
Committee Meeting

of

SENATE LEGISLATIVE OVERSIGHT COMMITTEE

“The Committee will take testimony from invited guests, including officials from the Port Authority of New York and New Jersey, and New Jersey Transit on plans for a new Port Authority bus terminal and future trans-Hudson commuter capacity needs”

LOCATION: Fair Lawn Municipal Building
Fair Lawn, New Jersey

DATE: May 24, 2016
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Robert M. Gordon, Chair
Senator Linda R. Greenstein
Senator Paul A. Sarlo
Senator Thomas H. Kean Jr.
Senator Joseph M. Kyrillos Jr.



ALSO PRESENT:

Michael R. Molimock
Office of Legislative Services
Committee Aide

Mark Magyar
Senate Majority
Committee Aide

Brian Alpert
Senate 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



ROBERT M. GORDON
Chairman

LORETTA WEINBERG
Vice-Chair

M. TERESA RUIZ
PAUL A. SARLO
THOMAS H. KEAN, JR.
JOSEPH M. KYRILLOS, JR.

MICHAEL R. MOLIMOCK
Office of Legislative Services
Committee Aide
(609) 847-3855
(609) 292-0561 fax

New Jersey State Legislature

SENATE LEGISLATIVE OVERSIGHT COMMITTEE
STATE HOUSE ANNEX
PO BOX 068
TRENTON NJ 08625-0068

REVISED COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE LEGISLATIVE OVERSIGHT COMMITTEE

FROM: SENATOR ROBERT M. GORDON, CHAIRMAN

SUBJECT: COMMITTEE MEETING - MAY 24, 2016*

The public may address comments and questions to Michael R. Molimock, Committee Aide, or make bill status and scheduling inquiries to Shirley Link, Secretary, at (609)847-3855, fax (609)292-0561, or e-mail: OLSAideSLO@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.

***The Senate Legislative Oversight Committee will meet on Tuesday, May 24, 2016, at 10:00 AM at the Fair Lawn Municipal Building, 8-01 Fair Lawn Avenue, Fair Lawn, New Jersey.**

The committee will take testimony from invited guests, including officials from the Port Authority of New York and New Jersey and New Jersey Transit, on plans for a new Port Authority bus terminal and future trans-Hudson commuter capacity needs.

Issued 4/4/16

*Revised 4/21/16 – Note that the previously scheduled April 25, 2016 meeting has been changed to the above date and location.

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SENATOR ROBERT M. GORDON (Chair): Good morning, everyone.

Would you all rise and please join me in the flag salute? (all recite pledge)

May I have a roll call, please? It should be brief. (laughter)

MR. MOLIMOCK (Committee Aide): Senator Kean.

SENATOR KEAN: Here.

MR. MOLIMOCK: Chairman Gordon.

SENATOR GORDON: Here.

As is apparent, many of our members are still in transit -- although I should point out that Senator Weinberg was called to the White House, which I consider a legitimate excuse. (laughter) She's participating in a conference on local efforts on gun control, and she is speaking on her smart gun legislation. I think everyone else has a more prosaic excuse: They are caught in New Jersey traffic. But we do not require a quorum, since we're taking testimony only.

At this point, I'd like to welcome Mayor John Cosgrove to just say a few words.

MAYOR JOHN COSGROVE: Good morning, everyone.

I'd like to call up Councilwoman Lisa Swain, also from Fair Lawn, to come on up and help welcome you all here today.

We're very happy that you can be here today in Fair Lawn. Fair Lawn is the fourth-largest town in Bergen County, and it's Senator Gordon's home district, as well as his home town. And he once sat in that chair as the Mayor (indicates). So you still look good, Senator, in my chair. (laughter)

But we're very happy that we could have this hearing today -- a very important topic about the Port Authority.

So welcome to Fair Lawn, and enjoy the hearing.

Thank you.

SENATOR GORDON: Thank you very much, Mayor.

I'd also like to recognize Assemblyman Tim Eustace of the 38th District.

Tim, would you just like to say a word or two?

A S S E M B L Y M A N T I M E U S T A C E: Well, thank you very much, Senator.

I hadn't intended on saying anything, but I do want to welcome your Committee here to Fair Lawn. We're glad you're here in our District, and hopefully we'll get some good work done.

Thank you.

SENATOR GORDON: Thank you, Assemblyman.

Well, welcome everyone to the Senate Legislative Oversight Committee's hearing on plans for the Port Authority Bus Terminal and on the Port Authority's ongoing Trans-Hudson Commuting Capacity Study. It is a pleasure to be able to welcome my fellow Senators on both sides of the aisle to my home town of Fair Lawn; and we're pleased to hear from Mayor Cosgrove.

It is certainly a pleasure for us to welcome, particularly, Port Authority Chairman John Degnan, who has been a champion on the issue of expanding trans-Hudson commuter capacity by both bus and rail. Citizens of both states, New Jersey and New York, owe you a great deal of

gratitude. You have been a great advocate for commuters throughout the region.

Few projects are more important to New Jersey's economic future and the quality of life of its residents than the expansion of trans-Hudson capacity and the guarantee of one-seat rides for both bus and rail commuters. That is why it is so important that we continue to push for the construction of a new Port Authority Bus Terminal on the West Side of Manhattan; and the Gateway rail project, which includes two new rail tunnels under the Hudson, a new Penn Station South, two more tracks between Newark and Secaucus, and the Bergen-Secaucus Loop to provide one-seat rides on every New Jersey Transit rail line.

Last August, when this Committee held a hearing in Trenton with Amtrak officials on the Gateway Tunnel, neither Gateway nor a new Port Authority Bus Terminal was part of the Port Authority's 10-year capital plan. Now both projects are underway, and Chairman Degnan's leadership is one of the main reasons for that; and we thank you for that.

Today's hearing offers us, as legislators -- and by extension, the press and the public -- the opportunity to gain a fuller understanding of how these projects are progressing, how the Port Authority's study of trans-Hudson demand and capacity is proceeding, and how the Port Authority is making sure it takes advantage of all of the various trans-Hudson transportation options to meet commuter needs. We hope to get a more complete understanding today of the status of the Port Authority's Bus Terminal Design Competition; how that process will be judged; how decisions will be made on a winning design; and what the timetable is for environmental review, local community input, and actual construction.

We also hope to get a fuller understanding of how the Port Authority's ongoing demand and capacity study fits into the Port Authority's Bus Terminal Design Competition, and the methodology the Port Authority is using to project future demand -- especially in light of some of the high Manhattan job growth projections that the Regional Plan Association is now forecasting. I'm sure we will have a lot of questions for Chairman Degnan and the various Port Authority officials he has brought with him today.

Following the Port Authority presentation, we will hear from a panel of three top regional transportation policy experts who have a sophisticated understanding of how trans-Hudson transportation commutation issues are interrelated on both sides of the Hudson. I'm asking that they comment on the processes in place for both the Port Authority Bus Terminal Design Competition, and the trans-Hudson demand and capacity study; and also offer their perspectives on what we need to do to ensure that the new Port Authority Bus Terminal is capable of handling 50 percent more commuters; and on what additional steps we need to take to meet future trans-Hudson commuter demand.

Thank you all for joining us today.

I'd now like to turn to my colleagues for any opening comments they wish to make.

Senator Kean.

SENATOR KEAN: Thank you, Mr. Chairman.

And it's great to be-- Thank you for calling this hearing today, in this location.

And I want to thank the Chairman of the Port Authority for your unparalleled access, your unparalleled leadership; your dedication to the commuter and the taxpayer alike throughout this state, this region, and this country. Because your leadership has made a difference. It's made a difference in restructuring the Port Authority in uncertain times; your leadership has shown an example for people who should operate in an open and transparent fashion; and you have shown that results for the taxpayers and commuters do matter.

And so when we're talking about those issues like the Bus Terminal, where you have garnered, and we all came together on advice -- well, single state, but multi-level support on the Bus Terminal. The focus on the Gateway Project -- which is not just a tunnel, and it needs to be seen as such-- This is a project that impacts everything from Newark to New York. This is an issue that impacts the Bergen-Secaucus Loop which, for the first time, is actually funded in the plans. The last Bergen-Secaucus Loop was in the plans, but there was never a source of money.

The PATH extension, which is so vital to so many people who care about one-seat rides, both bus and train, because of what that means for developing workforces, spending time with family, and creating opportunities for this generation and the next -- that type of predictability is a testament to your leadership and the partnership I think we have, on a bipartisan basis, come to expect with you.

And so I think it's important that we focus on this Bus Terminal today; we're going to focus on the PATH extension as well -- and understand that these are all parts of a whole, which is a very important thing for the future of the citizens of New Jersey.

JOHN J. DEGNAN: Thank you.

SENATOR GORDON: Thank you, Senator Kean.

Mr. Chairman, would you like to make your comments?

MR. DEGNAN: Well, good morning, Chairman Gordon and Senator Kean. I appreciate those generous remarks. I'm actually honored to be Chairman of this agency, and am very happy to be here today.

I think this may be my fourth appearance before a legislative committee in New Jersey, in the just under two years that I've served as Chairman. Frankly, I can't conceive of any responsible Chairman of the Port Authority turning down an opportunity to testify before a legislative committee of either state. And I certainly would never do that.

But I appreciate the invitation today because it gives us a chance to update you -- in more detail than we have otherwise done -- on several important Port Authority initiatives. Much has gone on since I last appeared before you in October.

This year, as I think you know, marks the agency's 95th anniversary -- a milestone that's significant because, at this point in our history, we have multiple major transportation projects either underway or in planning.

The Gateway program is being actively pursued, thanks to the leadership and agreement among Governors Christie and Cuomo, and Senators Booker, Menendez, and Schumer. This is a collaborative partnership among the Port Authority, Amtrak, and the U.S. Department of Transportation, in close collaboration with New Jersey Transit. It's a monumental undertaking, and it may be the nation's marquee infrastructure project. It will be funded 50 percent by the U.S. Department

of Transportation; and 50 percent through a funding plan developed by the states of New York and New Jersey, and the Port Authority. In March, in fact, the Port Authority Board authorized a preliminary \$35 million contribution to jumpstart preliminary planning and engineering work.

In a few minutes we'll provide you with additional information on our progress to date, and next steps as we move forward on this critical project.

The initiation of the Gateway Project, and the winding down of the decade-long World Trade Center rebuilding program, underscore the Port Authority's renewed commitment to our agency's core transportation mission across the region, and particularly in New Jersey. Two months ago the Board of Commissioner authorized \$2.3 billion for replacement of Terminal A at Newark Liberty International Airport. This project will provide a world-class terminal experience for travelers, and is expected to generate \$3.3 billion in regional economic activity overall, eventually create 9,000 jobs, and provide \$600 million in wages. Terminal A, though, is a multi-phase development initiative comprising a new terminal building and a parking garage complex.

Our ports -- which often don't get attention in presentations like this -- broke their previous record for annual cargo volume in 2015 by more than 10 percent, building on the jobs and economic activity the Port generates for the bi-state region. That sharp increase in cargo volume enabled the Port to maintain its position as the busiest port on the East Coast, with nearly 30 percent of the total market share. To retain our competitive edge as the largest port on the East Coast, we've undertaken the Bayonne Bridge *Raise the Roadway* project, which is now in full

construction and continues to progress as we work toward navigational clearance for larger container vessels in 2017.

Despite such impressive cargo increases, the Port of New York and New Jersey has experienced a 33 percent reduction in port emissions pollutants since 2006 due to environmental initiatives it has implemented.

Additionally -- and something I know is of great importance to the members of this Committee -- we're making remarkable strides finally towards the replacement of the Bus Terminal, which the Board determined in March will be located on Manhattan's West Side. This is, as you know, significant for eliminating multi-seat rides for commuters as an option.

Certainly this project has been the subject of considerable debate and discussion. But there is no disagreement now -- with the possible exception of one New York Commissioner -- about the need to replace the facility and create a 21st century commuting experience for riders, while not creating adverse impacts for local neighborhood residents. Last October, the Port Authority Board authorized an International Design Competition to solicit conceptual designs for a new Bus Terminal. We've also launched the Port Authority Bus Terminal International Design and Deliverability Competition, a two-state process seeking an inspired and qualified team that will deliver a winning conceptual design for this complex undertaking.

My colleagues at the Port Authority will speak in a few minutes about the details of this upcoming competition. But I would be remiss if I didn't express my own enthusiasm for this innovative process, and my appreciation to the many members of our staff who have worked countless hours to create and perfect the competition.

I should also note the consistent support for this project on a bipartisan basis, among legislators such as yourselves and Governor Christie, throughout the process of the Port Authority Authorization.

In my almost two years at the Port Authority, I've been struck by the extraordinary level of professionalism displayed each day by the staff, as well as the commitment involvement of my fellow Board members. So without further ado, let me introduce the members of the Port Authority staff who are with me today.

On my right is Mark Muriello, who is Deputy Director of Tunnels, Bridges and Terminals; Diannae Ehler, General Manager of the Bus Terminal and the Lincoln Tunnel, is also at the table; Lou Venech is the Manager of Regional Transportation Policy Planning and Regional Development; Portia Henry, on my extreme left here, is an Executive Policy Analyst who has significant responsibility for moving forward the Bus Terminal project; and Bill Laventhal, who is the Executive Policy Analyst, who is going to be talking about Gateway this morning.

Unless you have any specific questions for me -- and I see Senator Kyrillos has joined us; Senator, nice to have you here, and thank you for your interest and support over all these months. Unless you have any specific questions for me, I'd rather turn this over to the detailed presentation that you've asked for. And I'll be free to amplify or step in and answer any questions you may have -- although I have every confidence my colleagues will provide what you need.

SENATOR GORDON: That would be just fine, Chairman.

And let me just recognize Senator Kyrillos, who has just joined us. Thank you for being here. If we had invested a little bit more in our

infrastructure on this side of the river, it might have been an easier trip for you. (laughter)

SENATOR KYRILLOS: That's exactly right.

Thank you, Mr. Chairman. It's good to be here; I'm sorry to be late. It was a tough, rainy, traffic-filled drive from Monmouth County. But I'm glad I'm here, and it's good to see you there at the Chairman's chair. I now know what it was like to be here in your days as Mayor -- what it felt like--

SENATOR GORDON: I was here during the Florio tax revolt. You don't know what it was like to be Mayor. (laughter)

SENATOR KYRILLOS: No empty seats. (laughter)

Thank you, Senator Gordon.

SENATOR GORDON: Thank you, Senator.

SENATOR KEAN: But you did beat the other Bergen County Senator here. That's a--

SENATOR GORDON: Let that be spread upon the minutes. (laughter)

SENATOR KEAN: We can ponder that.

SENATOR GORDON: Certainly -- if you would proceed.

MR. DEGNAN: Mark.

M A R K F. M U R I E L L O: Good morning. My name is Mark Muriello and, as Chairman Degnan said, I serve as Deputy Director of the Tunnels, Bridges and Terminals Department for the Port Authority.

I want to express my pleasure to be here today, with my colleagues, to provide some insights into the current plans for the Port Authority's Midtown Bus Terminal.

Senator Gordon, I'd like to thank you and the entire Committee for the opportunity to fill you in on some significant steps that we've taken to advance this effort.

We began a series of planned public exchanges last month, on April 18, in New York City at a town hall meeting that was hosted by an array of New York state legislators, New York City officials, and Manhattan's Community Board 4. So we're pleased to be here now, on the New Jersey side, to kind of have the same type of interaction with the New Jersey Legislature.

With a project of this magnitude, and one aimed at replacing and modernizing the world's busiest Bus Terminal, we are very aware of the need to stay in touch with all our stakeholders. That includes our customers; the local communities; the elected officials on both sides of the river; and a multitude of other stakeholders, including the general public. We want to ensure that all interested parties are informed about the planning process and the objectives we have established, moving forward.

As the project continues, we are interested in sharing the specific design alternatives that are developed and the plans for advancing them towards a planned alternative. All throughout this process we will ensure ample opportunity for public input, customer engagement, and consider local community interests.

So despite the fact that many of you have heard a lot about the Terminal planning and master planning efforts that have been pursued over the past few years, and the concepts that have been discussed at the Board level over last year, there is still much work to be done. The Design and

Deliverability Competition just kicked off on March 11, and it marks another step forward towards a new Midtown bus facility.

Our purpose this morning is to provide you with an overview of the competition process and the objectives we've established for that effort. The competition is designed to tap some of the best thinking in the national and international communities in both transportation and urban planning. We're here to listen to your thoughts and consider your interests as we outline our steps forward. Since we are very early in this process and we're facing many uncertainties, we may not have all the answers to all your questions at this moment in time. But please be assured that we're here to listen and actively consider your input and interests along the way.

I'd like to begin by setting the stage with some brief highlights on traveler demand for bus services -- which presents a challenge for us, as I believe you're all aware of, in light of the old facilities that we're managing.

We're facing growing traveler demand on the entire trans-Hudson network. We define the *Central Business District* as the area in Manhattan below 60th Street; and today, the trans-Hudson network serves just over a million travelers each weekday to that Central Business District area. And that includes people riding ferries, the rails, the PATH services, the buses into and out of the city, as well as motorists who drive across the vehicular crossings.

Of all these trips, the Bus Terminal serves 232,000 daily trips of that million-plus on more than 7,800 buses. And just to give you an idea of the level of activity: It's 600 buses in the peak hour; that's about a bus every two seconds. It's an extraordinarily busy place.

I'd like to just highlight a little bit historically, over the last 20 to 35 years, in terms of the role of transit across the Hudson River. Since the mid-1990s, all transit modes have been growing more strongly than vehicular traffic into the city. And of particular note is the fact that the bus market has been leading that growth since the mid-1990s. It is by far and large the largest growth market of all the trans-Hudson services.

Since 1990, collectively, public mass transit has grown about 110 percent, while weekday travel by automobile has actually realized an 8 percent decline. In many respects, this is good news; we're moving a lot more passengers into and out of the city. I mean, that suggests a very vibrant economy and one that we're supporting well. And we're doing it with fewer vehicles. That suggests not only that the economy is strong, but that we're meeting this strong economy and its travel demand in a sustainable and environmentally responsible manner.

While growth in buses is good from an economic standpoint, it doesn't come without its own operating challenges. Today, about one-third of the west-of-Hudson transportation market accessing Midtown is using buses to the Bus Terminal in Midtown to get in and out of New York City. And this current level of activity is simply more than the Terminal can handle in the peak hours. Reliability is a very significant issue for us at this point.

At the same time, we're expecting significant growth into the future. Our forecasts indicate that by 2040 we'll be seeing anywhere on the order of magnitude of 35 percent to 50 percent more peak activity at the Bus Terminal. Just to put that in perspective -- 232,000 daily passengers today will soar to somewhere above 337,000. That's the equivalent of

taking a sold-out Yankee Stadium and adding it on top of today's Bus Terminal demand into and out of that facility each day. It's a huge, huge undertaking.

In order to keep pace with the growing demand, the Commuting Capacity Study is a key piece of it -- to look at network-wide solutions as we look at the Terminal and its modernization and expansion possibility.

While demand growth is a concern, the Bus Terminal also suffers from the pressure of aging infrastructure and systems. Not only does this mean that we're spending more and more on an ongoing basis to maintain the facility and its upkeep; but all that money is spent without getting return, in terms of addressing functional and physical obsolescence at the facility. We simply can't handle the new bus designs that are out there to enhance capacity at the Terminal. Buses are being built higher, but we don't have the vertical clearance to get them into the building. They're longer, but we have very constrained roadways within the Terminal that will allow their maneuverability in a flexible and efficient way. And they're heavier, and ramps into the terminal are just not designed for some of the heaviest buses that are on the market today. So as the bus operators seek to bring fleets that can offer some capacity enhancement, the Terminal is just not capable of handling it. So it's a big, big issue.

More importantly, we're facing a very pressing structural investment requirement which reinforces the decision for terminal replacement. The floor slabs in the building -- many of which are now over 65 years old -- will require replacement within the next 20 years. And the ability to replace floors in the building while maintaining an ongoing

operation is just simply not possible. It's going to be untenable with the amount of capacity we would need to take out of service during the replacement process. So replacement is even more pressing when viewed in that light.

The capacity shortfall is most pressing in the evening hours. And any of you who have been there in the evening understand what a complicated and stressed operation that is, through the Lincoln Tunnel and into the Bus Terminal. The scarcity of bus parking and staging in New York City is a critical piece of that story. We have very limited circulation space within the Terminal, which adds to the heavy congestion that we see both on the New York side and inside the Terminal, as well as through the Lincoln Tunnel and onto the New Jersey roadway networks approaching.

Added parking and staging capability in New York will allow the operation to sustain some of the benefits that we've been able to achieve -- Diannae and her team have been working very closely with New Jersey Transit and the other bus carriers to eke out every efficiency we can in the operation. But having a facility nearby that can provide just-in-time delivery to the gates will make a monumental step forward in terms of reliability and on-time performance of the facility as we move solutions forward.

The recent announcements by the Board show the commitment of our leadership to addressing these issues and to building a new Bus Terminal. As the Chairman referenced at the Board's March 2016 meeting, there was a commitment to include the Bus Terminal replacement in the 2017 to 2026 capital program; and, very importantly, to locate the Terminal in Midtown Manhattan, which will guarantee that one-seat ride to

the tens of thousands of people who are benefitting from that type of service today.

Our readiness to make these commitments was bolstered by the staff work that had been done leading up to these decisions in the Midtown Bus Master Planning effort. That effort was undertaken to address the capacity issues, the aging infrastructure crisis, and the structural operational and financial issues that are facing the Terminal. That effort progressed all through 2014 and 2015 -- considering building blocks on a regional level. We were looking at operations, not only at the building, but throughout the corridor. We were recognizing the key links of related facilities that make the Bus Terminal work as a system, and we were looking at a central function that could be prioritized for sustaining a reliable operation.

Staff efforts were complemented by retaining Kohn Pederson Fox, and Parsons Brinckerhoff to help with the Midtown Bus Master Planning effort. Following a multidisciplinary visioning exercise to refine the objectives of the effort and to establish the requirements, the consultant team developed a fairly long list of alternatives. Those original concepts were screened through many rounds of analysis and vetting against the master plan objectives to select the top five design concepts that best filled all the objectives. Those five concepts were presented to the Port Authority Board of Commissioners and to their Special Working Group, dedicated to looking at the future of the Bus Terminal and recommend a course of action to the full Board. In September, the Board's Working Group recommended a concept with a western alignment; I'm sure many of you have seen it -- west of 9th Avenue -- as a preferred option. After further deliberation, the Board endorsed the Working Group's recommendation for that preferred

option, but also directed that it be evaluated against concepts that would be solicited from an International Design and Deliverability Competition. And the Board also asked the staff to commission a Commuting Capacity Study so that we could explore trans-Hudson demand and capacity, not only at the facility level at the Bus Terminal, but to also seek network-level strategies to address the future needs.

In November 2017 (*sic*), the Master Planning effort convened a peer review that drew 29 experts with regional, national, and international experience. And their charge was to validate some of the findings from the Master Planning work, to counsel us on responses to some of the recommendations coming from that Master Plan, and to provide insight regarding program delivery and schedule. It was a three-day effort, and we drew upon the extensive experience of industry experts covering a broad field of technical, construction, financial, and operational disciplines.

Participants drew upon their experience to give us critical feedback in a number of key areas. The goals and objectives of the project: facility and terminal operations, transportation and pedestrian analyses, technology, urban design, project delivery and funding strategies, the selection of a preferred alternative in the process, project costs, phasing and staging of the whole project, and then public and stakeholder input.

The peer review recommended a substantive step towards engaging the outside community and a community of experts, and helped us to shape the approach that we're taking in the Design and Deliverability Competition, as well as the objectives that we've defined for the competition.

So the competition is the next step forward in our march towards a new Bus Terminal for the 21st century. This competition -- the Port Authority is seeking to further its master planning efforts and select a winning design concept, and recommend an optimal location for the new Bus Terminal that most fully meets the design and deliverability objectives that we've selected.

The competition, as the Chairman referenced, is a two-stage process where we're looking to select a winning conceptual design for this complex project. The competitors were asked, in phase one -- and we're kind of in the midst of phase one now -- to assemble multidisciplinary teams with very specific functional expertise in the following areas: architecture, engineering, intermodal transportation operations, transportation planning, urban planning, finance, and real estate development. So we're really looking for the full package.

We are seeking teams that can demonstrate a record of expertise and achievement in the design and planning of large-scale multi-modal mass transit projects, within a high-density urban environment.

The Port Authority anticipates awarding an honorarium of up to \$1 million to the winning finalist. There will be up to five finalists that are selected into the phase two portion of this competition. The remaining four finalists may receive an honorarium of \$200,000 each for non-winning proposals that meet all the objectives of competition.

I think what sets this competition apart from other efforts that have been similar in nature is the deliverability aspect of it. We recognize that we need a concept that is ready for real world development and that can be done in as rapid a manner as possible. So the inclusion of the

deliverability aspects of this competition is intended to convey that the Port Authority does not want this to be strictly an architectural competition that is based solely on esthetics and design criteria. We are seeking a timely solution that is functional, fundable, and constructible in a reasonable amount of time.

So I'd like to spend a few minutes just going through the objectives for the competition, which will give you a sense of what we are striving to achieve.

Firstly, we want to meet current and projected bus passenger demand. So that includes everything that's in the Terminal today; all the growth we talked about, through 2040, as well some of the on-street operations that are operating around the Bus Terminal and through Manhattan today.

We want to advance a functional and practical transportation solution. First and foremost, this needs to work as a transportation facility - ultimately important. We want to use Port Authority property wherever possible and minimize the taking of any private property through private property acquisition. We heard loud and clear, when we were in the neighborhood around the Bus Terminal, that the community there is very concerned about their residences, about their local businesses, and about preserving the historic character of that neighborhood. So we're going to be very cognizant and maximize the use of Port Authority property.

We want to minimize traffic impacts to the surrounding local streets. Clearly, we have an operation today that does that quite well with direct connections between the Lincoln Tunnel and the Bus Terminal. We

want to continue to kind of have that type of functionality in our new solutions.

We want to account for the local community concerns, and that's really on both sides of the river. Very importantly, we want to take constructability into account. The construction of this facility is going to be a very difficult undertaking from many, many respects. Just the hours of construction that will constrain the ability to work, so that we can sustain an operation while we're building.

The ability to lay down equipment and materials in a very densely populated area is going to be difficult. But even the engineering -- some of the long-standing construction techniques that we anticipate needing are going to require some pretty creative engineering solutions. So we want to make sure that constructability is highlighted.

We want cost-effective solutions, accounting for both the capital investment of a new facility and the ongoing operating costs as part of deliverability. This facility loses over \$100 million a year. We need to find a design that works -- not only that we can build, but that we can operate for decades and decades to come.

We want to provide functionality for bus parking and staging, as I mentioned. It's so important for the reliability and the on-time performance of the operation.

Very importantly -- we want to look at scalable and modular solutions that may be phased as the needs begin to evolve and standards change. It's a very important component that we have that flexibility as our markets and our business develops.

We want to sustain the Port Authority's long-standing interest in safety and security; emphasizing that through the design, the operations, and the site location. Safety and security are so paramount at these facilities, which are clearly targets. And we can't accept anything less.

We'd like to attract private capital as an element of project deliverability. We think this project is going to be right for a whole source of blending of different types of funding. And certainly we'd like to engage the private capital markets to the extent we can.

We'd like to utilize sustainable design principles. I mean, that includes environmental stewardship and responsibility, as well as designs that are sustainable from a financial standpoint on an ongoing basis.

We will ask the competitors to consider alternative bus storage locations that are outside of Midtown Manhattan. There have been plenty of discussions about the potential to do some bus parking and staging in New Jersey, and we encourage the competitors to think more broadly about what could complement some parking and staging in New York.

And finally, we want to embody the excitement and the dynamism of the New York City area and the region in our design proposals.

So these objectives -- they're numerous; they were developed as a result of our planning and master planning efforts in consultation with public industry and stakeholder engagement. They are reflective of our approach and philosophy as we continue to think about and plan for this massive project, and consider how to minimize the impact to the local area while ensuring a safe and efficient transportation experience during construction, and then for the decades of operation beyond construction.

Staff is in a continuous process of refining the concepts that were being proffered in the master planning effort, and making sure that they're in alignment with these objectives. We are very interested in presenting some staff thoughts about the development of the master planning concepts in phase two to the competitors, so that they can get some benefit of our thinking in terms of the concepts that align with some of these objectives -- particularly around maximizing scalability and modularity solutions; building on the existing footprint of the Bus Terminal and Port Authority property; mitigating bus circulation issues, particularly on the New York City streets; reducing walking distances, particularly for the transit connections that the terminal offers today; exploring options for bus storage and staging; and the relationship with intercity bus operations. We intend to provide detailed project information to the design and deliverability competition finalists related to some of these efforts to better inform their submission; and then, in turn, to have their submissions better inform our own work as we look to progress the effort.

So in terms of schedule and key milestones -- as I mentioned, the competition launched on March 11. The phase one submissions and registrations were turned in on April 28. So we're in the midst of reviewing those now for comprehensiveness and eligibility based on the submission requirements. We have a jury that's being assembled of eight individuals who represent regional, national, and international perspectives among all the various disciplines that we're asking the teams to have in their teams. That jury will be making a determination of up to five finalists that will enter the phase two portion. We anticipate that portion to be kicking off in early June, with phase two submissions due in mid-August. And the mid-

August timeframe will then allow us a chance for the jury and the Port Authority subject-matter experts to consult with the finalists and the jury to make a determination; and then to have a recommended concept available for Board discussion at their September Board meeting this year.

So that completes my report.

SENATOR GORDON: Okay. Thank you very much, Mr. Muriello.

At this point, let me just recognize -- Senator Sarlo and Senator Greenstein have joined us. We appreciate their being here.

I'm sorry -- Senator Kean.

SENATOR KEAN: I'm sorry; I appreciate the timeline and everything else, and the overarching need for security concerns and how you overlay that and OPSEC -- dramatic importance of having this in New York City and not in Secaucus or anywhere else -- and that will be a long-standing bipartisan, bi-state push from all of us, going forward. And we appreciate the Port Authority's agreement on that front.

One of the hearings we had in the past, just on a technical basis, we talked about the buses now being longer, heavier -- but also having less capacity per bus. They may be more environmentally friendly, but they have, from a capacity basis -- even though they're longer and heavier, they actually have fewer commuters. Can you talk about that in terms of the dynamic approach within the context of the Bus Terminal -- both on designing it and on making sure we truly have the best possible capacity?

MR. MURIELLO: Sure; and there are lots of thinking that goes into this. And I'll ask Diannae to weigh in, if she's got anything to add.

You know, most of the bus designs do have more seating capacity than the standard 45-foot motor coach does today. I mean, the real issue is how quickly you can load and unload them, particularly a double decker bus -- there's time -- that requires dwell time, that actually may be more inefficient in the Terminal than having, kind of, a smaller bus.

As we move forward in technology -- is more prevalent to allow closer following distances and more of an automated control of -- and driver assisted control. We think we'll be able to run even the smaller buses closer together, and maybe get more efficiency and more capacity out of the system by a more efficient operation through technology.

SENATOR KEAN: Yes; because it seems to me, with this capacity -- and thank you for your longitude and latitude, Mr. Chairman -- but it seems to me, again, and I think to your point -- is the fact that with the-- You can have the exact same number of access points to even be much more efficient in those access points -- whether they be rail use, car use, or bus use. You can-- By sliding those transports -- both driver-assisted, as well as technology-assisted, and a variety of other things you can do -- just a lot more efficient. So it's just a build, but it's also a technological capacity. Keeping that synergy is extraordinarily important.

MR. MURIELLO: I mean, the bus designs also depend very much on the markets they're serving. So a double decker bus that might be running from a park-and-ride location is an efficient use of that type of vehicle design.

SENATOR KEAN: Right.

MR. MURIELLO: Some of the articulated buses are very effective in a bus rapid-transit type environment, which kind of does a lot of

low-level floor loading; more like a transit system. And as the State of New Jersey -- New Jersey Transit and the other carriers -- begin to plan different services for different markets and different characteristics, we need to have a Terminal that's flexible enough to accommodate all the different demands that may be thrown at us into the future.

SENATOR KEAN: I agree; and that's-- I'm simply saying thank you for that, because it's a very important part of making sure we are keeping up with the technology -- not only the actual structure, but the capacity going through that structure, at all levels.

MR. MURIELLO: Thank you.

D I A N N A E C. E H L E R: If I might add-- My name is Diannae Ehler--

SENATOR GORDON: I should say, we have a number of questions on Terminal issues; and I don't want to disrupt the flow of things. So Ms. Ehler, if you have a presentation you would like to make, first, before responding to questions, feel free to do that.

MR. DEGNAN: Actually, Mr. Chairman, Diannae is the General Manager of the Bus Terminal and the Lincoln Tunnel, and is probably the most knowledgeable person here on daily operational decisions. She was not going to make a presentation today--

SENATOR GORDON: Okay.

MR. DEGNAN: --but is here to answer questions.

SENATOR SARLO: Perfect.

SENATOR GORDON: Okay, that's fine.

MR. DEGNAN: She is the person responsible for the Quality of Commute Program -- the investment of \$90 million -- and has had significant improvements in the level of service to the public.

SENATOR GORDON: Okay; Ms. Ehler--

MS. EHLER: Any question you have -- just ask.

Can you hear me?

SENATOR GORDON: Yes.

MS. EHLER: Okay.

So I just wanted to add to the Senator's question. When it comes to the use of technology, I wanted to highlight a point that Mark had made in his presentation -- the need for bus staging and storage, as an example.

So currently, today, we get about four turns a gate on our commuter operations. If we have bus staging and storage that's directly connected to the Bus Terminal itself, we'll be able to get--

SENATOR GORDON: Excuse me; I'm seeing that we're not -- you're not being heard in the back.

UNIDENTIFIED MEMBER OF AUDIENCE: We can't hear her.

MR. DEGNAN: I think the problem is, these mikes are for the public to hear us, and these mikes are for recording, so--

SENATOR SARLO: Recorded for the Office of Legislative-- The little ones are for the Office of Legislative Services.

MR. DEGNAN: Diannae, why don't you come over and take my seat?

SENATOR GORDON: Yes; sorry about that, folks.

SENATOR SARLO: Yes, I have some questions on the Terminal as well.

SENATOR GORDON: Okay.

MS. EHLER: Okay; rarely am I not heard. (laughter)

So I just want to really highlight the point that Mark had made -- the importance of bus staging and storage for the overall operation.

So as an example: Currently, today, we get just over four turns a gate on our commuter operation, and that's overall. So some gates get less, and some gates get more.

But if you have a bus staging or storage facility -- which assures the reliability, the just-in-time delivery of the bus -- we can actually get five or six turns per gate, and that affects the overall operation. You get better on-time performance on a smaller footprint, in terms of the terminal.

SENATOR GORDON: Okay.

I have a general question. Mr. Muriello, you told us about the staging of the competition. Could you give us an idea of what, in a best-case scenario -- what the timeframe is from the beginning of this process to ribbon-cutting? (laughter) How long is the construction going to take? How long will the environmental reviews take? And are there any opportunities to try to truncate those in any way? And when would the construction actually begin and end?

MR. MURIELLO: So that's one of those questions that I don't think we have all the answers for right now. The design competition is really designed to be something that's producing high-level concepts. We're not going to have a hard-and-fast design yet. So how that gets constructed - - it needs to kind of follow our September recommendation to the Board,

and the discussions and deliberations they have. I can tell you, we're very cognizant of being compliant with all the regulatory and environmental processes that we need to be.

SENATOR GORDON: But these environmental requirements -- the permitting and the environmental impact statements -- are those Federal requirements?

MR. MURIELLO: They're likely to be Federal requirements. I mean, Lou -- Lou Venech, my colleague here -- is probably more expert than I am in talking about the regulatory side of things.

SENATOR GORDON: We've just seen some editorials related to Gateway, about -- I thought I read a seven-year term of environmental impact analysis and permitting process. And the press was wondering, "Can't this be streamlined in some way?" And I guess I have the same questions about the Bus Terminal.

MR. MURIELLO: And in part it depends on the design that we put forward and what will be required. But, I mean, there's likely to be a fair period of time to get through all the environmental and regulatory work.

L O U I S P. V E N E C H: (off mike) And that would include Federal environmental in their quality analyses, and if the project took advantage of Federal funding or financing -- that federalizes the project, so that's a consideration; as well as depending on the shape of the project -- State actions and (indiscernible) actions possibly -- probably by the City of New York as another component of the process.

A good way to get a shorter process is to have good upfront planning, and to build a consensus and to build a sense of confidence that

the agency has taken into account the factors that often trip up and stop the project.

SENATOR GORDON: Okay.

This may seem like a petty issue -- I received some communications from a constituent who is a Port Authority employee. And he asked why are these competitions international in scope. And he related in his letter -- he alleged that there were "high costs related to transporting teams of architects from Spain, back and forth," I guess, for the Oculus project. And it raises the question -- couldn't we find that kind of talent in America, perhaps even in the New York metropolitan area; and couldn't we avoid those costs?

MR. MURIELLO: Yes; I don't think it's going to be very costly to get international thinking here, because we're going to be doing a lot remotely, and through webcasts, initially. There will be one period of time for visiting. I think the cost of kind of tapping that type of thinking will be limited.

I think what's interesting to note is that the Port Authority Bus Terminal is unique in the United States of America. And any transportation expert will tell you, there's nothing else like it in this country. I mean, where we start to approach the level of complexity is in some of the international examples -- in Asia; in South America, where they rely very heavily on bus and they don't have supporting rail networks and other types of modes of transportation -- where the complexity and size and scope of an operation begins to approach what we have here in New York City.

SENATOR GORDON: Okay.

SENATOR SARLO: And may I just ask one thing?

SENATOR GORDON: Senator Sarlo; sure.

SENATOR SARLO: Yes, unfortunately we have to recognize most of our -- and I live in the engineering world -- but most of our large engineering firms, especially transportation-based engineering firms, have now combined with larger firms, and most are international firms anyway. You know, the five or six largest -- I won't mention them here, because I don't want to give anybody a plug--

SENATOR GORDON: It could hurt them too. (laughter)

SENATOR SARLO: But the five or six largest transportation engineering firms that come to my mind all have an international presence. They have offices throughout the world. And so, regardless, they're international companies anyway, so--

MR. MURIELLO: Very true.

SENATOR GORDON: Is the proposal to build a Terminal one block from the current site still the preferred alternative? Can you tell us a little bit about what went into that decision?

MR. MURIELLO: That -- I mean, that decision was vetted against, again, all the objectives that I spoke to. It's the preferred alternative coming out of the Board discussion. But the competitors are really free to come up with anything that they would like to suggest differently.

MR. DEGNAN: The Board specifically directed that the design competition allow a competitor to suggest a different configuration, or even a different site, on the west side of Manhattan; to include, conceivably, rebuilding on the existing Terminal site, if that was the most feasible result.

At this point, Senator, we want to be careful not to prejudice the design competition.

SENATOR GORDON: Right.

MR. DEGNAN: We have a very respected jury appointed of very well-recognized experts in the area that will make that determination. But that is on the table.

SENATOR GORDON: I know-- And again, I don't want you to -- I don't want to elicit any comments that might prejudice the jury, but I know there has been some criticism about the so-called *option three* that would make it a little bit more difficult for people to get to the subway. Are you looking at new approaches to moving people to the subway station?

MR. MURIELLO: Very much so. We're encouraging them to look at pedestrian access to the transit, to interface options to move people from a remote location, as well as options to cut that walking distance.

SENATOR GORDON: It's also been suggested-- I mean, in the context of our concerns about the closing of one or more rail tunnels and the havoc that that would create, is there a way to build this project in a way that might create a, sort of, safety valve, or an opportunity to accommodate additional commuter volume before the entire project is completed, in case we have that kind of catastrophic situation?

MR. MURIELLO: Well, I can say I had the pleasure of heading an internal Port Authority team that the Special Panel -- the Board's Special Panel on Port Authority Reform had targeted. My team was focused on trans-Hudson issues. We did look at, kind of, what the impacts would be of a single rail tunnel closure. I think, in part, some of the phasing, and modularity, and scalability objectives that we're getting at

may suggest that we could seek alternatives that may have aspects of the solution that get delivered earlier, and could help in the event that we had a catastrophic failure, as you're suggesting.

SENATOR GORDON: Let me give other members an opportunity.

Senator Sarlo, you mentioned--

SENATOR SARLO: Thank you; thank you, Mr. Chairman.

Thank you, Chairman Degnan; and to the staff here at the Port Authority.

Just two things that come to mind in hearing the conversation. I think one of the things that you hear a lot from our constituents, and one of the things that I see and get agitated about is -- and this is through no fault of the Port Authority; I want to make that clear -- you have this large volume of buses that go in, drop off, now sit in traffic empty; come back through the tunnel, only to sit in traffic later in the day to come back through the Terminal. And it's through no fault of anybody under the current design. So you have this large volume of buses that is creating pollution and congestion on the roadways -- empty. Under this new Terminal-- I mean, the size can only be so big, all right? We're in some of the most expensive real estate in the entire world -- if not the most expensive real estate in the world. Is there going to be provisions -- are there going to be enough provisions to reduce some of those empty buses that need to vacate, come back to Jersey; sit idle in Kearny, or wherever they sit today? Is there going to be some type of capacity over there to have some of these buses just shut down, sit there, and wait for the commuters?

MR. MURIELLO: Yes, that's very much the concept of the bus parking, and staging facility, and functionality that we're seeking. It would allow a large portion of those buses that can to remain in New York during the midday when they're not required for service; and then be at the ready on hand to be dispatched in the evening. It will save us the congestion of the Lincoln Tunnel, all the hours--

SENATOR SARLO: It frustrates -- it must frustrate all of you as well.

MR. MURIELLO: Right; it's one of the most frustrating parts of the operation -- Diannae will tell you -- every afternoon.

SENATOR SARLO: So I'm looking at these numbers in the handouts here. I'm not sure if it was you, or who provided these handouts, but I'm looking at the increase in the bus projections and bus -- through 2040. And it's quite-- So by 2040, we're looking at up to 337,000 passengers -- an almost 35 percent increase in bus capacity.

Now, in addition to being a Senator, I'm the Mayor of a little town -- Wood-Ridge, in South Bergen. I drove past there this morning; every bus stop, line -- which is great; people going to work. Every bus stop was 10-deep. And we're one of the few towns that have two train stations with direct access to Manhattan. So I get it; we're a big commuter town.

The question I have is -- I see bus volume continuing to grow at a higher proportion than rail passengers. Now, with the new millennial generation, aren't they much more in tune to getting on rail than on buses? So why are we seeing -- projecting all the way out to 2040, we see a lot more folks jumping on buses than actually trying to get on rail; or the rail is at full capacity. I'm just-- This whole future generation-- I mean, I drove

here; they would have figured out how to get onto a train, to a bus. And if there was no mass transportation, they would have taken Uber here.
(laughter)

SENATOR KEAN: Am I hearing a “kids these days” comment from Senator Paul Sarlo, one of the youngest Senators in the Legislature?
(laughter)

SENATOR SARLO: I'm getting old. (laughter)

SENATOR KEAN: That's what I'm just saying.

SENATOR SARLO: I'm getting old; it's like, you know--

So what I'm looking at is, 2040 -- you're projecting out 35 percent increase in bus capacity. And I'm not doubting the numbers, I'm just-- As you look at this, long-term, are you seeing your bus capacity continuing to grow here and your rail flattening out?

MR. DEGNAN: So Senator, if I could -- and with your leave -- Lou Venech is about to do a presentation -- or is prepared this morning to do a presentation on the Trans-Hudson Commuting Capacity Study which addresses just the questions that you're asking, which are critical to this whole process.

The Bus Terminal is a piece of the whole. We move hundreds of thousands of people every day across the Hudson, in both directions. And, with your leave, the best way to answer your question might be to let Lou do his presentation on that.

SENATOR SARLO: Absolutely.

MR. DEGNAN: And then, at your leave, we also have a presentation -- when we want to switch to Gateway -- from Bill Laventhal on that.

But with your permission--

SENATOR SARLO: If we could go to that, Chairman -- is that okay? We go to that?

SENATOR GORDON: I just have a couple more questions about the Bus Terminal.

SENATOR SARLO: Okay.

SENATOR GORDON: And perhaps Ms. Ehler can address this.

Could you tell us what you've been doing to try to improve the quality of the commute in the existing facility? And could you also comment on how the construction of this project will affect commuters?

MR. EHLER: I'll deal with the first.

So, essentially, starting in the summer of 2014, the Port Authority Board allocated a \$90 million commitment to making enhancements to the quality of the commute for our customers. They fell in three areas: One was communication with the customers; the second was building and building system improvements; and the last, but not the least - - because it's the one that's of most interest to our customers -- was improving the operations at the Bus Terminal.

So just in terms of enhancing the customer communication -- we started out with almost immediately hosting quarterly Commuter Chats. This gives our ridership the opportunity to meet with both management -- Port Authority management at the Lincoln Tunnel and Bus Terminal, as well as management for the various carriers that operate out of the Bus Terminal.

In addition, we've enhanced our abilities to send out commuter e-alerts; we're trying to get customers to sign up, so the new millennials -- right? -- they can know that there's an issue before coming to the Terminal, and then make adjustments in their commutes home; as well as everybody else, not just millennials.

We've improved cellular communication in the Terminal -- mostly on the main and second floors -- but we are looking to extend that throughout the Terminal before the end of the year. And we've made enhancements to some kiosks that are in the Terminal that help people with way-finding and what gate they're going to catch the bus -- things of that nature.

We have also brought on an afternoon management team that actually stays in the terminal to about 7:30 at night and oversees both the operations at the Lincoln and the Bus Terminal, and makes sure they're tightly communicated. And if there is an issue, they communicate directly with the carrier where the impact is -- or whatever needs to get done, they try to resolve it on the spot.

Next steps, really, in the area of communication, are going to be the inclusion of Wi-Fi throughout the Terminal. That's proven to be a little difficult to get up and running; but we're hopeful that, by the end of the year, we'll have those services on board.

In terms of the building and the building systems -- the first thing we did was we actually included a number of additional routines for cleaning the Terminal. That was something that our customers had asked us to spend more attention on.

We had big issues on the pull-through platforms -- which are on the third and fourth floors of the Terminal -- in terms of the tempered air. So we installed, initially and immediately, some stand fans -- right? -- some fans in the area. But then we've added, to all of those pull-through platforms, supplemental HVAC units to try to improve the quality of the gate area where people were waiting to catch their bus.

We did a lot of work on leaks, and we're doing much better. Although with the age of the building that we have -- that's going to be an ongoing, continuous effort.

In the area of restrooms -- something that's very heavily used in the Port Authority Bus Terminal -- there are actually 16 public restrooms. We've completed 10 of those 16; this summer, we'll complete 4 more, and the remaining 2 restrooms will be completed before Thanksgiving of this year.

Doors in and out, off of 8th Avenue, both at the main level and at the subway level -- a lot of customers complained about how heavy they are; that sometimes they're broken and they're out of service. It's another area we've paid attention. We'll have the North Wing main and subway-level doors replaced this year, and then the South Wing main and subway-level doors replaced the year after.

The biggest area of improvement of most interest to our customers has been the things we've done operationally to make enhancements. This is something that we've been working on every day; we're always vetting new ideas. Some of the things that you might have heard of that have come into play: The summer of 2014 -- September of 2014 -- we put-- The operational improvements included things such as

working with the carriers to have them cut their run-time for buses coming into the Terminal. One of the problems with the operation of the Terminal -- that's operating at or beyond capacity during the peak -- is the fact that the carriers would add run-time to the buses. So if the bus was 10 minutes late, they would add 10 more minutes to the schedule; and then, hopefully, the bus will be on time. But what happened, over time, was we ended up getting flooded -- both the Lincoln Tunnel, the bus ramps, and the Bus Terminal itself -- were becoming congested with early buses. So working with the carriers, we got them to cut back, in a rather large way, on the run-time for the buses. When we combine that with a change in terms of how we operated the Lincoln Tunnel-- The south tube in the Lincoln Tunnel has two lanes coming into the City; the other two tubes have four lanes going out during the P.M. So you only have two lanes coming in. You need to maintain flow in every tube in order to have emergency response -- fire or medical.

SENATOR GORDON: That raises a question I have.

We're talking about increasing the capacity for the new terminal, but there aren't immediate plans to increase the capacity of the Lincoln Tunnel. How do we increase the through-put, if we can, of the Lincoln Tunnel -- so if you could address that.

MS. EHLER: I'm giving you some of the things we've done, short-term, including something we just did this March. So I'll speed it up, if you like. (laughter)

So one of the things-- So we changed how we handle the operation in the south tubes. So the last thing we do is we'll divert a bus. And then we're also kicking early buses out of the Terminal to change driver

behavior. The end result, really, was a much dramatic reduction in the crowding in the building, in the on-time performance of buses, and in the buses on the city streets. So that was September 2014.

September 2015 -- what we did was a major bus realignment. It was a realignment of gates, so about one-third of our customers actually were going to be catching a bus at a different gate. So why did we do this? We focused on our two largest carriers -- New Jersey Transit and Coach USA -- there are four carriers that operate under the Coach umbrella -- and what we did was, for example, we dedicated the third floor to New Jersey Transit. That gave them the ability to be more flexible, in terms of how they're allocating a bus. So if a bus from the same garage was operating -- if they're all operating in the same area, and there's a shortage of buses for one route, they could recommit those assets to where they were needed. This is something that's helped them recover whenever there's some kind of service disruption.

And then, most recently, taking a look at what was happening on the Jersey side -- which goes to the through out-put through Lincoln Tunnel -- in March we started a new bus traffic pattern. Initially it was just a pilot; it was something we were trying. We were lining up all the buses that were coming in in the afternoon -- the buses that were on 495 eastbound. We were lining them in the lane eastbound that's most closely related -- aligned with the median barrier that separates the east and the west flow. And we're putting them into the northernmost lane of the south tube; we call it the *near lane*. And we are essentially letting them queue in that line. That's done a number of things: One, it's improved the

reliability -- the delivery of just-in-time buses; and it's also reduced, actually, accidents, both before and after the toll plaza.

So to give you an idea what that means -- New Jersey Transit has a Weehawken lot that's just outside the Administration Building. They were leaving an hour and 20 minutes for a bus to leave that lot to come into the City. I was talking to them a couple of weeks ago -- they're now only leaving 30 minutes. So they cut 50 minutes out of their run-time from the lot that's closest to the Lincoln Tunnel. That's how dramatic these changes have been. They've also reported a dramatic decrease in their operating costs as a result. The smaller carriers are also seeing similar benefits. Transit being the largest, it's the most dramatic.

Their on-time performance -- which is not necessarily the best metric to compare this to, but I'll use it anyway. The summer of 2014, when we were first talking more about the Bus Terminal, on-time performance was about 85 percent for New Jersey Transit. The last three months, since putting in this last operational bus traffic change, we're nearing 91, 92 percent. We're over 90 percent almost every day. So that's dramatic when you multiply it by the number of people.

SENATOR GORDON: Have you considered dedicating additional lanes? I think you already have one dedicated bus lane to the Lincoln Tunnel.

MS. EHLER: So there's both morning rush and then the afternoon rush. What I just described was -- it's not a dedicated lane in the afternoon to buses, because we do allow cars. But it's certainly a prioritization of that lane -- the near lane of the Tunnel. And what I didn't mention in that -- the local buses, which make up a considerable number of

the buses in the afternoon that are coming back through -- they are given a priority access up the center ramp into the Lincoln Tunnel, and that's helped their on-time performance.

SENATOR GORDON: Okay.

Before we turn over to Gateway, just one other question.

There's been some discussion about directing intercity buses to a satellite location, perhaps in New Jersey. Can you talk about the current thinking about that?

MS. EHLER: I'm wondering if--

MR. DEGNAN: You might--

MS. EHLER: Mark -- that might be better.

SENATOR GORDON: Okay.

MR. DEGNAN: Yes, let me take a stab at that, and then I'm really very anxious for you to hear from Lou on the trans-Hudson crossing.

Right now, intercity buses present a different issue for the Port Authority than moving commuters every day. Most of them are outside the facility at the Bus Terminal now, where they embark and disembark passengers.

One option that has been discussed, but not in great detail, would be using a different location as the place in which intercity passengers are dropped off or not -- whether it's the GW Bridge Bus Terminal north of the City, or some location in New Jersey that would allow them train access. That's an option. We will have to deal with intercity buses, but our priorities are getting the commuters back and forth.

SENATOR GORDON: You go to a city like Paris or London, and you see different stations--

MR. DEGNAN: Right.

SENATOR GORDON: -- which I assume are dedicated to different geographical areas; it's more or less the same concept.

I know -- Senator Kean, you had a question?

SENATOR KEAN: Sure.

And if I may, getting back to your conversations, or your statements on the 81 (*sic*) percent on-time, and now 93 (*sic*) percent on-time.

MS. EHLER: It was 85. (laughter)

SENATOR KEAN: Okay, it was 85 percent of a false standard, though. So you were saying -- you were basing on, actually, a run-time of 10 minutes and everything else. So people were building in -- they were successful on a longer timeline, longer target. And so I'm saying-- So the rate of improvement is better than simply an 85 to a 93. You're getting more accurate numbers -- right -- or times?

MS. EHLER: Well, I would agree, but for different reasons.

SENATOR KEAN: Okay.

MS. EHLER: So if I might-- On-time performance for New Jersey Transit is 6 minutes or less. So if the bus was 15 minutes late, and is now 7 minutes late, it doesn't improve their on-time statistic.

SENATOR KEAN: I understand that. If you had an overall-- Adding 10 minutes, as you were saying, onto the timeline, people-- The most important thing we can have, in this day and age -- especially with everybody having this device (indicates his cell phone) more frequently than they have their own wallets when they go out the door -- is the fact that you need to have information. People make their decisions based on minutes

getting on these -- whether it's rail or whether it's bus. And so false on-time ratios or timelines create extraordinary frustration operationally, but as well as to the commuters.

MS. EHLER: Actually, the fact that they had -- they had given the more time -- more run-time for the driver, actually decreased their on-time performance substantially. That was the problem we were having.

SENATOR KEAN: Because they were early.

MS. EHLER: We were getting flooded with all these early buses. So what was happening is, the Tunnel -- because I have to maintain flow at all times -- we ended up diverting those buses onto city streets. And then they would take all kinds of routes to come back up and into the Terminal. So by no way did adding 10 minutes actually improve the situation. It was actually a contributing factor.

SENATOR KEAN: But I am on your *PATH Notes* so I get -- when every single one of PATH stations or lines are running slower, I get a notice on here. And I can imagine the frustration of people who are relying on that on a daily basis and seeing e-mail after e-mail after e-mail. Do you have any similar thing for buses at all?

MS. EHLER: So we do; you can sign up for all the Port Authority facilities; have an e-alert. And we've been working very hard to sign up people. We've been publicizing it in the Terminal, Commuter Chats. When we do our surveys, we ask people if they want to sign up, and we hand them cards that allow them to do it. We don't nearly have the numbers that we would like.

And the other thing that we're doing with the e-alerts and the announcements in the building -- because our customers have asked for it,

and it makes sense -- they're looking for more detailed information. So instead of just, "There is congestion in Lincoln Tunnel," we're telling them, "There was an accident on 495 eastbound," or "There's an accident on Route 3." This way they can make a decision. If things are really bad we'll actually put in the e-alert, "There are substantial delays. Please consider other alternatives." So we're being much more descriptive in what the cause is, to help people make better informed choices.

SENATOR KEAN: Thank you for that clarification, because I think one of the things that, in any capacity is -- it's not having information. Because people have to make alternate decisions. I mean, you can say, "Okay, I'm going to use the bus instead; I'm going to go on the ferry; I'm going to use" -- whatever it is, or build in a couple of extra meetings. People have that experience; they can say, "Based on this, I can change my life in these ways." But the fact that -- the historic frustration with some of these -- any large entity, is the lack of access to information.

So if I can -- anything you can do on making sure that the commuters have real and timely information; and whether that's making sure that you have the wireless systems within the terminus, or whether it's sending out these e-mails. I mean, that type of information is important, not only for people who are going to and from work, but the family -- getting home to see their families in a timely basis. That's extraordinarily important to have a focus on that information.

MS. EHLER: Good.

SENATOR GORDON: Okay. Why don't we turn now to Gateway?

MR. DEGNAN: Well, we have two more presentations, if time allows. One is the Trans-Hudson Commuting Capacity Study--

SENATOR GORDON: Okay.

MR. DEGNAN: --which Senator Sarlo had a question about, and I punted to Lou Venech.

So with your permission, could we cover that--

SENATOR GORDON: Yes, sure.

MR. DEGNAN: --and then move to Gateway? Great.

MR. VENECH: (off mike) Thank you, Mr. Chairman and Senators. I echo my colleagues' appreciation for the opportunity to have this dialogue today.

I'm the Project Manager for the Trans-Hudson Commuting Capacity Study. I bring to that involvement in all the modes of trans-Hudson travel in my years at the Port Authority. I'm also our lead representative to the North Jersey Transportation Planning Authority, and to the counterpart organizations in downstate New York and the lower Hudson Valley -- so that perspective as well.

The Port Authority's Board of Commissioners called for the Capacity Study in the same resolution that authorized the design competition. The Midtown Bus Master Plan, that produced the concepts that were discussed earlier, had factored in projections of long-range Bus Terminal and trans-Hudson demand; and included baseline assumptions for potential improvements in other parts of the transportation network.

But in its resolution last October, the Board directed us to look more deeply at these and other factors that might affect demand at the Port Authority Bus Terminal in the long-term. The Board wanted a fuller

understanding of the planning context for the new Bus Terminal, and there were a number of specific questions in the resolution which we've worked to address.

Staff designed the scope and schedule for the Commuting Study to parallel the Design and Deliverability Competition. And after an expedited procurement last winter, we selected a new team from Parson Brinckerhoff with expert subconsultants from several disciplines. We're working closely with Diannae and with specialists in different departments of the Port Authority.

We've also been conferring closely with New Jersey Transit, and reaching out to independent experts for input in other areas, especially the rapidly changing relevant technologies of both the transportation operations and apps that may affect commuter choice and commuter options, as Senator Sarlo was suggesting.

The study team kicked off work in March, with an expected completion of all tasks by June 30. The work is well underway, and key tasks following the Board's resolution include the following.

We're looking at constraints on the west-of-Hudson bus network, and opportunities to improve capacity and service to the Lincoln Tunnel and the Bus Terminal, and other connections to Manhattan. As you suggested, Mr. Chairman, getting the full benefits of a more capacious Bus Terminal requires operating the approaches to the Tunnel and exclusive bus lanes, and other connections in New Jersey, more efficiently to get more through-put and more reliable service than the present facilities can allow. Notwithstanding all the things that have been done in the near-term, we're talking about handling the higher volume.

So we're looking at issues of physical connections that might need to be improved, other approaches to operations, and opportunities to incrementally increase service through other crossings to Manhattan as a way to temper a little bit the demand at the Lincoln Tunnel and the Bus Terminal.

Secondly, we're reviewing plans and projects for other transportation modes, including PATH, ferries, passenger rail service, and commuter bus services -- again, that use other crossings to access Manhattan.

Are there service enhancements elsewhere that can have an effect on peak period demand at the Bus Terminal? What's realistic to assume about what capacity will be available, and how attractive would it be to some Bus Terminal commuters in the timeframe that we're talking about?

Third, we're looking very closely at a whole range of emerging technologies that can support more efficient bus operations, and enhance commuters' experience and the choices they have farther back in the network -- about what modes they would use, even on a day-to-day basis.

Our options, like platooning buses in the exclusive bus lane -- are they going to be available? When? Will they be safe and reliable? What are the challenges of implementing those in the complicated environment that we have, with not only New Jersey Transit, but many other bus operators? Can they make it easier to have some of the bus storage in New Jersey and still be able to deliver buses on time to their assigned gates? Those are examples of the kinds of things we're looking at

in the study, again with the cooperation with New Jersey Transit and others.

Fourth, we're looking at strategies to try and reduce congestion in the environs of the proposed Bus Terminal, as well as the Lincoln Tunnel and its approaches on the Jersey side. And we're looking, as Mark and Diannae suggested, at things that might be put in place as early action elements on the way to the permanent Terminal. How do we get through the next 10 years or more before we have a full new facility in place?

Also, we're looking at long-term workplace trends, including telecommuting and alternative work schedules, as factors that may temper peak period demand. Will these trends flatten the peak? How will the availability of car sharing apps and services affect commuter choices? How big a factor is latent demand -- and that's come up in some of our conversations with independent experts. If you start to improve the network, there is some sense that there are many people out there who aren't taking trips who could use the network, who would take advantage of it if more options and more reliable services were available.

And also, we're assessing the relative costs and benefits of the strategies for meeting projected growth in overall trans-Hudson commuting demand, and the effects on both sides of the River of not proceeding with the Port Authority Bus Terminal project. In our view, the worst outcome for west Midtown, or New Jersey, or the communities near the Lincoln Tunnel and the Lincoln Tunnel corridor would be not to advance the project in a timely way.

This is an ambitious effort in a very tight timeframe. Like the design competition, it's an effort to seek out fresh thinking on a difficult

challenge. But we hope to provide some credible and creative answers to the questions posed by our Commissioners, and we hope the insights will help inform the choice of a preferred concept for a new Terminal.

The study also should show more fully not just the benefits of the new terminal, but how it would work with and depend upon the other components of the network; and give a sense of the role and the limits of the bus system in the context of rail transit improvements, and the various management of the vehicular crossings and vehicular network in New Jersey. The findings will also help the Port Authority and other agencies to develop that framework, which will be at the core of the formal planning and oversight process on the way to the approval of the Bus Terminal, where examination of demand and actual alternatives, potential impacts are really at the core of that process. And we hope this will give us a head start on that.

So thank you for the opportunity to update you on that.

I'd appreciate any questions.

SENATOR GORDON: Thank you.

Portia, do you want to go into your presentation -- the Gateway?

MR. DEGNAN: Portia was also here to answer questions that I flubbed.

SENATOR GORDON: Okay. (laughter)

SENATOR SARLO: Okay, good.

P O R T I A H E N R Y: And actually, I just have one thing to mention, in addition to everything that's been shared today.

First of all, my name is Portia Henry, and I'm in the Chairman's Office, working as an Executive Policy Analyst. And I have had the privilege to work on the Design and Deliverability Competition; and support, as well, Lou Venech on the Commuting Capacity Study.

Another important element to this process is, of course, hearing from the community. So I would like to respectfully request that each one of the Senators engage your constituents in filling out our commuter survey, which is available on the Port Authority website. I believe the information is also in your packets.

We just released the most updated survey results. And I will say that, so far, we've heard predominantly -- more than half -- from the neighborhood survey, as opposed to the commuters. So we really, really urge constituents and commuters alike to actually fill out the survey to inform our process.

SENATOR GORDON: Perhaps we can facilitate some meetings on the New Jersey side to try to bring people together. I mean, Senator Weinberg has done that with New Jersey Transit; it's been very effective in getting people to participate in the process, and perhaps we can do that as well.

MR. DEGNAN: Mr. Chairman, the only other presentation we have is Bill Laventhal, who was going to address Gateway. And I don't know whether you want to--

SENATOR GORDON: Before we do that, I think Senator Sarlo has a question on the Capacity Study.

SENATOR SARLO: Yes, and it's-- And Lou, I know you're an expert on these capacity studies, and I appreciate you jumping on this.

Because as you said, we need to look at every mode of transportation getting people from New Jersey across-- Not just the buses, it's all the modes of transportation and capacity.

So maybe this goes to Chairman Degnan, or it goes to somebody-- It kind of ties it all together. So we appreciate the leadership of all of you recognizing, as you do this Capacity Study, that there's the Gateway, there's the Bus Terminal, and there's -- we've talked about the Bergen Loop, right? The Bergen Loop. I tell my residents of Wood-Ridge all the time about the Bergen Loop, and its constituents of South Bergen.

We can't wait forever, though. And the Port Authority is great, but they do take a long time sometimes. We can't wait forever, because the millennials are going to be senior citizens, right? (laughter) And I don't want the millennials to become senior citizens; and if the millennials become senior citizens, then most likely many of us are not here either.

SENATOR GORDON: We're not commuting anymore.
(laughter)

SENATOR SARLO: I'm not commuting anymore. And none of us are going to be able to take advantage of this.

So what could somebody-- What's your estimated timeframe for us seeing these great improvements, that all of you are working on, becoming a reality? I mean, are we 10 years, are we 15 years?

MR. DEGNAN: Nobody wants to answer that question, Senator.

SENATOR SARLO: I know nobody does. (laughter)

SENATOR GORDON: I tried asking that question.

MR. DEGNAN: A new Bus Terminal is, at best, seven years away.

SENATOR SARLO: Right.

MR. DEGNAN: And I would hope, at worst, 10.

SENATOR SARLO: Gateway is 10, you said, sir?

MR. DEGNAN: At worst, 10

SENATOR SARLO: At worst, 10.

MR. DEGNAN: Gateway is a more difficult question. And I'd actually like to answer that after I hear from Bill as well. I don't think we have a timetable at this point. There are so many moving parts to that, and so many undecided issues, that I can't hazard a guess on that one responsibly.

SENATOR SARLO: So we could keep you under a volunteer contract for 10 years to make sure that gets done; and then 20 years for--

MR. DEGNAN: God willing, yes. (laughter)

SENATOR GORDON: Why don't we hear the presentation on Gateway?

WILLIAM T. LAVENTHAL: Senators, my name is William Laventhal; I work in the Executive Director's Office. I'll give you a couple of notes on the progress, with respect to Gateway.

As the Senators noted earlier in our discussion, Gateway is a collection of rail projects between Newark, New Jersey, and Penn Station, New York, including notable ones such as the new tunnel; the replacement of the Portal Bridge; expansion of Penn Station, New York; as well as the Bergen Loop that we were just discussing.

A note on the urgency, since that follows the question, and specifically in regards to the Tunnel: The Tunnel is safe; we're very confident about that. But the urgency with which we need to repair the Tunnel before the catastrophic impact of a closure is not lost on us. And staff is working with great conviction and urgency to get that project done. And with the support of the Governors, and the Senators, and all of the partner agencies involved, we're confident we can do that.

I'd like to touch on three specific areas for that progress. And the first relates to the environmental permitting process for the Tunnels. That's the first element of the Gateway program; it's the one that's most pressing because, again, as the Chairman said, it would be catastrophic to lose one of these tubes for repairs.

The Hudson Tunnel project began its public environmental process -- the Federal permitting process -- with environmental impact statement meetings, held in New York and New Jersey on May 17 and 19. Those were very well attended; members of the community provided input on that process, and we're looking forward to the permitting process advancing. The publicly stated schedule on that would be a two-year permitting process. To hold the Federal government accountable to that timeframe, we're pushing to have the Hudson Tunnel project included on the Federal dashboard, which would ensure a coordinated approach by the Federal government from the various agencies to do that. So we're very committed on that front, and we're happy to report that that process for the Tunnel has kicked off in the month of May.

The other urgent priority for many transit commuters in the trans-Hudson process is the replacement of the Portal Bridge. We're happy

to report that's a fully permitted project. So as the partner agencies develop the detailed plans on how to advance the program as a whole, Portal is an early candidate for progress, obviously, given its advanced state of design and permitting.

On the funding side, as was mentioned earlier, the preliminary engineering for the Tunnel is fully funded: \$35 million from Amtrak, \$35 million from the Port Authority. That was intended to jumpstart the process while the partners developed plans to meet the terms of the framework announced by the Governors in November 2015. So that's an important milestone as well. Also, the partners, right now -- Port Authority, Amtrak, and the Federal government -- are having intensive dialogue about potential use of Federal grants and loans to fund the program. We intend on making some filings for that in the months ahead. We hope to do that this summer. That will be real progress towards locking down the Federal government's committed share of 50 percent for the program. So we're very optimistic on that front.

Finally, a note on governance. We have formed an Executive Committee, comprised of the representatives from the states and the partner agencies, to ensure that the plans for Gateway are rolled out in accordance with the framework that was set forth in November 2015. So all sides are working diligently, meeting regularly on that front -- technical committees meeting weekly amongst all the agencies, and at the very senior level; those meet biweekly or monthly to make sure progress is getting done.

So Senator, we hear you loud and clear about the urgency. And at the very least, I'd like to report the permitting process on the Tunnel is well underway. And our hope is a two-year process for that effort.

SENATOR GORDON: Senator Kean.

SENATOR KEAN: Thank you, Mr. Chairman.

As you're looking at the -- all these permitting processes and everything else-- As I think this Committee knows, my first experience with the permitting process and the Port Authority was dredging -- where, in 1994, you had people not being able to get access to the Statue of Liberty, for example, much less figuring out where all the oil spills were. So to talk about, earlier, the fact that the shipping is part of the overall focus-- Because, again, if we're really going to raise the bridge in Bayonne, and we're really going to do everything that needs to be -- the hearts and lungs-- It can't just be the commuting population; it also has to be one of the key drivers of billions of dollars of economic activity and hundreds of thousands of jobs -- which is making sure that port, which has, what, 93 percent of its terminus on the New Jersey side of the river?

Those are the things that are very important to continue. And it's very important, I think, that we get the permitting process done in a timely and predictable way. I think it's great that the dollars are starting to flow, because you're starting to identify them, everything from the Terminal to the rail efforts. And again, it's very important to recognize that this Gateway concept is not just a tunnel; in my area of New Jersey, it's everything between Newark and New York. So that PATH extension is a very important part of that economic activity for all of the Essex County and Union County area -- making sure that that Gateway is a focus; and yes, continues to Newark Airport; but also that redundancy is a very important part throughout.

And on the issue of the governance, my hope is that this Legislature passes the real comprehensive Port Authority Reform legislation on Thursday. Both chambers are going to be in. My hope is that we would magically pass that so that there's predictability for the agency, going forward. We have that opportunity two days from now; I hope that we can get that done on a bipartisan basis. Because in the end, we have to have real and structural support with this agency on a timely basis. So I think we can do some really good things, going forward.

Thank you.

SENATOR GORDON: I have a question about the condition of the rail tunnels.

We've heard a good deal of speculation about when one or more tubes may fail. I know it's a difficult thing to predict, but are we talking about-- Well, what is the likely timeframe? Are you able to answer that question? I mean, I remember we had a hearing in Trenton; and one of the senior leaders of Amtrak came in with a slice of the circa 1933 cable encrusted in salt -- derived from Sandy, I'm sure. And one gets the impression that a tunnel could close down in a month, or maybe 5 years or 10 years. I mean, is there -- what are the experts saying about the condition of the Tunnel? Because I know you've got this operation going on during the weekends to just try to keep this -- keep everything together. But at some point, you're not going to be able to do that. So if you could just offer some information about that.

MR. LAVENTHAL: Thank you, Mr. Chairman.

Without giving you a precise date on the expected Tunnel closure, a note -- a little clarification on the condition.

SENATOR GORDON: Yes.

MR. LAVENTHAL: So the shell of the Tunnel is in solid condition, solid shape. So that's why I say the Tunnel is safe. And obviously Amtrak and Jersey Transit wouldn't run any service if it wasn't. So on that, we're pretty confident.

As you all know from other experiences throughout the region, post-Sandy the damage from saltwater is somewhat understood but, again, continues to deteriorate. And Amtrak does extensive work on the weekends, when they have down time on the train schedules to do that. And so, no doubt, the individual who presented you that cable -- that was indicative of the damage that continues.

But as far as an exact date -- we're confident that we can deliver the new Tunnel before a required closure; that's a big part of the impetus here. We're optimistic that that can be done. But beyond that, I wouldn't want to give specifics on when exactly a Tunnel closure is required.

SENATOR GORDON: Okay, I understand.

SENATOR KEAN: If I--

SENATOR GORDON: Senator Kean.

SENATOR KEAN: Thank you.

If I may, on those issues-- And I remember that, through the Chairman, very clearly: the visual, textual nature of that.

Part of that flooding was caused, in part, because you couldn't shut off access in some -- for example, the PATH tunnels or a variety of other places. What's happening from not only a redundancy basis, from an electric grid, but also from making sure that you can seal off some of those tunnels? I mean, when you went to lower Manhattan, every single parking

garage was flooded, but one, south of 44th Street. And they simply said because the lip to the garage was just high enough -- that it was the only thing that avoided the flooding. Now, that was (indiscernible) enough geography. But what are we doing to make sure that -- again, if there is ever another Sandy surge event -- to make sure that you can at least block off those things in a way that minimizes the long-term cost?

MR. LAVENTHAL: Without being too specific, as you can expect, that's a top priority for us; not just on the Gateway program -- given the impact to the tunnels -- but for the Port Authority, from the extent of damage that we suffered in other facilities as well.

Given the early stage of preliminary engineering on the project, as well as the ongoing NIPA hearing, I think it's best to kind of leave the scoping and the process before offering specifics on what's being contemplated.

SENATOR KEAN: I'm simply asking that that's part of the overall-- Both from the PATH as well as the Gateway side.

MR. LAVENTHAL: Absolutely, sir. The lessons are well learned.

SENATOR KEAN: Okay; thank you.

SENATOR GORDON: Senator Sarlo, you had a question?

SENATOR SARLO: Just real quick -- were we able to salvage any of the environmental studies and permitting from the ARC project? Were you able to salvage any of it, and utilize any of that?

MR. LAVENTHAL: We're at the point where we haven't announced alternatives that are being considered. Obviously, there's a significant amount of experience that the partners have on what was done

there, and we hope to leverage that experience and that knowledge. But currently, in the environmental permitting stage that we're at, we have an open slate for what's possible, and we're soliciting views from the community; and we'll make some decisions at the conclusion of that project.

MR. DEGNAN: Another way of saying that is, if we choose a precise location for the tunnels, that is more proximate to where ARC would have been, we could use it. If not, we're less likely to use it.

MR. LAVENTHAL: I would characterize it as -- we have the benefit of that prior knowledge.

MR. DEGNAN: Right, right.

SENATOR SARLO: Understood. Okay; it makes sense. We're not just dismissing it.

MR. DEGNAN: No.

MR. LAVENTHAL: No, sir. The institutional memory is strong.

SENATOR SARLO: Thank you, sir.

SENATOR GORDON: This may be a question best answered by New Jersey Transit, but do we have-- In case one or more tubes go down for a protracted period, do we in fact have a plan to deal with the tens of thousands of commuters? Because I thought I've heard or seen in the press a plan that, in part, calls for people to work at home -- which doesn't seem to be a real plan to me. (laughter) Can you offer your perspective?

MR. DEGNAN: Let me take a stab at that.

In connection with the potential closing down of New Jersey Transit and rail access, based on a strike just months ago, there was a multi-

month comprehensive plan worked out with New Jersey Transit, with the MTA, and with the Port Authority and other interested parties on how we could accommodate roughly 350,000 passengers no longer accessing the City through rail, by alternative means. That included, perhaps, barring cars; dedicating lanes in the Lincoln Tunnel only to buses; redirecting things-- These are onerous, Draconian requirements.

SENATOR GORDON: The Dunkirk Strategy -- where, if you own a boat, take a commuter to work. (laughter)

MR. DEGNAN: Exactly. Enhancing ferry service, supplementing the ticket price, cross-honoring tickets. There's a multi-modal plan. Thank God we never had to put it into effect. But yes, that hasn't gone on the shelf, not to be considered in the future. That's work that would be resurrected and revised between now and anything catastrophic with respect to the tunnels.

MR. MURIELLO: I mean, I'll just add that that plan was very extreme, in a sense that there was no rail service. In the event of a rail tunnel failure, we still have rail service into Hoboken, into Newark. We could use the PATH system--

SENATOR GORDON: As I understand it, the one-two going out would reduce capacity by 75 percent -- something like that?

MR. DEGNAN: Yes.

MR. MURIELLO: Yes; something on that order.

SENATOR GORDON: Could we get-- Is that study available for public--

MR. DEGNAN: It's actually not embodied in any one single document. And I'd have to inquire. I'm not sure we're ready for -- to disclose the things we would have had to require.

SENATOR GORDON: Okay.

Senator Kean, you have a question?

SENATOR KEAN: I've seen, I think, the Regional Plan Association -- I've seen that study. So I think our next panel -- they probably have that, so we'll see that.

I guess there are two things (indiscernible) that point; and I understand there could be a New Jersey Transit component here. But there is still a 60,000-person gap even in the most extreme solution -- Port Authority and everything else. While we had a 300-and-some-odd-thousand success, you were still -- there was no way to get to the 60,000 -- the remaining 60,000, which is a huge percentage.

MR. DEGNAN: I'm not sure that the number, Senator, was 60,000. I've heard that estimate, but clearly the plan that we had devised would not have been sufficient to move all of the passengers who normally access the City on rail through other modes.

SENATOR KEAN: Okay.

MR. LAVENTHAL: And again, that shortfall was 100 percent rail shutdown, not a rail tunnel close down.

MR. DEGNAN: Yes.

SENATOR KEAN: Right; no, I understand that. I'm just trying to make sure that we're looking at the order and the magnitude. We did say 350,000 is a great success; but if you're looking at -- if you have 60,000 people who were not met, as a percentage that's not as high a

success rate as it would be if it was 60,000 of a million. It's still a huge impact as a percentage.

This may be too straightforward, but between the ARC tunnel and the Gateway Project, which is a better solution?

SENATOR SARLO: That could be your final question of the day. (laughter) That's a loaded question.

MR. DEGNAN: I'm not sure that we're prepared to answer that question today. I certainly see benefits from the alternative we're looking at now that did not exist with respect to the ARC tunnel -- in the terminus in New York and its connection to other modes of transportation there. But you might want to pose that question to the next panel.

SENATOR KEAN: I'm giving them breathing time and lead time so they know what's coming. (laughter)

SENATOR SARLO: The only difference is it may have been built already. That's the only difference. (laughter)

SENATOR KEAN: You and I both know better than that, Paul. You and I both know it would not have been built by now.

MR. DEGNAN: I guess it depends on whether you were going to Macy's as your destination. (laughter)

SENATOR KEAN: Yes. And then talk about long escalators up and everything else.

SENATOR SARLO: I'm not saying it was the best project in the world.

SENATOR GORDON: I am cognizant of the time constraints faced by our friends from the Port Authority, and I want to bring this to a close.

I do have just a couple of questions.

I was looking at the trend data, over time, for the number of commuters over the decades. And it's very clear that ferries really represent, I think, the smallest percentage of the -- when you compare the various modes. It also seems that to me -- at least to this layman -- that's the easiest thing to ramp up, if the financing is there. Why aren't we using ferries more? I mean, is that a good idea? What would be required?

MR. VENECH: Good question. And ferries are, again, one of the elements we're looking at in the Commuting Capacity Study. They are an important component of the system now, most especially when there are disruptions and emergencies.

There are some limitations to the ability to ramp up ferries, because the issue is how you get people to them from west of the Hudson, and then how you distribute them east of the Hudson. So easier in lower Manhattan -- a lot walk to work. In Midtown, you have a bigger distance to cover.

But you have issues west of the Hudson as well, in terms of making connections, attracting people, getting people to make the transfer. Sometimes there are local issues with respect to traffic and congestion in the waterfront communities.

But we're looking closely at that, along with New Jersey Transit -- talking again to the operators as part of the peak capacity effort.

SENATOR GORDON: Okay.

Anyone else have any other questions?

Senator Kyrillos.

SENATOR KYRILLOS: Just very quickly, Mr. Chairman.

Just to piggyback on your question, I guess--

SENATOR GORDON: Yes, it certainly affects your area.

SENATOR KYRILLOS: --on the ferries. Is there any Port Authority subsidy of any sort to the ferry companies? I don't believe there is, right?

MR. VENECH: Not an operating subsidy. We've made the capital investment at Hoboken, with New Jersey Transit; and for the flexible terminal -- the permanent one we have on the Hudson River in lower Manhattan.

SENATOR KYRILLOS: I think, years ago, you helped in Belford, Monmouth County, as well.

SENATOR GORDON: Yes, it seems to me it would be a legitimate use of public funds to subsidize ferries, given the relative environmental impacts of other modes. I'm just wondering whether this is something we should be pushing our Federal representatives for. I think it's a legitimate use of public money.

SENATOR KEAN: It would seem, not only for those commuters who are using a Bergen access, but also Elizabeth, in Union County; you would have -- by northern Monmouth or southern Middlesex County -- individuals, just before they go over the Driscoll Bridge -- would be an interesting location for that type of study. And even further-- Joe knows best; I mean, anything you can do to minimize that would have, I think, redundancy and beneficial impacts.

MR. DEGNAN: It's a complicated question. We would like to see more ferry utilization as a way of crossing the Hudson. We are in discussion with some of the ferry operators about fare structure. You know,

one of the issues is, where the ferries terminate on both sides of the Hudson, how do we get passengers in New Jersey to a ferry terminal in a practical, cost-efficient way; how far do they have to navigate the streets of New York when they land on the west side of the Hudson and need to get to a subway station? It's not a panacea, but it's a part of the whole.

Mr. Chairman, if I could make one statement on an unrelated issue.

SENATOR GORDON: Sure.

MR. DEGNAN: In a recent news article, one of my colleagues on the Port Authority suggested that the decision to locate the Bus Terminal on the west side of Manhattan was a political decision. And I simply want to say publicly that the detailed presentation this morning, particularly by Mark, of the more than two years of planning that went into a recommendation by the staff, with outside consulting expertise on two different occasions -- in March of 2015, and again in September 2015 -- puts the lie to that statement. This was detailed, meticulous planning -- some would say too long -- of a solution that seems pretty obvious to us. To suggest that I or anybody at the Port Authority was motivated by political consideration is an insult to the staff; it denies and belies the integrity of the planning process; and frankly, it's an insult to the citizens of New Jersey.

That is not the case. The Board has made a decision here; this money is going into the capital plan, come hell or high water. It's an outrage that it wasn't in the 2014 plan, but the planning process that began in 2014 was, in part, a recognition of the fact that this project needed to go forward.

So I simply wanted to take advantage of this opportunity in briefing you about this to make it clear that that suggestion-- What was political was getting this Board to make a decision at all. Temporizing and not deciding on projects is the worst way to delay the construction of a project. And the Board, for over eight months, was restudying this decision and was ready to make a decision, when it became clear that there was resistance among some Commissioners to even decide where to locate it. And that -- the decision to make the Board face up to its obligation to make a decision here -- you could call *political* in the sense that we made it clear there were things we weren't going to do unless the Commissioners who were objecting to this -- making this decision -- played their appropriate role as fiduciaries.

SENATOR SARLO: Very well said.

MR. DEGNAN: Thank you.

SENATOR GORDON: Thank you, Mr. Chairman, for that comment. It's very obvious to us how much time and effort has been invested in the analysis of this. And as I said in my opening statement, we on this side of the Hudson greatly appreciate your efforts to move the process along and, perhaps, nudge your colleagues on the Board into making a decision. And we're very grateful for that.

On behalf of the Committee, we're very grateful for the presentation that we heard today.

If there are any other members of the Committee who would like to speak--

SENATOR KYRILLOS: I just wanted to publicly commend and congratulate Commissioner Lippert, who I think joined with Chairman

Degnan and others on the Board -- the New Jersey members and, perhaps, others -- but I noted his leadership.

SENATOR GORDON: That's right.

SENATOR KYRILLOS: He truly views his role as a leader of a big bi-state Authority in the right way -- knowing that it's one, big region. He wasn't parochial, and he didn't play politics--

MR. DEGNAN: I absolutely agree with that characterization.

SENATOR KYRILLOS: -- to use the Chairman's word.

MR. DEGNAN: Commissioner Lippert's action on the Port Authority, from before I came to the Board, has been both courageous and selfless; and reflects integrity and insistence on it in the planning process.

SENATOR KEAN: We've had the exact same experience with him. He's been extraordinary in his long-term view and regional focus on it -- and transparency, also. You were talking about implementation -- some of the internal forums that you were starting to work on -- he's been an extraordinary leader in that regard.

SENATOR GORDON: If he would like to move to New Jersey, we could probably help. (laughter)

MR. DEGNAN: I'll call and extend the invitation.

SENATOR KYRILLOS: I don't think he wants to leave Manhattan and the Hamptons. (laughter)

SENATOR KEAN: No, Mr. Chairman. We need him to stay in New York. The way the Port Authority structure works, we need him to stay in New York. Otherwise, he becomes less of--

MR. MAGYAR (Committee Aide): That's right; we can't lose him.

SENATOR GORDON: All right. With that, I want to thank you.

We have with us today the County Executive, who has been waiting patiently in the audience. I want to give him an opportunity to speak.

So ladies and gentlemen, thank you very much for appearing here today and participating in this.

ALL: Thank you.

SENATOR GORDON: County Executive Jim Tedesco, would you join us?

And I do apologize for the long wait; but we appreciate your allowing us to have a -- keep the flow of the presentation going.

But we appreciate your being here, and the floor is yours.

JAMES TEDESCO III: (off mike) Thank you, Senator.

Senators, thank you for coming to Bergen County and addressing such an important topic as the Port Authority Bus Terminal, and other Port Authority issues that you've discussed this morning.

Everyone recognizes that the Port Authority Bus Terminal needs an upgrade. It simply cannot handle the volume of people currently using the facility to travel to and from northern New Jersey. In fact, it cannot support holding and staging the buses that enter and exit the facility each day. Every day, thousands of my Bergen County constituents are among those whose commute includes the Bus Terminal. The Port Authority's own forecast expected those numbers to rise significantly in the

coming decade, and Senator Sarlo asked about that, versus the ramp. We need a new Terminal and it needs to be in New York. I'm glad that there seems to be agreement, now, on that point.

The residents of Bergen County should continue to have a one-seat ride, if they choose to, by commute by bus. They deserve a safe, clean, functional, and efficient terminal that is equipped to handle the projected use of future passenger volumes. Here in Bergen County we are trying to encourage more people to take public transportation and reduce burdens, not only on our bridges and roads, but also on our natural resources. Increasing the capacity of the Bus Terminal and enhancing its efficiency will make it a more appealing transit option and take more personal vehicles off the road.

Investment in a new Bus Terminal is an investment in the people of Bergen County and northern New Jersey, and the State of New Jersey; and an investment in our regional economy. Simply put, we need an efficient, solidly built Bus Terminal -- not a grand Taj Mahal that adds cost but provides no real value to the bus commuter. We in Bergen County are working with New Jersey Transit to look at expanding an existing Bus Terminal and building a new parking structure for bus passengers. Those are only two of potentially almost a half-dozen initiatives that Bergen County and its Planning Division is looking at to increase mass transit ridership here in Bergen County.

Having a Bus Terminal that meets those demands and needs will allow us to continue to encourage people to use mass transit. While I won't talk about the forgotten Bergen Light Rail, I will say that we will continue to encourage and push the people of Bergen County to use mass

transit so that we all benefit both from a safe commute to an environmentally sound policy.

And I thank the Senators for coming to Bergen County to discuss this. I thank the Port Authority for their initiative on moving this forward in a timely manner; and hopefully in my lifetime I will see a new Port Authority building built and even, maybe, the Bergen-Hudson Light Rail.

Thank you.

SENATOR GORDON: Thank you, County Executive.

I can tell you that we in the Legislature -- at least a good number of us -- are very committed to providing support for our counties and municipalities in helping them coordinate their efforts with the State and with these regional agencies. I know a number of us are committed to the Bergen-Hudson Light Rail; and I know Senator Sarlo and his efforts to find a solution for the Transportation Trust Fund is certainly very mindful of our need to find money for that as well.

And we appreciate your being here, and I hope you'll always call on us.

Senator Sarlo.

SENATOR SARLO: Yes, thank you.

County Executive, thank you. Just two quick things: One is, Hudson-Bergen Light Rail -- we know that takes care of a group of riders along that eastern--

MR. TEDESCO: The entire eastern corridor--

SENATOR SARLO: The eastern corridor of Bergen County where there's no rail access now, number one.

MR. TEDESCO: And bus routes are even limited there too.

SENATOR SARLO: Right. And then, number two is -- and I hope your Planning Department is focusing on this, and you touched upon it a little bit -- is the Meadowlands area, looking at an opportunity there, especially if and when a casino, potentially, could happen there; if Xanadu -- if the American Dream happens. But clearly it's an entertainment-sports complex; we have rail there already. There's another area I hope that your Planning Department is looking at.

MR. TEDESCO: We are, Senator. And in concert with New Jersey Transit, that's one of the things we're looking at. Parking structures along the rail infrastructure that we have, presently, here in Bergen County; and also expanding or building new parking structures for New Jersey Transit buses.

We believe -- and our planners support this -- that if you build the structure in the right locations, people will come to those structures and take mass transit. And that's what I'm so encouraged about today -- to have you here to talk about that, because part of that relief is the Bus Terminal. And certainly if we don't do a new Bus Terminal, people are not going to be encouraged to go to -- to take mass transit, especially on the bus side. So I'm very pleased to have the Port Authority here and hear their commitment.

And I didn't talk about kicking the can down the road -- that we have a problem here in New Jersey, but we also have to get our house in order here in New Jersey.

SENATOR SARLO: Republicans and Democrats have kicked the TTF down the road way too long.

MR. TEDESCO: Thank you.

SENATOR SARLO: Thank you.

SENATOR GORDON: Thank you very much, County Executive.

We have one final panel, which will consist of Tom Wright of Regional Plan Association; Janna Chernetz, the Tri-State Transportation Campaign; and Marty Robins, intellectual emeritus transportation expert (laughter), who will share some views with us.

T H O M A S K. W R I G H T: Well, they were going to set up a PowerPoint--

SENATOR GORDON: Oh. Do we need to take a five-minute recess? Would that be helpful?

MR. WRIGHT: How long--

UNIDENTIFIED MEMBER OF AUDIENCE: I can set it up in five or seven minutes.

SENATOR GORDON: Okay, okay.

MR. WRIGHT: Okay. Would you like to take a break, or-- Would one of you guys want to go first?

M A R T I N E. R O B I N S, Esq.: (off mike) I'll go first.

MR. WRIGHT: Why doesn't Martin go first, and then I'll -- while he sets it up.

SENATOR GORDON: Why don't we take a five-minute break?

MR. WRIGHT: Okay.

SENATOR GORDON: So the Committee will stand adjourned for -- recessed, rather, for five minutes.

(Committee recesses)

(Committee returns from recess)

SENATOR GORDON: That was five minutes on the Senate scale. (laughter)

We're going to resume, and we're going to hear from a panel of experts who have some graphics for us and a presentation.

Tom, do you want to start, please?

MR. WRIGHT: Sure.

So which one of these do I speak into -- either, both?

SENATOR GORDON: The bigger one.

MR. WRIGHT: Okay.

(witness refers to PowerPoint presentation while speaking)

Thank you for the opportunity to be here -- I think, now, it's afternoon -- to talk about this project. And I want to applaud the Senators and the Port Authority for the effort that they've made in advancement on behalf of this.

What I want to try and do -- and we thought to lay this out -- is provide maybe a little bit more of the big picture context of what's happening, in terms of development trends in the tristate metropolitan region and the crux of the Hudson River issue. Just for folks who don't know -- again, RPA is a 90-plus-year-old nonprofit think tank research organization that prepares plans -- long-range plans for the entire tristate regional area; and looking at it here -- the core of it.

Just to kind of understand this region, I think one of the things to do is to start with the extraordinary density that we have. This is a map

that shows the development -- the residential density per square mile of the tristate region. And what you see is kind of at the core of the region. In northeastern New Jersey and New York City, we have these *Himalayan Mountains* -- this mountain range of extraordinary density, which provides for us incredible opportunity and advantages in the 21st century economy in terms of the connectivity, the access to workforce -- which is really unparalleled in the country. And very few parts of the world have access to the extraordinary educated and talented workforce of the tristate region. And I'm sorry these images on this are going to be a little washed out. But building on that and making that possible, of course, is the extraordinary transit infrastructure we have.

This map shows the commuter rail lines in northern New Jersey and New York converging in Manhattan. And then what says *Transit* is actually the subway lines connecting it. But there are also, of course, just laid over that, a very intricate network of bus routes that serve the denser urban parts of the region, and provide both commuter and local transit options to a growing population. And so this is really critical to the success of our region.

To understand what's happening -- the dynamics in this region are dramatically different now, and have been over the last 10 years or so, than they were during my childhood -- my growing up in Mercer County. This map just goes -- this chart just goes back to 2003; and if you charted the jobs in the different sub-regions -- New York City, northern New Jersey, Long Island, Hudson Valley, and southwestern Connecticut -- all starting at zero in 2003-- And I think the colors here are so washed out that you can't really see. But essentially, New York City is that line at the top. And other

than a slight dip during the 2007-2008 recession, job growth has been very robust in New York City; whereas, in the rest of the region, it recovered more slowly and is not nearly at the same kind of rate that we're seeing together. In fact, just to give a sense of this -- from 1975 to 2005, if you kind of mapped where jobs were created in the tristate region, roughly 9 out of 10 of them occurred outside New York City. Again, this is the state that I grew up in in the 1970s and 1980s. And so 87 percent, specifically, of jobs were located outside the five boroughs of New York -- many of them in northern New Jersey, in the growing office campuses and suburban campuses that we were building.

Over the last 15 years, that dynamic has completely reversed. And today, 87 percent of new jobs in this region are created in New York, and there is very little job growth outside of New York City.

SENATOR GORDON: That's why we have a lot of empty corporate campuses in New Jersey now.

MR. WRIGHT: That's exactly right. And I would be worried about the vacancy rates of those campus buildings--

SENATOR GORDON: Yes.

MR. WRIGHT: --because the jobs that are coming along are in the tech industry, in health care, and in hospitality. And they don't have any desire for that kind of office space.

So this is kind of the -- this is driving--

SENATOR GORDON: If I could just ask--

MR. WRIGHT: Absolutely.

SENATOR GORDON: What's the driving factor? Is it-- My impression is that what's driving this is the desire on the part of younger

employees to be in an urban environment, not the requirements of the industry that requires these growth industries to be in an urban environment.

MR. WRIGHT: That's absolutely right. As Mayor Bloomberg famously said, "Today, capital follows talent." And on my Board of Directors are many of the people who work in real estate for large corporations in the region. And they are trying to figure out what are the preferences of their workforce and adapt to that, because they're competing for that workforce. And so this trend -- we don't think that this is going to change any time too soon.

So if you were just to look at kind of-- Now, here's the question. So a lot of the job growth is in New York City. Now, let's talk about where new people-- If people aren't living within the five boroughs, where are they coming from? So over a 20-year period, from 1990 to 2010, Long Island saw, essentially, no net new commuters into New York City. The same number of people living in Long Island commute to jobs in New York City today as did, roughly, 25 years ago. Why is that? They have no capacity on the Long Island Railroad, they haven't built a third track, they haven't improved and expanded their service. And the planning around those train stations doesn't allow for multi-family rental for a working force population around them. And they have not benefitted from the growth in the region over the last generation.

SENATOR GORDON: Thank you, Robert Moses.

MR. WRIGHT: Thank you, Robert Moses -- exactly -- for those low bridges and things. (laughter)

You know, they're confronted today-- There are hearings on Long Island about building a third track, which would allow more reverse commuting and express service. So they're talking about it.

Connecticut, over this 20-year period, saw a roughly 5,000-person daily increase. Actually, the greatest increase in Connecticut on Metro-North has been the reverse commuters -- now young people living in New York City and commuting to hedge fund jobs in Greenwich or Stanford, etc.

SENATOR GORDON: Stanford, yes; and Greenwich, yes.

MR. WRIGHT: But they saw some.

From the rest of the Hudson Valley, about 8,000 additional daily -- and to be clear, this is both drivers and transit; this is the entire connection there -- about 8,000, doing a little bit better. And over the same period of time, about 70,000 additional daily commuters from New Jersey into New York City.

SENATOR GORDON: Wow.

MR. WRIGHT: This is the most powerful and most rapidly growing industry for the State of New Jersey -- is called *commuting to New York City*. From 2000 to 2010, New Jersey's-- The number of jobs in northern New Jersey declined by about 2 percent; about 70,000 jobs were lost, over that period, into the depths of the recession. Over that same period of time, an additional 45,000 people started commuting into New York City, or an 18 percent increase in the number of commuters.

So the point is, that this is-- And this relationship is important for both states. These are high-paying jobs; they pay, on average, about 60 percent more than the typical job in New Jersey. But New York needs the

educated and talented workforce of New Jersey, and these people make their money and they bring it back to their communities. And they pay property taxes, and they hire people. And this is a powerful relationship for both sides of the river.

And within New York there was also growth. Although I'll get to-- While within Manhattan and New York City, all told, it was about a 150,000-person increase, the truth is they're running out of capacity just as fast, if not faster, than we are.

SENATOR GORDON: Of the New Jersey portion -- I assume you have data that would indicate where in New Jersey that's-- I mean, I'm assuming though that a lot of that is Hoboken, Jersey City, the inner ring--

MR. WRIGHT: More so over the second half of this time.

The truth is, I think in the 1980s and 1990s, a lot of this growth was in Jim Hughes' wealth belt -- Middlesex, Monmouth, Morris counties.

SENATOR GORDON: Yes, yes.

MR. WRIGHT: More recently, of course, as we've seen the growth move closer into the City -- in Hudson County exactly -- is kind of what's going on with that dynamic.

I think the Committee knows about this; they've seen this before. But the danger that we have about losing the tunnels -- and you asked about this -- the point being that losing one of those tunnels would not be a 50 percent reduction in capacity, but more a 75 percent reduction. Because the trains -- because Penn Station cannot just hold all those trains; they have to be moving out too. And so there's this real urgency about dealing with Gateway. And I think that the advancements that have been

made over the last year-- I testified also after Stephen Gardner last summer, when he showed that old burned wire. I said to him afterwards, "It looked like a prop from the Frankenstein movie." And his comment to me was that it was older than that movie.

SENATOR GORDON: May I, on this point--

MR. WRIGHT: Yes?

SENATOR GORDON: We all heard the Port Authority representative say that he was confident that the new tunnels would be built before the failure of the old ones. (laughter) I mean, you have a different perspective on that?

MR. WRIGHT: *Confident* would not be the word I would use. I think that there's--- Just as last summer we saw several days with-- I think he's absolutely right that the exterior casing is intact and there's no danger of a, kind of, summer blockbuster-type scenario. I also think that the type of incremental deterioration that we've been seeing is going to continue, and that the likelihood-- Just like trying to predict another superstorm hitting us, it's very hard; it's more art than science. But I think that that probability is high, and increases, that we are going to see more regular disruptions. And that's why every single year we can knock off of the process of building Gateway is absolutely critical.

Also, I mean, this has been talked about in other places. But the cost escalation over time of building these projects is extraordinary. I've seen estimates-- You know, essentially every year that it takes to build the Gateway Project probably adds close to a billion dollars in cost to the overall project. So there really has to be a sense of urgency.

But I think that one of the real success stories has been the progress that's been made on the Gateway Project over the last year. I think that everybody in the leadership-- And I want to specifically cite John Degnan, the Chair of the Port Authority, who I think has revived this process and this project at the Port Authority, and a bi-state conversation about it, in a really critical way. And I'll just say, from my own dealings inside, I've seen what he's done is extraordinary. Amtrak, under the leadership of Tony Coscia, has also done extraordinary work on this.

Just to quickly get-- And you know about the details of the Gateway Project; but I will point out one thing that I think came up earlier this morning that's worth keeping in mind. Gateway is, of course, a kind of multi-phased project. It includes things like the Bergen Loop, which is absolutely critical to improving access from Bergen County; the replacement of the Portal Bridge, the Sawtooth Bridge, and others. Two things about that: one, I think that it's incredibly important not to let these pieces of the project fall away, and to make sure that the entire Gateway Project is built. Also to realize that benefits from these projects will start to accrue. It's not like we have to wait 12 or 15 years to see any benefit from Gateway. Because when the Portal Bridge is replaced, we will start to see fewer delays, thanks to that chokepoint right now. And I think that that's really important to keep in mind.

But all that said, right now we are working at RPA on our fourth regional plan, which will come out about a year from now. And the first thing that we've done is, we've kind of laid out what I have here called *Current Trends* -- our growth projections by population in the sub-region over the next 25 years. These are very--

SENATOR GORDON: We're going to have more legislative districts in the north. (laughter)

MR. WRIGHT: More voters.

The gray numbers, that I say are *current trends*, are very close to the official *NYMTC* projections for the region. And essentially, that's a constrained projection. And the estimate here is that the entire tristate region can only accommodate about 2 million people and about 850,000 jobs over the next 25 years. Those are the official projections of NYMTC, the Federal government; they comport with where New York City sees itself going. They represent about a half of the growth rate of the last 25 years. The last 25 years, from 1990 to 2015, included two significant recessions and some very rapid growth periods. But the projections for the future are for us to see, roughly, half the growth that we've seen over the last 25 years, over the next 25 years.

What we did is -- and what I have here listed as the *RPA Vision* -- we said if we created the capacity for the growth, -- that we think, externally the markets would demand and produce -- if we had, in particular, in the housing markets and in infrastructure, the capacity to handle the demand that we see coming -- this is what we think could be achievable in growth rates.

The truth is, it may be somewhere between these two over the next 25 years. But we are talking about aspirational growth that we think should be the policy of New Jersey, and New York, and Connecticut, and this entire region to try to achieve. And just to put this, kind of, in context -- New York City, over the last six years, has added over 350,000 people. The current trends show that it can add about 390,000 more over the next

25 years. Which is to say that, in about five or six years, San Francisco starts to look like a relatively cheap place for people to live. That's where we think we are headed.

In the last four years the number of apartments that are considered rental apartments in New York that are considered severely overcrowded, increased by 20 percent -- over four years. So that's where the trends are going.

New York City is growing jobs and has enormous capacity to continue doing that. But it's not clear where people are going to live. And they are trying to produce more housing, but it's going to take a long time to do that. And New Jersey could benefit out of this dynamic if we create the capacity for people to get across the river.

I also have, kind of, jobs; and likewise, we see the opportunity for many more new jobs in this region and, in particular, in northern New Jersey. The biggest difference between Current Trend and Our Vision -- and this is out of a, kind of, intense modeling exercise that we've done -- the biggest difference is, in northern New Jersey; but it depends on us having the infrastructure capacity to handle this growth. And in particular what we're talking about is the Hudson River and trying to breach the Hudson River.

Just to give one example of what's going on. The Hudson Yards is being built out as fast as the developers can build it right now. At full build-out, the Hudson Yards will include about 5,000 residential units and about 5,500 jobs -- jobs paying, on average, \$175,000 per person. If each of those units has one person working at the Hudson Yards in it, that's

50,000 other jobs that people from outside the Hudson Yards will be trying to go to.

New Jersey has the opportunity of capturing a large percentage of those jobs -- maybe half of them or more -- only if there's the capacity to get across the Hudson River to do this. And as you've talked about, the Bus Terminal simply does not provide a level of service for existing riders, and it cannot handle the demand and the growth that we're talking about in the future.

So from RPA's perspective, what we need to do is all of this. The Gateway Project must continue moving on a fast track as much as possible. We have to figure out how to replace the Bus Terminal. I think that we're going to need both a Bus Terminal in Manhattan and additional other ways to get people across the Hudson River beyond this.

But I think that that's the kind of the sense of urgency -- is how I'd like to close -- with just an overall sense of the critical point that we find ourselves right now. It takes over 10 years to get these kinds of projects in the ground, and so we need to move forward as quickly as possible.

Thank you.

SENATOR GORDON: Thank you very much.

MR. ROBINS: I'm next.

SENATOR GORDON: Marty -- Marty Robins.

MR. WRIGHT: Oh, is this the only one? (referring to PA microphone)

MR. ROBINS: Martin Robins from Westfield, New Jersey. I want to note that my hometown State Senator is here today; and it's very good to appear before you.

And I want to also thank Senator Gordon, who's been a person who has spent a lot of time and energy on interstate transportation matters to the benefit of our citizens. And I appreciate what you've done.

I'd like to make just a couple of other preliminary remarks. I think that John Degnan's appearance here today reflects the incalculable contribution that he has made to restoring integrity in Port Authority leadership. And I think that that cannot be forgotten. That is one of the most important things that has happened in our state in the last couple of years.

And the other thing that I -- the other impression I want to share with you is that I've been to a lot of public meetings where people have said awful things about the Port Authority staff. And now, some awful things were done by Port Authority staff; but not the kind of people who you saw here today. They are the bedrock of that organization, and they are very capable. And I think you all benefitted from a marvelous set of presentations that Executive Directors, going back 30 or 40 years ago at the Port Authority, would have been very proud of.

So I just wanted to put that in perspective as someone who's been watching this for a long time.

The second point I want to make is that I think that John Degnan, again, has done us a tremendous favor by pushing the fact that the Port Authority Bus Terminal should be advanced. I mean, it was horrifying that when the 10-year capital program came out in 2014, that there was virtually no mention of the Port Authority Bus Terminal and its replacement, even though a lot of staff work had been done. That was an incredible disservice to the State of New Jersey.

The Port Authority is now making up for that. John has had to fight like crazy to get that accomplished. And now it will be reflected in the 10-year capital plan.

SENATOR GORDON: May I just ask a question.

MR. ROBINS: Yes.

SENATOR GORDON: I mean, we just-- I have to believe that people at the senior levels of the Port Authority see the RPA data and understand the population demographic changes, and the socioeconomic changes, the job growth. How could they not have these trans-Hudson, Port Authority Bus Terminal -- these critical pieces of infrastructure in a capital budget?

MR. ROBINS: Because the capital plan was not the product of the staff. It was not the product of the intelligent people who you saw here today. If we had had a conversation off the record two years ago, they would have said, "Of course the Port Authority Bus Terminal should be in the capital plan. Of course Gateway is coming, and the Port Authority is going to have to play a role in it." It was the policy leadership of that agency that couldn't have been more dysfunctional during that period of time. We are paying the price in lost time now.

But it has been cured; and John Degnan, to a large degree-- And John Degnan is pushing as hard as he can, and that's why we're where we're at. Both the Gateway Development Corporation and the Port Authority Bus Terminal project are things that the Port Authority is now doing that were not thought of just a few years ago.

SENATOR GORDON: Are they at risk for -- I mean, are they vulnerable to a new set of policymakers who could push things back?

MR. ROBINS: Yes, of course; anything can happen. But I can't predict the future.

SENATOR GORDON: Yes.

MR. ROBINS: I can't predict very many futures at all. The world is so uncertain. So many things -- Federal level, State level -- I can't possibly-- In fact, what I really want to say -- and this is the essence of my testimony -- is that we have to be extremely vigilant and on guard. We-- You, as a leader, should understand -- you are going to and do understand what the needs are, and we've got to focus on them and make sure that the people who are carrying out those responsibilities are paying attention to executing that program.

SENATOR GORDON: You know, I think that's why some of us felt that the Legislature needed to play a greater role in this whole process.

MR. ROBINS: Whether that eventuated in the kind of legislation that you wanted -- which was very reasonable, in my humble opinion -- or whether it doesn't, I'm sure that the lesson was learned that the Legislature has to be engaged in what goes on in the capital planning -- not only of the Port Authority, but of New Jersey Transit as well.

SENATOR GORDON: Right.

MR. ROBINS: And the combination needs to be -- and I'm going to talk about that -- the combination of that and even the relationship with the MTA -- all of that needs to be monitored and understood so that we can get through what is a challenging period.

Okay. Now, I am completely in favor of the Port Authority Bus Terminal going forward. I also was very pleased to hear that bus storage

and staging is going to be part of the plan. Those things are absolutely vital. We had a terrible period, which was described by the manager of the Port Authority Bus Terminal, in which buses were in total chaos in the evenings for a year, in 2014. And we are operating right now with one little fix after another to try to avoid that catastrophe being repeated.

But as Tom points out, the growth seems to be inexorable. New Jersey is growing; there is a tremendous real estate market again in urban New Jersey. People are building -- like in places like Jersey City and lower Bergen County, eastern Bergen County -- buildings are going up 40, and 50, and 60 stories high. And the numbers of people who are going to be living in New Jersey and wanting to get into Manhattan, especially from those places, is just going to be inescapable. And so we've got to plan for that eventuality.

And what I would like to do is discuss the ancillary planning that I think is needed in order to be able to keep all this going. Because what we've had is very specific facility planning. Port Authority looked at the Port Authority Bus Terminal; New Jersey Transit and Amtrak looked at, in various forms, the Pennsylvania Railroad tunnels. But the real problem is much more vast and difficult to deal with, when you're operating with such a system that is bursting at the seams and is in as fragile a condition as this one is. So you really need to have as comprehensive of view of how to manage the transportation system of this region.

And so I think that the Commuting Capacity Study, which Lou Venech testified to, is going to contain the seeds of what I would hope becomes an interagency planning exercise -- not exercise, but a planning

effort to make sure that every possible way of solving this problem and making the capacity sufficient is examined and seriously considered.

Several things I think we need to do. First of all--

SENATOR GORDON: Can I just interject a question?

MR. ROBINS: Yes, go ahead.

SENATOR GORDON: I know we're talking about trans-Hudson issues here.

MR. ROBINS: Right.

SENATOR GORDON: You're suggesting that there's a critical need for coordination among a number -- across different jurisdictions and agencies across the region.

MR. ROBINS: Yes.

SENATOR GORDON: As New Jersey legislators, we have limited control over those broader issues. Is there something we can be doing, just west of the Hudson, to improve coordination to create -- to just help the organizations that we have, like DOT and New Jersey Transit -- just working in a more coordinated fashion, more regionally?

MR. ROBINS: Well, what I would suggest -- if I could put myself into your shoes -- is that you do have your limits, in terms of jurisdiction, but what you might want to do is establish in your minds a list of projects and areas of concern. First you start off with Tom's presentation, and you grapple with that, and you understand the dimensions of that presentation and what that means to the transportation system of New Jersey -- from New Jersey into New York. And you then ask the leadership -- the people who are in charge of the agencies, including the

Port Authority -- what can we do to deal with that so that we don't have constant failure and the constant falling short of what people need.

I think that you look at the regional Commuting Capacity Study, and that can provide, I think, a checklist of things that need to be explored beyond the Port Authority Bus Terminal, which is a massive and difficult project -- and beyond Gateway, which is a super massive and difficult project. But there are many other things that need attention and so somebody has to start caring about that. I would submit that there is no one who is caring about the totality of the consequences of what Tom has presented.

SENATOR KEAN: If I may, on that.

SENATOR GORDON: Sure.

SENATOR KEAN: Through the chair, I think part of the problem was that the agency was bifurcated functionally, right? I mean from a practical point of view, you had two halves and they weren't greater than the whole. So I think when the agency was bifurcated -- functionally split apart into a New Jersey half and a New York half, 20, 30 years ago--

MR. WRIGHT: Absolutely.

SENATOR KEAN: --I think there were issues regarding what you could have done in the days of Robert Moses and what you can do nowadays regarding projects, development, and information flow.

But the fact that we are getting the agency back -- getting the band back together again and focusing on a regional capacity, with real checks and balances and all that, is extraordinarily important.

MR. ROBINS: Well, a functional Port Authority, instead of a dysfunctional Port Authority, could be an enormously valuable player in

helping deal with these issues. Because it does have a legislator in New York and can communicate with the MTA. So that's why the Port Authority-- I mean, I've worked in the Port Authority in the 1980s under Peter Goldmark. And it was a remarkable agency, and it did a lot of this regional thinking. And it was able to identify problems like Tom is talking about and then try to do something about them.

And that's exactly what needs to be done now. But every public opinion maker, such as this Committee, is in a position to help to foment that kind of thinking and get those things on the table.

SENATOR KEAN: Well, there was -- if I may. I mean, the Port Authority had extraordinary ideas, and then the Governors in each state, for example -- PATH wouldn't have happened if you weren't building up the World Trade Center at the time. And that took a partnership between Governors in the 1970s. You had other things that then led to the creation of ferry service. I mean, there was a role for a partnership, but it needs -- requires *a)* a partnership; *b)* transparency; and *c)* efficiency to get that broad project done. And I think that we have an opportunity here, on a bipartisan basis, to finally make this place work the right way, and have the right type of ability for people to oversight and focus on it, and make sure they are continuing to stay on message. And that's part of the authority of the Commissioners, which is our role--

MR. ROBINS: But I think it's more than the Port Authority. The Port Authority is a very important player; but I think that they need to be pushed, and that they are in focus and directed by other observers such as knowledgeable members of the State Legislature.

SENATOR KEAN: That was my point. I'm saying-- Whether it's the Executive Branch, or whether it's the Legislative Branch -- whether it's the RPA, or any of these other organizations that are there -- I mean, especially in this day and age, the role of the citizens can be even greater, the role of the commuters can be even greater. I mean, it used to be you could not truly focus on where the roadblocks were; we had to focus on where the inefficiencies were. But the thought process now, where a commuter can say, "This is my experience going (indiscernible)," and, "Why is this access blocked now?" -- and the ability to have that reverberate throughout the system in a way that's supposed to be efficient, is greater today than it ever has been. And so, therefore, it's important that we keep on pushing that.

MR. ROBINS: Correct.

Let me just touch on a couple of areas where we can pay attention to what the docket would be, outside of the building of the two facilities. First of all, what we have here, as has been mentioned, is that there's a system that moves bus and automobile and truck traffic between New York and New Jersey -- that I call the *Lincoln Tunnel Bus Terminal system*. And that system is probably -- the Capacity Study that we've been talking about is probably going to show that that system is going to be sorely taxed by the growth. What we need to do is charge the leadership to come up with ideas, and it may have to cross agencies to do this. But what we need to do is figure out what exactly can be done to make sure that the Lincoln Tunnel and the other roads that feed the Port Authority Bus Terminal are efficient, and we don't have horrible backups going all over northern New Jersey out to the Turnpike all the time.

One of the ideas that I think has not been pursued, and which several people have suggested, is to look more closely at automated movement of buses to improve the capacity of the Lincoln Tunnel Bus Terminal. I don't believe that the Port Authority has done much in this area; I have not heard of it, if they have. But I believe that that would-- Under these circumstances, you need to squeeze out -- the word *platooning* was used, and that's what you need to do. And obviously, with automated vehicles coming to the fore, the technology is constantly advancing. Work that was done 10 years ago is probably out of date. But what we need to do is look at that again, and see whether or not that can be part of the solution. And that would be largely a Port Authority responsibility, but the DOT -- the State DOT would be involved.

Other things that we should be paying attention to: Gateway. There is a relationship between Gateway and the Port Authority Bus Terminal. Somehow it's eluded people's ability to understand.

First of all, I want to get back to Senator Kean's comment about ARC and the current Gateway Project. One of the things that needs to be done is to maximize the number of slots that New Jersey gets in the Gateway Project. The ARC Project would have produced more than 20 additional peak-hour slots for New Jersey's commuter rail service. Now, I'm not here to argue that it's a better project; it was a better project than it is given credit for. And one of the things that it did was add over 20 slots in the peak hour.

When Amtrak proposed the Gateway Project, they offered 13 slots. That's over 20 versus 13; that's a very large difference. And what we need to do -- since the number of slots is now, more or less, in the hands of

the Port Authority because they're really managing the Gateway Project through the Gateway Development Corporation -- we have to hope that they push as hard as they can for a fairer allocation of slots, because they have an interest in it because the more people who come in by train, don't have to come to the Port Authority Bus Terminal.

SENATOR GORDON: Is that something that we in the Legislature can be pushing for, or is the decision already--

MR. ROBINS: The decision has not been made; now, in fact, it may take years--

SENATOR GORDON: It's the 13 slots I'm talking about.

SENATOR KEAN: Additional slots.

MR. ROBINS: The 13 slots were Amtrak's idea of what it was to be. That is not--

SENATOR GORDON: So it's not a *fait accompli*?

MR. ROBINS: That is not in stone.

SENATOR KEAN: No.

MR. ROBINS: But we need to understand that, because-- And it's something that the Port Authority should be asked about, because they are in the best position -- as well as New Jersey Transit -- to advance a greater New Jersey access, all right?

SENATOR KEAN: Yes.

MR. ROBINS: And the second thing is to assure that the Bergen Loop does not fall out of the project. Now, we've taken some big steps lately, in that -- to the credit of the Port Authority, the Bergen Loop-- When Amtrak was advancing Gateway, the Bergen Loop was on the outside looking in. They kept saying, "Oh, well, we'll make sure that it could be

done; but if you want to do it, it has to be funded.” The Port Authority seems to be saying that this is an integral part of the project and will be somehow funded. We can’t let that idea -- that achievement -- fall away, because the Bergen Loop is, in my mind, the most powerful single project to recalibrate the ridership from the Port Authority Bus Terminal to the Penn Station area. And the reason is, is that Bergen County is the biggest contributor to the Port Authority Bus Terminal’s operations. And that’s where rail is at its weakest in New Jersey -- in northern New Jersey.

SENATOR KEAN: If I may, through the Chairman.

SENATOR GORDON: Senator.

SENATOR KEAN: First and foremost, Marty, with all due respect, I’m a little offended you didn’t start your conversation with the Hunter Flyover. (laughter) The importance of the Hunter Flyover--

MR. ROBINS: Oh, well--

SENATOR KEAN: --to those of us along the Raritan rail line-- Because that would make sure that we get additional pressure for more than 13 -- the piddly 13 slots, Marty.

MR. ROBINS: Please, I beg your forgiveness, Senator. (laughter)

SENATOR KEAN: Okay.

MR. ROBINS: I spoke at the Northeast Corridor Future hearing, and I spoke as strongly as possible about the Hunter Flyover.

SENATOR KEAN: Okay.

MR. ROBINS: And the sad thing there is that the Hunter Flyover is really a valuable project. Amtrak wants it; New Jersey Transit wants it. But again, it gets back to funding. New Jersey has no funding to

support the project. They have reached an agreement with Amtrak on the engineering of the project. It is valuable to the Raritan Valley riders, like myself; it is valuable to the Amtrak operations; it's valuable to the entire Northeast Corridor operation in New Jersey. But the project is stalled -- like many, many other projects are stalled -- because we do not have any capital funding.

So please, Senator Kean, let me throw it back to you. Please help us out. (laughter)

SENATOR KEAN: It's fruitless-- Sir, I was the one who got the shoulders for the Midtown commute, as you well know, on the Raritan Valley Line. We need to have a slot to start. And once you have that slot to start -- not to get too parochial on the outside of Bergen County interest -- you will prove the true demand on the Raritan Valley Line, as well as the ability to go in and out of the -- all the way out to Hunterdon County, Somerset County, Middlesex County, Union County, going into Essex. The value of reinforcing that on a two-way commute would be transformative to the entirety of that region. Secondly--

MR. ROBINS: I'm with you.

SENATOR KEAN: Okay. Secondly, to get to your point of the Bergen Loop -- this is the first time that that-- That Loop has always been proposed, but never funded. And so--

MR. ROBINS: It still is not funded; nothing is funded.

SENATOR KEAN: But the money is identified; we've been able-- It's within the context of the entire plan for the first time--

MR. ROBINS: Yes, yes.

SENATOR KEAN: --in its history.

MR. ROBINS: That is a remarkable step -- very subtle -- but it's exactly what has happened. It's now spoken about as if it is part of the project now, which is very positive for New Jersey.

SENATOR KEAN: Yes, and from the Port Authority perspective, there's a tremendous benefit to that.

MR. ROBINS: Yes.

SENATOR KEAN: So I think that the-- And I didn't mean to interrupt, sir, but I think you're right that the thought process -- we need to look at these Gateway projects, management of the Port Authority, the Bus Terminal, even the-- Again, the Gateway Project includes Terminal A in Newark, as well as that PATH extension; which would be, again, transformative to Newark and the surrounding communities in a way that would be game changing from their perspective. But it needs to be looked as a regional whole.

MR. ROBINS: Yes, I agree. And some day maybe we'll have a hearing on the Raritan Valley's need for a one-seat ride. (laughter)

SENATOR KEAN: We might want to get it done before the hearing. (laughter)

MR. ROBINS: To advance that idea further, I want to also just, very briefly, say that the extension of the--

SENATOR KEAN: Somerville, Dunellen, Plainfield--

MR. ROBINS: --Bergen-Hudson Light Rail Line to Englewood has some positive effect on movement of people from eastern Bergen County into New York. And it is not as powerful as the Bergen Loop; but it will be -- it's a project that is virtually ready to go. And again, it just needs financing from the Transportation Trust Fund, which is desperately needed.

I want to also mention that the Commuting Capacity Study is going to deal with ferries. And they have raised the issue appropriately about the fare structure of ferries and how they tamp down the possible use of ferries as a reliever in this process. I think, particularly -- there are many places in New Jersey where ferries could possibly be expanded. I think the close-in markets of eastern Bergen and Hudson County are places that we haven't really ever explored, on a planning basis, seriously. And I think that, as Senator Kean mentioned, Elizabeth and places in Middlesex County; I think South Amboy was looked at in the past. Those are also possibilities. But the way in which we provide ferry services today, with the high fares that are required by private operators -- and they are able to actually sustain themselves -- but what they do is they provide a cap on the amount of usage that they will ultimately get.

The last thing I want to mention--

SENATOR GORDON: Marty, may I just ask a question about that?

MR. ROBINS: Yes.

SENATOR GORDON: It's sort of a broader question.

As I remember the figures, the New York-New Jersey -- and Tom, you can correct me -- the New York metropolitan area contributes something like 11 percent to the Gross Domestic Product of the United States; certainly a disproportionate amount, given the population. And I've always thought that given that, the Federal government ought to be playing a bigger role here, and should be subsidizing ferries and other options to just try to make everything work better, and respond to the growth and promote the growth of the region. You know, that's a political problem--

MR. ROBINS: Let me give you a little insight of how difficult that is to achieve.

I have a client who is a private ferry operator. And they would like to have access to the Federal Ferry Boat Formula Program, which is a capital program. And they have been barred from being able to reach it, because there's a provision that says no money may go, even, in any fashion, to a private operator. So there are all kinds of hurdles that exist out there. And the Federal-- I think we may get that one cleared away before we can get ferry support for operating.

The last--

SENATOR GORDON: Maybe we could have some stations near the Trump complex (laughter) -- sort of move that process.

MR. ROBINS: We'll have to reexamine all that.

SENATOR KEAN: Are you endorsing, Senator, Donald Trump today? (laughter) Senator Gordon?

SENATOR GORDON: No, no.

MR. ROBINS: That's called contingency planning. (laughter)

The last thing I want to say along these lines is that the subject of internal distribution within Manhattan, from the Bus Terminal, was discussed briefly. And I think that one of the things that has concerned me is, because there are these institutional barriers, that it seems like the Port Authority can't get a handle on whether or not the Number 7 Line station -- that was supposed to have been built at 10th Avenue and 40th Street -- whether that station could be a valuable asset to a newly relocated Port Authority Bus Terminal. But one of the reasons that you get dead air when you mention that is that, "Oh, well, we haven't talked to the MTA," or "It's

not on the MTA's capital program." But that's the kind of intergovernmental planning that is so desperately needed. That's why I believe that what we need to do is encourage planning that goes across the state lines, and that people can talk to each other, and that sensible projects can get attention and be incorporated. It would be great if I woke up tomorrow and I heard, "Well, the state of New York has recognized that this station, which should have been built initially, but fell short because of financial reasons -- that this station is going to be built, and it's going to be very helpful to people who come in to New York at the Port Authority Bus Terminal," for distributing them into the subway system without having to walk all those long blocks to 8th Avenue.

The last thing I just want to say is this -- that-- Oh, no, there is one other thing I meant to say that I missed.

There is a project out there that the Bloomberg Administration had proposed, and now it has no champion whatsoever. But it is probably going to be mentioned in the Commuting Capacity Study. And I urge you to keep your eye on that project -- and that is the Number 7 subway line extension to Secaucus. The project is not as urgent as Gateway; it should not be treated as a competitor to Gateway. But what we're talking about is a system that is badly underbuilt. It is not anywhere near what there needs to be in terms of mass transit capacity. And the Number 7 subway was studied by the Bloomberg Administration. It showed a vast amount of people who are now in buses that could be transferred to the subway; and that from a long-term perspective, if we-- You know, we don't resolve exactly how big the Terminal has to be in the first building of it. This is all part of that vigilance and continual monitoring I was talking about. This is

an idea that shouldn't be cast aside just because Bill de Blasio, right now, doesn't support it; or Governor Cuomo hasn't done anything to advance it; or this, or that, or the other thing. It has merit, and it should be kept on the agenda and looked at, because we really need to really pull out all stops to try to make this system work.

And the very last thing I want to say is that Federal funding may have to be on the Port Authority's agenda, as we heard, regarding the financing of the Port Authority Bus Terminal. The Port Authority is a self-sustaining organization; it is so vital that it remain so -- that it is not supported by taxpayer revenue to any great degree. And what we, again, all need to do is work together and figure out how all these different commitments are going to fit together financially; as well as sales of assets, which I know that the Committee had advanced a number of months ago.

But as we look at the totality of it, we have to figure out how we can keep the Port Authority financially self-sustaining, and what compromises we're going to have make -- in something like departure fees, and whatever -- and try to go to the Federal government as a group and say, "Look, here's another need. New York has never asked for something along these lines -- New York and New Jersey. But this is the time that we must come to you. Our resources are not sufficient."

So that's my piece for today.

Thank you.

SENATOR GORDON: Thank you very much.

Jenna.

SENATOR KEAN: If I may--

SENATOR GORDON: Oh, I'm sorry -- Senator Kean.

SENATOR KEAN: I'm sorry, but I know she'll start the conversation with the Hunter Flyover--

JANNA CHERNETZ, Esq.: Absolutely. (laughter)

SENATOR KEAN: --as a fan of the (indiscernible).

If I may -- for the panel, just in the context -- if you're looking at projected growth within this country, as well as commuting patterns, it came out this morning that it's the first time in more than 130 years that more young adults now live with their parents than with partners. That has all sorts of economic, transportation--

SENATOR GORDON: The food is probably better. (laughter)

SENATOR KEAN: Have you started to look at those trends, from an RPA perspective, or from (indiscernible) these things? Because that--?

MR. WRIGHT: Yes.

SENATOR KEAN: That is something that-- To me, it's the first time in more than 130 years that statistic has gone (indiscernible) between 18 and 34-year-olds.

MR. WRIGHT: There are a couple really pretty extraordinary demographic trends that are happening, in terms of young people living with their parents. Also, just frankly, when we talk about a region that could grow by 4 million people, 3.5 million of them will be over 65.

We also talk about a region that might grow by only 2 million people. In that case, it will only be 3.2 million (*sic*) of them who will be over 65. We actually expect the region to get quite a bit older no matter what. The difference between the 2 million scenario and the 4 million growth scenario is, in one we experience a decline of about a half-a-million

people ages 25 to 64, and a decline in other cohorts. And in the other, we actually maintain or slightly grow.

So age is changing rapidly, household composition and size is changing rapidly. All of these things are really in play, and this is one of these areas where we can make some projections, but we have to kind of plan for a range of contingencies. And that's what we're trying to do now.

And I know that the Port Authority and their transportation planners are thinking about this too. And so this is all in play, yes.

SENATOR GORDON: Okay. Janna.

MS. CHERNETZ: Thank you.

Before I begin my remarks, that actually brings up something in my notes that I have been jotting down.

I know we have talked about millennials; I know Senator Sarlo mentioned millennials a few times. And there have been a lot of discussions in reports saying that millennials would like to live car-free, and are living in cities -- and we can look at Hoboken and Jersey City.

But what I think also needs to be taken into consideration -- and that's part of something that perhaps the Port Authority should be looking at and definitely be using on the data that Tom has -- is where are the millennials going to end up when they enter their 30s and their 40s? Are they still going to be in the Jersey Citys, and Hobokens, and those kinds of more urban areas as people are delaying marriage and delaying having families? How is that going to change the demand for transit? Are they going to want to move to -- and I'll just use the example of the Raritan Valley Line, because I'm familiar with it -- the Scotch Plains, and Fanwoods, and Cranfords, and the Somervilles that are growing? They want to take a

piece of that city with them, but still have part of the suburbs. And I think we need to take that into consideration when we're looking at how we're going to grow our transit.

So I don't think that has been studied; and if it's studied, I'm not aware of it. But I don't think that's something that should be-- That needs to be looked at because I think just to rest on "the millennials want this, the millennials want that," and leave it at that -- I think it's going to be poor planning come the future.

SENATOR KEAN: Because I think-- As you are alluding -- and there are so many towns that are-- For example, whether it is Fanwood, or Dunellen, or Plainfield, or whatever, that have a rail line through them. But they're also getting to the other point -- there are places where there will never be a rail line. I mean, Irvington, because of the way it's -- will always be a bus terminus--

MS. CHERNETZ: Right.

SENATOR KEAN: --just because of the geography. And most of Warren County, or Gloucester County will be more bus than rail, just by geographic ability and everything else.

So as we're looking at the dynamism within the planning process, the nimble thing -- entity -- is the buses, so we can figure out whether it's New Jersey Transit or PATH; we have to figure that out in a better way. But as you so expertly alluded to, the thought process is, "What's the five-year plan," as individuals? I'm not concerned about the millennials as much as Senator Sarlo seems to be. (laughter) But I think the focus needs to be dynamically looking at what the expectations and their needs are, and the experiences they can have at every terminus along

the rail line -- that will allow them to have the walkability within a mile, as well as the access to jobs elsewhere.

MS. CHERNETZ: Right.

SENATOR KEAN: Going in both directions, in and out of New York.

MS. CHERNETZ: Exactly. And it's certainly -- by growing rail and bus connections, you're also growing the economies of those municipalities, and that is something that we desperately need in the state. So, I mean, that could be a hearing, in and of itself -- as could the funding piece, to Marty's last point. I mean, we can certainly have an entire hearing just on the funding -- whether it be State projects or those that are going to be federally dependent.

One of the benefits of going last is that I get to remark on some of the other things that have been said during the day. But one of the downfalls is that pretty much all my planned remarks have gone out the window. (laughter)

So I want to start by -- there's a definite undertone throughout this entire hearing this morning -- which I do thank you all very much for having; I think these are critical discussions that need to be had -- was that your jurisdiction is limited, obviously. But your constituents' jurisdictions are not. I mean, we touch multiple jurisdictions on a daily basis -- whether you're taking New Jersey Transit, to PATH, to the subway. And I think that really solidifies the need to have a regional discussion and have regional cooperation, whether you're working on Gateway, working on the Bus Terminal, or just any transportation project. It's a regional project, and your constituents touch in those different jurisdictions. So bringing

together those partners, I think, is critical if we're going to see success in these megaprojects that we're discussing today.

And as Marty also said, we're busting at the seams in terms of our transportation capacity. And I've said this before at previous hearings -- that not one mode can absorb the other. So we need to provide transportation options to get people out of their cars when the choice is there. And if it's not bus-- You know, bus cannot absorb the rail capacity needs, and rail cannot absorb the bus capacity needs.

And another critical point is that these projects are long-term projects -- and we know that -- lasting, potentially, well over a decade. And we need to make sure that administration after administration is prioritizing these. That's going to be critical to making sure that these projects are completed. So that's another thing that we need to make sure -- that we are prioritizing.

When I was looking at how best to go forward with this Bus Terminal -- because we have a short period of time to do this, and we can't waste any time -- the Bus Terminal project has been pushed, and pushed, and pushed, and we can't do that anymore. The timeline needs to stay as it is, but we need to make sure that under that timeline the best possible project is coming out.

And when trying to determine what kind of guidelines and what kind of best practices could be used to make sure that this Bus Terminal is appropriate, I thought, "Well, you know, this is good for any project, whether it be Gateway or it be the Bus Terminal." And that is to make sure that the vision, whether it be Port Authority and New Jersey Transit, for whatever project it is -- that it reflects the commuter needs and

the community needs in a holistic, cooperative manner with all stakeholders. And I think that's going to really get us to where we need to be.

I am slightly concerned with some of the vision years that have been put out there -- 2040. When we're looking at a project that's going to take 15 years to complete, it's going to have a useful life of, maybe, an additional 5 more (laughter); and a project that we will be paying for, for decades. So by the time the project is completed, it's going to be functionally obsolete. So I think that this transportation vision -- whether it be Gateway or the Bus Terminal -- needs to meet the needs of 100 years. And I thought, at first, saying 100 years seemed to be a long time away; but not when you take into consideration the Bus Terminal was built in 1950; and here we are now, talking about improving and building another Bus Terminal. I don't think 100 is unrealistic.

But it doesn't mean that the actual project that is built needs to meet that for 100 years. You need to have that flexibility, whether it be building it in stages or in phases. But it needs to have that vision that exceeds just 5 years after being completed.

One of the main goals of the project should also be reducing commuting time and increasing travel predictability. And I think that's one of the problems that we face right now with our region's mass transit. It's neither predictable nor time efficient for its users. So that should be prioritized with these projects.

And optimizing and prioritizing bus, subway, bicycle, and ferry connections is going to be critical. You know, we talk about one-seat rides; we would all love a one-seat ride. And I think it's critical that we can

maintain a one-seat ride, which is why I think it's great that we have this Bus Terminal being built in Manhattan.

But we need to have these connections, because sometimes we -- well, a lot of commuters, when they get off at the Terminal, they're going someplace else. We need to know where they're going, because we need to make sure that wherever the Bus Terminal is built, that it's close to those connections. Because again, we should be focusing on reducing commuting times and increasing predictability.

And this morning when the Bus Terminal-- I believe she was the Manager of the Bus Terminal -- talked about when there are alerts because there's traffic or there is something that's going on -- when you need to be redirected to another mode, that mode needs to be conveniently located near it. So I think seeing how all of these different modes work together is critical.

And technology -- you've already addressed the technology, so I won't belabor that part.

And the Terminal in and of itself needs to be functional. And I know that there's a design competition. And to me, I just want to -- I think of somebody who's building some grandiose, beautiful building; and we cannot be choosing form over function. I think that that needs to be a priority.

And in terms of the process for the selection of the Bus Terminal -- there needs to be greater transparency. And I applaud you all for doing this today, because I think this is a step in that right direction -- with the transparency, and having the Port Authority appear this morning and provide some information that we haven't previously received. I don't

think that the design selection jury has been made public. I'm not sure if it has or not, but I think it would be critical to have a representative from the commuters on that jury selection committee, as well as community representatives. We need both sides of the river present, and them to be part of that selection.

And open houses -- information. Right now, I know that there's that commuter survey that the Port Authority has out there. And we heard today that it's more of the New York City community that has responded, and not so much the New Jersey commuters. So I think just this survey, in and of itself, has already shown to be inefficient. So we need to have a greater public process and to reach the people who are going to be using that. I think having public open houses on both sides, regularly, to receive that feedback would be critical; perhaps you could capitalize on the New Jersey Transit scorecard initiative, which seems to be successful in getting commuter feedback. But somehow we need to have more commuter representation, and perhaps on these decision-making roles would be a good way to do that.

And I think we need to understand the selection criteria that's going to be used for the Port Authority for this design selection. I have been attending the Port Authority Board meetings for several years now, and I have not seen that transparency, especially when they came up with the preferred alternative of Concept 3. Concept 3 was not the best alternative when it came to quality of commute -- which should be the primary focus. And yet, it was selected. And I do know that it has changed -- where they're open to other locations. But still, I just think that process has proved that there needs to be more accountability.

So I just want to reiterate how important it is for New Jersey. Some statistics that I saw, I think, are very telling -- that 12.8 percent of New York City's workforce is New Jersey residents, and 7.2 percent of those residents commute into Manhattan. So that's a very large constituency, whether it's access to jobs or access to a talented workforce. So with that said, I think that all these key players need to be together.

And then there was something also that was mentioned this morning about -- well, what would happen if the tunnel failed earlier than thought? And as Tom said, we don't know. Do we have 15 years, do we have 10 years, do we have 5 years, do we have 1 year? We don't know. And I think more stress needs to be placed on contingency and short-term solutions, because we have two important projects that are going on simultaneously.

So there was the contingency plan if the unions did not agree -- but that would accommodate 40 percent of ridership. But that wasn't a long-term vision; that was, maybe, a few weeks, maybe a few months. If a tunnel is taken out of service within the next 5 years, we're looking at, at least, another 10 years of a contingency plan. I don't know where New Jersey Transit, where MTA, where the Port Authority is on a contingency plan should one of the tunnels fail before planned. And given our climate and our 100-year storms happening, obviously, more so than every 100 years, I think that that needs to be a bigger part of this plan.

So thank you for the opportunity to--

SENATOR GORDON: Jenna, thank you very much.

Senator Greenstein, any questions? (no response)

SENATOR GORDON: I think as the hour is getting late -- I do want to express our appreciation for you three being here; and to my colleagues who joined us here for this hearing; and the leadership of the Port Authority, specifically Chairman Degnan and his key staff.

I want to recognize or acknowledge the presence of some folks I just met -- from Community Board 4, the west side of Manhattan. I was very pleased that you're here, and I hope that there are more opportunities for some interaction between those of us on this side of the river and our friends in Manhattan, because we all have a stake in the successful completion of these projects.

This is certainly going to remain a priority subject for the Oversight Committee and the Legislature. And there will be further hearings on this, particularly as the projects evolve. And we again value the input that we get from people who are, perhaps, able to speak more openly on these subjects. (laughter)

So without any other -- seeing any other comments, I will adjourn the meeting.

Thank you all for being here.

MR. WRIGHT: Thank you.

(MEETING CONCLUDED)