
Committee Meeting

SENATE SELECT COMMITTEE ON NEW JERSEY TRANSIT

“The Committee has invited New Jersey Transit Corporation President and CEO Kevin Corbett and other NJ Transit employees to testify concerning efforts to improve service, manage operations, upgrade infrastructure, implement various reforms, and accurately identify capital and operating funding needs”

LOCATION: Committee Room 4
State House Annex
Trenton, New Jersey

DATE: February 21, 2020
11:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Stephen M. Sweeney, Chair
Senator Loretta Weinberg, Vice-Chair
Senator Joseph Cryan
Senator Patrick J. Diegnan, Jr.
Senator Kristin M. Corrado
Senator Thomas H. Kean, Jr.



ALSO PRESENT

Patrick Brennan
Philip Mersinger
Office of Legislative Services
Committee Aides

Mark Magyar
Senate Majority
Committee Aide

Theodore Conrad
Senate Republican
Committee Aide

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

Stephen M. Sweeney
Chair



Patrick Brennan
Philip M. Mersinger
Office of Legislative Services
Committee Aides
609-847-3840
Fax 609-292-0561

Loretta Weinberg
Vice-Chair

Joseph Cryan
Sandra B. Cunningham
Patrick J. Diegnan, Jr.
Christopher "Kip" Bateman
Kristin M. Corrado
Thomas H. Kean, Jr.

NEW JERSEY STATE LEGISLATURE

SELECT COMMITTEE ON NEW JERSEY TRANSIT

STATE HOUSE ANNEX • P.O. BOX 068 • TRENTON, NJ 08625-0068

www.njleg.state.nj.us

COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE SELECT COMMITTEE ON NEW JERSEY TRANSIT
FROM: SENATOR STEPHEN M. SWEENEY, CHAIRMAN
SUBJECT: COMMITTEE MEETING - FEBRUARY 21, 2020

The public may address comments and questions to Patrick Brennan, Philip M. Mersinger, Committee Aides, or make bill status and scheduling inquiries to Kimberly Johnson, Secretary, at (609)847-3840, fax (609)292-0561, or e-mail: OLSAideSNJT@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The Senate Select Committee on New Jersey Transit will meet on Friday, February 21, 2020 at 11:00 AM in Committee Room 4, 1st Floor, State House Annex, Trenton, New Jersey.

The committee has invited New Jersey Transit Corporation President and CEO Kevin Corbett and other NJ Transit employees to testify concerning efforts to improve service, manage operations, upgrade infrastructure, implement various reforms, and accurately identify capital and operating funding needs.

Issued 2/14/20

For reasonable accommodation of a disability call the telephone number or fax number above, or for persons with hearing loss dial 711 for NJ Relay. The provision of assistive listening devices requires 24 hours' notice. CART or sign language interpretation requires 5 days' notice.

For changes in schedule due to snow or other emergencies, see website <http://www.njleg.state.nj.us> or call 800-792-8630 (toll-free in NJ) or 609-847-3905.

TABLE OF CONTENTS

	<u>Page</u>
Kevin S. Corbett, Esq. President and Chief Executive Officer New Jersey Transit	2
pnf: 1-115	

SENATOR STEPHEN M. SWEENEY (Chair): We would like to get started.

Sorry for the delay.

I guess, first thing is a roll call.

MR. BRENNAN (Committee Aide): Yes.

Senator Kean.

SENATOR KEAN: Here.

MR. BRENNAN: Senator Corrado.

SENATOR CORRADO: Here.

MR. BRENNAN: Senator Diegnan.

SENATOR DIEGNAN: Here.

MR. BRENNAN: Is he here?

SENATOR DIEGNAN: Yes, I am; I'm here.

MR. BRENNAN: Senator Cunningham. (no response)

Senator Cryan.

SENATOR CRYAN: Here.

MR. BRENNAN: Vice Chair Weinberg is on her way.

And Chairman Sweeney.

SENATOR SWEENEY: Here.

MR. BRENNAN: We have a quorum.

SENATOR SWEENEY: Okay.

First, Mr. Corbett, thank you for coming today.

Before we start, though, with your statement, I want to clear a few things up.

We gave you much more notice than a week. And, you know, trying to -- making it look like we were trying to surprise somebody-- We

asked questions back in November; they still haven't been answered. Hopefully, you'll be able to answer some.

We asked you to bring staff; they're not here. Maybe you can explain that later -- why you're refusing to provide the staff that we asked for also.

So for the record, this wasn't one week's notice. You've known since the beginning of January, the middle of February we were going to do this hearing. I just want to be clear on that.

With that, if you want to start off with your statement, Mr. Corbett.

KEVIN S. CORBETT, Esq.: Yes, thank you, Senator.

And those points I'll touch on in my statement, and certainly I'll be glad to get into those questions, and any others that we have responded to, afterwards.

First, good morning.

I think, as you know, for the record, I'm Kevin Corbett, President and CEO of New Jersey Transit.

I am here today in response to your invitation to testify. And as you know, you also invited several members of my executive staff; but I am here today as the sole representative on behalf of New Jersey Transit.

I'd like to take this opportunity to assure the Committee that I and New Jersey Transit mean no disrespect to any of you by appearing without my executive staff today.

I am here today because as CEO, I know I am responsible for the operations of New Jersey Transit, and take full responsibility for ensuring

that New Jersey Transit continues to build upon the progress we have made in the last two years, which I will highlight for the Committee shortly.

I also believe that the Committee will leave this hearing today confident and assured that New Jersey Transit is on a path toward a brighter future, and that the truly tangible benefits of the progress we have made so far -- progress that this Committee, the Legislature, and the general public each desire, and indeed deserve -- are fast approaching on the near horizon.

As a 24/7/365-day-a-year service, we made the business decision that I could provide the information the Committee seeks without the immediate need to divert the majority of the executive management staff from the rigors of running the day-to-day operations of this agency. I am here today prepared with the questions you have raised, and detailed responses we provided to you in the over 1,000 pages of supporting documents and exhibits we provided. And I am prepared to address any of the Committee's concerns here today, and look forward to an open and productive dialogue.

I'd like to begin today by sharing with you a summary of where New Jersey Transit was when I arrived two years ago; then highlight the significant progress we've made since that time; and, finally, address how we intend to continue this progress moving forward, all in the interest of delivering the world-class service our customers deserve.

Senators, it is no secret that we still have a tremendous amount of work ahead of us; however, there are several examples of efforts that have yielded positive results for our customers -- an indication that, indeed, the turnaround has begun.

But an organization the size and complexity of New Jersey Transit, as the largest statewide transit system in the nation and the third-largest overall, cannot simply pivot on a dime. Rather, much like turning a battleship in the middle of the ocean, restoring New Jersey Transit is not an overnight endeavor.

The progress in many areas, while by nature has often been incremental, has been significant and steadily moving in the right direction. Much of the work we've done to date was critically needed to simply stabilize an organization that had fatal fundamental and structural deficiencies.

I was certainly aware of the significant issues that were plaguing the agency before I got here. However, much like buying a house from only looking at it from the outside, it wasn't until I was on the inside that I understood the full scope of what needed to be addressed. And, I must say, it was rather shocking -- a completely hollowed-out agency that suffered from a massive depletion of institutional knowledge through the loss of talented, senior-level transportation professionals with decades of experience.

Hundreds of critical vacancies, in both the union and non-union ranks, including locomotive engineers and bus operators -- which I'll get to shortly.

No aged accounts payable report. We had over \$15 million past due over 180 days to vendors, that has since been reduced to a few hundred thousand dollars.

We were at a point that the vendors had the agency on credit holds, refusing to deliver critical parts -- some refusing to do business with us at all.

In the private sector, this is the sort of thing that would signal that a company was on the verge of bankruptcy, or going out of business. It was critically disruptive to the procurement process and our ability to operate.

An average procurement cycle time for a construction project with Federal terms and conditions took nearly a year. I'm happy to report our procurement cycle times have been significantly reduced.

A technology strategy that had not kept pace with current advancements. Nearly half of our software and applications were either obsolete or soon to be obsolete, and unsupported by vendors.

A Positive Train Control project -- that you've certainly heard enough of -- critical to our being able to operate at all on the Rail side, was, frankly, languishing for nearly eight years before I arrived. Indeed, we were fatally behind in this unfunded federally mandated endeavor.

Since I joined in 2018, we have made significant strides in bringing PTC into full compliance, and I am pleased to report that we are on track to meet the federally mandated compliance deadlines.

But first, I want you all to know this. Everyone at New Jersey Transit understands that we still have a lot of work to do before we're delivering the service our customers expect and deserve. I say that from firsthand knowledge. As some of you may know, I ride our system every day, and have done so for more than 20 years. I'm on the Morris & Essex Line from Morristown -- except this morning, when I came down from Newark on the Northeast Corridor -- and then I typically take the Newark Light Rail or the 72 or 78 bus from Newark-Broad Street Station to my office across from Newark Penn.

I don't sit across from you as just the CEO of New Jersey Transit, but also as a long-time New Jersey Transit customer who still uses the system every day. As a result, I believe I've never lost the perspective of the customer. In fact, every decision we make is through the lens of a customer, and I use my more than 20 years as a daily commuter on New Jersey Transit as a driver in that decision-making.

I touched on PTC; I would like to, first, talk about our PTC project, as I know there are many questions about it, and the status, as well as our ability to make the December 31, 2020, federally mandated deadline for full implementation.

A key accomplishment was meeting a federally mandated milestone for New Jersey Transit's PTC project, which virtually everyone considered impossible when I joined the organization in February of 2018.

As I mentioned earlier, at that time --- eight years after the project began -- PTC was just 12 percent complete towards a looming December 31, 2018 deadline. In just 10 months, we went from 12 percent to 100 percent complete on installation, to meet that federally mandated deadline. It was then that I knew, "If we can accomplish this at New Jersey Transit, there really isn't anything we can't do." I still believe that today, which is why I want to take this opportunity to assure the Committee that New Jersey Transit will meet the December 2020 deadline for full PTC implementation.

I mentioned earlier that I had some very good news to share regarding PTC, which has made me more confident than ever. As you may know, at our October Board meeting, our contractor, Parsons, brought to everyone's attention some software issues impeding our progress. Today,

however, they've overcome those obstacles, and we've expanded our field functionality testing to additional rail lines.

The real good news, I'm happy to report to you today, is that last Friday, February 14, we received approval from the Federal Railway Administration to enter into Revenue Service Demonstration or, as it's known, *RSD testing*. That means that we will begin -- about a month ahead of our previously projected start date -- testing this new, enhanced safety system on trains in revenue service -- that means with passengers, paying passengers riding them, rather than just test trains -- beginning on the M&E Line, and then throughout the entire rail network.

Again, this is incredibly welcomed news, and puts us on a pace to successfully meet the Federal implementation deadline.

But to be sure, meeting that December 2020 deadline will still require a monumental, behind-the-scenes effort. The RSD testing requirements are extremely rigorous.

Most people may not appreciate the complexity of the network on which NJ Transit operates. In fact, it's the most complex one in the country. I originally had thought it was Chicago, from my professional background; but in fact going over with the FRA, going through PTC testing, it is actually the most complex rail system in the country. It's a combination of 19th and 20th century legacy railroads that built this country.

It's not just our 11 rail lines, it's also the interoperability with the other freight and passenger railroads, including Amtrak, arguably making New Jersey Transit the most complex system in the country. We have Norfolk Southern, Conrail, Metro-North, and Amtrak on the Northeast Corridor, aside from the short-haul carriers.

On a national level, though, all of these systems being integrated is an incredible challenge in itself. However, based on our success in 2018, the recent approval to enter RSD testin, and the continued support from the FRA, I'm confident we're going to make it.

I mentioned briefly about technology; and I think it's worth -- aside from PTC, that is not the only technology advancement that we're making throughout our network. Today New Jersey Transit is investing in and leveraging technology more than ever to better serve and better communicate with our customers.

One of my first orders of business was bringing in new IT leadership, including bringing on a new Chief Information Officer. As I mentioned earlier, when I arrived, nearly 50 percent of our IT software was either obsolete or soon to be obsolete, and unsupported. Today, we expect to reduce that percentage to just 10 percent by 2021. By 2022, all of NJ Transit's IT software will be fully modernized, allowing us to automate key back-end processes in our Human Resources, Legal, and Procurement Departments, amongst others.

Our new IT team is propelling us forward in other ways as well, leap-frogging former technologies by decades. One visible example is our complete redesign and upgrade of the mobile app. In addition to a cleaner, simpler, more modern interface and design, customers can now receive push notifications specific to their individual commute, even when the app isn't open.

With more than 30,000 ratings on the app store since it was introduced, the app maintains a very impressive 4.7 stars out of a possible 5-

star rating, and has also garnered much praise from customers. The previous version we had never made it above 2 stars.

For context, the wildly popular social network app, Facebook, has a rating of just 3.1 stars. Our app rating is actually tied with Twitter at 4.7, which is listed as the number one news app in the app store.

We're also in the midst of a major website upgrade. We completely redesigned our homepage and other high-traffic pages with system status at a glance, redesigned trip planning, Departure Vision, and MyBus customer tools, and a responsive, mobile-friendly design.

We're installing interactive touchscreen kiosks at rail and light rail stations throughout our transit system. Information kiosks are now in place at Newark Penn Station, Hoboken Terminal, Secaucus Junction; and for Hudson-Bergen Light Rail customers at the Harborside, Pavonia, Exchange Place, Hoboken, and Port Imperial stations.

We plan to install about 30 new digital screens and kiosks system-wide this year.

We're currently working with our rail labor unions to soon introduce handheld mobile devices for crews on the Raritan Valley Line in the next few months. In addition to the ability to scan and validate tickets, critical service information will be more easily accessible to share onboard with customers during service disruptions.

The Raritan Valley Line will be the first rail line that is part of a larger plan to roll the handheld devices out system-wide. And I think many of you know that currently, a lot of times, conductors cannot get information because, by FRA rules, they are not allowed to have a cell phone, an iPhone.

We introduced some new, fully ADA-compliant Ticket Vending Machines at Edison Station on the Northeast Corridor. Thirty-eight new TVMs of that nature -- are to include contactless payment, barcode readers, and more -- will be spread out across rail, bus, and light rail stations by the second quarter of this year.

We're developing a contactless New Jersey Transit fare card to be introduced on buses in the fourth quarter of this year, allowing customers to add cash value at a local retailer and manage their accounts online or through our app.

And we've installed a new fare payment technology or pay with a smartphone. By the end of 2021, this technology will be on every one of our 2,500 buses.

The ability to increase fare collection efficiencies will streamline operations, reduce operational delays on buses, and allow us to more accurately capture fares and decrease lost revenues.

I am also personally committed to providing the strongest possible service to New Jerseyans with disabilities, through the NJ Transit indispensable Access Link paratransit service. Thanks to our considerable efforts over the past two years, Access Link has been completely modernized to provide 21st century service for our customers with disabilities.

Access Link Online now allows customers to schedule rides, pre-pay fares electronically, and check trip status and the estimated time of arrival of pick-up vehicles. Customers can also use self-service Interactive Voice Response over the phone to confirm or cancel rides, or speak with a live agent. We even offer reminder calls, and *imminent arrival* text messages or phone calls.

Speaking of communications, this would be a good segue, since technology plays such a key role in our crucial efforts to optimize the distribution of critical service information to customers, particularly during service disruptions. And I know communications is an area of focus for the Committee as well.

While we have worked to improve real-time communications with customers, I also recognize that there is still much more we must do to meet our customers' expectations.

I note that in one of your questions submitted about communications, the Committee acknowledged that there has been, "undeniable evidence that progress has been made in this regard," which we appreciate. However, your constituents, our customers, have also indicated this remains an area that New Jersey Transit needs to focus on and to improve. And it remains a top priority.

I'd like to share a little bit about where customer communications was when I arrived. I found a very siloed, disparate, and inefficient approach to how New Jersey Transit handled customer communications, particularly real-time communications. The real-time communications pertaining to service information didn't report to Communications. Each individual operating group -- Bus, Rail, and Light Rail -- had their own customer communications staff. Not only did this result in a siloed, inefficient process, but having operations manage customer communications during service issues is akin to asking the pilot of a plane to prioritize making cabin announcements while the plane is going down.

This was another organizational structure I addressed early on in my tenure.

In August 2018, New Jersey Transit unified the Operations Communications team in our Emergency Operations Center in Maplewood, under new leadership in the Communications and Customer Experience Division. This unified structure paid immediate dividends in our ability to improve the timeliness and accuracy of information flow to customers.

In the fall of 2019, we relocated the communications staff to a centralized location at New Jersey Transit Headquarters, and have cross-trained all staff to be able to communicate service information for all modes. Staff is no longer limited to communicating to a single mode, as the silos have been eliminated.

The result of these measures is that, for the first time in the agency's history, New Jersey Transit recently introduced communication coverage on all transportation modes 24 hours a day, 7 days a week, 365 days a year. We also significantly enhanced customer communications on social media by moving real-time service updates to individual line accounts, making it easier for customers to see updates on their line without having to search through combined updates on our primary social media accounts.

When I arrived, there were just two full-time staff members assigned to manage the agency's social media platforms and engagement. We've ramped up to seven today, and we've seen a real improvement in response time and customer engagement. This area will continue to grow to meet the demands of this increasingly preferred customer communication channel.

Earlier, I also talked about the technology advancements that have fostered better access to information for customers, including, but not limited to, customized push notifications; early deployment of touch screen

kiosks; handheld mobile devices that will soon be deployed on the Raritan Valley Line; and we're piloting an upgrade to modernize station announcements, moving from analog to digital networks and a state-of-the-art audio system.

Despite the intense focus of improving customer communications, and the significant amount of work that's been done, we also recognize that there are still significant gaps that need to be addressed, particularly during major service disruptions. That was certainly the case a little over two weeks ago, on Monday, February 3, when New Jersey Transit customers endured significant delays on their commute home from New York Penn Station.

On that night, during the evening rush hour, New Jersey Transit trains were significantly impacted when an Amtrak power issue in one of the New York tunnels was discovered. As this incident demonstrated all too clearly, our region is disturbingly dependent on two, century-old tunnels into and out of New York City.

Unfortunately, many years before I joined the Agency, the decision was made to cancel the Arc Tunnel project. The impact of that decision continues to be felt and is clearly self-evident. Absent additional tunnels, incidents like this will likely recur, disrupting regional travel and profoundly inconveniencing our customers.

Regrettably, that was not the only important insight to come out of February 3.

That night also revealed a shortcoming in an area that -- unlike dependencies on those tunnels -- is within our control. On that night, New Jersey Transit's customer communications fell short. In particular, we heard

from customers that on-board communications should have been more specific and more regular, particularly on trains that were unable to move or return to stations for two to three hours that evening.

The handheld devices for crews, that I spoke about earlier, will go a long way in addressing that.

Of course, we updated customers through the mobile app push notifications, along with text, e-mail, and social media messaging, through public address announcements, and through New Jersey Transit representatives who were dispatched throughout the system to help. And we cross-honored with PATH services at key stations, and offered full, system-wide cross-honoring with New Jersey Transit and private bus carriers.

But there is clearly much work to be done as it relates to communications during disruptions. Put plainly, during major incidents, New Jersey Transit customers need to know exactly what's going on at all times. They deserve to know exactly what their options are, and how to get where they need to be.

I want to take this opportunity to apologize to all of our customers for that experience that night. We can and will do better, because today I am committing New Jersey Transit to a complete revitalization of the way we communicate with customers during disruptions. And we have the assurances from Amtrak that they will work with us in this regard.

To name just a few of the initiatives we're taking -- underway or evaluating -- we're working with our partners at Amtrak on an extensive review of the lines of communication to ensure they remain open and the information is flowing freely between our two organizations during incidents affecting Penn Station New York.

For sustained disruptions of this magnitude we, of course, activate our Emergency Operations Center in Maplewood and deploy personnel there to manage the incident and more effectively communicate to our customers.

Beyond these measures, though, we are also developing a robust customer awareness campaign to ensure that all of our customers know what their alternate options are when rail travel between New York and New Jersey is significantly disrupted. We know that despite Amtrak's best efforts to maintain infrastructure that is more than a century old, and until we have two new tunnels, these types of incidents are likely to happen again.

I want to ensure the Committee that no one is more focused on continuing to improve the quality of our customer communications, particularly in these such incidents, than I. It's an organizational priority, and we won't rest until it meets the expectations of our customers.

Speaking of New York, though -- Penn Station New York -- we are committed to improving the overall experience for our customers there, as well as throughout our system; but particularly in New York.

For example, in January, we announced major improvements coming this summer to the expansive, ticketed waiting area -- open to Amtrak and now New Jersey Transit customers -- on the upper level, on the 8th Avenue side of New York Penn Station. These improvements will reduce overcrowding in the New Jersey Transit waiting area, improve pedestrian flow throughout the station, and generally provide a far more pleasant experience for the more than 90,000 daily New Jersey Transit customers using New York Penn Station as an origin or a destination.

Combined with improvements to communications and customer service, these measures will provide tangible relief for our customers at New York Penn Station, as we await action, on the Federal level, to advance the construction of additional tunnels.

Regarding our service equipment -- I would say on the service side, New Jersey Transit likewise has a long way to go. Overcoming years of disinvestment and mismanagement takes time. But simply looking at objective measures, the hard data, New Jersey Transit has made progress over the past two years.

On the Rail side, train cancellations were down 35 percent last year compared to 2018, and on-time performance is up.

We purchased 113 new multi-level rail cars, beginning to arrive in 2023; and 17 new dual-mode locomotives, which we'll begin to see later this year.

We've hired more than 300 locomotive engineers and conductors since February of 2018; and over the two-year period, between 2019 and 2020, we will graduate seven classes of locomotive engineers. This is the same number of classes New Jersey Transit graduated in the previous five years combined, and the most concurrent locomotive engineer trainings in New Jersey Transit's history. Beginning this summer and beyond, we'll start to see real net gains in our ranks of locomotive engineers.

On the Bus side this year, we take delivery of 119 new cruiser buses and 110 new articulated buses, 25 of which will be fleet additions, rather than replacements.

Since January of 2018, we've graduated more than 700 new Bus operators. These new hires alone will result in nearly 2,000 more passenger trips each day, or more than half-a-million additional passenger trips per year.

From March through September of 2018 -- before we graduated this critical mass of new Bus operators -- we were averaging about 40 missed bus trips out of the depots per day. In the past six months, our daily missed trips average is in the single digits. And keep in mind, that's out of a total of about 10,000 trips provided each day.

As we replace hundreds of buses to improve reliability and keep New Jersey moving, we're aggressively pursuing the electrification of our bus fleet.

Last month, New Jersey Transit held a full-day workshop, with representatives from the Rocky Mountain Institute, to identify opportunities to electrify our bus fleet, and to develop a road map towards a full net-zero emissions fleet.

From an economic, environmental justice, and health perspective, our goal is for New Jersey Transit to be a nationwide leader in this effort. Toward that end, we're moving forward with an electric bus demonstration project in Camden, New Jersey, beginning the middle of 2021. It will consist of eight electric buses, and will allow us to study the benefits and challenges of this alternate energy source in real-world scenarios.

I know another topic that's of keen importance is capital programs.

As far as the capital side of our organization, major long-stalled capital projects are now advancing. Just yesterday, we received six bids from our largest contract to replace the Raritan River Bridge. The next step will

be performing responsiveness and responsibility review of the bids. This \$600 million project is scheduled to begin later this year.

In October, our Board awarded an approximately \$40 million contract for our \$400 million Long Slip project in Hoboken. We'll be looking to break ground on Phase One of this project later this year.

In November, we received the last major environmental permit needed to begin construction at the Delco Lead portion of our \$246 million County Yard/Delco Lead Storage and Inspection Facility.

And about five months ago, we started construction at Elizabeth Station, a \$71 million reconstruction effort, and New Jersey Transit's first-ever commuter rail design-build station project on the Northeast Corridor.

And on February 25, we opened bids to floodgate grates outside of Newark Penn Station, making the Newark Light Rail more resilient to damage from flooding or big storms.

One reason we're able to move so aggressively on all of these projects is because procurements are being awarded at the fastest rate in years. When I joined New Jersey Transit, the average cycle time for a construction contract with Federal terms and conditions was 339 days -- virtually a year. Today, it's down to 134 days.

Overall, over the past two years, New Jersey Transit has committed more than \$1 billion dollars to capital projects. I would point out most of that is Federal money which had long been languishing, and projects that had not been moving; and frankly, some of that money was at risk for being rescinded by Congress.

On top of this extraordinary capital commitment, just last week U.S. DOT issued an improved rating for the Portal North Bridge -- which

New Jersey Transit is the lead agency on -- putting us one step closer to replacing this unreliable, century-old bridge, and reducing delays for our customers.

I'd like to take this opportunity to thank the Governor, our Congressional delegation, our partners at Amtrak, and particularly the FTA and FRA, and all of you on the Committee, for your support of this shovel-ready project, which -- thanks to our considerable efforts since 2018 -- is now ready to go. We're now entering the engineering phase, which is the next step toward achieving a Full Funding Grant Agreement and getting shovels in the ground. This project, estimated at \$1.7 billion, is in addition to the more than the \$1 billion in projects we've already committed to, that I just discussed. These investments will do far more than improve service for our customers. They will create jobs and economic activity throughout the state.

Another way New Jersey Transit supports local communities and our economy is through smart growth Transit-Oriented Development; most people call it *TOD*.

At the end of 2018, Governor Murphy signed legislation requiring New Jersey Transit to establish an office of Real Estate, Economic Development, and TOD. In 2019, we hired our first-ever Chief of Real Estate, Economic Development, and TOD as part of our continuing effort to increase non-farebox revenue and monetize assets throughout the state.

To name just a few of our current TOD efforts: A TOD project at Somerville Station is currently under construction. We also worked to identify qualified developer partners for station facilities at Aberdeen-Matawan, Bayonne 34th Street on the Hudson-Bergen Light Rail, and an RFP for development opportunities all along the River Line Light Rail system.

Additional prospective projects are in preliminary planning stages at Metropark, Liberty State Park, and Hamilton stations, and elsewhere throughout the system.

TOD represents an exciting opportunity for New Jersey Transit to integrate public transportation into planned development. However, one way in which the Legislature can assist New Jersey Transit in this regard is by providing us a value-capture mechanism that we sorely need. I believe this is a topic that should be of significant import to this Committee, and am happy to discuss in further details shortly.

Speaking on the economic development impact of Transit, beyond supporting the role of real estate and economic development, there's clear evidence of the value we create for municipalities, residents, landowners, and developers.

Approximately 75 percent of jobs in New Jersey are located within a 10- to 20-minute walk of New Jersey Transit service, and almost 90 percent of New Jersey's higher education institutions; 146 in all are a similar distance away. Homes located within a mile of our services have an estimated property values that are about 11 percent higher than other similar homes, in locations that are similar in all aspects except they lack the same access to Transit service. And that total -- that 11 percent represents, roughly, \$50 billion in total value.

With more than 6.1 million New Jersey residents -- or about 68 percent of the state's population -- living within a 10- to 20-minute walk of New Jersey Transit's fixed-route bus, rail, or light rail service, this is certainly one reason why, despite relatively low gas prices and declining nationwide rail ridership trends, New Jersey Transit is seeing an increase in rail ridership

of approximately 3 percent, year-over-year. Similarly, bus ridership in northern New Jersey was up 2.2 percent, year-over-year, in 2019.

Just look at the Hudson-Bergen Light Rail or Midtown Direct service for evidence of the value New Jersey Transit investments create in our host communities, like Jersey City and municipalities all along the M&E.

Since the HBLR's initial opening in 2000, the population in neighborhoods closely surrounding the light rail stations grew 19 percent, which was 7 percent greater than the growth in Hudson County as a whole. More than 21,000 housing units and 8.6 million square feet of commercial space were also built along the HBLR between 2000 and 2016. And yet we did not receive a single dollar in value capture.

I know I've covered a lot of ground here, and I want to be respectful of everyone's time. But I think it's essential that the Committee has a clear understanding of exactly where New Jersey Transit was when I arrived, some of the highlights of progress we've made over the last two years, and how we plan to continue to move New Jersey Transit forward for our customers.

While we've made incremental improvements in both customer experience and our internal business processes, some of them significant, there were structural deficiencies in the organization that simply had to be addressed. There's no doubt that we still have a lot of work to do, moving forward. However, much like building a house, you need to start with a foundation; and you could not do it on a crumbling foundation. If you did, the house wouldn't stand for long.

The same is true for rebuilding an organization. The foundation has to be strong and stable to ensure the long-term health and success. And

make no mistake -- we're focused on the long-term success of New Jersey Transit.

And that's why we're coming out with our 10-year strategic plan in the coming weeks; and our agency's first public-facing 5-year capital plan, which will be coming out in the spring.

And I've built the highest-caliber leadership team -- from the best available candidates in the private sector, and from within New Jersey Transit -- to lead the implementation of the strategic and capital plan goals and objectives.

I understand everyone's desire for things to move faster. No one is pushing to move things faster more than me and the more than 11,500 hard-working employees at New Jersey Transit.

We're beyond pointing fingers, and that's never been my style in any organization I've led. However, one can't ignore the lack of attention to Federal mandates like PTC; or the fundamental responsibilities, like hiring enough locomotive engineers to keep pace with attrition. New Jersey Transit lost a net 61 locomotive engineers over the eight years before I arrived. That's not a blame, that's just simply a matter of fact.

New Jersey Transit, like other public transit systems, is a long lead-time agency. It took eight years to get to 12 percent towards the December 2018 installation milestone, and we had just 10 months to get it to 100 percent -- and we got it done.

It took 20 months to train a class of locomotive engineers; and we now have a record number of concurrent classes underway.

It takes four years to take delivery of a rail car from the date of purchase. We purchased 113 multilevel railcars in December 2018, a purchase that was previously deferred for far too long.

While no one wishes to continue to look back, the reality is the inexplicable lack of strategic management in the past has real-life consequences on the present. As a result, I had to make some extremely difficult decisions that had significant impact on the daily lives of our customers -- decisions I never made lightly.

Right now, we are looking forward and laying the foundation for success, moving from crisis management to strategic management. It's a foundation that will create a far more reliable system with a full roster of engineers and more modern rail cars and buses. It's a foundation that will create a system that our customers can depend on: getting them to work, to school, to doctor's appointments -- everywhere they need to go, when they need to be there. And it's a foundation that leverages technology to help us build a modern, world-class, 21st century network for the future.

We are motivated to take on the challenges and hard work still ahead; and I assure the Committee a brighter day for New Jersey Transit customers is, indeed, on the horizon.

I want to, again, thank you, Chairman Sweeney and Vice Chairwoman Weinberg, for inviting me to join you today. New Jersey Transit very much looks forward to working with all of you to build on the progress we've made.

And now I am happy to answer any questions you may have.

SENATOR SWEENEY: Thank you, Mr. Corbett.

First -- it's my first question.

Does the Board -- the NJ Transit Board, hire management? Who is responsible for the hiring of management?

MR. CORBETT: The management hires are done through management. There are a few positions that require board approval, such as mine.

SENATOR SWEENEY: So most of the management is approved through you?

MR. CORBETT: That's right -- we report to the Board of the hires--

SENATOR SWEENEY: Okay.

MR. CORBETT: --but the hires are made through me, yes.

SENATOR SWEENEY: Without Board approval -- they just-- They're hired through you.

MR. CORBETT: That's right.

SENATOR SWEENEY: Without review of qualifications, or anything else?

MR. CORBETT: That is delegated to-- Obviously, there's oversight committees; but it is delegated to me.

SENATOR SWEENEY: Okay.

Can you explain to me why we requested a number of your senior staff to be here, and you said you chose to be here, and chose not to bring them.

Why wouldn't you honor that request?

MR. CORBETT: Well, I think, Senator, as we said in the correspondence, looking at the notice and the change from the dates, I felt that I was capable of handling that. And with the amount of work that we

have going on -- between the strategic plan, the budget, and all the other work we have going on at this time -- that I would be able to handle the questions myself.

SENATOR SWEENEY: I guess my point is, this is even later than when we scheduled. So asking other members of your team -- maybe some information that's important, you didn't deem-- Did you make the decision not to bring them? Was it solely your decision not to bring them?

MR. CORBETT: At the end of the day, it was ultimately my decision, sir; yes.

SENATOR SWEENEY: Okay, I appreciate that.

How come Positive Train Control cost double than what it was advertised?

MR. CORBETT: Well, I'd say--

SENATOR SWEENEY: I'm only citing an article that I read. It cost double; there were contractors that we could have gone after to recapture dollars -- by them missing deadlines -- that we didn't do.

And there were bunch of contracts that were not extended. When you increased, was that done through a bid process, or do you just increase the contracts? One that's -- because Positive Control, obviously, is very important. So can you explain to me how we came up with this?

MR. CORBETT: Yes, certainly Senator; I'd be glad to -- glad to give you as much detail as you like.

I just assumed -- I was told we wanted to be out of here by 6 p.m., so I'll try to keep it short. (laughter)

But the reality is, when I came in -- joking aside -- the industry-wide, nationally -- if you look at all the railroads that are implementing PTC

-- the cost of-- When they originally got this Congressional mandate back in 2010, 2011-- The world has changed dramatically; no one knew-- Unlike the FRA; I think if you asked the Federal Railroad Administration, Ron Batory himself will tell you -- you would never design the system, nationally, the way they did it, with no standards.

So you basically have only three vendors in the country -- they are all foreign-owned -- for all the railroad industry. And we have -- ours happens to be French; there's a Japanese one, and then there's the German Siemens. And all the railroads have had a similar (indiscernible) from what the original budget was.

But in our case -- I want to clarify one thing -- is that the contract that I mentioned in my opening comments -- Parsons/Alstom -- it was a design-build project. Without getting too much in the weeds, design-build is not appropriate for this kind of a project. And why that decision was made -- that's another discussion. But when I came in, that contract actually -- it had about \$135 million of it spent. We're now at \$155 million. So that \$500 million figure that-- You're right; compared to the original \$225 million budget they had back in 2011-- Of that, \$155 million is going to Parsons/Alstom, the contractor. The rest of the costs, really, are related to New Jersey Transit costs: the labor, our own force account work, etc. And I can give you those breakdowns.

But what really struck me when I came in -- and I know with your background you'll appreciate this -- was that, back in 2015, they knew this was going to be \$500 million. There's no way you didn't. If you know proper project management -- that where they had spent, they spent through all the reserves. So when I came in, they had already raised the contract up

to \$320 million back in 2017. But already, by 2019, they had built through the reserves that they had in for that \$320 million increase that they had done before me.

And we had not used our-- We had burned a lot of the contractors work, but we didn't put our work because we had only been 12 percent tested. So all the crews, all labor, the wayside -- all that stuff that's our work, force account work that we have -- that was not included. So when you include that, the real delta that we started -- with all the testing and installation -- is what has really caused the ballooning. And that money should have been spent over the previous years. So they burned through what they had, and then, at that point, when we started having to do the work, there was no money to pay our work. So that was not work that was the contractors' work; that was for our engineers, our labor, etc., associated - - and support staff that we had, support contractors, separate from the Parsons/Alstom contract.

So that \$500 million-- If you did a project flow chart, a Gantt chart, you would know that when I came in, that that was clearly going to be in the order of magnitude of \$500 million.

One of the things which is-- Those who follow capital projects, it's always a dilemma -- when do you turn something -- when does the capital clock go off, and when does it become operationalized? This is a federally unfunded mandate, so a lot of the operationals -- when we get testing now, at what point is it part of the project, and what time is-- That's what all the rails in the country are going to have to do with their day-to-day operations. And that's something that all the railroads, particularly those of us in the Northeast Corridor-- I Co-Chair the Northeast Commission, with Ron

Batory, and we really see that the costs of maintaining this system, nationwide, after 2020, is going to be billions of dollars. And again, it's a federally unfunded mandate.

So even when the capital side is over, it is still going to be a definite challenge, cost-wise, for us and all the other railroads.

SENATOR SWEENEY: All right, thank you.

To follow up on that, I guess, why was the responsibility for the Positive Train Control removed from the supervision of the Senior Vice President of Capital programs in October?

MR. CORBETT: Good question; I think that goes to my exact point I made.

It wasn't removed; it was a natural transition. The responsibility -- Actually, I don't want to bore you, but when I came in, there was-- Another reason I think it was 12 percent -- and I may really get in trouble-- But I created a war room; I called it *Project Seabiscuit*, and said, "Everyone -- we're going to get here contractors, New Jersey Transit staff, and we're going to make this happen."

And the Operations people, who were having a natural -- there's a natural tendency of struggle between people who are trying to do a project, when you have a 24/7 rail operation, where there's going to be a natural point of friction. And that point was never breached.

So when I came in, we had the Ops people work tightly with the Capital project people, and become one team. And so that worked well, which is why we made the deadline. But the main issue now, for the capital -- why they're no longer in Capital -- and it is a smooth, seamless, and cooperative translation; there's no friction between the teams -- is, you have

to operationalize a project like this. It has to be in with the crews, the trains, the engineers, the crews, the support staff, the people down in the MMC who do the installation and maintenance. It has to be operationalized. So that was a logical progression that was supported by all the staff.

SENATOR SWEENEY: Was the responsibility for Positive Train Control turned over to the Deputy Director of Rail Operations?

MR. CORBETT: Yes, it was; yes.

SENATOR SWEENEY: From who you took it away from a month after.

MR. CORBETT: There were some staff changes within the Rail Operations, yes.

SENATOR SWEENEY: Okay.

Is he still there?

MR. CORBETT: He's still employed, but he's no longer in charge of PTC.

SENATOR SWEENEY: Was there a negotiated buy-out for them to leave -- for him to leave?

MR. CORBETT: That's underway, yes.

SENATOR SWEENEY: How much?

MR. CORBETT: I don't know the final figure; I can check.

SENATOR SWEENEY: Is it more than six figures?

MR. CORBETT: Yes, I think it's in the six figures; yes that would be--

SENATOR SWEENEY: Will that become public?

MR. CORBETT: Yes, it will.

SENATOR SWEENEY: Okay. Who's in charge of Positive Train Control now?

MR. CORBETT: It's under Ray Kenny, he's the senior Vice President of Rail; and under him, it's Fred (Indiscernible).

SENATOR SWEENEY: See, here's my problem. We invited him to be here; and you chose to not have him here. He was on the list of people to be here, so we could ask him the questions since he's in charge of the program.

So listen, you know, I'm not going to dwell on this. We sent you questions, and none of them were really answered. The information that you sent back, that you listed in the article the other day, was stuff that was readily available for us to get off-- It was old, stale -- some of it was old, stale data that we were able to get.

After this hearing, we will probably have to have a follow-up hearing. And hopefully, whatever questions don't get answered here, will get answered next time with the staff that we request.

Next question--

MR. CORBETT: Senator, sorry, if I could finish -- there's a part answer to that, is that, again, Ray Kenny-- The questions about PTC -- I'm glad to take as many as you want. But the important thing is the testing that we're doing, and that's why it needs to go to Operations.

There was also a question you asked about the contract, that had been raised about liquidating damages; and I think you asked about that. So on liquidating damages, on major complex projects, it is not uncommon that you have disputes. You hold the LDs until at the end, where we have

retainers that are more than liquidated damage. And that's normal industry practice.

SENATOR SWEENEY: So you're going to, then-- That clears something up, then. You're going to recapture those dollars at the end through the retainage.

MR. CORBETT: That's right, you negotiate what may be valid change orders; that's a normal struggle--

SENATOR SWEENEY: I understand the construction part of that.

MR. CORBETT: Yes, right.

SENATOR SWEENEY: What I'm saying is--

MR. CORBETT: Yes.

SENATOR SWEENEY: --the \$9 million that was identified, when it's all said and done--

MR. CORBETT: Exactly; we have more than enough retainage.

SENATOR SWEENEY: --New Jersey Transit will get the \$9 million back.

MR. CORBETT: That's right.

SENATOR SWEENEY: Okay.

And the next question -- and only because of the hearings we've been through -- if the app is so good, why are so many people complaining about it?

MR. CORBETT: You know, I can just tell you what I hear on the platform myself. A lot of people-- You're always looking to improve -- better. I know we had a recent Board meeting; some people had suggestions.

I have three young kids. A lot of people -- I have people coming out saying how good it is. That 4.7 rating -- that's from 30,000-plus independent ratings. So again, if we can make it better, we're certainly looking to do so.

SENATOR SWEENEY: What we're hearing is, it's not reliable.

MR. CORBETT: Well, I think-- You know, there are two things. I think the app is reliable. I think the problem is the information sometimes -- and I touched on this briefly; the cases -- it depends on how much detail you want to go into. The technology on the Rail side-- You know, tracking our buses -- they have GPS. On the Rail side it goes by block segments on the Rail, so that is a communications-- There are firewalls to protect the information that sends the data on where the train is. That will show up if you're at a station with a platform that says, "Train 6610 arriving in 5 minutes," and the app will say something different. So I think the problem that we're working with is that disconnect.

And then, also, in a case like with New York Penn Station, when we had problems-- The problem we had with communications from the Amtrak Rail Ops -- which I would be glad to go into -- were we missed a real chance, years ago, to be equal partners in Amtrak at Penn Station, and we opted not to do it. Long Island Rail Road and Amtrak have a very tight situation. We did not invest in that Penn Station Control Center, so we are on the backstage of that; and we are negotiating to get in so we can be there. As Amtrak is making critical decisions, we can communicate, then, immediately to our people; and right now, there is a gap. So I think the problem is more the gap in the communications than the actual app itself.

SENATOR SWEENEY: Again, that's the reason why we asked for your Director of Technology to be here, you understand. Not that we don't appreciate the answers that you're giving us, but we'd like to hear from the people who are actually in charge of those programs.

So again, we're probably going to have another hearing; I was hoping not to. But can I get a commitment from you to bring your management team next time?

MR. CORBETT: Absolutely.

SENATOR SWEENEY: Thank you.

You know, you talked about Access Link. We had a hearing strictly with the people in the disabled community. Because, you know, we hear about trains, we hear about buses. But what's the plan-- I mean, we got some wonderful recommendations. I know Senator Cryan introduced -- drafted some bills.

But when we go to fix Transit, Access Link is just as important as the buses and trains, I would hope, right?

MR. CORBETT: Very much so, yes.

SENATOR SWEENEY: Are you starting to work on plans on how to improve Access Link?

MR. CORBETT: Yes, we have. And I think I touched on a few of those comments in my opening.

But there are a number of issues -- there are two issues, really: Access Link and then ADA compliance generally. On Access Link, we have done a lot of improvements, as I mentioned, by getting -- so you can pay at what we call an *EZ-Wallet* -- about how to pay, how to communicate, make online reservations. Before, we had a cumbersome Call Center, and the time

was-- People were frustrated with delays. We thought we had made big progress, and by reaching out to the ADA community -- some of them who testified before you -- we realized that just because-- When Access Link picks you up, it doesn't necessarily do you much good if you end up wandering around for 45 minutes to an hour for some place that normally would be a 15-minute drive.

So we put criteria on the Access Link drivers; that is, when they have the app -- it's also not just the time you pick up, but the time you're going to be dropped off. So I think there has been significant improvement. And we also just recently purchased new Access Link vehicles.

SENATOR SWEENEY: With all due respect, that's absolutely not what we're hearing from the disabled community.

I have a young woman who works for me in a wheelchair. I tell her, "Whenever you can get here, get here. Whenever you have to leave, leave," because it's so unreliable.

And again, the goal of this hearing is to find solutions, you know, and identify problems. And hopefully someone on your team will look at the hearing that we did on the disabled community to hear how people with disabilities had buses drive past them, how platforms are not accessible. And again, to ensure that when we fix this, the people with disabilities have every right to a quality life, as we all do. So we just don't want to leave them behind.

So when you say that you think you're improving, that's not what we're hearing; and I live in that world.

MR. CORBETT: Yes; Senator, with all due respect, I understand what you're saying. But when I opened, I made-- There were two things:

one is Access Link, the other is ADA compliance. I said that was the second thing--

SENATOR SWEENEY: Yes.

MR. CORBETT: --and I'd like to talk to that.

That is really a challenge, and it is very frustrating for me. Some things are federally required, actually, with Access Link, with limitations of where -- the distance we can serve. I think you're aware of that, and I'd be glad to go over that, if you want.

SENATOR SWEENEY: Sure.

MR. CORBETT: But ADA compliance -- it's really very frustrating. One is on the Bus side, and certainly those kinds of things, where a bus driver would drive by-- I've had people call me, or they call a radio show you're on, they call the Governor; we hear those complaints, you know, so we follow up on those.

But the issue with the bus stops, first, is bus stops are not -- very few of those stops are our stops. Each host community -- they decide, "Do they want to shelter, they don't want to shelter?" Some -- they just have a pole with a little bus sign; they don't make it ADA accessible. We offered to build -- provide shelters; but if they don't want them, we cannot force the shelters on them.

As far as the bus drivers-- We have new buses that are now much more -- the new buses coming out are much easier for wheelchair access, with a ramp that comes out. So there's real improvement on our buses, on the actual ramps that people get on.

The other thing is service reliability on the Bus side, and that gets into-- You know, I'm a big believer in data. People can have anecdotal

things; they may be right. Kevin may say something; he may be right or wrong. But that's where really having the data that we can drill down -- and that's part of the IT investment, where we're tracking to see what buses -- where they are, where did they miss.

So on the Bus side, getting bus shelters or bus stops -- that's something that's up to local communities that we're glad to work with. But we don't -- that's not-- That's a challenge that people often will look to New Jersey Transit for.

SENATOR SWEENEY: And Mr. Corbett, since you do like data -- Apple does rate your app at 4.7; but Android rates it at 2.7. Maybe you look at both, not just the good one.

MR. CORBETT: Okay, thank you. I guess Mark has an Android.

SENATOR SWEENEY: I have two more questions, then I'm going to turn it over to Senator Weinberg.

MR. CORBETT: Oh, sorry, Senator -- not to drag it out -- but the other thing about ADA, on the Rail side, though -- you mentioned about platforms, and that's a real challenge. And we talk about funding for capital-- I mean, you know, we're getting into capital. I think, you know under Federal law -- and I understand the principle behind it -- is that all platforms are -- any upgrades we do, capital upgrades, to our train stations. they have to be fully federally--

SENATOR SWEENEY: ADA.

MR. CORBETT: --ADA compliant. That means the whole platform is to be elevated, has to be elevated. You know, we have the mini-highs, which are just for one car, which to me offer a practical-- I know they're

not fully desirable for the ADA community, but right now we have a lot of stations-- Say, for example, along Senator Kean's RVL, where they're all at-grade and there's no ADA. But for us to do that, we have to do the entire station. To do that to all our stations is going to be billions of dollars in capital investment.

MR. BRENNAN: What was the amount?

MR. CORBETT: Pardon?

MR. BRENNAN: What was the amount?

MR. CORBETT: Billions.

SENATOR SWEENEY: The numbers you're requesting don't match up to your testimony, just so you know.

MR. CORBETT: Okay.

SENATOR SWEENEY: But maybe you want to check that out, because the numbers that you gave us don't match up.

MR. CORBETT: For making the rail stations--

SENATOR SWEENEY: Yes, the platforms -- the ADA requests. It's less than \$1 million, and it has been for a long time.

MR. CORBETT: Oh, you mean the capital -- what's in our budget.

SENATOR SWEENEY: Yes.

MR. CORBETT: Yes, that's-- We'll talk, actually, in a minute about the five-year capital plan.

SENATOR SWEENEY: Again, the disabled community has every right to access to transportation like everyone else. Normally, they're in the shadows, and they're overlooked. We're trying to ensure that as we fix New Jersey Transit-- Mr. Corbett, New Jersey Transit has been broken for a

lot of years, so this is not a knock on this Administration at all. There are -- many years. The goal is to find solutions.

MR. CORBETT: Agreed.

SENATOR SWEENEY: My last question is, your background -- have you ever run a transit agency before?

MR. CORBETT: I've run a number of companies in the transportation field.

SENATOR SWEENEY: In the transit industry?

MR. CORBETT: In transportation, and the transit part of the transportation industry, yes.

SENATOR SWEENEY: You ran a transit agency?

MR. CORBETT: Not a transit agency.

SENATOR SWEENEY: Yes or no -- I didn't hear you.

MR. CORBETT: No; no, I said not run a transit agency.

SENATOR SWEENEY: Okay. What is your background?

MR. CORBETT: My background is a lifetime in transportation; dealing with both public and private rail, light rail, major construction projects, operations.

SENATOR SWEENEY: But you were more of an engineer, right?

MR. CORBETT: I would say my background was operations, but then I became general manager.

SENATOR SWEENEY: Of AECOM?

MR. CORBETT: That's right.

SENATOR SWEENEY: Okay. And someone had said your background in engineering was maritime.

MR. CORBETT: That's correct.

SENATOR SWEENEY: Not rail, or bus, or--

MR. CORBETT: Well, rail-- The evolution, as I said in the beginning, of where our industry came from was actually the private sector, where rail, both passenger and freight, were integrated with cargo. So my background is more on the cargo side, both on rail and maritime.

SENATOR SWEENEY: Okay, thank you.

MR. CORBETT: So intermodal container terminals -- that kind of thing.

SENATOR SWEENEY: All right, thank you.

Senator Weinberg.

SENATOR LORETTA WEINBERG (Vice Chair): Thank you, Mr. Chairman.

Good afternoon.

MR. CORBETT: Good afternoon, Senator.

SENATOR WEINBERG: I'd like to go back for a moment to the Senate President's questioning about the decision not to bring senior management here today.

I think, if I'm quoting you directly, you said at the end of the day the decision was yours.

MR. CORBETT: Yes.

SENATOR WEINBERG: Did you coordinate that, or talk to anybody outside of New Jersey Transit, to come to that conclusion?

MR. CORBETT: You know, there's-- We talked amongst -- around staff availability. But as I said, it was my decision to--

SENATOR WEINBERG: I'm sorry, I didn't get that answer. Did you talk to anybody outside of New Jersey Transit to coordinate whether or not senior management would be here today?

MR. CORBETT: Yes, I did.

SENATOR WEINBERG: I'm sorry?

MR. CORBETT: Yes.

SENATOR WEINBERG: Yes. And who did you coordinate with?

MR. CORBETT: Through our Government Affairs Office.

SENATOR WEINBERG: Okay; and the Governor's Office approved of the decision that you made, at the end of the day?

MR. CORBETT: I would say our Government Affairs -- you know, I said *Government Affairs* -- so our Government Affairs Office communicates with -- appearances here, with the staff here that coordinate with your office. But the decision was mine.

SENATOR WEINBERG: So the Government Affairs-- It's kind of a direct question, Mr. Corbett; so did you coordinate with anybody outside of New Jersey Transit? And if you did, with whom?

MR. CORBETT: Yes, we relay and I directly would go-- I did not directly, but through my staff that does Government Affairs -- I believe it's Justin Braz--

SENATOR WEINBERG: So your Government Affairs--

MR. CORBETT: Talked to Government Affairs here--

SENATOR WEINBERG: --liaison spoke to the--

MR. CORBETT: Government Affairs here about schedules, and hearings, and appearances. Normally when we come here, we always coordinate through the Government Affairs Office.

SENATOR WEINBERG: So did the Governor's Government Affairs liaison approve of the decision that you made not to bring the senior management here?

MR. CORBETT: I didn't leave it to them to approve or not; that's for me to make the decision. But they were aware of us making that decision, and I believe they communicated with you, or your office.

SENATOR WEINBERG: Okay, let me go back to the position of Commuter Advocate.

SENATOR SWEENEY: Senator Weinberg, one second.

You know, Mr. Corbett, we expect you to be honest--

MR. CORBETT: Yes, sir.

SENATOR SWEENEY: --when you testify before this Committee. I'm just reminding you. We didn't put anybody under oath, and I choose not to do that.

But we want honest answers here.

Thank you.

Sorry, Senator.

SENATOR WEINBERG: Thank you. I didn't think that would need clarification, but thank you, Mr. Chairman.

SENATOR SWEENEY: I thought it was necessary.

SENATOR WEINBERG: Yes.

I'd like to go back to the position of Commuter Advocate.

When we did the reform law, and we put this position into the law, what was your vision of what this position should encompass?

MR. CORBETT: Well, I think, Senator -- and, certainly, you and I have talked even before I came to this job of the importance of having a customer -- somebody who can really connect with the customer and understand what the customer is going through.

My understanding from the legislation that came to be the reform legislation was, we needed someone within New Jersey Transit who would be an advocate for the customers. That does not necessarily mean to take anything away from the important civic groups that are also advocates. I think there's-- Sometimes people feel the advocate has to be 100 percent independent, and there are independent organizations, such as Tri-State, or the RPA, and others. So that is not meant to replace them; they have a valuable role. But somebody who can really be out in the field and understand what's going on, and bring that home to our people so that we don't become tone deaf to what's really going on outside.

SENATOR WEINBERG: So did you envision the Customer Advocate would be reporting to you with some kind of communications responsibility?

MR. CORBETT: I think that is the person-- You mentioned Stu Mader, who is the best able -- who is out in the field and able to communicate and oversee those responses, yes.

SENATOR WEINBERG: Okay; well, are you aware that, according to press reports -- and I saw the actual documents, which were sent to me -- that the original position, which was posted a month before the law

was actually signed by the Governor, was for a Commuter Advocate and Communications person? Are you aware of that original job description?

MR. CORBETT: Yes, yes.

SENATOR WEINBERG: And that Stewart Mader applied for that position a month before the Bill was signed?

MR. CORBETT: Yes, yes.

SENATOR WEINBERG: Okay; and what caused the change in the job description?

MR. CORBETT: I'd have to go back and look at the details. That was with our Communications; this rolls up under Anthony Greco, who is the head of Communications.

As I touched on in my opening comments, we looked at how we could restructure Communications so it would be a unified command; not just for social media, but for our general communications. So there were some adjustments there.

SENATOR WEINBERG: Okay, well, after reading some of the press reports and seeing how this position changed, one of the things that I'm going to recommend is that we clarify, in the law, since there seems to have been a little tone deafness, on the part of senior management at NJ Transit, about the kind of position that we in the Legislature and the Governor signed -- envisioned.

So I think we need to clarify that this should be a position hired directly by the Board -- not by you, not by senior management -- and that it be a position that advocates for the 900,000 customers who ride public transportation each and every day in New Jersey. And that it be somebody who reports directly to the Board of Directors of NJ Transit.

If that was unclear in the intent of the law, I hope that we will have some language, that we will pass very quickly, which will clarify that, if there is any misunderstanding here.

And I think--

MR. CORBETT: I would say, Senator -- sorry to interrupt--

SENATOR WEINBERG: Sure.

MR. CORBETT: --but I would say if legislation is necessary, I would leave that to the legislators and the Governor's Office. But I would also look to see how you would be comfortable without having to go to legislation. So I would be glad to, offline, later on, follow up to see what we can do to make you more confident in, and that that role is being -- the intent is being honored as well, Senator.

SENATOR WEINBERG: Well, obviously-- You know, with all due respect, Mr. Corbett, since the job was filled with, kind of-- I guess, if some of us are cynical, we might question that the applicant listed for his references -- a month before the Bill was signed -- the Governor's Press Secretary, and his Deputy Communications Director, Dan Bryan, as a reference who could attest to his ability to work with elected officials, etc., etc. And that he viewed the job of Commuter Advocate as someone who could "manage the message."

Doesn't that -- you'd make the public a little cynical about the role of the so-called *Commuter Advocate*?

MR. CORBETT: Again, I'm not sure what makes people cynical about the government or Transit agencies. But I would say, in the specific case of Stu Mader, one of the references that he gave was Pat Foye, the head of the Port Authority.

SENATOR WEINBERG: Yes, I found that reference particularly enhancing.

MR. CORBETT: Yes. And I called-- I know Mr. Foye very well, and I asked him how -- since Stu Mader had come from the PATH Commuter Council -- how he had done. And he said that they had a very -- they thought he worked very well with PATH in building an advocacy group that worked with the Port Authority and PATH, but independently of that; and that he did a good job for the Port Authority and for PATH. He thought he was an effective advocate.

SENATOR WEINBERG: Okay, so let me go back again.

Did you view this position as a Commuter Advocate, or as a Commuter Advocate who could “manage the message”?

MR. CORBETT: I saw it as a Commuter Advocate.

SENATOR WEINBERG: You what?

MR. CORBETT: I saw it as the first, the former -- a Commuter Advocate.

SENATOR WEINBERG: Okay.

MR. CORBETT: The message, I would say -- for those who are comfortable with transparency -- the public's going to get-- The message is going to be from the public what it's going to be. So we have to be responsive to the public, not managing it. You want to make sure the right information gets to the people, but it depends what the definition of *manage* is.

SENATOR WEINBERG: And are you aware there was some press reports about some nepotism at the agency; that a tweet was issued by this Commuter Advocate--

MR. CORBETT: I'm not sure which--

SENATOR WEINBERG: --attacking the newspaper reporter who wrote the article?

MR. CORBETT: Yes, that was yesterday. I was out of the office yesterday, so I didn't have a chance to fully investigate; but I was aware of that.

SENATOR WEINBERG: So you didn't read any of the news reports about the tweet?

MR. CORBETT: No, I did, but I haven't been able to go back-- With all due respect to the media, I've occasionally found them not to be 100 percent accurate. So until I've had a chance -- that was yesterday -- I thought I'd have a chance to get back to the office; I was out of the office yesterday--

SENATOR WEINBERG: Okay, let me give you a little word of advice--

MR. CORBETT: Thank you.

SENATOR WEINBERG: --that by the time you get back to the office, you should read up on this. And that, in my humble opinion, Mr. Mader has disqualified himself to continue being the Customer Advocate for New Jersey Transit. Because no one could have confidence in his ability to be a spokesperson for commuters when he is tweet-bashing reporters who might be reporting accurate facts about who New Jersey Transit hires.

MR. CORBETT: Yes; and to be clear, I am aware-- I have read the accounts, but I have not had a chance to go back and do a proper investigation of what exactly happened, to corroborate both accounts.

SENATOR WEINBERG: Okay.

MR. CORBETT: And I will do so.

SENATOR WEINBERG: Thank you.

Well, as I said, I'm going to-- With the support of the Senate President and my colleagues up here, I'm going to ask that we clarify the law so there is no misunderstanding of what this position should be.

I get a lot of information about a variety of things across NJ Transit, from what I call my sometimes *Twitter followers* and my sometimes *Twitter abusers*. So I get it from both sides.

But one of the things that has really evolved, the way I read it, besides the cancellations and the obvious issues, beside-- And I understand the complexities of hiring engineers and getting them properly trained, etc. But besides all of that is talking about the maintenance and the actual cleanliness of the trains and buses.

Is there some kind of a maintenance schedule? If there is, who is in charge at New Jersey Transit to make sure that there is reasonable cleanliness when a train leaves the train yard, or when a bus leaves the bus garage?

MR. CORBETT: Ultimately, they are two separate people.

On the Bus side, it's Mike Kilcoyne, the head of Bus and Surface Transit. And on the Rail side, it's Ray Kenny, head of Rail. Beneath them, there are people -- each yard it breaks down-- Say, on the Rail side, each yard has a Maintenance Department. But for more serious repairs and maintenance -- say the seats on buses or the doors on rail cars -- those would go to the respective depots where they are housed. Or in the case of Rail, the Meadows Maintenance Complex for--

SENATOR WEINBERG: And has your senior management brought to you any problems about resources, about scheduling, that have

led to, anecdotally, what I perceive to be increased complaints about cleanliness, and about leaking bus roofs, and rain coming in trains.

MR. CORBETT: No. We keep-- Again, as I mentioned earlier to Senator Sweeney, absolutely. Because the anecdotal-- There's always a picture of -- even if it's one car, one bus out of our 10,000-plus buses, there will be pictures of one. So the question is, what are we doing to maintain good data, where are we trending, what are the records on those buses; and have it all computerized so you can mine that data to see what's accurate. You know, if it's your bus and it's one bus -- I get it; that's discouraging; but if it's only one-- But if it's system-wide and it's endemic? Or does it boil down to one depot? Maybe one is not as good as the others, to be able to do that. And right now, a lot of that is all on paper, rather than being computerized where you can look across, depot by depot, and roll it all up by computer and be able to do better diagnostics.

But yes, that is-- And they have requested additional staff; that gets into our operating budget. But yes, certainly more bus cleaners, more car cleaners, more maintenance; particularly on the more heavy maintenance, to get that better reliability from breakdowns or doors on train cars -- those kinds of things. There is a request, and we are filling those positions.

SENATOR WEINBERG: Again, I'm going to tread on giving advice that's probably not welcome.

But it would seem to me that more train cleaners and more bus cleaners are a better investment than more PR agents.

MR. CORBETT: I don't know that they are mutually exclusive, but the most important thing is the customer is getting--

SENATOR WEINBERG: Well--

MR. CORBETT: No, I agree, Senator; the most important thing is getting all our operations -- from cleanliness, to maintenance, to maintenance of right-away, etc., facilities maintenance -- those are all critical positions.

SENATOR WEINBERG: Well, they're not mutually exclusive if there is an unending supply of money--

MR. CORBETT: Right.

SENATOR WEINBERG: --to support both. But if there isn't, then you have to make choices.

MR. CORBETT: And the priorities are the things that impact the customers.

SENATOR WEINBERG: Yes. And again, I-- I mean, I don't know whether anybody got into the whole MWW contract. Exactly what the public relations business, the MWW -- which is a well-respected public relations company in Bergen County; and I have a great deal of respect for their expertise -- exactly what they do for NJ Transit, as opposed to-- You just told me that some members of your senior management have suggested that you need more bus cleaners and train cleaners.

So I'd like to-- It's kind of a two-part question. What does MWW do for you? And on the other, more mundane side, do you have that planned in your new budget request: How many positions do you think you will need, in terms of the cleaning positions? Not the cleaning up of PR, but the cleaning of the buses and the trains.

MR. CORBETT: Yes, Senator.

To the first question -- MWW -- their contract expired in December, and they were brought on as part of the North Highlands study

that we had done shortly after coming in. We commissioned an outside firm to come in and help us look at -- do a baseline assessment of the Agency. And part of that was our overall Comms. And they came in specifically to help us restructure our-- Not with the messaging, but how we should structure our-- Clearly, we were having problems communicating. What did we need to do to improve our communications overall?

So they were brought in as a consultant for that purpose.

SENATOR WEINBERG: I guess -- if you direct your attention to the photo on the screen (indicates), that shows employees of MWW at our first Senate Select Committee hearing, which was held in the Hoboken Train Station on November 13.

And underneath the two photos of MWW employees, there are photos of Anthony Russo of the Commerce and Industry Association, and Chip Hallock of the Newark Business Partnership.

One of the MWW employees identified himself as coming from MWW. He signed in Russo and Hallock to testify, and asked the Senate Democratic aide manning the table to make sure they got to speak. That aide, Jack Barnes, is manning the projector -- I don't want to put him on the spot; but there you are -- next to you right now. Jack, please give a wave.

And by the way, Larry Hicks, *Commuting Larry*, noticed it, too.

So MWW is not here today. They got the short end of the stick because, that night we had no heat for that hearing. At least we have heat in this building.

So MWW was representing NJ Transit in November at the hearing, and actually brought along , with them, two people who they wanted to testify.

And, you know, let me say something.

I'm really here as an advocate for NJ Transit. I understand, as well as every single one of my colleagues up here, that this Agency is intrinsically urgent and important for the economy of the State of New Jersey. I believe the Governor when he says he wants to fix it, and we all do.

But when we start losing confidence in the kind of information that is presented to those of us who want to be advocates-- I sat in that seat, where Jack is sitting right now, when you came with the DOT Commissioner during the Budget hearings. And I advocated on your behalf, because I believe in your mission, and I believe in its importance. And I believe the Governor does, and I believe every single one of us sitting up here does.

But if we don't have confidence that the information we get from you is true and authentic, it's hard to not end up in what we're doing right now -- kind of a semi-adversarial to-and-from.

So if you want us to continue advocating, you have to stop spending money on public relations; because you shouldn't need it. We should be helping to be your PR firm; and you should be spending money on cleaning buses, and cleaning trains, and a Customer Advocate who is truly a Customer Advocate.

Now, I've given a lot of advice over the years to a lot of people who've paid no attention to me. And I'm assuming I will continue my career in the same way for some time to come.

Thank you.

MR. CORBETT: Well Senator, I appreciate your support for Transit, and advocacy generally.

As I say, that contract is up. I think, as I said earlier, there was a feeling sometimes, within New Jersey Transit, that it was very much defensive. So I wanted to get that (indiscernible) to be more open, but I think, you know me -- I'm very comfortable with being open and transparent. And I would give you and the Committee praise, along with the Governor -- the reform legislation includes new Board members. I know one is right behind us, as we speak; I think Bob is still back there. And I think that's important to get credibility; not just for me-- I'm very comfortable having a Board and answering to them, so they feel comfortable that they can report back to you independent of me. I may be a good person, but if I get hit by a bus tomorrow, you need that assurance. And I think the Board members who I've seen in this past month-- Obviously, you all know Bob and his expertise; Cedric Fulton and others -- they are a welcome addition who I am very comfortable working with.

So certainly, we want you to have that confidence and trust as we start rebuilding. And I look forward to developing those kinds of relationships so you don't feel that it falls on deaf ears.

SENATOR SWEENEY: Senator, are you finished?

SENATOR WEINBERG: Yes.

SENATOR SWEENEY: Answering us honestly would help build that trust.

You should have just told us it was for PR; it was not a big deal. But when you send people to a hearing to promote how great the Agency is doing, it's PR. There's no need to debate it; but I asked you earlier to answer honestly with us. We had proof that these people were brought there to say

how great you guys are doing. We all want to say NJ Transit is doing better, but we know we have a long way to go.

So again, saying they there for something else, and then they're there for PR-- Mr. Corbett, it's not an honest answer.

And I'm going to ask you -- I'm not going to debate you -- I'm going to ask you, going forward, please be honest with us.

MR. CORBETT: I will; but Senator--

SENATOR KEAN: Senator Kean.

MR. CORBETT: ----I really feel compelled to respond to that last one -- about it not being an honest answer.

SENATOR SWEENEY: You weren't.

MR. CORBETT: No--

SENATOR SWEENEY: You just told us what they were for, Mr. Corbett; you said they for the Northwest Line. Those employees -- that employee was there, in a very cold room, to tell why you guys are doing so well. They're not for what you said the contract was hired for.

So I don't want to debate that. I heard what you said, I know what they did, so let's move on.

Senator Kean.

MR. CORBETT: But as I said, Senator, I really feel it's important -- there is one important fact there. You show Chip Hallock and Tony Russo, and they have been long advocates, long before I ever heard of them--

SENATOR SWEENEY: They were recruited by MWW to come to the hearing. Our staff overheard it, and so did a reporter. So don't dig it any deeper, please.

Senator Kean.

SENATOR KEAN: Thank you, Mr. President.

Chairman, thank you for coming before us today.

Every one of my constituents -- whether they are going by rail, the M&E, RVL; or bus lines, or the Access Link -- want their normal commute to be normal, predictable, reliable, and transparent. That's the goal I think we all have for the Agency on behalf of all of our constituents and their families, because that's the important mandate that your Agency has.

To continue on a question regarding a contract -- that's a little bit of a theme here -- the question that this Committee and previous committees of Oversight have had, is the question of the contract with the engineers; and the unpredictability and the impact it has on the entire system, and people's ability to get to and from work, when potentially engineers give little notice, there's little backup. And one person's decision can have a ripple effect, with three or four hours' notice, a couple of times a year, on an entire system.

And that was within the last contract for those engineers, who were on the trains.

The question is, that last contract, that had some of those provisions that impacted the public, was supposed to be renewed-- Well, I guess it ended last December, and has been identified as a problem by members of this Committee, and previous Committee members years ago, as a very specific provision that impacts the community and the public in a very real way.

Has the contract been renegotiated?

MR. CORBETT: Senator, we couldn't start negotiations until we formally notified the union last month. So we are in the process of commencing those negotiations.

I would say, on the engineers -- the BLE -- I think the great majority of engineers have done yeoman's duty when we were so critically short; so I have a lot of respect for them. I ride often; in the train, I'll go up to the -- I'm certified to be in the car -- to go up there and talk to them. And a lot of them -- they are great people, they're Scout leaders, they're active in their church. I mean, they are wonderful people when you get to know them as individuals.

But collectively, the history of collective bargaining in Rail, nationally; and particularly in New Jersey's case, we do not have the same standards as, say, some of the others -- Metro-North, Long Island Rail Road.

But the major problem, really, was the critical loss of engineers. You can say there are bad habits, or they were cussing. But it used to be -- and I think, even, potentially intentional -- that somebody gets a call to show up-- You know, if I want you to get the overtime, I'll say, "Well, I can't make it," so you would get the overtime. But there was always a bench that they could go down. So I don't think it was malicious; I think they were working down that list. But there was no one there to back them up when they did take off.

We did have some misuse of FMLA; we cracked down very hard on FMLA, which really -- appropriately. Those who want FMLA for good reasons, we certainly respect that and make sure they can access that. But as one of the conductors told me shortly after coming on the job, where we were having that summer with the cancellations, "Kevin, you know what FMLA

stands for? It's the Friday-Monday Leave Act." And that's when we really started cracking down on the abuse of FMLA by those who were misusing what it was for.

So I think a lot of that is management; you know, how do you manage those kinds of things? So part of it, really, is not so much the collective bargaining agreement, as it's making sure people live up to both sides of the contract. We have to live up to our side; we owe it to the employees, in particular, the engineers -- to live up to our side; and we expect the same in reverse.

But I would say, going forward, we're going to be looking at all the work practices, and what's fair to labor. But it would also allow that kind of predictability that you said, so it doesn't adversely impact our riders.

SENATOR KEAN: It has been a problem for a number of years; and it needs to be addressed, both by enforcement and actions.

The second thing -- to continue on the Access Link issue. I think one of the things that the advocates and participants on that system came here and talked about-- While the counties are trying to rush in to do a job and fill a need, because of the county lines-- Sometimes, as you mentioned in your testimony, something that should be a 15-minute drive, because it goes across a county line it can be a half-an-hour, 45 minutes. It's unpredictable, because it's not going in a direct route.

Have you looked into this issue, at all, regarding those barriers to efficiency?

MR. CORBETT: Yes, we have. And it's interesting, because Senator Sweeny was centering on that, with ADA-- How can you use-- There

are certain legal restrictions. But within that, how can we be more efficient? How can we also work better with local partners, particularly in the counties?

And we looked at it. Some of the counties we have a very robust program with; other counties, particularly where they are divided if you're going, say, between Somerset, Morris, where you get on the line-- We're looking at how we can work collaboratively with counties across the county lines, while still respecting their individual programs where we provide buses for them. So we are looking at that to try to be multi-county.

SENATOR KEAN: Because North Plainfield, Plainfield, and South Plainfield are in three different counties, for example. And that can very well have an impact -- well, we know it does have an impact on the quality of life of many individuals who we all care about and we all represent.

So I would appreciate it if you could continue to look at that.

MR. CORBETT: I'll make a point of keeping you updated as that progresses.

SENATOR KEAN: Thank you.

I have one other question.

You had mentioned in your testimony that the Administration had issued \$500 million in bonds to modernize the New Jersey Transit transit and bus fleet.

Can you help me -- can you discuss the current state of New Jersey Transit bus and train fleet, and what exactly will the money be used for?

MR. CORBETT: Yes, Senator; I'll be glad to.

I think you're aware, overall, our fleet of buses is around 2,500 buses, including those we provide to private carriers.

And the Rail side, we just acquired -- in September of last year we acquired 113 of the multi-level rail cars. The \$500 million-- The way we refinanced the \$500 million will cover a significant part of the bus purchases that we have. We have 260 cruiser buses and about 75 of the articulated -- the long buses. So those that -- the majority of that goes to the buses. And then there are 17 dual-mode locomotives that are very important on the Raritan Valley Line -- those are the ones that can be in diesel mode when they're on the RVL -- on the Conrail portion, for example. They then put up the pantagraph when they come into the Northeast Corridor so they can go into New York Penn Station. So we have 17 of those that we -- are being covered; that are being paid for by that refinancing.

SENATOR KEAN: Okay. Who issued the bonds?

MR. CORBETT: It goes through EDA; I forget which one of the -- which was the lead broker on that.

SENATOR KEAN: Can you describe how the debt was structured?

MR. CORBETT: Yes, it had been originally put in on a pay-go basis. And we looked at-- You matched-- Much like you do a mortgage on a house, or if you take a car loan, we stretched it out so it would match the life expectancy of both the-- Obviously different for buses than for the engines.

SENATOR KEAN: So this is a 30-year--

MR. CORBETT: I believe it is 28 years; it was tailored-- It peaks off, depending on the depreciation of the buses and the locomotives, so it matches up to the--

SENATOR KEAN: And when will New Jersey Transit start making the principal payments on this debt?

MR. CORBETT: I'd have to look back at the offering and see what the closing was on that. But that--

SENATOR KEAN: Is any of it going to be paid within the first 10 years? Any of the principal going to be paid within the first 10 years?

MR. CORBETT: In the first-- I'd have to look at the amortization schedule; what was principal and what was interest. But it ties in-- As we take delivery, it's not just the life -- when the cash goes out would match when we take delivery of the buses and those locomotives.

SENATOR KEAN: From what I can see, it was structured in a way that not a dime of interest is going to be paid in the first 10 years. In fact, the money was borrowed to pay the interest as well. So an interest on interest borrowing scheme.

MR. CORBETT: I think if you look at the-- And there's the debates on how you finance capital assets, whether it be private or public sector. I think when we looked at the financing, that we worked with the EDA on how to get the lowest interest rate, to get the lowest net-cost on that financing -- that the structure that was come up with was the way that--

SENATOR KEAN: But this doesn't seem, from the EDA or a taxpayer perspective -- it doesn't actually seem to lower the cost of the borrowing. It seems to increase the cost of the borrowing, if you're not actually putting the money upfront and start paying down the interest late -- early on a capital basis. And in fact, it could be -- if you look at the way the EDA has structured this -- it could be an additional cost of over \$100 million on increased interest payments over the course of the next 28 years.

And the way it seems to be structured is that it artificially lowers the subsidy to New Jersey Transit this year, and at the completion of this term; and then the payments -- the structure seems to go up rapidly thereafter, saddling future Administrations with higher costs than this Administration.

MR. CORBETT: Again, I believe -- and I would be glad to go over with Tim Sullivan at EDA how we structured that. But it was three years of capitalized interest, but I think if you look at the structure that-- It still comes under, roughly, 12 percent, which for me has always been, sort of, the barometer of how much debt level can you cover; and that was within the 12 percent. So it was not -- I don't believe that is onerous or being irresponsible. Again, it's tied to the life cycle of that asset. So it's not like after the asset is depreciated or taken out for junk that we're still paying on something that doesn't operate.

SENATOR KEAN: The average lifespan of a bus is 12 years.

MR. CORBETT: That's right.

SENATOR KEAN: And how many buses will this bonding pay for?

MR. CORBETT: I'd have to check the breakdown -- out of the 360, how many of that was-- I think it was around 180, but I would have to check. And there are 17 locomotives -- the dual-mode locomotives.

SENATOR KEAN: Well, yes, I am aware of the dual locomotives.

And the question that I think we would need to look at, from an EDA perspective and a commuter perspective, is that we are borrowing money on a 28-year basis to pay for a 12-year, in some cases, asset. I think that's legislation we should look into, in an aggressive way.

MR. CORBETT: I'm sure we could follow up with Tim Sullivan and the EDA.

SENATOR KEAN: Okay; I appreciate that.

And the final issue that I would like to approach with you is one that we have spoken about, before you joined, and almost weekly since: The incredible importance of the Raritan Valley Line direct travel during peak service. Whether it's in Senator Cryan's District, Senator Diegnan's District, Senator Bateman's District, my District -- all of our commuters feel the impact of not having a Midtown direct during peak service time.

I know the past piece of legislation to try to drive that along, but it seems to me the Governor, in Westfield, in October, told everybody assembled in a public setting -- Joe was there -- that the choice to not do RVL Midtown Direct peak was wholly within his responsibility, and for individuals in that capacity, across the line, not to hold their breath to get it done.

I cannot emphasize enough the importance to my commuters of the predictability, the reliability, and the consistency. The RVL is, what, the only line that does not have this capacity?

MR. CORBETT: No, sir. If you look at all the Pascack Valley-Jervis Lines, where we've had very rapid growth -- they actually also don't have it. They have to transfer in Secaucus or Hoboken.

SENATOR KEAN: Okay; then, one of two.

MR. CORBETT: Yes.

SENATOR KEAN: And this has been a long-standing concern. And the fact that the Governor would be so flippant about this issue that impacts lives, and predictability, and property values, and business development, and economic growth -- it's so important to those entities that

have grown along the M&E Lines -- I think we've all experienced -- and the other lines as well.

But to have that transparency, that predictability, the normal and time-sensitive commute, is extraordinarily important to every resident of the state.

MR. CORBETT: Yes, Senator, certainly I see that. And I know a lot of people who live along the RVL, including employees who remind us of that every day.

I would say, again, the killing of the Arc project-- Today, my job would be very different if those tunnels had been built, and would be opening next year. And if we had been the anchor tenant at Moynihan Station it would be a very different experience.

So that being said, really we are in the-- Unfortunately, we're sort of like the transit Hunger Games, you know, between fighting for precious resources, New Jerseyans against New Jerseyans. And it's unfortunate, and that's something-- I know we have the Raritan Valley study that we're undertaking, and I think the ultimate solution, though, is getting the rail tunnels. We've made very good progress, I think, with the Federal Transit Administration, the Trump Administration; and the Federal Railway Administration has been supportive for us -- Ron Batory at FRA. And I think Portal Bridge is a real -- shows that if you work below the light radar screen, work really hard, we can work together with them and get things done. I think Portal is a huge step forward. But getting the tunnels built is ultimately the solution, so it can benefit all of New Jersey.

SENATOR KEAN: Portal is key, the Gateway project is key. And we are incredibly -- we understand the importance of those projects both being completed.

I think we also had it -- working with you in partnership on making sure that New York pays their share of any future project is also key. And I think with strong bipartisan success as well, to make sure that whatever is going to be completed, whenever it's going to be completed will be done predictably, on time, and at a cost that's appropriate for commuters.

Thank you.

Thank you, sir.

MR. CORBETT: Thank you.

SENATOR SWEENEY: Thank you, Senator Kean.

Senator Weinberg has a quick one, then on to Senator Corrado.

SENATOR WEINBERG: Yes, I just--

SENATOR SWEENEY: No, I mean Senator Diegnan after.

SENATOR WEINBERG: Yes; just one quick question, or comment.

I want to go back to the Senate President's questioning about the ADA issues, and bus stops.

I know that the request for bus stops come from your local municipality to NJ Transit, and not the other way around. But NJ Transit has to approve the location, the size, whatever else of each of these requests.

Is that not so?

MR. CORBETT: That's correct; from a safety perspective. It's not a sense of aesthetics or something. We have to make sure it's not at an intersection that may cause accidents or-- So we work usually with

communities. Also, we are often asked by people who want a stop, and we will reach out to those communities saying, “You’re sure you don’t want a shelter?” Some have aesthetic reasons, or-- You know, it’s a home-rule state. But we will, also, proactively say, “Listen, we would like to put bus shelters in--”

SENATOR WEINBERG: Do we have some standards for NJ Transit’s approval of those bus stops and/or shelters?

MR. CORBETT: We have a process; we also have a standard design. We have a contract that says we provide the standard bus shelter, the one that you’ve seen. We’re going to upgrade it, make it a little more modern so that it has some features that the standard one didn’t. You know, with solar panels; the other had lights, for example, in them.

SENATOR WEINBERG: Okay.

And last, I promise.

Do the ADA requirements come into those standards?

MR. CORBETT: Yes, they do.

SENATOR WEINBERG: Okay.

MR. CORBETT: If it’s a curbside, yes.

SENATOR WEINBERG: So you do have ultimate control over whether or not these places are approved.

MR. CORBETT: No, since it’s a home-rule state, we can recommend but we don’t control that. If they want that, we give them the specs of what we want. But we cannot force them to--

SENATOR WEINBERG: But you pay for it.

MR. CORBETT: Yes, we do; yes -- if they want it.

SENATOR WEINBERG: That's kind of an enforcement tool, is it not?

MR. CORBETT: Well, the problem is, some communities -- and you probably know it better than I -- they do not want-- They just want, like, a stop sign-kind of thing, with a pole. And they do not want people, they don't want shelters.

SENATOR WEINBERG: If you need some legislative backup on that, we'd be happy to hear it.

MR. CORBETT: I think it would really serve a lot of people very well, yes.

SENATOR SWEENEY: Thank you, Senator.
Senator Diegnan.

SENATOR DIEGNAN: Thank you, Director.

I'm Chair of the Transportation Committee, so we communicate all the time. In fact, we just had a meeting last Tuesday. So I'm not going to recap all the recommendations that we discussed last week.

But let's take the opposite here. This isn't a political issue, this isn't a divisive issue. There is nothing, I don't believe, in the State of New Jersey that has been more a boost for our economy than our transportation. In my District, Metuchen, Edison, Highland Park are literally exploding in terms of beautiful new housing because of the access to the train station. So we're all on the same page there.

But just to state the obvious -- we cannot undo the lack of attention that took place prior to you taking office. So we just have to deal with those issues right now.

But the most important thing of all is -- and I sense it here today -- we're not on other sides of the team; we're all on the same team. And we have to have transparency, we have to have direct information. And really, the most important thing-- I know staff has asked a group of questions. If you could get that to as quickly as possible, that would really be important. Because we're in budget season; I know the Senate President has made this his primary goal to properly finance. So if we have the required information, then we'll be able to support what needs to be done.

But I have just one question; and I'm a little bit confused, and you can clear it up.

The main complaint that I hear from my constituents is not necessarily that there's a breakdown on a particular day, but that they don't know about it. They showed-- We all know the nightmare that took place in New York. Explain to me exactly how that works.

And then, question number two is, if a commuter does have a complaint, how do you process that? Is there an account you go to? How do you-- First of all, how do they find out about it? How can you do that better? And secondly, how do you deal with complaints?

MR. CORBETT: Certainly.

The major problem-- I think we have made a lot of progress. I think the OLS report showed, on the Comms, we are making progress; still more to go.

I took the note about the Android rating on the app.

The issue, really, that-- The biggest problem we have now -- at least for myself, even, "My train is running 10 minutes late or I've got a push notification -- for those who have the app.

We have two real problems of that communication, where there's still frustration -- and myself, as a rider, I get it -- going in on the Northeast Corridor. We do not control the Northeast Corridor, and people -- they don't care. I think somebody did a survey recently where they asked who they -- just random citizens -- who they thought ran the Northeast Corridor service. They thought it was the Port Authority; I mean, they have nothing to do with it. So people don't really care who, and they don't want-- If they're on a New Jersey Transit train, they want the answer. They don't care if it's Amtrak that controls the tunnels, or Penn Station.

And that communication-- I think you know we had a very hostile relationship, when I came in, with Amtrak. There's been a lot of work to improve that. I think the projects I mentioned that are moving ahead, and Elizabeth Station, the amenities I mentioned at New York Penn Station, the County Yard project -- those are all moving forward because of cooperation that we've made with Amtrak.

But on the communications side, when you get to New York Penn Station-- I guess it was about 20 years ago they redid the command center in New York Penn Station. And it was an equal partnership -- New Jersey Transit, Long Island Rail Road, MTA, and Amtrak. And they built a new building on 10th Avenue -- on the southwest corner of 10th Avenue and 31st Street.

And New Jersey Transit decided they did not want to participate and would not fund that. And we lost the equal rights on the dispatching, and that is a real disadvantage. It's an in-the-weeds kind of thing.

So that communication -- we are not at the table. We can watch, but we can't participate in that dispatching. And that causes a breakdown

with communication. By the time it gets from the person at Amtrak -- they have their own structure, which is also somewhat unique -- their ET, electric traction people, do not report to the ops people; they're separate. So they have an internal comms issue that we're trying to understand.

But we have to get it. The long story short is we need to be able to have New Jersey Transit people in there, in that Command Center in Penn Station, where they can see exactly what's going on with the trains, or with the power system, or the escalators, or anything else; know what's happening, be able to relay that right back to our site.

SENATOR DIEGNAN: So are you getting cooperation?

MR. CORBETT: Yes, very much so. I think last week has been the number one of those examples. And we're working very hard to come up with a solution, until the tunnels are built, to make it a lot better that we can communicate those proactively.

SENATOR DIEGNAN: So who would you deal with to get this cooperation? Governor Cuomo, or-- I mean, who exactly--

MR. CORBETT: No, that's Amtrak; and that's Tony Coscia, the Chairman, who has certainly been very helpful.

SENATOR DIEGNAN: Okay.

MR. CORBETT: But Stephen Gardner is the lead person; and he and I work very closely on the Northeast Corridor.

You know, we pay a lot of money to Amtrak for those rights; it's about \$10 million a month BICC charges. And we expect -- that's important money that the State is investing, and we expect to see a return on it.

SENATOR DIEGNAN: So you're confident it's going to happen. You're going to have staff there shortly?

MR. CORBETT: Well, we have to have a protocol; is it their staff, or our staff, or the union issue there. But we need to be there, and we're told that we have that; that's a critical thing, number one on our list with Amtrak.

SENATOR DIEGNAN: And number two, as I indicated, how does a commuter inform you of their complaints? What's the process?

MR. CORBETT: There are multiple ways and venues.

I think more and more we see social media. We have a Call Center so they can call in on the phone. But I think more and more people are doing it on social media. I think I mentioned, in my opening remarks, we have added to that social media. So instead of getting blasted -- I know some people are going to blast you, no matter what, on Twitter -- but a lot of people will say, "Hey, I'm stuck on your train 3816. What's going on?" And we have people now who will go -- can check right away. So that I think is improving.

SENATOR DIEGNAN: I think you should create a site-- I'll give you a real-life example.

My wife, and kids, and I are going into New York tomorrow to see a play. And I went on ParkWhiz -- anybody ever use ParkWhiz for a parking space? -- they called me the next day because they realized that I had attempted to have a parking space, and I did not utilize it. So if they can do that, we should be able to do that. I mean, this is not science fiction.

So as I said, from my experience, my constituents understand that you were really given an unbelievably dirty hand. But they want to know what's going on, and they particularly want to have the ability to reach out to you.

So my suggestion -- if there's one thing you can do, somehow welcome complaints, recommendations, etc., and respond to them.

MR. CORBETT: Right.

SENATOR DIEGNAN: That's what people want to know. Transparency is always-- and responsiveness is always the way to go.

MR. CORBETT: Thank you; I agree.

And we are trying; we've made progress. But I think a lot of the frustration's been built up over years; and I hear, just myself, when people don't know who I am, "Ah, here it is again." That's been years.

So even though it's getting better, people sort of -- it's a cumulative frustration.

I had one woman -- we had a listening session down in Hoboken; we do this periodically with the public. And the woman was very irate, a very well-dressed woman. I think she was from Summit. And she was yelling at me about something, and I was trying to calm her down. And then I realized she was talking about PATH. I said, "Ma'am, I don't control PATH." And she was like, "PATH, Amtrak, New Jersey Transit -- I don't care who it is."

So I realized how to be -- not just get better, seamless communication ourselves. But (indiscernible), how do we make sure that regardless of where your trip originates, and where you end up, if you're taking multimodal, how can we also facilitate making sure that that's integrated?

SENATOR SWEENEY: Thank you, Senator.

Senator Corrado.

SENATOR CORRADO: Thank you, Senate President.

Good afternoon.

MR. CORBETT: Good afternoon.

SENATOR CORRADO: Thank you for being here this afternoon.

Can you, for the record, tell us the names and titles of your executive staff so we have -- we know who was supposed to be here today, in addition to you?

MR. CORBETT: It would be offhand; I would have to look at which ones were invited versus the full EMT, our Executive Management Team.

SENATOR CORRADO: The ones who were invited here today.

MR. CORBETT: I believe -- I may miss one, but I think-- Bill Viqueira is our CFO; I think Jeannie Kwon was on there, our Chief Admin Officer; Lookman Fazal is our CIO; Ray Kenney, head of Rail Ops; I think Stu Mader on Customer Service; and I think that's it.

SENATOR CORRADO: And the only other one I was aware of was Eric Daleo--

MR. CORBETT: Oh, Eric Daleo for Capital, yes. Sorry.

SENATOR CORRADO: So who hired all of these individuals?

MR. CORBETT: Some of them-- It varied -- were there, who came over, who were good, dedicated staff. And some are ones who were hired, who I hired.

SENATOR CORRADO: Did any of them need Board approval?

MR. CORBETT: I believe Ray Kenny needed Board approval, and Bill Viqueira, CFO, yes.

SENATOR CORRADO: And when they were hired, were they hired through an internal process? And when I say that, I mean did they apply to work at New Jersey Transit, or did you use an outside agency?

MR. CORBETT: A combination. Ray Kenny was part of a process of using a headhunter. It's very, very tough to get senior Rail people; there is a real nationwide shortage, so we had a headhunter in that case.

SENATOR CORRADO: So when you use a headhunter, is that somebody that New Jersey Transit would do an RFP for? Was there a contract?

MR. CORBETT: There is a contract; we've done RFPs. But also, then, there would be a contract. Usually it's tied to their performance -- they get somebody, and that person stays for a year, then they get a fee for that.

SENATOR CORRADO: And do you use a headhunter for a lot of positions, or just specialized?

MR. CORBETT: More the specialized positions, the ones that we have trouble filling through the normal application process.

SENATOR CORRADO: So I just want to clear up something that was said before.

You talked about the Governmental Affairs Department being involved in making the decision on who would be here today. When you say *Government Affairs*, are you talking about a Division within the Department -- within New Jersey Transit?

MR. CORBETT: Yes, when I say *making the decision* -- as I said, I make the decision. But it would be the head of our Government Affairs who would be talking to-- The Governor's Office usually has -- there's somebody

in Government Affairs who tells us, “Hey, here’s his schedule, here’s who he’s talking to.”

To be honest, I don’t get involved at that level. I suspect Mark probably knows better than anyone.

SENATOR CORRADO: And who is the head of Government Affairs at New Jersey Transit?

MR. CORBETT: That comes under Paul Wyckoff, who I think many of you know.

SENATOR CORRADO: So he would have been the person having the conversation with the Governor’s Office.

MR. CORBETT: Presumably with-- I’m not sure what goes direct. I mean, informally I think staff talk directly. I mean, I think they talk, they get on the phone. So again, I don’t know who they talked to.

But when we come before the State capital, that would be-- We don’t walk in out of the blue. Obviously, there’s a whole batch of issues that the Governor’s Office and Legislative Affairs -- that they deal with.

SENATOR CORRADO; Can you tell me when the actual decision was made that just you would appear? Today?

MR. CORBETT: It went back and forth; I forget the exact communication.

SENATOR CORRADO: Yesterday? Wednesday?

MR. CORBETT: I think it was -- Pretty much we were talking with staff, what their schedules were, would they be able to make it, who would be able to make it. We looked at the questions; what were the questions we were asked? Would I be able to handle them, depending on

what the other people's schedules were? And I think the feeling was, that would be fine if I was able to do that by myself.

SENATOR CORRADO: I can tell you, I'm a little disappointed.

You know, most of us take being on this Committee very seriously; many of my colleagues have full-time jobs, just like I do, in addition to our part-time Senate duties, which are actually full-time as well.

I changed my schedule to be here, so I'm disappointed that we weren't given the same courtesy by your staff, and that we will have to go to another hearing.

MR. CORBETT: I would say, also, in part of the process -- as I mentioned, going in front of Congress, congressional committees, it's not unusual that I would go and I would testify. Certainly, on PTC, I did that, and I felt comfortable, properly briefed. I didn't need the staff. Not that there's anything wrong with staff, but I'm the CEO, I expect that I should be able to answer that at the high level.

SENATOR CORRADO: I understand that; but I think there were specific questions that we wanted to ask, and I guess we'll get that opportunity at another time.

Can you tell me why it took so long to respond to the questions that were submitted to New Jersey Transit back in November of 2019?

MR. CORBETT: Yes, I guess it depends what you consider *long*.

From November -- the questions-- It's not just 17 questions. Again, I try to be transparent, but the data we submitted -- and we gave extensive data-- I think the criticism that I had heard is that my predecessors who had come -- that they did not come prepared, they did not send quality

material, that one of them tweeted the night before that he was supposed to come, but he didn't come.

So I don't know all the details, but the previous things -- there was not ample data. I think all this is very extensive data.

SENATOR SWEENEY: Senator Corrado, I have to interrupt you for a second.

SENATOR CORRADO: Yes.

SENATOR SWEENEY: That's not true.

They answered the questions in three weeks. Every question that we've submitted, your predecessor answered in three weeks.

SENATOR WEINBERG: Not always accurately, also.

MR. CORBETT: Yes, I heard the quality of it--

SENATOR SWEENEY: To Senator's Weinberg's point, not always accurate. But they answered them in three weeks.

So to say they didn't come prepared -- they did. They brought their staff, like we asked. They actually complied and worked with us.

Were we happy with it, at the end of the day? Eh, so-so. But at the end of the day, at least they complied and brought the people we asked.

I'm sorry to interrupt you, Senator Corrado; but I can't let that go and say the previous group was bad, because at least they responded.

SENATOR CORRADO: Thank you; I appreciate that.

And can you tell me who at New Jersey Transit worked on putting the responses together?

MR. CORBETT: Yes, Paul Wyckoff was lead on pulling the responses from all the Departments. A lot of data had to be collected, a lot of reports, a lot information.

SENATOR CORRADO: And did anyone outside New Jersey Transit work on putting the answers together?

MR. CORBETT: Not in putting the answers together; but in screening them. We have a Counsel review them for legal content -- some things were contractual, some things were employee, EEO; there was a whole section on EEO -- to review that to make sure that what we were passing was, indeed, appropriate for us to pass.

SENATOR CORRADO: And when you say *Counsel*, do you mean in-house Counsel? Staff attorney?

MR. CORBETT: We have, through the Attorney General -- I think you know -- through the reform legislation, which certainly was something that a number of people-- I'm a lawyer, as you know, but having-- I look at the Port Authority, the MTA having their own General Counsel, to me, as a real asset in an agency like ours. I think most Transit agencies around the country do have that.

There are also times where you have to work with the Attorney General's Office. And I think you know, probably better than me -- I mean, you are a lawyer, and you know New Jersey well -- but the Attorney General's Office -- they do some things very well, from that perspective. But I would say things like labor negotiations, real estate transactions-- I think if you know real estate law -- and I've been involved in a lot of real estate deals in my time -- that they say the real negotiations begin at the closing, right? And to the degree that's true, you want Counsel who can be nimble. "Okay, you want to trade that, they want an extra 10 FAR." So for that kind of negotiation you need to have an outside counsel; or the inside counsel you have has to understand those issues and live those issues, and not have,

frankly, somebody who is good at criminal law but doesn't really have a lot of expertise.

So we're very excited about what's appropriate to keep with the Attorney General's Office; you know, that's great, I respect them. But for a lot of things that we deal with, as an Agency, having our own in-house General Counsel-- We're starting to build that team up, and we're in the process of transitioning those functions from the AG's office to our own General Counsel's Office.

SENATOR CORRADO: So if I understand correctly, the AG's Office handles certain things--

MR. CORBETT: That's correct.

SENATOR CORRADO: --and then you're saying you have an in-house General Counsel who works as an employee of New Jersey Transit?

MR. CORBETT: We have an Assistant General Counsel; we don't have a General Counsel yet. But we do have an Assistant.

SENATOR CORRADO: And how many Assistant Counsels do you have?

MR. CORBETT: Just the one.

SENATOR CORRADO: Just one? And who is that?

MR. CORBETT: I'm blanking on the name.

SENATOR CORRADO: You don't have to address that; it happens.

And do you have an idea of how many AGs work at New Jersey Transit as their client?

MR. CORBETT: Not right now. There's, like, three or four who I interact with; I know there are several others downstairs, and some who

come up from Trenton. So I don't really have a-- I know a lot of that case work -- the selection, when we use outside Counsel, for example -- that would be selected through the AG's Office, I believe. The on-call list, or they have a way of assigning outside Counsel when it's needed.

SENATOR CORRADO: So when you retain outside Counsel, you go through the AG's office.

MR. CORBETT: That's right, yes.

SENATOR CORRADO: You don't go through a competitive bidding process?

MR. CORBETT: We look forward to doing that; we have not done that yet.

SENATOR CORRADO: So currently, who serves as outside Counsel to New Jersey Transit?

MR. CORBETT: It varies from issue to issue, as assigned by the AG's Office.

SENATOR CORRADO: So at any given time, how many law firms are representing New Jersey Transit?

MR. CORBETT: To be honest, I would-- It depends. I'd have to look at how many legal issues, and how many are being handled by outside Counsel. So I'd have to get back to you, but I would assume there are a handful, just from the cases-- You know, the work that I'm involved with, I see different lawyers from different law firms. So I'd say, you know, four or five at least. I don't know what the whole on-call list is from the AG's Office.

SENATOR CORRADO: And it's an on-call list that AG puts together?

MR. CORBETT: I believe so, yes. I mean, they select the -- we don't select our own Counsel.

SENATOR CORRADO: If you could provide us with the names of the firms. So you don't actually have a -- do you have a retainer agreement with these law firms?

MR. CORBETT: I'd have to check whether it goes through the AG's -- but we pay the AG a set amount of money. But then when it's case-specific like, say, PTC, the lawyers that (indiscernible) those invoices -- they get proof-- The invoices are approved by the AG's, but we pay them. But I know the AG's Office are the ones who negotiate whether they find a bill acceptable or not.

SENATOR CORRADO: And who would actually negotiate what rate that the attorneys are paid?

MR. CORBETT: That would be the Attorney General's Office.

SENATOR CORRADO: And which was the outside Counsel who assisted with reviewing the responses that were provided today?

MR. CORBETT: Genova Burns.

SENATOR CORRADO: You talked about your IT Department on page 7. Can you tell us who's responsible for hiring the IT team?

MR. CORBETT: Lookman Fazal is the CIO.

SENATOR CORRADO: Okay.

MR. CORBETT: And we did an RFP, and we also had an outside consultant -- who was a real expert in the field -- to review the applications that came in.

SENATOR CORRADO: And when they were hired, do you give bonuses -- hiring bonuses?

MR. CORBETT: Sometimes. And it is a practice, you know, on a case-by-case basis. If we have an issue with salary compression -- and that's something I know we'll get into later -- but, say, for right now we have a number of key rail positions where the salaries for those grades of salaries-- And I'll try to make it brief, but we have union employees who, with overtime, make more than \$100,000. And yet there's a management position at, say, \$90,000; they would have to take a pay cut -- even though they're very well qualified, they would have to take a pay cut for that position.

So then the only way-- And we're looking at that with McKinsey, that -- we're doing a pay equity study of the balance of the jobs that we had not adjusted salaries on. But they would be making more than their boss. So you get the salary compression, so that would mean the boss' salary had to go up if they were going to be brought in.

So that goes throughout the organization -- if you give a higher salary to one person, what is that ripple effect across? So sometimes in recruiting people for key positions it's easier to give a signing bonus with a lower salary so as not to disrupt the salary compression issue.

SENATOR CORRADO: And would they continue to get bonuses?

MR. CORBETT: No.

SENATOR CORRADO: And if I were to look at the budget, would I see where the bonuses are budgeted for personnel, or for certain hires?

MR. CORBETT: No, and we can get that to you, but it's rolled up in the salary list that we get.

SENATOR CORRADO: Okay.

MR. CORBETT: Larry Haines probably has it, to be honest. He (indiscernible) it all the time.

SENATOR CORRADO: Okay.

And one question -- when you had given your opening statement, you had made a comment about keeping lost revenue -- about doing better at collecting missed fares.

Can you estimate how much money is lost annually in missed fares?

MR. CORBETT: No, it's really tough. I think on Bus it's much less. On the Rail side, you figure we have a ballpark -- that's why we want to have the scanner. We have to really capture-- If you have a weekly or monthly, and a conductor misses you, it doesn't affect our revenue; so it's the daily riders. But certainly I would say it's certainly a good \$10 million or more a year.

SENATOR CORRADO: That's a lot of money.

MR. CORBETT: Yes, it is.

SENATOR CORRADO: Thank you; I have no further questions.

SENATOR SWEENEY: Thank you.

Senator Cryan.

SENATOR CRYAN: Thank you, Senator; thank you.

How are you, Mr. Corbett

Do you go by President Corbett, CEO, or--

MR. CORBETT: No; Chief Cook and Bottle Washer. (laughter)

SENATOR CRYAN: It's Kevin?

MR. CORBETT: Kevin -- yes.

SENATOR CRYAN: Gotcha, okay.

Through the Chair, I wanted to follow up on a couple of points Senator Kean made, to begin.

This \$500 million issue that came out for the equipment -- there are-- The Committee has had some concerns, in terms of -- as Senator Kean mentioned -- the shelf life of a bus is 12 years; we're paying interest for (indiscernible). If I could ask, through the Chair, that you could provide us -- whether you work with EDA, or whoever it is -- a summary report of how those choices were made; that would be helpful.

MR. CORBETT: Sure.

SENATOR CRYAN: And second is one -- which I apologize for, through the Chair -- Tom and I both have the RVL, so we're pretty passionate. I do have to take a little bit of exception. I don't think the Governor's flippant; I think he's empathetic, and we're all empathetic to the idea that people wait, and change trains, and go through this.

Which is going to lead me to my next point; but I disagree on the *flippant* point. I do believe he is empathetic and absolutely understands that folks have an issue here that we all want to see solved.

Which leads me to what I want to talk about -- is on-time performance. And the things that are in the audit, some of those -- it's kind of taken the discussion to there, if I may.

My understanding is that the Rail-targeted performance is 94.7 percent to be on time. Now, we're currently at about 91 percent, and at 87 percent at peak. Is that about right?

MR. CORBETT: That's right.

SENATOR CRYAN: About right? And my understanding is that in those delays, that 62 percent of those delays, for lack of a better way to

put it, are out of New Jersey Transit's control: the weather, automobiles, things like that, for lack of a better way to put it, that one wouldn't reasonably look at Transit for. Is that correct?

MR. CORBETT: That's correct.

SENATOR CRYAN: All right. And it's my understanding, therefore, that leaves 38 percent of those that are manageable, at some level, by Transit, right?

MR. CORBETT: Yes.

SENATOR CRYAN: So we've talked about the idea of communicating to folks on a better level of what we do when we have those delays. I'd like you to just talk a little bit more about what we're doing about that 38 percent.

MR. CORBETT: Thank you; thank you, Senator.

And again, particularly as a daily commuter myself, we run 700 train trips a day. And if it's only one, and it's your one, it's 100 percent for you; they don't care what the metrics are.

SENATOR CRYAN: Exactly.

MR. CORBETT: But I would say that you look at the ones that we are fixing. I think you've heard me numerous times before; I won't belabor it, but the average age of the fleet-- So we get the engineering industry; and we cancel trains because of the lack of engineers. But as we're solving that problem -- and I am certainly looking forward to this summer, much more than the last two summers, as far as it will not be a Summer from Hell; which is certainly good news. But the thing that still will affect people is the average age of our fleet. And as I say, the bus fleet -- you see that improving; certainly, in South Jersey we're seeing a significant improvement, because we have the

new buses that are starting to be delivered in South Jersey, and you really see a significant decrease in the mean distance between breakdown on the buses. The newer buses, obviously -- just like a new car, you have a lot less breakdowns; a lot of it is mechanical.

On the Rail side, you look at the 113 rail cars I mentioned that we just acquired, the multi-levels, which have two-by-two seating-- The old Arrow 3s, you know, with the bouncy seats that the kids may have loved, no one wants to sit in the middle, so people are standing, even when there are actually empty seats.

SENATOR CRYAN: Yes.

MR. CORBETT: So those trains are 40-plus years old; those rail cars. And the breakdown for them is much higher -- like, every 40,000 miles unscheduled maintenance required. It doesn't mean they break down on the side of the railway, but they have mechanical problems. And that, compared to the multi-levels, are 400,000 miles between. So the lack of investing in rail cars, years ago -- we're paying that price now.

So that -- the mechanical is one of the major issues that we really face, and we're trying to look to get ahead. Procurement had a big role in trying to get the parts so that they're there.

SENATOR CRYAN: As a matter of fact, (indiscernible) mechanicals of that 38 percent--

MR. CORBETT: It's a large part of--

SENATOR CRYAN: --is about 40 percent *other*, correct?

MR. CORBETT: Exactly.

SENATOR CRYAN: So to the rail commuter who's listening, so to speak, the *help is on the way* sign, so to speak, is with this delivery of new rail cars and the infrastructure investment as a result.

MR. CORBETT: That's right.

SENATOR CRYAN: Are we out four years for that, realistically? Or are there things in steps?

MR. CORBETT: Yes, we'll start -- in three-and-a-half years we'll start taking the first delivery of them. I would say, though, if you look at the increase in our ridership that I mentioned earlier, it's a real concern, I think, for all of us. There's a frustration for the peak hours going out of New York. Without those tunnels, 113 cars replacing the old Arrows -- they're going to be more comfortable, better capacity. But it's still-- If we're going at 3 percent a year rate, compared to-- Usually cheap gas prices have people going to cars; when gas prices spike, you really see a rise in Transit.

And right now, we're still in relatively cheap gas; and yet we're still having the ridership growth. So it's disconcerting; we're maxing out in our capacity. So that's the real challenge -- to buy more rail cars and more buses to be able to expand our service where possible.

SENATOR CRYAN: Well, that's-- And that leads me to the capital plan. I do want to mention the bus piece first, but let's just jump to the capital plan.

So you have 113 on order, with a four-year lead time -- four- or five-year lead time. You said four in here--

MR. CORBETT: Yes.

SENATOR CRYAN: We had previously heard, I thought, five, right?

MR. CORBETT: Yes. We're about a year into it.

SENATOR CRYAN: And yet the 113 number-- I mean, I don't have a context of that. I don't know if that's enough, more than enough, less than enough. I was wondering if you could take a moment -- or if you're going to tell us in the capital plan -- how that number fits for the future, and how it's planned out for the future.

MR. CORBETT: The 113--

SENATOR CRYAN: Yes.

MR. CORBETT: --as well as the new buses -- those are just replacing the seats. They are a different kind of rail car.

SENATOR CRYAN: So those are just the Arrow replacements.

MR. CORBETT: Those are the Arrow replacements; that's right.

SENATOR CRYAN: Okay. So when we look at the future, given the fact of the delay situation -- that much of it is mechanical. Kevin, what's the plan for -- how do you prevent that in the future, right? If it was a bus and it has a 12-year shelf life -- as we've chatted about in Committee -- you would, in theory, order one-twelfth every year, right?

MR. CORBETT: Right.

SENATOR CRYAN: How do you do that for passenger rail, given the fact that it's the majority of makeup of the delays? How do you plan that out for the future? Can you share that with the Committee how that looks like?

MR. CORBETT: Well, that current service-- As we get those 113, that will bring down the average age of the fleet, so that will -- the corollary, with proper management you may see a significant reduction in-- As they say, the newer rail multi-levels -- which already are about a decade

old, but they're 400,000 miles between-- Every 92 days -- via class -- are inspected by FRA rules. So that -- the ones at 400,000 miles between breakdowns have a lot more reliability.

SENATOR CRYAN: So right now--

MR. CORBETT: Right now, the ones we're replacing are 40,000; this is almost tenfold--

SENATOR CRYAN: Right. So you gain a better reliability, but will the--

I guess, let me ask it this way, through the Chair.

Will the capital plan require more passenger rail car investment, and can you give us a little preview as to how much that may be?

MR. CORBETT: Certainly, glad for it; and I look forward to actually giving a fuller preview. I think the 10-year strategic plan is coming out shortly, which is the strategic vision. Senator Weinberg got a glimpse of it, because she came to our Board meeting; so we had some time to give her the, sort of, initial view of the strategic plan.

But the five-year capital plan is-- First, is the state of good repair, need-based. That was something-- Boy, I went into shock when I came in -- that there was no five-year capital plan. In any kind of business--

SENATOR CRYAN: We do see plans here, though--

MR. CORBETT: No.

SENATOR CRYAN: In the annual State budget, there is a plan that's produced, which--

MR. CORBETT: Right; there's a --

SENATOR CRYAN: You call this, here, a *Public Facing Capital Plan*, I noticed.

MR. CORBETT: Exactly. In the sense that, there's one thing for budgeting purposes; but if you look at the needs-based assessment and state of good repair-- So I brought in an engineering firm -- we had Gannett-Fleming -- to do a baseline assessment on all our facilities and our equipment. And if you look at a life-cycle cost -- you know, when you trade off operations versus capital expenses, and on life-cycle costs you're struggling -- all our facilities; the stations, the rail equipment, bus depots, anything that we own -- what's the proper, both operating and capital, budget? And the capital budget has long been deferred -- as I think all of you know -- in our budget. Out of our total capital budget, over the years, it's been roughly \$500 million a year has been taken from capital to operating.

SENATOR CRYAN: Right.

MR. CORBETT: So a lot of that equipment investment has been deferred. And as you know, if you defer capital investments, the consequences -- it becomes much more expensive.

So what we were doing -- you'll see -- is a five-year rolling capital plan, much like the MTA or Port Authority had, where you'll be able to see a full list of all the projects, the priorities by district, and say, "These are the needs, this is what it's going to cost to fix Brick Church Station, this is what it's going to cost to bring Walter Rand up to speed." We'll look to do private-public partnerships, where possible. But basically to bring into a state of good repair -- our catenary, new-- We critically need a new Northern Bus Garage--

SENATOR CRYAN: So it will be a full-scale capital plan.

MR. CORBETT: That's right.

SENATOR CRYAN: Okay.

MR. CORBETT: It will not-- What will be separate, though, is the expansion element -- extending service. We've talked about, right now, Senator, about sort of, replacing. Now we start talking about expanding service -- certainly you have the Camden-Glassboro Line, we've seen the growth that we've had on the River Line the role that that played down South. You have-- I know Senator Weinberg is very concerned, as many are, with the Northern Branch of the Hudson-Bergen Light Rail. That's a major project.

Those will have a price tag too, but those expansions will be separate from the basic state of good repair, just to make sure that we at least get what we're doing now right. But future expansion definitely is going to be a significant number.

SENATOR CRYAN: Last couple of questions on the capital plan.

One is that I believe last year you moved \$475 million out of capital to operating, right? With the advent of a new public-facing capital plan, would that number be reduced or eliminated, or stay the same?

MR. CORBETT: Well, the-- I, fortunately--

SENATOR CRYAN: If you don't know, just let me know.

MR. CORBETT: No, I would say, really, going forward, I know -- you know the Senate President, just from what I read, was talking about a dedicated funding. I cannot stress the importance of that enough.

One thing is the funding level; the other thing, though, is the predictability. If it's year-by-year, predecessors or myself -- you're going around with a tin cup.

SENATOR CRYAN: I got you.

MR. CORBETT: You can't hire someone.

SENATOR CRYAN: If you know you can get the money, you can figure it out, right?

MR. CORBETT: Yes.

SENATOR CRYAN: Okay.

MR. CORBETT: If you're hiring somebody -- you can't hire somebody for six months, and then the next year you don't know whether you're going to have a job or not. Same thing for capital. You need -- a lot of these projects straddle a number of years.

SENATOR CRYAN: Last thing on Rail.

So I think it's on page 17 in here, you talk about hiring 300 more locomotive engineers over the past couple of years, right?

The question out of the Committee -- and we've heard it from previous -- is that sustainable? Can you give us an idea, based on attrition, based on growth, is 300 the right number, based on how many folks are retiring? There's a concern that's been raised as to whether or not-- How does that number fit in terms of the overall--

MR. CORBETT: Sure.

Well, the 300 was Rail; Rail applies to both conductors and engineers. The number we need -- sort of the magic number in my head is 400 engineers. Right now, we're at about 350; when I came in, we were at about 325, and losing about 20 a year to retirement. A few went to other railroads for better pay; that's always a factor. But that was not really the critical factor. It was mainly that we stopped training them.

So you look at the number that we have in the pipeline now. By the end of this year, we should be at about 390; with a class that's going to

be graduating, I guess over 400. And then we want to keep that, because I do think even with our existing system, we still have the issue of rail service to MetLife, and you know some other-- We want to restore, still-- There's still some service to be restored. And I think Hoboken-- When we look at the problem in New York, I think we have to look at how to really maximize the utilization of Hoboken as a facility. So that means we will need more equipment and more engineers.

SENATOR CRYAN: So is it reasonable to say, through the Chair, pending expansion, as you just talked about -- MetLife and Hoboken -- that at the end of this year, beginning of 2021, you'll be reasonably adequate staffed where you can put classes in for engineers and conductors, and maintain what you have without going through this imbalance?

MR. CORBETT: Exactly. And I think it's important -- we also have PTC, which is why we're holding back on restoring. There's still a few trains that have not been fully restored; but until we make sure that PTC-- Because we now have five dedicated crews that are full-time focused on PTC behind the scenes. They're doing all the testing at nights and on weekends.

So as PTC -- as we get more and more successful revenue services demonstrations -- which is where the engineers are on trains that passengers are riding -- then we'll be able to take those engineers and start putting them into revenue service as well. So we should be going to that virtuous cycle this summer.

So people -- we expect heavy summer vacations, which people are entitled to. We can pull road foreman; it's a bad practice, but in critical need you take people out of the yard -- management who are certified to run;

we'll let them run. But this summer we will not be having the shortage that we've had in previous summers.

SENATOR CRYAN: Okay.

MR. CORBETT: It will be tight, but we'll be okay.

SENATOR CRYAN: Let me switch gears; same church, different pew.

Bus, all right? But the same kind of thing.

My understanding is, peak time runs at about 87 percent on-time, right?

MR. CORBETT: Yes.

SENATOR CRYAN: And that the goal is 92; is that right?

MR. CORBETT: Yes, that's exactly right.

SENATOR CRYAN: By the way, when we measure on-time -- just so that we're talking apples to apples -- we're talking six minutes late on both train and bus; is that correct?

MR. CORBETT: Yes.

SENATOR CRYAN: Okay, you're five minutes early or five minutes and 59 seconds late, you're on-time.

MR. CORBETT: That is exactly right.

SENATOR CRYAN: God bless 'em.

Same kind of questions, if you don't mind, Mr. Corbett, on the bus hiring.

You mentioned in here -- again you talked about hundreds of drivers who were hired on buses.

MR. CORBETT: Yes, we're up to about 700; yes.

SENATOR CRYAN: Seven hundred, right -- 700 bus operators?

Same kind of thing; and I know, in that particular case, you've not only dealt with the issue of just New Jersey Transit's needs, but you've also dealt with the CDL issue -- that every Public Works Department in the State of New Jersey is competing with Amazon and everybody else, right?

So could you talk to us, the same as you just did, on the engineering-conductor piece? Is that amount of hiring adequate? Does it give you a position to replace via attrition, and manage properly; or is there more to do?

MR. CORBETT: Yes, it is.

Well, it is for where we are now. I think we'll talk about expansion in a second.

But I think that's one of the things, again, where we -- to the Senator's question about bonuses -- that was something I think you're aware of. But I don't know that that's broken out; we can get that number, if you want.

But we -- to compete with the private carriers -- the Greyhounds and the like -- they were offering signing bonuses. You could see on the back of the buses, you know, "\$5,000 signing--" We did that, and that was critical in helping us be competitive with private carriers to get bus drivers.

So I think, as I mentioned in my opening comments, we would be having bus trips -- it's easier to hide a bus than a train. They say, "When have you had a train cancelled?" But we were regularly in and out of our bus depots, having, say, 40 cancellations a day of trips that didn't go out because we didn't have drivers. And we're now down into single digits. So I think we're pretty much where we need at that service; but you have a lot of

retirements -- there's more turnover in bus drivers, generally, compared to engineers. Engineers are more like airline pilots.

SENATOR CRYAN: Bus driver is a tough job.

MR. CORBETT: Yes, it is a tough job. But it's interesting -- the mix of drivers we have. You see a lot of minority women coming in as bus drivers; they are doing a very good job. So I think it's been an interesting opportunity to see, as we bring in new talent.

But I do think we-- Another thing that's underestimated is the ability to expand. If we get more buses -- to be able to expand service, which we have started doing selectively on a number of routes.

SENATOR CRYAN: Well, I want to talk to you about the routes in a moment, if I may.

But in the capital plan, we just talked earlier about what Senator Kean brought up about the current buys. Are there more buses in the fleet? And can you talk to us, or give us a preview, in terms of what they may look like and how much of that is electric or green energy?

MR. CORBETT: Sure; thank you.

There are two things: One is the articulated buses, the long ones that you saw; and we were with Senator Menendez, and the FTA gave us a grant. The first time we're actually expanding and increasing, instead of just replacing. The 25 additional articulated buses that are being paid for by a Federal grant of \$17.5 million, which was -- we got the highest grant level from the FDA; that was a real shot in the arm.

But those are the articulateds. But I think the bigger question -- which is an interesting one, that we see nationally as well as internationally -- are electric buses. There's interest in hydrogen, which some cities are

tooling around with. But the real thing is, how do you get the EV buses? There's-- I appreciate some in the environmental community; you know, they want you to go out and get 2,500 EV buses tomorrow and be all electric. And the reality is, even-- Personally, I wish we could do that. The reality is, the electric load for buses -- the charging station-- It's less the buses-- There are a lot of problems with the buses; they are new technology. There have been some real major setbacks for the electric buses. If you look at Indianapolis, the problems they've had; and Albuquerque, where the systems broke down in the middle of -- because of charging issues. So there's an issue with the buses.

But the main thing that we've seen is-- We've gotten involved with Los Angeles, and we had Michael Kilcoyne -- who I mentioned earlier -- he would go out and look at what Los Angeles was doing, what Toronto was doing. You really see-- The major issue is the infrastructure, the charging infrastructure. Our routes -- a lot of them are long, into New York. So to be able to keep those buses charged for 100 miles, 200 miles, is a real challenge. And where do you charge in the-- For example, what we're doing down in Camden with our pilot program there, the biggest challenge -- we're going to have to build a separate substation; that's just for eight buses.

So the future challenge-- We're--

SENATOR CRYAN: Are you planning this way? Are you planning, are you looking, are you considering those options as you move forward?

MR. CORBETT: Very, very much. In Camden, we're going to do that with eight buses. We're putting in a substation, we're working with PSE&G on that. And then, in Newark, again, you know, communities that

have a disproportionate burden from an environmental justice, air pollution-- In Newark--

SENATOR CRYAN: And Elizabeth.

MR. CORBETT: Elizabeth, absolutely. We're looking at those communities to do a demonstration project there.

There's no doubt, nationally, all the heads of transit systems know this is coming. And I think in the last year we really see -- it's less about the buses, or their issues with the buses; it's getting the 2,500 buses -- the electric load to charge those is going to be a major investment.

SENATOR CRYAN: So the capital-- By the way, what will the capital plan be? You said spring in here--

MR. CORBETT: Yes; April. Again, the quality of employees makes me feel that we are hiring the right people, and there are good people coming over. Rich Schaffer, who we hired from AT&T -- their lead structures engineer, who really wanted to be part of the turnaround -- he's doing a great job, and he's the point person for putting the five-year capital plan together.

And those costs -- we're looking particularly at Northern Bus Garage. I think Oradell -- many of you know that's the garage we have to evacuate every time there's -- you know, Sandy--

SENATOR CRYAN: Flooding, right?

MR. CORBETT: Yes, exactly.

SENATOR CRYAN: So you evacuate that thing a couple of times a year.

MR. CORBETT: Yes, at least.

SENATOR CRYAN: You had a deal, and it got cancelled, right?

MR. CORBETT: That's right.

SENATOR CRYAN: So where are you on some other site? Anywhere?

MR. CORBETT: We've identified-- We went through a whole list of where we have enough sites, where we could put 500 buses -- that would be the optimal number -- and we're looking at one in particular to acquire that.

SENATOR CRYAN: I'm guessing you definitely don't want to say that in public.

MR. CORBETT: No, not yet. (laughter)

SENATOR CRYAN: Yes, right? Every warehouse in the state's buying stuff.

MR. CORBETT: Right. But we're looking at sites that have easy access to highways, but that are not abutting residential communities, obviously. And that's tough to find, but you're not going to make everyone happy. But the issue there is to make sure when we design it that it has the infrastructure built in for charging the buses.

SENATOR CRYAN: I have a couple of the things, if that's all right.

One of the things I've been astonished at in these hearings -- listening to the public, and then having people talk to me, more so than ever, about commutes -- is the bus routes just, for the life of me, seem to -- at least to a lot of commuters -- not have a whole lot of rhyme or reason to them. It certainly seems to be-- And if you look at the app, this infamous app that we're all pointing to today, it could use a little bus refresher.

Can you talk a little bit-- I mean, are we off on this? Are you guys looking at designs of buses, routes, that kind of thing?

MR. CORBETT: Yes; in fact, we have in our plan for this year a major refresh of all the bus routes throughout the state.

SENATOR CRYAN: You are?

MR. CORBETT: And, of course, in the legislation, the reform legislation put forward requires a hearing in every county about that.

But a lot of-- The rhyme or reason is, you're just trying to keep what was in existence going, without stepping back and looking at it. A lot of those bus routes we took over from pre-existing busing; Public Service something up north.

SENATOR CRYAN: So how do you do it? I mean, do you do it via-- Literally, is it a-- I mean, like, how do you lay that out more efficiently? Since I know-- I mean, we all hear, right? I mean, we all hear about the buses going by and all this stuff.

So how is that methodology?

MR. CORBETT: A lot of it is-- You really have to start with the origin and destination of where people want to go. I mean, we have bus routes that were put in when a factory was in existence 40 years old. We keep that bus route going and the factory is closed. Meanwhile, you have areas where they have TOD development, and they're looking for a bus route. And so we need to look at what's shifted already, and then where are the trends going, and then have to match the bus routes to get the best bang for the buck, particularly trying to do--

One of the things-- The impact is really interesting in New Jersey. The Uber and Lyft, the T&Es -- they really benefit us. I've been talking to my colleagues in other transit agencies -- they're losing revenue to those. And for us-- A bit down South we see them triaging against the buses.

But up North, we see them, really, developing to feed us. I think -- an article that had the top 25 destinations for Uber and Lyft -- a very significant number are our stations, whether it be MetroPark, Hamilton, Trenton. So they are feeding us, and bus stops. And we're looking to get the bus routes to be able to match up to get that same thing; so the first mile-last mile. When somebody picks up their app, they're looking -- what's the quickest way to get from *A* to *B*; and we have to have bus routes that maximize the accessibility and availability for those--

SENATOR CRYAN: So you guys are looking at squaring that up, and also reexamining--

MR. CORBETT: Yes, and we expect -- as we roll that out -- we'll then have extensive public hearings. It'll be a major roll out of our buses.

SENATOR CRYAN: Okay.

SENATOR KEAN: If I may, through the Chair.

When was the last time that was examined?

MR. CORBETT: At New Jersey Transit -- not in anybody's memory. And Mike Kilcoyne has been with the company 28 years.

SENATOR CRYAN: Good, good stuff.

SENATOR KEAN: Thank you.

SENATOR CRYAN: A couple other things, if I may.

By the way, one of the things I heard about, from the nightmare of February 3, was the Uber rates from Penn Station. I'm sure everybody heard a story or two about how much Uber and Lyft can nail you at peak time, right? (laughter)

You mentioned development; you mentioned the factory that's closed with the development that's there, right? And we have some bills and some discussion in on that. You also talked about it in your statements.

How does it work? Is there better-- So some call it value-added, some call it a development fee, right? You mentioned it repeatedly in here. Is there a best approach in terms of-- We're building these huge pieces, as you mentioned, near Transit lines; we're increasing values, and yet we're not, for lack of a better way to put it, recapturing the value-added.

Can you give the Committee some of your thoughts on how that should work, and how that process should be?

MR. CORBETT: Yes, certainly.

I think one issue, which I think in a home-rule state is a difficult issue -- and I'm not advocating -- but one that I see in a lot of other transit systems, whether it be Hong Kong, New York, around the country-- You'll see where they have eminent domain that allows local zoning override -- and not necessarily in a hostile way, but in (indiscernible) with the community -- but where they can up-zone and get some of that; do a TIF that would get funding that allows the value -- a portion of that value to go directly to the Transit Agency.

SENATOR CRYAN: And that's paid by the developer themselves?

MR. CORBETT: That's from the developer. You know, the community -- the host community -- rather than getting it-- A lot of times it's called a *pilot payment*. So rather than paying the general tax rate for that property--

SENATOR CRYAN: Okay.

MR. CORBETT: --the assessed value -- they do one that's -- would be specific to that parcel, with a portion of that-- Payment in lieu of tax; the payment would go to the municipality, but a portion of that going to the transit system.

SENATOR CRYAN: Because again, as we sit here today, you don't -- even though you have this real estate division, you don't-- Your agency, not you, isn't approached in terms of development, in terms of where people are putting something next to a rail line or not. You're not consulted on those matters, are you?

MR. CORBETT: Often not. I think we perform best, like we did in Somerville, where that was a project where they worked with us.

SENATOR CRYAN: Okay.

MR. CORBETT: But I think the creation of the office that we did for real estate and transitory development -- that came out of the legislation that we've created -- is really to look where we proactively and aggressively work that. But we can't force -- we don't have any pressure on those-- I think some of the developers, who are not necessarily progressive on wanting to help fund those things, are a little shocked that we're now asking them to put skin in the game. They're getting a benefit; we want a part of that. And they may think it's extortion; I think it's reasonable. They're getting this kind of-- The property values wouldn't be what they would be if we didn't have Transit, and we feel they need to chip in.

So I think there's a little bit of a culture change in the real estate community--

SENATOR CRYAN: A couple of other quick points; and I appreciate the comments on that. As we craft something -- and hopefully

we do. I mean, we have an idea on this; so as we work it through, I appreciate the input, and we'll work with you on that.

I want to touch upon Access Link; 40 minutes to 30 minutes is obviously an improvement. Can you give me an idea as to what industry standards should be, and where you're moving on Access Link?

The Senate President brought it up -- we all-- I mean, the hearing was really tough. County lines -- it was just all sorts of things that were just--

MR. CORBETT: Yes, I think the -- if you look at-- Some people will ask us, who are Access Link users, "Well, why can't we use an Uber or a Lyft?" And there are some who are doing it in Florida; they're doing a test -- one of the transit agencies down there is doing a test program using Uber and Lyft.

The problem is, there are a lot of Ubers and Lyfts -- they can do it quickest. You know, it depends what the wait is -- whether it's 10 minutes, 20 minutes, it varies -- but certainly, their record, generally, is going to be quicker if you're at home using Uber or Lyft.

The problem is, they do not have ADA vehicles, or standardized ADA vehicles. So that -- we would look, then, how do we do that to get-- Do we make our app and our dispatching more in line with the way Uber and Lyft work, where people are familiar with that kind of thing? But we would need to make sure that we have vehicles that meet the needs of the ADA community; and right now, the T&Es do not have that ability.

SENATOR CRYAN: Last two points.

You mentioned that procurement has gone from 339 days to 134 within two years of your management. While I'm grateful-- It's an astounding figure. I mean, if you run these things that's a pretty, kind of--

How did that happen, and what's the industry standard, and how do you do it with long leads?

Can you talk -- elaborate a little more?

MR. CORBETT: Oh, yes.

Well, one is -- well, what's industry standard? There's industry, and there's *industry*. What is the industry in private rail or private transportation versus public? I mean, so that's, you know-- And if we're trying to get the maximum number of bidders and the best quality, the more you can facilitate and get that down--

Certainly you have to have the specs laid out, firsthand, before you start going to procurement. So that depends on what the procurement is. If it's a rail car, what the design is; and that goes by department.

But once it goes ready -- to me, it should be between -- before it's ready to go to the Board-- Once you procure -- unless it's an incredibly complex procurement -- to me it should be a four-month -- you should be able to do that in four months.

SENATOR CRYAN: So you're somewhere in the neighborhood now.

MR. CORBETT: Yes.

SENATOR CRYAN: In the neighborhood; okay.

Just to summarize, at least for me, because these hearings have been -- and thank you, Senate President, and all of us -- they've been educational and enlightening. I'm amazed, now, people actually stop me and

talk about their commute. And generally, they're not thrilled overall, but there are people who talk about improvements, and I think that's a positive sign.

When they ask me what's on the way, is it a reasonable way to say that-- When is the strategic plan coming out?

MR. CORBETT: Within a number of weeks; maybe in the next month.

SENATOR CRYAN: Okay. So if I were to say to them, "Look, as an interested commuter, look at the strategic plan; there's a capital plan that's out early April."

MR. CORBETT: Yes.

SENATOR CRYAN: Is that right?

MR. CORBETT: April, May; April, maybe May.

SENATOR CRYAN: April; I added the *early*. I admit it.

April, you're realistically looking at, if you're a rail commuter-- Look, there are engineers, there are conductors; the staffing situation, realistically, end of the year, puts us at 390--

MR. CORBETT: Yes.

SENATOR CRYAN: --the optimum being 400, first quarter of 2021.

However, rail cars -- not until 2023; and buses certainly have their issues still, but to look for a rerouting and a more intelligent approach.

MR. CORBETT: That's right, and meanwhile--

SENATOR CRYAN: And the year ahead-- Basically, do I have that right?

MR. CORBETT: Sorry, yes.

And meanwhile, they'll be seeing, much sooner, the new buses that we're starting to take delivery of right now.

SENATOR CRYAN: Okay.

And then to close it out -- Access Link -- how does 30 minutes get down; or how does that work?

MR. CORBETT: We need to improve the dispatching -- work closer with the dispatching--

SENATOR CRYAN: As you just said.

MR. CORBETT: --and improve the communications, yes.

SENATOR CRYAN: Okay.

Thanks Chair, thank you for the time.

SENATOR SWEENEY: Thank you, Senator.

Senator Weinberg, you had a question; I'm going to let you finish it up.

SENATOR WEINBERG: Yes, Mr. Corbett, I know you do have a couple of staff here with you. Could you introduce them, please?

MR. CORBETT: Yes; hopefully they're still here.

Nancy Snyder, who is with our Public Affairs; and Jim Smith is also -- I believe he's here -- Communications Director Jim Smith.

SENATOR WEINBERG: Who?

MR. CORBETT: James Smith.

SENATOR WEINBERG: From?

MR. CORBETT: From -- he's the Communications Director at NJ Transit.

SENATOR WEINBERG: Okay, so those are the only two staff--

MR. CORBETT: Yes, that's correct.

SENATOR WEINBERG: --that you have here.

Okay, all right.

Senator Cryan touched on some of the issues that were important to people I represent too. My area doesn't-- I know that the Senate President's area doesn't have access to anything.

SENATOR SWEENEY: We don't have transportation down there. (laughter)

SENATOR WEINBERG: My area doesn't have access to trains, only buses.

SENATOR SWEENEY: You've seen buses, though.

MR. CORBETT: Well, Walter Rand is in your area, right, Senator? (laughter)

SENATOR SWEENEY: We have pictures of buses. (laughter)

SENATOR WEINBERG: Yes; so we all have our own--

MR. CORBETT: We want you to come and visit the bus depot in Camden.

SENATOR WEINBERG: --parochial interest here.

And Senator Cryan touched on the fact that we are looking at ways to have developers pay into the -- how NJ Transit, and accessibility to NJ Transit, makes their property so much more valuable.

But on the other side of the coin -- and I know that you don't have input -- that, very often, the municipalities and/or the developers just never come to you. So you don't know that 600 new residents are going to suddenly appear on a given street corner.

MR. CORBETT: Exactly.

SENATOR WEINBERG: So it's not anything that has an easy solution.

But in the community, not only that I represent, but I happen to live in it and work in it -- we had a town hall meeting, a year or so ago, where NJ Transit was ably represented and answered a lot of residents' questions. And what is most troublesome -- they were talking about a new development of 600 new residents, or a new apartments. I don't remember whether it was the number of apartments or people. And NJ Transit said, "We don't have any room to put any more buses on the main artery outside those front doors."

So if the developer is now advertising, "Come rent an apartment here; you have easy access to the City via the bus line," there just isn't room anymore. There's no more room on the street to add more buses.

Have you found this happening in other areas? Is it--

MR. CORBETT: Yes, particularly you see that in Hoboken and Jersey City, right along the road, with all the development and growth we have there-- And you certainly, I know, have been a strong advocate for a Port Authority Bus Terminal. So you will particularly--

SENATOR WEINBERG: Oh, yes.

MR. CORBETT: Local, together with the XBL, we have one--

SENATOR WEINBERG: That, by the way, only took five year. So that was sort of an easy lift. (laughter)

MR. CORBETT: We could have another hour discussion on that one afterwards.

But it's true that they-- It is like a conga line. You know, you see it; I mean, it's-- And the articulated buses -- say in an average with

standing room, you get 60 people on the bus. The articulated -- we can get 103, so that increases capacity. Oddly enough, I would think those are more difficult to drive, personally; but the bus drivers say they actually find them easier to drive, so that helps on the shoulders.

The other thing we see -- the rush hours becoming-- More and more people either leaving earlier or later to, sort of, you know-- But in that corridor, it is really tough. And I think the major thing on that is, what can we do to get more throughput into the Lincoln Tunnel? And that puts-- You know, single occupancy vehicles versus buses; and then, also, to get a new bus terminal-- It's really an amazing sight to see; it's like the Bolshoi Ballet. If you go in on the third floor of the Port Authority Bus Terminal, inside where the buses are coming through, the way the dispatchers have those buses going through -- it's an amazing, clockwork performance to do that.

But that's pretty much maxed out. So we really need to look both at XBL lanes going into the Bus Terminal, and then be able to feed those from, particularly, along River Road and those communities, as well as coming in from Secaucus.

SENATOR WEINBERG: And I brought this up with New Jersey Transit a couple of times, most recently when we got the update on the strategic plan before the last Board meeting. The uptown terminal is, I think, underused--

MR. CORBETT: The GWB, yes.

SENATOR WEINBERG: --underutilized. And if NJ Transit did more to market that, it would take more buses out of the Lincoln Tunnel and bring them up there where there is easy subway connections.

Are you making any headway with that?

MR. CORBETT: Yes. We talked to the Port Authority after we followed your meeting the other night, and said, you know, "What can we do to make it--" It is a safer neighborhood there; and we need more police if we're to get people to change habits. Some people are sort of ritualistic about their commute.

But it is -- it's not a huge volume, but if it takes even 5 percent off, to be able to go by the GWB Bridge and get people used to transferring to the subway up there, that certainly is helpful. That also-- They don't have an express bus lane across the George Washington Bridge, so that, potentially, could tie into it to facilitate people doing that.

But it is not fully utilized. The same thing, as I said, on the rail side. We look at capacity; how can we get -- really try to maximize throughput at Hoboken, because we know what the situation is with New York Penn Station.

So it is something-- That one, though, is more -- it should be more readily fixable than, certainly, the tunnels -- the Gateway project.

SENATOR WEINBERG: Okay, thank you.

SENATOR SWEENEY: Thank you, Senator Weinberg.

I'm going to wrap up the questioning for today, with the commitment that you'll be back with the people who we've invited, correct?

MR. CORBETT: Yes, sir; and perhaps maybe a few more, depending on what you want.

SENATOR SWEENEY: The more the merrier. (laughter)

MR. CORBETT: (Indiscernible) you have.

SENATOR SWEENEY: Thank you.

I just wanted to point one thing out.

You know, Transit supplies, to the Budget Committee, a five-year spending plan every year. You know that.

MR. CORBETT: Yes, but that's not a five-year capital plan.

SENATOR SWEENEY: But capital is in it.

MR. CORBETT: Yes, capital is a component; it breaks down by department. But it's not-- From a corporate viewpoint, as a company--

SENATOR SWEENEY: Okay.

MR. CORBETT: --we don't have a five-year capital plan -- I don't know what we need from a business aspect.

SENATOR SWEENEY: There was a troubling article the other day that obviously sparked some anger within your office -- at a reporter.

And I just have a couple of questions to ask you, and then we'll wrap this up today.

Did you know the Chief Financial Officer before he was hired?

MR. CORBETT: No, I did not; no.

SENATOR SWEENEY: Okay; was it your hire?

MR. CORBETT: Yes.

SENATOR SWEENEY: Was the post advertised?

MR. CORBETT: That was right when I came in. I believe so, but--

SENATOR SWEENEY: Okay, okay.

Were you aware that the current Director of New Jersey Transit Rail Labor Operations, Brendan Egan, was the Chief Financial Officer's brother-in-law when he first applied for the job?

MR. CORBETT: Yes, I was. Bill Viqueira, the CFO, mentioned -- Actually, first I heard it through someone in the Rail Labor Department,

who was familiar with him from years ago and said that he was interested in coming over; that we had a real critical shortage in labor, Labor relations -- a lot of frustration with Labor, even Labor that weren't mad at us from a Labor-Management perspective, just getting simple things done for them.

So we had several positions that were vacant, and he asked if it was all right to apply. So from my understanding, he went to his brother-in-law and asked, "Would I be allowed to apply for that position?" And Bill came to me and said, you know, "Is it a problem?" There is nothing, policy-wise; and in the Rail industry it's not uncommon. We have, even, second-, third-generation employees whose sons or daughters are employed. So that is not a provision.

SENATOR SWEENEY: Well, listen--

MR. CORBETT: Yes -- so he did, and I said that was fine, if he's qualified.

SENATOR SWEENEY: As long as you were aware.

MR. CORBETT: Yes, I am fully aware.

SENATOR SWEENEY: And I guess -- the last question on this, though, is, when the interviews were taking place for this hiring, did anybody object to it?

MR. CORBETT: Not that I'm aware of. I know the Rail people -- the head of Rail and one, particularly, who was in Rail Labor Negotiations said they welcomed the support.

SENATOR SWEENEY: Like I said, I just wanted to know if there was anybody objecting to it. And again, we want qualified people.

MR. CORBETT: Yes.

SENATOR SWEENEY: You know that's obviously important.

But we had another Authority, the SDA, that some hirings weren't appropriate. And when I read that article, I was very concerned.

But you're telling me you reviewed it, you hired -- I got you.

MR. CORBETT: And he had 20-plus years experience in Labor Relations.

SENATOR SWEENEY: Did the Board approve these hirings too?

MR. CORBETT: No, they don't. We report to them, but they don't have to approve the hirings within the Executive Management Team.

SENATOR SWEENEY: When you say you *report* to them--

MR. CORBETT: We report how many hires. There's a summary of, you know--

SENATOR SWEENEY: Do you explain the jobs, the salaries, and why the salary would-- Like, this salary went up \$43,000.

Do you -- I mean, when you brief the Board, do you explain to the Board, "I've just hired a Labor Relations person"?

MR. CORBETT: Yes, we give a sheet; if they have questions, they ask them.

SENATOR SWEENEY: So they see this (indicates)?

MR. CORBETT: Yes.

SENATOR SWEENEY: But they don't approve it. They just--

MR. CORBETT: That's right.

SENATOR SWEENEY: One of the things I found out from SDA -- and I think it's something here that we might have to address legislatively -- is the Board doesn't have to hire the bus drivers and everyone else, but they

sure as hell should be hiring the management. The management shouldn't be left to hire each other. It should be left to the Board to make the hiring.

And I'm probably going to introduce some legislation to recommend that -- that all management hires have to be done by the Board. Because this way, you know what it does? It actually does everyone a favor, because it creates a barrier. And questions that I'm asking now aren't really questions, because the Board approved it.

So that's not to you; it's just a statement that I'm making, Mr. Corbett.

And I want to thank you for spending the time you did. Hopefully, next meeting, we're going to have all the answers to the questions. Then that should be plenty of time since November -- it will give you plenty of time.

How much time would you need -- let me ask you a question -- to answer the questions that we sent you back in November?

MR. CORBETT: I think we've answered them all here.

SENATOR SWEENEY: No, they were not answered.

MR. CORBETT: I'll check with Mark to find out what you felt wasn't--

SENATOR SWEENEY: We got submissions, not the answers that we asked for. Can we get that information at the next meeting?

MR. CORBETT: Absolutely.

SENATOR SWEENEY: Or our staff will work with your staff to show you where we're not satisfied.

MR. CORBETT: That would be a great starting point.

SENATOR SWEENEY: And how much time do you think you might need?

MR. CORBETT: It depends on what-- I thought what we prepared addressed the questions. If not, a month -- it depends on how many questions; I'd have to look at it. But we'll certainly do it in a way that -- it depends on the level of depth of information you need.

SENATOR SWEENEY: Well, listen--

MR. CORBETT: If it's five questions that we can answer in a week, it will be a week. If there is a lot of data -- I don't want to give you a wrong date.

SENATOR SWEENEY: But again, we asked for the data in November; that's the frustration -- that really it's a few months now. You knew the questions. We didn't get the data, we want the data, and that would make it easier for us as we go forward.

I'm going to be making an announcement pretty soon on my idea for dedicating funding to Transit. We sure as hell have to be confident that whatever money we give you is being spent in a very judicious way to ensure the transportation is improved. I'm not that confident right now, but we all can grow. I know I have-- I always can have better days, I can tell you that right now.

But Mr. Corbett, thank you for the time you spent. I do truly appreciate it.

Thank you for the commitment to bring the people to the next hearing, and we will give you sufficient time to answer the questions; we'll work with our staff.

But again, thank you for your time.

With that, the hearing's adjourned.

MR. CORBETT: Thank you, Senator.

(MEETING CONCLUDED)