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# *Committee Meeting*

of

## ASSEMBLY TRANSPORTATION AND INDEPENDENT AUTHORITIES COMMITTEE

*“The Committee will take testimony from the Chief Administrator of the New Jersey Motor Vehicle Commission concerning the challenges the Commission currently faces, and the Commission’s initiatives to implement technological, security, and customer service improvements”*

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

**DATE:** December 12, 2016  
10:00 a.m.

### **MEMBERS OF COMMITTEE PRESENT:**

Assemblyman John S. Wisniewski, Chair  
Assemblywoman Valerie Vainieri Huttle, Vice Chair  
Assemblyman Daniel R. Benson  
Assemblywoman Annette Chaparro  
Assemblyman Nicholas A. Chiaravalloti  
Assemblyman Thomas P. Giblin  
Assemblyman James J. Kennedy  
Assemblyman Paul D. Moriarty  
Assemblywoman Sheila Y. Oliver  
Assemblyman Robert D. Clifton  
Assemblywoman BettyLou DeCroce  
Assemblyman Gregory P. McGuckin



### **ALSO PRESENT:**

Philip M. Mersinger  
Lauren M. Vogel  
*Office of Legislative Services  
Committee Aides*

Jillian Lynch  
*Assembly Majority  
Committee Aide*

Glen Beebe  
*Assembly Republican  
Committee Aide*

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

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[First Reprint]  
**ASSEMBLY, No. 4344**

**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

INTRODUCED NOVEMBER 21, 2016

**Sponsored by:**

**Assemblyman ROBERT J. KARABINCHAK**

**District 18 (Middlesex)**

**Assemblywoman NANCY J. PINKIN**

**District 18 (Middlesex)**

**Assemblyman CRAIG J. COUGHLIN**

**District 19 (Middlesex)**

**Assemblyman JOHN S. WISNIEWSKI**

**District 19 (Middlesex)**

**Co-Sponsored by:**

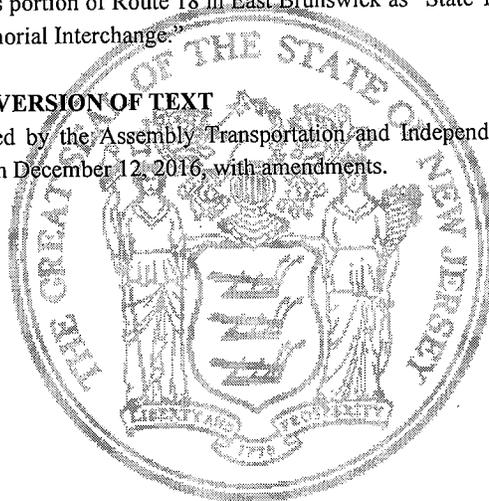
**Assemblyman Space**

**SYNOPSIS**

Designates portion of Route 18 in East Brunswick as "State Trooper Werner Foerster Memorial Interchange."

**CURRENT VERSION OF TEXT**

As reported by the Assembly Transportation and Independent Authorities Committee on December 12, 2016, with amendments.



(Sponsorship Updated As Of: 12/20/2016)

A4344 [1R] KARABINCHAK, PINKIN

2

- 1 AN ACT designating a portion of State Highway Route 18 in the  
2 Township of East Brunswick as the "State Trooper Werner  
3 Foerster Memorial Interchange."  
4
- 5 WHEREAS, State Trooper Werner Foerster was an extraordinary  
6 public servant whose service to the Division of State Police  
7 ("State Police") was characterized by loyalty, fearless  
8 performance of duty, and faithful and honorable devotion to the  
9 principles of the State Police; and
- 10 WHEREAS, Born on August 19, 1938, in Leipzig, Saxony, Germany,  
11 State Trooper Foerster embodied bravery even as a young man,  
12 escaping from communist East Germany before the construction  
13 of the Berlin Wall in 1961; and
- 14 WHEREAS, Searching for a better life for himself and his family,  
15 State Trooper Foerster settled in the United States, where he  
16 lived with his family in Old Bridge Township, New Jersey and  
17 worked as a welder for Ross Engineering in New Brunswick,  
18 New Jersey; and
- 19 WHEREAS, In 1963, State Trooper Foerster's passion and love for  
20 his new country led him to enlist in the United States Army,  
21 where he served during the Vietnam War from 1963 to 1965; and
- 22 WHEREAS, An honorable and courageous man who loved serving  
23 others and his State, State Trooper Foerster earned a place in the  
24 82nd class of the New Jersey State Police Academy; and
- 25 WHEREAS, Upon graduating from the New Jersey State Police  
26 Academy on July 24, 1970, State Trooper Foerster was assigned  
27 to various stations, including the Toms River, Colts Neck, Fort  
28 Dix, and Key Port stations; and
- 29 WHEREAS, State Trooper Foerster served honorably for the State  
30 Police for three years with his last assignment beginning on  
31 November 13, 1972 for Troop "D" in New Brunswick, where he  
32 served for <sup>1</sup>[seven months] less than a year<sup>1</sup> prior to his death;  
33 and
- 34 WHEREAS, On May 2, 1973, State Trooper Foerster tragically lost  
35 his life in the line of duty when he was shot during a traffic stop  
36 while coming to the <sup>1</sup>[aide] aid<sup>1</sup> of another State Trooper  
37 attempting to apprehend three suspects on the New Jersey  
38 Turnpike; and
- 39 WHEREAS, State Trooper Foerster was a dedicated member of the  
40 New Jersey State Police as well as a loving husband and father  
41 whose memory will live on in the hearts of his family, friends,  
42 and fellow State Troopers; and
- 43 WHEREAS, In 2005, the overpass <sup>1</sup>[on] which carries<sup>1</sup> State  
44 Highway Route 18<sup>1</sup> [ , which intersects] over<sup>1</sup> the New Jersey

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ATR committee amendments adopted December 12, 2016.

1 Turnpike in the Township of East Brunswick<sup>1</sup>,<sup>1</sup> was dedicated  
2 in State Trooper Foerster's honor as the "Werner Foerster  
3 Overpass," however, re-designating the overpass and updating  
4 the sign bearing the designation provides a more fitting tribute to  
5 State Trooper Foerster; and

6 **WHEREAS**, As a true example of leadership and service to the State,  
7 it is fitting and proper for the Legislature of the State of New  
8 Jersey to honor the memory of State Trooper Werner Foerster by  
9 designating a portion of State Highway Route 18 in the  
10 Township of East Brunswick as the "State Trooper Werner  
11 Foerster Memorial Interchange"; now, therefore,  
12

13 **BE IT ENACTED** by the Senate and General Assembly of the State  
14 of New Jersey:

15

16 1. The Commissioner of Transportation shall designate the  
17 portion of State Highway Route 18, extending from milepost 39.43  
18 to milepost 39.77, in the Township of East Brunswick as the "State  
19 Trooper Werner Foerster Memorial Interchange" and erect  
20 appropriate signs bearing this designation and dedication.  
21

22

23 2. State or other public funds shall not be used for producing,  
24 purchasing, or erecting signs bearing the designation established  
25 pursuant to section 1 of this act. The Commissioner of  
26 Transportation is authorized to receive gifts, grants, or other  
27 financial assistance from private sources for the purpose of funding  
28 or reimbursing the Department of Transportation for the costs  
29 associated with producing, purchasing, and erecting signs bearing  
30 the designation established pursuant to section 1 of this act and  
31 entering into agreements related thereto, with private sources,  
32 including but not limited to non-governmental non-profit,  
33 educational, or charitable entities or institutions. Work shall not  
34 proceed and funding shall not be accepted by the Department of  
35 Transportation until an agreement has been reached with a  
36 responsible party for paying the costs associated with producing,  
37 purchasing, erecting, and maintaining the signs.

37

38 3. This act shall take effect immediately.

[First Reprint]

**ASSEMBLY, No. 3745**

**STATE OF NEW JERSEY**

**217th LEGISLATURE**

INTRODUCED MAY 19, 2016

**Sponsored by:**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Assemblyman DECLAN J. O'SCANLON, JR.**

**District 13 (Monmouth)**

**Co-Sponsored by:**

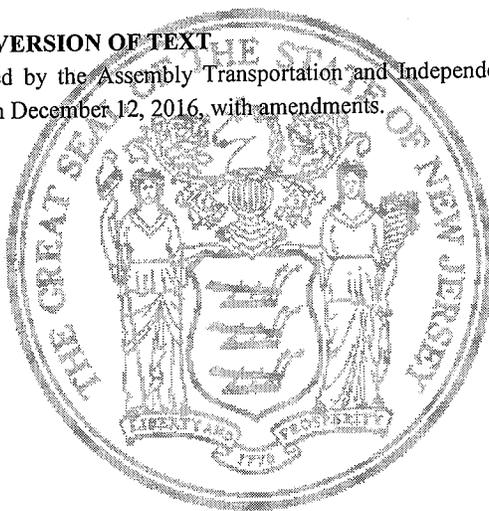
**Assemblywoman Jones and Assemblyman Conaway**

**SYNOPSIS**

Permits testing and use of autonomous vehicles on State roadways under certain circumstances.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Transportation and Independent Authorities Committee on December 12, 2016, with amendments.



(Sponsorship Updated As Of: 12/20/2016)

1 AN ACT concerning the testing and use of autonomous vehicles and  
2 supplementing Title 39 of the Revised Statutes.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. As used in P.L. , c. (C. ) (pending before the  
8 Legislature as this bill):

9 “Autonomous mode” means the operation of an autonomous  
10 vehicle without the active control of a human being.

11 “Autonomous technology” means technology that has the  
12 capability to drive a motor vehicle without active physical control  
13 or monitoring by an operator.

14 “Autonomous vehicle” means a motor vehicle that uses  
15 autonomous technology, including sensors, global positioning  
16 system coordinates, or any other technology to perform the  
17 mechanical operations of driving.

18 “Commission” means the New Jersey Motor Vehicle  
19 Commission, or successor agency.

20 “Manufacturer” means the person that originally manufactures  
21 the autonomous technology and equips autonomous technology on a  
22 non-autonomous motor vehicle or, in the case of a motor vehicle not  
23 originally equipped with autonomous technology by the motor  
24 vehicle manufacturer, the person that modifies the motor vehicle by  
25 installing autonomous technology to convert the motor vehicle to an  
26 autonomous vehicle.

27 “Operator” means a person who is seated in the driver’s seat of  
28 an autonomous vehicle <sup>1</sup>[, or if there is no person in the driver’s  
29 seat, causes] or has the ability to cause<sup>1</sup> the autonomous technology  
30 to engage.

31 “Sensors” include, without limitation, any cameras, lasers, radar,  
32 or other technology used in the operation of an autonomous vehicle.

33  
34 2. An autonomous vehicle may be operated on any public  
35 highway, road, or street within this State for testing purposes by an  
36 operator who possesses the proper class of license, as determined by  
37 the commission, for the type of vehicle being operated, provided  
38 that the following requirements are met:

39 a. the autonomous vehicle is being operated on a public  
40 highway, road, or street in this State solely by employees,  
41 contractors, or other persons designated by the manufacturer of the  
42 autonomous technology or autonomous vehicle;

43 b. the operator is seated in the driver’s seat, monitoring the safe  
44 operation of the autonomous vehicle, and is capable of taking over

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ATR committee amendments adopted December 12, 2016.

1 immediate manual control of the autonomous vehicle in the event of  
2 an autonomous technology failure or other emergency; and

3 c. prior to the start of testing in this State, the manufacturer  
4 performing the testing obtains an instrument of insurance, surety  
5 bond, or proof of self-insurance in the amount of \$5,000,000, and  
6 shall provide evidence of the insurance, surety bond, or self-  
7 insurance to the commission, in a form and manner determined by  
8 the commission.

9

10 3. An autonomous vehicle shall not be operated on a public  
11 highway, road, or street in this State for testing purposes until the  
12 commission approves an application submitted by the manufacturer  
13 to the commission, in a form and manner determined by the  
14 commission. The application shall contain requirements that  
15 include, but are not limited to:

16 **'[(1)] a.** a certification by the manufacturer that the  
17 autonomous technology satisfies the following requirements:

18 **'[(a)] (1)** the autonomous technology has the ability to be  
19 easily engaged or disengaged by the operator;

20 **'[(b)] (2)** the autonomous vehicle has a visual indicator inside  
21 the cabin of the vehicle to indicate when the autonomous  
22 technology is engaged;

23 **'[(c)] (3)** the autonomous vehicle has a system to safely alert  
24 the operator if an autonomous technology failure is detected while  
25 the autonomous technology is engaged, and when an alert is given,  
26 the autonomous vehicle shall **'[do]'** either:

27 **'[(i)] (a)** require the operator to take control of the  
28 autonomous vehicle; or

29 **'[(ii)] (b)** be capable of coming to a complete stop if the  
30 operator does not or is unable to take control of the autonomous  
31 vehicle.

32 **'[(d)] (4)** the autonomous vehicle shall allow the operator to  
33 take control in multiple ways, including, but not limited to, the use  
34 of the brake, the accelerator pedal, or the steering wheel, and shall  
35 alert the operator that the autonomous technology has been  
36 disengaged;

37 **'[(e)] (5)** the autonomous vehicle and autonomous technology  
38 meet the safety and performance standards provided in State and  
39 federal law for the vehicle's model year; and

40 **'[(f)] (6)** the autonomous vehicle has a separate mechanism, in  
41 addition to, and separate from, any other mechanism required by  
42 law, to capture and store the autonomous technology sensor data for  
43 at least 30 seconds before a collision occurs between the  
44 autonomous vehicle and another vehicle, object, or person while the  
45 vehicle is operating in autonomous mode. The autonomous  
46 technology sensor data shall be stored for three years from the date  
47 of the collision and captured and stored in a read-only format by the

1 mechanism so that the data is retained until extracted from the  
2 mechanism by an external device capable of downloading and  
3 storing the data.

4 **'[(2)] b.'** A certification that the manufacturer has tested the  
5 autonomous technology on private roads, lots, or tracks, or out-of-  
6 State public highways, roads, and streets, and has complied with  
7 other testing standards, if any, established by the commission.

8 **'[(3)] c.'** A certification that the manufacturer will maintain a  
9 surety bond, or proof of self-insurance as specified in regulations  
10 adopted by the commission, in an amount of \$5,000,000.

11

12 4. The commission shall approve an application submitted by a  
13 manufacturer pursuant to section **'[2] 3'** of P.L. , c. (C. )  
14 (pending before the Legislature as this bill) if the commission finds  
15 that the applicant has submitted all required information **'[and] ,'**  
16 completed testing necessary to satisfy the commission that the  
17 autonomous vehicle is safe to operate on the public highways,  
18 roads, and streets of this State for testing purposes<sup>1,1</sup> and **'[the**  
19 **applicant has]'** complied with the regulations adopted by the  
20 commission pursuant to P.L. , c. (C. ) (pending before the  
21 Legislature as this bill).

22

23 5. The manufacturer of the autonomous technology installed on  
24 an autonomous vehicle shall provide a written disclosure to the  
25 purchaser of the autonomous vehicle that describes what  
26 information, including personal information, is collected by the  
27 autonomous technology equipped on the vehicle.

28

29 6. The commission shall adopt, pursuant to the "Administrative  
30 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and  
31 regulations to effectuate the purposes of P.L. , c. (C. )  
32 (pending before the Legislature as this bill).

33

34 7. This act shall take effect immediately.

JOHN S. WISNIEWSKI  
*Chair*

VALERIE VAINIERI HUTTLE  
*Vice-Chair*

DANIEL R. BENSON  
ANNETTE CHAPARRO  
NICHOLAS A. CHIARAVALLOTTI  
THOMAS P. GIBLIN  
JAMES J. KENNEDY  
PAUL D. MORIARTY  
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**New Jersey State Legislature**  
**ASSEMBLY TRANSPORTATION**  
**AND INDEPENDENT AUTHORITIES COMMITTEE**  
STATE HOUSE ANNEX  
PO BOX 068  
TRENTON NJ 08625-0068

**COMMITTEE NOTICE**

**TO:** MEMBERS OF THE ASSEMBLY TRANSPORTATION AND INDEPENDENT  
AUTHORITIES COMMITTEE

**FROM:** ASSEMBLYMAN JOHN S. WISNIEWSKI, CHAIRMAN

**SUBJECT:** COMMITTEE MEETING - DECEMBER 12, 2016

*The public may address comments and questions to Philip M. Mersinger, Lauren M. Vogel, Committee Aides, or make bill status and scheduling inquiries to Melinda Chance, Secretary, at (609)847-3840, fax (609)292-0561, or e-mail: OLSAideATR@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.*

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**The Assembly Transportation and Independent Authorities Committee will meet on Monday, December 12, 2016 at 10:00 AM in Committee Room 11, 4th Floor, State House Annex, Trenton, New Jersey.**

**The committee will take testimony from the Chief Administrator of the New Jersey Motor Vehicle Commission concerning the challenges the commission currently faces and the commission's initiatives to implement technological, security, and customer service improvements.**

The following bill(s) will be considered:

A-218 DeAngelo/Giblin/Quijano/ Wisniewski/Chiaravallotti	Requires motor vehicle inspection stickers to notify drivers of penalty for texting while driving.
A-725 Moriarty	Requires independent State authority member to disclose contractual relationship between authority and authority member's relatives.
A-851 Quijano/O'Scanlon/ Benson	Directs MVC to establish driver's license endorsement for autonomous vehicles.

(OVER)

- A-2237  
DeAngelo/Lagana/  
Quijano Requires MVC to check Social Security Administration records and mark deceased individuals in MVC database once per month.
- A-3149  
Land/Andrzejczak/  
DeAngelo/Chiaravalloti Provides for special Bronze Star license plates.
- A-3745  
Lampitt/Benson Permits testing and use of autonomous vehicles on State roadways under certain circumstances.
- A-4165  
Chaparro/Mukherji/  
Chiaravalloti/McKnight Requires high school driver education course, certain new driver brochures, and driver's license written exam to include bicycle and pedestrian safety information.
- A-4344  
Karabinchak/Pinkin/  
Coughlin Designates portion of Route 18 in East Brunswick as "State Trooper Werner Foerster Memorial Interchange."

**THOSE WISHING TO SUBMIT WRITTEN MATERIALS SHOULD PROVIDE 20 COPIES AND GIVE THEM TO OLS STAFF PRIOR TO THE START OF THE MEETING**

Issued 12/7/16

For reasonable accommodation of a disability call the telephone number or fax number above, or for persons with hearing loss dial 711 for NJ Relay. The provision of assistive listening devices requires 24 hours' notice. CART or sign language interpretation requires 5 days' notice.

For changes in schedule due to snow or other emergencies, see website <http://www.njleg.state.nj.us> or call 800-792-8630 (toll-free in NJ) or 609-847-3905.

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**(This is an excerpt from the Assembly Transportation and Independent Authorities Committee meeting held December 12, 2016, regarding the New Jersey Motor Vehicle Commission and Assembly Bill Nos. 4344 and 3745.)**

ASSEMBLYMAN JOHN S. WISNIEWSKI (Chair): Good morning.

Would all our members please take their seats?

Welcome to the Assembly Transportation and Independent Authorities Committee.

This morning we have several bills for the members to consider.

Before we embark on considering that legislation, we have a guest who we have invited -- the Chief Administrator of the Motor Vehicle Commission.

We will have the hearing transcribed. And so for the benefit of the members and the public, the microphones that are on stands in front of you or on the witness table are very sensitive and transcribe (*sic*) everything. So that even when you shut off your microphone so that it is not amplifying, it will still pick up everything you say; so just be guided accordingly.

We are going to start with a roll call.

MS. VOGEL (Committee Aide): Assemblyman Clifton.

ASSEMBLYMAN CLIFTON: Here.

MS. VOGEL: Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: Here.

MS. VOGEL: Assemblyman McGuckin.

ASSEMBLYMAN McGUCKIN: Here.

MS. VOGEL: Assemblyman Moriarty. (no response)  
Assemblyman Kennedy.

ASSEMBLYMAN KENNEDY: Here.

MS. VOGEL: Assemblyman Giblin. (no response)  
Assemblyman Chiaravalloti.

ASSEMBLYMAN CHIARAVALLOTI: Here

MS. VOGEL: Assemblywoman Chaparro.

ASSEMBLYWOMAN CHAPARRO: Here.

MS. VOGEL: Assemblyman Benson.

ASSEMBLYMAN BENSON: Here.

MS. VOGEL: Assemblywoman Oliver.

ASSEMBLYWOMAN OLIVER: Here.

MS. VOGEL: Vice Chair Vainieri Huttle.

**ASSEMBLYWOMAN VALERIE VAINIERI HUTTLE (Vice  
Chair):** Here.

MS. VOGEL: Chairman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Present.

We have a quorum.

And while we will get to the bills in a few moments -- after we take testimony from the MVC Chief Administrator -- if anyone is here on Assembly Bill 851 sponsored by Assemblywoman Quijano -- that Bill is being held today. So if your only reason for being here today was 851, you can go now. (laughter) But if you're here for all of the other activities, then please stay.

One of the areas -- one of the things that this Committee is charged with, in addition to moving legislation out to the floor, is to conduct legislative oversight. As the Transportation Committee, the members who are on here often get phone calls and letters from our constituents about the Motor Vehicle Commission. It's a topic of concern for many of us; we want to make sure that it's serving the functions intended. And the best way to do that is to hear from the Chief Administrator.

And so at this point in time, if there's no other business, I'd like to invite the Chief Administrator of the Motor Vehicle Commission to please come forward.

Good morning.

**R A Y M O N D P. M A R T I N E Z, Esq.:** Good morning, Chairman, members of the Committee.

I have a brief opening statement, if that's okay.

**ASSEMBLYMAN WISNIEWSKI:** Please.

**MR. MARTINEZ:** Good morning, Chairman, and members of the Committee. Thank you very much for giving me the opportunity to be with you today.

With me is Jeanne Ashmore, who is our Deputy Chief Administrator.

It's always a pleasure to be before the Legislature. I firmly believe that the Motor Vehicle Commission, and other State Departments, run best when they have the full support of both houses of the Legislature, and the Executive, and both parties. We need that; we are the most public-facing of State agencies, and this is -- I welcome this opportunity.

We at the Motor Vehicle Commission have 25 million *customer contacts* annually; that's a retail term. Each month, on average, the MVC processes approximately a half-a-million registrations and approximately 250,000 driver's licenses and non-driver identification cards within our 39 agencies across the state, with millions of agency online and mail-in transactions each year. The MVC is dedicated to ensuring that our work continues toward improving customer service, safety, and security.

We currently are working on a transformation project, which has already allowed the MVC to utilize our own State IT resources and existing software to match our business needs. The transformation project is a successor and improvement upon the MATRX project -- which I am sure many of you had heard about -- which we concluded unsuccessfully, I should say, about a year-and-a-half ago.

This is a new approach; it is an agile approach, as opposed to the waterfall approach that was used under MATRX. And I should note that the MATRX project, and that approach, with that particular vendor, did not succeed in any of the eight states that it was attempted.

This new methodology has already delivered substantial results by meeting Federal deadlines and important business milestones. The MVC has achieved more quantifiable results than what the previous outside vendor had been able to deliver, not only in New Jersey, but with what they have been able to deliver in other states as well.

This includes the completion of the federally mandated Commercial Driver's License Information System modernization project. It doesn't sound very exciting, but understand that if we did not complete that in time and to the satisfaction of the FMCSA, over approximately \$60

million of U.S. DOT funding to the State of New Jersey would have been in jeopardy. So you can understand that that was a top priority for us, and we did successfully complete it, using this new approach.

Since January of 2015, the MVC has completed over 170 IT projects that included legislative mandates, routine IT changes, agency upgrades, and customer-facing initiatives. The MVC currently -- in our agencies, we are open 54.5 hours a week, more than any other state in our region. This includes a late night on Tuesdays until 7:30 p.m.; Saturday hours from 8 a.m. to 1 p.m.; and all other days, from 8 a.m. to 5:30 p.m. We've adjusted our employees' schedules to ensure that we have full staffing during all of those hours.

We've also instituted a driver's license express lane. The two volume-drivers in our offices are driver's licenses renewals and registration renewals; that's the bulk of what is done in most of the Motor Vehicle offices, and with the largest fluctuation being in the driver's license area. It's also the most time-intensive. So we've instituted driver's license express lanes for simple renewals.

To better service our customers, the MVC has also made several changes to the physical layout of our facilities. I know that's very important to the members of this Committee for the offices in your area, or that your -- my customers are, of course, your constituents. We've made major renovations to Eatontown, North Bergen, and West Deptford agencies; we have expansion projects that were completed last month at Oakland and Washington; our Vineland and Rio Grande agencies have been relocated to larger, more customer-friendly sites. Construction of a new, more customer-efficient agency in Wayne has become -- and that will

be our largest State-owned MVC office, at 21,670 square feet; that is an expansion of 13,000 square feet. That is going to be a major improvement for servicing that area. This project is anticipated to be completed by the end of 2017.

Future projects also include the new agency in Delanco. We also have expansions going on; we're negotiating with our landlords in Bayonne and Edison. We've also reviewed all of our offices -- and this is interesting, because our-- We often get complaints from customers saying, "Well, I had to wait outside, but it looked like there was plenty of room in the office." And indeed, we reviewed all of the fire maximum occupancy in all of our offices and, surprisingly, we did find that the maximum occupancy could be increased. So that is going to impact about 15 offices throughout the state.

We've increased customer service training for all of our employees. All employees receive customer service training when they are first hired; we now will do that on an annual basis -- enhanced customer serving training -- to remind them what their jobs involve. And obviously we continue to use customer training for remedial purposes if a particular employee has incidents of problems with customers.

We also continue our cross-training so that all employees can perform all functions to the extent possible, unless it's highly specialized

Most of you know about the *Skip the Trip* program. This is where we have allowed driver license renewals to occur by mail. And to date, over 1.6 million customers have taken advantage of that; it makes them very happy because they don't have to go to Motor Vehicles. We still need to check-- And it's also good for the people who do have to go to

Motor Vehicles, because that's 1.6 million people who aren't standing in front of them.

To increase the participation of this, we have now started to send a reminder notice. So when you get your notification that you're up for renewal and that you're eligible for Skip the Trip, we usually send that out three months before you're due. If you do not respond or do not renew your license within three weeks, we will send you a reminder postcard; and we believe that that has already increased utilization of this great program. Before we did this, the participation rate was 27 percent; it has now jumped to 57 percent. So that's really excellent.

As you know, we also have eliminated most online transaction fees. We have 21 transactions that are available online to customers, and we encourage them to do that.

We also started this, just this past year -- voter registration and organ donation signature pads. This is something that we borrowed from our friends in Delaware. This eliminates the need for the paper and boxes -- that's literally how it used to be recorded, and then transferred to the Board of Elections -- the State Board of Elections. This is now done all electronically. And it should be noted that 64 percent of new voter registrations came through the MVC; 97 percent of people who signed up to be organ donors, nationally, go through motor vehicles departments. And that's a very important part of what we do.

We also have a proof-of-concept phase for a public information video system and queuing system for all of our offices. We're going to be rolling that out in a few of our offices. This is currently what is being done in New York, Pennsylvania, and Delaware with great success. When it's

fully realized, it will allow for the scheduling of appointments for our customers, and will allow us to monitor, on a real-time basis, volumes and transaction times in all of our agencies.

We also, in the spring of next year, will have two mobile agencies delivered, which will be able to be used in all of your districts. And this is particularly good for situations where you have emergency situations -- fires, Sandy-type issues -- or to augment offices when they are having problems.

And last but not least -- actually, not last but not least -- but we are preparing for the REAL ID Federal requirements. As you know, that is coming down the pike, and New Jersey anticipates being ready this coming year to meet those requirements. We are doing that by providing customers a choice to either have a non-REAL ID-compliant license or a REAL ID-compliant license. And the Federal government has granted New Jersey an extension to meet that; they're happy with the progress that we have made.

The other -- the last piece that I would note is the security issues. As I say, we are always concerned with service, safety, and security. You should know that we have a state-of-the-art facial recognition program for our driver's license issuance, to ensure that people who are getting licenses are entitled to them, and that people are not having duplicate licenses under different names or identities. That would circumvent and subvert what the Legislature -- in terms of all of your traffic safety measures.

The FS-12 project resulted in 998 criminal fraudsters being identified and prosecuted; an additional 1,234 individuals were identified, but because of statute of limitations, they could not be prosecuted, but we administratively suspended them. That is an ongoing process; we currently

have 254 active criminal cases resulting from facial recognition. We also have 106 this year that were statute of limitations barred.

We also have other document fraud -- that's driver's license and vehicle title frauds cases, that are developed in all of our agencies, not related to facial recognition. And each year that goes between, say, in 2010, 278 cases, to a high of 335 in 2014. Last year it was 314 cases.

We also are doing a New York-New Jersey commercial driver license fraud initiative, which is -- this is an area ripe and rampant for fraud. People will jump from -- will get suspended, either in New Jersey or New York, and immediately try and jump across the border. So we're working very closely with our partners at the DMV in New York to-- And that, by the way, is being funded by the Federal government, and we are really on the leading edge in the country on that initiative.

With that, I'd be happy to take any questions you might have, Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.

And I believe you had given us -- this is your handiwork, these charts? (indicates)

MR. MARTINEZ: That's correct.

ASSEMBLYMAN WISNIEWSKI: Okay. Just so the members are aware that these spreadsheets and charts are from the Chief Administrator.

Thank you for taking the time. And I know we've been trying to get this set up, and I apologize for the length of time it has taken to get this accomplished.

A couple of questions, just -- and then I want to open it up to the members.

So your testimony -- you said about 500,000 registrations a month; about 250,000 driver licenses a month. So that comes out to about 6 million registrations a year and 3 million driver's licenses a year. That is a large volume.

MR. MARTINEZ: Yes.

ASSEMBLYMAN WISNIEWSKI: And that makes, whether you like it or not -- the Motor Vehicle Commission is the face of State government to many people.

MR. MARTINEZ: Indeed.

ASSEMBLYMAN WISNIEWSKI: It's the point of contact that, if you have nothing else to do with the State, you have to get your driver's license and registration.

One of the complaints that many of us have received is the wait times; and you're aware of that. So what I'd like to, first, ask you is about the headcount at the Motor Vehicle Commission -- in terms of the offices that actually process the documents. Where we were three years ago; where are we today?

MR. MARTINEZ: So in terms of the offices, we have had, at the Motor Vehicle Commission, approximately a 21 percent reduction in staffing since when I came on in 2010. However, in terms of customer-facing personnel, we have kept that constant. So we have not had any layoffs. And as you know, in 2010 we did close some offices; but those employees were transferred to other offices; the offices were expanded; and,

in fact, we've increased camera and work stations at the offices from what I inherited in 2010.

ASSEMBLYMAN WISNIEWSKI: So the personnel-- You had a 21 percent reduction in staffing. What type of staffing was reduced?

MR. MARTINEZ: A lot of staffing in Trenton; our Trenton office complex personnel was significantly reduced. Really, we've been very diligent in trying to maintain the customer-facing in our offices, but also on our phone lines. That's another way we face the customers, obviously.

ASSEMBLYMAN WISNIEWSKI: So correct me if I'm wrong, but one of the areas that the Trenton staff is primarily responsible for processing is salvage titles, correct?

MR. MARTINEZ: That's correct.

J E A N N E D. A S H M O R E: They are also done in the agencies.

MR. MARTINEZ: Yes, we have selected agencies throughout the state that do salvage titles as well.

ASSEMBLYMAN WISNIEWSKI: But the bulk of them are handled through the Trenton offices.

MR. MARTINEZ: I believe that's correct, yes.

ASSEMBLYMAN WISNIEWSKI: Okay. Because one of the areas that we've heard about -- and this goes to the processing of vehicles that have been involved in accidents--

MR. MARTINEZ: Right.

ASSEMBLYMAN WISNIEWSKI: --and either taking them and putting them back into circulation, or not, and getting insurance claims paid -- the delay in processing salvage titles. Can you address for me the connection between the reduction in staffing and the processing of salvage

titles? What I've heard -- and I will tell you that it is someone calling me up, saying --- and perhaps other members -- saying that there are fewer people processing these and, therefore, the time involved in getting them processed has increased exponentially; and therefore, there are added costs being put into the system. Not into the Motor Vehicle system, but into the system of processing salvage claims and titles. Can you address that?

MR. MARTINEZ: I'm not aware of any extensive delays -- or really, delays of note in that particular area. And I'm sorry; I don't have the staffing levels comparative to, say, 2009, for that particular area. But I'm sure that I could get that and pass it the Committee, through the Chair, if that would be acceptable.

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. MARTINEZ: Okay.

ASSEMBLYMAN WISNIEWSKI: I will accept the fact that there is no way that you'll be able to have documents on every single question we have here. And so that at the end of this you'll have a homework assignment, if you will, and you'll get us whatever additional documents.

MR. MARTINEZ: Understood, Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you.

So, yes. On the salvage title, I'm told -- and you can correct me with the documents provided -- about 29 percent or 30 percent of the salvage titles are delayed beyond what they normally would be. And so I'd like you to look into that because the concern we have is that there are folks -- you know, when you hear *salvage title*, you may think, "Well, that's a business entity worried about it." But there's a person behind that title,

either waiting, on either end of the transaction; that creates a problem. So we'd like you to look into that.

MR. MARTINEZ: And if I may, Chairman, follow up on that.

We do have a salvage working group, currently that's been working for about a year to see if we could streamline the process. You know, we do have certain clearinghouses, if you will, in the State that handle large volumes of that. And we're looking for ways to make that more customer-friendly, if you will, as it is done in other states using-- For instance, in some other states, MVC terminals are actually put in some of these clearinghouses so that they can do the work themselves and it's not -- it doesn't have to be done by Motor Vehicles.

ASSEMBLYMAN WISNIEWSKI: Correct; thank you.

So the second question, and then I'll turn it over to my colleagues -- I've sat as Chair of this Committee for 12 years, and I've been in the Legislature for 21 years. There have been no end to the number of bills -- I've lost count -- where a member says, "You know, we ought to do this, or we ought to that." And we call the Motor Vehicle Commission -- you, your predecessors, going back for time in memorial -- and they say two things. "That's a great idea, but our computer system can't handle it because there's nobody left on earth who can program it." (laughter)

And so MATRX was supposed to be the solution to that. And we had heard hopeful reports in prior years from your office, and now MATRX, essentially, is dead.

MR. MARTINEZ: It's dead, yes.

ASSEMBLYMAN WISNIEWSKI: Can you explain to me why it was hopeful, and now it is not, and where do we go from here? Because it

just seems to me, with the decrease in the costs of IT infrastructure, and the abundance of personnel out there that can come in and hook up your business with a whole new computer system -- why this has taken so long, why is MATRX dead, and where do we go from here?

MR. MARTINEZ: So you're absolutely right. The MVC -- the backbone of our IT is-- Essentially we are on mainframe; we work in the mainframe environment. And for those members who may not know, we are -- that is actually maintained by the State Office of Information Technology. The mainframes are very secure, but there is COBOL language -- very dated technology. It is fairly stable, but very labor-intensive to make any programming changes. And that's a correct observation: they don't even teach this in schools anymore, so people -- when we bring in -- when I say *we*, OIT has to bring in people; in many cases it's individuals who are retired and worked in mainframe environments to make those changes.

So again, we don't control that. If the Legislature comes to me and says, "We need to make -- we would like this done," okay that's great if it touches the mainframe, then that becomes a State OIT project and we have to work with OIT to make it a priority, among their many other priorities.

We moved on from MATRX; and, as I said in my opening statement, that was a group of eight states that were in the same boat that we were in. It started with EDS, then Sabre, then Hewlett-Packard took over in those eight states, including New Jersey. Hewlett-Packard did not complete that project in any one of those eight states. And every one of the states went through the same death throws that we went through, trying to make it work; hopeful that we would, because scrapping it and then starting

all over again was a -- is a daunting task. But at the end of the day it became apparent to us that Hewlett-Packard was not going to succeed, because we also were watching what was going on in other states. And as they, one by one, fell, we really held Hewlett-Packard's toes to the fire and they failed.

We settled with them; the State received \$13 million in the separation. And I should say that subsequent to us, Michigan and Rhode Island -- same situation -- are now in litigation with Hewlett-Packard over the same issues.

And you may think, "Well, if Hewlett-Packard can't do it, who can do it?" That's the problem -- there are a lot of major companies that have looked at these environs. And by the way, as you probably know, it's outside the Transportation Committee's realm, but there was Social Services in New Jersey that also had the same thing with Hewlett-Packard, and they had to kill that project.

So we're taking a different approach. The MATRX project was a waterfall approach--

ASSEMBLYMAN WISNIEWSKI: Can you explain that?

MR. MARTINEZ: Yes.

ASSEMBLYMAN WISNIEWSKI: You used that in your remarks, and I'm sure it has nothing to do with water. (laughter)

MR. MARTINEZ: Right. It's a project approach of how these big IT projects are undertaken. And what we found very clearly with the bad experience with MATRX was that that was designed as a, "All right, let's scope out--" You spend two years scoping out a project before you even do any work; and then once you start to work, frankly, the technology

has changed; and legislators and Federal governments have added things that you didn't anticipate, so you have to almost go back to square one and redesign your scoping.

That's not going to work. And so what we have done is, in this transformation project, this next step, where we rolled the \$13 million over to a new approach, it's a more dynamic approach and it's literally called -- it's a technical term in IT -- and I'm not a lawyer, Chairman, not a-- But I've learned more about IT projects than I care to -- that I ever wanted to know. This is called the *agile approach*. And what we are doing is-- It's an iterative type of an approach where it goes in seven-month cycles. So we take pieces of our business and try and move it off of the mainframe -- which is part of the problem. It's stable, but very difficult to work in -- and take pieces of that business and try and make it -- move it to the cloud, for instance, where it's easier to manage, easier to make changes that are required by either the State Legislature or the Federal government. That's, I guess, the simplest explanation that I can make for that. .

ASSEMBLYMAN WISNIEWSKI: You'd have to appreciate the skepticism the Legislature has. We just believe it's a way of not doing anything we want to do, because every time we have a suggestion we're told, "The computer won't do it."

MR. MARTINEZ: And this is actually taking that into account. Because what -- it will allow us to be more flexible when the Legislature or the Federal government asks us to do something. We are working in seven-month cycles, so instead of saying, "We have to go back to the drawing board," we can build that in as we move along.

And this is -- it clearly is what motor vehicle departments around the country are -- have switched from that old approach to this new agile approach.

ASSEMBLYMAN WISNIEWSKI: Okay; thank you.

Vice Chair, questions?

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you, Mr. Chairman.

And thank you for, I guess, your remarks and your plan. It sounds terrific, from what you're saying -- how you have the access lines now, and how you have the customer service training. It sounds great.

But, again, it's not my opinion, but it's the constituents who call us. They don't-- I guess what you're saying doesn't translate into satisfaction for a lot of constituents. Would you agree that -- would you agree with that, at least so we can start the conversation? You did say that for the people who wait outside in the cold or in the rain, you're going to, I guess, create the -- for the fire code to be able to allow them to come in. Are these fixes that you see really being implemented, that are really-- Can you see it working?

MR. MARTINEZ: Yes.

ASSEMBLYWOMAN VAINIERI HUTTLE: I mean, on paper, it sounds great. But can you see it?

And in addition to that, you know, I come from Englewood, and I represent Englewood and Bergen. And I guess they closed that in 2010, I believe, right? A few years back, maybe--

MR. MARTINEZ: That would have been before my time.

ASSEMBLYWOMAN VAINIERI HUTTLE: Wow, seven years; time flies.

So your employees were transferred; but what about the customers being transferred to other locations? Because most of, now, our people go down to either North Bergen or to Lodi, or I guess to Wayne. So because of the closures -- that created more challenges. If you didn't have the closures -- I'm thinking out loud -- I know you anticipate building new stations, but you also say something about mobile agencies. So maybe you can just clarify the comments into the two questions: Do you see it working, and do you see fixes and challenges? And what are these mobile agencies that may, I think, pick up some of the slack for the closures? Because I think the closures, obviously, transferred the employees, but the people who -- it just created havoc for many people.

MR. MARTINEZ: I don't want to beat around the bush. I've provided in your packets some graphs that I will refer to now.

Because this past summer we did experience transaction wait times -- high volumes and wait times. That has since been ameliorated. And I'd like to point to how is it -- how do you know that? In your packets you have something -- this is something that I instituted when I first came in. As you know, I served as Commissioner of Motor Vehicles in New York state before I came to New Jersey. And this is-- In your packets you see these reports. These are generated four times a day -- three times a day, four times on Tuesdays, which is our late day; and of course on Saturdays. And it tracks everything from number of customers inside, customers outside -- if any; hopefully not -- total number of customers, what they're

there for, what the anticipated wait times are, what the staffing levels are; even down to, are there any parking issues in any of the offices.

So this is how we-- Now, in some states-- I should say, when I mentioned my queuing that we hope to get up and running early next year, this would be done automatically through the queuing system. So we will be able to join the group of states that actually do that automatically. But right now, this is done manually and it's electronically sent to us so that we can manage and see what's actually going on in the offices.

And what we've been able to see is a dramatic decrease since the summer -- because we were facing real challenges this summer. And I can tell you, there were three reasons for those challenges -- why you saw complaints and why we saw complaints. One is that this year -- there are two main drivers for volume in our offices: registrations and driver's licenses. Driver licenses were about 20,000 more per month this year than in the previous year. Those are cycles; those are long-term cycles that just happen. And I can't explain it, but that has happened in New Jersey for many, many years. So we knew we had higher volumes.

The second piece was the result of actually a good project -- the Skip the Trip project had just completed its first four years. And what we saw was that this past summer was the low of people who were eligible for Skip the Trip. So essentially, if you had your license to be renewed, the overwhelming majority of customers were not going to be able to do it by mail and utilize the Skip the Trip program; they had to come into offices. So that was kind of a tidal wave.

And the last piece was that we had been working for approximately two years to get a schedule change for our employees -- not a

schedule change for the public, but for our employees -- so that they could -- so that we could have full staffing every day that we are open, including Saturdays and Mondays. We had been operating with low staff, half-staff, and quarter staff in some instances on Saturdays and Mondays. That has been changed with -- as I mentioned in my opening remarks.

So if you look at your -- in your packet, we have a bar graph from our top agencies -- obviously in the north -- where you'll see these-- In the summer, that was out wait times -- high numbers; we didn't want that. The current number -- which is in the fall and currently, has been significantly reduced. And again, our top volume agencies tend to be in the north.

So we know that this is working; you do not have lines, with some exceptions. And I'll tell you what the exceptions are: the Saturdays, of course, because we're only open half the day; and then you also have -- this body has already considered something that I instituted in New York years ago, and that's having your driver's license expire on your birthday, rather than at the end of the month. That has to happen, because it just drives volume at the end of month unnecessarily.

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you, Mr. Chairman.

MR. MARTINEZ: I'm sorry for the long-winded answer.

ASSEMBLYWOMAN VAINIERI HUTTLE: And I was going to ask you that, because we just discussed -- that went out of this Committee, I guess it was several weeks ago.

ASSEMBLYMAN WISNIEWSKI: Yes, at the last meeting.

ASSEMBLYWOMAN VAINIERI HUTTLE: And so, hoping that that will alleviate some of the challenges.

And I thank you for answers, and I'm hoping that -- to see this implemented even further.

The mobile agencies -- just to get back to that -- what is that?

MR. MARTINEZ: So the mobile agencies will have multiple functions; number one, it would be in the event of situations where people-- You know, if you have a huge apartment complex that has a fire and people lose their belongings and we need to go to that location -- we can actually generate some documents for them. Certainly, a driver's license document, based upon -- using our facial recognition tool, we know who these individuals are so that they can then get started building the rest of their documents that they may have lost.

Sandy -- it would have been helpful to have that during Hurricane Sandy. But we also have other uses for it. For instance, we could use it at programs like Governor McGreevey has, where you have people transitioning out of prison -- if they haven't gotten a license so they can go get a job driving, we can go to those locations and work with those individuals.

We also can go to senior citizens groups; senior citizens in your districts, at your recommendation. We can go to locations where -- save those customers a trip to Motor Vehicles by going to them in advance.

And then, yes, we can use that to augment-- If there's a particular office that is challenged for whatever reason, we anticipate we can

send those mobile offices to those locations to serve as help -- augment the service to those customers.

ASSEMBLYWOMAN VAINIERI HUTTLE: That sounds great.

Thank you, Mr. Chairman.

We will be calling you for those. Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Thank you, Vice Chair.

Other members?

Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Question of offices: When do you make a decision about renting a facility, versus constructing a facility? I mean, there is a fair amount of money spent on rented facilities.

MR. MARTINEZ: Thank you.

You're absolutely right. And the overall goal continues to be, for us -- is to get out of leased spaces and into State properties -- a State-owned property; even if that involves a consolidation, which we've done in the past.

So these are long-term plans; we do have a number of projects that are currently in the pipeline. But I will tell you that our goal is to get out of leased spaces to the extent possible.

How we do that is through our partners in the Treasury Department -- the Division of Purchase and Property. And they have a process where -- we tell them what the need is; they then have to go out and survey and see if there are any responses from people who might be able to provide appropriate parcels of land for us. It's been spotty; we've done that in Newark, we've done that in looking for a better office in the Springfield

area. And the State rules require that we have to do that three times before we can then go out on our own and try to locate an appropriate location.

ASSEMBLYMAN GIBLIN: Do you have any offices, as we speak, that are contracted out, as compared to the policy that was back, maybe, 20, 30 years ago -- where certain people would be designated as an agent for the Department?

MR. MARTINEZ: No; that -- obviously, that was a failure. And I say that because I think it was wellintended, but these -- the offices currently are all State government offices, with one exception -- notable. One of our biggest private-sector offices is the New Jersey Car Dealers Association. They actually process registrations and titles, obviously, for their members. But no, we don't -- none of the offices that you go to are private.

ASSEMBLYMAN GIBLIN: The issue of language -- is that a barrier with doing your work, as far as the drivers who you come in contact with?

MR. MARTINEZ: You know, it's a -- we live in a state that has the benefit of being one of the most ethnically diverse in the country. And fortunately for us, our workforce is equally diverse. So you will have almost every language spoken in some of our offices; some more than others. Edison is a -- Springfield-- Some of these offices are-- But in almost all of those offices, we have employees who speak Spanish and any number of languages there.

ASSEMBLYMAN GIBLIN: What about the issue of senior citizens retaking their examinations? There has been some talk about that; I know it's a hot-button issue. But I don't know what your experience --

maybe in other states, on this. Do you know of any other states that do this?

MR. MARTINEZ: It's all over the board. In truth, some states do it with a date -- an age date; say, anyone over 50. And again, it's all over the board. Some just do it all -- everybody is fair game, of whatever age.

But it is a politically hot-button issue. The truth is that when seniors are involved in crashes, that gets a lot of news. But the most -- the biggest age group that's in danger remains the new drivers -- new, young drivers remain the most dangerous group. Because not only are they more likely to get into crashes, the crashes they're involved in are at higher rates of speed and often involve multiple passengers in the vehicle.

Senior citizens tend to get involved in crashes that are at lower rates of speed and involve things like vision or inability to react properly to changing conditions.

ASSEMBLYMAN GIBLIN: I noticed the City of Newark has adopted a new policy about responding to accidents. They're not going to send police officers; it's in today's *Ledger*. Do you see that, in any way, hindering some of the work you do at MVC, as far as gathering stats and things like that?

MR. MARTINEZ: I would say that's -- you know, I think that's unfortunate. I don't want to go far afield from my area of expertise; but we in traffic, transportation, and safety -- we talk about the *four E's*; and that's *engineering, education, enforcement, and emergency response*. And that's what saves people's lives. You have to-- Better engineering for cars and roadways; education for all drivers, not just young drivers, to make sure that they take it seriously; enforcement -- obviously, law enforcement makes a

critical component; and then the quick response saves lives. So it's the four *E's* -- we use that as our guide.

ASSEMBLYMAN GIBLIN: You do a lot of mailing throughout the year, either for licenses or registrations. I know this hasn't been presented before -- any thought to trying to put flyers or some type of inserts in your mailings to garner additional revenue or -- I know especially like with insurance companies or other types of pertinent services for drivers-- I don't think that's permissible, as we speak, is it?

MR. MARTINEZ: I believe it is permissible.

We have -- the Legislature, I believe, granted us the ability to do some advertising -- paid-for advertising. And that is something that we could consider in our mailers.

One of the areas where we hope it will help is to -- the electronic video systems that we hope to install in our offices next year. So half of that -- well, I shouldn't say *half*; whatever the percentage is -- will be public service messages in our offices on flat screens for not just Motor Vehicles, but for some of our other State agencies. But the other part would be subsidized by private-sector insurance companies or whoever wants to pay for the privilege of advertising there.

ASSEMBLYMAN GIBLIN: Okay; thank you.

MR. MARTINEZ: Yes, sir.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Assemblywoman DeCroce, and then Assemblyman Moriarty.

ASSEMBLYWOMAN DeCROCE: Thank you; thank you for being here today and being very informative to us.

Two questions that I have: When you were talking about leasing -- ownership versus leasing. When you talk about State property, has there been an evaluation or study done on all the State properties that are currently owned? Or are you looking to purchase more; or are you looking to utilize what State properties are owned by the State of New Jersey currently?

MR. MARTINEZ: The first cut would be using properties that we currently have. You know, we have areas -- we currently have some State properties that we could use; for instance, Delanco, I believe, is property that we have looked at for an office. That currently is not being utilized as a Motor Vehicles Agency location. That would be the first cut if it's already in our portfolio.

The second would be if it's in the State's portfolio -- not necessarily Motor Vehicles' -- to use it there. And the Office of Purchase and Property will let us know if they have a piece of property we might be interested in.

ASSEMBLYWOMAN DeCROCE: Because I think that's important. Because the inventory of property that the State owns, it really a little ridiculous -- that we really need to do something and make decisions about that -- to purchase more with the taxpayers money when we already own so much. I think we should try to utilize that first.

MR. MARTINEZ: And of all of those decisions, at least for Motor Vehicles, go through the State Utilization Committee, which is -- the Legislature is represented on that -- or *SLUC* we call it; it is known as *SLUC*.

ASSEMBLYWOMAN DeCROCE: Okay, thank you.

The other question that I have is, could you tell me the process of voter registration? When somebody comes in to renew a driver's license, or a new driver's license -- could you explain that to me.

MR. MARTINEZ: Yes.

So currently-- Well, let me explain what it was before I -- when I first came in here. And it was a little bit of a mess. And Motor Vehicles would always get criticized on Election Day; people-- "Well, I registered at Motor Vehicles, but they didn't have it." And it's because it was done on a paper and ink bases, and boxes were then kept at Motor Vehicles, and then transferred to the State Board of Elections; and that went out-- It was a little bit of a sloppy process. And what we did is, we looked around to our neighboring states, particularly down in-- Delaware had a program that was very highly regarded; and you would actually do it on the signature pad. So we need your signature for your license. But in that process, you will be asked, "Do you want to be an organ donor? Do you want to register to vote?" And now this about \$1 million project that we finished last year -- that allows us to electronically record that information and then transmit it to the Board of Elections.

So there is -- there is none of this "we lost the box" or "we lost the paper" or "it's not clear." And it is the customer who is making that determination, not a Motor Vehicles employee.

ASSEMBLYWOMAN DeCROCE: Okay. I know that up at the Randolph station -- Motor Vehicle office, there was, recently, in Morris County, a voter registration problem where individuals who were not citizens were registered to vote. And I know that was an important -- very quickly acted-on problem. But you know, my concern is, where is -- when

somebody goes in there, verifying that they are a citizen of the United States; and how is something like this happening? Because that is a very serious problem.

MR. MARTINEZ: So obviously we do ask the question, but it's not just, "Do you want--" or "Are you a citizen and can you vote?" But in truth, that's outside of my purview. The Secretary of State's Office does do checks. Now, we do work with them very closely, so our data is available to them and we work with them on that. But they are essentially the ones who have to verify that.

ASSEMBLYWOMAN DeCROCE: Okay. So there is a problem going on there, and I think that maybe as a Legislature, we should look at what is needed at the Motor Vehicles office to show that they are a citizen of the United State, because to verify that in the Secretary of State's Office -- and what falls through the cracks is what's happening. And I think, as a body, we should have great concern -- I think we all do -- to make sure that individuals who are registered are citizens of the United States.

So you know here and now, today, we're talking about that, and we do know that there is a problem. So I would think you, as well as the Secretary of State's Office, should meet, talk about this. And whatever help is needed by the Legislature we should be looped into it.

MR. MARTINEZ: Thank you.

ASSEMBLYWOMAN DeCROCE: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Just on that note, with the -- is it 6 points of ID?

MR. MARTINEZ: Yes, sir.

ASSEMBLYMAN WISNIEWSKI: How is that possible? I mean, you know, you have to bring a driver's license, you have to bring your Social Security card--

MR. MARTINEZ: Indeed, it shouldn't happen; and I'm not saying-- I've given you all the big numbers of how many transactions we did. It would be highly unusual for a -- somebody coming in with a temporary visa situation, and then also be permitted to go forward. I don't think it would be possible, but I never say never, and I just -- I'd have to look into--

ASSEMBLYMAN WISNIEWSKI: Well, maybe you can modify your computer system. Oh, wait; no, you can't do that. (laughter)

Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Thank you.

Chief Administrator, Deputy Chief Administrator, thank you both for being here this morning; and also thank you for being helpful on the few times that I needed to call your agency. I appreciate it.

I wanted to ask you a question that we've actually discussed before, and it has to do with the CDL license and the wait times to take the test -- keeping in mind that the people who are taking a CDL license test generally need to go to work, and we want people to be working. But it has been my experience through my constituents that we have wait lines -- waiting times of four and five months to get in to take one of these tests.

Just November 14, I had another constituent who couldn't get a road test exam until February 23, which is about four months away. But you were helpful in getting an earlier time. But I don't think every

constituent should have to call up their Assemblyperson or Senator to intervene, and that probably pushes someone else back.

So what is the problem with getting these done more quickly; and what is the remedy -- because people need to go to work?

MR. MARTINEZ: I completely agree with you. And I would just note that we are currently -- New Jersey and all states -- are in the midst of responding to new Federal requirements on commercial driver's licenses testing, which is an act of Congress, through the Federal Motor Carrier Safety Administration. And we, like all the others states, have experienced that same issue with delays.

And here's what it is. The testing -- both the actual test behind the wheel and the test were modified significantly by the Feds, and we have to adhere to those very strictly. Even the process for the testing was changed. So what happened was that the failure rate went up dramatically. The total number of CDL tests given in a calendar year, year-to-date in 2016, is about 14,234. The current failure rate for CDL test is 51 percent, statewide.

ASSEMBLYMAN MORIARTY: Can I interrupt for a second?

What did they change to make the test more difficult -- that made it more difficult to pass?

MR. MARTINEZ: They really revamped the test, everything from the pre-check--

MS. ASHMORE: The pre-trip.

MR. MARTINEZ: --the pre-trip; they have to-- Before they even get behind the wheel, they have to be familiar with whatever vehicle they're driving. They changed-- So it's both the written test and the

practical examination, and how those examinations are given are strictly regulated by the Federal government. And by the way, as you know how the Feds work, it's always done with -- under jeopardy of losing your Federal DOT -- U.S. DOT funding. So we take it very, very seriously.

So the failure rate before this new testing scheme went in was about 31 percent.

MS. ASHMORE: Thirty-three.

MR. MARTINEZ: Thirty-three percent. It skyrocketed; the failure rate skyrocketed to over 90 percent. That's 90 percent, right?

ASSEMBLYMAN MORIARTY: Right. I thought you said the failure rate was 51 percent?

MR. MARTINEZ: No, no; it is now going down to 51 percent.

I don't know that we're ever going to see the 33 percent again; but part of that is the driving schools, you know, have to prepare these test-takers better, and I think that was a learning curve for them, and I think they're getting better. And on our part, we are offering for, not just for fleets, but also for driving schools -- we provide bulk testing opportunities. So if you're going to school, we will set aside certain blocks so that they can put their students in there. So the wait times will go down; it's going to take another couple of months. The failure rates, I believe, will continue to go down, because obviously the other part with the failure rate is that those students are still going to come back. So it creates a little bit of a churn.

One of the things that the Feds-- We begged the Feds -- I shouldn't -- that's kind of disrespectful to the Federal government -- to give us the opportunity to bank portions of the test; so that if a test-taker fails a particular portion, or passes -- put it the other way -- if they pass, they can

bank that now and then come back for the portions that they failed. And that has also helped us dramatically.

ASSEMBLYMAN MORIARTY: They've allowed that?

MR. MARTINEZ: Yes.

MS. ASHMORE: As of October 1.

MR. MARTINEZ: October 1. So we're still seeing -- you know, we're going to start seeing the benefits of that.

ASSEMBLYMAN MORIARTY: So what would be your projection-- What would you think is a reasonable wait time for that test -- a month?

MR. MARTINEZ: I think a month would be reasonable; but I'd like it to be nothing. I'd like it to be as quickly as possible.

ASSEMBLYMAN MORIARTY: So have you seen the wait time come down? Because as of November 14, I had someone waiting close to four months. Has it come down since then?

MR. MARTINEZ: It has. And the wait times currently, say for Lodi, is currently 60 days; Cherry Hill, 45 days; Randolph is 80 days; Wayne is 65 days; Rahway is 70 days; Bakers Basin is 30 days; Winslow is 22 days; and Eatontown, 15 days. And what we tell both the schools and independents is that we will-- If you're willing to go to one of these lower-wait times, we will move you around and accommodate you. But what you will see are those going down dramatically over the coming months.

ASSEMBLYMAN MORIARTY: Great; well, that's good news; and we're going in the right direction.

I want to talk also about the driver's manuals that people study for both CDL licenses and driver's licenses. We've had some discussions

about this before; I had a constituent who came to take the CDL license, came with a -- you have to bring your own truck, right? He came in a truck; it was an automatic transmission. He passed the test, and then noticed that there was a restriction on his license -- that he could only drive automatic trucks; he could not drive a manual transmission. And I believe I talked to you about it, Deputy Administrator -- he said, "Nowhere in any of the manuals did it tell me that I had to bring a manual transmission truck in order to get a fully -- you know, an unrestricted CDL license. And now I have to go back and take that test again, and pay the money again, and rent another truck to do it, and take a whole day." Which I thought was incredibly unfair.

And so where are we with updating our manuals that people study from, and come to the test for, that has information that is lacking? And by the way, I've heard anecdotal evidence from people who said that they've taken the driver's test and were asked questions that weren't anywhere in the manuals, which is kind of like a-- Can you-- I said *anecdotal*. Can you attest to any of this? Because I know you have manuals that were printed a long time ago, and things may have changed.

MR. MARTINEZ: Well, they're printed every year.

But let me -- I'm going to let Jeanne Ashmore, with your permission--

ASSEMBLYMAN MORIARTY: Sure.

MR. MARTINEZ: Our Deputy Chief Administrator is familiar with the issue.

MS. ASHMORE: Thank you, Assemblyman.

It is in a part of the manual; but after our conversation, I think as I spoke with you, we did take steps to ensure that, after a person gets the test taken -- the written test -- we make sure that there's information there; that they know exactly what kind of vehicle they need, and what kind -- what they are taking the test for. So after conversations with you, we've moved things in to make sure that we're doubling and tripling our efforts to ensure that something like that doesn't happen again for them. It is in the CDL manual. We will -- while we cannot change what the Federal government chooses to put into the CDL manual part of our instructions -- We'll be happy to take a look and see maybe we can make it a little bigger.

ASSEMBLYMAN MORIARTY: Okay. I mean, we looked at that manual, and we couldn't find it anywhere. And I think that even in our conversations, it was -- there was-- I think that we agreed that it wasn't really clear at all. But what do you-- Be that as it may, what are you doing now to make sure people understand that if they want an unrestricted CDL license, they must come with a manual transmission truck? Because, quite frankly, that is not the same for a regular driver's license. If I come with an automatic transmission automobile and get a license, that doesn't mean that I can't drive a stick shift.

MS. ASHMORE: Before they take the road test, after they pass the written test, they are given that information then, and then again when they go to schedule the road test. So our CDL unit makes an attempt not once, but twice, to then say, "Here's the information; you pick which one you look for." And that was--

ASSEMBLYMAN MORIARTY: Okay; and they do that-- There's a piece of paper you give them?

MS. ASHMORE: Yes, they're given--

ASSEMBLYMAN MORIARTY: Or they verbally give it to them?

MS. ASHMORE: They're given information; yes. They try to do both; but we've asked for it to be physically handed to them.

ASSEMBLYMAN MORIARTY: Okay.

MR. MARTINEZ: So we're saying that is standard operating procedure now.

MS. ASHMORE: Yes.

MR. MARTINEZ: Yes.

ASSEMBLYMAN MORIARTY: Okay. And what about the driver's license manual? Is there any truth to anecdotal evidence that people have said -- that there are some questions on the test that may not be covered in the manual?

MR. MARTINEZ: I don't believe that's the case. We are constantly updating the manual and the test as well. And the test has to be updated-- And you know, we have -- when we look at the test, we get a lot of requests to put many different things on the test. Unless it's specifically mandated that "this must be on every test," it is a rotating list of questions that are utilized. Obviously, for both the security of the test; but also, it's randomly generated questions.

ASSEMBLYMAN MORIARTY: And last question: Is there a need for more testers for the CDL license? Would that be helpful in reducing these wait times for these people who really need a license to go to work?

MR. MARTINEZ: We're actually fully -- we're staffed up. We've hired more this past year. I think that what you will see -- and you can hold me to this -- that those wait times are going to reduce because of the changes that the Federal government is allowing us to make; because of the reduction in the failure rate; and the work that we're doing with schools and fleets, where we are doing train-the-trainer programs for them so that they-- Actually, if they're going to see the perspective employee beforehand, we can actually tell them, "This is what we're looking for," and make sure that before they come in to be tested that they're prepared -- better prepared, so they can pass.

ASSEMBLYMAN MORIARTY: Thank you very much.

I don't want to monopolize this; thank you for being here today. I appreciate it.

MR. MARTINEZ: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Assemblyman Benson.

ASSEMBLYMAN BENSON: Thank you very much.

I also just want to pick up on the CDL licensing and testing, particularly because a number of our parochial schools -- they start going out for their contracts at the beginning of the year for the new fall year. They're seeing -- because, again, there are not enough drivers -- that the big districts, public districts, are getting their contracts renewed; and they're at the bottom of the list. And they are actually concerned that they may not even have folks to do -- for the passenger licensing as well.

And so that was a concern that was expressed, in a different venue than this Committee, based on legislation that I had sponsored about trying to encourage different actions to reduce that wait time.

Currently under, I think, the regulations now, you have the ability to go to a third-party testing at your discretion. If you don't see the wait times coming down in that month soon enough, is that something that you'll consider?

MR. MARTINEZ: I'm not unalterably opposed to third-party testing. But our conversations with the Federal government -- they made it very, very clear that if you do third-party testing, these -- in others states there has been cases of fraud related to it because you have the -- they are both the instructor and they are the tester. And that has caused a problem. So they said if a state is going to do this, you have to have very aggressive audit and investigative tools in place if you're going to do that. And again, our Federal DOT funds are tied to making sure that we meet those guidelines.

So I'm very concerned about that -- that if New Jersey was to move in that direction, that the appropriate tools are in place so we don't jeopardize or put ourselves in jeopardy. Because the Feds have made it very clear: They hold us responsible -- they'll hold the State responsible, not the schools. The schools they'll put out of business, but they will penalize the State for any lack of oversight.

And so I'm very-- We don't currently have an appropriate level of oversight for that in place. And think about it this way: If the testing that currently occurs right now -- it's a State employee doing it; I have full

access to their records, electronic records. And we would have to make sure that all of that is in place.

ASSEMBLYMAN BENSON: So to those districts that are concerned about being able to still fulfill all their contracts for busing for our school children for the next fall, what kind of timeframe can we get back to them about, for getting down that wait time to a month? When do you see that happening?

MR. MARTINEZ: So, number one, we are working with the school districts as well to make sure that-- They are also finding a shortage, I believe, because a lot of people who would normally have taken those jobs don't want to do it anymore because of the new Federal requirements, including the (indiscernible) school certifications, etc., etc.

But Jeanne, do you have anything to add on that one?

ASSEMBLYMAN BENSON: I mean, the main question is, like--

MS. ASHMORE: Through the Chair--

ASSEMBLYMAN BENSON: --what's your timeframe to getting to that?

MS. ASHMORE: Right; I wanted to point out, Assemblyman, that we have two sets of testing. What the Chief just pointed out was the scheduling system for independents.

But we have set up an entire other set of bulk scheduling through driving schools, through associations, through bigger companies that have a set amount of slots every single week that they can utilize. So if we don't have those driving schools, or those schools that you're speaking

of, we're happy to work with them to set up some times and places that they can get tested when they're ready.

ASSEMBLYMAN BENSON: No-- I appreciate that. And one of the schools did say they had offered their parking lot for the bulk testing that you had mentioned. And I think those things are very helpful in trying to reduce that backlog.

Just again -- just to ask that question again: When do you see the backlog getting down to a month?

MS. ASHMORE: We see, with the instituting of the train-the-trainer, with the banking -- those two -- the more that someone can bank that time, the less they're coming back in, if they fail-- The failure rate, in the beginning -- last July, a year ago from July, was 97 percent. So we were also seeing those people coming back in three and four times. The more we can bank that time, the less we're taking a second spot for the same individual. So we've already seen, each month -- since October and November -- that number creeping down. I can't give an exact number, but what was in the 60s, is now the low 50s; we believe that trend will continue over the next month as we continue the train-the-trainer with anyone who wants to work with us in that, to give them the skill set necessary if they're having difficulties that way; and also the banking. We think those two will be very helpful in reducing that wait time.

ASSEMBLYMAN BENSON: Okay. And so you see, early next year, getting down to that one month -- January, February timeframe?

MS. ASHMORE: We're in December now, Assemblyman--

ASSEMBLYMAN BENSON: Right.

MS. ASHMORE: --so I'd say if we can come back to you, maybe, around budget time--

ASSEMBLYMAN BENSON: Sure.

MS. ASHMORE: --we would probably look towards, you know, hopefully being down in the 40s.

ASSEMBLYMAN BENSON: Okay.

MS. ASHMORE: Again, as the Chief said, I'm not sure we'll get back down to that 31, 33 percent; but that was pre-Federal requirement.

ASSEMBLYMAN BENSON: Okay.

So looking at the chart, kind of, the average wait times piece that you put out, which I think is very helpful-- But for a lot of the constituents that reached out to us, it wasn't the *average* time that they cared about; it was the *actual* time, the *max* time. Do you keep that data too? Because, I mean, when we were at the height of the complaints, folks were waiting three hours; or being told -- if they got there within five hours before closing, they were told, "Don't even bother; come back tomorrow. The wait's too long today." Do you keep the charts of the max wait times, as well, by location? Because again, we were -- I was getting text messages from folks waiting in line, where a staff member was being told--

And I do want to thank you because, when I did visit the Bakers Basin site, it seems that some changes were made -- both in layout and in processing -- and the queuing system had changed and the wait times seemed to have evaporated in anticipation-- Again, since you do recognize that -- you know ahead of time when there is going to be large amounts during the summers, tracking that max time -- what are the things that you're doing ahead of time to anticipate for next summer?

MR. MARTINEZ: I'm sorry, I'm not-- (indicates cell phone use)

ASSEMBLYMAN BENSON: No, you're fine.

MR. MARTINEZ: It's not that I'm taking a call; I actually wanted to pull up my -- the electronic version of these reports.

ASSEMBLYMAN BENSON: Sure.

MR. MARTINEZ: And so, as I said, I get this three times a day from the field. And looking at, say, the Northeast -- which is my busiest location -- I currently have -- and what is now the busiest office, Lodi -- 38 customers; average wait time is about 18 minutes.

ASSEMBLYMAN BENSON: So what's the max wait time?

MR. MARTINEZ: So the maximum wait time, I would say-- I can tell you right now. If it's a Saturday, at the end of the month -- would be the maximum wait time.

ASSEMBLYMAN BENSON: Right.

MR. MARTINEZ: And I think that--

ASSEMBLYMAN BENSON: Are we talking an hour, now, or are we talking multiple hours?

MR. MARTINEZ: That was about an hour.

ASSEMBLYMAN BENSON: Okay.

MR. MARTINEZ: Forty-five minutes to an hour, I believe is--

ASSEMBLYMAN BENSON: Okay. Because we were seeing, I mean, insane numbers number during the summer--

MR. MARTINEZ: And that--

ASSEMBLYMAN BENSON: --where people were just being told, "Don't come; don't even bother."

MR. MARTINEZ: Right. And that's what we have-- You're not seeing that right now.

ASSEMBLYMAN BENSON: Okay.

MR. MARTINEZ: We have addressed that problem and you're not going to see that again, because it was a little bit of a perfect storm. Number one, we did change the office hours -- not the office, not the public-facing hours, but the staffing so that we are fully staffed anytime that we are--

ASSEMBLYMAN BENSON: Open.

MR. MARTINEZ: Except for call-outs or anything like that.

ASSEMBLYMAN BENSON: Because that was one of the other complaints -- is that they would see somebody go off-shift and no one replaced them.

MR. MARTINEZ: Right.

ASSEMBLYMAN BENSON: And so it sounds like that was something you've tried to address to make sure it's fully staffed at all shifts.

MR. MARTINEZ: That we are staffed; and also, as I said, the Skip the Trip has made a dramatic impact, because now you have a 90 percent eligibility and people are utilizing it. So those are people who just aren't coming to Motor Vehicles; they're able to do their license transactions by mail.

ASSEMBLYMAN BENSON: Sure.

MR. MARTINEZ: That has combined to really dramatically reduce the wait times.

ASSEMBLYMAN BENSON: So we're not going to see that same -- those max times of multiple hours--

MR. MARTINEZ: No.

ASSEMBLYMAN BENSON: --during the summer next year?

MR. MARTINEZ: No.

ASSEMBLYMAN BENSON: Okay.

My next question is: Any time you register your vehicle, you can do that through the mail; it's great. If you ask for multiple -- duplicates for every car to the same house -- for every duplicate, you get another mailing. Why is that? Is that a waste of postage, is it-- I mean, so if my duplicate comes, even though it's from the same form of requesting it online, I get two different mailings: one for the original vehicle registration, and then I get the duplicate as a separate mailing. And it's been like that for a couple of years now, and I've always wondered why. It seems to be a waste of, kind of, both materials and postage. And if that's not supposed to be happening, I can--

MR. MARTINEZ: Can I check and get back to you, through the Chair, on that?

ASSEMBLYMAN BENSON: Get back to? That's fine.

MR. MARTINEZ: Because I'm not familiar with the problem -- with the issue.

ASSEMBLYMAN BENSON: And then, lastly-- And I want to thank Deputy Chief Administrator Jeanne Ashmore for getting back to us about the Purple Heart placards. There was legislation that was done for that, similar to the disability -- disabled driver placards for parking and other things. I know it's a new system; it was supposed to be done in March. They've been ordered, it was my understanding from the information you gave our office. When do we think folks can show up and

receive those, at this point? Is there a timeline; do we have, kind of, a goal date, since we'd already be late at this point?

MS. ASHMORE: My apologies, Assemblyman.

ASSEMBLYMAN BENSON: No, that's fine.

MS. ASHMORE: I'm going to check with the staff and we're going to get back to you on that.

ASSEMBLYMAN BENSON: Okay.

MS. ASHMORE: I do believe it's soon; but I want to just double-check--

ASSEMBLYMAN BENSON: Sure.

MS. ASHMORE: --and don't want to give you a number that's not accurate.

ASSEMBLYMAN BENSON: Now, a number of the Veterans' Offices--

MS. ASHMORE: Yes.

ASSEMBLYMAN BENSON: Because it was our District that sponsored the legislation--

MS. ASHMORE: Absolutely.

ASSEMBLYMAN BENSON: --we've been getting a lot of those requests.

MS. ASHMORE: I'd be happy to.

ASSEMBLYMAN BENSON: Thank you so much.

ASSEMBLYMAN WISNIEWSKI: Thank you, Assemblyman.  
Assemblyman.

ASSEMBLYMAN CLIFTON: Thank you, Mr. Chairman.  
Just a quick question.

You had mentioned Skip the Trip just recently; 1.6 million have used this since its implementation.

MR. MARTINEZ: That's correct; 1.6 million.

ASSEMBLYMAN CLIFTON: And when did we start the program?

MR. MARTINEZ: It was in 2012.

ASSEMBLYMAN CLIFTON: It was 2012. What is the eligibility for a person to be able to use that program?

MR. MARTINEZ: It's actually -- most individuals are eligible unless you have a CDL or a boat endorsement.

But other than that, most customers are eligible. So we make that -- again, it's about eligibility right now. So it's just reminding people that, "Hey, this is available; you don't have to come to Motor Vehicles. Put your check in the mail, send it to us." And the one restriction that we hold is that we need to refresh your photo once every eight years, so that if you haven't had it done in-- You know, you get your license; it's good for four years. You can do the Skip the Trip. At the end of that four years, you have to come back in and get your photo done.

ASSEMBLYMAN CLIFTON: All right.

Thank you, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Assemblyman Kennedy.

ASSEMBLYMAN KENNEDY: Yes, first of all, I'd like to thank you for your presentation. As a new member of the General Assembly, I found it helpful.

I come from Rahway; and we were inundated in the summer over issues there. And on a couple -- I had to go renew some things and I could not believe the amount of time that I had to spend.

So I think -- I really appreciate your presentation.

Secondly, one thing I did notice: Since that facility was rebuilt, there seems to be a lack of parking on the part of the people applying for things. There seems to be more parking in the back of the building for employees than there is in the front of the building. And I just bring that to your attention.

MR. MARTINEZ: I'm very familiar with Rahway and that parking issue. Obviously, I inherited the layout there; but we are -- we have plans underway to add additional parking spaces there. Obviously, we also -- and the same thing with Randolph, as well as Somerville. So those are areas where we saw a need for additional parking, and we are proceeding to create those.

ASSEMBLYMAN KENNEDY: Thank you very much.

MR. MARTINEZ: Yes, sir.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Chiaravalloti.

ASSEMBLYMAN CHIARAVALLOTI: Thank you, again, for all your time and your testimony.

Two different areas I want to touch on. In your testimony, you mentioned the REAL ID Program, which, as you know, is a response to the Federal law, which was passed in 2005. We're going on 11 -- actually, now, going on almost 12 years ago. Last year, New Jersey received an extension for the implementation of it. Where are we in the time to fully implementing the REAL ID?

MR. MARTINEZ: We will have that done by the end of next year.

ASSEMBLYMAN CHIARAVALLOTI: Okay.

MR. MARTINEZ: That's what we have told the Federal government. We are in good company; most jurisdictions are in the same boat that we are. We were not an early adopter; we wanted to be, but we changed our program. And I think that we are -- we have no doubt that we're going to be able to be fully compliant by the end of next year.

ASSEMBLYMAN CHIARAVALLOTI: And then just in your testimony, you referenced offering your customers -- our constituents -- an option.

MR. MARTINEZ: Yes.

ASSEMBLYMAN CHIARAVALLOTI: How does that work under the Federal reg, and how is that explained to the constituent -- the implication of not having the REAL ID when they are new?

MR. MARTINEZ: Well, that's going to be a major education process because we also are going to try and not have customers come in just because they are -- they see that REAL ID is coming. Our deadline here is, starting January of 2018, travelers with a driver's license issued by a state that is compliant with REAL ID -- which New Jersey will be -- or a state that has been issued an extension, will still be able to use their driver's licenses for identification cards. So as long as we meet that deadline by the end of next year, then all New Jersey licenses will still be acceptable for boarding aircraft and what not until 2020. And that's when they are going to either require a REAL ID-compliant license that's marked as such, or some other -- you can use some other form.

So in offering a choice to-- That's going to be an education, because we understand that some people won't need it; they don't think they're going to need to go into a Federal building, or travel; or they may want to travel with their passport. So they'll be given that option.

ASSEMBLYMAN CHIARAVALLOTI: Okay. And you have materials that are prepared to explain it to a constituent? And I'd be interested in it; you know, representing Hudson County, a fairly diverse--

MR. MARTINEZ: Yes.

ASSEMBLYMAN CHIARAVALLOTI: --community, obviously. I am concerned that, for the sake of expedience, a constituent or a *customer* -- to use your term -- who is in a rush, and has to get to work, working two or three jobs, decides to take the easy way out and doesn't fully understand the consequences of not having that REAL ID.

MR. MARTINEZ: Right.

ASSEMBLYMAN CHIARAVALLOTI: So I'd like to -- if you can share information with me, that would be appreciated.

MR. MARTINEZ: Right. And I understand that, and I anticipate working very closely with the Legislature on this. Because we're going to need to communicate it to your constituents; I agree with you 100 percent on that.

ASSEMBLYMAN CHIARAVALLOTI: And just changing gears quickly, because we have you here, and you are an expert. And it is on a serious note.

Recent-- This past year we've had a couple of auto accidents in District that have led to fatalities, including a good friend of mine and his 5-year-old daughter. And what was discovered through the investigation

was that the driver's license had been suspended 28 times. In your expertise and your experience, how many is too many? What's the best practice? What are other states doing when you have a habitual offender who's getting his license suspended?

MR. MARTINEZ: Right. Well, clearly, that's a problem. We have some of those-- I mean, that's an outrageous number. We don't have the ability -- we don't have a police department; we don't-- Motor Vehicles doesn't have the ability to go out and incarcerate those people, or force them into treatment programs, or whatever the solution is for that particular customer. That has to occur, unfortunately, when they're before a judge, if they ever get in front of a judge.

ASSEMBLYMAN CHIARAVALLOTI: Right.

MR. MARTINEZ: We -- our job, as we see it, is to ensure that our records are accurate; that they are suspended. So that if a police officer stops them on the road, that our-- This is why our data is so important -- that it has to be accurate for the police officer, in New Jersey or elsewhere, who stops a New Jersey resident -- says their license is suspended or in good standing. And that the courts, also, in making their determinations, have the best up-to-date information. That's the best that Motor Vehicles can do in that regard.

But certainly, you know, *a* suspension is bad enough, if it's not an administrative suspension for some purpose.

ASSEMBLYMAN CHIARAVALLOTI: Right.

MR. MARTINEZ: But for bad driving behavior, we work-- We are part of a group; it's not all -- it's not-- One of us can't do it all. Motor Vehicles can't do it all; law enforcement, the courts can't all do it all. They

have -- it has to work together to correct bad driving behavior. And that means suspensions; that means -- it could mean incarceration; it means fines. This Legislature has done a great job in terms of, you know, the texting while driving, and increasing the fines and penalties. And we've done our part to try and continue the education process -- not just for young drivers, but for all drivers -- about the dangers of texting and driving. I hold out hope, I really do, that over time these things do work; because I've seen it work with seat belt use, and I've seen it -- and DWIs. And it has saved lives, but it takes time.

ASSEMBLYMAN CHIARAVALLLOTI: Okay.

Thank you, Chairman.

MR. MARTINEZ: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.

Assemblywoman.

ASSEMBLYWOMAN CHAPARRO: Thank you for being here.

I have two questions. The first one is, is there any extra cost if you register online or when you do Skip the Trip? Is there any extra cost for that?

MR. MARTINEZ: We have eliminated that additional online fee for registration and for most of our online services. It was a little odd; New Jersey had an additional fee for doing online transactions, which is counterintuitive, right? It costs the State less to provide that service--

ASSEMBLYWOMAN CHAPARRO: Right.

MR. MARTINEZ: --and you want people to do it. And I had a lot of people say, "I'm not doing it, because I'm not paying the extra \$1.50 or \$2.50."

ASSEMBLYWOMAN CHAPARRO: Right, right. So, no longer?

MR. MARTINEZ: We've eliminated that.

ASSEMBLYWOMAN CHAPARRO: Okay.

And my next question -- in which I want to piggy-back off of Assemblyman Clifton -- is, Skip the Trip--

MR. MARTINEZ: Yes.

ASSEMBLYWOMAN CHAPARRO: --which I think is a great program. I want to know who qualifies, which you answered his question.

So that brings me to my constituent who, four years ago, did the Skip the Trip; got it in the mail. It's a senior; and he was happy with that, and sent a check, got his ID -- it's only an ID; it's not a driver's license. This year he got the same notification, but no Skip the Trip.

MR. MARTINEZ: Right.

ASSEMBLYWOMAN CHAPARRO: And he was upset; he's 77, and he doesn't want to travel, doesn't want to take transportation to go get an ID.

So I called for him, and it was, sad to say, that I didn't identify myself because, one, I don't like doing that because I want to get the same response regular people will get.

MR. MARTINEZ: Right.

ASSEMBLYWOMAN CHAPARRO: And the woman on the phone was not helpful; her answer was, "Did he get a notice? Did it say he can Skip the Trip?" I said, "No; he wants to know why he's not--" "He didn't qualify." "Well, why didn't he qualify?" "Because he didn't get the letter." That didn't answer my question.

MR. MARTINEZ: Right.

ASSEMBLYWOMAN CHAPARRO: So he wants to know, at 77, why does he have to go in to get just an ID; and he really doesn't want to go. And by the way, he's putting that on my hands, which-- It's at the end of this month, so I have to take him.

MR. MARTINEZ: Right. If I can, the requirement is you need -- it's statutory -- that the photo needs to be done every eight years.

ASSEMBLYWOMAN CHAPARRO: But this is four years.

MR. MARTINEZ: No, no, no.

ASSEMBLYWOMAN CHAPARRO: Right; okay.

MR. MARTINEZ: The way the Skip the Trip works is, you get your license; let's say you came in you got your license, you had your photo done. Then at the end of four years, you would get -- you would be offered Skip the Trip, because we don't need to have your photo done again--

ASSEMBLYWOMAN CHAPARRO: Right.

MR. MARTINEZ: --after four years. You could Skip the Trip. But the next four years, you would have to come in. So it's once every eight years, we have to refresh the photo.

And that is part of the security; and I could go through the numbers -- I think I did, actually -- of all the document fraud and identity fraud that comes through our office. And seniors are particularly vulnerable to this; because, you know, it does happen. If somebody is able to compromise their identity, that's usually -- it might involve checks, checks from -- or criminal activity.

So we need a photo once every eight years, I guess is the short answer. And I think that's what your constituent ran into. They were able to take advantage of it--

ASSEMBLYWOMAN CHAPARRO: Right. They were able to take advantage of it; this was four years ago, right? And I guess you're saying he has to take a new picture. But he's thinking, "I don't walk well, so I--" The risk of him getting just an ID, because he needs to get this ID--

MR. MARTINEZ: Sure.

ASSEMBLYWOMAN CHAPARRO: He can't go to the bank, he can't do anything. He feels it's not worth it to him, because he doesn't have a vehicle; he has to ask somebody to take him. He doesn't have family. So I am his Assemblywoman; and if I'm a good Assemblywoman, I will drive him to Motor Vehicles and get that ID -- which I have to.

But I just was wondering -- it's just an ID. And I understand, for voter fraud -- maybe that's part of the mobile thing that comes into play. It just didn't make any sense for him.

MR. MARTINEZ: And the mobile-- So for instance, the mobile office-- I would envision that going to senior centers. We really can't go to individuals' homes--

ASSEMBLYWOMAN CHAPARRO: Right, right.

MR. MARTINEZ: --but we would be able to go to senior centers in your districts on a scheduled basis. And of course, I will tell you that we work with legislative offices throughout the state to do-- If there's a particular person who has a need and needs to get in and out, we can get them -- make sure that they're taken care of first, and not have to stand in line. This is particularly-- And our managers and our supervisors actually

will walk-- And if there are people who are aged or infirm in any way, they will take them out of line and try to get them expedited; and it usually works.

But if that's a particular customer that we can help, please let me know.

ASSEMBLYWOMAN CHAPARRO: Okay; thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblyman McGuckin.

ASSEMBLYMAN MCGUCKIN: Thank you, Mr. Chairman.

Thank you for being here today. It's been a long morning; I just have a couple of things.

First, the license renewal on your birthday. You know, when I first heard it -- of course; why haven't they done that sooner? It makes an awful lot of sense. You never want to go to the Motor Vehicles anywhere late in the month, at the beginning of the month.

The Skip the Trip -- personal experience: It's worked; I just got one for my daughter. And my experiences, I would say, over the last 8 to 10 years with Motor Vehicle -- personal experiences have been much better than they were before that. Before you, and during your tenure, your Toms River office has been doing tremendous, I think. I get very few complaints about any of that.

I do have a concern that I'm going to get to in one second. The senior centers where you will go and have a regular scheduled type of visit -- you could take that to a senior community, for instance; a gated community, something like that?

MR. MARTINEZ: Absolutely. That's exactly what I would envision. And when I was Commissioner in New York, I tried to work with the legislators, to say, "Tell me where you want me to go," and--

ASSEMBLYMAN McGUCKIN: And what do you bring in, a van? Or do you set up in a --

MR. MARTINEZ: These are fully equipped mobile offices, with lifts and everything for individuals with disabilities. It is exactly that -- it looks like a Motor Vehicles office; it will have at least two cameras in there. And we can even use it for -- we can do transactions; but we would also be able to use it for community events where we can distribute information, for instance, to educate people about REAL ID, or whatever. It's a tool that we've been waiting for, for a long time, and we're going to have two of them.

ASSEMBLYMAN McGUCKIN: And you have two of them around for the whole state?

MR. MARTINEZ: We will; it's delivery in the spring of 2017. But they are on order, and--

ASSEMBLYMAN McGUCKIN: Okay. So--

MR. MARTINEZ: --it's going to happen.

ASSEMBLYMAN McGUCKIN: So my office can make arrangements with you to see if we can get a schedule going for some of our communities. That would be great.

MR. MARTINEZ: Yes.

ASSEMBLYMAN McGUCKIN: Last, and it's a parochial issue, but it is a problem.

For 25 years I have looked at the former Inspection Station in the middle of a commercial corridor in Toms River. It has been vacant for over 25 years; it looks horrendous. We've asked repeatedly, from the local government on up, "What is the plan here? What are we doing with this building?" We're told it's an architectural -- because it was built during the Depression, that perhaps there's historical significance.

At the same time, we have a Motor Vehicles office -- your Toms River facility is in a rental unit. Either, it seems to me, move the office to that facility; if there's not enough parking, perhaps we could deal with the town or the county. There are plenty of other facilities that the county or town would have. Can't we do something with that building? It's in the middle of Toms River, right on 166; 25 years it's been vacant. And it's a pet peeve of mine, and a lot of other people in Toms River.

MR. MARTINEZ: Right.

ASSEMBLYMAN McGUCKIN: We'd appreciate if we could, perhaps, get something done with that.

MR. MARTINEZ: We take your point on that, Assemblyman. And obviously we want to be responsive.

The Toms River-Lakewood area is -- we have a few properties, including that one, where it would really make sense to have a very large Motor Vehicles Office to service those communities. And as I said, our goal is to try and get out of leased spaces. So if you'll allow me to just look at that particular issue.

ASSEMBLYMAN McGUCKIN: Sure; and I'd love for you to relinquish any interest you have, or sell it, or--

MR. MARTINEZ: Right.

ASSEMBLYMAN McGUCKIN: --do something with it. It makes no sense for a vacant building to be in that commercial corridor at that location.

MR. MARTINEZ: Understood.

ASSEMBLYMAN McGUCKIN: Thanks.

MR. MARTINEZ: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

ASSEMBLYMAN McGUCKIN: Thank you, Mr. Chair.

ASSEMBLYMAN WISNIEWSKI: And Assemblyman Benson, follow-up question.

ASSEMBLYMAN BENSON: Just on the Skip the Trip -- I forgot to ask.

Any chance of getting that to be able to pay by credit card? Right now, I think you have to do it by check, right?

MR. MARTINEZ: So it's a mail-in transaction. I think that's why-- Yes.

ASSEMBLYMAN BENSON: There's no way to process the payment, and then you mail in--

MR. MARTINEZ: That's a Treasury issue--

ASSEMBLYMAN BENSON: Okay.

MR. MARTINEZ: --and we don't--

ASSEMBLYMAN BENSON: So when we have the Treasury-- We should write the Treasury. Because, I mean, even if you're mailing in the form and you're signing, there should be a way to make the payment online.

Okay, thanks.

ASSEMBLYMAN WISNIEWSKI: So Chief Administrator, thank you for being here today.

I think there's probably some continued dialogue; there were a couple of questions that you have committed to provide us information on. And not necessarily that this represents a full summary, but I would like to drill into, in greater detail, the staffing changes that you've made so that we could see -- for the Committee members to see exactly where those staffing changes have taken place. And given the volume of the transactions that you're doing, even if the 20 percent reduction is only in the back office, we all know that in any enterprise, when the back office -- stuff's not happening, it usually falls on the shoulders of the people in the front office. And we just want to understand that staffing change so that we can better appreciate what impact that has on customer time and waits.

I think one of the things that we've learned here is that although the Motor Vehicle Commission is, in theory, an independent organ of State government, we hear that it is not possible for you to make independent decisions on computer technology; and it is not possible for you to determine to make credit cards an acceptable form of payment on a renewal. That's unacceptable, and we have to find ways to truly-- If we're going to have it as an independent Commission, then you ought to have the ability to act as such. If not -- and that could be a policy call as well -- then we ought to call it as such. But right now, having -- requiring the Motor Vehicles Commission to say, "May I?" on computer technology, or something as simple as paying a bill, seems to make no sense and ties your hands needlessly.

The point -- and I know Assemblyman Moriarty had to leave for another meeting -- but the wait times for commercial drivers licenses. Someone could take the test -- and I've known a number of individuals who call my legislative office; they've taken the test, because the job they want to get requires them to have a CDL -- but they can't get the road test. And the person won't hire them because they haven't gotten the road test, and so they miss opportunities. We have to shorten that wait time, and clarify the miscommunication, potentially, about why it is if you take the test with an automatic, you then have a limitation on the work you can do -- when the same doesn't apply on a regular motor vehicle.

In addition, I'd like to follow up also with Assemblywoman DeCroce's concern about how individuals are allowed to sign for voter registration; and since-- And everybody says the 6-point ID is the most rigorous, daunting aspect of going to the Motor Vehicles, because most people aren't even sure what constitutes the full 6 points, so they go with more documents than they could possibly need. If people are going with those documents, how is it possible that they're allowed to sign for voter registration when they're not allowed to or entitled to?

Those are the questions that I've recalled. If any of the members have any others, we will certainly send that to you. And if you would send it to my attention, and I'll make sure the Committee all gets it.

MR. MARTINEZ: Thank you, Chairman, and thank you members of the Committee.

ASSEMBLYMAN WISNIEWSKI: Thank you.

So the first Bill we will consider is Assembly Bill 4344 by Assemblyman Karabinchak; I don't know if he's here. (no response)

Okay, would you read the Committee statement, please?

MS. VOGEL: Assembly Bill No. 4344 designates a portion of State Highway Route 18 in the Township of East Brunswick as the “State Trooper Werner Foerster Memorial Interchange.” State and other public funds are not to be used for producing, purchasing, or erecting signs bearing the designation, but the Commissioner of Transportation is authorized to receive financial assistance from private sources.

ASSEMBLYMAN WISNIEWSKI: Okay; I know I saw Assemblyman Karabinchak earlier, but I don’t believe he’s still in the room.

Any members wish to--

Assemblyman McGuckin.

ASSEMBLYMAN MCGUCKIN: Just briefly, I’m sure this will receive a unanimous vote, both here and on the floor.

Just my recommendation. I would love to see some reference in the Bill to the fugitive Joanne Chesimard who, today, resides in Cuba. We see flights going to Cuba -- commercial flights; tours are being encouraged. I think we should use every opportunity we have to remind the public that this is a fugitive who killed a State Trooper and is being harbored by that country. And I would hope that it would be somewhere included in the Bill.

But I support it completely.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblyman, thank you.

So I would just say this before we take a motion. The sponsors are not here; my practice is to not unilaterally amend a member’s bill. But

we could append to the Bill statement our concern that while the United States government has begun to soften its relationship with the nation of Cuba, that Joanne Chesimard still remains a fugitive under the protection of the Cuban government. And that any full normalization of diplomatic relationships between the two countries is going to have to include resolution of that fugitive status.

ASSEMBLYMAN McGUCKIN: Truly; absolutely.

Thank you, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Okay. With that added to the Committee statement, we have a technical amendment. Would you please read it?

MS. VOGEL: The Committee amendments make technical changes to the preamble of the Bill.

ASSEMBLYMAN BENSON: Moved as amended.

ASSEMBLYMAN WISNIEWSKI: Moved by Assemblyman Benson, as amended.

ASSEMBLYMAN KENNEDY: Second.

ASSEMBLYMAN WISNIEWSKI: Seconded by Assemblyman Kennedy. And don't forget, we've also appended that statement language.

MS. VOGEL: On the motion to amend and release Assembly Bill No. 4344, Assemblyman Clifton.

ASSEMBLYMAN CLIFTON: Yes.

MS. VOGEL: Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: Yes.

MS. VOGEL: Assemblyman McGuckin.

ASSEMBLYMAN McGUCKIN: Yes.

MS. VOGEL: Assemblyman Kennedy.

ASSEMBLYMAN KENNEDY: YES.

MS. VOGEL: Assemblywoman Oliver left a vote in the affirmative.

Assemblyman Moriarty left a vote in the affirmative.

Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MS. VOGEL: Assemblyman Chiaravalloti.

ASSEMBLYMAN CHIARAVALLOTI: Yes.

MS. VOGEL: Assemblywoman Chaparro.

ASSEMBLYWOMAN CHAPARRO: Yes.

MS. VOGEL: Assemblyman Benson.

ASSEMBLYMAN BENSON: Yes.

MS. VOGEL: Vice Chair Vainieri Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes.

MS. VOGEL: Chairman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

The Bill is release, as amended.

Okay, next we will consider Assembly Bill 3745. And when you get a chance, you could read the statement.

MS. VOGEL: Assembly Bill No. 3745 permits the testing and use of autonomous vehicles on New Jersey's public highways, roads, and streets. An autonomous vehicle may be operated on public highways in New Jersey for testing purposes by an operator who possesses the proper class of license for the type of vehicle being operated, if certain requirements provided in the Bill are met.

An autonomous vehicle is not to be operated on public highways in New Jersey for testing purposes until the Commission approves an application submitted by the manufacturer, which is to contain certain information required by the Bill.

The Bill provides that the Motor Vehicles Commission is to approve an application if the Commission finds that the applicant submitted all the required information; completed testing necessary to satisfy the Commission that the autonomous vehicle is safe to operate on public highways, roads, and streets in New Jersey for testing purposes; and complied with the regulations adopted by the Commission.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman, good morning.

ASSEMBLYWOMAN PAMELA R. LAMPITT: Good morning, Chairman, and thank you very much for posting this Bill.

And with the great review of the Bill, I'm not sure what more I'd have to say. But I appreciate you posting the Bill.

This issue became very interesting to me because, as semi-autonomous cars and autonomous cars are the wave of the future, I sort of wondered, at some point, who are we going to insure? Well, certainly the car was going to be insured; however, if there was no driver, per se, then who is going to be the insured driver in the car, and designated as such in case there is an accident and we needed to appropriately align the error during the actual accident?

So this issue became very apparent to me a while back. And after doing some due diligence and some studying, looking to see what other states were doing, it became more and more apparent to me that

actually we needed to insure that autonomous cars could actually be tested on the streets of New Jersey. And with all of that, this was probably the first step that we needed to endeavor to ensure the fact that-- When the carmakers are actually developing these fully autonomous cars, we needed to make sure that there were some requirements that would be met, as they would be on the roads with other insured drivers under normal situations.

You know, currently, too, we have many of our car dealers, car manufacturers who actually are producing semi-autonomous cars -- that if you could just, sort of, slightly think that maybe, in some part and parcel, they're actually autonomous in their own way. So maybe we're a little bit behind the eight ball on this one -- to get this done. However, I believe that the requirements that we're asking the manufacturers to endeavor are not egregious; however, I know that there are some car manufacturers that have come to me and have asked for some amendments. And certainly this Bill will take a while to get through, not only the Assembly, but the Senate. And I can assure and attest to everybody that my door is open to continue the discussion about how we can safely -- and ensure the fact that the roads will be safe when autonomous cars are the future.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman, one of the questions that I've had about this "permits the testing and use of autonomous vehicles." Some people would say that Tesla is an autonomous vehicle. What's the distinction? You use the word *semi-autonomous*; but at least I did my homework for this meeting and I went to a dealership; the claim seems to be that it's an autonomous vehicle.

ASSEMBLYWOMAN LAMPITT: Is that what you told your wife -- you were doing testing, doing research? (laughter) Is that what you were telling her? I'm sorry.

ASSEMBLYMAN WISNIEWSKI: Market research; yes. (laughter)

ASSEMBLYWOMAN LAMPITT: "I'm going to go do research, Deb." (laughter)

No; so there are cars out there -- I know that Honda has one out on the market that is basically semi-autonomous. However, it does require driver engagement. The cars that are out there right now, that are fully-- We're talking about fully autonomous cars, where it does not necessarily require driver engagement to sustain the actual motion of actually driving. So at this point in time, you know, we have not enacted any sort of requirements for semi-autonomous cars because of the requirement that the manufacturers already have for the driver to be seated.

But these autonomous cars are not that. You've seen the pictures where there's an autonomous car; where there are -- you could actually have, probably, a table in the middle and have coffee with four people. And then the person who should be in the driver's seat -- their back is turned to the road.

So those are the cars that we need to be more diligent about, to ensure the fact that it's being done -- that testing is being done safer.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: I have a couple of questions.

When we're talking about the testing part, the manufacturers -- have you met with them, where they-- I mean, they say that nobody's in the car; or do they have somebody in the car when they're on the roadways -- not on private property or testing areas?

ASSEMBLYWOMAN LAMPITT: Right, right. So many of the -- you know, we've been doing this for a while, that nothing really motivates somebody who is interested in a piece of legislation more than posting a bill. But this piece of legislation has been in, sort of, the works for a period of time. Each one of the manufacturers does things slightly differently; in which case, we won't make everybody happy with this piece of legislation, but we certainly can refine it to the point where our job is to make sure that when a vehicle is being tested on the road, that we can ensure the fact that it's being safely done.

ASSEMBLYWOMAN DeCROCE: Right. Well, I think I've said in the past, for 54 years my family was in the automobile business. So, I am very familiar with technology and where it was and where we are today.

Do others states throughout the United States require what we're doing right now?

ASSEMBLYWOMAN LAMPITT: So this particular legislation is modeled after many other states that have already enacted testing of autonomous cars, yes.

ASSEMBLYWOMAN DeCROCE: I'm just trying to understand what manufacturer would put a car on a roadway without somebody in it, just to test it. I mean, I'm having a hard time. I would hope -- I don't know if there's anyone in the audience to testify in regards

to this, because it seems --- it just seems not-- I would like to hear from them as well.

ASSEMBLYWOMAN LAMPITT: I'm sure that many of them are sitting behind me who will be able to provide you some information.

ASSEMBLYWOMAN DeCROCE: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Other members?

Vice Chair.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes; thank you, Mr. Chairman.

Great initiative, because it is probably the wave of the future; although I would be very hesitant and afraid of an autonomous car.

We're talking about testing, though. And I think in reference to the Assemblywoman's question on which states have the presence of a driver -- I don't think Florida does; I think Florida is doing testing without the presence of a driver. That begs the question, in my opinion: Is it safer to have a driver in this autonomous car for testing; or is safer for just this car to go out and be tested? And this is just for testing.

ASSEMBLYWOMAN LAMPITT: Correct. This is just -- I'm going to emphasize it.

ASSEMBLYWOMAN VAINIERI HUTTLE: Right.

ASSEMBLYWOMAN LAMPITT: That this is just for testing. This is so we know, in advance, whether or not it requires an additional human interaction to occur during the testing phase.

ASSEMBLYWOMAN VAINIERI HUTTLE: And do we know how many cars actually exist now, manufactured to have -- to be wholly

autonomous? We get that we have Tesla; but to be -- when I think of *autonomous*, I'm thinking -- as you say -- they can have their back turned, they can be doing whatever they are without paying attention to the road. And I think that New Jersey's unique because of the traffic and congestion due to other -- more so, than probably any other state, in my opinion; statistics probably would show that, especially up in the northern corridor where we don't have mass transportation and it's solely cars.

Changing lanes and keeping the speed limit -- I feel there are so many challenges to this, especially if an autonomous car would obey the speed limits. Think about that -- how slow these cars would be going on the New Jersey Turnpike, because most of us have that flexibility. It just seems to me that the testing is so much more warranted in a state like New Jersey that is so unlike other states.

But to the question: How many autonomous cars are actually being manufactured now; do you have that? No?

ASSEMBLYWOMAN LAMPITT: I don't have specifics; but we do know that Tesla, we know that Google, we know that Uber are all sort of -- have venture capital in these sort of autonomous cars.

I'm not negative against autonomous cars; I just want it done safely. You know, we all legislate the way that we live in our lives as well. So my son-in-law was in a car accident this weekend. And if he was probably in a semi-autonomous car, he probably would not have had an accident. You know, he stepped on the gas as opposed to stepping on the brake. And probably a semi-autonomous car would have saved him, at that point. So I'm not against it; I just want to ensure the fact that while the testing is happening, that there is a presence of a human interaction to

ensure the fact that if there's a life that can be saved -- as you say, densely populated; our roads are crowded, as we all know -- that there is a human interaction there to save a life.

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Assemblyman Chiaravalloti.

ASSEMBLYMAN CHIARAVALLOTI: Thank you, Assemblywoman.

Just one question, because I'm a little confused about it.

But you talked about -- there is limited testing. And then-- But in Section 5, you talk about information being garnered by the purchaser.

And I know in putting this together in multiple states and trying to figure out a model -- is the intent to just limit it to testing vehicles, or just--

ASSEMBLYWOMAN LAMPITT: So when I was doing my research as to what approach should we take, I wanted to go full onboard and look at the insurance. I mean, who are we going to insure? And after we did our research, it appeared that most states were going in this sort of direction, with determining the requirements for just testing only -- before we make our next move. You know, everything is something you build upon, and we just need the data to ensure the fact that while the testing is occurring, that it's being, like I said, safely done.

So why do we want to put the cart before the horse? Sometimes we just have to crawl before we walk, and this was one of those crawling.

ASSEMBLYMAN CHIARAVALLOTI: Okay; thank you.

ASSEMBLYMAN WISNIEWSKI: And since these are autonomous vehicles, there will be no horse. (laughter)

Assemblywoman, I don't know how much time you have; but we have Damon Porter and Pete Cammarano from Global Automakers; I'd like them to come up. They are going to offer some testimony.

ASSEMBLYWOMAN LAMPITT: And I apologize; I have to run. I have to go to another commitment. But I will meet with and communicate with everybody, and get the notes from Jillian.

ASSEMBLYMAN WISNIEWSKI: Fantastic.

ASSEMBLYWOMAN LAMPITT: Thank you; Mr. Chairman. I appreciate it.

ASSEMBLYMAN WISNIEWSKI: Thank you, Assemblywoman.

Pete, Damon.

Pete, you've been here before; you know how this works.

**P E T E C A M M A R A N O:** Thank you; thank you, Chairman; thank you members of the Committee.

I am here on behalf of the Global Automakers.

Joining me -- and someone who is going to testify, but may be able to answer some of your questions -- is Damon Porter with the Global Automakers.

So I'll just turn it over to you.

**D A M O N S H E L B Y P O R T E R:** Sure.

Thank you, Mr. Chairman, members of the Committee.

For the record, my name is Damon Porter: I'm Director of State Government Affairs for the Association of Global Automakers. We

represent international automobile manufacturers, original suppliers, and other automobile-related trade associations.

Here, in New Jersey, we manufacture 52 percent of the new cars that are sold in the state, and we manufacture over 70 percent of the green technology cars that are sold in the State of New Jersey.

Our member companies have invested billions of dollars in automated vehicle technology. And at this time, we think it's premature for the State of New Jersey or, frankly, any other state to go beyond the NHTSA guidelines that have been released just a few months ago, which is the Federal agency that regulates automobile safety.

We make safety a high priority, obviously. And we take it very seriously in terms of the development, design, and performance of our cars. We're opposed to Assemblymember Lampitt's Bill, particularly for the main purpose that there are two roles to be played: one at the Federal level and one at the State level. As I mentioned, in September, the U.S. Department of Transportation, the National Highway Traffic Safety Administration -- which has the primary responsibility for regulating the design, performance, and safety of automobiles -- put out a *Federal Automated Vehicle Policy Guideline*. That guideline, and that guidance, was designed to help both -- two things: one, to have a very flexible and nimble approach to automated vehicles. Innovation and technology will always outpace any law or rule that a state will try to enact or promulgate. And what we've seen in other states that have attempted to address this issue in the early stages -- they're constantly refining and modifying existing laws. So we need a very flexible rule-making approach.

There was a ringing endorsement that was made by the U.S. Department of Transportation, when it put out its guidelines, that said that the automated features in these cars will have life-saving benefits. And they were endorsing this technology. But they also recognized that going through a traditional rule-making process wasn't really going to fit the type of innovation pace that we're seeing. So automated vehicles, right now, have an unprecedented wave of technology, and the pace is very rapid.

The second thing that we recognized when the NHTSA guidelines came out a few months ago was that we needed a national approach to addressing automated vehicles. And I have just a couple of questions that may put this in perspective.

The activity at state levels presents significant challenges. So for instance, what would happen if the State of New Jersey passed an automated vehicle law certifying or having certain conditions in terms of testing, but one of your neighboring states didn't? Would this car, that was certified in one state and not certified in another, be permitted to cross state lines? For example, we've seen in other states that have introduced legislation -- that the definitions or the language was so onerous and so prescriptive that it would actually prohibit cars that are already on the road.

So to give you a little perspective of automated vehicle technology: This is not something new, but it's really a continuum. We've had automated features in cars for over 30 years, starting with anti-lock brakes, electronic stability control -- things that are in your cars today. We actually have automated features in cars that are being sold in the marketplace -- things like lane-keeping assist, adaptive cruise control, automatic emergency braking, etc.

At this point, these automated features are designed to assist the driver. And what we're trying to do is go from crash sustainability -- meaning, you get in a car, and how we can survive that crash; and we're going to a point where we want to avoid the crash all together.

But where we are right now is in the Level 2 and the Level 3 of a 5-level series of automation. And I know you had mentioned earlier the question of Tesla. Well, the Tesla car is only a Level 2 car; which means it only has automated features to assist the driver in avoiding a crash -- those things that I mentioned: lane-keeping assist, adaptive cruise control. The Tesla cars that are in the marketplace-- And by the way, I don't represent Tesla; they are not a member. But I want to answer one of the questions that was posed. The Level 2 features are driving-assisted; there is no Level 4 or Level 5 fully automated car in the marketplace today. So the concerns that many public policy legislators have here in New Jersey and in other states-- Quite frankly, I understand the fear and the anxiety that new technology possesses; but we're not there yet. We're clearly in the testing phase.

I would like to cite two other states, though, that have made some groundbreaking efforts in the area of automated features, automated driving, and testing. And they haven't enacted one law, or they haven't promulgated one rule.

The first is Ohio; and Ohio, at one point, had considered enacting legislation. But they decided not to do that because they didn't want to inhibit technology, they didn't want to inhibit innovation, and they didn't want to inhibit varying developers to test the automated features. The City of Columbus, Ohio, was awarded the \$40 million Smart City

Challenge grant award without changing one law or promulgating a rule. Just two weeks ago, Governor Kasich made another announcement where the state of Ohio was going to invest another \$15 million in U.S. Highway 33, a 35-mile stretch corridor, for automated testing. No laws were changed.

In the state of Virginia, Governor McAuliffe issued an Executive Order that merely allowed the collaboration between Virginia Tech in Blacksburg, along with automobile industry manufacturers, other suppliers, the DMV, highway patrol, and others to designate a certain corridor for testing. Again, no laws or rules were changed.

We believe that, at this time, this is the appropriate step for any state to take -- which is to work collaboratively with the auto industry; to work collaboratively with developers. But the minute you start trying to either codify the NHTSA guidelines, or to try to enact other legislation, what you're actually doing is creating a patchwork of laws that's going to make it very difficult for the automobile manufacturer, and the companies that we represent, to design and perform (*sic*) a car that can be sold in all 50 states.

So those are some of the top-line reasons why we're opposed to the Bill. We look forward to working with Assemblymember Lampitt in the future; but, at this time, we think it's really premature to try to enact legislation.

I'd be happy to answer any questions you may have.

ASSEMBLYMAN WISNIEWSKI: Thank you very much for being here, and waiting through the earlier part of this meeting to provide the testimony.

Just on-- I understand what you're saying; but from a legislator's standpoint, what you're also saying is, "Let us decide the standards, and then we'll come to you for codification." And that, as you can appreciate, leaves us a little bit concerned, because then we're delegating to the industry safety standards that we believe might be in the better jurisdiction of the State. How do you respond to that?

MR. PORTER: Well, I would say this. We're not the ones who make the decision, in terms of safety. That's the Federal agency that I mentioned before, NHTSA. Every component that is on a car must be certified by NHTSA to make sure that it is safe. And so there is an appropriate agency that is responsible for the design, the performance, and the construction of the vehicles. That is the role, and the appropriate role, for the Federal agency.

The appropriate role for states -- which has been the traditional role for states in this regard -- are three areas: One, licensing, to make sure that those folks in your state have an operating license; they've passed a particular test -- either driving test or written test -- to make sure that they know the traffic laws. Two, registration, to make sure that the vehicle is in good working order -- has either passed a safety inspection, and is permitted to be on the roads. And three, insurance, to make sure that those people who are operating car have the appropriate insurance for liability purposes. Those are the appropriate areas for states to engage.

What we've seen, though, is that there's a slippery slope in these bills, where it looks very innocuous at the beginning, and says, "We're just in testing," and then the rules either become promulgated or there are

definitions in the law which go to design and performance. And when that happens, it becomes very difficult for our manufacturers to test.

ASSEMBLYMAN WISNIEWSKI: So here's the intersection that I understand you tried to answer, but doesn't get addressed. So your testimony is, the jurisdiction of the State is licensing. What do we license? We license drivers, because it's in the State's interest to make sure that somebody operating the vehicle has passed a test and understands how to operate that vehicle. What the industry is suggesting is, let's do away with the driver and we'll essentially license that driver; we'll license that computer, and tell you this is the standard.

So the State jurisdiction that you described essentially goes out the door with autonomous vehicles; and someone else is now deciding who can drive that vehicle -- and it's probably some code writer in some office building wherever they're developing the computer language for the next generation of autonomous vehicles.

MR. PORTER: Well, Chairman, I would actually disagree and agree with you at the same time, which is to say that--

ASSEMBLYMAN WISNIEWSKI: You should be up here, then. (laughter)

MR. PORTER: Well, I'd be happy to do that at some point in my career. (laughter)

Actually, I would disagree and agree with you from this standpoint. I think it's very important for you and other public policy makers to say what laws are currently on your books that would prohibit the innovation and testing today. So yes, in terms of trying to define operators and drivers, that is certainly part of this whole question of

licensing and registration. But we have not been able to find any instance in any state that would prohibit the testing components, except for one -- and that would be the state of New York, which has a law on its books that requires at least one hand on the wheel. And in that regard, it would be a barrier to innovation; it would be a barrier to automated vehicle technology testing policy.

But we haven't seen anything in New Jersey; and quite frankly, we haven't seen anything in other states right now that would be a barrier to testing or innovation. So I think the laws that you have are adequate; but to the extent you have laws on the books that would be a barrier to the innovation or testing -- by all means, let's look at those. But what Assemblymember Lampitt is attempting to do, doesn't do that.

ASSEMBLYMAN WISNIEWSKI: Thank you, Damon.

Assemblyman Benson has a question.

ASSEMBLYMAN BENSON: I just have a few.

I mean, I completely understand the importance of trying to make sure that there are no barriers in the way of new technologies; the NHTSA regs being the example.

In regular cars, there are obviously regulations under NHTSA on how they have to be manufactured. And we have State regulations on how they must be operated, licensed, and insured.

You didn't mention operation of the vehicle in your-- Between the two, I think that's important to say that states have. I can think anything, from the tinting of the windshields, varies from state to state; and obviously, that has an impact on the operation or the use of the vehicle in a state.

In this case, how many testing vehicles are you aware of -- since you said, right now, there are no barriers to testing in New Jersey -- is there any testing going on now?

MR. PORTER: In the State of New Jersey?

ASSEMBLYMAN BENSON: Correct.

ASSEMBLYMAN BENSON: I would have to check. I wouldn't want to make a statement one way or the other without checking with our member companies to see if there's any testing in the State of New Jersey currently.

The other thing I would say is that you could look at-- Again, Pennsylvania's another example where you have Uber, which is doing some automated vehicle testing and ride-sharing. Again, no barriers there, no new laws were enacted, no new rules were promulgated, working collaboratively with the City of Pittsburgh. There are the appropriate safety engineers in the cars at all times to test and to monitor the performance. That's exactly what we're trying to--

ASSEMBLYMAN BENSON: But based on the laws currently in Pennsylvania, does that driver have to be in there? It's the choice of the manufacturer and Uber to do so; but that's a choice that they're making. Do they have to?

ASSEMBLYMAN BENSON: You know, I believe that the Secretary of Transportation for the state of Pennsylvania said that there were no laws prohibiting.

ASSEMBLYMAN BENSON: So, I mean, I think that's where some of the concerns come in, in terms of -- we have responsibility to public safety, as well as encouraging new regulations. Obviously, I encourage you

to work with the sponsor, who has expressed a willingness to make sure that nothing in the language tries to regulate the three pieces that you think NHTSA already does; and I think that could be made explicit, possibly if things-- When it comes to licensing, registration, and insurance, it's down the road. But in testing, one, so the public knows whether testing is occurring in their state, so if they do get in an accident and there's nobody in the car -- because as you said, there's nothing currently in New Jersey that prohibits that, just the choice of the manufacturer -- what does the person do who is in the other vehicle? Obviously, hopefully, the engineers are somewhere nearby. But if there's nothing preventing that, again, what do we do?

Again, our constituents are probably going to be the first ones to call and say, "Hey, why wasn't there anything done about this? Why was there this gray area, when you are aware of testing occurring?"

So I think it's very important -- particularly while you are calling for nothing at the State level in terms of regulations -- to be very proactive; to say, "Okay, we have, in my whole organization, we have a best practice where, up until now, at least, there was a person behind every vehicle." And let's define -- if we do pass something at the State level -- that as long as a person is behind the wheel, that it's not considered a fully autonomous vehicle and, therefore, not regulated under this.

But I think we have a long way to go, as you say, to the Level 5 vehicles, where we can test without a person in the car. But I think there is an anxiety level among the public to say, "Okay, when we get to that point, there needs to be a state-by-state level of regulation;" because that is our responsibility, for public safety.

MR. PORTER: I certainly agree with you that there should be a level of anxiety in terms of motor vehicle safety. I'll throw out two numbers to you: the first is 35,092. That's the number of people who died last year in a car crash in the United States; 35,092 people died as a result of a car crash.

The second number I'll throw out to you -- 94 percent. That's the number of those 35,092 people who died in car collisions by human error. So what we are attempting to do with automated vehicles -- and what we're already doing with some of the automated features -- is to avoid the crash. And the technology that we are testing -- and we seek to test in New Jersey and in other states -- could result in 19 of those 20 car collisions resulting in no fatality.

So there should be anxiety in the State of New Jersey, right now, with the number of car collisions--

ASSEMBLYMAN BENSON: So let me just-- With all due respect, you know, you're not going to find anybody more tech-forward, more supportive of autonomous vehicles than myself. I'm here -- as the second sponsor, with Assemblywoman Lampitt -- to try to be proactive and encourage the technology you're talking about.

But obviously, if something bad happens, you tend to get bad legislation in reaction to that. So being proactive and working with the Legislature on having a deregulatory-type framework that makes sense for public safety, I think is important.

So again, my encouragement -- rather than saying, "Hey, this is the promise of the technology," let's talk about the things that could go

wrong, and make sure that we have a process in place, if no new legislation is needed to promulgate those regulations, or to make sure there is testing.

But again, without having any information about what testing is already currently happening; what is the industry standards for a Level 5 or any earlier level without a person in the vehicle, we have a responsibility, as legislators, to make sure we're considering that in a proactive manner, not a reactive manner. And we understand from any engineer that you talk to about autonomous vehicles -- it does not eliminate all vehicle crashes; it does not eliminate all fatalities.

And so when a computer is making the choice between one type of accident versus another that still will result in a fatality, the public is going to want to see that type of input from the State level, or at least from some level of government.

So I really want to encourage you -- not just to talk about the promise of these vehicles, because I agree with you 100 percent -- but work with the sponsor, please, on talking about how do we get testing here in a safe manner, and how do we make sure that we have the proper safety and regulation in place as we move to that Level 5.

And I will leave it at that.

ASSEMBLYMAN WISNIEWSKI: Thank you, Assemblyman.

What I'd like to ask is -- you weren't able to answer the question; I understand. There's no way you can anticipate everything we ask you.

MR. PORTER: True.

ASSEMBLYMAN WISNIEWSKI: But there was a question about whether there is autonomous testing today.

MR. PORTER: Correct.

ASSEMBLYMAN WISNIEWSKI: I will call it the so-called *Pittsburgh tests*; I mean, they're doing it in Pittsburgh.

MR. PORTER: Yes.

ASSEMBLYMAN WISNIEWSKI: Is there anything like that, currently, in New Jersey? And I know you're reluctant to give an answer here, because you haven't checked. But you can do that, and provide that information to me, and I'll share it with the Committee.

MR. PORTER: Absolutely. I'm happy to provide any other information that I can't provide at this time to the Committee. And certainly working with our in-state contact, with Pete, I'd be happy to answer those questions.

ASSEMBLYMAN WISNIEWSKI: Thank you; thank you.  
Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: Yes, thank you.

One question: How long is a vehicle tested before you even take it to the roadways, the public roadways?

MR. PORTER: I wouldn't be able to answer that question; that would be on our technical side. I mean, I would say that whether it's an autonomous vehicle, or fully autonomous, or semi-autonomous, or not autonomous, we're constantly improving the safety conditions of all of our cars. So, I mean, there's always testing going on, whether it be on a closed track environment, or on the roads, or elsewhere.

With respect to autonomous vehicles, I couldn't tell you when (indiscernible) deploy now. There have been other folks who have testified in other scenarios who believe that fully autonomous cars, in terms of a

commercial product, are far down the road. So we're talking, maybe, 10, 15 years down the road.

The real question is, what are going to be the immediate benefits of autonomous vehicles? And so you're seeing a lot of different types of testing. As I mentioned, you have Uber, which is a ride-sharing component; there is autonomous vehicle testing with commercial vehicles in the trucking industry, because there are benefits of platooning; you're seeing autonomous vehicle testing in terms of delivery service; you're seeing autonomous vehicle testing in a passenger car scenario. So there's also autonomous vehicle testing with tow trucks; snow removal trucks.

So there's a lot of different testing going on, and there are a lot of different benefits. When will there be a commercially available, fully autonomous car to be sold? That I can't tell you.

ASSEMBLYWOMAN DeCROCE: Okay. Because that's kind of the point that I'm getting to. And, you know, we all know that New Jersey is one of the highest regulated states in the United States. And you know, I look at this and I understand my colleagues and the concerns; but I also, you know -- I have a hard time pushing a regulation prior to the development of the vehicle. I mean, we -- we're trying to regulate something that's not even there yet.

And I would like more of that input that the Chairman talked about. But at this point, I have great concern for that. Because I don't want to stop progress because of regulation. And then once we start putting highly regulated conditions in there, prior to the development, I'm sure it's going to increase the cost of it being developed and sold later on down the road.

I would rather have more concrete understanding so that we don't have legislation that we're back-and-forth, constantly changing; which in the world of technology, that's what I'm afraid of.

So I would appreciate the information the Chairman spoke about--

MR. PORTER: Sure.

ASSEMBLYWOMAN DeCROCE: --and providing that to the members as well.

MR. PORTER: Sure.

ASSEMBLYWOMAN DeCROCE: Thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Have you envisioned a cost for an autonomous vehicle, right now?

MR. PORTER: No; I wouldn't -- that would be up to our member companies individually, and I don't have that answer.

As a trade association representative, my job is, really, to have the kind of collective and concessive voice of all of our members. Again, all of our members are doing a variety of different types of automated development. Some are focused in radar; some are focused in LiDAR; some are focused in cameras; some are focused in a combination. Some are focused in other types of technology that I may not be aware of, for a variety of reasons.

In terms of, again, a market price for one of these cars, it would be very premature because we're not at the stage to even sell one of those types of cars.

ASSEMBLYMAN GIBLIN: Have you bounced off insurance companies -- the concept of an autonomous vehicle; how they would rate it for premiums?

MR. PORTER: No, because we're not there yet. We're just -- we're purely in the testing stage.

ASSEMBLYMAN GIBLIN: So with the testing stage-- Sometimes I don't worry so much about my driving skills, but I worry about other people's driving skills that might be traveling along with you. So, like, issues of being rear-ended; issues of, say, a thunderstorm knocking out your controls; you know, I know that might be farfetched, but it's something to think about. And the same thing with ice, and sleet, and snow, you know -- driving along -- to make that adaptation. I'm sure this is all part of the mix, right?

MR. PORTER: Yes, you're absolutely right. And you know, as I was saying before, one of the great things about automated features is this. A human driver really only has the ability to do one thing: monitor and assess the driving conditions in one area -- you can look forward, to the side, to the back. Automated vehicles have a 360-degree self-awareness that's going on. So it's able to collect and to generate more information to make decisions about whether or not to deviate out of a lane, to slow down a speed, to brake.

And then when you layer on automated vehicle technology with connectivity -- again, the situation that we talked about earlier with the Tesla crash that's been in the news quite frequently -- we will not only have 360-degree awareness of what's going on with the car, but we'll actually be able to have the ability to see, down the road, something that's happening

that's out of our line of sight. So, for example, that Tesla incident -- if you had two cars that would be able to speak to each other, one of the cars would have said to the truck, "Listen, I'm coming down the road; you're in the intersection. One of two things: Either don't go through the intersection, or I'm going to slow down."

And so one of the things we also need to think about is this progression of automated features. We are going to have public roads where there will be vehicles with no autonomy; there will be some vehicles with some autonomy; there will be some cars with full autonomy. The way that we bridge the gap between all of these types of vehicles is the connectivity piece; the ability for cars to speak to each other; the ability for cars to speak to the (indiscernible); the ability for cars to speak to infrastructure. Again, this is the reason why we need to do the testing -- to understand all of the different types of traffic conditions, to understand all of the different types of weather conditions. And that's what the testing is for.

ASSEMBLYMAN GIBLIN: DWI laws -- is there any such thing as ticketing an autonomous vehicle? I mean, say, the--

MR. PORTER: We're not there yet. (laughter)

ASSEMBLYMAN GIBLIN: Well--

MR. PORTER: I know these are all the perspective *what-ifs*, and they're great conversations and questions to have; and certainly, we need to think about them from an ethical and public policy standpoint. But again, I would like to remind folks that we are just in the testing phase; we are not in an operational phase. We do not have a product that's going

to market. So all of these other questions really should come after we've had a robust and comprehensive testing period.

ASSEMBLYMAN GIBLIN: Will the public--

MR. PORTER: And those will help and guide public policymakers on what to do at the appropriate time.

ASSEMBLYMAN GIBLIN: When the appropriate time comes, will the public be aware that, on certain roadways, there are autonomous vehicles?

ASSEMBLYWOMAN VAINIERI HUTTLE: Stay away.  
(laughter)

ASSEMBLYMAN GIBLIN: Well, I mean, it's something to think about. I mean, say, if you're doing it on the Parkway, the Turnpike, or places like that -- I mean, I think you need to educate people to be conscious of that.

MR. PORTER: Well, I would say, again, as I said before, the 35,092; and 94 percent. We have a lot of car crashes, a lot of car fatalities. The majority of them are human driver error. So we need to do everything we can to improve automobile safety and driving safety, whether we have autonomous vehicles or not.

What I would say is that we do have automated features in cars today. And so, again, this notion that this technology should not be embraced or that there should be a level of fear -- we have automated feature technology in cars today. For example, the car that I drive has lane-keeping assist. If I begin to deviate outside of my lane, the car will notify me that I am deviating out of lane and will actually make a little slight tug on the wheel to get me back. I also have a feature that I can push a button

and it will steer the car, in terms of the lanes. Now, I have to keep my hands on the wheel at all times; and the minute I take my hands off the wheel, a sensor detects that, flashes on the dashboard, “Put your hands back on the wheel.” And if I don’t put my hands back on the wheel, then that automated feature is disengaged.

So there are automated features on public roads today; many of your constituents are already using them. And as I said, automated features have been around for 30 years: anti-lock brakes, electronic stability control. So we should not be fearful of technology and innovation; we should embrace it.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.

I was just really thinking about Assemblyman Giblin’s question, about a DUI for an autonomous vehicle. (laughter) I mean--

ASSEMBLYMAN GIBLIN: Well, they could be partying around the table. (laughter)

ASSEMBLYMAN WISNIEWSKI: I was just thinking if they -- if there was too much ethanol in the gasoline. (laughter)

But no, seriously, I think the issue is-- I mean, we have discussions, lately, about hacking elections; we don’t really have a good understanding about somebody, deliberately or accidentally, messing with the code for a vehicle, and how do you address that.

MR. PORTER: So as I said before, safety is one of our highest priorities. And for us, safety is not just about design or the performance of the car; safety encompasses the safety of drivers and passengers, and protecting their personal identifiable information.

The auto industry, collectively, has engaged in a pro-active measure to protect personally identifiable information, number one; and we have a set of privacy principles I'd be happy to share with you. The second is that we have what's called an *Auto ISAC*, which is an information-sharing center where we are actually using and sharing best practices in terms of how to protect all of the information and data.

So we, again, take safety very high -- it's a high priority. And part of that is cybersecurity and the protecting of information and hacking. So the auto industry is collectively working on that.

ASSEMBLYMAN WISNIEWSKI: Thank you; that's a-- I appreciate that.

Assemblyman Chiaravalloti.

ASSEMBLYMAN CHIARAVALLOTI: Thank you, Chairman.

Mr. Porter, I appreciate your testimony. And on the Bill itself, I do have some concerns with some of the language in it.

But Assemblyman Benson asked you a question about whether any testing is occurring in New Jersey; obviously, you don't have that answer, and you are going to follow up with us. But let me ask you a more basic question. Do you think the State should be notified when testing does occur, or is occurring on State roadways? Do you think there should be a notification requirement?

MR. PORTER: Sure. So here's what I would say to that. If you look at the state of Virginia, for example, they are working collaboratively with Virginia Tech; Virginia Tech is one of the main areas where they're doing testing, and they're working with engineers -- the auto industry.

There is a collaborative approach there that's going on with the Department of Motor Vehicles, the Highway Patrol, and others. And as I had mentioned before, it's not that we are -- it's not that the auto industry, or anybody else, is saying there's not a role for states to play. The question is, do you need to enact additional legislation for that to occur? So in the state of Virginia, the answer is "no"--

ASSEMBLYMAN CHIARAVALLOTI: Yes, I understand; and I'm familiar with Virginia Tech, and I appreciate that. But I guess the point is, if ultimately the answer we get is that there is testing on New Jersey roads, and New Jersey is not aware of it, then obviously there is a need for regulation, right?

MR. PORTER: So again, I will go back and I will check to see if any of our members-- Again, I represent 12 of the automobile manufacturers; there's another trade association that represents some other organizations, so they all have to do their own due diligence. I will check on that. Certainly, it's in the best interest of all to notify the appropriate folks -- in terms of the Department of Transportation, highway patrol, Motor Vehicles, and others -- that there's testing occurring. It would be foolish for anybody not to--

ASSEMBLYMAN CHIARAVALLOTI: Right.

MR. PORTER: --proactively engage with the appropriate officials on that. So again, I think that goes as a matter of course.

ASSEMBLYMAN CHIARAVALLOTI: And I appreciate that.

The last thing is more of a comment than a question. In your testimony, you are obviously very positive about innovation and the

progress. And Assemblyman Benson, as a techie himself, would probably agree with you more than I will.

I do think, though, that one of the challenges we face with this innovation -- especially when it comes to the operating of vehicles -- is, although we are not there yet -- which is a phrase you've used -- the reality is, your association members will get there before we do, as a political body, as a government body. And my concern, in general, is that as we're moving forward, is there anyone asking, "Is Level 5 a good thing?"

MR. PORTER: And so--

ASSEMBLYMAN CHIARAVALLOTI: And--

MR. PORTER: I'm sorry.

ASSEMBLYMAN CHIARAVALLOTI: Because although I understand the safety issue -- and I think 35,092 is an incredible number that we all take to heart -- there are some studies that use another number: 4 million; that up to 4 million jobs could be lost to Level 5 automation.

Now, these are all -- that's disputable, right? We're not there yet; I understand it. But I would hope that as we, sort of, engage in this conversation on innovation, on the progress, and where we're going, that we do ask the question, the ethical question, whether this is a good thing, ultimately.

But I appreciate your testimony.

MR. PORTER: No; and I thank you for that.

And again, the answer I would say to that is, there is someone who is -- has the appropriate role, in terms of the design and performance. Again, that is the National Highway Traffic Safety Administration. So at every step of this testing process and, certainly, every step of the operational

process, the appropriate agency that's responsible for automobile safety -- which is NHTSA -- is involved in this process.

So again, the notion that if New Jersey does nothing in terms of enacting a piece of legislation, will the folks of New Jersey or another state not have the assurance that the roads are safe? The answer to that is "no."

ASSEMBLYMAN CHIARAVALLOTI: No, I appreciate that. But at the end of the day, what you'll find is once you become elected, everyone becomes a Federalist. (laughter)

MR. PORTER: Well, I understand that. But there has been an agency that is primarily responsible for the design and performance of cars, and that is their responsibility. And certainly there is a role for states to play; but the minute you start enacting legislation which too-narrowly defines what an *operator* or *driving* is, you get into design and performance issues. And when you do that, as an automobile manufacturer, it makes it very difficult to make a car for 50 states.

So what I would say is, if you are looking at this from an economic development standpoint, or a job creation standpoint, look no further than the state of Ohio that received \$40 million for a Smart City Challenge grant; leveraged it to \$100 million; and is getting more innovation, more interest, more entrepreneurial excitement in that state, without changing the law, than the other states, like California, which are prescribing the most onerous laws in this testing phase.

So compare the two, and make the decision for yourself in terms of job creation and economic development.

ASSEMBLYMAN WISNIEWSKI: Okay; we have one very brief question, because we still have another person to testify.

ASSEMBLYMAN BENSON: Yes, just-- You brought up Ohio, and Virginia Tech, and the great dollars that could be had. Did they get those because they didn't pass something, or just-- I mean, there seems to be a connection; you're saying, "Hey, if you don't do anything, you're going to get tens of millions of dollars." That's not what you're saying, right?

MR. PORTER: Well, what I would say is, the states that encourage and promote automobile vehicles with automated testing -- those states are going to be, I think, the epicenters of a lot of the new technology and development, and will see investment as a byproduct.

ASSEMBLYMAN BENSON: So what did they -- what was the thing that Ohio did that brought them those tens of millions of dollars? You said "states that encourage it" So besides not passing this -- because that's what you're recommending -- what are states supposed to do to encourage?

MR. PORTER: To encourage automobile--

ASSEMBLYMAN BENSON: Yes, to get our \$10 million that Ohio got.

MR. PORTER: Well, what I would say is that you should take a very light touch in terms of trying to overregulate--

ASSEMBLYMAN BENSON: Besides not doing any legislation, what's--

MR. PORTER: Well, again, you have the NHTSA guidance; and the NHTSA guidance that has been put out gives direction and shows the rules of the road for where states should go, in terms of testing. So if you're looking for some type of scope, in terms of what states should do,

NHTSA has already done it for you. They have already written the guidance for you, and--

ASSEMBLYMAN BENSON: And that's what Ohio did?

MR. PORTER: And that's what Ohio has done. They're following the guidance that NHTSA has put out.

And I would also mention -- very quickly, because I know it's time -- when NHTSA developed the guidelines for the model state policy, they didn't do it in a vacuum. So there is an association called *AMVA*, which is the Association of Motor Vehicle Administrators. And your state and others had a very significant hand and had a seat at the table in the development of those guidances and the Federal policy. So again, this notion that states have been left out in the cold in terms of developing that Federal guidance is not true.

ASSEMBLYMAN BENSON: Nobody said that.

MR. PORTER: Through *AMVA* and through your own individual state -- particularly in the motor vehicle and transportation area -- you've helped develop the guidance.

ASSEMBLYMAN WISNIEWSKI: Mr. Porter, Mr. Cammarano, thank you for spending so much time with us.

MR. PORTER: Thank you.

ASSEMBLYMAN WISNIEWSKI: We appreciate it.

MR. CAMMARANO: Thank you.

ASSEMBLYMAN WISNIEWSKI: For the data we've asked for, please submit that through the Chair, and we'll share with the Committee members.

I just want to note, for the record: David Smith, in favor, no need to testify, representing All State; Al Komjathy, Toyota Motors North America, opposed, no need to testify; Lynn Nowak, Honda, opposed, no need to testify; Justin Kintz, Uber, opposed, no need to testify; and finally we have Scot Mackey, the Alliance of Automobile Manufacturers, opposed, but clearly a need to testify. (laughter)

Scot--

**S C O T M A C K E Y:** I will be very, very brief, Mr. Chairman.

**ASSEMBLYMAN WISNIEWSKI:** Scot, before you do that, I just-- A thought has crossed my mind. And, you know, it has always been a-- Picking up on Assemblyman Chiaravalloti's comment about becoming Federalists. We have, for many years, in this Legislature -- and I'm sure across the nation -- relied, perhaps, more than we should have on the fact that the Federal government is the arbiter of fairness, and perhaps the imposer of rules. And under a Trump Administration, it's not entirely clear whether we will continue to be able to rely on NHTSA or any other Federal agency. When you see the proposed Cabinet appointments, it seems like Wall Street will be running the Administration. So we may not be able to rely on that.

Scot, go ahead.

**MR. MACKEY:** I'm not going to touch that one. (laughter)

On behalf of the Alliance of Automobile Manufacturers, I appreciate the opportunity to be here today.

We've provided some written comments. Mr. Porter did an outstanding job; I really can't add anything to his comments.

The only thing I will say is that we do represent some different manufacturing, here in the State of New Jersey, that aren't members of Global. I'm happy to reach out to them with the questions that you have raised regarding testing that is occurring right now in the state.

ASSEMBLYMAN WISNIEWSKI: We would really appreciate that. You know, obviously, getting data from a variety of sources for the Committee only helps make our job easier.

Members of the Committee, any questions? (no response)  
Scot, thank you very much.

MR. MACKEY: Thanks.

ASSEMBLYMAN WISNIEWSKI: It was compelling testimony. (laughter)

MR. MACKEY: I appreciate that.

ASSEMBLYMAN WISNIEWSKI: We have Committee amendments.

Would you please describe the amendments for the Committee?

MS. VOGEL: The Committee amendments modify the definition of *operator* to mean the person who is seated in the driver's seat of an autonomous vehicle, or has the ability to cause the autonomous technology to engage; and make technical corrections to the Bill.

ASSEMBLYMAN WISNIEWSKI: Okay; with those amendments, can we have a motion?

ASSEMBLYMAN BENSON: So moved.

ASSEMBLYMAN WISNIEWSKI: Moved by Assemblyman Benson.

ASSEMBLYWOMAN OLIVER: Second.

ASSEMBLYMAN WISNIEWSKI: Seconded by Speaker Oliver.

Roll call, please, as amended.

MS. VOGEL: On the motion to amend and release Assembly Bill No. 3745, Assemblyman Clifton.

ASSEMBLYMAN CLIFTON: Abstain.

MS. VOGEL: Assemblywoman DeCroce.

ASSEMBLYWOMAN DeCROCE: No.

MS. VOGEL: Assemblyman McGuckin.

ASSEMBLYMAN McGUCKIN: I'll abstain.

MS. VOGEL: Assemblywoman Oliver.

ASSEMBLYWOMAN OLIVER: Yes.

MS. VOGEL: Assemblyman Moriarty left a vote in the affirmative.

Assemblyman Kennedy.

ASSEMBLYMAN KENNEDY: Yes.

MS. VOGEL: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MS. VOGEL: Assemblyman Chiaravalloti.

ASSEMBLYMAN CHIARAVALLOTI: I'll vote to move it out of Committee; but, obviously, with my reservations that I have already stated.

MS. VOGEL: Assemblywoman Chaparro.

ASSEMBLYWOMAN CHAPARRO: Yes.

MS. VOGEL: Assemblyman Benson.

ASSEMBLYMAN BENSON: Yes.

MS. VOGEL: Vice Chair Vainieri Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes.

MS. VOGEL: Chairman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.

The Bill is released, as amended.

**(END OF EXCERPT)**