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PUBLIC HEARING

before

SENATE TRANSPORTATION AND PUBLIC UTILITIES COMMITTEE

The Draft 1990 New Jersey Energy Master Plan (October 1990)

and also discussion of

SENATE BILL NOS. 348, 349, 350, 351, and 352

(Ridesharing Bills)

November 8, 1990
Room 407
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Walter Rand, Chairman
Senator Francis J. McManimon
Senator Leanna Brown
Senator C. William Haines

T764
1990h

ALSO PRESENT:

Peter R. Manoogian
Office of Legislative Services
Aide, Senate Transportation and Public Utilities Committee

Hearing Recorded and Transcribed by
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State House Annex
CN 068
Trenton, New Jersey 08625

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REPORT OF THE

COMMISSION

ON THE INVESTIGATION AND REFORM OF THE UTILITIES COMMISSION

AS PASSED BY THE NEW JERSEY LEGISLATURE (JANUARY 1937)

AND ALSO DISCUSSION OF

RECENT REFORMS IN THE UTILITIES INDUSTRY

IN THE UNITED STATES

BY

JOHN W. WILSON

NEW YORK, NEW YORK

1937

RECENT REFORMS IN THE UTILITIES INDUSTRY

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SENATE TRANSPORTATION AND PUBLIC UTILITIES COMMITTEE

STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625-0068
(609) 984-7381

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NOTICE OF PUBLIC HEARING

The Senate Transportation and Public Utilities Committee will hold a public hearing on **Thursday, November 8, 1990 at 10:30 A.M. in Room 407, State House Annex, Trenton** on the following topics:

I. The Draft 1990 New Jersey Energy Master Plan (October 1990).

The Honorable Scott A. Weiner, President of the Board of Public Utilities, will make a presentation giving a general overview of the plan. Following President Weiner's presentation, the Honorable Thomas M. Downs, Commissioner of Transportation, or his representative, will discuss the transportation elements of the Master Plan in more detail.

II. Discussion of the following Ridesharing Bills:

S-348 Rand	Requires certain employers to plan and implement a traffic reduction program for their employees.
S-349 Rand	Requires departments and institutions of State government to design and implement traffic reduction programs.
S-350 Rand	Requires various public authorities to design and implement traffic reduction programs.
S-351 Rand	Supplemental appropriation of \$10,000,000 for distribution to local units of government for the construction, maintenance and operation of park and ride lots.
S-352 Rand	Appropriates \$50,000 for advertising and marketing program to promote ridesharing.

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Issued 11/1/90

Senate Transportation and Public Utilities Committee

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November 8, 1990

Testimony on these bills is solicited from the public with particular reference to draft amendments to S-348, S-349 and S-350 which have already been circulated to the members of the committee and interested persons.

The public may address comments and questions to Peter R. Manoogian, Committee Aide, or make bill status and scheduling inquiries to Kim Johnson, secretary, at (609) 984-7381. Those persons presenting written testimony should provide 10 copies to the committee on the day of the hearing.

SENATE, No. 348

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator RAND

1 AN ACT concerning the reduction of traffic during peak-hours
2 along certain highways and supplementing Title 27 of the
3 Revised Statutes.

4
5 BE IT ENACTED by the Senate and General Assembly of the
6 State of New Jersey:

7 1. This act shall be known and may be cited as the "New
8 Jersey Traffic Management Act of 1989."

9 2. The Legislature finds and declares that in recent years, New
10 Jersey has experienced tremendous growth in certain regions,
11 often along highway routes in the State. This growth has
12 outpaced the capacity of the highways in this State for efficient
13 movement of traffic, creating constraints on future economic
14 development, and, in particular, making it increasingly difficult
15 for employers to maintain a desirable environment for their
16 employees as they commute to work.

17 The Legislature further finds and declares that it is in the
18 public interest for the Department of Transportation, in
19 conjunction with county governments, to require every business
20 employing 250 or more persons to undertake an annual survey of
21 its employees and issue an annual report to the local county
22 governing body as to the commutation patterns of its employees;
23 and to further require businesses employing 250 or more persons
24 at one location, in heavily congested counties, as determined by
25 the department, to plan and implement trip-reduction strategies
26 that will provide their employees with programs and incentives to
27 increase private passenger vehicle occupancy or increase the use
28 of public transit or other alternative transportation modes on
29 home-to-work trips during peak-hours;

30 3. The Department of Transportation shall establish and
31 monitor a program to be known as the "Traffic Management
32 Program" to assist counties to:

33 a. monitor and analyze traffic commutation patterns of
34 businesses employing 250 or more persons.

35 b. monitor and regulate businesses employing 250 or more
36 persons at one location in counties designated by the department
37 as having a high level of traffic congestion while requiring these
38 businesses to establish and implement a traffic reduction program
39 reducing the number of vehicles in use by their employees
40 traveling to and from work during peak-hour periods.

41 c. render technical assistance and information to counties.

1 d. coordinate the program among the counties.

2 For the purposes of this act, "peak-hour periods" means the
3 hours from 7:00 a.m. to 9:00 a.m. and the hours from 3:30 p.m. to
4 6:00 p.m. during weekdays when normal business hours are being
5 conducted.

6 4. Every business employing 250 or more persons in one
7 location shall survey its workforce annually to gather data on
8 place of residence, working hours and modes of commutation.
9 The results of this survey shall be provided to the governing body
10 of the county in which the business is located in the form of an
11 annual report no later than December 1 of each year. The annual
12 report shall protect the privacy of the survey respondents to the
13 greatest extent practicable and feasible and include, but not be
14 limited to, the following information:

15 a. The number of employees beginning and ending work by 15
16 minute time intervals during peak-hour periods.

17 b. The number of employees who are commuting to work by
18 means other than single occupancy vehicles.

19 c. A description of measures taken by the business to reduce
20 traffic generation including efforts to market traffic reduction
21 measures.

22 d. The number of employees participating in an alternative
23 work-hours program.

24 5. a. The Commissioner of Transportation shall designate
25 those counties which have a high level of traffic congestion, in
26 which counties employers with 250 or more employees at one
27 location shall be required to satisfy the traffic management
28 procedures as provided in section 6 of this act.

29 b. The commissioner shall adopt as regulations under the
30 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
31 seq.) standards to assist in the determination of whether there is
32 sufficient traffic congestion prevailing in a county to justify
33 making the designation required in subsection a. of this section.

34 6. a. Within one year of the effective date of this act, every
35 business employing 250 or more persons in a county designated by
36 the Commissioner of Transportation in accordance with the
37 provisions of subsection a. of section 5 of this act shall establish
38 and implement a traffic reduction plan to, within four years of
39 the effective date of this act, attain a standard of reducing
40 projected peak-hour automobile trips of its employees to 70
41 percent of the anticipated number if all the projected employee
42 trips during peak-hour periods were made in single occupancy
43 vehicles.

44 b. Traffic reduction plans shall be prepared in cooperation
45 with the governing body of the county in which the business is
46 located and shall be filed by affected employers with the
47 Commissioner of Transportation. In developing a traffic
48 reduction plan, any combination of the following traffic

1 mitigation measures may be incorporated: (1) facilitating
2 utilization of mass transit; (2) facilitating ridesharing; (3)
3 establishing an alternative work-hours schedule; and (4)
4 encouraging non-vehicular work trips.

5 7. a. The governing body of each county shall schedule a
6 public hearing annually for interested parties to provide the
7 governing body with any facts, materials or recommendations
8 that would be of assistance regarding the efficacy of the program
9 established under section 3 of this act.

10 b. Each county shall submit a report to the Department of
11 Transportation no later than April 1 of each year indicating the
12 status and efficacy of the program established under section 3 of
13 this act as it affects that county, including any recommendations
14 to alter or improve the program.

15 8. Commencing on the first anniversary of the effective date
16 of this act, the Department of Transportation shall annually
17 conduct at least one public hearing in the State in order to gather
18 information from interested parties as to the efficacy of the
19 program established under section 3 of this act. The department
20 shall submit an annual report to the Legislature by August 1 of
21 each year covering the period of the previous State fiscal year.
22 The report shall cover the status of this program, including any
23 recommendations to alter or improve the program.

24 9. An employer who does not comply with the provisions of
25 section 4 or section 6 of this act shall be subject to a civil
26 administrative penalty. The Commissioner of Transportation is
27 authorized to assess a civil administrative penalty of not more
28 than \$500 per month. Each month of non-compliance with the
29 provisions of either section 4 or section 6 of this act, or both,
30 shall constitute an additional, separate and distinct offense.

31 10. This act shall take effect on the 90th day following
32 enactment.

33 34 35 STATEMENT

36
37 This bill requires every business employing 250 or more persons
38 to undertake an annual survey and provide an annual report to the
39 county in which the business is located regarding the
40 commutation patterns of its employees. Furthermore, the bill
41 requires every such business located in a county that the
42 Department of Transportation designates as having a high level of
43 traffic congestion to reduce the number of vehicles in use by its
44 employees traveling to and from work during peak-hours; within
45 four years of the effective date of this act, each of these
46 businesses is to attain a standard of reducing projected peak-hour
47 automobile trips of its employees to 70 percent of the anticipated
48 number if all the projected trips during peak-hour periods were

1 made in single occupancy vehicles.

2 The traffic reduction plan to be developed and implemented by
3 affected employers in designated counties shall be prepared in
4 cooperation with the governing body of the county in which the
5 business is located and be filed with the Commissioner of
6 Transportation. Various traffic mitigation measures may be
7 incorporated in each traffic reduction plan including: facilitating
8 utilization of mass transit; facilitating ridesharing arrangements;
9 establishing an alternate work-hours schedule; and encouraging
10 non-vehicular work trips.

11 The bill requires every county to hold a public hearing annually
12 to gather information about the efficacy of the traffic reduction
13 program established under this act and to submit a report each
14 year to the Department of Transportation about the program. In
15 addition, this legislation provides that each year the Department
16 of Transportation shall annually conduct at least one public
17 hearing in the State to gather information about this program,
18 and further stipulates that the department shall submit an annual
19 report to the Legislature including any recommendations to alter
20 or improve the program.

21 Penalties are also established in the bill for any business
22 subject to the act which violates its provisions.

23

24

25

TRANSPORTATION

26

27 Requires certain employers to plan and implement a traffic
28 reduction program for their employees.

SENATE, No. 349

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator RAND

1 AN ACT concerning the development and implementation of
2 traffic reduction programs by departments and institutions of
3 State Government and supplementing chapters 14 and 31 of
4 Title 52 of the Revised Statutes.

5
6 BE IT ENACTED by the Senate and General Assembly of the
7 State of New Jersey:

8 1. a. Every department and institution of the State shall
9 establish and implement a traffic reduction program to: (1)
10 reduce the number of vehicles in use by their employees traveling
11 to and from work during peak-hours; and (2) within three years of
12 the effective date of this act, attain an average vehicle
13 occupancy rate of not less than 1.8 for all vehicles transporting
14 their employees during normal business hours.

15 b. Traffic reduction programs shall be developed and
16 implemented in cooperation with the Commissioner of
17 Transportation. In developing a traffic reduction program, any
18 combination of the following traffic mitigation measures may be
19 incorporated: (1) facilitating utilization of mass transit; (2)
20 facilitating ridesharing, including the encouragement of
21 ridesharing arrangements, whenever feasible, in State-owned
22 vehicles by State employees; (3) establishing an alternative
23 work-hours schedule; and (4) encouraging non-vehicular work
24 trips.

25 c. As used in this act, "State-owned vehicles" means all motor
26 vehicles purchased and leased with moneys appropriated by the
27 State or from funds in the custody of any officer, department,
28 institution, or agency of the State for the use of the State.

29 2. State-owned vehicles shall be operated only by authorized
30 State officials and employees possessing driver licenses valid in
31 New Jersey. Only State employees or persons on official State
32 business are permitted as passengers.

33 3. The Department of Transportation shall submit an annual
34 report to the Legislature by April 1 of each year covering the
35 period of the previous calendar year. The report shall indicate
36 the status of the traffic reduction program for every department
37 and institution of the State and include any recommendations
38 concerning the improvement of ridesharing opportunities for
39 State employees.

40 4. This act shall take immediately.

STATEMENT

This bill provides that every department and institution of the State shall establish and implement a traffic reduction program to reduce the number of vehicles in use by their employees traveling to and from work during peak-hour traffic periods. Furthermore, the bill stipulates that within three years of the effective date of this act, each department and institution is to attain an average vehicle occupancy rate of not less than 1.8 for all vehicles transporting their employees during normal business hours.

These programs are to be developed and implemented in cooperation with the Commissioner of Transportation. Various traffic mitigation measures may be incorporated in each traffic reduction program. Specific measures include: facilitating utilization of mass transit; facilitating ridesharing, including the encouragement of ridesharing arrangements, whenever feasible, in State-owned vehicles by State employees; establishing an alternate work-hours schedule; and encouraging non-vehicular work trips.

This bill specifically provides that State employees as well as persons on official State business are the only passengers permitted in State-owned vehicles.

TRANSPORTATION

Requires departments and institutions of State Government to design and implement traffic reduction programs.

SENATE, No. 350
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel
PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator RAND

1 AN ACT concerning the development and implementation of
2 traffic reduction programs by certain public authorities and
3 supplementing chapters 12B, 12C, and 23 of Title 27 and
4 chapters 1 and 3 of Title 32 of the Revised Statutes.

5
6 BE IT ENACTED by the Senate and General Assembly of the
7 State of New Jersey:

8 1. a. The New Jersey Highway Authority shall establish and
9 implement a traffic reduction program to: (1) reduce the number
10 of vehicles in use by its employees traveling to and from work
11 during peak-hours; and (2) within three years of the effective
12 date of this act, attain an average vehicle occupancy rate of not
13 less than 1.8 for vehicles transporting its employees during
14 normal business hours.

15 b. The traffic reduction program shall be developed and
16 implemented after consultation with the Commissioner of
17 Transportation. In developing a traffic reduction program, any
18 combination of the following traffic mitigation measures may be
19 incorporated: (1) facilitating utilization of mass transit; (2)
20 facilitating ridesharing arrangements; (3) establishing an
21 alternative work-hours schedule; and (4) encouraging
22 non-vehicular work trips.

23 2. The New Jersey Highway Authority shall submit an annual
24 report to the Governor and Legislature by April 1 of each year
25 covering the period of the previous calendar year. The report
26 shall indicate the status of the traffic reduction program and
27 include any suggestions to improve the program.

28 3. a. The New Jersey Expressway Authority shall establish and
29 implement a traffic reduction program to: (1) reduce the number
30 of vehicles in use by its employees traveling to and from work
31 during peak-hours; and (2) within three years of the effective
32 date of this act, attain an average vehicle occupancy rate of not
33 less than 1.8 for vehicles transporting its employees during
34 normal business hours.

35 b. The traffic reduction program shall be developed and
36 implemented after consultation with the Commissioner of
37 Transportation. In developing a traffic reduction program, any
38 combination of the following traffic mitigation measures may be
39 incorporated: (1) facilitating utilization of mass transit; (2)
40 facilitating ridesharing arrangements; (3) establishing an
41 alternative work-hours schedule; and (4) encouraging

1 non-vehicular work trips.

2 4. The New Jersey Expressway Authority shall submit an
3 annual report to the Governor and Legislature by April 1 of each
4 year covering the period of the previous calendar year. The
5 report shall indicate the status of the traffic reduction program
6 and include any suggestions to improve the program.

7 5. a. The New Jersey Turnpike Authority shall establish and
8 implement a traffic reduction program to: (1) reduce the number
9 of vehicles in use by its employees traveling to and from work
10 during peak-hours; and (2) within three years of the effective
11 date of this act, attain an average vehicle occupancy rate of not
12 less than 1.8 for vehicles transporting its employees during
13 normal business hours.

14 b. The traffic reduction program shall be developed and
15 implemented after consultation with the Commissioner of
16 Transportation. In developing a traffic reduction program, any
17 combination of the following traffic mitigation measures may be
18 incorporated: (1) facilitating utilization of mass transit; (2)
19 facilitating ridesharing arrangements; (3) establishing an
20 alternative work-hours schedule; and (4) encouraging
21 non-vehicular work trips.

22 6. The New Jersey Turnpike Authority shall submit an annual
23 report to the Governor and Legislature by April 1 of each year
24 covering the period of the previous calendar year. The report
25 shall indicate the status of the traffic reduction program and
26 include any suggestions to improve the program.

27 7. a. The Delaware River Port Authority shall establish and
28 implement a traffic reduction program to: (1) reduce the number
29 of vehicles in use by its employees traveling to and from work
30 during peak-hours; and (2) within three years of the effective
31 date of this act, attain an average vehicle occupancy rate of not
32 less than 1.8 for vehicles transporting its employees during
33 normal business hours.

34 b. The traffic reduction program shall be developed and
35 implemented after consultation with the Commissioner of
36 Transportation. In developing a traffic reduction program, any
37 combination of the following traffic mitigation measures may be
38 incorporated: (1) facilitating utilization of mass transit; (2)
39 facilitating ridesharing arrangements; (3) establishing an
40 alternative work-hours schedule; and (4) encouraging
41 non-vehicular work trips.

42 8. The Delaware River Port Authority shall submit an annual
43 report to the Governor and Legislature by April 1 of each year
44 covering the period of the previous calendar year. The report
45 shall indicate the status of the traffic reduction program and
46 include any suggestions to improve the program.

47 9. a. The Port Authority of New York and New Jersey shall
48 establish and implement a traffic reduction program to: (1)

1 reduce the number of vehicles in use by its employees traveling
2 to and from work during peak-hours; and (2) within three years of
3 the effective date of this act, attain an average vehicle
4 occupancy rate of not less than 1.8 for vehicles transporting its
5 employees during normal business hours.

6 b. The traffic reduction program shall be developed and
7 implemented after consultation with the Commissioner of
8 Transportation. In developing a traffic reduction program, any
9 combination of the following traffic mitigation measures may be
10 incorporated: (1) facilitating utilization of mass transit; (2)
11 facilitating ridesharing arrangements; (3) establishing an
12 alternative work-hours schedule; and (4) encouraging
13 non-vehicular work trips.

14 10. The Port Authority of New York and New Jersey shall
15 submit an annual report to the Governor and Legislature by April
16 1 of each year covering the period of the previous calendar year.
17 The report shall indicate the status of the traffic reduction
18 program and include any suggestions to improve the program.

19 11. Sections 1 through 6 of this act shall take effect
20 immediately; sections 7 and 8 of this act shall take effect
21 immediately, but shall remain inoperative until the enactment
22 into law by the State of Pennsylvania of legislation having an
23 identical effect with sections 7 and 8 of this act, but if the State
24 of Pennsylvania already has enacted such legislation, sections 7
25 and 8 of this act shall take effect immediately; and sections 9
26 and 10 shall take effect immediately, but shall remain
27 inoperative until the enactment into law by the State of New
28 York of legislation having an identical effect with sections 9 and
29 10 of this act, but if the State of New York already has enacted
30 such legislation, sections 9 and 10 of this act shall take effect
31 immediately.

32 33 34 STATEMENT 35

36 This bill requires various public authorities to establish and
37 implement traffic reduction programs to reduce the number of
38 vehicles in use by their employees traveling to and from work
39 during peak-hour traffic periods. The bill applies to the New
40 Jersey Highway Authority, the New Jersey Expressway Authority,
41 the New Jersey Turnpike Authority, the Delaware River Port
42 Authority, and the Port Authority of New York and New Jersey.
43 This legislation specifically stipulates that within three years of
44 the effective date of this act, each of these authorities is to
45 attain an average vehicle occupancy rate of not less than 1.8 for
46 vehicles transporting their employees during normal business
47 hours.

48 These programs are to be developed and implemented after

1 consultation with the Commissioner of Transportation. Various
2 traffic mitigation measures may be incorporated in each traffic
3 reduction program including: facilitating utilization of mass
4 transit; facilitating ridesharing arrangements; establishing an
5 alternate works-hours schedule; and encouraging non-vehicular
6 work trips.

7

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TRANSPORTATION

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11 Requires various public authorities to design and implement
12 traffic reduction programs.

SENATE, No. 351
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator RAND

1 A SUPPLEMENT to "An Act making appropriations for the support of the
2 State Government and the several public purposes for the fiscal
3 year ending June 30, 1989 and regulating the disbursement thereof," approved
4 June 30, 1988 (P.L.1988, c.47).

5
6 BE IT ENACTED by the Senate and General Assembly of the State of New
7 Jersey:

8 1. In addition to the amounts appropriated under P.L.1988, c.47, the
9 following amounts are appropriated from the General Fund for the following
10 purposes:

11 STATE AID
12 78 DEPARTMENT OF TRANSPORTATION
13 60 Transportation Programs
14 63 Local Highway Facilities-State Aid
15

16 80-6220 County and Municipal Aid..... \$10,000,000

17 State Aid:

18 Park and ride facilities.....(\$10,000,000)

19 The amount hereinabove shall be distributed by the Commissioner of
20 Transportation to local units of government for the construction, maintenance
21 and operation of park and ride facilities, which shall be designed primarily for
22 use in connection with operations involving car pools, van pools, and public
23 transportation services, and shall be used for purposes including, but not
24 limited to, site selections, acquisitions or leasing of land, grading and paving
25 of acquired or leased land and the establishment of signs and lights on this
26 land.

27 2. The commissioner shall promulgate rules and regulations pursuant to the
28 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to
29 effectuate the purposes of this act.

30 3. This act shall take effect immediately.
31

32 STATEMENT
33

34
35 This bill provides a supplemental appropriation of \$10,000,000 from the
36 General Fund to the Department of Transportation. These funds shall be
37 distributed to local units of government for the construction, maintenance and
38 operation of park and ride facilities, which shall be designed primarily for use
39 in connection with operations involving car pools, van pools and public
40 transportation services.

S351

2

TRANSPORTATION

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Supplemental appropriation of \$10,000,000 for distribution to local units of government for the construction, maintenance and operation of park and ride lots.

SENATE, No. 352
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel
PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator RAND

1 A SUPPLEMENT to "An Act making appropriations for the support of the
2 State Government and the several public purposes for the fiscal year ending
3 June 30, 1989 and regulating the disbursement thereof," approved June 30,
4 1988 (P.L.1988, c.47).

5
6 BE IT ENACTED by the Senate and General Assembly of the State of New
7 Jersey:

8 1. In addition to the amounts appropriated under P.L.1988, c.47, there is
9 appropriated out of the General Fund the following sum for the purpose
10 specified:

11
12 DIRECT STATE SERVICES
13 78 DEPARTMENT OF TRANSPORTATION
14 60 Transportation Programs
15 64 Planning and General Management Support
16
17 05-6070 Access and Use Management \$50,000
18 Special Purpose:
19 Ridesharing advertising and
20 marketing program (\$50,000)
21 2. This act shall take effect immediately.
22

23
24 STATEMENT
25

26 This bill would provide \$50,000 to the Department of Transportation for the
27 development and implementation of an aggressive advertising and marketing
28 program to promote ridesharing. An increase in ridesharing will result from a
29 promotional campaign making people aware of its benefits.
30

31
32 TRANSPORTATION
33

34 Appropriates \$50,000 for advertising and marketing program to promote
35 ridesharing.

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* * * * *

SENATOR WALTER RAND (Chairman): Good morning ladies and gentlemen. I am happy to welcome you here this morning to this public hearing on the Draft State Energy Master Plan, and the Ridesharing bills. If you wish to testify, but have not notified our Committee Aide, Peter Manoogian, please do so after the opening remarks are concluded.

The first matter in today's hearing is the Draft Energy Master Plan, and the presentation on the subject given by Scott Weiner, President of the Board of Public Utilities. In light of the problems in the Middle East, and their effects on energy matters, this Plan is especially timely.

Following President Weiner's presentation, Assistant Commissioner Christine Johnson of the Department of Transportation will make a presentation on the transportation elements of the Master Plan. This presentation will naturally lead to our second major topic; the Ridesharing bills, since I am sure Assistant Commissioner Johnson will have a good deal to say about the necessity of reducing the number of single occupancy vehicles.

The ridesharing portion of the public hearing will focus on the draft amendments, which have been prepared based upon the meetings of the Ridesharing Workshop participants, as well as an analysis of Ridesharing legislation and ordinances in other states. The draft amendments are certainly not final and definitive, but have been prepared to provide a draft document for discussion. I look forward to hearing the reactions of those testifying today on these draft amendments.

The first person we will hear will be the President of the Board of Public Utilities. Good morning, Mr. President.
S C O T T A. W E I N E R: Good morning, Senator, and gentlemen.

SENATOR RAND: We're delighted to have you with us.

MR. WEINER: Thank you.

SENATOR RAND: Sorry we spoiled your vacation--

MR. WEINER: Well, it was hardly a vacation.

SENATOR RAND: --but we'll let you take Sunday off, this week. (laughter)

MR. WEINER: Thank you. In fact, on Sunday I depart for the National Conference of Utility Commissioners where we'll be talking -- with some pride -- about New Jersey's energy conservation activities.

I thank you for the opportunity to come here this morning and talk to the Committee about the Draft Energy Master Plan. I want to take a few minutes just to describe the process that the Energy Master Plan Committee is going through now, a process that we anticipate will lead to an adoption of a Plan in January of '91 -- just a few months from now -- and then I want to touch upon some of the themes that run through the Plan in general, and also their specific application to matters involving transportation planning, and transportation policy in this State.

This Plan when adopted, will be the third Energy Master Plan adopted by New Jersey. It will be the first adopted by the Energy Master Plan Committee. I'm sure the Committee knows that in 1985 a statute was enacted which both abolished the then existing Department of Energy, which was responsible for the promulgation of master plans of this type, and among other things established a Master Plan Committee, which is made up of seven cabinet level department heads. That Committee has been working during the past year -- past ten months, to put together the document that's now before you.

One of the active participants and active departments in that Committee is of course the Department of Transportation. Commissioner Downs and his staff very actively participated, and I'm sure you will be hearing this morning some comments that they have specifically.

The process for us is important. We have scheduled two open public hearings for December 4, and 6. On December

4, we will be meeting as a Committee in Newark to take public comment on the Plan. On December 6 we will be meeting here in Trenton, at the War Memorial, again to take public comment on the Plan. We have, as a Committee, initiated a series of informal discussions with various constituency groups around the State to solicit their comments to the Plan as a whole. The board staff in conjunction with the staff of the other Committee members has scheduled meetings with various utilities, with transportation groups, with environmental groups, with energy saving companies, and with business and industry associations to solicit their comments to the Plan as promulgated, not in substitution but really just another avenue in addition to the public comments we hope to get -- anticipate getting in December.

That process has been very encouraging and fits in with the Committee's concept of what the Plan is intended to do when it's complete and adopted in January. That is not so much to provide answers to the questions, but to provide a framework for further discussion. The document is 278 pages long. I think you will agree that it's full of ideas. It's full of concepts.

One of the principal themes that we hope comes out of the Master Plan to readers and to policymakers is that to address energy intelligently, and energy planning intelligently, it has to be done on a coordinated basis. That is ever so true in areas of transportation planning.

The Plan presents four fundamental policy goals: The first I've mentioned, which is coordinated planning and the fact that as we address the energy needs of the State during the next decade, and into the next century, we must do it in a coordinated way. Commissioner Downs -- when we are together -- often points out that he and his portfolio, in a sense, are the single biggest problem, but also the single biggest potential solution for Commissioner Yaskin and myself, in terms of

environmental and energy issues. You can't talk about transportation without having to think about the environmental impact, as well as the energy planning impact. I'll speak about that in a few minutes.

Another policy goal in the Plan is the need to provide secure and stable energy supplies and services for the State. That is obviously important as we think about the economic health and well-being of the State as a whole: our businesses, industries, and our residents. Second goal-- Third goal related to that, is a need to achieve this secure and stable energy supply in a way that protects the environment. We believe that sense of environmental protection, again, underscores the need for coordinated planning but it is also very obtainable through smart and efficient planning and utilization.

Finally, if we are successful in those three goals, we are confident the fourth goal can be achieved, which is providing for and encouraging economic growth in the State in a way that is environmentally sound that inures the benefit of all of the citizens of the State, and is promoted by secure and stable energy sources.

Now in addition to those policy goals, there are a number of themes that are mentioned throughout the report that reflect those goals, and those themes are the foundation for our discussions over the next couple of months. We think it is very important that all of us; individual residents, when they pay their electric bills, and those of us in public policy-making positions, remember that these results are really in our own hands. We can't emphasize enough -- we don't think as a Committee -- the role that choice has to play in this, in self-determination. We have the ability as policymakers, in the statutes we enact, the regulations we enact, or as homeowners in how we view our home, and how aggressive or smart we are in sealant programs to be able to achieve these goals and these results.

One of the things that this administration believes very strongly is that over the past eight or nine years -- as a society both nationally as well as here in the states -- there has been an overreliance, an overdependence on market forces as being the factor that will bring about appropriate energy results and planning, and not enough responsibility being assumed by government and public policymakers to be appropriately proactive and set the right tone, and create an environment that will bring about the type of public policy results we want. Now, I believe, its almost axiomatic to say that since August of this year we've learned the dire consequences of pure reliance on market based forces.

The second theme is that conservation is the goal that had for too long been left on the back burner somewhere, almost a relic of public policies past, and we believe very strongly that conservation is obtainable through efficiency and innovation, and that conservation in 1990s, certainly doesn't mean sitting in the dark with a sweater on.

Governor Florio has made conservation a principal goal of his administration in terms of the proactive role for government -- all of us in public policy positions. The Board of Public Utilities proposed for publication and public comment a series of rules intended to help promote conservation through the utility sector, by recognizing in part that utilities are not just purveyors of electricity or gas but are in fact energy service companies, and are to be encouraged and are to be rewarded for successful producing and selling of conservation.

Every kilowatt, every therm of gas that we can save through conservation, and forestall of new construction of capacity, then works for the benefit of the State many times over. Conservation is critically important for the State and for this nation. I've had an opportunity recently to participate in a number of national forums, where often the debate has been between the energy producing states, the oil

producing states, the coal producing states, the natural gas producing states, and states which are net consumers of energy. It seems to me that it is time for us to begin thinking about energy conservation states; states which are on the forefront of producing capacity, innovation, efficiency, and environmental successes through the promotion of conservation.

And this is a goal that we have for New Jersey. To see New Jersey in the forefront of not just an innovative regulatory program, but also to create an environment where the industry and the private sector development of conservation techniques, technology, and businesses will find a very receptive home, here in New Jersey. So in the not too distant future, public debate may be centered upon energy producing states, energy consuming states, and with New Jersey in the forefront, energy conservation states. That is a goal that I think is very obtainable for New Jersey.

Achieving these goals is going to require choices, and it's going to require integrated coordinated planning, not just among governmental departments, not just between the BPU, the DEP, and the Department of Transportation -- which is ongoing -- and beyond even the seven or eight department concepts reflected in the Energy Master Planning Committee, but it is going to require very active cooperation, and coordination between government and the private sector. We recognize that.

Certainly the Board of Public Utilities has a very important role to play in that coordinating process, but it is a theme that we hope jumps out of the Master Plan; that this is not a problem just for the public sector or the private sector alone.

In terms of cooperation-- Again, you look at energy issues in the 1990s: Certainly since August of this year and the Iraqi invasion of Kuwait, there has been an underscoring of

the need for not just cooperation between the public and private sectors in various levels of government but on a region. Now I want to take a few minutes to just report on the activities of both the Council of Northeast Governors, as well as the National Governor's Association, and our work with the Department of Energy.

As I believe the Committee already knows, that in August of this year Governor Florio attended a meeting of CONEG. One of the things that the Governor presented at that time was the need for regional planning, and regional cooperation with respect to these issues. In response to his plea, CONEG set up a working group of Governors to deal with energy issues, and I had the honor of being selected by Governor Florio to serve as the Chairman of the working group with my colleagues, the energy policymakers from around the region.

We have held one meeting to date. Later today, we will be conducting another in a series of conference calls. But our goal has been to make sure that all of us in the region share a common base of information, and to begin to identify things we can do collectively. And we hope in the not too distant future, to be able to identify energy conservation measures, in addition to what we are doing in our respective states to reflect state needs, can be initiated on a regional basis to respond to regional needs here in the northeast.

As a group, we are exploring very vigorously among ourselves and with the Department of Energy in Washington, opportunities not just for siting of the petroleum reserves -- the appropriate strategic points around the country -- but also looking to the likelihood and the feasibility of siting refined product reserves here in the northeast. So in the event -- and hopefully it will be the unlikely never occurring event -- of a disruption of refined product, we will have access to those materials in the northeast, where we need it desperately.

In addition, the National Governor's Association, through its Energy and Environment Committee, is exploring many of these issues in coordination with CONEG as well as the Department of Energy. I have been asked by Governor Florio to sit on that Committee as his representative, and have had the opportunity to meet with the Department of Energy in Washington on the national energy strategy.

The point of all of this is that if anyone in a public policy position-- It's been said, some eight years ago that somebody hit the snooze alarm when it came to energy policy planning. The country went to sleep and relied on the markets. That's no longer the case. It's certainly no longer the case for the administration in this State. We are aggressively pursuing our responsibilities here in the State, as well as in the region.

I want to take a few minutes to talk about transportation issues, and to highlight some of the points made in the Plan. As you pointed out, Mr. Chairman, the Assistant Commissioner from the Department of Transportation will be testifying, and I will appropriately leave to her and the Department of Transportation specific comments about specific programs that can be initiated.

I want to underscore for the Committee today what is the obvious point to all of us in this room, but soon needs to become the obvious point to all of the residents in this State; that transportation planning and transportation policy is inextricably linked to sane and rational environmental policy, and sane and rational energy planning policy.

One-third of the State's entire energy consumption comes from the transportation sector, and of that, 99% of that transportation consumption is petroleum based. The missing 1% is electricity for our electric mass transit facilities. New Jersey ranks eighth in the country in terms of autos per capita

-- approximately .67 autos per capita, which is eighth. Nobody in this room needs to know how much energy we consume in the transportation sector.

As I pointed out before -- and I think it is worth repeating -- every time we address issues of traffic congestion, we address issues of air quality. We are attacking, and appropriately attacking, both environmental as well as energy issues. Already initiatives have taken place in the State, and probably among the most significant -- in terms of our ability to plan, and appropriately plan coordinatively -- was the Governor's initiative in setting up the Transportation Executive Council. It provides in a forum for a coordinative response to these problems, and, in fact, the work of the Council is reflected in the draft transportation section that you have before you.

There are a number of programs which can be considered and should be considered for not just implementation but for appropriate expansion, nourishment and promotion, that can provide a short-term measurable result. Vanpooling is clearly one of them. Ridesharing is clearly one of them. But as we talk about these issues I think we all have to recognize that the Tax Reform Act of 1986 dealt a near fatal blow, certainly a debilitating blow to those programs in terms of tax treatment of private sector opportunities and investments in such programs. Needless to say though, none of us have the luxury now of just writing off those programs, but have to become innovative and creative to find ways to bring them about.

In New Jersey, as you know, our State activities in those areas are coordinated by the Department of Transportation, and we now defer to the Department to talk more specifically about the mix of programs here in the State. There are of course other program opportunities that are related that can bring about short-term and measurable goals, high occupancy vehicle lanes, and transportation management

associations -- the work that they've done. All have brought about and should continue to bring about measurable short-term results.

In conclusion, I just want to highlight some ways in which I believe the State can be influencing via a mix of transportation, energy, and environmental policy. In the near term, one is clearly alternate fuels. When we talk about alternate fuels, we think about the Clean Air Act and the impact it's going to have there. But I want to talk now about two logical programs whose day I think has finally begun to arise, and that is natural gas vehicles and electric vehicles for fleet operations in urban areas.

The logic is so compelling in terms of the air quality issues that are involved. The logic is so compelling when you think about the reduction, the measurable reduction that can occur in consumption of petroleum and gasoline. We already have in our State some exciting initiatives in the area of alternate fuel vehicles. New Jersey Transit has an experiment; Elizabethtown Gas has some of its vehicles fueled by compressed natural gas; PSE&G has a program.

There's a role that government can play in helping bring about a solution to the chicken and egg dilemma which we're now facing as a country. The auto and transportation manufacturers, even some private sector fleets who would like to think about conversion of their vehicles, look around and they don't see the delivery infrastructure. They don't see the natural gas pumps to deliver the product. And understandably the natural gas industry is reluctant to invest large sums of capital in creating a delivery infrastructure until there is adequate demand out on the streets for these kinds of vehicles.

There are things that we can be doing to help bring about; some of the early, tentative steps. At the Board of Public Utilities we have made clear that we would encourage innovative programs on the part of the electric and gas

utilities, that would lead to fleet conversions, or experimental programs. There are programs now being considered and evaluated by the Department of Transportation, DEP, and the Board of Public Utilities that can provide for some of the conversion of the State's fleet to natural gas or electric vehicles. These are opportunities that I think as a government and as a State we will be seeing a lot more of over the near term.

Second, I think the country as a whole will be keeping an eye on California as it begins -- probably the first state to move aggressively towards a staggered sales tax -- what's been called sometimes a gas-guzzler, or the gas-sipper tax. The concept, as I'm sure you're all familiar, is to establish a revenue neutral program which increases geometrically the tax on high gas consuming vehicles and reduces the sales tax appropriately for gas efficient -- energy efficient vehicles. And the fear is, if we're going to put this program together, even talk about the possibility of tax rebates for the highly efficient end of the spectrum.

The program is most developed in California. Governor-elect Wilson has endorsed the concept. It's something which is now much the talk around the country -- the types of innovative programs that may or may not work, but which we as a society begin to look at, to take the tools that we have available to us and find ways to spur on and be a catalyst towards rational energy policy and consumption.

With that, Mr. Chairman, I'd like to conclude my remarks and, of course, be available for any questions the Committee may have.

SENATOR RAND: Thank you very much, Mr. President. We're going to take some questions now. Senator Haines, if you have questions?

SENATOR HAINES: Yes, I do. Are you aware of the fact that most fruits and vegetables that we consume here in the

east are produced on the west coast, or in Mexico, and are brought in here by truck? The cost to the consumer is about 15 cents a pound, and most of that is fuel cost. Are you aware of that?

MR. WEINER: Yes.

SENATOR HAINES: And that price will probably go up to about 25% (sic) a pound. Certainly, most of the milk we drink comes in from Wisconsin. Have you studied the idea of promoting New Jersey agriculture as a method of cutting down on some of these costs?

MR. WEINER: Have I studied it? No. Have we--

SENATOR HAINES: Is that in this report?

MR. WEINER: Yes. And I think what you will find in the report is, there are lots of -- I'm trying to think of the right word; I don't want to call them "tangential" -- related and coordinated activities that can take place that don't always deal with consumption directly. Land use planning is talked about a lot in the report.

SENATOR HAINES: Yes, and land use planning in this State is going to destroy agriculture in the next 20 or 30 years -- the planning that we've seen so far.

MR. WEINER: Well, when I say land use planning, Senator--

SENATOR HAINES: What we need--

MR. WEINER: --I include the use--

SENATOR HAINES: No wait a minute. Let me finish.

MR. WEINER: I'm sorry.

SENATOR HAINES: What we need to do is help agriculture become more profitable in New Jersey so that it can compete. What we've done as taxpayers-- I don't know if you are aware of it? As taxpayers in the State, we have built dams all over the west and have provided them with free water so that we have to pay 15 cents, maybe 25 cents a pound for the

food produced in the west, rather than encourage agriculture here in the east. I think as consumers -- and you know I am a farmer -- we would be far better off encouraging agriculture production here in the east, so that we don't have to pay for the fuel costs to bring this stuff in across the country. I think this is as important as anything in this report.

MR. WEINER: I was going to agree with you, and I was going to try and make the point, Senator, that when we think about land use planning, sometimes those words roll off people's tongue when you think about commercial development, but for us in terms of the Energy Plan, the fundamental question of if we have space--

SENATOR HAINES: We do. We do.

MR. WEINER: Yes.

SENATOR HAINES: Absolutely.

MR. WEINER: --and if we want to reduce cost, and the impact of the trucks rolling into the region-- And we have to think about how we can use our space to become sufficient.

SENATOR HAINES: See, a good portion of agriculture in New Jersey is producing crops like field corn, and wheat, and so forth. And much of that is shipped overseas. Whereas, we can be producing crops that are consumed here in the northeast, and it would be far more energy efficient to do that, if it were more profitable to do this. I think it's not just a simple procedure.

One of the things we need is more work at Rutgers to produce new varieties that are suitable for our climate. But one thing that we have in New Jersey is a climate that enables us to produce fruit and vegetables and many other crops, ten months out of the year. And we're more like Florida and California than many people understand.

Certainly, Pennsylvania -- as soon as you get a little bit west of Philadelphia -- does not have the climate to produce the long season crops that we can, here in New Jersey.

So I think that it is very important that we look at this as an energy saving; something that can save us a tremendous amount of energy to produce more of these things here in New Jersey.

MR. WEINER: I think that is a good point, and I can assure you that it will be part of our ongoing work.

SENATOR HAINES: Secondly, one of the things that Walter Rand and I see in our particular areas is an awful lot of out of State traffic, and a lot of it is going to the shore on weekends. Friday afternoon in Mount Laurel Township, where I happen to live, it's a mess. And it's not New Jersey traffic; it's out-of-state traffic. One way we might look to try to help the situation is a four-day workweek. Have you looked at this aspect of the situation?

MR. WEINER: Yes.

SENATOR HAINES: Maybe a ten-hour day, four-day workweek, which might not be everybody working on Friday, as an example.

MR. WEINER: There are a number of, what I'll describe as congestion traffic utilization measures that are discussed throughout the Master Plan. One of the things we are looking forward to-- Part of our process is to solicit a broad range of comments on those.

Of course you've also identified one of the dynamic tensions we have, which is the fact that while we would and should continue to promote New Jersey as a place for people to come to, that as they come to us, they bring along their vehicles, and that is part of the dynamic tension that we need to wrestle with.

SENATOR HAINES: From an energy saving standpoint, a four-day workweek would save the commuter at least one day a week, and of course probably the commuter would have a boat at the shore and spend three times the energy on his boat, but that's another problem. (laughter) Thank you very much.

MR. WEINER: Okay. Thank you, Senator.

SENATOR RAND: Thank you, Senator Haines. Mr. President, let me ask you. You've talked about alternative fuel vehicles, and you talked about the private sector, and you talked about some of the utility providers: What have the car manufacturers done in this area both on the national level-- What do you know about that?

MR. WEINER: The information that I have to date is that the car manufacturers have done little. And the response, as I am aware, is generally that they don't see the market demand yet. You see two things happening now: a conversion of either bifueled vehicles -- vehicles through a flip of a switch can go from an alternate fuel to gasoline; or monofueled vehicles -- vehicles that are specially designed for compressed natural gas.

Those costs of conversion become most economical and make the most sense when you look at fleet operations. And in terms of trying to pick and choose where we can have the most impact in the quickest way, it seems to me personally that if we continue to work both with the State's fleet as well as the private sector fleets, avoiding regulatory morasses or the natural gas utilities that want to explore this and find ways to create the delivery infrastructure, that as more and more vehicles hit the road with this capability, the car manufacturers will follow.

In short, I'll feel a lot more success in bringing back results in a minute involving our State's utilities -- some of our State's businesses in terms of their fleets -- than I do with trying to knock on the doors of General Motors, at this stage.

SENATOR RAND: They're not very receptive to this particular move?

MR. WEINER: In fairness, of all of the people that I've talked to, we haven't had direct conversations with the car manufacturers.

SENATOR HAINES: Senator, can I make a comment here?

SENATOR RAND: Sure. Go ahead.

SENATOR HAINES: I've converted many arrogation pumps from gasoline to using propane gas. It's a very simple conversion. It's very inexpensive. If we, in the State of New Jersey, decided to go to propane gas in our vehicles in this State, you could put the tank in the trunk and convert the thing for a couple hundred dollars, I would think, and basically, the engine itself, runs much more efficiently.

It's just a matter of, as you say, developing a delivery system. But I would think that the State of New Jersey could do that very easily.

MR. WEINER: As I've said, Commissioner Downs, Commissioner Yaskin, and myself are actively pursuing some of those plans in terms of the State's fleet, not just with natural gas vehicles but also evaluating -- creating a demonstration for electric messenger vehicles in and around urban areas. But in addition to the work we're doing in the State, I'm becoming more and more optimistic that within a year, we will see some real impacts in the private sector through a cooperative effort.

The utilities that I spoke to are very eagerly awaiting the opportunity to do this and have begun discussing this with some private sector companies, in terms of conversion of some or all of their fleet. Understandably, their concern was hitting a regulatory morass. When BPU regulations were created for natural gas sales, I don't know if anybody had in their mind -- certainly at the turn of the century, and I think even as recently as ten years ago -- having to create a regulatory environment to respond to the demands of a natural gas vehicle fuel delivery system. It's something that I think we've now assured the industry that we're prepared to work with them, in developing a sane and rational mechanism.

SENATOR RAND: You'll be welcomed by the consumer as soon as it hits \$2 a gallon for gasoline--

MR. WEINER: Yes.

SENATOR RAND: --which is evident that it is not in the too far distant-- Can you tell me about some of the conservation devises that you have? I know you are preparing regulations.

MR. WEINER: Sure.

SENATOR RAND: Can you discuss them in a little bit more detail?

MR. WEINER: Oh, sure. In terms of what the Board is doing right now, it can be summarized by the regulations that we promulgate yesterday. The basic concept is that each utility will be required to file biannual plans of their conservation programs, which are essentially divided into two categories. One category is what we call core programs; programs which we think benefit society as a whole, benefit the users, and provide for an opportunity for utilities to get a reimbursement of the cost for those programs.

Sometimes by their nature, they're hard to measure. There are things like the home audits, business audits. There are some educational programs to help increase consumer awareness of energy consumption issues. There are the home energy rating systems and other things like that. Those are things we call the core programs, frankly, programs which has been going on in this State for many many years, both from utility initiated programs as well as programs initiated to run by private sector companies, which generically have been ESCOs or Energy Saving Companies.

One of the things the regulations do is make certain, and institutionalize the fact that investment by regulated utilities in those activities, will allow them to obtain a reimbursement for those costs.

Of course, one of the biggest problems of conservation that's been found around the country the past few years is utilities, as the suppliers of electricity and natural gas are

in a very enviable position to help bring about conservation. But you ran into the perverse incentive that the more you conserve, the more sales would decline. And as those sales declined, earnings of the utilities would decrease. So you found yourself in the perverse incentive situation of utilities, saying that it is not to our economic advantage to go out and promote conservation.

So over the years, there's been an effort by utilities around the country and regulatory boards around the country to find an answer to that problem. The regulation that we introduced yesterday, we think do that. The basic concept is simple: The utility invest in a conservation initiative, which is certain and measurable. They'll be brought an opportunity to earn a return on that investment. Very simple. I think the time has come for us to recognize that.

And as I mentioned, it is time to view utilities as energy service companies, not just sellers of electricity or gas. In short, what the regulation say to each utility is: You come up with a plan that you think makes sense to achieve a certain amount of conservation result. We're not going to tell you how to achieve the goal. We're going to articulate to you what the public policy goal is. A lesson that I learned a long time ago is that a regulator does not try to run a company, but clearly articulates what the public policy goals are.

So each utility is going to be required to file a plan, and set forth their conservation objectives. In measuring cost and benefits-- Let me go back a step. In the first instance for a measurable program approved by the Board of Public Utilities, utilities will be able to earn a return on their investment, sent to the same return that they earn under the investment of capital plant now, or new construction.

There are two other components to this plan. One is that if the savings, in fact, exceeds what was anticipated -- that the programs are more successful than what was anticipated and that--

SENATOR RAND: Give them a bonus?

MR. WEINER: There will be a bonus shared, not just with the utility but by the ratepayers, because there will be some earnings -- there will be some revenue that can be generated by that. There will be a bonus for good performance, if you will. There will also be a potential detriment, or a negative impact if the programs fall way below what was anticipated. If the programs don't succeed, then we will take back some of that percentage return that was allowed.

The question is, how do you measure this, and how do you factor in what's called environmental externalities -- society's benefit -- that isn't always easily reduced to a dollar and cents quantification? How do you measure the environmental benefit for avoiding the construction of a base load electric plant? How do you measure the environmental benefit by avoiding having to construct a new pipeline for the delivery of natural gas?

Scores-- Hundreds of people around the country are now trying to figure that out. New York State has developed a proxy of 1.4 cents for kilowatt hours in environmental benefit in a similar program that they have. What we propose in our regulations is to look at the cost benefit analysis and create a zone of about 20% of a cost benefit. If a program has a cost benefit result of .8 or 80% to 100% in terms of recover of its costs, that is the kind of result that society should be rewarding through this incentive program. That 20% zone representing a proxy for environmental benefits.

If it exceeds one-- If the costs benefit analysis is greater, where the measure are below the measurable benefits, we'll have that bonus as you described it; a sharing between ratepayers and the utility shareholders. If on the other hand, the measurable benefits fall below .8, that the costs are exceeding the benefits greater than 80%, then we'll start

recapturing some of those earnings that we had allowed the utilities to take in the first instance. That's the basic framework.

What we said to the utilities in developing their plans in the proposed regulations, is that it is going to be up to each of you to develop a plan for the Board's approval. One of the lessons that I've learned during the public hearing was that we have to give the utmost flexibility to utilities in this scene to develop their own plans, and as long as the Board has the right of approval, we will be able to encourage innovation. We will be able to encourage creativity. We will be able to encourage results that are tailored to the needs of New Jersey; in fact, the needs of the specific service area of each utility.

I want to emphasize that these regulations that we authorized yesterday are for publication. They will be published in the December 17, "New Jersey Register." Copies of regulation will be available on Monday to the public at large, and we will be holding a hearing later in December, on the rules. So they're still subject to some further refinement. We think that these rules will put New Jersey in the forefront of energy conservation initiatives in the country.

SENATOR RAND: Thank you. Very interesting. Senator Brown?

SENATOR BROWN: Yes. Thank you, Mr. Chairman. I appreciate the promptness with which we are discussing this Draft Energy Master Plan. After it was discussed at Birchwood Manor (phonetic spelling) in October, it's good to see it here today. Question: What sort of reaction have you gotten as you have had your public hearings on these new regulations?

MR. WEINER: Very positive. Leading before the promulgation of the proposed rules, yesterday, we had issued a notice of preproposal earlier this spring, which laid out the problem. We invited all interested parties to come into a public hearing at the Board and address that issue. We had a

very active day of testimony from all of the State's utilities, and from the energy saving companies. That public comment hearing was followed up with a series of smaller informal meetings with the whole range of constituencies, and that lead to the promulgation of these rules.

I've been around this track long enough to know that there is probably some fine-tuning left to be done, as we have the public hearings, and as we look to the final rule format. But so far the response has been overwhelmingly positive, and very encouraging.

SENATOR BROWN: Could you give me a specific example of a program you think might be put into place as a result of these regulations?

MR. WEINER: Sure. (short pause as witness writes note) I just want to make a note, because there is one important thing that I forgot to mention. If I may start with that before I answer your question-- One of the concerns about these regulation is the impact it would have on private sector companies -- not in utility companies -- that have been engaged in the energy business, or the energy conservation business.

Today the State has a bidding program, where as part of a integrated utility planning process, utilities are required to put out for bid, capacity that can be acquired through conservation measures. But again, the utility has no incentive, no economic incentive to promote that. So we have included a set-aside program in the regulations that says 25% of any savings -- any capacity savings -- have to involve third party private sector companies, either through subcontracting or direct delegation.

That leads me to answer your question, Senator. Probably the easier example is to think of an industrial facility that's a large consumer of energy for one reason or another, and can have very measurable savings through energy efficient lighting, energy efficiency appliances, and other

appliances, or equipment that can be installed, sealing up delivery mechanism, all sorts of things that can reduce the flow of energy.

On a much larger scale, many of the things that many of us are doing in our homes, looking to energy efficient light fixtures, dishwashers, and appliances-- There are a number of load factor programs that the utilities can bring about. As long as they are measurable, and as long as we're confident that we'll be able to take a look at that program and measure a net savings of energy use, then utilities will be in a position to start saving capacity in very measurable blocks, not a kilowatt here or a kilowatt there, but tens and hundreds of megawatts, for installing the need -- as we see it -- for new base load capacity over the years.

SENATOR BROWN: Obviously, we are all in favor of saving energy, and I commend you for your outreach and so on. I do think that this last election showed however, that we've got to be careful as public policy people not to put into effect rules or regulations or programs that are so complex that their objectives get lost because of the complexity with which the program is encumbered.

Switching the subject, obviously in your status as being a member of the cabinet and so on, has there been much discussion at cabinet meetings about how New Jersey government could take the lead in saving energy?

MR. WEINER: There has been some, but the bulk of that discussion has been what I would describe as cabinet committee discussions, both in terms of preparing the Energy Master Plan, but also discussions between the Board of Public Utilities, the Departments of Transportation, Environmental Protection, DEP, and Treasury, looking at ways, of which we discussed some of them in the Master Plan report.

I talked about transportation issues. Let me turn to procurement issues. Again, what seems to be a fundamental

principle of life cycle analysis -- economic analysis in making procurement decisions, something the State needs to be and will be doing much more aggressively, and will become more apart of our procurement practices. On a much larger scale, the very simple question that we all face every time we go out to buy a dishwasher, or an air conditioner, or a refrigerator, we find the life cycle analysis -- cost analysis, or the yearly cost analysis on that yellow sticker on the front of the appliance.

And how many of us have been confronted with the decision or know people that have been, who have said, well should I buy the cheaper model today which requires less of an output from my checkbook, or should I buy the more expensive model that will save me money during its lifetime. That's an analysis that the State needs to go through much more aggressively, and will be going through much more aggressively as we decide what types of vehicles to buy, what type of lighting to install, what type of buildings are right for retrofitting.

SENATOR BROWN: Well, I would assume here again that the Governor would take a leadership role and some sort of--

MR. WEINER: You can be assured of that.

SENATOR BROWN: --stake to make a clear statement back in the '70s and county governments. We in Morris made it crystal clear that the county was doing "X," "Y," and "Z," and I think rather than constantly expecting more of the private sector to solve all of our problems, that this is one area where it is crystal clear that State government, through a coordinated approach, should set the example. And we, of course, here in New Jersey, like to be leaders for the entire country, so I am sure that you will see that this comes up.

MR. WEINER: Well, we couldn't agree with you more, and we think we've been setting the foundation to do that in the ways that I've discussed this morning.

SENATOR BROWN: My last question, Mr. Chairman, if I may: When it comes to the operation of trucks and so on -- because obviously trucks are a vital part of the New Jersey economy -- how are we assured that the engines are not only efficient as far as the fuel, but efficient as far as not polluting the air? Do we have in our Division of Motor Vehicles, the capacity to monitor our trucks, or do we depend on self monitoring?

MR. WEINER: I'm going to have to apologize, Senator, and defer somewhat, both to the Department of Transportation, as well as the Division of Motor Vehicles. What I can tell you is that in discussions that involve myself, Commissioner Yaskin, and Commissioner Downs, those are issues that we discussed. As we look to the implementation of the Clean Air Act, the mobile emissions standards, those are factors that impact on environmental quality, on air quality, on transportation policy, and of course on energy policy. In terms of the specific tools that we have, how they are implemented, I am going to defer to the agencies who are principally responsible for that. I can assure you that that was discussed, and those plans are being aggressively pursued.

SENATOR BROWN: Thank you.

SENATOR RAND: Thank you very much. Senator McManimon?

SENATOR McMANIMON: Yes. Scott, cogeneration is viewed by some as a means of committing your large industrial users to have energy self-sufficiency at a greater cost to the small energy consumer. My concern here is what role the Board of Public Utilities plays in equalizing these costs as cogeneration becomes more popular? Because if you take them off of the major lines, then the burden of pay is going to be on the small.

MR. WEINER: This is an area that the Board has spent a tremendous amount of time on, really since-- The Board has a history in this area. But since our series of hearings

initiated by Senator Van Wagner -- maybe that you're familiar with -- earlier this year, the Board together with the utilities in this State, as well as the nonutilities generators or the alternate power producing industry, has spent a lot of time looking at that issue. I can tell you that everyone agrees that cogeneration as a technology -- again -- makes sense; that it makes sense to encourage industrial users to have some energy self-sufficiency.

But even more important, and in terms of technology, to provide for a technology which produces two energy sources out of one and has all of the benefits that everyone in this room is aware of, our view is that as we look ahead to the next three to five years. The debate shouldn't be what role is there for nonutility electric generation versus utility electric generation. How do we protect or preserve the captive ratepayers, the utilities-- We're taking a much different point of view in saying how do we, as a State, want our electricity generated? Where is it going to be generated? As a technology, cogeneration is certainly at the top of the list.

My prediction is that at some point in time -- I don't want to be pinned down to whether it is three years from now or seven years from now -- you're going to see a hybrid generation sector, and you are going to see regulation that meet certain public policy objectives, and active and robust competition that can help keep costs down.

And I am very encouraged that over the past six months both the utilities executives as well as leaders in the nonutility generating industry have worked with the Board very aggressively and very cooperatively in defining what those policy objectives should be. Issues like facility planning, capacity planning, the certificate of need statute that now exist, the ability for our utilities -- our electric utilities -- to go out and effectively compete against nonutility companies for generation business and generation projects, are

all very important, which ultimately will produce three principal goals: stable and secure energy supplies within the State, on an environmentally sound manner -- whether we are talking about natural gas cogeneration or clean coal technology ultimately with a stable pricing for New Jersey's consumers, be they residential users or business and industry.

The past six months have brought about a lot of very positive movement towards understanding those public policy issues, and moving the debate from, should it be regulated or not regulated, to what are the goals that we want to achieve collectively for the State?

SENATOR RAND: Thank you, Senator McManimon. Mr. President, a couple of questions that I'd like to ask you. How should the Board of Public Utilities regulate cogeneration facilities located in New Jersey, and subjects a local community to its various impacts, and yet -- to the present -- sells its generated energy capacity to customers outside of that entity?

MR. WEINER: There are two questions that I'd like to address, the first being, impacts on the host municipality. This is one of the subjects that was discussed earlier this spring and which is still the subject for some discussion. I don't think that there is any question in anyone's mind that a generating plant is a generating plant, and because the anomalies right now of our statutes, if a community is the host of a generating plant that's owned by a utility, they share in the gross receipts and franchise tax.

If a community is the host of a generated facility that looks the same, acts the same, and does the same, but is owned by a private developer, it receives some property taxes. I don't want to open up the debate as to whether or not those taxes are equivalent to their share of gross receipts and franchise taxes, but suffice it to say that there is no real basis to treat those two differently.

Now whether one talks about host community benefits, if you will, as an economic benefit to the host community, or whether you talk about realigning the distribution of gross receipts and franchise taxes, is at the heart of the matter. I'd just like to suggest that those are issues that are raised in the Master Plan report. We're hoping and anticipating inviting comment to us in the course of the Master Plan discussions, and I think we'll be in a lot better position some months from now -- early in the first quarter of next year -- to make substantive recommendations.

But that is an issue which everybody understands needs to be addressed, and frankly, everybody wants to address. I have not encountered anybody in the debate who doesn't want to address that issue of remuneration to host communities.

The second issue that you discussed really deals with where is our electric capacity going to be generated. Now I'm sorry I didn't bring with me -- an editorial -- but I will paraphrase it. It was from a Harrisburg newspaper, which ran in April: As you may know, GPU which is the parent of JCP&L has recently announced a plan to become part owner in an electric generating facility in western Pennsylvania, and a good deal of that capacity that is generated -- electricity that is generated in western Pennsylvania, is going to be translated over new transmission lines through the State of Pennsylvania into ratepayers in New Jersey and to consumers in New Jersey.

The Harrisburg newspaper essentially said, this is all very interesting and yes it would be nice to bring this plant back on-line, and yes it would be nice to bring some of the coal industry back to life -- because now this would be a coal burning plant -- but they said, why should we in Pennsylvania tolerate a further cutting through of our forest for the erection of transmission lines, when clean coal technology works as well on the shores of New Jersey as it does here? So

maybe what we should do is build railroad lines to ship the coal to New Jersey, and let New Jersey build the new base load plant that's needed.

The point of all of this is that we are a region. And those of us that make up the PJM Grid are acting more and more in realizing that we're literally in this together. There has been a lot of debate about the cogeneration facility being erected in Linden, which is selling electricity to New York. One of the things that New Jersey has to decide in the first instance is, where are we going to get our electricity from? How much are we going to become a cooperative part of this regional environment? I think that we need to understand that those electrons are flowing all over the region, and electrons that start in New Jersey end up in New York; electrons that start in Pennsylvania are going to end up in New Jersey.

In that is the implication for both capacity planning as well as our own economic development. We're learning a lesson about the shutting of borders, as it affects solid waste, and what can happen when the State becomes either too protectionist in its views, or too complacent in its own responsibilities. I suggest that the same is true in energy planning.

SENATOR RAND: Are we protected from the other states about receiving, since we are a consuming State, so to speak?

MR. WEINER: Yes.

SENATOR RAND: I can understand the regional outline--

MR. WEINER: Yes.

SENATOR RAND: --but we are protected in that. Is that correct; I mean with the agreements that we have?

MR. WEINER: Yes. One-third of-- And it should be noted right now. One-third of our electric generating capacity is from outside the borders of New Jersey. The PJM Interconnect, which we are a part of, is a very good, a very

stable, and a very efficient system. If it is not the most reliable system in the country, it is one of the most reliable systems in the country.

One of the other things that has happened within the year -- and which I am proud to see New Jersey in the forefront of -- is helping bring about regional commissioners. Until recently there had never been a meeting where all my colleagues -- all of the utility commissioners -- or representatives of each of the Boards of the PJM states ever got together. The utility companies do. It was time for us to begin to get together.

We had our most recent meeting late in October, and we talked about things like reliability planning from our perspective, how decisions in one state impact upon another, and how we should begin to recognize the reason and collective impact that the Clean Air Act is going to have on all of our states, and all of our utilities in our respective states. So that type of inter-jurisdictional cooperation information sharing is now taking hold. And I think will also add another level degree of security to the State's energy future.

SENATOR HAINES: If for instance, Public Service Electric and Gas decided to use all vehicles powered by natural gas, or use vehicles powered by electric, actually they would be using more of their own product. I would think that would be a very efficient situation. You said, initially that most times when you try to conserve energy you're cutting down on use. In this case you would actually be increasing use.

MR. WEINER: Yes.

SENATOR HAINES: Now I don't know how much it would increase use, but suppose Public Service Electric and Gas, and Atlantic Electric, and all of our electric companies decided to use natural gas as their propellant for gas, as their propellant for the vehicles that they use around the State? Suppose they encourage the State government to use this? Would

we, in fact, be cutting back on our supplies of natural gas, to the extent that we might be discouraging industries?

Here's the point that I'm trying to get at: Back a few years ago I had some friends. We buy glass bottles because we put cider in glass bottles. Some of the glass companies were actually leaving the State because they were rationed -- or put on rations in terms of using natural gas. And somehow because their furnaces are a certain temperature and so forth, they have to keep going, and to shut back is very very expensive for them.

Right now we have lost most of the glass companies in the State. Would we, in fact, be hurting ourselves if we took a portion of the supply of natural gas and propelled our vehicles?

MR. WEINER: Well, first let me assure you that the Board would never allow any gas consumption program to go into place if it is going to seriously impact the firm supply demands that now exist. I would like to think that the type of rationing system that you talked about is now many years old. The problems of the '70s, in terms of getting gas into the State, has now changed, much for the better.

It is a very accurate statement to say that the State and the country have adequate gas supplies. The problem has been getting it into our region, here in the northeast. We are literally at the end of the pipeline. This is why projects like the iroquois pipeline becomes so important. It's the reason why the BPU is very active at the FERC in Washington, lobbying for the approval of new pipelines into the region. All of that having been said, with the new cogeneration facilities, the new reliance upon natural gas as the fuel of choice -- as it is becoming for electric generation -- the Board constantly monitors the adequacy of both the supply as well as the deliverability.

To answer your question, the Board would never approve a consumption plan that would put at risk the firm demands of either residences or industry in the State.

SENATOR HAINES: And potential industry?

MR. WEINER: That's right. Absolutely. Now having said all of that, it's also important to remember that this is that dynamic mix that we have, because while we might be encouraging natural gas consumption, we're also discouraging oil base consumption, and gasoline consumption with all of the intended benefits to our air that we breathe, and the atmosphere around us. The concern is not just on commodity planning, and I'm confident that the State would be able to do that, and frankly the demonstration projects that we have going, are de minimus in terms of its demand impacts on the natural gas supply. But it is also the statutory and regulatory environment, and the ability to provide for entry into what's really a whole new industry, a whole new mechanism.

I think we all stand ready to work with the private sector. It's not just the utilities' fleets, but major companies who are looking to conserve money, conserve maintenance costs, and help comply with clean air standards, who are now knocking on utilities' doors saying we want to work with you to develop a plan for electric vehicles, or for gas vehicles.

SENATOR HAINES: So we wouldn't be cutting back? The other thing is, the Plan states that the State should address urban congestions in ways that will not encourage growth in single occupancy auto travel, or inappropriate land development. What is to be done to prevent inappropriate land development? What does that mean?

MR. WEINER: That was some intentionally general language which the Plan is full of. And I don't mean to be sarcastic, but what we have done is try to lay out the issue and invite people to help us figure out collectively what that means. It's very easily to have those words roll off of our tongue, and we understood that when we put that in there. That's the dilemma, Senator. And the dilemma for us to decide

how you define what is acceptable or unacceptable development depends upon what all the other goals are that you are going to mix in.

SENATOR HAINES: Well you know--

SENATOR RAND: We don't want you to sell your farm.

SENATOR HAINES: No, but-- I sure don't want to sell my farm, but one of the things that bothers me continually is the fact that we try to produce low-cost housing -- and I was State Director of Farmers Home Administration for three states trying to produce low-cost housing. We tend to shoot ourselves in the foot because we have so many people that are telling us that you can't build here, you can't build there, and you've got to get your building approved by the township and the county and the State, and now maybe the Department of Energy, and maybe some others.

Builders tell me that they can build a house in North Carolina for about 30% less, and the building materials are the same. The labor is not that much different. The 30% less is because there is less regulation down there.

MR. WEINER: Yes.

SENATOR HAINES: And if we develop another layer of regulation here, what we are actually doing is increasing the costs of housing when--

MR. WEINER: I agree with you now.

SENATOR HAINES: --most of the people in the State can't afford the housing that we got now.

MR. WEINER: I apologize. Now I understand your question.

SENATOR HAINES: Is it clear to you--

MR. WEINER: Well now it is--

SENATOR HAINES: --where I am coming from?

MR. WEINER: --and now I can give you a much more specific response which is, the goal of the Plan is certainly

not to create more regulation, and it is certainly not to create regulations on behalf of a new Department of Energy -- because there isn't one -- or rid the Board in its energy role.

What we are trying to do with the Master Plan is to say to everyone in the State that these are some of the issues that we have to address. And if you want to talk about energy conservation within the home, you get into issues like the home energy rating system, essentially the big yellow sticker that will now go on the side of the house.

Builders say -- and absolutely correctly -- if we were, as builders, to build homes that meet these standards, it's going to increase the costs of housing. On the other hand, if you don't build homes that way, it's going to increase the costs of maintaining and running that home.

SENATOR HAINES: I'm not concerned about that aspect of it. What I am concerned about is having another agency say, you can't build in this area, but you can build in this area.

MR. WEINER: I can assure you that the BPU will not be doing that.

SENATOR HAINES: Thank you.

MR. WEINER: I can't imagine a set of circumstances where the BPU would be doing that.

SENATOR HAINES: Thank you very much.

SENATOR RAND: Thank you very much, Senator Haines. Mr. President, we thank you very much. We are going to have you back after--

MR. WEINER: I'll look forward to it.

SENATOR RAND: --your public hearing on the regulations. We just scratched the surface of this. We appreciate this. I'm sure you will be glad to come back.

MR. WEINER: It would be my pleasure.

SENATOR RAND: We'll have a lot more questions to ask you, but in deference to the other speakers, we're going to excuse you now.

MR. WEINER: Thank you.

SENATOR RAND: Again, we appreciate your being here.

MR. WEINER: Thank you very much.

SENATOR RAND: Thank you very much. Christine Johnson, the Assistant Commissioner of Policy and Planning for the New Jersey Department of Transportation. Good morning.

A S S T. C O M M. C H R I S T I N E M. J O H N S O N:
Good morning.

SENATOR RAND: Trying to get a little bit -- a lot of work in a little bit of time, so to speak.

ASSISTANT COMMISSIONER JOHNSON: Should we start with the Energy-- Is this on? Can you hear me? (referring to microphone)

SENATOR RAND: I think that's just for recording, so you're all right.

ASSISTANT COMMISSIONER JOHNSON: Okay, you'll probably have to ask me to speak up every once in a while.

SENATOR RAND: Okay.

ASSISTANT COMMISSIONER JOHNSON: Are we going to start with the Energy Master Plan?

SENATOR RAND: Yes.

ASSISTANT COMMISSIONER JOHNSON: Okay. You have heard many of the findings, and I am going to follow Mr. Weiner in talking about some of the specific things dealing with transportation. Just to start out with a little bit of background, as you know Commissioner Downs, by law, is a member of the Energy Master Plan Committee. As a result, the Department did take a very active role in shaping the Master Plan.

It definitely reflects the current thinking of the Department of Transportation and the policies that have been set forth by the Transportation Executive Council, in their recent publication, "The Decision-making Framework for Transportation in the 1990s." I think that there are two to

three key findings that came out of the Master Plan that I will highlight, and then go into some of the things that we think are important to implement this Plan.

Like Mr. Weiner said, transportation consumes about a third of our energy consumption, and that motor fuel itself, accounts for about three-quarters of the State's energy use. Motor fuel consumption has reached all-time highs. It has exceeded where we were in the 1970s, and I believe promised at that time to never exceed that point again.

Some of these sound simple, but it's worth repeating: that congestion wastes energy. I think that is important to understand. When we look at bumper-to-bumper traffic on the Turnpike, or the Parkway, or any of our local or State roads, we are witnessing a serious wasting of motor fuel. So when we attack congestion, we are attacking a wasting of energy as well as air pollution.

We are in noncompliance for air quality standards. Indeed, we are among the most serious areas in the United States in noncompliance, just below Los Angeles which has been deemed an extreme case. The opposite side of this is it's often easy for people to throw up their hands and say, "There's not much that can be done."

A key finding that came out of this effort was that substantial improvement can be made, both in terms of the fuel that the vehicles use in miles per gallon, but through our own policies we could make a substantial difference. Natural gas fueled vehicles could reduce our dependency on oil imports. Mass transit modes: rail and bus can play a very important role in New Jersey in meeting mobility needs, as well as energy goals and air quality goals.

Perhaps, most important -- and I hope to be able to talk a little bit more about this later on -- we believe that higher occupancy vehicles commonly known as carpooling and vanpooling, are probably the most cost-efficient way of meeting

both our energy goals as well as our air quality goals in New Jersey. Now I underline the term in New Jersey. We are an extraordinarily suburban State, probably the highest in the United States, in terms of commutation that goes from one suburb to another, literally fanning out all over, which makes it a little bit more difficult to serve by traditional mass transit.

Ridesharing, on the other hand, has enormous potential for attacking this kind of -- both road space use, as well as being energy efficient and nonpolluting. These findings have resulted in several policy recommendations. Let me share a few of these with you, and they again, are a repeat of what came out of the Transportation Executive Council.

The State should focus on moving goods, and people, not more vehicles. That means that when we are out attacking congestion which we feel that we must do both for quality of life reasons, energy conservation reasons, and air pollution reason, our goal to move isn't necessarily more vehicles. It is to move more people and goods.

We believe that when we go about this, we've got to keep in mind that when we widen a road, we continue a cycle of spurring more development, which spurs more congestion, which spurs again the cycle of needing to widen the road. That has consequences in energy consumption as well as air pollution, and frankly, it has consequences in terms of the affordability of the continuation of that cycle.

We have stated very clearly not only in this document, but in the policy document of the Transportation Executive Council, that we can't continue that cycle. We've got to deal with congestion, but not in a way that we're adding a new lane for approximately 1500 more -- which is a small number -- solo occupant vehicles. That being a thrust which is a steering of a policy wheel in this State.

Let's talk about some of the specific implementation strategies. These policies inherently lead to less widening, or they imply that we will be taken harder and harder looks at outright road widening. And when we do widen roads, it is incumbent upon us and the authorities to carefully ask the question, can this extra capacity be prioritized for either high occupancy use, transit use, or goods movement use? So those times when we do ahead and add capacity to our highway system, we begin looking at the possibility of prioritizing that scarce commodity.

We need to promote ridesharing, and provide both incentives, and I think hooks, to get the employers involved in taking accountability for promoting employee transportation at the work site. I hope to talk more about that later on.

We need to promote more Park 'n Rides, and we have so budgeted, not only in the DOT budget but certainly in the Authorities budget. We have been talking to them as well as New Jersey Transit about providing more Park 'n Ride facilities.

We need to increase our transit investments. That is being reflected in the development of our capital programs. We have been spending on the order of two, or three to one; highway dollars to mass transit dollars. We cannot expect to carry out the kind of Energy Master Plan we're putting forth here unless we finally even the playing field between the modes that "do the right thing" relative to the environment energy conservation pollution and so on, and the solo occupant vehicle. It is just too easy and too cheap, and all of our policies are oriented toward the solo occupant vehicle.

We have said, not only in this document but in other documents, the playing field has to be leveled. We want to continue support for the transportation management association that we have in the State. We are a first in supporting them, and creating them in the United States. They are now an

effective tool, and I believe they will become a very potent tool in carrying out this Plan as well as any plans we have for air quality.

We want to encourage the enactment of traffic reduction ordinances. You will hear the Department come out in support of legislation that Senator Rand has introduced in this regard. We want to support mass transit and make it competitive with automobile transportation. We've talked about outright investments, providing transit with a more solid financing foundation, and in all fairness to the State, I think we've got to have a greater orientation toward intra-New Jersey commutation, greater bus routes in New Jersey, as opposed to the orientation that tends to be to the outside to the State.

Finally, this tends to be long-term, but unless we take it on now, we will never get started. We've got to really coordinate land use and transportation investments. I have real hope. We say this all of the time in the profession, but I have hope that we are going to get there because of two things that are now on the books. We have the access code, which we are taking great care in developing the regulations for, so that they are in some balance. But it will be a potent tool in coordinating our transportation capacity with what is developed alongside it, as well as the State plan which will provide substantial guidance in causing development to occur or focusing development where we can provide energy efficient and low polluting infrastructure to support that development.

That tends to be on what I would call the demand management side -- the things that you always expect to hear. I wanted to take a few minutes to talk about some things that you might not have expected to hear, when we talk about conserving energy. We call these traffic management strategies because, you recall that I indicated that anytime we make traffic flow better, we are conserving energy, and we are reducing pollution.

So to the extent that we can get people to travel at a different time than those peak two hours-- To the extent, for example, that we can institute a revolving four-day workweek in some companies, and we take a full 20% of the vehicles off the road, it makes a big difference in energy use and road use, as well as pollution.

We need to look to pricing more than we have before, and probably, New Jersey can do that better than other states. That's not something that we are doing today, but it is something that we have got to evaluate internally.

We have to make greater use of reversible lanes, so that we take advantage of the flow directionality. If most of the flow is going in one direction, let's use the lanes to go in that direction and reserve only one lane to go in the reverse direction, and then reverse it at night. That will allow traffic to flow faster, and thus achieve our goals.

Incident management: Again, this is something that I think we need to talk more about. When you're in a situation of absolute bumper-to-bumper traffic and you have one accident, you jam up the whole lane behind it. It is now in stop traffic, with all of the pollution rising and with all of the energy being wasted. That's not true when you are in a free flow condition, where you've got space between cars, because you can go around the stopped vehicle.

Increasingly, the unexpected accident: the turnover, the flat tire, the engine that is boiled over, is causing congestion on our highways. It's been estimated in the California study that if we could control -- better manage these incidents, we would recapture as much as a third of our highway capacity, and make it flow better. So you will see us putting much more emphasis on those kinds of strategies.

Of course you have heard our Commissioner talk about the use of electronic toll taking, so that we don't have the backups on our toll booths, as well as smart signals, smart

highways that manage the entrance into an intersection better, or manage the entrance into a freeway better, so that it is a smooth flow, not a lumpy backed up flow.

I wanted to conclude this -- and I am sure there are some questions -- by at least making note of something that I have not seen in a long time in my profession. We are seeing a true integration of policy planning across several cabinet levels between our air quality planning, our energy planning, and our transportation planning. I think you are seeing a meshing of goals that you haven't seen -- oh, and I forgot our land use planning -- in a long time. We have a real chance of achieving some of the goals that we have set out because there is so much coordination among the policies that are coming forth at this point.

With that, I thank you and open up with questions.

SENATOR RAND: We know that you have another presentation on the bills.

ASSISTANT COMMISSIONER JOHNSON: Yes.

SENATOR RAND: Let's stick to the questions on what your presentation right now. Senator Haines?

SENATOR HAINES: Yes. School bussing-- You know Haddonfield Township doesn't have any school bussing. Everybody walks to school, and they walk quite a distance. Many towns in my area would locate the school as far from the center of town as possible, so that everybody is bussed, so that there wouldn't be any question whether they were going to be bussed. To me, this is horrible. In some cases I see kids bussed two blocks, and then of course when they get to school they run around the track for hours. Have we thought about, for energy saving, trying to locate our schools in the middle of town, and eliminate as much bussing as possible?

I know in some rural communities you've got to bus in, but I see thousands and thousands of school buses and-- Has the Department of Transportation or anybody looked at this issue?

ASSISTANT COMMISSIONER JOHNSON: In all honesty, I don't think that the Department of Transportation has. I think the closest that you get to that kind of thing is in the Master Planning process that municipalities are supposed to take on. I will tell you that I share your sentiments, not just for energy reasons for a lot of other reasons having to do with the education of kids.

I think that the best hope that I can lay out for you is that the State Development and Redevelopment Plan is causing a level of planning effort at the local level, which is where that would be addressed, that has not occurred before. I don't think that we can reach down other than in a persuasive sense, and overcome what is a valued home rule kind of zoning power that the localities have.

SENATOR HAINES: Yes, I don't expect you to, I just wondered if you looked at it because as energy becomes more expensive and so forth and so on, as pollution goes up--

ASSISTANT COMMISSIONER JOHNSON: Well we get--

SENATOR HAINES: It seems to me that using a bicycle, which they do in other parts of the world, is preferable if we could build bicycle trails, and eliminate as much bussing as possible. I know this is an old story, and everybody did it, everybody's father did it, I guess, but I rode four miles to school on a bicycle. It didn't hurt me.

ASSISTANT COMMISSIONER JOHNSON: Yes. I agree with you. We face the same thing in work situations. We talk about having mixed use developments so that you have housing and workplaces in the same area, so that you can accomplish the same thing that you're trying to accomplish in schooling.

SENATOR HAINES: Did you vanpool to get here?

ASSISTANT COMMISSIONER JOHNSON: I did not-- Wait, I did come in a dual occupancy car, and I did not vanpool to get here, but I could talk to you about bicycling. (laughter)

SENATOR HAINES: Some of us have a little trouble--

SENATOR RAND: How about skates?

SENATOR HAINES: --getting to Trenton on public transportation. I think we would have to go into Philadelphia, (laughter) and then come up from Philadelphia somehow. It just doesn't work very well. We, in South Jersey, think that mass transit is an excellent idea, and I know Walter Rand and I have been for it, but we don't have very much.

I know Senator Zane in a historic speech in the floor of the Senate said, "I'm from Salem County. What's a bus?" There are certain areas where mass transit doesn't work too well, but I understand that there's a rumor going around that Governor Florio is planning to expand Transportation Trust Fund by approximately \$200 million, of which \$90 million would go to New Jersey Transit. Is that true?

ASSISTANT COMMISSIONER JOHNSON: To be truthful, Senator, I am not privy to the current divisions among how it would be divided up. But certainly, if the Trust Fund cap is lifted, I think that it does provide better opportunity to invest in transit that would support commutation within New Jersey.

SENATOR HAINES: Well, this was to be used for operations. I don't think that's what the -- in my envision -- Trust Fund was for; to use money for operations. I would be disappointed if that happened.

One thing that you said is that you're not for new highway lanes. I can tell you very honestly that Route 55, having been built in South Jersey, is a wonderful thing. And I can tell you that we have cleaner air in South Jersey because of Route 55. If you take the old Delsea Drive, where it was stop-and-go, stop-and-go, stop-and-go all of the time, it's got to be an inefficient operation as far as vehicles are concerned, because they don't operate efficiently on a stop-and-go basis. But when you take a limited access highway like Route 55, and vehicles are operating at probably 20 to 25

miles to the gallon instead of five miles to the gallons on Delsea Drive, it's got to be better for the environment and better for everybody.

So I think that there are some places, in my opinion, where we need limited access highways, and we need additional lands, and it doesn't necessarily spur development. Walter Rand and I have the same problem. The folks from Pennsylvania come over here and enjoy our shores, and they do cause us inordinate problems on the weekends, Fridays, Mondays, and so forth.

ASSISTANT COMMISSIONER JOHNSON: I want to be very clear on a couple of things. First of all, I did not say that I was against all widenings. What we have said is that in a State like New Jersey that is mature, that is very dense in much of its development, we are at a point where we're going to have to widen very sparingly, and I don't think you would particularly disagree with me, just on a cost perspective.

That doesn't mean that we won't ever do it. And as you are well aware, we have just launched an effort within DOT to take a look at the various options for Route 55 link to the Garden State Parkway. However, when we do look at a situation where we've got acute congestion and we would have the normal knee-jerk reaction to add lanes. I mean, right now we could add-- What Route 1 needs is 12 lanes, and we could not afford that.

I think we've got to go through a number of steps first. We need to ask the question, have we taken local traffic mitigation measures? Do we have the opportunity for reversible treatment? Have we exploited the smart highway technology to its fullest extent?

And then if all of those, and some others that I am not mentioning-- We've passed through those kinds of hurdles, and go ahead and talk about a widening, then we need to ask the question, do we have the kind of employment development in this

corridor that would justify using that extra capacity during the peak hour for high occupancy or transit vehicles, or truck vehicles, so that we are building capacity for the kind of behavior and the kind of movement that we actually want to have?

SENATOR HAINES: Don't get me wrong. I'm for practically everything I've read in this report. It looks very good, and what you've said, I think is excellent. Let me tell you something that we all know. I think many of us know that Route 95 should not have been de-designated, and that is one of the problems with Route 1 corridor traffic today. Had we had a connection between the Trenton Beltway and Moorestown, we would probably not have as much -- I'm sure we would not have as much traffic on Route 1. So there are some other factors in the thing.

One of the things that we need very desperately is to get from the Blue Route, which comes out on the Commodore Barry Bridge--

ASSISTANT COMMISSIONER JOHNSON: Yes.

SENATOR HAINES: --over to the Atlantic City Expressway, and I see in your South Jersey report that you've got that in there.

ASSISTANT COMMISSIONER JOHNSON: We have called for that.

SENATOR HAINES: I hope you refer back to Senator Rand's hearing in South Jersey on this particular subject. We had a very good hearing down there. It was well attended, and I hope we have more of those.

ASSISTANT COMMISSIONER JOHNSON: Okay.

SENATOR HAINES: Thank you very much, Senator.

SENATOR RAND: Thank you, Senator Haines. Let me make a little announcement. For those that are here, we're going to go to one o'clock, and we're going to hear from somebody from the DEP. Is somebody here from the DEP? (no response) There's nobody here from the DEP? (no response) That makes it easier for you.

We're now going to hear the Assistant Commissioner present her views on the Ridesharing bills, which is a pretty lengthy presentation, maybe you could consolidate it--

ASSISTANT COMMISSIONER JOHNSON: I will certainly attempt to shorten it.

SENATOR RAND: --and those people that we can hear, we will hear, and if you can't be heard, we will have a continuation of this meeting, at a future date; a very near future date. Let's continue.

ASSISTANT COMMISSIONER JOHNSON: Senator Rand, I think you know that I very pleased to comment on this set of legislation. You have a fan, in me personally, and I pledge to you to work closely with you and your staff in advancing this legislation.

SENATOR RAND: Thank you very much. This is not looked on too favorably by a lot of people.

ASSISTANT COMMISSIONER JOHNSON: I understand that. I understand that.

SENATOR RAND: Then we will ask questions after that.

ASSISTANT COMMISSIONER JOHNSON: The quick background is that in the last decade, we went through unprecedented development and pushing of the frontiers, and paid the price of acute congestion of a suburban form.

We've talked about the fact that we think that just about the only way to deal with that is through ridesharing and some of the transportation management methods that I talked about in the last testimony.

Senator Rand, if you will give me a minute, I think that we've covered a lot of the testimony that I was going to give in the previous one, so--

SENATOR RAND: Take your time.

ASSISTANT COMMISSIONER JOHNSON: --I'm going to just move over to the point that we made in the Transportation Executive Council, in which we basically said that it is time

now to take ridesharing seriously. Most folks if you go out and poll them in the streets, will tell you, "I vote for ridesharing. I think it is good. I also like baseball, apple pie, and motherhood." But the fact is, we don't do it. It's kind of like recycling in the '70s. We all voted for that too, but we didn't do it.

Nevertheless, ridesharing is -- unquestionably, unqualified, anything else you want to say -- the most cost-effective means of stretching the capacity of our highway systems. I'm not talking about whether it's energy reductive or whether it's nonpolluting; it's all of those things too. But just in the sheer dollars and cents of stretching very scarce dollars, ridesharing is the most cost-effective means to better utilization of our transportation system.

New Jersey is a State leader in this effort, in that it has made substantial investments already in transportation management associations, to the tune of about \$1.8 million. They are well established, and they are quite effective in working with the private sector in promoting various forms of travel demand management. But I must underline this: that the transportation management associations, DOT, and New Jersey Transit, are primarily working from a base of promotion and persuasion. There are limits to what we would call job owning.

I think that we have reached those limits in going into the 1990s. We need more than that. We do need to capture the employers' attention so that they are focusing on the way their employees get to work, as much and with the same kind of precision that they focused during the 1980s, on how to get their goods moved, commonly known as the logistics revolution that has really made a difference in this State and across the United States.

It's too bad that the same kind of energy and focus has not been given to how these same employers get their employee -- their people part of the work to work. We have

said in the Transportation Executive Council Report that new legislation is needed to get employers' attention to encourage them to undertake programs to reduce peak hour congestion, air pollution, and energy waste that their employees generate.

So in my view, the issue before us today is not whether we more deeply involve employers in the process of demand management, really it's how we do it. Do we mandate these requirements and penalize those that don't comply, or do we develop a program of incentives to encourage employers and commuters to achieve these goals?

The Department's answer on this is that we probably have to do both. I think that we can gradually mandate requirements. I think that we've got to be very careful in that process, and that we provide incentives to encourage compliance. As you know, we are very anxious to work with you; to make some suggestions on how we do both.

Right now, your bill establishes a transportation congestion management program that follows an employer-based mandatory concept. That program is to be implemented by the Department and phased in among employers in developed areas. Employers must make a good faith effort to comply with the provisions of the Act, or be penalized by the Commissioner of Transportation.

Specifically, you've asked that each employer survey their employees and identify commuting patterns. Secondly, the employers must file a Trip Reduction Plan with the Department of Transportation. And third, within four years, each employer is expected to achieve a vehicle occupancy rate such that within four years, of the total amount of employees coming to a site, we would only have 70% of the amount of vehicles coming into the site during the peak hour, than if all 100% arrived by solo occupancy vehicles.

Since I had difficulty saying it-- That works out to an auto occupancy rate of about 1.4 people per car. It is not

draconian. There are some issues surrounding that approach, however, that I'd like to bring to your attention. In my position with the Department of Transportation, I oversee the grant program for the TMAs within the State. I asked them to come together and work with their Board of Directors -- that does include a lot of private sector individuals -- and make some suggestions on our position for this set of bills.

They returned, and while they are extremely encouraged with this set of legislation and the energy that is going into it, they feel that more of the focus should be directed into three areas: legislation which directs the Department of Transportation to develop model traffic reduction ordinances; legislation which provides incentives to jurisdictions and businesses to consider local traffic reduction actions; and legislation which authorizes funding for incentives and seed money for jurisdictions that implement these kinds of ordinances.

While we think that there is merit in the approach recommended by the TMAs, the Department of Transportation considers it advisable to develop legislation which combines a graduated mandatory approach, which is in your bill, with some specific incentives to complement that mandate.

Let me go through specifically, some of the suggestions that we would make. First, we would suggest that the time frame be stretched out for implementation, allowing five years before the implementation of Phase III, which is the phase that would go below the 500 employee threshold.

Second, we believe that it is very effective to ask an employer to conduct a survey. That's often the trigger that starts the ridesharing program. But we believe that that data is most useful not to the Department of Transportation, because we can't plan at that micro scale. We think that the data is most useful to our TMAs, and we suggest that the data be directed to them.

Third, we believe that requiring an employer to submit a Trip Reduction Plan to the Department of Transportation-- Instead of requiring the filing of a Trip Reduction Plan, we suggest that the employer supply us annually with what would amount to a certification of progress or compliance -- sort of a one-page letter that would be signed by a traffic engineer.

We are far more interested in the results, and less interested in the paper and the planning. Candidly, I don't care how the employer achieves the results, whether it's a four-day workweek, flextime, use of buses, use of carpools, or use of vanpools. I am only interested that if we went and did a curb count, there are 30% less vehicles entering in the peak hour. That is something that can be very easily certified by a good professional traffic engineer, and we think that we eliminate a lot of the paper and agita associated with it.

Fourth, we believe that the Department should be empowered to conduct spot checks at the various facilities so that there is some power behind the Department; that if we don't think that a good faith effort is going on, either between the traffic engineer or the company, that we can go in and do a curb count or whatever, to check up on the situation, and assess penalties, if that seems to be the only thing that works. We are far more interested though in accessing that a good faith effort has gone on, than in assessing penalties.

The Department will need sufficient authority to promulgate regulations on the certification concept, so that we provide traffic engineers and methodology for the certification process.

Finally, we recommend that the percentage goal also be phased in a bit more gradually. We suggest starting out with a peak hour requirement of 75%, which would be a 1.3 auto occupancy, and then move to 70% in the second five-year window. We believe that this is imminently doable, it's relatively low pain, but it gets the concept started. What we

are about here is trying to get the concept in legislation, and start it within companies. We're not about the process of trying to do something that is extremely painful and difficult to accomplish.

Now in the remainder of my testimony, I have provided you -- and I will not, mercifully go through it -- a number of examples of incentives ranging from tax incentives for employers to tax incentives for employees, that you might consider, coming from other states that have passed similar legislation. I provide that to you just to continue the process and for your consideration.

I would conclude with the fact that there should be no question that the Department of Transportation is supportive of the concept of legislation that will get the employers' attention and start an employer focus on transportation demand management. We recognize that voluntary efforts have met with limited success. It is time for us to pursue other avenues. We consider both mandatory trip reduction requirements coupled with positive incentives, probably the best way to go.

With that, I thank you for the opportunity of presenting this testimony, and I am open for questions.

SENATOR RAND: Thank you very much. For those of you who don't have a copy of the amended version, Mr. Manoogian is going to read a summary of the new bill. This bill has been changed, corrected, altered, and amended, and this is the latest version. The Commissioner is referring to this latest version of the amended bill. Peter would you?

MR. MANOOGIAN (Committee Aide): Okay.

SENATOR RAND: Just briefly summarize it because there have been a lot of changes made since the original legislation.

MR. MANOOGIAN: The Committee has sent to interested persons a copy of the first draft amendments to S-348. I know a number of you have looked at them. For those who have not, or who have questions, I will try to just very briefly summarize the provisions of the draft amendments.

The bill would require DOT to establish a comprehensive program to analyze the sources and levels of congestion in the State, to designate areas of the State which have high levels of congestion, and to implement policies in those areas to alleviate congestion, such as the completion of missing links on the State highway system, improve signage, synchronization of traffic lights, preferential treatment of multiple occupancy vehicles, smart highways, and other traffic management systems and measures.

These measures would not only alleviate traffic congestion but also deal with problems of air pollution in New Jersey, which is currently classified as a severe nonattainment area under the Federal Clean Air Act. Also, they would reduce energy consumption. The centerpiece of this effort to control congestion is the Travel Demand Management Program to be established by DOT, pursuant to the provisions of the bill.

Sometimes called ridesharing, the TDM approach concentrates on increasing use of alternative forms of commutation, such as carpooling, vanpooling, walking, bicycling, and the like, rather than single occupancy vehicles, and by staggering the arrivals of vehicles at the work site, in order to reduce congestion during peak hours. The program is to be implemented in New Jersey during an initial two-year period called Phase I, by requiring employers located in highly congested counties, and having 1000 or more employees at a location, to file a survey of their commuting patterns at the site, and to submit and implement a traffic reduction program.

The principal and numerical goal of the Plan, is to attain a standard of reducing projected peak hour vehicle trips of the employees to 70% of the anticipated number, if all the projected trips during peak hour periods were made in single occupancy vehicles. At the end of Phase I, the DOT would issue final regulations based upon the recommendations of the

Transportation Demand Management Board, created by the bill. This Board is to consist of representatives of government, business, TMA, and labor.

The regulations would designate those areas of the State, including counties, or parts thereof, which are highly congested, and make modifications, and the surveys and plan to be filed in these areas during Phases II, and III. During Phase II, employers with 1000 or more employees would be required to file the annual survey and plan, assisted by the County Transportation Coordinator for approval by DOT.

In Phase III, employers with 500 or more employees would be covered by the filing requirements. Phases II, and III, however, are not automatic, but are contingent on the Department of Transportation adopting appropriate final regulations. It should also be noted that certain industrial, commercial, and residential developments, in addition to employers, are covered by the bill.

The traffic reduction plan to be developed by affected employers and developments would deal with various measures to facilitate ridesharing. The bill provides for the assessment of penalties on employers and developments not complying with the provisions of the bill, ranging from \$500 to \$1000 per month for each month of noncompliance, and for the imposition of annual filing fees, ranging from \$100 to \$500 per location; the proceeds from these sources to be deposited in a special account to defray the costs of the program.

This bill applies to both public and private employers, including businesses and educational institutions, as well as counties and municipalities, but does not include State departments, and agencies, the toll road authorities, the Delaware River Port Authority, and the Port Authority of New York and New Jersey. These latter public employers are covered under Senate Bill No. 349 and Senate Bill No. 350, which are the second and third bills in the five-bill package.

SENATOR RAND: Thank you, Peter. What we've tried to do is phase it in. The original bill was a more restrictive bill. This is a less restrictive bill. And if I understand our Assistant Commissioner, you want it even a little bit less restrictive than the amendments?

ASSISTANT COMMISSIONER JOHNSON: Yes, and a little bit less paper intensive; a little more trusting of the employer.

SENATOR RAND: We would ask you -- and I'm going to excuse you because I know that you have a busy time ahead of you. We're going to ask you to work with Peter and with Madelyn to give us the amendatory language, and you can give us some generalizations, but we would like to have your people give us the language that we could encompass in this bill. We can work out a bill that will probably not satisfy everyone, but we'll try to satisfy as many people as we can.

We do thank you very much, and we'll have you back, Christine.

SENATOR HAINES: Senator, can I just--

SENATOR RAND: Yes.

SENATOR HAINES: There was an article in The Star-Ledger on Sunday, which concerns all of us I am sure, about the loss of Federal funds because we're driving too fast.

ASSISTANT COMMISSIONER JOHNSON: Yes.

SENATOR HAINES: Should we increase our speed limit to 65 miles an hour?

ASSISTANT COMMISSIONER JOHNSON: Well--

SENATOR HAINES: This would solve that problem.

ASSISTANT COMMISSIONER JOHNSON: Legally you can't, Senator. The situation--

SENATOR HAINES: Well you can't solve the past but it would solve it for the future.

ASSISTANT COMMISSIONER JOHNSON: Let me say what I think you are asking me. Obviously I've looked into it. This is of serious concern to us. By law you can increase speed

limits on rural highways to 65. Unfortunately, within the State of New Jersey we do not have any segments of rural highway long enough so that we can legitimately do that, meeting ASHTO standards. In other words, you would end up going 65 here, 55 here, 65 here, and it would not work.

Certainly, this is an issue--

SENATOR HAINES: Could we go to 60?

ASSISTANT COMMISSIONER JOHNSON: Not by Federal law. We are at a disadvantage relative to the western states, because the western states do not have to monitor their 65 mile-an-hour speed limit, nor are they subject to any penalties. We spend thousands of dollars monitoring ourselves, and we are subject to penalties. It is something I think that we need to take up at a higher level.

SENATOR HAINES: Thank you.

SENATOR RAND: Thank you very much.

ASSISTANT COMMISSIONER JOHNSON: You're welcome.

SENATOR RAND: We're going to have some people now. The first one is -- we've got about 25 minutes -- Phyllis Elston, New Jersey Association of Railroad Passengers. We are going to give you each three minutes.

P H Y L L I S R. E L S T O N: Not counting the walk up. Thank you, Senator Rand. I'll try to be as quick as possible, and not just read from this paper.

SENATOR RAND: I want to try to get as many people in as possible.

MS. ELSTON: I realize that. We're going to have more comments to submit to you. This is extremely precursory, what we've done today on the amending material, because we had not heard the comments of the Department.

On behalf of New Jersey Association of Rail Passengers, and also the Jersey Conservators, for whom I am speaking today, I'd like to say that we'd like not to see the bill made more liberal in some of the ways that was just

outlined by the Department. We would like to see it maybe move back the other way, or at the very least perhaps, hold the line where it is now.

New Jersey can experience another serious loss of Federal funding under the massive new Clean Air Act. We're in nonattainment right now. We're going to stay in nonattainment unless we do take some draconian measures, and we will lose our Federal funds because of our lack of being able to bring our air quality up to the standards where it should be.

It's not contained here. That's just a given and a very frightening given. We have given a precursory review to the amending material, and as you know when we discussed in the work sessions, which were quite productive, it's disheartening to think that we have to spend two years for the Department to review data which it must -- one would think -- already have, and decide where are congested areas are.

Moving about the State, I think we all know where our congested areas are -- at least the major ones that stick out like sore thumbs. So we hope it's not going to take two years to review and analyze this data. In all possible instances -- although this is a Ridesharing bill -- we'd really like to see encouragement for the abandonment of the private auto and use of public transportation wherever that can be given preference. We'd like to see it be given preference even though we're talking of ridesharing here.

We would need less ridesharing if we could really offer substantial incentives to get people out of the car in the first place. Sometimes big Park 'n Ride lots are not the best incentive for that.

Methods of upgrading highways don't induce public transportation. Such procedures encourage our continued reliance on private automobile.

Public transportation specifically, in your amending language on page three: We would like to have light rail

mentioned as the possible modes that are in the amending when you talk about buses, trains, etc.

There's a very congested and valuable area of our State, where we are trying to push light rail, and I'm speaking of the waterfront. So I think the more we start saying it in legislation, the easier it's going to be to make that happen. I do think you agree with us on that. I hope you do.

Waivers have become possible in the bill; waivers to be granted by the DOT Commissioner. And we know, indeed, that this occasionally may be necessary, but the waivers as discussed in the bill right now center around "hardship," and hardship is not really defined. Twenty years of municipal work behind me tells me that the first thing that happens when you try new mandated procedures is somebody comes in and says, "I want a waiver." So we'd like to see more defining language on what the hardship is, and will it be-- Will financial hardship take precedence over the hardship we are all enduring due to public health?

We really commend the efficiency of creating a fund that will help finance the bill. We wish this would be mandated in every bill that comes across the table. We congratulate you, and thank you for that.

The Transportation Demand Management Board which will be created by this bill we feel is not going to be complete unless or until you have environmental and commuter group representation on that board. The New Jersey Association of Railroad Passengers and the Jersey Conservators have been participating in this process so far, and we hope that we will be able to formally continue participating by having those kinds of seats on that board. It's very important that that be included with the government, labor, and transportation people.

I think that is about it for now. We will look again. I'll like to mull over and talk to my boards about the comments of the Department today. As you say, there's going to be other shots at this, so--

SENATOR RAND: Yes. You're going to have an opportunity--

MS. ELSTON: --this is just our first.

SENATOR RAND: --to certainly look at the amended--
This amended bill will be amended again--

MS. ELSTON: You bet.

SENATOR RAND: --and you'll get an opportunity and another shot at it.

MS. ELSTON: Okay. Meanwhile, let me give you this for the record.

SENATOR RAND: Thank you very much.

SENATOR HAINES: Can I ask her a question?

SENATOR RAND: Yes, go ahead.

SENATOR HAINES: How do we get people to ride on the Atlantic City rail line? We've got the rail line down there, and nobody is using it.

MS. ELSTON: We would like to come and talk to you about that. We've got some ideas.

SENATOR HAINES: Well, we would like to have people use the rail line.

MS. ELSTON: Right.

SENATOR HAINES: We spent a lot of money on it, and it's just not working.

SENATOR RAND: You have legislative cuts -- less beating it up. You might get some people on there.

MS. ELSTON: Senator, I would like to call you and hopefully make an appointment so we can get together and talk about that.

SENATOR HAINES: Sure. Thank you. I'd appreciate it.

MS. ELSTON: We're suffering the same distress that you are.

SENATOR RAND: Judith Schleicher, McRides?

J U D I T H P. S C H L E I C H E R: I'm Judith Schleicher, I'm President of Morris County Rides, better known as McRides.

We are a Transportation Management Association. We have given the legislation to our legislative committee. They have not gotten back to us, for a McRides comment. However, the staff has reviewed this, and we have some ideas which I will share with you.

First of all, one of the things that I'm very pleased about is that you have streamlined the bill. We are on the firing lines. We're the ones that are implementing the trip reduction plans now. When our TMA was formed by the business community in Morris County in 1986, our mission was to reduce traffic congestion, improve air quality, and improve the commuter access to the Morris County employment region.

That translates into, we've got to get transportation systems back to the suburbs because it is important to business, to have this happen. And that's why we were put together: to offer regional services to business, employees, and employers and developers communities as well.

I just want to tell you one thing. In the three years of operations, we've just passed our 20,000th phone call from individuals looking for a better way to get to work. Don't tell me employees don't want our services. They do. Last month we had a increase of 350% over last October. Someone did suggest that I have started the Mideast crisis in order to get this kind of response. I don't think our influence has gone quite that far.

One of the things that we recommended on the last bill was an emphasis on business benefits. We've really gotten into the business of punishing businesses, i.e. the 1986 tax reform bill. We've really got to turn that around with business benefits. We also feel that all counties should be included in the Phase I, which is companies with 1000 or more employees. That brings a little bit of equity into this. We don't want businesses making decisions on expansion or movement based on what they may perceive as regulation.

We are very happy to see that Demand Management Plan jettisoned. As the Commissioner indicated, we're looking for results. We're not looking for paperwork. The company itself, obviously, should have a plan, but if we set some goals and we try to reach those goals and we have assistance for companies to reach those goals, we're looking at the results.

Park 'n Rides are absolutely necessary. This is a mobile society, whether you ride the train, or whether you take a carpool. You need some place to leave your car in order to change your mode. Park 'n Rides are absolutely essential.

We've had some discussion which we think you ought to look into, and that is offering some incentives for large private parking lots, including large corporate centers or shopping centers. Or perhaps the State will offer the incentive of extending some sort of insurance to take care of maybe 50 spots, 60 spots. We're not talking about thousands. We need these spots all over the State. It wouldn't be mandatory. It would be, if you'd like to do this-- This is what we can offer you.

We also think that all reference to residential units, except for posting information about ridesharing, should be dropped at this point, and incorporated into a much later phase. Let's see what works with the companies, and get into residential units sometime later.

We're interested in the delineating the differences between the Transportation Executive Council -- which, by the way, we strongly support -- and the Travel Demand Management Board. We also agree that if you're going to have a Travel Demand Management Board, you should include not only a public sector and or commuter representative, but certainly a county representative.

That was our cursory report from the staff on the bill. I thank you very much for your hard work. It's not easy for -- and I just want to leave you with this thought -- any

company, for any business, or for any individual to step up to the plate and say, "Regulate me because I know it will help me do the right thing." The best example for that is recycling. We passed the law because we had to. No one guessed we would get the results that we're getting right now. No one guessed that we might be hitting 50% in some areas. I just leave you with that thought.

SENATOR RAND: Thank you very much. Thomas Marchwinski? If you can keep that in about three minutes, we'd appreciate it, sir.

THOMAS MARCHWINSKI: Yes, three minutes.

Thank you. I'm here basically representing myself as a Professional Transportation Planner, who's been involved in-State for about ten years. I've worked at New Jersey's DOT, New Jersey Transit, and the Port Authority Planning Department, then as a private consultant. My interest in this bill is to try to--

I think it's necessary at this time, because of a need, to establish some kind of a regional standard, which you have in the bill, the occupancy rate. I think we need to establish a regional standard because otherwise we'll have different municipalities starting to implement on their own different standards, which could lead to confusion among different businesses and make it more onerous for them to operate in this State.

That has been some of the experience in California where I have also done some work in Sacramento. In northern California, different cities have adopted different standards and there are some problems that occasionally happens with that. That is one of the reasons why I think this bill is important; to establish a regional context for ridesharing and demand management in this State.

Also, I believe you need to improve the definition of the peak hour and the peak period, in your bill. I'm more of a

technical person. I've been involved in every kind of study ranging from transit ridership to transportation management, but even I couldn't figure out exactly what was meant by the 70% reduction. I think you need to establish a certain percentage of single occupancy vehicles, maybe, as a standard to go for. That would be much clearer to people. That's one possibility.

I also believe that there should be some survey standards and enforcement as was mentioned by Assistant Commissioner Johnson. I think that would set everyone on equal playing fields, so everyone understands what's expected, and be certified. I think that's a good step, so that way there's a consistency in the reports that come out in the data so that everyone is looking at the same information, and there's a process involved in that.

I also agree with the woman from McRides, that residential development should not be included until much later stages of this process, because it is very difficult to get people on the residential end to reduce vehicle trips. It's really the employer based -- the employer end that should be focused on.

Again, I know that North Brunswick did have some residential component in their ordinance, but that was really a special case because of its proximity to a train station and an existing bus corridor. So again, I would urge you to take out the residential for now. Let's see what happens with the employer based programs.

Also in my testimony -- which I'll leave for you -- I have done some estimates of what the 70% goal would mean in terms of actually vehicle reduction, based on either existing data or 1980 census data. Basically it shows that for your larger downtowns -- Newark, or Jersey City -- you would not need any reduction. They already meet the goal. Cities like Camden, New Brunswick: productions maybe in order of 2% to

10%-- However, for your more suburban type areas where there's not as much bus service, not as much alternative modes for people to get to work, you need like 15% to 20% reductions. Those are the areas that will be hit more, and would require -- I think -- a longer time phase in, as Assistant Commissioner Johnson indicated.

Because they have such a low existing percentage-- To try to reach that goal would be very difficult for them. They are very much lower in the range of vehicle occupancy; like 1.1 to 1.3 versus the 1.43 which the bill recommends. So I would recommend some consideration of that in the legislation. And I will leave this with you -- the data which I think could be useful -- to show you some comparisons between different areas.

SENATOR RAND: Thank you very much. Mr. Trenton?

A L B E R T T R E N T O N: Should I place this with you now or later? (referring to testimony and other materials)

SENATOR RAND: Al, do you think you can summarize that in three minutes?

MR. TRENTON: Less than that.

SENATOR RAND: Okay. Go ahead. You're going to get another couple of shots you know--

MR. TRENTON: Oh. Okay. Right.

SENATOR RAND: --before this is all over.

MR. TRENTON: I was pleased, working with the Subcommittee on the draft of this bill. For those that do not know, I'm Al Trenton. I'm the President of the Association for Commuter Transportation, and I'm an employee of Schering-Plough Pharmaceutical Company. I am also a vanpool rider, and we carpooled down here today with someone else from another company. I just want to let you know that we are into vanpooling/carpooling.

First, Senate Bills Nos. 348, 349, and 350, cited as the New Jersey Traffic Congestion Management Act, are being supported by our Association -- and I am representing our Association for Commuter Transportation, New Jersey Chapter.

We're a nonprofit organization. We're national in scope, and its mission is to educate the public and private sector, promoting ridesharing which is carpooling, vanpooling, public transportation, flexhours, Park 'n Ride lots, and other forms of traffic mitigation measures.

We have been advocating this since the early 1970s. It seems like the wheel has come back again. From the Ayatollah to where we are right now--

SENATOR RAND: Getting closer all of the time.

MR. TRENTON: Right. --the benefits or less congestion, as we mentioned before: clean air, less dependence on oil, less wear and tear, and a need to expand our road system in New Jersey; thus less costs to operate, and less subsidy. If we get more people on a bus and rail, that means less that has to come out of our taxpayers' dollars to support these.

The benefits to the participants of carpools, vanpools, and public transportation are less stress, cheaper cost to commute to and from work, plus it improves the environment.

These bills would achieve these goals. Also, it would make the participants in this program accountable to the success or failure of their plan by having a means to monitor the progress of their program which in the past, we have not done. We have said a lot of lip service, and we have not seen that. So this bill would definitely do that.

Also a very important element is achieved through a joint partnership between the government and the private sectors establishment of a Traffic Demand Management Board, and our Association will like to be part of that board.

These bills are necessary because over the past 15 years, ridesharing has decreased, and the traffic has increased dramatically. If you look at the amount of vanpools, and carpools there were during the energy crisis to where they are

now, they are certainly down, as you have seen on the roads, traveling to and from work everyday. We need to manage our traffic, improve our air quality, and these bills will achieve those ends.

A recent article that I read in the The Wall Street Journal on October 29, 1990 -- as stated by our Assistant Commissioner -- shows 96 cities and surrounding communities with the worst ozone smog problems and their deadline for meeting the Federal standards. New Jersey is on the top of the list. Severe deadline: November 2007 for New York, which is nearby New Jersey. November 2005 for Philadelphia which is nearby New Jersey. Moderate deadline: 1996 for Atlantic City, New Jersey. Marginal deadline: 1993 for Allentown, Pennsylvania which is nearby New Jersey. I think all around New Jersey we're pretty covered without stating with the problems with meeting our air quality.

The article went on to say that there will likely be more pressure placed on the most polluted cities for a life-style change. And a life-style change suggests carpooling, or non drive days, and even tougher curbs on big factories and small polluters. This is mentioned by William Becker who represents local air pollution regulators.

Our Association has further suggestions. Funding for the programs, as we know in the budget deficit that we are in right now in the State and also on the Federal level, can be achieved in addition to accessing businesses for filing, a tax on gasoline, or better yet a registration user fee. Incentives would be given as an income tax as incentives at the other end of the stick; the carrot with the incentives to people that participate in ridesharing, bus car, vanpools. I'd just say a minimum of \$100; \$120 to \$500.

Vanpool grants can be granted as California has set a tone, putting the government in a leadership role and business, and sample to match.

The registration of user fees could be waived, for those that are in vanpooling. Business could be enticed by DOT providing seed money to purchase vans that are subsidized. The routes would not be in conflict with public transportation.

And lastly, introduce some measures that hold the employers responsible. Get them in the practice of compliance and force them to recognize alternatives. And that is it.

SENATOR RAND: Thank you very much, Mr. Trenton. Let's see: Dawn E. Perrotta? If you can summarize this in three minutes we'd appreciate it. (Chairman referring to witness' statement) That would give the next couple of people a chance to testify.

D A W N E. P E R R O T T A: Okay. I'll try to do it in less than three minutes. Mr. Chairman and members of the Committee, I'm Dawn Perrotta of the New Jersey Business and Industry Association. NJBIA represents over 13,000 employers from all regions of the State. Thank you for this opportunity to testify before you today to express the concerns of NJBIA, regarding S-348.

While we fully respect the intentions of the legislation, NJBIA must oppose its enactment for a variety of reasons. We believe that the bill's approach to solving or improving a very serious statewide problem is not necessarily in the best interest of business or its employees.

Although we appreciate that you are intending to make life less stressful for New Jersey's commuters, the bill could possibly serve to increase stress levels by forcing employees to rely upon others for their transportation to and from work. Coordinating these efforts and depending upon others could prove to be equally or almost as stressful. I'm thinking of waiting for someone who's late or having to work late, and your ride needs to leave early. Those kinds of factors could really inhibit the merits of this.

Also, the concept embodied in this bill would be in our opinion, counterproductive to the Governor's goal of stimulating the economic development of the State through improved mass transportation systems. This is, in fact, where we believe the focus should be directed. Rather than penalizing companies by requiring them to develop and undertake massive, costly, and time-consuming surveys and traffic reduction plans, governmental energy could best be channeled toward improving New Jersey's highway and mass transit systems. Individual employees, who are also taxpayers, should not be forced to relinquish their right to use highways at will.

Until proper and necessary improvements can be made to the highway and transit systems, employers do currently have options available to them if employees express concerns about their commuting situation. In fact, in an effort to maintain a desired environment, many employers, at this point, voluntarily can and do such things as: seek assistance from mass transportation firms to provide improved service, arrange for vanpooling, providing subsidies, encourage carpooling, modify the schedule of affected employees or all employees, and adopt flexible work schedules.

We agree with Christine Johnson who spoke previously that these are options that should be encouraged. We totally support any efforts to rideshare, or engage in some similar activity, but really would like to see it done on a voluntary basis with incentives, as opposed to being mandated.

We also must express strong opposition to the fairly high fees and penalties for noncompliance that would be imposed by S-348. As described in the bill, the fees would be used to defray the costs of the program. However, rather than creating and supporting another sort of mini bureaucracy within government, we believe that already existing resources could be utilized.

For example, we would urge the Committee not to overlook the fact that approximately two years ago, at the

request of DOT, employers were required to submit the zip codes of all of its employees, and the company zip code. DOT evidently intended to use this data to plan improved mass transportation for commuters. Before embarking on a campaign that would affect an unknown percentage of individual commuters, we believe that mass transportation should be the focus, and perhaps the DOT data could be a good starting point.

We urge the Committee to carefully evaluate the legislation to determine whether or not it will truly resolve highway congestion or address what might only be one contributing factor to gridlock? We also would like to ask the Committee to assess the fairness of mandating employers to conform to the requests of the bill, while at the same time requiring them to pay fees and penalties. Perhaps it would be more productive to encourage more employers to take advantage of voluntarily implementing the traffic reduction options that I've mentioned, by providing a tax credit or some other incentive for doing so.

Finally, if the Legislature does, in fact, pass S-348, we would ask that a cautious, thoughtful approach be taken by beginning with a pilot program in one section of the State. The use of a pilot program would at least provide all interested parties the opportunity to assess the advantages and disadvantages. Thank you. Do you have any questions?

SENATOR RAND: Thank you very much.

SENATOR HAINES: Can I ask a question, Senator?

SENATOR RAND: Quickly.

SENATOR HAINES: I will. Suppose you paid -- as an example, and this is just a crazy example -- everybody who had carpooled, the driver of the carpool a dollar a day -- it's not much, but it is a little bit -- for each person that rode with him, as an example. That would mean that-- It would be an out-of-pocket expense but it could be-- If he had three people riding with him, in a week's time he would get \$15. So he'd

get \$15 in his paycheck. Then suppose the company got a \$15 deduction from their taxes to the State: Would this make some sense to you?

MS. PERROTTA: I think it makes very good sense. I just have to go back and speak to others with NJBIA, but I think those are the kinds of things we're looking at that--

SENATOR HAINES: It's a little tiny bit that the person driving the car would get. It probably would hardly cover his maintenance fees, but it would be something. It would at least be something in the direction of compensation for the extra effort that's involved. He's got to drive his car there anyway, and the company would get something for participating.

MS. PERROTTA: I think it's a excellent idea. I think approaching it in that way, providing, as we said, some incentive, and some reward--

SENATOR HAINES: Could you come back to this Committee with a suggestion of should it be \$2 a day, or would this type of thing be something that would work?

MS. PERROTTA: Sure. I would be glad to.

SENATOR HAINES: All right, thank you.

SENATOR RAND: Thank you very much. Willy Alexander?

W I L L Y A L E X A N D E R: That's Willy Alexander, for the Committee on Alternative Transportation Solutions. I'd like to make four points. We would like to see in the bill a concept of flextime where companies would have the freedom to adjust their workers' hours to local transit schedules.

Second, we think there is a loophole in the definition of "employer." We would like to see office and industrial parks that have a total of 1000 people working there, be it in several smaller businesses, be included in the definition, because there are concentrated areas.

Third, while we are very supportive of the vanpooling, ridesharing aspect of this bill, we're skeptical about the

traffic improvement aspects of it. Historically, every time you improve traffic flow, increased volume follows.

SENATOR HAINES: I don't understand that. I hate to interrupt you, but when you improve traffic flow, increased volume follows? Why? What's happening here?

MR. ALEXANDER: You make it more desirable to travel by automobile. If you look at the history of the--

SENATOR RAND: You mean widening the road?

MR. ALEXANDER: Yes. If you look at the history of the New York metropolitan area, every new bridge, every new lane, every new highway that has been designed--

SENATOR HAINES: I'm sorry, because what I interpreted you to say is that if people carpooled--

MR. ALEXANDER: No, no, we're supportive of that aspect of it.

SENATOR HAINES: --that you'd cut down the traffic, and therefore, you'd increase the traffic.

MR. ALEXANDER: Well, yes but that you can do without capital expenditures. Spending money to build new lanes and build new roads, to fill in the difficult spots we feel should be spent on mass transportation, rail transportation--

SENATOR RAND: Well let me interrupt very quickly just for a moment, and I don't want to take up the next speaker's time, but very quickly. The days of big road building are over in New Jersey, first of all because of the money crunch; second of all, you can't macadamize this entire State; third of all, we're going to stress the emphasis on bringing our infrastructure up to a first-rate infrastructure.

In other words, where you have potholes, and bridges with roads in them that haven't been painted, and so forth and so on, that's where the money is going to be spent. So I think that we can set aside that we're going to have major great big arteries opening up in this State -- whether they be interstate or whether they be State funded. Those days are sort of-- In

fact, the best we can do is bring our infrastructure up to a first class operation so that there aren't any potholes, and if we have to widen them, we may have to widen them in conjunction with what we have. It's a question of bringing them all together and making them fit.

I'm sorry to interrupt you. Go ahead, you may continue.

MR. ALEXANDER: We have a situation in Hudson County where now the State is prepared to spend \$40 million to construct an interim busway.

SENATOR RAND: An interim what?

MR. ALEXANDER: Interim busway.

SENATOR RAND: Busway?

MR. ALEXANDER: Yes. And they say that it is an interim traffic improvement. That's the type of thing we're against when we think that the money should be spent on a system that will get us into the future.

SENATOR RAND: Can you tell us a little bit more, very quickly, about that interim busway? Where do they want to put it? It's a \$40 million -- you say -- capital improvement?

MR. ALEXANDER: That's right. It's up 20--

SENATOR RAND: Is that on the Hudson waterfront?

MR. ALEXANDER: Yes it is. And we'd like to make a presentation to you on that. It's quite a detailed operation.

SENATOR RAND: Okay. We'll give you an opportunity to do that. We certainly--

MS. ELSTON: That is the correspondence that you received this morning.

SENATOR RAND: Okay. This right in here?

MS. ELSTON: That's it.

MR. ALEXANDER: We are disappointed that the DEP is not here today.

SENATOR RAND: So am I.

MR. ALEXANDER: We feel that these issues impact on our perilous air quality, and we're quite interested to hear what their analysis of this is. Thank you.

SENATOR RAND: Thank you very much. Jeffrey Horn? I think he is the final speaker.

J E F F R E Y H O R N: I'll be brief.

SENATOR RAND: Did we miss anybody? (no response)

MR. HORN: Mr. Chairman, my name is Jeffrey Horn. I'm Executive Director of the New Jersey Chapter of the National Association of Industrial and Office Parks. I will be very brief, given the length of time that you spent on this subject today. I had intended on providing a number of remarks about the bill. However, given some of the remarks of the Department of Transportation, I think that we will hold off on some of the criticism of the various elements or provisions of the bill, given the fact that there seems to be a great deal of amending to be done, and we hope to be a part of that process, in discussing this in future days.

However, there is one aspect of the package that I do want to discuss, and that is the incentives. Senator Haines -- I thought -- had an excellent suggestion before, and I hope the Committee will go more in line with incentives than mandatory provisions to make the employers try to change the preferences and habits of their employees.

SENATOR RAND: We ask each legislator from now on when he gives us incentives to tell us where we are going to get the money. Unless he complies with that-- Okay I guess that's an aside.

MR. HORN: Okay. The other part of the suggestion that I have for you, Senator, in terms of looking at the package of bills that you have-- The bills that follow -- the one we're discussing now, S-349 in the package -- I think is one that you can demonstrate to us, the business community -- what can be done in terms of your package by mandating--

SENATOR RAND: If you were here, and you heard the President of the Board of Public Utilities, you heard already that they are beginning to try and use them in the State cars -- alternative fuel measures.

MR. HORN: That's not what I am saying, sir. What I am suggesting is that the plan that you expect the private community -- the business community to develop can be developed by State government for itself for its employees. You're the largest employer--

SENATOR RAND: Absolutely.

MR. HORN: --or among the largest employers here.

SENATOR RAND: That's why the bill is here.

MR. HORN: And we're hoping that you can demonstrate to us.

SENATOR RAND: You want us to do that first, or last, or simultaneously?

MR. HORN: I'd like to see you do it first.

SENATOR RAND: Well we're going to do in conjunction with everybody else. It's a package of five bills that's going to go through on its merits--

MR. HORN: Well, I would hope--

SENATOR RAND: --or it's not going to be done, very frankly. That's the tenor of the package, and we're trying to address a package of bills that's satisfactory to most people, so that we can get it passed. We still need 41 votes, and 21 votes, and the Governor's signature before we can have a law. And we can't all direct it one-way, or against another way. We have to have a balance. Unfortunately, that's the way legislation works.

MR. HORN: Senator, you're asking the private sector to take on a significant burden at the same time the public sector could demonstrate to the private sector how it can be done. We're just suggesting to you that that may be something that may be in order.

SENATOR RAND: Okay. We won't debate that, Jeff.

MR. HORN: In any event, I'm going to restrict my remarks to that at this point and we'll be back in front of you as we talk about this later.

SENATOR RAND: Okay. Thank you very much. Is there anybody else? Did you want to say something?

MARTIN J. FORD: One minute. I promise, one minute.

SENATOR RAND: Okay.

MR. FORD: I have a late staff meeting. My name is Marty Ford, representing AT&T. And I didn't want to let this opportunity pass without saying that we are encouraged by the latest provision. I think Peter and your Committee have done a good job on it. It's taken a quantum jump forward from that first draft. It's much improved. It's a much more cautious approach on this phase-in procedure.

As you know, with all of our locations, we were very concerned about it the first time we addressed it. I was particularly impressed with Deputy Commissioner-- Is that her title, Deputy Commissioner?

SENATOR RAND: Assistant Commissioner--

MR. FORD: Assistant Commissioner.

SENATOR RAND: --Christine Johnson.

MR. FORD: I have asked her to send me a copy of the remarks that she gave here. In particular, for the first time I heard the word "incentives." I'm not waiving a red flag, but I heard that a moment ago. I thought that was good because all we've heard up to now is been penalties, fees, and penalties, and as a big taxpayer we say, "Gee, more." But this is good that this is being addressed.

Also the concept-- The other concept that isn't in there -- but I understand that she has it in her remarks -- is the concept of telecommuter operation, which is springing up more and more; the person who stays home and works from the new -- and this is not an equipment sales talk, Senator -- concept of--

SENATOR RAND: California has a big program in that.

MR. FORD: --fax machines and modems. But somehow that person has to be addressed in that base. If the person stays home, they're out of the base. Are you penalizing yourself? It's got to be figured in there.

SENATOR RAND: No. They should be included in the traffic reduction.

MR. FORD: Good. Also, as a telecommunication-- Finally there's one thing that still concerns us. It's unusual for us to be in bed -- as it were -- with the CWA. We're usually on different sides of a issue. One of their concerns as I think you are aware-- Mr. Trevelli has a real concern about mandating flextime for union employees. We have the same thing.

SENATOR RAND: That's an negotiable instrument.

MR. FORD: Okay, but we can't mandate it's--

SENATOR RAND: It's a bargain position, understand that.

MR. FORD: It's got to be in the bargain. I just want to say, I think it is a big step forward and I look forward to the next version.

SENATOR RAND: What you did is you placed in front of some of the people who testified on behalf of the bill some of the problems that we have--

MR. FORD: Right.

SENATOR RAND: --and they're just not waived away with a magic wand. We've got to address them. We've got to make them satisfied, as well as those other people satisfied, and there are a lot of constituents to satisfy. And we represent all of the constituents, so to speak, rather than just one segment. Thank you, Marty.

MR. FORD: Thank you, Senator.

SENATOR RAND: Is there anybody else? You've got three minutes, young lady.

N A N C Y M . P O D E S Z W A: Certainly.

SENATOR RAND: Thank you.

MS. PODESZWA: My name is Nancy Podeszwa. I'm the Executive Director of the Greater Princeton Transportation Management Association. I will not belabor with telling you what Greater Princeton TMA is. We've been in the business since 1984, and we are here to reduce traffic.

We represent 30,000 employees and 18.5 million square feet of space in Mercer, and portions of Middlesex and Somerset Counties. We applaud your efforts thus far on traffic reduction, and we especially commend you on the current versions of the bills.

The revision certainly indicate a true understanding of, and responsiveness to, many of the concerns raised following the introduction of the original legislation. We offer the following specific comments:

The success of any statewide traffic reduction measure requires commitment from both the public and private sectors, including the business community, government, and individuals. As the legislation is currently written, business will bear the primary responsibility for the cost of implementation.

In order to further distribute this responsibility, we recommend that the legislation be expanded to include the authorization of funds to provide incentives to local jurisdictions and businesses to undertake these measures. And we do suggest sources of these funds: raising registration fees, tolls, etc. for single occupant vehicles and/or increases in the gasoline tax.

SENATOR RAND: What was that?

MS. PODESZWA: Increases in registration fees, tolls for single occupant vehicles, and also increases in the gasoline tax--

SENATOR RAND: I thought you said that.

MS. PODESZWA: --to be used as sources for the funds.

SENATOR RAND: I just wanted to hear that again.
(laughter)

MS. PODESZWA: And just as further clarification--

SENATOR RAND: I just didn't want to get frightened again. (laughter)

MS. PODESZWA: Okay. --to Senator Haines' comment, we do have statistics about companies in California's statewide insurance instituted program, just about exactly what you said. They put a guard in front of their parking lot, and if people came in in single occupant vehicles they got nothing. If they came with two of them, each of them got a coupon for 50 cents; three, each got a coupon for a dollar; more than three, a buck-and-a-half.

At the end of six months it turned out the statistics showed that if they had done it annually, it would cost the company an average of \$300 per employee, but the savings in the reduction of their parking area would have been a savings of \$3000 per employee. So it does work. We do have evidence of such things working.

SENATOR HAINES: See, there's your source of funding. I knew there was--

SENATOR RAND: I like that.

SENATOR HAINES: --a source out there.

SENATOR RAND: You're innovative, I'll say one thing, Senator Haines.

MS. PODESZWA: Two brief additional recommendations: Rather than calling for the designation of highly congested counties, we feel the legislation should apply statewide, and as it is currently written, legislation should not define a statewide peak period, but rather, direct DOT to establish peaks on a regional basis as part of the implementation process.

In summary, I'd like to certainly praise Senator Rand and this Committee for their enlightened approach to this very critical issue and offer Greater Princeton TMA's continued

assistance in this fight, and the continuation of working to get this legislation through. Thank you.

SENATOR RAND: Thank you very much. Did we get everybody? (no response) Okay--

H E L E N Y E L D E L L: Senator Rand?

SENATOR RAND: Yes.

MS. YELDELL: I spoke to you earlier. My name is Helen Yeldell, League of Municipalities. I just wanted to go on record in front of this Committee that the League supports this package of bills. We will reserve comment for a subsequent Committee meeting, but I just want you to know we do support it.

SENATOR RAND: You'll get another opportunity, I can assure you.

MS. YELDELL: Thank you.

SENATOR RAND: Thank you very much. Anybody else? (no response) This meeting is now adjourned.

(HEARING CONCLUDED)

APPENDIX

TESTIMONY

by

Christine Johnson

Assistant Commissioner, Policy and Planning, NJDOT

Before the

Senate Transportation & Public Utilities Committee

November 8, 1990

DRAFT 1990 NEW JERSEY ENERGY MASTER PLAN

Thank you Senator Rand for conducting a hearing today on this most important undertaking -- New Jersey's 1990 Energy Master Plan. I appreciate the invitation to speak with you and the members of the Senate Transportation Committee today on this most important initiative of Governor Florio's administration.

I am, by law, a member of the Energy Master Plan Committee. As a result, my Department has taken an active role in shaping the thinking of this document. My staff has worked closely with the Board of Public Utilities to produce the 1990 Energy Master Plan. Most recently, it has been revised to reflect the current thinking of the Department of Transportation and the Transportation Executive Council as expressed in our Business Plan, referred to as The Decision-making Framework for Transportation in the 1990s, and endorsed by Governor Florio.

The Plan highlights key findings which explain how we use energy in our State, and how transportation affects energy consumption. I'd like to review some of these with you.

- o Motor fuel consumption accounts for 3/4 of the state's energy use for transportation; motor fuels use has increased and reached new highs.

- o Increased traffic congestion on New Jersey's roads is wasting significant amounts of energy; New Jersey has the most crowded roads in the country.
- o New Jersey has not attained federal air quality standards for ozone; --- mobile sources, like auto emissions are now the major contributor to the state's air pollution.
- o Substantial improvement in motor vehicle fuel efficiency is possible.
- o Fleet energy assessment programs can save large amounts of energy. Both state and municipal fleets could benefit.
- o Natural gas fueled vehicles could reduce dependence on oil imports as well as improve air quality; opportunities exist to employ vehicle fleets fueled by alternative fuels.
- o Mass transit modes, rail and bus, can play an important role in meeting mobility needs; they are more energy efficient and cause less pollution than cars.
- o Higher occupancy vehicles are the most cost-effective and most quickly implemented means of reducing peak period congestion and fuel consumption.

- o Vanpooling and ridesharing will reduce congestion. Additional support measures are needed to increase the use of these travel modes.
- o Cost calculations should compare investments in road improvements with those that would alleviate congestion (i.e., vanpool subsidies).

These findings have resulted in several policy recommendations. I would like to explain these to you today.

- o The State should evaluate all alternative means to allow the movement of people and goods in a manner that best accomplishes the State's economic, public health, and environmental goals.
- o The State should address urban congestion in ways that will not encourage growth in the use of single occupancy auto travel, or inappropriate land development.
- o The State should make better use of its roadway system to improve mobility within the State, while reducing congestion and air pollution.

- o The State should pursue the goal of moving more people and goods on its systems, not more vehicles. The State should encourage the use of high occupancy vehicles which minimize congestion, discourage energy consumption and improve air quality.
- o The State should integrate its efforts to protect the environment and enhance mobility. While it facilitates the movement of people and goods, the State must bring itself into compliance with clean air standards.
- o The State should encourage vehicle efficiency. It should continue, expand, or adopt programs to save energy and reduce air pollution in the operation of its own fleet, and other publicly-owned fleets.
- o The State should encourage the use of alternative fuels, such as compressed natural gas, in government and commercial fleets.

To implement these policies, the State should implement demand reduction strategies like these:

- o Establish additional HOV priority lanes where feasible.

- o Promote ridesharing and provide incentives.
- o Develop more park 'n ride lots.
- o Increase transit investments.
- o Develop experimental transit routes.
- o Encourage ferry operators.
- o Continue support for TMAs.
- o Encourage enactment of municipal traffic reduction ordinances.
- o Encourage bicycle and pedestrian usage.
- o Improve support for mass transit to make it competitive with automobile transportation.
- o Coordinate land use and transportation investments.

The State also needs to implement traffic management strategies. We need to:

- o Promote flex-time, four-day work weeks, and staggered work hours.
- o Promote testing of variable rates on toll roads and at river crossings to discourage solo driving.
- o Make greater use of reversible lanes.
- o Improve incident management capabilities to reduce traffic disruptions caused by accidents, spills, or other emergency situations.
- o Develop "smart" highways and streets that employ the most efficient available technologies to improve traffic flow on key congested corridors.
- o Implement surveillance and diversion information measures to identify less congested alternate routes.
- o Implement surveillance and advisory information measures to advise drivers of downstream route information.

- o Test and implement electronic toll systems where feasible to alleviate stopping at toll facilities.
- o Prioritize intersection and interchange improvements in non-attainment areas for air quality; make air quality improvements one of the major criteria in project prioritization.

We are beginning to see a true integration of policy at the state level, which is exemplified by the 1990 Energy Master Plan. The Department of Transportation is thinking about transportation, not in terms of moving trucks and cars, but in terms of moving people and goods; in terms of improving air quality; in terms of reducing traffic congestion, and in terms of reducing energy consumption. The Transportation Executive Council plans to invest in capital improvements where there are significant opportunities and benefits for the State of New Jersey, rather than in whose jurisdiction they lie. We are moving our State into the 21st century with a vision - a vision that is good for New Jersey!

TESTIMONY

By

Christine M. Johnson
Assistant Commissioner
Policy & Planning
New Jersey Department of Transportation

Before the Senate Transportation and Public Utilities Committee

Thursday, November 8, 1990

on

TRAVEL DEMAND MANAGEMENT LEGISLATIVE PROGRAM

Senate Committee Substitutes for S-348, S-349, & S-350

Sponsored by Senator Walter Rand

Good morning Senator Rand. I very much appreciate the opportunity to be here today to speak with you regarding Travel Demand Management. It is a very important topic to the Department and we very much appreciate your foresight and initiative in pursuing this endeavor.

As you know, New Jersey experienced drastic growth in the 1980's. Economic, population, and labor force growth were unprecedented. However, this growth did not come without a heavy price. New Jersey is the most congested state in the nation with 60 billion vehicle miles travelled (VMT) per year. This leads to environmental concerns, infrastructure problems, undue stress, and economic hardship.

New Jersey has to come to grips with one unpalatable fact; we must reduce the growth of vehicles on our roads. One way to accomplish this is ridesharing.

Governor Florio realized from the onset that transportation was key to maintaining the economic health and vitality of New Jersey. He also realized that New Jersey has more than 13 independent agencies providing transportation services -- each working on their own agendas. So on June 6, 1990, Governor Florio established the Transportation Executive Council, commonly referred to as the TEC, composed of the chairs of each of the major transportation authorities, as well as key cabinet officers. The TEC, which the Commissioner chairs, was charged with developing an integrated and strategic statewide transportation investment plan. On September 26, 1990 this council issued a report entitled, The Decision-making Framework for Transportation in the 1990's, wherein we recommended 10 policies to meet the transportation challenges of the future and to exploit the opportunities available to us. One of these policies is "Move more people, not more vehicles".

This is the most powerful of our new policy directions. It is driven by the need to comply with clean air standards, uncertain energy supplies, environmental constraints, and an uncertain economic

climate for the 1990's. Major roadway widenings will be undertaken sparingly in the future, and when the capacity of a highway is increased, every effort will be made to ensure that the capacity is not consumed by single-passenger peak hour vehicles. This policy also implies greater investment in public transit services. If these investments are to be effective, travel time, cost and employer subsidies for auto versus transit commuting will have to be equalized. We must LEVEL THE PLAYING FIELD.

The Department is focusing on several strategies to effectuate our policy of moving more people. Mr. Chairman, I ask your indulgence today because I would like to review a few of these with you. They are most relevant to your legislation.

- o First, we need to prioritize rush hour lanes.
- o Secondly, we will make greater use of reversible lanes.
- o Third, we will better manage our traffic through an aggressive incident management program.
- o Fourth, we will explore the use of "smart" highways and streets, taking advantage of new technology.

- o Fifth, we must make greater investments in transit. We have to significantly expand the transit system's capacity, and not just limit ourselves to system preservation.
- o Sixth, we must make public transit a competitive alternative. We must effectuate policies and practices which level the playing field between transit and the private auto.
- o Seventh, we must coordinate the use of our land and our transportation investments.
- o And finally, we have to take ridesharing seriously. Everyone supports ridesharing but few of us are willing to do it.

Ridesharing is the least expensive and most cost-effective means of stretching the capacity of our transportation system.

New Jersey is one of the few states that has made substantial investments in Transportation Management Associations, commonly referred to as TMAs. Over the past few years, the Department has invested \$1.8 million to support their formation and operation and the state now has six TMAs.

TMA's promote and encourage demand management strategies, such as ridesharing, flex time, preferential parking, staggered work hours, and public transit. TMA's, however, are based totally on promotion and persuasion, the limits of which fall short of the need in the 90's.

Unless employers focus as much attention on getting their employees to work in a cost-effective manner as they do on getting their goods and services to market, ridesharing as a strategy will never reach its potential. New legislation is needed to either encourage or to mandate employers to undertake programs to support car - and vanpooling at their employment sites.

THE ISSUE BEFORE US TODAY IS not whether we more deeply involve employers in the process of travel demand management, it is HOW we involve the private sector. DO WE MANDATE THESE REQUIREMENTS AND PENALIZE THOSE WHO DO NOT COMPLY, OR DO WE DEVELOP A PROGRAM OF INCENTIVES TO ENCOURAGE EMPLOYERS AND COMMUTERS TO ACHIEVE OUR GOALS?

The answer is -- WE PROBABLY DO BOTH! We very gradually mandate requirements, and we provide incentives to encourage compliance. We are anxious to work with you, Mr. Chairman, to develop a menu of options, which will achieve our mutual goal -- increasing vehicle occupancy.

Your bill, S-348, establishes a Travel Congestion Management Program that follows an EMPLOYER-BASED MANDATORY CONCEPT. The program is to be implemented by the Department and phased in among employers or development areas. Employers must make good faith effort to comply with the provisions of your Act, or be penalized by the Commissioner of Transportation.

Specifically, you are asking each employer to survey their employees and identify commuting patterns. Secondly, the employer must file a Trip Reduction Plan with the Department of Transportation. And third, within four years, each employer is expected to achieve a vehicle occupancy rate, such that within four years, 100% of the employees must arrive in 70% of the vehicles; this works out to a vehicle occupancy rate of 1.4; the national average is currently 1.2.

There are some issues surrounding a mandatory approach that I'd like to discuss with you today. As Assistant Commissioner for Policy and Planning, I oversee the TMA Program. Because of the TMAs' close working relationship with the private sector, I asked them to collectively recommend legislative measures that they thought were reasonable and possible. In response to this request, I have a letter here from Nancy Podezwa, Chairman of this TMA Legislative Task Force, and Executive Director for Greater Princeton TMA dated October 30, 1990. I would like to present this letter to you for

your consideration; I would also like to summarize its contents with you. Essentially, the TMAs feel that energies should be directed in three areas at this time:

1. Legislation which directs the Department of Transportation to:
 - a. develop a model traffic reduction ordinance;
 - b. research incentives;
 - c. develop a statewide policy which provides a framework for voluntary traffic reduction measures.
2. Legislation which provides incentives to jurisdictions and businesses to consider local traffic reduction actions.
3. Legislation which authorizes funding for incentives and seed money to jurisdictions for ordinance program implementation.

While we think there is merit in the approach recommended by the TMAs, the Department of Transportation considers it advisable to develop legislation which combines a graduated mandatory approach with some specific incentives to complement our mandate. We need to get the employers' attention to take ridesharing and transit use seriously.

Now, I would like to review with you some of the Department's concerns regarding the mandatory approach you have provided for in S-348. We have several conceptual changes we would like to recommend.

- o First, we would like to stretch out the time frame for implementation allowing 5 years before implementation of Phase 3, which affects employers with 250 or more but less than 500 employees.
- o Second, we agree that the employer must conduct a survey for their use in developing a Trip Reduction Program. This information would also be useful to our TMAs.
- o Third, we recommend that instead of requiring an employer to submit a Trip Reduction Plan to the Department of Transportation, the employer instead submit annually, a "Certified Letter of Status" to the Department which identifies the vehicle occupancy rate at their facility. The status would be based on an actual "curb count", and certified by a licensed professional engineer. The letter should further identify those peak hour trip reduction strategies being implemented by the company. We are not so concerned with HOW employers reduce peak travel as we are with RESULTS! We want this legislation to be results-oriented, not a planning exercise. We want to minimize the paperwork for both the employer and the Department.

- o Fourth, the Department should be empowered with sufficient enforcement powers to enable them to conduct spot checks of curb counts, and to assess penalties where companies are not in compliance. The Department will need sufficient authority to promulgate regulations on the certification requirements and penalty provisions.
- o Fifth, we recommend that the % goal be phased in gradually. Start with a peak hour requirement of 75%, then move to 70%, 5 years later. This translates into an initial goal of a 1.3 vehicle occupancy rate, with an ultimate goal of 1.4.

We think you might also consider a PROGRAM OF INCENTIVES to complement the MANDATED REQUIREMENTS of S-348. We would like to share with you some examples being implemented within other jurisdictions.

Under California law, employers are allowed:

- o A tax credit for part of the cost of purchasing or leasing vehicles for use in an employer-sponsored ridesharing incentive program for employees.
- o A business deduction for subsidizing the employee's monthly transit pass.
- o A business deduction for expenses incurred in providing company commuter vans or bus service to employees.

- o A business deduction for subsidizing employees' costs in vanpools sponsored by an organization other than the employer, private commuter buses, or subscription taxipools.
- o A business deduction for the expenses of providing free or preferential parking for carpools and vanpools.
- o A business deduction for the expenses of offering the cash equivalent of the parking privilege when employees do not require parking.
- o A depreciation deduction over a three-year period for the cost of making facility improvements (such as bus shelters, bike racks, lockers, and showers) to promote ridesharing, bicycling and walking.

Commuters in California are offered the following incentives:

- o A tax credit equal to 40% of vanpool subscription costs when the vanpool program is not employer-sponsored. The maximum credit is \$480, and the van must carry a minimum of seven regular daily commuters.
- o To exclude ridesharing benefits received from their employer as taxable income, including benefits provided for commuting in third-party vanpools, private commuter buses, or subscription taxipools, or for the purchase of monthly transit passes.

The State of Delaware's Traffic Mitigation Act, recently signed into law, provides for a reduction in business taxes and/or license fees. Eligible employers are those who participate with the Delaware Department of Transportation in an approved program of planned traffic mitigation. These incentives are based on the employer's direct participation costs and efficiency in promoting alternative modes of travel among their employees. These modes include the use of car and van pooling, park 'n ride lots, DART, commuter buses, rail and/or other transportation programs coordinated by the Commuter Services Administration.

The Port Authority of New York & New Jersey offers "Carpool Tickets" which provide a discounted toll of \$.50 (instead of the normal \$3) on their facility crossings if traveling with 3 or more riders in a non-commercial vehicle. Buses are also discounted, being charged only \$3 regardless of their weight or axle configuration.

Mr. Chairman, I am personally here today to tell you that the Department of Transportation is committed to working closely with you on this most important initiative. We recognize that VOLUNTARY efforts have met with limited success. It is time for us to pursue other avenues. We should consider both mandatory trip reduction requirements and positive incentives which will encourage compliance. We need to attract the attention of every commuter throughout New Jersey!

Mr. Chairman, I would also like to quickly address two other bills scheduled for today's session --- S-349 and S-350.

Regarding your Committee Substitutes for these bills, we would have the same comments as specified for S-348. I would like to point out to you that we are in agreement with the concept that the same requirements should be imposed on the private sector, the public sector, and the Authorities.

Thank you, Senator Rand, for continuing to pursue your initiatives in demand management. We are also most appreciative of Peter Manoogian's efforts in this regard. I very much appreciate the opportunity to share the Department's position with you today.

TESTRD#3-DISK RMS#3

19X

PHYLLIS R. ELSTON
ENVIRONMENTAL CONSULTANT

Trenton Office:

395 West State Street
Trenton, N.J. 08618
(609) 393-9232

Residence:

R.D. #1, Box 204
Annandale, N.J. 08801
(201) 735-4802

TESTIMONY BEFORE THE SENATE TRANSPORTATION & PUBLIC UTILITIES COMMITTEE
Thursday, November 8, 1990
S-347, 348, 349, 350 and 351 (Rand)

Thank you, Mr. Chairman and members of the Committee. My testimony today is rendered on behalf of

The New Jersey Association of Railroad Passengers,
and The Jersey Conservators.

After reviewing the initial amending material, I would like to submit the following comments:

The bill proposes analysis existing data related to commutation patterns and the conducting of comprehensive traffic congestion studies in order to provide for a more complete and detailed picture of the level of sources of congestion on the State's roads and highways. Work sessions on this legislation over the past several months and, beyond that, simply trying to move about in our State, already attest to problem areas. We would hope that existing data in NJ DOT can be quickly organized and reviewed (if it is not already in such a state) and that any "studies" beyond that would be kept to a minimum for quick and efficient action in traffic reduction.

In all possible instances, incentives to encourage abandonment of private auto and use of public transportation should receive preference.

Methods of upgrading highways do not induce use of public transportation. Such procedures facilitate continued reliance on private auto.

"Public transportation" should include light rail as a means of public conveyance. (page 3 of amendments to S-348)

By limiting information required in the employer survey (page 5 of amendments to S-348), an opportunity for flexibility in information gathering is lost.

Waivers to be granted by the Commissioner may, indeed, be occasionally necessary. Is it possible to define "hardship" in the bill? Shall "hardship" be predicated on financial considerations over those of public health?

We commend the efficiency of creating a fund to finance this program. How much of the expense incurred by the program would be covered by the proposed \$1,500,000? Is that enough??

The Transportation Demand Management Board created by this bill, in our opinion, must have representation from and input from an environmental and transportation-oriented citizens' group. The New Jersey Association of Railroad Passengers and the Jersey Conservators consider it crucial to be able to continue to participate in the process in a recognized and formal manner.

We appreciate the opportunity of attend today's public hearing and, after hearing comments from appropriate government agencies and legislators, we may submit further comment.

20X

Phyllis R. Elston, Leg. Agent



New Jersey Association of Railroad Passengers

P.O. Box 5475 Somerset, NJ 08875

TESTIMONY ON THE PROPOSED New Jersey Energy Master Plan
by Phyllis R. Elston, Legislative Agent
November , 1990 - Trenton, New Jersey

Mr. Chairman, Commissioners, and Members of the Committee:

Thank you for the opportunity to comment today on behalf of the NJ Association of Railroad Passengers and the Committee on Alternative Transportation Solutions (COATS). Our remarks are concerned with transportation options in New Jersey.

We commend you for the emphasis on public transportation needs contained in the report. However, we draw attention to the need to make a firm commitment to the rehabilitation and rejuvenation of rail transportation in our State. Much time, effort, and expense has already been dedicated on a draft land use master plan for the State -- the proposed State Development and Redevelopment Plan. At the heart of this plan is the expression of the need to lure development -- both residential and commercial -- back to New Jersey's wonderful cities. At the heart of these cities are existing hubs for rail transportation. Herein lies a solution for much of our air quality problems, to say nothing of relieving the public frustration of life in a constant state of gridlock.

We request that serious attention be paid to the need to derive a firm formula which would assure that, among transportation appropriations, public transportation in general, and rail transportation projects specifically, receive new and consistent funding. It is only by turning away from our track record of tending to highway projects above all that we will turn the mobility tide. It has been proven that the Public will leave their automobiles to ride light rail. It has also been proven that, given the option of bus transportation, the Public will continue to drive private automobiles.

We urgently request that attention be paid to our transportation needs -- immediate needs -- to gain mobility along the Hudson River Waterfront. The Waterfront is one of our State's most precious economic and environmental resources. Consideration of expanded bus transportation in this area (such as NJ DOT's Waterfront Office is proposing) will doom this area to increased air quality deterioration. Such deterioration, in an area already failing Federal air quality standards, could cause loss of future Federal funding under the Clean Air Act.

We support legislative initiatives such as Sen. Walter Rands package on "ride sharing"; S-348, 349, 350; 351 & 352. We have been participating in workshops on this legislation since its inception and have great hopes that this package will remain strong. We question your Table 13-4 (Chapter 13) on "Comparison of Direct Costs of Transport Modes and feel it does not accurately reflect subsidy of private autos. We hope to supply data to clarify this. Thank you for the opportunity to comment. We look forward to continued participation.

21X

Phyllis R. Elston

**TESTIMONY OF THOMAS MARCHWINSKI
ON SENATE BILL NUMBERS 348, 349, 350**

Mr. Marchwinski has over 10 years of transportation planning experience in New Jersey, focusing on transit, ridesharing, park-and-ride and demand management. He has worked in the following organizations.

NJDOT - Statewide Planning
NJ TRANSIT - Corporate and Rail Planning
Port Authority of NY & NJ -
Ebasco Services Incorporated - Consulting Firm

This wide range of experience also includes recent work on the transit and ridesharing components of the Hackensack Meadowlands and Liberty State Park Master Plans, development of office parking ratios to encourage non-single occupant auto usage in Jersey City, and preparation of transportation demand management strategies in Route 33 Monmouth County and for the City of Sacramento, California.

Key Points of Testimony

- o Need to establish regional standards for achieving TDM.
- o Improve definition of peak hour and peak period to clearly indicate what 70 percent of projected trips actually means.
- o Survey standards and enforcement.
- o Actual vehicle trip reductions of 0 to 22% will be required.
- o Amount of reduction necessary to meet standard varies from no reduction in Newark, Jersey City to 15-20% reductions in most suburban areas.
- o Need to redefine state/agency goal of 1.8 vehicle occupancy.

REDUCTION IN PEAK PERIOD VEHICLE
TRIPS TO REACH 70% GOAL
FOR 1000 EMPLOYEES

<u>LOCATION (YR.)</u>	<u>PEAK PERIOD TRIPS</u>	<u>PERCENT REDUCTION TO REACH 70% GOAL</u>	<u>AVERAGE VEHICLE OCCUPANCY</u>
Camden (80)	713	- 2.4%	1.39
Cherry Hill (80)	877	- 20.2%	1.14
Livingston (80)	825	- 15.2%	1.21
Meadowlands - Office (87)	848	- 17.4%	1.18
Meadowlands - Industrial (87)	772	- 9.3%	1.3
Paramus (80)	876	- 20.1%	1.14
Woodbridge (80)	828	- 15.5%	1.21
New Brunswick (80)	739	- 5.3%	1.35
Trenton (State) (89)	793	- 12.0%	1.26
Newark CBD	470	0	2.14
Jersey City CBD	286	0	3.5
Somerset County	836	- 16.3%	1.2
GOAL	700	0%	1.43



Association for Commuter Transportation
New Jersey Chapter

November 8, 1990

PRESIDENT

ALBERT TRENTON
Schering-Plough Corp.
2000 Galloping Hill Road
Kenilworth, NJ 07033
(201) 298-4503

VICE PRESIDENT

JOHN J. KOELBLE
N.J. Bell Telephone Co.
650 Park Avenue
East Orange, NJ 07017
(201) 266-9127

SECRETARY

JUDITH SCHLEICHER
Morris County Rides, Inc.
172 Madisonville Road
Basking Ridge, NJ 07920
(201) 204-9100

TREASURER

STEPHEN C. MAY
Van Pool of New Jersey
2700 Brunswick Park
Lawrenceville, NJ 08648
(609) 882-5900

GOVT. RELATIONS CHAIR

JOHN J. KOELBLE
N.J. Bell Telephone Co.
650 Park Avenue
East Orange, NJ 07017
(201) 266-9127

MEMBERSHIP CHAIR

DOMINICK BOTTERI
Van Pool of New Jersey
2700 Brunswick Park
Lawrenceville, NJ 08648
1 (800) VANPOOL

PROGRAM CHAIR

NANCY PODESZWA
Greater Princeton TMA
621 Alexander Road
Princeton, NJ 08540
(609) 452-1491

MARKETING CHAIR

VALERIE IOLA, MBA
CONSULTANT
4053 BAYBERRY COURT
MONMOUTH JCT., NJ 08852
(201) 274-2792

TO: New Jersey State Legislature
Senate Transportation and Public Utilities Committee

The following is our response to Senate Bills No. 348, 349 and 350. Bills 351 and 352 are satisfactory as written.

Honorable Senators:

First, I would like to introduce myself. I am Al Trenton, an employee of Schering-Plough Corporation and also president of NJ ACT.

Senate Bill No. 348, 349 and 350, cited as the New Jersey Traffic Congestion Management Act, is being supported by our association, A.C.T. - Association for Commuter Transportation, New Jersey Chapter. Our non-profit organization is national in scope and its mission is to educate the public and private sector in promoting ridesharing which is car and vanpools, public transportation, flex hours, park and ride lots and other forms of traffic mitigation measures. We have been advocating this since the early 1970's. The benefits are less congestion, clean air, less dependence on oil, less wear and need to expand our road systems in New Jersey. Thus less cost to operate and less subsidy. There would also be increased use of public transportation bus and rail. The benefits to the participants of carpools, vanpools and public transportation are less stress, cheaper cost to commute to and from work, plus improve the environment.

These bills would achieve these goals. Also it would make the participants in this program accountable to the success or failure of their plan by having a means to monitor their progress of their program. Also a very important element in this bill is achieved through a joint partnership between the government and private sectors, establishment of a Travel Demand Management Board.

These bills are necessary because over the past 15 years "ridesharing" has decreased and traffic has increased dramatically. We need to manage our traffic, improve our air quality and these bills will achieve those ends.

A recent article in the Wall Street Journal October 29, 1990, regarding the clean air bill shows 96 cities and surrounding communities with the worst ozone smog problems and their deadline for meeting federal standards. New Jersey is on this list:

- 1) Severe - Deadline Nov. 2007
New York nearby NJ
Deadline Nov. 2005
Philadelphia nearby NJ
- 2) Moderate - Deadline 1996
Atlantic City NJ
- 3) Marginal - 1993
Allentown, PA nearby NJ

The article went on to say that there will likely be more pressure placed on the most polluted cities for life-style changes, such as carpooling or no-drive days and even tougher curbs on big factory and smaller polluters says William Becker who represents local air pollution regulators.

Further suggestions to be offered are:

- 1) Funding for these programs is an issue, given the budget deficit. This could be achieved in addition to accessing business for filing fees, a tax on gasoline or better yet, registration user fees. Incentives could be given as income tax credits for ridesharing - minimum \$120 to maximum \$500 per participant.
- 2) Vanpool grant programs, such as in California, set the tone of putting the government in the leadership role and business then simply has to "match" the government commitment.
- 3) The registration user fee could be waived if participants showed proof that they were in some form of ridesharing.
- 4) Business could be enticed by DOT providing seed money to purchase vans or subsidize vanpoolers for a period of time. The routes would not be in conflict with public transportation.
- 5) Introduce some measures that hold the employer responsible, gets them in the practice of compliance and forces them to recognize alternatives.

We would be pleased to further explore these funding and incentive issues.

Sincerely,



A. Trenton
President



NEW JERSEY BUSINESS & INDUSTRY ASSOCIATION

Statement

of the

New Jersey Business and Industry Association

before the

***New Jersey Senate Transportation
and Public Utilities Committee***

by

Dawn Perrotta

on

S-348

"The New Jersey Traffic Congestion Management Act"

November 8, 1990

26X

Mr. Chairman and members of the Senate Committee on Transportation and Public Utilities, I am Dawn Perrotta of the New Jersey Business and Industry Association. NJBIA represents over 13,000 employers from all regions of the State. I welcome this opportunity to testify before you today to express the concerns of NJBIA on S-348. This bill would initially require employers located in highly congested counties, and having 1,000 or more employees (eventually phasing in employers with more than 500 and more than 250 employees), to file a survey of their commuting patterns and to submit a traffic reduction plan. The goal of the legislation is to reduce the number of vehicles in use by a company's employees traveling to and from work during peak-hours. Each business is to attain a standard of reducing projected peak-hour automobile trips of its employees to 70 percent of the anticipated number if all projected trips during peak-hours were made in single occupancy vehicles. The bill encourages staggered work hours and the use of alternative forms of commutation such as car and van pooling, walking, and bicycling.

While we fully respect the intentions of this legislation NJBIA must oppose its enactment for a variety of reasons. We believe that the bill's approach to solving or improving a very serious statewide problem is not necessarily in the best interests of business or its employees.

Although intending to make life somewhat less stressful for New Jersey's commuters, the bill could actually serve to increase stress levels by forcing employees to rely upon others for their transportation to work. Coordinating these efforts and depending upon the follow through of others

could prove to be equally or almost as stressful. Requiring employees to "rideshare" can also be viewed as an infringement of individual rights, interfering with levels of independence. Furthermore, non-vehicular forms of commutation would just not be practical in certain areas.

The concept embodied in S-348 would be, in our opinion, counterproductive to the Governor's goal of stimulating the economic development of the State via improved transportation systems. This is, in fact, where we believe the focus should be directed. Rather than penalizing companies by requiring them to develop and undertake massive, costly, and time consuming surveys and traffic reduction plans, governmental energy could best be channeled toward improving New Jersey's highway and mass transit systems. Individual employees, who are also taxpayers, should not be forced to relinquish their right to use their highways at will.

Until proper and necessary improvements can be made to the highway and mass transit systems, employers definitely have options available to them if employees do express concerns about their commuting situation. In efforts to maintain a desired environment many employers, without a State mandate, voluntarily can and do:

- a) Seek assistance from a mass transportation firm to provide improved service;
- b) Arrange for van pooling and provide a subsidy;
- c) Encourage car pooling;
- d) Modify the schedule of affected employees or all employees; and
- e) Adopt a flexible work schedule.

We strongly believe that this legislation presents a somewhat isolated approach toward solving the State's severe congestion problem. While it is certainly true that some highways are gridlocked during peak commuting hours, the legislation does not address the fact that some highways are also gridlocked during off hours, that commercial drivers passing through New Jersey represent a significant percentage of road usage, and that improved mass transportation must be a factor in any resolution.

NJBIA must also stress strong opposition to the fairly high fees and penalties for noncompliance that would be imposed by S-348. As described in the bill, the fees would be used to defray the costs of the program. Rather than creating and supporting another bureaucracy within government, we believe that already existing resources should be utilized. For example, we would urge the committee not to overlook the fact that approximately two years ago, at the request of the Department of Transportation (DOT), legislation was enacted that required all employers to report to the DOT the zip code number of each employee's home and the employer's zip code. The DOT intended to use this data to plan improved mass transportation for commuters. Before embarking on a campaign that would affect an unknown percentage of individual commuters we believe, again, that mass transportation should be the focus. The DOT data seems to be a good starting point.

NJBIA urges that this committee carefully evaluate this legislation to determine whether or not it will truly resolve highway congestion or address what might be only one contributing factor to highway gridlock. We also would like the committee to consider the "fairness" of mandating employers to conform to the bill's requests and also be required to pay filing and penalty

fees. Perhaps it would be more productive to encourage more employers to voluntarily implement the traffic-reduction options discussed earlier by providing a tax credit or some other incentive for doing so.

Finally, if the Legislature determines that the concept has merit and does, in fact, pass S-348, we would encourage that a thoughtful, cautious approach be taken by beginning with a pilot program in one section of the State. A pilot program would, at least, provide all interested parties the opportunity to assess the advantages and disadvantages of this proposal.

Thank you.



COMMITTEE ON ALTERNATIVE TRANSPORTATION SOLUTIONS

Steering Committee Organizations:

RAI Assoc. of Railroad Passengers
Pollution Crisis Coalition
Transit Cmte. of Bergen Co.
Waterfront Coalition of Hudson & Bergen Cos.
WaterEdge Light Rail

Testimony on S-347, 348, 349, 350 & 351 (RAND)
Senate Transportation & Public Utilities Committee
November 8, 1990

The Committee on Alternative Transportation Solutions is an organization of concerned citizens and groups in the Hudson/Bergen County area. We look to the ridesharing bills as a **SOLUTION** to the existing gridlock and air quality problems along our Waterfront.

We are concerned that the proposal of studies and review of data will prolong an already crippling situation. We look for this legislation to carry a strong mandate and for every possible mechanism to promote the use of public transportation -- especially light rail in the Hudson/Bergen waterfront area. We feel it is urgent that the Transportation Demand Management Board which this bill would establish have representatives from citizens' commuter and environment^a groups appointed. Without such representation, public participation is not fully implemented.

Thank you.

Willy Alexander
for the Steering Committee of COATS

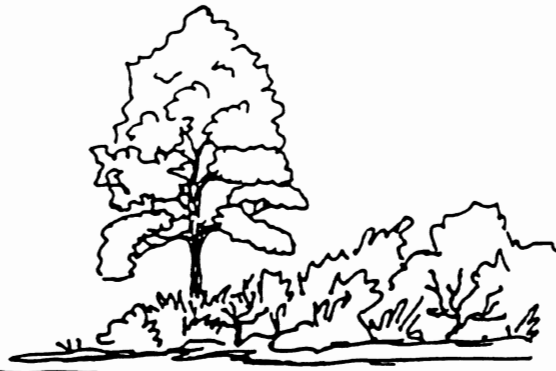
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450 7th Ave. Apt. 1E Hoboken, N.J. 07030
450 Seventh Ave. Apt. 1E Hoboken, N.J. 07030

THE ASSOCIATION OF
NORTHWEST JERSEY
CONSERVATORS

P.O. Box 774
Netcong, New Jersey 07857



TESTIMONY ON THE PROPOSED NEW JERSEY
ENERGY PLAN, by Willy Alexander. November, 1990; Trenton, NJ

The Jersey Conservators (formerly the Assoc. of NW Jersey Conservators) believe a sound energy policy is absolutely necessary to ensure both a healthy environment and a sound economy. Global warming, degraded local air quality, and energy-cost-driven inflation are unfortunate aspects of modern life that can be dealt with by commitment to sound energy policy.

We recommend the following:

- 1) Mandated increases in the efficiency of all appliances and home electricity consumers. We reject Commissioner Yaskin's argument that the cost of higher quality appliances would cost more and create an unfair situation for the economically disadvantaged. Higher initial cost would be balanced by lower energy costs down the road, balancing the ultimate cost of ownership/operation.
- 2) Mandated changes in building codes to force construction of energy-efficient homes and commercial buildings. New Jersey is way behind the best-world standards (especially Scandinavia) in this respect, and considerably behind the standards used with great success in states like Minnesota.
- 3) Drastic reduction in the number of parking spaces allowed for new commercial construction. This is the "Achilles Heel" of commercial over-development. Limit this, and business and industry will have to adopt van pooling/ridesharing/mass transportation programs.
- 4) A renewed effort to pass the State Development and Redevelopment Plan. Sound energy policies are at the heart of its objectives.
- 5) Tax credits to property owners who undertake energy-efficient improvements (better insulation; thermopane windows, etc.) on older construction.
- 6) Tax credits to encourage alternative energy sources.
- 7) Funding to construct an efficient, clean, rationalized, user-friendly statewide public transportation system.
- 8) Tax credits and regulations to mandate and encourage fleet use of natural gas or electric vehicles.

We thank you for the opportunity to comment and appreciate the many promising initiatives contained in the current draft. We look forward to continued participation in the process as we move toward a final Plan.

Willy Alexander



GREATER PRINCETON TRANSPORTATION MANAGEMENT ASSOCIATION

TESTIMONY
Before The
SENATE TRANSPORTATION & PUBLIC UTILITIES COMMITTEE
on
draft amendments to Bills No. S-348, S-349 & S-350

My name is Nancy M. Podeszwa, Executive Director of the Greater Princeton Transportation Management Association (TMA).

Greater Princeton TMA is a private, non-profit, membership organization dedicated to traffic reduction and increased mobility in central New Jersey, through the advocacy of transportation demand management strategies.

Membership includes corporations, developers, hotels, educational institutions, municipalities and public agencies, representing more than 30,000 employees and over 18.5 million square feet of space in Mercer and portions of Middlesex and Somerset Counties.

We applaud Senator Rand's efforts on behalf of traffic reduction. His leadership has focussed much needed attention on this critical issue. We appreciate the Committee's recognition of the need for mandatory legislation to demand action from all parties.

Further, we commend Senator Rand, the Committee and Committee staff on the current versions of these bills. The revisions indicate a true understanding of and responsiveness to many of the concerns raised following the introduction of the original legislation.

We continue to endorse the concept of consistent requirements statewide and offer the following specific comments relative to the current bills.

The success of any statewide traffic reduction measure requires commitment from both the public and private sectors, including the business community, government and individuals. As the legislation is currently written, business will bear primary responsibility for the cost of implementation.

In order to further distribute this responsibility, we recommend that the legislation be expanded to include the authorization of funds to provide incentives to local jurisdictions and businesses to undertake transportation demand management programs. Suggested sources of these funds include: raising registration fees, tolls, etc. for single occupant vehicles and/or increases in the gasoline tax.

Beyond this, 2 further recommendations:

- * Rather than calling for the designation of "highly congested" counties, the legislation should apply statewide.
- * The legislation should not define a statewide "peak period," but rather direct NJDOT to establish peaks on a regional basis as part of the implementation process.

In summary, let me again praise Senator Rand and this Committee for their enlightened approach to this very critical issue and offer Greater Princeton TMA's assistance in continuing the fight to reduce traffic congestion and maximize mobility in New Jersey.

November 1990

Submitted by: Greater Princeton TMA
621 Alexander Road
Princeton, NJ 08540
609-452-1491



GREATER PRINCETON TRANSPORTATION MANAGEMENT ASSOCIATION

October 30, 1990

TO: Assistant Commissioner Christine Johnson

FROM: Nancy M. Podeszwa, on behalf of the TMAs' Legislative
Committee *NM Podeszwa*

RE: TMAs' joint position on Traffic Reduction Legislation

On October 18, 1990, the group listed below met to discuss a joint position on Traffic Reduction Legislation. That position is summarized below. All parties involved have reviewed the summary prior to its transmittal to you.

Attendees on 10/18/90: Carol Beske, Pres., GPTMA
Peter Cantu, Exec. Dir., KMM
Deborah Caponigro, Exec. Dir., Mon. TMA
Joseph Luste, Exec. Dir., Cross County TMA
Nancy Podeszwa, Exec. Dir., GPTMA
Judy Schleicher, Pres., McRides
John Sheridan, Chairman, McRides

The TMAs applaud Senator Rand's efforts toward statewide traffic reduction legislation. His work thus far provides a realistic framework within which we can continue to work. However, we believe, at this time, there is significant opposition to mandatory legislation, and that continued dialogue with the business community is necessary, to ensure that legislation which is widely applicable, phased and includes incentives for business and local jurisdictions can be the product. TMAs are interested in continuing to participate in these efforts.

At present, however, the TMAs feel that energies should be directed toward:

- 1) Legislation which directs NJDOT to: a) develop a model traffic reduction ordinance for use by local and/or regional jurisdictions; b) research incentives (starter list attached) to jurisdictions, businesses and users to encourage traffic reduction actions; and c) develop a statewide policy which encourages and provides a framework for voluntary traffic reduction measures.
- 2) Statewide legislation which provides incentives to jurisdictions and businesses to consider local traffic reduction actions, including ordinances.
- 3) Authorization of funds to be used to provide incentives and as seed money to jurisdictions for ordinance program implementation.

STARTER LIST OF INCENTIVES

State Incentives: System of Park/Ride lots
HOV Lanes

Local Jurisdictional Incentives: Priority receipt of Local Aid
Funds
Increased Local Aid Funds
Funds for TDM program
implementation

Business Incentives: Tax credits for purchasing/leasing
ridesharing vehicles
Tax credits for transit/ridesharing
subsidization
Business deductions for on-site park/rides
Depreciation deduction for facility
improvements
Insurance coverage for on-site park/rides

User Incentives: Reimbursement to vanpoolers for gas tax
Free registration to vanpoolers
Free tolls to poolers

1ST DRAFT

SENATE STU COMMITTEE

AMENDMENTS

to

SENATE No., 348
(Sponsored by Senator RAND)

REPLACE SECTION 1 TO READ:

1. This act shall be known and may be cited as the "New Jersey Traffic ¹Congestion¹ Management Act ¹[of 1989]¹."

OMIT SECTIONS 2 THROUGH 6 IN THEIR ENTIRETY

INSERT NEW SECTIONS AS FOLLOWS:

12. The Legislature finds and declares that: a. In recent years New Jersey has experienced tremendous growth in certain regions, often along highway routes in the State. This growth has outpaced the capacity of the highways in this State, especially in the congested areas of the State, for efficient movement of traffic, creating constraints on future economic development, and leading to high levels of traffic congestion in various parts of the State, reaching "gridlock" proportions in certain areas:

b. This high level of traffic congestion, particularly during peak hour periods, results in various economic, social and environmental costs and effects. The direct costs of congestion that affect business production costs include additional labor costs associated with longer trips made by employees during business hours, higher vehicle operating costs, and less than optimal vehicle use. Indirect costs of traffic congestion include increases in accidents and insurance premiums, the degradation or loss of employee productivity, and increases in delivery costs, employee turnover, and recruiting problems. Reliance on the use of single occupancy vehicles for commutation purposes is costly to commuters and by increasing the consumption of gasoline renders this State and Nation more dependent on foreign energy sources. The use of alternative means of commuting will reduce this energy dependence and render the State less vulnerable to possible interruption of gasoline supplies.

There are also various social costs incurred as a result of excessive levels of congestion, particularly as they affect commuters. Excessive amounts of time spent in daily commutation affect the amount of time available to commuters for necessary recreational and family-related activities, and under certain conditions may cause excessive stress leading to increases in heart rate, blood pressure and heart rate irregularities, and may lead to employees arriving at work feeling annoyed and being therefore less productive.

Levels of traffic congestion in this State are related to levels of air pollution, particularly ozone and carbon monoxide. New Jersey as a whole is designated as a severe non-attainment area in terms of levels of ozone while parts of the State in which there is severe traffic congestion have failed to attain the federally mandated carbon monoxide levels.

c. In order to deal with the economic, social and environmental costs and effects enumerated above and to avoid or delay expensive or environmentally costly new highway construction, it is in the public interest for the State of New Jersey to develop a comprehensive program to deal with traffic congestion. In furtherance of this policy the Department of Transportation should (1) take steps to analyze already existing data related to commutation patterns and to conduct comprehensive traffic congestion studies in order to provide for a more complete and detailed picture of the level or sources of congestion on the State's roads and highways.

(2) Place special emphasis on the completion of "missing links" in the State's highway system, the adoption of transportation system management measures intended to facilitate the smooth flow of traffic such as improved signage, synchronization of traffic lights, resurfacing of highways, the use of "smart" highways, and other appropriate measures.

(3) Establish a Travel Demand Management Program, as a result of recommendations made from representatives of government, the private sector, and transportation management associations, which would require on a phased basis businesses employing 250 or more persons and certain developments in highly congested areas of the State to undertake an annual survey of the commutation patterns of their employees and to plan and implement trip-reduction strategies that will provide their employees with programs and incentives to increase private passenger vehicle occupancy or increase the use

of public transit or other alternative transportation modes on home-to-work trips during peak-hours or to stagger work hours or work at home.

3. As used in this act:

"Affected development" means a development for which the filing of a survey and plan is required by this Act.

"Affected employer" means an employer which is required by this act to file a survey and plan.

"Alternative means of commuting" means travel between a person's place of residence and place of employment or termini near those places, other than in a motor vehicle occupied by one person.

"Commissioner" means the Commissioner of Transportation.

"Department" means the New Jersey Department of Transportation.

"Development" means a planned development as defined in section 3.3 of P.L. 1975, c. 291, or a commercial, office, residential or industrial park or complex which contains parking facilities for employees or residents thereof other than a shopping center, grocery store, restaurant or similar entity primarily providing retail services or products to the public.

"Employee" means a full-time or part-time person, consultant or independent contractor hired or employed by the employer and who reports to the employer's work location.

"Employer" means any person which hires or employs employees and shall also include the State and its instrumentalities and subdivisions except State departments or agencies, the toll road authorities, the Delaware River Port Authority or the Port Authority of New York and New Jersey.

"Peak-hour periods" means the hours from 7:00 a.m. to 9:00 a.m. and the hours from 3:30 p.m. to 6:00 p.m. during weekdays when normal business hours are being conducted.

"Plan" means the traffic reduction plan required by this act.

"Program" means the Travel Demand Management Program to be established pursuant to section 5 of this act.

"Ridesharing" means the cooperative effort between two or more people who travel together, usually to and from work. Carpools, vanpools and buspools are all examples of ridesharing. Ridesharing can include public transportation, such as buses, trains or subways.

"Transportation management association" means an organization which assumes a role of facilitating transportation demand management actions by an employer or employee.

"Travel demand management" or "TDM" means a system of actions whose purpose is to alleviate traffic - problems through improved management of vehicle trip demand. These actions, which are primarily directed at commuter travel, are structured to either reduce the dependence on and use of single occupancy vehicles, or to alter the timing of travel to other, less congested time periods.

"Work location" or "location" means an area, building or set of contiguous building or portion thereof, under the ownership or control of a single employer where employees perform work.

4. To the end that the problems of traffic congestion and its attendant economic, social and environmental costs and effects shall be dealt with in a comprehensive manner, the Commissioner of Transportation shall establish a Traffic Congestion Management Program which shall consist of:

a. An analysis of already existing data related to commutation patterns, including origin-destination data, and comprehensive traffic congestion studies in order to provide for a more complete and detailed picture of the level and sources of congestion on State highways, county and municipal roads, as well as toll bridges and toll roads.

b. Based upon this analysis and study and the resultant data base, (1) the designation of those areas of the State experiencing high levels of traffic congestion, as well as those areas which are expected to experience such levels in the near future; (2) development of a comprehensive strategy to deal with congestion in these areas, including but not limited to placing special emphasis on the completion of "missing links" in the State highway system, use of high occupancy vehicle lanes, priority treatment for multiple-occupancy vehicles, the adoption of traffic system management, such as improved signage, synchronization of traffic lights, resurfacing of highway pavements, the use of "smart" highways, and other appropriate measures to facilitate the smooth flow of traffic in the State. These areas so designated pursuant to paragraph (1) of this subsection are to be listed in the comprehensive master plan required to be developed pursuant to subsection (a) of section 5 of P.L. 1966, c. 301 (C. 27:1A-5).

c. A Travel Demand Management Program to be established and implemented as provided in this act.

5. The Department of Transportation shall establish a Travel Demand Management Program to reduce the demand for travel on the State's transportation system by reducing the number of vehicles using that system, reducing the mileage travelled by these vehicles, and staggering their flow on the State's transportation system. These goals can be accomplished in part by the implementation of various requirements intended to increase the use by commuters of alternative means of commuting such as multi-occupancy modes including public transportation, ridesharing, vanpooling, buspooling and the like as well as walking or bicycling, rather than relying almost exclusively on the single occupancy vehicle. In addition, the requirements to be implemented are intended to result in the staggering of commuter arrival times by the use of work hours management and other methods. To this end the program shall be divided into the following phases:

a. Phase I. This phase shall commence on January 1 following enactment of this act and terminate on December 31 of the year next following.

Within 90 days of the commencement of this phase the Department of Transportation shall make an interim designation of those counties in the State which are experiencing high levels of traffic congestion, based upon available data. Not later than the end of this phase the department shall make a final designation of those areas of the State experiencing high levels of traffic congestion as well as those areas which are expected to experience such levels in the near future, including counties which are generally highly congested or expected to be so and those roadways, corridors or regions of the state also falling within that classification whether the county in which they are located is included or not, based upon the analysis and study provided for in subsection a. of section 4 of this act.

During this phase the department shall, in the manner provided in this paragraph, notify each employer having 1,000 or more employees in a location that the employer shall survey the location's workforce. The department shall include a copy of the survey form with the notification. The survey shall be limited to the following information:

- (1) Name and address of the employer.
- (2) Name and telephone number of a person who may be contacted by the department.
- (3) Number of employees employed at the location.
- (4) The number of employees absent from work on the day the survey was done.
- (5) The number of vehicles beginning and ending work by 15 minute time intervals during peak-hour periods. A description of how the count was made shall be provided.
- (6) The mode of travel used by employees in commutation to work, including the use of single occupancy vehicles, ridesharing, vanpooling, public transportation and other alternative means of commuting.
- (7) Date of the survey.
- (8) Name, title and signature of the person compiling the survey.

During a period of 180 days from the commencement of this phase, the department shall notify the employers on a staggered basis in order to permit on-going tabulation and analysis of the survey data. An employer shall have no less than 90 days from the date of notification to return the completed survey to the department along with the appropriate filing fee, as provided in section 8 of this act.

Not later than 90 days from the required date of return of the survey the employer shall file a traffic reduction plan with the Department of Transportation which shall be prepared in conjunction with the governing body of the county in which the location is sited. The principal numerical objective of the plan shall be to attain within a period of four years a standard of reducing projected peak-hour automobile trips of its employees to 70 percent of the anticipated number if all the projected employee trips during peak-hour periods were made in single occupancy vehicles. This plan may be a trip reduction plan which is already in effect for the location in question, in which case traffic mitigation measures already employed at the location shall be documented as well as any additional measures which may be required. In developing a traffic reduction plan, any combination of the following traffic mitigation measures may be incorporated: (1) facilitating utilization of mass transit; (2) facilitating ridesharing; (3) establishing an alternative work-hours schedule; and (4) encouraging non-vehicular work trips.

Not later than the end of the Phase I the Commissioner of Transportation shall, upon recommendation of the board created in section 6 of this act, adopt rules and regulations applicable to the later phases in accordance with the "Administrative Procedure Act," P.L. 1968, c. 410 (C. 52:14B-1 et seq.) and setting forth the final standards to be used in implementing the Traffic Demand Management Plan, which shall include (1) the final designation of those areas of the State experiencing high levels of traffic congestion or which are expected to experience such levels.

(2) Any modifications to the survey forms required to be filed annually. It is the intent of the Legislature that such forms be as simple as possible, not include information not actually required by the program and not be unduly burdensome to the employers or developments filing them.

(3) Requirements for the traffic reduction plans to be filed annually. The requirements shall include a methodology for determining the trip reduction effects of various standard traffic mitigation measures. In approving a plan, the department shall evaluate the plan in accordance with this methodology and determine whether it meets intermediate numerical goals over the four year period. Trip reduction effects of innovative or nonstandard traffic mitigation measures shall also receive credit from the department in approving the plan. For those locations which meet the required numerical goals at the time of the initial survey, the plan shall at least include strategies to afford opportunities to employees to avail themselves of carpooling, vanpooling and other ridesharing strategies.

b. Phase II. This phase shall commence on January 1 following Phase I and terminate on December 31 of the year next following. The department shall notify each employer having 1000 or more employees in a location that the employer shall survey that location's workforce annually, and the department may extend this requirement to employers having 500 or more employees in a location and to developments having 500 or more parking spaces used by employees or residents thereof. The survey shall be conducted in accordance with the rules and regulations adopted during Phase I of the program applicable to Phases II and III. If the department has not adopted the regulations required during Phase I, the requirements of Phase I shall continue until such time as the regulations are adopted and the commencement of Phases II and III shall be respectively delayed until the adoption of the regulations.

During Phase II, employers and developments filing a survey shall file a traffic reduction plan with the department pursuant to the final procedures and standards provided for in the regulations adopted by the commissioner. The plan shall be evaluated for approval by the department and any plan not approved in whole or in part shall be returned to the employer or development for resubmittal pursuant to the recommendations of the department.

c. Phase III. This phase shall commence on January 1 following Phase II and shall continue without termination date. The department shall notify each employer having 500 or more employees in a location and a development having 500 or more parking spaces used by employees or residents thereof that the employer or the development shall survey that location annually, and may extend this requirement to employers having 250 or more employees in a location and to developments having 250 or more parking spaces used by employees or residents thereof.

The employers and developments shall file a traffic reduction plan in the manner required in Phase II which shall be subject to the same review procedures.

Before the expiration of two years from the commencement of Phase III, the program shall be evaluated by the department, based upon an analysis of the statistical data on traffic congestion and commuting trends and other factors. Based upon this evaluation the department shall make a comprehensive report to the Legislature and the Governor with the department's findings and recommendations concerning the program, including among those recommendations a recommendation as to whether the program should be expanded to include those locations with 100 or more employees or developments with 100 or more parking spaces for employees or residents thereof and whether, based upon an analysis of statistical data and other factors, certain counties or areas of the State should be included or exempt from further participation in the program.

d. The department and other departments, agencies and authorities are authorized to conduct the analysis and studies provided for in this act and to take other preparatory actions prior to the commencement of Phase I.

6. a. There is established in the Department of Transportation a Travel Demand Management Board which shall consist of the following members: two appointed by the Commissioner of Transportation, one appointed by the

Commissioner of Environmental Protection, one appointed by the State Treasurer, one representative of the New Jersey Business and Industry Association, one representative of the New Jersey State Chamber of Commerce, one representative of labor organizations selected by the New Jersey American Federation of Labor-Congress of Industrial Organizations, one representative of a transportation management association appointed by the commissioner, and one representative of local government appointed by the commissioner. The chairman of the board shall be selected by the members. The members of the board shall not receive compensation for their services as members of the board.

b. It shall be the duty of the board to study and make recommendations to the Commissioner of Transportation concerning the Travel Demand Management Program provided for in this act, including but not limited to the final standards to be used in implementing the program as provided in subsection a. of section 5 of this act.

The commissioner may additionally delegate in whole or in part to the board whatever powers and duties are granted to the commissioner or the department under the provisions of this act.

7. The following are the duties and responsibilities of various public and private entities in relation to the Travel Demand Management Program to be established pursuant to this act:

a. The Department of Transportation, in addition to the duties provided for elsewhere in this act, shall take necessary steps to serve as the primary implementer of this program and to this end shall ensure that the department's computer and telephone resources are sufficient to meet demands for ridesharing and other information related to the program, as well as to deal with the processing of origin/destination and congestion data. The department shall also serve as a resource to employers and developments required to implement a plan and shall provide model plans upon request, as well as providing referrals to transportation management associations or others who could assist employers and developments in carrying out their responsibilities under this program.

b. The Department of Environmental Protection shall coordinate its policies with the Department of Transportation relating to the State Implementation Plan required under the federal "Clean Air Act," insofar as

such implementation relates to the travel demand management matters. If the State of New Jersey should be required to implement a mandatory travel demand management program, or if it should elect to submit a State Implementation Plan implementing such a program, the Commissioner of Environmental Protection may, after consultation with the Commissioner of Transportation, delegate all or part of his responsibilities in these matters to the board established by subsection a. of this section.

c. The Commissioner of Labor, upon request of the Commissioner of Transportation, shall supply such information as is necessary to permit the Department of Transportation to carry out its responsibilities under this act and may make any stipulations as to confidentiality of this information as he deems advisable.

d. The New Jersey Transit Corporation shall serve as a resource to employers and developments required to implement a plan under this act and shall implement policies to make available, where feasible, motorbus regular route or subscription bus or other public transportation services to these employers or developments in order to assist them in achieving the objective of reducing the number of single occupancy vehicles commuting to work by the alternate use of public transportation vehicles.

e. The various State and bi-State authorities shall, through the medium of the Transportation Executive Council, or through whatever medium the Governor may by order direct, coordinate their activities in the travel demand management area with the Department of Transportation and conduct comprehensive traffic congestion studies with respect to the highways and bridges under their respective jurisdictions.

f. The governing body of each county all or a portion of which has been designated by the commissioner as a high congestion area shall assist affected employers and developments within the county to develop traffic reduction plans. To this end a County Transportation Coordinator shall be appointed by the county to work with the affected employers and developments. The governing body of the county may also enter into a contract or agreement with a transportation management association or other organization to assist in carrying out this responsibility.

g. Municipal governing bodies shall render whatever assistance they deem appropriate to affected employers and developments within the boundaries of their respective municipalities in order to bring about the desired objective of reducing the number of single occupancy vehicles commuting to work. In the event that a municipal or county governing body adopts a traffic demand management ordinance or similar measure, which is certified by the Department of Transportation as meeting the objectives of the program, an affected employer or development meeting the requirements of the ordinance or similar measure shall be eligible to apply for exemption from the requirements of this act.

h. Employers and developments shall, in addition to the duties otherwise provided for in this act, carry out in good faith the traffic reduction plan approved by the department. They shall, in addition to the appointment of a Transportation Coordinator, make efforts to inform employees of the ridesharing alternatives available to them and to offer them incentives for the use of these alternatives. The employer or development may enter into a contract or agreement with a transportation management association or other organization to assist in the development of a plan but the responsibility of developing and implementing the plan shall be that of the employer or development.

8. a. An employer or development filing a survey as required pursuant to section 5 of this act shall pay a fee to the Department of Transportation in accordance with the following schedule:

For locations with 1,000 or more employees, or developments with 1,000 or more parking spaces used by employees or residents thereof, \$500 for the initial filing and \$450 for each subsequent filing.

For locations with 500 or more employees, or developments with 500 or more parking spaces used by employees or residents thereof, \$400 for the initial filing and \$350 for each subsequent filing.

For locations with 250 or more employees, or developments with 250 or more parking spaces used by employees or residents thereof, \$300 for the initial filing and \$250 for each subsequent filing.

b. Notwithstanding the provisions of subsection a. of this section, for an employer which has more than five locations subject to the filing requirement, the maximum aggregate total amount of the fees that employer shall be subject to shall be not greater than \$2500 for the initial filing and \$2250 for each subsequent filing.

REPLACE SECTION 7 TO READ

¹[7.] ⁹¹ a. The governing body of each county ¹affected by the ¹program¹ shall schedule a public hearing annually for interested parties to provide the governing body with any facts, materials or recommendations that would be of assistance regarding the efficacy of the program ¹to be¹ established under section ¹[3] ⁵¹ of this act.

b. Each county shall submit a ¹progress¹ report to the Department of Transportation no later than April 1 of each year indicating the status and efficacy of the program ¹to be¹ established under section [3] ¹5¹ of this act as it affects that county, including any recommendations to alter or improve the program

REPLACE SECTION 8 TO READ

¹[8.] ¹⁰¹ Commencing on the first anniversary of the effective date of this act, the Department of Transportation shall annually conduct at least one public hearing in the State in order to gather information from interested parties as to the efficacy of the program ¹to be¹ established under section ¹[3] ⁵¹ of this act. The department shall submit an annual ¹progress¹ report to the Legislature by August 1 of each year covering the period of the previous State fiscal year. The report shall cover the status of this program, including any recommendation to alter or improve the program.

INSERT NEW SECTIONS AS FOLLOWS:

11. There is created in the General Fund a special nonlapsing account to be known as the "Travel Demand Management Program Account." All moneys from penalties and fees collected pursuant to the provisions of this act shall be deposited in the account. Moneys in the account shall be utilized exclusively by the Department of Transportation for the administration of the program.

12. a. An affected employer having a work location in an affected development may elect to comply with the provisions of this act by participating in a consolidated survey and plan with other employers in the affected development.

b. An employer not affected by the provisions of this act having a work location in an affected development shall, notwithstanding the provisions of this act to the contrary, be required to participate in a consolidated survey and plan with other employers in the affected development.

c. The management of an affected development or a person so designated by the employers in the development shall be responsible for facilitating the compliance of the development with the provisions of this act. An employer in an affected development failing to comply with the survey and plan requirements of this act either by individually failing to file the survey and required fee and plan or by failing to participate with the management of the development or other designated person in the consolidated filing of survey and consolidated filing and implementation of a plan shall be subject to the civil administrative penalties provided by section 13 of this act.

d. The commissioner may grant such exemptions or waivers from the provisions of this act for affected employers and developments as the commissioner deems necessary or appropriate to avoid hardship to the employer or development or which is in the public interest if such exemption or waiver is not detrimental to the achievement of the purposes of the program.

13. An employer or development which fails to comply with the provisions of this act shall be subject to a civil administrative penalty of \$500, except that an employer or development which fails to submit a plan to the department as provided in section 6 of this act or fails to implement in good faith a plan approved by the department shall be subject to a civil administrative penalty of \$1,000. These penalties shall be assessed by the Commissioner of Transportation and deposited in the account created by section 11 of this act. Each month of noncompliance with the provisions of the act cited in this section shall constitute an additional, separate and distinct offense. However, no initial penalty shall be imposed by the commissioner unless the employer or development has received a notice of the violation, has been given a 30 day grace period from the date of transmittal of the notice to comply with the provisions of the act, and has failed to do so within that period. An employer or development filing a survey or plan during the grace period shall be subject to a \$100 late filing fee.

14. Amounts deposited in the "Travel Demand Management Program Account" are appropriated to the Department of Transportation, not to exceed \$1,500,000 annually, to implement the program established by section 5 of this act and that appropriation may include, in addition to

departmental expenses, grants to counties and transportation management associations to assist in carrying out the program.

REPLACE SECTION 10 TO READ:

¹[10.] 15.¹ This act shall take effect ¹[on the 90th day following enactment] immediately.¹

1ST DRAFT

SENATE STU COMMITTEE

AMENDMENTS

to

SENATE, No. 349
(Sponsored by Senator RAND)

REPLACE TITLE TO READ:

AN ACT concerning the development and implementation of traffic reduction programs by departments and ¹[institutions] agencies¹ of State Government and supplementing chapters 14 and 31 of Title 52 of the Revised Statutes.

REPLACE SECTION 1 TO READ:

1. ¹[a. Every department and institution of the State shall establish and implement a traffic reduction program to: (1) reduce the number of vehicles in use by their employees traveling to and from work during peak-hours; and (2) within three years of the effective date of this act, attain an average vehicle occupancy rate of not less than 1.8 for all vehicles transporting their employees during normal business hours.

b. ¹[Traffic reduction programs shall be developed and implemented in cooperation with the Commissioner of Transportation.] Every State department and agency shall participate in the Travel Demand Management Program established by section 5 of P.L. , c. (C.) (now before the Legislature as Senate Bill No. 348 of 1990) and shall file the surveys and plans provided for in that act with the Department of Transportation for locations having 1,000 or more State employees during Phase I of that program, 500 or more State employees during Phase II and 250 or more State employees during Phase III. That number may be extended by the Department of Transportation as provided in that act. The plans filed during Phases II and III shall be subject to approval by the Department of Transportation but there shall be no filing fee or civil administrative penalty for non-compliance in the case of the State departments or agencies. The Department of Transportation shall notify the head of the department in question of any instances of non-compliance with this act by that department or agency thereof. Each department shall appoint a Transportation Coordinator at each location subject to this act. The Department of Transportation, rather than the governing

body of the county, shall assist the department to develop traffic reduction plans for the locations falling under this act.¹ In developing a traffic reduction ¹[program] plan¹, any combination of the following traffic mitigation measures may be incorporated: (1) facilitating utilization of mass transit; (2) facilitating ridesharing, including the encouragement of ridesharing arrangements, whenever feasible, in State-owned vehicles by State employees; (3) establishing an alternative work-hours schedule; and (4) encouraging non-vehicular work trips.

c. As used in this act, "State-owned vehicles" means all motor vehicles purchased and leased with moneys appropriated by the State or from funds in the custody of any officer, department, institution, or agency of the State for the use of the State.

2. State-owned vehicles shall be operated only by authorized State ¹[officials] officers¹ and employees ¹[possessing driver licenses valid in New Jersey]¹. Only State employees or persons on official State business are permitted as passengers.

3. The Department of Transportation shall submit an annual report to the Legislature by April 1 of each year covering the period of the previous calendar year. The report shall indicate the status of the traffic reduction ¹[program] plan¹ for every department and ¹[institution] agency¹ of the State and include any recommendations concerning the improvement of ridesharing opportunities for State employees.

1ST DRAFT

SENATE STU COMMITTEE

AMENDMENTS

to

SENATE, No. 350
(Sponsored by Senator RAND)

REPLACE SECTION 1 TO READ:

1. ¹[a.]¹ The New Jersey Highway Authority shall ¹[establish and implement a traffic reduction program to: (1) reduce the number of vehicles in use by its employees traveling to and from work during peak-hours; and (2) within three years of the effective date of this act, attain an average vehicle occupancy rate of not less than 1.8 for vehicles transporting its employees during normal business hours.

b. The traffic reduction program shall be developed and implemented after consultation with the Commissioner of Transportation. In developing a traffic reduction program, any combination of the following traffic mitigation measures may be incorporated: (1) facilitating utilization of mass transit; (2) facilitating ridesharing arrangements; (3) establishing an alternative work-hours schedule; and (4) encouraging non-vehicular work trips] participate in the Travel Demand Management Program established by section 5 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 348) and shall file the surveys and plans provided for in that act in the manner provided for State departments and agencies pursuant to the provisions of subsection a. of section 1 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 349) and shall also be subject to the other requirements and provisions of that subsection¹.

REPLACE SECTION 3 TO READ:

3. ¹[a.]¹ The New Jersey Expressway Authority shall ¹[establish and implement a traffic reduction program to: (1) reduce the number of vehicles in use by its employees traveling to and from work during peak-hours; and (2) within three years of the effective date of this act, attain an average vehicle occupancy rate of not less than 1.8 for vehicles transporting its employees during normal business hours.

b. The traffic reduction program shall be developed and implemented after consultation with the Commissioner of Transportation. In developing a traffic reduction program, any

combination of the following traffic mitigation measures may be incorporated: (1) facilitating utilization of mass transit; (2) facilitating ridesharing arrangements; (3) establishing an alternative work-hours schedule; and (4) encouraging non-vehicular work trips] participate in the Travel Demand Management Program established by section 5 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 348) and shall file the surveys and plans provided for in that act in the manner provided for State departments and agencies pursuant to the provisions of subsection a. of section 1 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 349) and shall also be subject to the other requirements and provisions of that subsection¹.

REPLACE SECTION 5 TO READ:

5. ¹[a.]¹ The New Jersey Turnpike Authority shall ¹[establish and implement a traffic reduction program to: (1) reduce the number of vehicles in use by its employees traveling to and from work during peak-hours; and (2) within three years of the effective date of this act, attain an average vehicle occupancy rate of not less than 1.8 for vehicles transporting its employees during normal business hours.

b. The traffic reduction program shall be developed and implemented after consultation with the Commissioner of Transportation. In developing a traffic reduction program, any combination of the following traffic mitigation measures may be incorporated: (1) facilitating utilization of mass transit; (2) facilitating ridesharing arrangements; (3) establishing an alternative work-hours schedule; and (4) encouraging non-vehicular work trips] participate in the Travel Demand Management Program established by section 5 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 348) and shall file the surveys and plans provided for in that act in the manner provided for State departments and agencies pursuant to the provisions of subsection a. of section 1 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 349) and shall also be subject to the other requirements and provisions of that subsection¹.

REPLACE SECTION 7 TO READ:

7. ¹[a.]¹ The Delaware River Port Authority shall ¹[establish and implement a traffic reduction program to: (1) reduce the number of vehicles in use by its employees traveling to and from work during peak-hours; and (2) within three years of the effective date of this act,

attain an average vehicle occupancy rate of not less than 1.8 for vehicles transporting its employees during normal business hours.

b. The traffic reduction program shall be developed and implemented after consultation with the Commissioner of Transportation. In developing a traffic reduction program, any combination of the following traffic mitigation measures may be incorporated: (1) facilitating utilization of mass transit; (2) facilitating ridesharing arrangements; (3) establishing an alternative work-hours schedule; and (4) encouraging non-vehicular work trips] participate in the Travel Demand Management Program established by section 5 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 348) and shall file the surveys and plans provided for in that act in the manner provided for State departments and agencies pursuant to the provisions of subsection a. of section 1 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 349) and shall also be subject to the other requirements and provisions of that subsection¹.

REPLACE SECTION 9 TO READ:

9. ¹[a.]¹ The Port Authority of New York and New Jersey shall ¹[establish and implement a traffic reduction program to: (1) reduce the number of vehicles in use by its employees traveling to and from work during peak-hours; and (2) within three years of the effective date of this act, attain an average vehicle occupancy rate of not less than 1.8 for vehicles transporting its employees during normal business hours.

b. The traffic reduction program shall be developed and implemented after consultation with the Commissioner of Transportation. In developing a traffic reduction program, any combination of the following traffic mitigation measures may be incorporated: (1) facilitating utilization of mass transit; (2) facilitating ridesharing arrangements; (3) establishing an alternative work-hours schedule; and (4) encouraging non-vehicular work trips] participate in the Travel Demand Management Program established by section 5 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 348) and shall file the surveys and plans provided for in that act in the manner provided for State departments and agencies pursuant to the provisions of subsection a. of section 1 of P.L. 19 , c. (C.) (now before the Legislature as Senate Bill No. 349) and shall also be subject to the other requirements and provisions of that subsection¹.

