
Public Hearing

before

REGIONAL INTERGOVERNMENTAL TRANSPORTATION COORDINATING STUDY COMMISSION

*“Presentation of an interim report containing
preliminary findings and recommendations”*

LOCATION: Committee Room 11
State House Annex
Trenton, New Jersey

DATE: July 28, 2000
9:30 a.m.

MEMBERS OF COMMISSION PRESENT:

Raymond Zabihach, Chair
Assemblyman Alex DeCroce
Assemblywoman Linda R. Greenstein
Pippa Woods
Fred M. Brody
Paul Sauerland
Stephen H. Shaw
Ridgeley P. Ware
Noreen P. White
Millard Wilkinson Jr.



ALSO PRESENT:

William S. Beetle, Alternate Commissioner
John J. Coscia, Alternate Commissioner
Charles P. Newcomb, Alternate Commissioner
Donna Orbach, Alternate Commissioner
Clifford Sobel, Alternate Commissioner

Martin E. Robins
Secretary

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

TABLE OF CONTENTS

	<u>Page</u>
James P. McManimon Freeholder Mercer County	8
Tom Carver President New Jersey Aviation Association	18
APPENDIX:	
Regional Intergovernmental Transportation Coordinating Study Commission Interim Report	1x
Statement submitted by Millard Wilkinson Jr.	59x
Statement submitted by George M. Ververides Director of County Planning Department of Planning County of Middlesex	61x
Statement submitted by Joanne M. Harkins Director of Land Use and Planning New Jersey Builders Association	64x
Statement submitted by Simeon Hitzel Director PARTNERS@Solberg	66x
Statement submitted by Robert P. Bzik Director of Planning Somerset County Planning Board	67x

TABLE OF CONTENTS (continued)

APPENDIX (continued)

Page

Testimony
submitted by
Jennifer Jaroski
New Jersey Coordinator
Tri-State Transportation Campaign

70x

Testimony
submitted by
James Daley
Director
Division of Policy and Planning
Department of Economic Development
County of Union

74x

rs: 1-27

RAYMOND ZABIHACH (Chair): Good morning. We'll get this public hearing started.

I would like to welcome everyone in the audience.

This is the Regional Intergovernmental Transportation Coordinating Study Commission's public hearing on our interim report, which is dated July 13, 2000.

Let me read the statement of public hearing notice.

In accordance with the terms of Assembly Joint Resolution 21, approved November 9, 1998, notice of this public hearing held today, July 28, 2000, was provided at least five days prior to the hearing. Notice was given in the form of a certified letter to the New Jersey Secretary of State specifying the date, time, place, and purpose of the hearing. Said letter was received by the Secretary of State's office on July 18, 2000. Notice of the hearing was distributed to newspapers of general circulation throughout the state via the State House press corps mailboxes on or about July 18, 2000. Notice of the hearing was posted on the legislative calendar, which appeared on the New Jersey Legislature's Web beginning on July 21, 2000, and was distributed in hard copy to members of the legislature on July 24, 2000.

In addition, on July 13, 2000, notice of the hearing was provided to the following State agencies and organizations: Association of New Jersey Environmental Commissions, Delaware Valley Regional Planning Commission, New Jersey Association of Counties, New Jersey Chapter of the American Planning Association, New Jersey County Planners' Association, New Jersey Department of Transportation, New Jersey Future, New Jersey League of

Municipalities, New Jersey Office of State Planning, New Jersey Transit, North Jersey Transportation Planning Authority, Tri-State Transportation Campaign.

In accordance with the terms of Assembly Joint Resolution 21, a copy of the Regional Intergovernmental Transportation Coordinating Study Commission, I'll call it RITCSC, interim report, dated July 13, 2000, was made available to the public in electronic format on the New Jersey Legislature's Web beginning on July 13, 2000. Hard copies of the report were made available upon request from the Transportation Policy Institute at Rutgers.

A copy of the Public Hearing Notice and the interim report, dated July 13, 2000, are attached hereto and shall be considered part of the public hearing record.

May we have a roll call?

MR. ROBINS (Secretary): Yes.

Dawn Marie Addiego. (no response)

Daniel Beyel or Tim Chelius. (no response)

Stephen Boswell, from the Consulting Engineers Council of New Jersey. (no response)

Fred Brody.

MR. BRODY: Here.

MR. ROBINS: A representative of the State Senate, representing Senator Andrew Ciesla -- anyone present? (no response)

Assemblyman and Chairman of the Transportation Committee, Alex DeCroce.

ASSEMBLYMAN DeCROCE: Yes.

MR. ROBINS: Paul Sauerland, representing NJTPA.

MR. SAUERLAND: Here.

MR. ROBINS: Margaret Scarillo. (no response)

William "Pat" Schuber, or a representative.

MS. ORBACH: Donna Orbach, representing County Executive William "Pat" Schuber.

MR. ROBINS: We have Ms. Orbach's -- the letter of appointment for today's meeting.

Thank you.

Stephen Shaw of the New Jersey Builders Association.

MR. SHAW: Here.

MR. ROBINS: Herb Simmens or Chuck Newcomb from the Office of State Planning.

MR. NEWCOMB: Here.

MR. ROBINS: Chuck is here.

Ridgeley Ware of the DVRPC.

MR. WARE: Here.

MR. ROBINS: And I note that John Coscia is here, as well.

MR. COSCIA: Good morning.

MR. ROBINS: Good morning.

Noreen White.

MS. WHITE: Here.

MR. ROBINS: Millard Wilkinson of the New Jersey League of Municipalities.

MR. WILKINSON: Here.

MR. ROBINS: Pippa Woods, Assistant Commissioner of the Department of Transportation.

MS. WOODS: Here.

MR. ROBINS: And Chairman Raymond Zabihach.

MR. ZABIHACH: Here.

MR. ROBINS: Okay.

MR. ZABIHACH: Just a minute, we have, also--

MR. ROBINS: Oh, yes. Excuse me. And we have a new member of the Commission, Assemblywoman Linda Greenstein.

ASSEMBLYWOMAN GREENSTEIN: Yes.

MR. ZABIHACH: Welcome.

ASSEMBLYWOMAN GREENSTEIN: Thank you.

MR. ZABIHACH: This hearing, which will start in a few minutes, will be open to anyone who'd like to make a comment. We are also accepting written comments. And I'd like to mention the fact that comments can and should be submitted to us over the next two weeks. And the comment period remains open until August 11, 2000. Comments should be directed to Marty Robins at the address which is on the agenda sheet. But I'll just go over real quickly.

The Transportation Policy Institute
Alan M. Voorhees Transportation Center
Rutgers State University
33 Livingston Avenue
New Brunswick, New Jersey 08901
Are there any comments?

Well, before we do that -- excuse me -- I wanted to just make a comment about what we've done.

In 1998, the Legislature authorized the Commission under Assembly Joint Resolution 21. The RITCSC Commission is basically twofold; No. 1, to evaluate the underutilization of the 1989 Transportation Development District Act and to recommend statutory changes to increase the number of TDDs throughout the state; and No. 2, to evaluate the transportation decision-making process in New Jersey and develop policy recommendations to improve and encourage regional and intergovernmental transportation planning.

The members of the RITCSC Commission represent a wide range of perspectives, including legislative leaders, State agencies, metropolitan planning organizations, the business community, statewide associations.

Since its organization in September of 1999 -- time does fly -- the Commission has received expert testimony, conducted research, developed policy recommendations. The interim report represents the first step in the process of finalizing the RITCSC Commission's findings and recommendations. The Commission will submit its final report to the Governor and the Legislature later on this fall.

Just one point of clarification. At our last meeting, we realized that we would not meet our one-year termination point -- that we would need a couple more months. And we're now seeking an extension of three months to be able to incorporate any and all comments that we received to formulate the final recommendations to the Governor and the Legislature.

In your package in the interim report -- I believe it's on the second page or so -- you will notice that there is a list of all the speakers and presenters that we had. I think the Commission was very fortunate in the number and caliber of people and the information they provided us. I think it made and provided us with a tremendous amount of opportunity to discuss a number of important issues. Hopefully, we did not miss anything. And that's why the public hearing, so that we can gather some additional points and perspectives to add to our report.

At this point, I don't think that we're going to be overwhelmed with a lot of comments. I don't think there's a need for setting limits on the comments. I would just say, please say what you have to say. Please give comments. If you're considering to make comments in written form, you're still welcome to make a summary comment here before us, and just let us know that you'll make additional comments.

Before I open it up, are there any comments or points made by any of the commissioners.

ASSEMBLYMAN DeCROCE: Yes.

MR. ZABIHACH: Assemblyman DeCroce.

ASSEMBLYMAN DeCROCE: Thank you, Chairman Zabihach.

Let me just say that from my part, since I was the initiator of this Commission in the first place-- I want to say that -- to most of you, certainly the people from the MPOs and those who are representing different constituencies-- I want to tell you that you did what I consider to be a bang-up job on this thing. Certainly, DOT was very helpful there. I work closely with these people, and I know what they put in. Steve Shaw represented our

constituency -- the builders -- and the Mayor, who represented the League-- And I will say that there are others, frankly, who put in less than what I expected. There are certain people who want to be considered in the decision-making process, and they want to be a part of it, but failed to show, in most cases. And I don't really feel very good about that because this was open to everyone. I think it's extremely important to the counties, frankly. And I'm not criticizing any particular member. I know that NJAC worked closely with me to try to make sure that they had representatives here. Thank God for Paul Sauerland, who represents not only the MPOs, but he's also a freeholder who was able to speak for them from time to time when we didn't have a county rep.

But there are some that should have been here who weren't here, certainly from the business community. And I think it's important that everybody participates in government, one way or another. We all have something to offer. I'm sorry that Linda -- didn't have Linda Greenstein, the Assemblywoman from the Mercer area -- didn't have an opportunity to be a part of this. Unfortunately, she didn't get good information until most recently.

But it was an exceptional committee in my opinion. I think we're going to, pretty much, meet our dates. We asked for a one-year with a sunset. We may need an extension of a couple of months just to gain the proper information that the Chairman needs for these to finalize the report. And we'll be ready to go to the Legislature probably in September or October.

So with that, I want to thank everybody here, and I'm really glad to have been part of it.

I would say that I wasn't even as good a member as most of you have been, frankly. I haven't been able to make all these meetings. But you all faithfully carried on what was, in my opinion, extremely necessary.

Thank you.

MR. ZABIHACH: Thank you.

Any other comments by the commissioners before I open it up?

(no response)

Let me open up the floor for comments.

Anyone would like to come--

Come on up.

Could you please state your name and the organization that you may represent?

JAMES P. McMANIMON: I don't know that you need this, but--

My name is Jim McManimon. I happen to be a Mercer County Freeholder and the immediate past President of the New Jersey Association of Counties. However, I'm here mostly as a Mercer County Freeholder who happens to live in the Transportation Development District that currently exists -- the only one in the state that's operational. Mr. Carnegie had a lot to do with that back -- early ideas when he worked for Mercer County. And I know Donna Lewis, our County Planner, has testified.

I happen to live about a mile from where Merrill Lynch is building their new worldwide headquarters. And that debate aside -- whether-- People still argue whether that should happen or not. It is happening. And they've contributed-- When it's all done, they'll have contributed almost \$11 million for road improvements to that interchange.

ASSEMBLYMAN DeCROCE: Hard to take, huh, Jim?

MR. McMANIMON: Yes, Assemblyman. (laughter)

Arguing over what effect traffic will have on a community aside, we're going to have, when that's all built out, probably -- trips a day -- 30,000 to 40,000 just on that interchange alone. And they're widening the road -- putting a nice strip down the middle with trees in it, and they will maintain it themselves.

And I know if we take advantage of this in the other 20 counties, there will be tremendous improvements that, perhaps, the taxpayers won't have to pay for. But with all due respect to developers-- They may not want to, but it is, certainly, a public-private partnership -- in the way to do things positively.

And in our county, we are now trying to expand our TDD. I don't know if Donna testified on that in hearings, but we put money in this year's budget to take what we have and try to make it bigger in terms of territory because there are a lot of other areas that are affected by the traffic growth corridor coming down 287 and 31 down 29.

So I'm a positive support person in this, as I step away from county government at the end of this year. I chose not to continue, but I will be active in the policy side of government. So I encourage this, both with the other areas-- I read where current businesses will benefit from improvements. They have to contribute in the future if they're going to benefit from the improvements contributed in some way, whether it's direct dollars or transit improvements where you can use some buses to move people around where maybe we couldn't under the current TDD plan.

So again, I offer support for where this is going. I haven't read every page of this. I just got it yesterday. But I intend to not only take a copy back for the Association of Counties' assembly, to make sure it's heard at our next board meeting, but certainly discuss it at Mercer County Freeholders' meetings.

ASSEMBLYMAN DeCROCE: Thank you, Jim.

I asked this Chairman if I could speak to you regarding this issue. Is the Merrill Lynch issue-- Is that within your TDD?

MR. McMANIMON: Yes.

ASSEMBLYMAN DeCROCE: Oh, it is. Very good. I didn't realize that.

MR. McMANIMON: It sure is.

And that was-- They changed some of the language because there were two interchanges involved in that, being Route 31, 95, and Bull Run Road, which is -- the State is looking to fix or change -- and then Scotch Road and 95. Scotch Road and 95 is where Merrill Lynch's main traffic flow is going to go. But they affect a lot of other roads in the area. And if we can expand it, certainly, it will help.

ASSEMBLYMAN DeCROCE: Well, how much will the county gain from -- with TDD -- through the TDD towards transportation efforts from Merrill Lynch construction?

MR. McMANIMON: Well, all I know is the figure being thrown out was \$10.8 million that Merrill Lynch was going to contribute, that otherwise, perhaps, the county or the township of Hopewell--

ASSEMBLYMAN DeCROCE: So, so far, you've gotten \$11 million.

MR. McMANIMON: Well, in the end, when they're all said and done with the improvements, along with what the State did in redesigning that, there's some land that's -- was mitigated. I think Assemblyman Lance was involved in that, in terms of-- We had to buy a piece of land that was not supposed to be developed. So we're moving one piece and saving another piece.

ASSEMBLYMAN DeCROCE: But these -- this \$11 million-- When you get it, it will be used strictly towards transportation efforts? Am I right?

MR. McMANIMON: Correct. Strictly.

ASSEMBLYMAN DeCROCE: I think the Commission, when we're through -- when we get the finalized report-- Unfortunately, I have to tell you that most people in elected office don't read as much as they really should because if so much material is thrown at all of us, it's next to impossible to read everything. I'm not making excuses for them, but I just know what I go through. I could probably hire a reader and still not know everything that is going on. But the fact of the matter is that I think we should, and I assume we will, make sure each public transportation effort in each of the counties get a copy of this report. And hopefully, whoever the public member of the freeholder boards of those different constituencies -- the 21 counties, will get involved somehow or another so they understand.

Let me tell you, if this is really good for anyone, it's certainly, in my opinion, very good for the counties, more so than the municipalities and including the municipalities.

MR. McMANIMON: Well, as the way I read it, and I know their language can change between now and, I guess, the final draft--

ASSEMBLYMAN DeCROCE: It may. It very well may.

MR. McMANIMON: But certainly, areas that have to be redeveloped -- intersections because of traffic increases or redesign-- It can be paid for other than using county taxpayers' dollars on the State -- the way it is right now. So I look forward to the debate. I will bring it to the next County Association board meeting in September.

So, if you're looking for a couple months' extension for, at least, written input, you'll get it from the Association of Counties. And I'm sure, when Donna Lewis comes before the freeholders in Mercer County, we'll ask her to present her latest update, in terms of expanding the territory. And then maybe our other 20 counties can see how they'll benefit from it.

ASSEMBLYMAN DeCROCE: Now, Jim, I don't want the counties to think this is a windfall for the counties. But at the same time, it's certainly going to be a lot of help for them, in my opinion.

MR. McMANIMON: Well, Assemblyman -- certainly always had the counties begging for more money from the State. So if there's a way we can -- you can get it indirectly without -- in a compromise-- I know some people are not going to be happy contributing to areas because it's only going to push the cost up somewhere. But the people that are benefiting from it, like the people traveling down 95 to Scotch Road and into the roads of Hopewell,

Ewing, Lawrence-- They're going to be contributing indirectly through the people they work for.

I wasn't planning on testifying. I wanted to come hear this. But I got this last night. I read most of it. It intrigued me.

So I thank you for the time.

MR. ZABIHACH: Thank you for making comments.

Before you go--

Are there any other questions by any other commissioners on what was stated? (no response)

Seeing none, thank you very much.

MR. McMANIMON: Thank you very much, Mr. Chairman.

MR. ZABIHACH: Any other comments?

Okay, I'd like to recognize Millard Wilkinson.

MR. WILKINSON: I'll step down to do this.

First of all, the League of Municipalities appreciated the fact that, as the legislation was crafted, it provided an opportunity for the League to have representation on this particular Commission and always appreciates that. I also had represented the League on the Governor's tax commission that was in existence for about a year and a half a couple of years ago.

The League staff has reviewed the report -- at least made an initial review of the report. I have a short written statement, which I'll read into the record. The League also says that they would be available to meet with the Commission or with members of the Commission if that seems necessary or appropriate and also will reserve the right to submit written comment by the August 11 date.

I personally would like to say that I appreciated having the opportunity, No. 1, of representing the League in this effort, and also to be a member of this Commission. I believe I attended most-- I may have missed one or no more than two meetings and also served as chairperson of the Carter study subcommittee. And I personally appreciated the opportunity of participating. I am a past president of the League, and I also served as a freeholder in Camden County. And I was the mayor of my community for 20 years and actually had been an elected official for over 30 years.

The New Jersey League of Municipalities makes the following comments in response to the Regional Intergovernmental Transportation Coordinating Study Commission interim reported dated June 27, 2000. I might say, I did not author this statement. Okay? But it's coming out of the League office and Bill Dressel's office.

"The League supports the concept of planning in connection with corridor studies but does not support many of the findings and recommendations made in the report.

In our view, it is important for the State and counties to create transportation plans so that municipalities will have tools with which to manage growth through municipal development regulations. The plans should be generated by affected municipalities on a consensus basis and not be generated from the top down. We oppose suggestions and implications in the report that land use decision making should not be at the local level.

The League has also opposed the suggestion that all applications for development should be reviewed by county planning boards. We find the report goes too far in recommending changes and expansion of the County

Planning Act and review of broad, intermunicipal development impacts. It is especially important to recognize a difference between regional planning as opposed to regulation and not to blur the distinction.

The New Jersey Transportation Development District Act of 1989 has been in effect for over 10 years. Yet, as the report indicates, only two of four attempts to utilize the Act have been successful.

The committee (*sic*) was charged with reviewing and recommending modifications to the Act and making recommendations to improve transportation decision making. The improvements were to create a better correlation vertically between municipalities and other levels of government and horizontally between municipalities. The committee was charged with reviewing and recommending modifications of the Act. The recommendations include very little by way of horizontal coordination without inclusion of vertical integration with the dominance vested in governmental entities other than the municipality.

In our view, the Act is simply too complicated and needs to be made easier to understand and implement. The committee recommendations would appear to add greater complexity, as the report itself is difficult to digest and understand. While the report references it is not designed to expand the bureaucracy, the concept of Corridor Mobility Planning and Corridor Partnership Committees will expand the bureaucracy. Top-down planning and forced implementation does not provide incentive for cooperation, and participation by the various stakeholders and references to collaboration and agreement without a fundamental change in approach -- will not adequately serve the desired goal.

Each municipality in this State is interested in advancing and protecting quality-of-life issues, of which transportation is a major part. The concept of top-down planning and implementation has not worked. The creation of a larger bureaucracy with complicated concepts like TDD, TID, CMP, MPO, TED, DMC, and RTP -- and I think we discussed these groups and understanding all of them at one of our earlier meetings -- together with greater procedures and regulations, will not provide a remedy. The statute should be simplified, not further complicated. Corridors eligible for the program should be identified specifically. Studies should be undertaken with reference to capacity, and studies should be made available to municipalities as a planning tool. A simplified method generated from the municipal level up, on an ad hoc basis, should be created to guide any future improvements to the corridor. A method of creating meaningful participation by municipalities, without the specter of being drawn into a regulatory morass, must be established for the Act to be successful.”

I have additional copies of this here I'll leave with Jon.

And I thank you.

MR. ZABIHACH: Thank you for your comments.

Since you're not the author of that comment, I won't ask--

MR. WILKINSON: And I discussed-- Let me say, I did discuss this with Bill Dressel, and I did -- and some of the staff, and I did tell them I thought that I -- and I have not -- and I will be sitting down with them to go over some of the more specific recommendations that are in the report. So maybe as a result of that -- the dialogue -- maybe may want to have a couple of people from the League sit down. But I think, personally--

ASSEMBLYMAN DeCROCE: Maybe they should have participated a little more. We're thankful that you represented them, but obviously, they don't understand what we're all trying to work towards in this regard. And whoever wrote that report-- I don't want to tell you what I think of it because, frankly, if he was here to see what everybody put into it, and the time and effort all of you worked -- and yourself, in fact, representing the municipalities -- putting municipalities' concerns to the Commission-- Somebody out there is not understanding what's really going on in this world. I'm disappointed in that, as well.

MR. WILKINSON: Thank you for your--

MR. ZABIHACH: Marty.

MR. ROBINS: I'd like to pick up on what the Assemblyman just said. It seems to me that one of the most important constituencies that we have to work with, ultimately, with the results of this report, are the municipalities. And they are represented by the League. So it is a little bit disturbing to hear the kind of a report that they gave Mayor Wilkinson to present here today.

But I think what we should do is pick up on a couple of things that the Mayor, who served us and served this Commission so ably and so -- with such good faith throughout, that we ought to pursue that because I think that that's the only way we're ever really going to make progress.

What I would hope is that, Mayor, you could go back to the League and discuss this testimony a little bit more -- get further clarification from them. You are quite familiar with the workings of the Commission -- what it tried to do. And then, if you believe that it is in our interest to sit

down -- certain members of the Commission -- you could contact Ray, the Chairman, and the staff, Jon and I. We'd be very pleased to continue that discussion so that we can come out of this process at the end with a far greater concord with the League of Municipalities than that currently exists.

MR. WILKINSON: I certainly will do everything I can, in terms of -- to facilitate that process and perhaps enhance any -- enhance understanding and maybe correct any misunderstandings.

MR. ZABIHACH: Thank you.

Any other comments?

Yes, please.

Again, if you could identify who you are and what organization--

T O M C A R V E R: I'll be happy to.

I appreciate the opportunity. I don't have any prepared comments.

My name is Tom Carver. I'm the President of a newly formed organization called the New Jersey Aviation Association, which will represent the \$1.8 billion general and corporate aircraft industry in the state. And I've been very interested in some of the comments that have been made.

And the reason that I asked for an opportunity to speak is that I have worked in a variety of positions in this state. I was assistant general manager of Newark International Airport for a period of time. I was president of the Casino Association in Atlantic City for a period of time. And in every aspect -- every job I had-- Believe it or not, the most difficult aspect was the movement of people in ground transportation. And I applaud you, and I second everything you've done with respect to the recognition of the

interdependence and interrelationship of the transportation modes in this state and how they intertwine with each other and how it's so important that we begin to overcome this reluctance of -- I'll use the term home rule, which is a governmental concept that I fear, sometimes in New Jersey, we have equated with divine revelation. (laughter)

I'll give you two examples of what I'm talking about. When I was at Newark -- I think Marty had already joined the staff at the Port Authority at the time -- but we had devised a plan that the Port Authority was willing to invest \$6.5 million into -- to revolutionize ground transportation at our airport, and I think it would have gone also to Kennedy and to La Guardia and perhaps around the country, whereby we were going to work in -- create a brand-new cab system for the entire airport and working constantly with all the ground transportation operators who serve the airport throughout the state.

And two small operators -- a fellow who ran cabs in Red Bank and another fellow who ran a limousine service back and forth to the airport -- stopped us. And it would have literally relieved some of the conditions that you see at that airport today. We were going to nationally advertise the use of limousine service and mass transportation to our airports. And the Port Authority got behind it. And frankly, we lost in the Governor's office. But two small operators stopped even that small progress that we were about to make.

When I went to Atlantic City, our most difficult job was to attempt to call together the support we needed on a regional basis to try to relieve the conditions that were literally forcing that industry's growth from happening in many cases.

And Atlantic City still faces the challenge of changing the mode of how people arrive. About 97 percent of the people arrive by rubber. Nobody rows in and nobody flies in, by comparison, to places like Las Vegas. And it has not only limited Atlantic City's growth, but when you think of the fact that two-thirds of the taxes that people are paying down there, as we sit here now-- They pay taxes 24 hours a day to the State of New Jersey and never complain about it. And two-thirds of those people come from out of state. The more people we can bring in by air and the more people we can get from Atlantic City International Airport in and out of Atlantic City will change the whole nature of that town. And I assure -- make you far more proud of it than it is today.

I don't want to go on in a windy sense, but I will say this. Assemblyman DeCroce-- The third example Assemblyman DeCroce -- was the key man in introducing a bill which would have allowed the State or will allow the State Department of Transportation to purchase development rights with respect to the 40-or-some-odd small airports that we have in New Jersey, small starting with Teterboro.

These are feeder airports. They are airports that relieve some of the congestion that we see at Newark. I would even include Mercer County in that -- a major, major, major development is on the threshold here in Mercer County. Unfortunately, as is always the case, there is some group of very vociferous, well-organized people who are opposed to these kinds of things -- this progress, but New Jersey cannot stand still.

And the work that you are doing, and the relationship that all of these modes of transportation-- I know I'm speaking to the choir here, but the

modes of these transportation systems are the key to our future development, and again, our future economic base.

So I applaud what you're doing. I haven't read it all, unfortunately. I just picked up a copy myself, but I did want to take the opportunity to introduce myself and our organization because I am sure, as we go throughout processes, we will be down into the counties and into the municipalities to attempt to explain what it is we're about and how it relates to the overall good of the State.

Thank you very much. I appreciate it.

MR. ZABIHACH: Thank you for your comments.

Are there any questions for clarification from the commissioners?

MR. WILKINSON: Mr. Carver, I'm Millard Wilkinson.

I did have the opportunity of meeting and attending several meetings with regards to the Atlantic City Airport facility about three years ago -- maybe three-and-a-half years ago. I was led to believe, at that time, that one of the reasons why we do not have more major airlines flying in and out of the Atlantic City facility was the fact that they were -- there, evidently, is a threshold, in terms of hotel rooms, that they're looking for before they begin to commit those kinds of resources. And my recollection was that they were looking somewhere around 25,000 to 30,000 hotel rooms. And I believe, at the time, Atlantic City had less than 20,000.

And now, of course, development is continuing there, and perhaps, at some point, they'll meet that threshold. But as I also was led to believe, Atlantic City International Airport is actually larger in area than Philadelphia International. It's one of the areas that is set aside to actually accommodate

the landing of the space shuttle. So they have tremendous potential, in terms of development. But I was, maybe erroneously, led to believe that one of the inhibiting influences was the fact that they were waiting for additional room developments in Atlantic City. And you may know a lot more about that than I do.

MR. CARVER: Commissioner, you are 100 percent correct, as far as you've gone -- that that is a very viable statement. I will say this, however, we had done-- When I first went down to Atlantic City, I hired the No. 1 expert in the country, in terms of the development of air service into communities.

We did probably the most exhaustive study on air service and air passenger trends in the South Jersey region up to that point. I think it's still probably the bellwether of studies. And what we found out was--

And by the way, the casino industry is not blameless in why there is not more service there, to be quite frank with you. But we found out, among other things, that the Atlantic City region -- the South Jersey regions from Toms River down through Cape May and west through Camden, could support about 40 to 50 flights a day to various destinations.

For example, we lose 300,000 passengers annually to Philadelphia because there's no service into Atlantic City. So what we did is, we called out those markets. We analyzed, with respect to what airlines flew where and what our markets were. And we found out, for example, that Chicago would be a tremendous market from Atlantic City International for a carrier like American.

And I was on the verge, twice, of signing a deal with American Airlines. I wanted the industry to enter into a contract for service with American for three flights a day to Chicago. American ran contract service successfully in other places. And what they told us was, "We will run the service. We want \$40 million guaranteed," which was 20 percent plus cost -- cost plus 20 percent, based on the fact that the three daily flights represented so many seats a day -- so many seats a year. And they wanted us, basically, to guarantee that those seats would be filled.

We knew from our own analyses that after three months -- and American had agreed to do this -- that if the service became successful, they'd rip the contract up and merely fly the flights.

We knew after three months there would be no cash involved because with the traffic that the industry would supplement through the normal demand, service back and forth to Chicago would have been there. I could not get certain elements of the casino industry to agree to that arrangement.

Now, in terms of-- I'll give you-- If I may take one more moment to analyze this with comparison to Las Vegas--

Most of the major carriers, if they had their choice, would not fly to Las Vegas because they don't make any money. And the reason is that the casino industry out there has always had numerous charter flights where they literally undersell the airlines. So while the airlines carry a lot of people, they haven't made a lot of money per seat mile. That may change to some degree as the result of some of the new carriers coming in there.

But I tried to explain to American that Atlantic City is not a resort destination. Atlantic City is the last major market -- airport market on the East Coast that's underutilized, next to Mercer, frankly. I mean, Mercer has a lot of capacity that can be used dramatically if we can get Southwest in here.

But in terms of overall growth and in terms of airline relationships, Atlantic City is a wonderful facility underutilized.

Ultimately, it will take -- because I don't think we're going to get to 20,000 hotel rooms in Atlantic City anytime soon. It's just not in the cards. As a matter of fact, Atlantic City is under a dire threat. If a casino is built -- or multiple casinos are built in the Catskills, we're going to have to find another source of some tax revenues in a hurry, I'm afraid.

But be that as it may, we have to jump-start this process and change the character of Atlantic City into more of an overnight destination. It can only be done with the cooperation of the industry and the government and the airline industry. And I think it can be done. I think it can be accomplished. But we need more rooms. Getting there is going to be the hard part.

MR. ZABIHACH: Let me cut this conversation.

MR. CARTER: I'm sorry. Forgive me.

MR. ZABIHACH: I appreciated it, but we sort of drifted away from the subject matter.

We did-- I do appreciate, as Chairman, your comments about the interrelationship of airports -- air travel with the various other modes of transportation. This was an issue brought up to our attention when we had a presentation by Union County, and their attempt to work on a TDD and how

that relates to the overall conditions on sight -- and other folks from out of state to the Newark Airport.

So it is an important issue for us to consider. And we welcome any written comments you may have on this issue.

So, thank you.

MR. CARVER: Fine.

To summarize, the only comment I actually wanted to make is that the issue of transportation does not stop at municipal lines.

MR. ZABIHACH: Correct.

MR. CARVER: And it requires this broad approach if we're going to be successful.

Thank you very much.

MR. ZABIHACH: Thank you.

Any other comments?

MR. McMANIMON: Mr. Chairman, thank you.

Just a brief follow-up to -- indirectly to Mr. Carver's comments. We do-- I live right by the airport -- Trenton-Mercer Airport. I can walk to it. (laughter) So perhaps some of you may sense where I might go with my comments. But knowing this is a TDD discussion, not an airport discussion--

I have made comments in the past that whatever happens at our airport, it is a major transportation hub location. I don't think some things should happen. I think, locally, a lot of people know what they are. But I think, if we took a new terminal and turned it around to the other side of the airport and put it by our train tracks off of Scotch Road because we're going

to reopen that West Trenton Train line, eventually -- send it up by way of 202, 206, 287.

We need to take a look in some of the language as to how do you pay to enhance transportation by train or bring a brand-new county or regional bus transportation system into Mercer, Hunterdon, Somerset County area and using this property.

So when you go to further TDD discussions, I'll certainly support things like that.

MR. ZABIHACH: Do you see, with the current TDD in place for Mercer County-- Do you see the mechanisms to do what you're now recommending in place, or do you feel that what we're trying to recommend to the Legislature will allow you to have a greater hand in doing what you're talking about?

MR. McMANIMON: Well, what I'm talking about would be enhanced by your changes in the TDD. Currently, in our TDD, the whole airport is not even in the Transportation Development District. It's kind of split in half. So some of the development we're supporting now, in terms of commercial or retail development-- They don't have to contribute under the current plan. So we're hoping that it can be kind of grandfathered when you adopt the new rules -- and they have to contribute -- or the goodness of their heart they're going to do it, or we'll make them do it through the approval process.

MR. ZABIHACH: Well, it's encouraging, as Chairman of this Commission, to hear a practical example of how what we're trying to propose will even improve the Mercer County TDD. So that's very good.

Thank you.

MR. McMANIMON: As far as Mr. Carver's comments on other flights out of Mercer Airport, I think he and I will get together and have a good debate on the differences of that. (laughter)

Thank you very much, Mr. Chairman.

MR. ZABIHACH: Good. Good.

Thank you.

Any other comments? (no response)

I'm not going to prolong this.

Seeing none, I will officially close the comment period on the interim report. I would just mention, once again, that the comment period remains for written comments until August 11. We encourage everyone to do that.

And I'd like to just make one additional note. We do expect, as a Commission, that when we present this to the Governor and the Legislature, that there will be further discussion and there will be further opportunity for the public to make comments on what's being proposed at that time also.

What I'd like to recommend, with the concurrence of the Commission, is-- We have quite a few people in the audience. They may not have been ready to make official comments. But I'd like to open up the meeting to unofficial comments, just to extend the meeting -- just your news, views, comments, concerns, and get a general dialogue going.

This is no longer on the record.

Thank you for keeping the record.

(CONCLUSION OF RECORDED PORTION OF MEETING)