

# **Panel Meeting**

of

## **ASSEMBLY LIGHT RAIL TRANSIT LEGISLATIVE PANEL**

*“To provide further clarification and testimony on the status of the rail car design; the status of project funds and cost overruns; and the overall project status”*

**LOCATION:** Roy Irving Theater  
St. Peter's College  
Jersey City, New Jersey

**DATE:** February 27, 1998  
1:30 p.m.

### **MEMBERS OF PANEL PRESENT:**

Assemblywoman Rose Marie Heck, Chairwoman  
Assemblyman Alex DeCroce  
Assemblyman Joseph V. Doria Jr.



### **ALSO PRESENT:**

H. W. “Rusty” Lachenauer  
*Office of Legislative Services*  
*Panel Aide*

Scott M. Rudder  
*Assembly Majority*  
*Panel Aide*

Patrick O’Connor  
*Assembly Democratic*  
*Panel Aide*

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

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**ASSEMBLYWOMAN ROSE MARIE HECK (Chairwoman):**

I'm going to begin. I know that I want to welcome all of you who are present and on time. And to my left, and am pleasantly surprised, because Alex came a distance to be here. He had another big meeting this morning. And Assemblyman Alex DeCroce, who is the cochair (*sic*) of this Panel and the Chairman of the Transportation Committee, has already arrived. And, of course, Assemblyman, Minority Leader, Joe Doria should be here within a half hour.

Right, Pat?

MR. O'CONNOR (Minority Aide): Yes.

ASSEMBLYWOMAN HECK: Pat, of course, is here. Pat O'Connor is here holding down the fort until he gets here.

And, of course, we have Rusty Lachenauer, who is an OLS staff member assigned to this Panel, and Scott Rudder from the Majority Office. Pat O'Connor is from the Minority Office. And, our course, our Director from Trenton, Deb Smarth, is with us today. She wanted to experience the Light Rail Transit Project -- and I say that not as a joke -- I really mean that. I think this is a wonderful day for us.

And, John, before I make my opening remarks, I truly want to thank you and 21st Century for all of your efforts and making our dream become a reality. Your step has been one to date that I had no problems with. I think you've overcome a lot of obstacles that we did not anticipate early on. And Frank Russo and I never thought we'd see the west side, because we agreed to the east side of the project and thought that was a done deal until the very last moment. And then we all had to reschedule and revamp our plan.

So I thank 21st Century for being kind to us in that regard, because it was not what we initially anticipated.

And, Frank, without you, without your work, we would not be here today. Your projections and your groundwork, under the direction of Frank Wilson on the DBOM, was absolutely genius, and your work with us, the Panel members, in promoting DBOM throughout the state was magnificent and an accomplishment.

So what I'm saying here today not only incorporates the Panel, but I feel today is our day to say things in a very positive way about our Panel.

We're here today to review the work done by the 21st Century Rail Corporation to date and to receive a report on the cars ordered from Kinkisharyo for the HBLRT System. This work has been one of the Assembly Light Rail Transit Legislative Panel's original recommendations, accomplished after numerous painstaking hours and years of work. Our success, thus far, is evidenced here today.

As we look at this endeavor, as we look at this transformation of a once bleak, abandoned right-of-way, we see a new light-rail corridor -- the first light-rail line in over 60 years. We must take the time to look back. In 1985 when the circle of mobility transportation initiative was launched and later when light-rail was seen as an important part of this package, in Manhattan the 42nd Street crosstown light-rail was touted by Federal officials as being the first design-build LRT and was entering its design stage. It was to be the first new design-build-managed LRT line in the United States.

By 1990, the once promising LRT on the Hudson was becoming so complicated that it looked as if it would be part light-rail and part bus way.

Moving buses through the 48th Street Tunnel from Lincoln Tunnel to the Turnpike -- Bayonne Bridge by the way -- there would be a little light-rail system which would go from Jersey City to Vince Lombardi. In America at that time, Dallas, Baltimore, Portland, San Diego, St. Louis, Denver, and other traditional light-rail lines were being built.

In 1991, our Panel would introduce here in New Jersey a transportation plot, and the story continues. We three legislators, Alex, Joe, and myself, have worked for many years on the Light-Rail Transit projects in order to better represent the people of New Jersey and their needs. We have shared our objectives, publicly and privately, at every level. Our belief in this work to bring barrier-free public transportation to the state has always been strong.

We projected the Light-Rail Transit projects would increase our productivity, create jobs, bring new business into the area, and improve the quality of life -- who are not just commuters, but senior citizens, families, and the physically challenged. HBLRT is one of the biggest infrastructure projects this state has embarked upon in decades. We look at the LRT as a much needed part of intermodal transportation -- bringing to the State of New Jersey new life, new jobs, and work for decades to come.

We have worked diligently over the years on the nuts and bolts of the project and to make it a success -- to use it as an example for the projects to come. We have held hearings throughout the state and have been part of every bill and effort to promote LRT legislation. The design-build operator maintained work being done on the HBLRT should and must be coupled with the implementation of the bill inspired and supported by this Panel to bring

to fruition the public-private initiatives. This bill was signed into law by Governor Whitman, and RFPs were sent out in September with a projection of 10 to 12 projects to be chosen. Public-private is another tool, when used properly, will maximize transportation dollars in the state.

LRT is an important means of transportation and must be continued and encouraged in many parts of the state -- not the least of which is the Bergen County and Union County LRT proposed projects. We, as a bipartisan group, put together by two successive speakers of the House, have a single goal to maximize miles for every available dollar, to cap endless planning, and to make LRT a reality -- north, south, east, and west. The reality is that HBLRT is the first DBOM LRT and on its way, as we will see later as we tour the site. And we mention that the 42nd Street LRT has since floundered.

Let's recap in brief what the Panel has been doing from 1991 to the present. HBLRT expanded further south to Bayonne -- and I must tell you that that was in large part due to Assemblyman Doria -- and further north to Bergen County. Alternative 9 became the LRT route -- no bus way sharing the 48th Street Tunnel. Proposal was given in March 1994 to use light-floor railcars over high platform.

And I do have that yellow proposal that we brought to -- and you remember when we did that, Alex. We had a Panel meeting in-- And at that time Jim Greller was one of our chief technical advisors and worked very diligently with the group. And he's in the audience today, by the way, and working for the DOT.

But this is what we presented in Trenton, and it was looked upon not with blessing at the time, but about six months later became a bright idea that came to New Jersey Transit. But, of course, the work was already done. And today, as was mentioned at other hearings, if you suggest anything other than low-floor cars, you're not going to be greeted kindly.

The alternate route for the Newark-Elizabeth rail link, which was pushed by the public as the preferred alternative, is the route which utilizes less private property and captured more riders. The proposed utilization of the existing Newark City subway and Penn Station terminal as a hub with two future key extensions -- also part of the Panel's proposals. Having an alignment of the extension to Broad Street by the Mulberry Street connection was already in place since 1937 but was not used. That's another story. Proposal of an alignment that accented the LRT branch to Broad Street to the Broad Street Pass near the New Jersey Performing Art Center was one of our proposals in meeting with them in Newark.

Do you remember that meeting, Alex?

ASSEMBLYMAN DeCROCE: Sure.

ASSEMBLYWOMAN HECK: When they said the trolley-- We said the trolley would not disturb the acoustics in the hall at all, but they thought it would be dangerous. That, of course-- They've changed their minds on that since. The seeds of the design-build-operate-maintain form of light-rail planning that HBLRT is using is the first such system in the country. We all know that.

The work with the late Senator Bill Haines, who was the head of the Transportation on the Senate side, included meetings in Burlington

County on the South Jersey LRT line. The RFP went out only a few weeks ago for a design-build diesel-powered LRT line, and that was published.

Am I correct in that, Frank, that's out?

**F R A N K R U S S O:** That's correct.

**ASSEMBLYWOMAN HECK:** Working with the elected officials on the Union County Alliance to develop what will be a new LRT corridor to spur development -- this is something we've worked on, again, Alex, Joe, and myself, over the years. The future expansion of HBLRT -- there are several routes east, west, north, and south. A public-private proposal has already been made for the east-west corridor in Bergen to be added to the Hudson-Bergen System, which would carry thousands of riders that once only relied on the automobile.

All described here has happened in the last years spurred on by Governor Christine Todd Whitman, who has turned much of what we have done into a reality, who has understood from day one that transportation is the key. Building the infrastructure here in New Jersey is a priority for quality of life issues and a cleaner environment. Recently, our Governor has set a task to look at transportation improvement for the 21st century. Several are LRT proposals made possible by the work of the Panel, and we will do all that we can to have these proposals become a reality.

This year we will start seeing tracks and a mock-up of what our HBLRT cars will look like. Once we see the new LRT go by, it will be a spark igniting future projects and improvements in the entire state. We believe the public will enjoy this mode of public travel. It takes capital -- lots of it -- and we await the ISTEA funding decisions come this May. We have many people

in Washington far from our LRT spots fighting for us here in New Jersey. We encourage the public to follow our work and hope they will attend future Panel meetings to be held in Hudson, Bergen, Union, and South Jersey.

Our thanks to all including our Governor, our advisors, which include staff and volunteers, who have added so much to our success with the HBLRT and the LRT projects to come.

You'll notice that there are a few proofreading errors here (indicating statement) because I just finished this before I came here today.

But I do want to turn over the microphone to Alex DeCroce who has done an outstanding job of putting the public-private legislation through and who has another piece of legislation that is equally as important, and you can take it from here.

ASSEMBLYMAN DeCROCE: The proof of payment? Is that what you're talking about?

ASSEMBLYWOMAN HECK: No. No. Not the proof of payment, the new system looking at the different modes of transportation -- the new bill that you just put through.

ASSEMBLYMAN DeCROCE: Oh, the AJR-21.

ASSEMBLYWOMAN HECK: Yes.

ASSEMBLYMAN DeCROCE: All right.

ASSEMBLYWOMAN HECK: That's important.

ASSEMBLYMAN DeCROCE: Okay. Let me just say regarding the light-rail, I think we're moving a lot faster than we expected. I think it's credit to Frank and to 21st Century. I think everything has worked well. I'm hoping that we complete all the acquisitions that are absolutely necessary for

this entire job. I know there is some question on some of them. In fact, I get calls every once in a blue moon in my office, and I hope that we are working as diligently as possible to alleviate any of those problems. The other thing is that there are those who would like to extend this even further, and I think that's something that we should consider at some later date or at least maybe even consider it now for a later date. But, at this point, I would just like to see us complete what we're underway with, and hopefully, it will be in operation, at least the first leg, by next year sometime.

With regard to the other real legislation that we're talking about, it's a planning tool to give-- See, we had what we used to call Transportation Development Districts in the State of New Jersey. Frankly, the formulas that were in place at that time don't really fit any longer. So we've put -- we've asked the Legislature to agree upon a new commission, that would sunset in about a year's time, that would get together -- an 18-member commission appointed by the Governor to get together to see if there's a way in which the infrastructure in the State of New Jersey can be funded such as a Transportation Development District would do by virtue of industries that might be coming in and would pitch in to help ease the burden of transportation needs for locales that might have these districts. So this is a new piece that I think is going to be beneficial to the state if we can get it together. But I really don't know how much it will do for us right now with the light-rail, but in the future, it certainly will.

In any event, good luck to you guys, and I hope you have all the answers that we need for our questions.

Thanks.

ASSEMBLYWOMAN HECK: And I'm going to turn the floor over to you, Frank, and then you can turn it over to John.

MR. RUSSO: Yes. Thank you very much. It's again a pleasure and an honor to be here, and I'd just like to make a very brief opening statement. I know we're a little pressed for time.

John, also, has a brief presentation, and I understand we're all anxious to get out in the field and really see the job.

That was an interesting comparison between this project and 42nd Street Light Rail. Yes, 42nd Street Light Rail is still in the planning phase. And, in fact, when we complete this project, we'll probably have broken every record for bringing a project of this magnitude from concept to completion. It's only been a short time since our last meeting, so there isn't a whole lot new to report, but I'll try to bring you up to date on a few things.

First of all, the project continues to be on time and on budget. We're right on schedule for opening up to Exchange Place and probably beyond Exchange Place. The budget still looks very good. And, in fact, again, it might be a little early to project how far underbudget we'll be, but we still expect -- that it looks right now like we're going to come in underbudget or on budget. We're going to get a little more than we originally bargained for out of Phase I. That's the bottom line and that continues to be our projection.

Property issues were brought up by-- I think you'll be happy to hear that there are absolutely no property issues left that I know of south of Exchange Place, and north of Exchange Place -- those properties -- we're in the process of resolving them. We're probably a month away from having access

to every square inch of this project with the exception of the short realignment piece pending approval by the FTA getting into Hoboken.

Other than that, I'd like to tell you one thing that we didn't talk about last time. If you remember right, we had always said that our goal was to award Phase II of this project on or before the date that we finished Phase I -- have a kind of ribbon-cutting ceremony and a ground-breaking ceremony at the same time. That's still our goal. As you know, we recently awarded the Secaucus and Paterson Plank Road Bridges, and right now we just issued the 21st Rail Corporation an authorization to start to prepare their proposal for the extension. We expect a proposal, both cost and technical, from them -- probably around the end of the summer in the fall. And we anticipate that we will be awarding Phase II on time, as we promised, near the end of 1998, and Phase II will be under construction with notice to proceed in early '99. Phase I will be completed around the end of '99 with test service again due around the end of the year and full revenue service March 1 of 2000.

So the project is moving along rather well. We've had an awful lot of problems to overcome doing everything new and everything for the first time and breaking all new ground here, but with a little luck, with a little help from God, with a little help from the legislative members who have been so supportive of everything, and thanks to a very good, design-build consortium, we're in good shape.

With that, I would like to turn it over to John. I think he's going to give us a short briefing on the cars, a little rundown on project progress, and then we'll try to get to your questions. Hopefully, we can answer them all.

Thank you.

**J O H N   J O H N S T O N:** Thank you, Frank.

Thank you, Assemblywoman Rose Heck and Assemblyman Alex DeCroce and Joe Doria, in absentia. As I'm thanking you for your opening remarks, I must tell you that they were really appreciated by not just myself, but I'm speaking for 21st Century Rail, the Corporation.

And I would like to introduce you to my deputy, Harold Oslick; Rainer Hombach, Project Manager for Kinkisharyo, USA; Don Wright, Chief Resident Engineer, and he is representing the construction manager today -- and I'm going to convince him to work the projector, too, because I know I will mess it up -- and we have Terry Kelly here who is representing us for the community affairs out of our Humboldt-York Street Office.

I'd also like to thank the Panel for arranging such a wonderful day for our field trip. I mean--

**ASSEMBLYWOMAN HECK:** Yes, we said novenas.

**MR. JOHNSTON:** That's right. It's good.

21st Century Rail is a special-purpose corporation, we've been through that before with Raytheon and Kinkisharyo. It tells you and it really is in a true partnership with New Jersey Transit. And in my 47 years working in this field, 30 in this country, I've never worked on a project where we're all so focused at completing the design, completing the construction of a user-friendly, state-of-the-art light-rail system. There is no question in my mind that it will be world class.

And Frank was with me yesterday with the Executive Director, Shirley DeLibero, and we went down to Raytheon's new headquarters in

Carnegie. And Raytheon has made a copy of a Kinkisharyo car with two seats in it.

ASSEMBLYWOMAN HECK: Oh, you have.

MR. JOHNSTON: And it's virtual reality. You sit in this car and you go basically from Washington Street down to Harborside, and it makes the turn, you see the skyline, you'll see the Colgate clock, absolutely fantastic. I hope to bring this down to Jersey City in the near future and put it in our Humboldt-York Street office.

ASSEMBLYMAN DeCROCE: You shouldn't have said that, because Rose will want it here today. (laughter)

MR. JOHNSTON: It's not that portable -- maybe the next generation will be.

ASSEMBLYWOMAN HECK: We'll have another meeting here.

MR. JOHNSTON: Okay, right. Well, next time we may do something about that.

The status report, as Frank said, has not been long since we had the pleasure of presenting to you in December in the snowy day. We've now completed 15 months from notice to proceed. As Frank said, the project is on schedule and budget. We've completed the preliminary and final design for the rail vehicles, and Rainer Hombach is going to talk to you about that in a few moments.

We've completed about 73 percent of the design-build engineering. We've completed about \$120 million of infrastructure and rail facilities construction. And those people who live in Jersey City and in Bayonne will have seen this swath coming right through the area. And there's

no question about it spurring development, because everywhere we're working there's other contractors trying to build.

We've commenced the manufacture of the light-rail vehicle. And the vehicle body recently passed its load test, and again, Rainer will talk about that.

You do have a map on the--

ASSEMBLYWOMAN HECK: John, I just want to recognize that Assemblyman Doria has arrived.

ASSEMBLYMAN DORIA: Thank you very much.

ASSEMBLYWOMAN HECK: They said lots of good things about you when you were gone.

ASSEMBLYMAN DORIA: Oh, that's nice. Thank you very much. It's always nice to hear that from good people.

ASSEMBLYWOMAN HECK: Yes.

MR. JOHNSTON: The map on the-- We're basically working between 34th Street in Bayonne, and we come right down to York Street now in Jersey City, and we've gone from West End Avenue in Jersey City down to the Park n Ride at Liberty Park Station. We're constructing now in all five areas. That map shows that -- not too many people can see it -- essentially Bayonne-- We've got the Bayonne section up to about Communipaw, which we call Area 1. Area 2 is from Johnston Avenue down to Marin. Area 3 goes from Van Vorst down to Hoboken. And Area 4 goes from Liberty State Park to West End Avenue. We also have Area 5 which is where the shop and yard is. This will be less of a numeric exercise when you see the property in a few moments' time.

ASSEMBLYWOMAN HECK: Are we going to have some paperwork--

MR. JOHNSTON: You mean--

ASSEMBLYWOMAN HECK: --when we travel?

MR. JOHNSTON: Yes. I can give you what I've got.

ASSEMBLYWOMAN HECK: Okay.

MR. JOHNSTON: I can amplify it later. I'm going to show you the slides which will then indicate that.

As Frank said, it's a marvelous step in the right direction. We now have the right-of-way all the way from 34th Street down to Christopher Columbus Drive and from West Side Avenue down to Liberty State Park. So we know we can get to Exchange Place. And New Jersey Transit -- and we've been working with them -- is expecting to execute agreements with Cali Harborside and Newport Properties in the next month or so.

Could we have the slides now, please? (slide presentation)

ASSEMBLYWOMAN HECK: I just have to mention. This is so exciting, Frank. All of these things that we've talked about over a period of time and seeing them come to fruition with all the difficulties we had coming to this point.

MR. RUSSO: Well, interestingly enough, there's a lot of little pieces of a huge puzzle here. But I think what you can see is that once in being a right-of-way, it was all overgrown with weeds and littered with refrigerators and washing machines--

MR. JOHNSTON: Tires.

ASSEMBLYMAN DORIA: It's been cleaned up.

ASSEMBLYWOMAN HECK: I remember walking that line with--

MR. JOHNSTON: --and whatever people threw away.

ASSEMBLYWOMAN HECK: --Jim Geller years ago.

MR. RUSSO: It's now starting to take shape and you can see that a rail system is being built here. And I think John mentioned there's roughly between \$100 million and \$120 million of work already in the ground--

ASSEMBLYWOMAN HECK: It's amazing.

MR. RUSSO: --much of it buried.

MR. JOHNSTON: Which we've completed the design of in 15 months.

ASSEMBLYWOMAN HECK: I think Alex wanted to comment.

ASSEMBLYMAN DeCROCE: No. No. No. Go ahead.

ASSEMBLYWOMAN HECK: Oh, I'm sorry.

MR. JOHNSTON: This is the-- Richard Street is the first station that we've started to build. This again is Richard Street (indicating). We're having a turnaround here. At Richard Street there's also putting in new outfall draining this area, and we were digging a very difficult hole here to put that outfall in. This is the area for the maintenance shop and service building. This is what we call Communipaw Yard. It's right opposite the 14C toll booth on the Turnpike.

ASSEMBLYWOMAN HECK: That was in your newsletter, I believe.

MR. JOHNSTON: Yes. It was.

ASSEMBLYMAN DORIA: And the steel's up already, John, because I just drove by.

MR. JOHNSTON: No. That's the car storage building.

ASSEMBLYMAN DORIA: That's the car storage -- is up. It's up.

MR. JOHNSTON: Yes. Yes. That's what you've been seeing.

ASSEMBLYMAN DORIA: Yes, that's right.

MR. JOHNSTON: We've got about, I think, last count about 13 bays up. This shows you where we were innovative. We couldn't pour the concrete until we got the DCA's approval, but we went ahead -- we didn't pour the concrete, but we got all the work done. We didn't wait for the permit. But before we cast the concrete, we waited, and they inspected it.

This is outside the yard. We're going down towards West Side Avenue in Jersey City. This is the corner of Holiday and our right-of-way. And this is approaching the-- This is the double-wall construction approaching Garfield Avenue. And since this photograph was taken, we have constructed Garfield Avenue Bridge. There you see the bridge. So that the light-rail vehicle will cross above the traffic on Garfield Avenue -- a heavily trafficked road. And now we're coming to Arlington Avenue. And it only seems like a few months ago -- probably September -- that Terry Kelly and I went to the residents of this area and said, "I know you waited eight years for this berm you've gotten in this roadway, but we'd like to close it. But we promise you that it will be open early '98." We've heard that before, there it is. We built that bridge, and I think, Terry, the 16th of March is the dedication? (affirmative response from audience)

ASSEMBLYWOMAN HECK: No, I think Mr. Kelly wants it on the 17th. (laughter)

MR. JOHNSTON: That's good one, Rose. I like that. It's good thing it's not the 18th, because he never works on the 18th. (laughter) Very good.

So this is the view of the bridge, and we really cleaned this area up. I think we took millions of tires out and cube yards of garbage. We now filled in to MLK and the trolley will cross the MLK Drive at Gray. And the next slide shows the station going in. We've had permission from the Freeholders to remove the bridge. So the bridge has probably been removed now, but you can just see it in the background.

Now I've taken you back now from the western spur and the other side of the Park n Ride. And this is the Jersey Turnpike going down to the Exit 14C. And that was a bridge that we were building over some Jersey City sewers so that when the train comes on it won't damage the sewers. This is basically at Marin Boulevard, and now you can see New York City. I mean, we're right there. We now have the-- The Transit has now completed the acquisition of the buildings. We've got permission to do the demolition, and we're now removing asbestos. So it would be right through there.

ASSEMBLYMAN DeCROCE: John, did you say that's Marin Boulevard?

MR. JOHNSTON: Where those buildings are--  
Could we go back one?

Yes, can you see Twin Towers? You see a long building in front of the Twin Towers; that's the Flintcote Building. That's on Marin Boulevard.

ASSEMBLYMAN DORIA: Used to be Henderson Street.

MR. JOHNSTON: Yes. Yes.

ASSEMBLYMAN DORIA: To those that get confused. (laughter)

MR. JOHNSTON: No. You're right. Probably that's why--

ASSEMBLYMAN DORIA: I mean, you have to know the history.

It gets confusing after a while.

MR. JOHNSTON: It was Henderson Street when I first came.

ASSEMBLYMAN DORIA: It's Henderson, now it's Marin.

MR. JOHNSTON: This is the back side of Maritime Power where we're going to take this building down as well. If you can visualize this, this comes past the old area where Fulton was alleged to have built ferryboat -- paddle steamer -- and the new housing development going up there is going to be called Fulton Landing. And we'll have a walkway that parallels the track to bring people down into Essex Street.

Next slide, please.

This is the warehouse in Essex Street. We're going to put our station right next to it. We're rehabing the building, and the canopy is here. Our station will be right along side that. In fact, those canopies will shelter the future employees that are in the buildings.

Next slide, please.

Another view of it. And then this is where we make the turn. We just made the turn onto Hudson Street, and that, of course, is Exchange Place. And we're actually all the way to York Street. We've made a parallel road to Hudson Street so that the parking operation can continue while we build the light-rail in the street and the utilities.

Is that the last slide? (no response)

With that, I'd like to hand over to Rainer Hombach who's going to show you some slides fresh from Osaka, and I haven't even seen these yet.

**R A I N E R   H O M B A C H   J R.:** Good afternoon.

Just to give a brief status on the progress of the light-rail car. As John and Frank mentioned, the design and engineering is essentially complete. We're only working out some minor details at this point. All of the major subsystems and equipment and components are in preseries production and undergoing qualifications testing.

The highlight of our progress this month is the completion of the car body load test to qualify the strength of this body shell. What you see here is the front end of one of the cars. The large blue thing in front of it is part of the compression test fixture (indicating).

Next slide.

Again, just a pullback view. That's our testing facility in Osaka, Japan. Another view, you can see the crossbeams through the windows exerting the vertical load on the car body. This is just a close-up view of some measurement equipment measuring the longitudinal displacement.

This is a picture of our Dallas car, sorry.

This is the first truck frame in the welding fixture in our factory in Osaka. Another view of the truck frame. This is the truck bolster.

And that's it. (end slide presentation)

This car body will become the mock-up. It's undergoing construction right now for the mock-up presentation which will be in mid to late April. The first prototype car will be completed in early August and will

arrive here on the Hudson-Bergen System test track for qualification testing early next year.

ASSEMBLYWOMAN HECK: Any questions for this gentleman?

MR. RUSSO: May I say--

ASSEMBLYWOMAN HECK: I wish you would, Frank.

MR. RUSSO: --also that Kinkisharyo is also to be congratulated. Let me tell you about something that you may not all be aware of. When we wrote this specification, we incorporated into this specification crashworthiness standards that no one could meet.

ASSEMBLYWOMAN HECK: I remember you told us.

MR. RUSSO: That they were very innovative in what these folks needed to accomplish in car body integrity, passenger protection. They've really set some standards that, I think, the rest of the industry is going to have a hard time living up to in the design of this particular vehicle. I think, it's nothing short of amazing.

ASSEMBLYWOMAN HECK: Oh, I think--

MR. RUSSO: Some of the new ground that they've been able to break--

ASSEMBLYWOMAN HECK: Frank, part of that thank you is for you to project that and to set the standards. And I think Kinkisharyo again and 21st Century Rail should be congratulated for taking on that challenge and coming up with it and making it practical and putting it into fruition, don't you think?

ASSEMBLYMAN DORIA: No question. No question it's important.

ASSEMBLYWOMAN HECK: But you had to come up with the idea first.

MR. HOMBACH: Thank you very much.

ASSEMBLYWOMAN HECK: And when are we going to see more projections of a car in sketch form, etc., inside and out? I'm still concerned -- still have concerns. And I would like to meet with you in a small group and go over some of those pieces. All right? Can we do that at some future point?

MR. HOMBACH: Sure.

ASSEMBLYWOMAN HECK: Because now that you're coming to this level, I know I met with Shirley -- maybe six months ago we met -- but I think it's time for us to meet again--

MR. HOMBACH: Sure.

ASSEMBLYWOMAN HECK: --and look at refinements. I'm not talking about structure.

MR. HOMBACH: Yes, I understand.

ASSEMBLYWOMAN HECK: Thank you very much.

Any questions? Any questions? (no response)

Thank you very much.

MR. JOHNSTON: I'd just like to continue for a moment.

ASSEMBLYWOMAN HECK: Yes.

MR. JOHNSTON: We do have the inside of a car somewhere. There it is on the side, couldn't see it. Maybe you could pass it through the Panel.

In addition, Rose, to the good things that you've heard about and never seen, we've done some other good things. From a local business and the

DB standpoint, we've put more than \$10 million of contracts and purchase orders into Jersey City businesses.

ASSEMBLYWOMAN HECK: Say that again, I think that's worth saying.

MR. JOHNSTON: More than \$10 million--

ASSEMBLYWOMAN HECK: That's wonderful.

MR. JOHNSTON: We've been to the city council a few times, and we're doing our bids even-- We're going to have something like 80 people in port side over the next six months finishing the engineering and getting on with the construction. This is going to be a busy year, and they all have to eat lunch and they all buy things. I mean, we're certainly boosting the economy.

ASSEMBLYWOMAN HECK: That's wonderful.

MR. JOHNSTON: We're also-- 21st Century Rail -- their subcontractors are well on the way to meeting the DB goals. I'd also like to give you a 12-month look ahead. This is easy for me to say today, but next time I come I have to tell you, you can hold my feet to the fire if we don't make some of these things.

ASSEMBLYMAN DeCROCE: We will.

MR. JOHNSTON: Okay. I thought you might do, Alex, because we're very grateful for your bill because Raytheon is also proposing to replicate this marvelous system in Union County. So we're grateful to you for giving us that opportunity.

Anyway, we intend to start construction of the Park n Ride facilities at West Side Avenue. We virtually got all the property now, and at 45th Street, where New Jersey Transit, after months of working with the Army

Corps of Engineers, is close to getting the property. So we will be doing that in this spring.

We're are going to start construction of the track and rail systems early in the summer. The LRV storage building, which you saw, will be complete, and the maintenance shop and service building will be essentially complete by this fall. So you will see the yard taking shape. We have to do that because the first two vehicles that Rainer mentioned are coming from Japan. We'll have them here in January '99. We'll be testing and commissioning these light-rail vehicles between Communipaw and Bayonne. So that in 12 months' time we can have this meeting on the train.

ASSEMBLYWOMAN HECK: Good.

MR. JOHNSTON: And in addition to that--

ASSEMBLYWOMAN HECK: We'll be able to look at the front?

MR. JOHNSTON: That's right. You can look at the front then.

ASSEMBLYWOMAN HECK: Good.

MR. JOHNSTON: Yes. In addition to that, we expect to be operating Gateway Park n Ride early this summer, and that is a major step because we're going to build up our clientele and our ridership for when the light-rail comes in 2000. So we'll be doing all those good things.

Thank you.

ASSEMBLYMAN DeCROCE: John, I understand your feelings on this -- you really feel very confident that we're going to meet all these dates. All the acquisitions-- Am I to believe that all acquisitions have been accomplished at this time for this section?

MR. JOHNSTON: Well, we can -- as Frank told you and as I've mentioned, we can get to Exchange Place now. If nothing else happens, we can get to Christopher Columbus Drive. We are so close with Cali Harborside we can taste success there. And we're getting close with Newport Properties. We'll get to 18th Street with property this year.

ASSEMBLYWOMAN HECK: Wonderful.

MR. RUSSO: Yes. In fact, I came directly from here from another meeting. It was a joint meeting of all the developers, the Port Authority, and Jersey City to resolve a number of issues -- the absolute final locationing of Green Street, the disposition of the property transfers between the developers, the Port's contribution to building the joint new substation and abandoning the old substation in Jersey City. And, of course, our obligation and our commitment is old and remains unchanged -- just give us the go-ahead so we can start the design and build Green Street and finish the LRT construction through the Harborside properties. And I think, we're going to be on those properties in a few weeks. I really think we're there.

ASSEMBLYWOMAN HECK: Oh, wonderful.

MR. JOHNSTON: No matter how complex you think it is, it's 10 times more complex because of the-- It was all railroads years ago. As you mentioned, this is all rail yards, and it's owned by -- the property is owned by dozens of people.

MR. RUSSO: You have no idea that the real estate deals and complications--

ASSEMBLYWOMAN HECK: Complexities.

MR. RUSSO: --we have gone through in the last six months--

ASSEMBLYWOMAN HECK: I think you do, Joe.

MR. RUSSO: --to make this all a reality.

MR. JOHNSTON: Even defining the parcels has been a problem. I mean, it's been a nightmare.

MR. RUSSO: Over there.

MR. JOHNSTON: But it's behind us now.

ASSEMBLYMAN DORIA: Are all the articulation agreements signed with the city?

MR. RUSSO: No. No, we still have some agreements outstanding. Green Street agreement is one of them. They've been sitting there for a year now.

ASSEMBLYMAN DORIA: Why? What's the problem with Jersey City?

MR. RUSSO: Because for a number of reasons, not the least of which was they could not come to agreement on fixing the location of Green Street. We finally-- It got to the point where we forced the issue. We said about two months ago, "We can't do this anymore." We're abandoning our plans to go in front of developments on New Boulevard. We own the Conrail right-of-way on Green Street. We bought it, and we're going to build it, unless some folks get the hell together and make up their mind as to when we can start. Because we need to be in there no later than March 1. We're there -- it caused a lot of work to happen. The last two months have been difficult but productive.

ASSEMBLYMAN DORIA: So March 1, you will be able to do it?

MR. RUSSO: Not quite. March 15, 14.

ASSEMBLYMAN DORIA: Oh, well, okay.

MR. RUSSO: We're there.

ASSEMBLYWOMAN HECK: That's wonderful.

ASSEMBLYMAN DeCROCE: They giving you any trouble in Bayonne?

ASSEMBLYMAN DORIA: Not right now, no.

ASSEMBLYWOMAN HECK: Joe takes care of that.

MR. RUSSO: In certain areas, we've got a little construction catching up to do, but there's no doubt about it, but we won't go back on what we said. There's nothing on earth that's going to stop us from finishing this project on time and on budget and running the LRT to Exchange Place.

ASSEMBLYWOMAN HECK: It's good to hear.

And, John, I know how dedicated you are to that, too.

MR. JOHNSTON: Oh, yes.

ASSEMBLYWOMAN HECK: Because it's your business to do things.

MR. JOHNSTON: We're committed. We're totally committed and our staff are totally committed. We're going to do this without fear of contradiction.

MR. RUSSO: For that, if we have to go out with spike hammers ourselves for the last three months to finish this.

MR. JOHNSTON: But there's been a turnaround-- I would say that there's been a turnaround. I mean, it was the NIMBY idea of not in my backyard. We're overcoming that. I have personally been tarred and feathered about eight times, but it worked. They vented their spleens, and we keep on

going and take into account some of their comments, and so forth. But it's been a good experience.

ASSEMBLYWOMAN HECK: Good.

I'm going to ask a few of the people who we have on our list here to come forward, but to keep it brief because we're going to be leaving here at 3:00.

Is that it, John?

MR. JOHNSTON: Three o'clock will be the absolute latest, unless you want to get locked in on the property for the whole weekend. No. No. No.

ASSEMBLYWOMAN HECK: No, we do not wish to get locked in on the property.

So we will be shooting for 2:55.

How's that, John?

MR. JOHNSTON: Okay.

ASSEMBLYWOMAN HECK: So I have Denise Nichols -- Denise -- from the Division of Economic Development in Jersey City.

**D E N I S E   N I C H O L S:** Good afternoon.

ASSEMBLYWOMAN HECK: Good afternoon, Denise.

MS. NICHOLS: Assemblywoman Heck, Assemblyman DeCroce, and Assemblyman Doria, my name is Denise Nichols. I'm with the Jersey City Division of Economic Development. I'm here to speak to you today on behalf of Mayor Schundler, who unfortunately could not make it today. However, he expresses his very strong continued support for the light-rail project. He's also appreciative of all the hard work of this Panel and particular in what's now

maybe multiple hundreds of people who have worked on this project for years. It's very much appreciated by the city.

I just have a few comments. I was asked to comment on the economic development benefits of the project and then implementation issues from the city's perspective. I think you've probably heard about the economic development benefits many times over in detail, but I guess what I can tell you is at this point we're beginning to see some of those benefits come to fruition.

I think John mentioned the minority contracts. We've also have tremendous increased interest on the development side for larger development sites, and some sites that weren't particularly marketable before that are along the track. So that's very promising.

ASSEMBLYWOMAN HECK: It's good to hear.

MS. NICHOLS: Right. Employers are also quite pleased about the greater access they have to labor markets and employees as well to jobs that will be coming to Jersey City.

And then the only other impact I was asked to comment on was the reduced traffic congestion. Downtown Jersey City does have currently quite a parking problem, and the light-rail is promising to reduce that substantially, and we're looking forward to that.

If the project proceeds in the construction phase, the city is most concerned with management by both New Jersey Transit and 21st Century Rail in particular in terms of two particular impacts. One is the construction activity needs to be well coordinated and conducted in an expedient way, as construction will disrupt, and understandably will disrupt, businesses and temporarily add to traffic loads. Second, 21st Century Rail has thus shown

very good efforts to reduce to the extent possible substantial disruption to the neighborhood quality of life. It's imperative that this effort be the highest priority to minimize public conflict, to keep the project moving smoothly, and allow residents to enjoy their daily lives during the process.

To date, 21st Century Rail has worked closely with the city to deal with these issues. The staff from the city and 21st Century Rail meet on a regular basis and have a very strong and good working relationship. And I personally have been involved in working with John and Harold and can say from a personal perspective that they've tried very hard to try and deal with the community issues. If we can continue in this vein, then we will rest assured that the project will be well received by businesses and the broader community in the city.

The city appreciates the Panel's efforts and diligent concern thus far to make this truly outstanding infrastructure project a benefit to Jersey City and the broader region.

Thanks for your time.

ASSEMBLYWOMAN HECK: Thank you very much.

ASSEMBLYMAN DORIA: Thank you.

ASSEMBLYWOMAN HECK: Any questions for Denise? No.

ASSEMBLYMAN DeCROCE: No.

ASSEMBLYMAN DORIA: No.

ASSEMBLYWOMAN HECK: Okay.

ASSEMBLYMAN DeCROCE: If I may, Rose--

ASSEMBLYWOMAN HECK: Certainly.

ASSEMBLYMAN DeCROCE: Unfortunately, I have to leave, but I wanted to congratulate and commend all of you for your efforts on light-rail. I come by enough to see what's happening. I don't always go into Jersey City, and I rarely go into Bayonne, because we have a great representative down there. (laughter) But the fact of the matter is, I know you are working diligently, and I know it's going to be a success story, and I look forward to the next part of the job beyond Exchange Place.

Thank you.

ASSEMBLYWOMAN HECK: Thank you, Alex, and I appreciate--

ASSEMBLYMAN DeCROCE: I have a girl going on vacation, and if I don't know what's going on in my business--

ASSEMBLYWOMAN HECK: I know. I know. You're in trouble.

Alex, we'll be having more meetings, but thank you. Thank you very much.

Joe Hottendorf. He is the Executive Vice President of the Hudson County Board of Realtors.

**J O S E P H   H O T T E N D O R F:** Rose.

ASSEMBLYWOMAN HECK: Yes.

MR. HOTTENDORF: How are you? It's obvious why we're interested in it and to give you a little history of how we started is: about 10 years ago there was a group attempting to meet with me for about 3 months to acquire a grant in order to illustrate to businesspeople in Hudson County the importance of not going with the bus-rail and just going with light-rail. This group used every tactic necessary to see me, and the only one that succeeded was the last attempt. They had someone through Deborah contact

my mother to arrange for the meeting. (laughter) And two of these people are here now, Jim Grelle and Phyllis Elston and a fellow by the name of Doug Bowen. I think you remember Doug from Hoboken.

ASSEMBLYWOMAN HECK: Doug Bowen is still working with us.

MR. HOTTENDORF: Yes, from Hoboken.

ASSEMBLYWOMAN HECK: And his representative is here, Arthur.

MR. HOTTENDORF: I enjoyed meeting Doug and Phyllis, and I will always remember meeting Jim. (laughter)

Anyway, I have one question, and it's obvious what my question is-- This rail line going from Bayonne to Jersey City is important, and we understand it's the first step. The one we were most concerned with right from the beginning is because of our concern with this commuter traffic that just hits the streets in Hudson County every business day and the growth just continues and continues. And we're hoping for this Phase II to either reduce it, hopefully, but if not reduce it, at least put a halt to the growth. What does it look like as far as getting Phase II started, and what kind of date are we looking at for the completion of that?

MR. RUSSO: Okay. I think I said we intend to finish negotiating the award of Phase II up to Tonnele Avenue this year and award it with hopes to start it next year -- early '99. We've probably got about another three-year schedule to get that up and running, only because there's certain work that we can't do until Secaucus and Paterson Plank Road are done, and that is, to work specifically inside the tunnel. So I think we're thinking probably the end of

2002 or something like that would be a realistic projection at this point in time.

MR. HOTTENDORF: Now, let me make sure I understand what Phase II is as far as I understand. It will accomplish two things. It will get the Bergen County commuters onto the rail line--

MR. RUSSO: Yes.

MR. HOTTENDORF: --and out of their cars, off the streets of Bergen County and Hudson County. So we agree that that's what Phase II is?

MR. RUSSO: It certainly will help relieve traffic congestion in Bergen County.

MR. HOTTENDORF: No, I mean, the line will start in Bergen County I think as far as-- What city does it start in? Richfield? Will it start in Richfield? But isn't it eventually going to go even further north?

ASSEMBLYMAN DORIA: That's not Phase II.

MR. RUSSO: Well, right now Phase II construction will continue north from Hoboken up to Tonnele Avenue. Another phase will be negotiated after that that brings us to Vince Lombardi or to some other destination depending on some of the things that--

ASSEMBLYWOMAN HECK: There are projections--

MR. RUSSO: --the Assemblywoman brought up--

ASSEMBLYWOMAN HECK: --by Bergen County--

MR. RUSSO: --as far as alternate routes.

ASSEMBLYWOMAN HECK: --to do the north and to east and west-- I mean, to do all of it actually.

MR. HOTTENDORF: Well, just in closing, we were the body that gave the grant out -- the first grant--

ASSEMBLYWOMAN HECK: I know.

MR. HOTTENDORF: --given to that group. Of course, how can you say no to your mother, but-- We're very interested in it. We're interested in it because it's a quality of life issue. What's going on now-- For me to get to Bayonne in the morning 10 years ago was a 15- to 20-minute ride in traffic. Sometimes it's over an hour. So it's really an important issue and not for the business and the commerce, which it is, but just for the quality of life for living in this community.

ASSEMBLYWOMAN HECK: Absolutely.

MR. HOTTENDORF: And I appreciate all the work you guys have been doing, all right.

One more last thing. I noticed you didn't have that-- You're going to refuse to have that dedication on the 17th. The 19th is really a holiday.  
(laughter)

ASSEMBLYWOMAN HECK: St. Joseph's.

ASSEMBLYMAN DORIA: Very good.

Could I ask Frank a question?

ASSEMBLYWOMAN HECK: Go right ahead.

ASSEMBLYMAN DORIA: On a follow-up to what Joe was talking about, Mr. Hottendorf, I always thought that Phase II was the continuation from Hoboken to Vince Lombardi.

ASSEMBLYWOMAN HECK: Yes, it is.

ASSEMBLYMAN DORIA: Now, are we dividing that up?

MR. RUSSO: For contractual purposes, we've broken it up into an award up to Tonnele Avenue and then a further award from Tonnele to someplace. It's been defined as Vince Lombardi, but what we've recently seen is everything from proposals for continuations up to northern, the continuations down to the Meadowlands into Secaucus, to continuations along the public-private partnership proposal that brings it west out to Susquehanna.

ASSEMBLYWOMAN HECK: There's several projections.

MR. RUSSO: So I'll ask you, it's--

ASSEMBLYMAN DORIA: Projections, I know.

MR. RUSSO: --questionable in my mind if we're going to stop at Vince Lombardi?

ASSEMBLYMAN DORIA: Okay. But really what you're talking about is more for the purposes of bid process--

ASSEMBLYWOMAN HECK: Correct.

ASSEMBLYMAN DORIA: --to say that Phase II is to Tonnele; that's for the bidding.

MR. RUSSO: Correct.

ASSEMBLYMAN DORIA: But the money that we're going to get and where we conceptualize this, it will go to some place closer to Bergen County--

MR. RUSSO: Yes.

ASSEMBLYMAN DORIA: --and that will happen.

Now, you were saying 2002. Is that the completion date or a start date for that third phase?

MR. RUSSO: Oh, no. No. We're going to start this next year--

ASSEMBLYMAN DORIA: Okay.

MR. RUSSO: --in 1999. I don't have a good handle on the completion date. I don't know what the next chunk of construction beyond Tonnele Avenue is right now. It's becoming more and more obvious to me that it may not be to Vince Lombardi.

ASSEMBLYWOMAN HECK: But we use that as a point of reference.

ASSEMBLYMAN DORIA: We use it as a point of reference.

MR. RUSSO: That was the original project. It is still the project. It's the EIS that was approved.

ASSEMBLYMAN DORIA: I think what we're saying is somewhere near Bergen -- into Bergen County--

ASSEMBLYWOMAN HECK: Into Bergen County.

ASSEMBLYMAN DORIA: --because we want it into Bergen County.

ASSEMBLYWOMAN HECK: Correct.

MR. RUSSO: That's correct.

ASSEMBLYMAN DORIA: So however how it gets into Bergen County, I think Rose is as concerned as we are--

MR. RUSSO: Correct.

ASSEMBLYMAN DORIA: --that it has to go into Bergen County, wherever that location--

ASSEMBLYWOMAN HECK: Absolutely.

MR. RUSSO: Absolutely.

ASSEMBLYMAN DORIA: --ultimate location would be.

MR. RUSSO: We agree.

ASSEMBLYMAN DORIA: I have a question as it relates to Phase II. Will the Bayonne extension to Fifth Street be part of Phase II?

MR. RUSSO: The Bayonne extension to 22nd Street or 18th Street, I forget -- it's down to 22nd Street--

ASSEMBLYMAN DORIA: Twenty-second Street is Phase II?

MR. RUSSO: --is Phase II. Yes.

ASSEMBLYMAN DORIA: Is Phase II?

MR. RUSSO: Is part of that negotiation and then -- that's correct.

ASSEMBLYMAN DORIA: So that's Phase II, and then Phase III is down to--

MR. RUSSO: Part of this contract award.

ASSEMBLYMAN DORIA: Right. And then Phase III is down to--

MR. RUSSO: Yes, will complete it.

ASSEMBLYMAN DORIA: --Fifth?

MR. RUSSO: That's correct.

ASSEMBLYMAN DORIA: So it will go down to 22nd on Phase II.

MR. RUSSO: Yes.

ASSEMBLYMAN DORIA: Okay. That helps explain.

ASSEMBLYWOMAN HECK: I think the important point that I was trying to make in the statement was the fact that we're looking to a wonderful success story here, Joe--

ASSEMBLYMAN DORIA: Oh, yes, no question.

ASSEMBLYWOMAN HECK: --so that the other projects fall into place more easily. Because this Panel knows that again, Joe, hundreds of people worked on the preliminaries on a volunteer basis, and your \$5000 at the outset was, like 2000, an enormous amount of money, because no one wanted to put any money into these projects. I think we've moved so rapidly that people were kind of surprised that we were really happening.

ASSEMBLYMAN DORIA: Well, nobody believed that it was going to happen.

ASSEMBLYWOMAN HECK: No one believed it, so we were very pleased just to continue on, because this is the reality today, and that's why we are very appreciative, John, of the tour as well. But we are going to follow-up on these meetings a little, because December-- Here we are, it's almost March, because it is moving ahead, and we want to keep apprised. And we do want to look at the other projects, as proposed, to see how in the future they will mesh with the entire piece that we have here -- even talking about the Performing Art Center, the NERL, the Union County Alliance projections. All of those are important. The South Jersey Line that we resolved would be a good piece to begin from Trenton through Burlington and Camden. That was an important piece, too.

But I know that there are going to be other projects. I know that the New Jersey Association of Railroad Passengers has some projections, I think, for Monmouth as well. I remember someone saying that. And I know that Dan -- Hartz has always wanted better transportation, light-rail transit, in and around the Meadowlands. So Dan will address that later.

But these are all projections that, I believe, are based on the success of the HBLRT.

ASSEMBLYMAN DORIA: No question about it.

ASSEMBLYWOMAN HECK: Because once they see the monies that this is bringing in through economic development to Jersey City, Bayonne, etc., there will be, I think, a race to get involved with the other projects statewide, which has most definitely, through reports given to us recently by Dr. Smith and Seneca -- telling us that the money that this State and this Governor has put into the infrastructure -- is one of the reasons why we're getting so much revenue in the state and so much interest in the State of New Jersey. So it's imperative that we all keep going ahead. Even when they were against us, they didn't realize we were going to do this.

ASSEMBLYMAN DORIA: No. And I have to say the other good thing, Madam Chairlady, is the DBOM contract.

ASSEMBLYWOMAN HECK: Oh, absolutely.

ASSEMBLYMAN DORIA: The concept that we've been able to accomplish with DBOM. I think the concept was an excellent concept.

ASSEMBLYWOMAN HECK: Absolutely.

ASSEMBLYMAN DORIA: It came out of the committee, and I think--

ASSEMBLYWOMAN HECK: And I think Frank did a beautiful job.

MR. RUSSO: It's working well. When the project's done with Frank -- he's done a great job, and Jim--

ASSEMBLYWOMAN HECK: New rail construction was a marvelous idea.

ASSEMBLYMAN DORIA: And the concept, I think, was very important, and it is very essential to successful completion of any of these projects.

ASSEMBLYWOMAN HECK: And he has kept us focused.

ASSEMBLYMAN DORIA: There is no question about that.

ASSEMBLYWOMAN HECK: He really has.

He's lost some weight.

ASSEMBLYMAN DORIA: I was going to say, he's lost a lot of weight -- wants to tell me how he did it is, he's worrying too much. (laughter)

ASSEMBLYWOMAN HECK: Our next speaker is Dan DeTolio. Dan from Hartz. He's Vice President of Hartz Mountain Corporation.

**D A N   D e T R O L I O:** Good afternoon, everybody.

A few years back, I was asked by Speaker Haytaian to serve on a little panel called the Light Rail Advisory Council. Now, but prior to that, as you know, Hartz developed Lincoln Harbor in Weehawken and we started Edgewater, and we were always in favor of light-rail. And our powers to be said, "Well, another committee. Let's see what happens with this one." Then magically -- and Phyllis and Jim are in the audience -- everything came together.

I went to a hearing one time, and I forgot who was New Jersey Transit. He thought Hartz was against it, and I said, "Oh, no." He looked at me, and the next thing, things started moving. And now-- One of the pictures you saw before was showing going down Hudson Street. You're going to be

riding on the car, but unfortunately, you're not going to be able to see New York because you're going to see an \$80 million building that Hartz is going to build on the Colgate site. And, then, if you go a little further down on the light-rail, you're going to see a beautiful hotel which is going to open this spring. And the light-rail is right behind that.

One of the things that made us go into the Colgate site, which we do have an option on the next two pieces, is that the light-rail is there. It's such a boon to the area, and we've always wanted the light-rail. And to Jeff Warsh's chagrin, we had asked him for some press kits and information a few weeks back, and he asked, "How many?" And we said 2000. I think they had 10 maybe, and we needed these information kits. So now they're printing up a lot more.

Like I said, if you worry about where the rail line should go from now on, you could run it around Lincoln Harbor, go around Arthur, and maybe shoot up to Edgewater, wherever Hartz is but-- (laughter) I know in the beginning there were a lot of questions, I think, and if I remember back, there was a question about Jersey City, some area, where to go and not to go. And magic upon magic you're here and you have a wonderful report and all this stuff is moving and there's pictures and there's construction. And just to say that we at Hartz are very happy to see this go.

ASSEMBLYWOMAN HECK: Dan, I think it's appropriate to mention again -- and I've told this story to Joe and Alex a few times. When I was first appointed as Chair of the Light Rail Transit Panel, I was given the opportunity through our mutual friend, Steve Stanesse (phonetic spelling)--

MR. DeTROLIO: Right.

ASSEMBLYWOMAN HECK: --to meet with Walter K. Smith. He said, "I think you should meet this gentleman, because he used to be regional director for the Army Corps of Engineers--

MR. DeTROLIO: He was the Army Corps District Engineer, yes.

ASSEMBLYWOMAN HECK: --and he can tell you anything you want to know in this region about everything that's going on." So when I went to him, he gave me a history of the area, and he doubted that we were going to go from planning--

MR. DeTROLIO: That's right.

ASSEMBLYWOMAN HECK: --to fruition, telling me that he would be very much surprised. And told me of two important points on that very day which was, in his opinion, 10 years overdue. That was the taking care of the Paterson Plank piece--

MR. DeTROLIO: Right.

ASSEMBLYWOMAN HECK: --the grade separation and Paterson Plank.

MR. DeTROLIO: Right.

ASSEMBLYWOMAN HECK: Secaucus and Paterson Plank. So the point was that he knew even then, and he said he just continued on, didn't wait for anyone to do anything with those pieces.

MR. DeTROLIO: Well, that's the secret of our success.

ASSEMBLYWOMAN HECK: If we didn't have that, I think that's where the delay is, too, in our years -- is that--

MR. DeTROLIO: Right.

ASSEMBLYWOMAN HECK: --that should been done -- already done today.

MR. DeTROLIO: For 15 years--

ASSEMBLYWOMAN HECK: Correct.

MR. DeTROLIO: --we've been trying to get a grade crossing--

ASSEMBLYMAN DORIA: It's been on the list of the Transportation Trust Fund.

ASSEMBLYWOMAN HECK: Four years ago on Appropriations it was there.

ASSEMBLYMAN DORIA: Yes, that's right, it's there.

ASSEMBLYWOMAN HECK: And they promised.

ASSEMBLYMAN DORIA: And they keep on putting it off.

ASSEMBLYWOMAN HECK: And it being moved from pilar to post. But today, it's already been decided that--

ASSEMBLYMAN DORIA: This year it's going to be done, right. They're going to work on both Paterson Plank and Secaucus.

MR. RUSSO: Yes, DOT assigned those--

ASSEMBLYWOMAN HECK: Yes.

MR. RUSSO: --projects to us--

ASSEMBLYWOMAN HECK: Yes, to New Jersey Transit.

MR. RUSSO: --a few months ago. We quickly awarded them to 21st Century Rail Corporation. We don't have all the money to complete them. There's future funding coming in successive years.

ASSEMBLYWOMAN HECK: But that's what we have to watch, Joe.

ASSEMBLYMAN DORIA: Is this all-- It's not Transportation Trust Fund money, it's Federal money also?

MR. RUSSO: I wish I could answer that. I think it's TTFA money. I think we did a swap of funds there. I'm not 100 percent sure.

ASSEMBLYMAN DORIA: So this is all Transportation Trust Fund?

MR. RUSSO: I think what we're getting to spend on those projects is TTFA money.

ASSEMBLYMAN DORIA: So there should be enough money in the Transportation Trust Fund to do them.

ASSEMBLYWOMAN HECK: Well, we have to watch it, Joe.

ASSEMBLYMAN DORIA: We just have to stay on top of that.

ASSEMBLYWOMAN HECK: Because this is one of the things I've been going back and forth not just with Commissioner Haley, but with Commissioner Wilson as well, and everyone keeps passing it down department to--

ASSEMBLYMAN DORIA: Because it's been on the tip for a long time.

ASSEMBLYWOMAN HECK: --or I don't know what you call the smaller groups within the department -- person to person kind of situation.

MR. RUSSO: Yes, it's going to be difficult for us to pull them back into any kind of a reasonable schedule because certain preparatory work-- Well, let's just say the property acquisition is still facing us. There's a lot still facing us, but we've started.

ASSEMBLYMAN DORIA: The property acquisition hasn't even begun?

MR. RUSSO: No.

ASSEMBLYMAN DORIA: So what are you projecting time frame?

ASSEMBLYWOMAN HECK: Still the 2002. They should have been done earlier.

MR. RUSSO: Yes, because if you look at what's going on.

ASSEMBLYWOMAN HECK: They had projected an earlier completion.

MR. RUSSO: Now that it's in our hands and without Federal regulation, we don't have to have all the property acquisition complete before we award-- We will get a few critical properties and put these folks to work, and we'll work around the obstacles. We'll play them out the same way we're playing out the LRT line. We'll work around the issues we have.

ASSEMBLYMAN DORIA: What's the total projected costs for both?

MR. RUSSO: They're over \$100 million.

ASSEMBLYMAN DORIA: Between the two of them?

MR. RUSSO: Sure.

ASSEMBLYWOMAN HECK: But without them, we don't connect.

ASSEMBLYMAN DORIA: We don't connect. We have to have them.

ASSEMBLYWOMAN HECK: We don't move.

ASSEMBLYMAN DORIA: We have to have them. If we had done them 10 years ago, when they probably should have been done, it would have been much cheaper. Save a lot of aggravation.

ASSEMBLYWOMAN HECK: That's right. Yes. But again, I will say that if it were not for my meeting with Walter K. Smith, a lot of the things that in the preplanning that we had done would not have occurred, because you, Dan, and Walter--

MR. DeTROLIO: We knew what we were doing.

ASSEMBLYWOMAN HECK: --have really opened my eyes. They took out plans and air shots of the area and told me what did and did not happen and told me about some of the past experience where planners were still planning and then retired--

MR. DeTROLIO: Yes.

ASSEMBLYWOMAN HECK: --and nothing was built.

ASSEMBLYMAN DORIA: I love that.

ASSEMBLYWOMAN HECK: So the point was that we vowed that we would not let this happen. And the Bergen County volunteer group and James and the New Jersey Association of Railroad Passengers volunteers, Phyllis Elston, Doug Bowen, the gentleman from Buffalo -- Thompson -- Gordon Thompson -- all volunteer work pulling this together helped us to proceed and to make the necessary arrangements. Thereby, coming to the thought that new rail construction should be created to focus on this particular project, otherwise it could die in the other area.

And, Frank, you've done an outstanding job. I can't say that enough.

MR. DeTROLIO: You know, again, Hartz is in the back of all the transportation. ISTEA we support.

ASSEMBLYWOMAN HECK: I know you've been very good, too.

MR. DeTROLIO: And what's amazing is that all of a sudden with this line going here in Hudson and then we're hearing from South Jersey. They want to do theirs. Union County, well, it was always there. Isn't it amazing when you get started something.

ASSEMBLYWOMAN HECK: A good idea has many authors.

MR. DeTROLIO: Again, I'd like to thank the Panel before and the Panel that's current now because things are happening.

ASSEMBLYWOMAN HECK: We were the same Panel.

ASSEMBLYMAN DORIA: We're the same people.

ASSEMBLYWOMAN HECK: We're getting older. What can I tell you.

ASSEMBLYMAN DORIA: We're getting better, too.

ASSEMBLYWOMAN HECK: We're getting better. (laughter)

MR. DeTROLIO: The only thing is, I'm reading your press release, and it says, "The first passenger Mayor -- will ride in--"

Any questions?

ASSEMBLYMAN DORIA: Nonpartisan -- nonpartisan. I got more Republicans than Democrats supporting me.

ASSEMBLYWOMAN HECK: No more questions, right, Joe?

ASSEMBLYMAN DORIA: No more.

MR. DeTROLIO: Thank you.

ASSEMBLYWOMAN HECK: We work very well together.

MR. DeTROLIO: I know that. Thank you.

ASSEMBLYWOMAN HECK: And let's see, Art Reuben for Doug Bowen and the New Jersey Association of Rail Passengers.

**A R T H U R L. R E U B E N:** Thank you for this opportunity representing the New Jersey Association of Rail Passengers today. I'd like to thank in particular, Rose Heck, and the other Assemblymen and members of the Panel. Almost everybody in this room has had a hand in the fruition of this project.

One part of my background is that, although I'm a urban planner by profession, while I was going to NYU, I got some operational experience with the 20th Century Cab Company in Newark. Now I'm glad to see the 21st Century Corporation in business.

New Jersey is far from the first in being in the light-rail business. But I think you will end up having the highest passengers per mile on your system compared to any in the country. I think that's because many of the other systems have had to go through areas where they've had to use railroad right-of-way for lighter density systems. And we'll have to do that in New Jersey, too, in many respects. But I would also like to say, by the way, that New Jersey Transit during this period of time, right after they came into business, hit a low point in revenues in ridership in about 1983. Since then, the rail ridership has gone up by 60 percent. The bus ridership has gone up by 18 percent, and this coming year rail revenues will probably exceed bus revenues for the first time. I think perhaps we ought to give a little more attention to the bus side of the equation also.

There's a need for additional rail through places like Union County, where I serve as Vice-Chairman of the Union County Transportation Advisory Committee, advisory to the Freeholders, and we hope to be on ground there soon with probably a decent rail, but maybe electric rail. I just would like to say perhaps one other thing is that we have to -- and I know that the Legislature has done something in this regard -- they've started to get innovative economic development proposals with rail and transportation proposals. I think that's essential for the future development of rail.

Another factor is that there has to be greater coordination with the bus systems. That exists in many places throughout the country where, for instance in Denver, they coordinated the bus system so well with the light-rail system that they had to uncoordinate it. They had to take buses away from the rail system because the rail system was over capacity.

So I would like to urge the legislators here to think about their funding in the future. I know that New Jersey Transit had operating funding of \$260 million a few years ago and then dropped down to \$160 million. They were still able to do everything that they had to do, although it was very tight. This year it will go up to 194 million, I believe. I think that's a helpful development. I think we want to be careful that we don't get in a position where our funding for the whole system becomes suspect.

So thank you again for this opportunity to speak to you.

ASSEMBLYWOMAN HECK: Thank you and thank the Association on our behalf for all the assistance and background work that they do for us--

MR. REUBEN: Yes.

ASSEMBLYWOMAN HECK: --in research, etc. That's really important to us.

MR. REUBEN: I wish that this--

ASSEMBLYWOMAN HECK: Because you have such a good membership, and I know that Al has helped us previously as well.

MR. REUBEN: I wish this meeting had been in the evening. You would have a dozen people here speaking.

ASSEMBLYWOMAN HECK: We will have some evening meetings, too.

MR. REUBEN: Thank you.

ASSEMBLYWOMAN HECK: Anyone else signed up? (no response) No.

All right. We're going to get ready now to do our tour.

ASSEMBLYMAN DORIA: I'd just like to make a final comment.

ASSEMBLYWOMAN HECK: Certainly.

ASSEMBLYMAN DORIA: I just wanted to commend our Chairperson. Assemblywoman Heck has really taken the initiative over the past few years as the Chair of this Panel -- has done an exceptional job. Speaking on behalf of the people of Hudson County, she has done such an exceptional job in getting this moving and staying on top of it. So I just want to personally commend her and have that on the record, and say that the work that the 21st Century Corporation is doing is tremendous. The work that Frank Russo has done is tremendous. I think we should all feel very good about what's happening because all of us have worked together. This has been

an effort of everyone joining together, but this Light Rail Panel has served a very important purpose, Rose.

ASSEMBLYWOMAN HECK: And will continue to do so.

ASSEMBLYMAN DORIA: And I just want to commend you for continuing to ride honcho over it and doing a very good job. You're doing a very good job. She is very good at it, and I want to commend her for doing that.

ASSEMBLYWOMAN HECK: Thank you very much, Joe.

**A L B E R T   C A F I E R O:** I'd like to say something.

ASSEMBLYWOMAN HECK: Well, you got two minutes, because we're leaving. (laughter)

MR. CAFIERO: I'm Albert Cafiero, Chairman of the Transit Committee of Bergen County. I would like to let you know something.

ASSEMBLYWOMAN HECK: Yes.

MR. CAFIERO: If it wasn't for the Transit Committee, you wouldn't be here today. Because Arthur Adams in early 1980s suggested light-rail in the waterfront. He sent to the governor and everything else. Eventually, a committee was formed--

ASSEMBLYWOMAN HECK: You mean the Waterfront Committee that Marty Robbins was on?

MR. CAFIERO: Before that.

ASSEMBLYWOMAN HECK: Even before that?

MR. CAFIERO: Governor Kean set up this committee.

ASSEMBLYWOMAN HECK: Woodrow Wilson.

MR. CAFIERO: Yes. (laughter)

And then after a while, the Waterfront Committee decided they wanted bus ways. And it was the Transit Committee that came up with the plan for the whole line from Bayonne all the way to Rockland County. We fought for it very hard. We helped form codes. If we weren't in there for the planning codes, it wouldn't have been in existence. And, also, I want to remember that at a meeting at Palisades Park, I introduced Rose Heck to the concept of light-rail. And this was many years ago.

Unfortunately, Bergen County got the short end of the stick.

ASSEMBLYWOMAN HECK: Not really.

MR. CAFIERO: Yes, but let me finish.

ASSEMBLYWOMAN HECK: No.

MR. CAFIERO: Let me finish.

ASSEMBLYWOMAN HECK: Please finish your thought, but I will correct you on that, and I'll tell you why.

MR. CAFIERO: The terminal was in Lombardi, which is in the middle of the swamps. It's almost as bad as being in the middle of the Everglades. It's not as bad, because there's no alligators. But we wanted the line to go up to northern valley, and we were told-- We agreed to go to Lombardi -- "we'll change that later after this is approved" -- and then it was cast in stone. Lombardi is no place to go. Can you make a change to go up straight north?

Thank you.

ASSEMBLYWOMAN HECK: You're welcome.

But I do want to mention that Hudson County mayors came together in agreement -- no small task -- 13 mayors.

ASSEMBLYMAN DORIA: All 13 mayors and the County Executive.

ASSEMBLYWOMAN HECK: Signed the agreement.

ASSEMBLYMAN DORIA: Right.

ASSEMBLYWOMAN HECK: Bergen County did not start to do that until after this-- The Speaker put his light-rail forum and everything started to move.

ASSEMBLYMAN DORIA: And that we have to commend the County Executive; Bob Janiszewski was able to bring the mayors together and get that done.

ASSEMBLYWOMAN HECK: Well--

ASSEMBLYMAN DORIA: He helped.

ASSEMBLYWOMAN HECK: --yes, he helped after they wanted the bus, and we insisted we wanted light-rail.

ASSEMBLYMAN DORIA: Yes, after they wanted -- yes. And then they pulled it together.

ASSEMBLYWOMAN HECK: Yes. But remember that it was the work of many, many people here today.

Tony, you were a part of that.

Phyllis, Jim, all -- and most people as volunteers. John, as a volunteer advisor at one point in that other life.

MR. JOHNSTON: Madam Chair, I didn't supply \$5000, but I gave sweat equity.

ASSEMBLYMAN DORIA: We don't want to forget Suzanne Mack together with Tony.

ASSEMBLYWOMAN HECK: Where's Suzanne?

ASSEMBLYMAN DORIA: Right there -- Suzanne. Right there.

ASSEMBLYWOMAN HECK: So there are a lot of people who came together. But the point being that this -- out of the light-rail forum, out of Speaker Haytaian's drive--

ASSEMBLYMAN DORIA: No question.

ASSEMBLYWOMAN HECK: --and formation of this Panel when you took us to Baltimore. That was it.

ASSEMBLYMAN DORIA: The help.

ASSEMBLYWOMAN HECK: Because the idea has come to fruition. Many ideas flounder like the 42nd Street Light Rail, but this one was focused. And through the efforts of a lot of volunteers and a lot of good people and the Governor we're where we are today.

Listen, John, it's five to, I'm on my way.

This meeting is adjourned.

**(MEETING CONCLUDED)**