
Committee Meeting

of

SENATE TRANSPORTATION COMMITTEE

“The Committee will take testimony from invited guests concerning priorities for the Department of Transportation and New Jersey Transit in the 2018-2019 Legislative session”

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

DATE: January 22, 2018
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Robert M. Gordon, Chair
Senator Vin Gopal, Vice Chair
Senator Nia H. Gill
Senator Nicholas J. Sacco
Senator James W. Holzapfel
Senator Robert W. Singer



ALSO PRESENT:

Sheree D. Henderson
Lauren M. Vogel
Office of Legislative Services
Committee Aides

Thomas Scotton
Senate Majority
Committee Aide

Theodore Conrad
Senate Republican
Committee Aide

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



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REVISED
COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE TRANSPORTATION COMMITTEE

FROM: SENATOR ROBERT M. GORDON, CHAIRMAN

SUBJECT: COMMITTEE MEETING - JANUARY 22, 2018

The public may address comments and questions to Sheree D. Henderson, Lauren M. Vogel, Committee Aides, or make bill status and scheduling inquiries to Melinda Chance, Secretary, at (609)847-3840, fax (609)292-0561, or e-mail: OLSAideSTR@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The Senate Transportation Committee will meet on Monday, January 22, 2018 at *10:00 AM in *Committee Room 4, 1st Floor, State House Annex, Trenton, New Jersey.

The committee will take testimony from invited guests concerning priorities for the Department of Transportation and New Jersey Transit in the 2018-2019 Legislative session.

The following bill(s) will be considered:

S-131 Corrado/Gordon	Requires bi-state transportation authorities to make advance notification of certain projects or operations expected to impede traffic.
S-246 Van Drew/Connors	Requires New Jersey Turnpike Authority to hold regular meetings in various counties in the State.
S-721 Greenstein/Cunningham/ Diegnan	Authorizes use of certain electric school buses.

(OVER)

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S-883
Sacco/Stack

Authorizes issuance of special Humane State license plates.

Issued 1/12/18

*Revised 1/18/18 – S-622 removed from consideration.

Note room change to Committee Room 4 and time change to 10:00 am.

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SENATOR ROBERT M. GORDON (Chair): The Committee will come to order.

Could you all please rise and join me for the Pledge of Allegiance? (all recite Pledge)

Good morning, everyone.

Would the clerk please read the roll?

MS. HENDERSON (Committee Aide): Senator Singer.

SENATOR SINGER: Here.

MS. HENDERSON: Senator Holzapfel.

SENATOR HOLZAPFEL: Here.

MS. HENDERSON: Senator Gill.

SENATOR GILL: Here.

MS. HENDERSON: Senator Sacco.

SENATOR SACCO: Here.

MS. HENDERSON: Vice Chairman Gopal.

SENATOR VIN GOPAL (Vice Chair): Here.

MS. HENDERSON: Chairman Gordon.

SENATOR GORDON: Here.

MS. HENDERSON: You have a quorum, sir.

SENATOR GORDON: Thank you.

Before we consider our bills today, I would like to make a brief opening statement.

Let me welcome you all to the Senate Transportation Committee. This is my first meeting as Committee Chairman; and I know I will be leaning on my colleague and previous Chairman, Senator Nick

Sacco, for his advice on the wide range of legislation that comes before this Committee.

I want to thank him for his leadership and his friendship.

I'd also like to welcome our new Vice Chairman, Senator Vin Gopal, to his first Committee meeting as a newly elected Senator; and of course, Senators Nia Gill, Bob Singer, and Jim Holzapfel.

Over the past two-and-a-half years, the Senate Legislative Oversight Committee that I chaired took a leadership role, on a bipartisan basis, on New Jersey Transit and Port Authority issues. And I hope this Committee will take the same bipartisan approach to a broad range of transportation policy issues.

Two of our first priorities will be comprehensive New Jersey Transit and Port Authority reform legislation.

Today, we will hear from four of New Jersey's leading transportation policy experts. Janna Chernetz of the Tri-State Transportation Campaign; former New Jersey Transit Executive Director Martin Robins; Anthony Attanasio, of the Utility and Transportation Contractors Association; and Cathy Lewis, of AAA, will provide their perspectives on the most important priorities for New Jersey Transit and the State Department of Transportation.

In the months ahead we will closely track these critical policy issues, from Gateway and the Port Authority Bus Terminal, to the implementation of Positive Train Control and New Jersey Transit reform.

We will monitor the reconstruction and rehabilitation of our roads and bridges through the Transportation Trust Fund. We will press for the expeditious construction of the Hudson-Bergen Light Rail extension

to Englewood and the New Gloucester-Camden Light Rail. And we will take a special interest in expanding PATH and Trans-Hudson ferry service as critical parts of our Plan B scenario in case Gateway funding continues to lag.

We look forward to working closely with the new Governor, Transportation Commissioner-nominee Diane Gutierrez-Scaccetti; and New Jersey Transit, the New Jersey Turnpike Authority, the Port Authority, and Amtrak officials to make our State's transportation network the best in the nation.

At this point, let me turn to Vice Chairman Gopal; if you have any opening comment you'd like to make.

SENATOR GOPAL: I just want to thank the Chairman, Chairman Gordon, for taking on today and hearing from these folks.

I'm excited to be on this Committee; excited to be working with everybody here.

Thank you.

SENATOR GORDON: Thank you.

Would any other members of the Committee like to make any comments? (no response)

Okay; seeing none, for today's meeting I'd like to proceed with the consideration of some Bills before we take testimony from our invited guests.

(Committee proceeds with Bill work)

At this point, I'd like to begin our discussion of priorities facing this new Administration in the transportation arena.

And I'd like to invite our first witness, Janna Chernetz, to come before us and make a presentation -- oh, with Martin Robins. I didn't realize that you were double-teaming today.

JANNA CHERNETZ, Esq.: (off mike) I'm going to be using the slides; is there any way I can move this over, or--

Ah, good; okay, great. That's perfect.

SENATOR GORDON: Welcome.

MS. CHERNETZ: Thank you.

Good morning, Chairman Gordon and the Committee.

My name is Janna Chernetz; I am the Director of New Jersey Policy for the Tri-State Transportation Campaign. The Tri-State Transportation Campaign is a nonprofit, nonpartisan transportation policy advocacy organization; and we concentrate in downstate New York, Connecticut, and New Jersey.

So I'd like to -- I am honored to be here today to be talking about New Jersey's transportation priorities. We have a new Administration, new leadership; and hopefully, with that, brings progress and innovation; and especially in the New Jersey transportation sector, which is not only needed, but our residents desperately deserve a stronger transportation policy agenda for the State.

I'm going to be focusing primarily on bike and pedestrian issues in New Jersey, as well as Transit; because the other panelists are amazing on those other issues, I will leave those topics to them.

The first thing I'd like to talk about is something that has not been getting the attention that it deserves, and that's New Jersey's bicycle and pedestrian fatality problem -- *crisis*, I would actually call it.

At the close of 2017, there were 205 pedestrians and cyclists who lost their lives on New Jersey's roads. And this is significant, as this is the highest number of fatalities New Jersey has seen in 25 years. New Jersey has been identified as a *pedestrian focus state* by the Federal government, due to its high rate of fatalities being twice that of the national average. We continue to make that list, unfortunately, year after year.

Just to put that in perspective: In 2017, 32 percent of all road deaths were bicycle and pedestrian, in comparison to 2016, in which it was 25 percent. So that means that in 2017 we had a 13 percent increase in pedestrian fatalities on New Jersey's roadways. This is not the direction that the state should be going in. We need a stronger Department of Transportation policy, in terms of infrastructure and education, to make sure that New Jersey's roads are safe; and that the direction of our fatalities and serious injuries are going down, and not in this opposite direction.

So what do we do, and how do we get there, and what are the New Jersey Department of Transportation and their partners doing right now?

And I think the strongest tool that we have in our toolbox is the *Complete Streets* policy. What is Complete Streets? I'm not sure how many of you are familiar with Complete Streets, so I'll provide a very brief overview.

Complete Streets is a policy approach and a vision when you are doing any road construction on a road. A Complete Street is designed and operated to enable safe access for all users, including pedestrians, bicyclists, motorists, and Transit riders of all ages and abilities.

That definition has expanded as we have seen that transportation, and our roads, and all the infrastructure is not only important to get from Point *A* to Point *B*, but it is also important to our economic vitality; to our improved personal health and community health; it could be used as a tool to advance opportunity and equity; and also a way to improve the environment, as greenhouse gas emissions from the transportation sector are the leading cause of pollution in New Jersey.

The New Jersey Department of Transportation passed a Complete Streets policy in 2009. Montclair was the first, in 2009; I think it was a month or two, actually, before the Department of Transportation adopted theirs. And to date, 8 counties and 137 municipalities have adopted these policies. Eventually, we'd like to see every municipality approaching road construction with a Complete Streets perspective; every county in this state approaching it with a Complete Streets perspective; as well as the Department of Transportation aggressively approaching road construction with Complete Streets.

Complete Streets policy adoption and implementation are also key components to Sustainable New Jersey certification, which a lot of municipalities are seeking because it provides information and money to municipalities so that they can improve upon the points that I mentioned prior -- the economic vitality, health, environment, equity -- to allow their municipalities to grow and thrive.

Complete Streets policies are also important in terms of municipalities and counties seeking grants from the New Jersey Department of Transportation under the competitive grant process. The policy and implementation provide extra points, and also shows the Department that

the municipality is committed to improving the roads for all users and for all reasons.

So what are some recommended actions to help advance Complete Streets, and to improve our road safety?

For the New Jersey Department of Transportation, the number one thing would be to update NJDOT's 2009 Complete Streets policy to include all the benefits derived from strategic road design. Tri-State Transportation Campaign, along with American Heart Association, with help from the Voorhees Transportation Center, and other partners -- New Jersey Bike & Walk Coalition, Greater Philadelphia Bicycle Coalition, New Jersey Future -- have been working for about two years now on what we have called a *complete Complete Streets policy*. And what that does is, it incorporates all the other benefits derived that transportation provides for municipalities and counties. And it provides a very detailed checklist and procedure to make sure that everyone's getting the biggest bang for their buck when they are doing road projects.

So we are asking that New Jersey Department of Transportation revise their vision with Complete Streets so that all of the benefits can be derived; instill an agency-wide adoption of Complete Streets principles so that these principles are included in all road and bridge design projects. Every single project should be vetted through the Complete Streets process, and every single project should have some component of Complete Streets -- obviously, contact sensitive. But that should be where we start when we're looking at road projects on an NJDOT level.

Create an implementation plan for the State's Complete Streets policies. Some municipalities that have passed policies do have an

implementation plan. To pass a policy and just say that you will be looking at road designs in this lens is not enough. At this point, it's really just a piece of paper; you actually need to have a plan, moving forward, to make sure that these designs are considered in all road projects.

Increase staff to facilitate demand expected from the doubling of local aid under the new TTF. In the past few years there have been a numbers of vacancies over at the New Jersey Department of Transportation. We need to fill those; you need the staff to provide support internally, and also the staff to provide support to counties and municipalities to help advance these principles. And when you're doubling local aid, it's going to be more work on the Department of Transportation. So we need to make sure that the Department is fully staffed so that we can get these projects out the door.

And finally, track all New Jersey Department of Transportation projects for compliance with the Department's Complete Streets policy. You have to manage it; you have to make sure that this progress is occurring. That can be in the form of a dashboard for public transparency - - that will also help put trust back in the government under this new Administration -- but also internally, so that every single Department knows what's going on. Every Department needs to understand Complete Streets policies so that these things do not fall out of projects when they're going down the pipeline.

But it's not going to stop just at the Department of Transportation. In order to fully address and attack our pedestrian and bicycle fatalities and serious injury problem, we have to look at other agencies -- New Jersey Transit being one. How can they work

collaboratively with NJDOT to create a first mile/last mile strategy and implementation plan for the train and bus network? This will help; and this is like the *Safe Streets to Transit* program that's under the Department of Transportation. That was defunded at one point, under the Christie Administration; and then, luckily, we had it funded back again. Right now, it's at \$1 million, but this provides grants to municipalities to make sure that their residents can safely access bus and rail within their communities.

This also will help increase ridership, which will help increase revenues for Transit -- and I will talk about that. But it's a win-win for everybody when the agencies are working collaboratively.

Adopt policies and best practices for bike storage and transport on mass transit, encouraging people to use their bicycles to get to that one -- that last mile problem. Right now, there are only certain rail cars during certain parts of the day that can be used with fixed bikes; those are the ones that don't fold up. And that could be a barrier, especially for those people who do not have a vehicle and where their place of work, or their doctor's appointments, or schools are just outside the realm of them actually walking to it, but a bicycle might help. So we need to make sure that our transportation network is built so that you can have a combination of walking, and biking, and mass transit, so that we don't have to rely on the automobile.

Coordinate with NJDOT to increase implementation of new park-and-rides and to promote use of current facilities. Again, this gets cars off the road, which helps with the wear and tear of our roads. It also reduces congestion for those who do not have the option of using Transit because it doesn't go where they need to go. But it also provides that

ability for people to take Transit when it is just a little bit outside of where they are, but they can drive and then use transportation. So there needs to be a more collaborative effort between DOT and Transit.

And what about other agencies? I talked about the benefits of smarter road design improving economic vitality, health, and opportunity to improve equity and environmental benefits. So that means that other agencies will need to be involved and need to understand the importance of road design.

So who should be working together? Just to name a few: NJDEP, EDA, DCA, DOH, MVC -- these agencies should receive training on Complete Streets, because it is part of their mission as well; and that hasn't happened in the past few years. The Department of Health has recognized that road design is a tool to improve health; but I think we need to work in a more robust fashion to make sure that transportation is involved in everybody's planning, and the agencies in the State.

And also, police officer training on Title 39 as it pertains to bicyclist and pedestrians. I also serve on the Executive Council of the Bicycle and Pedestrian Advisory Committee, which is known as BPAC. And one of the things that BPAC has been looking at for years is revising Title 39 so that it's clear about bicycle and pedestrian's rights on the roadway; also very clear so that our police officers can enforce those laws. And I think the police training is very important to that. And I can, through the Chair, provide some more information on Civic Eye Collaborative; they have done an outreach and survey to police officers in the state. And one of the things that they talked about is really

understanding and having a clear understanding of what Title 39 is and how it pertains to bicycles and pedestrians.

Another key is *Vision Zero*. You may have heard about this; New York City has a very aggressive Vision Zero approach to reducing fatalities on the roadways. It originated in Sweden, and it has had success internationally. Here in the U.S., 25 cities, including New York City and Philadelphia, have a Vision Zero approach to pedestrian and bicycle fatalities. That means they want to eventually see no fatalities on their roadways; one is too many.

Vision Zero utilizes best practices and a guide to this kind of strategy. You'll see in New York City, 2024 up there, as well Philadelphia 2030 -- those are the years that they have selected as their goal to reduce pedestrian and bicyclist fatalities to zero.

So what does New Jersey Department of Transportation have?

New Jersey Department of Transportation has a *Towards Zero Deaths* approach. Towards Zero Death policies have been popular among departments of transportation; but these policies lack action plans and offer no end target of zero. We need an aggressive guide; we need an aggressive plan to tackle our pedestrian fatality issue. A 13 percent increase is not acceptable; we need a better approach, and I would offer Vision Zero as that approach that New Jersey State should take.

And how should we do this? And we can do this, and we can start this, within the first 100 days. Governor Murphy can issue an Executive Order that sets forth the Vision Zero goal of eliminating road deaths in New Jersey 2028. That would be a 10-year approach.

And the first thing under that would be to immediately create a Vision Zero Task Force, with the goal to identify short- and long-term data-driven strategies, along with the development of a comprehensive and coordinated action plan, to execute Vision Zero and its best practices.

I have provided a list of suggested people, by title, who should be part of this Task Force. But I think this is something that can be done -- done sooner rather than later -- and would put New Jersey on a course to improving our bicycle and pedestrian fatality issue.

The other way we can address this is through legislation. There are three bills that I have picked that I believe would have the biggest and best impact on improving road safety. They are also the priorities of the BPAC -- the New Jersey BPAC that I talked about.

Under the 2016-2017 legislative session, it's A-1348, which requires motorists operating vehicles to maintain a reasonable and safe distance when overtaking pedestrians or certain bicyclists. This is popularly known as the *Move Over* or *Safe Passing* law. New Jersey has been trying -- the advocates in New Jersey have been trying to get this type of legislation passed, but we have not been successful. And New Jersey is the only state on the East Coast, and one of only 11 in the nation, that does not offer any type of safe passing protection. Tri-State Transportation Campaign worked with New Jersey Bike & Walk Coalition, as well as AAA, to draft model language to help guide motorists, and pedestrians, and bicyclists how to best coexist on a roadway. And this would enable the police officers to enforce and to issue tickets and warnings; and also could provide a great educational opportunity for everybody when we have such a law.

The other one is also -- is commonly known as the *Vulnerable User* law. That's when a crash occurs -- if there is serious injury or death, there's an enhanced penalty. We had two types of legislation: One was an advanced penalty under careless driving; that was A-1362. And one, two sessions ago, sponsored by Assemblyman Singleton, where any Title 39 violation that results in the death or serious injury of a pedestrian would have an enhanced penalty.

And I'd like to point out that Route 130 runs through that District which has, unfortunately, been New Jersey's most dangerous road for years. Now the Department of Transportation is addressing this issue with the work of the Burlington City High School; but this is an important tool, again, for helping with education.

And finally, establishing a Pedestrian and Bicycle Safety Advisory Council. This was pocket vetoed by Governor Christie in the last session.

What I really also want to point out is that New Jersey does have some funding challenges. But when I learned of the next slide I'm going to tell you, I think -- in respect to bicycle and pedestrian infrastructure, we have an inability to spend the money that is accessible to us.

We have a Federal funding lapse on grants that can help municipalities and counties create the infrastructure that will make our roads safer for bicyclists and pedestrians. New Jersey had \$6.2 million in 2014 TAP funds lapse as of October 1. We were one of four states -- Georgia, Maryland, and North Carolina -- in the nation to lose these funds.

We lost the highest amount; which means that this money has expired because it wasn't used, and will go back to the Federal government.

I was amazed by that \$6.2 million. It is a serious loss, especially given the financial situation that we are in when it comes to transportation. But it's a serious loss and let down to our residents, because this money could be used to make our roads safer.

But it doesn't end with that. In fact, the State is set to lose close to \$90 million in Federal transportation dollars in 2018. We need a Task Force created immediately to see what we can do to stop these lapses; \$90 million that is going to go back because we could not spend it, and we could not provide our municipalities and counties with the tools to spend this money. This should not happen, and the next Administration needs to make this a priority to figure out what needs to be put in place to make sure that this money is put to the use that it's intended -- to make our roads safer.

The next thing I want to talk about is New Jersey Transit.

As Senator Gordon spoke about in his opening remarks, there was a series of hearings held over the past year-and-a-half, through the Joint Legislative Oversight Committee, of which I was a part of to present materials. But really, it set a perfect foundation for this new Administration to figure out how we are going to take the State in a new direction. What does the new Administration need to do?

And since October 21, 2016, when the first hearing occurred, we have come to these key findings.

We have leadership issues, we have financial stress, Board vacancies, service issues, repeated safety violations, and personnel issues.

These are the key findings that came out of that series of hearings, and these are things that the new Administration needs to tackle head-on, immediately.

With leadership issues, there's been turnover in the office of the Executive Director, as well as other senior management positions, that addresses morale and it does not provide the stability the agency needs to have long-term vision.

The financial stress -- which I will go over in more detail -- puts undue pressure on the agency to just keep the lights on, as opposed to addressing some of the other infrastructure and operational issues and challenges that are facing the agency.

Board vacancies: The Board of New Jersey Transit is weak; it could have a stronger Board. And a stronger Board can have a stronger vision and could lead to the improvement of all the issues that the hearings have uncovered.

Service issues: The Summer of Hell; do you remember that? There were delays due to mechanical issues, operational issues, all sorts of things that were due to the operating budget challenges, the capital budget challenges. There were repeated safety violations, and there were personnel issues that I will not go into -- it's not exactly in my wheelhouse --but those internal issues do affect the overall morale of the agency which then spills over onto the service side of it.

So these were the key findings, and these are the areas that I believe need to be addressed immediately before we talk about any other grander expectations or progress within the agency.

The first thing I want to talk about is the financial issues. I have presented before to the Oversight Committee last December, providing an overall understanding of what's going on. The problem with New Jersey Transit is not necessarily a capital problem; the problem is the operating budget. And when the TTF was renewed, that really wasn't addressing New Jersey Transit's issues. Not only did the 23-cent gas tax increase just really get us to status quo, but it didn't stop the bleeding at New Jersey Transit.

So right now, their operating budget -- very limited sources; and those sources are not dedicated. It relies heavily on passenger revenue -- 51 percent; compared to other agencies, this is extremely high. Other agencies -- their passenger revenue makes up about 28 to 30 percent of their operating budget. In New Jersey, it's over half.

Other commercial revenue -- leases, retail -- I believe is low, at \$115 million. New Jersey Transit owns some of the most valuable land in the state. New Jersey Transit should be capitalizing on that.

The rest of the operating budget comes from State and Federal assistance. The State Operating Assistance, in 2017, was \$140 million; then we have capital-to-operating transfers, raids from the State's Clean Energy Fund, and New Jersey Turnpike Authority piggy bank. These sources, under Federal and State, are not stable, they're not predictable, and they're subject to the political budget process year in and year out, which puts a strain on New Jersey Transit's ability to long-term plan. They don't know what's coming in. Everything on here is not a stable funding source.

The biggest problem on here is the capital-to-operating transfers. You will see \$400 million in that category. This has been going on for years, but it has been going on for years, exponentially. And this is

depriving the agency of the capital dollars that it needs to invest in the infrastructure.

This is a chart showing those capital-to-operating budget transfers, which started in 1990 at \$9 million; and you'll see the reliance, year in and year out, on these transfers to balance the operating budget.

Now, Commissioners have come before Budget Committees, year in and year out, saying that this is a practice that all transit agencies do, and it's not an issue. Well, there is a truth to that. This is something that other agencies do, but not to the extent that New Jersey Transit does. Both SEPTA and CTA have done these transfers. They have been very vocal about how dangerous they are; how it really impedes the Transit agency to move forward. And they were doing everything they possible could to wean off and stop this reliance.

New Jersey is going the opposite direction. They are overly relying on this. What New Jersey needs to do is eventually, completely not do this at all; but noticing -- I recognize how much there is of a reliance, so there needs to be a plan in place to reduce this reliance.

I've also been before Committees in talking about the 90 percent reduction in State subsidy that has gone to New Jersey Transit's operating budget. There has been some argument whether that is an accurate representation, because I've heard people say that there has been a 50 percent increase. So what I did was, I broke down how the State has been contributing to New Jersey Transit's operating budget. And what you'll see, after 2012, which -- that was coming directly from New Jersey's General Fund; monies not earmarked for other uses. Then you see Clean Energy Fund and the Turnpike contribution. These are not stable sources;

this money is not being used as intended and, instead it is going to Transit. This money can go away any year.

This is a very dangerous way to fund an agency such as New Jersey Transit that provides a vital service in this state for people to get to work, to get to school, to get to health appointments. It is vital that we have a robust operating Transit agency with service in the state to make sure that -- everything needs to get done.

So what should New Jersey Transit's funding goals be?

As I said, what we need to do is diversify funding sources. We can't over rely on one particular source over another. There are five different kinds of funding sources: Transit-generated, Federal, State subsidies, market-based, and community-based. I think the new Executive Director and staff, as well as the Legislature, should be looking at all these different types of funding sources and diversifying them. As I said, we should not be over relying on one particular source, especially riders. As ridership fluctuates, this is going to be a problem. As service declines, as -- if it becomes unridable you're going to lose riders, you're going to lose revenue, which is going to make it very hard for Transit to operate.

Stop the reliance on the capital-to-operating transfers. As I said, capitalize on New Jersey Transit-owned property. But the first step you need to do is, what does New Jersey Transit own? I have asked for an inventory of New Jersey Transit's property, and I have yet to receive it. I know, Senator Gordon, you have asked for such an inventory; I'm not sure if you have received it. But we need to know what New Jersey Transit owns and what we can do to make sure that property is generating the revenue it should be.

Stop relying on funding raids and establish a dedicated funding source so that Transit can be comfortable, year after year, knowing that they will have a certain amount coming in so they can engage in long-term planning.

Also, what I want to point out -- when looking at different ways to improve the operating budget -- is to not put that burden on New Jersey Transit riders. They cannot have another fare increase. They have had five fare hikes since 2002, rendering fares as much as 25 percent above inflation. Enough; New Jersey Transit can no longer be funded on the backs of riders.

Just to get an idea -- New Jersey Transit has not been able to engage in any significant expansion project since 2006. This is a chart that came off of New Jersey Transit's website of all the expansion projects. It's not really up-to-date, because it still says *ARC* on here, which is another problem in and of itself. (laughter) But that just shows you that, right now, we have a live web page on New Jersey Transit still talking about *ARC*. That is telling of the challenges that they're facing on a day-to-day basis, administratively.

But we need an increase in service on bus, which actually carries 72 percent more passengers on a daily basis than rail. And all the different Light Rail projects -- putting the *Bergen* in Hudson-Bergen Light Rail; the Camden-Glassboro Line; Bergen BRT. And we need to put capital back in to reduce mechanical delays. As I said, keep the capital dollars for maintenance needs and fleet upgrades. *Nj.com* did an analysis of the tweets from New Jersey Transit's several Twitter accounts to show how -- what kinds of delays are occurring and why. This was over the course of the

Summer of Hell, which I will deem the *Summer of Not-so-Hell*, because I think they did a pretty good job, all considering. But it comes down to operational issues and mechanical issues. These delays could be thwarted if there was enough money in both capital and operating.

NJT also has bus and rail fleet needs. Right now, there are Arrow III cars and Comet cars, which are going to be 43 years old and 38 years old. They've been in service this long. New Jersey Transit needs to upgrade their equipment so that they can meet the demands of the increased ridership, as well as reduce delays because of infrastructure just being old. They have these demands and they have these needs. So it's not just on top of expansion, but just having reliable infrastructure is a priority.

The second part was to strengthen New Jersey Transit's Board members. I've provided you with the statute of what is currently required on the Board. I will say that this is not demonstrative of an appropriate Board for New Jersey Transit. I've looked at other agencies and who they have, and I have some recommendations.

We have, in New Jersey, eight members; seven of which are voting. The union member is not voting. In Massachusetts, there are 11 members; each member is required to fulfill a specific criteria and expertise within transportation, finance, and engineering. LA Metro has 13; CTA has 7; and SEPTA has 15. These are agencies that are similarly situated to New Jersey Transit, so I looked to those to give a general idea of what New Jersey Transit could be doing.

My overall recommendation to the Board: I recommend strongly considering requiring expertise in transportation, finance, engineering, planning, law, employment, real estate development; along

with representing the geographical diversity of the state. You need a robust Board with the background needed to make sure that New Jersey Transit is making the right decisions as they're moving forward.

As far as staffing and structure is concerned: Filling the leadership vacancies with fresh talent; getting rid of patronage hires; addressing the loss of talent; and also an organizational structure review. I do understand that there are some things in the works to know what's going on internally at New Jersey Transit; but perhaps we need to look at a consulting firm to come in, that has an expertise in transportation and transit, to see how Transit is structured and how it could be better structured.

We also need to make sure that PTC is on target for its completion date.

Restoring/strengthening relations with Amtrak: This is something that the next Administration needs to do, and needs to do now. This is going to help with the advancement of Gateway, which -- I don't really think I have to go into how important Gateway is; I think we all know how important it is. But New Jersey Transit is a tenant of Penn Station, utilizing 40 percent of the station. New Jersey Transit utilizes 80 percent of the Northeast Corridor. They need to have a voice; they need to work collaboratively with Amtrak to make sure that the infrastructure needs are met and New Jersey Transit can continue to provide the service that it needs along the Corridor.

So with that said, recommendations would be to create a collaborative action plan for the Northeast Corridor that delivers results.

New Jersey Transit needs to have a more significant seat at the table with Gateway. New Jersey is responsible for 25 percent of the funding, but we have little input over the actual design so that New Jersey Transit can still deliver reliable service. This is especially important in Phase Two of Gateway -- making sure that New Jersey Transit riders' interests are represented in terms of increasing capacity for New Jersey Transit, and where they are located when they get off the train in transit.

Another recommendation would be to create a position within the Governor's Office as liaison between New Jersey Transit, Amtrak, and Port Authority. I think it's important that everybody be on the same page, and the information flowing to make sure that these projects meet the needs of New Jersey; and that New Jersey's interests are out there.

And finally, cross-Hudson Plan B: There is no Plan B if the new tunnels are not completed before the existing tunnels are forced out of service. We all know what will happen if New Jersey's tunnels go down and there is no alternative -- we saw that in the few days following Sandy, but urgency in making sure that rail riders were considered. The closest New Jersey Transit has come is a contingency plan when facing the possibility of a rail strike in the Spring of 2016, and only 40 percent were accommodated, and that was only going to be in a short period of time. If these tunnels go down, it could be indefinitely. And accommodating 40 percent of riders indefinitely is unacceptable. We need a Plan B.

I know that PATH has plans for extension to the Port Authority, which I would caution as using as a Plan B. Because building new infrastructure as a backup plan for building new infrastructure -- especially when the project would be bistate that has its own infrastructure,

capacity, funding, and political challenges -- we need to be looking to how we can help New Jersey residents within New Jersey.

And that cross-Hudson commute is not just Gateway; it's also the Port Authority Bus Terminal. And we could also be looking to optimize ferry service, especially in the areas of Jersey City and Hoboken. But it's important that the new Administration, working in parallel with advocating for the Bus Terminal and for Gateway -- we need a Plan B.

And just one final thought. Transportation is a system. It is comprised of a network of roads, bridges, public transportation, sidewalks, and bike lanes. In order for that system to work, all modes require attention and priority. Not one mode of transportation in New Jersey can absorb the other; thus it will take all modes working, and working efficiently, to keep people moving.

So I thank you very much for the opportunity to provide testimony today. And I'm happy to answer any questions you may have.

SENATOR GORDON: Thank you, Ms. Chernetz.

I have a couple of questions, but let me turn to Senator Singer first.

SENATOR SINGER: Thank you, Mr. Chairman.

I'd just like to mention something to the Committee.

I'm going to have to leave a little bit early; we have a 12 o'clock hearing in our Health Committee that was called. I'm going to remind the Chairman, because I know you sit on that also, I believe--

SENATOR GORDON: Yes.

SENATOR SINGER: --that he at least take -- conscious of the fact that we have a meeting here, and that calling a 12 o'clock meeting is

difficult. Because I hate to have to leave this, but I do have another meeting.

I have one question about this. We've been fighting to get rail transportation in Ocean County for 20 years. We have rails in place, but yet the corridor where it's going to go has not been done. Has your group helped us at all? Because I don't remember you being part of any group speaking out on the fact that we'd like that rail transportation also, considering the fact we have a thousand people commute every day out of Ocean and Monmouth counties who have no rail transportation. And then, of course, you're asking us to help fund rail transportation -- we'd like to be part of it.

MS. CHERNETZ: Are you talking about the MOM Line?

SENATOR SINGER: Yes.

MS. CHERNETZ: Yes; that's part of the capacity needs that New Jersey Transit has been talking about for years.

SENATOR SINGER: For 25 years, to be exact.

MS. CHERNETZ: And what I have been doing, as an advocate for Tri-State, is to advocate for funding, and for project prioritization, and for the expansion of service. Certainly that is part of the overall rail plan that we supported, and I provided testimony and comments for. And the MOM Line was part of the rail infrastructure needs that Tri-State supported.

SENATOR SINGER: Well, I just would say, as the fastest-growing area of the state, and where people are moving in, not having rail transportation and expecting that the highways will take that load is ludicrous. Secondly, environmentally it makes no sense; and thirdly, we've

been hearing this for years, about, “Yes, we’re looking at it, we’re looking at it, we’re looking at it.” The rails are there to start it. It isn’t like you need the right-of-way for that. It’s a question of where it hits in Monmouth County -- is where the dispute has been. But meanwhile, nothing’s happened. And I think it’s really up to us, if we’re talking about priorities -- that has to be a priority, not just something in a plan. It has to be a priority plan.

Thank you.

SENATOR GORDON: I have a couple of questions.

First, Janna, regarding Complete Streets, and Vision Zero, and the whole area of pedestrian safety. You had mentioned a few bills that touched on that in the past. But are there initiatives we can take, legislatively, to move this along, to compel DOT and the Executive Branch to move in the proper direction?

MS. CHERNETZ: In terms of the legislation I provided, or perhaps a--

SENATOR GORDON: Well, generally; I mean, you were talking about just changing the mindset at DOT.

MS. CHERNETZ: Right.

SENATOR GORDON: I mean, are there things that we can do legislatively, “You shall do this,” or “Funding will be contingent on the inclusion of plans related to pedestrian safety.”

MS. CHERNETZ: I mean, that’s a wonderful idea; and I’d be happy to explore those possible legislative initiatives that could take place. It could be terms of a resolution, especially with adopting Vision Zero. But we can certainly look at dedicated funding for a percentage of DOT’s

capital program going to pay for and to be spent on bicycle and pedestrian infrastructure. That would be a wonderful start to actually legislatively dedicate some of that -- a portion of DOT's capital program specifically for such projects.

SENATOR GORDON: Now, I know you were a member of the Murphy Transition Team. Have these ideas been conveyed to the incoming Administration?

MS. CHERNETZ: That's a good question. Yes, it has. And when I started, I should have mentioned that the bicycle and pedestrian recommendations that are in my presentation were prepared with BPAC and with input from advocates across the state -- from environment and equity organizations, and health organizations -- and it was put into a white paper that will be presented to, hopefully, the new Commissioner.

But yes, this is information that has been provided.

SENATOR GORDON: Okay. And regarding New Jersey Transit reform -- a subject close to my heart -- first of all, as you know, we had about a year-and-a-half of hearings that focused on New Jersey Transit. I'm hopeful that, in a matter of days, we're going to have a report coming out of those hearings summarizing the key findings, which I hope will provide a foundation for reform initiatives.

But I will be advancing a New Jersey Transit reform bill which, among other things, will reconfigure the Board along the lines of what you're suggesting. Certainly there will be greater representation of the riders and a geographical distribution; a stronger Board.

And one of the issues I think we need to start thinking about -- I don't know whether this is one of the solutions, but it's an idea that we

should evaluate. And that is the concept of taking New Jersey Transit out of DOT and creating a stand-alone agency at the Cabinet level so that Transit is not the stepchild that it appears to be; that it gets the attention, that their request for funding goes directly to the Governor, as opposed to through the DOT structure. I think that's something we need to evaluate, and I'm sure will be.

As we've been meeting today, Governor Murphy has held an event, I think on the Morris and Essex Line, at which he signed an Executive Order calling for a comprehensive management and financial audit of New Jersey Transit, which is something we're also trying -- we're proposing legislatively. I am hoping that what comes out of that, along with the material in our report, will provide a foundation for some of these structural changes.

And then regarding the issue of long-term funding, which we know is one of the fundamental problems. I know you have-- I remember in one of our hearings you compared -- you summarized the approaches taken by other major mass transit agencies. And I think we need to explore this in more detail. One of the points that you made today was the need to see what kind of property resources we have. Because I've always felt -- this sort of takes us back to the Corzine asset monetization era, but I think there are real opportunities to extract funds from the physical assets that we have at New Jersey Transit. I mean, just imagine what could be done if the air rights were sold over the Lautenberg Station to someone who develops a 15-story condo? I believe the building is actually designed to accommodate a much taller structure. I mean, something like that could generate a lot of money that could be reinvested in New Jersey Transit infrastructure. And I

would think that there are assets, perhaps not on that scale, around the state. I mean, we saw what happened in Morristown, for example. I think there are greater opportunities for that.

Another idea that I think we should explore is modifying the existing legislation dealing with transportation impact fees. You know, I think that there are projects that are going up in places like Hoboken and Jersey City that put a real strain on our mass transit system; and yet the developers of those projects are not making a contribution to easing those strains. And perhaps we should develop an objective formula based on the scale of a project, so that if someone is building a 20-story apartment or office building in Jersey City, there's a dollar amount that's going to be contributed to a pot of money that will deal with the local transportation needs. Those sorts of things I think need to be addressed, so I'm hoping that we can work together in developing some of those ideas.

Anyone else on the Committee with any questions? (no response)

Well, thank you very much, Janna.

Marty Robins -- we'd like to hear from you.

MARTIN E. ROBINS, Esq.: Thank you very much.

Mr. Chairman and other members of the Senate Transportation Committee, good morning.

Just to give you a quick background: I was, at one time, the Deputy Executive Director of New Jersey Transit, near its inception. I also led the planning on the Hudson-Bergen Light Rail Line; and on ARC; and was co-founder of the Voorhees Transportation Center at Rutgers University.

And I've had, in summary, a 44-year career in transportation, largely devoted to New Jersey's needs.

I want to thank you for inviting me; it's an honor to be given the chance to talk today to the Senate Transportation Committee at this turning point in our State's governance of its transportation agenda.

I'd also like to note how fortunate we are to have commentators, like the individual on my right, Janna Chernetz, who is as knowledgeable and committed to transportation improvement as there can be. And we also have other people on the agenda today for whom the same can be said -- Anthony Attanasio and Cathleen Lewis.

I'd like to offer a bit of perspective about how uniquely important transportation is to our state. And when things go amiss, it really makes an important -- has an important and negative effect on the state.

Transportation is a subject vital to New Jersey's economic success; and transportation desperately -- desperately needs attention from the new Governor, the Legislature, and the public. We are a densely populated state, where personal and goods mobility are key factors in our prospects for our competitive economic success.

Here are some examples.

A powerful force for growth in our economy is the warehouse industry; our state's attractiveness to that industry depends on its connectedness to the consuming world through an adequate and well-maintained highway capacity.

Our economy is geographically positioned to benefit greatly from its proximity to the wealth-generating business centers of New York City and Philadelphia; the challenge has always been for our workers to

cross the rivers that separate us from these business districts with efficiency and reliability.

Our Shore is a major economic engine, but sufficient access to it has always been a challenge and remains a concern.

Jobs located within New Jersey have been spread out across our highway system, and are increasingly being re-concentrated in our urban areas, such as Jersey City, Newark, New Brunswick, and Camden. In this dynamic economy, constant attention has to be paid to give workers efficient access to these job sites.

A timely reminder of transportation's importance was in the news last week when the City of Newark's application to serve as the site of Amazon's second headquarters advanced to the round of 20. New Jersey's theoretical locational advantages in transportation are imbedded in this application; these include an international airport, an international port, inter-city rail service to the rest of the Northeast, interstate highway access, and excellent connectivity to the region's commuter and PATH rail services.

This is a very important moment in New Jersey transportation history. We've been operating in a period of a total lack of transparency; now it is finally time to assess -- with transparency and clarity -- where we stand on maintaining our capital stock, rescuing and advancing our public transit system, using our highway and road investment to spur economic development, and responding to new technological forces and opportunities.

Today I would like to concentrate on the subjects that I believe should engage the Legislature, particularly this Committee, in working with the Murphy-Oliver Administration. By the way, I think you will find the

Commissioner-designate, Diane Gutierrez-Scaccetti, a reliable and intelligent partner in your endeavors.

The subjects I hope will engage the attention of the Legislature are as follows.

Recalibration of our State's transportation capital plan in a manner that explains what we can do with our present resources, and where we need more to accomplish our shared goals.

Monitoring of the evolution of the all-important Gateway project, Phases 1 and 2; specifically the reinstatement of a three-party funding agreement with the Trump Administration that has been upset in the last two weeks.

Third, the corporate turnaround the Governor has properly promised for New Jersey Transit.

Next, the stabilization of New Jersey Transit's operating budget, as Janna pointed out, at sufficient levels that doesn't shift too much of the burden on riders.

And finally, a renewed staff concentration on NJ Transit's problematic relationship with Amtrak on the Northeast Corridor; something that is difficult to deal with, but can be solved with effort.

One subject I will not address this morning is the importance of achieving a workable plan to expand the Port Authority Bus Terminal. We have been working for some time with a cap on the number of westbound buses permitted to leave the Terminal in the evening peak period. This is a hardship for the New Jersey economy that, in turn, will seriously worsen. I know that Senator Gordon, along with Senator Weinberg, have been immersed in the effort to devise a workable design to add bus capacity in

Midtown Manhattan and secure sufficient capital to get the project built in a reasonable time frame. Therefore, that can be left to the Governor, and the leaders in his Administration, and Senators Weinberg and Gordon.

I'd like to first turn my attention to the State's capital program. We have not been well-served in the last several years by the management of that capital program and the public discussion about what needs to be done. But what we can be thankful for is the persistence, foresight, and political courage of our legislative leaders who overcame an indifferent Governor and restive public to enact a 23-cent gas tax increase for reviving the depleted Transportation Trust Fund. It almost didn't happen; but it did happen, and we have much to be thankful for.

Among the first orders of business, in 2018, is to transparently assess, as part of the Legislature's Fiscal Year 2018 budget process, the resources that are available over the next five years; the extent of support from the Federal government and bistate transportation authorities that can be anticipated; the identification of the best candidate projects; what is our shortfall over those next five years to meet priority needs, and options for covering any shortfalls. Senator Singer will find that the project that he is looking for will somehow be identified in that process and will understand what needs to be done in order for a project like that to be realized.

These findings should be shared with the public to create a broader understanding of where our transportation capital is being, and can be, spent; and for what projects we might need additional revenue. I'm talking, therefore, about an honest discussion about where we are in transportation capital. And we haven't had anything approaching an honest discussion of transportation capital, which we desperately need.

A huge shadow has been cast over any appraisal of our transportation capital program by the recent communication from the Trump Administration which scrambled funding expectations for the urgently needed Gateway project. That project is thought, ultimately, to cost as much as \$30 billion. So, at that scale, any unexpected new contributions from New Jersey could have a dramatic impact on capital planning.

This letter from the Federal Transit Administration asserted that, despite extensive past efforts with Obama Administration officials, there is now no deal of a 50-50 split between, on the one hand, the Federal government and, on the other hand, the states of New Jersey and New York combined. The letter also disavows use of Federal loans by the states of New Jersey and New York to satisfy their local share on this project. These disavowals come as corroding sulfates and chlorides, left behind in the tunnels by Superstorm Sandy, steadily undermine the reliability of the tunnels' infrastructure. Because of its strategic importance to the quality of transportation provided for the thousands of New Jerseyans commuting to New York City, and the project's massive cost, I urge the Legislature to become especially familiar with both phases of this project.

Phase One is the building of the third and fourth tubes, primarily a system preservation strategy, but so important; and Phase Two, which is essential for expanding New Jersey rail service to Manhattan -- which we have been waiting for, for decades -- includes the building of additional platform and track space near Penn Station, New York, and construction of the Bergen Loop to add one-seat rail service for Bergen and Passaic counties.

New Jerseyans want these things; the economy demands them. But we are in danger of not being able to produce them. This would be a terrible blow to the New Jersey economy.

Another important area of concern to the Legislature, as well as to the transit-riding public, is the corporate turnaround promised at NJ Transit by Governor Murphy. Despite having established a nationally positive reputation in its earlier years -- and I am very proud to have been part of that -- and having attracted a talented, devoted workforce, the agency has lost numbers of these persons in recent times to retirement and to other nearby transit agencies. No pay raises for these professionals over a large number of years, affected by the agency's destabilized operations funding, as detailed, has contributed to staff demoralization and to this exodus. Numbers of positions have also remained unfilled. Further contributing to the demoralization has been the hiring of some top executives whose credentials have been questioned. It's reported that the Murphy Administration has asked a sizable number of top-level managers for their letters of resignation. I fully expect the Murphy Administration, led by Diane Scaccetti, will use sound, deliberate judgment in deciding whose resignation not to accept, and whose resignation to accept.

Another weakness besetting New Jersey Transit during the last 20-plus years, but exacerbated in the last eight years, is traceable to decisions made between the Governor's Office and the Treasurer, and acquiesced in by the Legislature -- I had to say that -- to destabilize and shortchange the agency's operating budget. The Legislature has to take a much more careful understanding of the budgeting for New Jersey Transit operations. As Janna's presentation showed, the process began in the early

1990s, when sizable amounts of Federal funds, meant for genuine capital purposes, were devoted to expenses that New Jersey Transit's own accountants must describe as *operating expenses*. This has reached more than \$400 million per year. The practice of diversion has deprived the State of untold opportunities to expand the still-unfinished rail transit network and maintain our aging infrastructure and rolling stock.

In recent years, executive legislative budget decisions have created new uncertainties, as the sources and amounts of annual appropriations for operations have been destabilized and underfunded. As Janna pointed out, just a decade ago, New Jersey Transit could once rely on an annual appropriation of \$360 million from the General Fund; in Fiscal Year 2016, that number plummeted more than 90 percent, to \$34 million. The difference has largely been made up by unpredictable contributions from the Turnpike Authority revenues, derived from a toll increase designed to contribute to the Access to the Region's Core project; and to surcharges on homeowner's utility bills, a source that is largely unrelated to Transit services and questioned by environmental advocates. Moreover, beyond this instability, the total amount appropriated for Transit operations has been inadequate.

After a settlement was reached with the rail unions in 2016, Governor Christie acknowledged that New Jersey Transit's budget was \$25 million in deficit at that point. His response was to tell the agency's management to find operating savings to make up the gap. We never knew what those were; but that approach hurt New Jersey Transit in many ways. In subsequent years, questions had been raised about vacant positions, too few engineers being trained, loss of valued employees who went years

without wage increases, and minimal progress in deploying dual-powered locomotives for one-seat service to New York on my beloved Raritan Valley Line. The same response was used to answer all of these requests, “We don’t have any money.” That’s not the way we should be doing business in New Jersey.

Probably the single-most important issue for the Legislature in the next budget cycle, and the one that follows, is to find ways of returning New Jersey Transit to financial operating stability and sufficiency. The Legislature should make it a priority to work with the new leadership at NJ Transit to examine this complicated picture. Only then can we have confidence that New Jersey Transit can be righted and returned to its former high reputation.

Another worthwhile area of inquiry for the Legislature would be to work with Commissioner-designate Scaccetti to determine if the major reduction over the years in NJDOT’s operating budget should be revisited.

Another aspect of New Jersey Transit’s business that deserves scrutiny by the agency, as well as the Legislature, is its problematic relationship with Amtrak. This is a very difficult issue, but that should not keep us from examining it. The track outages at Penn Station, New York, preceded by several minor derailments and other reliability problems, indicate that Amtrak’s maintenance of the physical plant has not been what it ought to have been. Despite the fact that New Jersey Transit is the dominant carrier on the west side of the Penn Station complex and within New Jersey, its current Executive Director, Steve Santoro, has reported his staff is afforded little opportunity to participate in the inspection and

programming of maintenance, as well as the development of annual capital programs for the Corridor in New Jersey.

In addition, recent Federal regulations have shifted a considerable share of Northeast Corridor operational expenses to New Jersey Transit.

As Governor Murphy recommended in his campaign, New Jersey Transit should organize itself to designate someone who can pay special attention to its challenging relationship with Amtrak. Beyond gaining a greater say in Amtrak's maintenance practices, and capital programming, and other day-to-day needs, this new Amtrak manager should commission a re-examination of the Northeast Corridor cost allocations, which impose heavy new costs on NJ Transit; and as well explore new arrangements that would accord New Jersey Transit greater authority over the maintenance and operations within its Corridor operating territory. In sum, New Jersey Transit is being asked to foot an ever-larger bill without much say in how the money is being spent.

Perhaps these issues could be incorporated into the future negotiations for Gateway, with any New Jersey financial contribution being rewarded with an enlarged say in the management of Penn Station New York under the so-called *One Penn Station* solution; and/or joint control over New Jersey's operating territory on the Northeast Corridor, from Morrisville Yard in Pennsylvania to Penn Station, New York.

I hope you enjoy all the new assignments I have suggested for you; I gave you a lot of work. But what I have to repeat: This is a turning point. This Committee could have a dramatic and positive effect on the

future of transportation in New Jersey if you are able to get down to the kind of agenda that I have laid out.

Thank you for your time, and I would be pleased to answer your questions.

SENATOR GORDON: Mr. Robins, thank you very much.

And thank you for laying down that challenge for us; I'm confident this Committee will rise to the occasion. I'm genuinely excited about the opportunity we have here to drive policy and positive change at New Jersey Transit and the rest of our transportation structure.

Just a couple of observations. I want to give our two final witnesses the opportunity to speak, but just a comment on the Gateway project and the Trump response we received recently. I was particularly offended by the questioning of why this should be a 50-50 deal; and I was particularly offended by the reference to it being a *local project* because a majority of the riders were New Jerseyans riding on New Jersey Transit.

Someone in the Trump White House ought to take note that the New York Metropolitan Area provides a disproportionate contribution to the Gross Domestic Product. The Northeast Corridor, I believe, accounts for something like 20 percent or more of the Gross Domestic Product. And this is a project of national significance requiring Federal investment. And we need to keep pushing, particularly with our Federal legislators, to make sure that happens.

A comment on *Plan B*, which I think is the term that Janna coined in one of our hearings, when she asked, "What is Plan B?" We need to be very focused on that; I can't say I'm optimistic about how or whether we're going to get the Federal funding in time for Gateway, and so we have

to-- It would be irresponsible if we weren't looking at other alternatives, and those include an accelerated renovation of the Port Authority Bus Terminal; greater use of the PATH system; expanding PATH to Newark Airport, with a park-and-ride facility there so that Newark Airport becomes a commuting hub; expansion of the platforms for the passengers in Jersey City to increase capacity by as much as 15,000 riders; and greater use of our ferry resources, which need to be connected to -- need to be related to the construction of the Northern Branch of the Hudson-Bergen Light Rail so we can get people from Bergen County down to the ferry slips and make greater use of ferries.

I can't -- I appreciated your comments about the morale issues at New Jersey Transit. I was disappointed that there were comments made in the press recently, which I think inappropriately reflect on the professionals at New Jersey Transit who I think are extraordinarily frustrated by the inability to do the job that they feel needs to be done, because of the lack of resources or because people in critical positions don't have the transportation skills needed for their jobs. And I am hoping that as part of this audit and renewed focus on New Jersey Transit, we can turn that around.

One question I have for you -- you both -- is whether you think there's any merit in creating a stand-alone New Jersey Transit organization. Would that have positive benefits in terms of budgeting for our transportation needs?

So what are your thoughts on that? I mean, we don't need to just change an organization chart for no good reason. I mean, do you feel that there would be some positive benefits from doing that?

MR. ROBINS: I was there at the inception, and helped to formulate the structure that you see today. I can tell you that I'm not entirely happy with the way it has turned out; because I was there when we had some remarkable directors on the Board of New Jersey Transit who served for a dozen years, 20 years, and provided extraordinary service to the organization. I don't think that that has continued, and I think that there is a real question about the Board becoming a rubber stamp for the Governor's Office during the last eight years, which I think is a very serious problem.

Whether putting it -- separating it from the Department of Transportation -- we had reasons for putting it the way that we did, back in 1979. We had an extraordinary Commissioner, in 1979, Louis Gambaccini, who I think had a record of remarkable success. And we had a great deal of faith in both him and the then-Governor and, even luckily, the next Governor, Governor Kean. The then-Governor was Governor -- the late Brendan Byrne.

We had a run of good fortune with New Jersey Transit in its early days. Whether the idea was that transportation could be benefited -- certainly, bus transportation could be benefited by close coordination between NJ Transit and the Department of Transportation, I don't know that that has been realized. I think the spirit of that has been lost over the years. And there have been fewer initiatives by using the road network to help the public transit network than we had wished. But it still is something that could be done, and that would be not helped by separating them again.

On the other hand, whether separating them really matters in the review -- the annual budget review, I don't know. I think that the Executive Directors of New Jersey Transit have often been people who had access to the Governors and could make their case, but not necessarily. And so a lot of it has to do with who is in what position.

SENATOR GORDON: Yes.

MR. ROBINS: And there is no best answer. You're giving up the potential for good coordination and consolidated transportation policy leadership, but you're also raising the profile of New Jersey Transit and its Executive Director if you do go in this direction.

So it's kind of a trade-off; and I'm really not convinced yet that that's necessary. I'd like to give the Murphy-Oliver Administration the opportunity to feel their way, get all their people in place, and then maybe evaluate that within about a year to see what they think. And maybe there will be a compromise -- a meeting of the minds between the Legislature and the new Administration.

SENATOR GORDON: Okay.

Well, thank you both very much for a very comprehensive presentation.

I assume there-- I'm sorry; I neglected my members.

SENATOR GOPAL: That's all right, Chairman.

Thank you for the testimony.

I apologize to Anthony and Cathleen; I have to go to a Senate Health Committee, so I'm hoping I can catch up with you guys at a later point.

SENATOR GORDON: Thank you both.

I'd like to bring up Anthony Attanasio and Cathleen Lewis.

I also have to go to the Health Committee, but I'm prepared to stay here and take your testimony.

Mr. Attanasio.

A N T H O N Y A T T A N A S I O: Mr. Chairman, members of the Committee, thank you for the opportunity to testify today.

I don't remember yielding my time to the first two speakers; but I believe they did take some of it, so I'll try to be as brief as possible with my remarks, (indiscernible).

Thank you very much for this opportunity to testify on this critical subject.

For those of you who don't know, I'm currently the Executive Director of the Utility and Transportation Contractors Association. Prior to serving at UTCA, I was Assistant Commissioner at the New Jersey Department of Transportation and, prior to that, Deputy Chief of Staff at New Jersey Transit. Some of my current members have accused me of having *Stockholm Syndrome*; I do care deeply about these agencies and their health and well-being. So it's always a pleasure to be up here to testify for what's best for the vision of the State of New Jersey, having the unique perspective of having been within the agencies and now on the outside.

I've also been very encouraged by Governor Murphy, both during the campaign and since, on his vision for transportation. It's been one of the key platforms of his policy platforms to mirror that of Senate President Sweeney, who has been a great champion, as have you, Chairman, during the TTF renewal and on other policy issues. It's nice to know that we have the Administration now supporting the Legislature on wanting to

advance sensible transportation policy. It's been a while since that's happened; we're eager to move forward.

The one thing I do want to talk about that is of a most critical nature-- Everyone wants to talk about big things when they talk about transportation; and that is important, whether it be large projects like Gateway, Transportation Trust Fund renewals -- the things that garner headlines. The reality is that these agencies need healing and they need support; they need support from the Administration, they need support from the Legislature. There are great people at these agencies, in both agencies; whether it's in planning, capital delivery, grant administration. They have not received support in a long time, or had a process in place that allows them to succeed.

And even with that, and all the problems that people like talking about and headlines, it's of note that last year the Department of Transportation delivered \$1.2 billion in awarded contracts, and New Jersey Transit still delivers 900,000 passenger-trips a day. So imagine what we could do if the Administration and the Legislature teamed up to put best practices in place and to support the agencies to deliver. They are still capable of greatness; and I know that they are on the verge of recapturing a lot of that, and grateful that you want to focus on that.

Once again, capital dollars is not the answer though, right? So we passed the Transportation Trust Fund renewal, which was a herculean effort. And 23 cents -- when you subtract some of it that goes to pay old debt, it's still -- there's still a sizable amount of money for the next six years for capital project delivery. But it's the agency's ability to deliver capital projects that has suffered most greatly in the last 10 to 12 years.

I cannot emphasize enough how ill-advised the cancellation of the ARC tunnel was. It is, in my opinion, the number one cause of New Jersey Transit's inability to find its way on capital project delivery since. The agency was solely focused on delivering what was the nation's most important public works projects. When that project was cancelled, seven-and-a-half years later, that agency is still without a true vision on capital project delivery. Not through the fault of the people who work there, though, but because the agencies implement the policies and vision of others; and they need that. Gateway is, out of necessity -- must be the focus. And I would argue that the work that can be done on the New Jersey side of the river -- because we successfully lobbied to have the alignment of the Gateway project mirror ARC on New Jersey's side of the river; therefore that expedited environmental reviews and permitting -- we can start working on that now, and the two new tubes can be started on now.

The reason the cost of that project keeps ballooning is because our friends on the other side of the river have never met capital investment they don't like. And that's fair; it's fair to fight for what you want built on your side of the river. The reality, though, is that it's weighing the rest of that project down and increasing the price tag.

As New Jersey, I would argue, we should be focused on building what we can now, which is everything leading to the river; and pushing for the tunnels to be built. Because I think we've heard *ad nauseum* how bad the current tunnels are, as far as the salt water intrusion, and their age, and general-- They're over a hundred years old, so I think enough said on the currently tunnels. We need to get Gateway moving. And it is incumbent

upon the Federal government to take on their fair share because this is a project of national significance.

So that would be, as far as large projects-- That should be the number one focus -- is keeping Gateway moving forward.

But as far as what needs to happen at the agencies and why we're having trouble. I mean, this year alone -- in this Fiscal Year, the agencies have not kept pace with capital project delivery as would have been expected after a gas tax increase. And that's because of staff turnover and loss of institutional knowledge. In the last seven years alone, at New Jersey DOT, the CPM Unit -- Capital Project Management, responsible for capital project delivery -- has had a one-third turnover of staff. So if you lose a hundred qualified, 30-year-plus employees who know the agency, know the infrastructure network; and you replace them with 100 civil engineer trainees -- CETs, which is all DOT is allowed to hire -- a hundred retirements is not equal to a hundred hires. The loss of institutional knowledge in that agency is staggering.

And the folks who are still there are doing their best to deliver great capital projects, but they need support. One thing that this -- the Legislature could look at, in conjunction with the Administration, would be how agencies hire. Replacing-- Entry-level engineers is not answering the need we have. There needs to be a recognition that whether it's hiring back retirees to train new hires, or hiring back folks as consultants to help manage projects, the Department heavily relies on the consulting engineering community for project inspection. They may need more; they may need to be looking at project management. There are other functions

while the actual fulltime staff is rebuilt and that knowledge is regained at the agencies.

The pay scale is an important one; and I know -- and Cathleen and I were talking about this. It's difficult, in the economic times we're in, to advocate for more pay or higher pay for individuals. But I will point out that the most recent head of Rail at New Jersey Transit -- when he left the agency a few years ago, he went over and took a job with Metro-North where he is not the head of the railroad over there; he's one or two rungs below the head, and he's making more money there than he was running the nation's third-largest rail network. There is something to be said about paying competitively. Long Island Rail Road, Metro-North, MTA are poaching all of our best employees from New Jersey Transit, and we don't have the ability to compete to keep them. That is a major concern. The ability to move 900,000 passenger-trips a day is not done lightly; and to lose all of our skilled employees just because they're not even being paid -- I don't want to say *market rate*, as in *private sector market* -- but in the public sector, public transportation mass transit agency market, we're not competitive.

Add to that the morale and other issues that folks at Transit are dealing with, and we're not keeping folks.

As far as capital project selection, I would argue that NJDOT and New Jersey Transit are two separate discussions. The Federal Highway Administration, FHWA, has recognized New Jersey DOT's management system as the second-best in the country; meaning NJDOT picks the right projects to build. It's the ability to get the projects out on the street, manage them, close them out with minor change orders and claims, and

close them out completely; where we've been getting -- falling behind. Picking the projects is not the problem; and New Jersey Transit, as I previously alluded to -- the cancellation of ARC has left them in a place where they need more guidance and they need stronger leadership support to deliver their capital program.

Something that I know Commissioner-designee Diane Gutierrez-Scaccetti had pointed out was the need to look at this as a region, because that's what we are. We connect the first- and sixth-largest cities in the country; we are a major agricultural base, warehousing base, corridor state. We have the labor market that provides those two cities with, I think, their best and brightest labor; but I'm biased as a New Jersey native. The reality is, is that we don't look at ourselves regionally, though. New Jersey Turnpike has their capital plan; Transit has their capital plan; DOT has their capital plan; we have an (indiscernible), and then there are other bistate agencies -- that all work in a vacuum from one another. And there's talk about coordination; but the reality is, there needs to be greater coordination of how folks -- if they're taking a train to work, what are they doing for their last mile? If you're driving to the train station, how do you get there? Is there adequate parking at the train station? So a more regional approach, and empowering of the Commissioner to do so, is something I would highly advocate for.

The other thing, as far as what this Committee can do to help advance legislatively -- you know, we as a state, were once innovators in everything from education, to our Supreme Court, to transportation. We've fallen behind in innovation. And there are several engineering techniques and other project delivery models that are now 20 to 30 years

old that we do not employ in New Jersey -- namely, design-build. Design-build authority should be extended to the New Jersey Department of Transportation, the Turnpike, and any other agency that would seek it. When the project is right, design-build can be incredible for expediting project delivery; it's not right for every project. But the fact is that only New Jersey Transit has that authority, currently, in the year 2018, when, like I said, this is an almost 30-year-old concept. In fact, the *master builder theory*, which it's built off of, is thousands of years old. So, you know, it's time for New Jersey to have all of its transportation agencies have design-build authority.

Looking at other engineering advancements, like all-electronic tolling, smart highways, things that-- You know, the day of the autonomous vehicle is already here; I'm going to leave most of that to Cathleen. But the idea that we are falling behind on technology, when we should be innovating, is something I would highly encourage we look at.

And also a cautious approach to possibly looking at other financing models, project delivery models. I know there are others who are very high on things like P3 -- public-private partnerships. Those should be explored, but very cautiously. It's not a one-size-fits-all; P3 is not a panacea. But on certain projects, it could absolutely be of benefit to harness private market finance on projects -- there's a cost to that, but, once again, on certain mega-projects. As a State, the Transportation Trust Fund is still playing catch-up on deferred maintenance and fixing it first, let alone major expansion, which is where private concessionaire-type deals could absolutely be of great benefit to our State.

I want to keep it brief, so I'm available both now and, of course, 24/7, as you know, Chairman, for questions. But I just wanted to get a few of those things on the record.

And once again, thank you for the opportunity.

SENATOR GORDON: Thank you very much, Mr. Attanasio.

Those are very intriguing ideas, and I look forward to working with you in developing some new initiatives. I actually have a bill here, just given to me, related to design-build, so--

MR. ATTANASIO: I'd be happy to take a look at that for you, sir.

SENATOR GORDON: --so we're moving on that front.

I am very interested in your thoughts about new hiring policies -- it's not something we've heard much about, but I'm sure can have quite an impact. So I'm hoping that we'll have an opportunity to get into the details and transform these ideas into legislation.

Ms. Lewis.

CATHLEEN LEWIS: Thank you very much.

And I am going to try to be brief and not repeat, because I would agree with all the things that my colleagues have said; and I will add to that.

So, first and foremost, not to be repetitive, but I will say that the largest project that is going to impact this state and this region is the Gateway tunnel. And so while most of the time we think about AAA as representing the one-third of the licensed public here in New Jersey, all of those motorists are NJ Transit commuters, they are pedestrians, they are bicyclists, they use all modes of transportation, and we care about all of

them. And so getting that project more than off the ground is important to everyone.

I will refer back to some of the important pieces that Janna talked about in pedestrian and bike safety, but I would talk about it differently. I think that one of the things we need to look at, as we look to spend the TTF dollars that were hard fought for, we need to look at to integrate multi-modal planning into the projects that are already there. One of the things that I think that we have had a hard time with in the past is, we look at a project; it's been on the list; it was designed 10 years ago when it got on that list. And we go, "Oh, you know, that project is great. I wish we would have put a bike lane in; I wish we would have had a sidewalk. Maybe at the next level."

And so I think that one of the things we need to do as we look at these projects, is we need to not just encourage multi-modal thinking, but we need to demand it in a lot of opportunities.

Route 130 is a great one. You know, there have been pilot programs to create *road diets*; and oftentimes, road diets just involve engineering the paint. But if we're going to be doing those projects, we need to look at what makes sense.

We need to also make sure that we have support at DOT. We spent a lot of time, when we looked at funding for TTF, making sure that local projects got their portion and their fair share because they are the ones that carry most people. What that means, though, is we need centralized support at DOT to plan those projects. Oftentimes, the one planner you have in a municipality, or whoever you've had on contract, may not know some of those best practices because the towns they work in may not be

Complete Street towns; or it may not be something they had to do. If this is to be a priority, then I think we need to not just look at where do we want to bike, where do we want to walk. We need to look at how we make all of these roads more multi-modal.

Anthony talked about first and last mile. Well, if we fix NJ Transit and we make it so we have more riders, if we haven't addressed how those riders get there, then we've just created a new problem. So we need to take this opportunity to prioritize multi-modal pieces and push them forward. Not just on what we consider to be bike-ped projects, but on all projects.

We talked a little bit about autonomous vehicles. And autonomous vehicles are the future; they are not today, but they are the future. And one of the other things we need to look at is finding ways to incentivize those technologies to be integrated into our projects today. Smart signalization, connected infrastructure -- those are all going to be how we get our vehicles to talk to each other and to talk to infrastructure. If we are not doing that today, with the dollars and the projects that we have on that list, then we are missing an opportunity.

And really, when we talk about adding technology, and connectivity, and also multi-modal components, you are talking about a fraction of the cost than if you were to restart those projects on those same roadways 10 years from now.

We also need to look at how New Jersey becomes a place that autonomous vehicles want to be, in a space where we want to be. We are some of the most congested roadways. Autonomy has the potential to address that; it has the potential to address first and last mile solutions. It

has the potential, but here in New Jersey, in a place where we are supposed to be an innovation hub, we don't have any of the future on our roadways today. We need to look at how to do that.

We have squandered some opportunities in the past; we were not part of the pilot program submissions. We have to find ways to reinvent that and be able to utilize those technologies.

From AAA's standpoint, our goal is always to promote safety on our roadways. And what we have seen in the past four years is a dramatic turn -- reversal of all of the ways that we had made our roads more safe. In 2016, the United States experienced a 5.6 percent increase in fatal crashes; New Jersey saw a 7 percent increase. In 2016, we saw a 27 percent increase in fatal crashes that involved alcohol. There is no reason our roads should be becoming less safe.

And there are several ways that we need to deal with that. One of the largest issues is distracted driving. We need to find better ways and better education campaigns to deal with that. Impaired driving becomes a larger issue. But all of these pieces need to be addressed by education, as well as an investment in safer roadways. When we make our roads safer, when we make opportunities for motorists and commuters to make choices -- do I bike, do I walk, do I take New Jersey Transit? -- when we give them those options, our roadways become less congested and they become safer.

We need to be looking at this as a whole system; not just, "I have a road here that needs to be fixed, and I have a road *here* that needs to be fixed." We need to be looking for regional solutions, and we need to be looking at them in how they can push New Jersey's transportation network into the future. We cannot look to say, "Well, we fixed the bridge today;

tomorrow we'll look at how we can make it better for 20 years from now." That's how we got into the transportation funding issues that we have, and we're not going to get out of them by just solving today's problems. We need to be looking to the future.

And again, I'm happy to continue this conversation; I don't want to take any more of the Chairman or the Committee's time. But we're always happy to have this conversation.

SENATOR GORDON: Thank you very much.

You raised a lot of very interesting issues.

You know, I really haven't appreciated the need to start thinking about autonomous vehicles, for example, in our planning. And I would like to learn a lot more about this, and get into just a higher level of detail on some of these subjects.

Given AAA's interest in road safety, here's a question that you might not have been expecting. Do you have any thoughts about the potential impact of legalizing recreational marijuana on road safety?

MS. LEWIS: I think that there are a variety of issues; and I am happy to talk in more detail with you, Chairman.

I think that there has been-- I'll start here. In states that have legalized marijuana, road safety was an afterthought because of the way in which they did it. They did it by ballot. And so it waited until they saw crashes increase -- until they saw the impacts before they addressed it. So I think that, as part of the legalization conversation, we need to look at what places like Colorado and Washington wish they had known when they legalized; and we also need to look to make sure that we change our impaired driving laws to address all substances. And that has less to do

with the legalization of marijuana -- although that makes it a prominent concern -- and more to do with the fact that we continue to see an increase in drivers who have both alcohol and other substances in their blood. Which means that they may not blow a 0.08, because they have other drugs in their system that are amplifying the impacts, or the alcohol is amplifying the impacts of the drugs. And because they are not blowing a 0.08, they might skirt around our laws. But they are clearly impaired and clearly a danger on our roadways.

And so I think that the legalization of marijuana has brought many of these questions to the forefront; and I think that they are places where AAA is happy to provide some information about what other states have done, as well as to look at steps that we can take to make sure that people understand the impact.

One of the scariest things that we have seen is when you talk to teenagers in Colorado, many of them think that they -- that either smoking marijuana will have no impact on their driving ability, or will make them better drivers. That perception is very problematic.

SENATOR GORDON: I had a conversation recently with former U.S. Senator Mark Udall -- who happens to be a college classmate -- and I called him specifically about what happened in Colorado after legalization, and he expressed some concerns about the public safety issues. But I think it's also important to recognize that if you drive off the road in Colorado you hit a haystack, as opposed to what you hit in Lodi. You know, we have -- it's a very different situation here, the most densely populated state, I think, in the country. And I hope that traffic safety

becomes a key part of the debate we're going to have here on the legalization of marijuana.

I want to thank you for -- thank you both for your testimony. I apologize that you didn't get to speak as long as you might have wished. But I think you touched on an awful lot of important points for us that we will delve into in greater detail. And I'm looking forward to that exercise, and working with you both in developing some new initiatives; and partnering with the Administration to bring our transportation system where it needs to be.

So thank you both; I don't have any members to thank for being here, at this point. (laughter) But this was a -- I thought a very useful meeting, and I will adjourn it at this point.

Thank you all very much.

(MEETING CONCLUDED)