

COMMITTEE MEETING

87

on

ASSEMBLY BILL 516

(Creates the Office of Compulsive Gambling within the
Department of Health, and makes an appropriation therefor)

and

PUBLIC HEARING

To receive testimony from the Atlantic City Expressway
Authority on its operations and Capital Improvement Program

before

ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

February 22, 1988
Room 341
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman William "Pat" Schuber, Chairman
Assemblyman Ralph A. Loveys, Vice Chairman
Assemblywoman Marion Crecco
Assemblyman Louis J. Gill
Assemblyman Dennis L. Riley

ALSO PRESENT:

Edward P. Westreich
Office of Legislative Services
Aide, Assembly Independent Authorities Committee

* * * * *

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Trenton, New Jersey 08625

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WILLIAM P. SCHUBER
Chairman
RALPH A. LOVEYS
Vice-Chairman
MARION CRECCO
LOUIS J. GILL
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New Jersey State Legislature
ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625
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MEMORANDUM

February 11, 1988

TO: MEMBERS OF THE ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE
FROM: ASSEMBLYMAN WILLIAM P. SCHUBER, CHAIRMAN
SUBJECT: COMMITTEE MEETING - MONDAY, FEBRUARY 22, 1988

(Address comments and questions to Edward Westreich, Committee Aide, at 609-984-7381.)

The Assembly Independent Authorities Committee will meet on Monday, February 22, 1988 at 10:00 a.m. in Room 341, State House Annex, Trenton, to consider the following bill:

A-516 Creates the Office on Compulsive Gambling within the Department
Schuber of Health and Makes an appropriation therefor.

Immediately following consideration of A-516, the Committee will begin taking testimony from the Atlantic City Expressway Authority concerning its operations and capital improvement program.

[FIRST REPRINT]
ASSEMBLY, No. 516

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Assemblyman SCHUBER

1 AN ACT establishing an Office on Compulsive Gambling in the
Department of Health and making an appropriation therefor.

3

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

1. The Legislature finds and declares that:

7 a. Compulsive gambling represents a serious social problem
and there is evidence that the availability of gaming in all forms
9 increases the risk of becoming a compulsive gambler;

11 b. New Jersey, which as a matter of constitutional public
policy sanctions various forms of gambling, and realizes
substantial revenues therefrom, has an obligation to initiate and
13 fashion a comprehensive solution to the compulsive gambling
phenomenon;

15 c. The major components of New Jersey's gaming industry,
namely lottery, casinos and horse racing which profit from the
17 State's policy of legalized gaming, and the State itself, which
directly benefits from lottery proceeds, parimutuel ticket sales,
19 and the tax on gross revenues of the casinos,¹ must accept a
measure of responsibility for helping compulsive gamblers by
21 funding remedial and preventive programs; and

23 d. It shall be the policy of this State to implement a variety
of preventive and rehabilitative measures, including programs of
clinical treatment, aimed at reducing the incidence of
25 compulsive gambling.

27 2. There is established in the Department of Health the
Office on Compulsive Gambling.

The Office on Compulsive Gambling shall be administered by
29 a director, who shall be a person qualified by training and
experience to direct the work of the office. The Commissioner
31 of Health shall appoint the director who shall serve at the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:
Assembly AIA committee amendments adopted February 22, 1988.

1 pleasure of the commissioner and until the director's successor
is appointed and has qualified.

3 The director shall administer the work of the office under the
direction and supervision of the commissioner, and shall perform
5 other functions of the department as the commissioner may
prescribe.

7 The director may appoint, retain or employ officers,
investigators, experts, consultants or other professionally
9 qualified personnel on a contract basis, or otherwise, which he
deems necessary.

11 3. The director shall:

a. Administer and organize the work of the office and
13 establish therein any administrative subdivisions he deems
necessary. The director may formulate and adopt rules and
15 regulations and prescribe duties for the efficient conduct of the
office pursuant to Department of Health policies and procedures;

17 b. Solicit and accept grants of funds from the federal
government and from other public and private sources for any of
19 the purposes of this act; and

c. Perform other functions which may be prescribed in this
21 act or by any other law.

4. The responsibilities of the office shall include, but are not
23 limited to:

a. Development of a State plan on compulsive gambling which
25 includes provision for inpatient and outpatient services, partial
care service, consultation and educational services, aftercare
27 services and other forms of preventive treatment or
rehabilitation services for compulsive gamblers;

29 b. Contracting with public or nonprofit organizations, or
nonprofit hospitals and local compulsive gambling programs for
31 provision of appropriate services;

c. Evaluation and qualification, in accordance with prescribed
33 standards, as well as coordination, of personnel, treatment
facilities, professional services and community compulsive
35 gambling service programs supported under the State plan;

d. Development of training and research programs designed
37 to improve and extend the foregoing services; and

e. Making recommendations to the Commissioner of Health
39 regarding any needed executive or legislative action.

1 5. There is created in the Office on Compulsive Gambling an
2 Advisory Council on Compulsive Gambling which shall consist
3 of the following members:

- 4 a. The Commissioner of Health or his designee;
- 5 b. The Commissioner of Human Services or his designee;
- 6 c. The Commissioner of Education or his designee;
- 7 d. The Chairman of the New Jersey Casino Control
8 Commission or his designee;
- 9 e. The Chairman of the New Jersey Racing Commission or his
10 designee;
- 11 f. The Chairman of the State Lottery Commission or his
12 designee;
- 13 g. The Attorney General or his designee; and
- 14 h. Five public members appointed by the Governor, no more
15 than three of whom shall be of the same political party.

16 6. The council shall elect a chairman, vice chairman and
17 secretary from among its membership. Of the public members
18 first appointed, two shall serve for terms of two years, two for
19 terms of three years and one for a term of four years.
20 Thereafter, all appointments shall be made for terms of four
21 years. Members shall serve after the expiration of their terms
22 until their respective successors are appointed and qualify, and
23 any vacancy occurring in the membership of the council by
24 expiration of term or otherwise, shall be filled in the same
25 manner as the original appointment was made for the unexpired
26 term only.

27 7. Members of the council shall serve without compensation
28 but shall be reimbursed for expenses actually incurred in
29 attending meetings of the council and in the performance of
30 their duties as members thereof. The council shall meet at least
31 four times each year, at the call of its chairman, and at other
32 times, at the call of the Commissioner of Health, as he deems
33 necessary.

- 34 8. The Advisory Council on Compulsive Gambling shall:
- 35 a. Periodically review and report on the problem of and the
36 availability and quality of services for compulsive gambling;
 - 37 b. Advise and report annually to the director on the progress
38 of the compulsive gambling State plan and of actions needed for
39 further improvements; and

1 c. Make recommendations for appropriate allocation of funds
in accordance with agreed upon priorities and in consideration of
3 financial resources.

9. The director, in consultation with the advisory council,
5 shall report annually to the Governor and the Legislature
concerning the status of compulsive gambling prevention
7 programs in the State.

10. Pursuant to the "Administrative Procedure Act," P.L.
9 1968, c. 410 (C. 52:14B-1 et seq.), the Commissioner of Health
shall adopt rules and regulations as are necessary to carry out
11 the purposes of this act.

11. There is a special account created in the General Fund to
13 fund the Office on Compulsive Gambling established in the
Department of Health under section 2 of this act. There is
15 appropriated \$125,000.00 from the General Fund to the special
account for fiscal year ¹[1987] 1988¹ to effect the purposes of
17 this act. It is recommended that funding in the amount of
\$750,000.00 be approved for the Office on Compulsive Gambling
19 for fiscal year ¹[1988] 1989¹ to carry out the purposes of this
act.

21 12. For fiscal year ¹[1988] 1989¹ and each succeeding fiscal
year thereafter, an amount equal to 60% of the funding amount
23 approved in the annual appropriations act for the Office on
Compulsive Gambling shall be assessed and apportioned, on or
25 before July 15 of the fiscal year, among all casinos ¹[license]
licensed¹ under P.L. 1977, c. 110 (C.5:12-1 et seq.) during any
27 month or fractional part thereof during the preceding fiscal
year. This amount shall be paid to the Division of Taxation in
29 the Department of the Treasury no later than August 15 next
following and shall be deposited into the special account
31 created in section 11 of this act. The Director of the Division
of Taxation shall be authorized to assess a casino licensee in
33 operation for any part of the preceding fiscal year in an amount,
which shall be a proportionate share of the total amount to be
35 collected, which share shall be the proportion that the number
of months and fractional part thereof of operation of a casino
37 licensee in the preceding fiscal year bears to the total number
of months or fractional part thereof of operation of all casino
39 licensees in the preceding fiscal year.

1 For fiscal year ¹[1988] 1989¹ and each succeeding fiscal year
 2 thereafter, an amount equal to 40% of the funding amount
 3 approved in the annual appropriations act for the Office on
 4 Compulsive Gambling shall be paid from the General Fund to the
 5 special account. ¹[This amount shall be drawn from those sums
 6 deposited in the General Fund from unclaimed parimutuel
 7 tickets pursuant to section 44 of P.L. 1940, c. 17 (C. 5:5-64),
 8 section 1 of P.L. 1984, c. 236 (C. 5:5-64.1) and section 7 of P.L.
 9 1971, c. 137 (C. 5:10-7), and from those sums deposited in the
 10 General Fund from unclaimed lottery prize money pursuant to
 11 section 17 of P.L. 1970, c. 13 (C. 5:9-17).]¹

12 Moneys in the special account, exclusive of such amounts as
 13 may be necessary for administration and ¹[colleciton] collection¹ of the assessments imposed by this section, are
 14 appropriated to carry out the purposes of this act.

15 13. The additional assessment imposed on casino licensees
 16 pursuant to section 12 of this act shall be governed by the
 17 provisions of the "State Tax Uniform Procedure Law," R.S.
 18 54:48-1 et seq.

19 14. The Director of the Division of Taxation shall issue such
 20 rules and regulations as may be necessary to implement the
 21 provisions of sections 12, 13 and 14 of this act.

22 15. This act shall take effect immediately.

23

GAMBLING

24

Gambling - Lottery, Racing, Other

25
 26
 27
 28
 29 Creates the Office on Compulsive Gambling within the
 Department of Health and makes an appropriation therefor.

ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 516

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 1988

The Assembly Independent Authorities Committee favorably reports Assembly Bill No. 516 with committee amendments.

As amended, this bill establishes the Office on Compulsive Gambling within the Department of Health to be responsible for development of a State plan on compulsive gambling, which will include provision for inpatient and outpatient services, partial care services, consultation and educational services, aftercare services and other forms of preventive treatment or rehabilitation services for compulsive gamblers. This bill gives responsibility to the Office on Compulsive Gambling for contracting with public or nonprofit organizations or nonprofit hospitals for the provision of appropriate services, evaluating and qualifying compulsive gambling programs under the State plan, developing training and research programs and recommending to the Commissioner of Health any needed executive or legislative action. The bill also creates a 12 member Advisory Council on Compulsive Gambling to report on the availability and quality of services for compulsive gambling, to advise the director on the progress of the compulsive gambling State plan, to propose remedial measures necessary for further improvements, and to recommend appropriate allocation of funding. The director is required to report to the Governor and Legislature annually.

A special account is created to finance the Office of Compulsive Gambling with an appropriation of \$125,000.00 from the General Fund for FY 1987-88. The bill makes a recommendation that a funding level for FY 1988-89 be approved in the amount of \$750,000.00. That recommended funding level for FY 1988-89 and any expenditures for the office thereafter are to be derived from the following:

1. 60% of the annual approved funding level shall be assessed and apportioned among all casinos on or before July 15, of the fiscal year; with the Director of the Division of Taxation authorized to assess each casino on a proportional basis, collecting each casino's share of the total assessed amount based

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ASSEMBLYMAN WILLIAM "PAT" SCHUBER (Chairman): (Opens Committee Meeting) This is a regularly scheduled meeting of the Assembly Independent Authorities Committee. We have one bill today on the agenda, and then a hearing. The bill is A-516, which had been on the previous list, sponsored by myself, which creates the Office on Compulsive Gambling within the Department of Health, and makes an appropriation therefore. Since this has been has been discussed at the prior meeting-- I understand that there are some witnesses who wish to testify with regard to the bill.

The first witness is from the Council of Churches, Kate Quinn. Do you want to please come forth?

K A T E Q U I N N: Sure. (complies) The New Jersey Council of Churches supports this piece of legislation, and feels it is an important bill. The Council would just like to see that the bill is adequately funded. Thank you.

ASSEMBLYMAN SCHUBER: Thank you. Mr. Wexler?

A R N O L D W E X L E R: Good morning. I thank you for considering the bill again. It seems like we're here every couple of months talking about the same thing. I hope this time it gets out of Committee and we move it.

Again, I want to thank this Committee because I know the work that the Committee and the staff has put into this bill in the last year and a half. I don't think there's been a more hard working committee than this Committee when it comes to legislation with gambling, per se.

The Governor's Advisory Commission on Friday approved unanimously the adoption and the approval of this bill, and that's the first thing the Governor's Advisory Commission has ever approved since we've been in existence.

The State of Iowa gives \$500,000 for gambling, and the State of Massachusetts gives \$600,000 for gambling. Ironically, all the money that comes in the two sections in those two states comes from lottery. I thought that was an interesting facet.

Every day in New Jersey \$7 million to \$8 million is lost in Atlantic City. Last year, the casinos grossed \$2.5 billion. A little under \$3 million a day is wagered in this State on Lottery every day. Last year, \$1 billion was lost by gamblers -- was bet by gamblers in the New Jersey State Lottery.

Wagering on horse racing in 1987 was over \$1 billion. Today New Jersey takes in 7.1% from legalized gambling that goes into the budget. There's more legal gambling in the State of New Jersey than any other state in the nation. And still today not one bill has ever been voted to deal with the compulsive gambling problem in New Jersey. After two years this bill is still floating back and forth, and we can't figure out who to pay for it or how to pay for it.

There was an editorial in The Atlantic City Press two weeks ago, that I really think talks about the problem of compulsive gambling and how far back we go with it -- all the way back to Assemblyman Hardwick's bill that goes back and talks about a special tax on slot machines, casinos, the casino slot machines, parimutuel machines at the race track, and lottery machines. So this thing we're talking about -- funding for compulsive gambling -- goes back a long time.

I know in this State if we really want to get things done, we can really do them. For example, the amendment for the baseball stadium that moved through the Legislature with lightening force last year, just so it could get on the referendum for election day; or a bill that moved as an emergency measure just a few years ago. The bill was moved out of the Assembly Committee, the Senate Committee, voted on the Assembly floor, voted on the Senate floor, and signed into law by the Governor, in two days. That bill was called simulcasting. There's no reason why if we can move a simulcasting bill in two days as an emergency measure, we can't finally move a compulsive gambling bill to help people suffering with this disease.

I think everyone in this room today, if they searched their hearts, could not possibly believe that simulcasting is more important than a bill to deal with compulsive gambling. And I thank you for all your efforts and help with this.

ASSEMBLYMAN SCHUBER: Thank you, Mr. Wexler. Thank you. Are there any other witnesses? (no response)

ASSEMBLYMAN RILEY: Mr. Chairman?

ASSEMBLYMAN SCHUBER: Yes? Do you have a question for Mr. Wexler?

ASSEMBLYMAN RILEY: Yes, please. In regards to the Governor's Commission, did they consider the funding source, the possible constitutional question, and/or direct funding versus the funding as set up in this bill and the possible problem regarding it?

MR. WEXLER: No. The Governor's Advisory Commission said the funding source should be worked out by the Legislature. They didn't make any recommendations in that.

ASSEMBLYMAN RILEY: So, the concept was the idea--

MR. WEXLER: Exactly.

ASSEMBLYMAN RILEY: --which we all agree on. Thank you.

ASSEMBLYMAN SCHUBER: Thank you, Mr. Wexler.

MR. WEXLER: We're not going to squabble about money again, Dennis, are we?

ASSEMBLYMAN SCHUBER: It remains to be seen. No further witnesses? (no response)

All right, there's a proposed amendment -- which I am proposing -- with regard to the bill, which clarifies basically the statement with regard to the issue of compulsive gambling in our State, as far as identifying the major components of the gaming industry in our State and the responsibility thereof. Are there any other questions with regard to the legislation? (no response) If not, I entertain a motion on my amendments.

ASSEMBLYWOMAN CRECCO: I make a motion.

The idea of the sponsor is tremendous. We're all in agreement with that. Unless we can consider -- because I've already spoken to Pat, and there's nothing in writing that I can find or he can find -- that the Governor would veto direct legislation-- The Governor in fact has lowered the appropriation this year. Therefore, I'm torn.

I'm totally in favor of the concept. I think we need it, but we can't do it in this regard. I will vote yes on the bill, and ask that an amendment be prepared -- since there was none prepared for this meeting as I requested last time -- the same amendment I would ask that the staff for the whole Committee and prepared for the floor, an amendment to be considered -- and I mean this is a bipartisan way -- to be considered to give regular full funding to this, not illusory funding, which this is. So, I'm voting yes for the bill, but asking that an amendment be prepared for the floor to make this so that it's not a game.

I think Arnie and all of you have been jerked around too long, and I think this is jerking you around further. It's to put up funding that is not funding, To have the Governor lower your appropriation, and then to have not put a bill on his desk that requires full funding. I think you should get three quarters of a million dollars, and I want this bill amended to reflect that. I don't want to see you all hung out to dry again, which you've been for two years.

I think it's time. The Commission is right. This is needed. This Committee believes it's needed. And therefore I am voting yes to reflect the urgency with which we need this, but I'm asking that an amendment be prepared for the floor so that this will not be delayed, and that the amendment be to change this to full appropriation of three quarters of a million from the general fund, so that we can have the full Assembly vote on this. I think the full Assembly should vote on the idea, because that's what you need. I think you need

ASSEMBLYMAN LOVEYS: Yes.

MR. WESTREICH: Assemblywoman Crecco?

ASSEMBLYWOMAN CRECCO: Yes.

MR. WESTREICH: Assemblyman Schuber?

ASSEMBLYMAN SCHUBER: Let me make it clear with regard to what the intent of this legislation is, and look forward to lay to rest some issues here. This is not a game or an illusion. Far from it. I wouldn't spend the time we've spent on this for frivolous purposes.

The background with regard to this legislation has been reviewed thoroughly by myself, the staff, and with Governor's Counsel, to make sure that we have a bill that if passed as it is now, provides adequate funding and provides a program to meet a very very important issue. The issue we can all agree on. We have a problem in this State with regard to compulsive gambling. And we have fought over the years on a way of addressing that issue on a statewide comprehensive basis, and to provide adequate funding -- which really is the serious issue here.

We all agree that there's a need for an office. The Governor's Council, the Governor's Panel, or the Hardwick Commission, whatever you want to call it, has endorsed the concept. Many newspapers across the State have endorsed this concept. And we have looked at a means of funding that program which is fair and equitable and constitutional.

If we all agree that compulsive gambling is a problem that is contributed to by a number of sources, then all of them should pay a proportionate share of the cost of this program. There is no doubt in my mind that casinos provide a certain amount of impetus to the problem. But at the same time the State of New Jersey itself is not free and clear from its involvement and its responsibility for this major problem. We have tried to come up with a formula that assesses all.

I guess the issue comes down to, should the State pay for all of it? Number one, I don't think it should. Why should the taxpayer have to fund this program 100%, when in fact the problem is not completely a State responsibility, but rather as contributed to by not only the State but outside private interests? We have assessed casinos for other purposes. Whether you consider the CRDA funding as one of those, or whatever, we have assessed them before, outside of those programs which go into the programs for the senior citizens and the handicapped. We have discussed this with Governor's Counsel, and I am assured, and I believe to be, the funding mechanism here is not only fair and equitable but constitutional.

And with that, I'll vote aye. The bill is released.

ASSEMBLYMAN GILL:- Mr. Schuber?

ASSEMBLYMAN SCHUBER: Yes.

ASSEMBLYMAN GILL: Just a comment. I would like to bring to your attention that Assemblyman Riley and myself have sponsored A-254, which will require that a message be delivered to those who gamble, "If you or someone you know has a gambling problem, call 1 800 GAMBLER" rather than, "Bet with your head not over it." And that should be placed over lottery machines, lottery tickets, on brochures distributed at lottery vendors, race track programs and race track tickets, casino rooms, casino markers, casino chips, casino gaming guides, public telephones and elevators, buses and limos, signs in bingo halls, raffle tickets, and boardwalk games of chance; also to help deter the problem we have. We're asking that this be considered at the next hearing.

ASSEMBLYMAN SCHUBER: I've seen the bill. We'll give it consideration because it also dovetails with legislation that I have in which does the same thing. So, I have no problem with regard to its consideration as we move along the issue of compulsive gambling and try to fit it in with regard

to the next public hearing that we're about to start. So, I appreciate the information.

Ladies and gentlemen, that is the conclusion today of the issue of compulsive gambling. It is certainly not the conclusion as far as the State's concern with regard to it.

(COMMITTEE MEETING CONCLUDED; PUBLIC HEARING OPENS)

ASSEMBLYMAN SCHUBER: We're about to begin a series of hearings which I think are of statewide interest and statewide importance, and that is the question of the independence of some of our independent authorities.

We are all familiar with the controversy that surrounds the toll increase -- or the proposed toll increase -- by the Garden State Parkway. The issues that have been brought forth as a result of that controversy have led to serious questions with regard to the operation of our independent authorities in the State, and questions with regard to the issue of whether in fact those authorities should continue to be independent, or whether there should be some further legislative oversight with regard to them.

Today we start a series of hearings with regard to the independent road authorities in our State. The first authority that will be before the Committee is the Atlantic City Expressway Authority. They will make a presentation with regard to the operation of their authority, and will be subject to questions by members of the Committee with regard to its operations. We will move on to the Turnpike Authority, and then the Garden State Parkway Authority, taking into account not only the testimony of the individuals involved in those authorities, but other outside experts.

Trying to come to grips with the issue, is simply this: Is the premise for which these authorities were established originally, still valid in the latter part of the

'80s and the early part of the '90s, or is the very issue of independence one that should no longer be considered, or is there some middle ground that the Legislature should consider with regard to making these authorities more responsible and responsive; so that we do not have to have a controversy as we have had over the last several months swirling around one of our authorities.

With that, then, we will begin these hearings with the Atlantic City Expressway. I understand our first witness is Mr. Donald Vass, the Executive Director of the Authority. Mr. Vass? Maybe you would want to introduce your witnesses for us, please.

D O N A L D B. V A S S: Good morning, Assemblymen, Assemblywoman.

ASSEMBLYMAN SCHUBER: Good morning.

MR. VASS: I have an audio visual presentation to give you an introduction to the Expressway this morning. Commissioner Lois Braithwaite, the Chairperson of the Expressway, will give you direct testimony. General Counsel, Lawrence Pepper, is here, our Comptroller Steven Van Note, and Consulting Engineer, Chris Perks. If I could indulge you for a second, and turn on this videotape, just to give you a little lead-in to the Expressway.

ASSEMBLYMAN SCHUBER: Sure.

(A brief video is shown on the history and development of the Atlantic City Expressway)

MR. VASS: Thank you for your indulgence. At this time I would to introduce you to our Chairperson, Lois Braithwaite, please.

ASSEMBLYMAN SCHUBER: Yes. Thank you. Welcome.

L O I S E. B R A I T H W A I T E: Thank you. Good morning.

ASSEMBLYMAN GILL: Good morning.

MS. BRAITHWAITE: I would like to read this statement into the record to give you some idea of the kinds of things we've been involved in as we administer the Atlantic City Expressway.

I serve as the Chairperson of the New Jersey Expressway Authority, and my name is Lois Braithwaite. It's a pleasure to appear before this Assembly Independent Authorities Committee.

The New Jersey Expressway Authority is responsible for the operations of the Atlantic City Expressway, which presently serves as the main arterial highway moving traffic from the metropolitan Philadelphia area to Atlantic City and the numerous Cape May County seashore resort communities.

During 1987, 39,836,484 vehicles traveled the Atlantic City Expressway. This is a far cry from the 1,014, 548 vehicles which traveled the Expressway during its first year of operation in 1964.

The region served by the Atlantic City Expressway has been subject to the dramatic and exciting changes during the past several years, and even more dramatic changes and expansion are anticipated in future years.

Together with this statement -- a copy of which has been provided to each of you -- is a statement of a chronology of major events in the history of the operations of the New Jersey Expressway Authority. I hope you all have copies.

ASSEMBLYMAN SCHUBER: Yes, we do. Thank you.

MS. BRAITHWAITE: Thank you. I also understand that our staff has supplied this Committee with the following materials:

- 1) Annual Report of the New Jersey Expressway Authority for the years 1982, '83, '84, '85, and '86;
- 2) The Expressway System Revenue Refunding Bonds from 1983;
- 3) The General Expressway System Revenue Bonds, the 1985 series A.

The Atlantic City Expressway is one of the safest, most efficient, and best maintained roads in the country. This is clear evidence of the Authority's commitment to fulfill its legislative mandate of operating a safe high speed limited access roadway.

Further, the New Jersey Expressway Authority has recognized its responsibility to cooperate with the State of New Jersey, the New Jersey Department of Transportation, and other governmental bodies, and to address the numerous transportation related issues which affect the South Jersey region.

On November 17, 1983, the New Jersey Expressway Authority entered into a State payment agreement with the New Jersey Department of Transportation. Under this agreement, the Authority has agreed to make annual payments to the State for the development of State highway and transportation projects. The guaranteed State payment for each year shall be the minimum sum of \$2.5 million.

In addition to the guaranteed minimum State payment, additional State payments may be determined annually after consultation between the Authority and the Department of Transportation, and the amount of such additional State payment is to be determined based upon the Authority's requirements for its annual budget for its next ensuing fiscal year.

Under the State payment agreement, the New Jersey Department of Transportation has agreed to use the State payments made by the New Jersey Expressway Authority to pay or provide for the development of the highway and transportation projects in the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem.

Thus, the Authority's commitment to the transportation needs of the South Jersey region is clearly evident by its participation under this State payments agreement.

As a further example of this desire to cooperate and participate, the Authority agreed to a plan developed by the Authority and the New Jersey Department of Transportation to make road improvements at the easterly terminus of the Expressway on roadways which are entering Atlantic City. The need for these road improvements became evident during a recent weather emergency. Severe flooding occurs at this location which could adversely affect the public safety, since vehicles have difficulty in leaving the barrier island of Atlantic City during severe weather emergencies. The Authority has agreed to pay approximately \$1.7 million toward the cost of these road improvements, which represents 85% of the total project cost.

Further the Authority authorized, after receiving technical advice from the New Jersey Department of Transportation, and the New Jersey Department of Environmental Protection, the undertaking of the Route 30 Connector Study in the vicinity of the Garden State Parkway eastbound. The results of this study, which is to be fully paid by the Authority will permit the State to develop a sound plan for future road networking in this region.

The Expressway Authority has further recently joined in a cooperative effort with the public and private sector, to address changes regarding egress and ingress to the Expressway at points where major developments impact on traffic flow.

These demands for access to the Atlantic City Expressway have dramatically increased as residential and commercial development has exploded during the past few years. Access to the Atlantic City Expressway is critically necessary in certain areas in order to alleviate congestion on road networks in local communities.

In the past decade, Atlantic County alone has undergone dramatic physical, social, and economic changes arising from the introduction of casino gambling. Foremost among these has been the spiraling need for transportation

facility improvements due to the massive influx of jobs, residents, and visitors, since 1978.

For the foreseeable future, Atlantic City is expected to hold its position as the world's most visited tourist destination, having drawn over 30 million visitors in 1987. New casinos are planned to open, and a host of casino expansions now on-line should shortly bring the industry's employment to more than 50,000 jobs.

As casino activity grows, so too does the region's commercial activity. In fact, for every three casino jobs, it is estimated that two additional jobs are created in related services and other sectors. Clearly, the current demands on the area's transportation system will only intensify over time. On the City's three main access roads alone, traffic volumes have grown at a 7% percent annual rate since 1980.

Various studies have detailed this traffic growth and the intended solutions to regional transportation needs, ranging from the resumption of intercity rail service to an international scale airport at the Federal Aviation Administration Technical Center in Pomona. On the highway side, many extensive regional scale improvements are programmed, including a project known as the Atlantic County Beltway.

As presently envisioned, Atlantic County would install a high level, limited access roadway connecting the mainland's growth areas and feeding into the Garden State Parkway at a northern and southern location.

An important feature of the Beltway is that it would be connected over the Atlantic City Expressway with a full interchange serving the airport and providing a direct link between the Beltway and the Expressway. Many view the airport's expansion into a first class facility with scheduled airline service as the key to the region's growth and development. This connection link to the regional highway

system is a critical part of the airport's marketability to air carriers, and passengers, alike. The New Jersey Expressway Authority will plan an integral part in this project, which greatly improves regional traffic movements.

Three and a half years ago the City of Pleasantville entered into agreements with private developers for the development of a major parcel of property located on the border of the City of Pleasantville and Atlantic City, and fronting on the Atlantic City Expressway. This project is known as Gateway.

On February 19, 1987, the Authority entered into an "Access Agreement to the Gateway Property." The parties to this agreement were the Authority, Gateway Associates, the City of Pleasantville, and the Atlantic County Transportation Authority. This agreement set forth the understanding for such parties regarding the potential granting of direct access from properties to be developed by Gateway to the Atlantic City Expressway.

The Gateway developers are now on the verge of obtaining the final approvals and permits for the development of the largest single project in the City of Pleasantville, and one of the most significant developments to ever occur in all of southern New Jersey. It is projected that Gateway will have a Transportation Center, including up to 2000 casino/hotel intercept parking spaces, 12 non casino hotels with 4400 rooms, and retail, commercial, and office developments. The New Jersey Expressway Authority is playing an integral part in this project as the project cannot be undertaken without access ramps for ingress and egress to and from the Atlantic City Expressway.

Growth in the South Jersey region has not been limited to the Atlantic County area, however. On June 24, 1987, as you know Assemblyman Riley, your colleague, Assemblyman Anthony Marsella and representatives from Gloucester, Monroe, Washington, and Winslow Townships, appeared before the

Authority. They requested that the Authority consider constructing exit and entrance ramps to the Atlantic City Expressway at its intersection with Berlin/Crosskeys Road.

This project appears to be needed. The four township area is experiencing unprecedented growth. As a direct result of this growth, local and county roads have become clogged and congested; some roads, such as the Black Horse Pike, are already at capacity. Constructing an entrance and exit to the Expressway on Berlin/Crosskeys Road may do a great deal to alleviate the situation. The Authority has authorized its traffic engineers to complete a feasibility study regarding this possible project.

The increase in traffic on the Atlantic City Expressway, together with expanding interrelationships with contiguous communities and their citizens, has led the New Jersey Expressway Authority to undertake many needed projects.

Construction of a new New Jersey State Police Barracks for the platoon assigned to patrol the Atlantic City Expressway is planned. These barracks represent state-of-the-art headquarters that will provide the most up-to-date police delivery system available. The Authority pays all costs related to its detachment of State Police, including the cost of the personnel.

The Authority operates an intercept parking lot located just east of the Pleasantville Toll Plaza. The casino employees intercept parking facilities provides parking for more than 2400 vehicles. This dramatically helps reduce traffic traveling in and out of Atlantic City and thus helps to reduce traffic congestion in Atlantic City.

In 1987, an expansion of the Roy Rogers Restaurant operated by Marriott Corporation was completed at the Authority's Farley Service Plaza. In addition, this construction included a Tourism Center to be operated by the New Jersey Department of Travel and Tourism.

In 1987, in cooperation with the New Jersey Department of Transportation, the County of Atlantic, and Hamilton Township, the Authority joined together with a private sector concern -- Kravco Corporation -- to work out an effective plan to ingress and egress to the Expressway at the point where the Mall intersects with the Expressway. A completely new road networking plan was conceived and implemented and is now working.

A multi million dollar project, the Atlantic City Convention Center and rail terminal, to be located at the foot of the Expressway at the entrance to Atlantic City, poses yet another complex transportation question for government and the private sector, working in tandem, to solve. For quite some time the New Jersey Expressway Authority has recognized the effects these facilities will have on the economic and transportation needs of the area, and has worked steadfastly to create blueprints for a positive traffic flow in the area surrounding this site. Working with the New Jersey Expressway Authority to create a viable transportation network are the Atlantic County Transportation Authority, Atlantic County Improvement Authority, Atlantic City government, and the New Jersey Department of Transportation.

Working with its consulting engineers and with representatives from townships surrounding the Farley Plaza, in 1987 the New Jersey Expressway Authority sees as another major project, the upgrading, to meet State and Federal standards for wastewater disposal at the Plaza. Long a complicated problem because of Pinelands restrictive covenants, the Authority sees 1988 as the year this issue will be effectively resolved. Plans, pending governmental approvals, have already been submitted to the proper agencies.

Further, the Authority has recently reached agreement with the town of Hammonton to transfer to that community the sum of \$290,000. These funds will permit the town of Hammonton

to construct a new sewage pumping station facility, which will open sewer to a new area of the town of Hammonton, and at the same time allow for the direct connection by the Authority of its Central Maintenance Facility to the town of Hammonton sewer system. This will provide a long-term solution to the Authority's wastewater disposal problems at this facility, and is consistent with objectives laid out by the New Jersey Department of Environmental Protection.

Lastly, we are most pleased and proud to report that in 1987, construction was completed on the long anticipated third lane project. Beginning at Milepost 31.5 in Winslow Township and extending eastbound to the Pleasantville Toll Plaza, a new eastbound lane has been added to the Atlantic City Expressway. Also, a third lane has been added from the Pleasantville Toll Plaza to the Garden State Parkway westbound. This new third lane construction should expedite traffic flow along the Expressway, particularly during the busy summer months, and will alleviate traffic disruption where the Atlantic City Expressway and the Garden State Parkway intersect.

Despite vehicular traffic, which has increased from 12.2 million eight years ago to more than 39 million in 1987 -- a record the New Jersey Expressway Authority is proud to report -- more traffic engenders more operational expenses. However, tolls on the Atlantic City Expressway have remained the same since 1969.

At a time when other toll roads have found it necessary to increase fares, the Commissioners of the New Jersey Expressway Authority, always with an eye to the bottom line, have been able to maintain established rates while at the same time providing maximum services.

The Atlantic City Expressway is the most heavily traveled roadway linking the Philadelphia and southern New Jersey areas with Atlantic City, and via its connection with the Garden State Parkway, the Cape May County resorts.

As the basic tenet in all of the decisions, plans and aspirations of the New Jersey Expressway Authority, is the well-being of the traveling public. The Atlantic City Expressway, all 44 miles of which, 24 hours a day, 365 days a year, maintained in peak conditions, exist as a service to the people of New Jersey and the motoring public who use the road. Traffic and safety statistics indicate for the past 24 years we have steadfastly worked to improve our delivery system to the traveling public, and to the best of our collective abilities -- Commissioners, management, toll collectors, security, State Police, maintenance, and clerical staff -- will continue to do so in the years ahead. Thank you.

ASSEMBLYMAN SCHUBER: Thank you, Madam Chairman. Mr. Vass, are there any other witnesses that you wanted to--

MR. VASS: I think if you would like, we have the expertise sitting in this room to be able to answer any of the questions that you have, because we're not really familiar--

ASSEMBLYMAN SCHUBER: Okay, why don't you do this. Why don't you introduce who else you have with you?

MR. VASS: Sure. May I introduce, to my right is our Comptroller, Steven Van Note; General Counsel, Lawrence Pepper; Consulting Engineer, Chris Perks, from Reutter Associates.

ASSEMBLYMAN SCHUBER: Okay, fine. Let me ask you some questions. Obviously you realize the importance of the hearings, and the reason for the hearings. I just have some background questions, then I have some other questions. As I understand from the tape, there are 206 employees of the Atlantic City Expressway. Is that correct?

MR. VASS: It's about two years old. Two hundred and thirteen is the number that I have as of today.

ASSEMBLYMAN SCHUBER: Two hundred and thirteen?

MR. VASS: That's correct.

ASSEMBLYMAN SCHUBER: And how many of those are toll takers, approximately?

MR. VASS: Seventy-- Excuse me. Forty-eight, I think, forty-eight or fifty full-time.

ASSEMBLYMAN SCHUBER: Forty-eight or fifty full-time toll takers?

MR. VASS: That's correct.

ASSEMBLYMAN SCHUBER: And how many part-time? Do you consider the part-timers in that number too?

UNIDENTIFIED MEMBER OF AUDIENCE: No. There's approximately 25 part-timers.

ASSEMBLYMAN SCHUBER: Twenty-five part-timers. Is that part of the 213?

MR. VASS: No.

ASSEMBLYMAN SCHUBER: That's in addition to the 213?

MR. VASS: That's correct.

ASSEMBLYMAN SCHUBER: What's the starting salary for a toll taker?

MR. VASS: It's \$11 and some odd cents an hour. It comes to approximately \$20,000.

ASSEMBLYMAN SCHUBER: Approximately \$20,000 a year?

ASSEMBLYMAN GILL: Excuse me. Is that for the part-time or full-time?

ASSEMBLYMAN SCHUBER: That's the full-time, I gather.

MR. VASS: Full-time.

ASSEMBLYMAN SCHUBER: Full-time. And it's \$11 and some odd change per hour?

UNIDENTIFIED MEMBER OF AUDIENCE: It's \$11.59.

ASSEMBLYMAN SCHUBER: Per hour?

UNIDENTIFIED MEMBER OF AUDIENCE: That's correct.

ASSEMBLYMAN SCHUBER: So it comes to about \$20,000 a year?

UNIDENTIFIED MEMBER OF AUDIENCE: It's for 2080 hours a year, so it would be about \$23,000.

ASSEMBLYMAN SCHUBER: And that's starting salary?

UNIDENTIFIED MEMBER OF AUDIENCE: Yes. It's one fixed salary. That is the maximum salary, but an employee gets to that salary after one year. There's a starting range that I think is \$9.50 an hour, then it moves up to \$10.60, and then to \$11.59; \$10.60 after six months, and \$11.59 after one year.

MR. VASS: If I may, to clarify something-- Our part-time people, we have what's called a Senior Citizens Program.

ASSEMBLYMAN SCHUBER: Right.

MR. VASS: And our part-time people are used to fill in for sick and vacation. It's not to circumvent overtime or anything for our part-time people. It's strictly to provide a job for senior citizens, that run from Camden all the way down to Atlantic County. We have about 25 at each of the barrier toll plazas.

ASSEMBLYMAN SCHUBER: How many barrier tolls--

MR. VASS: There are two barrier toll plazas. The Egg Harbor Toll Plaza is a dollar barrier, and there's no exact change booths there. The Pleasantville is a quarter toll, and there's some exact change booths there.

ASSEMBLYMAN SCHUBER: What is your overtime budget per year at the current time?

UNIDENTIFIED MEMBER OF AUDIENCE: For the whole road it's approximately 300,000, including toll takers.

ASSEMBLYMAN SCHUBER: How many hours do the toll takers work?

UNIDENTIFIED MEMBER OF AUDIENCE: They work a 40-hour week.

ASSEMBLYMAN SCHUBER: Forty hours?

UNIDENTIFIED MEMBER OF AUDIENCE: But, I guess with minor overtime, because they count for, of the 300,000 maybe 1/4 or 1/3 of the-- (hearing reporter requests that he come forward because his comments are inaudible)

MR. VASS: Steve and Larry, you want to sit up here.

ASSEMBLYMAN RILEY: They can't hear you.

ASSEMBLYMAN SCHUBER: This is being recorded as a public hearing, so you'll all have to sit by the mike.

LAWRENCE A. PEPPER, JR., ESQ.: For the record, my name is Lawrence A. Pepper, Jr., General Counsel of the New Jersey Expressway Authority.

G. STEVEN VAN NOTE: My name is G. Steven Van Note, Comptroller of the New Jersey Expressway Authority.

ASSEMBLYMAN SCHUBER: Okay. Thank you very much. Now, let me ask you this. One of the concerns that we have-- Well, let me ask you the question. Why should you continue to exist in the 1980s? And I don't mean it in a facetious way, and it's not a vindictive question, but it's really the premise of these hearings. Simply this: The Authority, as I understand it both from the tape and what I know about the Authority, was created for the purpose of creating the Atlantic City Expressway, which you have done and you continue to maintain, and it seems to be maintained relatively well. Now the question I have for you is simply this, in that being the original premise for establishing your Authority to exist, that having been done now, why should you continue to exist? How do we justify to the taxpayers of this State, or the motoring public, why you should continue to exist, and why your duties should not be taken over by the Department of Transportation?

MR. PEPPER: Well, let me try to give an answer to that, at least from my view. I think that we serve as a great benefit to the State of New Jersey. I think if you listened to Chairperson Braithwaite's remarks you've listened to and heard a long list of positive accomplishments that the Authority has undertaken, that not only are beneficial to the motoring public that travel along the Expressway, but also to the contiguous communities and to the State highway system adjoining the Expressway Authority. Also it was noted that the Authority contributes a minimum of \$2.5 million to the State, which goes

to the State Transportation Trust Fund. And of course if our budget would permit additional payments, the Authority would contribute additional payments.

But the road networking that we're talking about: eliminating problems in the Winslow Township area, doing something for the town of Hammonton, creating a new road networking system in Hamilton Township for the Hamilton Mall, being a participant of the project in Atlantic City, the most important project -- the Atlantic City Convention Center, the road networking that will be necessary for that project to become a reality and to make sure that Atlantic City is the real tourist action on a world-wide basis that it should be -- the Beltway which also will permit the region to have an international airport, which is also very much needed-- The only international airport of course in the region is the Philadelphia International Airport. South Jersey has none. But for this Authority's continued existence and ability to participate in the road construction projects that work very cooperatively with all these other transportation needs in South Jersey, they would not be accomplished.

And of course, this Authority does collect tolls. By collecting the tolls it's able to maintain the road in first-class condition, and with the excess funds that are not needed for the day-to-day operational expenses of the Authority, is able to participate in these other projects. If that were not the case it would become a direct tax burden on the citizens of the State of New Jersey.

So that all of these things -- the Gateway, the City of Pleasantville-- And the Authority's position has always been to open its arms and welcome to its meetings representatives from the other public entities along the Atlantic City Expressway, and have had the policy of trying to work cooperatively with each of these public entities to promote the public good and the public safety in transportation projects.

The City of Pleasantville came forward and said, "We have an opportunity. We have an opportunity to have the largest development ever in the history of the City of Pleasantville. We have an opportunity to have one of the largest developments in the entire South Jersey region." If you were listening when Chairperson Braithwaite was testifying, she indicated that we're talking about 12 non casino hotels with 4400 rooms. The Atlantic County Transportation Authority is a participant in that project. There will be a parking lot for 2000 cars, to keep 2000 additional vehicles out of the clogged streets of Atlantic City.

So that our continued existence in the South Jersey region I think is critically important, so that we can deal with these problems on a regional basis, and do it with the funds that we have and without tapping in to taxpayer funds. So, I think there's a real advantage to keeping the Authority in existence and operating properly.

ASSEMBLYMAN SCHUBER: What is the outstanding debt of the Authority at the present time?

MR. VAN NOTE: Approximately \$42,700,000.

ASSEMBLYMAN SCHUBER: So it's almost \$43 million?

MR. VAN NOTE: Yes.

ASSEMBLYMAN SCHUBER: All outstanding bonds?

MR. VAN NOTE: Yes.

ASSEMBLYMAN SCHUBER: Is part of that for that third lane?

MR. VAN NOTE: Yes, \$28 million.

ASSEMBLYMAN SCHUBER: Twenty eight million is for that, and the other represents what?

MR. VAN NOTE: There was a refinancing in 1983 of--

ASSEMBLYMAN SCHUBER: Of the prior bond issues, the initial bond issues?

MR. VAN NOTE: Right.

ASSEMBLYMAN SCHUBER: Okay. I want to get back to this question again on the issue of what duties are done by who and why. The issue at the present time simply is with regard to your employees. Are any of your employees covered by civil service?

MR. PEPPER: No.

ASSEMBLYMAN SCHUBER: There's no civil service there at all?

MR. PEPPER: No.

ASSEMBLYMAN SCHUBER: Then all hirings and firings are done by the Authority itself. Is that correct?

MR. VASS: That's correct.

MR. PEPPER: That's correct. It should be noted, however, that the Authority's employees are all unionized. They're members of Local 196 of the International Federation of Technical Allied Trades -- IFPTE AFL-CIO -- so that they are unionized. There is a collective bargaining agreement that sets forth their terms and conditions of employment, including any and all rights related to hirings and firings and promotions and discharges and disciplinary actions and benefits. They're all covered by a collective bargaining agreement. The same union represents the Authority's employees as represents the employees of the Garden State Parkway, and a different local of the same union represents the employees on the Turnpike Authority.

ASSEMBLYMAN SCHUBER: The issue with regard to the coordination between your Authority and the DOT-- Is there a set institutionalized meeting with the DOT periodically with regard to your projects? How is that worked out? I heard terminology with regard to coordination. I want to know how it operates?

MR. PEPPER: There is in fact a representative of the Department of Transportation that attends each and every Authority meeting, a liaison person. So that person is

familiar with every issue that's discussed by the Commissioners and familiar with every project that the Authority is undertaking. Then each year the Executive Director, the Comptroller, and a representative of the Commissioners, meets with representatives of the Department of Transportation. They go over the Authority's budget. As a result of going over that budget, the determination is made as to how much in fact is contributed to these -- under the State payments agreement that the Authority is a party to -- to the State of New Jersey.

MR. VASS: Unlike the Parkway and the Turnpike, when we had our refinancing in '83, the legislation was changed so that we were required to put up \$2.5 million, and a review of our budget before passage, in consultations with DOT. It also subjected that money to go directly to South Jersey communities for that money. So it's a little bit different. We already have intact a review process by DOT to monitor our finances and our capital programs, and have entered into a letter of agreement as of last week with DOT -- after our budget was finalized -- to review our capital program.

ASSEMBLYMAN SCHUBER: Do you have an ongoing capital improvement project plan?

MR. VASS: The Commissioners last October passed in 1987 a five-year capital program.

ASSEMBLYMAN SCHUBER: Had there been one prior to that?

MR. VASS: There had never been one before.

ASSEMBLYMAN SCHUBER: There was no capital improvement project prior to 1987?

MR. VASS: No. They went from year to year. We are in that first phase of this year in that capital program.

ASSEMBLYMAN SCHUBER: Is that provided to us?

MR. VAN NOTE: Yes.

MS. BRAITHWAITE: Yes.

ASSEMBLYMAN SCHUBER: Is that in the materials?

MR. VASS: Yes. Recognizing that capital program as a program -- capital programs change over five years--

ASSEMBLYMAN SCHUBER: Correct.

MR. VASS: --and you'll see that what we've done this year institutes some of those capital programs within the confines of this year's budget.

ASSEMBLYMAN SCHUBER: Has this been reviewed with the Department of Transportation?

MR. VASS: Yes. This year's capital program has been gone over with the DOT. The five-year capital program, they've had copies of it, and we're going to go over it again with them this year.

ASSEMBLYMAN SCHUBER: The only comment I would make, your statement with regard to the contribution that's being made to the Transportation Trust Fund by not only your Authority but the other authorities. I think all three authorities did not gladly give that money up to the Transportation Trust Fund, but was taken I think kicking and screaming from them. And if I remember reading statements from the prior Director -- prior to yourself, sir -- I don't think he was too happy with the concept. So, I realize you all contribute to it, a very very worthwhile project of the State, but I also recognize that it was not necessarily done gladly by all of you with regard to that. But we can debate about that another time.

Simply the issue again is-- Oh let me ask you this. As I understand it now, the only check and balance that's built into our system in the present time with regard to how you folks operate the Authority, is that the Governor, the Executive, has -- I assume as he does with the other authorities -- the power of executive veto over your minutes. Is that correct?

MR. PEPPER: That's correct.

ASSEMBLYMAN SCHUBER: Do you ever appear before the Legislature, other than for this type of hearing, for anything that has to do with your budget at all?

MR. PEPPER: No, not that I know of.

ASSEMBLYMAN SCHUBER: No, and obviously the statute doesn't require you to either, I assume?

MR. PEPPER: That's correct.

ASSEMBLYMAN SCHUBER: Correct. You set your own budget, and you raise your own money with regard to that. Is that correct?

MR. VASS: That's correct.

MR. PEPPER: Subject only now to the review of the New Jersey Department of Transportation. That is new as a result of the State payments agreement. Our budget, after we--

ASSEMBLYMAN SCHUBER: Well that's built into your agreement with them, correct?

MR. PEPPER: Into the agreement, but it requires the approval of the entire budget.

ASSEMBLYMAN SCHUBER: With DOT?

MR. PEPPER: With DOT. Our budget is submitted to DOT under the terms of the State payments agreement in November. It is reviewed and then a determination is made as to what the State payments should be, based upon a review of the budget.

MR. VAN NOTE: And that's unique, Senator.

MR. PEPPER: Yeah, that's unique to this Authority.

ASSEMBLYMAN SCHUBER: Well it may not be unique to your Authority much longer. But let me ask you simply this: Why shouldn't the Legislature have some oversight over your budget?

MR. PEPPER: Well, I guess in a way there is representation in that the Commissioners who are appointed represent the various geographic areas. I guess there's always the questions as to where participation begins and where participation ends, and how much do you get bogged down in the approval process, and nothing gets accomplished.

ASSEMBLYMAN SCHUBER: Well, we manage to oversee all the other Departments of the State with regard to that, on an appropriations process annually. Not everybody may be wildly enthusiastic about the product thereof, but the fact of the matter is that we do that for approximately 20 other departments with multi million dollar budgets, for now what is going to be \$11 billion State budget -- 11.3 I guess -- so why shouldn't we do that for independent authorities?

C H R I S P E R K S: It's not tax money.

ASSEMBLYMAN SCHUBER: Huh?

MR. PERKS: It's not general revenue tax money of the State.

ASSEMBLYMAN SCHUBER: Doesn't the State back you up though, in essence?

MR. PERKS: Financially?

ASSEMBLYMAN SCHUBER: Yeah. Supposing your bonds went sour. Who is going to back you up?

MR. PEPPER: The Authority.

ASSEMBLYMAN SCHUBER: The State Treasury, correct?

MR. PEPPER: Well I don't know that our bonds are guaranteed by the State.

ASSEMBLYMAN SCHUBER: Well, I mean, let's talk practically.

MR. PEPPER: They are separate authority bonds.

ASSEMBLYMAN SCHUBER: I appreciate that.

MR. PEPPER: Our tolls--

ASSEMBLYMAN SCHUBER: We've gone through this with the Sports Authority too. I recognize that. We're not novices to the concept. But the issue simply is, practically speaking, is the State of New Jersey going to allow the Atlantic City Expressway to go under? Probably not. But who's going to back your bonds in the end? The Treasury, is that correct?

MR. VASS: There is a strong possibility-- (inaudible)

ASSEMBLYMAN SCHUBER: That's correct. So the question now becomes then--

MR. PEPPER: We don't anticipate going under though, Assemblyman.

ASSEMBLYMAN SCHUBER: I appreciate that. We appreciate that to be the case. None of the authorities have come that close. But the fact of the matter is, when you talk about the fact that it's not taxpayers' money, the question is simply this, in essence there is an impact on the taxpayer. And the question that I think we're wrestling with is that maybe in the end the ultimate-- If you look at it from a spectrum point of view the ultimate is-- You've got the two ends of the spectrum. We either leave you the way you are on the one end, or we recommend you be taken over by the State on the other end, and maybe there's some room in between with regard to allowing the representatives of the public somewhere, some oversight with regard to the operations of your Authority, or authorities.

Again, you happen to be the first one that's appearing here. You're not the only one that's going to be here during the course of these hearings. But we're wrestling with the same issue with everybody. And nobody here wishes to see another repeat of what happened to the Garden State Parkway. That's what the purpose of these hearings are.

So the question simply to you is this: Isn't there a median whereby the Legislature can obtain some type of oversight with regard to your operations? Is there room for that?

MR. VASS: Well I think by being here today certainly is an indication that there is.

ASSEMBLYMAN SCHUBER: Oh, we appreciate that, but all we can do is hold a hearing on this and make a recommendation.

MR. VASS: The realistic, and I guess without being that facetious, is that you recognize that three roads have been able to maintain a credibility in the infrastructure of this State, and I question the rest of the infrastructure in

the State as it relates to the Parkway, the Turnpike, and the Expressway. You know that there are at least three roads in the State that are running, and they have a track record of credibility with the traveling public, traveling those roads has always been a credible one.

ASSEMBLYMAN SCHUBER: I don't deny that.

MR. VASS: Now, if the light at the end of the tunnel is that somebody else can do it and do better, or that there are other finances that might be available to State agencies because of what we generate here-- The Commissioners I know, as of 1986, made a commitment, and if there's surplus money in the Atlantic City Expressway that is not needed for the road, here's the pot of gold.

ASSEMBLYMAN SCHUBER: I think what we're wrestling with is simply this. I think that we would all agree that all three roads have been relatively well run as far as traveling them goes, and that's a credit. But we also recognize that there has been-- It appears, again looking at another authority, but what we've seen there -- which has been the subject of the glare of publicity, and to the media -- is what we think to be kind of a consideration of the utilization of that authority as an independent fiefdom, in which certain decisions were made within that authority, which if brought to the light of public attention at that time would not have been allowed to happen, or some type of remedial action would have been taken by representatives of the State. And our concern is, trying to reach a balance. We want to keep those roads well run, but at the same time try to bring into control some of the spending policies, or some of the decision policies, that are made by the authorities which may not be in the interest of the public at large, the general public.

Now, we're not necessarily casting mass aspersion on you, we're just using another authority as a prism by which we're looking at all the others. I recognize that tends to tar

all of you, but the fact of the matter is that it alarms us, what we've seen. So again, as the Governor has indicated, we don't want to throw the baby out with the bath water, quite frankly, but at the same time we do think there's room for some type of change. And that's what we're wrestling with, to come up with that type of thing, by which we've seen from your operations.

MR. VAN NOTE: One thing, Mr. Chairman. I think we've already seen part of the change in the fact that DOT reviews our budget. Maybe we've already experienced some of that change.

ASSEMBLYMAN SCHUBER: Well we recognize that, and the question I have for you is, would you support the Rand legislation which puts the Commissioner of Transportation on your Board of Commissioners, or has the Authority--

MR. PEPPER: The Authority is--

MS. BRAITHWAITE: (inaudible) --we've opposed it.

MR. VASS: We've opposed that by the fact that we already have the representation there, and there may be a conflict. Because if we have DOT, other than the Parkway and the Turnpike not having DOT's review of their budget-- If you have a representative with voting power on the Expressway Commission, if a presentation is to be made for an expenditure that if we don't spend the money it ends up in the surplus funds so DOT can get it, there's somewhat of a conflict with a Commissioner sitting on it.

As I said, we have direct representation in two areas with DOT already. One is, we have a liaison that's at every one of our meetings. And secondly, our budget is scrutinized, not only the budget, but then it's monitored by the capital programs. So having someone on the Board, I think we've already got him. I think we already have someone.

ASSEMBLYMAN SCHUBER: Does the Governor's Counsel send any representatives to your meetings?

MS. BRAITHWAITE: Yes.

ASSEMBLYMAN SCHUBER: On an ongoing basis now?

MR. VASS: Yes.

MS. BRAITHWAITE: Every meeting.

MR. VASS: Jeanne Stiefel.

ASSEMBLYMAN SCHUBER: Jeanne Stiefel?

MR. VASS: She's at every one of our meetings.

ASSEMBLYMAN SCHUBER: Okay.

MR. VASS: Including the executive sessions.

ASSEMBLYMAN SCHUBER: Oh, let me ask you, your executive sessions, are they transcribed? Are the minutes kept of those?

MR. VASS: Yes.

ASSEMBLYMAN SCHUBER: Who keeps those, just out of curiosity?

MR. VASS: Our secretary.

ASSEMBLYMAN SCHUBER: The secretary?

MR. VASS: Yes.

ASSEMBLYMAN SCHUBER: And are those available to the public?

MR. VASS: All the ones that not closed. All the minutes that--

MR. PEPPER: Well, when the matter that's been discussed at executive session has reached some finality, then they would be available to the public. We comply with the Open Public Meetings Act very carefully, and very strictly. When the matter has reached finality, then they would be available to the public. Until that time, of course they are confidential executive minutes.

ASSEMBLYMAN SCHUBER: We understand that, but they're kept by a secretary, transcribed by a secretary?

MR. PEPPER: The secretary to the Authority. That is correct.

ASSEMBLYMAN SCHUBER: Okay. (confers with aide)
Yeah, that's the issue. I forgot. Are the executive minutes reviewed by the Commissioners?

MR. PEPPER: Yes, they are.

ASSEMBLYMAN SCHUBER: We were flabbergasted to find out that was not the case with the Parkway. But maybe that's part of the reason they have some problems with regard to that. Do any members of the Committee have any questions?

ASSEMBLYMAN LOVEYS: Yes, Mr. Chairman, if I may?

ASSEMBLYMAN SCHUBER: Mr. Loveys?

ASSEMBLYMAN LOVEYS: I haven't had the opportunity really -- because I'm new to this Committee -- to know the interworkings and the daily workings of the Authority, but let me ask a few questions. The income is derived from what source?

MR. VASS: I think there's four revenue sources, one being, obviously the tolls. We also have an intercept parking lot that we receive from the casino themselves who pay for the employees to park there. We also have -- as mentioned in the film and in Commissioner Braithwaite's text -- the service plaza, which includes the Sunoco gas station and Roy Rogers Restaurant. There are incidental revenues that come in. We have a contract with Bell Atlantic for a mobile telephone system that utilizes one of our antennas, and some minor telephone booths that come in that we generate some--

ASSEMBLYMAN LOVEYS: So your tolls are your major source of income.

MR. VASS: Oh, the tolls are the main--

ASSEMBLYMAN LOVEYS: What percentage of that would you say that the tolls are of your income?

MR. PEPPER: I would say about 80%.

ASSEMBLYMAN LOVEYS: Eighty percent? If I heard correctly, am I to assume that you were debt free in 1983?

MR. VASS: No.

ASSEMBLYMAN LOVEYS: Because somebody said there was a refinancing of some \$15 million at that time.

MR. VASS: In '83 we refinanced the present bond issues.

MR. PEPPER: I think there was approximately \$13 million that was due at that time. That was refinanced and refunded.

ASSEMBLYMAN LOVEYS: Just the total 13 or additional monies?

MR. VAN NOTE: In 1983 they refinanced not for a dollar and cents reason, but to eliminate some-- (inaudible) that were in the bond resolution, and it dealt with the percentages of--

ASSEMBLYMAN LOVEYS: Okay, you had a balance of some \$13 million at that time?

MR. VAN NOTE: It was seventeen million six, I think we refinanced.

ASSEMBLYMAN LOVEYS: You refinanced for only that portion that was your obligation?

MR. VAN NOTE: Yes.

ASSEMBLYMAN SCHUBER: Refinanced 13 or 17?

MR. VAN NOTE: Seventeen.

ASSEMBLYMAN LOVEYS: Well, you have a total of 43 million today total debt, and your 28 million was for the third lane. With my arithmetic -- if I'm not correct -- is 15 million would be the balance.

MR. VAN NOTE: Well we have 28 million for the third lane, and approximately 16 million and some left on the 17 million, so it's 16 and the 28 would be 44.

ASSEMBLYMAN LOVEYS: I would be 44 million.

MR. VAN NOTE: Which, I said was 43.

ASSEMBLYMAN LOVEYS: Well, you testified to 42.8 million, so you were off only by a million dollars, but what does that mean to us in State government anyway.

MR. VAN NOTE: That is our outstanding debt.

ASSEMBLYMAN LOVEYS: Yes. What I'm after anyway is if you have this debt, the cost of the debt and your income, do you foresee in your long-range plans where your expenses are going to exceed your income?

MR. VAN NOTE: No. And one reason for us preparing the five-year plan, in conjunction with DOT, was we asked the same question of ourselves a year ago. The Director and I are both fairly new. Where is this break-even point? And our five-year plan that we worked up showed us expenses, the projection for expenses and revenues, our debt service and everything. Within that five-year plan there was no problem. I mean, there was no problem with expenses reaching or going above revenues, or breaking-even, even at that point. So, the purpose of the five-year plan was to do that, and this continual five-year plan will always keep us five years ahead. So we shouldn't be coming in to you three months down the road and saying, "We've got to raise our tolls three months from now."

ASSEMBLYMAN LOVEYS: Up to '93 and '94 you don't foresee any problems in that particular area?

MR. VAN NOTE: Through '92, right.

MR. VASS: Let's add to this. You heard some of the statements that Commissioner Braithwaite had to say about the projects. We're talking about a limited access highway. You can see that limited access highway is slowly going away from us because of the economic growth at both ends of the road. So there are a lot of people coming in and looking for access to the road. A lot of these are government agencies, such as Convention Hall, such as the Atlantic County Transportation Authority, and some of these other places. If these major changes require bond issues, and our bonding capacity isn't there to perform these, we may have to go up and raise tolls. If they wanted to put a second bridge down at the Beach Thorofare Bridge and the bonding capacity was, hypothetically,

\$15 million, and the bridge was going to cost \$25 million, then everybody-- Who's going to pay for that?

ASSEMBLYMAN LOVEYS: But to this date -- and you've considered Gateway and the others -- to this date your plans show that you should not have any problems in meeting your expenses?

MR. VASS: Absolutely not, no.

ASSEMBLYMAN LOVEYS: So if in the future there are projects that want access to this area, that might in fact require bonding, then you might see your scale dropping where your expenses will in fact--

MR. VASS: That's correct.

ASSEMBLYMAN LOVEYS: --exceed your income.

MR. VASS: That's correct.

ASSEMBLYMAN LOVEYS: That's when you say maybe in 1999 we should have a five cent increase?

MR. VASS: That's when we blame the State, or DOT, or somebody, for saying "You want this project, you're going to need the money from us." And it's not a blaming situation, it's a cooperative effort. That's the only way we can foresee the tolls will get increased on the Expressway.

MR. PEPPER: I think it should be noted, however, that with each of the projects that are looming ahead in the future, that they may generate traffic which in and of themselves will generate additional toll revenue. So that would mitigate against a toll increase because the increase in the volume of vehicles would generate additional toll revenue to the Authority. So each one of the--

ASSEMBLYMAN LOVEYS: So you must have at this point then some projections as to additional traffic in this whole area?

MR. VAN NOTE: Yes. We've projected through the five-year plan the average revenues would be about 3%. Now, that's total revenues, traffic would be slightly higher than

that -- maybe three and a half to four range -- but our total revenue is projected at 3% per year.

MR. PEPPER: I think it should be noted that the past history has been that the Authority's toll revenue and vehicle traffic has increased approximately 7%. So we've tried to look at this thing very conservatively.

MR. VASS: But you're right. Our revenue source and our expenses, that gap is closing. But we've been able to forecast over the next five years with that kind of an equation built in, and we're comfortable with it. We don't see any toll increases on the--

ASSEMBLYMAN SCHUBER: Mr. Riley?

ASSEMBLYMAN RILEY: Thank you, Mr. Chairman. Obviously this road has an impact on my district probably more than all of you put together with the Parkway, since from up to Mile 25 -- which is the edge of Folsom -- is all the Fourth District. And quite frankly, initially I can say without any question, I think it's the best road in the State of New Jersey. I think it's an excellent road. I think I breakfast at the Roy Rogers more than I eat at my house, on my way to Atlantic City for meetings or for court. But still, there have been several questions that have been raised--

ASSEMBLYMAN LOVEYS: (inaudible comment)

ASSEMBLYMAN RILEY: Well yeah, that's right. And so the Compulsive Gambling bill-- (inaudible) Ralph, you'd love it. Your question could be answered also about the-- The trucks on the Atlantic City Expressway are always new. They've even got so many police cars they park them on the side of the road empty. So they're in good shape, financially. I don't think you have to worry about them financially, whatsoever.

But I did have one question before I get into some of the other areas. Mr. Pepper would appropriately just-- The answer to maybe one of the questions I think I know, but I wanted to-- When you got down to the \$13 million debt, if you

had paid off the \$13 million and you were debt free, what would have happened?

MR. PEPPER: The road would have become the responsibility of the New Jersey Department of Transportation.

ASSEMBLYMAN RILEY: So if in effect if you had paid off the debt instead of refinancing you would have gone out of existence?

MR. PEPPER: That's correct.

ASSEMBLYMAN RILEY: Now as far as the projects and everything, again I applaud all the projects except that I would note that I think -- and I'm sitting here trying to determine numbers. I'm relatively familiar with the area. The western terminus, Exit 44, which is in fact literally almost at the junction of Monroe, Gloucester, and Washington Townships, and the junction of Camden County-- Those three towns have a population of about 100,000 when you add up the three of them, which is half the population of all of Atlantic County. And yet it seems rather ironic that all the projects that are under way, all the money that you're spending and everything like that, seems to be very heavily weighted towards the eastern terminus.

The congestion, as you know, is phenomenal at 42/A.C. Expressway. It's about three miles from my house. The 42/A.C. Expressway terminus is exceptionally heavy. And the only project under way at all that I know of, and anything in the area from Folsom down, is from -- again, you go through three counties and I represent all three counties -- is the Crosskeys Roads thing. In nine months I haven't seen anything. I understand it's an engineering study, but everything else seems to be further along and from a very provincial attitude. What is the status of the Crosskeys Road onto-- As you know, Sicklerville Road/Crosskeys Road is awful at this point. The population has just boomed. Everybody in South Jersey will be part of my district in 1990. What's going on with the Crosskeys Interchange?

ASSEMBLYMAN SCHUBER: If I might, just before the answer comes, let me just say that we are joined right now by students of Seton Hall University, I believe, who are members of the Political Science Club. We welcome you.

This is the Assembly's Independent Authorities Committee. We are conducting hearings today with regard to the issue of the independence of our toll road authorities. You're all familiar with the controversy surrounding the Garden State Parkway. This is the first of a series of hearings that are looking into the issue of whether those authorities -- the three toll road authorities we have in this State, the Atlantic City Expressway, the Turnpike, and the Garden State Parkway -- will remain independent any longer. The lucky individuals who are the first witnesses to appear on that are the ladies and gentlemen before you, who are all executives of the Atlantic City Expressway, which is one of three toll road authorities. Now please, gentlemen?

MR. PEPPER: Thank you, Assemblyman. You should note that the \$28 million project, the third lane project that was just completed, started at Route 73; which was designed to help move the traffic from your area to Atlantic City so that your people could travel there more quickly.

ASSEMBLYMAN RILEY: If I can, I like to just interject-- Is there any proposal to -- because obviously from 28 to 44 you're still bottlenecked.

MR. VASS: Let me interrupt.

ASSEMBLYMAN RILEY: Is there any proposal to do that?

MR. VASS: There are a couple of things we've done. I think you probably noticed the Williamstown and Winslow ramps. We had truck lanes and we had car lanes. Because of the phenomenal growth that you've been talking about -- and you're absolutely right -- we've tried, through cooperation with the local governments up there, to work with them to get them traffic lights, get the DOT in bed with them, to make sure that the studies would--

But more importantly on the Expressway directly, we went and addressed the ramp situation so you could expedite the ingress and egress to the Expressway. So we've changed those, put automatic detectors in there so you can go in and put a coin in without having to go to -- where you can go to the truck lane as well as you can go to the car lane.

But more importantly the Berlin/Crosskeys is now a study that couldn't have even been talked about last year because the growth patterns up in that area, as you well know, as starting to come up all over the place. And you can go in and put in interchanges in four or five different places, but would you be putting it at the right location? I guess your discussion with Assemblyman Marsella, and the local officials up there-- We've now tasked Vollmer Associates, our traffic engineers to work directly with those organizations and groups to determine the physical location of a full interchange. I don't know if any more than one full interchange is going to help out, but if that's the way to start, that's what we're going to do.

ASSEMBLYMAN RILEY: Do you have any idea when-- Because every time I see the Mayor of Winslow or Monroe or Gloucester Townships -- which all three towns have to come in exactly at that point.

MR. VASS: It's in the process right now. In fact, Reutter Associates along with Vollmer and Mr. Anthony Marino on our staff are working on the project directly, right now. We haven't gotten the time frame from Vollmer Associates when they'll complete it, but we'll be glad to get back to you and let you know about that.

ASSEMBLYMAN RILEY: I would--

MR. VASS: And if you would let those people. They came before our Authority and testified.

ASSEMBLYMAN RILEY: Last June.

MR. VASS: Please have them call us. We'll be glad to give them an update.

ASSEMBLYMAN RILEY: If you could advise my office or advise me at some point what the story is--

MR. VASS: We'll keep you on the distribution list. We'll send you out the study.

ASSEMBLYMAN RILEY: My second question -- which Larry already knows and I think all of you are aware of -- is you have a policy that seems to have been from the day when the Expressway was built. It was expedited so you can get everybody to the Democratic Convention in 1964, which was the real expediting force at the time, that some of us remember. It's the policy regarding billboards. At the start and both terminuses you have big billboards with all of your names on them, which seems rather -- like Winslow Township, I'm very familiar where they approved a billboard in a swamp because nothing else would go in there. Mr. Pepper and I, our offices happen to be involved in the litigation.

The problem is that the cost is now becoming prohibitive for the municipalities and for the Expressway Authority. I know you have a blanket policy. Have you ever considered how much money you would save yourselves and the adjacent municipalities -- which have just the same interest as you do -- to try to reconsider that policy? Every time one of those suits comes up the first thing one of the mayors say, "Wait a minute. They've got the wrong billboard. Why do they have a policy against us when they have their own?" Have you ever considered trying to do it on a case by case basis rather than a blanket policy, because you're costing everybody thousands and thousands of dollars, and to me, needlessly.

MR. VASS: Well, the policy of the Authority to oppose the erection of outdoor advertising signs along the Expressway has been a longstanding policy. The Authority's view is that the erection of those signs is adverse to the public safety because the traffic safety is impaired when drivers are distracted to look at billboards. Secondly, from an aesthetic

standpoint, we really have a concern that the Atlantic City Expressway will become a billboard alley from Philadelphia to Atlantic City because the sites are certainly prize sites. The casinos love to locate billboards there, and if we did not have a policy opposing the erection of the outdoor advertising signs we would have a billboard alley.

We've been endeavoring to try to get to a point where there would be legislation in fact introduced to ban billboards, so it would make the issue clear and everybody would be on notice for that. In fact, we have been participating with the New Jersey Turnpike Authority in a study with regard to traffic safety as a result of the erection of advertising signs, because you should be aware that the Turnpike Authority has a similar policy. They oppose the erection of outdoor advertising signs along the New Jersey Turnpike. And the Parkway in fact does have a regulation that bans outdoor advertising signs along the entire length of the Parkway. So there are no outdoor advertising signs along the Garden State Parkway. That was in the regulation that was promulgated when the Parkway was originally constructed.

ASSEMBLYMAN RILEY: I understand the two reasons of safety and aesthetics, but you've got a-- But meanwhile, "Bally's Go For It" is instantaneous, versus-- On your own billboards -- as you know you've got two of your billboards -- you must have a thousand words on that. I'd have to pull over and park for 15 minutes to read it. It seems rather contradictory for you to say-- You have a less safe, and very frankly -- while I love your symbol and I love the road -- a much less aesthetically pretty billboard than the ones that Bally's have. I don't mean to be critical, but it seems to me you've got a basic contradiction. It seems to me that if you've got a policy as you just outlined, aren't you violating your own policy?

MR. PEPPER: Well, the signs that you're talking about are two relatively small welcoming signs, welcoming people to the Expressway and hoping that they're going to have a safe journey across our roadway. The signs we are confronted with are huge monster signs, some of which go 120 feet in the air, that are really distracting. And if in fact the Authority had not had this policy in place, it is without question that the roadway would be a billboard alley from Philadelphia to Atlantic City.

We were pleased in fact a year ago The Philadelphia Inquirer wrote an editorial where they absolutely praised the Authority for undertaking this effort and encouraged the other public entities in the area to join with us, because they thought that we were in fact looking out for the preservation of a pleasant environment; and we are concerned about that. I guess the view of the Commissioners has been that the public interest and public safety, and a clean environment, and an aesthetically pleasing roadway, outweighs the private profit interest of the people who want to use the sites for outdoor advertising signs.

ASSEMBLYMAN RILEY: So I guess the answer is you will not consider it on a case by case basis. The policy will remain.

MR. PEPPER: Well, let me say this. As a result of the study -- and we don't know the answer to that question, to be as honest as we possibly can be with you. There is a study that is being conducted, as I said in cooperation with the Turnpike Authority, by a professor who is an expert in the area, from the University of Texas. We hope to get that report shortly. After that, both Authorities plan to reevaluate our positions, because we recognize what you have said and we want to do what is right.

ASSEMBLYMAN RILEY: Could I ask your indulgence that I also be provided a copy of that study? I'm sure that the Mayor of Winslow Township -- who happens to be a Republican -- I'm sure would be overly interested in that study. But I'm obviously more interested in the Crosskeys Road thing, if that can be resolved. I think clearly that's the intersection. You'd have three mayors, two Assemblymen, and a Senator whose father is one of your Commissioners, would all be very happy to hear that. Thank you.

ASSEMBLYMAN GILL: Mr. Chairman?

ASSEMBLYMAN SCHUBER: Let me ask Marion, and I'll get to you a little before--

ASSEMBLYWOMAN CRECCO: I just want to ask one question. Of the total revenues, what percentage of that goes out on salaries did you say, or didn't you?

MR. VAN NOTE: Of revenues or of our total expenses?

ASSEMBLYWOMAN CRECCO: No, of your revenues.

MR. VAN NOTE: Of our revenues?

ASSEMBLYWOMAN CRECCO: What is the cost out of that?

MR. VAN NOTE: I'd say about maybe 30% of revenues our salaries would be.

ASSEMBLYWOMAN CRECCO: And 80% of that would be for the toll collectors?

MR. VAN NOTE: Eighty percent of the revenues would be toll--

ASSEMBLYWOMAN CRECCO: That's with the part-timers and--

MR. PEPPER: Toll revenues.

MR. VAN NOTE: Toll revenues.

ASSEMBLYWOMAN CRECCO: Oh, of the toll revenues. Well that's the only revenue, except for bonds, that you would have. Okay. The toll revenues comes from through the collection, and the other 20% would be for salaries as well or from the entire revenue?

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MR. VASS: Would it help you if he gave you some figure right now that relates to '87, '88 -- budgeted numbers that we have this year? I think it might tell you.

ASSEMBLYWOMAN CRECCO: Yes. I just want you to give us an idea of how it's working.

MR. VASS: Steve, why don't you give us the--

MR. VAN NOTE: Well, the 80% that I quoted you earlier, that's what portion toll revenues is of total revenues.

ASSEMBLYWOMAN CRECCO: From the collection, okay.

MR. VAN NOTE: The remaining 20% will be made up of investment income, concessions, and the intercept parking. That would be the other 20%. Approximately-- (inaudible)

ASSEMBLYWOMAN CRECCO: What I was concerned with-- I just wanted to know what percentage of total revenues is paid out in salaries. That's all.

MR. VAN NOTE: It's like apples and oranges.

ASSEMBLYWOMAN CRECCO: Oh, okay.

MR. VAN NOTE: Well no, say our 1988 budget is approximately 25 million in revenues.

ASSEMBLYWOMAN CRECCO: Right.

MR. VAN NOTE: Okay, salaries we had projected for the '88 budget is a little over 7 million. So 7 million compared-- It comes to about one third or one quarter, about 30% our total salaries are of total revenues.

ASSEMBLYWOMAN CRECCO: That's all right. I was just wondering.

MR. VAN NOTE: I'm sorry. I-- (inaudible)

ASSEMBLYWOMAN CRECCO: That's okay. I didn't make myself clear perhaps. Thank you.

ASSEMBLYMAN SCHUBER: Thank you, Assemblywoman Crecco. Assemblyman Gill?

ASSEMBLYMAN GILL: There's no doubt that the growth in the area has been nothing short of phenomenal, but how do you anticipate that the construction of the airport will affect your revenues, if at all?

MR. VASS: I think in some respect the airport itself alone -- and we in 1984 built an access ramp to the FAA Technical Center, and again we projected what the revenue was there. We built a ramp for somewhere around \$800,000, and we anticipate that we'll receive that \$800,000 back in a five-year period. With this full interchange and the attempt to bring in bona fide air flights into Atlantic County, the only road that they're going to use is the Expressway. And if it's a toll road you'd hope that the toll that you would provide at that interchange would offset the costs of building at least a portion of that. I would think that it would be-- It wouldn't lose the numbers of the cars traveling it, because what they're doing is they're looking for people out of that range of 350 miles. They'd be bringing in people from Florida and Ohio, so they wouldn't be using the road as it is. So we think it would increase tolls.

ASSEMBLYMAN GILL: One other thing. Have you at all taken into consideration the possible over saturation of gambling in Atlantic City and of declining revenues because of-- Has that been projected into your figures whatsoever, or are all systems go?

MR. VASS: Every time a new casino comes on board there's something like 3000 jobs, and then there's an equation that goes to that to the number of people who utilize that casino. Those numbers are projected back into the traffic that would be using the Expressway. We can handle just about any traffic right now that you can give with our toll barriers. We may have to at one time expand our third lane westbound. I think Assemblyman Riley recognizes that when we leave Atlantic City on a Sunday afternoon, you get to the barrier, you've got traffic coming from the Parkway and from Atlantic City. But when you get to the barrier toll out in Egg Harbor Plaza, you're funneling this traffic into two lanes from that area, and the traffic becomes slow and backed up. So I could

envision that in the future the next expansion of the road would be a westerly lane that would be added -- which we took into consideration, by the way, when we built the third lane, so that our bridges do not have to be disrupted. It would strictly be a paving job. It's not a \$28 million job unless we go to the extent of going out to Turnersville. Does that answer your question?

ASSEMBLYMAN GILL: That additional lane, would that impact on the current work force greatly? What I'm really trying to get at is, has your work force been a constant number over the past years, and by how much will your work force be impacted with the new lane?

MR. VASS: I can't really forecast that, but I can tell you that with a third lane we anticipated additional cleanup. We have another lane to plow, and a few things that may come up like guard rail installations.

ASSEMBLYMAN GILL: But the first part of the question, has your work force been a constant work force?

MR. VASS: Yes. In fact, I have some numbers here that might relate to you.

ASSEMBLYMAN GILL: I just have the 213 figure.

MR. VASS: A lot of it doesn't relate to traffic, obviously. It relates to the capital programs and the work that you're going to be doing. But if I back off from this year, 213 employees, we're down to 198 in 1986, 186 in '85; so we've been going up at a very slow pace since 1982. We went from 166 employees in 1982 to 213 in '87.

ASSEMBLYMAN GILL: Why have you needed 50 more employees over those five years?

MR. VASS: Well again, the traffic required the changing. You know, when you have toll facilities you're not opening all the lanes at all times. Once you open up another lane, you created another position on the road. So as the traffic volume goes up, as long as you're not at capacity at

all of your booths, then you'll hire more toll takers to address that problem. The third lane we did anticipate we were going to need additional people, so you did see back in '85 when we started that program we started to bring a few more maintenance people on.

But the biggest thing -- and I'd like to make this comment for you all -- is the biggest thing that I think that the expansion of the Expressway is going to take place in the good fiscal responding of our investments. In the past, if we can be critical of ourselves, we left the money in one bank. What we need to be is inventive in our financial department -- what Steve is involved in now -- so you get the punch for the dollar, the best interest for the dollar. We're starting to move money around almost on a day to day basis with interest, and hope to generate additional revenue by good financial investment. That hasn't been the case in the past.

MR. VAN NOTE: We take that everywhere from the financial institutions we're dealing with at a high level, to the actual picking up of the armored car, that was antiquated.

ASSEMBLYMAN LOVEYS: And if you're successful, we'll have to inject an excess profits law. (laughter)

MR. PEPPER: Just one additional note. In 1983, 30,286,000 vehicles traveled the Expressway, in 1983; in 1987, 39,836,000 vehicles. It's almost a 10 million vehicle increase, and of course each one of those vehicles pays a toll. So it's a large increase in the number of vehicles that are going through the toll plazas, and there's been much more toll activity.

ASSEMBLYMAN GILL: I don't think we have availability to all of those-- (inaudible)

ASSEMBLYMAN SCHUBER: Well, we've asked that Mr. Vass would provide all of the facts and figures that have been given in the testimony today, to the members of the Committee as they undergo-- One more question, because then we have to vacate this room.

ASSEMBLYMAN LOVEYS: Yes one quick and maybe minor question, but you opened the Expressway in the early '60s-- The charges on the toll road, are they the same today as they were in the early '60s?

MR. PEPPER: 1969 was the last toll increase. Twenty years.

MR. PERKS: And it wasn't an increase. It was a decrease actually.

ASSEMBLYMAN LOVEYS: It was a decrease?

MR. PERKS: It originally came out with higher levels. Egg Harbor, the main plaza, went to a dollar in 1966. The other toll plazas were then reduced, and 1969 was the last time there was a change to the tolls.

ASSEMBLYMAN LOVEYS: Okay, so for the course of 20 years it remains the same.

ASSEMBLYMAN RILEY: Real quick, in order to try to study the impact from the air terminus -- obviously we all know the debacle called AIA -- that's the greatest runway, worst facility in the world right now. But a lot of us at the western terminus-- I took AIA three times much to my dismay. But was there any depreciable or appreciable change at that time at Exit 14 going east or westbound to get into Pomona at the time of AIA's existence, which would answer Lou's question.

MR. VASS: I'm not sure I understand.

ASSEMBLYMAN RILEY: American International Airlines, remember they called it--

MR. VASS: AIA.

ASSEMBLYMAN RILEY: It had a short stint. For about six months they used Atlantic City before they went belly up. As I said, I flew it three times because it's easier than going to Philadelphia for me. Was there an appreciable gain at that time due to that.

MR. VASS: Yes. Absolutely.

ASSEMBLYMAN RILEY: I mean, that was only a little silly airline, but that could answer your question.

MR. VASS: The amazing thing out of that, Assemblyman, is that that was the FAA Technical Center's entrance also. The largest employer prior to casino gambling in Atlantic County didn't have access to the Expressway. So we not only received the Airport but we received the employees from the FAA Technical Center.

MR. PEPPER: One statistic that would help, in 1984, the first year for the interchange at Route 9 to Pomona Interchange, 110,966 vehicles used the exit. In 1987, 599,121 used that exit.

ASSEMBLYMAN SCHUBER: We thank all of you for coming today. Madam Chairman, members of the Atlantic City Expressway Authority, we appreciate your cooperation. We would ask that you provide us any of the backup facts and figures that were utilized in your testimony that we do not have, for our ongoing series of hearings.

We commend to you this Committee's report with regard to the Garden State Parkway controversy, and ask that it be reviewed by you as well as the Turnpike. It provides a fascinating study on how not to operate an Authority. We, as we say, will keep abreast with you with regard to the findings of this Committee, and its recommendations to the full Legislature on how we feel that the relationship of these types of authorities to the State should be in the future.

We thank you very much. This meeting stands adjourned.

(HEARING CONCLUDED)

APPENDIX

New Jersey Expressway Authority

"FARLEY SERVICE PLAZA"
P.O. BOX 351 - HAMMONTON, N.J. 08037
PHONE 609-965-6060

PHONE 609-348-3174

DONALD B. VASS
EXECUTIVE DIRECTOR



COMMISSIONERS

LOIS E. BRAITHWAITE
CHAIRPERSON

CHRIS C. SEHER
VICE-CHAIRMAN

HUGH A. KELLY
TREASURER

WILLIAM L. DALTON

DANIEL BEYEL

February 22, 1988

TO: NEW JERSEY GENERAL ASSEMBLY
INDEPENDENT AND REGIONAL AUTHORITIES COMMITTEE

Hon. William P. Schuber, Chairman
Hon. Ralph A. Loveys, Vice Chairman
Hon. Marion Crecco
Hon. Louis J. Gill
Hon. Dennis L. Riley

FROM: NEW JERSEY EXPRESSWAY AUTHORITY (Atlantic City Expressway)

Hon. Lois E. Braithwaite, Chairperson
Hon. Donald B. Vass, Executive Director

SUBJECT: Report to the Committee;
An Overview of the Atlantic City Expressway

cc: Edward Westreich, Committee Aide

IX

New Jersey Expressway Authority

"FARLEY SERVICE PLAZA"
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STATEMENT OF LOIS E. BRAITHWAITE
CHAIRPERSON, NEW JERSEY EXPRESSWAY AUTHORITY
BEFORE THE ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE
FEBRUARY 22, 1988

My name is Lois E. Braithwaite and I serve as the Chairperson of the New Jersey Expressway Authority. It is a pleasure to appear before this Assembly Independent Authorities Committee.

The New Jersey Expressway Authority is responsible for the operations of the Atlantic City Expressway, which presently serves as the main arterial highway moving traffic from the metropolitan Philadelphia area to Atlantic City and the numerous Cape May County seashore resort communities.

During 1987, 39,836,484 vehicles travelled the Atlantic City Expressway. This is a far cry from the 1,014,548 vehicles which travelled the Expressway during its first year of operation in 1964.

The region served by the Atlantic City Expressway has been subject to the dramatic and exciting changes during the past several years and even more dramatic changes and expansion are anticipated in future years.

Together with this statement, a copy of which has been provided to each of you, is a Statement of a Chronology of Major Events in the history of the operation of the New Jersey Expressway Authority.

I also understand that our Staff has supplied this Committee with the following material:

1. Annual Report of the New Jersey Expressway Authority for the years:
1982, 1983, 1984, 1985, 1986
2. Expressway System Revenue Refunding Bonds - 1983
3. General Expressway System Revenue Bonds - 1985 Series A

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Statement of Lois E. Braithwaite

The Atlantic City Expressway is one of the safest, most efficient and best maintained roads in the Country. This is clear evidence of the Authority's commitment to fulfill its legislative mandate of operating a safe high speed limited access roadway.

Further, the New Jersey Expressway Authority has recognized its responsibility, to cooperate with the State of New Jersey, the New Jersey Department of Transportation, and other governmental bodies, to address the numerous transportation related issues which affect the South Jersey region.

On November 17, 1983, the New Jersey Expressway Authority entered into a State Payment Agreement with the New Jersey Department of Transportation. Under this Agreement the Authority has agreed to make annual payments to the State for the development of State highway and transportation projects. The guaranteed State Payment for each year shall be the minimum sum of \$2,500,000.

In addition to the guaranteed minimum State Payment, additional State Payments may be determined annually after consultation between the Authority and Department of Transportation and the amount of such additional State Payment is to be determined based upon the Authority's requirements for its Annual Budget in its next ensuing Fiscal Year.

Under the State Payment Agreement, the New Jersey Department of Transportation has agreed to use the State Payments made by the New Jersey Expressway Authority to pay or provide for the development of highway and transportation projects in the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem.

Thus, the Authority's commitment to the transportation needs of the South Jersey region is clearly evident by its participation under this State Payments Agreement.

As a further example of this desire to cooperate and participate, the Authority agreed to a plan developed by the Authority and the New Jersey Department of Transportation to make road improvements at the easterly terminus of the Expressway on roadways which are entering Atlantic City. The need for these road improvements became evident during a weather emergency. Severe flooding occurs at this location which could adversely affect the public safety, since vehicles have difficulty in leaving the barrier island of Atlantic City during severe weather emergencies. The Authority has agreed to pay approximately \$1,700,000 toward the cost of these road improvements which represent 85% of the total project cost.

Further, the Authority authorized, after receiving technical advice from the New Jersey Department of Transportation, and the New Jersey Department of Environmental Protection the undertaking of the Route 30 Connector Study in the vicinity of the Garden State Parkway eastbound. The results of this study which is to be fully paid by the Authority will permit the State to develop a sound plan for future road networking in this region.

The Expressway Authority has further recently joined in a cooperative effort with the public and private sector, to address changes regarding egress and ingress to the Expressway at points where major developments impact on traffic flow.

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Statement of Lois E. Braithwaite

These demands for access to the Atlantic City Expressway have dramatically increased as residential and commercial development has exploded during the past few years. Access to the Atlantic City Expressway, is critically necessary in certain areas in order to elevate congestion on road networks in local communities.

In the past decade, Atlantic County alone has undergone dramatic physical, social and economic changes arising from the introduction of casino gambling. Foremost among these has been the spiraling need for transportation facility improvements due to the massive influx of jobs, residents and visitors since 1978.

For the foreseeable future, Atlantic City is expected to hold its position as the world's most visited tourist destination, having drawn over 30 million visitors in 1987. New casinos are planned to open, and a host of casino expansions now on line should shortly bring the industry's employment to more than 50,000 jobs.

As casino activity grows, so too does the region's commercial activity. In fact, for every 3 new casino jobs, it is estimated that two additional jobs are created in related service and other sectors. Clearly, the current demands on the area's transportation system will only intensify over time; on the City's three main access roads alone, traffic volumes have grown at a 7 percent annual rate since 1980.

Various studies have detailed this traffic growth and the intended solutions to regional transportation needs, ranging from the resumption of intercity rail service to an international-scale airport at FAA Technical Center in Pomona. On the highway side, many extensive regional-scale improvements are programmed, including a project known as the Atlantic County Beltway.

As presently envisioned, Atlantic County would install a high-level, limited access roadway connecting the mainland's growth areas and feeding into the Garden State Parkway at a northern and southern location.

An important feature of the Beltway is that it would be connected over the Atlantic City Expressway with a full interchange serving the airport and providing a direct link between the Beltway and the Expressway. Many view the airport's expansion into a first-class facility with scheduled airline service as the key to the region's continued growth and development. This connection link to the regional highway system is a critical part of the airport's marketability to air carriers and passengers alike. The New Jersey Expressway Authority will play an integral part of this project which greatly improve regional traffic movements.

Three and one half years ago the City of Pleasantville entered into agreements with private developers for the development of a major parcel of property located on the border of the City of Pleasantville and Atlantic City, and fronting on the Atlantic City Expressway. This project is known as Gateway.

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Statement of Lois E. Braithwaite

On February 19, 1987, the Authority entered into an "Access Agreement to the Gateway Property". The parties to this Agreement were the Authority, Gateway Associates, the City of Pleasantville and the Atlantic County Transportation Authority. This Agreement set forth the understanding for such parties regarding the potential granting of direct access from properties to be developed by Gateway to the Atlantic City Expressway.

The Gateway developers are now on the verge of obtaining the final approvals and permits for the development of the largest single project in the City of Pleasantville and one of the most significant developments to ever occur in all of Southern New Jersey. It is projected that Gateway will have a Transportation Center, including up to 2000 casino/hotel intercept parking spaces, 12 non-casino hotels with 4400 rooms, and retail, commercial and office developments. The New Jersey Expressway Authority is playing an integral part of this project as the project cannot be undertaken without access ramps for ingress and egress to and from the Atlantic City Expressway.

Growth in the South Jersey region has not been limited to the Atlantic County area. On June 24, 1987, as you know Assemblyman Riley, your colleague, Assemblyman Anthony Marsella and representatives from Gloucester, Monroe, Washington and Winslow Townships appeared before the Authority. They requested that the Authority consider constructing exit and entrance ramps to the Atlantic City Expressway at its intersection with Berlin-Crosskeys Road.

This project appears to be needed. The four township area is experiencing unprecedented growth. As a direct result of this growth, local and county roads have become clogged and congested; some roads, such as the Black Horse Pike, are already at capacity. Constructing an entrance and exit to the Expressway on Berlin-Crosskeys Road may do a great deal to alleviate the situation. The Authority has authorized its traffic Engineers to complete a Feasibility Study regarding this possible project.

The increase in traffic on the Atlantic City Expressway, together with expanding interrelationship with contiguous communities and their citizens has lead the New Jersey Expressway Authority to undertake many needed projects.

Construction of a new New Jersey State Police Barracks for the platoon assigned to patrol the Atlantic City Expressway is planned. These barracks represent state-of-the-art headquarters that will provide the most up-to-date police delivery system available. The Authority pays all costs related to its detachment of State Police, including the cost of the personnel.

The Authority operates an Intercept Parking Lot located just east of the Pleasantville Toll Plaza. The casino employees intercept parking facilities provides parking for more than 2400 vehicles. This dramatically helps reduce traffic traveling in and out of Atlantic City and thus helps to reduce traffic congestion in the City.

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Statement of Lois E. Braithwaite

In 1987, an expansion of the Roy Rogers restaurant operated by Marriott Corporation was completed at the Authority's Farley Service Plaza. In addition, this construction included a Tourism Center to be operated by the New Jersey Department of Travel and Tourism.

In 1987, in cooperation with the New Jersey Department of Transportation, the County of Atlantic, and Hamilton Township, the Authority joined together with a private sector concern, Kravco Corporation, to work out an effective plan to ingress and egress to the Expressway at the point where the Mall intersects with the Expressway. A completely new road networking plan was conceived and implemented and is now working.

A multi-million dollar project, the Atlantic City convention center and rail terminal, to be located at the foot of the Expressway at the entrance to Atlantic City, poses yet another complex transportation question for government and the private sector, working in tandem, to solve. For quite some time the New Jersey Expressway Authority has recognized the effect these facilities will have on the economic and transportation needs of the area and has worked steadfastly to create blueprints for a positive traffic flow in the areas surrounding this site. Working with the New Jersey Expressway Authority to create a viable transportation network are the, Atlantic County Transportation Authority, Atlantic County Improvement Authority, Atlantic City Government and the New Jersey Department of Transportation.

Working with its consulting Engineers and with representatives from townships surrounding the Farley Plaza, in 1987 the New Jersey Expressway Authority sees as another major project, the upgrading, to meet state and federal standards for solid waste disposal at the Plaza. Long a complicated problem because of Pinelands restrictive covenants, the Authority sees 1988 as the year this issue will be effectively resolved. Plans, pending governmental approvals, have already been submitted to the proper agencies.

Further, the Authority has recently reached agreement with the Town of Hammonton, to transfer to that community the sum of \$290,000.00. These funds will permit the Town of Hammonton to construct a new sewage pumping station facility which will open sewer to a new area of the Town of Hammonton and at the same time allow for the direct connection by the Authority of its Central Maintenance facility to the Town of Hammonton sewer system. This will provide a long term solution to the Authority's waste disposal problems at this facility and is consistent with objectives laid out by the New Jersey Department of Environmental Protection.

Lastly, we are most pleased and proud to report that in 1987, construction was completed on the long anticipated third lane project. Beginning at milepost 31.5 in Winslow Township and extending eastbound to the Pleasantville Toll Plaza, a new eastbound lane has been added to the Atlantic City Expressway. Also a third lane has been added from the Pleasantville Toll Plaza to the Garden State Parkway westbound. This new third lane construction should expedite traffic flow along the Expressway, particularly during the busy summer months, and will alleviate traffic disruption where the Atlantic City Expressway and the Garden State Parkway intersect.

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Statement of Lois E. Braithwaite

Despite vehicular traffic which has increased from 12.2 million eight years ago to more than 39 million in 1987, a record the New Jersey Expressway Authority is proud to report, more traffic engenders more operational expenses. However, tolls on the Atlantic City Expressway have remained the same since 1969.

At a time when other toll roads have found it necessary to increase fares, the commissioners of the New Jersey Expressway Authority, always with an eye to the "bottom line", have been able to maintain established rates while at the same time providing maximum services.

The Atlantic City Expressway is the most heavily travelled roadway linking the Philadelphia and southern New Jersey areas with Atlantic City, and via its connection with the Garden State Parkway, the Cape May County shore resorts.

As the basic tenet in all of the decisions, plans and aspirations of the New Jersey Expressway Authority is the well-being of the travelling public. The Atlantic City Expressway, all 44 miles of which, 24 hours a day, 365 days in a year, maintained in peak conditions, exists as a service to the people of New Jersey and the motoring public who use the road. Traffic and safety statistics indicate that for the past 24 years, we have steadfastly worked to improve our delivery system to the travelling public and to the best of our collective abilities - Commissioners, management, toll collectors, security, state police, maintenance and clerical staff - will continue to do so in the years ahead.

7x

CHRONOLOGY OF EXPRESSWAY MAJOR EVENTS

February 19, 1962	Governor Richard J. Hughes signs the New Jersey Expressway Authority Act.
June 4, 1962	Five Commissioners appointed.
July 6, 1962	First Commission meeting
January 23, 1963	\$46,800,000 Atlantic City Expressway Revenue Bonds, Series A sold.
July 26, 1963	First construction contract awarded.
August 1, 1963	First parcel of land acquired.
July 31, 1964	The Expressway partially opened to traffic from westerly terminus at Turnersville to the Garden State Parkway, a distance of 37 miles.
December 22, 1964	\$5,825,000 Series B, Revenue Bonds sold. Total of Series A and B issues is \$52,625,000.
July 30, 1965	The entire 44 miles of the Expressway are opened when the stretch between the Garden State Parkway and Atlantic City commences operation.
July 1, 1966	Egg Harbor toll rate was increased from .75 to \$1. At that time the toll rates for a car were: Williamstown .15; Winslow .25; Hammonton .40; Egg Harbor \$1; Mays Landing .50; and Pleasantville .15.
April 10, 1968	Truck and bus tolls were increased at Egg Harbor to \$2 for 3 axle vehicles and \$3 for 4 or more axles. Mays Landing toll reduced to .25 from .50.
Summer 1968	From June 15 to September 15 the car toll at Pleasantville is increased to .25 from .15.
June 15, 1969	Hammonton toll reduced from .40 to .25; Williamstown toll reduced from .15 to .10; and Pleasantville toll increased from .15 to .25.
October 17, 1969	Authority begins selling 15 cent commuter discount tokens at Pleasantville. (On January 1, 1973 these discount tokens are ended, and fare of .25 for all cars is maintained. All car tolls have remained unchanged since then, with the \$1 car toll at Egg Harbor having been in effect since 1966.)

(continued)

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December 1971 Because of sluggish traffic and revenue growth the commissioners slash the 1972 budget and eliminate 13 positions, reducing the authorized workforce from 95 to 82 full time positions, nearly a 16% decrease.

December 1973 Gasoline shortages develop and continue into the late summer of 1974.

1974 Because of the fuel shortages total traffic for the year falls dramatically, decreasing by more than 13% under 1973 levels.

November 1974 First casino referendum is defeated.

1975 Traffic on the Expressway ends the year slightly up over 1974, but still well below 1973 levels. The Expressway budget for next year contains only 75 positions, down from peak of 95 in 1971.

November 1976 Second casino referendum passes; interest in Atlantic City immediately increases.

1977 Casino legislation is signed into law in June; traffic jumps 11.1% on the Expressway for the year.

May 26, 1978 Resorts International casino opens.

1978 Traffic increases 24.6% during the year.

Spring 1979 The first major improvement project caused by the upsurge in traffic, widening of both the Egg Harbor and Pleasantville toll plazas from 8 to 12 lanes, is begun. When completed in 1981 this project increases traffic capacity at both plazas by 50%, at a cost of \$762,000.

1979 Traffic increases 25.6% during the year.

February 1980 Authority moves into a new administration building constructed at a cost of nearly \$600,000 at the Farley Service Plaza at the midpoint of the highway.

1980 Traffic increases 29.9% during the year.

March 1981 Casino employee intercept parking lot opens. Constructed at a cost of \$2.1 million, the lot opens with 2,400 spaces leased to four casinos and Atlantic City Medical Center.

October 1981 Four year resurfacing and shoulder widening program begins. Completed in 1985 at a cost of \$12.1 million.

1981 By end of year there are 9 casinos operating in Atlantic City. Traffic increases 19.5%.

Fall 1982 Major expansion of the Expressway's restaurant facility commences. Completed the following year at a cost of \$621,000.

1982 Traffic increases 11.5%.

November 1983 Authority enters into agreement with the state to provide \$2.5 million a year from surplus revenues to help fund the state's Transportation Trust Fund.

December 20, 1983 The Authority issues \$17,660,000 of Expressway System Revenue Refunding Bonds and \$12,535,000 of Special Obligation Refunding Bonds. New bonds defease the Authority's outstanding Series A and B bonds.

1983 Traffic increases 13.6%.

August 1984 The new airport interchange, Exit 9 at Pomona, opens. Costing \$550,000, the new ramps at Delilah Road allow direct connections between Atlantic City and the FAA airport in Pomona.

1984 Traffic increases 16.0%.

December 5, 1985 Authority issues \$28,260,000 General Expressway System Revenue Bonds for the purpose of constructing a new third lane eastbound.

1985 Traffic increases 1.5%.

Spring 1986 Third lane construction begins; completed in January 1988 for \$29.4 million.

1986 Traffic increases 3.8%.

1987 Guardrail Improvement project is continued. Begun in 1985, this program will end in 1988 with over \$1 million expended to enhance the safety of the road.

Fall 1987 Marriott completes another expansion program at the Farley Service Plaza restaurant. A tourism reception area is added.

1987 Traffic increases 7.6% during the year.

February 1988 Work begins at the eastern terminus of the Expressway in Atlantic City on the flood mitigation project. The Expressway will pay about 85% of the total projected cost of approximately \$2.1 million.

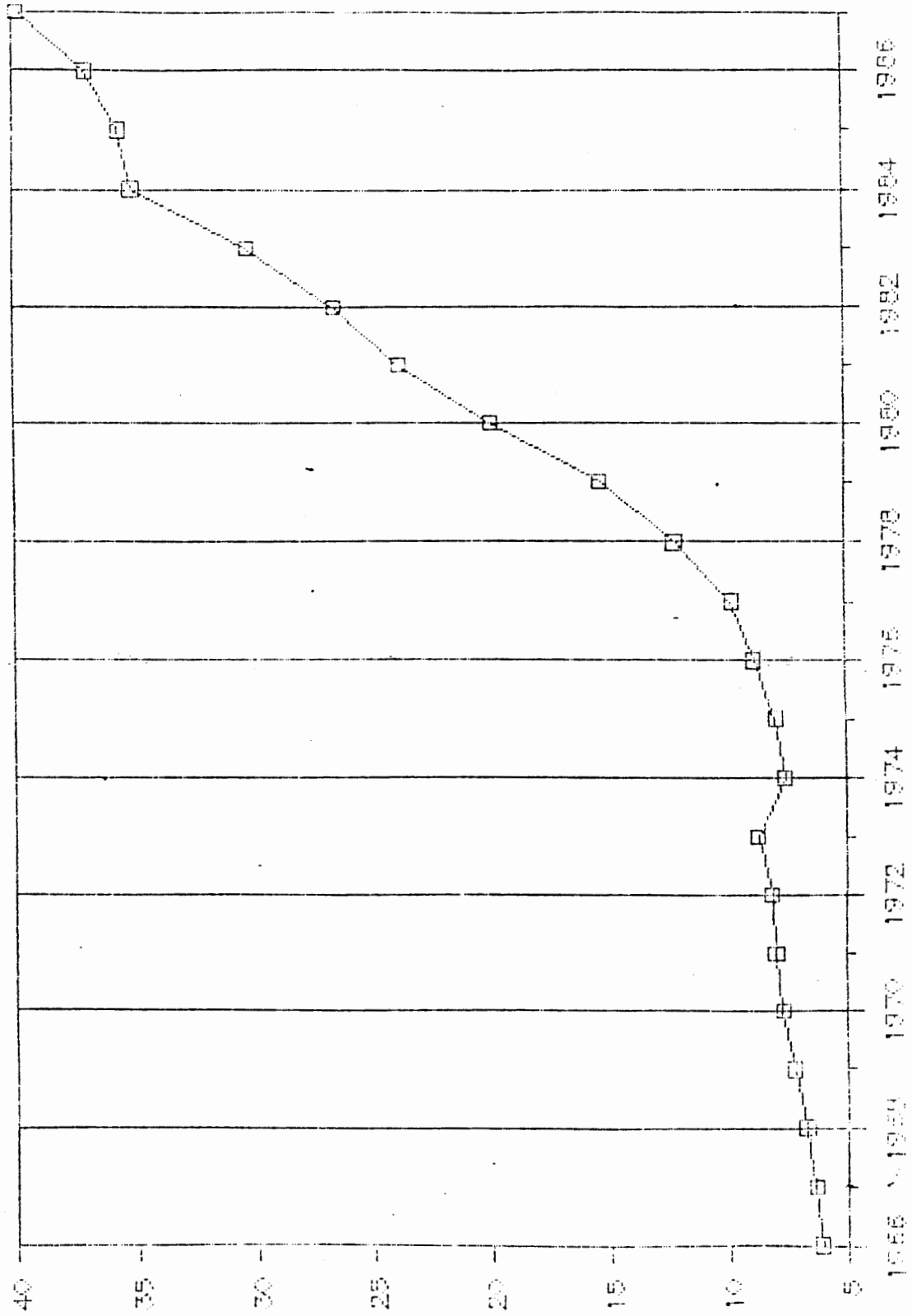
ANNUAL TOLL TRAFFIC AT EACH TOLL AREA OF THE ATLANTIC CITY EXPRESSWAY

YEAR	PLEASANTVILLE	POMONA	MAYS LANDING	EGG HARBOR	HAMMONTON	WINSLOW	WILLIAMSTOWN	TOTAL EXPRESSWAY
1987	20,302,266	599,121	2,228,304	12,883,276	1,114,517	385,191	2,323,809	39,836,484
1986	19,227,323	400,213	2,102,592	11,855,402	1,037,641	378,421	2,035,894	37,037,486
1985	19,087,516	354,255	1,928,433	11,343,847	944,932	320,902	1,685,797	35,665,732
1984	19,505,641	110,966	1,937,164	10,999,006	876,808	297,860	1,475,646	35,142,125
1983	16,350,520	-	1,488,855	10,080,066	834,383	266,663	1,265,753	30,286,240
1982	14,158,510	-	1,230,161	9,089,695	760,222	246,488	1,165,806	26,650,882
1981	12,428,199	-	1,095,013	8,424,839	714,856	225,922	1,005,901	23,894,730
1980	9,934,018	-	817,091	7,451,362	656,450	202,739	926,699	19,988,359
1979	7,357,603	-	548,810	5,866,826	616,701	183,691	809,691	15,383,322
1978	5,148,150	-	369,353	5,273,735	614,413	157,445	682,879	12,245,975
1977	3,705,363	-	290,714	4,559,814	577,798	134,886	558,004	9,826,579
1976	3,312,092	-	269,344	4,134,946	544,662	117,119	465,499	8,843,662
1975	3,010,076	-	217,356	3,728,222	488,826	104,331	438,184	7,986,995
1974	2,918,280	-	245,859	3,537,923	438,415	87,620	357,743	7,585,840
1973	3,219,623	-	261,247	4,144,479	487,082	97,275	522,720	8,732,426
1972	3,167,328	-	242,587	3,737,994	475,509	105,722	432,584	8,161,724
1971	3,351,881	-	258,906	3,622,462	431,118	92,916	274,724	8,032,007
1970	3,376,282	-	257,232	3,556,808	335,176	83,254	155,808	7,764,570
1969	3,297,967	-	242,510	3,343,552	190,776	93,028	102,304	7,270,137
1968	3,095,284	-	186,880	3,211,169	122,999	91,195	66,311	6,773,638
1967	2,982,590	-	109,285	3,029,664	115,081	84,608	58,852	6,380,080
1966	2,794,866	-	103,092	2,967,566	104,832	73,853	52,338	6,036,547

NOTE: The Expressway was open from Turnersville to the Parkway in July of 1964. The section between the Parkway and Atlantic City was open in July of 1965. Thus, the first full year of complete operations was 1966. The Pomona ramps were open in August of 1984.

ATLANTIC CITY EXPRESSWAY

TRAFFIC GROWTH SINCE 1966



(Millions)

YEAR

