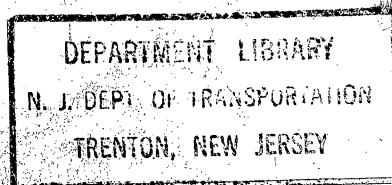


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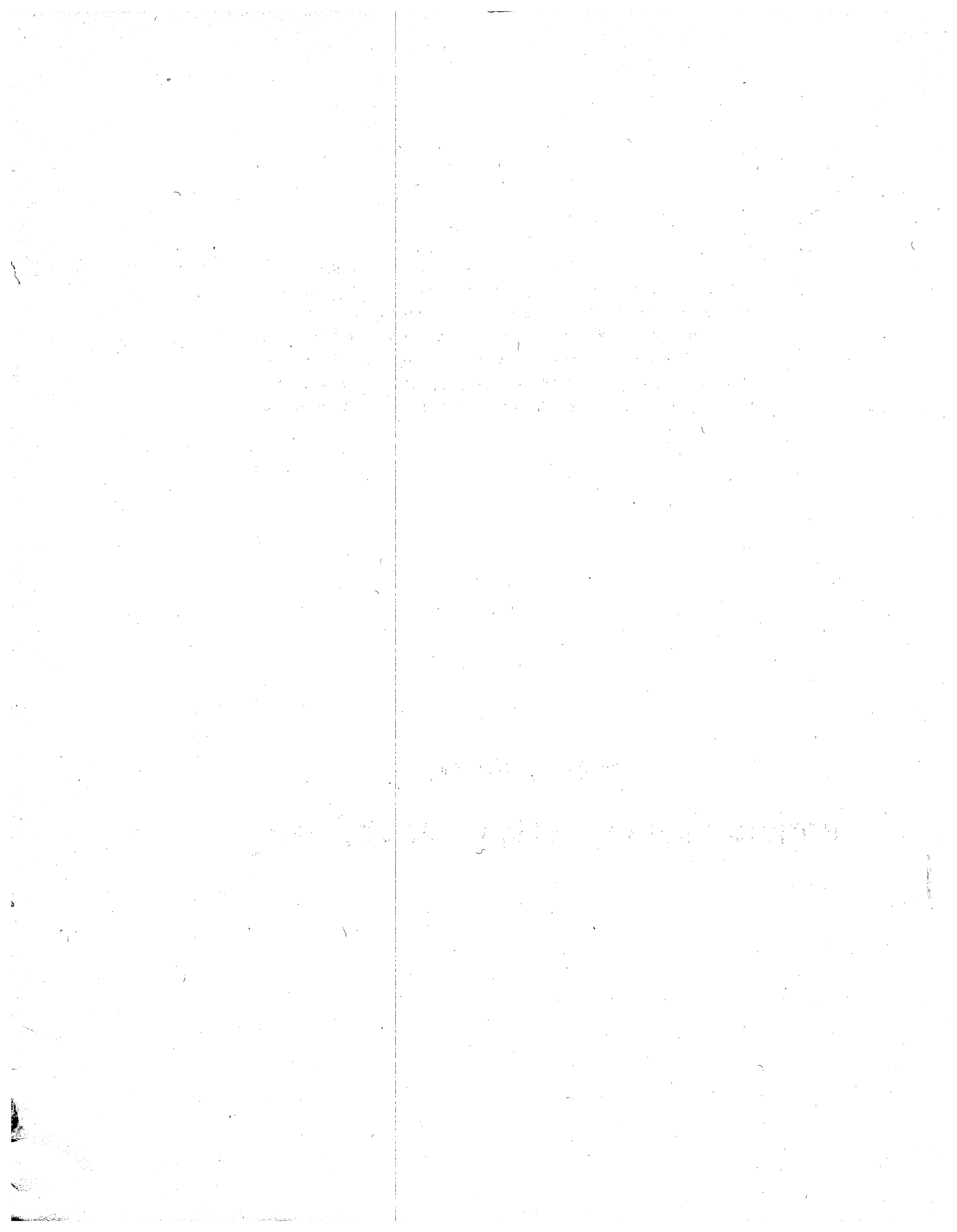
by *David J. Goldberg*



Confronted with the complexity of transportation problems, New Jersey in 1966 established a Department of Transportation, a path other States since have travelled and more States are considering. In this article, David J. Goldberg, Commissioner of Transportation in New Jersey, describes the new department and concludes it has proven the need for a balanced, coordinated approach to transportation in urban areas.

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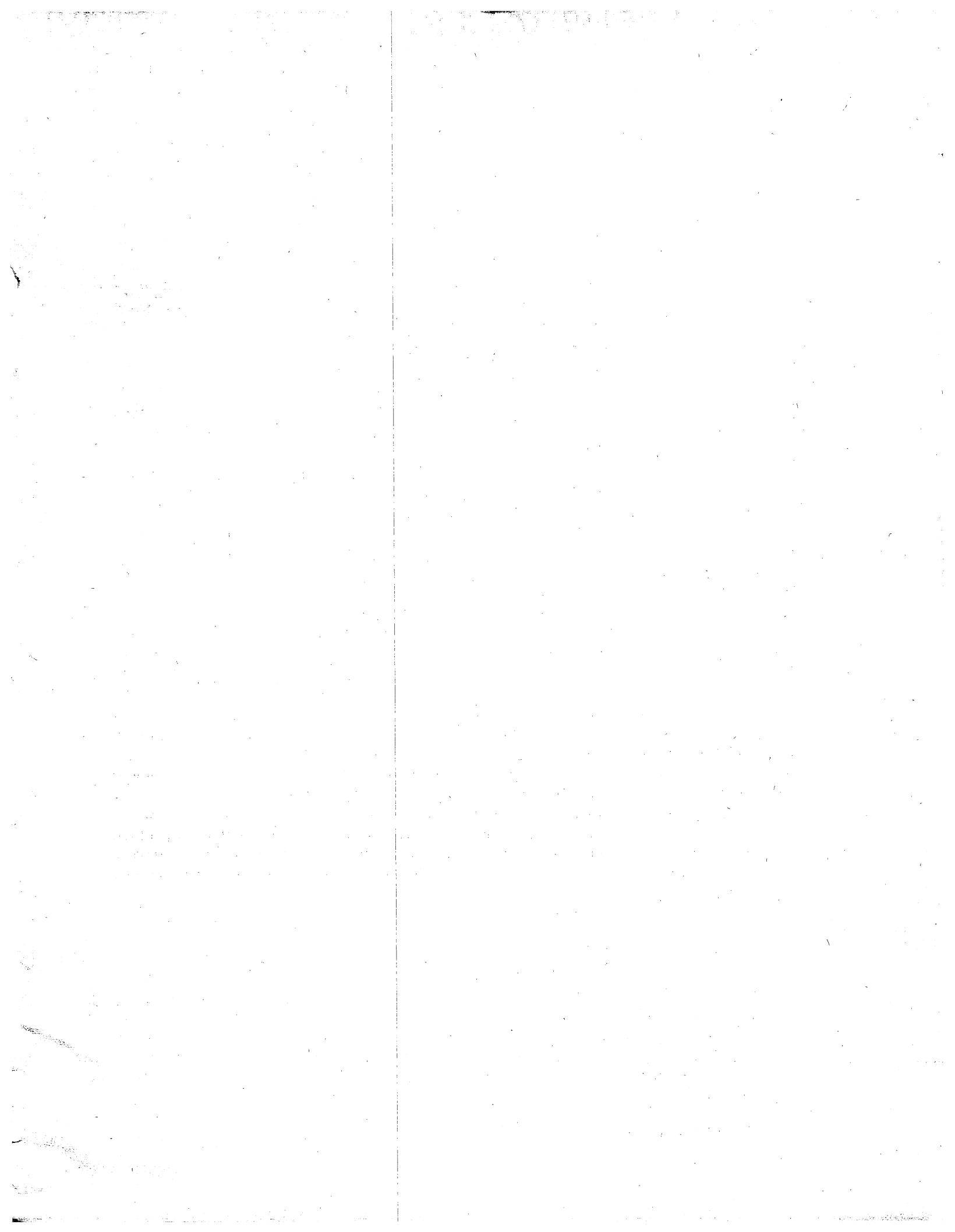
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New Jersey Acts on Transportation

by David J. Goldberg

Urban America will double in the next 40 years, growing as much in that time as all of American urban growth since the landing of the Pilgrims. In that short period, the needs of older cities must be met at the same time that more than 100 million additional persons will be living in the Nation's metropolitan areas. The question facing governments at every level, private industry, and the public, is not whether provisions can be made for this massive and complex growth. Houses will be built—as will schools, hospitals, libraries, airports, water and sewer systems, roads, shopping centers, and office buildings. Of this there can be no doubt. What is in doubt is the shape and substance of cities and their opportunities; i.e., the quality of urban life.

The form and quality of future cities is affected by many factors: Local administration, intergovernmental relations, municipal finance, private investment, water and sewer and other public facilities, and—basically—by urban transportation. The life of a city depends upon its transportation system. Inefficient transportation services increase the costs of local industry and commerce. They rob citizens of their time and comfort. They penalize especially the poor and the handicapped.¹

IN THESE opening paragraphs of the report, *Tomorrow's Transportation*, the U.S. Department of Housing and Urban Affairs has attempted to serve notice to this country that the time has come for government action in the area of public transportation.

Many of our cities and States have already recognized the inevitability of governmental

action to a greater extent than some have on the federal level. In New Jersey, for example, as early as 1959 the State Highway Department was authorized and empowered to take steps to preserve essential railroad transportation. New Jersey has since gone on to establish the first Department of Transportation in the continental United States. Other States also have moved in recent years in this increasingly vital area of governmental involvement. Among them is New Jersey's neighbor State, New York. The State of New

¹*Tomorrow's Transportation*, U. S. Department of Housing and Urban Development, Office of Metropolitan Development, Urban Transportation Administration, Washington, D. C., p.5.

York's Department of Transportation is already in operation, working in consultation with the recently created New York-Metropolitan Transportation Authority, which operates in the New York City region. The creation of a Department of Transportation has also been proposed by the Governor of Pennsylvania. Pennsylvania already has established the South-eastern Pennsylvania Transportation Authority. These are just a few of the States taking action in the field.

A metropolitan transportation authority was created in southeastern Michigan, and one of the major new transportation systems in the Nation is now being created in the San Francisco-Oakland area by the Bay Area Rapid Transit. Numerous other examples could be cited for almost every large metropolitan area in the country.

While the problems confronting the various areas of this Nation differ substantially and the solutions will vary accordingly, the experience gained in New Jersey should be applicable, at least in general terms, to many other States and urban regions. Certainly, the path that New Jersey has taken, while we were among the first and still are among the few, will become travelled increasingly by more and more major governmental units as the Department of Housing and Urban Development report's projected urbanization becomes a reality.

New Jersey's direct involvement in rail transportation resulted from the enactment of the Transportation Act of 1958 which amended the Interstate Commerce Commission Law. These amendments had the effect of relieving the railroads of much of their responsibility to provide passenger services if deficits were incurred. The reasoning behind this change in federal policy was the apparent congressional concern that such a financial obligation on railroads was becoming so great that it was jeopardizing the ability of the rail carriers to sustain their obligations in the area of freight service.

In the House report on the transportation act, the deficit from rail passenger service was recognized to be potentially as large as \$700 million a year. Having grasped the magnitude

of the financial burden of passenger service, the report further recognized "that in very great measure these passenger losses are attributable to commuter service." The committee also recognized the inevitable need for governmental action, but not on the federal level. In its words, "It is clear that where such necessary services cannot be made to pay their way, the *interested communities* have a very real interest in working out the problem. It would seem evident that if such urban or inter-urban commuting service cannot be preserved, *losses incurred will have to be met in some way by the communities*. It is unreasonable to expect that such service should continue to be subsidized by the freight shippers throughout the country."

With regard to inter-city rail passenger service, the committee was even more explicit. Where such service could not "be made to pay its own way because of lack of patronage at reasonable rates, abandonment seems called for." After defining the problem, changing the rules, and relieving the rail carriers, Congress did not consider the subject again until the enactment of the Urban Mass Transportation Act of 1964.

NEW JERSEY ACTS

In New Jersey, the consequences of this federal determination were inevitable and quick. The rail carriers rendering passenger service in the New Jersey-New York metropolitan area promptly moved to abandon, under the simplified procedures provided by the 1958 amendments, nearly all passenger service. Confronted with the threat of losing a major mass transportation network which carried tens of thousands of daily commuters between New Jersey's cities and New York City, the State created, in 1959, a Division of Railroad Transportation in the State Highway Department.

For the first years of the operation of this agency, its primary efforts necessarily were devoted to maintaining the highest level of rail service possible consistent with an increasing obligation to underwrite the financial cost of such deficit services. As initially conceived, the State's program was directed toward subsi-

dizing only that level of passenger deficit which could not be absorbed by the rail carriers. In fiscal 1961 the State subsidized rail passenger operations to the extent of \$4.5 million, and by 1966 the subsidy payment had climbed to nearly \$9 million. In addition, it soon became evident that satisfactory passenger service could not be maintained simply through the payment of operating subsidies. In order to keep financial commitments within acceptable bounds, it became necessary for the State to become involved in determinations as to which service should be preserved. The Division of Railroad Transportation found it necessary to establish subsidy and service contracts that extended only to "essential passenger service," thereby permitting the rail carriers under the liberalized federal procedures to abandon service which might have been socially desirable but economically prohibitive in cost.

The inefficiencies of rail operations also compelled a deeper involvement in the problem for the new Division of Railroad Transportation. For example, in 1962 it became necessary to formulate plans to eliminate the costly operation of obsolete ferry boats across the Hudson River by the Erie-Lackawanna and Central Railroad of New Jersey. The two main commuter routes of the Central Railroad were relocated onto the right-of-way of the Pennsylvania Railroad, thereby providing direct access into the Pennsylvania station in Newark and rail connections to New York City.

In seeking to maximize the facilities available to move commuters on their interstate journey between New Jersey and New York, the State of New Jersey pressed for the acquisition and operation of the bankrupt Hudson and Manhattan Tubes by the Port of New York Authority. Although this bi-state agency vigorously had resisted involvement in rail transportation across the Hudson, the State was finally successful in obtaining legislation in New York as well as New Jersey by including in the proposal authorizing the construction of the World Trade Center by the Port of New York Authority a requirement for the acquisition of the Hudson and Manhattan Tubes.

Recognizing a similar necessity for improved rapid transit in the Camden-Philadelphia area, New Jersey also was successful in developing a bi-state agreement with the State of Pennsylvania for construction of a new high-speed rail commuter line from Camden County, New Jersey, across the Delaware River into Philadelphia. Again, the device of an interstate bridge authority was resorted to and the responsibility for developing the new rail line, which is scheduled to commence operations this coming winter, was vested in the Delaware River Port Authority.

The assistance provided to rail transportation by these interstate agencies, however, merely covered a small part of the entire commuter rail problem. It soon became evident that the many years of neglect of passenger service by the railroad companies had resulted in a passenger operation dependent on over-aged, obsolete equipment and inadequate facilities generally. Even a full subsidy program for rail passenger deficits could not be expected to maintain service unless a substantial program was undertaken to reequip, modernize, and otherwise refurbish the capital plant of the passenger railroads.

GOVERNOR HUGHES PROPOSES A DEPARTMENT

In May, 1966, Governor Richard J. Hughes proposed a ten-year program to carry out the reequipment and modernization of rail passenger service and the establishment of a Department of Transportation with broad operating powers for implementing the program. He stated:

Our goal must be nothing short of a modern, electrified, inter-connected commuter system. New cars will move passengers swiftly and safely, with few or no train changes, throughout the northern part of the state. Expanded parking, improved stations and more convenient ticketing arrangements also will increase the utility of the system. Without such a system, our problems can only multiply. Without such a system, subsidies will increase rapidly as cars and equipment become more aged and alternative forms of transportation draw commuters to our already choked highways. On the other hand, with such a system, New Jersey's

vital economic lifeline will draw new vigor and strength.¹

The New Jersey Legislature responded promptly to Governor Hughes' proposal by enacting the Transportation Act of 1966. The new Department of Transportation was established on December 12, 1966, at which time I became its first Commissioner. During the first year and one-half of the Department's existence, it has had its share of accomplishments and crises.

With funds provided by state and federal appropriations, thirty-five new high-speed commuter cars were ordered in January, 1967, for the Penn Central Railroad. The first of these cars has been delivered and the entire fleet should be in operation by the end of 1968.

In March of 1967 the financially shaky Central Railroad of New Jersey plunged into bankruptcy and the Department was called upon to preserve the carrier's actual existence since liquidation was a real possibility. With the help of a special appropriation the Department loaned the carrier \$2 million in addition to subsidy payments that totaled more than \$5 million during the fiscal period.

Since then we have been successful in receiving stated assurances from the Norfolk & Western and Chesapeake & Ohio Railroads that they will include the Central Railroad within their proposed merged system. Such a move would assure continued freight services, although the passenger problems would still remain substantially a financial responsibility of the State. The N&W-C&O also have agreed to purchase new locomotives and to recondition passenger equipment which will be made available to the Central Railroad as a needed relief to its rapidly deteriorating passenger fleet.

A MASTER PLAN

Much of the new Department's energies, however, have been directed toward a direct attack on solving the financial questions that are involved in all proposed solutions. This past March the Department completed its first

Master Plan for Transportation. The plan surveyed the critical needs of New Jersey in the areas of highways and mass transportation and evaluated existing state and federal revenue sources. We concluded that \$1.2 billion in additional funds were necessary to carry out essential improvements on our highway and rail network, and a bond issue of that size was proposed to the Governor and the State Legislature. Of this total sum, it was suggested that \$1 billion be allocated to highway activities and \$200 million reserved for mass transportation. The Department estimated that the mass transportation bond funds could generate, over the five- to six-year period of the program, approximately \$125 million in federal assistance, permitting an overall \$325 million transit improvement program.

Despite the unprecedented size of the request, the bond proposal was well received and most informed groups in the State concurred with the Department's evaluation of the situation. A blue ribbon committee of business and citizen leaders was appointed by Governor Hughes as a Governor's Commission to Evaluate the Capital Needs of New Jersey. After careful review this prestigious committee approved the Department's entire program, but recommended that \$800 million in bond funds be provided to carry out approximately the first half of the program. Interestingly enough the committee recommendations included the full \$200 million allocation for transit improvements.

Confronted with pressing capital needs in many areas other than transportation, the Legislature slightly reduced the Governor's commission's recommendations, adopting a bond proposal of \$640 million for transportation. It should be emphasized, however, that the reduction was made exclusively in the highway area; the full \$200 million request for mass transportation was retained in the bond proposal adopted.

As this is written, we in New Jersey are awaiting the results of the referendum on the bond proposal in the November election. If the bond proposal is approved, we will have provided sufficient funds to carry out the essen-

¹Special Message on Transportation, Richard J. Hughes, Governor of New Jersey—To the Legislature, May 16, 1966, p.3.

tial capital improvement program on our commuter rail network as well as critical highway projects, many of which interrelate with our public transportation program.

EXPLORING NEW SERVICES

The Department has recognized, however, that the public transportation requirements in an urban area as complex as New Jersey cannot be solved simply by a commuter rail program. Because of the critical importance of preserving an existing system which was jeopardized by the deficit nature of the operation and the financial relief accorded the railroads who had previously underwritten the cost, this aspect of our public transportation system has received the top priority in the past years. But, there is the pressing necessity to service more adequately the public transportation needs—referred to in the H.U.D. report—of the poor, the young, and the aged. The Department is now studying programs to extend mass transit services into new areas and to increase service in areas where it is now inadequate. It is also exploring alternative methods to increase utilization of commuter railroads and rail rapid transit systems at peak travel hours by feeder bus systems. The intention is to develop a coordinated program which will fully exploit the technical advantages of each mode of transportation.

A study made in cooperation with the Tri-State Transportation Commission has involved a loop rapid transit system to serve the entire urban heartland of northern New Jersey covering all of the Hudson County Palisades and the Newark-Paterson area. This loop study is still in the tentative stage and no firm conclusions can be drawn yet. A number of possibilities have been suggested.

The entire region extending from Bayonne through Jersey City and Hoboken north along the Palisades needs additional investments in public transportation. This region is undergoing extensive changes as the older waterfront uses are being abandoned and being replaced with new urban forms. Properly coordinated with other public and private developments, a new public transportation system in this region

would produce major benefits and contribute significantly to its revitalization.

Important transportation improvements are also possible in the Bayonne peninsula and several alternatives for improving public transportation in this area are being studied by the Department and the Tri-State Transportation Commission.

The continued deterioration of mass transit in the major urban centers and their surrounding metropolitan regions is a very clear and present danger. In New Jersey we have recently been confronted with the proposed abandonment of the Newark subway, the threatened abandonment of transit service in Trenton, and the bankruptcy proceeding of a major motorbus operator in northern New Jersey. The generally weakened financial positions of other motorbus carriers all indicate an impending crisis in this crucial segment of the State's public transportation system.

Abandonment or substantial curtailment of these systems would cut off essential employment and recreational opportunities for many thousands of New Jerseyans. It would eliminate existing public transportation opportunities for many persons who are least capable of providing alternative transportation sources for themselves. It would adversely affect the central business districts in most of our major cities. It is clear that these systems must be preserved.

It is anticipated that many of these regional programs will involve the joint efforts of the State and its political subdivisions. The Department is exploring various alternative methods for the creation of a state-local partnership in regional transportation.

LESSONS OF TEN YEARS OF EXPERIENCE

The past ten years have seen New Jersey move from a point of reluctant and limited participation in the State's public transportation problems to a point where we are affirmatively promoting a transit proposal involving the expenditure of hundreds of millions of dollars in public funds to help solve a part of the overall problem. During the decade, we have

been compelled to evolve our governmental concepts from a relatively simple subsidy agency to increasingly complex public units which are developing the capacity to build and, if necessary, to operate major transportation networks. While much of the impetus for this movement in our State was created by virtue of the change in the federal ground rules in 1958, most of the action taken has been that of the State itself with extremely limited federal assistance.

It seems clear that the coming decades will require the development of more sophisticated governmental entities, greater public financial support, and hopefully, more significant federal assistance—financial as well as technical and administrative. Speaking only for New Jersey, I think we have demonstrated an awareness of the necessity for governmental involvement in the area of public transportation. We would hope that the present modest federal efforts will be expanded during this coming decade so that the full available resources of our society can be marshaled as efficiently as possible.

There are signs, however, of uneven federal recognition of the need for action on the national level. As recently as last March, during testimony before a Senate committee exploring the effect of railroad mergers on commuter transportation, members of the United States Senate questioned the need for a role for the federal government in public transportation. And the Congress to date has shown a strong compulsion to rest on the conclusions of the House committee report of 1958 that saw the public transportation problem as one substantially for the communities themselves to handle.

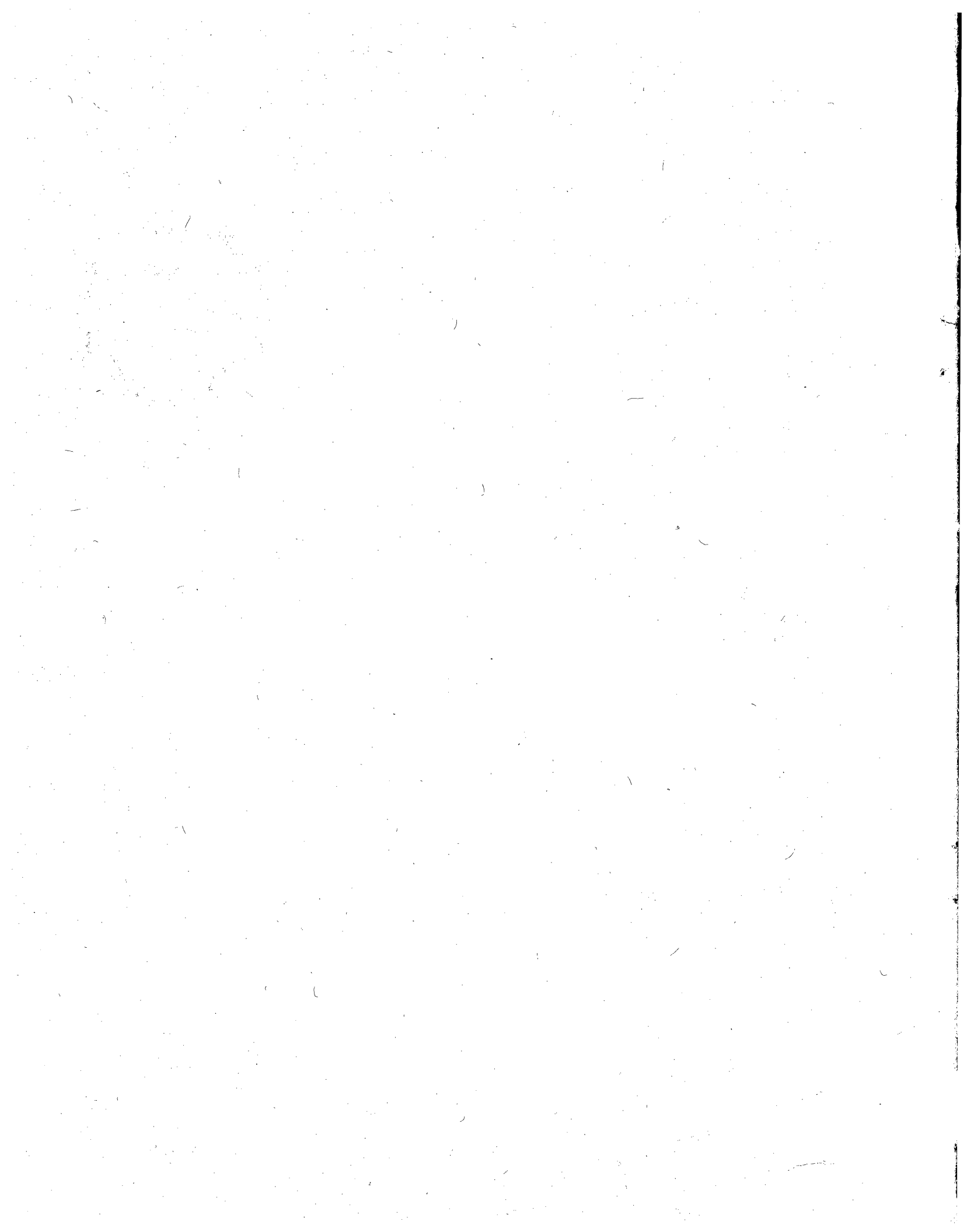
The New Jersey Department of Transportation is responsible for highway construction and maintenance, as well as the preservation of essential public transportation facilities. As a highway department it receives more than \$120 million annually in federal funds to carry out this important responsibility. There are major highway improvements under construction in the very areas that are now served by the existing commuter rail network, and most

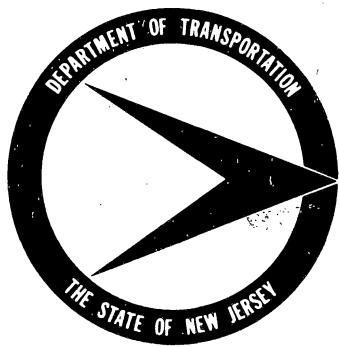
of these are extremely expensive. For example, in the vicinity of Newark Airport the interchange between the New Jersey Turnpike and Interstate Route 78 will be approximately one mile in length but will contain more than 42 miles of access roads and ramps. It will require in excess of \$45 million to construct, with 90 per cent of the cost being provided by the federal government. Despite this considerable investment, the ability of this extremely complex road network to function is directly related to the continuation of the rail transit program which now transports thousands of daily commuters through this area.

Indeed, the most critical highway areas for New Jersey are those providing access to New York City. At the present time the two tunnels and the George Washington Bridge are now carrying a total of 39,000 vehicles a day into Manhattan during the hours from 7 a.m. to 10 a.m. At the same time, the railroads are moving more than 40,000 commuters.

It is apparent that a straight highway policy for this area, even with massive federal support, cannot produce a satisfactory transportation solution. Attempts, for example, to shift most of the rail commuters to bus transportation would only have the effect of increasing the financial instability of the companies now operating in the area. These companies, like the rail carriers, have discovered that the peak commuter traffic represents a financial liability.

The need for a balanced, coordinated approach to the transportation requirements of urban areas has been proven in New Jersey. Our policies on the state level have reflected this growing awareness, although obviously we have more to do. By the same token a meaningful partnership between the federal government and state and local governments will remain dependent on the development of a greater recognition on the federal level, particularly in the Congress, of the need for such a balanced, coordinated approach to transportation. With 70 per cent of this Nation's population now residing on 2 per cent of the land area, we would hope that this recognition would come quickly.





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