

ASSEMBLY TRANSPORTATION COMMITTEE HEARING

Testimony of Richard Sarles

Thursday, March 12, 2009

Thank you Commissioner Dilts, and good morning Mr. Chairman and Members of the Committee. I'm pleased to talk about the federal stimulus funds that enable us to accelerate and invest in transit improvements of the NJ TRANSIT system statewide.

Let me begin by reporting that the American Recovery and Reinvestment Act first includes a direct benefit for transit riders. The new law nearly doubles the amount of pre-tax withholding that riders can apply to their commuting expense. Giving parity to the existing parking benefit, transit riders can have their pay withheld on a pre-tax basis up to \$230 a month to help offset their commuting expense. We are working with Transit Check and other agencies that partner with employers to offer the benefit to more riders. This benefit can save transit customers hundreds of dollars annually and is indeed good news in this economy.

As for stimulus investments, let me briefly describe how we selected the projects that are advancing. First, there are a number of strict requirements projects must meet to qualify for federal stimulus funds, including having completed the thorough federal environmental process or being exempt from the process. Also, NJ TRANSIT must obligate 50 percent of the apportioned funds, which will total at least \$424 million, within 180 days.

In consultation with the MPOs, which have met and will complete their reviews tomorrow when the North Jersey Transportation Planning Authority's Board of Trustees acts -- we have assembled a list of projects which are being accelerated thanks to stimulus funding availability.

In South Jersey, the MPO will meet on Monday, following approvals already by DVRPC last week.

Taken together, the projects create and preserve jobs, build capacity on our system, keep the system in a state of good repair, and leave significant assets to future generations. I'm also pleased to tell you that we estimate disadvantaged businesses will participate in at least 15% and as much as 35% of construction contracts under transit's stimulus funding.

Let me briefly give an overview of some of the highlighted projects. In the south, we are going to build the long-awaited intermodal transit center in Pennsauken that will enable travelers to transfer between the River Line and Atlantic City Rail line. And, we have begun replacing track on the Atlantic City Rail line, to maintain a state of good repair.

We are also investing in the River Line signal system which enables more frequent service, and will begin laying the foundation to provide positive train stop – the state-of-the-art safety technology that is required by the FRA by 2015 – which automatically stops a train if it passes a signal.

Statewide, we are installing 250 bus shelters and acquiring nearly 200 minibuses used in Access Link service for people with disabilities; in rural areas; and in Atlantic City's jitney bus system, which connects workers to employment centers.

In the North, we are building a new 500 space parking facility at Edison station, more than doubling parking there. And we're building a new rail station with high level, ADA accessible platforms at Plauderville Station, located in Garfield. Importantly, we're also able to make essential traffic circulation and pedestrian improvements at Newark Penn Station.

Our Morris & Essex line riders will benefit from the rehabilitation of the Lower Hack Bridge in Hudson County. We will also make improvements to the signal system for this line. And all train and bus customers will benefit from condition-based preventive maintenance of our rail and bus equipment, including major component overhauls and rebuilds.

Of course, we have also dedicated a portion of the stimulus funding to build the Mass Transit Tunnel. The first tunnel contracts will be advertised tomorrow, and we are advancing the procurement with an eye toward a late spring groundbreaking.

The stimulus funding of \$130 million is an initial federal investment in this critical passenger rail project, and I want to thank Governor Corzine, Senators Lautenberg and Menendez, and our congressional delegation for their extraordinary leadership in continuing to move this project forward.

The Commissioner and I would be glad to take your questions.