH. We have a decision we can make at that moment. So if you're going to get on Amtrak, you're not going to be able to say, "I'm going to hop on this train."

MR. GARDNER: You could if you could purchase a ticket. We sell tickets two minutes before departure. You could buy a ticket. Everyone who gets on an Amtrak train generally has to have a ticket, or a monthly, or a 10-trip ticket that they've purchased in advance.

ASSEMBLYWOMAN MUNOZ: I would just encourage you to improve your communication. The frustration that we feel in our communities, as the mayors and the representatives who serve in the State, is that we don't have good answers. And when we hear from both of you that you're really not communicating -- and it's the failure of communication -- that is really hurting the people, the commuters who pay your salaries, and who-- And we are a driving economic force for New York City. And it's so imperative.

And so when you talk about the train schedule changes, if you could please get them to our legislative offices so that we could help our constituents, because it's really imperative.

MR. GARDNER: Yes, we've made them public. We're happy to send them to you.

ASSEMBLYWOMAN MUNOZ: A reflection of what happened over the last two hours -- a failure of our offices to be communicated to. That has to improve.

Thank you.

SENATOR GORDON: I know you gentlemen are on a tight deadline, but I want to just ask one last question. It's an issue that I've raised before about trying to schedule this renewal project during the holiday weekends. It's been suggested by me and others that if the work were to begin the weekend of June 30 as opposed to July 7 -- I think that's the first day -- to do the work during the 4th of July weekend, and perhaps do the two work periods back to back, that the entire project could be completed perhaps three weeks early.

What I've heard from you or others is that there's a problem in getting the personnel during the holidays. It just seems to me that this is not a regional emergency, it's a national emergency; and we should treat it that way. I don't know whether it makes any sense to bring in the Corps of Engineers, or Federal resources, or what. But it just seems to me that we could be making this project a higher priority and get it started earlier. I'd be interested in your reaction to that.

MR. NAPARSTEK: First, I don't think there's going to be a bigger or higher priority for Amtrak this summer than the renewal program.

The number of resources we'll dedicate, both at a workforce level as well as a management level, will clearly focus on the work.

SENATOR WEINBERG: Can you hold that microphone closer?

MR. NAPARSTEK: It isn't that we won't be doing work over the July 4 weekend, we will. And I'm not sure what conversations have come up. Some of these have been presented as slow orders and speed restrictions, for instance, that have been in Penn Station now since we did the joint inspections with the FRA. And those are in place because of areas that we need to repair. So if you look at-- Right now, we are doing work every weekend between now and July 7 to get those repairs in place, to make sure that the infrastructure we're going to have to count on during the summer is in good shape, is as solid as we can provide. So the expectation is that we are doing certain work on tracks, as well as repairing switches and fastening systems within the structure on weekends and at night, in anticipation of beginning the continuous work that will start on July 7. The weekend prior, we will be in there completing the work we need to do on defects to make sure that as much as possible -- I can't guarantee that we'll get slow orders, because we don't know what inspections will provide between now and July 4. But our intent is to get the 10-mile-per-hour speed restriction out of the Station so we can return the Station to 15 miles per hour. A lot of what we're doing now is in preparation of being as prepared as possible for July 7. So please don't look at the fact that we didn't show renewal work to mean we won't do project work that weekend.

SENATOR GORDON: Okay. Gentlemen, I know you've have a train to catch, I believe. (laughter)

ASSEMBLYMAN McKEON: Assemblyman Auth.

ASSEMBLYMAN AUTH: Yes, I do have a question, Mr. Chairman, if I may.

ASSEMBLYMAN McKEON: As long as they can stay. I don't know if-- Can he get one in real quick?

MR. GARDNER: Sure, absolutely.

ASSEMBLYMAN AUTH: Thank you for your testimony.

MR. GARDNER: Sure.

ASSEMBLYMAN AUTH: To be brief, since you're in such a rush, do you have track analysis right now at your disposal, when you're looking at this, within the operations at Penn Station?

MR. GARDNER: Track analysis; do you mean modeling capacity, sir?

ASSEMBLYMAN AUTH: That and conditions of the track in the facility that you're overseeing?

MR. GARDNER: We do. We know the condition of the assets. We inspect them twice a week -- all of the assets -- and then we model the operation in Penn Station. That's part of how we determine what we can operate.

ASSEMBLYMAN AUTH: And would you be able to share that information with both the Committee and Mr. Santoro, who seems to have a problem with that, since we had two accidents at your facility, that were not under his control, that he seems to be getting a lot of heat for right now? Do you have that so we can share it with him and with the Committee?

MR. GARDNER: Well, as it relates to the condition of the infrastructure, we actually already shared the result of our FRA inspections with NJ Transit. We did that right after that, and with Long Island Rail Road. So they're aware of the current condition based on the inspections.

In terms of the age and condition, long-term sort of assessment of that, we have committed to work with Mr. Santoro so that he understands, and we can jointly prioritize where we now can invest our collective dollars to help improve reliability.

ASSEMBLYMAN AUTH: So let me refer back then to the accident on March 24, 2017, and then following that, the accident on April 3, 2017. Can you tell me if Mr. Santoro had information about what caused the accident on March 24, 2017?

MR. NAPARSTEK: Do you mean prior to the accident or after?

ASSEMBLYMAN AUTH: Prior.

MR. NAPARSTEK: No. The truth is -- and we're going to discuss what I think we did in the last testimony here. But the truth is, we did not have immediate-- We were not aware that we had an immediate failure. So when you look at the accident on March 24, as Mr. Gardner said, this was a case of a curve worn rail that abutted a recently -- a six-week-earlier put in frog, having a step. It was a quarter-inch step. And the inspections on the step said it was within spec, and it was probably towards the outer, but it was within spec at that time.

SENATOR GORDON: I do believe we covered this at the last hearing.

ASSEMBLYMAN AUTH: And with regard to the one on April 3?

MR. NAPARSTEK: The one on April 3 was, again, that Mr. Santoro would not have. But, again, our inspection reports show that it was at a spec of 58 -- the gauge of the track being 58 inches. The inspection showed it as 57.75. At some point between inspections the -- and this is why it became a tie issue -- the fastening system essentially gave way with the weight of the train -- spreading, which caused a derailment. So neither Mr. Santoro, nor us, had records that would have shown this being an immediate issue. It was towards -- noted in the inspections it was towards the high end of the spec, but still within spec. We would not have expected a derailment.

ASSEMBLYMAN AUTH: Finally, would you be able to share the information with the Committee? Because you said you did share it with Mr. Santoro.

SENATOR GORDON: We had covered this the last time they testified before our Committee.

ASSEMBLYMAN AUTH: Okay, thank you.

SENATOR GORDON: Thank you, Assemblyman.

ASSEMBLYMAN McKEON: Thank you, both.

SENATOR GORDON: Gentlemen, thank you very much for being here. We appreciate your input, as always.

At this point we're going to call up representatives from the PATH system.

ASSEMBLYMAN McKEON: The mayors?

SENATOR GORDON: I think PATH is on a deadline as well.

ASSEMBLYMAN McKEON: What is PATH's deadline? We have a lot of mayors here who want to say a word or two.

SENATOR GORDON: As a former mayor, I'm very sensitive to the fact that they're--

SENATOR WEINBERG: Why don't we bring the mayors up first?

ASSEMBLYMAN McKEON: Yes, let's--

Can we take another 10 minutes of your time?

SENATOR GORDON: Our understanding is this is going to be a relatively brief presentation. So let's hear from the mayors.

ASSEMBLYMAN McKEON: Mayors, I know we have four seats up there, and then we'll take three at a time -- three seats, three at a time.

If everybody could please clear the conference room. If you have conversations, take them outside. The mayors have been very patient in their waiting to say a few words.

The dean of the group, Mayor DeLuca, from Maplewood, if you would like to start.

MAYOR VICTOR DeLUCA: Thank you, Mr. Chairman. Thank you, Senators and Assembly members, for giving us the opportunity to talk about this. This is the hot-button conversation in our community.

My name is Victor DeLuca. I'm the Mayor of Maplewood, in Essex County. We have roughly 2,500-plus commuters every day on the M and E Line going to and from New York City and Hoboken.

First off, I just want to say that there's been no communication with the mayors, no communication with any municipal officials about this

plan. There's been no opportunity for us to give input. It's just been-- We found out about this when you found about it, at the press conference last week. My colleague, Village President Sheena Collum, from South Orange, and I wrote a letter to Transit and tried to get a series of meetings going. You heard the cold shoulder we got yesterday.

I'm also a 25-year rider of the rails up until a year ago when I retired. I rode the rails every day to and from New York, both from Maplewood and Newark. I know the rail system very well. I have been in all those diversions on occasion to Hoboken, and had to move up and down the stairs and in the tunnels to take the PATH train.

This proposal is not an equitable proposal. It is just flat-out wrong. It is unfair to pick on one line and the 23,000 people on that line and say, "You're lives are going to be tremendously disrupted." That disruption, quite frankly, is not going to be made up by the reduction in the fare. That will help, but it will not make up for the lost hours and time with their families, with their children during this eight-week period.

We understand that this work has to be done. We support this work. We want to see it done because we want to have integrity to the system. Our communities rely on a system of transportation to New York City in order for people to move here. If we didn't have the train, our towns would not be booming, so we need the train. This is a marriage that we need going forward.

Let's talk about this. We have not received any information. Even this morning, the information that you heard from Mr. Santoro, quite frankly, is incomplete and confusing. Now we're hearing that there are some shoulder trains that are being proposed. We don't know what they

are. We'd like to know more about that. We'd like to know more about the cross-honoring. Is it going to be cross-honored at every station or just 33rd Street? What about 23rd Street, 14th Street, Christopher Street Station of the PATH? Are we going to cross-honor there to allow our commuters, who are inconvenienced, to go to Hoboken to get to and from, and move around in Manhattan easily? Is the Midtown Ferry going to work? We heard it's going to be in September. Are we pushing it up to July? Is that going to be adequate to take passengers over? What about the other side? The only thing near the ferry terminal is the 7 Train. How are we going to get on? Are they going to get on those buses and have to cross at least a few blocks before they can get to the regular subway stations?

What about the buses? We've heard there's going to be more buses from South Orange, which is a good thing. But what about other buses, what about other train stations? There may be people in my community who would like to take the bus. We'd be interested in talking to Transit. If they had come to us about setting up bus stations, setting up Park and Ride stations, and doing something proactively -- when the strike was on the table a few months ago, we had all these contingency plans ready to go. This is more important than then, because we have time to plan. We know what's happening now. This is not just a hit or miss. We know on July 10 there's going to be a disruption. The transfer at Newark Broad Street is unclear. How many trains? How many of the cars -- the Light Rail -- how many people can we handle on that? How many buses can we get? I think Senator Ruiz is right. What's the disruption in Newark of sending buses back and forth from one station to another? Are our commuters actually going to be able to do that?

I use the comment in the paper today about the fairytale of sending everyone to Hoboken. It is a fairytale. We heard, from one of the questions of the Assembly members here, about how many people now go to Hoboken on the Main Bergen Line, Pascack Valley. And I believe the response was 7,000 commuters. Then we also heard that another 7,000 commuters are going to be coming to Hoboken on the M and E. There is no way Hoboken can handle another 100 percent of commuters. Mr. Santoro talks about the safety issue of the Northeast Corridor patrons having to detrain and stand on the Corridor to wait for another train. Well, he either doesn't know or, even worse, is clueless about what a horror it is to transfer in Hoboken. These M and E trains are too large for the tracks. Many of them -- people will have to be going through cars. These are step-down platforms. There is no platform that goes up to the door. All this takes extra time. The stairs to get to the PATH and the tunnel to get to the PATH is horrible. The turnstiles are not adequate to handle all these people. Usually on a cross PATH honor, there's one person standing there letting people go through. I'd like to see how they're going to marshal their people to get to all these places to make this happen.

I don't think there's a sense of urgency here. I would urge you to get them to work with us to make sure that they have an adequate system and that they are prepared, at the local level and all these points -- the Newark Transfer Station, Penn Station, Hoboken, the ferries, PATH station -- that we have NJ Transit employees there who are going to be responsible. This cannot be like in Penn Station where they passed the buck. You can't believe, when you're at Penn Station as a commuter, and you go to talk to a Transit person, and they tell you, "We're just a tenant.

It's Amtrak." For these eight weeks, they have to take the responsibility and have their personnel at every one of these choke points to help our passengers, our commuters move through the system.

It is very, very disappointing how we've been treated, how we've been excluded. We need to change that right now and be included in the process, in the planning. It is inequitable, unfair, and it needs to be changed.

ASSEMBLYMAN McKEON: Mayor, thank you very much. I know Mr. Santoro is taking notes along with his staff. Hopefully that June 7 meeting can't come soon enough relative to working collaboratively with you on those very positive suggestions.

Mayor Collum.

S H E E N A C. C O L L U M: I could start by just saying ditto. I agree with my colleague. If he's the dean, I'm sure I'm the student. (laughter)

First, thanks to the Committee, because at the end of the day, this is what democracy looks like. The fact that you altered your schedule to have elected officials, mayors, and the people who are the most frustrated be able to come here -- and I know it's a long process. Kudos to you for the way that you're representing government right now.

I am Sheena Collum. I am the South Orange Village President. South Orange Station is the busiest station on the Morris and Essex Line, with about 4,000 riders a day, servicing not just my community, but also West Orange and Livingston. Last year was our centennial celebration of our South Orange Train Station. We had a roaring '20s party. I know some of you attended. The Station is the lifeblood of our community. As

we know, it is a tremendous asset and, for that, we are incredibly grateful. But with that comes an expectation of wonderful service.

We have a great bit of advocacy from our residents as well, because petitions have already been started. They are all over social media right now. I know a lot of the elected officials and agencies in this room are getting the change.org comments from our residents. So they are fully engaged in this process, and they are holding us to a high standard and, by extension, we are holding all of them to a very high standard.

Like most of the people in this room, including my colleagues who are mayors, and the legislative representatives who were with us yesterday, it's very clear what happened. I want to make sure that everybody is on the same page. We all watched a press conference. I texted this gentleman right here and said, "Did you know this was coming?" He said no. We emailed the other mayors. We were like, "Does anybody know what's going on here?" They said no. We mobilized. We confirmed a meeting for last Friday. That was postponed to this Tuesday; then it was postponed to next week. We saw this as nothing more than a delay tactic. Time, right now, is of the essence. If we want partnerships, we need to be able to work with NJ Transit. Sitting in that lobby was absolutely ridiculous, and I thought it was disrespectful. Thank you to Senator Weinberg for your suggestion. I do think an apology would go a long way for the people who took time out of their day, especially Mayor Klein -- who is behind me -- from Livingston, who adjusted patients he was going to be with that day as a doctor.

I'd like to also point out that the recent score card from NJ Transit -- that the Morris and Essex Line came in last with customer

satisfaction. So it feels like we're beating the people who are already beat up with all the amount of delays. We learned, in a two-part series, first how we would be directly impacted, nobody else; and second, the discount for the inconvenience. I just wanted to break down this discount for you. For South Orange, the average rider is going to be saving about \$5 a day. And no, I do not believe that the PATH is going to just be a 30-minute delay and the ferry will be only a 45-minute delay. Because if you actually look back at history, the last time the rerouting went into Hoboken, we had people a mile out waiting 45 minutes just to get to the platform. So let's not kid ourselves. We're not talking about 30 or 45 minutes. We are talking about an hour-plus for each one of our commuters.

Now, let's break that down also to what that means for the average family. For people who have children or are single parents and are used to a schedule, what does that \$5 a day mean? If they need to pick up their child at 5:00 or 6:00, and now they're not able to get back until 7:30-- So you have to think about the totality of not just people who are going into the city making big money and this is just an inconvenience. This is about jobs, quality of life, family time, and most importantly the time of travel. What provisions can be put in place? Quite frankly, I would say keep that \$15 million. This is a throw-away for people, because the time is what is of the essence. Take that money and put it towards the ferries to Midtown East, West, the provisions with bus services, not just to South Orange -- although I do appreciate that -- but to other communities as well, towards crowd sourcing, charter buses, etc. It doesn't mean enough for people to just have that \$5 back.

Last, but not least, I think we missed a great opportunity, but it is not too late. I am talking to you, Mr. Santoro. What was put out-- If you think about just basic good principles in government, is that you talk about the who, which we got: all of us here who are complaining today; the what: which also was spelled out by NJ Transit; but not the why; and certainly not the how. The why would have been explaining why it was just the Morris and Essex Line. I read in nj.com that it was a public safety issue. I can assure you that I would have been, as a mayor, one of the greatest allies to NJ Transit, because I'm not myopic thinking it only impacts South Orange. It's all of us. If this is a public safety issue, and this is the best way to remedy having these repairs being made, I would have been more than happy to explain that to my community the same way that you do triage when there's a state of emergency. But we weren't given that information of how to explain to the community why it was going to be our lines.

Next, now you get into the how: How is all of this going to work? Right now, time is of the essence. I can give you several examples of what communities can be preparing for right now. Just from social media, I got an email from a woman -- her name is Deborah Engel -- she runs Work and Play in South Orange, which is co-working for people to be able to work from home and have child care. She just sent both myself and Mayor DeLuca an email that said, "During this transition, should we extend our hours and offer discounts to families that need to have additional child care?" We could be planning with them. We could be coordinating with our parking authority that operates our jitney services to think about creative ways, as was said previously, on what we could do at the local level to support our communities. The list goes on. Creating a Facebook group

that is just SOMA commuters, where people can coordinate with each other on carpooling if that's a way to go. But right now we are literally weeks away from this taking affect, and we have not sat down to talk out the details.

Last, but not least, it was said, in nj.com, by a Transit official that this is all non-negotiable. I think that is utterly ridiculous. I ask this Committee to call upon Mr. Santoro and NJ Transit, since they are saying it was their decision, to make a commitment to sit down with myself and my colleagues on the Morris and Essex Line and have a real conversation about what can be done, between now and July 10, so that we can achieve what I would like to believe are our collective goals, not just for our individual municipalities, but for everybody who is going to be impacted on that Line. And I would very much appreciate this Committee advocating to him today to meet with us as soon as possible, and not just brief us on what they came up with, but work with us as partners as it should have been from the beginning.

Thank you.

ASSEMBLYMAN McKEON: Here, here.

Mayor Conley.

MAYOR ROBERT H. CONLEY: Tough act to follow.

Mayor Conley, from the Borough of Madison.

Madison's proud heritage related to the train -- "The Rose City," enabled because of the trains. The future of Madison is the train. As families from Hudson County move out to Paterson, because they're on the train line and offer great quality of life-- I think all of the mayors in this room will probably -- if they had to make their list of top five things that

really bother mayors, two of the top five will always be surprises, when you're blindsided; and things that affect quality of life for your residents. This touches on both of them.

Talk about the communication-- I've been Mayor -- I'm in my second term. I would get calls from the Governor's Office telling me a grant is coming through -- nice to know, but I found out about it already. I'd get calls about an education funding program, which we knew was not going to work. They were nice enough to call me and tell me what a great thing for Madison-- There was not a single call about this disruption. I found out from a New York media station host. And that is embarrassing, not only for me as Mayor, when I have to explain it to the residents, but -- and I feel sorry for NJ Transit to be put in this -- but it's embarrassing for the state. It's tough to be out in the street and say, "I just found out, and you found out at the same time."

We had conference calls in the days after Sandy -- and this is certainly not at that level -- but why couldn't a conference call -- get this feedback ahead of time; would have been very advantageous. I could have been out there explaining it to our residents. I could have had town hall meetings to explain what's going on.

There is no denying that Penn Station, the busiest Station in the Western Hemisphere, is a mess from the tracks, to the concourse level, to even the basketball team that plays above it all. And the Garden somewhat caused a lot of those problems there. But it is a challenge we must attack, and we know there's going to be pain as we attack it. It's ironic that we were -- as Assemblyman McKeon mentioned -- could have been a year away from a new tunnel opening up. The ARC was not a

perfect plan, but it would have given NJ Transit its own tracks and complete -- our own control; an interesting concept that would have gone a long way.

I have managed capital projects, and I understand it is never easy. People will always feel the pain, whether you're paving a road or maintaining a railroad. When we do things in Madison, we don't pave a whole neighborhood at the same time. You've got to spread it around town, because otherwise disruptions are all in one part, and that cannot happen.

Our residents may somewhat appreciate the fare decrease, but it's all about quality of life. Summertime, when you're children are home from school, you're losing at least an hour each way on the train because of disruptions. That fare decrease will not go too far. I'm also very concerned -- and I think we need to look into it -- that NJ Transit's proposed one level, the Governor extended -- said, "Let's go even further" -- and it's going to be Fiscal Year 2018 deficit. That happens to be a new Governor stepping in who will have to clean this up. Will that be passed back on to our commuters? We can't afford to do that.

We've heard the concept of spreading the pain across multiple lines. I did hear from NJ Transit why they chose the Morris-Essex. I'm not completely convinced of that. If you look at the NJ Transit website right now, the first lead is: Morris-Essex Line, no Midtown Direct. And if you look at every other line it says, "minor changes, minor changes, minor changes. No Midtown Direct for Morris-Essex." That is a major change.

It was great to hear about the four trains in the morning that will go directly into Penn Station. I guess on the way back they're working their way through Hoboken. Again, quality of life. So you can understand

the frustration we have here. The mayors sitting behind us can get a little skittish because we are the point people. We are the ones who are in Stop & Shop, and walking through downtown -- and they say, "What are you going to do about this?" The first thing we have to say is, "We just found out about it."

And so, as we get through this nightmare, I just hope the Morris-Essex Line was just not a place to be little *problems along the train line* type of thing. So let's get it straightened out. And in the future, let's get much better communication going.

ASSEMBLYMAN McKEON: Mayor, thank you.

All three mayors, your towns are amazing, and you're people are very well represented by each of you.

Thank you for being here, and your patience. We're going to be in close touch.

MS. COLLUM: Thank you.

MAYOR DeLUCA: Thank you.

MAYOR CONLEY: We appreciate your work.

ASSEMBLYMAN McKEON: And I hope NJ Transit will as well.

Please, the next panel. Mayor Taylor, Mayor Dougherty, Mayor Radest.

MAYOR LESTER E. TAYLOR III: Good morning, Mr. Chairman.

I am Lester Taylor, Mayor of the City of East Orange, New Jersey. I am going to be brief, and incorporate, by reference, the comments

of my colleagues, in substantial part, with respect to this planned outage and disruption of service.

I would refer to the adage that I was taught as a child that poor planning on your part does not constitute an emergency on my part. Unfortunately, the poor planning of both Amtrak and NJ Transit constitutes an emergency on behalf of tens of thousands of people, constituents of our respective towns, as well as commuters that utilize the service provided by these entities.

In East Orange, we have about 1,800 daily commuters who will be disrupted at two of our train stations: the East Orange Train Station and the Brick Church Train Station. There is an article on nj.com that was posted a few hours ago talking about 18 or 19 different booming towns in New Jersey. Some of those towns are represented today by mayors. And the common thread and theme in all of those towns is transit, train stations. And so for this service to be disrupted in such a manner, with absolutely no respect or recognition of the elected officials who could be partners with these agencies, is really appalling.

When I sat here and listened to Mr. Santoro say that he had no time to hold hearings, he prefers not to answer questions, not to get into details-- When I heard a blanket statement that, "An update will go out shortly," with no specificity -- no exact timeframe that affects people's lives, I just thought of the word *arrogance*. And I say that personally and professionally: *arrogance*. It is utterly disrespectful to every elected official up on this panel, as well as every elected official in this room, and all of the customers that they serve, to provide absolutely no communication to our respective towns.

There is a book-- I heard about the class trip. I would suggest that a homework assignment be issued to Amtrak and NJ Transit. It's a book that I have required all of my directors to read. It's titled *Raving Fans*, by Ken Blanchard. I would humbly suggest that these individuals read this book, because their customers are going to be outraged fans with respect to how they have been treated along this process. There are people, there are working families in the City of East Orange, there are students, there are children who will be disrupted exponentially, and we need to have answers and communication so that the respective municipal governments can work to provide wrap-around services to try to make this disruption the least intrusive as possible in people's personal lives.

Thank you.

ASSEMBLYMAN McKEON: Mayor, just very briefly, you sent a representative yesterday to the meeting that didn't take place. That representative mentioned that your firefighters routinely carry non-ambulatory individuals up to the train platform because the elevators don't work. Can you confirm that?

MAYOR TAYLOR: Assemblyman, thank you for that question. That is absolutely true. At the East Orange Train Station, the elevator service is inoperable; it has been for years. I have an inch-thick packet of information that is a representative, demonstrative sample of documents that have been exchanged between my administration, which started January 1, 2014, to date, regarding critical infrastructure repairs needed not just on the rail lines, but on the physical platforms and structures at each train station. There has been response but, quite frankly, all too often it's too slow. I'm reminded of a letter I wrote to Transit about two or three

months ago. I guess in that letter -- I hate to use the word *threatened* -- but I threatened to write a letter to the Governor to, I guess, get their attention with respect to the needed repairs at our train stations. I don't know what that letter would have done, but it got Transit's attention.

The next day, a representative for Transit showed up to my office unannounced, requesting to see me. Now, I know I'm only a mayor of the second largest city in Essex County, I know I only have a thousand employees, I only have a budget of \$140 million, and I have 65,000 constituents that I'm responsible for. But I made time to meet with that individual to try to advert having to go to the Governor's Office to get attention. I find it just utterly disrespectful to every mayor in this room that all these suits behind me, taking up about a quarter of the room on my right, your left -- it looks like a scene from *The Matrix* with all the black suits coming after Neo -- that they couldn't send one of them down to meet with these mayors to let them know that the issue was being addressed.

SENATOR GORDON: Mayor, with your permission, we'd like to add that document to the Committee record.

MAYOR TAYLOR: Permission granted.

SENATOR GORDON: Thank you.

MAYOR TIMOTHY P. DOUGHERTY: Good afternoon, Chairman Gordon, Chairman McKeon, distinguished Senators, and distinguished Assembly members.

I am Mayor Tim Dougherty, Town of Morristown in Morris County. Those who know Morris, Morristown is a very hopping community, and the rail line is an important aspect for our growth.

I'm going to keep this very brief. I want to thank Mayor DeLuca and Mayor Collum behind me who really are the frontrunners who started this whole ball rolling. As I got communication from them right after this was announced-- They really took the ball and have been the frontrunners in this, and we're kind of following their lead. They've got a lot of people now interested and on board in making sure this is done the right way.

There are only a couple of things I want to point out. One is: Obviously, I agree with all of my colleagues, and I agree with what I have been hearing from the panel, which is communication lacked in this, and that's key. If they had a good firm that was able to communicate to the rail line towns, this wouldn't be as big an issue. It's going to be a disruption, it's going to be painful, but there are a couple of things that are learned here, sitting listening to these executives from Transit and Amtrak talk to you guys.

One is, clearly these two agencies don't talk to each other. It clearly is a security -- and an issue for the riders of all the Transit-- If our tracks are in this type of disrepair, what are we looking at in the future? The cost to repair these tracks, obviously, is astronomical. We've heard the cost publicly stated here just for 20 miles of track for one repair -- for infrastructure improvement -- is \$450 million, if I heard it correctly.

So there are a lot of things on the table here that have been exposed in a very short period of time. I am sure that our Senate and Assembly are very clear in understanding that our infrastructure in the State of New Jersey, with Transit, needs a major overhaul. Obviously, what goes with that is finance. Hence, now we're stuck in the same place we were

yesterday. I don't know if there is enough time for Transit to get this communication out to the towns that need it. I think that there are several mayors who are willing to roll up their sleeves and work with NJ Transit to make sure that this message gets out, and it's clear, and there's a program that can go forward.

My two concerns are this, and I will end: In any kind of operation, there has to be a contingency plan within the timeframe that they're saying this is going to be completed. What my question would be to NJ Transit and Amtrak is: Have they calculated any shortfalls or pitfalls that they could encounter in this time period where the two months could turn into three months or four months? Because unforeseen things happen all the time in operations and construction, and infrastructure upgrades. So that would be my one concern. Are we hard on the date? Are we hard on the timeframe when this is going to take place, or is there a contingency -- "Well, come September, we may have to go to October 3, because we didn't get to this point"? So we really have to be clear on the timeframe.

The second thing is what I mentioned to the Assemblywoman before the panel started -- was security. There hasn't been much talk -- it was briefly touched on by NJ Transit -- that they will systematically point to different places to put security levels at a higher visibility. But when you put that many people going into one area, and it's in Hoboken, I don't know how-- I'm pretty sure you guys pay really good attention to what goes on nationally and all over this world. But large crowds in outside places is not a good thing these days. And I think that security -- and I think the Senator brought it up -- it has to be really important that we take a look at the security part of what's going to happen here in the disruption. You're

going to be putting a lot of people in one place trying to get to another place. And it's not just a couple of thousand, it's thousands of people. And I think that's something that really needs to be looked at and taken into consideration by NJ Transit, and Amtrak, and you guys -- on how this is going to move forward.

I think the key is if NJ Transit just has their people start communicating -- and I'm going to put it on the back of Mayor DeLuca and Mayor Collum, because they seem to be the frontrunners in this -- sorry guys -- but we're going to follow their lead. Hopefully, we'll get this right over the next couple of weeks, and all of our constituents will be ready to deal with this, as the Chairman said, *summer from hell*.

But we appreciate you guys holding this hearing, and we appreciate that Amtrak and NJ Transit are taking a little heat today. But I think it's a necessary heat that's deserved because of the communication lag. We look forward to getting this right.

ASSEMBLYMAN McKEON: Thank you very much, Mayor.

Mayor Radest.

MAYOR NORA RADEST: Yes, Nora Radest.

Thank you very much, Senator Gordon and Assemblyman McKeon, for holding this today. I really appreciate it.

I, first of all, just have to say I agree with everything the other mayors have said. There's really no need for me to repeat what they said. I'm looking forward to having the meeting on June 7 with Transit. I hope that they have many more details. There's a lot of confusion still, for all of the reasons that Mayor DeLuca and President Collum said. I hope they put it in writing, have information for the mayors and representatives when

they walk in the room. I mean, there was an explanation given as to why the Morris and Essex Line is the line being diverted, but quite frankly I don't think it was a clear explanation. If it is the answer, and it's the only right answer, then they should be able to put that on paper. Theoretically, it should be on paper already. So I think they should have that for us when we arrive.

My biggest concern before I got here was communication. I thought I would feel better; I feel worse. It is just astounding to me to listen to the lack of communication between these two agencies. So that has to improve. And I, as one mayor, and all the other mayors would be more than happy to try to help get the information out to our constituents. We have lots of ways to do that.

The last thing is: As you go about doing this work, gentlemen, I just implore you to understand that you're dealing with people's lives here, and their livelihoods are at stake. Some of them are wealthy people flipping into Wall Street, others are just dishwashers and people who work really hard. This can have a serious impact on their lives.

I think it's communication and just understanding that it matters. This really matters to people. My colleagues have said everything so eloquently that there is no need to take up more of your time.

Thank you very much.

ASSEMBLYMAN McKEON: You were all very eloquent.

Mayor Taylor, your family would probably be happy, but the people of East Orange are going to miss you as far as your service. But I know you'll be around for a long time in other capacities.

MAYOR TAYLOR: Thank you, sir.

ASSEMBLYMAN McKEON: West Orange does have the best St. Patrick's Day parade. (laughter)

MAYOR TAYLOR: I don't know about that.

Chairmen, thank you very much.

SENATOR WEINBERG: Thank you very much.

ASSEMBLYMAN McKEON: Thank you.

SENATOR GORDON: Thank you.

Do we have any more?

ASSEMBLYMAN McKEON: Last, but not least.

DEPUTY MAYOR JODI ROSENBERG: I'm Jodi Rosenberg. I'm the Deputy Mayor of Millburn.

We have two train stations, Millburn and Short Hills, and about 20,000 residents. And like the other mayors here, I have to deal with the quality of life of our constituents.

ASSEMBLYMAN McKEON: Deputy Mayor, grab a microphone.

DEPUTY MAYOR ROSENBERG: The quality of life this summer is going to be hellish. And we, too, have many people who are going to be not appeased by a few dollars off on their train fare. They want to know that they're going to get home.

As Assemblywoman Munoz said, we need communication, we need coordination, and we need completion. But I'd add another C, which is consideration. I cannot imagine the lack of consideration when you have Governor Codey, Assemblyman McKeon, and many of us yesterday, and they couldn't even come down. We were like solicitors who were getting thrown out of the office. It was really interesting how there wasn't even

any-- And the answer we got today was, "Today was a better day to talk to you about it." But I don't think we heard anything today that made us feel any better. I'm embarrassed to go back to Millburn and tell people, "I really don't have a good reason why they picked on us. I'm really not sure why our lines are affected. I really don't have any good reason." So there was really a lack of consideration. I really would hope that, if there is any time to make any tweaks here and there -- but I'm getting the message that there isn't; that you are just letting us sit here and vent. But other than that--

I appreciate, though, that Maplewood and South Orange have led this charge. They will not be quiet. I will be happy to stand behind them and join them in their efforts, because you have to consider us. In addition to the Mayor of Livingston, who had scheduled his livelihood, is scheduling patients, and rescheduled yesterday; I, too, have clients, as an attorney, that I moved around as well. So you took money out of my pocket by making us sit there and not work yesterday. That's not considerate.

We're elected officials. We spend a lot of time. We appreciate, again-- And we appreciate PATH letting us speak ahead of them, because we didn't get to do things-- But I have to go to a marriage back in Millburn. I appreciate your time. Thank you for everything.

ASSEMBLYMAN McKEON: Thank you, Mayor.

A sincere thanks to all the mayors. Hopefully beyond that June 7 meeting, which I will certainly be in attendance at, we can get some written questions, ideas, thoughts ahead of time over to NJ Transit so that can be as productive as it is. And we're also very hopeful that after today's

hearing, there may be some alternatives that they're thinking about to help us in some way ease the burden on our commuters. So thanks to all of you.

SENATOR GORDON: Let me add my thanks also. As a former mayor, I appreciate the heat that you're getting from your constituents. I think they all can feel very well represented here through your appearance.

With that, I'd like to call up our representatives from the PATH System. We have with us today Michael Marino, the Director and General Manager of PATH; as well as Deputy Director Clarelle DeGraffe.

Mr. Marino, Ms. DeGraffe.

SENATOR RUIZ: Chairman, can I just, while they're getting settled, make a--

SENATOR GORDON: Sure.

SENATOR RUIZ: On behalf of Mayor Ras Baraka, I think there was a scheduling conflict for today. But as these conversations continue to move forward, the City of Newark is very vested and wants to make sure they're at the table to express our local concerns.

ASSEMBLYMAN McKEON: We'll make sure he knows about the June 7 meeting, if he or his representative would like to be there.

SENATOR GORDON: Good afternoon, Mr. Marino and Ms. DeGraffe. Please proceed.

MICHAEL MARINO: Yes, sir.

Good afternoon, Chairman Gordon, Chairman McKeon, Senators, and Assemblymen and women.

On behalf of PATH and the Port Authority of New York and New Jersey, thank you for the invitation to again appear before you as you

discuss the planned repairs at New York Penn Station this summer and the impacts to transit riders.

My name is Mike Marino. I'm the Director and General Manager of the PATH Rail System. I've been in this role since 2015, and prior to that I spent 43 years in the railroad industry in the trans-Hudson community.

With me today are Deputy Director of PATH, Clarelle DeGraffe, to my right; and Kevin Lejda, our Assistant Superintendent of the Transportation Division of PATH to my left.

PATH, as you know, is a 24-hour, 7-days-a-week transit system, and is a vital trans-Hudson link for residents, commuters, businesses, and visitors. We are the second densest railroad in the nation in terms of riders per mile. We carried approximately 19,000 riders per mile in 2016. Last year, PATH served 78.6 million passengers. This year we expect to carry about 81 million passengers.

Over the past few months, PATH has experienced substantial ridership growth, which we attribute, in part, to the recent rail incidents that have occurred at New York Penn Station. The Uptown PATH lines run to 33rd Street in Manhattan and do not utilize Penn Station or its tracks. As a result, they provide a service alternative when there are disruptions at New York Penn Station.

Our ridership increases have held over the past several weeks. System-wide average daily ridership so far in May is over 286,000 passengers, more than 5 percent above ridership levels at the same time last year. Some days our ridership is as high as 295,000 people. That's an indication that some of my colleagues' riders -- NJ Transit riders -- are

potentially already migrating to PATH in anticipation of Transit disruptions this summer. We expect that a significant number of new passengers will continue to ride our system into September, when the Penn Station work is scheduled to be completed.

We want you to understand that we have been working very closely with our partners at Amtrak, NJ Transit, and the Long Island Rail Road to provide travel alternatives for our customers once the New York Penn Station work gets underway. PATH has not played a role in developing the Penn Station outage plan, but is serving in an advisory role to better understand logistical needs and how to adjust our own operations to provide extra service, where possible, to help meet the challenges this outage plan will present.

Based on current ridership numbers and the details of the plans issued by NJ Transit, Amtrak, and the Long Island Rail Road, we expect the Newark and the Hoboken PATH stations to be the most heavily affected. At this point, we're preparing for an additional 7,000 weekday riders to enter our PATH Hoboken terminal during the morning and evening peak hours. Currently we serve about 15,000 riders at Hoboken during the weekday peak morning hours.

In order to meet this increase in capacity system wide, PATH has been developing an operational plan that involves adding cars, and increasing morning and evening rush hour weekday service on the Hoboken to 33rd Street Line. We will be able to add capacity and run trains on that Line more frequently. Our other lines operating in New Jersey and New York will remain at current service levels. We plan to cross-honor affected

NJ Transit and Amtrak customers at our Newark, Hoboken, 33rd Street, and World Trade Center stations during the Penn Station service outages.

We are working on a plan to strategically deploy our passenger information agents at our terminal stations at Newark, Hoboken, 33rd St, and World Trade to assist passengers with questions, wayfinding, and cross-honoring. Additionally, maintenance staff will remain at key field locations up to 60 minutes longer than they currently do to respond to any car or signal problems during peak periods.

With additional ridership comes additional crowding; we understand that. While we can increase our service during the peak periods, our system is limited by the number of cars we have and our overall infrastructure maintenance needs. We encourage travelers to consider alternative travel options such as riding PATH to the World Trade Center and then connecting to one of 10 New York City subway lines; or, if their schedules allow, riding PATH outside of peak rush hour times, basically shoulder hours.

Commuters should be prepared to continue navigating the increase in crowded conditions that have been ongoing since April. In addition to ridership increases due to the Penn Station repairs, we are also experiencing rising demands for service from the substantial new residential development occurring near many of the PATH stations.

Make no mistake, this will be a difficult summer for everyone involved, but we are working diligently with our partner agencies to ensure ongoing coordination and alignment, and we will continue to work together to provide a safe and reliable trans-Hudson rail link for commuters, residents, and visitors throughout the summer.

I'm going to turn it over to Ms. DeGraffe now, who will provide an overview of our outreach and communications strategies to serve PATH riders during the service outages.

C L A R E L L E D e G R A F F E: Thank you Mike, and thank you Chairman Gordon and Chairman McKeon for inviting us today.

As Mike explained, we anticipate our ridership levels will substantially increase as we absorb the bulk of travelers displaced from their normal travel routes this summer. As a result, we're developing a robust marketing and outreach plan to help our new passengers understand how to best utilize our system to meet their travel needs. We will be updating our PATH website, which is www.panynj.gov/path; and putting out traditional media releases with the latest information, as well as tapping into social media outlets, such as Twitter, to promote service changes, cross-honoring procedures, and fare media options to both new and current customers. PATH also has a text and email alert system, *PATHAlerts*, which we strongly encourage all riders to sign up for, at www.paalerts.com, in order to get real time updates on service adjustments. Riders can also expect to hear updated information in stations and on trains when service adjustments start. Our marketing outreach efforts will start in the coming weeks, and customers can email PATHcommunity@panynj.gov for more information and specific questions.

We fully anticipate that this summer will be a difficult commute for PATH riders, but we're working each day to provide safe and reliable service, not only for our customers but for the thousands of additional NJ Transit riders we'll be hosting for the duration of this repair project.

KEVIN LEDJA: Thank you Clarelle, and thank you again, members of the committees, for the opportunity to participate in today's hearing, and to provide a brief overview of the work we're doing at PATH to improve service, safety, and customer satisfaction.

We'll be happy to answer any questions you have.

SENATOR GORDON: Thank you, all, for being here. Clearly PATH is going to play a critical role this summer.

After the April 3 derailment, I believe you were able, with very little notice, to accommodate an additional 50,000 passengers. That's what I've been advised. Here we're talking about just 7,000. Could you tell us a little bit more about what you did during that April period to accommodate such a huge influx of ridership?

MR. MARINO: Sure. I'll tell you that we were in complete communication with NJ Transit and Amtrak when that incident happened. A call was made for us to assist. We have a protocol in place with both railroads to assist immediately. Kevin Ledja is our Transportation Superintendent, and Kevin gets that phone call and starts modifying our operation plans. I'm going to turn it over to him to tell you how we did that.

MR. LEDJA: For the derailments over in New York, obviously the first one, I'll say, caught us more off guard than even the second. However -- and this is where NJ Transit has described some of their operational changes that are going to be taking place. What they did during the derailments were to divert the Midtown Direct trains to Hoboken, and that's because PATH can accommodate those customers there by adding trains during the rush hour, bringing folks to 33rd Street.

During the second derailment it was understood very quickly that we were going to have a period of time where we were going to have to cross-honor, and we set a formal schedule up each day, adding trains and frequency of service. But still, unlike the planned work coming up, there were a lot of unknowns even during that week of the second derailment, which we managed case by case. At least here we will have the ability to plan for it for the entire duration.

Specifically, we're putting together a schedule to add service on our Hoboken 33rd Street Line that will increase the number of trains between 7:00 a.m. and 10:00 a.m. from 23 to 35. That's about a 52 percent increase, and gives us the capacity to carry an additional 9,200 customers.

SENATOR GORDON: If I could just ask a question: Are you able to ramp up the number of trains now because of the installation of the automated train control, which allows you to run trains closer together? Has that been a factor in being able to do this?

MR. LEDJA: No, that's not in place yet. We use our current infrastructure. But because of the current headway near Hoboken 33rd Street Line, we can add to it. It will require additional car resources, which will be tight, but we'll be able to manage it.

MR. MARINO: We have 350 cars in our fleet. We average, on a normal day, running about 310 of those cars. We anticipate for this activity it will be about 320. And that keeps us within the FRA guidelines to inspect our trains in a 91-day period, and a daily peak period in each terminal that we start and stop at. So we believe, as Kevin said, that we'll

be able to pick up a lot of additional riders and basically almost mime what we did with the second derailment, as you stated.

SENATOR GORDON: We've had conversations here with you about your communications with NJ Transit. How would you characterize the communication between the two agencies?

MR. MARINO: Between us and NJ Transit, I think, is very good. I also would say the same thing about Amtrak. When this planning committee was put together, we were invited right away by Amtrak and NJ Transit to participate in Penn Station with all of the phase planning that was going on as to the work, and where we fit in. We were advisors to that, advising what we saw, what we believed, and what we felt we could offer to assist their passengers and Amtrak's passengers during this time period. So I believe our communication-- We know everyone. We've all worked together in some of our lives with other railroads. And we have a direct line of communication. We actually even met two weeks ago to talk about the cross-honoring agreement that we're revising to meet this demand.

SENATOR GORDON: Will the influx of new riders mean a greater revenue for PATH or higher costs? How will the economics work out?

MR. MARINO: Well, we figure our costs to run the extra service with our coverage of manpower, maintenance people, police officers, and things like that -- we're looking at probably about \$550,000, during this time period, extra that it will cost us. Based on the cross-honoring agreement, yes, we will get some revenue to that, and it might help that. But we have about a \$560 million (*sic*) cost that we have estimated to our financial people in New York.

SENATOR GORDON: Any other members of the Committee?
Senator Ruiz.

SENATOR RUIZ: The same question as a follow-up. Last year, during Gay Pride Weekend here in Newark Penn Station, there was really a lack of visibility of Port Authority Police. And the volume of commuters that were utilizing the platform were in large amounts. It was a different story when we got to New York. There was more visibility. I'm just, again, putting it on the table -- Newark Penn Station, we get many, many thousands of people coming through. I would suspect that the PATH here in Newark is going to become even more popular than what it is today. It is critical that Port Authority steps up its game as far as public safety is concerned. Because I don't know-- If you could, walk me through -- how is the determination made when an actual full PATH is at capacity? To an obvious person, you're not going to squeeze yourself in, but is someone also standing at the platform to say, "We can't take anybody else on."

MR. MARINO: Yes, we have passenger information people on platforms, specifically Hoboken and Newark. We will also -- to assure you, we will have police in Newark and in Hoboken, and up the avenue to 33rd Street, and downtown to World Trade Center. The police, right now, are reporting directly to me for this outage to ensure that we have proper coverage. They are part of our plan.

SENATOR RUIZ: Good.

MR. MARINO: When we see crowding issues, a call is made immediately to Kevin, who adopts a policy to get us out of that jam. We have a great security system where we can visually see every platform, every tunnel, every station, every stairwell. Everything that goes on in our

terminal is visually managed on a 24-hour basis by our security folks who are in line with Kevin's operation.

SENATOR RUIZ: That's good to hear. Last week I thought I heard it was 33rd that was closed for a little bit in Manhattan, and that we were asking people to board on 30th.

MR. MARINO: We closed the 30th Street entrance because we are under a capital improvement project there, so we moved them to 33rd. And that's part of our plan for this outage.

SENATOR RUIZ: And that will still remain during this timeframe as well, just as a point of extra congestion?

MR. MARINO: Yes, it's completely out of service. The staircase, basically, has been half taken out, because it was unsafe to have customers on that.

SENATOR RUIZ: Thank you.

ASSEMBLYMAN McKEON: Thank you.

Thank you, all, very much, especially for your patience with the--

SENATOR RUIZ: I think the Assemblyman has a question.

ASSEMBLYMAN McKEON: Oh, sorry.

ASSEMBLYMAN ZWICKER: I just want to follow up.

ASSEMBLYMAN McKEON: Go for it. As a matter of fact, you can Chair because I have to step out for a couple of minutes.

ASSEMBLYMAN ZWICKER: Meeting adjourned. (laughter)

ASSEMBLYMAN McKEON: See, you can't do that.

ASSEMBLYMAN ZWICKER: I wanted to follow up with what the Senator was getting at a little bit. The numbers that you are stating are

pretty astounding. We're all clear that PATH is crucial to the plan. You are really the crux of everything. It has to flow through you, and it has to flow smoothly.

Going back to your testimony, I just want to follow up to make sure I understand. It's 15,000 riders during weekday peak morning. You're expecting an additional 7,000.

MR. MARINO: Right.

ASSEMBLYMAN ZWICKER: And you said it was going to increase the number of trains by a significant amount. So what is the total capacity of this line, this hourly capacity? Are you normally running -- at what capacity, and what capacity is this going to bring you to?

MR. LEDJA: I'll try to answer that question the best I can. Peak period, right now, with current service level at Hoboken to 33rd Street, we're at about 80 percent, I will say, between, let's say, 7:00 and 9:00.

ASSEMBLYMAN ZWICKER: Currently.

MR. LEDJA: Currently. That's with a seven-minute headway. We're going to improve that to every five minutes, but run that for an extended period of time while the Midtown Direct trains are arriving in Hoboken. And even though they'll arrive in Hoboken during the entire course of the day, and customers will then depart from Hoboken in the evening, once we're out of our peak period -- after 10:00 a.m. it becomes very manageable because there's a lot of capacity off-peak at PATH at that Station.

ASSEMBLYMAN ZWICKER: At peak you're at 80 percent now. And then you just said you're going to start to shrink the time--

MR. LEDJA: We're -- frequent service.

ASSEMBLYMAN ZWICKER: Right. So what percentage of your theoretical peak are you going to be at during the 7:00 a.m. to 9:00 a.m. period of time, 100? That's what I'm trying to get. Is it 100 percent, 110 percent?

MR. LEDJA: No, but we'll be between 90 and 100 percent with the additional service and the cross-honoring, if that's your question.

ASSEMBLYMAN ZWICKER: In your safety parameters and all of your metrics, what is the implication of running at somewhere between 90 and 100 percent every day from 7:00 to 9:00 for three weeks, let's say? Is your system really ready to handle that?

MR. LEDJA: On our Newark Line, every rush hour we get to that level of service. We have that level of ridership.

ASSEMBLYMAN ZWICKER: How about Hoboken?

MR. LEDJA: Hoboken, not quite as much. It will get there with this cross-honoring effort. With additional personnel, maintenance staff available, the additional trains, and public safety, we'll manage it.

ASSEMBLYMAN ZWICKER: I also heard anecdotally -- and I'm not sure this is true or not -- that during the summer, the heat often causes problems for the lines; sometimes your-- Do your delays, on a normal time -- is there a correlation with the season?

MR. MARINO: We've been maintaining 97 percent on-time performance for the last three years. Summer, for us, is-- We have all new rail on the outer perimeters outside of the tunnels, we have all new concrete ties, we have all new third rail. We concentrated on that three years ago. In the tunnels, we're in the process now of replacing rail. Our block ties, our tie plates, in lieu of the PTC project-- So we don't get heat situations

with our rail in the tunnels. And because we rebuilt outside between Newark and Journal Square, we haven't seen that in the last two years -- any heat problems with pull-aparts, or broken rail, or things that normally happen when seasons change.

ASSEMBLYMAN ZWICKER: So during the summer months you don't see a spike, an increase?

MR. MARINO: No, we've tried to maintain a 97 percent. The teams have done a fairly good job in doing that. We've maintained that.

Senator, to answer your questions about PTC, we are on target. As we stated to you a couple of months ago in Trenton, we have certification from the FRA in Section 1 of our territory already. We're now moving to Section 2, in two weeks, to cut that over. And we will make the end of 2018.

SENATOR GORDON: My impression is that you're at 97 percent for performance. And your ability to operate under high-temperature conditions, I think, reflects what happens when you make adequate investments over time.

ASSEMBLYMAN ZWICKER: I have one more follow-up.

SENATOR GORDON: Yes.

ASSEMBLYMAN ZWICKER: It's related to Senator Ruiz's question. You increase the number of trains. Will that allow the density of passengers during the peak to stay about the same? I'm thinking of crowding within the trains itself.

MR. MARINO: I'm not going to tell you the trains aren't going to be crowded. The trains are going to be crowded. But with the headways that we've developed to support this outage, we believe that the

trains will be crowded, but not to where you can't get on them -- if that makes sense. We honestly believe that we'll be able to move people quickly enough to not have a problem on the platforms with overcrowding, and to accommodate the additional people who are going to come onto us.

ASSEMBLYMAN ZWICKER: So people will be safe. They'll be standing.

MR. MARINO: They'll be safe and standing in the car.

ASSEMBLYMAN ZWICKER: And you don't anticipate trains -- the people on the platform should all be able to get on.

MR. MARINO: We believe that, and we'll monitor that. We'll have people on platforms just making sure everything that I'm saying, and Kevin's saying, and Clarelle's saying is manageable. We will be there all the time.

ASSEMBLYMAN ZWICKER: Thank you.

SENATOR GORDON: Senator Ruiz.

SENATOR RUIZ: Just one follow-up. I keep hearing cross-honoring. I heard it from a couple of you in your testimony. Can you just clarify, because I learned this when we went on the trip. When an agency is going to cross-honor, it's when the other respective agency calls and makes that request. Is that correct?

MR. MARINO: Yes, NJ Transit will call us; or when we have an issue we call NJ Transit.

SENATOR RUIZ: Right. You mentioned cross-honoring. What exactly is going to be cross-honored? Who, I should say? What type of ticket and what passenger exactly would be cross-honored during this timeframe -- which I would suspect NJ Transit's not going to call every day

unless there's another critical issue. But who is going to be cross-honored during this timeframe?

MR. MARINO: It will be us. We'll be cross-honoring NJ Transit and Amtrak customers during this timeframe.

SENATOR RUIZ: Which NJ Transit customer, do you know?

MR. MARINO: Well, it will be the Midtown Direct people.

SENATOR RUIZ: So it's everyone.

MR. MARINO: Basically everybody who travels Newark, 33rd, World Trade Center.

SENATOR RUIZ: That's good. So if I'm at Newark Penn, and I'm on the Northeast Corridor -- and this is just to get a nod from NJ Transit, because I don't think you'll be able to answer it -- and there is an issue, I can hop over to the PATH?

MR. SANTORO: Can I have someone from my staff--

SENATOR RUIZ: I'm not sure if you guys want to do this or you want to wait until later, but it's a question.

SENATOR GORDON: If we can wait until later.

MR. SANTORO: It would be better that we answer that.

MR. MARINO: I think it's better for them, because they're going to ask us.

SENATOR GORDON: We'll raise that issue a little later.

MR. MARINO: I'd like to just mention one thing while I have you all here.

SENATOR GORDON: We're here for a while.

MR. MARINO: Okay, I know. We're trying not to be if we don't have to. (laughter)

We're growing because of what's going on around us, development wise. We just need some help in getting the developers to at least discuss their plans with us, because our growth is what they're selling. They're using PATH. If you ride our trains and other trains, you see, "Live here, because PATH will get you to the World Trade Center in 12 minutes." We need some help from the developers in maintaining the service that makes sense for the trans-Hudson community.

SENATOR GORDON: I'm really so glad that you mentioned that subject, because one of the things I'm looking at now, legislatively, as a new priority for me -- and I've asked the Office of Legislative Services to investigate that -- is impact fees to be paid by developers in defined areas like a Hoboken or a Jersey City, where there has been a tremendous amount of growth and apparently very little attention by the development community as to the impact that has on infrastructure. I'm told that actually, I think it was in 1989, there was legislation approved by the Legislature -- *Transportation Planning Districts Act*, I believe it was called -- which already authorizes us to impose fees, based on an objective formula of some kind, to generate funds to be used in a defined area for infrastructure improvements. So I think perhaps we need to do some tweaking of that. I think it's maybe organized around counties now, and I think we may have to change that.

We are already allowed, in the suburbs, to impose on developers a requirement that they contribute to infrastructure if there's a *rational nexus*. I think that's the expression in the law. I think we need to do the same thing in our urban areas to capture the value increases in the property. And I think the development community, if they're interested in

maintaining the golden goose, should be supportive of this strategy as long as it's objective and the funds really are dedicated to infrastructure improvements. So I hope I can tell you that help is on the way.

MR. MARINO: Okay. That's great to hear. Thank you.

SENATOR GORDON: Just one other question: The focus has been on Hoboken. Would you be able to increase capacity if some of this traffic were diverted to the Newark Station?

MR. MARINO: Our plan is to run the service that we've been running out of Newark normally. Kevin and his team have what we call *gap trains* available in case we need to add more trains. You know Newark very well, I'm sure. We store our trains at South Street Yard, going out west from Newark. So we'll have trains available, cued up with crew members, based on Kevin's decisions to run them if we need to get them in there in a pinch. So we believe we'll be okay with any issue out of Newark.

SENATOR GORDON: Okay. At this point, if there aren't any other questions, I want to thank you all for being here and for the role that you're going to be playing this summer.

MR. MARINO: Thank you very much for inviting us.

SENATOR GORDON: We are going to hear from an organization that I believe has great potential to help us short-term and long-term with our trans-Hudson capacity needs. It's a mode of transport that I think has not gotten enough attention in our transportation planning -- and that is ferries. And we're very pleased to have with us today Armand Pohan, who is the Chairman of New York Waterway, which maintains a robust program of ferries from Hoboken and other places.

And I'm hoping you'll be able to tell us what you're going to do for us during the summer, and potentially long-term.

ARMAND POHAN: Right into it.

Good afternoon, Senator Gordon and members of the Committee. Thank you for inviting me to speak here today.

My name is Armand Pohan, and I am Chairman of New York Waterway, the largest privately owned and operated commuter ferry service in the United States. New York Waterway was started by my stepdad, Arthur Imperatore Sr., in 1986. We now operate a fleet of 31 vessels making over 8 million passenger trips per year. We operate this service between numerous points in New Jersey and points in New York, on the largest and cheapest piece of infrastructure in the Metropolitan Area -- God's gift to all of us -- the Hudson River.

Rivers may appear at first to be impediments to transportation, but ferryboats turn rivers into opportunities. There is no more expeditious method of providing short-term relief for trans-Hudson service disruptions than the use of ferries. This proposition has been proven time and time again in the past 25 years, as ferries have stepped into the breach created by massive disruptions of the public transit systems: the World Trade Center bombing in 1993, the terrorist attack of 9/11, the 2003 blackout, Hurricane Sandy, as well as innumerable smaller disruptions of NJ Transit and PATH operations.

The redundancy which ferries provide is well recognized by NJ Transit and by the Port Authority, and has been formalized into emergency services agreements with New York Waterway, which provide respectively for the cross-honoring of NJ Transit or PATH tickets, and for supplemental

ferry services upon request. Our NJ Transit cross-honoring agreement has been implemented on numerous occasions since Hurricane Sandy, and as recently as the Penn Station disruptions in early April. We are ready to help, and indeed committed to help.

Regarding the prospective disruptions to train service which might arise from emergency repairs to the Penn Station trackage system, there are two principal ways in which New York Waterway can provide relief. First, in the event that NJ Transit elects to divert passengers from Penn Station New York to Hoboken, we are prepared to initiate a ferry service, as we did briefly in early April, between Hoboken Train Station and our terminal at West 39th Street in Manhattan, from which terminal commuters would be able to access all five of our regular bus routes to points throughout midtown Manhattan. A two-boat, 15-minute service could accommodate as many as 1,800 passengers per hour, or a total of 7,200 seats in the four-hour morning and evening commutes. It might also be possible to add another two boats in the peak rush hour, which could provide an additional 1,600 seats. Furthermore, for rail passengers who conclude their morning commute to downtown Manhattan, we have over 9,000 available seats in the morning on our existing routes between Hoboken and our downtown locations at World Financial Center and Pier 11.

Second, in the event that NJ Transit were to institute additional bus service to replace train service, and to alleviate the already strained capacity of the Port Authority Bus Terminal to accept additional buses, NJ Transit could terminate additional bus routes or existing East Bergen/North Hudson bus routes at our Weehawken terminal, from which

we already provide a two-boat, 10-minute service to West 39th Street, with connections to Midtown on our five bus routes. That existing Weehawken service presently operates at far below capacity, even in the peak rush hours, and could accommodate an additional 6,000 passengers in the four-hour morning and evening commuting periods.

These crisis measures are well-known to NJ Transit, which already has engaged with us to explore their implementation in whole or in part. We look forward to continuing that dialogue and to help with the planning process.

Beyond the immediate crisis, I would be remiss if I did not take this opportunity to ask the Committee to consider that beyond short-term fixes, ferries can and should be an integral part of any long-term solution to the growing trans-Hudson commuter crisis. At a fraction of the cost of new bridges, tunnels, or other massive infrastructure projects, new ferryboats and facilities can be built much more quickly and cheaply to use the cheapest infrastructure of all, the Hudson River.

Members of the Committee, I thank you for your time and look forward to any questions you may have.

SENATOR GORDON: Thank you very much, Mr. Pohan.

Could you tell us about the discussions you've been having with NJ Transit about the impending demand for service?

MR. POHAN: Well, you know, this is not a new subject between us and them. They have inquired as to what our capacity would be; would we be able to initiate a two-boat service from Hoboken to Midtown. That's not a service that we presently run. We're actually contemplating starting one in September, but this may accelerate the pace

of that. They are well-familiar with our capacity at Weehawken, because we've cross-honored with them on many occasions at Weehawken before.

The way it works is that they come to us when they're ready to do something. They have indicated that they're exploring this. They have not made a commitment.

SENATOR GORDON: They haven't formally pulled the trigger.

MR. POHAN: They have not formally pulled the trigger. The existing cross-honoring agreement that we have with them would require a little bit of tweaking for a project that lasts this length of time. Because when it was done, we contemplated a one-day outage, a two-day outage. We're talking now about an eight-week outage.

SENATOR GORDON: How much advanced notice do you need to provide the additional service? I mean, I assume you have to get other boats.

MR. POHAN: Well, you know, for the existing service we need no-- You could call us two hours ahead of time and we're on the scene. For the two-boat service, a week or two would be good for us to have just because we have to make sure we've got crews available. It's not a regularly scheduled service. But in April when there was the derailment, on one day's notice we provided a one-boat service out of Hoboken in the rush hour.

SENATOR GORDON: Okay. Thinking longer-term about what you might be able to do for trans-Hudson capacity-- You estimate-- If the State made a commitment to expand ferry service, what could you do, how much would it cost? I know the issue with the ferries has always been the higher cost of service; and to be available to the general commuter

would require a subsidy. Could you comment on what the potential is for expanded ferry service?

MR. POHAN: Well, the potential is -- I wouldn't say unlimited; but the only limiting factor really is what the State -- what the public system is willing to do to enable us to compete in price with the private sector. We run a very nice service. It's not a cheap service. Some people can afford it; a lot of people don't think they can afford it. And we compete in terms of price with the public transportation system, which takes people into the city at \$2.75 on the PATH, roughly \$3.50 out of Bergen County on NJ Transit. And that compares with the cost of a monthly commuter fare right now of about \$6.70 per ride. Transit, obviously, gets funding from the State to make up that gap, because \$3.50 doesn't cover their cost, and \$3.50 would not cover our costs either. It would take political will to say, "Well, yes, it's a private operator, but we're doing something for the public service."

Beyond that, as far as building new boats -- it takes a year, 15 months to build a boat. We could carry a lot more people within the existing terminal capacity that exists at Weehawken and Hoboken. And the limiting factor really, right now, is price. In terms of a crisis situation, the public system steps up to the plate. They have to; they have no choice. But under ordinary circumstances, they don't have to do it. But when they run out of capacity, as more and more development goes on along the Hudson River -- partially our fault that it's happened, because it's made it possible-- But it's straining these systems, as you well know, Senator, at the Port Authority Bus Terminal, on the PATH system. And short of building a

third tunnel, the possibility of addressing that capacity with ferries is something that bears consideration.

SENATOR GORDON: We currently subsidize the PATH System. Are you able to compare the subsidy required for a ferry with the existing subsidy for PATH? I've heard that to accommodate, I think, longer-term -- something like 40,000 additional passengers -- the subsidy required to bring parity between the fare on PATH with the fare on a ferry would require a subsidy of \$15 million, as opposed to several hundred million dollars for PATH. Have I got that right?

MR. POHAN: That's about right. It would probably take a subsidy somewhere in the area of \$2.50 a person, 40,000 riders; that's \$100,000 -- I'm going to get my math screwed up here.

SENATOR GORDON: That's definitely less expensive than building a tunnel.

MR. POHAN: Oh, absolutely. If you take the amortization of the tunnel cost, it's around the (indiscernible).

SENATOR GORDON: How many boats do you have running now?

MR. POHAN: We have 31 boats in service at the present time.

SENATOR GORDON: At Hoboken?

MR. POHAN: At Hoboken, we presently run about six boats in the morning to World Financial Center and to Pier 11. We run no service at the moment from Hoboken to West 39th Street. That's the one that would be the supplemental service to take care of any overflow here from the PATH.

SENATOR GORDON: Have you done any analysis which compares the duration of the commute by ferry as opposed to by train or bus?

MR. POHAN: Many, many studies. It's going to be interesting if this service is implemented from Hoboken to West 39th Street, because the schedule for PATH is a 14-minute ride from Hoboken Terminal to West 33rd Street. If that's your final destination, you've got a 14-minute commute from Hoboken. If you're going to Rockefeller Center, or you're going to East 57th Street, because that's where you work, we can get you there faster actually. By ferry, from Hoboken to West 39th Street, would be about 12 minutes. But then we have buses that are right there. We run a ferry bus system in New York. People get off the ferry, they walk one minute, and they get on a bus that either takes them across 57th Street, 50th Street, 42nd, 34th Street, or Downtown. And that continuous connection will enable many people to beat the PATH time, because they'll get to their ultimate destination faster than they would by the PATH, considering that there's an additional leg that they'll either have to walk or take a subway to make that further connection. It's important to remember that to Downtown we run a ferry service; to Midtown we run a ferry-bus service. And that bus connection is an integral part of what people get for their commuting dollar.

SENATOR GORDON: Okay. Do we have any other questions?

Assemblywoman Munoz.

ASSEMBLYWOMAN MUNOZ: If I may; thank you very much.

A couple of questions: When you talk about the ferry to bus service, is that a one-ticket price? Do you get both for the same price?

MR. POHAN: One ticket for the ferry-bus.

ASSEMBLYWOMAN MUNOZ: When I was discussing this with my constituents over the weekend, many people want increased ferries to Midtown. I live in Summit, and I took your ferry many times when I worked Downtown. It's weatherproof, which is good, because you're not outside in the elements. I took it during really bad weather, and it's a very good service.

MR. POHAN: Thank you.

ASSEMBLYWOMAN MUNOZ: You said you're thinking about increasing the ferry service up to West 39th Street starting in September?

MR. POHAN: Yes.

ASSEMBLYWOMAN MUNOZ: You've done that on an emergency basis. Did you get a good response during that emergency basis?

MR. POHAN: We only did it for two days back in April.

ASSEMBLYWOMAN MUNOZ: Was there a large number of people who used it?

MR. POHAN: There was a fair number of people who used it, but I wouldn't consider it to be an adequate sampling, because a lot of people didn't know about it. It wasn't a good test.

We've done it before. We did it after 9/11, we did it after Sandy, and the response was very good when people had no other alternative. But when everything is back to normal, whether people will use it given the price differential, that remains to be seen.

ASSEMBLYWOMAN MUNOZ: To be clear, the pier is already there. You don't have to build anything to drop the people off.

MR. POHAN: We have six slips at Hoboken, we have six slips at West 39th Street. That is plenty of capacity. We could handle a lot more boat traffic than we do.

ASSEMBLYWOMAN MUNOZ: So if you were asked tomorrow to be part of a solution by the start date, would you be ready to do so?

MR. POHAN: Yes.

ASSEMBLYWOMAN MUNOZ: That's really important. Thank you.

SENATOR GORDON: Senator Weinberg.

SENATOR WEINBERG: Thank you.

Welcome. I know Armand is also a Council Member in the Borough of Fort Lee.

Just a moment, if I could give you a commercial. I know you won't mind. (laughter) The operators of the ferry system have been great citizens in the State of New Jersey. Every time we've had a crisis, you have been there, and you've provided service to people free of charge. I have a very good friend who worked at a Lower Manhattan hospital after 9/11. For months she could get to her work at the hospital free of charge due to the really good citizenship that you have all provided. So I just wanted to make that general comment, and thank you.

SENATOR GORDON: They pick up passengers when a plane lands in the River too.

SENATOR WEINBERG: That's true, too. I forgot about that. You're part of the movie that's playing on HBO this week.

MR. POHAN: The infomercial known as *Sully*. (laughter)

SENATOR WEINBERG: Thank you very much for everything else you always do.

MR. POHAN: Thank you.

SENATOR GORDON: Any other questions from the Committee? (no response)

Seeing none, thank you very much, Mr. Pohan.

MR. POHAN: Thank you.

SENATOR GORDON: I'm hoping that you'll be back before the Legislature in the future to talk about longer-term plans.

MR. POHAN: Great, happy to do so.

SENATOR GORDON: At this point, we're going to hear from David Peter Alan, representing the Lackawanna Coalition.

Mr. Alan, welcome back.

DAVID PETER ALAN: Thank you, Senator.

Good afternoon.

I am David Peter Alan, Chair of the Lackawanna Coalition. I live and practice law in South Orange, and I am involved with several other rail and transit advocacy organizations on the local and national levels, including 32 years with the Essex County Transportation Advisory Board. I am appearing only for the Lackawanna Coalition today. We advocate for better rail service, and have done so since 1979. Our constituents are the counties and towns along the Morris and Essex, Montclair-Boonton, and

Gladstone rail lines, and the riders who use those lines and other connecting transit.

I have also submitted, as exhibits, two statements that I made at the NJ Transit Board meeting two weeks ago, and a copy of the latest issue of our newsletter, the *Railgram*. All of these documents are pertinent to this proceeding.

Today, I am asking the management at NJ Transit to work with us, the representatives of the riding public, to make the impending disruptions this summer as painless as possible for our constituent riders. I also ask the members and staff of the Legislature, in particular, to use your power to oversee NJ Transit in the hopes that, in the future, NJ Transit's management improves its transparency and works with the representatives of the riding public, for our mutual benefit.

I have been riding the Morris and Essex Line for over 50 years, and conditions have never been this bad. The resentment from riders has never been this strong, even in the aftermath of Hurricane Sandy in 2012. You heard from mayors today. I have never heard mayors express this kind of dissatisfaction with our service. And, frankly, I have never heard so much unity among them. (laughter)

As we noted in the current issue of the *Railgram*, a sort of March Madness began on our railroad two months ago with a late-winter storm, and then the derailment on March 23 that disrupted service for almost a week. The madness continues, and it seems that there are more commuting days when there are major problems than when there are not. There are difficulties on the weekends too. And we know this madness will continue until at least the end of August.

We express our deep concern that Amtrak appears unable to keep Penn Station in a state of good repair; and that NJ Transit, whose riders comprise the vast majority of people who cross between New Jersey and New York on that railroad, seems unable to do anything about it. We especially express our deep concern that NJ Transit has announced the temporary eviction of Morris and Essex Line riders and some Gladstone Branch riders from Penn Station on weekdays. We will be sent to Hoboken for the duration. Even though NJ Transit's management and Board are fully aware that we -- and I mean the Lackawanna Coalition, but I think this also refers to our elected representatives -- represent the riders on these lines, we were never consulted about how the negative effects of this service disruption can be mitigated. We were never told anything that the general public was not told, and that amounts to very little. We are still working to establish a dialogue with senior management to learn more and suggest ways, if they could soften the blow on our riders; but the final plan will be announced only nine days from now, and that leaves very little time.

We also express our deep concern that riders on the Morris and Essex Line, and some Gladstone Branch riders, have been singled out to suffer all of the inconvenience, while other lines will keep the service they now have into Penn Station. It is an easy decision to place the entire burden on our riders, because we have Hoboken Terminal as an alternative destination and, frankly, we're glad we do. But NJ Transit still could have set some trains on other lines into Hoboken too, so our riders will not be forced to endure essentially 100 percent of the inconvenience.

We understand that peak-hour commuting can be difficult, but we cannot fathom why midday and evening trains on weekdays will also be

sent to Hoboken instead of Penn Station. During midday and late in the evening, there is one train per hour in and out from Penn Station; the same level of service that runs on weekends, when our trains will still live up to their title of Midtown Direct. There is only slightly more service during the early evening, so I don't see -- we don't see why these trains can't continue to go into Penn Station. If the current midday schedule is observed, but with all trains diverted to Hoboken, there will be two trains every hour in each direction, but running only five to 10 minutes apart. That schedule makes no sense.

We also do not know what arrangements have been made with PATH and the ferry operators to move the extra riders between Hoboken and Manhattan, even though we did learn a little more in the past hour. It may be necessary to pressure the PATH System to add Hoboken service. During the 1960s and '70s, there was a train every three minutes in each direction between Journal Square and 33rd Street, between Hoboken and 33rd Street in both directions. I would find it difficult to believe that PATH could not run that level of service this summer, but I certainly doubt that they would do it willingly.

So far, it appears that all decision makers have been trusting Amtrak to call all the shots: from scheduling, to resiliency projects, to long-term projects like Gateway. I ride the entire Amtrak System. I know it well. And I am usually very loyal to Amtrak, but Amtrak is having hard times and has failed to keep Penn Station in a state of good repair. It is mostly NJ Transit's riders, not Amtrak's, who use Penn Station if they are not going to and from Long Island. It is not only at Penn Station where Amtrak is experiencing major difficulties; it is elsewhere in the country, too.

Earlier this month, there was a service disruption on the West Coast for two weeks. Amtrak could have chartered buses to take passengers around the affected area but did not do so. I was caught up in that disruption and had to go from southern California to Seattle by going back through Chicago, so I could make it to Seattle in time for the conference where I was presented on a panel. If Amtrak saw fit to treat riders in the West that way, I find it difficult to trust Amtrak fully to make sure that our riders get the transportation we need, despite its intentions.

For almost 21 years, Morris and Essex Line riders have enjoyed the choice of going to Penn Station or to Hoboken. We resent being deprived of this choice. But this difficulty does create an opportunity to experiment with lowering Hoboken fares permanently, so it will be less expensive to commute to New York through Hoboken and on PATH than to go right to Penn Station.

It is also time to restore discounted, off-peak fares, which historically gave riders an incentive to ride outside peak-commuting hours, when there is plenty of room for them. If these two reforms are built into the fare structure, it will free up some capacity at Penn Station at peak-commuting hours, which will ultimately reduce the pressure there.

It is up to this Legislature to take the initiative and use its oversight authority. We call for strong oversight to make sure that NJ Transit is fully transparent in its decision-making, and that it works with the representatives of the riding public in a meaningful way. We call for the fair distribution of the negative impacts of future planned service disruptions, rather than choosing the riders on a single line to bear essentially all of the inconvenience. We also call on this body to repeal the

two-hour rule in the infamous Public Law 2016, Chapter 52, which gave NJ Transit the power to eliminate service by up to two hours on any line without giving notice to the public.

And I will be very frank with you. As our elected representatives, you complain today about secrecy on the part of NJ Transit, and yet you were presented with a bill, A-227, in the prior session, which would have required NJ Transit to give notice to the public whenever they were cutting service. And almost unanimously both of your Houses first changed that bill to give NJ Transit a blank check to cut service by up to 60 minutes at any time in secret, and then you increased it to two hours. Well, maybe now that the secrecy is not only affecting us, but it's also affecting you, you have a taste of what you set us up for. You have the authority, you have the power, you can tell NJ Transit to be transparent, to be open, to work with you, to work with us. I know all these managers at NJ Transit. I have no animosity toward any of them. I have open communication with many of them, or at least as open as they will allow. I know the problems they're under. I come to the hearings at the Budget Committees and talk about how underfunded NJ Transit is. They're having a hard time because they don't have the money to do what they'd like to do. But secrecy is not going to solve that problem. It's not going to give us better service. It's not going to give you the transportation that your constituents deserve. It's up to you. You have to tell them to be accountable; we can't.

As the representatives of the riding public, we stand prepared to work with Transit management to help them provide the best service they can for their riders -- and that's us, and that's you. We believe that

management also benefits when the riders benefit. We also acknowledge that we cannot do this without your help. We again call upon this Legislature to exercise strong oversight over NJ Transit for the benefit of New Jersey's transit riders and, ultimately, for the benefit of NJ Transit itself.

I'll be glad to answer questions.

SENATOR GORDON: Thank you very much, Mr. Alan. We appreciate your comments. You've made a number of good suggestions, and remind us of some things that we've done that may not have been well-advised. And perhaps we have an opportunity to revisit them.

We will have a new administration in a matter of months. The new Governor, he or she, will have an opportunity to take a fresh look at the way we're managing mass transit in this state. I know many of us want to participate in that process and work with you in trying to improve the quality of mass transit.

MR. ALAN: We definitely have to do that, Senator. I know that with a new administration coming, this is the time to lay a foundation for new legislation that will benefit the riders; that will give NJ Transit the funding it needs for the operating side especially, because that was cut by 90 percent from prior levels at one time; and to make sure that they are accountable to our elected leaders and to us as the riders on the system so everybody wins. And I would like to have your assurances that they, as the representatives of the riding public -- and that includes the Lackawanna Coalition, the New Jersey Association of Railroad Passengers, the Raritan Valley Coalition, and the more independent advocates like Joe Clift, who is in the back of the room -- that we can all work with you to make sure this

happens. We can't have a mistake like Chapter 52 again. We just can't afford it.

SENATOR GORDON: Thank you very much. I know you certainly have my commitment that this Committee will work with you and your colleagues.

Do we have any questions from any of the members? (no response)

Thank you very much for being here today, as always.

MR. ALAN: Okay. We look forward to it. Thank you for the opportunity.

SENATOR GORDON: And now, as our final witness, we're going to turn to Mr. Santoro, who has been patiently waiting and listening. We had a number of questions--

ASSEMBLYMAN McKEON: We left off with Assemblywoman Muoio.

SENATOR GORDON: --which were held in abeyance.

ASSEMBLYMAN McKEON: Straighten out; sleep nights, Assemblywoman.

ASSEMBLYWOMAN MUOIO: I'm bright and ready. Here we go. (laughter)

I forgot where I left off.

MR. SANTORO: If I may indulge, Mr. Chairman.

Related to one of the questions that was asked early on about fares and the evolution of the fares, the evolution of the final end product of a 50 to 63 percent reduction, I'd like to add-- You were asking me about the conversations between myself and the Governor. I just want to add to

that discussion, because I was possibly cautious about responding to one of your specific questions about what NJ Transit recommended in terms of the fare structure. (rumble noise)

ASSEMBLYMAN McKEON: That was a drum roll. (laughter)

MR. SANTORO: That was a drum roll, yes. It sounded like it.

SENATOR GORDON: Apparently, representatives of the Governor are here. (laughter)

MR. SANTORO: As I reiterated-- I will reiterate that the service plan developed internally and was presented to the Governor. What NJ Transit had proposed in this discussion with the Governor was a 25 percent fare reduction. We had studied increments of 5 percent -- from zero to 5 percent -- zero to 25 percent. We actually recommended 25 percent. The Governor asked for more information specifically related to the individual station fares, as I described to Senator Weinberg previously. His final recommendation or direction to us was a 50 percent reduction, which translates to 50 to 63 percent. The difference between the 25 percent reduction and the 50 percent reduction was about \$2.8 million. We ended up with the 50 percent reduction, which nets out between 50 and 63. I apologize for not responding earlier, but I wanted to make that clear before we ended this session.

SENATOR GORDON: So would that mean that the cost of the cross-honoring portion was about \$9.4 million, \$9.5 million?

MR. SANTORO: We can get into a little more detail about the breakdown of the \$15 million.

J A I B E L A P A T E L: Hi, I'm Jaibela Patel. I'm the Deputy CFO at NJ Transit.

The \$15 million is composed of approximately \$8 million for the discount and the fare differential that we're providing, and then there's about \$7 million for the cross-honoring costs.

ASSEMBLYMAN McKEON: How does that break down between PATH and ferry?

MS. PATEL: It's roughly about \$6 million for PATH and \$1 million for ferry.

ASSEMBLYMAN McKEON: And private carrier?

MS. PATEL: That doesn't include private carrier. That includes ferry services and PATH only.

ASSEMBLYMAN McKEON: And to the last piece of that -- and I'm sorry, Senator, but I think originally it was my question. What have you projected regarding the loss of revenue, over and above that, based on people who back up the Lincoln Tunnel every day for an hour-and-a-half who are going to drive?

MS. PATEL: So we haven't included any diversion of our customers, today on that, as a potential. We assume that our customers are going to take the service today that they do.

ASSEMBLYMAN McKEON: Again, along with the Chair, I can appreciate there's maybe something that's unprecedented -- to try to figure out exactly what that's going to be. But to think that people are going to be faced with an extra hour-and-a-half in the morning, and decide not to just try to drive to do a little better than that is not realistic. Do you agree with that?

MR. SANTORO: There is clearly a potential, since this is an unprecedented event for customers, certainly to make decisions that are not

typical. Some customers may, indeed, drive into Manhattan at some point, and that line will get longer as well. Customers, we have experienced, in the first week or two will be flexible. They will try different things and come up with what suits them best. I cannot say with certainty that the people will not drive.

ASSEMBLYMAN McKEON: And so, unfortunately, the number is going to probably be bigger than the \$15 million, and then we'll deal with that. The new Governor will be left to deal with that.

MR. SANTORO: It could grow -- these are estimates -- depending on the passengers' reactions to this change in service. While we think it's a reasonable number, it could change.

SENATOR GORDON: This may be a question more appropriate for the CFO. Assuming there's a 10-percent reduction in ridership, how much would that cost the agency for the summer?

MS. PATEL: We'd have to look at that. I don't have that data right in front of me right now -- 10 percent of just certain populations, we would have to look at and get back to you.

SENATOR GORDON: Okay. If you could get back to the Committee I'd appreciate that.

We had held some questions in abeyance.

ASSEMBLYWOMAN MUOIO: We were speaking about communications between you and Amtrak on conditions of the track and Station, and you said -- ignoring this current crisis -- that over the previous years you had had some communication regarding overall condition of Penn Station, signal issues, catenary. I was just going to say that the Chair had mentioned about asking for documentation on certain subjects. I would ask

that maybe you provide us with the communications you've had over the past several years with Amtrak showing your concern for the facilities that they are charged with maintaining. So if you could, provide that.

MR. SANTORO: Yes, we can provide that.

ASSEMBLYWOMAN MUOIO: Thank you.

You also mentioned in your statement about the Joint Op center that you're going to have at Penn Station. And you mentioned that Amtrak and NJ Transit were going to be partnering on that facility. Are any of the other agencies-- Is PATH going to be part of that coordinated operations team, or the Waterway?

MR. SANTORO: I would expect, but I cannot speak for them, that Long Island Rail Road would be a participant in that. When I speak of that, right now our police -- our Chief of Police, Chris Trucillo; Amtrak Police, and Long Island Rail Road Police do cooperate. But we wanted to -- the rationale for putting this Joint Operations Center together is to deal with the specific seven-week scenario, and hopefully will continue on beyond that.

ASSEMBLYWOMAN MUOIO: I was going to say that would be a good model if you included all of those players, I think, since you're so dependent on PATH. And now it looks like Waterway could be a very significant partner.

MR. SANTORO: Agreed.

ASSEMBLYWOMAN MUOIO: You also mentioned in your testimony--

One question I had written down: Do you have any consideration about looking again, revisiting, off-peak travel pricing? That

was something I had written down before it was brought up by Lackawanna.

MR. SANTORO: That's not in our FY '18 plans, no.

ASSEMBLYWOMAN MUOIO: Do you see merit to encourage people to travel on more off-peak times, to try and take pressure off the system?

MR. SANTORO: It's a balance, certainly, between revenue and discounted services. There's a scenario that's been touted that if we lower the cost of our off-peak, more people will migrate towards that -- around the fringes of the peak. We have a four-hour peak. It's probably not a significant reduction in creating capacity in peak; which is one of the primary purposes of a reduced fare in the off-peak -- to induce people to ride, not in the peak, but in the off-peak to create more seats, which would lower our need to invest in trains and that kind of thing. I think what we've experienced is that it will cost money to do that.

ASSEMBLYWOMAN MUOIO: But it will take pressure off the system, especially during these crises.

MR. SANTORO: I think our experience is, marginally.

ASSEMBLYWOMAN MUOIO: You said you're going to roll out a robust communication campaign to inform. Can you give some detail on what's-- How do you define *robust* communication?

MR. SANTORO: Let me turn that over to our head of communications, Penny Bassett.

P E N E L O P E B A S S E T T: Good afternoon.

We plan on using all the different vehicles that we normally use now, particularly social media, because we find that many of our customers

are moving toward social media. And we also have lots of interface areas around the system, meaning our electronic boards. We plan to use them. We also plan to roll out -- we're hoping to roll out a more complete plan, I believe, the second week of June. Obviously, we will be using the normal tactics through the media, of course. But we'll also be trying to engage our customers more, like setting up a vehicle where they can reach out to us more than what we do now, through our customer service. And we'll be encouraging customers to sign up for our alert system. We're creating a special website where, if you go to that site, you'll have all the information that you will need. For instance, if you go on our Website now, we have a marquis, and that marquis will be static. When you click on that marquis, you'll go to a special page that will have all the information that our customers will need, including websites to New York Waterway, to PATH; and we're working cooperatively with them so that we can share that information, as well as Amtrak.

ASSEMBLYWOMAN MUOIO: Will it be like a real-time-- Will someone be monitoring and updating it 24/7 as long as you're in operation?

MS. BASSETT: Absolutely. What we're also doing is, we are enlarging our social media team so that we can be able to communicate directly with our customers in real time. We also will even encourage customers to sign up for our alerts so they can get that information. But we will have a much more robust communication plan with our customers.

ASSEMBLYWOMAN MUOIO: Is this ambassador program that you mentioned in your -- is that part of the communications program?

MS. BASSETT: It is. We will have about 100 to 200 employees who will be our ambassadors. And our ambassadors will have communication devices so that they can get real-time information to transfer to those customers, as well. Those ambassadors will be -- obviously, Hoboken Terminal will be a key location for those ambassadors, as well as Secaucus and Newark Penn Station. So the good thing about those ambassadors -- a lot of our employees, of course, know our system because they are NJ Transit employees. But they will have devices on them that they will get real-time information from, from our mail operations department.

ASSEMBLYWOMAN MUOIO: One question: Do you know where in the stations your ambassadors will be placed? Will they be down by the tracks?

MS. BASSETT: At Hoboken Terminal they will be right on the platform. We'll also be helping on the PATH level as well.

ASSEMBLYWOMAN MUOIO: I know this is one of the issues we hear about in our office all the time. You pull into a station; PATH will be held up, they watch their trains go by; they get to Newark Penn, and there is no indication of when the next train is coming -- there's a delay and no explanation why. They can't really leave the tracks in case a train comes through. There's nobody to talk to. If you could have these ambassadors stationed where the people actually are -- the commuters who may have the real-time questions -- that would be a great thing; rather than have them stationed up at a kiosk in the station where they have to leave the track. I would encourage you to have those ambassadors actually down

where the commuters with the most urgent questions are. And they can also track when trains are coming in and out.

MS. BASSETT: Absolutely. They will be at platform level. In fact, those ambassadors will have bright yellow vests that have ERT on it, it has NJ Transit on it, so they'll be easily identified.

ASSEMBLYWOMAN MUOIO: I don't know if you guys answered the question about public safety in the station houses with the bigger crowds. You're going to have hot weather, big crowds, crabby commuters, which is not a good recipe. How do you plan on--

MR. SANTORO: I can bring up Chief Trucillo, who can explain what the concepts are. We're developing the detailed plans, as we speak in terms of crowd flow, temporary and otherwise.

I'm going to turn it over to Chief Trucillo.

CHIEF CHRISTOPHER TRUCILLO: Good afternoon.

We are cognizant of the crowds, and we deal with crowds on a daily basis at all of our facilities when issues happen.

One of the other things I'd like to tell the Committee, and ensure you, is that the Regional Transit Police officials -- I'm talking about Amtrak, Port Authority, Long Island Rail Road, the MTA, NJ Transit -- we have a very tight-knit working group. We're well-known to each other. We meet on more than a quarterly basis to discuss common issues. We have a meeting, in fact, scheduled for tomorrow, to sit down with the Port Authority Police to speak to your concerns, and discuss the issues that we're going to face together in Hoboken and how we're going to address the crowding situation.

One of the mayors made a good point. Our main mission at NJ Transit is counterterrorism. So the point that the mayor made about large gatherings is always a concern to us, and that is on the top of our minds and on our radar at all times. So we'll be factoring that into our plan for Hoboken Terminal -- looking at that.

But I want to assure the Committee that from a public safety point of view, this will not be business as usual. We are anticipating crowds in particular areas. One of the reasons, from the public safety point of view, that this plan works is that instead of being dispersed throughout the state, we can focus on three key facilities -- Hoboken, Newark Penn, and Broad Street in Newark -- and we feel we'll be staffed well enough with our partners with the Port Authority, in Penn Newark and Penn Hoboken, to deal with the issues. And as in all operations, as we move down the road, we'll adjust accordingly based on what we see Day 1, Day 2, Day 3, as people may adjust their commutes.

ASSEMBLYWOMAN MUOIO: Do you have the budget to handle all of this roll out? I think they're good changes, but do you have-- With the cut of \$15 million, how will you fund all those changes?

MR. SANTORO: We're going to have to fund it. We have to fund it. There's no question that we need it. As we've heard all day today, communication with our customers, communication with our elected officials, having extra security -- these are all additional costs that had not been planned upon, up until Amtrak suggested and -- or demanded that this work needs to be done this summer.

ASSEMBLYWOMAN MUOIO: Thank you.

SENATOR GORDON: Assemblyman Zwicker.

ASSEMBLYMAN ZWICKER: Thank you.

I just have two questions. Everything we heard during the course of today really concentrates on the fact that during the peak we're talking about 7,000-plus passengers -- having an impact on them. I haven't heard yet in your plans-- Has there been discussion about trying to spread that time out? For instance, on the shoulders -- from 7:00 to 9:00, just as an example -- increase capacity there? And I'm not talking about reduced fares, I'm talking about increasing the number of trains.

MR. SANTORO: The cause of all of this -- and this being the rescheduling -- is because there is less capacity at Penn Station; 21 trains an hour going down to 15 trains an hour. So as I mentioned today, maybe not as articulately as I should have or could have, we are running, in the early morning, Midtown Direct trains from the M and E, the Morris and Essex Line, into Penn Station. So we have considered and will implement-- We will not cancel the existing Midtown Direct trains that are going into Penn Station in the early morning. So that's the fringe. Once you get into the 7:00 p.m. period, the 8:00 p.m. period, that's when the difficulty begins.

ASSEMBLYMAN ZWICKER: I don't think I understood your -- So why not increase? You're not at 15 per hour before 7:00 a.m.

MR. SANTORO: Correct.

ASSEMBLYMAN ZWICKER: Why not go to 15 per hour before then to try to drive people to take an earlier train?

MR. SANTORO: We're hoping that what we have is going to be enough trains. I think we believe we do, based on our general knowledge of our customers. Customers are going to have to get up earlier. They're going to have a choice: They can get up earlier and get a one-seat ride into

Manhattan. But these trains, which have plenty of capacity in the normal course of our operations -- we're hoping they get filled. And if they do get filled, we'll certainly consider operating a train or two more. I don't know how much we can. But we'll certainly-- And even before that -- well, we should, to your point, create some contingency plans for adding that train if the demand is such that that train is warranted -- 5:00, 6:00. You have a point.

ASSEMBLYMAN ZWICKER: Why not? It's a chicken and egg thing. Why not try to drive people, whether it's the 7:00 a.m. or after the 9:00 a.m. piece of it?

MR. SANTORO: After the 9:00, it gets a little different. People tend to want to go to work.

ASSEMBLYMAN ZWICKER: Whatever is the right way to try and do it.

MR. SANTORO: Correct.

ASSEMBLYMAN ZWICKER: And my only other question has to do -- and this hasn't been talked about at all. We have roughly a two-week period in between the two scheduled maintenance periods. What is going to happen to your trains during that time? Are you going to go back to the exact same schedule that you're running right now?

MR. SANTORO: No, we're going to run this summer service throughout the duration of those two weeks where there is not that continuous outage.

ASSEMBLYMAN ZWICKER: Why?

MR. SANTORO: One, it will give Amtrak, if things aren't going well with construction -- although we've heard today that Amtrak's

going to make every effort to meet the construction schedule -- it gives them a little bit of leeway. That's one answer. The other answer is: the change. I'll hand the mike over to Jim Sincaglia. To change the patterns, from a technical perspective, from a fare perspective, from a communication perspective -- but I think it's more of an operational issue -- recrew and all that.

Jim talked more about that.

J A M E S A. S I N C A G L I A: Part of the problem is, one, like he said, Amtrak has kind of built that little bit of time in between the two projects, I think, to give themselves some cushion, where, if they're running a little late on the first project, they'll have a little bit of time to get it finished before the second project starts. And from an operational perspective, we need time to change the schedule and go back. And I think we would just create more confusion and have customers not knowing, "Today you're running this service; maybe tomorrow." We wouldn't know definitively until Amtrak gave us the okay that, "You can get the tracks back to full capacity for that week-and-a-half or two weeks." And I think it would be very difficult to pivot, and probably just confuse the customers a little more than we already do.

ASSEMBLYMAN ZWICKER: I mean, we're only speculating, but it seems to me like they would prefer to be on time and less angry than confused. Amtrak's made a commitment to be done within that window. So why not prepare now to let everyone get back -- at least to have almost two full weeks back to normal, and then know that you're going to go right back to where you were before that? I mean, isn't that better customer service?

MR. SINCAGLIA: Operationally, from a crewing perspective and an equipment perspective, we have obligations to post jobs within a certain period of time. So we would need to commit, at the beginning of the project, that, "At this date, we are going back to regular service." And then if Amtrak couldn't support it, we would find ourselves in a predicament, which may be worse than just leaving that schedule in place for that week-and-a-half.

ASSEMBLYMAN ZWICKER: At this point, what is Amtrak-- I mean, I know we've talked about communication. What Amtrak is telling us right now -- is that going to be honored, the first period?

MR. SINCAGLIA: That's what they're saying to us, but there is a feeling that that is a period they have given themselves to make sure that they have a little bit of recovery if the project runs a little long.

ASSEMBLYMAN ZWICKER: Thank you.

SENATOR GORDON: Assemblywoman Munoz.

ASSEMBLYWOMAN MUNOZ: Thank you.

Many of my questions were asked by the other people -- the Waterway people, etc.

I just want to be clear: The 5:00 a.m. to 7:00 a.m. -- you will be running Midtown Direct trains on our line. So can we communicate to our constituents today-- Now, I represent Summit, New Providence, and Berkley Heights. Does 7:00 a.m. end in Hoboken? What can I tell my constituents about that? Where does 7:00 a.m. end? Does it end in Hoboken, does it end in Summit, does it end in Gladstone? Do you know that yet?

MR. SANTORO: So one general response is that we are still developing, literally, the timetables. "At 6:15, this train is going to go from here to here." We can talk in broad terms in response to your question. So we don't have a timetable already established. We're working on that. I will turn it over to Jim who can talk broadly.

ASSEMBLYWOMAN MUNOZ: So it's a general number. If I'm getting up to get on a 7:00 train out of Summit, that may not be the last-- You're shaking your head.

MR. SINCAGLIA: Correct. The time period is-- We have a window in New York before 7:00 where we have capacity. So when we looked at writing this new schedule, we looked at: Could we run a few Midtown Direct trains into New York before that New York 7:00 arrival time? That's where we found the window to run those trains.

ASSEMBLYWOMAN MUNOZ: The second part of that question is: Is there that same window coming back out?

MR. SINCAGLIA: No, there's not.

ASSEMBLYWOMAN MUNOZ: So it's only going in.

MR. SINCAGLIA: Correct.

ASSEMBLYWOMAN MUNOZ: This is in reference to Assemblyman McKeon's question about the numbers of cars that are going to be-- Do you see, do you know, is there a drop off in ridership during the summer because of summer vacations? I know that when I get on the highway between the first of July and Labor Day, there's a lot less traffic. Do you also see that? Is there a number to show that there's a drop in ridership during those hours?

MR. SINCAGLIA: I think the actual number is around 3 or 4 percent.

ASSEMBLYWOMAN MUNOZ: My last comment is simply about communication. I think you heard overwhelmingly that people are frustrated with the lack of communication. What I would like to hear from you all today is just a simple yes or no. Will you be willing to work with us, meaning the legislators here and all the other legislators, to perhaps send a representative to those towns, those Districts in particular -- like for me to work with my mayors, for John McKeon to work with his mayors -- on those issues that were brought up -- the safety issues, the bus issues -- so we can coordinate? It doesn't have to be you, but a representative to come and work with the mayors that we represent so we can get some answers to those questions -- not a mass meeting, but-- Like I said, I only represent four. I know Assemblyman McKeon represents a few more than that. You know, just some kind of assurance from you that we could get some direct line of communication with you so those questions could be answered.

MR. SANTORO: The answer is yes. June 7 is when we had scheduled what I guess could be characterized as a mass meeting where that's--

ASSEMBLYWOMAN MUNOZ: Okay. So you're going to have the answers for us at that meeting.

MR. SANTORO: That's the starting point. As Chairman McKeon suggested, if there are suggestions beforehand to send to us, you should. Again, as I suggested, the accommodation of some of those on a more system-wide might be difficult. But certainly there are local issues

that I've heard the mayors discuss today that we can talk to -- we should have that input going forward, for sure.

ASSEMBLYWOMAN MUNOZ: I was included in the meeting, and I did actually find out it was cancelled ahead of time. And only my Summit Mayor was informed. I have three other mayors who weren't informed. Do you all have a list of the mayors on the line to include, or is it then up to us to try to include them?

MR. SANTORO: We'll probably need a little thought about how we're going to deal with this, in terms of invites, communicating the meeting, what the agenda is going to be. Paul Wyckoff will work on the logistics of the information.

ASSEMBLYWOMAN MUNOZ: I do have three Republican mayors who would be very interested in participating.

Thank you very much.

SENATOR GORDON: Senator Weinberg.

SENATOR WEINBERG: I guess, you know, if there is one theme that has run true this entire day -- certainly the theme of communication out to the public, and between and among the agencies themselves. But the feeling that certain people or certain lines are being singled out somehow -- or that was the best answer. But they are going to be suffering the most lack of convenience. So did anything you heard today indicate that you'd go back to the drawing board on anything concerning this plan?

MR. SANTORO: Unfortunately, I will have to say no. We, as I said in my opening remarks, and possibly at the response of some questions, have looked at this. We've had internal discussions -- we at NJ

Transit. And from a safety perspective, from a liability perspective -- as I said, I know they're just words in the broadest sense -- but the professionals who have experience with dealing with disruptions -- and we've had a few -- we truly believe that this is the best solution to get people across the Hudson River to work.

SENATOR WEINBERG: Well, I think the mayors themselves raised some pretty practical questions about the execution of the plan, even if it is this same one, in terms of what really happens on these platforms.

I live in an area that doesn't have any train travel; we only have buses. And I would say to any of your constituents who are going to take a bus into Manhattan, wait until you see the bus terminal. (laughter)

ASSEMBLYWOMAN MUNOZ: I think I've heard you say that before. (laughter)

SENATOR WEINBERG: That will be a new experience for you.

But quite seriously, they did raise some very practical questions about how this actually gets executed, and who goes where, and what happens on step-down platforms. I'm just recalling from my own memory of a couple of hours ago. So hopefully you're going to look very closely at that particular testimony, and bring these mayors in, particularly some of them who have the most, apparently, hands-on experience with what really goes on in getting from Point A to Point B.

MR. SANTORO: What we are doing -- just, again, in broader strokes, but maybe a little lower level of detail. At Hoboken, we're laying out Hoboken, we're laying out passenger routes, we're laying out where new signage is going to go, we're laying out where ambassadors are going to be

placed. These are all being put onto a map that, on June 7, we will have for Hoboken, for Newark, for Newark Broad Street, Secaucus -- those major points of transfers -- intermodal transfers. We will have that laid out for discussion purposes.

Other things we will have are: We'll have a system-wide map that will show passengers the numbers of trains before this summer service, the number of trains after the summer service; what our estimates are in terms of passenger flow on all of those, so we can assure that there's the number of seats available for the customers who are maybe changing their -- some will be forced to change their habits, and others will make it a judgment call on their own -- where, as you've heard from PATH, they'll be making their plans as well, in terms of adding capacity.

We've thought through all of this. If you could wait to judge the thoughtfulness of it until you see something on June 7 -- fair enough. But we've got a comprehensive plan. And as the Chief said, security is paramount, and we'll be deploying our police strategically as we go forward.

SENATOR WEINBERG: Okay, thank you.

SENATOR GORDON: Assemblyman Auth.

ASSEMBLYMAN AUTH: Thank you, Chairman.

Mr. Santoro, thank you for your testimony today. I know it's not easy sometimes, even when you're with a friendly crowd like this.
(laughter)

Just regarding the \$15-plus million in reduced fares: Would you like legislative support in trying to recoup that money from Amtrak?

MR. SANTORO: Well, that's a legal matter that is probably best discussed not in public.

ASSEMBLYMAN AUTH: Thank you.

SENATOR GORDON: Okay. Any other questions for Mr. Santoro or his colleagues?

ASSEMBLYMAN McKEON: I have a final comment.

If you want to first, Chair, or I will go first; whatever you think.

SENATOR GORDON: I will just make a very brief comment. I guess I was going to say the things that Senator Weinberg did. As always happens, she really gets her thoughts crystalized and presents them well.

Let me just add my disappointment at the way this planning process has occurred. There's been very little public input. The experts got together and decided this is the way we're going to do it. They did not provide an opportunity for people like the mayors, who really understand the execution problems that may exist on the ground, to have any input. I pray that this rolls out well. I think there could have been a much better process of soliciting views from the outside and also, as we've been repeating ad nauseam, communicating with all the key stakeholders. And I hope we learn something from this experience as we go forward.

Assemblyman.

ASSEMBLYMAN McKEON: Just briefly -- and I'm just saying it not to get into a disagreement over it, but Assemblywoman Munoz talked about Republican towns. I can tell you this: I don't think about commuters as Republican, or Democrat, or green, blue, or yellow. I think of them as constituents. As a matter of fact, Harding, Chatham, Madison, Short Hills, and Millburn, that are all in my District, are Republican towns, if that's the way you want to place it.

And I know you well enough that you probably feel the same way. If Summit happened to be a Democratic town -- we can only hope and pray one day it will be. (laughter)

ASSEMBLYWOMAN MUNOZ: Thank you, but—

ASSEMBLYMAN McKEON: Oh, I don't mean that about you, God forbid.

ASSEMBLYWOMAN MUNOZ: I like that I did--

ASSEMBLYMAN McKEON: You took that the wrong way.

ASSEMBLYWOMAN MUNOZ: Well, there's only one way for me to take it. (laughter)

ASSEMBLYMAN McKEON: You really, honestly did. I'm sorry. I didn't mean to say it that way. I was teasing. (laughter)

ASSEMBLYWOMAN MUNOZ: I thought we liked working together.

ASSEMBLYMAN McKEON: We do, a lot. I know that you would advocate for any town that happened to have more Democrats than Republicans in it equally as zealously.

ASSEMBLYWOMAN MUNOZ: Just looking to get representation.

ASSEMBLYMAN McKEON: But at the end of the day, I haven't-- The Commissioner and his team know I have a lot of respect for them. Commissioner, it doesn't seem like you are new. It feels like you've been here 30 years already as the Director, right? It's only been three months, I think, when it comes down to it.

MR. SANTORO: Since October.

ASSEMBLYMAN McKEON: Since October.

I know you have every good intention of improvement, and your collective knowledge is certainly beyond mine, but it just seems very difficult to understand why one particular line would be selected. Even if there, collectively, would be less pain all told, the fact that it's not being spread out equally among all of the commuters is disappointing, and I see no reason for it.

I'm interested in seeing the documents and the communication with the Administration and NJ Transit over the last several weeks. And I'm going to strongly consider issuing subpoenas, as is empowered by this Committee. I know that you will do your best to communicate, starting now, with the mayors in the districts being impacted.

Thank you.

SENATOR GORDON: Thank you, all. The meeting is adjourned.

(MEETING CONCLUDED)