

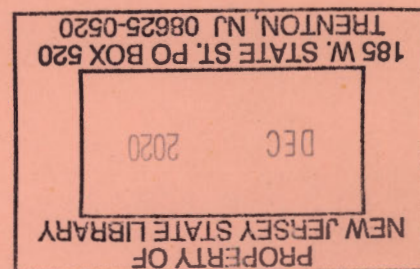
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PUBLIC HEARING
before
SENATE TRANSPORTATION & COMMUNICATIONS COMMITTEE
on
COMMUTER RAIL SERVICE IN NEW JERSEY

2-6-4

Held:
October 11, 1977
Senate Chamber
State House
Trenton, New Jersey



MEMBERS OF COMMITTEE PRESENT:

Senator Herbert J. Buehler (Chairman)
Senator Anthony Imperiale

ALSO:

Joseph P. Capalbo, Research Associate
Legislative Services Agency
Aide, Senate Transportation & Communications Committee

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SENATOR HERBERT J. Buehler (Chairman): Good morning, ladies and gentlemen. We are very happy to see you here this morning, on a beautiful October day. I would like to introduce myself. I am Senator Herbert Buehler, Chairman of the Senate Transportation and Communications Committee. Sitting to my left is Senator Anthony Imperiale, who is also a member of the Transportation and Communications Committee. On my right is the aide to the Committee, Joe Capalbo. We have been told that at least one other member is on his way and will be here to give us a near complete panel.

I would like to read a brief statement concerning the purpose of our Senate Transportation hearing today. We are here to examine commuter rail service in New Jersey. We have received numerous complaints from commuters regarding train delays, equipment breakdowns, station closings, cleanliness of passenger cars, facilities not properly kept up in the johns - simple things like toilet paper, drinking water cups and conveniences. The constant question that we hear is, why can't the trains run on time, consistently? Hopefully, the Committee will get answers to these questions today.

This Committee would like to find out what is being done to improve commuter service and performance. We are also interested in examining issues that I am particularly familiar with, specifically the progress on the electrification project for the North Jersey Coast Train, formerly known as the New York and Long Branch and the reasons for the proposed closings of grade crossings in Monmouth and Ocean Counties and the process through which these closings are determined.

It is well known that the performance of commuter rail service in New Jersey is inadequate. Anyone who attempts to ride on our trains on a regular basis will quickly find this out. What especially bothers this Committee is that New Jersey commuters risk losing even this inadequate level of service. Riders of Amtrak are faced with proposed service cutbacks. Recently, an order was sent out to eliminate 80 red cap jobs. I and members of this Committee, along with Joel Jacobson and others, petitioned Washington and our congressional delegation and finally enough pressure was brought to bear so that the order was issued to rescind the elimination of those 80 jobs. Those kinds of things are unconscionable. The red caps benefit those who are handicapped and who need help getting on and off the trains. The service cutback in that area, in my opinion, was indefensible.

The service reduction will result in great inconvenience to riders and will literally, in the Committee's opinion, drive people away from using public transportation. Such a policy seems incomprehensible.

So, today, we have invited representatives from the State, Federal Government, Conrail, Amtrak, counties, labor organizations, and the riding public to examine commuter rail service and to discuss ways of improving it.

Just for the benefit of the press and those who are interested, our morning schedule confines itself to statements from the Department of Transportation. We don't have a list of the speakers that may be here. I see Judge Labrecque, Monmouth County Chairman of Transportation. Any others that are here, please see my aide so that we can put you on the list.

This afternoon we will confine ourselves to statements from Amtrak and Conrail, who have already informed the Committee that they will have representatives here this afternoon.

Our first speaker is from the Department of Transportation, Mr. Richard Anderson, Director of the Commuter Operating Agency. Mr. Anderson, good morning. R I C H A R D A N D E R S O N: Good morning, Senator Buehler. I am presenting a statement this morning on behalf of the Department, for Assistant Commissioner Stangel, who is out of town on business this morning.

Thank you for the opportunity to appear before you today to discuss with you the present status of commuter rail service, particularly on the North Jersey coastline.

When the Administration took office in 1974, it found that the State's program for the support of commuter rail operations was in a chaotic state. All of the rail carriers were bankrupt. Their Trustees, dissatisfied with the level of financial assistance for passenger service being offered by the State's Commuter Operating Agency and running short of cash for all operations, were regularly requesting the courts supervising their reorganization to approve shutdowns of services. On some lines, the North Jersey Coast Line in particular, the ongoing disputes about compensation led the Trustees to cut corners on service quality and to defer maintenance badly on rolling stock and facilities. As a result, on-time performance worsened and track conditions so deteriorated that the Board of Public Utilities Commissioners reported that operations on the line at rescheduled speeds were unsafe. In this environment of clashing interests and downward spiralling performance, dramatic improvement was difficult. The Erie Lackawanna diesel lines had been re-equipped and the re-equipping of the Penn Central's fleet with MU cars was in process. Yet, plans were stalled for a dramatic revamping, with Federal assistance, of the EL electrified service's rolling stock and power system and an extension of electrification on the North Jersey Coast Line with additional electric powered self-propelled cars.

This Administration gave high priority to both of these projects by completing the necessary procedures to qualify for Federal funds, hired consulting firms to perform preliminary and final design of both projects, which work is moving swiftly, and ordered the construction of 230 MU electric cars, about 70 of which are already in service. The commitment by the Urban Mass Transportation Administration last September of \$400 million in capital assistance for New Jersey provides an assurance that these projects will be completed.

During the past four years, the ownership of the railroad industry in this State underwent a profound change. The reorganization of the bankrupt carriers of the Northwest and Midwest into a consolidated railroad - Conrail - occurred in April of 1976. This removed New Jersey's commuter rail system from the suffocating grip of bankruptcy. Federal laws originated by our Department and sponsored by Senator Williams and Congressmen Howard and Florio, have established an orderly process for determining the appropriate level of compensation and an emergency operating assistance program that will save New Jersey taxpayers \$35 million in commuter rail operating costs. Yet, with this new era of Conrail operating comes the discontinuity which accompanies a change of management. This discontinuity has slowed the momentum for improvement. Also, inherent in Contrail's takeover is the fact that it is chartered to be a profit-making freight carrier. Naturally, its decision on the allocation of its resources between passenger and freight properties are bound to favor freight needs.

I would like to briefly review with you what we have accomplished in the past 3 1/2 years, particularly on the North Jersey Coast, and what we see as our commitment to the rail commuting public in the next few years.

Of particular importance to the Department has been our continuing work on the extension of electrification on the North Jersey Coast Line. Some \$27.5 million in 1968 bond funds - those are State funds - and \$110 million in Federal capital assistance are reserved for this project. The construction has begun of 50 MU electric cars for service on the extended electrified line. Approval of the first phase of the final design for South Amboy to Matawan was received from UMTA in April and approval of the second phase final design from Matawan to the end of electrification - either Red Bank or Long Branch - is expected in mid-1978. The first phase should be in operation by June 1980, the second phase in late 1981.

The result of this project will be more attractive and reliable rolling stock for the bulk of the 10,440 one-way weekday North Jersey Coast riders, faster travelling times, smoother track and more flexible service.

At the same time the Department presently has a study in progress entitled, "The Improvement and Extension of Commuter Transportation Services in Monmouth and Ocean Counties." This study will examine existing service in the two counties, the possibility of new rail service on existing right-of-way, station location and design as well as fares, revenues and levels of service. Various alterations will be analyzed in terms of their capital and operating costs as well as possible environmental effects. We anticipate completion of this study by the end of this year.

The North Jersey Coast Line has been the subject of extensive rehabilitation work over the past 5 years.

In 1976 the Department completed an extensive program of track and platform rehabilitation as well as grade crossing improvements on the New Jersey Coast, from South Amboy to Bay Head. Improvements were made to 63 grade crossings at a cost of \$1.45 million and nine stations for about \$300,000.

In addition, considerable deferred maintenance of track has been corrected. Since 1973, 50,000 new ties were placed, 6 miles of new track was laid and 38 miles of track was rebalasted and surfaced for a total cost of \$1.5 million. Nonetheless, slow orders are still in effect, eastbound at South Amboy and Red Bank, westbound from Manasquan to Point Pleasant, and in both directions in the vicinity of Morgan and Matawan. Conrail has included in its 1977-78 budget track work for this fall to correct these deficiencies, but, recent reports indicate that Contail may be changing its plans. At this time, we have been unable to determine whether that work will indeed be done as formerly promised.

The Commuter Operating Agency purchased a portion of the North Jersey Coast Line from Bradley Beach to Bay Head Yard for \$839,286 in 1976 as part of the Federal reorganization process. Had the State not purchased that portion of the line, it would have been abandoned by the New York and Long Branch Railroad. Moreover, Federal legislation also originated by the New Jersey Department of Transportation and sponsored by Senator Williams and Congressman Florio gives the State the option, until September of 1978, to purchase the balance of the North Jersey Coast Line as well as other commuter lines in the State. The prices of these properties are quite modest. Ownership of these properties would enable the State to save the cost of return on investment now being paid to the carriers and gain greater control of the facilities whose improvement is funded mainly by the State. The Legislature appropriated \$10.4 million from the escrowed commuter taxes to finance the exercise of these acquisitions.

In its current construction program, the Department now has underway

a significant number of other construction projects to improve the long-neglected North Jersey Coast facilities. These projects include the following:

A \$2 million rehabilitation of the Manasquan River Bridge, just north of the Bay Head Yard, to replace deteriorated structural steel throughout the movable span, replacement of an approach span and other work. The design plans are nearly complete and the project is scheduled for advertising for bids next month. Funds are available from the commuter tax appropriation.

A \$4.8 million improvement of the Navesink River Bridge, just north of Red Bank, to replace all ties and rail on the bridge and weak or defective bridge structural members. Design plans are complete and the project will be scheduled to be advertised for bids upon execution of a railroad force account agreement with Conrail. This project is being funded with 80 percent Federal assistance.

A project to convert the system which powers the movable span on the Raritan River rail bridge from coal-fired to an oil or hydraulic-fired system. This will result in labor savings and a more reliable operation of the movable span, which is quite critical for operations on the North Jersey Coast.

Preliminary engineering for the construction of the Raritan River bridge to widen the channel for vessels passing into the Raritan River harbor facilities-- According to available records there have been more than 100 vessel-bridge collisions since 1961. Funds from the commuter tax appropriation will be used to begin the preliminary engineering to develop a case for Coast Guard Truman-Hobbs funding of the bridge reconstruction.

A \$575,000 project for the construction of permanent electrical standby facilities at Bay Head Yard. This will assure reliable overnight charging of passenger rail car batteries and the pre-cooling of passenger coaches during the summer months. This will result in effective air conditioning during day-time hours. The project, funded from the commuter tax appropriation, is scheduled for completion by June 1978. And, we look forward to improved reliability of the air conditioning on the cars next summer.

A \$30,000 project to refurbish equipment at the South Amboy substation, so that deferred maintenance can be corrected on this important electrical facility. This will assure more reliable performance of the power system in the South Amboy vicinity. This project is also funded by the commuter tax appropriation and Federal emergency operating assistance funds.

The Department recently purchased 32 coaches formerly used in intercity service to replace aged, poorly maintained rail passenger coaches. Thus far, two of the cars have been rebuilt and placed in service. Two more are currently being rehabilitated under contract with the General Electric Corporation. The remaining cars - I should note that these cars are anticipated to be in service before November 1st - 27 in number, are to be rehabilitated as soon as the Department either reaches agreement with Conrail on the rehabilitation process or takes bids on rehabilitating the cars based on the specifications now being developed. This project will be funded from the commuter tax and Federal emergency operating assistance.

A \$250,000 program for the development of a prototype of an overhauled EMD-8 diesel local locomotive, used on the North Jersey coast. These well-worn locomotives must be overhauled to eliminate the frequency of equipment breakdowns. Funding is available from the commuter tax and Federal emergency operating assistance.

A \$150,000 program to replace the toilets on older passenger cars to

meet new Federal public health standards and also greatly reduce the amount of maintenance required to keep the toilets properly operating. Funding for this conversion is also available from the commuter tax fund.

On the grade crossing hearings, which Senator Buehler mentioned in his opening statement, in 1972, the responsibility for all grade crossings in New Jersey passed from the Public Utility Commission to the Bureau of Utilities in the Department of Transportation. The Bureau has undertaken a comprehensive review of all crossings in the State in order to properly assume its new responsibilities. At the request of the Division of Commuter Services, the Bureau of Utilities has given priority to passenger service territory, among which is the North Jersey Coast. This line has more grade crossing than others in the State and hearings are in process.

The objective of the hearings is to determine what action, if any, should be taken by the State under the National Highway Safety Act of 1973. This can include signalling and protection changes, grade separation, pavement upgrading and track upgrading and possibly closing. It should be clear that the objective of the hearings is not closing per se; closing is only one of a number of alternative courses of action. The focus is on safety in this particular program.

The process involves the receipt of formal and informal testimony by the Department's hearing examiner who will recommend a course of action to the Commissioner and establish the record needed for Federal participation. This is the very key to this program. Unless the hearings now being conducted are held, we cannot obtain the Federal participation available under the National Highway Safety Act for whatever it is that should be done at each particular grade crossing. For example, during fiscal year 1977, the Department obligated approximately \$5.5 million in Federal funds which require only a 10 percent match of State funds.

As you are aware, the State is dependent on Conrail and Amtrak to maintain and run the service for which we contract. Since the bankruptcy of the Penn Central, we have had difficulties in maintaining the equipment, for example, at Sunnyside Yard. The primary reason for this has been the lack of funds to provide adequate space facilities and manpower. The MU cars have suffered most because of their complex nature. No special facilities have ever been designated for the repair of the State owned cars and a great deal of the maintenance still has to be done in an outside area where there is no shelter.

While some facilities do exist at Sunnyside, priority use of these facilities has often been given to Amtrak Metroliners. Amtrak is responsible for the maintenance of the facilities at the Sunnyside Yard.

There is at present a study by the Federal Railroad Administration related to improvement of facilities at Sunnyside as a part of the overall Northeast Corridor Improvement Project. The final results have not yet been made public. It appears, however, that a majority of these funds for improved facilities will be invested in Boston and Washington. What remains may prove to be insufficient to significantly improve the Sunnyside Yard.

If new facilities are built there, they may only be for Amtrak equipment. No funding is included in the program for the New Jersey Commuter Facilities. The State, at its expense, may be able to share in these new facilities, or might possibly obtain the use of older buildings which would not be utilized after the construction of new facilities in the Yard.

Exhibits 1 and 2 to my statement analyze the operating performance of the railroads before and after the Conrail takeover and indicate that there has been a slight improvement in the on-time performance of Conrail for the North Jersey Coast. However, the record also shows that train delays of 10 minutes and over are greater than the 5 to 9 minute delays. What this indicates is much longer delays.

The key to successful operations of passenger service for the patrons of the State of New Jersey really is dependent upon the commitment to passenger service that is made on the part of Conrail and Amtrak. This obviously poses some difficulties. Conrail's basic orientation is to freight service. Amtrak's basic orientation is to inter-city service, as contrasted with commuter service. Just last Wednesday, my Assistant Director and myself met with representatives of Conrail in Philadelphia to discuss the commitment of that organization to the provision of passenger service in the State of New Jersey. The verbal reaction of the gentleman with whom we spoke was quite hopeful and good. However, as you are well aware, the future will only tell of the improvements that have been made and whether, indeed, Conrail and Amtrak are willing to make the necessary commitment to see that the service in the State is properly run.

One further note on that is, the Department expects to, within this fiscal year of 1978, get underway a study of alternatives to the management of our service by Conrail. We expect that study will take somewhere in the order of a year to complete.

Talking a little bit more about the Department's commitment to the North Jersey Coast, in our fiscal '79 capital budget request - which at this point, as you are aware, is a document that has not yet reached the Governor - the Department requested \$3.15 million for the rehabilitation of 19 diesel locomotives which operate on North Jersey Coast. These locomotives are in very poor condition because they were not properly maintained by the railroad over the years and are in need of major overhaul and total rehabilitation.

In addition, \$1 million was included in this fiscal '79 capital budget request for rail capital improvements that would result in operating cost reductions and, in addition, improvement in reliability of the service. Specific improvements that have been identified in this program on the North Jersey Coast include:

- a. Improve interlocking and signalling at Union Tower.
- b. Reverse signalling between Union and Wood interlocking.
- c. Upgrade signalling on Track 1 near South Amboy Station to allow MU operations to increase speeds.
- d. Realign tracks at Wood interlocking to increase speed.
- e. Remote controlling of Wood interlocking.
- f. Remote controlling of Essay Tower.

Three million was included in the fiscal '79 capital budget request for the construction of an MU maintenance shop, previously mentioned a few moments ago, at the Sunnyside maintenance yard. How these funds will be utilized will depend on the outcome of the study being done by the FRA, previously mentioned.

One-half million was included in the fiscal '79 capital budget request for improvements to the public transportation information system. A variety of improvements could be included, such as an extension and improvement of the "train tracker" system that is now operating in the Northeast Corridor. The train tracker is a public address system located at stations and platforms which

informs commuters of whether or not a train is on schedule. Information system improvements could also include further trailblazing signs, the number and types of signs at stations, public telephones and information boards which display the bus and train arrival times and departures.

Regarding the completion of the electrification project, additional funding is required to supplement the project budget in order to provide the following additional improvements from South Amboy to the Long Branch area -- extension of electrification from Red Bank to Long Branch including traction power, catenary, signals, communications, and track work. Five million dollars was included in the fiscal '79 capital budget request for these improvements and the Department is, in addition, seeking additional urban mass transportation funds in the sum of approximately \$20 million to complete that project.

In our future capital programs, in order to complete the rehabilitation and modernization of the North Jersey Coast Line, the Department intends to explore the practicability of rehabilitating the best of the existing North Jersey Coast passenger car fleet for service south of Red Bank or Long Branch, depending upon how the electrification project is resolved.

In addition, we will explore the alternative of purchasing new equipment with a door configuration designed to reduce station stop time, thus improving the overall station-to-station running time, to assist in improving the service provided for the passengers.

The Department is also exploring the reverse signalling of the remaining part of the line between Bay Head and the electrification terminus to improve service flexibility so that express trains can be routed around trains and local service and, in an emergency, this improvement would allow for a substantial reduction in delays due to the possible breakdown of a train on the existing single track running northbound.

Senator Buehler, those conclude my remarks. We have representatives from the Department - from other areas of the Department - who are involved with the electrification process and the hearing and the capital area, as well as myself, who will be glad to answer any questions that you might have.

SENATOR BUEHLER: Thank you very much, Mr. Anderson, for a very comprehensive statement. I would appreciate it if, before the conclusion of our hearing today, you could supply the members of our Committee with copies of your statement and also if you would have available copies for the news media.

MR. ANDERSON: They will be here shortly.

SENATOR BUEHLER: Will we have that soon?

MR. ANDERSON: I expect them momentarily, Senator. They were being duplicated as we left.

SENATOR BUEHLER: That would be very helpful to the Committee. While we will get a transcript of this hearing, for the immediate use of the Committee it would be very helpful for us to have that statement. As you know, the process here in Trenton of these hearings it that we do not have available to us the transcript for some days.

First, I would like to ask a few questions and Senator Imperiale also has a few questions that he would like to have answered.

You did give us a pretty thorough breakdown as to what has happened since 1973, specifically you also went into the \$400 million that has come down for mass transit since Conrail has taken over in April of 1976. You mentioned that there are some critical areas that are currently being looked at and that

in one particular case, as you mentioned, - the Manasquan Bridge, involving \$2 million - bids will go out next month. You also mentioned that the process of bidding will take place in the near future with regard to the Navesink Bridge. One question that this Committee is extremely anxious about is the safety of the service to our passengers. Are there any other critical areas, either in the rail or with bridge conditions, that you would, at this time, deem unsafe and which are getting attention from your Department in terms of future safety for our passengers?

MR. ANDERSON: No, Senator, there are no areas. I should point out that while safety is not the responsibility of the Department of Transportation along this line, we nonetheless are very sensitive to any needs and there are no areas that we are aware of that do not meet the FRA standards at this time.

SENATOR BUEHLER: Well, I was led to believe by one of your statements that safety is a concern of yours, in terms of grade crossings. That is another matter?

MR. ANDERSON: Yes, sir.

SENATOR BUEHLER: That is your responsibility?

MR. ANDERSON: Yes.

SENATOR BUEHLER: Specifically, I have petitions here from a priest in Point Pleasant who is very much concerned over the hearings that are currently taking place in Monmouth and Ocean Counties regarding grade crossings. Your concern is safety. I think that is a concern we all have, but it appears that the proposal to close a couple of grade crossings on Jersey Avenue and Foreman Avenue would impede the normal operation in Point Pleasant in that area. There is a police station located, for example, on Jersey Avenue. There is a parochial school and a church on Foreman Avenue. I don't want to go into all the other statements I have here from municipal officials.

Coming from a priest and from a responsible member of the police department, the closings of those particular grade crossings, if they should come to pass, would be an impediment, or a disadvantage, rather than an advantage to the flow of traffic as well as to the performance of service in that single community. I mention that as a specific example as to whether or not these hearings, when they are held, will produce a vehicle whereby the Department of Transportation recognizes this and doesn't just have a dialogue for the purpose of having a dialogue and then just move along with these projects. That is one of the frustrations that the Committee finds in our work with our constituents. How can you respond to that?

MR. ANDERSON: Senator, I can only give you my assurance that the Department has no view toward railroading, if you will - that's a pun, isn't it? I apologize for that - toward pushing through any grade crossing closing in which there were significant concerns raised by the local municipality -- that have to do with the flow of safety equipment going back and forth, children going back and forth to school, traffic overload, and so forth. The hearing examiners are specifically instructed to be responsive to those kinds of instructions.

Again, as I indicated before, the closing is just one of many options that are considered by the hearing examiners. The hearing examiner's report is reviewed by the chief hearing examiner in this area - Mr. Mitchell, who is with us today - for completeness and consideration of the views of the local individuals and then transmitted on with a recommendation to the Commissioner.

I think the only way we will know this will be by the resulting end record, which I think will amply demonstrate that the Department has taken into account, to the appropriate degree, the concerns of the local municipalities.

SENATOR BUEHLER: Well, I am glad you have Mr. Mitchell here because I am sure that Mr. Mitchell and his inspectors are aware of some of these problems.

Let me tell you, as one observer who is interested in safety in transportation, if you will look at Memorial Drive, which is a new stretch of highway that relieves traffic on Main Street throughout Monmouth County, you will note that there are stop signs that are located on the west side of those grade crossings which virtually strands a person on the railroad. This is a very critical safety problem that I bring to the Department's attention because I am of the opinion that there are many senior citizens who get a little up tight when they are trying to cross Memorial Drive and there is a stop sign that is placed on the west side of the track as they are coming from Main Street and trying to get across Memorial Drive. I mention that because that is the same situation that exists down in the Point Pleasant area.

Does the county transportation committee have a strong voice in terms of their recommendations, since they are close to the source of action in their respective counties? In your view, is their information useful? Is it implemented as part of the decision-making process? Maybe Mr. Mitchell can respond to that.

MR. MITCHELL: I am Mr. Mitchell. Certainly, Senator, they do have a voice. Everyone has a voice. The individual citizen can appear and the county is certainly welcome to appear.

Senator, our entire purpose with these hearings is informational at this point and certainly we are delighted when a county appears, and any of the local citizenry.

SENATOR BUEHLER: Fine. I am sure that Judge Labrecque, who is going to be testifying later, will substantiate that but those are some of the questions that you see when you are close to it every day. You then wonder about whether or not it is going to be in the interest of safety that some of these decisions could be made.

The tough question that I would like to ask before I turn this over to Senator Imperiale - and this question is addressed to you, Mr. Anderson - is, what are some of the greatest complaints that you and the Department have with Conrail and Amtrak that you deem as frustrating, or difficult, day-to-day problems for our commuters?

MR. ANDERSON: I think, Senator, I would have to put it in the context of our discussion with the management of Conrail that I related to earlier and that is that the organizational structure provided in the Atlantic Region to deal with passenger service is not appropriate for the task at hand. There are questions and requests which go unanswered for an inordinately long period of time. There is also, in our view, a lack of authority at the local level so that the questions can get resolved.

Conrail is a very large bureaucracy with responsibility for various activities scattered throughout the bureaucracy and it becomes very difficult to get answers out of the bureaucracy. We find that, organizationally, there is not a person, either in Conrail headquarters or here in the region, who has the authority to shake the organization and get the answers that we require.

At our meeting with Conrail last week we indicated we would supply them with a list, for example, of decisions which are necessary for progressing the electrification extension, which have been someplace in the Conrail bureaucracy for an inordinately long period of time.

I think until the management structure is sufficiently revised and the organization itself says, "yes, we are receiving fair payment for the services that we are performing for the State; we are going to do a good job," we are going to continue to scuffle along with these day-to-day problems because the State cannot reach into Conrail's day-to-day operations and do the little things that are required to insure that the service is run on time. We can provide capital for rehabilitating cars. We can provide capital for doing track work. We can provide capital for refurbishing the shops. We can provide salaries for sufficient manpower. But, we are not there to pull all those things together every day and make it go. That is Conrail and Amtrak's responsibility and at such time as they have the commitment to it, then I think the job will be dramatically improved.

We recognize that there are problems on the North Jersey Coast, in particular, of antiquated equipment and we are doing the very best we can to replace that. I have indicated in a number of areas in testimony about the substantial number of capital dollars that we have committed and that we are in the process of committing and that we have put in a budget request for, for both equipment and right-of-way to improve the service.

SENATOR BUEHLER: Mr. Anderson, your responses are forthright and to the point and I know your priority is to provide excellence in commuter service. I just have two more questions and then Senator Imperiale has a few questions.

Do you believe that the philosophy of the former managers of Penn Central and what was formerly the New York and Long Branch, which appeared to me to be more devoted towards freight service than toward passenger service, has changed or is it still the same, and do we still have the people who were at the top in executive positions - former Penn Central people? Are they still there making these decisions that seem to be contrary to our interest in moving ahead with passenger service and performance?

MR. ANDERSON: There is a substantial mixture of new faces and I would have to say that the individuals with whom we had the most difficulty are no longer on the scene, day to day. I think because of some of the good local reaction we have begun to see in Conrail, that is the main reason I made the trip to Conrail headquarters. We saw some signs at the regional level which we think, if duplicated at headquarters level, could do the job.

You see, in previous times, the complaint of the former railroad operators was that they were bankrupt and not only did they not have any money to put into passenger service but on those tracks where they were running freight service as well as passenger service, they couldn't even keep the freight tracks up. So, if the tracks were bad, they were not only bad for the passenger service, they were bad for freight service, although generally speaking, you can maintain your freight service on track that is considerably worse than that required for passenger service.

But, now the complaint about money should no longer exist. Under the contract which we have just about completed negotiating and the rail services planning office of financial standards, there is no reason for either Amtrak or Conrail to claim that New Jersey is not paying a fair price for the service

it gets.

SENATOR BUEHLER: All right. My bottom line question for now is - and it is a source of great irritation to me personally, perhaps because I am from a railroading family for over 50 years and I worked for the railroad for all my high school summers and all my college summers - I can remember steam performing much more effectively than diesel. I can remember jobs that I held where a train would never leave a yard late because it was just a routine that was followed - and it would reach its destination on time. It was an on-time performance 20 years ago. All you have to do is check the timetables - then and now.

There were passenger cars that never left the shop until they were thoroughly cleaned. I mean, they were thoroughly cleaned, because I was in them putting in water coolers and seeing to it, with the staff that worked out of Jersey City Terminal, that no passenger car left that wasn't fully equipped.

Now, we are spending \$400 million - a commitment by the Federal Government. New Jersey is subsidizing \$4 million a month and I hear complaints that we can't do the job. Now, if we can't do the job, then maybe we ought to abandon passenger service and stop kidding the commuter, number one, who gets a ride competitive with taking his car to New York. I think that is the only thing that keeps him on the line.

But, let's not kid the taxpayers throughout the country. Now, don't we have enough money, or don't we have enough people who can manage the railroads? What is the problem, as you see it? Because the situation is not getting better.

MR. ANDERSON: Well, Senator, I would have to say that - I will make a couple of observations - one, the escalation of the cost of providing rail passenger service is as frightening to me as it is upsetting to you because I sit very closely with the figures every day and I have to try and determine how I can justify these kinds of increases to you.

In terms of service, to the traveling public, I would say that in the Erie Lackawanna electrified and diesel territory, folks get reasonably good service up there. As a matter of fact, they probably get among the best in the country. And, that has continued pretty closely. We have some minor concerns.

In the former CNJ territory, that service is now much more dependable than it was.

In the former Penn Central, or now the corridor territory, we have so many cars available now that we can keep ahead of any lacks on the part of the maintenance shops. That, of course, will not last forever.

The North Jersey Coast had been neglected for so long and its problems are so enormous that I don't see the end of the trail yet. I will tell you what the end of the trail is. The electrification project of 1981 will get us down, hopefully, to the vicinity of Long Branch. The major structural work on some of these bad structures will also be done by then.

The Raritan River Bridge is going to remain a delicate bottleneck and it will require an enormous capital investment to get that squared away. At this point in time, we are talking about engineering studies of what it will take to replace the span.

Below Long Branch, we still have the problem of running the old

fleet of equipment or replacing it. Now, the electrification of the corridor - that is, the northeast corridor - to a new standard is supposed to also be done by 1981. That means the GG-1 electric locomotives that we are running down on the bottom part of the north Jersey coast will be obsolete. They will have to be replaced.

The diesel locomotives that we are running down there are really falling apart and we are in the process of putting major capital amounts of money into those.

What really remains is to do something about the 100-car fleet of coaches because our current program is only going to get rid of the worst 31, not the other older coaches, and to reverse signal the track so that we can provide reliability of service. When those things are done, then we will have what the folks down there ought to have.

SENATOR BUEHLER: I am sorry, I did have one question that my staff put together. What is your reaction after you go through a process of lack of communication with the people you are dealing with in Conrail and Amtrak? What, ultimately, can you do if you get to the point where you are getting these constant complaints - as I do? Judy Owens, former President of NJEA was delayed in August for several hours on a train that was just sitting on the track, going nowhere. It broke down. Trains passed through the night. There was no communication. There was no way of getting in touch with the people she was supposed to be with for a very important meeting affecting over 100,000 teachers. She wrote to me in utter frustration. You have those frustrations. What, ultimately, can you do about them?

MR. ANDERSON: Well, there are two avenues. The first avenue deals with Amtrak - and, again, Amtrak only operates on the northeast corridor. They own it and they operate it, if you will. There is what is called an operations review panel which we can convene and attempt to mediate the situation there if it warrants. In terms of the North Jersey Coast, it is going to require two things. The first one is the completion of all these terribly long-haul major capital improvements because of the tremendous number of years of neglect and, second, the commitment on behalf of Conrail that I had mentioned before. If that commitment is not forthcoming, then I would think it will require the Commissioner to go to the President of Conrail and turn it into a public issue because at that point we would have exhausted our discussions at the staff level and, since we would have a contract in place, the monetary question is no longer a question.

I should point out that it is our intention to have in our contract - and we are in the last phase of negotiation - a system of incentives and penalties for performance. If Conrail continues, when the contract is in force, that kind of performance, it is going to start costing them significant amounts of dollars. I presume that would get management's attention.

SENATOR BUEHLER: It will cost them dollars? What do you mean, it will cost them dollars? If they are dealing with taxpayer's money, how will it cost them dollars?

MR. ANDERSON: They will not get paid up to their contractual level. They will be penalized. There will be a certain fee for each late train, depending on how late it is, and that will be deducted from their monthly payment.

SENATOR BUEHLER: You know what that will result in? That will result in a fight between you and Conrail and the commuter will suffer.

MR. ANDERSON: I think not.

SENATOR BUEHLER: I hope you are right.

Senator Imperiale.

SENATOR IMPERIALE: Mr. Anderson, who determines the priorities between rail maintenance and passenger and freight? Who has the say so as to what gets done first?

MR. ANDERSON: Conrail runs the shops where freight passenger engines are repaired and maintained, Senator, and basically they are in control of the work, therefore they set the priorities. Amtrak does not have that problem. At Sunnyside there are no freight trains but there is a priority to be selected between Amtrak trains and New Jersey operated trains. There again, they are running the shops; they wind up setting the priority.

SENATOR IMPERIALE: In other words, you are saying that the State doesn't have any say whatsoever in what the priority is of passenger service, freight service, and maintenance of rails?

MR. ANDERSON: We get in there and argue like the devil with them every day. We have fellows on the scene and we work hard to get our share of attention and in a lot of cases we do. In some cases we don't.

SENATOR IMPERIALE: Isn't it a fact that presently freight service seems to get a priority over passenger service and safety?

MR. ANDERSON: Well, I shouldn't say safety because the railroad cannot operate in an unsafe condition. There are FRA inspectors on safety and the railroad, I think, has a proper focus on safety. Generally, we take their recommendations and if they say rail has to be replaced because it is in an unsafe condition, we don't even contest that. We replace that. I think their procedures are pretty solid in the area of safety.

In terms of freight operating on the corridor, we think we get the short end of the stick, quite a bit, in terms of both freight and Amtrak service in the Northeast corridor. That is the old Penn Central main line.

SENATOR IMPERIALE: I am not trying to be argumentative with you but I can't agree with your statement concerning safety - you said they deal on the priority of safety. That is not true because there has been an unsafe condition prevailing on Franklin Avenue in Belleville for four years - and before the four years.

MR. ANDERSON: A grade crossing?

SENATOR IMPERIALE: A crossing, right.

MR. ANDERSON: Okay. That is not the railroad's responsibility.

SENATOR IMPERIALE: The rail tracks there are not their responsibility?

MR. ANDERSON: The tracks are but in terms of safety, if you mean whether the gate is working and that kind of stuff, that is not theirs.

SENATOR IMPERIALE: Why not?

MR. ANDERSON: I am told that the Commissioner of Transportation has the responsibility for grade crossing safety in the State, under Title 48. I mentioned earlier that it was transferred from the PUC to the Department in '72.

SENATOR IMPERIALE: Are you trying to tell me that the railroad crossing gates that were there on Franklin and Belleville Avenues, that were maintained by the railroad, no longer exist because it is now taken over by the Department of Transportation?

MR. ANDERSON: I would have to look into the specifics of the situation.

MR. MITCHELL: Senator, I conducted the hearing on that.

SENATOR IMPERIALE: Which hasn't been completed, incidentally.

MR. MITCHELL: The hearing is completed, sir.

SENATOR IMPERIALE: Then they must have failed to realize that the Senator from the 30th District wasn't told about it.

MR. MITCHELL: Well, that may be, sir. I know nothing about that. It is my understanding that the hearing was completed and we did, in fact, order the protective devices from the crossing. It is my further understanding that since that step was taken, the accident record at that crossing has not suffered. Is that your understanding, sir?

SENATOR IMPERIALE: No, that is not so. It is not the fact that the incidence of accidents has been lower or anything like that. The fact is, the rails, where the embankment was, were in a deteriorating condition and, four years later, they have not been maintained. The crossing as was promised by the Department of Transportation in conjunction with the railroad was supposed to be maintained by allowing the caboose guards to get off and give protection to the school children - there are two schools in that area, senior citizens, and what not - and this has not been done.

Now, the thing that I would like to know is, we have no input whatsoever - from what Mr. Anderson has said - with a railroad that we give, through Federal money, \$400 million to and through the State, \$4 million a month.

MR. MITCHELL: We have every input. Those protective devices were taken out at the direction of the Commissioner of the Department of Transportation. The railroad really had no choice but to comply with what is tantamount to a court order. You may not agree with the court order but that is another matter. The fact is, the court order was issued under the appropriate authority and the railroad, responding to that court order, did what they were supposed to do.

SENATOR IMPERIALE: Okay, assuming that the court order is right - and I don't agree with it - isn't it incumbent upon the Department of Transportation to take the necessary steps to see that safety prevails there?

MR. MITCHELL: I would agree to that. In the absence or the presence of that court order, that would be essentially correct, yes.

SENATOR IMPERIALE: So, how can we say that we have a bona fide agency working for the betterment of rail service, etc? I hear an eloquent presentation of rail and electrical installation and we cannot - this state - install one safety device to give adequate protection to that crossing, which happens to be a very dangerous crossing. The State Department of Transportation has literally done nothing to bring the railroad into court and utilize the judiciary system to force them to fix the rails that have deteriorated. A dangerous situation has existed there for over four years. Where do we go? What are we going to do about it?

You see, I am not so impressed with the presentation you are giving me because, you know the old saying, "How can you ask for a second favor when the first favor isn't done?" How can the people come to you and have faith in you now if you haven't been able to do what you were supposed to do for them before? What are going to do on the state level now, before we go to the railroad? What are we going to do about these crossings where the children go to schools, to Catholic churches, to Protestant churches, senior citizens go to

shopping centers? For four years you have been promising to take care of it. The guards aren't even there anymore when the children go to school. What is the State going to do about that? There must be funds that have something to do with the railroad. We must have some contract or there must be some rules and regulations from the State Department of Transportation that allows some sort of protection from a railroad that crosses through town property.

Now, if the community has input, as indicated here, why hasn't the input of local town officials and the Senator of that particular District been adhered to?

MR. MITCHELL: Well, Senator, I would just like to point out that it is my further understanding of these matters that anyone dissatisfied with that decision and order written by the Commissioner has the right of appeal of that decision and order through the Appellate Division of the Superior Court. Now, I think that, sir, is the only lawful way to go about it. I don't know that anyone has appealed that order to date. You may know otherwise, but that is my information.

SENATOR IMPERIALE: Mr. Mitchell, I hope you don't think I am getting personal with you but don't you think that is a cheap cop-out, that citizens have a right to appeal? That is a legal loophole. We are not dealing with what is legally right in an appeal. We are supposed to be dealing with what is right for the people's safety. Now, if we start going in the direction of people having a right to appeal a decision, then the State is just as much a farce as Conrail and Amtrak in what they profess as being the safety of the people. Those are obligations. Those are not things that are supposed to be arbitrary. I think we are drifting from the whole concept of what the Department of Transportation and the rail crossing is all about.

MR. ANDERSON: Senator, Mr. Mitchell's area is the one that handles the grade crossings. I would just like to ask a couple of questions for clarification in my own mind. The concerns that you raise about this particular grade crossing - were those raised at the hearing?

SENATOR IMPERIALE: They certainly were.

MR. ANDERSON: Okay.

SENATOR IMPERIALE: We had testimony from everyone in the town, including priests and what not. There was supposed to be community input.

MR. ANDERSON: All right. You indicated in what you said that there was something that was supposed to have been done. Did the hearing examiner say that the State was going to do something other than what it did?

SENATOR IMPERIALE: Unfortunately, we went through one day of fiasco and then the Senator of that district and most of the officials were not even notified that there was a conclusion to that meeting. It was temporarily postponed and no one really knows what the final decision was except that it was agreed to with Mr. Sagner, who was at the helm at that time, that the men from the caboose, before taking the train across the intersection, would get off with flags and stop the oncoming traffic and give protection to the children who would be on the cross-walk.

MR. ANDERSON: Okay.

SENATOR IMPERIALE: I live near there and I watch it. It is not done. Now, if they guarantee that kind of protection, then the State must have had some sort of input with the railroad for them to want to get off the caboose and

flag down the traffic.

The concern there is, number one, that the crossing is still dangerous; number two, four years later, even though we took it over in '76, we see a cancerous condition existing. The rails are still being used and there happens to be residents on both sides of that track. God forbid, because of the faulty track that has not yet been replaced - and the State has not taken the necessary steps to initiate any kind of court action against the railroad for maintaining any kind of faulty equipment and what not - a danger still exists to those people if the trains do derail. The homes alongside those tracks will suffer. These are the things that I don't understand.

MR. ANDERSON: There are a couple of things, Senator. Commissioner Sagner reached some agreement with the railroad in terms of operations on the freight line. Although we don't have any authority in the matter, we can discuss that with the railroad.

As far as the condition of the tracks goes, that is not a matter that comes under the jurisdiction of the Department.

SENATOR IMPERIALE: Well, what does come under the jurisdiction of the Department? Why do we have the Department of Transportation if you have no say? Why do we give these people taxpayers' dollars if we have no input?

MR. ANDERSON: Well, it is not that simple. That particular line is a freight line and it is run by Conrail, presumably, and we just don't have any jurisdiction over it.

SENATOR IMPERIALE: Well, I think that--

SENATOR BUEHLER: Senator, I don't want to interrupt your train of thought but I think that question probably should be directed to Conrail in our afternoon session.

I agree with the Senator, that we are the ones that give out the money so we have to have, as I said before, some way of ultimately saying to the Department, "Where does your authority start and where does it end in terms of the performance of Conrail in making an improvement if it is needed?"

SENATOR IMPERIALE: Primarily, what I am after, Senator Buehler and Mr. Anderson, is, if we are going to put money here then this is the right place, with these hearings, to find out just how much input you as the Department of Transportation has and if you do not have that input, as you indicated, and if you don't have a line of communication, then we should enact legislation immediately that would give the Department of Transportation teeth so that Conrail and Amtrak cannot just take our money and give us nothing to say about how they spend it in the form of safety, etc.

The basis of what I am trying to get at is, if from this hearing we can establish the kind of legislation to give us the strength, then that is what we should do. I am not trying to be vindictive with you and I am not trying in any way to be a wise guy; I am just being very sincere with you. I think that this is basically what these hearings are about.

MR. ANDERSON: Senator, do you know, is that branch line that you are referring to called the Orange Branch? Do you know?

SENATOR IMPERIALE: No. It used to be owned by the Erie. I don't know if it is the Orange Branch or what.

MR. ANDERSON: Bloomfield Avenue?

SENATOR IMPERIALE: No. Bloomfield is the other one. This is Franklin

Avenue in Belleville.

MR. ANDERSON: We think, based on your description, that it may be the Orange Branch. If it is the Orange Branch-- This is going to take a bit of explanation. Conrail proposed to abandon a number of light density freight lines. Now, the Orange Branch, if this is the one you are talking about, is one of those lines. The status on the Orange Branch--

SENATOR BUEHLER: I can help you with that.

MR. ANDERSON: Good. Do you know?

SENATOR BUEHLER: Mr. Wogan is right behind you. Is that the Orange Branch, Mr. Wogan?

MR. WOGAN: As far as I know, that is what he is talking about.

MR. ANDERSON: Okay. If it is the Orange Branch - and we think it is - we are in the process of working out an agreement with the Erie Lackawanna to maintain freight service. Because, like all the light density branch lines, the maintenance was let go terribly on that, we are also going to rehabilitate the track on that branch enough for the freight service, including the crossing. So, the problem you have alluded to, in terms of the bad track, will be taken care of. I can't tell you when this will happen because it depends upon when we get the agreement, first with the Erie Lackawanna. When they have agreed to that, then we have to get a contract and there are a lot of governmental approvals.

But, it is not going to take four more years.

SENATOR IMPERIALE: One final question -- First, for the record, I am asking the Department of Transportation today to please, in any way they can, send an investigator there to see that until this long trail that you spoke about - the four years - has been reached, that adequate police protection, either from the town, the State, or the railroad, I don't care where, is given to that area so that we can protect the people of that area when the freight trains are coming through, especially during the school hours.

The last question I have deals with the equipment and the funding of Conrail and Amtrak. Is there a breakdown on how much money is given to buy new equipment and how much money is given for salaries - do we have any kind of breakdown on that?

MR. ANDERSON: First of all, all the equipment that is run on the rail passenger service is owned by the State. We own it all. In terms of our contract with Conrail - how much is for salaries and how much is for maintenance and those kinds of things - we could provide such a breakdown for you. We don't have one with us today.

SENATOR IMPERIALE: With your permission, Mr. Chairman, may I make a formal request for the record that you supply this Committee with a breakdown of the funding and how it is distributed in salaries, equipment, and what new equipment has been purchased since we took on this monkey which is on our shoulders - since 1976? What antiquated locomotives, and what not, have they replaced? This is just so we know where the money has gone.

SENATOR BUEHLER: Thank you, Senator. To just tie this all together, Mr. Anderson and your staff, we appreciate it that you have men in the Department that have been associated with rail service for many, many more years than Senator Imperiale and I have been in the Senate, people that really want to move forward with mass transit in New Jersey. How effective is your monitoring

service on a day-to-day basis, to see to it that New Jerseyans are getting improved service and that conditions will ultimately change and services will be performed the way you would like them to be performed? What monitoring do you have and what happens to this monitoring?

MR. ANDERSON: Senator, as I indicated, we are just about to complete negotiations with Conrail. It will provide for incentives and penalties in the conduct of the passenger performance. If I am not mistaken, it will provide for the possibility of up to one half million dollars in both penalties or incentives.

For on-time performance and for the reasons for that and the record keeping for that, the group of men we have performing that task, which is a small group of men, is superb. Very often, we know more than the railroad does about why their passenger service isn't being run on time. We meet with them once a month at which time we provide for them a very extensive analysis of their passenger operations and raise a lot of questions and points on why the same train continues to be late day after day, and so forth.

In terms of maintenance of equipment, this is where we have had the most difficulty. We have requested, in this year's budget and in next year's budget, staffing for a small group of people who will be permanently stationed at each of Conrail and Amtrak's shops. There would be a senior man and a junior man learning the job. At that time, we will be able to monitor their performance on car maintenance day-by-day, including down to checking the time cards, if you will. We have hired, through Conrail, representatives for air conditioning, door controls, and I believe motors and diesel engines. These contractors will provide standards of maintenance and develop a manual which the railroad will then be able to use in maintaining the equipment and which our men will use as a check on what Conrail is doing.

So, the thing that has to be at the beginning of all of this, gentlemen, is the commitment on Conrail's part because you can either spend your energy trying to do the job right or you can spend your energy trying to duck the State inspector. We think we will have the appropriate inspection team in place and we look forward to the commitment from Conrail to really be able to do the job.

SENATOR BUEHLER: Thank you very much, Mr. Anderson and Mr. Mitchell.

MR. MITCHELL: I would like to add one more thing. Both yourself and Senator Imperiale are interested in crossing safety, that is apparent. Before your Committee, right now, is Senate Bill 1282. It is known as the exempt crossing bill. That bill would be an important tool for the Department of Transportation, with regard to crossing safety. In brief, what we have now are crossings around the State where there hasn't been the passage of a train in years, and there is unlikely to be such. Still, the school superintendents are required to stop, literally, hundreds of school buses. Also required to stop, under law, are flammable cargo carriers. We get numerous requests from school superintendents and others - trucking firms - to give them permission to exempt these crossings that are obviously out of service, so that these school buses will not have to make unnecessary stops. They get hit from behind. They cause other vehicles to impact vehicles that are stopped for them.

As I said, that bill would be a very useful tool, if we could get it.

SENATOR BUEHLER: Has S-1292 been introduced?

MR. MITCHELL: It is 1282.

SENATOR BUEHLER: 1282 - that is what happens when I take my glasses off.

MEMBER OF AUDIENCE: That bill did pass the Senate. It is in the Assembly Transportation Committee now.

MR. MITCHELL: Sorry about that, wrong Committee.

SENATOR BUEHLER: Okay.

MR. MITCHELL: Anything you can do, in any case, it would be appreciated.

SENATOR BUEHLER: It just goes to show you that the Senate is doing their job. We will have to leave it up to Assemblyman Esposito now.

When you send us the information that Senator Imperiale requested, there are two other items I would like you to include in there. One is, since we are subsidizing Conrail, why is it the State has to pay for overhead costs that are not related to passenger service and also what is the percentage of these costs that are charged to passenger service. Also, would it be possible in your statement to give us some assessment as to your view of the cooperation, or lack of cooperation, between New York and Pennsylvania to assure us of better quality service in New Jersey.

MR. ANDERSON: I am sorry, I didn't follow that one, Senator. New York and Pennsylvania?

SENATOR BUEHLER: Yes. That is the New York and Penn Railroad we are talking about. Do you want to respond to that, Joe?

MR. CAPALBO: The question was whether there could be some form of cooperation between New York, Pennsylvania and New Jersey since trains do run through that corridor.

MR. ANDERSON: All right, fine. I understand the context of the question. You want to know our assessment of our ability to do that?

MR. CAPALBO: Right. You suggested earlier in your talk the possibility of alternatives to the present management of the passenger service. Is that one of the alternatives you are considering?

MR. ANDERSON: Excuse me?

MR. CAPALBO: Is that one of the alternatives you are considering?

MR. ANDERSON: All right. Fine.

SENATOR BUEHLER: Once again, Mr. Anderson and Mr. Mitchell, thank you. I have been told that on October 24th two of the refurbished cars will be released. These are cars that the State purchased for approximately \$800 thousand. Is that correct?

MR. ANDERSON: Yes, sir.

SENATOR BUEHLER: And I can be at the Bay Head Yard to see those cars at that time?

MR. ANDERSON: Yes, sir.

SENATOR BUEHLER: Our next witness is Judge Theodore Labrecque, who is the Chairman of the Monmouth County Transportation Committee. Judge Labrecque, will you come forward, please?

J U D G E T H E O D O R E J . L A B R E C Q U E: Senators, it is a pleasure to appear before you and it is a pleasure to have had other people go before me.

SENATOR BUEHLER: Before you make your statement, Judge, I would like, for the benefit of Senator Imperiale and those people who are here, to state that you have long devoted your time and your efforts, without any payment and without

any financial reward, to the cause of mass transportation and you are probably more in tune with the needs of Monmouth County than any other person in our county. It is a privilege that you come before this Committee to make a statement.

JUDGE LABRECQUE: Thank you, Senator. I appreciate that. I want to try and live up to it in the best way I can. Remember, I am only a consumer - or a consumer's advocate. I don't know the inside of a lot of things that go on and the remedy for some of the things that have been described may be way beyond my scope.

I am principally interested in the New York and Long Branch. We call that, in Monmouth and Ocean Counties, the backbone of transportation in our area. It has been running over 100 years and for over 100 years, people who commute to New York were able to get a one-seat ride. Thank goodness, it is still in operation. We have 17 trains in each direction, running from Bay Head to either Newark or New York. We also have 10 trains running from New York up to South Amboy and we hope that we are going to have a few of them running to Red Bank and Long Branch and Bay Head before long, when this electrification is finished. So, we are looking forward to that and we think we have something important. We are not at all discouraged by the roadblocks that sometimes seem in the way. Sometimes you can find out all kinds of things that have to be done. We don't want to know what has to be done; we know already. We know what is going to be done about it and that is the answer to the whole problem here. We are happy that during the past few years things have begun to move on the electrification of our line. We were happy last September when the contract was made with the approval of UMTA to do the engineering work which should obligate the State to the extent of about \$6 million, in order to finally get that thing on the track. There is no pun intended there; I mean on the track because it is going to mean a lot to us.

We are happy because a survey is being made concerning service on the rest of the line to determine whether it will be electrified all the way or whether it will be operated similar to the way it is being operated now, with new cars and new locomotives - which is absolutely necessary. We are happy because the State is conducting a survey on service between Lakewood and Farmingdale and Freehold and Red Bank and New York and Newark. These things are a long time in coming. We are happy that those things are happening and we don't want you to despair about the New York and Long Branch. After all, there are 17 trains going up and down every day. People are getting to work - important people, people who are just as important as the people on the Erie Lackawanna. We take our hats off to them. They have excellent service on that Morris and Essex Division. It is tremendous. When you see the President of a bank looking for one of these rattan seats in one of those old cars, you say to yourself, "Well, it must take good service in order to bring these people out to go back and forth every day when they can go much more expensively if they want to." We want to have service even better than that and we think that when this program is finished, we will have service. We waited a long time. We waited since 1968, when the voters of our State approved the money to do this job all the way to Bay Head. We hope that that commitment will be paid somehow.

In the meantime, while we are waiting for that, we have something that we have to do, and that is to take care of the present service. That is our

main concern. We have a committee, composed of men just like myself, who are giving their time and their energy in order to make sure that Monmouth and Ocean Counties continue to get this kind of service. We have been working on it ever since.

When your Chairman enumerated some of the complaints that he has received which reveal what is wrong with the system, I thought to myself, "I don't have to repeat that. We know those things are wrong." But, you have to get down to fundamentals here. What are the fundamentals? You have a line that belonged to the New Jersey Central and the Penn Central. They owned it together. They operated it together. They paid the expenses and the losses together. It seemed to me that it was a step child. It was nobody's child. For a long time, we didn't get the service - before our Committee was formed - that we could have been getting. There is no question about it. But, railroads were having a tough time. Everybody assumed that they were making money and that everything was going along fine, including the officials of our State and including me. I was on the State Tax Board for 14 years. We all were taxing the railroads and expecting that everything was going to be rosey and work out. But, it didn't work out. We finally came to a situation, when the fuel crisis came in 1973, where we suddenly realized, "Whoa, we have to take care of this thing. The State of New Jersey has furnished millions of dollars to build highways and is running competition with them, now we have the whole baby on our lap and we have to do it." And, the State has tackled that job and has tackled it manfully. The 1968 bond issue was just the beginning of it and I am sure that from now on, with the help we have been getting from the Federal Government, things are going to work out. We need to devote ourselves now to what needs to be done.

Now, take the New York and Long Branch. We have, on the New York and Long Branch, about 110 passenger cars. They are not absolutely dead passenger cars. There are some old P-70's from the Pennsylvania and a couple of old Central Railroad cars, but these are mostly cars that came from the Santa Fe, the Great Northern, the Northern Pacific, or the Missouri and if they are properly maintained, there is nothing wrong with them. They are using them on other railroads as their basic equipment and they are giving good service. So, don't say just simply write them off. If those cars are properly maintained, they can give good service and they could be giving good service.

Your Chairman mentioned the fact that toilets don't work. Well, you look and find out why the toilets don't work. You will find out it is because nobody put any water in them or because a valve leaks and lets all the water out or because nobody bothered to put toilet paper in them. You say there is no water to drink. Nobody put any water in there to drink. Nobody took care of putting any cups there so you could drink out of them. It isn't a question of there being anything wrong with the cars; most of them could be fixed up pretty well. In my opinion, the problem with the cars and with those 20 E8 locomotives that we have been talking about, that came from the Penn Central, is not that there is anything wrong with them. E8's are running all over the country. They are being run by other railroads and they are giving good service, if they are properly maintained.

I think that the essential thing here is that this equipment has not been properly maintained. It wasn't properly maintained by the prior railroads,

true, in the case of the Penn Central equipment. I can't say so much about the New Jersey Central because they had 13 locomotives - the SD-40's that are leased by the State and allocated to them. I understand that they got pretty good care. But, the Penn Central ones - those 20 - were neglected. But, we thought that with the advent of Conrail these things would be corrected and we would get good service. They haven't been maintained. They haven't been maintained to date - adequately maintained, I mean. Something had to be done. They are safe. They don't fall down, but they cause a great deal of trouble. They have to be taken out of service and they have nothing to take their place. Frankly, the best example was last winter. I had a great big file, as big as this (indicating size) of complaints concerning the service. Mostly, they were complaints about the heating. Each one of those locomotives has to have a heating boiler and somebody has to maintain the boiler so that it will hold water and if it doesn't hold water, somebody has to put water in it. The gist of the whole thing is, in many cases the boilers were worn out and hadn't been maintained, and in many cases too water wasn't available because of what was termed accidents, so they didn't put any water in them. That is why the commuters were writing letters into your Committee and to our Committee and to the Governor and the Commissioner of Transportation complaining about lack of heat. It is just as simple as all that. They have to be maintained.

Now, they have to be maintained somewhere. They can't be maintained out in the open. There has to be overhauling. That is a different thing. I am talking about regular every day maintenance of a railroad car or of a locomotive. Somebody has to go over it and make sure that the brakes are tight and make sure that everything is oiled. If a door isn't closing or if a lock is broken on a passenger car, you don't let it go for a week in the wintertime or in the summer. Someone fixes it when it comes in that night so that the next day the door closes. There are countless examples of little things like that that could be taken care of by ordinary, run-of-the-mill maintenance and which have not been taken care of.

Now, I don't know whose fault that is. It seems to me that these cars are being repaired - the ordinary running work - at the Elizabeth Port Car Shop of the New Jersey Central - the old Central car shop. If that is true, perhaps they are not big enough, adequate enough, or sufficiently diverse today to take care of the added work that has been placed on them since Conrail took over. This should be looked into.

For instance, I don't just talk about transportation, I ride transportation and every week or so I ride to New York or Newark on the New York and Long Branch train, starting at Red Bank and running through Newark and New York. Every other week, I ride on the bus. That is the way you keep up. I was waiting for the 5:41 in Red Bank the other night to go to a transportation meeting in Newark and a train went by. It was a Central train. It must have gotten in there about 5:40 or 5:35 and there were about 12 cars on it. The cars looked pretty good. They were pretty clean. But, there must have been half of those cars, each of which had a truck in it that had a flat wheel - at least one flat wheel going banging through the station. Now, that is not good for business. It is not good for the cars. And, I understand that they have - correct me if I am wrong - a flat wheel device to take the flat spots out of

wheels at the central shops up there. But, if they have, either somebody is not reporting it or somebody is not noticing it. I was only there for five minutes and this was only one train, but there are others the same way. These things should be maintained. It is costing the State, it is costing Conrail, and it is costing the commuters money when equipment is not maintained. So, I would urge as a first thing that something has to be done to improve the maintenance of what we have until we get the new electric cars and until the State makes up its mind what it is going to do regarding the section of the line between Long Branch and Bay Head.

SENATOR BUEHLER: Judge Labrecque, you are not finished your statement?

JUDGE LABRECQUE: No, I am not.

SENATOR BUEHLER: I apologize, but maybe I best ask this question.

The question we asked the Department of Transportation is, basically, that period that we are going through of frustration-- There was a sigh of relief in the northeast when Conrail took over and consolidated the northeast. There was a sigh of relief in Washington, by Senator Williams, who was called by President Ford, "the father of mass transportation." You know, we were going to see dramatic change and this frustration that the Department of Transportation expressed in getting things done and the frustration that your committee goes through in answering - or trying to answer - these complaints really comes down to, why isn't the job being done on maintenance? Now, maybe we will find out this afternoon that we just don't have enough money. If that is the answer, then it should be out front. But, it has been my experience - and I have had to go to bat personally - that the first instance where we cut back is to cut back on service. Now, 40 maintenance people were going to be fired some months ago - just prior to Commissioner Sagner's leaving - and I found this unconscionable. We, again, like we did with the red caps, had to apply pressure to rescind that order within a period of 72 hours to tell these 40 maintenance workers that their jobs would be restored.

Now, what, in your opinion, is the answer to why we are not performing this maintenance service with, as you expressed, concern for just the condition of the passenger cars?

JUDGE LABRECQUE: Maybe I can answer that in the form of a question. I remember -- I would say it was last May -- when our Committee, after about three months of complaints from the consumers, was urging that something be done and you called a meeting in Commissioner Sagner's office - I think it was in May - at which representatives of Amtrak, representatives of Conrail, and the DOT were present and you asked the same question. As a result of that, I recall that it was brought out that in the facilities to do the repair work in Elizabeth Port, they had one shift of 'x' number of men, another shift of a very small number of men, and nobody on the third shift. It was then promised that three shifts would be activated for the purpose of adequately maintaining those cars and locomotives. Now, I don't know what happened after that. I haven't checked up. But, I would say off hand that whoever was responsible for making that promise ought to answer your question; not me.

Now, let me go a little further. I am not going to be long because we have talked an awful lot here.

SENATOR BUEHLER: We are here all day, Judge.

JUDGE LABRECQUE: Well, I don't want to duplicate what has been said.

SENATOR BUEHLER: We feel this meeting today is a culmination of a lot

of meetings and, if need be, we will stay here until the midnight hour and if need be, we will call a second hearing.

There is interest in this. Senator Case has a statement in here for this afternoon. Others in Washington have expressed interest. We here in New Jersey are not going to call off these hearings until we get the answers and the responses.

JUDGE LABRECQUE: Well, my second suggestion is that there has been a lack of precaution, or supervision, in the operation of the line. We all know that things can go wrong in transportation. All you have to do is listen to John Gambling every morning at 7:00 and have his helicopter man tell you how a truck turned over here and 5,000 people are delayed going to work on the Long Island Expressway to know that these things happen in all forms of transportation, principally on the highway. I don't think that anybody is anticipating that. I don't think there is a close supervision of the day-to-day operations on the New York and the Long Branch, which is necessary. Now, I am not taking away from the job that Conrail has done. I think that, on the track work especially where there are a lot of complaints about track - in Middletown, in the Matawan area between Matawan and Morgan - it has been improved tremendously. I sat with a friend of mine who is familiar with transportation, last Friday, as we drove up and the bumps that had been there three or four months ago were gone and Conrail has done a good job. This is a part of the line that they own - between South Amboy and Bradley Beach. From Bradley Beach to Bay Head the State owned. But, that has been taken care of and is in pretty good shape.

I understand that there is about 16 miles more of track in the southern part, between Bradley Beach and Bay Head, that is going to be rehabilitated too. I am not taking away from that. But, I am talking about the ordinary, every day, delays that can happen. For instance, just to give you an example, there are one, two, three trains that run pretty close together in the morning, as you can see. To get all these commuters to work every morning is quite a job and they have to run pretty close together. They have certain time slots that they can get in on the Pennsylvania main line and get into Penn Station. Allright. The Penn Station trains have to change locomotives at South Amboy. Maybe it is snowing this day and commuters are slow in getting on. That train gets into South Amboy maybe five or ten minutes late. It is no fault of the engineer or the conductor. There are more people and they are slower moving. So, when it gets there, there is another train coming in right behind it. So, they get there and they are changing engines. It is supposed to take a short length of time but in that kind of weather, it will take 15 or 20 minutes for sure. The other train is sitting out in the yard doing nothing. Now, there is no reason why, with proper supervision, the other train has to sit there. There are four tracks there by the station - three and then four a little further down. But, there are three at least. One could be free. There is no reason why the other train can't be pulled alongside of it and they can't change the engine on that too so that they can follow one another and there wouldn't be that double delay. One delay leads to another and that delays another train.

I will give you another example. Last week in Red Bank one of the important trains broke down in the Red Bank Station. Right on the line - what we call the east bound line, or the north bound line - there are a lot of trains following behind it. In spite of that breakdown - and finally they had to get

everybody off it and back it off onto the side - all the other trains that were behind it all came to a standstill on the same track that this train was on and they had to wait until -- I don't know how long it was, or how many commuters were delayed. But, with good supervision on the part of whoever is responsible for supervision, that could have been eliminated. There are cross-overs and a train can be sent on a cross-over to the left hand track at Long Branch. They could have one at Little Silver. If they haven't got them, they should have them so that all trains wouldn't be delayed because of a delay to one.

I raised this question with someone connected with the railroad. He said, well there was a train coming down and they had to wait until the train comes down. My answer was, put the train that is coming down on the left hand track. The train broke down and it can't carry anybody now, so let them come down on the left hand track and let the people that are trying to go to work get to work. Don't have them sitting there not knowing what is happening.

The other suggestion I had with reference to that - which is woefully lacking - is, the commuters, in trains that are delayed, are not informed as to what the reason is for the delay, or, worse still, how long it is going to be. They don't know where they are going. They don't know how soon they are going to be able to get home. Now, there should be communication between the trains and the dispatcher. I understand that the Central locomotives have that communication now. The Pennsylvania locomotives - these 28 - would have the same system so that the engineer will know and he can let the conductor know and they can let the passengers know whether there is a bridge out and is going to be out for the rest of the day, or whether somebody stalled on the track and they are waiting for them to get off the track.

I think closer supervision and closer communication would make this situation so much better and would reflect so much more credit on the State.

Now, it is important that this railroad and all railroads in the State operate. We are not talking just about the commuters. Every time somebody rides in a train, he is not driving his car on the highway. He is helping to solve the air pollution problem. He is eliminating congestion on the highway and he isn't using up gas that you and I - if you live out in Monmouth County, where we have a lot of country - need to get to the railroad station, or to get to the bus station, or to get to our work. So, everybody benefits when we have good service, not just the commuter; he is only a little bit of it.

Now, this does cost money, there is no question about it. But, I think that the time has come where we have to bite the bullet and to recognize that with the help that we are getting from the Federal government - and now with the Williams Bill they get operating help as well as capital funds - we can make good on this thing. I think that if we recognize it in our budgeting, if we recognize it and see that we get what we budget and pay for in terms of service - and I am suggesting only a couple of things, there are undoubtedly many that I haven't even mentioned - I think people are going to be well satisfied. Rail service can be run. People ride when the service is good. The fact that we have so many riders today, in spite of what has happened, shows that these people really want the service and we are going to get it, with God's help and with the help of this Committee, we hope.

SENATOR BUEHLER: Judge Labrecque, Senator Imperiale has a question.

SENATOR IMPERIALE: I really don't have a question, Your Honor. I think that you were in the Chamber when I made my presentation to the Department

of Transportation. Some of the things you bring to light are the very things that I think are important because with the lack of communication that we definitely do have, and insensitivity on both sides - the State as well as the railroads - it is obvious that there is a lack of supervision. With my small knowledge of rail, I do know that they had provisions years ago - even when I was a boy - that if there was a delayed train, there was an alternate route. The thing about another train coming down is a lot of bunk because we know, as well as anyone else knows, that trains are designed so that they don't run into one another.

I just want to state for the record that one of the things that annoyed me on this beautiful Amtrak that people pay for is, when we were going to the Congressional dinner in Washington - which was the most disgusting ride I ever had on Amtrak - the man who was driving, when he was pulling into Trenton to pick up the Governor and his party, went past the train station and we had to back up I don't know how many miles to go and pick up the passengers he bypassed. That is just a small indication that something is wrong.

For the record, what we are trying to do is, somewhere along the line I personally believe that the State, to a degree, is full of hogwash and so is Conrail. They are not dealing with the priorities, as you have indicated here. I think that collectively with this Senate investigation, if we can get any teeth--I would just like to say to you, Your Honor, that sometimes you, as an outsider and as a law man, can possibly make suggestions to us - this Committee - and to the Senate body, where we can come up with the type of formula, in the form of legislation, where we can give ourselves some teeth. For some reason or another, I just get the feeling that between the State and the rail, we do have a certain amount of politics where they balk. The consumer is where our concern is supposed to lie but we know that the consumer is the last thing that really gets attention here.

So, I would like to ask you - and I am sure that the Chairman of this Committee would not mind - that since you took the time and you are genuinely concerned with the rail deficiencies of this State, and of your area, if there is anything that you, in written form - and it is a shame that we, the State, has to come to outsiders - can give us some idea, with your knowledge, of what kind of legislation we can put in that is constitutionally correct, where we can override the autonomous status of agencies that take our money and do not report back on how they spend it monthly, and where we can get a tighter control and still keep a rail service going, would you please do so?

JUDGE LABRECQUE: I think that that is kind of a tough job. Can I make a suggestion now?

SENATOR IMPERIALE: Sure.

JUDGE LABRECQUE: I know that there has been much criticism of Conrail and some of it could well prove to be justified. I know that in Boston, Suburban Service, which had been furnished by Conrail, is now being furnished by another railroad which undertook to do the job and so far they are pretty well satisfied with this. Now, I think that New Jersey is handicapped right now because they have only one possible customer and that is Conrail. To look at it realistically, Conrail is in the freight business and Conrail is required by law - by Congressional law - to make money. It can't lose money. Now, they are being subsidized by the State and they shouldn't lose money on this operation.

But, I think it would be of benefit if there were other organizations - management teams - that could render a similar service. I know that in the case of the Port Authority, the Port Authority when they took over the Path service set up an organization of their own and they have a very fine man in charge of it, and I was wondering - and I have suggested it to a few people - if maybe we ought to get a few management teams together and see what they could do. Maybe the Port Authority, which is anxious to assist in rail oriented projects, within the limits of the law, could, itself, get together a management team which could be made available to the States of New York and New Jersey for a consideration, just the same as we are paying a consideration to Conrail in order to operate. Maybe they would do a better job. I don't know. You asked me a question and I am answering it off the top of my head, but it is something to think about.

SENATOR BUEHLER: Well, let me just add to what Senator Imperiale is concerned about. I think we are politicians. There are politicians in Washington and ultimately politicians come and go. Philosophically speaking for a moment, Judge, this nation made a major commitment. We are talking about, under President Ford, eleven billion dollars given to mass transportation. That is a very important philosophical decision that was made in Washington and it affects New Jersey in particular. You know, I am aware of the fact that commuters know that it is the cheapest ride in town. I mean, you can't take your car out of your garage and go up to New York - with Parkway tolls, with bridge tolls, with parking in New York and with gas to use your car - without it costing you - commuters tell me - at least \$12.00 per day if they take their car. That is \$60.00 per week. That is a lot of money. So, the people that ride the trains are getting a cheap ride for all intents and purposes. But, the philosophy is not that we try to discourage people from riding the trains and leave their cars home, the philosophy, as I understand it, in Washington and in New Jersey, is to try and increase ridership to get the cars off the road.

Pollution, and all the problems that go with congestion on our highways, is supposed to be balanced by mass transportation. But, if we don't encourage people to ride by giving them the cleanest, safest, swiftest ride, then there is something wrong. The philosophy is not coming down to the people that are running the railroads and managing them.

If you and Mr. Arthur Rueben, who is here to testify from Somerset - and others - can give us, the legislators - because we are the ones that have to ultimately answer to our constituents and the riders - your views - because you are working on it on an on-going basis and we have all kinds of other problems that we are concerned with - we would value that judgment. I think that is what Senator Imperiale is saying. Give us legislative proposals and we will take it from there. Thank you, Judge.

The next witness is Arthur Rueben, Transportation Coordinator from Somerset County.

A R T H U R L. R U E B E N: Thank you, Senator.

SENATOR BUEHLER: Will you state for the reporter your name and position?

MR. RUEBEN: Yes. I am Arthur L. Rueben, Transportation Coordinator for Somerset County and the views being presented are my own.

SENATOR BUEHLER: These are views you are personally expressing and

are not the views of the Somerset Committee?

MR. RUEBEN: These are my personal views. They are not the views that have been endorsed, as such, by either the Somerset County Planning Board or the Somerset County Board of Freeholders.

SENATOR BUEHLER: Do you want to clarify that?

MR. RUEBEN: Yes. I am an employee of Somerset County and I act as Transportation Coordinator. But, all views presented by myself are not necessarily those of the Board of Freeholders.

SENATOR BUEHLER: Okay, just so that we have that in the record that these are not to be misconstrued as views that would be held by the Somerset Board of Chosen Freeholders.

MR. RUEBEN: Correct. Senator Buehler, Senator Imperiale, I believe the Committee, by holding a hearing on the role of Conrail and Amtrak, is focusing on a critical area of rail transportation for the State of New Jersey. I will limit my remarks to the role of Conrail in relation to that of the State of New Jersey. I would like to preface my remarks with the note that I have found personnel at Conrail and the State DOT most helpful. I think the problem facing rail transit is not a question of personnel but principally a question of institutional framework. Here I might add that the service that has been given to commuters in my county on the Central Railroad of New Jersey by Conrail has not deteriorated over the past year and one-half but, on the contrary, it has improved, slightly. This is despite the fact that much of the equipment has continued to deteriorate.

I would like to introduce an analogy. The Star Ledger reported just this last Sunday on Pele viewing a soccer game at Giant Stadium at the Meadowlands. He said, "It is a different view from the outside. You see everything easy. When the players on the field have the ball, the person sitting in the stands is rested and feeling good. On the field, especially in the second half, the players are tired and the fans are not. I understand now why sometimes fans boo the players. It looks easy from upstairs." I am sure that Conrail would like this analogy, but let me go on. Perhaps I am one of the critical fans who pays the admission charge and sometimes boos the players. Conrail represents the players and the State DOT plays a role somewhat like the coaches, while the State Legislature is an owner - perhaps an absentee owner - who pays the freight to a team whose primary responsibility is to play. But, this team does not necessarily always want to win. I think this analogy holds up fairly well except that most teams have an incentive to improve the game. Conrail does not have that commitment to improve passenger service. In Conrail we have a team that has a primary responsibility to freight transportation, as legislated by the Congress of the United States, and only a tertiary role to passenger transit.

One of the most able advocates of the Path extension - I might add an adversary to Somerset County's position regarding the upgrading of the CNJ - is Councilman Allen Chin of Westfield. He has compared Conrail with the United Fruit Company's Caribbean freighters, where he stated the motto was "Every banana a guest, every passenger a pest." That analogy may be somewhat unfair but, most assuredly, Conrail has its hands full if it is to become a profitable entity. Therefore, despite the fact that passenger revenues represent a significant revenue source for Conrail, almost as much as that great black hope, the coal mines, Conrail is unlikely, under its own steam, to give passenger

service a fair shake.

Can we change Conrail's attitude since we must deal with them? I think so, but I believe this can only be done if the State of New Jersey takes a more active role toward the management of rail operations. To change Conrail, we must first examine ourselves and lay an institutional basis for a more active managerial and operational role for New Jersey. We need a public corporation specifically dedicated to rail transit, separate yet related to the framework of the State Department of Transportation.

Besides the responsibility for capital improvement projects, which is a major thrust of the State DOT, there are other areas where there is a need for direct responsibility. These areas are: The marketing of services where literally nothing is being done at the present time. A reasonable expenditure in this area should bring back a four-fold return.

The operation and improvement of rail station facilities. Presently, many stations are closed. These stations could become community assets by establishing commercial lines, such as franchised coffee shops. Rail stations that are now desolate wastelands could become attractive way stations.

Improvements in rail scheduling and frequency should be instituted with the cooperation of both Conrail and rail labor. The State of New Jersey should establish a heavy maintenance shop for its rail cars. Presently, the maintenance of equipment owned by the State of New Jersey leaves much to be desired. The establishment of a heavy maintenance shop would provide for the proper maintenance of New Jersey's equipment and not leave this at the mercy of Conrail and it would be a boost to our lagging economy.

Finally, if we were able to establish a competent public corporation with organizational and operational talent, we will not be so heavily dependent on Conrail. At the present time our relations with Conrail are entirely one of negotiating from weakness. Unless we are able to put our team on the field we will continue to receive a poor return on our transit investments.

I am sure the Senators are even better informed as to the amount of money we are now investing in the transit system in the State of New Jersey and I want to thank them for this opportunity to make this statement.

SENATOR BUEHLER: Mr. Rueben, I want to thank you on behalf of the Committee. We were just interviewed by radio stations around the State, asking us what the bottom line of these hearings are and I think you just put your finger on it. The bottom line is, the lawmakers in Washington and New Jersey control the purse strings and it is about time we got an accounting on performance and quality of service, so that we can, if necessary, exercise our legislative prerogative by making sure that we have an accounting system that works.

Senator Imperiale, do you have any questions of Mr. Rueben?

SENATOR IMPERIALE: I just liked your story about the game. The only thing with that game is, when you go see that game, the State doesn't pay part of it. Thank you very much.

SENATOR BUEHLER: Thank you, Mr. Rueben.

Miss Hanlon from Ocean County is our next witness.

Senator Imperiale, in a lighter moment you can see that we not only have eminent judges coming out of our Transportation Committee but from Ocean County we also have lovely representatives of transportation. Miss Hanlon, will you state who you are for the record?

PATRICIA HANLON: I am Patricia Hanlon and I am Chairman of the Rail Committee of the Ocean County Board of Public Transportation. I was a member of the Board two years ago and I have just been reappointed to the Board, so I have to restrain some of my comments about the service of the New York and Long Branch as to immediate problems.

Rail passenger service in Ocean County is only provided by the New York and Long Branch. It leaves from Bay Head and Point Pleasant Beach and that is the only rail service out of the urban areas of Ocean County. It is so cold in the winter you can hang beef in the cars and in the summer you could die of heat prostration. I was very glad to hear that by June of next year there will be some new service equipment in at Bay Head to take care of cooling the cars in the summer and heating them up in the winter.

Ocean County is the fastest growing county in the State, with many of its residents using rail, bus and highway networks to travel to work in North Jersey or New York because of the limited employment market in Ocean County. But, the trip is long, involving many delays, with no incentive to a bus or car commuter to conserve fuel and cut costs and take the rails.

The Ocean County Board of Public Transportation has gone on record several times, recommending skip stop service along the branch for maximum use of commuter stations with the optimum of time saved. Yet, when the Avon, North Asbury, and Sea Girt operations, or stations, were cut from the run, suddenly Avon was put on. The State should consider instituting skip stop service, such as is used on the Long Island Branch of Conrail's Hudson and Harlem divisions, depending upon your maximum use periods and the amount of park and ride facilities that are available around many stations going up the Monmouth County line.

In Ocean County, Bay Head has very, very limited parking areas. There are no safety areas around the rail yard. In Point Pleasant Beach there is a parking area and there were trail blazer signs installed within the last several months.

The problem with rail transportation comes down to money and that has been the problem right along - management, maintenance, the cost of maintenance, and the cost of salaries. But, it is just as expensive to run a railroad as it is a bus line and in Ocean County you have rail and bus services competing against each other with millions of dollars in subsidies going to both.

The Ocean County Board of Transportation is on record seeking the State to investigate using bus lines as feeder services to the rail stations. The State's transportation program should be totally revamped. When you have duplications of services, you also have duplications of cost and ridership declining in both areas so that neither can pay for themselves. Bus lines may be a little out of the area as far as this hearing is concerned, but once you get below Bay Head, or west of Brick Township, that is all you have is bus service.

In 1974 Central Jersey Railroad was ready and had the plans, including scheduling and crews and operations, to have passenger service from Red Bank down to Lakewood. That program just fell when Conrail took over the service and we would like the State to look at that again. I don't have with me a 1974 survey taken by the Ocean County Board of Public Transportation. We were told by Commissioner Sagner one time at the Bradley Beach Train Station -

I believe, Senator Buehler, you were there - that we would have to prove a market for rail service in Lakewood. We have the survey. We handed it over a couple of years ago and nothing has happened to it. I will forward another copy to this Committee.

In Ocean County, I would say every house has a car. They have one car or they have two cars. I think there is a definite market for rail service, with the buses working as feeder service. The beach access program this year, of using a bus shuttle service at Exit 81 on the Garden State Parkway, is so fantastic that the State is getting ready to approve a park and ride facility there permanently. For 50¢ commuters came down the Parkway, parked their cars, took a bus over to Island Beach State Park, round trip, and came back without any cost for getting into the Park. Five dollars a car load is what it costs to get into the State Park. Buses run from north Jersey down to Seaside Heights and Seaside Park-Point Pleasant Beach, empty, to pick up commuters at the end of weekends. Tourists take them home. Tourism is a main industry of Ocean County and the fuel crisis really cuts down on the amount of gas available and if the price of gas is going to go up we are going to be stuck. The only possibility is with rail service and buses providing feeder service to the bus lines.

Just a couple of other points -- There are four employment markets serviced by the New York and Long Branch - Newark, Jersey City by Path, Mid-Town Manhattan, and the Downtown World Trade Center area by Path. The South Amboy Station could be used as a base station for rail service, with the following lines in the northern area providing commuter feeder service: The New York and Keansburg; the Asbury and New York Transit; Lincoln Transit and Transport of New Jersey. These can bring their passengers to South Amboy for transport into Newark and New York. This would bring about a decrease in the number of buses to be maintained while allowing for the placement of bus service to areas not presently covered by mass transportation.

Buses on the Turnpike and Parkway during rush hour commuter traffic and summer tourist traffic would not have to be tied up in that traffic, wasting gas or paying tolls with rail passengers at their destination before the buses could reach it.

When the Raritan Railroad Bridge was hit by marine craft, the South Amboy Station was used to transport all commuters over the river to a waiting rail service. South Amboy Station is one-half mile from the Garden State Parkway.

The only thing I can say is, when it comes down to maintenance it is money and when it comes down to money it is management and when you have competitive service bucking against one another with low ridership either way, you can't win. We hope you would look at it that way.

SENATOR BUEHLER: Miss Hanlon, the Committee is impressed by your report. Do you have copies of your statement?

MISS HANLON: No, I don't but I will forward them to you.

SENATOR BUEHLER: Well, if you will, through our legislative office right behind the Chamber, give us a copy of your statement, we will run off copies for the members of the Committee before you leave. I will have someone run off copies. I am sure that I can speak for Senator Imperiale as well as myself, we are aware of the fact that Ocean County, in the 1970 census, reflected that it was not only the fastest growing county in the State but I think it was one of the fastest growing counties in the nation. Subsequently, it is incumbent

upon the legislators-- And I know Senator Russo has been a co-sponsor on a bill with me to open up what at one time was a viable line out of Lakewood into Red Bank and up to New York.

MISS HANLON: That spur could go even further down into Toms River.

SENATOR BUEHLER: That would pick up riders from Dover Township, Berkley Township, Brick Township -- That is a rich ripe area for mass transit because I am sure that most of those people don't take the time to ride all the way to Point Pleasant to pick up a train.

MISS HANLON: You just have to look at the Garden State Parkway every morning.

SENATOR BUEHLER: Right. That is an area that I am very much concerned about and I know Senator Russo is very much concerned about it. I am glad that your Committee is putting their full support behind it. That question, I am sure, is going to come up this afternoon with Mr. Wogan of Conrail in terms of what plans they have in their mind for opening up what at one time was a viable line. I know Mr. Wogan has expressed an interest in that area of the State and, hopefully, that project will come off the back burner in the near future.

MISS HANLON: I think it is a part of marketing upon the State too to let the people know what services are available.

SENATOR BUEHLER: Right.

MISS HANLON: New Jersey Bell Telephone Company has agreed to a request from the Ocean County Board of Public Transportation to provide, in their public service pages, numbers for all the rail and bus stations. There should be a central number throughout the State to try to get that information as an incentive to get people to use the public transportation.

SENATOR BUEHLER: It might be of interest if a survey were taken in your county. We have a handle on approximately 12,000 commuters that come out of Monmouth and Ocean but it would be interesting if a survey can be undertaken by your Committee to find out, in those various townships that I mentioned, how many people would look favorably on leaving their cars home and taking mass transit if it were available to them.

MISS HANLON: Okay, I will forward that to you immediately.

SENATOR BUEHLER: Thank you. Do you have any questions, Senator Imperiale?

SENATOR IMPERIALE: No.

SENATOR BUEHLER: Thank you very much, Miss Hanlon. We are going to adjourn. It is ten after one; we will take a twenty minute lunch break and we will be back at one thirty.

(lunch break)

AFTERNOON SESSION:

SENATOR BUEHLER: We would like to resume our hearing. Our next witness is the representative from Conrail, C. E. Wogan. Would state your full name and position for the record, please.

C. E. W O G A N: Gene Wogan, Superintendent of Operations, Passengers, for Conrail. Thank you, Senator Buehler. First of all, I want to expel any doubt that has been cast on Conrail's position with regard to the passenger operation. While Conrail was set up by an act of Congress to operate freight service, we also had dictated to us an ultimatum that we also operate the passenger service, and run it effectively. And as far as Conrail is concerned, it is our desire to provide the best possible passenger service we can within the bounds that we have, and those bounds are that the governing body that we operate for - in this case, the Department of Transportation - has to absorb all of our costs. By law we cannot operate the passenger service at a loss. So I think that information should knock out any doubt. We do want to run a first class service, and we are attempting to do that, and we have since Conrail started.

I think to go back to April 1, 1976, with Conrail starting out, you would have to realize, at that time when we started out that service, we were starting out under some very severe handicaps. We picked up a service that had been run down by all of the railroads, without accepting any of them, including the EL, which most people say had a first class service. This wasn't the fault of the people running the railroads at the level where their service was operated, as much as it was a financial picture as a whole, where the railroads didn't have the money to put into this kind of service, and the amounts of money that the State was picking up during this time was not enough to keep it whole. So, we inherited a lot of conditions with locomotives, coaches, and tracks that I think some of the men discussed here this morning.

Probably one of the greatest things that we inherited, however, that most people didn't realize was the fact that all of the railroads, bar none, starting into Conrail had run down their supply trains, so when we started out on day one, we were out of all these different items that came up here this morning, such as toilet paper, right on up. Almost all kinds of supplies had been taken down to practically zero, because the trustees of the former property did not want to spend a lot of money and have it hanging on an inventory to turn over to Conrail and possibly not have the money coming back to them for that. I think that is an understandable condition under the set up that came out of Conrail from Congress. But it was a good six months before our supply lines got back to the point where we could start realizing that when we wanted something it was going to be there. This was quite a task in itself for a company the size of Conrail to set up these supply lines so that all these materials were on hand.

I think about the time that we got oriented on our supply lines and got these things going we started going into one of the roughest winters that we experienced on the eastern seaboard for quite some years. And while some of the remarks made this morning indicated we had breakdowns on our part that caused a lot of problems with heating; I think if the facts are known, some of the things that happened, happened because of that severe winter, things like the water supply at Bay Head being shut off to the entire city. That water supply was the same water supply that had to supply our equipment down there which keeps the

coaches warm. As you know, Senator, from some of our discussions previously, we have gone over that, and gone into the depth of some of those problems. We also had our major water supply to our Harrison coach yard, which also supplies water for engines and coaches at that point, freeze up and break in four different places in a line that had been installed back in the early 1920's. To overcome that situation, we had to get into a temporary water line with fire hoses, and it took some doing to get all that accomplished. We have, however, worked out some solution to some of these problems, and we are working with others in the State, and we are hoping that this winter we will be much better set to take care of those types of problems. I might mention, however, that we are working, and have worked since last February, with the Department of Transportation in trying to come up with a new line from our Harrison water supply, the Harrison Water Company, over to our Harrison yard. And as matters stand right now, that has not been accomplished as yet, and that still is wrapped up in some of the problems that the DOT mentioned this morning with the railroad, we find that same problem with the State at times. I am not trying to throw stones, but you are in the same kind of a bureaucratic set up as what we have in Conrail. So we are still trying to work out that maze to get this water line in, because the State has to get the water line in their name and fund that project, and until such time as that is done, we won't have water in sufficient supply to take care of any abnormal situation like we went through last winter.

I think that some mention was made of our performance since Conrail this morning, but they indicated that it was not a significant improvement, although Mr. Anderson of the State did indicate that there had been some improvement. I think that if you were to look at the record of the on-time performance since Conrail started, you would find that it has been rather significant, particularly in the fact that very few percentage points can mean an awful lot of trains on time. The prior railroads, prior to Conrail, were running the service on the CNJ probably somewhere around 50% to 60% overall, including the Long Branch. The EL was running 85% to 90% and the Penn Central was running somewhere from 80% to 85%. Since Conrail, our overall average on the region, the Atlantic Region, comprising both the former Erie-Lackawanna, the CNJ and the Penn Central, has been operating at over 90%. Now, the Hoboken side with the former EL has been operating the best right around 94% to 95% continuously, and I think there are reasons for that.

It is a fact that as we went into Conrail, while we had the higher starting point on that side, we also removed more freight trains from that area to go into the former Penn Central territory to meld the freight into those lines, so it left more of the former EL territory more of a passenger line than what it was prior to that time, and as we all know, when you run passenger-freight you do have some problems sometimes getting them in together.

On the other hand, on the New Jersey Division, we probably have made the best improvement on the CNJ and on the Long Branch. The record last month, for example, on the CNJ side set a new record for on-time performance of 93% on all the trains operated on the main line of the CNJ. We have not been that fortunate on the Long Branch. However, we have been operating at a much higher rate than what they had on the former CNJ. The past month we operated at 79.5%. On the Long Branch we operated 87% on the service as far south as South Amboy. Those are our figures. They are not monitored yet by the DOT because they have not given us their figures for those same months, but the figures that they have

given us that I have on charts indicate that we have improved the operation on all of the lines that we operate for them. So I think if that is one of the goals of your Committee, to get on-time performance, I do want to stand on the record that we have improved it, and we want to stand pat on it. We understand that there is a lot of room for improvement yet, but it does indicate that something is going on in the right direction, not enough, but it indicates that we are at least going in that way.

One of the areas that was also discussed this morning is, what happens with some of the money, why don't we do more work, why don't we repair this equipment more, and some of these types of things. I pulled off some of the areas of heavy concentration that we have gone through since Conrail on the equipment repair work on the passenger side, and I just wanted to share with you some of these items that we have gone through because I think you will agree after you hear them that we have gone into quite a few things. We have changed out a total of thirteen complete diesel engines on locomotives. Now, seven of those have been on the Budd car fleet which operates through Bayonne. We have changed out one of the GP-40's and we have changed out five of the E-7's and E-8's that operate strictly on the Bay Head line. Those on the Bay Head line involved an expenditure of \$225,000 just to replace the engines on those particular locomotives. So that our total for new diesel engines to go into locomotives involves \$369,000 for the thirteen total engines. Traction motors that we have put in to all types of locomotives involve 103, since Conrail started - \$653,000 for that item alone - and again, 31 of those traction motors have been placed in E-7's and E-8's in Long Branch. Traction motors, as you are probably aware, are one of the key items of operating a locomotive.

One of the problems that was mentioned this morning was not having enough heat to take care of the people. We have put in seventeen new steam generators at a cost of \$233,000. The list goes on. We have put in main generators, seven of them, \$75,000; steam generating coils, we have put in seventeen of those for \$17,000. And we have started a program of painting locomotives DOT colors. We have completed six of those now at a cost of \$7500. We are trying to upgrade the image of both Conrail and DOT by starting out on the fleet to do these engines all up on the Long Branch and the CNJ the same as the state owned locomotives on the former EL.

Our program on the coaches - I think probably one of the biggest expenditures we had there has been for batteries. We have replaced thirty-one complete battery sets at a cost of \$155,000. These batteries were the main causes for our air conditioning failures over the past few years, and I think from the complaints that we did not receive this summer as compared to last summer, I think we have started to get better on that particular item. We received very few comments on the air conditioning to the bad. We did receive more that we were making headway on this particular item.

We also have a lot of problem with people throwing stones through our windows. It is just a small item, but we have replaced 230 windows with Lexan at a cost of \$14,000. We have replaced 24 generators on coaches that have cost up to \$41,000. We have replaced spicer drives, steam connectors - 150 steam connectors. So the amount of work that we have done on these major items indicates that some of the things the State wants done are being done. These expenditures are all covered

under the funding that we get from the State. They are aware of all of the things that are taking place, and have inspectors observing all this.

As far as the track situation, we have made a number of expenditures, if I can find my sheet, on the track program, and it is quite sizeable. I just picked off some of the major areas that we have spent money on improvements of track, and that involves the welded rail, which I think all of you are familiar with. It certainly improves the railroad operation in a number of ways, but I think one of the ways it helps enormously in the metropolitan area with is that eliminates some of the signal problems that we have trying to operate a commuter service to these metropolitan areas. When we have the kind of thirty-nine foot rails we have had historically, we get so many kids out playing along the tracks that pry off bond wires that we lose the signal system. When you go to the continuous welded rail, and you run a length of rail for twenty-nine hundred feet, your problems in that area really go downhill. So the vandalism factor is really something that pays off with the welded rail, aside from the fact that it makes a much better, easier, railroad to maintain and operate and gives a much better ride.

On the Bay Head line this year we will complete by December sixteen and a half miles of welded rail at a cost of \$1,181,000,000. That welded rail project is just beginning with some of the rail arriving down there, and it will be completed before the season is out. The CNJ mainline, we have already put in ten miles of welded rail at the cost of \$358,000. And on the EL, M & E Branch, we have put in eight point eight miles of welded rail at a cost of \$1,476,000,000 for a total expenditure for welded rail program this year of \$3 million.

On the ties for the PA&W branch which runs north of South Amboy, we have put in 5,210 ties. On the Bay Head line itself we have put in 8,775 ties. On the Bay Head Yard around the loop track and some of the yard tracks we have put in 3,050 ties for a total of 17,035 ties at an estimated expenditure of \$476,000. On the CNJ main line we have put in 16,879 ties. On the Boonton Branch of the former EL we have put in 2700 ties. On the former M&E on the EL we have put in 17,900 ties and on the New Jersey-New York Branch we have put in 22,000 ties or another 76,000 ties in other areas other than the Long Branch line, so that the total expenditure for ties was \$2,417,000,000 this year.

One of the other items that goes along with making rail a better ride is the surfacing. We have surfaced on the PA&W north of South Amboy 4.8 miles; on the Bay Head line itself 35.3 miles; and in the Bay Head yard we surfaced 2 miles of track. On the CNJ main line we surfaced 30.9 miles; on the Boonton branch we have surfaced 11.4 miles. On the Morristown and Essex of the former EL 38.4, and on the New Jersey-New York 20 miles of surfacing. Our total expenditure then for surfacing was \$716,000.

So these items have been improved, as far as the Rail Commission. I think Judge Labrecque this morning mentioned that he found that the track conditions were improved on the Long Branch, and I think that is certainly a fact. It is a fact, however, that with this type of a maintenance away program, it becomes harder to operate trains on time. That is one of the things you have to sacrifice when you have a track condition, and you have maintenance away problems like we have inherited from the other railroads. You make a decision that you have to go to improve those things, what has to be done, and then you have to also, to a certain extent, suffer through some operating problems. You have to give up

one track during the day, and sometimes this starts out early in the morning before the commuter run gets completely finished, and it also ties into the evening run so that you do have problems running trains because you have commuter trains that run in both directions on this one track. It does involve some delays, but we have tried to work with the Department of Transportation in letting the people know where these track problems were encountered. We have set up temporary schedules in some cases where we thought the delay was going to be too great to allow them to take without having something out ahead of time. So I think the cooperation we have received, and the authority we have received from the State to plan those things out ahead has helped in keeping those delays to a minimum while this track rehabilitation is going on.

I think that in the days ahead we have tried to give the State some projects, and I think they mentioned some this morning that they have on their drawing board for next year. A lot of the things that they have in their budget came from the railroad itself, because we are in a position to know what we need to better operate the railroad than the Department of Transportation is in a lot of cases. Some of the things they didn't mention this morning that we have asked for and received permission to install are Solari boards, for example, in Hoboken. This is an area that has been long without Solari boards. We have them in most of the major stations on the Penn Central corridor, and other railroads, but for some reason we didn't get into that in Hoboken. These are the boards that tell people what time their train is leaving and on what track, which may seem to be fundamental, but we have a manual situation in Hoboken, and we found that when we had delays with PATH getting into our station at Hoboken, people were not in the position to find out where their trains were, and we hope that with the Solari board which will be installed by December that we will be able to overcome that situation.

We have also requested, as was mentioned, standby service for Bay Head to take care of our charging problems on our batteries. As you know, we got into that last summer, and we have a partial job down there, but that was a temporary set up that was put in as an expedient to get the job done. We have to go back in and do a better job on that, plus expand it so that all the cars in the Bay Head yard will be covered by a standby system to keep the batteries charged up.

I don't believe the State mentioned this morning that we have also asked for steam facilities down there to provide standby steam in order to keep from operating our steam generators on the engines themselves. When you operate a steam generator on engines like these E-8's continuously around the clock to keep the steam pressure up, the life goes down to about three years before you have to replace it. If we can get the standby equipment and shut the steam generators down on the engine, we are going to almost double the life of those steam generators. I mentioned before, this is quite a sizeable amount of money we are spending for those.

We have also---

SENATOR BUEHLER: Excuse me, Mr. Wogan. Do you have to go through that procedure with the Department of Transportation every time you want to spend money?

MR. WOGAN: Any time that we have to make a major expenditure, yes, sir.

SENATOR BUEHLER: Up to what amount of money?

MR. WOGAN: Well, anything that is not approved in the normal budget. We go through a budgeting process with the Department of Transportation each fall for the coming fiscal year, and we indicate to them what it is going to cost for labor, for material, et cetera. And if there are any major projects that have to be

done in the next year, we try to work them out on that budget. And to the extent that we can do that, it works out much easier. Sometimes, however, you get projects that come up in the middle of the year, and we will do them, but we have to go back to the state and ask for the authority to do those. I think that is understandable. But most major projects --- or I would say all major projects are either approved ahead of time in the budget and described in the budget in detail to the State, or they are approved as an afterthought to the budget when we come across them during the fiscal year.

SENATOR IMPERIALE: What kind of relationship would you say you have with the State? What type of input would you say the State has with you on priorities? Does the State have an influential impact on you with priorities?

MR. WOGAN: I would say most certainly they do have, yes.

SENATOR IMPERIALE: The reason I ask that question, the State came before us this morning and said that they don't have that type of input with you. We are trying to ascertain where the fault lies. The State this morning said they had difficulty with you people and that there seems to be certain things they cannot do with you, and yet you are giving us a statement now saying that the budget is approved for maintenance, et cetera, by the State. The State sort of said it a little different this morning. Will you clarify why the State would say that?

SENATOR BUEHLER: That is an important question, Senator Imperiale, but maybe we should let him complete his train of thought and then explain the budget process.

SENATOR IMPERIALE: I didn't mean to interrupt.

MR. WOGAN: Well, another thing we have provided the State with - which we feel is important - is a complete survey of all of the stations on the railroad. We have completed two booklets, and we are in the process of completing the third one. We have gone around and taken colored pictures of every station, every tower, every yard, and every facility that we have been operating in the Pascher territory - and we have had our engineering people come up with an estimate of what it would take to upgrade that particular item and bring it up to what we would consider par. Now, we turned those booklets over for the Long Branch and the CNJ main lines and the Bayonne service to the State, and we are just about completing the one for the former EL. This is the station service area that we think a lot of people have been devoting a lot of talk to, but without seeming to get too far ahead; so we felt that if we provided the State with the facts and the figures and what the conditions were that we inherited, and what we felt should be done, then they would be in a position to make a judgement as to where they wanted us to spend their dollars. We don't feel that we are in a position to go out and spend the dollars without having guidance from them, since they are paying us to run the service.

We also have completed a very extensive survey of the entire locomotive fleet, the entire car fleet. We have made two booklets, one for each type of equipment, and we have color photos of each of the pieces of equipment indicated showing the physical condition, and we have a complete description of it, whether it is good, fair, poor, indifferent, and indicated to them just exactly what we felt the expenditure would be for each piece of equipment to upgrade it. In addition, we had our people in Philadelphia go a step further, and we recommended to the State in another booklet, based on the engine and locomotive booklets, a

recommended program for rehabilitation of all the rolling stock. I might add that since the question came up this morning, and I think it has come up before, with you, Senator Buehler, Conrail's position is such that with the fleet in the condition that it was when we inherited it - we are not car builders, we are not locomotive builders, we will maintain the equipment - we are in no position either shop-wise or manpower-wise to go into the rehabilitation that was expected when the State purchased the thirty-two cars, for example, that they bought from the former Penn Central Trustees. We indicated to the State from the outset that we could not undertake that kind of position, not from a budget standpoint because they were ready and willing to function, but from the standpoint that if we were to do any kind of job at all on the normal daily maintenance just trying to keep up with the run-down equipment problems we already inherited, and from a staffing standpoint, we did not have the ability to go out and completely staff the shop with more supervision and more people to jump into a program like that. We recommended that they---

SENATOR BUEHLER: Let me ask you a question about that, because I personally inspected one of the cars that your people did, and it was an excellent job. I think it cost around \$45,000 ---

MR. WOGAN: Well, we accomplished rehabilitation on two cars, and one was \$59,000 and one was \$61,000 - so they averaged about \$60,000 total.

SENATOR BUEHLER: But if you could have performed the refurbishing of two of those cars, why then is it not within the realm of possibility --- For all practical purposes, it would appear to me that farming them out for prototype with General Electric, and the bidding process, and everything that goes with that is not only going to cost the State more money to get the prototype from General Electric, but it is also going to cause a number of delays, because after the prototype by General Electric, we then go to the bidding process, and we are looking down the line at months and months of delay to get those cars refurbished. When Conrail performed it, they did an - in my opinion, in looking at the car down at the yard when I went to see it - excellent job. The carpeting and the new upholstery on the seats was very good. If you did it on two cars, why couldn't you work out an agreement where you could do the rest of them?

MR. WOGAN: Well, I certainly appreciate your commendation on the cars that we did do. The answer to that question, though, goes back to what I said before. We have to - or we had to in that case - use the same manpower that we had available to do running repairs, and prior to and since we have completed those repairs, we are averaging around sixteen cars a week that we turn out of our shop in Harrison for running repairs, things that have to be done in order to keep the fleet moving. During the time that we worked on those two cars, we came up with about four to six cars that we were able to get through the shop and we did start causing a back up. Cars were out of service, cars that we badly needed. So we simply do not have the manpower and the ability to add to the manpower to enable us to do those cars.

SENATOR IMPERIALE: The budget that you receive from the Federal government and this State, before that figure was obtained, didn't it include maintenance of workers and expansion of employees?

MR. WOGAN: You mean the budget that we received from DOT for this year?

SENATOR IMPERIALE: Wasn't the total overall considered before the amount

was reached to include restoring jobs and expansion of employment and services?

MR. WOGAN: I don't know of any expansion of services as such. We had some jobs that came up where we would request that the DOT have the special authority to perform, and advise them that it would take so many men to do this, and we have been given authority on that. But when the budget was put in last year, for example - for this year, we patterned it on previous years how much money we had to spend and how much we had to accomplish - we recommended to the DOT certain projects, and they went over it, including the new manpower in the budget, and what materials we had in the budget, and approved it all on that basis.

SENATOR IMPERIALE: But, there was an increase in the funding, based upon the--

MR. WOGAN: Well, I think the increase in the funding probably came about because of inflation if nothing else. There was an increase in the funding this year over last year and I think that has been the case about every year. I think the inflation factor last year was something like 7 1/2% that went into the budget last year over this year.

SENATOR BUEHLER: Well, in our discussions we talked about - as Judge Labrecque mentioned - adding on a third trick. How would that fit into the budget scheme if that had been accomplished? We had it represented to us that it would be accomplished - the third trick to take some of the burden of maintenance off the existing maintenance group.

MR. WOGAN: Well, as I recall, Senator Buehler, the figure of manpower that we have available for repairing cars, for example, in the Elizabeth workshop, comes out to somewhere around 40 people, plus or minus, that the Department of Transportation pays ConRail for performing a service in that shop. Now, that is not the entire shop. That shop happens to perform freight and service for the passenger cars.

We did indicate at one time that we were going to add to the forces on the first trick and go into a second trick, which we did. But, again, that stretched our manpower out to the point where after we had it - I think it was on about two or three weeks - it was found that we would be better off, to get more work out, to go back to the first trick operation and that is what we have done in that case. I don't know whether we could do any more at this time on getting a second trick to do any good or not.

SENATOR BUEHLER: Well, how were the 40 men allocated in Elizabeth Port in terms of freight and passengers? Is there a break-down there or is it just as the work comes in?

MR. WOGAN: No. Excuse me. The 40 people that I mentioned are people that the State paid for - 100% passenger.

SENATOR BUEHLER: All passenger?

MR. WOGAN: Right.

SENATOR BUEHLER: And they are kept busy with your normal work load and they could not be used for this other project?

MR. WOGAN: That's right. We found that during the period of time that we rebuilt these two cars we did drop behind in the regular work. And, the same thing is true of our locomotive situation. That is why we indicated we could not get into the complete rehabilitation of the E-7's and the 8's, even though we have done extensive work on them. We have put a lot of engines in and we have put in a lot of steam generators. But, we have not yet completely rebuilt them. We just don't have the capability of doing that without sacrificing someplace else and we don't think that is the thing to do. We think the State can do this someplace else. We worked up a program for them on the E-8's, for example, with the Illinois Central people, who have a large locomotive repair facility. They sell this service out and we worked up a program of trade-in where they could trade-in the E-7's and the E-8's and receive back what was called an E-9, with upgraded horsepower, at a price. This could have been done sometime last year. But, I don't know whether it was funding on the State's part or if it was that they decided not to go for the amount of money that the

I.C. wanted, or what. But, I.C. Industries was ready and willing to help out on that problem for a dollar figure. We are not in that position.

SENATOR BUEHLER: I just wanted to follow this up, Senator. The State paid approximately \$800 thousand to pick up these cars that will be refurbished and those refurbished cars will take off the most antiquated cars that we have in service. This is a temporary measure until this electrification project is completed.

So, what is mind boggling to me and to the commuters is the fact that ConRail performed on two of these cars - they refurbished them and they are back in service and I understand that two more are going to go back sometime later this month.

MR. WOGAN: Well, the other two are in the General Electric shop in North Bergen.

SENATOR BUEHLER: And who contracted for those?

MR. WOGAN: There was an arrangement between the State and General Electric, but as far as I know that was set up to obtain bidding and to get the specs worked out. I understand they have to do that under State contract.

SENATOR BUEHLER: Do you know any break-down on the difference in cost of refurbishing those cars compared to the ones your people refurbished?

MR. WOGAN: I do not.

SENATOR BUEHLER: So, you wouldn't know whether it is--

MR. WOGAN: I don't know whether it is more or less or better or worse. I haven't seen the cars as yet. They did indicate that they would be out the last of October.

SENATOR BUEHLER: But, what you represented is that you just don't have the manpower to continue to do the refurbishing on those cars at this time.

MR. WOGAN: We don't have the manpower and in particular we wouldn't have the supervision to tie into that to carry a program like that and still try to carry on the every day repairs.

SENATOR BUEHLER: Well, let me ask you a very practical question because we are talking about the same tax dollars to do the refurbishing. In the spirit of cooperation with the Department of Transportation and with ConRail, doesn't it appear that if ConRail could do it cheaper - if they had the manpower - that that would be the way to go?

MR. WOGAN: Well, from the State's standpoint I assume that it would be. I can't answer any different than I have already from ConRail's standpoint.

SENATOR BUEHLER: Well, I would be interested in getting the bill from the final ultimate conclusion, when GE, with their prototype, then takes it out to bid. If that cost is considerably higher than the cost of the \$54 thousand that you spent to refurbish a car, that raises a serious question as to why the Department and why ConRail can't supply the necessary manpower to do it in not only a satisfactory fashion in refurbishing the cars but at a lower cost. Now, I fear that that is what is going to happen here. Not only that, but I also fear the long delay in getting those cars that we purchased months ago out into service.

MR. WOGAN: Well, I think, Senator, that the long delay was not these two cars that went to General Electric, it was the long delay in deciding what to do. General Electric has only had these cars a short period of time and

they are completing the two cars in much less time than what it took us to do them while we were trying to do other tasks. If the whole 28 had been sent to General Electric or some other outside car builder to begin with, they would have been done much sooner. I am not saying that they would be done by now, but I am saying that they would be done much sooner than they would be the way we are going.

But, I don't know what the cost comparison is. I don't have any idea what their figures are going to be.

SENATOR BUEHLER: Thank you. Continue.

MR. WOGAN: Well, I think, looking down the road, our plans for ConRail depend to a large extent on what the Department of Transportation wants to do. We are working closely with the Department of Transportation and their consultants on all these various projects. We have two large projects going on which you are aware of - the electrification of the Erie-Lackawanna and the extension of electrification on the Long Branch. Both of those projects are covered by consultants performing the engineering and all of the work that has gone on to date and eventually it will probably involve ConRail people. But, to some degree they are going to have outside sources doing some of the work on this where we don't have, again, the facilities or the people to do particular jobs that are involved in that electrification.

But, in looking at the future I think that we will be glad to work with the State in any way that we can to implement the service or carry out anything that they want to get involved with. We will continue to give them our support. We will continue to give them ideas that we feel should be carried out to bring about a better transportation set up in the whole State.

SENATOR IMPERIALE: Let me ask you a question, Mr. Wogan.

SENATOR BUEHLER: Senator Imperiale.

SENATOR IMPERIALE: What would you say the priorities are for, mainly, with ConRail at this point - freight or passenger?

MR. WOGAN: Well, I would be amiss if I didn't say that the priority with ConRail was freight.

SENATOR IMPERIALE: It would be freight?

MR. WOGAN: The ConRail organization was set up to handle freight and the passenger was something that we had to perform in order to get the setup under ConRail because of the way Congress set it up.

My particular function, however, is one hundred percent passenger. To that extent, I want to see that we have the best passenger service possible and management has given me that assignment and they have given others, above me in the passenger field, that same assignment.

SENATOR IMPERIALE: All right. I believe you just said that freight would be the priority. I believe you also said that you took over a lot of the defunct equipment. Naturally, you must have looked over all of the rails and everything that pertained to the freight and the passenger service to see where the priorities would be necessary in order to move more rapidly. Did you have the opportunity - or did your company have the opportunity - to see the conditions that prevail on the freight line on Franklin Avenue and Belmont Avenue, where the rails are so deteriorated that it is pathetic, and where you can, physically, crawl between the inner part of the rail and the embankment of the tracks that are there and which are located in residential

areas? Also, I am sure you aware that - I think it was three years ago - we had a hell of a demonstration up there because the gates were taken away from the street. At such time it was promised that they were going to see that the caboosemen got off and stopped the traffic and guided the children, and none of this has taken place. It took place for about a couple of weeks until everybody got used to the idea that the crossing gates were gone.

But, the thing is, it is a freight line and that condition existed before you took over and it exists worse now after you took over. I was just wondering, the State seems to contradict what you say here today about the working hand-in-glove concept. They seem to give the impression, from the notes that I have taken, that they haven't had that much of a tremendous input with you. I am concerned with not only the passenger and the freight but I am also concerned about these continual dangerous conditions, especially where the residential areas are, such as the area that I just spoke of. I am certain that you must have a priority and your budget certainly allows you to go into that particular area to do something about it. Why is it that nothing is done about it?

MR. WOGAN: Well, Senator, I think you have asked about three questions that are all in one. If I can take them one at a time--

SENATOR IMPERIALE: Right.

MR. WOGAN: As far as the State's impression this morning and the relations with the railroad, I think they mentioned, themselves - and I am not putting words in their mouth - that the relations in the Atlantic Region were improving and getting along very well here.

Now, on the day-to-day operation, I think they explained that the problems that they were having were at our headquarters in working out a contract that was something that they could both work with. I know that to be a fact since ConRail started working out a contract. Hopefully, they are about ready to sign some kind of a contract which will give us all some more guidance on where we go from here.

But, that is what I gathered from what Mr. Anderson said this morning.

As far as the crossing situation that you are talking about is concerned, that particular area - as I recall it - happens to be an LDL line. When USRA made the studies and set up the whole ConRail picture, there were certain areas that did not have sufficient freight to justify its operation and they set up what they called LDL lines as being lines that the ConRail system would not absorb but they would operate for either the State or some other body - shipper or whatever - who wanted to fund that. This particular line that you are talking about happens to be one of those LDL lines. ConRail is operating that under contract with the State, much the same as we do with the passenger service in that particular case.

I am aware of the problem that you are talking about. Three years ago I happened to be from the L and was in Hoboken at the time. We did go through the legal steps that were mentioned this morning and we won the court award that said we did not have to have flashes on that crossing and that we should provide flagging services with a crew member. I was not aware that this was not being done, but I am aware that the service that you are talking about as being a detriment to all the people in that area, we are operating once a week. One day a week we run a train over that particular crossing. That is one local. It goes up there and back. So, from an expenditure standpoint and from

the State's standpoint, I don't think it justifies crossing flashers or some of these types of things - crossing gates - as against some of the crossings probably in the State that are a far greater risk to the life and the limb of the citizens.

But, I think that is for you people to decide if you think otherwise. I will get into the fact that you brought up - that they are not flagging that particular crossing - because they are required by that order and they are required by our timetable instructions to flag that crossing whenever they go across it.

SENATOR IMPERIALE: I have watched this. I live there and it has happened in the last week, several times.

The other question I have is, what justifies, then, that you take the flashers off where there are two schools, churches, and senior citizens? How is it that less than a mile and one-half away, along Prospect Avenue, that the flashers are still there? It is the same railroad. It is the same law. It is the same ruling. Why are the gates there and they are not in Bellville?

MR. WOGAN: There was a crossing hearing, that is all I can tell you. I don't remember how or why it was brought about but the judge determined that there wasn't sufficient volume of rail traffic to justify anything further than what was done.

SENATOR IMPERIALE: That is something I couldn't understand. They justify that it shouldn't be there, where it is heavily populated, and they justify that it should be in one of the most remote and dead areas - after the shopping area closed there. Yet, I would love to see them just take the gates that are there and put them back where the schools are.

Of course, I would appreciate, however, at this point if you would please ask the flagmen to conform to what they agreed to.

MR. WOGAN: I will see that that is done.

SENATOR IMPERIALE: Please. Thank you.

SENATOR BUEHLER: Mr. Wogan, you indicated in your remarks that since you have taken over as the administrator of ConRail that \$3 million has been expended for welded rails; \$2 million was expended for new ties; over \$700 thousand has been expended for resurfacing of the roadbed and all of that, I am sure, has improved the conditions of the railroad. Are there any critical areas - as I asked the Department of Transportation - that in your assessment are critical track areas or have bridge conditions that would be deemed unsafe for our commuters and that you have not addressed to this Committee?

MR. WOGAN: I don't know of any areas that are unsafe. If we find an area where there is a problem, we immediately put a slow order on until it is corrected. We have a few slow orders yet where rail conditions, or tie conditions, or something, would not permit maximum speed. But, those are being worked on and eliminated all the time.

The bridge that was mentioned this morning is probably one of the high priority items with both the State and ConRail. We are working jointly on a project there to have that bridge repaired. As I recall, from the State's conversation, they are letting that out for outside contractor's bids this month to have that performed in April. In the meantime, there is a slow order on that bridge to keep the speed of the trains down that are going over it.

SENATOR BUEHLER: All right. The next issue is one that probably is

the most sensitive and that gets into the actual supervision and maintenance - the day-to-day operation of the cars themselves. Now, how do we resolve what apparently is a condition that still prevails even though you have been in office for a year now? You explained what the situation was when you took over and I can understand that. The railroad trustees didn't want assets out there that they couldn't put a price tag on, so you came in and there were limited facilities, or no facilities, for improving the interior condition of the passenger service. Now, what is the problem there? The Department seems to be frustrated with and this Committee is frustrated with the actual day-to-day operation of providing conveniences and cleanliness and general maintenance of the passenger cars. How do we address ourselves to that?

MR. WOGAN: As far as this cleanliness issue is concerned and some of the other problems that were mentioned, I haven't had those types of complaints in some time now. We have had a large campaign on that particular thing and we put on additional people in Bay Head. We put on a new general foreman trainmaster down there to make certain that we started the trains out right in that area. He makes a morning inspection with his other supervision down there to make sure that everything is right before it leaves the yard. We have concentrated on the Bay Head line.

SENATOR BUEHLER: Would you say then, if you and I got on the train at Bay Head - on any train - that we would find drinking water, cups, toilet facilities, soap, hand towels, and so forth and so on? Would we find that that condition prevailed on any train that we took?

MR. WOGAN: I can't tell you that every train down there has all of those facilities every day. Some of the trains -- we still have problems with the drinking supply and the containers that are involved in the cars. We are still working on our toilet situation. But, by and large, we have made a large improvement and the complaints have really gone downhill in that area. And, we intend to keep on doing this.

SENATOR BUEHLER: Well, then, is there supervision on every train that goes out in terms of monitoring those conditions that you just spoke of - that there would be drinking water, there would be toilet facilities, and working "johns" - passenger conveniences?

MR. WOGAN: Well, I think there is a difference of opinion, probably, on working "johns." We have an agreement with the State that in this type of service we could have one toilet for four cars. I think you were involved in this discussion.

SENATOR BUEHLER: Right.

MR. WOGAN: There are times when trains get switched out so that maybe there is one for five, or maybe there is two for four and this type of thing. But, there are still people who feel we should have a toilet in every car. Yet, the new equipment that the Department of Transportation has ordered only has one toilet for maybe six or eight cars. So, by the very fact that the cars on the large order that they bought from General Electric recently don't have the kind of facilities that we have now, I would say no, I can't tell you that we have toilets on every car.

SENATOR BUEHLER: What I meant is, on every ride that goes out, if someone has to use the "john", there is a "john?"

MR. WOGAN: I would say, yes, there is a "john" on every train that

goes out of there.

SENATOR BUEHLER: Then it is equipped?

MR. WOGAN: In working condition.

SENATOR BUEHLER: In working condition?

MR. WOGAN: Yes, sir.

SENATOR BUEHLER: Now, do you need additional maintenance staff to perform these daily functions, in terms of cleanliness and maintenance and upkeep?

MR. WOGAN: I don't feel that we do, no, sir.

SENATOR IMPERIALE: Do you feel, Mr. Wogen, that the budget you are working with now is not a sufficient budget?

MR. WOGAN: Is not?

SENATOR IMPERIALE: Is not a sufficient budget to give the kind of services - on-time, expanding services - on the new electrical system they are talking about? Do you feel that this budget is not adequate?

MR. WOGAN: Well, from where I sit, I think the budget has been doing what was intended, and that is it is operating the service. It is not a budget, though, that encompasses taking in new equipment. That is outside the sphere of our budget. I think in order to operate a better service here, regardless of what was said about the condition of these coaches, you can't maintain engines that are built in 1947 and you can't maintain coaches that were built in 1920 and 1930 and expect to have a service that is going to be up to par with what it should be in 1977. There is just no way you can do it. I think we can present a good, clean front and give them cars that are in good working order but it is far from modern equipment and that is what we need on these lines.

SENATOR IMPERIALE: What you mean is, the budget you receive is just enough to keep you going?

MR. WOGAN: Our budget is an operating budget.

SENATOR IMPERIALE: It is really not a budget to expand the service like it should be?

MR. WOGAN: Well, I think the Department of Transportation works that out. They fund large projects and purchase of equipment outside of what our budget is. Ours is an operating budget.

SENATOR IMPERIALE: I am asking you this question because of the testimony that was given by Mr. Anderson this morning. Do you feel if your budget was increased - where it went beyond the scope of just running it and went into improving and replacing locomotives and inadequate cars - it would possibly allow you to function and keep your trains on time without the delays and inconveniences that it has been causing?

MR. WOGAN: Well, as I said before, unless you get new equipment and new engines, you are not going to have a service that is going to operate 100% or anywhere close to it. We are trying to patch up these engines and do that job as best we can. On the other hand, we also - as I said - inherited track conditions and we have a large track program going on to upgrade the tracks. This all takes time out of our on-time performance. Beyond that, some mention was made by the Judge this morning that if we have a train fail on the Long Branch on one track, all we should do is put the train over on the other track. It is not quite that simple. We have rules that we have to follow when we do

this and you can only run one train at a time.

Going in the direction that the train is headed in on that track, against the current traffic, you would have to wait until he clears and gets back on the other track, or goes by the next block station, before you can start the next train out. So, where you are moving with the current traffic, with signals, and have trains three and four minutes apart, when you start sending them on that other track that he is talking about, you sometimes run 25 or 30 minutes apart. So, as soon as one train goes, the next one is 25 minutes later starting out and this all backs up. When you have trains that are running on a normal schedule of anywhere from 5 to 10 minutes apart, there is no way you can run them on another track. It requires something that was mentioned here this morning and that is traffic control over both tracks and signals in both directions on the two tracks so that we can then, if something happens, send the train over on the other track and then you can go.

SENATOR BUEHLER: Senator Imperiale brings up a good question and your testimony will be followed by a representative from Amtrack. Do you feel that there is a close relationship between ConRail and Amtrack and could you give us some evidence of that type of relationship and cooperation - or the lack of it?

MR. WOGAN: Well, any time you work two railroads on one track, you would have to work closely or you don't get anywhere. I would say that it does make for a tougher situation than if you have one railroad to control the whole thing. But, neither Mr. Lowe nor myself set this thing up. We are working under the setup that was arranged by Congress and we are trying to make the best of it. Mr. Lowe, representing Amtrack, and myself meet almost weekly to go over our problems, back and forth. We also have a staff in Penn Station in New York - an Assistant Superintendent and a number of trainmasters and road foremen under him - who work closely on a day-to-day basis with the Amtrack forces there to see that ConRail trains are expedited to the extent possible.

SENATOR BUEHLER: Well, doesn't that create a problem for you as an administrator? For example, why does ConRail have Amtrack do maintenance work on ConRail equipment?

MR. WOGAN: Well, primarily because we have no shops to do that. We have no shops on the ConRail system nor anywhere around that could perform that work, except Amtrack. On the other hand, not only do we not have shops we can use, but the flow of the traffic into Penn Station has no other place to go except to ConRail property to have the equipment repaired and they happen to have the shops there.

SENATOR IMPERIALE: What do you think, Mr. Wogan? In this type of hearing, where the State Senate holds a hearing, wouldn't you think it would be good if we, at any future date - since it is apparent that you are guided mainly by Federal legislation rather than State legislation - when we have these types of hearings for the State of New Jersey, invite a member of the Congress that serves on the Department of Transportation, at that level, to join us at this type of hearing? Maybe by having a representative of the Congress on the State level hearing these complaints, he, at the same time, will be able to be effective when he goes back to Washington and we could probably work in closer conjunction with each other. From what you are saying and from what I am asking, it is apparent that between Federal law and State law, it is

like we have you fellows in the middle. I am not saying you are all right. I am not saying you are all wrong. But, we seem to have a tremendous difference on who has the say over you. I know the Federal law is supposed to supersede us, but I think in the future, Mr. Chairman, for the benefit of the people of the State of New Jersey as well as for all sides, we should have representation from Congress here, someone who does work for the Department of Transportation - especially if he is a New Jersey Congressman - so that he would be able to set up an alignment with us so we know where the hell we are going.

SENATOR BUEHLER: Well, I think it was previously pointed out - and you raise a good question - we do have a statement here from Senator Clifford Case, who couldn't be here but who sent a statement down for the record. But, we have a number of Congressmen who have had a tremendous interest in mass transit. Congressman Howard is Chairman of the Sub Committee on Surface Transportation and, of course, has been mentioned. Senator Williams has been credited by a former President with being the father of mass transportation. I am sure that their commitments to mass transportation must be frustrating sometimes when they get calls from back home saying, "What is happening to all of this money that we are spending for rail service?"

That brings me to another question. As far as the revenue coming in from passenger service and freight service, what kind of break-down do we have on that, Mr. Wogan?

MR. WOGAN: Do you mean how much money are we talking about?

SENATOR BUEHLER: Yes, between freight and passenger.

MR. WOGAN: Well, that is a question I really can't answer. I don't have those figures available to me.

SENATOR BUEHLER: You don't have that? Well, is ConRail losing money on freight service right now?

MR. WOGAN: Is ConRail losing on freight service?

SENATOR BUEHLER: Yes.

MR. WOGAN: I think that is a matter of record, we are losing quite heavily right now.

SENATOR BUEHLER: You are losing heavily on freight service?

MR. WOGAN: Yes, sir.

SENATOR BUEHLER: And how about passenger service?

MR. WOGAN: Well, we can't lose on passenger service. We have to be made whole either by the State or by the Federal Government.

SENATOR BUEHLER: Well, would you say that on maintenance-- Because I can recall former Commissioner Sagner at one point when we had a meeting with you, questioning the fact that it appeared that maintenance people were being taken off passenger service and put on freight service for work on freight when they should have been used on passenger service. Who makes those decisions on where these maintenance people --

MR. WOGAN: Are you talking about in our shops or on the track, or what?

SENATOR BUEHLER: In the shops.

MR. WOGAN: Well, our shop, for example, in Elizabeth Port. The Department of Transportation works out the budget with them. They decide how many people it takes to take care of the service for the Department of Transportation on the passenger side. On any given day, after the budget is set up

a year ahead - say there are 40 people set up for the Department of Transportation and there are 70 for ConRail- if a volume of work comes in and we have a back-up of freight cars and there are no passenger cars to work on, there may be some people come from the passenger side to work on the freight side, or vice versa. If the passenger side backs up, we can bring them back and forth. We have some leeway in that way. Now, that is not stealing from Peter to pay Paul. This has to go in on time slips. As they put their time slips in, if a man is working on freight on any given day and he is from the passenger side, he has to punch his card that way. This is the only effective way to run a shop where you have both freight and passenger. It is better for the State and it is better for us from a dollar standpoint.

SENATOR IMPERIALE: Mr. Wogan, if you are losing on freight, and that is supposed to be of prime interest, what do you personally attribute that loss to? The reason I ask that, and this question may sound assinine, but the thing is, if we can find out about all aspects at this public hearing instead of just being here for passenger service, I think that is what this public hearing should be used for. Now, maybe you may have an idea why in the State of New Jersey we are losing freight service.

MR. WOGAN: I am not saying we are losing money in the State of New Jersey. I don't know whether we are losing money in the State of New Jersey on freight service. All I can tell you is that the total Conrail picture is still a losing effort so far, but when Conrail was set up by the USRA and Congress, it was set up so that they knew that they were going to lose money for the first five years before they broke even. So far, other than the large snowstorm last winter that sort of expended a few extra dollars, we had been on target or ahead of target as far as going with the plan that was set up. So it is the expectation that Conrail will make a profit not too far down the line.

SENATOR BUEHLER: What is the overall philosophy of Conrail when they have to reduce their budget. Where do you envision the first cuts taking place?

MR. WOGAN: Well, let me say that I think you are going back to earlier this year, and there were some cuts made on Conrail's manpower, and at that time there were some people taken off and some of the maintenance away forces that were working on Pascher tracks. That has since been worked out, and when there are cuts made, it is not cut from the passenger budget. We are making no cuts whatsoever from the passenger side of the fence. Any cuts that are made are made from the freight side. As long as the State of New Jersey is paying for the positions, there is no attempt made to cut them off unless we resolve something ahead of time where there is a worker or a particular job that we do not need any longer.

SENATOR BUEHLER: Well, it would appear then that we had to in two instances that I recall in the last year - one, as I said, there was a layoff imminent of a number of employees who were in maintenance, and then when we have Amtrak up here, we will ask them the same question with regard to the Red Caps. What I am alluding to is that it appears to me that when cuts have to be made, they are made down at the level that seems will get the least resistance, and a lawmaker gets a call saying, "I am going to be laid off." And I say, if there are cuts that have to be made, are these the areas that are the most responsible areas to make the cuts, especially when we are screaming about providing maintenance service and performance. Now, how do we come about these decisions which create mild crises sometimes among the working men who are out there saying that their job is going to be terminated next Friday?

MR. WOGAN: Well, I don't know how to explain it other than what I told you before. Earlier in the game when we made cuts in the forces, we did cut both passenger and freight, but it was since decided - and that has been sometime back - that this would not be done, and any cuts that had to be made were to be in freight and the passenger forces would be left alone as long as the State was paying the bill.

SENATOR BUEHLER: Who makes that decision? Is that decision coming from the top?

MR. WOGAN: That has been a corporate policy, yes, sir.

SENATOR BUEHLER: And you simply carry out the order?

MR. WOGAN: That is right.

SENATOR BUEHLER: Senator Imperiale.

SENATOR IMPERIALE: Mr. Wogan, is there anything you can suggest on behalf of Conrail to the State Department of transportation to make the operation of rail in this State better? Is there something that you can suggest that we as legislators can do so we can give the State Department of Transportation a reason for getting involved more?

In other words, without being critical of anyone, we always hear someone putting the blame on someone else. The question I asked them was what we could do to make laws to help operations with you smoother, and I think it is only fair that we ask for suggestions from you as to what we can do as Legislators to get the State Transportation Department to function better in cooperation with you.

MR. WOGAN: I don't know as I have any recommended laws that would help the situation, Senator.

SENATOR IMPERIALE: It seems that every time we get together with such departments, and as Mr. Anderson told us this morning, they get bogged down. Now, without being a squealer, a suggestion was made this morning that if you people continue to run a delayed service, they are considering levying some sort of fine. That is like a shylock taking money back that he loaned out on his own, you know. I don't personally agree with what Mr. Anderson said, because we feel that the people would pay for it. But when we hear this kind of talk, it seems like somebody is trying to blow smoke up our nostrils and we are not getting what we are really after at this hearing. That is one of the reasons I posed this question. There must be something.

MR. WOGAN: I don't know exactly what they are going to be coming up with in the contract along those lines. I had understood that was not going to be in the contract from the company standpoint, but I did hear him say that, and he is further in the contract talks than I am. I don't get involved in those. They are carried on in our corporate headquarters. But we did have that kind of contract on the former EL, and we got penalized when we operated short on coaches on a particular train. For twenty five percent of the time if a particular train was late, then we got docked a mileage factor on those cars on those trains. But I don't say that is very approachable. If the service has to be operated, it has to be operated so that we can break even, or we can't operate it by law. So if you delegate so many dollars to the railroad for operating it and then turn around and take it away from us, we are not operating at the break even figure then, so I don't know how you can do that.

SENATOR IMPERIALE: I don't see how they can do that, because it is really going to be our own dollars that we are penalizing you with, and it is just going to make a bigger dent in the budget for us.

MR. WOGAN: Apparently, from what he said, they are going to work something out along those lines, but I am not familiar with that.

SENATOR IMPERIALE: That is what we are after, something along these lines so that we can work closer together and see if we can perform. I know there is a malfunction at times, especially at the State level, and as far as I am concerned, I am trying to find out where is the malfunction? Why is it that we can't perfect the services in this State to a higher degree? I would hate

to go into business with the concept that I am going to lose for two years. I would like to go into business thinking I am going to make a profit for two years, and that is the thing that is concerning me, how do we go in and start making a profit?

SENATOR BUEHLER: On the question with regard to the relationship between Conrail and Amtrak, you had a problem in August; it was a serious delay. Is there any way that Amtrak in an emergency would turn over some of their equipment to you, so that you could be bailed out of a situation where you do face that kind of problem?

MR. WOGAN: Well, I think probably Amtrak would do whatever they could to assist, but the facts were that - and I was on vacation at the time - the far greater delays to trains were Amtrak trains. They had trains that were delayed eight hours. I think the longest Conrail had a delay was for about an hour and forty or fifty minutes, somewhere in that area. When that power went out and they had those problems, they were all tied up. They tried to move any train to get things moving, regardless of which train it is, you have to move the first train first when you are trying to untangle something like that. Well, when that happens in the middle of the rush hour in those tunnels underneath the river, you have a problem, because you have trains that have been funneling in there, and there is no way to get them out except to back them out or to get your condition cleared up ahead, but we couldn't apparently do that at that time. The engine was dead, and there was no way of getting a hold of it to get it out of there. I think Amtrak can probably fill you in better on those types of things on their railroad than I can.

SENATOR BUEHLER: This may not seem like an important question, but, again, looking at railroads when you and I were much younger, and you have been involved in railroading, how many years, Mr. Wogan?

MR. WOGAN: Thirty-one.

SENATOR BUEHLER: Have you seen better days in terms of rail service and performance than you currently see? I am referring now even to the morale of the men who now work for the railroad. What is your assessment of where we have been and where we are, and where we are going with mass transit?

MR. WOGAN: Well, I think I heard you mention this morning something I have heard you say before, when you worked on the railroad you had steam engines, and the equipment was high priority and clean, and everybody was proud of their job. As I mentioned to you before, the same equipment that you are talking about then we are still using. This equipment is so antiquated that you wouldn't be using it on anything other than a railroad. It is remarkable that it can even operate the way it does today. But, aside from that, I think I also mentioned to you one time that having worked on the EL prior to the arrival of the new equipment back in '73 we were faced with the same kind of conditions you have in Long Branch, we had low morale, and trains were not operating on time primarily due to old engines. We had some old Alco units and coaches that went back to 1920. When they came up with the new equipment, the push-pull service, and all that went with it, our on-time performance went up. Not only did the on-time performance go up, the morale of the conductors and the trainmen and the letters started coming in from the people remarking on how the morale of the workers was and how they enjoyed riding.

Now, granted, they had service over there on the EL in this area for a long time, and it was probably better than most passenger services, but it came

up one hell of a lot when we got some new equipment to work with. We were able to get the workers to see that there was a future, and old railroad people had been taken off. Certain jobs had been taken off for years and years until they put those trains on. All of a sudden someone was saying, "Hey we are going to have a job tomorrow; they are getting new equipment." It boosted up the whole morale, and I think, if anything, what will help the Long Branch service is the new equipment; that will get everybody thinking that there is a future.

SENATOR BUEHLER: It is not your problem, but do you think the timetable of events to improve that railroad are fairly clear in terms of the 1980's, that there will be that kind of service in the shore area?

MR. WOGAN: Well, I think the program for extensive electrification has probably come about as far as the one on the EL in short order. I think it is possible that you might have the extension on the Long Branch long before they have the electrification of the EL or re-electrification of the EL. They seem to have a better grasp on it from a consulting standpoint of the people who are doing the work over there than they have on the other project.

I would expect that that project would be coming more on time. It probably will hit the deadline that they set. I don't know about the extension of the Long Branch. I think that is an area that still is in doubt as to what they want to do, but, of course, as was mentioned this morning, there are planners working on that as to what they want to do.

SENATOR BUEHLER: How many passengers do you carry on Conrail in New Jersey?

MR. WOGAN: We are handling about 70,000 each morning and then 70,000 back each night.

SENATOR BUEHLER: How does that compare to one year ago when you took over?

MR. WOGAN: I think the count is about the same.

SENATOR BUEHLER: Do you think we can increase it?

MR. WOGAN: That is a hard question. We have a lot of things going against us, if you are talking about trying to sell passenger service. We had, for example, on the EL, where I am a little more familiar, Route 80 just came into being along most of the stretch we are talking about re-electrifying, and even with new equipment, I don't know as you can compete with the highway where people jump in their cars and drive right to the office. It is a tough thing to combat. The highway system seems to have expanded much faster than the money that was put into railroads.

SENATOR BUEHLER: Are there any ways that your staff public relations-wise plans on encouraging - especially in light of the energy crisis and all of the news coming out of Washington that there are going to be severe cut-backs in energy in the next decade, and on top of that there may be an increase in the cost of gasoline - more mass transit?

MR. WOGAN: I think the State has been doing most of the campaigning and advertising along these lines more so than the railroad does.

SENATOR BUEHLER: Do you have public relations?

MR. WOGAN: We have public relations in Philadelphia, but we have none locally.

SENATOR BUEHLER: Do you think it would be to your advantage to have public relations?

MR. WOGAN: Well, I don't know. I think the biggest thing that can sell the railroad on passenger service is the service itself.

SENATOR BUEHLER: Why are the commuters so disenchanted with the railroad?

MR. WOGAN: I don't know as they are.

SENATOR BUEHLER: Are we doing enough to promote it? It seems to me they are the biggest--- You were in the service. I don't have to use the term that we used about griping all the time. They are the biggest gripers in the State.

MR. WOGAN: Well, it may be. We received a lot of letters and a lot of complaints this winter when the service was having problems with the weather, and we received a lot last year when we had air conditioning problems, and the battery problems, but the number of letters that we get now are very minimal. If you are getting a lot of letters now, I would like to see them, because we are not getting them. I think ---

SENATOR BUEHLER: I may not have to get any more letters. But that to me seems to be a very important subject, that the United States Government goes into a massive allocation of taxpayers' money from coast to coast to encourage mass transit as we move into the 1980's and it seems to me that everybody has to use their input, especially the authorities like yourself to present the kind of picture in the future that we want. Like Miss Hanlon said, Ocean County is the fastest growing county. We don't have any rail service out there. We have Atlantic City this spring which will be in the forefront, and we have no service in Atlantic City. There was a time when we had all that service back in the forties, and here we are coming up to the 1980's and we are backward instead of forward. What are we going to do in the future?

SENATOR IMPERIALE: We have talked now about adding better cars and the like, but I would like to also add something else to the record. I find, particularly in the areas where I have traveled and where I live, one of the major reasons why passengers will not ride the railroad is because when they get off the train in the city, they feel they will get their head knocked off. A lot of them feel safer coming into the city with their cars rather than the train, because many of the towns like East Orange, Newark, Orange, and right into Morristown there is a very severe criminal type of activity. I think that in fairness to the railroad, for the record, these facts should be incorporated, because this is part and parcel of the reason why people don't ride the trains.

I don't think just the mere question of the budget and expanding the railroad and doing over the cars is the important part of this. I think that either the State or the municipalities have to make the stations safer. Right now they have become a haven for queers, muggers, dope addicts and whatnot. You will have to agree with me that this is one of the deterrents that we have for people riding trains. That is a contributory factor. I think in future planning we all should incorporate giving better protection to the commuters at these stations, because you can't sweep these facts under the rug. If we are talking about what is causing bad service, you have to talk about it all, and I am not blaming you or your company or the municipalities, but there is a contributory factor there. I think that is one of the main reasons city dwellers will not ride, and one of the biggest reasons why suburban dwellers would rather come on Route 80. It is much safer. They will get home if they use their car on Route 80. They may not get home if they use the railroad.

SENATOR BUEHLER: We are getting to a very important point. I think the Committee would appreciate it if you could document for us how much you have suffered in the last year as a result of vandalism. I know we have discussed this before. We have experienced a number of windows being smashed, and radios being taken. I am sure you have a handle on what that is costing the taxpayers in terms of outright vandalism costs that also detract from the service.

MR. WOGAN: I don't have those figures with me. We can provide you with a breakdown of some of the areas of vandalism that we get involved with. I would like to say, Senator, that we have placed a uniformed patrolman at Newark and the former Erie-Lackawanna station because of some problems we had over there, and we did have a complaint about the bushes around that station that somebody was shoved back into the high bushes and mugged or something, so that has been taken care of. I think that station is quite a lot safer.

I might add, I think Amtrak has done a very good job of increasing the police protection around the other station on the main corridor. I think they have done a very good job. Along those same lines, we did ask for an increase in allotment of money for the police force that we have to protect the commuters and police the trains. At this time we have not had any increase in our budgeting for police, even though we have asked for it. I think that is one area, if you want to try to get more money, that could be expanded on. They have a very small commuter squad, and we could probably use some assistance along those lines.

SENATOR IMPERIALE: About six months ago I undertook a task. I happen to know some of the Conrail Policemen, and they are damn good ones. One of the things that I was fighting for was to give them legislation to carry guns. The State law says they are police officers under the Governor, and I think for additional protection I would like very much to see the railroad police armed twenty-four hours a day on or off duty, especially if they live in Newark. If they are in that area, and they know they have adequate protection, they are going to take affirmative action if they happen to see some sort of commotion going on at the railroad. I think this is one of the big things that we have to settle for. You can't blame Conrail, because I know you make every attempt to suppress that type of activity. I think we should also look to avenues where we can increase our input, and if that means giving Conrail police permission to carry weapons twenty-four hours, we should do that. We should also give them the full authority to arrest. It will give us more police protection, anyway. It is a start.

SENATOR BUEHLER: I have one more question. Are there any recommendations that you want to make at this time to the members of this Committee that you feel would be helpful in making the rail operation a more successful enterprise, and secondly, as you look down the road to the next several years, what do you see for passenger service in New Jersey?

MR. WOGAN: Well, if I were limited to the next several years, I would say I see a problem developing, particularly on the former Erie-Lackawanna, because they are so far behind on the electrification project that this equipment is going to be hard pressed to last until the new equipment is going to be able to run over there.

As far as any suggestions right now, I don't have anything planned as far as how this Department can be organized to handle this problem. I think

you can rest assured that we are trying to do everything we can to operate a good, dependable, on-time service to best equip good, clean conditions, and we will continue to do that. We are getting a lot of criticism from time to time and we welcome constructive criticism. We try to take every letter that we get and handle it and see that something is done to correct the situation as it is brought up to us.

SENATOR BUEHLER: Thank you very much. By the way, you know, the Farmer's Almanac says that this winter is going to be as bad if not worse than last winter.

MR. WOGAN: We hope we are geared up for it.

SENATOR BUEHLER: Thank you very much, Mr. Wogan, and your staff for giving us the benefit of your testimony. We will take a five minute break, and we will take our final witness from Amtrak.

(Whereupon a short recess was taken.)

SENATOR BUEHLER: Mr. Golden will be our next witness. Mr. Golden, you are a young manager. Do you want to state your name and title, for the record, please?

D O U G L A S G O L D E N: My name is Douglas Golden. I am manager of State and Local Affairs for Amtrak's northeast corridor region. I brought with me Mr. Charles Lowe, who is our Division Superintendent of the New York Division and Mr. Joseph Crawford, who is our Assistant Chief Mechanical Officer for cars.

We thank you for the opportunity to be here today and essentially what we would like to do is just give you a very brief history of Amtrak and then allow you to ask questions in any field you would like to cover.

I would like to start out by saying that Mr. Wogan did an excellent job in covering most of the operating aspects inherent in the commuter operation in New Jersey. We would certainly echo many of his comments.

Amtrak, as you may know, was created in May of 1971 to operate the nation's inner city rail passenger service and was expressly prohibited from operating commuter passenger service. We were set up as a for profit, quasi public corporation. Essentially, what that meant was that our Board of Directors was appointed by the President and confirmed by the Congress and we would receive a Congressional appropriation but that we were to operate as a private, or semi private, company.

When we took over the operation of inner city service in 1971, it was in a fairly deteriorated state. We inherited at that time the equipment, which had an average age of about 20 years. The railroads supplied the crews. The railroad that we operated over was owned by private railroad companies.

In 1975, Amtrak, particularly in the northeast corridor, began to introduce new equipment. Now, almost all our trains in the northeast are operated with our new amfleet equipment or with metroliner equipment, which was put into operation in the late 1960's.

In April of 1976, with the creation of Conrail, Amtrak was conveyed the properties in the northeast corridor, from Boston to Washington, Philadelphia, Harrisburg, and New Haven, Connecticut to Springfield, Massachusetts. This was the first time that Amtrak had actually owned any railroad. Since that time, Amtrak, in the northeast corridor, has become the operator of the inner city passenger service. In addition, Amtrak is a sub-contractor through Conrail, for both freight and commuter service to provide the use of the railroad, block operators, maintenance forces, etc.

I think with that as a brief synopsis, I would like to open it up to you for questions to us.

SENATOR BUEHLER: I will start with the tough ones and then work down from there. I don't know whether this report is accurate or not but it is my information that the Secretary of Transportation, Brock Adams, is dissatisfied with the statistics that he has been given on train costs and operating losses as supplied by Amtrak and will only support \$12.5 million in additional funds instead of the \$565 that had been requested by Amtrak. Are you aware of that?

MR. GOLDEN: Well, I am aware of some of the details of that. I am not exactly sure of the Secretary's position. Essentially, what you are referring to has to do with our present budget crisis.

SENATOR BUEHLER: Right.

MR. GOLDEN: I might give you a brief history of that and it might help to clear things up. For the current fiscal year - that is fiscal 1978 - Amtrak requested a budget appropriation from Congress of \$545 million. The Administration recommended to Congress that Amtrak be appropriated \$500 million and in the final appropriations bill Amtrak received \$488 1/2 million, which is a short fall of \$56 1/2 million which was requested.

Our request, essentially, we considered to be a bare bones request, not allowing much room for expansion. At the same time, we are required to expand our route system throughout the country to serve new areas. As an example, in June of this year we added a new train service between Seattle, Washington and Salt Lake City, Utah. This is an example of how the service is constantly growing.

Now, we have - as you are most certainly aware - recently announced a series of service reductions in order to cut costs to make up the \$56 1/2 million short fall. We, at the same time, have gone back to the Congress and asked for a supplemental appropriation of that \$56 1/2 million. Now, it is my understanding that at that time the Secretary made his recommendation. I don't believe that he has a problem with our costs, as we reported them. Our costs are fairly closely monitored, both by the Department of Transportation and the Congress, through the General Accounting Office.

SENATOR BUEHLER: How much repair and maintenance work does Amtrak do for Conrail?

MR. GOLDEN: We do all of their maintenance on their commuter equipment in the corridor. I think Mr. Crawford might be able to handle that a little better.

MR. CRAWFORD: In the northeast corridor, in the Sunnyside, New York area, we maintain, presently, 130 new cars for Conrail, 87 conventional cars, and 13 GG1 locomotives.

SENATOR BUEHLER: How many cars would you say are inoperative in any given day?

MR. CRAWFORD: This morning, we had 8 inoperative out of 87. We had 13 MU's inoperative out of 131 and we had 2 GG1's inoperative out of 13.

SENATOR BUEHLER: Would that be a fair figure for an average typical day?

MR. CRAWFORD: I believe it is.

SENATOR BUEHLER: Are there any problems with Amtrak?

MR. CRAWFORD: Well, I don't want to reiterate what Mr. Wogan has already gone through. Everything Mr. Wogan said is a very good picture of the equipment in the northeast, north Jersey service, and I would like to say that we have, this past year - since April '76 - been working very close with Mr. Wogan, making improvements and repairs to the equipment and to the maintenance facilities at Sunnyside, in cooperation with the State of New Jersey and Conrail.

SENATOR BUEHLER: Could you undertake to refurbish these cars that we were talking about during this long debate?

MR. CRAWFORD: No, sir. Sunnyside Yard, which performs the running repairs for the New Jersey DOT equipment, is a running repair facility only. We could not do the overhaul.

SENATOR BUEHLER: Yet, Conrail was able to do that with two cars

already and they are doing two more right now.

MR. CRAWFORD: I am not familiar with Conrail's maintenance facility. But, I am familiar with Sunnyside.

SENATOR BUEHLER: And your men are not equipped to handle that type of work?

MR. CRAWFORD: No, sir.

SENATOR BUEHLER: It is strictly running repairs?

MR. CRAWFORD: We have an open facility. All our work is done out in the weather, in a coach yard facility designed to service and dispatch trains.

SENATOR BUEHLER: How many tricks do you work?

MR. CRAWFORD: We work three tricks.

SENATOR BUEHLER: You have three tricks?

MR. CRAWFORD: Yes, sir.

SENATOR BUEHLER: How many men?

MR. CRAWFORD: Total, in the New York area, is 900, plus. That is real close.

SENATOR IMPERIALE: What is the New York area?

MR. CRAWFORD: Penn Station and Sunnyside Yard.

SENATOR IMPERIALE: Mr. Golden, did you say we had a \$488 1/2 million operating budget in the final budget you got?

MR. GOLDEN: That is our Congressional appropriation; that is not our total budget. We have substantial revenues that come through the operation of passenger service.

SENATOR IMPERIALE: Is this appropriation sufficient for expanding services, giving better service, and more on-time service to the commuters?

MR. GOLDEN: Well, quite frankly, it is not sufficient to expand the service. Quite the contrary, we have just recently announced several service reductions - as I just mentioned. This is due to the size of the budget. So, I would have to answer, no, it is not sufficient in terms of on-time performance. Generally, the on-time performance is affected by weather, by equipment, by track, and what not. It is not directly affected by the size of the budget. I would have to say that there is not a significant effect on on-time performance there.

SENATOR IMPERIALE: When Amtrak took the reins, you said that you inherited a lot of this antiquated equipment. You didn't immediately come in with any of your own equipment? You didn't have any equipment on hand at the time, did you?

MR. GOLDEN: No, we didn't have any equipment on hand at the time. In 1975 our new fleet equipment, which was ordered about two years previous to that, started coming to us and we started putting it on the line. We just received the last of that order in June of this year, I believe. There are over 492 cars, total, and I believe 314 are operating in the northeast corridor.

SENATOR IMPERIALE: Do you have any solid recommendations or proposals that you can give to this Committee, or possibly to the State Department of Transportation that would enhance the operations of Amtrak and Conrail - where we could work constructively to increase and better the service?

MR. GOLDEN: Well, I would hope that we have undertaken some steps to do that already. In 1976, Amtrak created the northeast corridor region - operating region - establishing regional offices in Philadelphia. We also have divisional offices in New York. We have been trying to work considerably more

closely than in the past with Conrail and New Jersey to coordinate our services. We meet monthly, Mr. Lowe in particular, at a service meeting in Newark that is held every month between Amtrak, Conrail, and New Jersey. In addition, we have had several meetings with New Jersey DOT representatives to try and coordinate our schedules and service patterns, in order to improve our service.

SENATOR IMPERIALE: Do you likewise have to - like Conrail does-- Say you want to work on improvement and replacement of rail, do you have to get approval from the State Department of Transportation? Do you have to submit that first?

MR. GOLDEN: No. That doesn't go through the State Department of Transportation. The railroad which we maintain is the main line between New York and Trenton and on to Washington. This is covered under the Northeast Corridor Improvement Program, which is a \$1.9 billion program to upgrade the railroad to 120 mile an hour top speed. A considerable amount of work is being done under this program and it is done through an FRA grant with Amtrak or to other contractors. In addition, Amtrak has its own on-going maintenance program and as this is our own railroad and we are operating it for our benefit, we have the option of going and taking the initiative to do what is needed.

Now, our relationship to Conrail or New Jersey DOT through this is, Conrail is a direct contractor with New Jersey DOT for local commuter services. Conrail then has a sub-contract with Amtrak to provide the maintenance of the railroad and the maintenance of the equipment, etc. If there are any specific maintenance problems related to New Jersey, it is requested specifically for New Jersey benefit and then, yes, before we would do it, we would have to get a clearance.

As an example, we have recently gotten a request to estimate the cost of putting a cross-over in east of the Rahway Station to alleviate a problem there with freight interference coming out of the Linden Yard. We are looking into that matter right now.

SENATOR IMPERIALE: The reason I asked that question was - for the record - to mainly see if we could alleviate and cut the red tape that probably boggs down a lot of the operation in rail service in the State of New Jersey. I am not professing to know anything about railroads, except that I used to jump on them as a kid and get a free ride. But, as a legislator, I am attempting to just see where we are bogged down and if there is red tape somewhere so that we can alleviate it as legislators. That is the reason I asked the question.

MR. GOLDEN: Essentially, I think that Amtrak is a bureaucracy and Conrail is a bureaucracy and the State DOT is a bureaucracy and when three bureaucracies mix, there is always going to be an overlapping of red tape. I am not really sure how you do eliminate that.

SENATOR IMPERIALE: That is like - without being insulting - three chicks in a red light district looking to grab the richest guy that comes in the door. I have no further questions.

SENATOR BUEHLER: Conrail represented that they carry approximately 70,000 passengers a day. How many does Amtrak carry?

MR. GOLDEN: I can't give you a daily figure. Why don't I give you a representative month? Actually, it is not quite representative, it is a little low. The month of August, boarding or detraining at New Jersey points

we had 78,225 passengers. These passengers boarded at New Jersey points. We had 85,000 get off at New Jersey points, using Amtrak tickets. In addition, we had 157,513 people utilizing multiple ride tickets and we can't, through counting, determine which stations they are boarding or detraining from. That total for the month of August was 315,823. August is historically a low month, due to vacations, so if you annualize that it comes to approximately 4 million people a year, either getting on or getting off the train in New Jersey. Some of those people, I might point out, might be double counted if they both get on and get off in New Jersey. They would be double counted. But, the total is about 4 million a year.

SENATOR BUEHLER: Well then, is it true that the services are going to be reduced in the corridor?

MR. GOLDEN: The services, nationwide, are being reduced.

SENATOR BUEHLER: I am only talking about our corridor here in New Jersey.

MR. GOLDEN: The corridor is included in our nationwide cutbacks.

SENATOR BUEHLER: All right. With that kind of heavy traffic, do you think that that is practical in terms of priorities in our area? That may be a difficult question to ask you. We can't compare to Utah in terms of density of the flow of traffic in our corridor. You can't compare that to what is going on in Utah. You know, I have been to Utah.

MR. GOLDEN: Well, you know, it is a very interesting question.

SENATOR BUEHLER: It sure is.

MR. GOLDEN: Our funding comes from the Congress and the Congress represents all 50 states. Now, if we were to cut back in one area alone--

SENATOR BUEHLER: What I am getting at is, is Amtrak playing politics with the delegations from New York and New Jersey by saying that these cuts are imminent in our corridor? Is Amtrak putting pressure on the Congress to get more money?

MR. GOLDEN: No, I don't believe we are playing politics here. Essentially, our total operating budget -- The northeast corridor makes up about one-third of our total operating budget, nationwide. The cutbacks in the northeast corridor that we made total approximately one-third of the cuts, in a monetary sense, and were fairly representative of the cuts nationwide. So, I don't believe that we are trying to play politics with one area or another.

SENATOR BUEHLER: Well, what would happen if, for instance, Secretary Brock gets his way - and I imagine he has some influence with the Administration - in holding to these cuts that he is suggesting? What is going to happen - what do you project is going to happen - to service in the corridor? Where will the ax fall next? I said before that they gave orders for approximately 80 - I am not sure of the number - jobs to be eliminated from the red cap service and that was restored.

MR. GOLDEN: Correct.

SENATOR BUEHLER: I don't know why it was restored. Do you know why it was restored?

MR. GOLDEN: It was restored, essentially, to maintain service for handicapped and elderly.

SENATOR BUEHLER: Well then, I will ask the question in reverse. Why was it suggested that they cut them? I had calls in my office and I don't

even deal with red caps.

MR. GOLDEN: It was suggested that they be cut because it is a service used by fewer than one and one-half percent of Amtrak's passengers and by cutting, it would result in a fairly substantial budget savings.

SENATOR BUEHLER: Wouldn't that be terrible for Amtrak to take those people who were least able to defend themselves in this multi-billion dollar operation and fail to provide service for those who can't get themselves on or off the trains?

MR. GOLDEN: Well, I think on the whole it would not be good for Amtrak to cut service to anybody who wants to use that service. But, when your budget is cut, and you have to make a cut someplace--

SENATOR BUEHLER: Why do they use that tactic, to get the politicians excited and in trouble with their handicapped constituents?

MR. GOLDEN: I don't believe it was a tactic used to get anybody in trouble with anybody else. It was an area where we thought--

SENATOR BUEHLER: Believe me, it did cause some problems.

MR. GOLDEN: It did cause some problems, which was one reason why it was restored. However, it was an area where we felt we could make a cut without adversely affecting a large segment of our ridership. We tried to make cuts that would have the least adverse affect on our ridership.

SENATOR BUEHLER: Well, where will the ax fall next if that \$56 million is not replaced by the Congress - the supplemental appropriation? Let's not kid ourselves, the President is looking for zero budgeting and I don't foresee the Congress appropriating another \$56 million in a supplemental appropriation this year.

MR. GOLDEN: Essentially, I would think it really has to come down to a national policy. As you stated before, the country is experiencing an energy crisis. We are being told there may not be enough energy to provide our needs within a few years. People are being urged to take mass transit. At the same time, the country is cutting the budget of many of the mass transit agencies. And, until a policy is promulgated there, I really can't tell you where the cuts will come. It could be that a decision will be made that rather than have nationwide service up to the extent we have now, we should pare it down somewhat. It could be that it will go the other way. I really can't foresee where that is going to go, Senator.

SENATOR BUEHLER: This Committee is just a small little Committee in New Jersey and you are talking about a national project that exceeds one-half billion dollars. That is a lot of money. What is the budget process with Amtrak in setting priorities for service?

MR. GOLDEN: In setting priorities for service? Essentially, we try to give all areas top priority. That is difficult to do. As far as I can see--

SENATOR BUEHLER: What I am saying is, is it an across-the-board cut that would affect the most densely populated area of the country, like New York and New Jersey, as opposed to the midwest?

MR. GOLDEN: Well, it is an across-the-board cut and the reason is, we are mandated to serve all of those areas, be it Utah, be it Iowa, or be it New Jersey. We are mandated to serve all areas.

SENATOR BUEHLER: It doesn't make any sense to me. Does it make any sense to you? We provide them with the energy sources and they can use our cities to build oil refineries and we let them have their nice clean western air and, yet, we have to suffer the same cuts that they do in rail service with our density of population here. Does that make any sense to you?

MR. GOLDEN: You are not suffering the same cuts. For example, in Montana - which is a fairly sparsely populated state - they have suffered a 50% cut in service. Now, granted, the service was not to the same extent as it is in New Jersey but, also granted, there was no alternative service. Here in New Jersey there is alternative service through the form of the New Jersey DOT commuter trains.

SENATOR IMPERIALE: Mr. Golden, there was a charge made this morning by one of the witnesses that came before this Committee of a lack of supervision. We were wondering if you would like to make comment on that because it is a serious charge to be made against Conrail or Amtrak. For the record, we would like to establish, is there a lack of supervision in your business?

MR. GOLDEN: I don't believe there is. As a matter of fact, in setting up regional offices - particularly in the northeast corridor region - I think we have increased the supervision. Now, Mr. Lowe is our Division Superintendent and maybe he can briefly discuss our setup in the New York Division or in the northeast region.

SENATOR BUEHLER: Can we, at the same time, make the same request we made of Mr. Wogan, that we - the Committee - would like to have a breakdown on what you have suffered in just the last year in your budget as a result of vandalism to your equipment.

MR. GOLDEN: We will be able to provide that.

SENATOR BUEHLER: Mr. Lowe, do you want to respond to Senator Imperiale's question?

MR. LOWE: We have transportation supervision around the clock in sufficient numbers with the C & S, which is communications and signals in your engineering department. They have enough of the proper qualified supervision to keep a railroad running.

SENATOR IMPERIALE: Another charge that was brought before us is that he personally witnessed a train riding with a flat wheel. I believe he used that as an example.

SENATOR BUEHLER: That wasn't Amtrak equipment though.

SENATOR IMPERIALE: Wasn't it?

SENATOR BUEHLER: No.

SENATOR IMPERIALE: Oh, okay.

SENATOR BUEHLER: No, that was not Amtrak equipment. You don't have those problems with flat wheels, do you? You have such beautiful equipment. Do you have flat wheels too?

MR. LOWE: That is quite prevalent throughout the railroad industry and I think Joe can verify that also.

SENATOR IMPERIALE: One of the things that was brought up by a witness - and it may be nothing but just for my own curiosity I would like to know the answer to this - is, the witness complained that the delays were there and there was a lack of informing the public that there were delays. Is there any way that you, in your way, can, if a train is to be delayed, notify the

people at that particular station that there is going to be a delay? That was one of the complaints made this morning. It may appear petty but--

MR. LOWE: I can't answer for the shore service. On the corridor service we have the train tracker system from Trenton to New York that the State funded. It has the ability to make public announcements at the various stations as to the operation of the trains. We have radio communications with the engine man and we also have speaker systems on the train - public address systems - with which the conductor can keep the people informed.

SENATOR IMPERIALE: Your money is primarily from the Federal Government, isn't it?

MR. LOWE: I beg your pardon?

SENATOR IMPERIALE: The funding you receive is primarily Federal?

MR. LOWE: Yes, sir.

SENATOR IMPERIALE: Do you have to make a report back? In other words, do you have to report back what you do with the money and the operations in this particular part of the State?

MR. LOWE: Yes, sir.

SENATOR IMPERIALE: Mr. Chairman?

SENATOR BUEHLER: Yes?

SENATOR IMPERIALE: Have any reports been brought to this Committee? I just asked the question, was there a reporting back to the government as to what was done with the money? Have we received anything from the government that there was anything contrary--?

SENATOR BUEHLER: I don't think we have requested anything. You mentioned the GOA as meticulously going over your budget process, which I alluded to before. We have never requested that report.

SENATOR IMPERIALE: I think we should request it from the government so that we can get a full view of all of the facts.

SENATOR BUEHLER: Just while we are on the subject of these cuts that I project will be imminent if the Congress doesn't go for the supplemental appropriation, how many riders on our trains here might find services eliminated? How many riders would that affect?

MR. GOLDEN: I can't give you a specific number of riders. Most of the cuts that we are making have other trains very close by that can handle most of the load. There are a few trains that are being cut with possibly 250 or 300 people on board where there is not a convenient train immediately adjacent. There are some trains, however. For instance, we are cutting a train that leaves New York at 7:05 P.M. However, we have a train that leaves New York at 7:00 P.M. and we are adding stops to that train that were on the 7:05 train. So, there the riders shouldn't be terribly inconvenienced. The same holds true for several trains that are being cut in the morning, where there is maybe a 15 minute difference. Again, it is not a gross inconvenience. There are some trains, however, where there is no train within one-half hour, or possibly forty minutes, and this might result in an inconvenience to perhaps 500 people a day.

SENATOR BUEHLER: One last question. We asked Mr. Wogan what the relationship was between Amtrak and Conrail in terms of competition, which is obvious. It has to be there. There is a certain pride in your workers and a certain pride in the workers for Mr. Wogan's Conrail operation. How

does that manifest itself in terms of service to our commuters?

MR. GOLDEN: I don't really believe it is competitive so much as cooperative. As an example, our maintenance of equipment forces do Conrail maintenance, or maintenance for the Conrail equipment in New Jersey DOT service. They are not competing in any way and the people who are doing this are specifically assigned to that function. We are trying, as I stated before, to work closely with Conrail and New Jersey DOT as kind of a tripartite agreement to correct some deficiencies and make the whole operation smoother.

SENATOR BUEHLER: I can recall Commissioner Sagner making a statement, when we were looking at some equipment, that there was a loss - a significant loss - of radio equipment when it went over to the Sunnyside Yard. Do you have any reports on that?

MR. LOWE: We have had a problem with vandalism - which you requested costs on - not only at Sunnyside but in the outlying locations when the equipment lays over.

SENATOR BUEHLER: Where does it go?

MR. LOWE: Well, basically, you are at Sunnyside in the daylight. And, I don't want to leave the false impression that we don't have vandalism; we have it at Sunnyside. But, it goes to Jersey Avenue or South Amboy or Trenton and lays over at night at those locations.

SENATOR BUEHLER: Do you have any idea of what is happening with that stolen equipment?

MR. LOWE: Well, these hand sets are perfect for CB operators.

SENATOR BUEHLER: I beg your pardon?

MR. LOWE: The hand sets are the same as the CB's.

SENATOR BUEHLER: Is that what it is? I didn't think that was the case. I thought that was something that would be of no value to anyone. How much does one of those radios cost?

MR. LOWE: Well, a hand set runs around \$900.

SENATOR BUEHLER: \$900 bucks?

MR. LOWE: \$900 for the hand set. I don't know what the engine set costs. Joe, do you have any idea?

(no response)

SENATOR BUEHLER: Mr. Golden, I want to thank you and your staff. Senator Imperiale made a pitch before to make sure there is a flag man in Belleville. I wish I had the presence of mind when Mr. Wogan was up here -- I had a request from commuters from Monmouth and Ocean for a long time, Mr. Wogan - and Amtrak can't help me with this one - of, why can't we run a late theater train or sports train out of New York so that we don't have to rush out of the city to get back to the shore. Is there any way we can add one more train - a late train - on that line? Did we ever have a late train coming out of New York back to the Jersey Shore?

MR. LOWE: The only one I am aware of is the one that is on.

SENATOR BUEHLER: You know what I am referring to don't you? If you go to the Garden and you want to take the train, you may have to leave in the third quarter. Or, if you go to the theater and you want to go out to -- What is that nice Italian place? Momma Leone's? If you want to take your wife for dinner after the theater, forget it because you would have to wait for the milk run. What can we do about that, since he got his flag man?

MR. GOLDEN: Essentially, I would think that would have to be a service contracted to Conrail.

SENATOR BUEHLER: To Conrail? That's what I thought. That is why I am sorry I am so late with that question.

MR. GOLDEN: We would be glad to cooperate in any way possible.

SENATOR BUEHLER: Wonderful. It would be of great cultural benefit for the citizens of New Jersey to be able to take the train out of New York after the theater or the Nick game.

Ladies and gentlemen, thank you. We cannot report for the full Committee because Senator McDonough was unable to be here, Senator Tumulty is not here and Senator Orechio is not here. So, when the transcript is completed, we will send you a copies of the transcript in total and the Committee will then determine what they are going to do with that transcript. So, we thank you very much. We told the girls they could go home by 4:00, so 4:00 has come and this meeting is adjourned.

(hearing concluded)

