Thank you Mr. ChairMEN and members of the committee.

I am personally grateful for the opportunity to appear here today and respond in person. Please do not read my previous absence as a sign of disrespect or disinterest.

As you know, we were able to produce answers to your questions half by Friday night and the remaining on Saturday. We also have been providing supplemental information throughout the week. In addition, I have brought senior staff to advise me today to ensure that I can respond to your questions effectively.

I was only recently appointed Executive Director of NJ TRANSIT. The tragic accident at Hoboken Terminal occurred just over two weeks before my appointment. My thoughts continue to be with the DeKroon family, and all of those who were impacted.

We know that you and our customers are rightly focused on safety. And so am I as the new Executive Director. There is no higher priority.

I have been with this agency for almost 16 years and I have had the opportunity to work side by side with members of the Legislature – and many of you personally – to obtain critical funding, achieve community consensus or clear regulatory hurdles. I thank you for your willingness to work collaboratively and expeditiously to achieve our common goals.

Throughout my tenure at NJ TRANSIT, I have also worked alongside some of the most professional and accomplished men and women in this industry.

I want to begin today by reinforcing that there will be no fare increase in Fiscal Year 2017, and I'd like to let you know that I am proposing to Treasury – NO fare increase for Fiscal Year 2018.
But right now the focus is on where we are today.

NJ TRANSIT is at a critical juncture and we have issues to address.

First and foremost is the safety of our customers and employees. There is no substitute for it, no alternative to it, and no way around it. It is THE priority.

Every public transit agency wrestles with this challenge. And we learn from each other. It is a never-ending effort.

For example, we looked to Metro North and the rigorous examination by the Federal Railroad Administration that followed significant incidents there in 2013.

We compared the FRA’s recommendations to our own safety policies and protocols. Through this process, we asked ourselves the hard questions and identified where we could make important changes.

We then worked with a consultant in 2014 to conduct an internal review, so we would have an unbiased assessment and a fresh perspective.

One of the first things we learned was that we needed to unify our approach to safety across the corporation.

In response, my predecessor, Ronnie Hakim, created the Office of System Safety, and gave it the mandate to work across all business lines to provide an agency-wide comprehensive safety-focused program.

This spring, the FRA performed an intensive inspection of NJ TRANSIT Rail Operations’ facilities called an “OPTICS” inspection. Some of what they found included:

- The unauthorized use of personal cell phones while on duty
- Not having the proper emergency tools on the train
- Having an undercharged fire extinguisher on the train
- Train crews failing to conduct a proper testing of a train’s brakes
- Failure to blow the train’s horn at railroad crossings
• Train cars stopping too close to an adjacent track
• Noncompliance with rules pertaining to engines and equipment in the rail yards, including locomotives not being properly secured and left unattended.

These findings are unacceptable. We have taken specific steps to address all of the violations noted in the FRA Inspection Reports.

• NJ TRANSIT conducted its own, even broader two-week compliance investigation emphasizing electronic devices.
• We created comprehensive inspection teams which conduct unannounced reviews
• We adopted new, stricter rules and increasing penalties for noncompliance (e.g., longer suspensions)
• We issued new safety orders, alerts and bulletins
• And we are implementing more frequent equipment inspections, increased supervisory presence in rail yards, and additional safety training.

Even before the FRA’s OPTICS inspection, we were taking steps to emphasize safety compliance and transparency. We are one of seven pilot sites for an FRA program known as the C3RS or also known as "Close Call", a voluntary reporting system that seeks to decrease human-factor-caused accidents.

We have also implemented more stringent rules in certain areas than are required by the FRA regulations.

And, we’ve learned some other hard truths.

For example, we have critical vacancies in our Rail Division. Key personnel have either retired or left for other opportunities. And backfilling these vacancies is particularly challenging when we are looking at highly technical or specialized positions. And this issue is found throughout the agency.
In fact, we are prioritizing bringing on-board:

- A Deputy Chief for our Office of System Safety.
- Additional management-level positions in the Rail Division.
- 20 new technical positions and a reinforced management team for our PTC rail project.
- A Chief of Compliance and Reporting; and
- Additional sworn officers for NJ TRANSIT’s Police department to enhance security.

I am pleased to say that NJ TRANSIT is hiring and we will be competitive.

We will also aggressively pursue residency rules exceptions as we are finding that requiring candidates to live in New Jersey has been a challenge – particularly in specialized fields like railroading.

Our Human Resources Department is teaming up with the State Labor Department on Job Fairs, and we are holding recruitment and partnership meetings with a number of organizations.

How are we paying for all of this?

We took a close look at our operating budgets and found that we were paying for significant capital projects like the purchase of multilevel rail cars and locomotives with operating dollars.

Moving forward, funding for these types of purchases will come from the capital budget.

With this change, we will be able to keep fares stable – and be more competitive in the labor market.

You have raised a number of questions that we will discuss in more detail. But I would like to highlight some of the specific areas that you have asked about.
• First, Positive Train Control. We are committed to meeting the federally mandated implementation deadline of December 31, 2018 and we are taking steps to ensure that we meet the deadline.

• But safety is more than Positive Train Control.

• NJ TRANSIT is continuing efforts to reduce human factor-related incidents – including those involving switches – and we have taken a range of actions. We’re analyzing employees’ behavior, we’re conducting a safety pilot program, and we’re investing in new equipment.

• Other measures include:
  o The continuing installation of inward and outward facing cameras on our rail equipment.
  o We implemented civil speed restriction technology on 25 of our 26 high speed curves and bridges based on criteria from the Federal Railroad Administration’s Safety Advisory, to enhance rail safety.
  o And we are deploying technology focused on improving the safety of our system. For example, as you see in one of the boards, we are piloting new technology – known as “Switchrite” – to assist engineers and conductors with switch alignment indications on a particular switch in Dover Yard with an abnormally high number of incidents.
    • In the 30 days the pilot program has been in effect we have seen an improvement in operations and a reduction in incidents. We intend to continue to monitor the progress of the pilot program and will expand to other locations as warranted.
  o We continue to look for additional opportunities – whether through the deployment of technology, the construction of new capital projects, or employee training and other new programs – to enhance the safety culture at NJ TRANSIT.
• Now let’s talk about accident data.

• Through our safety initiatives which I discussed earlier, we remain committed and focused to reducing the number of accidents and incidents that are reportable to the Federal Railroad Administration.

• But I would like to point out the board titled “Rate of Total Accidents Plus Incidents Per Million Train Miles.” NJ TRANSIT’s overall accident/incident per 1,000,000 miles rate total is lower than the average rate for all commuter railroads nationwide.

• And when we look at significant events – those events that the FRA recognizes as above a $100,000 reportable threshold, over the last ten years – less than 6 percent have resulted in reportable damage of more than $100,000, which is less than half of the national average of 12 percent. This is shown in the board titled “Percentage of Accidents with Reportable Damage.”

• Simply stated, most of our accidents are less than $100,000 but we continue to strive to prevent even the smallest of accidents and will continue to prioritize initiatives and projects that build safety in operations.

• I have heard you express concerns about our alcohol-related accidents. It is important for me to note that NJ TRANSIT does not have a high-rate of substance abuse-related accidents. In fact, in the last 10 years NJ TRANSIT has had one FRA-reportable accident involving a mechanic who was drug tested on the job.

• One accident is still too many – and we will be working closely with the Federal Railroad Administration, and collaboratively with our sister agencies, to stay on the cutting edge of industry best practices in this area.

• Finally, I have also heard concerns about NJ TRANSIT’s mechanical failure rate. NJ TRANSIT reports all major and minor failures – including any subsequent delays. Reporting subsequent delays is beyond the Federal Transit Administration’s minimum guidance and results in our numbers being higher than those of other commuter agencies.
• Moving forward, NJ TRANSIT will remove subsequent delays from the reporting data – we anticipate this action will bring our results closer to those of other agencies.

• Whether we are over-reporting or not, I am committed during my tenure as Executive Director to drive the failure rate down.

Mr. ChairMEN and members of the committee, you have my word that we have a renewed focus on our safety process and the culture as a whole at NJ TRANSIT.

The more than 11,000 hard-working men and women at NJ TRANSIT are committed to delivering safe, reliable transportation, to the nearly half a million customers we are proud to serve each and every day.

That concludes my testimony, and I would be happy to take your questions.
Rate of Total Accidents + Incidents Per Million Train Miles

Source: FRA Office of Safety Analysis Ten Year Overview as of November 2, 2016. National Average includes all commuter rail systems and Amtrak.
Rate of Total Accidents Per Million Train Miles

Source: FRA Office of Safety Analysis Ten Year Overview as of November 2, 2016. National Average includes all commuter rail systems and Amtrak.
Accidents With Reportable Damage >$100k per Million Train Miles (2007-2016)

Source: FRA Office of Safety Analysis Ten Year Overview as of November 2, 2016. National Average includes all commuter rail systems and Amtrak.
Rate calculated as sum of accidents with reportable damage over $100k from CY2007-CY2016 divided by sum of train miles from CY2007-CY2016.
% of Accidents With Reportable Damage >$100k (2007-2016)

151 Switches in Hoboken Rail Yard
“Switchrite” switches are being installed in Dover Yard as a pilot program to help prevent run-through switches. “Switchrite” Green/Green or Red/Red indicates trains are safe to travel through a switch. “Switchrite” Red/Green or Green/Red requires the crew to call the Yardmaster for instructions.