

Senate Budget Hearing Testimony

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- Good afternoon Mr. Chairman and members of the Committee.
- Thank you for the opportunity to appear before you today as NJ TRANSIT's Executive Director, on behalf of the hard-working men and women of an agency that provides nearly 950,000 bus, rail, light rail and Access Link paratransit trips every work day.
- NJ TRANSIT is committed to delivering safe, reliable service for our customers every day – despite the events of the past month.
- The Governor's Proposed Budget, including the capital program funded in part through the renewed Transportation Trust Fund (TTF), provides the funding necessary to deliver safe and reliable NJ TRANSIT service – and without a fare increase.
- Today, before taking your questions, I will briefly highlight some of the steps we will take in FY2018 under the Governor's Proposed Budget to:
 - improve safety and customer service
 - maintain our fleet and infrastructure in a state of good repair,
 - progress the construction of the Gateway Program, including the replacement of the Portal Bridge and the construction of two new trans-Hudson tunnels and the rehabilitation of the existing rail tunnels, and
 - advance the development of the Hudson-Bergen Light Rail extension and other light rail initiatives.
- I will also note how we pay Amtrak, our landlord on the Northeast Corridor and at Penn Station New York, for the train service we operate on the NEC and at the Station.
- On the topic of safety, first let me update you on Positive Train Control.
- As you know, we and other railroads are under a Federal mandate to have Positive Train Control – PTC -- installed and running by the end of 2018. We are on a schedule to do so.

- To meet the Federal deadline, we are adding 20 skilled, technical positions to support PTC. The hiring process for those positions is underway. In fact, candidate reviews, interviews and offers are underway for all these positions.
- Meanwhile, the PTC “test track,” a six-mile section of the Morris & Essex Line, is being readied now to begin live testing of the system this fall.
- And our contractor is installing the complex, technical PTC hardware and equipment on locomotives and control cars. Hardware has been installed on 10 vehicles so far, and the contractor will be ramping up to a production schedule of five a week within a month. This progress will be reflected on the Federal Railroad Administration’s upcoming PTC progress reports.
- Our PTC schedule is aggressive. However, with diligence and continued support our contractor’s work will meet the Federal deadline.
- Continuing down the track of safety, we continue to hire in areas of the agency that support safety.
- We are adding 27 positions in Rail Operations to augment track maintenance forces and front-line supervision in rail yards and of train crews.
- We continue to see momentum in hiring throughout the company, and we are adding more staff to our Office of System Safety, the office that oversees and coordinates safety for all our operating modes. In Fiscal 18 we will hire seven more staff in this important area, including for posts such as rail safety engineer and bus accident investigator, to augment the 38 positions OSS has now.
- Meanwhile, following consultation with our unions, we have implemented aggressive and more efficient sleep apnea detection and treatment policies and protocols.
- Fifty percent of our active locomotive engineers have been screened for sleep apnea, and all active engineers will have been screened by the fall.
- Technology has an important role in safety, too.
- We are now moving to install 360-degree cameras on our buses, something that will help reduce the chance of accidents and conflicts with pedestrians, especially when buses are turning.
- Of course, Safety today includes being vigilant for threats of all types.

- Our NJ TRANSIT Police Department, led by Chief Christopher Trucillo, who is sitting behind me, has the challenge and the responsibility of safeguarding our customers, our employees and our bus, rail, light rail and Access Link services and equipment across the entire state of New Jersey.
- The chief and his officers do an outstanding job. And, I'm happy to report, they soon will have more help in carrying out their mission of keeping our customers and system safe.
- In a little more than a week, some 25 new recruits will enter the police academy. When they graduate in September they will join their brother and sister officers, protecting us all.
- Another form of policing will be done by a new cybersecurity unit we are forming.
- The unit will ramp up over the coming year to have about a dozen employees, who will make sure we are protecting sensitive information, including computerized control systems and personal medical and other information and records, and monitoring our network to detect and prevent cyber attacks.
- We are dedicating \$3 million to this initiative. The positions will be filled by using vacancies and reassigning personnel in Information Technology.

CUSTOMER COMMUNICATIONS

- On the customer communications front, NJ TRANSIT has a major presence on the Internet, on njtransit.com, our website, and on social media such as twitter and Facebook.
- Electronic media is growing at a staggering pace. We now have more than 112,000 Twitter followers, 55 percent more than just a year ago.
- We also continue to encourage customers to sign up for NJ TRANSIT alerts for real-time service information. And for the first time, the alerts will be available on our popular mobile app – a feature I have personally heard from our customers that they want.
- The upgrade for Android users goes into effect this week with iOS or Apple users following next week sometime. We are rolling out the new version in phases so that we can make any needed refinements before it's available to our larger customer base of iOS users.
- Meanwhile, we have reinstated our “We Are Listening” forums, where customers can speak directly to me and the executive team to tell us their concerns and comments. In fact, we were just in Hoboken on Tuesday.

- Our Scorecard surveys of customers continue – and nearly eight in 10 say they would recommend NJ TRANSIT to a friend or relative. This indicator is a good summary of overall satisfaction.
- In fact, customers who answered our most recent survey for the last quarter gave us the highest scores since the surveys began, six years ago.
- There were increases in reported satisfaction for all modes this quarter, bus, rail, light rail and Access Link. In fact, the bus system achieved its highest score ever since the inception of the survey.
- **CAPITAL PROJECTS**
- Let's turn to the capital side – which means things such as fleet replacement, keeping tracks and locomotives and bridges and other things in a state of good repair.
- We have some 2,200 buses, half of them the cruisers which run longer trips to and from New York and Philadelphia and other destinations, and half of them the transit buses which provide service in urban and suburban communities.
- We have about 88,000 interState customers, most of them going to Manhattan, and about 172,000 intraState customers each day, traveling within New Jersey.
- The average age of our cruiser fleet is now about 14 years. They are reaching the end of their useful life. So we are in year two of a six-year program to replace them. We will deliver nearly 200 new buses each year for this program, at a total cost of more than \$600 million.
- And once the cruiser fleet replacement is finished, we will begin procuring new transit buses.
- On the rail side, we are overhauling 33 ALP 42 locomotives, replacing motors and other equipment. We also are overhauling key mechanical systems on our 35 ALP 45 dual-powered locomotives.
- And we will soon issue a request for proposals to replace our aging Arrow rail car fleet, including the self-propelled rail cars with 113 new multi-level self-propelled and regular cars.
- I don't want to get into specific cost estimates, since bids are not in for these projects yet. But taken together, they total hundreds of millions of dollars.
- All this work will help increase reliability, improving service for our customers.

- Of course there are many more projects large and small to keep our assets in good repair, from a \$6 million project to extend the rail station platforms at New Brunswick, to \$10 million for bridge maintenance to \$13.5 million for repairs and maintenance of track for the Newark Light Rail system.
- NJ TRANSIT also is moving forward with new light rail projects. In the north, we have two extensions of the Hudson Bergen Light Rail line, the Northern Branch extension from North Bergen to Englewood, and the West Side Extension in Jersey City to a redeveloping area by Route 440.
- An environmental hearing on Northern Branch was held earlier this week in Englewood, and we expect that the Federal Transit Administration could issue a Final Environmental Impact Statement for the project late this year.
- In the meantime, we are moving ahead with preliminary design.
- The West Side Extension in Jersey City has its environmental approval, so we are progressing design and engineering there, too.
- We also are assisting our sister agency the Delaware River Port Authority, as it progresses the environmental review process for the Glassboro-Camden Light Rail line. The southern terminus of this line will be in downtown Camden, providing customers access to our River Line light rail service, as well as PATCO and numerous bus lines, and furthering the economic development that is taking place in the city's downtown.
- There also is much activity on the biggest rail project in the nation: the Gateway Program to increase the resiliency of, and eventually the capacity of, the trans-Hudson rail system.
- The Gateway Program is a comprehensive rail investment program designed to modernize and improve a vital section of the Northeast Corridor, in two phases:
 - Phase 1 will ensure the soundness of existing cross-Hudson capacity by building two new tunnels under the Hudson River, allowing the complete rehabilitation of the existing tunnels, as well as replacement of the Portal Bridge.
 - This summer we will begin early-action construction items for the replacement of the Portal Bridge on the Northeast Corridor.
 - This early action work includes moving high-voltage utility lines, fiber optic line relocation, and building a finger pier and retaining wall to support construction. Bids just opened for this work this week, which will set the foundation for the replacement of the outmoded 107-year-old structure.
 - Phase 2 will increase cross-Hudson rail capacity through construction of a second parallel Portal Bridge, an expansion of New York Penn Station, and a constellation of addition

projects in the region, such as expanding the Northeast Corridor between Newark and Secaucus to four tracks.

- The Hudson Tunnels and Gateway are vital projects, and we are confident that the Federal government will recognize their value as the Federal budget process proceeds in Washington.
- While we are speaking of the Northeast Corridor, let me take this opportunity to update you on NJ TRANSIT's relationship with Amtrak, our landlord on the Northeast Corridor and at Penn Station New York.
- Under this relationship, we pay for the electric power for our trains, and for a share of a number of other ordinary, day-to-day expenses on the NEC and at Penn Station.
- But we also have long contributed money for capital construction projects on the NEC that will benefit our customers.
- We do this because the NEC is vital for our rail service. More than 80 percent of our rail customers travel some portion of their trips over the Corridor.
- In fact, since 1997, under a joint benefits program, New Jersey has contributed more than \$577 million for work that maintains and improves the functioning of the NEC.
- These payments do not include the tens of millions of dollars more that NJ TRANSIT has spent on its own maintaining stations such as Metropark, Newark Penn and New Brunswick – stations that also are used by Amtrak's customers.
- Because of a 2008 Federal law, the Passenger Rail Investment and Improvement Act, or PRIIA, our payments to Amtrak for operating and capital expenses are rising dramatically – from some \$100 million a year, on average, to about \$200 million a year.
- That is a significant amount of money. And for that contribution and investment, New Jersey needs, and our customers deserve, a greater voice – and safe, reliable service.
- That means more of a say in how Amtrak prioritizes and spends our capital money, on what projects and when. More of a say in how trains are dispatched, so NJ TRANSIT customers don't have to sit while Amtrak trains go in or out of Manhattan first. And more of a say in how Penn Station New York operates.
- Obviously, these issues are on all of our minds now more than ever, given the recent incidents at Penn Station, incidents that severely disrupted the commutes and lives of tens and tens of thousands of our customers.

- Up until now, our relationship with Amtrak has been largely that of tenant-landlord. We are demanding a much greater voice in these matters.
- Mr. Chairman and members of the Committee, let me finish by saying how proud I am to lead this agency, the nation's third-largest and the only transit agency with a statewide service territory.
- NJ TRANSIT's challenges are large. But so is the importance of our mission, one that our hard-working men and women pursue every day.
- Transit is a vital part of New Jersey's transportation system, and a direct contributor to the economy of our state and region, and the quality of life of our citizens.
- Now I will be happy to take your questions.