

ASSEMBLY, No. 1330

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman DeCROCE

1 AN ACT concerning competitive service on certain bus routes,
2 establishing the New Jersey Competitive Bus Service Commission,
3 amending P.L.1979, c.150 and P.L.1954, c.84 and supplementing
4 Title 27 of the Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. (New section) Sections 1 through 17 of this act shall be known
10 and may be cited as the "New Jersey Competitive Bus Service Act."

11

12 2. (New section) The Legislature finds and declares that:

13 a. It is in the public interest to increase economy and efficiency in
14 State Government by providing increased competition for the right to
15 operate regular route motorbus services currently operated by the New
16 Jersey Transit Corporation.

17 b. It is also in the public interest for the Board of the New Jersey
18 Transit Corporation to continue to determine routes and minimum
19 service and maximum fare policies for regular route motorbus services
20 it now operates or contracts for in the State.

21 c. When offering private carriers the opportunity to operate
22 motorbus service presently provided by the New Jersey Transit
23 Corporation, the corporation shall compete for routes or route
24 segments offered to ensure that service is provided at the least cost to
25 the State.

26 d. Therefore, to avoid any appearance of conflict among the
27 various roles which the New Jersey Transit Corporation has in the
28 provision of public transit services, it is in the best interest of the State
29 to establish a New Jersey Competitive Bus Service Commission within
30 the Department of Transportation to issue proposals, select carriers,
31 and ensure the proper administration of the operation of routes so
32 awarded.

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

Matter underlined thus is new matter.

1 3. (New section) As used in this act:

2 "Bus service package" means one or more regular route motorbus
3 routes or route segments to be operated by a single qualified carrier.

4 "Carrier" or "qualified carrier" means the corporation or a private
5 carrier.

6 "Commission" means the New Jersey Competitive Bus Service
7 Commission established by section 4 of this amendatory and
8 supplementary act.

9 "Commissioner" means the Commissioner of Transportation.

10 "Corporation" means the New Jersey Transit Corporation.

11 "Department" means the Department of Transportation.

12 "Private carrier" means a private entity qualified by the commission
13 to operate bus service packages pursuant to section 9 of this
14 amendatory and supplementary act.

15

16 4. (New section) a. There is established in the Department of
17 Transportation the New Jersey Competitive Bus Service Commission
18 consisting of five members as follows: the commissioner and the State
19 Treasurer, who shall be members ex officio, and three public members,
20 one of whom shall be appointed by the Governor, with the advice and
21 consent of the Senate, and the two remaining to be appointed by the
22 Governor, one of whom upon recommendation of the President of the
23 Senate and the other upon recommendation of the Speaker of the
24 General Assembly. No more than three members of the commission
25 shall be of the same political party. The public members appointed by
26 the Governor shall serve a four year term, except that the public
27 member appointed by the Governor upon recommendation of the
28 President of the Senate shall serve for a four year term and the public
29 member appointed upon recommendation of the Speaker of the
30 General Assembly shall serve for a two year term. At least one public
31 member shall be a regular bus commuter.

32 Each public member shall hold office for the term of the member's
33 appointment and until the member's successor shall have been
34 appointed and qualified. A member shall be eligible for reappointment.
35 Any vacancy in the membership occurring other than by expiration of
36 term shall be filled in the same manner as the original appointment but
37 for the unexpired term only.

38 b. Each public member may be removed from office by the
39 Governor, for cause, after public hearing, and may be suspended by
40 the Governor pending the completion of such hearing. All members
41 before entering upon their duties shall take and subscribe an oath to
42 perform the duties of their office faithfully, impartially and justly to the
43 best of their ability. A record of such oaths shall be filed in the Office
44 of the Secretary of State.

45 c. The commission shall not be deemed to be constituted and shall
46 not take action or adopt motions or resolutions until at least three

1 members shall have been appointed and qualified in the manner
2 provided in this section. The commissioner shall serve as chairperson
3 of the commission. The members shall annually elect one of their
4 members as vice chairperson. The members shall elect a secretary who
5 need not be a member. The powers of the commission shall be vested
6 in the members thereof in office from time to time and three members
7 of the commission shall constitute a quorum at any meeting thereof.
8 Action may be taken and motions and resolutions adopted by the
9 commission at any meeting thereof by the affirmative vote of at least
10 three members of the commission. No vacancy in the membership of
11 the commission shall impair the right of a quorum of the members to
12 exercise all the powers and perform all the duties of the commission.

13 d. The members of the commission shall serve without
14 compensation, but the commission may reimburse its public members
15 for actual expenses necessarily incurred in the discharge of their
16 duties. Notwithstanding the provisions of any other law, no member
17 shall be deemed to have forfeited nor shall the member forfeit the
18 member's office or employment or any benefits or emoluments thereof
19 by reason of the member's acceptance of the office of ex officio
20 member of the commission or the member's services therein.

21 e. Each ex officio member may designate an employee of the
22 member's department or agency to represent the member at meetings
23 of the commission. All designees may lawfully vote and otherwise act
24 on behalf of the member for whom they constitute the designee. The
25 designation shall be in writing delivered to the commission and shall
26 continue in effect until revoked or amended in writing delivered to the
27 commission.

28

29 5. (New section) The sole purpose of the commission shall be to
30 facilitate and coordinate the provision of regular route motorbus
31 service within the State through competitive proposals.

32

33 6. (New section) The commission shall:

34 a. Designate bus service packages. In determining what regular
35 route bus routes or route segments shall be included in a bus service
36 package, the commission shall require the corporation to submit
37 proposed bus service packages and shall also consider proposed bus
38 service packages submitted by private carriers. The commission may
39 call upon the corporation to review proposed bus service packages
40 submitted by private carriers.

41 b. Issue and review requests for proposals for the operation of bus
42 service packages in accordance with section 10 of this amendatory and
43 supplementary act.

44 c. Designate the carrier to operate a bus service package in
45 accordance with section 10 of this amendatory and supplementary act.

46 d. Monitor the corporation's day-to-day oversight of the operation

1 of bus service packages contracted for pursuant to this amendatory
2 and supplementary act.

3 e. Adopt regulations necessary to fulfill the commission's duties
4 under this act in accordance with the provisions of the "Administrative
5 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

6
7 7. (New section) The commission and the corporation are directed
8 to cooperate with each other in identifying bus service packages, the
9 issuance of proposals for the operation of bus service packages, and
10 the administration of the operation of bus service packages. When the
11 commission designates a private carrier to operate a bus service
12 package, the corporation shall enter into a contract for the provision
13 of that service with the private carrier within ten days. The
14 department shall provide the commission with the personnel necessary
15 to carry out its duties.

16

17 8. (New section) a. The commission shall implement a system
18 whereby the regular route bus service operated by the corporation on
19 the effective date of this amendatory and supplementary act shall be
20 offered in bus service packages to qualified carriers through a
21 competitive process.

22 b. Any regular route motorbus services operated under
23 competitive proposals pursuant to this amendatory and supplementary
24 act shall be subject to a new competitive proposal at least once every
25 five years.

26 c. The corporation shall make all equipment purchased with public
27 funds available under nominal leases to private carriers awarded
28 contracts for the operation of bus service packages.

29

30 9. (New section) a. Within three months of the effective date of
31 this amendatory and supplementary act, the commission, in
32 consultation with the corporation, shall:

33 (1) Develop and adopt criteria for designating bus service packages
34 in a manner that will encourage competition between qualified carriers
35 to operate bus service packages. The criteria shall include, but not be
36 limited to: balance of profit potential among bus service packages,
37 homogeneous geographic location of routes, ease of incorporation of
38 the routes into the existing systems of private carriers, and, to the
39 extent possible, combining of routes so that no more than 75 buses are
40 necessary to operate the bus service package.

41 (2) Adopt reasonable standards with respect to experience, safety
42 records, and financial responsibility and other areas deemed
43 appropriate by the commission by which private carriers can be
44 qualified to provide bus services pursuant to this amendatory and
45 supplementary act. The standards shall be clearly defined in each
46 request for proposals issued by the commission and shall not be

- 1 designed to restrict the number of eligible participants in the
2 competitive proposal process.
- 3 (3) Prepare a standard form of agreement for carriers providing bus
4 services. The contract shall include, but not be limited to:
- 5 (a) Reasonable passenger comfort, safety, service and vehicle
6 maintenance standards;
- 7 (b) Standards for access to bus services for persons with
8 disabilities, which shall be as specified in the corporation's plan for
9 those services;
- 10 (c) Standards for training and safety records to be required of any
11 driver;
- 12 (d) Requirements for reasonable insurance protecting the
13 corporation from liability for the acts, negligence, or omission of
14 private carriers, their agents, and their employees;
- 15 (e) Reasonable penalties for inadequate performance, including the
16 corporation's right to cancel contracts upon the approval of the
17 commission;
- 18 (f) Provisions and standards on the use of the corporation's logo,
19 transfers, transit ways, bus stops, vehicles and other elements as are
20 owned by the corporation and appropriate for use by the private
21 carrier under contract to the corporation.
- 22 (g) Require that a private carrier shall not operate interstate service
23 within the geographic boundaries of a bus service package for a period
24 of one year after the expiration of that bus service package contract
25 without the written consent of the corporation. The corporation may
26 impose penalties on a private carrier which fails to comply with this
27 requirement including, but not limited to, prohibiting the carrier from
28 participating in the bus allocation program, the private carrier capital
29 improvement program and the senior citizen and handicapped fare
30 reimbursement program. In addition, the commission may deem a
31 private carrier which fails to comply with this requirement ineligible to
32 operate bus service packages.
- 33 (4) Adopt reasonable standards for reliability, on-time
34 performance, and other appropriate service quality considerations for
35 each route or route segment for which competitive proposals are
36 sought. The standards shall be clearly defined in each request for
37 proposals issued by the commission.
- 38 b. The commission may not establish any requirement relating to
39 the wages, benefits, or union organization of employees of any private
40 carrier providing service under this amendatory and supplementary act.
41 All private carriers providing service under this amendatory and
42 supplementary act shall comply with and give adequate certification of
43 compliance with all applicable federal and State labor laws.
- 44 c. No change in contract payment amount to a private carrier shall
45 be made except as specified in the contract. Payment changes in a
46 contract shall be limited to indices, escalators, deflators, changes in

1 service level and other expressly stated or calculable amounts,
2 consistent with the request for proposals and the proposal of the
3 private carrier awarded the contract. Any increase in revenues from
4 increased ridership in a bus service package shall accrue to the
5 operator of the bus service package.

6
7 10. (New section) a. Each request for proposals shall specify the
8 route, service frequency, and fares and exact service level in terms of
9 annual revenue service hours and miles to be assumed in the cost
10 proposal as determined by the commission. Each request for
11 proposals shall specify that the standards for carrier qualification and
12 service quality as well as the provisions of the standard form of
13 agreement adopted by the commission pursuant to subsection a. of
14 section 9 of this amendatory and supplementary act shall be
15 incorporated into the contract for service executed by the carrier and
16 the corporation.

17 b. The commission shall seek the widest reasonable distribution of
18 each request for proposals.

19 c. The commission shall advertise each request for proposals within
20 ten days of issuance, and in accordance with the department's general
21 procurement policy.

22 d. Proposals shall be required to be submitted not less than 60 days
23 from the date of the last advertisement for requests for proposals for
24 a bus service package, except in emergency circumstances.

25 e. Services shall commence under any request for proposals as
26 soon as reasonably practical within the parameters of the service
27 requirements.

28 f. Any qualified carrier may respond to any request for proposals.
29 The commission shall ensure that disadvantaged business enterprises,
30 as defined in part 23 of title 49 of the Code of Federal Regulations, as
31 amended, have an opportunity to respond.

32 g. Requests for proposals shall include the requirement that any
33 private carrier operating a bus service package, when filling positions
34 created as a result of operating that bus service package, shall first
35 offer employment to corporation employees who might lose their
36 employment as a result of the termination of service by the corporation
37 which would be required by that contract. The private carrier shall be
38 the sole determinant of the labor requirements necessary to comply
39 with the contract. A private carrier shall not be required to hire any
40 corporation employee who does not meet the private carrier's
41 employment qualifications.

42 h. With respect to each request for proposals, the commission shall
43 designate the qualified carrier to operate the bus service package
44 whose responsible and responsive proposal offers the maximum return
45 or the lowest cost to the corporation. In determining the maximum
46 return or lowest cost to the corporation, the commission shall consider

1 any specific and quantifiable additional costs to be borne by the
2 corporation as a result of the award of the contract to either a private
3 carrier or the corporation.

4 i. The commission may reject any or all proposals it deems to be
5 not in the best interest of the State.

6

7 11. (New section) The corporation shall submit a proposal, and be
8 awarded a bus service package subject to the following conditions:

9 a. Any labor conditions assumed in the proposal shall either be
10 specified in currently effective labor contracts or be executed before
11 the proposal deadline in a written and binding agreement between the
12 corporation and the appropriate labor organization.

13 b. The corporation's proposal price shall be based on the cost for
14 the service. Any deviations from avoidable cost for the service must
15 be based upon contract amendments or other independently verifiable
16 cost reductions. "Avoidable cost" means all direct or indirect costs
17 attributable to a bus service package that would be avoided or
18 eliminated if the bus service package were not operated by the
19 corporation. In calculating avoidable cost the corporation shall
20 include, but not be limited to, costs of: operator wages and benefits;
21 fuels and lubricants; tires, parts and supplies; tolls and fees; insurance;
22 mechanic and other garage personnel wages and benefits; operation
23 and maintenance of garages; regional supervisors; bus and executive
24 management; and administrative and support functions.

25 c. The corporation shall not make or be bound by any contract,
26 agreement or assurance which creates or extends any form of
27 obligation for continued employment or employee compensation with
28 respect to employees assigned to a bus service package beyond the
29 expiration date for the competitively contracted service.

30 d. The corporation shall be bound by the same terms, conditions,
31 and performance and other standards as would have applied to a
32 private carrier awarded the contract under the request for proposals.
33 If the corporation's performance is not in compliance with this
34 provision, the corporation shall relinquish the contract and advise the
35 commission to issue a new request for proposals for the service. The
36 corporation, however, shall operate the service until a new contract is
37 entered into.

38

39 12. (New section) Whenever a private carrier operates a bus
40 service package, during the term of the contract, that carrier may
41 increase or expand regular route motorbus service within the
42 geographic boundaries of the bus service package. Any increase in
43 revenues in the bus service package resulting from the increased or

1 expanded service shall accrue to the operator of the bus service
2 package.

3
4 13. (New section) The operation of a bus service package by a
5 private carrier, under a contract awarded pursuant to this amendatory
6 and supplementary act, shall not be sufficient cause for the termination
7 of employment of any corporation employee working on a full-time
8 basis to provide corporation operation of the bus service package on
9 the date of issuance of the request for proposals for that bus service
10 package. Any reduction in the number of corporation employees that
11 becomes necessary as a result of the operation of a bus service
12 package by a private carrier shall be achieved through employee
13 attrition on a corporation-wide basis.

14
15 14. (New section) The State Auditor shall perform, or shall
16 contract with an independent certified public accounting firm, other
17 than the corporation's regular auditor, to perform, a neutral and
18 unbiased performance audit to be completed and reported to the
19 Legislature not later than eighteen months after the effective date of
20 this amendatory and supplementary act. The performance audit shall
21 analyze in a fair and equitable fashion the implementation of this
22 amendatory and supplementary act including, but not limited to,
23 compliance with the competitive proposal process, compliance with
24 avoidable cost requirements, the level of contract compliance by
25 private carriers, the cost of that compliance and whether those costs
26 will be recurring or may be reduced, application of savings to
27 consumer benefit and taxes paid by private carriers. All costs of the
28 audit shall be borne by the corporation.

29
30 15. (New section) Each year for a period of five years from the
31 effective date of this amendatory and supplementary act, the
32 commission shall make every effort to issue on an annual basis
33 requests for proposals on ten percent, and, at minimum, shall issue
34 requests for proposals on five percent, of the regular route motorbus
35 service operated by the corporation. The annual competitive proposal
36 requirement shall be met only by the requests for proposals for service
37 not operated under competitive proposals and not previously offered
38 as a bus service package. In any year in which the commission does
39 not issue requests for proposals on ten percent of the regular route
40 motorbus service, the commission shall submit a report to the
41 Governor, the Senate President, and the Assembly Speaker detailing
42 the reasons why this requirement was not met.

43
44 16. (New section) The Office of Public Carrier Affairs in the
45 corporation is transferred to the department and shall hereafter be
46 known as the Office of Competitive Bus Service. All employees of the

1 office are transferred to the department. All records, property and
2 financial resources of the office are transferred to the department and
3 all responsibilities of the office shall be assumed and performed by the
4 department.

5

6 17. (New section) All transfers directed by this act shall be made
7 in accordance with the "State Agency Transfer Act," P.L.1971, c.375
8 (C.52:14D-1 et seq.). Nothing in this act shall be construed to deprive
9 employees of their right, privileges, obligations or status with respect
10 to any retirement system.

11

12 18. Section 6 of P.L.1979, c.150 (C.27:25-6) is amended to read
13 as follows:

14 6. a. The corporation may enter into contracts with any public or
15 private entity to operate rail passenger service or portions or functions
16 thereof. Where appropriate, payments by the corporation for services
17 contracted for under this section shall be determined in accordance
18 with the Federal Regional Rail Reorganization Act of 1973 (45
19 U.S.C.701 et seq.), the Federal Rail Passenger Service Act of 1970
20 (45 U.S.C.501 et seq.), any other applicable Federal law, and any and
21 all rules, regulations and standards, promulgated thereunder and
22 decisions issued pursuant thereto. In all other cases, payments shall be
23 by agreement upon such terms and conditions as the corporation shall
24 deem necessary.

25 b. The corporation may enter into contracts with any public or
26 private entity to operate motorbus regular route, paratransit or
27 motorbus charter services or portions or functions thereof. Payments
28 shall be by agreement upon such terms and conditions as the
29 corporation shall deem necessary. Contracts for the provision of
30 regular route bus service offered and awarded after the effective date
31 of this amendatory and supplementary act shall conform to the
32 provisions of P.L. , c. (C.)(now before the Legislature as
33 this bill).

34 (cf: P.L.1979, c.150, s.6)

35

36 19. Section 73 of P.L.1954, c.84 (C.43:15A-73) is amended to
37 read as follows:

38 73. a. The Public Employees' Retirement System is hereby
39 authorized and directed to enroll eligible employees of the New Jersey
40 Turnpike Authority, the New Jersey Highway Authority, Palisades
41 Interstate Park Commission, Interstate Sanitation Commission, the
42 Delaware River Basin Commission and the Delaware River Joint Toll
43 Bridge Commission.

44 In the case of the Delaware River Joint Toll Bridge Commission,
45 the eligible employees shall be only those who are employed on the
46 free bridges across the Delaware river, under the control of said

1 commission, or who are members of the retirement system at the time
2 they begin employment with the commission.

3 The said employees shall be subject to the same membership,
4 contribution and benefit provisions of the retirement system as State
5 employees.

6 b. The State University of New Jersey, as an instrumentality of the
7 State, shall, for all purposes of this act, be deemed an employer and its
8 eligible employees, both veterans and nonveterans, shall be subject to
9 the same membership, contribution and benefit provisions of the
10 retirement system and to the provisions of chapter 3 of Title 43 of the
11 Revised Statutes as are applicable to State employees and for all
12 purposes of this act employment by the State University of New Jersey
13 after April 16, 1945, and for the purposes of chapter 3 of Title 43 of
14 the Revised Statutes any new employment after January 1, 1955, shall
15 be deemed to be and shall be construed as service to and employment
16 by the State of New Jersey.

17 c. The Compensation Rating and Inspection Bureau, created and
18 established pursuant to the provisions of R.S.34:15-89, shall, for all
19 purposes of this act, be deemed an employer and its eligible
20 employees, both veterans and nonveterans, shall be subject to the same
21 membership, contribution and benefit provisions of the retirement
22 system and to the provisions of chapter 3 of Title 43 of the Revised
23 Statutes as both are applicable to State employees.

24 The retirement system shall certify to the Commissioner of
25 Insurance and the Commissioner of Insurance shall direct the
26 Compensation Rating and Inspection Bureau to provide the necessary
27 payments to the retirement system in accordance with procedures
28 established by the retirement system. Such payments shall include (1)
29 the contributions and charges, similar to those paid by other public
30 agency employers, to be paid by the Compensation Rating and
31 Inspection Bureau to the retirement system on behalf of its employee
32 members, and (2) the contributions to be paid by the Compensation
33 Rating and Inspection Bureau to provide the past service credits up to
34 June 30, 1965 for these members, both veterans and nonveterans, who
35 enroll before July 1, 1966.

36 d. The New Jersey Sports and Exposition Authority, created and
37 established pursuant to the "New Jersey Sports and Exposition
38 Authority Law," P.L.1971, c.137 (C.5:10-1 et seq.) shall for all
39 purposes of this act, be deemed an employer and its eligible employees
40 both veterans and nonveterans, shall be subject to the same
41 membership, contribution and benefit provisions of the retirement
42 system and to the provisions of chapter 3 of Title 43 of the Revised
43 Statutes as are applicable to State employees.

44 (1) Eligible employees as used herein shall not include persons who
45 are not classified as salaried, or who are compensated on an hourly or
46 per diem basis, or whose employment is normally covered by other

1 retirement systems to which the authority makes contributions.

2 (2) Eligible employees previously permitted to enroll in the
3 retirement system shall redeposit the contributions previously made by
4 them and all service credit shall then be restored and future
5 contributions made at the date of contribution as originally assigned.
6 The authority shall redeposit the employer payments it had made, with
7 interest to the date of redeposit.

8 e. (1) The New Jersey Transit Corporation created and established
9 pursuant to the "New Jersey Public Transportation Act of 1979,"
10 P.L.1979, c.150 (C.27:25-1 et seq.) shall for all purposes of this act,
11 be deemed an employer and its eligible employees both veterans and
12 nonveterans, shall be subject to the same membership, contribution and
13 benefit provisions of the retirement system and to the provisions of
14 chapter 3 of Title 43 of the Revised Statutes as are applicable to State
15 employees. Eligible employees as used herein means only those
16 individuals who are members of the Public Employees' Retirement
17 System or any other State-administered retirement system
18 immediately prior to their initial employment by the corporation.

19 (2) Any employee of the New Jersey Transit Corporation
20 transferred to the Department of Transportation pursuant to P.L. ,
21 c. (C.)(now before the Legislature as this bill) may purchase
22 credit for all service with the corporation rendered prior to the
23 effective date of P.L. , c. (C.)(now before the Legislature as this
24 bill) if that service would otherwise be eligible for credit in the
25 retirement system. This purchase shall be made in the same manner
26 and shall be subject to the same conditions provided for the purchase
27 of previous membership service by section 8 of P.L.1954, c.84
28 (C.43:15A-8).

29 f. (1) The Casino Reinvestment Development Authority, created
30 and established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.), the
31 New Jersey Urban Development Corporation, created and established
32 pursuant to P.L.1985, c.227 (C.55:19-1 et seq.), the South Jersey
33 Food Distribution Authority, created and established pursuant to
34 P.L.1985, c.383 (C.4:26-1 et seq.), the New Jersey Development
35 Authority for Small Businesses, Minorities and Women's Enterprises,
36 created and established pursuant to P.L.1985, c.386 (C.34:1B-47 et
37 seq.), and the Catastrophic Illness in Children Relief Fund
38 Commission, created and established pursuant to P.L.1987, c.370
39 (C.26:2-148 et seq.) shall each, for all purposes of this act, be deemed
40 an employer and eligible authority, corporation, or commission.
41 Employees, both veterans and nonveterans, shall be subject to the
42 same membership, contribution and benefit provisions of the
43 retirement system and to the provisions of chapter 3 of Title 43 of the
44 Revised Statutes as are applicable to State employees.

45 (2) The current or former employees of the authorities, the
46 corporation, and the commission may purchase credit for all service

1 with the authority, corporation, or commission rendered prior to the
2 effective date of this amendatory and supplementary act, P.L.1990,
3 c.25 (C.43:15A-73.2 et al.), if that service would otherwise be eligible
4 for credit in the retirement system. This purchase shall be made in the
5 same manner and shall be subject to the same terms and conditions
6 provided for the purchase of previous membership service by section
7 8 of P.L.1954, c.84 (C.43:15A-8). The authority, corporation, or
8 commission shall pay the 2nfunded liability as determined by the
9 actuary for prior service purchased by its employees in accordance
10 with a schedule approved by the actuary. This obligation of the
11 authority, corporation, or commission shall be known as the accrued
12 liability for prior service credit.

13 (3) For any employee of the authorities or of the corporation or
14 commission who is in service with the authority, corporation, or
15 commission on the effective date of this amendatory and
16 supplementary act, P.L.1990, c.25 (C.43:15A-73.2 et al.), the age of
17 enrollment for the purposes of the member contribution rate under
18 section 25 of P.L.1954, c.84 (C.43:15A-25) shall be the age of the
19 employee on the date the continuous service with the authority began.
20 Any employee who was a member of the retirement system on the date
21 continuous service with the authority, corporation, or commission
22 began but whose membership expired before the effective date of
23 participation by the authority, corporation, or commission in the
24 retirement system, and who has not withdrawn the employee
25 contributions from the system, shall participate in the retirement
26 system under the former membership and shall contribute to the system
27 at the rate applicable to the former membership.
28 (cf: P.L.1990, c.25, s.1)

29

30 20. This act shall take effect immediately.

31

32

33

STATEMENT

34

35 This bill would provide for the contracting out of motorbus regular
36 route service currently operated by the New Jersey Transit
37 Corporation (NJT) through a competitive process. The bill establishes
38 the New Jersey Competitive Bus Service Commission in the
39 Department of Transportation which is charged with implementing the
40 competitive process. The commission would comprise five members:
41 the Commissioner of Transportation, the State Treasurer, and three
42 public members appointed by the Governor. Of the three public
43 members, the Governor would appoint two, one on the
44 recommendation of the President of the Senate and one by the Speaker
45 of the General Assembly. One public member would be a regular bus
46 commuter. The Commissioner of Transportation would serve as

1 chairperson of the commission.

2 The commission would designate bus service packages, issue and
3 review requests for proposals submitted for the operation of the bus
4 service packages, and designate the carrier whose proposal offers the
5 maximum return or lowest cost to the NJT. The NJT would be
6 required to submit proposals and would determine its proposal cost on
7 an avoidable cost basis. When the commission designates a private
8 carrier to operate a bus service route, the NJT would be required to
9 enter into a contract for the operation of that service with the private
10 carrier within ten days.

11 The Office of Public Carrier Affairs would be transferred from NJT
12 to the Department of Transportation to support commission activities.
13 In addition, a performance audit is required to be done by the State
14 Auditor or through contract by an independent accounting firm.

15

16

17

18

19 _____
20 Requires certain NJT bus routes to be contracted out on a competitive
21 basis; establishes the New Jersey Competitive Bus Service
Commission.