

Legislative Budget Hearings Testimony

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- Good morning Chairman Sarlo, Vice-Chair Cunningham, ranking member Oroho (Ohr-a-Ho), and members of the Committee. Thank you for allowing me this opportunity to testify today on NJ TRANSIT and the proposed 2020 Executive Budget.
- But first I would like to acknowledge and thank Governor Phil Murphy, our Board Chair, Commissioner Diane Gutierrez-Scaccetti, the NJ TRANSIT Board of Directors, and the great work of my executive management team and all the men and women of NJ TRANSIT.
- Over a year has passed since I joined the corporation as Executive Director and we have made extraordinary progress rebuilding an organization that was in crisis. While our work is far from over, I'd like to note that we would not have been able to do this without the support of the Governor, Commissioner and the Legislature.
- NJ TRANSIT carries over 900,000 riders each weekday with annual ridership of 260 million on our bus, rail, light rail, and paratransit network. We are the third largest public transportation agency in the United States and we are committed to delivering safe and reliable service, every hour of every day.
- Since the last time you saw me here, the agency was on life support after years of disinvestment and mismanagement. My focus over the past year can be described as a back to basics exercise, the key elements of which have been a focus on people and infrastructure.

- Over the past year we have taken bold steps to rebuild the force of locomotive engineers and bus operators to meet the basic requirement of delivering quality service for our customers.
- Just earlier this week, Governor Murphy led a ceremony for a new class of locomotive engineers who have completed months of grueling classroom work, and who will be running trains on the rail lines as soon as they complete their certification “check” rides.

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- Across the company, we are making good on our commitment to fill critical vacancies. Three more engineer classes are graduating in the fall. Over the past year we’ve hired 158 locomotive engineer and assistant conductor trainees.
- We’ve hired over 460 bus operators since January of 2018, due to major process and policy changes we’ve made in human resources and a new collaborative model of management that the entire NJ TRANSIT team has been part of
- Our overall vacancy rate is now at 3.6% -- below the national average for the transportation sector.
- We’ve developed an aggressive recruiting program. We’ve reduced the time it takes to fill our jobs from eight months down to 81 days or less.
- We’ve also replaced our antiquated paper application system with a new Applicant Tracking System for all jobs in the agency.
- We’ve also filled and continue to fill critical leadership positions with industry experts and talent from the private sector.
- In communications, we have taken concrete steps to provide customers with better and timelier information.

- We have new rail cars and buses on the way, with modern customer amenities, such as USB ports.
- And we completed the critical end-of-2018 Positive Train Control milestone and are well on the way to fully implementing PTC by the Federal December 2020 deadline, despite having inherited a project that had barely cleared the starting gate.
- We are continuing the Governor's commitment to the customer by again not raising fares in Fiscal 2020.
- There is, however, still much to do. And we have a new challenge with Amtrak's upcoming New York Penn Station track work. While Amtrak's work will create serious congestion at the station, our service plan does not cut a single train, and affects the least number of riders for the least amount of the commuting day.
- The resources that the Governor and you, the Legislators, entrusted with us last year are paying off for the customer.
- Meeting the PTC milestone set the stage for being able to restore service on the Atlantic City Line and on the Princeton Branch, the Dinky, which are restarting Sunday.
- System-wide, the good news is train annulments for all reasons are already down. The first quarter of 2019 saw almost 50 percent fewer annulments than in the same period a year ago.
- Governor Murphy's \$100 million increase in the State's General Fund subsidy will reduce the reliance on Capital Program diversions and funding from the Turnpike Authority by \$75 million – so those funds can support other parts of the state's transportation system.
- The remaining \$25 million will help fund our contractual labor increases and the contractual annual operating cost payment to Amtrak, and help our investment in locomotive engineer and assistant conductor training classes.

- We continually look for efficiencies. Targeted realignments are freeing up positions in Finance and other departments for reassignment to sections where they are needed more. And targeted benefit reforms are saving money while maintaining excellent care for our more than 11,000 employees.

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- Another focus of my testimony last year was on improving communications with customers. Accurate, real-time information is crucial for commuters.
- Information is now flowing faster from the tracks and roads out to customers since we unified staff from rail, bus, social media and other groups in one room in our new emergency operations center in Maplewood.
- In another example, as a direct result of customer feedback, we upgraded our mobile app to provide customized service alerts to customers' mobile devices via a push notification.
- Real-time information is provided without having to search for the update or even to have the app open.
- Google Pay and Apple Pay are now also payment options for MyTix mobile ticketing customers.
- Senator Weinberg and her colleagues emphasized expanded communication when they developed the reform legislation, and NJ TRANSIT now has a dedicated Customer Advocate - Customer Experience Officer.
- Stewart Mader comes to us with a wealth of customer advocacy experience, including helping to create and chair the PATH Rider's Council advisory board.
- I have charged Stewart with creating a similar advisory council for NJ TRANSIT, made up of a diverse body of customers from throughout

the state. This and his other efforts will be invaluable in helping us fulfill our commitment to excellence in customer service.

- A proper customer experience requires proper equipment. New, state-of-the-art equipment is coming on both the rail and the bus side.
- In December, our Board of Directors approved a contract with Bombardier for 113 new multilevel rail cars, including 58 multilevel electric multiple units to replace our oldest cars in the fleet, which are more than 40 years old.
- The new multi-levels will offer additional seating capacity over the outdated equipment they replace, and modern features such as USB charging ports and new LCD information displays, as well as the two-by-two seating which our customers prefer.
- On the bus side, we continue taking delivery of 185 new cruiser buses, and our Board also approved a contract for 85 new articulated buses to replace those aging units. These buses will also have upgraded customer amenities to improve the overall experience.
- And, using funding recently awarded from the NJ Department of Environmental Protection, we are moving quickly to begin an electric bus pilot program in Camden.
- Eight electric buses will provide real, on-the-road data on the benefits and challenges with this emerging technology.

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- Another important part of the customer's experience is how easy it is to pay the fare.
- I have very good news here for our Access Link paratransit customers.

- Last fall Access Link began piloting “EZ-Wallet,” offering customers the ability to pay electronically, in advance, with a pre-funded account, similar to an EZ-Pass account.
- The customer then simply has to identify themselves when their Access Link vehicle shows up, the driver looks at the computer trip roster, and there is no fumbling for the exact change required for the fare.
- The EZ-Wallet pilot went well, and we are rolling the program out for all Access Link customers starting today. We will be marketing EZ-Wallet to the customers with information on Access Link vehicles across the state, and calls with customers, including as they make their regular trip reservations.
- We’re working to modernize fare payments on our other services, too.
- The upgrades will include the acceptance of mobile payments and contactless bank and fare cards on the bus fleet and on light rail platforms, as well as upgrades to ticket machines and the NJ TRANSIT app.
- On the rail side, we are pursuing equipping conductors with handheld mobile devices that will scan and validate all forms of fare media, and provide real time communication from dispatchers to conductors so they can keep customers better informed.
- I am also pleased to report that we are getting contracts out the door much faster.
- In 2017, NJ TRANSIT issued only \$85 million in contracts; \$25 million of which was capital and construction work. We pushed that up to \$308 million in 2018, and in this fiscal year so far we have awarded over \$400 million in capital and construction work.
- I should note that \$176 million of those awards have gone to New Jersey based businesses,

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- New efficiencies have brought the procurement cycle down sharply, to less than half the 400 days it took to get some contracts out. We will continue driving that time down.
- You can't issue smart construction or other contracts for station improvements unless you really know what conditions are on the ground.
- When I arrived at NJ TRANSIT, the agency had not conducted a comprehensive stations and facilities assessment program for years.
- We now have performed assessments at one-third of our stations and facilities across the state, and we will complete the rest in the coming year in order to produce a comprehensive five-year capital plan.
- Recent headlines remind us cannot forget about resiliency as we work on the future of the transportation network in New Jersey.
- One leading resiliency project is the \$595 million replacement of the Raritan River Bridge, which has cleared the environmental review process and for which the final design is complete.
- In Jersey City, the Long Slip Fill and Rail Enhancement project – a \$195 million project – will fill a two-thousand-foot former barge canal to eliminate it as a conduit for flood water inundation.
- And in March, we hosted more than 150 small minority and women owned disadvantaged business enterprises and contractors, in a successful open house to showcase opportunities to do business with NJ TRANSIT and provide information about more than \$800 million in upcoming contracting opportunities for capital projects.
- In other major work, on the Northeast Corridor, the early action construction work for the Portal North Bridge Replacement Project has been completed on-time and under budget.

- With this milestone, we eagerly await the USDOT's approval of our funding application to maintain forward progress on this vital project.
- Mr. Chairman, NJ TRANSIT has challenges like any other public transportation agency in America. However, we are making great progress toward returning this agency to fulfilling its mission of providing the safe, reliable service our customers, your constituents, need and deserve.
- Chairman Sarlo, Committee members, thank you for your time. I am happy to take your questions.