

PUBLIC HEARING  
before  
SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE  
on  
SENATE BILLS, NO. 1138 & 1199

(Funding for highway and public transportation  
programs by autonomous authorities)

Held:  
April 23, 1982  
Assembly Chamber  
State House Complex  
Trenton, New Jersey

COMMITTEE MEMBERS PRESENT:

Senator Walter Rand (Chairman)  
Senator S. Thomas Gagliano

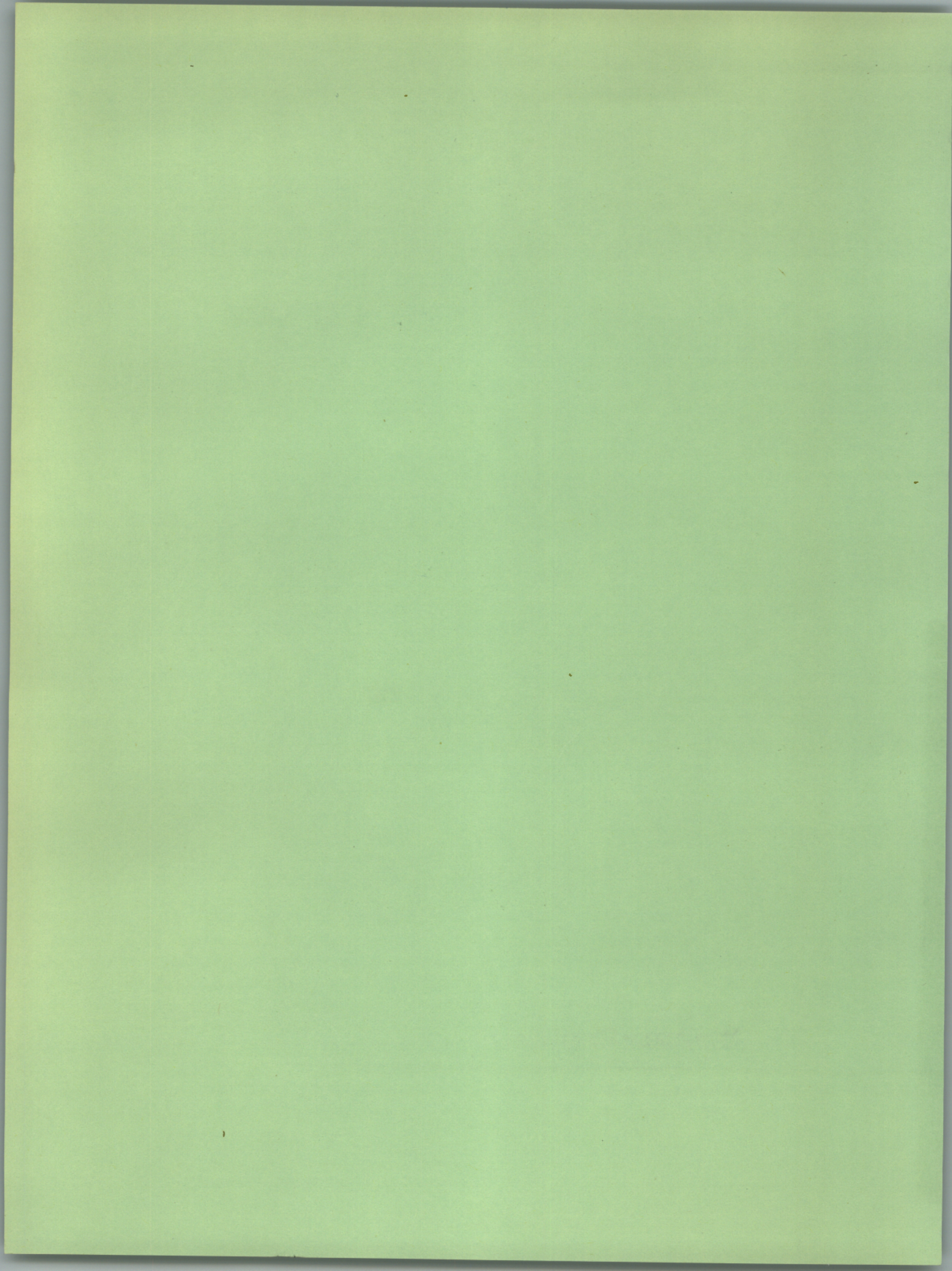
ALSO PRESENT:

Joe Capalbo, Research Associate  
Office of Legislative Services  
Aide, Senate Transportation & Communications  
Committee

\* \* \* \* \*

**New Jersey State Library**





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SENATE, No. 1138

STATE OF NEW JERSEY

INTRODUCED MARCH 1, 1982

By Senators ORECHIO and FORAN

Referred to Committee on Transportation and Communications

AN ACT concerning *\*commercial\** motor vehicles *\*and omnibuses\**  
and amending R. S. 39:3-84\***[\*]**; P. L. 1951, c. 264; P. L. 1952,  
c. 16; and P. L. 1962, c. 10\***]**\*\*.

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

1 1. R. S. 39:3-84 is amended to read as follows:

2 39:3-84. No commercial motor vehicle, tractor, trailer or semi-  
3 trailer shall be operated on any highway in this State the outside  
4 width of which is more than *the federal maximum of 96 inches*,  
5 inclusive of load, *or as such may be amended from time to time*, or  
6 the height of which exceeds 13½ feet, inclusive of load, and no com-  
7 mercial motor vehicle, tractor or trailer shall be operated on any  
8 highway in this State, the extreme overall length of which exceeds  
9 35 feet either for a two-axle four-wheeled vehicle, inclusive of load,  
10 or 35 feet either for a three-axle six-wheeled vehicle, inclusive of  
11 load, except that a vehicle or vehicle inclusive of load exceeding the  
12 above limitations may be operated when a special permit so to  
13 operate is secured in advance from the director. The application for  
14 such permit shall be accompanied by a fee fixed by the director. A  
15 special permit issued by the director shall be in the possession of the  
16 operator of the vehicle for which such permit was issued. In com-  
17 puting any dimensions of a vehicle, or vehicle and load, for the  
18 purposes of this section, there shall not be included in the dimen-  
19 sional limitations safety appliances such as mirrors or lights, or  
20 chains or similar fasteners used for the securing of cargo, provided  
21 such appliances or fasteners do not exceed the overall limitations  
22 established by the director by rule or regulation.

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

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Senate committee amendments adopted May 6, 1982.

\*\*—Senate amendments adopted May 24, 1982.

23 In the case of an omnibus the maximum width and length dimen-  
 24 sions shall be such as the **\*[Board of Public] \* [Utility Commis-**  
 25 **sioners prescribe] \* [Utilities] \* Department of Transportation \***  
 25A *prescribes*, but no outside width in excess of 96 inches **\*[or**  
 26 *overall length in excess of 45 feet, excluding bumpers,]* **\*** shall  
 27 be prescribed with respect to one or more highways specified  
 28 or otherwise described except upon certifications, (1) of the  
 29 Division of Motor Vehicles in the Department of Law and Public  
 30 Safety that the proposed width **\*[or length] \*** is not unsafe for use  
 31 on the highways in this State and (2) of the State Department of  
 32 Transportation that the proposed width, if in excess of 96 inches,  
 33 **\*[or the proposed length] \*** is not in conflict with the requirements  
 34 of any agency of the United States having jurisdiction over the  
 35 National System of Interstate and Defense Highways authorized  
 36 by law. No outside width **\*[or overall length] \*** so prescribed shall  
 37 be valid if the allowance of use of the same would disqualify the  
 38 State of New Jersey or any department, agency or governmental  
 39 subdivision thereof for the purpose of receiving federal highway  
 39A funds.

40 In the case of farm tractors and traction equipment and farm  
 41 machinery and implements, the maximum width and length shall  
 42 be such as the Director of the Division of Motor Vehicles shall  
 43 prescribe by uniform rules and regulations but the operation of  
 44 such vehicles shall be subject to the provisions of **\*[section] \***  
 45 **\*R. S.\* 39:3-24 \* [of this Title] \*** and any such vehicle shall not be  
 46 operated on any highway which is part of the National System of  
 47 Interstate and Defense Highways or on any highway which has  
 48 been designated a freeway or parkway as provided by law.

49 In the case of commercial motor vehicles, trailers and semi-  
 50 trailers including farm trucks, while loaded with hay or straw the  
 51 maximum width of the load shall not exceed 105½ inches.

52 No commercial motor vehicle **[drawing or having attached**  
 53 **thereto any other such vehicle, nor any] or combination of**  
 54 **vehicles\*[.] \*** shall be operated on any highway in this State **\*[.] \***  
 55 in excess of a total overall length, inclusive of load, of **\*: a.\* [55]**  
 56 *60 feet for a commercial motor vehicle drawing or having attached*  
 57 *thereto any other such vehicle, \* [and] \* which shall not exceed*  
 58 *48 feet in length; or b.\* 65 feet for a commercial motor vehicle*  
 58A *drawing or having attached thereto two motor drawn vehicles*  
 58B **\*[except a] \* . A commercial motor vehicle drawing or having**  
 58C *attached thereto two motor drawn vehicles may only be operated*  
 58D *on highways which the Department of Transportation may desig-*  
 58E *nate. The department, within 180 days of the effective date of this*



58F 1982 amendatory act, shall promulgate regulations designating on  
 58G which highways, if any, such vehicles may operate and shall report  
 58H to the Senate and General Assembly Transportation and Com-  
 58I munications Committees as to potential safety hazards created by  
 58J allowing the operation of such vehicles. A\* vehicle or a combina-  
 58K tion of vehicles transporting poles, pilings, structural units or  
 59 other articles incapable of dismemberment \*~~the~~\* \*may exceed  
 60 the above limitations but its\* total overall length \*~~of which~~\*,  
 61 inclusive of load, shall not exceed 70 feet\*~~but the~~\* . The\*  
 62 provisions of this paragraph shall not apply to a vehicle nor to any  
 63 combination of vehicles, operated by a public utility as defined in  
 64 R. S. 48:2-13 which vehicle or combination of vehicles is used by  
 65 such public utility in the construction, reconstruction, repair or  
 66 maintenance of its property or facilities.

67 Notwithstanding the above limitations, a combination of vehicles  
 68 designed, built and used to transport other motor vehicles may  
 69 carry a load which exceeds ~~the 55~~ \*~~65~~\* \*60\* feet overall  
 70 length, provided, however, the total load overhang shall be limited  
 71 to 5 feet and may not exceed 3 feet at either the front or rear ~~and~~  
 72 that the overhang shall be above the height of the average  
 72A passenger car]. \*A combination of vehicles designed, built and  
 72B used to transport other motor vehicles may have a total overall  
 72C length of 65 feet, provided, however, there shall be no overhang  
 72D at either the front or rear.\*

73 The gross weight imposed on the highway by the wheels of any  
 74 one axle of a vehicle shall not exceed 22,400 pounds.

75 For the purpose of this Title the gross weight imposed on the  
 76 highway by the wheels of any one axle of a vehicle shall be deemed  
 77 to mean the total load transmitted to the road by all wheels whose  
 78 centers are included between two parallel transverse vertical planes  
 79 less than 40 inches apart, extending across the full width of the  
 80 vehicle.

81 The combined gross weight imposed on the highway by all wheels  
 82 of all axles whose centers are on or between two parallel transverse  
 83 vertical planes spaced 40 inches, but less than 96 inches apart,  
 84 extending across the full width of the vehicle, shall not exceed  
 85 34,000 pounds.

86 In addition to the other requirements of this section and not-  
 87 withstanding any other provision of this Title, no commercial motor  
 88 vehicle, tractor, trailer or semitrailer shall be operated on any  
 89 highway in this State with a combined weight of vehicle and load,  
 90 an axle weight or a vehicle dimension the allowance of which would  
 91 disqualify the State of New Jersey or any department, agency or

92 governmental subdivision thereof for the purpose of receiving fed-  
93 eral highway funds.

94 The dimensional and weight restrictions set forth herein shall  
95 not apply to a combination of vehicles which includes a disabled  
96 vehicle or a combination of vehicles being removed from a highway  
97 in this State, provided that such oversize or overweight vehicle  
98 combination may not travel on the public highways more than 5  
99 miles from the point where such disablement occurred. If the dis-  
100 ablement occurred on a limited access highway, the distance to the  
101 nearest exit of such highway shall be added to the 5-mile limitation.

1 \*\*[\*2. Section 18 of P. L. 1952, c. 16 (C. 27:12B-18) is amended  
2 to read as follows:

3 18. (a) No vehicle shall be permitted to make use of any project  
4 except upon the payment of such tolls as may from time to time  
5 be prescribed by the authority. It is hereby declared to be unlawful  
6 for any person to refuse to pay, or to evade or to attempt to evade  
7 the payment of such tolls.

8 (b) No vehicle shall be operated on any project carelessly or  
9 recklessly, or in disregard of the rights or safety of others, or  
10 without due caution or prudence, or in a manner so as to endanger  
11 unreasonably or to be likely to endanger unreasonably persons or  
12 property, or while the operator thereof is under the influence of  
13 intoxicating liquors or any narcotic or habit-forming drug, nor  
14 shall any vehicle be so constructed, equipped, lacking in equipment,  
15 loaded or operated in such a condition of disrepair as to endanger  
16 unreasonably or to be likely to endanger unreasonably persons or  
17 property.

18 (c) A person operating a vehicle on any project shall operate  
19 it at a careful and prudent speed, having due regard to the rights  
20 and safety of others and to the traffic, surface and width of the  
21 highway, and any other conditions then existing; and no person  
22 shall operate a vehicle on any project at such a speed as to  
23 endanger life, limb or property; provided, however, that it shall be  
24 prima facie lawful for a driver of a vehicle to operate it at a  
25 speed not exceeding a speed limit which is designated by the  
26 authority at a reasonable and safe speed limit, when appropriate  
27 signs giving notice of such speed limit are erected at the roadside  
28 or otherwise posted for the information of operators of vehicles.

29 (d) No person shall operate a vehicle on any project at such  
30 a slow speed as to impede or block the normal and reasonable  
31 movement of traffic except when reduced speed is necessary for  
32 safe operation thereof.

33 (e) No person shall operate a vehicle on any project in violation



34 of any speed limit designated by regulation adopted by the author-  
35 ity as hereinafter provided.

36 (f) All persons operating vehicles upon any project must at all  
37 times comply with any lawful order, signal or direction by voice or  
38 hand of any police officer engaged in the direction of traffic upon  
39 such project. When traffic on a project is controlled by traffic  
40 lights, signs or by mechanical or electrical signals, such lights,  
41 signs and signals shall be obeyed unless a police officer directs  
42 otherwise.

43 (g) All persons operating vehicles upon any project, or seeking  
44 to do so, must at all times comply with regulations, not inconsistent  
45 with the other sections of this act, adopted by the authority con-  
46 cerning types, weights and sizes of vehicles permitted to use such  
47 project, and with regulations adopted by the authority for or  
48 prohibiting the parking of vehicles, concerning the making of turns  
49 and the use of particular traffic lanes, together with any and all  
50 other regulations adopted by the authority to control traffic and  
51 prohibit acts hazardous in their nature or tending to impede or  
52 block the normal and reasonable flow of traffic upon such project;  
53 provided, however, that prior to the adoption of any regulation  
54 for the control of traffic on any such project, including the designa-  
55 tion of any speed limits, the authority shall investigate and con-  
56 sider the need for and desirability of such regulation for the  
57 safety of persons and property, including the authority's property,  
58 and the contribution which any such regulation would make toward  
59 the efficient and safe handling of traffic and use of such project, and  
60 shall determine that such regulation is necessary or desirable to  
61 accomplish such purposes or one or some of them, and that upon  
62 or prior to the effective date of any such regulation and during its  
63 continuance, notice thereof shall be given to the drivers of vehicles  
64 by appropriate signs erected at the roadside or otherwise posted.  
65 The authority is hereby authorized and empowered to make, adopt  
66 and promulgate regulations referred to in this section in accordance  
67 with the provisions hereof. Regulations adopted by the authority  
68 pursuant to the provisions of this section shall insofar as practi-  
69 cable, having due regard to the features of the project and the  
70 characteristics of traffic thereon, be consistent with the provisions  
71 of Title 39 of the Revised Statutes applicable to similar subjects.  
72 *Regulations governing the overall length of commercial motor*  
73 *vehicles and omnibuses shall not prescribe a length less than that*  
74 *which is permitted on highways in the State under R. S. 39:3-84.*  
75 The authority shall have power to amend, supplement or repeal  
76 any regulation adopted by it under the provisions of this section.

77 No regulation and no amendment or supplement thereto or repealer  
78 thereof adopted by the authority shall take effect until it is filed  
79 with the Secretary of State, by the filing of a copy thereof certified  
80 by the secretary of the authority.

81 (h) The operator of any vehicle upon a project involved in an  
82 accident resulting in injury or death to any person or damage to  
83 any property shall immediately stop such vehicle at the scene of the  
84 accident, render such assistance as may be needed, and give his  
85 name, address, and operator's license and registration number to  
86 the person injured and to any officer or witness of the injury and  
87 shall make a report of such accident in accordance with law.

88 (i) No person shall transport in or upon any project, any dyna-  
89 mite, nitroglycerin, black powder, fire works, blasting caps or  
90 other explosives, gasoline, alcohol, ether, liquid shellac, kerosene,  
91 turpentine, formaldehyde or other inflammable or combustible  
92 liquids, ammonium nitrate, sodium chlorate, wet hemp, powdered  
93 metallic magnesium, nitro-cellulose film, peroxides or other readily  
94 inflammable solids or oxidizing materials, hydrochloric acid, sul-  
95 furic acid, or other corrosive liquids, prussic acid, phosgene,  
96 arsenic, carbolic acid, potassium cyanide, tear gas, lewisite or any  
97 other poisonous substances, liquids or gases, or any compressed  
98 gas, or any radioactive article, substance or material, at such  
99 time or place or in such manner or condition as to endanger un-  
100 reasonably or as to be likely to endanger unreasonably persons or  
101 property.

102 (j) If the violation of any provision of this section or the viola-  
103 tion of any regulation adopted by the authority under the provi-  
104 sions of this section, would have been a violation of law or  
105 ordinance if committed on any public road, street or highway in  
106 the municipality in which such violation occurred, it shall be tried  
107 and punished in the same manner as if it had been committed in  
108 such municipality.

109 (k) Notwithstanding the provisions of paragraph (j) of this  
110 section, if the violation within the State of the provisions of  
111 paragraph (i) of this section shall result in injury or death to a  
112 person or persons or damage to property in excess of the value  
113 of \$5,000.00, such violation shall constitute a [high misdemeanor]  
114 *crime of the third degree*.

115 (l) Except as provided in paragraph (j) or (k) of this section,  
116 any violation of any of the provisions of this section, including but  
117 not limited to those regarding the payment of tolls, and any  
118 violation of any regulation adopted by the authority under the  
119 provisions of this section shall be punishable by a fine not exceed-



120 ing \$200.00 or by imprisonment not exceeding 30 days or by both  
121 such fine and imprisonment. Such a violation shall be tried in a  
122 summary way and shall be within the jurisdiction of and may be  
123 brought in the county district court[, or any criminal judicial  
124 district court,] or municipal court in the county where the offense  
125 was committed. The rules of the Supreme Court shall govern the  
126 practice and procedure in such proceedings. Proceedings under  
127 this section may be instituted on any day of the week, and the  
128 institution of the proceeding on a Sunday or a holiday shall be no  
129 bar to the successful prosecution thereof. Any process served on a  
130 Sunday or a holiday shall be as valid as if served on any other  
131 day of the week. When imposing any penalty under the provisions  
132 of this paragraph the court having jurisdiction shall be guided by  
133 the appropriate provisions of any statute fixing uniform penalties  
134 for violation of provisions of the motor vehicle and traffic laws  
135 contained in Title 39 of the Revised Statutes.

136 (m) In any prosecution for violating a regulation of the  
137 authority adopted pursuant to the provisions of this section copies  
138 of any such regulation when authenticated under the seal of the  
139 authority by its secretary or assistant secretary shall be evidence  
140 in like manner and equal effect as the original.

141 (n) No resolution or ordinance heretofore or hereafter adopted  
142 by the governing body of any county or municipality for the  
143 control and regulation of traffic shall be applicable to vehicles while  
144 upon any project operated by the authority.

145 (o) In addition to any punishment or penalty provided by  
146 other paragraphs of this section, every registration certificate and  
147 every license certificate to drive motor vehicles may be suspended  
148 or revoked and any person may be prohibited from obtaining a  
149 driver's license or a registration certificate and the reciprocity  
150 privileges of a nonresident may be suspended or revoked by the  
151 Director of the Division of Motor Vehicles for a violation of  
152 any of the provisions of this section, after due notice in writing  
153 of such proposed suspension, revocation or prohibition and the  
154 ground thereof, and otherwise in accordance with the powers,  
155 practice and procedure established by those provisions of Title 39  
156 of the Revised Statutes applicable to such suspension, revocation  
157 or prohibition.

158 (p) Except as otherwise provided by this section or by any  
159 regulation of the authority made in accordance with the provisions  
160 hereof, the requirements of Title 39 of the Revised Statutes appli-  
161 cable to persons using, driving or operating vehicles on the public  
162 highways of this State and to vehicles so used, driven or operated

163 shall be applicable to persons using, driving or operating vehicles  
164 on any project and to vehicles so used, driven or operated.

1 3. Section 37 of P. L. 1962, c. 10 (C. 27:12C-37) is amended to  
2 read as follows:

3 37. (A) Except as otherwise provided in section 26 of this act,  
4 no vehicle shall be permitted to make use of any project except  
5 upon the payment of such tolls as may from time to time be pre-  
6 scribed by the authority. It is hereby declared to be unlawful for  
7 any person to refuse to pay, or to evade or to attempt to evade  
8 the payment of such tolls.

9 (B) No vehicle shall be operated on any project carelessly or  
10 recklessly, or in disregard of the rights or safety of others, or  
11 without due caution or prudence, or in a manner so as to endanger  
12 unreasonably or to be likely to endanger unreasonably persons or  
13 property, or while the operator thereof is under the influence of  
14 intoxicating liquors or any narcotic or habit-forming drug, nor  
15 shall any vehicle be so constructed, equipped, lacking in equipment,  
16 loaded or operated in such a condition of disrepair as to endanger  
17 unreasonably or to be likely to endanger unreasonably persons or  
18 property.

19 (C) A person operating a vehicle on any project shall operate  
20 it at a careful and prudent speed, having due regard to the rights  
21 and safety of others and to the traffic, surface and width of the  
22 highway, and any other conditions then existing; and no person  
23 shall operate a vehicle on any project at such a speed as to endanger  
24 life, limb or property; provided, however, that it shall be prima  
25 facie lawful for a driver of a vehicle to operate it at a speed not  
26 exceeding a speed limit which is designated by the authority as a  
27 reasonable and safe speed limit, when appropriate signs giving  
28 notice of such speed limit are erected at the roadside or otherwise  
29 posted for the information of operators of vehicles.

30 (D) No person shall operate a vehicle on any project at such  
31 a slow speed as to impede or block the normal and reasonable  
32 movement of traffic except when reduced speed is necessary for  
33 safe operation thereof.

34 (E) No person shall operate a vehicle on any project in violation  
35 of any speed limit designated by regulation adopted by the  
36 authority as hereinafter provided.

37 (F) All persons operating vehicles upon any project must at  
38 all times comply with any lawful order, signal or direction by voice  
39 or hand of any police officer engaged in the direction of traffic upon  
40 such project. When traffic on a project is controlled by traffic  
41 lights, signs or by mechanical or electrical signals, such lights, signs



42 and signals shall be obeyed unless a police officer directs otherwise.  
43 (G) All persons operating vehicles upon any project, or seeking  
44 to do so, must at all times comply with regulations, not inconsistent  
45 with the other sections of this act, adopted by the authority con-  
46 cerning types, weights and sizes of vehicles permitted to use such  
47 project, and with regulations adopted by the authority for or  
48 prohibiting the parking of vehicles, concerning the making of turns  
49 and the use of particular traffic lanes, together with any and all  
50 other regulations adopted by the authority to control traffic and  
51 prohibit acts hazardous in their nature or tending to impede or  
52 block the normal and reasonable flow of traffic upon such project;  
53 provided, however, that prior to the adoption of any regulation for  
54 the control of traffic on any such project, including the designation  
55 of any speed limits, the authority shall investigate and consider  
56 the need for and desirability of such regulation for the safety of  
57 persons and property, including the authority's property, and the  
58 contribution which any such regulation would make toward the  
59 efficient and safe handling of traffic and use of such project, and  
60 shall determine that such regulation is necessary or desirable to  
61 accomplish such purposes or one or some of them, and that upon  
62 or prior to the effective date of any such regulation and during its  
63 continuance, notice thereof shall be given to the drivers of vehicles  
64 by appropriate signs erected at the roadside or otherwise posted.  
65 The authority is hereby authorized and empowered to make, adopt  
66 and promulgate regulations referred to in this section in accord-  
67 ance with the provisions hereof. Regulations adopted by the  
68 authority pursuant to the provisions of this section shall in so far  
69 as practicable, having due regard to the features of the project and  
70 the characteristics of traffic thereon and except as to maximum or  
71 minimum speed limits, be consistent with the provisions of Title 39  
72 of the Revised Statutes applicable to similar subjects. *Regulations*  
73 *governing the overall length of commercial motor vehicles and*  
74 *omnibuses shall not prescribe a length less than that which is*  
75 *permitted on highways in the State under R. S. 39:3-84.* The  
76 authority shall have power to amend, supplement or repeal any  
77 regulation adopted by it under the provisions of this section. No  
78 regulation and no amendment or supplement thereto or repealer  
79 thereof adopted by the authority shall take effect until it is filed  
80 with the Secretary of State, by the filing of a copy thereof certified  
81 by the secretary of the authority.  
82 (H) The operator of any vehicle upon a project involved in an  
83 incident resulting in injury or death to any person or  
84 damage to any property shall immediately stop such vehicle at

85 the scene of the incident, render such assistance as may be needed,  
86 and give his name, address, and operator's license and motor  
87 vehicle registration number to the person injured and to any  
88 officer or witness of the injury and shall make a report of such  
89 incident in accordance with law.

90 (I) No person shall transport in or upon any project, any dyna-  
91 mite, nitroglycerin, black powder, fire works, blasting caps or  
92 other explosives, gasoline, alcohol, ether, liquid shellac, kerosene,  
93 turpentine, formaldehyde or other inflammable or combustible  
94 liquids, ammonium nitrate, sodium chlorate, wet hemp, powdered  
95 metallic magnesium, nitro-cellulose film, peroxides or other readily  
96 inflammable solids or oxidizing materials, hydrochloric acid, sul-  
97 furic acid, or other corrosive liquids, prussic acid, phosgene,  
98 arsenic, carbolic acid, potassium cyanide, tear gas, lewisite or any  
99 other poisonous substances, liquids or gases, or any compressed  
100 gas, or any radioactive article, substance or material, at such time  
101 or place or in such manner or condition as to endanger unreason-  
102 ably or as to be likely to endanger unreasonably persons or  
103 property.

104-114 (J) If the violation of any provisions of this section or the viola-  
115 tion of any regulation adopted by the authority under the provi-  
116 sions of this section would have been a violation of law or ordi-  
117 nance if committed on any public road, street or highway in the  
118 municipality in which such violation occurred, it shall be tried and  
119 punished in the same manner as if it had been committed in such  
120 municipality.

121 (K) Notwithstanding the provisions of paragraph (J) of this  
122 section, if the violation of the provisions of paragraph (I) of this  
123 section shall result in injury or death to a person or persons or  
124 damage to property in excess of the value of \$5,000.00, such viola-  
125 tion shall constitute a [high misdemeanor] *crime of the third*  
126 *degree*.

127 (L) Except as provided in paragraph (J) or (K) of this section,  
128 any violation of any of the provisions of this section, including but  
129 not limited to those regarding the payment of tolls, and any  
130 violation of any regulation adopted by the authority under the  
131 provisions of this section shall be punishable by a fine not exceed-  
132 ing \$200.00 or by imprisonment not exceeding 30 days or by both  
133 such fine and imprisonment. Such a violation shall be tried in a  
134 summary way and shall be within the jurisdiction of and may be  
135 brought in the county district court or any municipal court in the  
136 county where the offense was committed. Proceedings under this  
137 section may be instituted on any day of the week, and the insti-

138 tution of the proceedings on a Sunday or a holiday shall be no  
139 bar to the successful prosecution thereof. Any process served  
140 on a Sunday or a holiday shall be as valid as if served on any  
141 other day of the week. When imposing any penalty under the  
142 provisions of this paragraph the court having jurisdiction shall be  
143 guided by the appropriate provisions of any statute fixing uniform  
144 penalties for violation of provisions of the motor vehicle and traffic  
145 laws contained in Title 39 of the Revised Statutes.

146-148 (M) In any prosecution for violating a regulation of the author-  
149 ity adopted pursuant to the provisions of this section copies of any  
150 such regulation when authenticated under the seal of the authority  
151 by its secretary or assistant secretary shall be evidence in like  
152 manner and equal effect as the original.

153 (N) No resolution or ordinance heretofore or hereafter adopted  
154 by the governing body of any county or municipality for the  
155 control and regulation of traffic shall be applicable to vehicles  
156 while upon any project operated by the authority.

157 (O) In addition to any punishment or penalty provided by other  
158 paragraphs of this section, every registration certificate and every  
159 license certificate to drive motor vehicles may be suspended or  
160 revoked and any person may be prohibited from obtaining a  
161 driver's license or a registration certificate and the reciprocity  
162 privileges of a nonresident may be suspended or revoked by the  
163 Director of the Division of Motor Vehicles for a violation of any  
164 of the provisions of this section, after due notice in writing of such  
165 proposed suspension, revocation or prohibition and the ground  
166 thereof, and otherwise in accordance with the powers, practice  
167 procedure established by the provisions of Title 39 of the  
168 Revised Statutes applicable to such suspension, revocation or  
169 prohibition.

170 (P) Except as otherwise provided by this section or by any  
171 regulation of the authority made in accordance with the provisions  
172 hereof, the requirements of Title 39 of the Revised Statutes appli-  
173 cable to persons using, driving or operating vehicles on the public  
174 highways of this State and to vehicles so used, driven or operated  
175 shall be applicable to persons using, driving or operating vehicles  
176 on any project and to vehicles so used, driven or operated.

1 4. Section 5 of P. L. 1951, c. 264 (C. 27:23-29) is amended to  
2 read as follows:

3 5. All persons operating vehicles upon any such turnpike project,  
4 or seeking to do so, must at all times comply with regulations, not  
5 inconsistent with the other sections of this act, adopted by the  
6 New Jersey Turnpike Authority concerning types, weights and

7 sizes of vehicles permitted to use any such turnpike project, and  
 8 with regulations adopted by the authority for or prohibiting the  
 9 parking of vehicles, concerning the making of turns and the use of  
 10 particular traffic lanes, together with any and all other regulations  
 11 adopted by the authority to control traffic and prohibit acts haz-  
 12 ardous in their nature or tending to impede or block the normal  
 13 and reasonable flow of traffic upon any turnpike project; provided,  
 14 however, that prior to the adoption of any regulation for the  
 15 control of traffic on any such turnpike project, including the desig-  
 16 nation of any speed limits, the authority shall investigate and  
 17 consider the need for and desirability of such regulation for the  
 18 safety of persons and property, including the authority's property,  
 19 and the contribution which any such regulation would make toward  
 20 the efficient and safe handling of traffic and use of such turnpike  
 21 project, and shall determine that such regulation is necessary or  
 22 desirable to accomplish such purposes or one or some of them, and  
 23 that upon or prior to the effective date of any such regulation and  
 24 during its continuance, notice thereof shall be given to the drivers  
 25 of vehicles by appropriate signs erected at the roadside or other-  
 26 wise posted.

27 The authority is hereby authorized and empowered to make,  
 28 adopt and promulgate regulations referred to in this section in  
 29 accordance with the provisions hereof.

30 Regulations adopted by the authority pursuant to the provisions  
 31 of this section shall insofar as practicable, having due regard to the  
 32 features of any such turnpike project and the characteristics of  
 33 traffic thereon, be consistent with the provisions of Title 39 of the  
 34 Revised Statutes applicable to similar subjects. *Regulations gov-*  
 35 *erning the overall length of commercial motor vehicles and omn-*  
 36 *buses shall not prescribe a length less than that which is permitted*  
 37 *on highways in the State under R. S. 39:3-84.*

38 The authority shall have power to amend, supplement or repeal  
 39 any regulation adopted by it under the provisions of this section.

40 No regulation and no amendment or supplement thereto or  
 41 repealer thereof adopted by the authority shall take effect until  
 42 it is filed with the Secretary of State, by the filing of a copy thereof  
 43 certified by the secretary of the authority.\*\*\*

1 \***[2.]** \*\***[5.]**\*\* \*\*2.\*\* This act shall take effect immediately.



SENATE TRANSPORTATION AND COMMUNICATIONS  
COMMITTEE

STATEMENT TO

**SENATE, No. 1138**

with Senate committee amendment

**STATE OF NEW JERSEY**

DATED: APRIL 23, 1982

This legislation concerns commercial motor vehicles and omnibuses. As amended by the committee, the bill gives the Department of Transportation jurisdictional authority to prescribe the length of omnibuses which may be operated on highways in the State.

The bill also sets new length limits for commercial motor vehicles, or a combination of vehicles, that may be operated on highways in New Jersey. As amended, the bill prescribes:

(1) No commercial motor vehicle or combination of vehicles shall be operated on any highway in this State in excess of a total overall length, inclusive of load, of 60 feet for a commercial motor vehicle drawing or having attached thereto any other such vehicle which shall not exceed 48 feet in length.

(2) No commercial motor vehicle or combination of vehicles shall be operated on any highway in this State in excess of a total overall length, inclusive of load, of 65 feet for a commercial motor vehicle drawing or having attached thereto two motor drawn vehicles. Such vehicles may only be operated on highways which the Department of Transportation may designate.

(3) A combination of vehicles designed, built and used to transport other motor vehicles may carry a load which exceeds 60 feet in overall length, provided, however that the total load overhang shall be limited to 5 feet and may not exceed 3 feet at either the front or rear. Such vehicles may have a total overall length of 65 feet, provided, however, there shall be no overhang at either the front or rear.

This legislation also provides that the New Jersey Turnpike Authority, New Jersey Highway Authority and the New Jersey Expressway Authority shall conform to the omnibus and commercial motor vehicle lengths prescribed under R. S. 39:3-84.

In order to assure legislative oversight, the Department of Transportation shall report to the Senate and Assembly Transportation and Communications Committees as to potential safety hazards created by allowing the operation of a commercial motor vehicle drawing or having attached thereto two motor drawn vehicles.



SENATE, No. 1199

**STATE OF NEW JERSEY**

INTRODUCED MARCH 15, 1982

By Senators ORECHIO and RAND

Referred to Committee on Transportation and Communications

AN ACT concerning omnibuses and amending P. L. 1952, c. 16,  
P. L. 1962, c. 10, P. L. 1951, c. 264 and R. S. 39:3-84.

1    BE IT ENACTED *by the Senate and General Assembly of the State*  
2    *of New Jersey:*

1    1. Section 18 of P. L. 1952, c. 16 (C. 27:12B-18) is amended to  
2    read as follows:

3    18. (a) No vehicle shall be permitted to make use of any project  
4    except upon the payment of such tolls as may from time to time  
5    be prescribed by the authority. It is hereby declared to be unlawful  
6    for any person to refuse to pay, or to evade or to attempt to evade  
7    the payment of such tolls.

8    (b) No vehicle shall be operated on any project carelessly or  
9    recklessly, or in disregard of the rights or safety of others, or  
10   without due caution or prudence, or in a manner so as to endanger  
11   unreasonably or to be likely to endanger unreasonably persons or  
12   property, or while the operator thereof is under the influence of  
13   intoxicating liquors or any narcotic or habit-forming drug, nor shall  
14   any vehicle be so constructed, equipped, lacking in equipment,  
15   loaded or operated in such a condition of disrepair as to endanger  
16   unreasonably or to be likely to endanger unreasonably persons or  
17   property.

18   (c) A person operating a vehicle on any project shall operate  
19   at a careful and prudent speed, having due regard to the rights  
20   and safety of others and to the traffic, surface and width of the  
21   highway, and any other conditions then existing; and no person  
22   shall operate a vehicle on any project at such a speed as to endanger

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

23 life, limb or property; *provided, however*, that it shall be prima  
24 facie lawful for a driver of a vehicle to operate it at a speed not  
25 exceeding a speed limit which is designated by the authority as a  
26 reasonable and safe speed limit, when appropriate signs giving  
27 notice of such speed limit are erected at the roadside or otherwise  
28 posted for the information of operators of vehicles.

29 (d) No person shall operate a vehicle on any project at such  
30 a slow speed as to impede or block the normal and reasonable  
31 movement of traffic except when reduced speed is necessary for  
32 safe operation thereof.

33 (e) No person shall operate a vehicle on any project in violation  
34 of any speed limit designated by regulation adopted by the author-  
35 ity as hereinafter provided.

36 (f) All persons operating vehicles upon any project must at all  
37 times comply with any lawful order, signal or direction by voice  
38 or hand of any police officer engaged in the direction of traffic upon  
39 such project. When traffic on a project is controlled by traffic  
40 lights, signs or by mechanical or electrical signals, such lights,  
41 signs and signals shall be obeyed unless a police officer directs  
42 otherwise.

43 (g) All persons operating vehicles upon any project, or seeking  
44 to do so, must at all times comply with regulations, not inconsistent  
45 with the other sections of this act, adopted by the authority con-  
46 cerning types, weights and sizes of vehicles permitted to use such  
47 project, and with regulations adopted by the authority for or  
48 prohibiting the parking of vehicles, concerning the making of turns  
49 and the use of particular traffic lanes, together with any and all  
50 other regulations adopted by the authority to control traffic and  
51 prohibit acts hazardous in their nature or tending to impede or  
52 block the normal and reasonable flow of traffic upon such project;  
53 *provided, however*, that prior to the adoption of any regulation for  
54 the control of traffic on any such project, including the designation  
55 of any speed limits, the authority shall investigate and consider  
56 the need for and desirability of such regulation for the safety of  
57 persons and property, including the authority's property, and the  
58 contribution which any such regulation would make toward the  
59 efficient and safe handling of traffic and use of such project, and  
60 shall determine that such regulation is necessary or desirable to  
61 accomplish such purposes or one or some of them, and that upon  
62 or prior to the effective date of any such regulation and during its  
63 continuance, notice thereof shall be given to the drivers of vehicles  
64 by appropriate signs erected at the roadside or otherwise posted.  
65 The authority is hereby authorized and empowered to make, adopt



66 and promulgate regulations referred to in this section in accord-  
 67 ance with the provisions hereof. Regulations adopted by the  
 68 authority pursuant to the provisions of this section shall insofar  
 69 as practicable, having due regard to the features of the project  
 70 and the characteristics of traffic thereon, be consistent with the  
 71 provisions of Title 39 of the Revised Statutes applicable to similar  
 72 subjects. *Regulations governing the overall length of buses, exclu-*  
 73 *sive of bumpers, shall not prescribe a length less than that which is*  
 74 *permitted on the State highways under R. S. 39:3-84.* The authority  
 75 shall have power to amend, supplement or repeal any regulation  
 76 adopted by it under the provisions of this section. No regulation  
 77 and no amendment or supplement thereto or repealer thereof  
 78 adopted by the authority shall take effect until it is filed with  
 79 the Secretary of State, by the filing of a copy thereof certified by  
 80 the secretary of the authority.

81 (h) The operator of any vehicle upon a project involved in an  
 82 accident resulting in injury or death to any person or damage to  
 83 any property shall immediately stop such vehicle at the scene of  
 84 the accident, render such assistance as may be needed, and give  
 85 his name, address, and operator's license and registration number  
 86 to the person injured and to any officer or witness of the injury  
 87 and shall make a report of such accident in accordance with law.

88 (i) No person shall transport in or upon any project, any dyna-  
 89 mite, nitroglycerin, black powder, fire works, blasting caps, or  
 90 other explosives, gasoline, alcohol, ether, liquid shellac, kerosene,  
 91 turpentine, formaldehyde or other inflammable or combustible  
 92 liquids, ammonium nitrate, sodium chlorate, wet hemp, powdered  
 93 metallic magnesium, nitro-cellulose film, peroxides or other readily  
 94 inflammable solids or oxidizing materials, hydrochloric acid, sul-  
 95 furic acid, or other corrosive liquids, prussic acid, phosgene,  
 96 arsenic, carbolic acid, potassium cyanide, tear gas, lewisite or any  
 97 other poisonous substances, liquids or gases, or any compressed  
 98 gas, or any radioactive article, substance or material, at such time  
 99 or place or in such manner or condition as to endanger unreason-  
 100 ably or as to be likely to endanger unreasonably persons or  
 101 property.

102 (j) If the violation of any provision of this section or the viola-  
 103 tion of any regulation adopted by the authority under the provi-  
 104 sions of this section, would have been a violation of law or ordi-  
 105 nance if committed on any public road, street or highway in the  
 106 municipality in which such violation occurred, it shall be tried and  
 107 punished in the same manner as if it had been committed in such  
 108 municipality.

109 (k) Notwithstanding the provisions of paragraph (j) of this  
 110 section, if the violation within the State of the provisions of  
 111 paragraph (i) of this section shall result in injury or death to a  
 112 person or persons or damage to property in excess of the value of  
 113 five thousand dollars (\$5,000.00), such violation shall constitute a  
 114 **[high misdemeanor]** *crime of the third degree*.

115 (l) Except as provided in paragraph (j) or (k) of this section,  
 116 any violation of any of the provisions of this section, including but  
 117 not limited to those regarding the payment of tolls, and any viola-  
 118 tion of any regulation adopted by the authority under the provisions  
 119 of this section shall be punishable by a fine not exceeding two  
 120 hundred dollars (\$200.00) or by imprisonment not exceeding 30  
 121 days or by both such fine and imprisonment. Such a violation shall  
 122 be tried in a summary way and shall be within the jurisdiction of  
 123 and may be brought in the county district court~~],~~ or any criminal  
 124 judicial district court,~~]~~ or municipal court in the county where the  
 125 offense was committed. The rules of the Supreme Court shall gov-  
 126 ern the practice and procedure in such proceedings. Proceedings  
 127 under this section may be instituted on any day of the week, and  
 128 the institution of the proceedings on a Sunday or a holiday shall  
 129 be no bar to the successful prosecution thereof. Any process served  
 130 on a Sunday or a holiday shall be as valid as if served on any other  
 131 day of the week. When imposing any penalty under the provisions  
 132 of this paragraph the court having jurisdiction shall be guided by  
 133 the appropriate provisions of any statute fixing uniform penalties  
 134 for violation of provisions of the motor vehicle and traffic laws  
 135 contained in Title 39 of the Revised Statutes.

136 (m) In any prosecution for violating a regulation of the author-  
 137 ity adopted pursuant to the provisions of this section copies of any  
 138 such regulation when authenticated under the seal of the authority  
 139 by its secretary or assistant secretary shall be evidence in like  
 140 manner and equal effect as the original.

140A (n) No resolution or ordinance heretofore or hereafter adopted  
 141 by the governing body of any county or municipality for the control  
 142 and regulation of traffic shall be applicable to vehicles while upon  
 143 any project operated by the authority.

144 (o) In addition to any punishment or penalty provided by  
 145 other paragraphs of this section, every registration certificate and  
 146 every license certificate to drive motor vehicles may be suspended or  
 147 revoked and any person may be prohibited from obtaining a driver's  
 148 license or a registration certificate and the reciprocity privileges  
 149 of a nonresident may be suspended or revoked by the Director of  
 the Division of Motor Vehicles for a violation of any of the provi-

151 sions of this section, after due notice in writing of such proposed  
 152 suspension, revocation or prohibition and the ground thereof, and  
 153 otherwise in accordance with the powers, practice and procedure  
 154 established by those provisions of Title 39 of the Revised Statutes  
 155 applicable to such suspension, revocation or prohibition.

156 (p) Except as otherwise provided by this section or by any  
 157 regulation of the authority made in accordance with the provisions  
 158 hereof, the requirements of Title 39 of the Revised Statutes appli-  
 159 cable to persons using, driving or operating vehicles on the public  
 160 highways of this State and to vehicles so used, driven or operated  
 161 shall be applicable to persons using, driving or operating vehicles  
 162 on any project and to vehicles so used, driven or operated.

1 2. Section 37 of P. L. 1962, c. 10 (C. 27:12C-37) is amended to  
 2 read as follows:

3 37. (A) Except as otherwise provided in section 26 of this act,  
 4 no vehicle shall be permitted to make use of any project except upon  
 5 the payment of such tolls as may from time to time be prescribed  
 6 by the authority. It is hereby declared to be unlawful for any  
 7 person to refuse to pay, or to evade or to attempt to evade the  
 8 payment of such tolls.

9 (B) No vehicle shall be operated on any project carelessly or  
 10 recklessly, or in disregard of the rights or safety of others, or  
 11 without due caution or prudence, or in a manner so as to endanger  
 12 unreasonably or to be likely to endanger unreasonably persons or  
 13 property, or while the operator thereof is under the influence of  
 14 intoxicating liquors or any narcotic or habit-forming drug, nor  
 15 shall any vehicle be so constructed, equipped, lacking in equipment,  
 16 loaded or operated in such a condition of disrepair as to endanger  
 17 unreasonably or to be likely to endanger unreasonably persons or  
 18 property.

19 (C) A person operating a vehicle on any project shall operate  
 20 it at a careful and prudent speed, having due regard to the rights  
 21 and safety of others and to the traffic, surface and width of the  
 22 highway, and any other conditions then existing; and no person  
 23 shall operate a vehicle on any project at such a speed as to endanger  
 24 life, limb or property; provided, however, that it shall be prima  
 25 facie lawful for a driver of a vehicle to operate it at a speed not  
 26 exceeding a speed limit which is designated by the authority as a  
 27 reasonable and safe speed limit, when appropriate signs giving  
 28 notice of such speed limit are erected at the roadside or otherwise  
 29 posted for the information of operators of vehicles.

30 (D) No person shall operate a vehicle on any project at such  
 31 a slow speed as to impede or block the normal and reasonable

32 movement of traffic except when reduced speed is necessary for  
33 safe operation thereof.

34 (E) No person shall operate a vehicle on any project in viola-  
35 tion of any speed limit designated by regulation adopted by the  
36 authority as hereinafter provided.

37 (F) All persons operating vehicles upon any project must at  
38 all times comply with any lawful order, signal or direction by voice  
39 or hand of any police officer engaged in the direction of traffic  
40 upon such project. When traffic on a project is controlled by traffic  
41 lights, signs or by mechanical or electrical signals, such lights,  
42 signs and signals shall be obeyed unless a police officer directs  
43 otherwise.

44 (G) All persons operating vehicles upon any project, or seeking  
45 to do so, must at all times comply with regulations, not inconsistent  
46 with the other sections of this act, adopted by the authority con-  
47 cerning types, weights and sizes of vehicles permitted to use such  
48 project, and with regulations adopted by the authority for or  
49 prohibiting the parking of vehicles, concerning the making of turns  
50 and the use of particular traffic lanes, together with any and all  
51 other regulations adopted by the authority to control traffic and pro-  
52 hibit acts hazardous in their nature or tending to impede or block  
53 the normal and reasonable flow of traffic upon such project; pro-  
54 vided, however, that prior to the adoption of any regulation for the  
55 control of traffic on any such project, including the designation of  
56 any speed limits, the authority shall investigate and consider the  
57 need for and desirability of such regulation for the safety of persons  
58-59 and property, including the authority's property, and the contribu-  
60 tion which any such regulation would make toward the efficient and  
61 safe handling of traffic and use of such project, and shall determine  
62 that such regulation is necessary or desirable to accomplish such  
63 purposes or one or some of them, and that upon or prior to the  
64 effective date of any such regulation and during its continuance,  
65 notice thereof shall be given to the drivers of vehicles by appro-  
66 priate signs erected at the roadside or otherwise posted. The  
67 authority is hereby authorized and empowered to make, adopt and  
68 promulgate regulations referred to in this section in accordance  
69 with the provisions hereof. Regulations adopted by the authority  
70 pursuant to the provisions of this section shall in so far as practi-  
71 cable, having due regard to the features of the project and the  
72 characteristics of traffic thereon and except as to maximum or  
73 minimum speed limits, be consistent with the provisions of Title 39  
74 of the Revised Statutes applicable to similar subjects. *Regulations*  
75 *governing the overall length of buses, exclusive of bumpers, shall*



76 *not prescribe a length less than that which is permitted on the State*  
 77 *highways under R. S. 39:3-84.* The authority shall have power to  
 78 amend, supplement or repeal any regulation adopted by it under  
 79 the provisions of this section. No regulation and no amendment or  
 80 supplement thereto or repealer thereof adopted by the authority  
 81 shall take effect until it is filed with the Secretary of State, by the  
 82 filing of a copy thereof certified by the secretary of the authority.

83 (H) The operator of any vehicle upon a project involved in an  
 84 incident resulting in injury or death to any person or damage to  
 85 any property shall immediately stop such vehicle at the scene of the  
 86 incident, render such assistance as may be needed, and give his  
 87 name, address, and operator's license and motor vehicle registra-  
 88 tion number to the person injured and to any officer or witness of  
 89 the injury and shall make a report of such incident in accordance  
 90 with law.

91 (I) No person shall transport in or upon any project, any dyna-  
 92 mite, nitroglycerin, black powder, fire works, blasting caps or other  
 93 explosives, gasoline, alcohol, ether, liquid shellac, kerosene, turpen-  
 94 tine, formaldehyde or other inflammable or combustible liquids,  
 95 ammonium nitrate, sodium chlorate, wet hemp, powdered metallic  
 96 magnesium, nitro-cellulose film, peroxides or other readily inflam-  
 97 mable solids or oxidizing materials, hydrochloric acid, sulfuric acid,  
 98 or other corrosive liquids, prussic acid, phosgene, arsenic, carbolic  
 99 acid, potassium cyanide, tear gas, lewisite or any other poisonous  
 100 substances, liquids or gases, or any compressed gas, or any radio-  
 101 active article, substance or material, at such time or place or in  
 102 such manner or condition as to endanger unreasonably or as to be  
 103 likely to endanger unreasonably persons or property.

104 (J) If the violation of any provision of this section or the viola-  
 105 tion of any regulation adopted by the authority under the provi-  
 106 sions of this section would have been a violation of law or ordinance  
 107 if committed on any public road, street or highway in the municipi-  
 108 pality in which such violation occurred, it shall be tried and pun-  
 109 ished in the same manner as if it had been committed in such  
 110 municipality.

111 (K) Notwithstanding the provisions of paragraph (J) of this  
 112 section, if the violation of the provisions of paragraph (I) of this  
 113 section shall result in injury or death to a person or persons or  
 114 damage to property in excess of the value of \$5,000.00, such viola-  
 115 tion shall constitute a **[high misdemeanor]** *crime of the third*  
 116 *degree.*

117 (L) Except as provided in paragraph (J) or (K) of this section,  
 118 any violation of any of the provisions of this section, including but

119 not limited to those regarding the payment of tolls, and any viola-  
120 tion of any regulation adopted by the authority under the provi-  
121 sions of this section shall be punishable by a fine not exceeding  
122 \$200.00 or by imprisonment not exceeding 30 days or by both such  
123 fine and imprisonment. Such a violation shall be tried in a summary  
124 way and shall be within the jurisdiction of and may be brought in  
125 the county district court or any municipal court in the county  
126 where the offense was committed. Proceedings under this section  
127 may be instituted on any day of the week, and the institution of  
128 the proceedings on a Sunday or a holiday shall be no bar to the  
129 successful prosecution thereof. Any process served on a Sunday  
130 or a holiday shall be as valid as if served on any other day of the  
131 week. When imposing any penalty under the provisions of this  
132 paragraph the court having jurisdiction shall be guided by the  
133 appropriate provisions of any statute fixing uniform penalties for  
134 violation of provisions of the motor vehicle and traffic laws con-  
135 tained in Title 39 of the Revised Statutes.

136 (M) In any prosecution for violating a regulation of the author-  
137 ity adopted pursuant to the provisions of this section copies of any  
138 such regulation when authenticated under the seal of the authority  
139 by its secretary or assistant secretary shall be evidence in like  
140 manner and equal effect as the original.

141 (N) No resolution or ordinance heretofore or hereafter adopted  
142 by the governing body of any county or municipality for the control  
143 and regulation of traffic shall be applicable to vehicles while upon  
144 any project operated by the authority.

145 (O) In addition to any punishment or penalty provided by other  
146 paragraphs of this section, every registration certificate and every  
147 license certificate to drive motor vehicles may be suspended or  
148 revoked and any person may be prohibited from obtaining a  
149 driver's license or a registration certificate and the reciprocity  
150 privileges of a nonresident may be suspended or revoked by the  
151 Director of the Division of Motor Vehicles for a violation of any  
152 of the provisions of this section, after due notice in writing of  
153 such proposed suspension, revocation or prohibition and the ground  
154 thereof, and otherwise in accordance with the powers, practice and  
155 procedure established by the provisions of Title 39 of the Revised  
156 Statutes applicable to such suspension, revocation or prohibition.

157 (P) Except as otherwise provided by this section or by any  
158 regulation of the authority made in accordance with the provisions  
159 hereof, the requirements of Title 39 of the Revised Statutes appli-  
160 cable to persons using, driving or operating vehicles on the public  
161 highways of this State and to vehicles so used, driven or operated

162 shall be applicable to persons using, driving or operating vehicles  
 163 on any project and to vehicles so used, driven or operated.

1 3. Section 5 of P. L. 1951, c. 264 (C. 27:23-29) is amended to  
 2 read as follows:

3 5. All persons operating vehicles upon any such turnpike project,  
 4 or seeking to do so, must at all times comply with regulations, not  
 5 inconsistent with the other sections of this act, adopted by the New  
 6 Jersey Turnpike Authority concerning types, weights and sizes of  
 7 vehicles permitted to use any such turnpike project, and with  
 8 regulations adopted by the authority for or prohibiting the parking  
 9 of vehicles, concerning the making of turns and the use of particular  
 10 traffic lanes, together with any and all other regulations adopted  
 11 by the authority to control traffic and prohibit acts hazardous in  
 12 their nature or tending to impede or block the normal and reason-  
 13 able flow of traffic upon any turnpike project; *provided, however,*  
 14 that prior to the adoption of any regulation for the control of traffic  
 15 on any such turnpike project, including the designation of any  
 16 speed limits, the authority shall investigate and consider the need  
 17 for and desirability of such regulation for the safety of persons  
 18 and property, including the authority's property, and the contri-  
 19 bution which any such regulation would make toward the efficient  
 20 and safe handling of traffic and use of such turnpike project, and  
 21 shall determine that such regulation is necessary or desirable to  
 22 accomplish such purposes or one or some of them, and that upon  
 23 or prior to the effective date of any such regulation and during its  
 24 continuance, notice thereof shall be given to the drivers of vehicles  
 25 by appropriate signs erected at the roadside or otherwise posted.

26 The authority is hereby authorized and empowered to make,  
 27 adopt and promulgate regulations referred to in this section in  
 28 accordance with the provisions hereof.

29 Regulations adopted by the authority pursuant to the provisions  
 30 of this section shall insofar as practicable, having due regard to  
 31 the features of any such turnpike project and the characteristics  
 32 of traffic thereon, be consistent with the provisions of Title 39 of  
 33 the Revised Statutes applicable to similar subjects. *Regulations*  
 34 *governing the overall length of buses, exclusive of bumpers, shall*  
 35 *not prescribe a length less than that which is permitted on the State*  
 36 *highways under R. S. 39:3-84.*

37 The authority shall have power to amend, supplement or repeal  
 38 any regulation adopted by it under the provisions of this section.

39 No regulation and no amendment or supplement thereto or  
 40 repealer thereof adopted by the authority shall take effect until it is  
 41 filed with the Secretary of State, by the filing of a copy thereof  
 42 certified by the secretary of the authority.

1 4. R. S. 39:3-84 is amended to read as follows:

2 39:3-84. No commercial motor vehicle, tractor, trailer or semi-  
3 trailer shall be operated on any highway in this State the outside  
4 width of which is more than 96 inches, inclusive of load, or the  
5 height of which exceeds 13½ feet, inclusive of load, and no com-  
6 mercial motor vehicle, tractor or trailer shall be operated on any  
7 highway in this State, the extreme overall length of which exceeds  
8 35 feet either for a two-axle four-wheeled vehicle, inclusive of load,  
9 or 35 feet either for a three-axle six-wheeled vehicle, inclusive of  
10 load, except that a vehicle or vehicle inclusive of load exceeding the  
11 above limitations may be operated when a special permit so to  
12 operate is secured in advance from the director. The application for  
13 such permit shall be accompanied by a fee fixed by the director. A  
14 special permit issued by the director shall be in the possession of the  
15 operator of the vehicle for which such permit was issued. In com-  
16 puting any dimensions of a vehicle, or vehicle and load, for the  
17 purposes of this section, there shall not be included in the dimen-  
18 sional limitations safety appliances such as mirrors or lights, or  
19 chains or similar fasteners used for the securing of cargo, provided  
20 such appliances or fasteners do not exceed the overall limitations  
21 established by the director by rule or regulation.

22 In the case of an omnibus the maximum width and length dimen-  
23 sions shall be such as the [Board of Public Utility Commissioners  
24 prescribe, but no] *Department of Transportation prescribes sub-*  
25 *ject to the following limitations. No outside width in excess of 96*  
26 *inches or overall length in excess of 61 feet, excluding bumpers,*  
27 *shall be prescribed with respect to one or more highways specified*  
28 *or otherwise described except upon certifications, (1) of the Division*  
29 *of Motor Vehicles in the Department of Law and Public Safety*  
30 *that the proposed width or length is not unsafe for use on the*  
31 *highways in this State and (2) of the State Department of Trans-*  
32 *portation that the proposed width, if in excess of 96 inches, or the*  
33 *proposed length is not in conflict with the requirements of any*  
34 *agency of the United States having jurisdiction over the National*  
35 *System of Interstate and Defense Highways authorized by law.*  
36 *No outside width or overall length so prescribed shall be valid if*  
37 *the allowance of use of the same would disqualify the State of New*  
38 *Jersey or any department, agency or governmental subdivision*  
39 *thereof for the purpose of receiving federal highway funds.*

40 In the case of farm tractors and traction equipment and farm  
41 machinery and implements, the maximum width and length shall  
42 be such as the Director of the Division of Motor Vehicles shall  
43 prescribe by uniform rules and regulations but the operation of



44 such vehicles shall be subject to the provisions of [section] R. S.  
45 39:3-24 [of this Title] and any such vehicle shall not be operated  
46 on any highway which is part of the National System of Interstate  
47 and Defense Highways or on any highway which has been desig-  
48 nated a freeway or parkway as provided by law.

49 In the case of commercial motor vehicles, trailers and semi-  
50 trailers including farm trucks, while loaded with hay or straw the  
51 maximum width of the load shall not exceed 105½ inches.

52 No commercial motor vehicle drawing or having attached thereto  
53 any other such vehicle, nor any combination of vehicles, shall be  
54 operated on any highway in this State, in excess of a total overall  
55 length, inclusive of load, of 55 feet except a vehicle or a combina-  
56 tion of vehicles transporting poles, pilings, structural units or other  
57 articles incapable of dismemberment the total overall length of  
58 which, inclusive of load, shall not exceed 70 feet, but the provisions  
59 of this paragraph shall not apply to a vehicle nor to any combina-  
60 tion of vehicles, operated by a public utility as defined in R. S.  
61 48:2-13 which vehicle or combination of vehicles is used by such  
62 public utility in the construction, reconstruction, repair or mainte-  
63 nance of its property or facilities.

64 Notwithstanding the above limitations, a combination of vehicles  
65 designed, built and used to transport other motor vehicles may  
66 carry a load which exceeds the 55 feet overall length, provided,  
67 however, the total load overhang shall be limited to 5 feet and may  
68 not exceed 3 feet at either the front or rear and that the overhang  
69 shall be above the height of the average passenger car.

70 The gross weight imposed on the highway by the wheels of any  
71 one axle of a vehicle shall not exceed 22,400 pounds.

72 For the purpose of this Title the gross weight imposed on the  
73 highway by the wheels of any one axle of a vehicle shall be deemed  
74 to mean the total load transmitted to the road by all wheels whose  
75 centers are included between two parallel transverse vertical planes  
76 less than 40 inches apart, extending across the full width of the  
77 vehicle.

78 The combined gross weight imposed on the highway by all wheels  
79 of all axles whose centers are on or between two parallel transverse  
80 vertical planes spaced 40 inches, but less than 96 inches apart,  
81 extending across the full width of the vehicle, shall not exceed  
82 34,000 pounds.

83 In addition to the other requirements of this section and not-  
84 withstanding any other provision of this Title, no commercial motor  
85 vehicle, tractor, trailer or semitrailer shall be operated on any  
86 highway in this State with a combined weight of vehicle and load,

87 an axle weight or a vehicle dimension the allowance of which would  
88 disqualify the State of New Jersey or any department, agency or  
89 governmental subdivision thereof for the purpose of receiving fed-  
90 eral highway funds.

91 The dimensional and weight restrictions set forth herein shall  
92 not apply to a combination of vehicles which includes a disabled  
93 vehicle or a combination of vehicles being removed from a highway  
94 in this State, provided that such oversize or overweight vehicle  
95 combination may not travel on the public highways more than 5  
96 miles from the point where such disablement occurred. If the dis-  
97 ablement occurred on a limited access highway, the distance to the  
98 nearest exit of such highway shall be added to the 5-mile limitation.

1 5. This act shall take effect immediately.

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#### STATEMENT

This bill provides for a uniform permissible overall length for buses on the highways and toll roads of this State of 61 feet, exclusive of bumpers.

These amendments to the law provide the same overall length for buses that was recently adopted in regulations by the Department of Transportation and allow that length on the Turnpike, Parkway and Atlantic City Expressway. This will promote the use of the new articulated buses and help the commuter bus industry.

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SENATOR WALTER RAND (Chairman): Good morning, ladies and gentlemen; before we start, may I introduce those people sitting up here. On my left is Senator Gagliano, a ranking member of the Senate Transportation Committee, and on my right is the legislative aide, Joe Capalbo, to the Senate Transportation Committee.

We are here today to discuss how New Jersey's autonomous authorities can help the state in providing highway and public transportation programs.

This topic is of extreme importance, because assistance from the authorities is a way of preserving and maintaining our highway and public transportation system. Fortunately, we have examples of how authorities can make such contributions. The Port Authority of New York and New Jersey is authorized to provide this state with \$220 million for bus purchases. Not only is this amount significant but it is also being used to draw down federal transportation funds. Another example we can turn to is the New Jersey Expressway Authority which operates the Atlantic City Expressway. It is supporting Senate Bill 895, which would allow the authority to fund highway and transportation projects in four south Jersey counties.

How can the bi-state and toll road authorities help New Jersey's Transportation programs?

First, by providing funds which could be used to improve our highways and public transportation system. We would like to find out how much money the authorities actually have and whether they can provide funding on a continuing basis.

Secondly, the authorities can help by taking over certain functions. We wish to explore whether the toll road authorities can assume responsibility for roads which intersect them and thus provide for entry and exit. For example, can the toll road authorities assume certain maintenance and repair functions for the state, county and municipal roads which service them?

Thirdly, the authorities can help by reducing certain operational costs for public transportation providers. For example, we can reduce the cost of bus operations if buses do not have to pay tolls for using the Garden State Parkway or the Hudson River crossings.

I hope that this is a fair and friendly inquiry. For, if the State and the authorities have the desire to cooperate, then cooperation is possible.

Senator Gagliano, would you like to make any opening remarks?

SENATOR THOMAS S. GAGLIANO: Yes. I think we ought to proceed. It is a Friday, and we do want to get in as much as we can, and still not keep people here too long. So, I would suggest, Mr. Chairman, that we start with the first witness.

SENATOR RAND: Thank you. The first witness will be Jerry Premo, the Executive Director of New Jersey Transit.

JEROME PREMIO: Good morning, Mr. Chairman, Senator Gagliano, it is our pleasure to join with you to discuss a subject that is of genuine importance to N. J. Transit. This morning's hearing is being held the morning after the last of our public hearings on our fare increases, and on our overall budget condition for this week. That is not to say that we are through our outreach efforts throughout New Jersey to meet with our transit users and other interested parties to review the progress we have made in the past year in improving transit, and, again, a discussion of our financial condition.

There is a direct link between what we are able to do this year in our review with the public in contrast to where we were a year ago, and that is because, in large measure, of the help of one of the special authorities, which we will testify about today.

As you know, the Port Authority of New York and New Jersey committed \$120 million dollars under Transpac I in support of bus procurements for N. J. Transit. We have

used those dollars and put them where they need to be put in carrying people through-out our state; 271 new Grumman buses are carrying citizens in our urban centers and the Port Authority bought some 211 of those 271 buses. Further, we have ordered 455 commuter buses, initial delivery being next March and a full delivery within six months of next March, again, with Port Authority funds.

We are preparing specifications now for 117 articulated buses, which will achieve an operating economy important to us and important to our riders, so that we can keep fares down, and the Port Authority will assist us as well in that procurement.

The public, I think, recognizes the improvements that are occurring but certainly has a right to expect that those improvements occur, because we have gone for too long without necessary improvements to our bus system. An important aspect of our arrangement with the Port Authority is that we are using these buses as local share for various rail capital projects throughout our State, including the purchase of new rolling stock, which is now being tested for use on both the Raritan Valley line and on our north Jersey coastline.

My point here is to emphasize the current existing arrangement we have with the Port Authority which we think is benefitting everyone. It is benefitting our riding public. It is benefitting the taxpayers of this State, and we would like to think it is also benefitting the Port Authority itself.

We have been in discussions with some of the other transportation authorities as well as the Port Authority itself on the broad issue of tolls which we pay. Currently, slightly in excess of \$4 million a year is paid in various tolls and fees by N. J. Transit. In addition, private bus operators pay tolls and fees on top of this of some \$4 million. What we have established as part of our budget for the upcoming year is a goal of securing relief of approximately half this amount, or \$2 million from the various authorities. We have taken this policy objective as a result of a significant gap between revenues available to us, prior to fare increases and hopefully additional support from the legislature for the upcoming year, as well as some constant revenue available to us, occasioned largely, and I emphasize caused largely, by cuts in federal operating aid.

SENATOR GAGLIANO: Jerry, are you saying that you have requested from the various authorities \$2 million of toll relief, or this is what you would like to process?

MR. PREMO: We have initiated discussion informally with a couple of the authorities along these lines. So, we have not in a formal manner officially transmitted a request. Now, we are informally discussing an objective of securing some assistance.

SENATOR GAGLIANO: To cut your \$12 million deficit down?

MR. PREMO: Yes, sir. Now, in these discussions and perhaps it will be brought out today, there were various bond covenants and legal restrictions which may preclude the authorities from being of help to us. But, ultimately what is occurring is, we have a transportation network consisting of state roads and highways and transportation facilities operated by special authorities which authorities have income of several hundreds of millions of dollars. Like us, they face increasing costs and like us, they need to maintain and upgrade what they have. But, I think from the consumer's perspective, from the taxpayer's and the citizen's perspective, what we have is a situation where various agencies, created by the legislature essentially outdo each other, and move money around between and among public agencies, and the real question is that a greater wedge --- the public perceives on the one hand, and we ourselves, as creatures of the legislature are doing everything

that we possibly can do to achieve the best possible transportation system. We are moving money, again, between and among public agencies, based on rules and regulations of the various agencies, and I think we need to continue to explore from a public policy perspective whether there are any changes that are required. Ultimately, that is a judgement that the governing board of these agencies need to make and the legislature itself needs to make.

Our perspective is that we are working hard to provide affordable public transportation. After many years of neglect of our system, we are on the verge of some major upgrades in the physical equipment that carries people on our trains and buses and we would hope that we are going to be able to have people flocking to these buses and trains because they are both attractive and affordable. To the extent that various authorities can be of help to us, obviously, we would be extremely grateful. One opportunity for such assistance was afforded by the Legislature just a few months ago when you enacted modifications to the Port Authority's enabling legislation. Governor Kean has formally written to the Port Authority requesting a commitment of Transpac II funds, that is the \$100 million authorized legislation in which I know both of you gentlemen were active in pushing. In addition, Governor Kean communicated with Governor Carey of New York urging Governor Carey to join us in a joint state effort to secure assistance from the Port Authority as a follow-up to that legislation.

So, no doubt, that issue is among the items which is under active discussion with the Port Authority. We also have had some initial discussions with the Federal Urban Mass Transportation Administration, so that the Transpac arrangement that allowed federal funds to match the initial \$120 million would be possible for the second \$100 million that we looked forward to, should the Port Authority be able to do it, receiving under Transpac II. I know that this whole issue of coordination among agencies is an important one, one that I have had an opportunity to discuss initially with Commissioner designee Sheridan, who, as you know, will be Chairperson of N. J. Transit's Board of Directors. It is an item that I know John himself is looking forward to working on.

That is a context for consideration. In closing, I find something that occurred last night to be so amazing that I thought I would share it with you and the others here. We actually had someone at a public hearing last night who said they thought that our fare increase proposal was fair. What it suggested is that there is a recognition that a partnership among our riders, the state and the federal governments makes sense. I think that same partnership that is increasingly recognized in the public transportation world is something that we need to continue to pursue. The partnership among agencies at the State level involved in transportation. So, thank you, Mr. Chairman, for this opportunity.

SENATOR RAND: Thank you.

SENATOR GAGLIANO: Jerry, I have a few questions or comments, and it was kind of my thought to the Committee that we would hold these hearings, because over the years I have watched - at least the last four years - very closely the deterioration of the state operated and owned facilities and the expansion and the glamour, almost, to a certain extent, of the private authority facilities. By glamour or glamorizing, I mean, for example, the offices in the World Trade Center of the Port Authority; I mean, the new façade on the Garden State Parkway Building and the substantial addition to the building; I mean some of the dressing up that has been done in some of the toll facilities, the expansion of the terminal in New York City, and the expenditure of lots of money, when we have to continually

go to the taxpayers and the rate payers, travelers on our transit facilities, and ask for more and more money, while we have generally seen deterioration. Things that have gone through my mind - and I would like to just mention them to you - first and foremost, we would like to have cash, somehow transferred from the authorities to N.J. Transit and to transportation facilities in the State, direct cash payments, and I will hear about it. I am sure that the bond covenants that are in existence will never allow that. I am not so sure.

Toll relief - I think that you are being a little bit too conservative to request \$2 million in toll relief throughout the entire state if our transit users are paying in excess of \$8 million in tolls. I believe we could do better than that. I believe that those buses which are owned and operated by the State, or are under any kind of subsidy program should have reduced docking fees at the terminal in New York City, and any other place they might pay docking fees. I believe that the authorities should seriously consider purchasing vehicles which can be leased, or let, on some basis to our transit facilities. For example, I am sure that N. J. Transit has need for automobiles, and has need for vans and the like to transfer employees and to transfer people, specifically in the area of the disabled. Those vehicles cost lots of money. We have had correspondence back and forth about whether or not we are interfering with the private sector. That is another issue.

I believe there should be something in it for transit users in terms of vehicles purchased by these authorities and leased. I believe that there should be more in the way of park and ride facilities. In that area, I believe the New Jersey Highway Authority has done an outstanding job. And, I think where credit is due it should be given. I am personally familiar with the park and ride facilities that have been built and that are provided and I think they are tremendous. I think they should really get a pat on the back for that, because I have seen them put them in, and then have to expand them and they are full again. So, obviously, there is a need there. I think that the New Jersey Turnpike Authority, especially toward the northern end, should be installing park and ride facilities at the expense of the turnpike authority.

I believe that maintenance of the roadways directly connecting the authority facilities with the authority--- There is a state or county-owned facility directly connected to the facilities that are owned by the various authorities, and it should be maintained by the authority. I believe it is wrong for a snow plow to be operating, for example, on the New Jersey Turnpike and to turn around right at the entrance of the turnpike where the New Jersey highway feeds into that, and not go down the road a half a mile or a mile to help us and help those people that pay the tolls.

I believe that they should consider making fuel purchases and allow some of that fuel, diesel and gasoline, to be used by our state-owned facilities. I believe that along with the relaxation of tolls, we should examine the possibility of having bus lanes opened during commuter hours so that buses will be able to give that much better service, or quicker service through the toll barriers, so that it will be more interesting for a commuter to use the bus rather than the person's car, because that bus will go right through the toll barrier. These are some of the things that have gone through my mind with respect to the authorities and what they can do to help us.

But, then I have one question, and I guess I have to ask it. It is philosophical, but I know that you have a Master's Degree and you have done a lot of philosophical thinking with respect to government. I feel--- Maybe I shouldn't tell you what I feel.

I ask you, is a toll that is paid, for example, on the Parkway or the Turnpike or to get across the Hudson River. That is the source of revenue for a governmental agency and I ask you if that is similar to or the same as a tax.

MR. PREMO: Well, I grew up in Vermont and learned that there is no such thing as a free lunch, and also, you get what you pay for. So, I don't know whether it is a tax or not, per se. What I think it is is a necessary prerequisite to having, maintaining, and improving public facilities. And, I am not sure who is anxious to contribute any money, whether it is called user fees or taxes, but the absence of those contributions is going to further worsen our transportation condition.

I was talking yesterday with Chairman Sagner of the Port Authority and he was citing an example in 1927 when the first tunnel between New Jersey and New York opened, the fact that the one-way fee was 50¢, or \$1 roundtrip. It is currently \$1.50. The costs have gone up in many areas. That is why we are having to force up the cost of bus and train public transportation. Philosophically, I am not sure there is much of a difference.

SENATOR GAGLIANO: Thank you very much. Thank you, Mr. Chairman.

SENATOR RAND: Thank you, Senator. Jerry, the reduced fees, toll fees, docking fees, I would hope that if there is any consideration that can be gotten for private bus carriers, they would be immediately deductible from subsidies, rather than going into a pot return. I think that would be fair to the taxpayers of this State.

MR. PREMO: Yes, sir, that is a given. That would be a given for us.

SENATOR RAND: Okay. Let me just ask you, again returning to philosophy for a moment, do you think that the addressing of this particular scope in trying to bring the authorities into our total transportation strategy, so to speak, creates any more of a competitive problem? By that, maybe a highway authority will say, well, you are getting this money in to create a better rail line, to upgrade a rail line, and they may take a zealous attitude, or do you think what we are trying to do is get the best transportation mode rather than a repetitive mode in the same area?

MR. PREMO: What we have is a number of agencies, many of them set up by the Legislature, and charged with carrying out specific responsibilities. These agencies were set up in some cases decades ago. N. J. Transit is a recent entry into the world of special authorities here in New Jersey. In all cases, the Governor has a unique role in dealing with these authorities, through his approval, or non-approval of minutes, for example. So, there is a link to a single focus in any event. That single focus of the Legislature, and that single focus of the Governor, and ultimately the single focus is the citizens of this State. I think it is only logical, particularly in the eighties, that governmental agencies get together. If changes in what we are doing - based on charges of a few years or many years ago - are merited, then we ought to be coming up with charters for the eighties, rather than for perhaps years past.

I am not sure that necessarily legislation ought to be required to cause us to work together. Common sense dictates that we work together.



SENATOR RAND: Well, the only thing I can tell you is that at least since you are a creature of the legislature, we still have some oversight on you, and even though the authorities were creatures of the legislature, we seem to have lost that particular contact. It is only through the Governor's veto of their minutes, or the acceptance of their minutes that the legislature has really any input. Of course, I, being a legislator, certainly have the feeling that it is just nice to be able to talk to an authority and to have some type of oversight over them.

Jerry, thank you very much. Is there anything else?

SENATOR GAGLIANO: No. See you tomorrow in Matawan, Jerry.

SENATOR RAND: Thank you.

MR. PREMO: Thank you. We are excited about it, and looking forward to showing that government really can produce, referring to the opening of our electrified service to Matawan on the North Jersey Coastline. It is a very exciting day for us in public transportation beginning tomorrow.

SENATOR RAND: You have been waiting for that for a long time, haven't you?

SENATOR GAGLIANO: Yes, sir.

SENATOR RAND: Thank you, Jerry.

MR. PREMO: Thank you.

SENATOR RAND: Next we will have someone from the New Jersey Expressway Authority.

Mr. Fear, before you start, may I just say for the record that the State of New Jersey is very lucky to have the New Jersey Expressway Authority. I was down at a south Jersey manufacturer's convention in Atlantic City and I used the Atlantic City Expressway route, and I was just wondering what would have happened to Atlantic City and casino gambling if we did not have that particular highway. I think that we would never have casino gambling, and I think Atlantic City would have been totally impacted on the other two roads.

C L Y D E D. F E A R: Senator Gagliano, Mr. Chairman, my name is Clyde Fear. In listening to Mr. Premo's request for assistance on free passage, is that what you would like me to discuss?

SENATOR GAGLIANO: Yes, among other things.

MR. FEAR: Fine. I would see no objections as to our authority giving the New Jersey Transit free passage. I do realize that there is a considerable amount of money spent with us every year from that agency. But, as to cash assistance, I think we are very much so restricted by our bond indenture and also by the new Senate amendments to our legislative act. We are looking forward to any surplus revenues to go into a transportation fund to enable the transportation of our immediate area to be improved.

We are very proud of the Expressway. I think we run it very efficiently, and I don't see any waste down there whatsoever. But, we will certainly try to help New Jersey Transit in any way we can. We have had a tremendous increase in outside charter buses, due to the casinos, and we are running in the neighborhood of 800 a day. So, we can't accommodate those people, of course. Now, Jerry mentioned something about a special lane for the buses to go through and so forth. If you did that, you would just have one bus following another. It would work such as sheep do. So, I don't see where we can help him in that respect.

SENATOR GAGLIANO: My main reason for that suggestion was strictly to deal with the commuter buses between limited hours, Mr. Fear, having nothing to

do with the charter buses, unless they happen to go through during the commuter rush hour. The problem that I see at the barrier tolls on the Parkway is that there is such a tremendous amount of traffic going through within that one-hour period -- I am not sure whether it is an hour or an hour and a quarter or forty-five minutes. I am sure the Parkway people know exactly when the surge comes. But, at that point, I would like to see the buses able to get through more quickly. Some of the other motor vehicle drivers will be very upset. I think that it could be worked out.

You feel that cash could not be the type of thing that you could donate, so to speak?

MR. FEAR: We certainly are restricted at the present time. It would be fiscally impossible. It is our obligation to the present bond holders.

SENATOR GAGLIANO: The 800 buses that you discussed per day, is that 800 buses through the last barrier just before you go into Atlantic City, or is this an average of 800 buses all the way from the west side of your expressway?

MR. FEAR: We are getting many, many more buses through our Pleasantville toll, which is on the Atlantic City side, than we do on Egg Harbor. But, I would say it is probably relative, three to two.

SENATOR GAGLIANO: Okay. So that of the 800 buses that you are getting, probably at least 600 or 700 of those buses would have come down the Parkway, one way or the other, some distance or another?

MR. FEAR: No, I would say it would be the opposite. In other words, we will probably have 600 of the 800 come through our Egg Harbor toll plaza from the Philadelphia area, and then when you pick up from the Parkway, we will increase another couple of hundred.

SENATOR GAGLIANO: Well, you have no idea, then, how many of them feed down from the Parkway?

MR. FEAR: Oh, yes, we can get that number. I don't have it here.

SENATOR GAGLIANO: What about maintenance and snow plowing? For example, within a reasonable distance of your exits?

MR. FEAR: On our westerly end, we do go up on State Highway 42 for approximately three quarters of a mile and plow that clean for entrance on to the Expressway, and also for those exiting from the Atlantic City area. We have, at times, been called in to help Atlantic City with snow removal on heavy storms, or a crisis down there. We have not gone into the county roads.

SENATOR RAND: Senator, if I might, I think it might be fair to state - and if Mr. Fear would like to express it - that we have a landmark bill, S-895, which sets up a transportation fund above and beyond the obligations of the authority itself and above and beyond that which they need for their improvement and their maintenance, and it sets up from their surplus into a transportation fund, which can be utilized for a four-county area by a specific formula and for specific oversight. So, I think we ought to recognize that at least that particular authority is willing to surrender its surplus into an area such as that.

If Mr. Fear would like to make some comment as to his approval, or if we twisted his arm to that, he certainly is at liberty to do so publicly.

MR. FEAR: Yes, well, I certainly will do that, Senator. I can speak on behalf of the Commissioners and the staff of our authority. In the beginning, we were not too happy with the initial proposal from the Senate. But, we worked it out with the legislators. Our Commissioners now are staffed and they are very happy with the bill as it stands in its present form. And, I understand it has

passed the Senate and it is going into the Assembly now. We are perfectly willing to accept that for our surpluses. It is made quite clear in there that any requirements of the Expressway will be taken care of first. And, the cascading of the funds as they spilled down will go into a general transportation reserve fund.

SENATOR RAND: And, I think it is fair to say also that includes both highways and mass transportation facilities.

MR. FEAR: Yes.

SENATOR GAGLIANO: And some of it may be in-kind. For example, some of it could be snow plowing, if that is what is required, or cutting grass and weeds, litter pick-up, that kind of thing.

Mr. Fear, what are your gross revenues for 1981?

MR. FEAR: \$16 million.

SENATOR GAGLIANO: And do you have any way of forecasting what that will be for 1982?

MR. FEAR: We have forecasted an increase of 8%. We have had a continual tremendous increase since casinos opened. In fact, we have more than doubled our traffic. And, our comptroller has been very accurate in the past to his forecasts. And, his forecast for 1982 is 8% over the previous year.

SENATOR GAGLIANO: So, that would be a little over \$17 million?

MR. FEAR: That's correct.

SENATOR GAGLIANO: I have no other questions, Mr. Chairman. I want to thank you, Mr. Fear, and your Commissioners for the cooperation that they have shown.

SENATOR RAND: Thank you, Mr. Fear.

MR. FEAR: Thank you.

SENATOR RAND: The New Jersey Highway Authority, Mr. Carragher.

J O S E P H C A R R A G H E R: Good morning, Senators, we are here at your invitation.

SENATOR RAND: We would like to hear from you. You have heard some of the comments and maybe we can get an expression of some input as to what you think about what we are trying to do, or what we are trying to learn.

MR. CARRAGHER: The New Jersey Highway Authority has always tried to be cooperative with governmental agencies. I think an illustration of that is just recently within the last five years, the New Jersey Highway Authority has given the State of New Jersey \$10 million to complete Route 18. I think that is an illustration of the cooperation we have had with government in the past.

I also know that all our monies right now are pledged to other projects. We have an expansion project that we are talking about to make our roads safer and more efficient for tourists. That is, we have a \$120 million project from Asbury Park south to Toms River. So, all those monies would have to go into a fund and would have to have some kind of commitment, whether it be short term or long term financing that would be needed for that project.

As far as the buses, which were mentioned by the Senator, at the Raritan Plaza, I would like to point out that we have a total of 22,800 vehicles between 6 A. M. and 9 A.M. daily using that plaza. During that three-hour period, there are exactly 220 buses there using the plaza, in that neighborhood. The delay for bus travel on the Parkway on a normal commuter day is from one and a half to three minutes. Our figures are one and a half. The State said three minutes. If we go to a special bus lane, we could really back up traffic and cause havoc on the road, not only for the passenger cars, but for the buses. To get to a

lane, you have to have an approach. If you are going to have a dedicated lane, so once you get cars back from the quay, you are going to create the problem from there, and we see that every day when we shut down a lane, if there is a minor breakdown and you lose a lane, there are delays. So, we try to keep everything opened, and we try to move traffic as quickly as possible.

SENATOR RAND: Mr. Carragher, let me ask you something. When was the \$10 million given for Route 18?

MR. CARRAGHER: Oh, I guess it was five years ago.

SENATOR GAGLIANO: It is really five yeras ago. It has been completed about two and a half years. But, they got something for it.

SENATOR RAND: That is what I would like to know. What was the other side?

SENATOR GAGLIANO: There was a little quid pro quo for that. The trucks were able to go up to the Eatontown exit and also, of course, Route 18 terminates into the Parkway, so that if anyone takes Route 18 and is heading in that direction, they can get off just before that, but they end up on some localized streets. If they want to continue south, they have a toll barrier to greet them within about three quarter's of a mile.

MR. CARRAGHER: Most get off, though.

SENATOR GAGLIANO: I get off.

MR. CARRAGHER: Yes, as do most people before the toll barrier.

SENATOR RAND: Let me ask you another question, Joe. Above and beyond your bond covenants, and above and beyond your maintenance and your improvement fees, what do you think of S-895 as a conception?

MR. CARRAGHER: That would be for--- I would have to study the bill, sir. I will study it and get back to you.

SENATOR RAND: Would you have any objection if there were any surpluses above and beyond those obligations?

MR. CARRAGHER: Sir, the way we are established, we would not have any surpluses. Any money we have is dedicated to bond redemption or to improvement projects.

SENATOR RAND: I can understand that.

MR. CARRAGHER: So we would not necessarily have a surplus.

SENATOR RAND: But there might come a day---

MR. CARRAGHER: Well, then at that day, I think that problem would be addressed.

SENATOR RAND: Okay, fine.

SENATOR GAGLIANO: Joe, what were your gross revenues for 1981?

MR. CARRAGHER: They are in the neighborhood of \$80 million.

SENATOR GAGLIANO: And, do you have a projection for '82?

MR. CARRAGHER: They will be about \$83 million or \$84 million.

SENATOR GAGLIANO: What would the Commissioner's position be with respect to toll relief for N. J. Transit and subsidized buses?

MR. CARRAGHER: I think the Commissioner's position would be --- There was legislation earlier passed to give toll free passage to the National Guard. The bond holders took us to court. So, based on that, they won that case. The National Guard was denied free passage. So, I imagine the Commissioner, citing that regulation, would say that we don't have the authority to do that, and would be inclined to be against it. I would have to poll them, though, and check with them and find out and get their sentiments.

SENATOR GAGLIANO: What do you think their position would be with respect to maintenance off-site? For example, in the Clark exit area, a very congested

area where immediately you feed into and out of traffic circles which are under the jurisdiction of the New Jersey Department of Transportation.

MR. CARRAGHER: You are talking about the thirteen-mile free section of the Parkway?

SENATOR GAGLIANO: That is in that area. Then, let's go to that, but then I would like to cite another area, which, for example, was down near Toms River, Route 70, which is a State highway, or Route 37 State highway. To what extent do you think your Commissioners would go along with snow plowing off-site, would go along with grass cutting on the islands, off-site, that kind of thing.

MR. CARRAGHER: That is a brand new area being asked here. I would have to ask them that individual question. I know from time to time we have tried to cooperate with DOT on the maintenance of the State section of the Parkway. We have sat down and tried to negotiate and we will be doing that again in the future.

SENATOR GAGLIANO: Is there anything that we can do in the Legislature? For example, would it make any sense for us to set up a subcommittee to work with that or to even introduce legislation which would get the parties together more quickly?

MR. CARRAGHER: I don't think that it is necessary at this time, Senator. I believe---

SENATOR GAGLIANO: Because, I have been here four and a half years, and that issue has been with us that much and beyond.

MR. CARRAGHER: Yes, sir, that is an issue and I think it is going to be resolved. My own feeling tells me that if there is a way to resolve that, then we are going to work and strive towards resolving that issue.

SENATOR GAGLIANO: And, that would be for the Parkway to take over jurisdiction of that?

MR. CARRAGHER: I don't know whether it would be for the Parkway to take over the complete jurisdiction or the Parkway to do the snow and ice control maintenance of that roadway, and to keep it in fit and proper condition.

SENATOR GAGLIANO: Do you have any other plans for additional park and ride facilities that are sort of on the drawing board.

MR. CARRAGHER: No, but I think we could use your help, Senator, right now at 109 in Monmouth County. The Army has told us that we are to vacate a park and ride that is at Fort Monmouth there. I think if we had the help from your Senate delegation, we would like to keep that. If you have any other sites for park and ride facilities, we would be happy to hear them. Because, we think they serve a great purpose. We are interested in doing more of them. In fact, we asked the State to consider the possibility of building one right across the street from 105, from our existing lot near the Hilton Hotel in Monmouth County.

SENATOR GAGLIANO: Do you mean on the---

MR. CARRAGHER: The southeast corner.

SENATOR GAGLIANO: I know what you mean. Now, I will check into that. That is exit 9?

MR. CARRAGHER: No, 105. That is exit 105.

SENATOR GAGLIANO: The earlier one is 109, Fort Monmouth. That is where they are building the Federal building now.

MR. CARRAGHER: We had to go up there today to keep the contractor at bay, and I believe there are around 100 cars using that facility daily and it is a nice facility.

SENATOR GAGLIANO: It is operated by the Federal government. It was an army installation for research of some kind. That was abandoned and over the years people started to park there. And, now the Federal government is building some kind of building connected with the Army and they want that back for parking.

Do you have any thoughts on any other way that the New Jersey Highway Authority could provide services to the State of New Jersey, DOT or N. J. Transit without jeopardizing your own bonding covenants or indebtedness?

MR. CARRAGHER: Not to my knowledge.

SENATOR GAGLIANO: For example, I know you have an excellent print shop. Is there ever any thought that some of the printing that N. J. Transit needs done - which now they send out to printers - could be done?

MR. CARRAGHER: That would have to be worked out on a schedule. Right now you are getting into an art center season. You use that print shop; the print shop goes on overtime, and you don't have it. If you had a contract or agreement with somebody else, you couldn't keep that commitment. They may have a deadline for something, and it could cause havoc.

SENATOR GAGLIANO: Right now I agree.

MR. CARRAGHER: In the future, we would always try to investigate and be as cooperative as possible in reaching an agreement there.

SENATOR GAGLIANO: Mr. Premo talked about chartering a course for the eighties, and that is really why we are here. I personally feel that we need more discussion and cooperation and communication among the authorities which we have always accepted as being autonomous and the State of New Jersey itself, which is trying to keep the buses running and trying to keep our roads in shape. What I am looking to the authorities for is maybe some volunteerism, because we are really not in a position where we can force - except through the Governor's veto of minutes, which of course he is probably loath to do --- We want to see some cooperation and discussion and I think several of the things that I have asked about today, I feel, should have been discussed a long time ago.

But, it has always been - don't bother the authorities. The authority is here and we are here, and maybe that was okay years back. But, I see it as one transportation and communication area. That is the way I see it, and I see taxes the same as a toll and the toll the same as a tax, you see. It is no different than a user tax, the toll---

MR. CARRAGHER: That is what it is.

SENATOR GAGLIANO: And, what we have done to a certain extent is reserve certain areas for your organization to kind of do what it feels is best, and you have done it. I am not questioning the service that has been given. What I am saying is, I want to see that service expanded into other areas. When I see, for example, snow plowing where you have a team of snow plows maybe four in tandem, practically, or in a diagonal line, going down the Parkway and keeping it neat and clean and when you get off the Parkway and you get on to a state highway or county road, and they have not touched it with a snow plow yet, I have to say to myself, am I part of the same government and are they part of our same government? That bothers me.

So, what I am saying is, we should look into extending maintenance where you have the facilities and you have the men and the plows, and the plows are in excellent condition, and I grant you that. Can't we find some way of extending that service without financially breaking you? I feel that we can.

MR. CARRAGHER: We will be happy to look at that and report back to you, Senator.

SENATOR RAND: Thank you very much. Next we will hear from a representative of the Port Authority of New York and New Jersey.

ROBERT F. BENNETT: Good morning, Mr. Chairman. How are you? I would like to introduce two of my colleagues from the Port Authority. On my far right is Mr. Ted Alcott who is Director of our Planning and Development Department and to my immediate right is Mr. Frank Gorman who is the Director of our Rail Transportation Department. I am Robert Bennett, and I am Assistant Executive Director of the Port Authority.

I would like to say, Mr. Chairman, that Mr. Goldmark sends his best wishes and apologizes for not being able to be here today, but he did have a rather important personal commitment that he felt was necessary to discharge. Otherwise, he would have been happy to come down here.

SENATOR GAGLIANO: He sent a good substitute.

MR. BENNETT: I am not sure. I would like to say a few things about the Port Authority, some of the things that we have been doing and expect to do. The Port Authority, as you know, is an agency of the two states, and it was created in 1921 by a compact, which compact was ratified by the Congress of the United States.

The Port Authority is a revenue bond agency. We do not have access to tax money, nor do we have access to the credit of either states. In our sixty-one year history the Port Authority has invested about \$4 billion in transportation facilities and other facilities of economic benefit to the bi-state region. In the last 25 years or so, the Port Authority has invested about \$1,700,000,000 projects in New Jersey of benefit to the State. About \$650 million of this \$1,700,000,000 represents direct investment in public mass transportation facilities. That does not include, and could be added to that number, about \$380 million of subsidy that comes out of our operation of the Port Authority Trans-Hudson rail facility. Beyond that, we have invested about \$450 million in Newark Airport, bringing the Newark Airport to a first-class status, and hopefully we will begin to realize the fruits of that investment. Newark Airport, out of about three major airports, was the fastest and has experienced the greatest growth in the past year. We had a ten percent growth in passengers at Newark last year, and we had in fact a decline in domestic passengers at Kennedy Airport and La Guardia Airport just about held its own.

As you know, the Port Authority is an agency both of transportation as well as economic development, and I believe that your Committee is familiar with some of the projects that are underway or that are under immediate study. For example, our industrial development project, which was authorized by the Legislature in August, 1980, and more recent study efforts have been involved, and the potential for redevelopment of abandoned and un-utilized waterfront areas in both states, as well as resource recovery facilities.

Recently, there was an agreement with the City of Newark in Essex County for a proposed resource recovery plant in Essex County.

SENATOR GAGLIANO: Has that been agreed to?

MR. BENNETT: There was a positive vote by the Newark City Council which allows the negotiation and the development of the project now to proceed. It was necessary to receive that vote in order to get on to the next step and that happened about a month ago, I think, or within the last month.



SENATOR GAGLIANO: Well, may I ask one other question? What is the anticipated cost of that, and how much in terms of tonnage would it be able to handle? Do you know that?

MR. BENNETT: I am very comfortable with numbers. It should cost about \$120 million. I am not precisely sure of the daily tonnage. Perhaps Ted Alcott could answer that.

Senator, I am not too familiar with that, but I hear it is 2,000 or 3,000 tons a day capacity from that kind of facility.

SENATOR RAND: In keeping pace with your remarks, are there any concrete plans from that abandoned waterfront development at this particular time.

MR. BENNETT: We are very far along in our discussions and our planning for the City of Hoboken, and we have legislation that has been drafted and submitted to the two states. There is a potential site on the New York side of the harbor, which is not quite far along in its development as is the Hoboken site. We have legislation here in Trenton as well as in Albany.

SENATOR RAND: That would be a total package. There would be a lot of things involved in that.

MR. BENNETT: Right, we are talking about a mixed use development of a waterfront which would involve commercial activity as well as recreational activity.

SENATOR GAGLIANO: Would that area, Bob, include something like a park and ride facility?

MR. BENNETT: Well, of course, the location in Hoboken is at the major terminal point of Path, so that one of the things that makes Hoboken very attractive is the mass transit services that come into Hoboken, both the Conrail facilities as well as the Path facility.

The park-ride, I don't think that our plan involves that type of facility, although there is access to the Path facility by auto presently enjoyed and it could be enhanced.

SENATOR GAGLIANO: That is the only reason I asked the question. I obviously have not seen the plans, or had much information on the plans, but if we are going to go into something like this, it just seems to me--- The acreage apparently is there. I am guessing, but I think there are a lot of acres there. If we could tie that in with a park-and-ride facility so that people could park there and take the path from there, or enjoy the facilities, I think it would be an added plus.

MR. BENNETT: We have a major---

SENATOR GAGLIANO: Instead of just having the usual parking lot which would supply parking for the facilities and maybe a little extra, a park and ride facility would really be an excellent addition.

SENATOR RAND: Mr. Bennett, I am terribly excited about the proposal of the redevelopment of a major waterfront. I think that is an exciting outlook, and I think it is an exciting conception. In fact, I would ask you when you expect that legislation to be prepared or ready.

Also, I will ask you this, does it in any way interfere with the \$220 million commitment that we have from the Port Authority which we have been getting certain monies from? I just want to make sure that ---

MR. BENNETT: Mr. Chairman, you are referring to the present \$120 million bus purchase commitment as well as the potential for an additional one hundred. It should not interfere with that at all.

Well, of course, one of the projects that I mentioned was Newark Airport, and we expect continued growth and continued activity at Newark Airport. Our Board recently authorized a \$20 million project to put a major federal inspection customs facility to encourage more international activity at the airport. As you know, for the last number of years, Newark International has only been international by its name, in terms of international service. We did have some TWA charter service some years ago and we expect that by putting in this federal inspection service, we will encourage more international activity at the airport as well as, hopefully--- We have an ongoing case with the CAB now which would see Newark have regular daily Newark to London service. That is one of the things we are looking for. We are anxious about a resolution of the military air transport question, which has been in the press recently. The Air Force has been talking about relocating that facility which is presently at Maguire with a possible relocation out of state. We have been battling mightily to keep that kind of activity in the state and hopefully have it located at Newark Airport.

Beyond those two things at Newark Airport, we recently concluded an arrangement with the Marriott Hotel people for the construction - private funds - of a \$40 million hotel at the airport. It is time for a hotel at Newark Airport.

Other things that are ongoing in the Port Authority is the continued safety program on Path, which would involve probably somewhere in the neighborhood of \$100 million or more over the next number of years. Beyond that, Path is badly in need of a new car shop, which would require substantial capital funding, as well as--- It is getting near term now, the replacement of what used to be brand new Path cars, many of which are now fifteen or more years old, so we are coming into an era of an aging car fleet which is going to require our attention, and require our capital capacity to deal with it.

SENATOR GAGLIANO: What is the cost of a car, now?

MR. BENNETT: I am going to let Frank Gorman, our Director of Rail Transportation answer that. It is quite startling.

F R A N K     G O R M A N: You are not far off at all, Senator. As background, let me tell you in '65 when the first new Path car was delivered, it cost about \$102,000. Today, if we were able to get one delivered immediately, which is obviously impossible, the same car would cost in the neighborhood of \$900,000. We can't have them delivered instantly, so that the \$1 million figure would turn out to be very accurate if you assumed they would not be delivered for two or three years, which is the normal lag time.

SENATOR GAGLIANO: That is the normal lag time?

MR. GORMAN: Yes, sir.

SENATOR RAND: Mr. Gorman, since you are Director of Transportation, let me ask you a question, or maybe I am being a little premature, if you don't want to get involved in this discussion.

Is there any consideration by you of taking over within the perimeter of 25 miles, any rail freight or any passenger service?

MR. GORMAN: Not that I am aware of, sir. We have an extensive study going on in terms of the rail freight and other types of freight transportation within the region, which really is in the bailiwick of Mr. Olcott's department. Maybe you should ask him a question or two on that.

SENATOR RAND: Would it be conceivable that you might consider the involvement in that area.

MR. BENNETT: One of the problems when we were talking about passenger rail activity, of course, was one that we experienced a few years ago, and that was the 1962 covenant which has the effect of limiting or almost denying our participation in any further mass transit activity beyond Path, because of the deficit character of it.

As to rail freight, we are involved in a rail freight service improvement activity with the State of New Jersey and with the State of New York to facilitate freight movement through better freight management, as opposed to becoming involved in the physical facility side of it. And, we have been working with the two states on what we call a freight service improvement committee, which has been quite effective.

SENATOR RAND: Senator Gagliano.

SENATOR GAGLIANO: I guess I have to ask the question, what is the possibility that docking fees could be exempted insofar as N. J. Transit and state subsidized buses are concerned. I know that a very substantial amount of the business that you do at the Port Authority bus terminal is from New Jersey and a substantial part of it is N.J. Transit, and Suburban and the other companies that service New Jersey commuters. And, as Jerry Premo was saying before, it is kind of a thing where we pay each other.

I was wondering if there was any way that we could create a system whereby docking fees would be totally exempted or at least there would be, shall we say, a bargain in terms of docking fees? Because I am sure that your expenses continue to go up, and so do ours. Again, we are looking for some help there.

MR. BENNETT: Well, Senator, as you know, we are in the throes of what is now a \$225 million expansion and modernization project at the bus terminal. The expansion portion of it is completed, and the modernization goes on and hopefully that will be completed within the next couple of years.

Now, the bus terminal facility was once a net revenue or in our terms a profit facility. It is no longer a profit facility. In fact, it is deficit and we expect that the deficit will continue to grow as time goes on. Are there bargain rates at the bus terminal? Yes, there are bargain rates at the bus terminals. We call them departure fees, and the departure fee that is presently being charged at the bus terminal is probably 20% of the full cost, if we were to full cost that kind of activity. It would be 20% of the service provided.

I would add this thought, that the Port Authority's role, as it has always been - its best role is to provide capital funds for major projects. And, in order to do that, it must maintain a good, sound, solid revenue base. I don't think that our best effort, and our best contribution would be made, if we were to become involved in a series of subsidy activities, which would, as time went by, tend to sap and weaken the revenue base, and thereby deny the region of the thing that we do best. We refer to ourselves as a capital engine and economic generator, and we do it through borrowing and paying back.

In terms of the possibility of what was mentioned here earlier this morning, I am not prepared to comment on that, and I can't comment on that, except to remind all of us that the strength of the Port Authority is producing capital money, which then makes it urgent and imperative - if that be the case - that its revenue base be maintained in a sound, solid fashion so we can keep doing it.

SENATOR RAND: Well, if I might, let me at least compliment you on some things that you certainly have been involved in our bus operation, good planning and economic development in some distressed areas. Maybe you make up for it on

one end, where you couldn't make up for it on the other end. Certainly, your picture is one of some positive input, as far as New Jersey is concerned.

SENATOR GAGLIANO: I agree with that. The only cautionary statement that I make there is, it is true, you are a revenue engine or generator of projects and all of that. However, we don't all necessarily benefit from those projects. I represent, for example, maybe provincially, an outlying area, which is strictly a suburban area, which relies very heavily on Path facilities, and very heavily on garaging or terminal facilities for buses. It is extremely important for those people to try to keep fares down, and the departure fees tend to bring those up. Departure fees may bring you more revenue, which allow you to borrow more money and spend more in south Manhattan or even in Brooklyn or some place.

What I am saying is, some of these things, I feel, should be more directly connected with the everyday users of the facilities and not always the esoteric or larger projects. That is why I came up with departure fees, because that is something we pay every day, or at least is due every day every time a bus goes in there. So, I would like to see it get more thought and consideration.

As far as the revenues are concerned, I believe your gross revenues will approach \$700 million this year---

MR. BENNETT: Yes.

SENATOR GAGLIANO: And you will probably have a net profit, so to speak, of about \$105 million; is that about right?

MR. BENNETT: That is right. In 1981, we had about \$100 million from operations, and the accountants keep changing the statements---

SENATOR GAGLIANO: Keep changing accountants.

MR. BENNETT: We did that also. There we go. In 1981, we had gross revenues of about \$699 million, and we had operating revenues of about \$200 million, and we paid debt service, and after the debt service we paid, we had a transfer to reserve funds of about \$41 million. But, that was with a direct investment to capital projects of about \$75 million, yes.

SENATOR GAGLIANO: So, you actually made more than \$100 million, you might say?

MR. BENNETT: About \$115 million.

SENATOR GAGLIANO: It is a well-run organization. I think that some of the projects that you have on the boards are excellent. I am excited about the Hoboken project, too, although I haven't seen the plans. If it develops into anything like Baltimore, or the Boston port area, it would be a substantial plus for New Jersey.

MR. BENNETT: They are the models that we have been following and tailoring our planning to. We would like to emulate that kind of development.

MR. OLCOTT: I might say, Senator, with the Hoboken waterfront project that we are developing a close cooperation with the City of Hoboken and the New Jersey Department of Transportation. We are as excited about its potential as you have indicated, and hope that we will be able to move forward with that program under the appropriate legislative authority in the very near future.

SENATOR RAND: Facetiously, Mr. Bennett, you wouldn't consider coming down and doing the Camden waterfront, would you?

SENATOR GAGLIANO: They can't; we have limited that.

SENATOR RAND: I know that, 25 miles and 75 miles for Transpac.

SENATOR GAGLIANO: Right. Well, then, the only other comment I would have in addition to my request that you try to look into additional park and ride facilities in the Hoboken area, or wherever, close to Path, I suppose, would be

the best way to put it. Park and ride facilities, I think, are extremely important. The other thing that I think you can do in addition to the Newark co-generation plant is to consider a co-generation plant or two in the Bayshore area. I am not quite sure it is Bayshore, but it would be the Raritan Bay.

MR. BENNETT: Yes.

SENATOR GAGLIANO: I have had discussions with Mr. Goldmark on this, as you know, and I just feel very strongly that this is the way of cleaning up the environment, preventing ocean dumping from continuing, and at the same time creating electric power. And, you do have, I feel, the right attitude toward that, and you definitely have the financing, which most of the power companies would not have. That is, to be able to construct the facility.

So, I am putting that in the record, because I feel very strongly that is one of the things that you will do, and certainly you are on your way now in Newark. But, I think that if it is 1,000 tons or 1,500 tons a day that that is probably about not a small percentage, but it is probably more than 10% of what we generate in the northern New Jersey area in terms of daily garbage use. We probably generate ten or twelve---

MR. OLCOTT: About 15,000 tons.

SENATOR GAGLIANO: 15,000 tons of garbage per day?

MR. OLCOTT: Yes, in the northern New Jersey area.

SENATOR GAGLIANO: Yes. So, we obviously need more than one or two plants. I just hope that the planning will continue, because it is such an important thing. I have nothing further. I thank you for coming.

SENATOR RAND: Mr. Bennett, Mr. Gorman, Mr. Olcott, thank you very much.

MR. BENNETT: Thank you.

SENATOR RAND: Next we have the Delaware River Port Authority. Good morning. It is nice to have someone here from my home town.

J A M E S R. K E L L Y: Good morning. My name is James R. Kelly. I am President of the Delaware River Port Authority. If I may, I will give you a little background on what the Delaware River Port Authority is. We are a bi-state agency created by Pennsylvania and New Jersey with the consent of Congress. We have 16 Commissioners, 8 from each of the states. Our primary function and our primary responsibilities are in the construction of river crossings across the Delaware River. We have built four bridges, the Ben Franklin, Walt Whitman, Commodore Barry, and the Betsy Ross Bridge. We have also constructed and operate the Philadelphia-Lindenwold Rapid Transit Line through our subsidiary corporation, the Port Authority Transit Company, more familiarly known as PATCO.

In addition, we are responsible for the promotion of the Delaware River and the ports on the Delaware River to promote the commerce of that river. We do that through a series of field offices in the United States and around the world contacting shippers and encouraging them to use the ports of Camden, Philadelphia and Wilmington.

The authority and its predecessor commission has funded the construction of our four bridges by a contribution of \$49 million of authority funds, and the balance of which came from revenue bond proceeds. We do not receive any tax subsidies from either state for the construction of our facilities.

The construction of the Patco Transit System was constructed by \$25 million of authority funds and approximately \$70 million of bond proceeds. We have had some recent capital additions to our Patco system, which have been subsidized from federal grants to the extent of some \$65 million with assistance for the local

share from the two states and also the City of Philadelphia. We have received federal technical study grants amounting to some \$2.85 million. In addition to our initial investment in Patco and those funds that we have received from the federal government, the authority has subsidized the operation of Patco to the extent of \$9.3 million over the years and have paid debt service on the system of \$49.5 million.

In discussing our capability of assisting funding in transportation programs or projects of the State, or anything other than our own committed projects, the authority funding participation must be for the purpose that is presently authorized by our compacts. Any funding for rapid transit projects, which are authorized by our compact would probably require the consent of each of the Governors. It does not require legislative approval, but it does require the consent of the Governors.

Funding for any highway project, not directly related to our present bridges, and any transit project other than those presently specifically authorized would require concurrent legislation in Pennsylvania and New Jersey as a minimum and probably a compact amendment involving the approval of the United States Congress.

Finally, from the legal point of view, any commitment of funds would be subject to the limitations set forth in our bond resolutions. In addition to our legal constraints, we do have some financial constraints. We maintain at the present time some ten separate funds with the combined equity of about \$211 million at the end of calendar year, 1981. However, most of those funds are prescribed by various bond resolutions, escrow agreements and other commitments of authority, leaving an unencumbered fund of approximately \$33.5 million. The purpose of this money is pretty well specified in our five-year capital budget. One of the projects that we are undertaking is the construction of Route 90 in New Jersey which connects our Betsy Ross Bridge with our Route 73. That was originally 100% state commitment, but since that time, because of restraints on State funding, and our reluctance to go into the federal procedure, the Port Authority has agreed to fund one-half of the cost of Route 90 with the State. We would expect if that project could get underway by the spring of 1983 - and we are presently working with the Department of Transportation to undertake that project.

In Pennsylvania we are presently working on two ramps that have not been completed at the time the bridge was completed because of some litigation involving land acquisition. It is now being funded by the Port Authority to the extent of one-half a million dollars with the State of Pennsylvania agreeing to pick up any excess over that five hundred thousand dollars. The total project is probably around \$750,000 to \$1 million. We plan to get that one underway this spring.

The major financial consideration at the present time relates to the Ben Franklin Bridge, which is our oldest facility. It is over 55 years of age. We have conducted a condition study in 1979-80 which indicates that we must replace the bridge deck within the period of 1985 to 1990 and we are, at the present time, proceeding with engineering studies and designs for that purpose.

In addition to the Ben Franklin Bridge deck, the track bed, Patco System, our rapid transit system runs over the Ben Franklin Bridge and the track bed is also in a very deteriorated condition and must be replaced within the next few years. Our current estimates based on our condition studies are that these two projects combined would cost approximately \$125 million. In our capital budgeting, we are providing from our own funds 20% of that on probably the erroneous assumption

that federal funding will be available to us for this project. We are eligible for federal funding through a section of the transportation act, but whether funds will be available to us or not, we have some doubts. And, we have also preliminarily examined the possibility of revenue bonding for this purpose, and because there will be no additional revenues created by the repair of our track bed or our bridge deck, the level of tolls would probably have to go to a prohibitive level and we cannot tolerate that.

We do have a couple of other commitments, the connection of Vine Street to our bridge may require some \$3.3 million. We are not certain of that. There is also the possibility of extending the Patco system from its present terminus at Lindenwold to the Berlin-Patco area. This is also subject to the availability of federal funding, but nevertheless, we have in our budget four and a half million dollars to provide half of the local share; the State of New Jersey has committed to pay the other half.

In terms of port development work, we have in our five-year capital budget a \$5 million fund that we would be using as a revolving fund for projects we have not identified at this point, but we expect will be required in the future. There is a very serious planning effort going on with the Port Authority in leadership for revitalization improvement of our port facilities, particularly on a regional basis, and we would intend that these funds would become available in the future for this purpose.

Of course, in summary, and in the overall picture, it is the bridge redecking and the Patco track rehabilitation that has our total attention at the moment in view of the very, very high costs that we will be faced with. Thank you very much, gentlemen.

SENATOR GAGLIANO: I haven't been on the Ben Franklin Bridge or any of those bridges for awhile. What is the toll at this point?

MR. KELLY: The single passage for the bridge is 75¢ for a passenger car and the commutation rate would be roughly 50¢ per passage.

SENATOR GAGLIANO: And, Patco?

MR. KELLY: The Patco fares vary from Philadelphia to Camden. I believe it is 70¢ and to Lindenwold another 80¢, roughly \$1.50 or \$1.55 for the full length, 80¢ to Camden, and stops within New Jersey would be the difference between the \$1.55 and the 80¢.

SENATOR RAND: I just wanted the Senator to know what kind of bargain he is getting in Path.

SENATOR GAGLIANO: I think we realize that. Of the various items that we have been talking about, Mr. Kelly, you don't see a situation where you could increase or could create funding which would go directly into State transportation issues?

Let me give you an example. N. J. Transit, I would presume, is running buses across your bridges.

MR. KELLY: Yes.

SENATOR GAGLIANO: They are paying whatever the bus fare is, whatever the bridge toll is; correct?

MR. KELLY: That is correct.

SENATOR GAGLIANO: And you wouldn't anticipate that they could be exempted from the tolls or that there would be some kind of cash equivalent so that we could cut down on our transit expenses?



MR. KELLY: We do give a discount to New Jersey Transit for the purchase of tickets in quantity, which is roughly 10% of the toll. We have a prohibition in our bond resolution for reducing any tolls without the permission of our trustees, so from a technical point of view, it would be difficult. Also, the bi-state nature, of course, is a problem with us. Of course, the weight of the buses and the use of the bus lane is a factor in the deterioration of our bridge facility and we feel that it should pay its share.

I think that the annual fare collected from buses is in the neighborhood of \$300,000.

SENATOR GAGLIANO: And what are your gross revenues?

MR. KELLY: Our gross revenue from bridges---

SENATOR GAGLIANO: No, total gross revenues from the entire authority.

MR. KELLY: \$54 million, roughly at this time, yes.

SENATOR GAGLIANO: That includes Patco?

MR. KELLY: Yes, the bridge revenue is \$47 million. Patco's gross revenue is \$11 million and we have interest income as well. Gross revenue is \$11 million and we have interest income as well as principal and interest.

SENATOR GAGLIANO: And, the total again is what? \$54 million?

MR. KELLY: It would be higher than that.

SENATOR GAGLIANO: Would it be about \$65 million?

MR. KELLY: Yes. It would be in the neighborhood of \$65 million including interest. Our bridge toll is \$48 million, \$11 million for the transit system. Our interest income is about \$9 million.

SENATOR GAGLIANO: Could you identify any part of your surplus, which we could request that we negotiate for with respect to some kind of payment for transportation matters not currently being paid for. For example, you talked about sharing Route 90; you talked about sharing expenses with respect to the extension of Patco. Are there any other areas that you feel could be negotiated for or with, with respect to your surplus.

MR. KELLY: No, sir. In effect we have no surplus, per se. Our financial commitments are far in excess of funds that are unencumbered at the present time, particularly if there are no federal subsidies available to us for the repair of the Ben Franklin Bridge.

SENATOR GAGLIANO: That is about \$120 million that you anticipate paying out over ten years?

MR. KELLY: Yes, sir.

SENATOR GAGLIANO: Thank you.

SENATOR RAND: Mr. Kelly, let me ask you just a few questions, if I might. Going from Lindenwold to Atlantic City would need legislation by both states, or would you need an agreement by both states to let you go that far?

MR. KELLY: Yes, our limit at the present time is 35 miles from Camden. That would probably also require Congressional consent.

SENATOR RAND: Was there a plan submitted to the Department of Transportation of your interest on that extension? I know that on March 15th they took some proposals.

MR. KELLY: Yes. We participated with New Jersey DOT in putting together their proposal in terms of offering some of our trackage and some of our land to that proposal. We have also informally given New Jersey some of the operating ideas that Patco would consider. We would have no ability to pay for or operate that system with our present---

SENATOR RAND: I understand that. Still staying with Patco, I know that you anticipate, or there is a study going on now between Lindenwold and Berlin, and I don't know what the projection of that is. I have always had a personal interest in that. Is that the right way to go? Or should we be going to Gloucester or Burlington? I don't know what the extension of that six miles is going to do for the total area. I know you are talking about really big dollars. I know it is high. We don't have that right now. But, would it make more sense to certainly begin to look at, if not begin to build, the Gloucester County area, which appears to be the bulk of the population explosion?

MR. KELLY: Yes, sir. The three extensions, the Berlin extension and the two Burlington and Gloucester extensions were under study, federally-funded studies, and I believe the concept is also approved by the two Governors. However, at the present time, the federal government has withdrawn support from New Jersey DOT for these studies and we, the Port Authority, are cooperating with New Jersey DOT in continuing some alternative analysis studies of types or modes of transportation that might serve this purpose in Burlington and Gloucester. But, funding is almost out of the question under the present constraints.

SENATOR RAND: You are talking about the half a billion dollars or so?

MR. KELLY: Yes, sir.

SENATOR RAND: The Lindenwold to Berlin, is that on a hold or is that on a go basis?

MR. KELLY: No, that is also under study which is being funded by the federal government. We anticipate having the completion of that at the end of December. Probably by September we should have the results of that study, which will indicate to us the level of traffic that we might expect and the economic development that might occur in that area as a result of the extension.

SENATOR RAND: Senator Gagliano doesn't know that we have a couple of bridges that we really should be getting more use out of.

SENATOR GAGLIANO: Oh, I have read about them.

SENATOR RAND: Is there any possibility of getting any ramps coming on the Pennsylvania side of the Betsy Ross Bridge?

MR. KELLY: We are in negotiation with the Commonwealth of Pennsylvania. In fact, we are really in litigation with them over the fact that the Pulaski Expressway was not constructed. That was a key access to that bridge and really the rationale for building it, that together with the New Jersey connection.

We are attempting at the present time to get access on the Pennsylvania side concurrent with the access of Route 90. Route 90 will be of a great assistance to the commuting public of New Jersey and if we have a proper connection on the Pennsylvania side, it will be a very viable facility.

SENATOR RAND: Is there anything in your compact about allowing for economic development?

MR. KELLY: Yes, our compact provides for that, and we do perform that service in terms of promoting the port. We spend roughly two million dollars a year for promotional efforts. At the present time, in order for us, however, to get into any projects, development construction, we would require the approval of both states.

SENATOR RAND: Would you be interested in that type of approval?

MR. KELLY: Yes, sir, we are. We are very diligently developing what we hope will be a master plan that will enable the Port Authority in the future to assist in financing

to assist in financing particularly projects that might be profitable in order to protect our financial position.

SENATOR RAND: Because, Mr. Kelly - and I don't want to editorialize here today - that is not the purpose of our meeting. I think the Delaware River Port Authority has the ability and the capability of certainly doing great things for that riverfront area to go down as far as --- I don't know how far you are allowed to go down, but I don't want to just include Camden and Philadelphia, because you certainly can go up and down that river. If there is any type of legislation that certainly this Committee - or any type of help we can give you - I am sure we would be most happy to give you that type of help, because we would like to see some economic development. We would like to see some development, not only as far as port is concerned, but some construction opportunities.

MR. KELLY: Thank you very much, Senator. I know you have been a very strong proponent of that in your area, and I do appreciate your offer to assist us. We will certainly take you up on that.

SENATOR RAND: Senator, anything else?

SENATOR GAGLIANO: No further questions, thank you very much.

SENATOR RAND: Thank you, Mr. Kelly. Senator Gallagher from District thirteen. I told you, Senator, you should have gotten on this Committee.

SENATOR JOHN P. GALLAGHER: I know it. But, I am ably represented in Monmouth County by the Honorable S. Thomas Gagliano.

SENATOR GAGLIANO: Thank you.

SENATOR GALLAGHER: Mr. Chairman, thank you very much for allowing me to testify before this Committee. It gives me an opportunity to also see some old friends from the days when I was in the toll road business, Mr. Flanagan and Mr. Fear. They are both, I can tell you, capable individuals and part and parcel of successful operations.

Before I get into the subject at hand, I would like to ask if you would please take a look at a couple of other bills that I put into the legislature and which are in your committee which deal with membership on a couple of the authorities. I am concerned that in the appointment process of Commissioners that too much weight has been given to certain areas of the State and not distributed throughout the area of the pledged projects themselves.

At one time, on the Highway Authority out of seven we had four from Essex, one from Hudson, where the road doesn't even go, and one from Ocean and one from Middlesex. Now, I believe we will end up with two or three from Essex on the turnpike itself. I think in the appointment process, if we can do anything within the legislation to limit it to maybe one per county, we would be well advised to do so.

SENATOR RAND: Senator, this is the first time that south Jersey is not complaining, because in all our authorities we have almost ample representation or proportionate representation from every county.

SENATOR GALLAGHER: Okay, the only thing I can say to you, Senator, is as much as you have always reflected the interests of the south, we too have to reflect the interests of the central.

Also, with regard to the appointment process, I do not think it was the intent of the legislature at the time the respective authorities were put together that we would put together a nominating and confirming individual seven months before their term expired, which has occurred in the past year and a half.

In addition, I think it has been a practice of where existing Commissioners had been taken and used to fill vacancies that have just been created, which, in a sense, continues to extend the term of that particular commissioner and limits a new one to an unexpired term. I believe that the intent of the Legislature was to appoint commissioners for a specific five-year term. I do think we ought to give a little look into that area.

Now, to get to the matter at hand, it has always been my personal feeling that the State of New Jersey has perhaps the greatest opportunity of all fifty states in developing a balanced transportation network. I say that because we do have the highest density of population. We are a corridor State. In addition to that, we not only have the support of the Federal government and the State government, but we were able to develop through the wisdom of some a number of the most successful, most acknowledged, worldwide toll facilities, namely, the New Jersey Turnpike, the New Jersey Highway Authority, and the New Jersey Expressway Authority and we do have the benefit of the bi-state authorities who have testified here, the Port Authority and the Delaware River Port Authority.

I think that working in a coordinated effort, utilizing all of those building blocks, utilizing the talents that are in these organizations, utilizing the financial capacity of these organizations, and the financial credit of these organizations, we are in a good position to develop this type of transportation network. Working as individuals, allowing the toll road authorities to function on islands, which they are limited to at the present time, because of their structure, we are defeating the overall purpose, and we are not able to take advantage of these very successful entities. For all intents and purposes, the pledged project for which these authorities were organized have been completed some years ago. The turnpike does run from one point to another, as it was legislated to do. The parkway does and the expressway does.

Maintenance certainly must be a consideration. Future development, as necessary, must be a consideration. However, I do believe that we can now utilize these in a new direction, but in order to do that, we must find a vehicle to pull them together. I have never been one to suggest that we should raid them and merely take away anything that they have. I have always been one to suggest and I did this back in 1972, when I had the pleasure of serving as Commissioner and Chairman designated by Governor Cahill of the New Jersey Highway Authority, that it was time we found a vehicle to combine these and utilize them, not necessarily combine them for operations purpose, but to combine them so that they would be formed in some sort of a holding company, so that the future planning and the future expenditure of any such revenues that might be generated could possibly be utilized in another fashion, rather than having to be turned back into the respective authority.

SENATOR GAGLIANO: If I may, Senator, I want to interrupt for a minute. And then when that is turned back, and I obviously agree with what you are saying, oftentimes, they then find new projects which are developed, which then takes away further the opportunity for the State of New Jersey generally to benefit. You may be saying that next, but this has been on my mind for a long time. You are saying it better than I have.

SENATOR RAND: Well, maybe the Governor hasn't scrutinized it through the reading of the minutes carefully enough, or maybe we don't have some type of oversight to see what type of projects they are doing.

SENATOR GALLAGHER: I want to emphasize that they have been extremely successful, and they have been run by some capable individuals through the years.

My intent here is merely to try to find another project for them to participate in and to utilize, not only the expertise, but the financial strength.

Now, at the present time there is no flexibility between those three toll road authorities. Should we have a situation - and we may, after the payment of the senior bonds that the highway authority in '84, because they will have, through accelerated redemption, completed repayment of all of the original bonds, the state guaranteed bonds, by '84. You may find that there is a source of funds there, but there may not be in the priority list projects on that particular road that should be undertaken. But, it could possibly be at the turnpike or at the Atlantic City Expressway, and you cannot use those funds for that purpose. You may also have some priority items with regard to New Jersey Transit. Certainly, we are getting to be more and more of a closer and closer transportation situation regardless of the emphasis on the part of some in the other direction.

It is my firm conviction that it is time that the State of New Jersey took steps to protect the integrity of the respective authorities, but to provide a sort of holding company and a future planning company and a future financing company, where the excess revenues could flow after all obligations of the respective authorities are met in the form of operations, after they have honored all of their bond redemption requirements and at that point a decision can be made as to which of the road projects, or which of the New Jersey Transit projects might be higher on the priority list and need the available funds. If we don't, we will find, because it is human nature, some of the things that Senator Gagliano has suggested. If you would check the operating budgets of the respective authorities, you will see that there has been a constant increase in some of the authorities as to the percentage of operating costs in relationship to gross revenues. I am going to give you the one that I know the best. I would say that somewhere in 1971 the percentage of operating costs in relationship to the gross revenues taken in was somewhere in the area of 34%.

Mind you, nothing new really has been added with the exception of some additional roadway which does entail some more maintenance people, some more toll collectors who work out in the field. The operating expense in 1981, some ten years later, is 55% of the gross revenues taken in, which I can tell you are possibly some \$25 million to \$30 million more than what was taken in 1971. In my estimation, some things like a new headquarters building for \$8 million to \$10 million was not necessary, because this pledged project was completed for all intents and purposes. Anyone added was added in the field and that a reduction in work force, and the administration should have been in order, not an expansion to necessitate an expansion of an office building.

SENATOR GAGLIANO: What are the percentages of increase again, Jack, I am sorry.

SENATOR GALLAGHER: 34% in '71 to 55% in '81.

SENATOR GAGLIANO: And you said during that period of time there was a concomitant increase in gross revenues.

SENATOR GALLAGHER: Certainly.

SENATOR GAGLIANO: So that you are taking that into consideration.

SENATOR GALLAGHER: Sure. You are talking somewhere around \$17 million or \$18 million out of about \$44 million to about a total of \$43 million out of \$79 million. So that your operating expense ratio has gone higher.

SENATOR GAGLIANO: So it has gone up 21% when basically the ratios of income --- The income ratios went up too. What you are saying is there may

not have been a real necessity for that much of an increase in terms of the administrative personnel and that type of thing.

SENATOR GALLAGHER: Correct.

SENATOR GAGLIANO: What could the State of New Jersey have done during that period of time to stop it or at least to slow it down?

SENATOR GALLAGHER: I think you would have to have had much better control through the Governor's Office in order to encourage them in the right direction, either through the review of the minutes, on which he has veto power, or just in persuasion with the Commissioner that he appoints.

SENATOR RAND: Well, Senators, before I look at one set of figures, I would like to look at another set of figures to see what expenditures went up, and as to the inflation rate, and the cost of maintenance, as to the cost of snow removal and as to the cost of repaving, and the cost of reconstruction. If we want to get a balanced set of figures, let's get a total balanced set of figures.

SENATOR GALLAGHER: I think you should do that. Some of the things that you are talking about are in the capital end in this particular budget. So, it does not really apply to the figures I sent to you.

Let me go back. I put in a bill called S-1164. It is an attempt to gain the flexibility that I talked about. It is an attempt to have, perhaps, a review of the annual budgets. We spend an awful lot of time, Senator, you and I, going through all of the State budgets. I think through this holding company process we could also review the respective budgets. I don't think anybody should really have any objection to that.

The Commission I am suggesting would allow the respective authorities still to be active participants because I firmly believe that in order to meet legal requirements you would have to have the Chairman of the respective authorities on that Commission, and I am suggesting the State Treasurer and the President or Chairman, whatever his title is, of New Jersey Transit, who happened to be the Department of Transportation Commissioner. We believe they could review each year where it is best to do things, and make those decisions and pass them down the line and the respective authorities can comply with them. I don't think that we are building an extensive layer of government because I do believe that they can use the expertise in the respective authorities from their finance and their engineering departments in this capacity as well for any type of analytical information.

I think the great thing we have to do in the State is utilize everything that is available to us. No one - whether it be the State or the Federal government or these respective authorities - is capable of shouldering the burden that we have in transportation today. The more building blocks we have, the more expertise we have, I believe that we are going to have a better shot at accomplishing our objective. For us to not utilize - and I am talking about utilizing again in a productive manner and in a manner in which they have input - is sinful. I think the time in this State has come where we have to maximize the very successful areas we do have and build with them and upon them to accomplish the transportation network.

One aside - if you did have this type of thing, it would lead, I would think, to better cooperation between the respective authorities and maybe New Jersey Transit and you find more ways to accomplish some of the objectives that they have with regard to special lanes, special toll booths, reduced fares, whatever; you would be able to discuss them at this level and you would be able to resolve them as against an outsider coming into an outsider. They would be more together,

and they are state creations, Senator, and I do think they were put together originally for state benefit and I think they have very successfully accomplished their initial objective. What we are saying to you is, we are not in a position now, nor will we be in the near future, wherein we will be able to provide these facilities toll free. So, let's put them together in a fashion where they can work while they are still collecting their quotas.

SENATOR GAGLIANO: Well, Mr. Chairman, if I may, I think Senator Gallagher has some excellent comments here. In order for us not to take a lot more time, I think maybe what he is talking about today is maybe the key to what has been bothering me. In order to put everything under this umbrella that I feel we should try to create, I would like to suggest that you request of the President that we have public hearings on S-1164 and that would be kind of a continuation of what we have started today.

I think what we are looking for is a sense of volunteerism on the part of the authorities. I think, Jack, because of his background with the New Jersey Highway Authority as Chairman and as a member, and as Executive Director, has kind of pinpointed it. He is saying, let's have some group within state government to bring all these people together, representatives of each of them, and find ways among themselves to come up with a better program than we have.

What I was talking about before, getting off the Parkway and a half a mile down the road, those roads are not paved. And, you are on a state highway and yet the Parkway is clean of the driven snow. So, that is my suggestion, Mr. Chairman.

SENATOR RAND: Senator, I can assure you that as Chairman I will give it the utmost consideration.

SENATOR GALLAGHER: Thank you very much.

SENATOR RAND: Senator Gallagher, I thank you for your time. I thought it was very nice of you to come down. I know that you were up here three days already this week. I do appreciate the fact that you came down and spent some time here today.

Next we will have a representative of the New Jersey Turnpike Authority, Mr. Flanagan.

W I L L I A M J. F L A N A G A N: Good afternoon, Senator. Gentlemen, my name is William J. Flanagan. I am the Executive Director of New Jersey Turnpike Authority. The Chairman and Commissioners of the Authority have authorized my testimony for you this morning. They have asked me to state for the record their desire to contribute funds to the State if the finances of the turnpike make such assistance possible.

The difficulties that face the Turnpike Authority are not unlike those facing any business organization today. The economy has constricted our growth to such an extent that it is being outdistanced by the rate of increase in our operating costs, and at the moment we are presently attempting to avoid a toll increase which has been forecast by our traffic and revenue consultants for 1983.

The turnpike bond resolution - and you have heard much about bond resolutions this morning - is nothing more than a contract between the lenders whose money was used to build a road and maintain it. There are no tax funds, either state or federal, used in the building or the maintenance of the New Jersey Turnpike. That contract between the lenders and the authority is structured to protect the investment of the lenders and the constraints contained in that document are not unreasonable, and they are quite similar to those which would be found in any



business loan agreement. Basically they insist that the authority be operated in a business-like manner and that the authority's actions be subject to the review of the people or the institution selected by those investors who perform as their trustees. They ask that their interest payments be made on time and that they be afforded a reasonable opportunity to get back their original investment, an investment which was made in 1966 dollars but would only be paid in-kind in the total. With interest payments on those bonds, upon the investment they made, ranging only from 4 3/4% to 6% and their investment now reduced to 54¢ on the dollar because of the current bond market conditions, it is hardly likely that they would sit still for any challenge to their rights.

In addition, their position has been well established, not only by the courts of the State, but by the United States Supreme Court. In the structuring of the bond indenture, or the contract between lenders and the authority, it is specified how the authority revenues may be utilized. They insist first that the revenues primarily be designated to the operating fund, that is, the operation of the turnpike and then to the maintenance reserve fund. That is for capital projects, such as repaving and bridge repair. And, next it would go to the bond interest fund, and then the bond reserve retirement fund, and then finally the extraordinary maintenance fund.

The extraordinary maintenance fund is to cover projects which do not occur from year to year, such as repaving the roadway, repair of structures, buildings, et cetera, and I am speaking now more to the payment for the authority's share of constructing interchange 13A at Elizabeth, which is due to open to traffic on June 10th of this year.

There is already a statute in place, which provides that after all of the obligations of the authority have been met, then excess monies would flow to the general treasury for general purposes.

SENATOR GAGLIANO: Mr. Flanagan, we are trying to accelerate that. I think you understand that.

MR. FLANAGAN: I surely do.

SENATOR GAGLIANO: We know exactly what your responsibilities are. We have heard it before. I have heard it on a couple of occasions not just from yourself, but from others who have testified before us.

Our theory is to try to accelerate the date upon which the State of New Jersey can rely upon some kind of income, be it ever so small, from the various authorities.

MR. FLANAGAN: Well, Senator, right now your greatest opponent is the economy. I have no doubt that that day will come in the future, and it will be accelerated when the economy improves---

SENATOR GAGLIANO: But, will it come, for example, if you get to a certain plateau-- I will call it a plateau. If you get to a certain position, not you, but any of the authorities, and income is enough to meet all of the various requirements you have, and you project a year or two in advance, and the Commissioners get together and say, "Well, now that we can project this, let's tell our engineers to plan for a new exit or new entrance, or a new whatever, at the cost of several millions of dollars," which the Commissioners feel is perfectly justified. Your staff feels it is perfectly justified, but once that is committed by resolution and you start to borrow against the future, then again you will not be able to accelerate the day on which the State of New Jersey can generally get some of the revenue which you generate or benefits from some of that revenue. Do you follow what I am saying?

MR. FLANAGAN: I follow what you are saying---

SENATOR GAGLIANO: Just as before Mr. Carragher said we have nothing left over because we have to widen the parkway from Asbury Park to Toms River and we can't even discuss the idea that there might be something for other purposes. That is what I think we are mostly concerned about.

SENATOR RAND: I did want to recognize one comment that you did make. Senator Gallagher said before that there is an increase from 34% to 55% in the operating expenses and we ---

SENATOR GAGLIANO: Of another authority.

SENATOR RAND: And we who have been dealing with transportation for many years, as Senator Gagliano and myself have, know probably the highest rate of inflation is applicable to roads and highways and that type of building. I am not making any excuse nor am I apologizing, because that is not what I want to do. Somebody may have made a capital improvement that maybe should not have been done, or maybe there is some fact in the particular operating situation, but I would say that inflation has paid a very great part in that increase of your maintenance, and the increase of your operating expenses. I just want to make that clear. Because if we are going to get figures, we want to look at the broad spectrum of the total amount.

MR. FLANAGAN: I recognize the validity of the comments of Senator Gagliano, and I heard your comments concerning previous witnesses and their respective authorities that there was perhaps a lack of oversight. I think that the people who are involved in the oversight of the authorities would testify to the opposite view. The oversight of the authorities is much more structured and much more intense than it is for any other department in state government.

Mr. Yanscik who oversees the monthly operation of the Turnpike Authority for the Treasurer's Office is well aware and would even testify that no one is regulated as far as oversight is concerned in the state government as much as the public authorities are.

Now, any major operations by specifically the New Jersey Turnpike Authority that would require bonding, also require by statute the approval of the Governor, the Treasurer, and the Comptroller of the Treasury, so that the Authority is not seeking to perpetuate itself. The Authority is seeking to provide a service in return for a reasonable toll.

SENATOR GAGLIANO: Have you ever considered, Mr. Flanagan, or have the members of your authority ever considered the possibility of extending maintenance and snow plowing and that type of operation beyond the territorial borders of the Turnpike Authority property?

MR. FLANAGAN: Senator, we have some 22 to 25 agreements with the Department of Transportation and a like number with local jurisdictions regarding plowing and other maintenance responsibilities. We have never had any objection from them, and those terms were arrived at by amicable agreement. The limits beyond the ramps of the New Jersey Turnpike Authority are determined more by the turn-around location that can be achieved by our plows and by the local plows and not by limiting it to any number of feet.

For instance, beyond Interchange 14 at Newark Airport, our plows under the agreement go out a mile from the interchange, because that is the most likely place that we can turn our plows safely and bring them back on the opposite side, and it is the most likely place that the DOT can turn its plows when they are coming in the opposite direction. So, the agreements are not limited to say that

we will only plow to the end of the ramp. The agreements are structured, each of them, differently by the characteristics of the locale.

SENATOR GAGLIANO: These agreements have been in existence for a period of time.

MR. FLANAGAN: Yes, they have.

SENATOR GAGLIANO: Do you have any Park and Ride facilities?

MR. FLANAGAN: Yes, we have two. We have one opposite Interchange 9 in East Brunswick, which was recently expanded and now serves about 680 vehicles. We have one at the northern end of the turnpike, which serves over 1,000 vehicles.

SENATOR GAGLIANO: Do you have any plans for any additional Park and Ride facilities?

MR. FLANAGAN: Yes, we do. We have done surveys the length of the turnpike.

SENATOR GAGLIANO: What is anticipated for the near future?

MR. FLANAGAN: The most immediate Park and Ride we would like to build, and I discussed this with your Committee on another occasion, is a sizeable Park-Ride lot at Edison.

SENATOR GAGLIANO: Okay, I have no other questions. Thank you very much.

SENATOR RAND: Mr. Flanagan, thank you very, very much. We do appreciate your coming down here. We want to assure you that there is no attempt at any witch hunt here. All we are trying to do is see what we can do---

SENATOR GAGLIANO: We are hunting for money.

MR. FLANAGAN: Believe me, nothing would please the members of the New Jersey Turnpike Authority, and myself personally, more than to be in a position to support the efforts of the State in transportation or in any other area. I believe that day is coming. I have mentioned before that the Turnpike Authority revenues are now depressed because of the economy.

The revenues from truck traffic for the first quarter of 1982 are running behind the revenues from truck traffic of 1981 for the first quarter. With the emergence of environmental concepts and the support of environmentalist in the State, and the difficulty in obtaining Federal funds from Washington, I don't believe that there is going to be another major highway built in New Jersey, particularly in the north-south corridor, in our lifetime. I think as the population grows, and as the economy revives and more vehicles are manufactured and more individuals become eligible to drive, and as the business improves and the trucks improve, the fortunes of the Turnpike are going to improve. Those pails that were required to be filled under the bond indenture by the various funds -- when we get down to the final pail, and when that's filled, then the excess, under the statute I referred to earlier, flows to the State. I believe that day is coming. I think it is in the foreseeable future. Thank you, gentlemen.

SENATOR RAND: Thank you, Mr. Flanagan. Next we have Mr. Bender of Ocean County Board of Transportation

G R E G B E N D E R: Good afternoon, sir. My name is Greg Bender. I am the current Chairman of the Ocean County Board of Public Transportation. I also serve in an advisory role to the New Jersey Transit, on the North Jersey Coastline Advisory Committee.

Perhaps Ocean County, more than anybody else, could testify to the success of the toll road authorities. The growth of Ocean County has been the fastest in the State of New Jersey, and it can almost be attributed exclusively to the Garden State Parkway making our area accessible by commuting to the jobs in the northern region of the State.

Unfortunately, with the increasing energy crisis, the Parkway has also become our only lifeline to reasonable employment. So, it is in our best interest to see that the operating authorities in the State of New Jersey become an integral part of transportation systems and planning for the foreseeable future. At the present time, we don't think enough has been done to integrate that area. We think the progress on the part of the authorities becoming more active in supporting public transportation has been too slow. Specifically, I would like to see the authorities integrate their plans for serving mass transportation - public transportation - more closely with the State Department of Transportation. One example that comes to my mind is -- after listening to earlier testimony -- we are building a brand new turnpike exchange in Newark, Exit 13 or 13A, yet, we only have two park and ride lots on the entire length of the Turnpike. One has to wonder what is really important in encouraging public transportation - the creation of another massive interchange, which allows you to get to the airport 7 minutes quicker, or the establishment, perhaps, of a whole system of park and ride lots, for the same cost.

SENATOR GAGLIANO: Do you know what that Interchange costs, approximately?

MR. BENDER: No.

SENATOR GAGLIANO: Eighty plus million dollars.

MR. BENDER: I think that could get you a lot of park and ride lots, bus shelters, and mass transportation pickup points on that highway system.

SENATOR GAGLIANO: I agree.

MR. BENDER: Most importantly, I feel that an area that should be looked at is the Toll Authorities. They service the New Jersey Transit Rail System, because the Toll Authorities - the Parkway, specifically - have become an excellent feeder system, or defusion system, for the population of the suburbs. They can also be turned around to be an excellent collector system, to bring the suburbanites into the rail transit corridors where a high volume movement of people is more cost-effective. Specifically in this area, you need only look at the success of Metro Park. You can almost attribute most of the success of Metro Park to the Garden State Parkway's access to that site. It has become a regional transportation center - so much that it has actually become a parking problem.

Recently, I corresponded with Senator Gagliano in regard to improved access to the new park and ride in Matawan, New Jersey. This is, perhaps, typical of the problems we have in this area: integrating toll authorities with public transportation. The Garden State Parkway passes perhaps less than fourth-tenths of a mile from the Matawan Park and Ride lot, yet, there is no useful direct access from the northbound direction of the Parkway to that facility.

SENATOR GAGLIANO: In fact, the only effective one was cut off at a time when the Parkway Toll Plaza was expanded.

MR. BENDER: Right. I think it was partially as a matter of traffic safety in that area.

SENATOR GAGLIANO: I'm sure it was. But, it was shut off.

MR. BENDER: Two proposals we submitted by way of the North Jersey Coast-Line Advisory Committee, and your office, for providing parkway exit ramps to the main

street in Matawan, which goes directly to the station, were not really considered in any depth by the Parkway since they were considered moderate cost. The simple solutions were not "engineeringly" feasible. The moderate solutions became a little bit more costly and were not given any further consideration by the Parkway. Indeed the letter of response that we received said that one of the solutions required construction off the right-of-way of the Parkway. Therefore, there was no further consideration. Feeder systems such as this, to the Matawan Rail Station, should have top priority in the new role of these toll roads. They shouldn't be dismissed as something that simply costs more and so we don't do them. We undertake much more massive and expensive programs on these authorities that simply result in increased revenues in single occupant vehicle usage. I think the Parkway has made substantial progress in the area of park and rides. I think more emphasis needs to be made in terms of intermodal transfers, where the parking is for bus pickup and express bus service, and most of all, interchange with the rail system. This is critical. The key to operating the rail system is high density rail system usage.

Here, we have an excellent opportunity in Matawan. We haven't done anything, and we don't seem to be very interested in doing anything. Indeed, when the idea comes from a citizen advisory panel, it must be pushed on the Parkway by the local representatives. There has been no interest and no response. In fact, the idea should have originated with the Parkway, not pushed on the Parkway. I think you will see a need for better planning integration with State Transportation policies in New Jersey.

SENATOR RAND: Let me say this to you, at least it is evident if we don't get money, we ought to get better planning. Better planning is money.

MR. BENDER: Yes. There are also, I am sure, opportunities to construct park and ride and access facilities on the Parkway for the emergence of the Atlantic City/Philadelphia rail corridor, which may be operated by a private agency in the near future. There has been no substantial movement in that area. One other point in that area, that I think you should be made aware of, is, perhaps, the Atlantic City Expressway Authority's operation. The Atlantic City Expressway is literally sitting on a gold mine right now. I think there is some funding there that needs to be brought back into the mass transportation aspect of service to Atlantic City.

SENATOR RAND: Mr. Bender, we do have a bill, S-895, which sets up a whole series of prerequisites and a transportation fund. We think it is a landmark piece of legislation because it is the first piece of legislation of that type that attempts to divert a surplus from an authority into a four-county area, to the region which that expressway authority serves. It goes for not only highways and not only maintenance, but it does go for mass transit, etc.

MR. BENDER: Could I give you the details, perhaps, of a debt that is owed by the Atlantic City Expressway Authority, which shows a change in thinking in the past 20 years? Construction of the Expressway required the complete cutting off of rail access to Atlantic City. The entrance to the Expressway was built on severed connections to the rail station. The rail station was converted to a bus terminal, which is a good revenue producer for the Authority also. The rail system was not. Any future expansion of rail service into Atlantic City, a useful expansion of rail service, will require a very costly overpass over that entrance. In areas like this, I think it is reasonable to assume the Expressway Authority ought to pay for that type of restoration by use of a dedicated fund over the next 15 or 20 years, as rail service builds up.

SENATOR RAND: You have to understand also, Mr. Bender, when the Atlantic City Expressway was built, it was built-- We were fortunate that it was built. When it was built at that time, it could not have even existed if we didn't divert some traffic to it. I wasn't involved in that particular function, but I will tell you that certainly both modes of transportation could not have served Atlantic City. I don't know if one of them could have served Atlantic City. The truth of the matter is, until casino gambling opened up, the Atlantic City Expressway might have been given back to the State, because it was that impetus down there that created the demand. We are looking at alternatives down there, as far as rail transportation is concerned.

MR. BENDER: Here, you have a situation where you deliberately destroyed one mode of transportation's chance of success. Apparently, at the time, it was perceived that the railroad was dying anyway, and this was the way to go. Our thinking has changed, so it is really not appropriate to criticize that thinking. But, there is a situation here where a restoration of a rail could be made, with funding, in that area, and it certainly seems appropriate to do so.

SENATOR RAND: In conjunction with your remarks, I, for one, as a representative of the South Jersey area, am attempting to see that no rail freight or no rail passenger is dismantled or taken apart or destroyed. Because, it is my opinion that someday we are going to have need for those particular facilities. We are in the act now, and in the lobbying position, of trying to retain those lines in South Jersey, especially in light of the long-term planning of the Department of Transportation. This is not meant as a criticism, but when they eliminate our future roads, which were projected for the late 1990's and the early 2000's-- We have to preserve every mode of transportation that we can in South Jersey, because we're just not going to get any more.

MR. BENDER: It is interesting to note that Commissioner Gambaccini, in discussing the possibilities of success of restoring rail transportation to Atlantic City, said that the biggest drawback was the fact that the downtown terminal was no longer possible without major, costly reconstruction of a rail flyover. That seems to be the major problem with the successful restoration of service to the Atlantic City area.

If I may, I would like to make a few remarks regarding the Port Authority of New York and New Jersey, which haven't come up yet. There seems to be a need for either a modification, perhaps, of the Port Authority's role, or a thorough reassessment of its role. It has been very, very successful in economic development in the port region, but bondholder agreements force it to be almost totally absent of any support for rail system improvements in the State of New Jersey. What we see now is Port Authority funds being used for massive bus purchases. I'm not criticizing that policy because it is funding for improvements in public transportation in New Jersey. But, the situation now is, you have a bondholder agreement deciding how funds are distributed by the Port Authority, which means you are having a shift in transportation system development based on the agreement with the bondholders. So, New Jersey is restrained from balancing its transportation system. Perhaps it would be no different if we were given a free choice. What seems to be happening now is, a bondholder agreement is determining bus versus rail transportation. I don't know if it's on a one-for-one ratio at the present time.

SENATOR RAND: What it allows us to do, by getting the bus money, is frees up state money so that it can be utilized by the Department. Let me say the Senator here is going to be a recipient of that type of freedom. I don't mean with the Senator's help; his district is going to be a recipient when the electrification of the Matawan--

SENATOR GAGLIANO: Just so you understand the import of all that, I understand that is the first rail electrification project in the United States, for an extension, in years. Jerry, maybe you would know, but I think Bob Keith said it is 20 or 30 years. While we say we are getting this, it took an awful long time to get it.

SENATOR RAND: Yes, it did.

SENATOR GAGLIANO: And it took quite a lot of money.

MR. BENDER: Specifically, though, let me go further in that area.

Let me comment a little bit on the Path rail system, which, of course, has been kicked around by just about everybody. The Port Authority feels it is an albatross to their budget statements. There is no doubt that you will hear much more regarding Path in the future, I am sure: whether its fare should be raised or not raised. It is quite a controversial subject. Path has a dramatic impact on the southern Manhattan area and, indeed, probably is responsible for the economic success of the World Trade Center. So, it is an income generator for the Port Authority and other areas which ought to be considered as part of the system. If the Port Authority is actively involved in improving industrial growth in the Port region, the transportation system ought to be a building block for it. Specifically, we would like to see a Path service extended to the Meadowlands region. The Meadowlands would probably be better served, considering it is going to be a commercial and industrial development, by Path service, then it would be by commuter rail service. This would also free up the New Jersey Transit rail system to better serve the areas it now serves instead of getting into costly Meadowlands service. The demand would be for constant all-day service because of the commercial development. Path would give it with a much better transportation profile.

The development of Newark Airport has constantly been hindered by the lack of good public transportation access to it. The currently-operating air link is really inadequate. In fact, the complete development of the airport without mass transportation access or rail access is really a disgrace. I would like to suggest that perhaps the Port Authority be involved in improvement. The PATH extension to Newark Airport was a very expensive and probably not very satisfactory concept. As it was planned, you were a "shuttle bus away" from the terminal, and by the time you took a train or bus to the Newark region, the Path train, and another shuttle bus -- you would be better off to take your car and park it in long-term parking. The experience in Philadelphia, with direct rail access to the terminal area itself, are good role models that should have been pioneered here in the redevelopment of Newark Airport. Perhaps, now that the airport is in place, the Port Authority could be persuaded to provide light rail access at a much smaller cost, right into the terminal areas of the airport. Newark Airport is a real asset to the State of New Jersey and is simply being under-utilized by inadequate public transportation to it.

That basically concludes the remarks I intend to make. Thank you.

SENATOR RAND: Mr. Bender, thank you very much.

The next witness is Mr. Hoschek, Chairman of the Gloucester County Transportation Authority. I know you are getting tired, John.

J O H N    H O S C H E K: If you bear with me, I will keep with the KISS concept - "Keep it Short, Stupid." My name is John Hoschek. I am the Chairman of the Gloucester County Board of Transportation. I am the Transportation Director of that same county. I am also Chairman of the County Transit Association. My first two comments will be for that agency.

I believe that the various jurisdictions and authorities have to be made to work together. Senator Gagliano, I agree that it would be nice to have volunteer

efforts, and so forth, and some of that has actually come about. We have a commitment, so far, by the Port Authority on the Parkway and park-and-rides. I really think there ought to be some sort of administrative action or legislation brought forth. I remember some years ago there was an umbrella type of concept by which, under DOT, there would be some sort of control of these various authority boards, where a number of these items, such as using excess revenues, would really be coordinated. I think that is what we are talking about here. Yes. The Governor does have approval of minutes. The problem with that is, the approval of many minutes, of many organizations, not only in the transportation field. I believe that nobody, without some coordinated agency looking at this, will remember that last year, one authority had this project in its minutes, and now this year, another authority has it in its minutes. It really isn't good for somebody to say, "Oh boy. Remember this? Let's get together and do that." So, I really think somewhere along the line there ought to be this kind of a coordinating agency.

I also think I should mention, for your benefit, that this County Transit Association does support Senator Rand's bill, to utilize excess revenues from the Expressway Authority. I think the key to what we are talking about here is that everybody is talking about bond covenants and agreements, and everything else, but after all of that is taken care of, what about the excess revenue?

SENATOR GAGLIANO: Also, there is an opportunity to accelerate the revenue by making the authorities take a second look at projects that they are going to write up for the future. Once they have signed up a project, and they have their engineers working on it and put it in their minutes, there is no way that we can interfere with that. It is just going to go forward, based upon what the commissioners determine and not necessarily what the Governor might want.

MR. HOSCHEK: You are right.

SENATOR GAGLIANO: It's too difficult for them to turn it back.

MR. HOSCHEK: I believe that if an authority board feels so strong about any use of excess revenue for mass transportation, they could develop enough projects within their own sphere of action that there never would be any excess revenue.

SENATOR RAND: You know, John, when a department wants a capital project, they come before our Commission of Capital Planning. Maybe we ought to have the same type of structure for all of the authorities, so that before a major capital improvement can be made, they come before a capital improvement authority who will at least scrutinize it and give them that type of okay. It is worth looking into.

MR. HOSCHEK: Not only that, Senator Rand, there shouldn't be any reason why your Committee should not, every so often, get a shopping list of these major projects so that you have that oversight.

SENATOR GAGLIANO: John, if I may, this is one of the things that I have been concerned about. Apparently, because the authorities deal with the executive branch, in conjunction with their appointments as members, and secondly, because of the possibility of a veto or non-approval of minutes by the Governor as a result of his staff's review, the Legislature has had very, very little to do with any of the authorities, except when they need specific legislation, such as Transpac, and that kind of thing. Other than that, we do not see what they are doing.

MR. HOSCHEK: I would now like to turn to my position in Gloucester County and bring some things to the attention of Senator Rand because portions of Gloucester County are in his district too.



We are one of the few counties in South Jersey that has identified the need for park-ride lots, and which has, in fact, accomplished a study identifying those and attesting to the liability of park-ride lots. We have identified one park-ride lot, which is right at the end of the Atlantic City Expressway on the 42 Freeway in Turnersville. While we have supplied the Transit Corporation Capital Development office with copies of this, we have not gotten involved in the Expressway Authority. However, we looked at Senator Rand's bill as one of -- if it ever comes into law -- the areas in which funding for such a project could come from. What disturbs me is that sometimes even within the authorities, you have a problem. For example: while I personally hand delivered copies of this study to the Transit Corporation Policy and Capital Office, the planning office came to the Delaware Valley Regional Planning Commission, totally unaware of this, asking how we can get this transportation improvement program? How can we get this funded? Even within some of these authorities, they don't know what they are doing. That is a very big complaint.

I would also like to mention that there is an inequity when one authority-- I actually have to laud the Port Authority of New York/New Jersey, because they really do have involvement. Admittedly, they probably have more money than some of the others. Just take, for example, the fact that you can go from Newark to New York for \$.30, I believe. As was testified to heretoday, just to go from Camden to Philadelphia is \$.80. It may be \$1.50 all the way to Lindenwold. Somewhere there is a big inequity as to what the traveling public is paying. Here, we have the situation where one authority, the Port Authority of New York, is very, very involved in this, and I admit they may be reluctantly involved; but, on the other hand, the Port Authority of the Philadelphia/Delaware Valley area is not really as involved as they might claim they are. I will mention along the same line that in 1972, when I was involved with putting in the TNJ and Patco bus fares, the joint-use ticket was all on the back of TNJ. You pay one fare when you pay the Patco fare, then you pay the Patco fare back and you get your ticket validated when you come back; thus, TNJ gives you the break. That is one of the reasons why we face, I think, in South Jersey, a very high percent of this fare rationalization. One of the things that has to be looked at, and probably eliminated one of these days, is that situation where a transport, who is the poorest cousin of all of the authorities in South Jersey, is taking on that reduced rate.

I would like to read to you just a couple of sentences here. This comes from New Jersey Transit. It will reinforce the comments about how we get money from the Port Authority of New York to buy all of these nice, new buses. But, there are other reasons why South Jersey has to use other funds or does not get buses or rail cars; because the authorities are not really participating.

The legislation authorizing the funding, and which talks about the Port Authority of New York funding for transpac, allows for the funds for buses and bus facilities which are in a regional area defined to be a 75 mile radius of the Port Authority bus terminal in mid-town Manhattan. Therefore, Port Authority funds cannot be used to purchase buses which are used on routes if any part of the route is located outside of the 75-mile radius. I'm not so sure that statement is correct because that statement says you can't buy a bus with Port Authority funds to run from New York to Cape May. I believe you can.

The second part of that -- if you would just let me finish my train of thought -- says, "Since UMPATA Section V funds are used to help fund a purchase which is outside the area of the Port Authority, the Port Authority has consented to enter into an agreement to fund the entire purchase until such time as UMPATA Section V

funds become available. Therefore, at the present time we are not allowed to allocate any new commuter buses to bus companies and routes which are outside the 75-mile radius. This includes all bus services for urbanized areas other than the Northeastern New Jersey portion of the New York City urbanized area." What this is saying, Senators, is that you have one authority in the State that is putting up massive amounts of money to buy a lot of brand new buses, and the whole portion of the State, 75 miles south of the Port Authority Bus Terminal, is not really able to take advantage of those purchases unless you go through the process of getting the UMPTA funds. At some point, this UMPTA fund business is going to dry up. We have to look to the other authorities to join with the New York Port Authority to bring this kind of money in.

SENATOR RAND: John, I just want to clarify one point. On A-1225, which was the original bill that utilized the \$120 million of Transpac money, which was then enlarged from 25 miles to 75 miles-- I won't question the legality of that because I am not a lawyer. I will leave that to Senator Gagliano and to the New Jersey Transit. But, what we did in there is -- The Department of Transportation assured us that we would get State money to take care of South Jersey, but since we are skeptics, John, what we did is, we stipulated in that bill that \$19 million would go for South Jersey purchases, and we are beginning to get that flow. We wanted to make sure that we weren't stuck, or that we weren't hoodwinked, and I don't think it was supposed to, in any way, do that. For emphasis, and it was an agreement to do that just for South Jersey, in the law it is written that we were to get \$19 million worth of new bus purchases, which, of course, has been slow -- I will admit that to you -- but it is coming in. Again, as I say, I don't question the legality because I don't want to get involved in that particular situation.

MR. HOSCHEK: Senator, we do have some new buses in South Jersey. I think my point is, we shouldn't have to have a person like you always on the lookout protecting our interest when we do have an ability to tap some of these revenues. I would like to close by saying that in the future, when legislation is written creating these authorities, it might be wise that the concerns that you have now -- I don't mean specific projects, but the fact is that people hide behind agreements and covenants, and I can understand what has gone on before. I certainly believe that a Commission, when dealing with transportation and communication, should write legislation so that it is ensured in the legislation that these authorities, when they are created, have to work together and provide for the common good. Senator Gagliano said that was his thrust. We are working for the benefit of the people in the State of New Jersey.

SENATOR GAGLIANO: I have just one comment, John. At the time of the Transpac legislative history, the 75-mile limit was established. I'm not quite sure by whom. I presume it was between the Port Authority and the Governor's office. It came to us that way. I think the theory was probably that 90% of the funds that were generated to create TRANSPAC came from Northern New Jersey users of the facilities, and there had to be somewhat of a relationship between that. That goes back to 1975, when tolls were increased to pay for, the then proposed PATH route to the Plainfield area, which never came about. The money then went to buses instead. I think that was the theory. I have to agree with you. It is not necessarily the best theory because it doesn't necessarily address the problems of the State, and it continues to divide us. I think in the future, we should look at it. I agree with you.

MR. HOSCHEK: What we should have is a Transpac, or something or other, that is funded by a South Jersey authority so that we may have the option to sit there and say, "Okay, you fellows, 75-miles north of Camden City Hall can now come and grovel for the buses like we did."

SENATOR GAGLIANO: I think what we really want is a united Transpac so that the various authorities could get together and create a fund, and then the fund would provide for whatever purchases, or whatever we are going to do -- provide us with the money overall, throughout the State. I think, again, the parochial approach actually ends up being a detriment to the entire State.

MR. HOSCHEK: Thank you for the opportunity to come here.

SENATOR RAND: John, you have heard my comments to Mr. Kelly from the Delaware River Port Authority. I happen to believe that if the economic well-being is going to be sustained and increased in South Jersey, the Delaware Port Authority has to play a more significant role than it has been playing, just by building bridges -- of which two of them, as you know, are sort of an albatross. At this particular point, this is not the answer to the future development of South Jersey. Some of the things in New York -- and I wish Mr. Kelly had been here to hear me make these comments, because I don't like to make them when he is not present.

MR. GRIEBLING: I will take it.

SENATOR RAND: I would appreciate that. What New York/New Jersey Port Authority has done-- and I admit to you that they certainly have a money machine, an engine capital, so to speak. But certainly, I would like to see -- and I am going to try in every way possible to give the Delaware River Port Authority the power or the legislation necessary, whether it is on both sides of the river or not; not that it has to be that way -- that they have that direction. I think they are a focal point for what we need developed in South Jersey, whether it comes to PATCO, whether it comes to industrial parks, whether it comes to riverfront development, or whether it comes to Port Authority; they are the only agency that we have that can really do that type of job. Would you agree on that, John?

MR. HOSCHEK: That's right. That was well said.

SENATOR RAND: John, thank you very much. We have one more witness. We have Mr. Walter, who is also from my town, Camden County. Mr. Walter, how are you?

R I C H A R D     A.     W A L T E R:     I am just fine.

SENATOR RAND: Mr. Walter is on the South Jersey Advisory Transportation Committee.

MR. WALTER: My name is Richard A. Walter. I am Chairman of the South Jersey Transit Advisory Committee for New Jersey Transit. I am also the Chairman of the South Jersey Transportation Action Group, and also a Director of the Delaware Valley Citizens Transportation Committee, and a Director of the Delaware Valley Citizens League. I cite these various connections because my comments will have to do largely with the public conception of the authorities in the State and their function separately and together.

The public has reacted partly through the handling by the press and through attendance at various meetings, to the existence of authorities in this way: They consider them all to be powerful monoliths who have no restraints on them. The public enjoys facilities that are produced by the authorities without really understanding how this all came about. Most people do not know that the Legislature has created the authorities and that the Governor has veto power over the authorities' actions, and there are other controls from the Legislature and the Congress. This is largely because of bad communications with the public, on the part of the State and on the part of the authorities themselves.

The major thing we have heard from the State in recent years concerning the Delaware River Port Authority has been that Governor Byrne was endeavoring to get

the Port Authority to raise its tolls on the bridges in order to provide more funds for any future Port Authority activities. The public has the impression from all of this publicity that the Governor was merely trying to get out of paying for things which the State might otherwise had paid for, and that the Port Authority was like a stubborn mule pulling back and refusing to budget on toll increases.

When the papers and broadcast media do not explain clearly what the authorities are, how they operate, how they are created, how their revenues come in, what their revenues are, and whether there are surpluses or not, authorities do not get good coverage and most people, including those who are active in civic affairs, don't really understand.

I think it is very important for everyone to understand that with the requests of the New Jersey Transit for a portion of these surplus revenues from various authorities -- particularly the New York/New Jersey Port Authority -- this is a perfectly proper use of those surplus funds because the uses are closely related to the functions of the New York/New Jersey Port Authority and its responsibilities. As we discussed at the time of the hearing on the Atlantic City Expressway Bill, I would like to repeat that the reason for the defeat at the polls of the diversion of New Jersey Turnpike funds to various State purposes -- back then, I believe it was Governor Hughes' Administration -- was because the public perceived this as a raid on the Turnpike funds, an unfair raid by the State, an attempt to grab money that was there and to use it at the States will. Voters didn't like this.

I think this is an unfortunate instance. Many people will remember it for a long time. It behooves us, in any actions that are taken as a result of today's meeting, to do our very best to communicate to the public just exactly what is happening in any sort of operation we get into in transferring surplus funds from authorities to State activities.

Because New Jersey Transit is closely tied in, all through the State, with all other transportation modes, it seems a very easy matter to justify the use of authority surplus funds for New Jersey Transit purposes, whether it be rail or bus. I still think even though we see that it is very logical, it needs to be explained very, very carefully and thoroughly, and over and over again to the people of this State.

I believe that one other problem in the relationship between the authorities and the State needs to be brought up at this time, and that is a certain suspicion on the part of the people who are staffing the authorities and staffing state agencies, that the other is not being cooperative or is doing something secret behind their backs. There are many times when I have found that staff members of the Delaware River Port Authority had not discussed matters with their counterparts in State Government -- particularly the State Department of Transportation -- when actually, they should have been discussed at the very beginning. There seems to be a feeling on the part of people on each side, that they can't really trust one another. The suggestion from the Delaware River Port Authority and the PATCO organization, concerning a mode of rail transportation between Lindenwold and Atlantic City -- which was agreed to by the Commissioners of the Port Authority two days ago -- was unknown to the person who was responsible for the study and evaluation of the proposal for that very corridor, as of yesterday afternoon.

The explanation that I got from one person at the Port Authority was that they felt if they had discussed this earlier with the New Jersey Department of Transportation somehow or other the Port Authority would get a hit on the head and be forced to pay for their suggestion. They took two and a half months to think about how they would avoid running

into that problem. I think it is ashame that this kind of relationship exists. I feel it is because of the close relationships of Alan Sagner of the New York/New Jersey Port Authority, and Lou Gambacinni, and others here that the relationships is more open and better, at least within the past few years, between that authority and the State. I would like to see this kind of relationship established with the Delaware River Port Authority where there is so much opportunity to create -- as Senator Rand has said -- great things in South Jersey, which will impact its future tremendously.

Our Committee has met with the staff of the Atlantic City Expressway. It was very satisfied with the openness in the relationships between Mr. Fear and the State, and Mr. Fear's readiness to share all information with us, as well as with the State on a regular basis. This is very healthy, and I would not like to see anything done as a result of this meeting which would destroy that.

Lastly, I would like to emphasize the importance, which I feel, of a certain amount of autonomy in the operation of each authority which, after all, is the reason for having authorities in the first place. An authority can plan, design, construct, and operate faster than any government can. It can get private capital directly, which a government cannot do. It is important that the staff in an authority be able to move like this and get things done when they need to be done. If you need two more lanes on the Turnpike, you put them in now, not three, four, six, or ten years from now when you happen to be able to get the money through the Legislature.

The same is true of the PATCO line, a beautifully run facility. It is the envy, all over the world, of transit operators. As people have come here, I have personally conducted Japanese, French, Dutch, Italians, Spanish, Germans, Norwegians, and Canadians through the PATCO facilities. They are a wonder to them. The operational record is truly a stunner in all kinds of weather and all kinds of conditions. They have a very tight organization. People are very proud of the job they do, and it is important not to interfere with this through excessive state oversight.

A comment on Senator Gallagher's umbrella suggestion: I feel there would be danger in creating a monolithic structure at the State level, similar to the Casino Control Commission, or something like that, which would give excessive power to a Czar or a Commission to decide how the funds in this large reservoir of funds from all of the authorities would be spent. Certainly it can be set up in such a way that this could be avoided, but the risks of having this kind of power abused are very great, I feel.

Thank you very much for giving me a chance to speak here, and thank you for staying.

SENATOR RAND: Dick, thank you very much. We do appreciate your coming down.

Ladies and gentlemen, thank you very much for your attentiveness. This concludes the hearing.

(Hearing Concluded).



Statement by  
Robert F. Bennett, Assistant Executive Director  
The Port Authority of New York and New Jersey  
to the  
New Jersey Senate Transportation and Communications Committee  
April 23, 1982

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Good morning. My name is Robert F. Bennett and I am Assistant Executive Director of The Port Authority of New York and New Jersey. We welcome this opportunity to review our efforts in the transportation and economic development fields, particularly those programs related to the State of New Jersey, and we look forward to continuing to work with the State and other organizations to address the important needs of the coming years. I would like to briefly describe our efforts, past, present and future, in the areas of major concern to your Committee.

The Port Authority of New York and New Jersey was created by a Port Compact between the two States in 1921 and charged with two major responsibilities - 1) to develop and protect trade and commerce through the Port of New York and New Jersey, and 2) to plan, develop and operate terminal transportation and other facilities of commerce in the region. The Authority has thus served the needs of the two States for some 61 years, growing from an agency with responsibility for one bi-State facility, the Holland Tunnel, into the present organization which includes the operation of some 25 transportation terminal and economic development facilities, ranging from ground, sea and air transportation to national and international trade. These various functions have been planned, developed and operated by the Port Authority after obtaining the necessary approvals, both legislative and executive, in each State. As a bi-State agency without recourse to taxing powers, these programs and projects have been developed on an overall self-supporting basis, representing

an investment of more than \$4 billion. New Jersey and New York residents hold more than 265,000 permanent jobs related directly or indirectly to Port Authority investments and operations, jobs which provided millions of dollars in tax revenues to the two States. I think the great strength of the Port Authority over the years has been its ability to be a major generator of capital through the issuance of consolidated bonds that has been invested in transportation and economic development programs in the bi-State region. We hope to continue such programs to serve the New Jersey-New York Region in the future within the general framework and requirement of self-support which we must meet as a public revenue agency.

#### Summary

Over the past 25 years, the Port Authority has committed over \$1.7 billion in public transportation, highway and terminal facilities of direct benefit to the State of New Jersey. That does not include the initial investments prior to the mid-50's in the six bridges and tunnels linking the two States - the George Washington, Bayonne and Goethals Bridges, the Outerbridge Crossing and the Lincoln and Holland Tunnels. It does include the following:

- More than \$650 million of Port Authority funds spent or committed on mass transportation to serve New Jersey residents, more than any public authority in the United States has invested in this field.

- Approximately \$200 million in major highway improvements in the New Jersey sector of the region.

- More than \$450 million for the complete redevelopment of Newark International Airport



- Approximately \$410 million for the construction of the Elizabeth-Port Authority Marine Terminal, and the reconstruction and new development of Port Newark, the major marine terminal facilities on Newark Bay.

#### Overview

Our services to the region had initially been in the transportation sector and had steadily grown from land to sea and air terminals and to include national and international trade development. With the advent of stiffer competition from other regions of the United States, our region suffered through the loss of more than 400,000 jobs in the 1970's, and the region's economy needed to muster all of its existing and potential advantages to face the challenges ahead. The Port Authority, under the direction of Alan Sagner as Chairman and Peter C. Goldmark, Jr., as Executive Director, initiated in 1978 a major strategic planning effort called the "Committee on the Future." This was an intensive year-long examination of trends and needs in the New York-New Jersey Region and an assessment of where our Authority, in partnership with public and private sector interests, might have a comparative advantage to intervene effectively with constructive development programs. The results of this effort became the basis for the broad strategies which we view as guidelines for the Port Authority's allocation of resources through the 1980's.

The potential areas for further concentration coming out of this strategic planning effort included concerns such as maximizing aviation development (and the associated economic benefits); the critical need for infrastructure maintenance and renewal; commercial mixed-use waterfront redevelopments and their job opportunities; the need for energy diversification

with its important national and regional benefits; and the development of a program to create new urban industrial jobs. The new potential ventures in economic development challenged management to integrate them into the Port Authority's traditional transportation and trade activities and to develop a broad, responsive program that would better contribute to the region's economic and fiscal health. We have embarked on the first steps of these new challenges, while recognizing that one of our principal organizational goals is the need to provide a superior level of service for users of our existing and projected facilities.

There are many activities in this region that require serious attention and we were mindful of this full range when we deliberated on the "Committee on the Future" recommendations. Through several large-scale public meetings, and scores of smaller sessions with representatives of the business, civic and government sectors, we were able to review our work and to obtain necessary input on formulating an agenda which would build on some of the comparative advantages of the Port Authority as a regional development agency. There are, of course, activities in transportation and economic development that go beyond the staff and financial capabilities of our agency and need to be carried out by others. Let me discuss, however, the Port Authority's past program that has already been accomplished or is underway, and where we believe we can make significant contributions in the future.

#### Public Transportation Commitments

PATH investments in the acquisition of the system, as well as new car equipment, new stations, equipment modernization and new power and signal

systems amount to \$285 million to date. This includes approximately \$45 million in Federal assistance, particularly as related to the Journal Square Transportation Center, a multi-modal transportation facility which is one of the transportation hubs of Hudson County. Of equal or greater significance is the fact that in the 20 years since the Port Authority acquired the old Hudson & Manhattan Railroad, and renamed it PATH, we have experienced cumulative deficits on this system of \$381 million.

New Jersey's bus commuters have been provided with a major expansion of the midtown Port Authority Bus Terminal, which is very close to project completion. The total investment in this facility since 1955, including an expansion in the mid-60's and the current expansion, totals some \$255 million. In upper Manhattan, the Authority built the modern \$15 million George Washington Bridge Bus Station serving New Jersey commuters to replace outmoded facilities in Washington Heights. More recently, the Port Authority has undertaken a program to purchase \$120 million of buses for use in New Jersey. This program will have the additional and major benefit of leveraging \$480 million of Federal Urban Mass Transportation funds for other public transportation capital projects in New Jersey and at no additional State expense. A second phase, an additional bus and bus-related capital program for both States, is incorporated in recently-passed legislation.

At the New Jersey approach to the Lincoln Tunnel, in cooperation with the State Department of Transportation and the Turnpike Authority, an exclusive bus lane was opened in the early 1970's and although its capital investment was small - less than \$1 million - it is producing very significant time savings and service improvements for more than 25,000 daily New Jersey

commuters. The Port Authority and the State have shared in the operating costs of this project over the years. We have just recently proposed to the State that we are prepared to assume the full operating costs for the project, which is generally recognized as one of the finest and most innovative low capital intensive public transportation projects in the country.

#### Highway Development

In the highway field, the Authority completed the lower deck of the George Washington Bridge, together with its extensive approach highway system in 1962, at a project cost of \$115 million. In Bergen County, we provided \$15 million towards the cost of the Interstate 80/95 approach to the George Washington Bridge.

In Elizabeth, a new Route 81 and Turnpike Interchange 13A is nearing completion to serve Newark International Airport, New Jersey marine terminal facilities and numerous other industrial and commercial activities in the Newark-Elizabeth area. Under bi-State legislation enacted in the late 70's, we are providing \$38 million to this project which is being developed in cooperation with the New Jersey Department of Transportation and the New Jersey Turnpike Authority.

In the mid-70's, we provided \$11 million toward the construction of the major highway improvements and interchange adjacent to Newark Airport and contributed \$9 million for Interstate 278 connections between the Goethals Bridge and the Turnpike.

#### Airport and Seaport Development

At our New Jersey seaports, significant capital investments have been made at the Elizabeth-Port Authority Marine Terminal, the container capital of

the world, in which \$225 million has been spent to date, and at Port Newark where some \$185 million has been spent under our lease agreement with the City of Newark. In 1981, these two facilities combined had over 6000 jobs and a payroll of more than \$100 million.

In the aviation field, the Port Authority has invested more than \$450 million in a major expansion of Newark International Airport, including a completely new passenger terminal complex, new and expanded runways and many other on-site improvements. The airport is generally recognized as one of the finest in the country, and is currently growing at a rate of better than 10% annually at a time when both the national economy and the financial condition of the airlines have been weak. In 1980, there were some 6000 jobs at Newark Airport, with a payroll of about \$130 million. One of the most encouraging developments at Newark Airport has been People Express, now the airport's largest carrier which also produces some 1000 direct and indirect jobs.

#### Technical Assistance to New Jersey

Along with these major capital investments, the Authority has worked with its counterparts in other agencies to provide staff and technical assistance where needed. Examples of these continuing joint efforts include: 1) transportation planning studies undertaken at the request of the Hackensack Meadowlands Development Commission to examine the future transportation requirements for the Commission's overall development plan, 2) engineering design work for the Liberty State Park in Jersey City, and 3) work we are accomplishing for the New Jersey Department of Transportation and New Jersey Transit Corporation in advancing some of their engineering plans for the State's important rail and bus transportation capital programs.

Present and Future Port Authority Programs

In keeping with the results of the "Committee on the Future," the agency is advancing studies in transportation and new economic development ventures. As the newest program authorized by our Board and approved by the two States, the Authority has begun an industrial development program with initial work on an industrial park at Kapkowski Road, Elizabeth, with \$17 million in Port Authority funds. While there are environmental concerns to address, it is hoped that this project will produce some 3000 permanent jobs in this urban area. We are also engaged in a major project in cooperation with the City of Newark for the construction of a resource recovery facility in that city at a projected Port Authority cost of \$120 million. These two Port Authority projects are expected to generate an additional \$200 million in private investment.

Other transportation and economic development programs are under study. In economic development, we are advancing a commercial waterfront redevelopment effort in Hoboken, in partnership with the City of Hoboken, the New Jersey Department of Transportation and private developers. Legislation has been drafted on that project and is under consideration by the offices of Governor Kean and Governor Carey in New York. Also on the waterfront, but in the Jersey City-Bayonne area, we are studying proposals for a coal export terminal which can take advantage of the region's rail and port network and serve a potentially important export need along with creating employment opportunities for the region's population.

The Authority is also presently working on other improvements at Newark International Airport, including the completion of Terminal C to match increases there in passenger growth and to provide a new Federal inspection and customs service; construction of a facility for Federal Express; the

development of a \$40 million hotel to be privately financed; and the introduction hopefully in the near future of direct international service to and from London. The Airlink service under which the Port Authority purchases equipment and subsidizes the operation, provides bus connections from all terminals on the airport to Penn Station, Newark and other downtown destinations in the city. This has proven to be a most convenient service for airport travelers. New vehicles were recently provided for this service, which is operated with the cooperation of the State and the New Jersey Transit Corporation.

Major additional improvements to the PATH system are required involving substantial new capital expenditures. These include the PATH safety improvement program on which we are proceeding as rapidly as possible. Also, the replacement of the antiquated PATH maintenance yard and car shop at Henderson Street in Jersey City, a facility that has outlived its usefulness. And, over the next few years, we will be faced with major rehabilitation and replacement, where required, of PATH's rolling stock.

Beyond these major improvements, the region and State of New Jersey face very large expenditures in the renewal of the basic transportation infrastructure system. Many bridges, highways, streets, and mass transit systems throughout the region are in serious physical condition, and all of us working together will need to find the means to fund these improvements. The Port Authority is prepared to assist as we can in this top-priority regional need.

The impact that the current Port Authority programs and those now under study will have on Port Authority financial commitments is going to be critical. For this and other reasons, we have initiated a study of the Trans-Hudson Network, namely those transportation facilities that serve the passenger and vehicular market including the Holland and Lincoln Tunnels, George Washington Bridge, the bus terminals and PATH. The Network Study will focus on the needs for major rehabilitation of the network infrastructure, the anticipated changes in the trans-Hudson market, and on the need to plan improvements to facilities to meet these changes. The study will give particular consideration to the financial aspects of this network as matched against the need for future Port Authority commitments, not only to maintain the trans-Hudson network, but also for the other Port Authority transportation and economic development activities that may be required.

#### Conclusion

We believe that the Port Authority role has been significant in meeting the massive regional needs to improve public transportation, highways, airports, ports and other infrastructure, to complete critical missing links, provide economic development opportunities and to begin to revitalize the region's devastated waterfront. We stand ready to help produce other public improvements that will enable this region to forge new alliances to meet new tasks that will keep it competitive and assure a better quality of life for its population.

We will continue to meet our obligations within the limits of the fiscal and legal restrictions which I have outlined. This agenda has and will continue to be developed in cooperation with responsible public officials and with



partnerships developed from the private sector. I thank you for the opportunity to review some of these past commitments to the State of New Jersey and to discuss our program being worked out jointly with State officials for future transportation and economic development programs.

## Port Authority of New York and New Jersey

Commitments to New Jersey Transportation, 1955 to 1981

	<u>Capital</u> <u>\$ in Millions</u>	<u>PA Subsidy</u> <u>\$ in Millions</u>
<b>A. <u>Public Transportation</u></b>		
<b>1. <u>PATH</u></b>		
- PATH Capital Investment - System Modernization, new new stations, car equipment, new power and electrical systems. Includes Journal Square Transportation Center. (new rail, bus, auto parking facility with retail stores & offices in Jersey City).	\$285	
- Current Annual PATH Operating Deficit	-	\$ 51
- Cumulative PATH Operating Deficit (1962-1981)	-	381
<b>2. <u>Expansion &amp; Modernization of PA Bus Terminal</u></b>		
- Capital investment in NY, but facility serves largely NJ commuters.	255	
- Exclusive Bus Lane - Lincoln Tunnel NJ approaches - highly successful low capital cost project providing very significant time savings and service improvements for NJ commuters.	1	
- Current annual PABT Deficit	-	7
- Cumulative PABT Deficit (1978-1981)	-	14
<b>3. <u>CWR Bus Station</u></b>		
- Terminal largely for NJ commuters at east end of George Washington Bridge.	15	

	Capital \$ in Millions	PA Subsidy \$ in Millions
4. <u>Bus Purchase Program for State of New Jersey</u> <u>(TRANSPAC I)</u>	\$120	
5. <u>Air Link</u>		
- Bus service between Newark's business district, Penn Station Newark and Newark International Airport - Cumulative Deficit - 1976 to 1981	-	\$ .85
B. <u>Highways</u>		
1. Lower level of GWB and approaches	115	
2. NJ share of cost of I-80 in Bergen County	15	
3. Goethals Bridge - Connections to NJ Turnpike and I-278 in Elizabeth.	9	
4. Contribution to Rt. 81 - Interchange 13A in Elizabeth.	38	
5. Newark Airport - Contribution to highway connections to Route 1, I-78, Rt. 21, NJ Turnpike.	11	
C. <u>Sea Ports</u>		
1. Major container terminal at Elizabeth-PA Marine Terminal.	225	
2. Development of Port Newark	185	
D. <u>Airports</u>		
1. Newark International Airport's Major Expansion	<u>450</u>	
Totals	\$1724	

STATEMENT OF THE DELAWARE RIVER PORT AUTHORITY  
for presentation at

A PUBLIC HEARING CONCERNING AUTONOMOUS AUTHORITIES

Assembly Chamber, State House  
Trenton, New Jersey

10:00 A.M., April 23, 1982

GOOD MORNING, LADIES AND GENTLEMEN. I am James R. Kelly, President of the Delaware River Port Authority.

The Commissioners of the Authority have authorized me to appear at this hearing to make an oral presentation and answer any questions you may have. It is my understanding that each agency invited to the hearing is expected to outline its past contributions to public transportation and highway programs and to identify its capability to assist with the funding of current and future programs.

I would like to start by giving you a brief description of the Port Authority and our missions. The Delaware River Port Authority is a public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey created by compact legislation between the Commonwealth and the State, with the consent of the Congress of the United States. We are a bi-state agency with a board of sixteen commissioners in whom are vested the control, operation and collection of tolls and revenues of four bridges spanning the Delaware River (Benjamin Franklin, Walt Whitman, Commodore Barry, and Betsy Ross Bridges). The Authority has also constructed and operates a high speed transit facility known as the Philadelphia-Lindenwold Rapid Transit System. The system connects Philadelphia and Lindenwold, New Jersey and is operated by a wholly-owned subsidiary, the Port Authority Transit Corporation, better known as PATCO. Through its World Trade Division, the Authority promotes the development and use of the Delaware River as a highway of commerce.

The Authority and its predecessor Commissions funded the construction of the four bridges by a contribution of \$49 million of DRPA funds with the balance from revenue bond proceeds. The construction of the PATCO transit system was funded by \$25 million of DRPA funds and approximately \$70 million of bond proceeds. Recent capital additions and improvements to PATCO have been made with \$65.6 million in federal grants, with assistance in providing the local

share from the two States and the City of Philadelphia. Federal Technical Study Grants amounting to \$2.85 million have also been received. In addition to its initial investment in PATCO, the Authority has since subsidized the transit system for approximately \$9.3 million in operating losses and has paid debt service in the approximate amount of \$49.5 million.

In any discussion of the Authority's capability to support funding of projects, it is important to realize that there are definite legal constraints. A full discussion of these legal constraints is, in my opinion, not warranted at this time. Although probably an oversimplification, I will say that:

1. Authority funding participation in any project must be for a purpose presently authorized by our compact.
2. Funding for any rapid transit project authorized by our compact would probably require the consent of the Governors of Pennsylvania and New Jersey.
3. Funding for any highway project not directly related to our present bridges, and any transit project other than those presently specifically authorized would require concurrent legislation in Pennsylvania and New Jersey as a minimum and probably a compact amendment which would involve approval by the United States Congress.
4. Any commitment of funds would be subject to the limitations set forth in our Bond Resolutions which take precedent over any subsequent agreement.

From this brief explanation, I think it is clear that any new project proposed for support with DRPA funds must receive an in depth legal analysis to determine whether or not the existing legal constraints permit or prevent our participation in such a project.

In addition to legal constraints, there are also financial constraints. I would like to point out that it is not possible for a casual observer to look at the DRPA financial statement and determine so-called "available surpluses." I understand that a goal of this hearing is to determine the amount of funding which autonomous authorities can contribute to public transportation and highway programs in New Jersey. We maintain ten separate funds with a combined equity of \$214,548,000 at the end of calendar year 1981. However, most of these funds are prescribed by various bond resolutions, escrow agreements and other commitments of the Authority, leaving unencumbered funds of approximately \$33.5 million which will be needed for the projects which I am about to discuss. I could define each of our ten funds and state their balances, but after I finished, your understanding of our true financial posture would probably be no better than when I started. However, we would be happy to meet with your staff for any detailed explanations you might require. I feel that our time can be spent to better advantage if I describe specific projects to which we are committed and indicate that total available Authority funds are insufficient to accomplish these essential, high priority projects.

1. Route 90 - New Jersey

Prior to the construction of the Betsy Ross Bridge, the State of New Jersey agreed to construct Route 90, an extremely important access road to the Betsy Ross Bridge. Shortage of funds and changes in priorities have caused this project to be scaled down from a connection with Interstate 295 to a connection with State Highway 73. In March of 1969, the Commissioner of Transportation committed the State to build Route 90 as a connection between the Betsy Ross Bridge and Route 73. For a number of years, the Authority and the State have been exploring ways to expedite construction of this vital road. Formerly intended for construction with federal and state funds, the present intent is for the State and the Authority to jointly and equally share the cost of the project which has a current estimate of \$22.5 to \$25 million. The decision to avoid the use of federal funds was based on a desire to avoid the planning delays inherent in the federal process. The earliest that construction funded by DRPA and the State can commence on this road is Spring/Summer 1983.

2. Commodore Barry Bridge Ramp - Pennsylvania

When the Commodore Barry Bridge was constructed, the ramp connecting northbound I-95 with the bridge could not be built because of litigation involving a housing project through which the ramp had to be constructed. When the litigation was settled, shortage of funds prevented the Commonwealth from constructing the ramp. The Authority has agreed to contribute the first \$500,000 of project cost provided that the Commonwealth agrees to pay any costs which exceed that amount. The earliest this project could get underway is Spring/Summer 1982.

3. Benjamin Franklin Bridge - Deck and Trackbed Rehabilitation

These two projects are the most important and the most costly facing the Port Authority. Because of their importance and their high cost, they preclude any future commitments other than those contained in our present five-year Capital Budget program. A consultant's study completed in 1980 concluded that the bridge deck and the transit line trackbed must be rehabilitated during the period 1985-1990. That report indicates that the cost of the bridge deck rehabilitation could be as high as \$100 million and the trackbed rehabilitation could be as high as \$25 million. An on-going consultant's study scheduled for completion by year-end will refine these estimates. The Authority has budgeted \$25 million dollars of its own funds for these two projects in anticipation of getting federal funds for the remaining 80% of the estimated cost of the two projects. Because we do not have a commitment of federal funds, we have investigated the feasibility of a bond issue as a source of funds. The preliminary results of our analysis indicated that the issuance of bonds for these projects is not feasible without raising tolls to a prohibitive level. Until this funding dilemma is resolved, we cannot undertake any additional capital project commitments.

4. Connection of Benjamin Franklin Bridge to I-95 and the Vine Street Expressway

The Authority also has a budgeted commitment of \$3,375,000 for a connecting ramp between the Benjamin Franklin Bridge, I-95 and the Vine Street Expressway in Philadelphia. This amount may or may not be spent depending on the final configuration of the Vine Street Expressway.

5. PATCO Extension to Berlin/Atco, New Jersey

Many of you are probably familiar with planning for extension of PATCO along its present axis to the Berlin/Atco area, and for new extensions into Burlington and Gloucester counties. Recognition of the severe cutback in federal funds available for transit system construction has caused us to concentrate on what appears to be an obtainable goal. An Alternatives Analysis is being performed by a consultant to determine the best mode of transportation for extending public transit from Lindenwold to the Berlin/Atco area of New Jersey. If that study indicates that extension of PATCO service is the preferred alternative and if federal funds are available, the Authority has budgeted approximately \$4.5 million to be added to other local share funds from the State of New Jersey. The consultant's study is scheduled for completion by September 30, 1982.

6. Support of World Trade Projects

Our current five year Capital Budget program includes a commitment of \$5 million for support of Regional Port Development projects. Although the nature of these projects has not yet been determined, the concept envisions the \$5 million to be contributed as part of a revolving fund to help projects get started and is to be repaid for subsequent use as assistance to overcome the initial inertia of other important regional projects. The Authority organized and is participating in efforts to revitalize the Ports of Philadelphia through the formation of the Regional Port Development Executive Committee and its Subcommittees for Resources, Facilities, Marketing, Governance, and Finance. Concurrently, the Authority is participating in a Consultant's Port Study which is being accomplished by Booz, Allen & Hamilton, Inc. The objective of the Consultant's Study is the Formulation of Development Strategies for the Delaware River Regional Port System. It is highly likely that either the Port Development Executive Committee or the Consultant's Study will identify one or more projects which will be selected for assistance from DRPA's \$5 million revolving fund.



I thank you for inviting us to participate in this hearing today. As a conclusion and summary, I would like to again emphasize that except for projects mentioned in my presentation, the Authority has no potential for funding any other projects of significant scope. Actually, until we can resolve the funding of the Benjamin Franklin Bridge deck and trackbed rehabilitation, some of the other projects we presently intend to accomplish could be in jeopardy.

James R. Kelly  
President  
Delaware River Port Authority

