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STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
PUBLIC HEARING

RE:)
RED TAPE REVIEW) TRANSCRIPT OF
GROUP MEETING.) PROCEEDINGS:
-----)
Montclair University
Valley Road and Normal
Avenue-Conference Center
Montclair, New Jersey
3:10 p.m.
March 23, 2010

B E F O R E:

- KIM GUADAGNO, LI EUTENANT GOVERNOR
- BOB MARTIN, COMMISSIONER, DEP
- LORI GRIFA, COMMISSIONER, DCA
- BARBARA BUONO, SENATE MAJORITY LEADER
- STEVEN OROHO, SENATOR
- SCOTT RUMANA, ASSEMBLYMAN
- JOHN BURZICHELLI, ASSEMBLYMAN

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LI EUTENANT GOVERNOR GUADAGNO:

2 Okay. Everything we say is being taken down by a
3 reporter over here. As the members of the
4 panel -- hi. Lori is the speaker -- no. John is
5 the speaker.

6 On January 19th and the 20th the
7 Governor signed four Executive Orders. The first
8 one was an Executive Order freezing all rules and
9 regulations in New Jersey that were pending at the
10 time. 800 pages of rules and regulations were
11 pending at the time the Governor was sworn in.
12 After Executive Order No. 1 was signed, Executive
13 Order No. 2 required the agencies to present only
14 rules and regulations that had to comply with
15 common sense principles of rule-making. Executive
16 Order No. 3 provided for the creation of something
17 called a Red Tape Review Group. It's a bipartisan
18 group that is required within 90 days to report
19 back to the Governor about whether or not those
20 800 pages of rules and regulations that were
21 pending at the time he was sworn in complied with
22 the common sense principles of rule-making that
23 the Governor had signed into an Executive Order.
24 That would be Executive Order No. 2. Finally,
25 Executive Order No. 4 said that you should not any

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1 longer as an executive agency -- for those of you
2 in the room who don't know that, that would be
3 like the DEP, the DCA and the DOT, you should no

4 longer pass rules and regulations that amount to
5 unfunded state mandates, so what the panel before
6 you right now is, it's an outcome of Executive
7 Order No. 3, establishing the Red Tape Review
8 Group. The idea is really quite simple; that New
9 Jersey is a tough place to do business, and if we
10 go through our rules and regulations, the 800
11 pending and then looking at the 25,000 pages that
12 already exist, maybe we can make New Jersey a
13 little bit easier to do business in, maybe we can
14 bring businesses back to New Jersey, if we open
15 our doors to them, and make New Jersey State
16 Government business friendly again.

17 So, sitting at this panel right now
18 are two Republicans and two Democrats, and two of
19 them are infamous State Agencies. What we're
20 going to do now is take testimony from the public.

21 First let me start by introducing
22 to you, I believe someone here to watch and make
23 sure we're accomplishing our goal, and we're lucky
24 to have her with us, the Speaker of the State
25 Assembly. She is the first African/American

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1 female Assembly Speaker in the history of the
2 State of New Jersey, a former Board of Education
3 Member, a former Freeholder, a current County
4 Administrator and our own Speaker, Sheila Oliver.
5 She's come to say a few words.

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Thank you, Speaker.

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MS. OLIVER: Thank you, and good
afternoon, everyone.

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First of all, I would like to thank
Lieutenant Governor Guadagno for extending an
invitation for me to come this afternoon. I also
would like to thank the members that have been
working with the Lieutenant Governor on the Red
Tape Review for the very energetic and
enthusiastic work that they've been performing.
They have hit the ground running.

I spent my morning down at the
corporate headquarters of PSE&G and I had the
opportunity to spend time with the CEO and the
Chairman and many of the executives of that
company. I indicated to them that there is
nothing more important to me, as Speaker of the
General Assembly, there is nothing more important
to the Senate President and there is nothing more
important to the Governor right now than having

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the legislature and the executive branch of
government work more effectively with the private
sector in this state, so we can untangle
regulatory impediments that get in your way. We
wish to grow and expand business in the state,
create jobs and to create opportunity.

I want to thank all of you for

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8 engaging in this process as well, and please know
9 that there are listening ears in this State
10 Legislature.

11 Thank you.

12 LI EUTENANT GOVERNOR GUADAGNO:

13 Before we get too much further, you've seen a
14 group that's very beautiful and part of the reason
15 it's as beautiful as it is is because it has
16 leadership and it has the foresight and it has the
17 strength and the courage to make the right
18 decisions for the right reasons.

19 Please let me turn the table over
20 now to the President of the University of
21 Montclair, and that is Susan Cole.

22 Thank you, Dr. Cole.

23 DR. COLE: Thank you, Lieutenant
24 Governor.

25 It's really my pleasure to welcome

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1 the Lieutenant Governor and Legislators and
2 Commissioners to Montclair State University, as
3 well as all the members of the public. We are
4 very happy to be able to host this event, and I'll
5 just give you one historical note. About 27 years
6 ago when I was Vice-President of Rutgers and just
7 a pup, just a young pup, Governor Kean did
8 something called the Governor's Improvement
9 Management Program. It engaged the whole state in

10 trying to create more efficient government and it
11 occupied a lot of my time during one particular
12 year of my life. Since that time a few efforts
13 have been made but I really think that this year
14 is a historic moment for the State of New Jersey.
15 This is a massive effort being lead by the
16 Lieutenant Governor in order to really look at how
17 New Jersey manages its enterprises. I know many
18 of you are engaged in businesses and organizations
19 of various kinds, we are trying to run a pretty
20 large organization here, too, and the State of New
21 Jersey has really created some obstacles for
22 itself in order to get from point A to point B,
23 but this effort I think is going to have an
24 enormous impact on improving the quality of life
25 and the, just the ability to get things done in

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1 the state, so I congratulate the Governor and the
2 Lieutenant Governor and all of the Legislators who
3 have given their efforts and to all the
4 Commissioners who give their efforts to it, and
5 with that, let's get on with the business.

6 Thank you.

7 LIEUTENANT GOVERNOR GUADAGNO:

8 Thank you, very much, Doctor. I appreciate it.

9 Now, as is our tradition, our
10 tradition is to open the floor to one Republican
11 and one Democrat, so I look to my Democrats.

12 Okay. Assemblyman Burzichelli, if you would do
13 the honors of introducing members of --

14 ASSEMBLYMAN BURZICHELLI: Thank
15 you, Lieutenant Governor. It's good to be back
16 here with you in our third meeting. I think there
17 was a great accomplishment in the first two
18 meetings, education for all of us, so we can move
19 forward and be very effective. I'm very pleased
20 at being, being the speaker, about being here with
21 the Senate President, and also being the Democrat
22 colleague on the Committee, with our Senate
23 Majority Leader Barbara Buono, we are pleased to
24 be here for testimony today, so let's get
25 working.

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1 LIUTENANT GOVERNOR GUADAGNO:

2 Thank you.

3 Senator Oroho.

4 SENATOR OROHO: Yes, Lieutenant
5 Governor, thank you, very much, on behalf of my
6 colleague, Assemblyman Scott Rumana, and the rest
7 of our colleagues. I want to thank each of the
8 Members of this Committee for all of their hard
9 work. I want to thank the Montclair State
10 University speaker for being here. I just -- and
11 actually, Senator Boyle. I just came from the
12 first Public Hearing on the Senate side for the
13 budget and it is extrem -- that's right, we had to

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14 leave that one early, but it is -- obviously with
15 the economic situation in the state today we know
16 it's critical that we have mandate relief,
17 regulatory relief and the issue of bringing
18 private sector employment back vigorously to New
19 Jersey, and I'm very proud to be part of this,
20 this group and I think you guys are doing a great
21 job.

22 Thank you.

23 LI EUTENANT GOVERNOR GUADAGNO: Now,
24 I'm very proud to announce that yesterday the
25 Senate approved the nomination and appointment of

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1 Bob Martin to be the head of the DEP.

2 Bob, do you have anything you'd
3 like to say?

4 COMMISSIONER MARTIN: No. Just
5 thank you, very much, and I'm glad to be here.

6 LI EUTENANT GOVERNOR GUADAGNO:
7 Good. Good.

8 Okay. On the far left is the
9 Commissioner Designate for the DCA, Lori Grifa.
10 Would you like to add anything?

11 COMMISSIONER GRI FA: Good
12 afternoon, and thank you for having us. I'm
13 particularly pleased to be here since I'm a
14 Montclair resident and only have 1.1 miles to
15 drive at the conclusion of these proceedings to

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16 get home tonight. It's a special treat.

17 In all seriousness, this is an
18 important function. It has been a great learning
19 experience I think for all of us and we look
20 forward to hearing your remarks, your anecdotes,
21 your war stories and any information you can
22 provide to us and to the Governor.

23 LI EUTENANT GOVERNOR GUADAGNO: Now,
24 ladies and gentlemen, the idea here is not to
25 listen to us talk. We do enough of that in

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1 Trenton. The idea here is to listen to you and to
2 bring all the parties together in a bipartisan way
3 so we can do something about whatever your
4 comments are. We have asked and invited certain
5 people we know have something to say to speak
6 first, kind of to kick us off. We will give them
7 each five minutes, invite them up to this desk
8 right here, which is very far away from everyone,
9 and you'll last five minutes. The panel will then
10 ask questions of them for five minutes. We will
11 get through the invited guests first and after
12 that we'll take a little break and then open it up
13 to the public for anything the public would like
14 to add. I ask you to keep it to five minutes. We
15 will have a timer way over there. Wow, that's
16 nice. Let's see how that works.

17 COMMISSIONER GRIFFA: Oh, my.

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COMMISSIONER MARTIN: It's a score

18
19 board.

LIEUTENANT GOVERNOR GUADAGNO:

20
21 Welcome to Montclair. Well, so I think when you
22 see the five minutes we will ask you to kind of
23 wind it down. That is the biggest sign I have
24 ever seen.

25 We're going to start off today, I

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1 understand the first one on our list was David
2 Brogan, but he's still in traffic so we're going
3 to ask Conor Fennessy, front and center, if he
4 would. You're from the New Jersey Apartment
5 Association, I thank you for being here today.

6 MR. FENNESSY: Thank you. I think
7 they took that down off the score board.

8 Lieutenant Governor, thank you,
9 very much. We appreciate the opportunity to be
10 here today. Also, Majority Leader and
11 Commissioners, thank you. My name is Conor
12 Fennessy and I'm the Vice-President of Government
13 Affairs of the New Jersey Apartment Association.
14 We represent the larger professional management
15 firms across the state. All we do is own and
16 manage rental housing. Approximately a third of
17 the state actually resides in rental housing. For
18 our working families, there are a million renters
19 in New Jersey. Half of those fall under the

20 Department of Community Affairs' jurisdiction, and
21 under the act, half are properties with three
22 units and the other half are one to two unit
23 properties. Our members tend to be in smaller
24 units. There are 250,000 professionally managed
25 properties where we have to have an on-site staff,

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1 and again, we do look forward to this
2 jurisdiction. We did submit a memo last night to
3 the Commission. I hope all members have it.
4 There are nine points but we're only going to talk
5 about three today. We don't want to take all your
6 time. Nick is going to address the first two on
7 the list and I'm going to talk about the third,
8 and then we'll be happy to address any questions
9 you may have. Again, we really appreciate the
10 opportunity.

11 LI EUTENANT GOVERNOR GUADAGNO:

12 Thank you.

13 MR. KIKIS: Hi. My name is Nick
14 Kikis with the Apartment Association. We wanted
15 to address a few issues with you and, you know,
16 what we come from is the multi-family apartment,
17 you know, side and regulations have a very
18 significant impact on the multi-family housing
19 business. The New Jersey Apartment Association is
20 regulated under the Hotel & Multiple Dwelling Act
21 regulations and these regulations have with it an

22 apartment inspection, and right now statutorily
23 the Bureau of Housing Inspection is required to
24 inspect 20 percent of all apartment units in New
25 Jersey every five years. Right now they're

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1 inspecting each and every unit each and every time
2 they come out, which is once every five years.
3 Now, apartments are very heavily inspected
4 already. They could fall under the -- and most
5 municipalities also have inspections of the
6 communities, so this is one additional state
7 inspection that we have, and it's a very serious
8 and very significant inspection, and we feel that
9 one way that regulatory relief could be provided
10 is by inspecting a sample, by looking at 20
11 percent of the units in a community and then if
12 there are problems, then extend the inspection to
13 100 percent, but if the community looks like it's
14 in substantial compliance with the regulations,
15 then we don't.

16 Secondly, I'd like to address a few
17 regulations that exist that have been in the books
18 for quite some time and we feel that they
19 currently don't meet a policy purpose. The first
20 is a Labor and Work Force Development rule that
21 requires apartment boilers be continuously
22 monitored and logged hourly, so every hour a
23 maintenance technician is required to take a

24 reading from the boiler in an apartment community
25 and register that into a log book. It requires,

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1 technically speaking, 24 hour staff that are
2 there, you know, in the middle of the night, ready
3 to take boiler readings, as well as having black
4 sealed license boiler operator on-site on a 24/7
5 basis. These types of regulations --

6 LIUTENANT GOVERNOR GUADAGNO: What
7 does that cost you?

8 MR. KIKIS: The cost is -- I
9 wouldn't necessarily say that it's -- you know,
10 it's difficult to quantify. Typically what
11 happens, an apartment will hire a maintenance
12 person and then send that person to be licensed.
13 So it's difficult to quantify the cost, but in
14 terms of hiring, in terms of trying to get the
15 maintenance guys up and running, it's a
16 significant obstacle.

17 The second is a rule out of the
18 Division of Civil Rights called Multiple Dwelling
19 Reporting Rule. What this requires is that
20 apartment owners maintain a log of the
21 demographics of all of the residents who have
22 rented their units or have applied to live in
23 them, and that's required to be submitted to the
24 Division once a year, by the end of January. Now,
25 the Division doesn't do anything with this

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1 information, so we're required to collect and
2 supply very private information that is ultimately
3 never really used in any meaningful way. That was
4 one item we wanted to present to you.

5 The final item, I think in terms of
6 the impact on our residents and that would have a
7 significant impact is the pool regulation. Right
8 now apartment communities are regulated as if they
9 were a public swim club. Unlike hotels,
10 condominiums and other, you know, types of
11 properties, they're required to have Certified
12 Pool Operators on-site 24 hours, as well as
13 lifeguards, you know, regardless of how many
14 people are swimming and that is an obstacle, you
15 know, to having pools in a lot of apartment
16 communities.

17 With that, I'll turn it over to
18 Conor.

19 MR. FENNESSY: The last issue we
20 wanted to address today was actually a Board of
21 Public Utilities issue with regard to water
22 conservation. Currently, in 49 other states,
23 except for here in New Jersey, at the larger
24 apartment complexes where there's only one master
25 meter that's been installed to read water for the

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1 entire property, we would like to install small
2 meters in each unit so that we can measure
3 consumptions and bill the residents for what they
4 use. In New Jersey you can do condominiums, you
5 can do co-ops, but you're not allowed to do it in
6 rental housing, but you are in 49 other states.
7 It's simply a board order prohibition. It dates
8 back to the 1970's when the technology was not
9 that great, honestly, with the meters, but the
10 meters today that are available to us are actually
11 utility grade meters, they're read wireless so
12 there's not that typical knock at the door asking
13 to read the meters, which you may see at home. It
14 allows us two things. We can only bill residents
15 based upon what they use, and actually, now we can
16 inform residents how much they use, because right
17 now we can't tell them because we can't measure it
18 by unit.

19 LI EUTENANT GOVERNOR GUADAGNO: Is
20 that in this -- let me see.

21 MS. FENNESSY: Yes, ma'am. It's
22 actually our third point.

23 LI EUTENANT GOVERNOR GUADAGNO: This
24 report dated March 23rd, 2009?

25 MR. FENNESSY: Yes. It's our third

1 point, bottom of page two.

2 LI EUTENANT GOVERNOR GUADAGNO: Yup,
3 okay.

4 MR. FENNESSY: It's utilities
5 sub-metering, and we can do it in 49 other states,
6 you can do it in condos and co-ops, you know, you
7 just can't do it in rental housing here.

8 LI EUTENANT GOVERNOR GUADAGNO:
9 Great. Any questions?

10 COMMISSIONER MARTIN: Just a quick
11 question. Can I suggest you guys come back with
12 potentially some costs surrounding some of these
13 items? I know you guys pretty well, I think you
14 can do the math. A lot of this stuff would be
15 good, it would be good to see some of those
16 numbers so we can kind of quantify how big an
17 impact it really is to the operators, the
18 Department Officers.

19 MR. FENNESSY: Sure. Actually, on
20 the sub-metering the EPA figures put it at -- if
21 you're able to do just 10 percent of the
22 apartments here in New Jersey, the savings were "a
23 billion gallons".

24 COMMISSIONER MARTIN: Okay. That's
25 kind of --

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1 MR. FENNESSY: We'd be happy to
2 also put some other numbers up.

3 LIEUTENANT GOVERNOR GUADAGNO: We'd
4 like those kind of numbers. We'll take it back to
5 the BPU and we'll look at those, too.

6 COMMISSIONER GRIFA: Just, if I
7 could, we've done this with electricity through
8 the BPU and we did not have success, so if you're
9 going to put together numbers for us, Mr.
10 Fennessy, could you also make a distinction of any
11 technology with regard to the water metering
12 you're discussing? I agree with you. There's a
13 bill, Senator Smith has a bill pending before the
14 Legislature to require this and if there's a
15 distinction in the technology, because we did not
16 have good results with the PILOT program on the
17 electrical sub-metering, we should also know that,
18 too, because we did have a lot of problems. If
19 it's a completely different technology, obviously
20 we need to know that, and if it's not, we need to
21 try to get technology upgrades. I think all of us
22 are looking to live in a greener place.

23 MR. FENNESSY: Sure.

24 COMMISSIONER GRIFA: It's a
25 completely reasonable idea. We just need to make

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1 sure that it's being used in a way that's not
2 unfair to tenants.

3 MR. FENNESSY: The electrical
4 side -- if I may, Governor, the PILOT project you

5 had through the HMFA up in, I believe in Jersey
6 City --

7 COMMISSIONER GRIFA: Uni on Ci ty,
8 actual ly.

9 MR. FENNESSY: -- was on the
10 electrical si de.

11 COMMISSIONER GRIFA: Yes.

12 MR. FENNESSY: One of the
13 chal lenges wi th the electri c, especi ally when i t
14 comes to heat, is when you have a high-rise
15 building, the outside tends to heat the uni ts on
16 the insi de. On the water si de i t's much cleaner
17 because i t's water in, water out.

18 LI EUTENANT GOVERNOR GUADAGNO: Let
19 me interrupt you right there.

20 MR. FENNESSY: I'm sorry.

21 LI EUTENANT GOVERNOR GUADAGNO: Not
22 because I'm not interested in water and
23 electri ci ty, but my questi on is -- and we're
24 running out of time, but my questi on is -- first
25 of all, I understand you'll agree to give that

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1 document and that information to Lori Grifa, the
2 DCA Commi ssi oner Designee, but my questi on is
3 process wi se, have you brought these -- assume for
4 a moment we agree wi th you that some of these
5 shoul d be el i mi nated. Have you brought these
6 rules to the attention of the respected agency,

7 and if so, how, when and what was the response? I
8 mean, it's obvious they're still in, in fact, from
9 what the response is, but looking at the process
10 going forward, I'm sure we'll hear other examples
11 of this kind of problem. We're looking at how we
12 fix the system so we can eliminate these rules, if
13 they are RK rules.

14 MR. FENNESSY: Sure.

15 LI EUTENANT GOVERNOR GUADAGNO: Have
16 you?

17 MR. FENNESSY: We have. We
18 actually did part of the state process with the
19 BPU back in 2004, 2005 and out of that came the
20 PI LOT project with the HMFA and the DCA, but
21 again, that was restricted to only gas and
22 electric on the site, and also, only affordable
23 subsidized housing. The water side is a little
24 bit different --

25 COMMI SSI ONER GRI FA: Sounds like

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1 it.

2 MR. FENNESSY: -- in just the way
3 the water operates inside the building as opposed
4 to the electric and the heating concern. The
5 house heats the inside units.

6 COMMI SSI ONER GRI FA: Looking
7 forward to seeing it.

8 MR. FENNESSY: Thank you,
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9 Commissioner.

10 LI EUTENANT GOVERNOR GUADAGNO:

11 Thank you, very much.

12 Doesn't look like we have a process
13 for review in our rules and regulations. Anybody
14 familiar with one? Well, we'll put it on the list
15 of things to fix.

16 I wonder if David Brogan had a
17 chance to come in yet. No, all right.

18 Robert Davison from the New Jersey
19 Association of Mental Health Agency.

20 MR. DAVISON: Good afternoon.

21 LI EUTENANT GOVERNOR GUADAGNO: Hi.

22 MR. DAVISON: Thanks for having
23 me. My name is Bob Davison and I'm the Executive
24 Director of the Mental Health Association of Essex
25 County. Today I'm representing the New Jersey

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1 Association of Mental Health Agencies. We serve
2 over 450,000 New Jersey citizens a year and we
3 have approximately 30,000 employees working both
4 in mental health and in addiction services. In an
5 effort to be efficient, I'm not going to read my
6 testimony because I submitted it.

7 LI EUTENANT GOVERNOR GUADAGNO: Just
8 so I have it here, I have a document that's
9 entitled testimony presented to the Red Tape
10 Review Committee and testimony presented by Robert

11 Davison, and it's on NJAMHA letterhead. Is that
12 it?

13 MR. DAVISON: That's right.

14 LIEUTENANT GOVERNOR GUADAGNO:

15 Okay. Great.

16 MR. DAVISON: To be efficient, I
17 won't read that, but I will, I will make a couple
18 points.

19 Community mental health and
20 addiction services are a highly regulated,
21 licensed, monitored auditing system. To some
22 extent, this makes sense because we work with
23 normal citizens and we're heavily state-funded.
24 We also certainly understand the state's
25 responsibility to us. However, the state levels,

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1 the state levels of micro management and
2 over-regulations are beyond reasonable. To be
3 frank, at times it feels as if our goal is not to
4 ensure quality services, but to act as a job
5 protection program for state bureaucrats, and I'll
6 give you an example. One of my colleagues, they
7 were visited in seven weeks eight times, twice by
8 the Department of Human Services, once by the
9 Department of Children and Families, twice by
10 Medicaid and once by DCA, and it doesn't add up to
11 eight, but other agencies visited them as well.
12 The problem is that each Department of the State

13 has their own contracting process, so if you're,
14 if you're the community mental health agency and
15 you provide children services, adult services and
16 addiction services and senior services and you're
17 developing housing with HMFA and each one of those
18 entities has their own contracting process and
19 their own licensing process, the administrative
20 burden for both the state and for the providing
21 agency is a mess and a waste of a lot of time on
22 our behalf and a waste of a lot of time on your
23 behalf.

24 Also, it is with great difficulty
25 in regards to information technology. To the best

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1 of my knowledge, the information technology
2 systems between state governmental entities, they
3 don't communicate with each other, and I know
4 first hand that they can't communicate with our
5 information technology over some basic simple
6 things like the electronic signature. The
7 Department of Human Services doesn't accept an
8 electronic signature, and this is in 2010. That's
9 not an effective way to do business. Where I
10 work, I've been the Executive Director for 11
11 years and we've had three random audits from the
12 Department of Human Services. That's in addition
13 to our independent audit that we have to perform.
14 Each time there's been no findings, so an approved

15 state worker comes out to confirm what the
16 independent auditor already found. I can
17 understand if there were findings in previous
18 audits, but there's no findings, so -- and I've
19 experienced that myself, so that's just a couple
20 of examples. Everything else is in writing and I
21 appreciate your time.

22 LI EUTENANT GOVERNOR GUADAGNO: I
23 understand Senator Buono has a few questions.

24 MR. DAVISON: Hi.

25 SENATOR BUONO: Hi. How are you?

25

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1 MR. DAVISON: Great.

2 SENATOR BUONO: I'm surprised you
3 didn't bring your big stack of supporting
4 documents, what it takes to apply for a contract.

5 I know Debra Winn spoke to the --
6 she testified this morning before the Senate
7 Budget Appropriation Committee.

8 MR. DAVISON: She has a stack.
9 It's too heavy to carry.

10 SENATOR BUONO: She has the stack,
11 okay.

12 Not only does each Department have
13 their own contracting process and contracts that
14 differ and duplicate one another, but within the
15 divisions, each division differs. Human
16 Services --

17 MR. DAVISON: That's actually
18 correct.

19 SENATOR BUONO: -- Human Services,
20 for example, and I held a non-profit, it was such
21 a problem, it has been such a problem over the
22 years that I do a round table, a non-profit round
23 table in the fall and a lot of these issues came
24 to the forefront and this was by far one of the
25 most serious issues. It's not something we can

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1 really address through legislation. It's
2 something that --

3 LI EUTENANT GOVERNOR GUADAGNO:
4 That's definitely on me.

5 MR. DAVISON: If I may, quickly,
6 the state employees I have worked with are good
7 people and have good faith. There's just too many
8 cooks in the --

9 SENATOR BUONO: Right.

10 LI EUTENANT GOVERNOR GUADAGNO:
11 Right.

12 MR. DAVISON: That's the issue.

13 LI EUTENANT GOVERNOR GUADAGNO:
14 There's got to be a way, take it out of the, take
15 it out of there and get some uniformity in the
16 system.

17 MR. DAVISON: That sums up my
18 testimony.

19 SENATOR OROHO: If we can get a
20 hold of that stack, it had to be six inches tall.

21 MR. DAVISON: We'll provide that
22 for you. Great. Thank you.

23 LIEUTENANT GOVERNOR GUADAGNO:
24 Unless David Brogan is here -- all right. Then I
25 think Suzanne Del Vecchio.

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1 MS. DEL VECCHIO: Thank you.

2 MR. ROSS: Good afternoon. Scott
3 Ross, New Jersey Food Council.

4 MS. DEL VECCHIO: I've already --

5 MR. ROSS: I've also signed up. We
6 signed up together, so --

7 LIEUTENANT GOVERNOR GUADAGNO:
8 Okay. Speak a little louder so the reporter can
9 take down your name, in case we miss something.

10 MR. ROSS: My name is Scott Ross
11 and I'm the Vice-President of Government Affairs
12 for New Jersey Food Council. The Food Council
13 represents the retail food distribution industry,
14 which encompasses the supermarkets, convenience
15 stores and major food manufacturers, such as
16 Kraft, Campbell Soup, etcetera.

17 LIEUTENANT GOVERNOR GUADAGNO: I
18 think I have testimony here that's labeled New
19 Jersey Food Council, Report for the Red Tape
20 Review Group dated March, 2010.

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21 MR. ROSS: That is correct. That
22 was submitted this afternoon.

23 LI EUTENANT GOVERNOR GUADAGNO:
24 Thank you.

25 MR. ROSS: I think we submitted six

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1 points, six regulations that we believe are in
2 need of reform. I'm only going to talk about two
3 today, the cigarette sales tax issue and the fuel
4 coupon issue, which are the first two on the list.

5 The cigarette sales tax issue
6 recently, in December of 2009, a new regulation
7 was put in place that requires cigarette retailers
8 to charge sales tax on the minimum, state minimum
9 price of cigarettes, not the price they are
10 selling cigarettes at at retail. This is causing
11 quite a bit of not only confusion, but continuing
12 nightmares for our cigarette retailers, and
13 Suzanne can talk a little bit more about --

14 LI EUTENANT GOVERNOR GUADAGNO: I
15 understand --

16 MR. ROSS: -- what the problem is.

17 LI EUTENANT GOVERNOR GUADAGNO:
18 You're Suzanne Del Vecchio, right?

19 MS. DEL VECCHIO: Yes.

20 LI EUTENANT GOVERNOR GUADAGNO: I
21 understand there's some pretty interesting
22 examples of how much chaos this causes.

23 MS. DEL VECCHIO: We are unable to
24 determine a way that we can actually do this
25 because it would require a retailer such as Quick

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1 Chek, with 120 stores in New Jersey, to charge a
2 tax separately on one particular item. Cigarettes
3 are sold to us at the manufacturer with various
4 promotions which, by contract, require us to pass
5 immediately on to the consumer. The regulation
6 that came forward in December says we don't care
7 about what you actually sell these cigarettes at
8 to a consumer, we want you to pay tax, we want the
9 consumer to pay tax on the arbitrary, arbitrarily
10 set minimum state price.

11 LI EUTENANT GOVERNOR GUADAGNO: How
12 do you determine what the -- I'm going to leave
13 arbitrarily out of that. How do you determine
14 what the state price is?

15 MS. DEL VECCHIO: State posted by
16 the Division of Taxation on a daily, weekly,
17 monthly, I don't know, ongoing basis.

18 LI EUTENANT GOVERNOR GUADAGNO: As
19 it was related to me, the price could change every
20 day.

21 MS. DEL VECCHIO: Every day.

22 LI EUTENANT GOVERNOR GUADAGNO: So
23 I'm in Quick Chek, I go in Quick Chek, I want to
24 pay the tax, the only way I could pay the proper

25 amount of tax is if I pull up the sales tax of the

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1 day on-line?

2 MS. DEL VECCHIO: You would have to
3 go on-line to see what the minimum sale price is,
4 and the minimum sale price, it takes into account
5 various factors, including what the manufacturer
6 sells the cigarettes -- the manufacturer's cost,
7 distributor's cost, retailer's cost. The
8 manufacturer's cost with the various promotion
9 would, by definition, decrease the minimum sales,
10 the minimum price.

11 LI EUTENANT GOVERNOR GUADAGNO:
12 Okay.

13 MS. DEL VECCHIO: It would be, it
14 would be a continuing nightmare to try to figure
15 out how to actually do this tax and then explain
16 to the consumer why they are being taxed on \$7.50
17 as opposed to the \$7 they actually paid.

18 LI EUTENANT GOVERNOR GUADAGNO: It
19 was instituted on December 7, 2009. How is it
20 working out now?

21 MS. DEL VECCHIO: Not very well.

22 LI EUTENANT GOVERNOR GUADAGNO: Do
23 you think they pay -- I know you can't speak for
24 any specific client, and I don't want to get you
25 in any trouble, but do you think they're paying

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1 the tax?

2 MS. DEL VECCHIO: From two people
3 I've spoken to, I don't believe the people are
4 having, I don't think they're having an easy time
5 trying to figure this out.

6 LIEUTENANT GOVERNOR GUADAGNO:
7 Okay.

8 MR. ROSS: Thank you.
9 The second issue we'd like to talk
10 about is the use of coupons when purchasing fuel,
11 filling up your gas tank. Right now state
12 regulations prohibit the use of give-aways, such
13 as free glassware, etcetera. I'm sure you know
14 that. However, the term give-away encompasses the
15 use of coupons. For example, if you fill up your
16 gas tank, pay with a debit or credit card, you get
17 a receipt for that purchase. On the back of the
18 receipt you're not allowed to put a coupon, for
19 example, say 50 cents off a cup of coffee. We,
20 meaning the Food Council and its members, do not
21 understand -- we understand the intent is to
22 prohibit the below cost fuel sales, which is an
23 issue that is very politically frightening, to say
24 the least, but a coupon for 50 cents on another
25 piece of merchandise would not necessarily affect

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1 your price of fuel that the company is paying, and
2 I know Suzanne, I think you do it in other
3 states.

4 MS. DEL VECCHIO: Other states will
5 allow not only may you give a consumer coupon, you
6 can also have special promotions. For example, on
7 a grand opening you can sell fuel below cost for
8 three days. You can have a founder's sale for a
9 day where you can sell fuel below cost, but every
10 other state we are aware of allows some type of
11 coupon or promotion with the sale of gas, except
12 New Jersey.

13 LI EUTENANT GOVERNOR GUADAGNO: This
14 is a statute, right?

15 MS. DEL VECCHIO: This is a
16 regulation.

17 LI EUTENANT GOVERNOR GUADAGNO: It's
18 a regulation?

19 MS. DEL VECCHIO: Yes. Regulations
20 prohibit -- the statute says no sale of gas below
21 cost. Regulations prohibit the give-aways and
22 coupons and any other promotion.

23 LI EUTENANT GOVERNOR GUADAGNO: If I
24 go to the gas station on the border of New Jersey
25 and Pennsylvania, Pennsylvania can issue coupons,

1 New Jersey cannot?

2 MS. DEL VECCHIO: And I believe
3 they do. They can put on the receipt 50 cents off
4 a bottle of soda inside the store.

5 LI EUTENANT GOVERNOR GUADAGNO:
6 Okay. Soda having nothing to do with the original
7 intent of the legislation, which is to prevent
8 low --

9 MS. DEL VECCHIO: Cost.

10 LI EUTENANT GOVERNOR GUADAGNO: Has
11 anybody challenged that, to your knowledge?

12 MS. DEL VECCHIO: Not recently.

13 LI EUTENANT GOVERNOR GUADAGNO: All
14 right. Any questions?

15 COMMISSIONER MARTIN: No.

16 LI EUTENANT GOVERNOR GUADAGNO:
17 Anything else you want to add?

18 MR. ROSS: That's it. Everything
19 else is in our report.

20 LI EUTENANT GOVERNOR GUADAGNO:
21 Appreciate it.

22 MS. DEL VECCHIO: If you have any
23 questions, please feel free to contact us. Thank
24 you.

25 LI EUTENANT GOVERNOR GUADAGNO:

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1 Thank you, very much. I appreciate it.

2 All right. I believe David Brogan

3 is in the house. Mr. Brogan, I was just provided
4 with a copy of a document that's dated, it says
5 updated August 6th, 2008. It's got your name and
6 phone number on it and it's got a map of New
7 Jersey on the front page. Is that the document
8 that you're going to talk about today?

9 MR. BROGAN: I will use that
10 briefly, yes, and I apologize for being late. I
11 do appreciate you giving me time to speak to you
12 today. I know just about everybody except for
13 you, Lieutenant Governor. I apologize, I met you
14 once or twice. What I'd like to do is touch upon
15 three things as quickly as possible. I know you
16 have a lot of people.

17 For the record, my name is David
18 Brogan. I'm Vice-President of Environmental
19 Policy at the New Jersey Business and Industry
20 Association. First thing I would like to talk
21 about is the Public Access rule, and we feel that
22 rule should be repealed first. Second, I'll talk
23 about the perception of reasonableness within the
24 rule-making process, very briefly, and third, how
25 an outside entity could possibly help the process

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1 of shepherding projects through the regulatory
2 process.

3 Starting with the Public Access
4 rule, in 2007 the DEP passed a rule that was

5 couched as beach access. What the rule did, it
6 said any entity along the tide and flow waterway
7 anywhere in the state must provide 24-hour access
8 to that waterway through its property, and if it
9 can't do that it must pay for access to be
10 provided elsewhere. I gave you the map just to
11 give you a sense of where, what we're talking
12 about here, and this shows you tidelands and it
13 shows you tide and flow areas, so when you're
14 talking about beach access, that is something
15 totally different from what we're seeing here, and
16 this goes inland some 10, 15 miles sometimes, so I
17 wanted to give you some perspective on that. This
18 rule differed from previous iterations of what was
19 being done and that is the Department was somewhat
20 flexible. They said if it's not feasible or
21 practical, we're not going to require you to
22 provide that access. This new inflexibility that
23 they created by saying you pay for access on-site
24 or pay for access off-site basically created a tax
25 on businesses. Now, there was no formula that was

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1 created to come up with the amount that you would
2 pay. DEP had the final determination, and it was
3 triggered by certain permits that you would need,
4 say the waterfront development permits if you were
5 doing maintenance on a bulkhead or something of
6 that nature, and we said at the time that this is

7 completely unreasonable. We looked at their
8 Economic Impact Analysis, which is on the second
9 and the third page of what I gave you. It
10 mentions tourism but it really makes no mention of
11 the impact on businesses at all, and we, we
12 submitted comments to that affect. The comments
13 are on page -- the last two pages, and you can see
14 the comment and then the response, and when we
15 talked about things in terms of potential
16 disastrous financial burdens on businesses, the
17 response that we got was that, you know, public
18 access creates positive externalities, from
19 souvenir shops to gas stations to meals, the local
20 restaurants, the community stands to benefit.
21 We're not talking about beach access here. We're
22 talking about access to refineries, to chemical
23 facilities, to nuclear power plants. I don't know
24 how many souvenir shops pop up around those areas
25 but it doesn't seem that reasonable to think

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1 you'll see these souvenir shops at or near nuclear
2 power plants or refineries. The thing that really
3 bothered us, it wasn't -- and they do mention it
4 and I have to be -- I have to clarify. They do
5 talk about what they recognized in terms that
6 there is an impact to businesses in the following
7 paragraph, but they really have no idea what the
8 true impact is.

9 Now, I staffed the Transition Team
10 for the Governor, the DEP's Transition Team. One
11 thing we asked the outgoing Commissioner was how
12 many projects triggered the rule, how much money
13 was collected and can you give us any details on
14 the projects that these monies funded. The answer
15 is 120 projects as of December triggered the
16 rule. They only gave us a list of eight companies
17 that paid for those off-site access fees, totaling
18 \$869,900, over eight -- over \$100,000 per company,
19 and the answer to the details in these projects
20 was they didn't keep track of where the money was
21 going. The reason is the Department was acting as
22 a shepherd. They were working as a middle person
23 between the company and whatever municipal project
24 that that was going to fund, so that's where it
25 was a little bit confusing, as to how much money

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1 was collected and where the projects were going,
2 what was being funded. Now, the Legislature saw
3 in 2008 that this was going to cause a problem.
4 From the business communities' perspective, we
5 have entities, we have marinas, we have chemical
6 and industrial port facilities. The Legislature
7 passed a law in 2008 that exempted marinas from
8 the rule for two years and during that time they
9 were supposed to create a task force to look into
10 the impact that this rule would have on the

11 marina. The Department had no incentive to create
12 the task force and so they never created it. When
13 they were issuing permits at that time they were
14 issuing them with placeholder language in 2008,
15 saying in 2010 when they're no longer in effect
16 you're going to have to provide access, public
17 access as a condition of the permit that you
18 received in 2008. Again, you asked for an
19 example, I'm trying to give you the clearest
20 example of regulations gone wrong.

21 LIUTENANT GOVERNOR GUADAGNO:

22 That's clear as mud, I think. Isn't it?

23 MR. BROGAN: Okay. Two last things
24 on this, and I'll be brief. There was a bill,
25 A-2954, that exempted port facilities, energy

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1 facilities, military facilities, industrial
2 facilities and chemical facilities from this
3 rule. Ironically, as that bill was moving through
4 the process, the DOT came in and lobbied
5 Legislature to get themselves taken out, so you
6 have a State Agency Lobbying Legislature to get
7 themselves taken out of a rule. Again, there
8 wasn't logic behind the rule to begin with, so if
9 you were doing a transportation project near a
10 tidal waterway, the trigger was you would have to
11 provide access to that waterway, and clearly you
12 can't do a highway project, there's no way you can

13 do that.

14 LIEUTENANT GOVERNOR GUADAGNO: Is
15 this the rule that if -- I live in a shore town.
16 If I'm a marina owner and I wanted to fix my dock,
17 that would trigger it and suddenly I had public
18 access requirements?

19 MR. BROGAN: Exactly. Exactly, and
20 I think it was from the Marine Trades Association
21 and she was spearheading for the marina industry.
22 Marinas are unique in nature because they're
23 taking care of other people's property, so to sit
24 there and say we want you to provide 24-hour
25 access -- what does that mean? That means I have

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1 to hire a security guard, I have to put up fences
2 and things like that.

3 LIEUTENANT GOVERNOR GUADAGNO: And
4 parking spaces, too, I remember.

5 MR. BROGAN: Right. There were
6 other provisions in the rule with regards to
7 parking, bathroom facilities and -- and two of
8 those things got shot down. What they said, the
9 Appellate Court said that you cannot require
10 parking or bathroom facilities as a condition of
11 receiving shore protection funds, so that part of
12 the rule was pushed aside. That was the Avalon
13 decision, and there's still some negotiations.
14 The icing on the cake of this rule is that the DEP

15 owns six marinas. They operate three and they
16 lease three. When we asked them if they could
17 comply with their own rule they said no. They
18 said they don't have the funding and they don't
19 have the resources to comply with their own rule.
20 You know, I have to be honest, I have mentioned
21 this briefly to the new Commissioner, and
22 congratulations, getting confirmed the other day,
23 and he's been very open to discussion, as you are
24 with going forward on all rules. We appreciate
25 this. Now, the Department probably felt this was

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1 reasonable when they did it but, I mean, when you
2 read these responses to comments -- they thought
3 it was reasonable.

4 This kind of, kind of segways into
5 other issues within the Department that we have
6 problems with. Rules that determine whether or
7 not it's reasonable to charge companies X number
8 of dollars to meet certain standards. For
9 example, air quality standards such as NOx. The
10 EPA does a study and they say okay, if you're
11 going to reduce NOx by one ton, it's reasonable to
12 expect you would spend \$3,000 to \$5,000 on a piece
13 of equipment to meet that standard. Other states
14 in the surrounding area use EPA's model. In New
15 Jersey that same amount is \$30,000, so a company
16 that's going to reduce NOx by five tons will pay

17 25,000, perhaps in Pennsylvania they'll pay
18 150,000, perhaps in New Jersey -- and then
19 deciding where they're going to go, and more than
20 likely they're going to go to Pennsylvania, and
21 then we get the worst of all cases because the air
22 blows the emissions right over our state, so it's
23 a lose, lose, lose.

24 Last thing I know you want me to
25 touch on is the shepherding. One of the things

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1 that was mentioned in the Transition Group Board
2 was the idea of having some entity that could
3 shepherd projects through the process. Problems
4 that we've seen, if you're doing the site
5 remediation, a site clean-up and you go through
6 the process and you have a real actual work plan
7 which basically says what you're going to do to
8 clean up that property and then the Department
9 approves that plan, you then have to go for land
10 use permits. What can happen is the Department
11 can say we're going to allow you to take X number
12 of cubic yards of fill out of this area and
13 replace it with clean fill, you know, to get the
14 land use permit, but then the wetlands say no, you
15 can't touch it, it's wetlands and that's a
16 problem, so having something within the
17 Department, someone within the Department to work
18 within the program areas will be very helpful.

19 Again, for the larger projects we'll need permits
20 from DOT, the DCA and DEP, but having someone
21 either under your staff or somewhere else trying
22 to bring those people together will -- and we did
23 hear stories during the transition process where
24 people would sit down with people in Pennsylvania
25 and they would have high level officials from

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1 Treasuries, from DEP, from DOT, they would be
2 guaranteed permits within X number of weeks.

3 LI EUTENANT GOVERNOR GUADAGNO:

4 Guaranteed permits or guaranteed answers to the
5 permits?

6 MR. BROGAN: That's a good
7 question. You know, when you hear these stories,
8 sometimes you have to kind of dig into the
9 details, but the turn-around times for the permits
10 were much quicker, I'll just say that. The other
11 thing you can get a lot of times, and they are
12 trying to entice companies to come there, is
13 during that meeting you can get a tax abatement
14 for 10 years, and that's what happened to one of
15 the companies, so as an example, and that's just
16 an example. Anything that you can do as a
17 Committee to suggest and work with the
18 Commissioner on how he feels things would be best
19 served in the Department, and then also outside of
20 the Department, some, some entity to coordinate

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21 those permits would be extremely helpful.

22 LI EUTENANT GOVERNOR GUADAGNO:

23 Thank you.

24 Any questions?

25 COMMISSIONER MARTIN: Just a quick

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1 comment.

2 Thanks, Dave, for your comments. I
3 mean, one of the things we're doing already, and
4 Dave knows, the Lieutenant Governor knows, we've
5 already established a state process for this
6 within the DEP to work on the whole access issue.
7 We realize it's a major issue. We realize there's
8 some flaws in the regulations. I know Senator
9 Smith has been working on legislation and we're
10 working with his office. We're trying to get all
11 the different groups at the table to address this
12 and look at it for the long haul. There are some
13 decisions we have to make on this. There are
14 still areas of public interest that we have to
15 work through, there's Homeland Security issues we
16 have to work through and there's issues on the
17 perception of taxes from companies that we have to
18 work through. There are a lot of issues and we're
19 going to work on all of those.

20 On your last point, and Dave is
21 right on, you know, what we've established,
22 indeed, is a new existing Commissioner for

23 Economic Development that's going to be working
24 and have a one-stop shop there, so as you come in
25 the door of DEP, you have multiple permits you

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1 have to get, you're going to come to one place,
2 start there and know the full scale of what you
3 have to go forward with in the future, so we're
4 working on those and we appreciate your input on
5 them.

6 MR. BROGAN: Once again, I'd just
7 like to thank the Committee, or the Red Tape
8 Review Group as a whole. Your efforts are
9 tremendously encouraging to the business community
10 and I know Legislators have been working on
11 legislation that follows through with what the
12 Governors have been doing on Executive Orders.
13 Once again, I want to express our appreciation for
14 you working on that.

15 LI EUTENANT GOVERNOR GUADAGNO:
16 Anybody else? All right. Thank you, David.
17 Thank you, very much.

18 I see that Mayor John McCormac is
19 here. John, thank you for coming in this
20 afternoon. I appreciate it. Thinking of one-stop
21 shopping, Mayor, you were on the Commission
22 Development Transition Team and I believe you've
23 been invited to tell or give us a preview or a
24 little bit of what you have learned in the last

25 couple of months as part of the Transition Team.

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1 Thank you.

2 MAYOR McCORMAC: Certainly.

3 Thank you, very much, Lieutenant
4 Governor, Senators, Assemblymen, Commissioners,
5 everybody else who I don't know.

6 It is my pleasure to present a
7 little bit about our Economic Development and Job
8 Growth Subcommittee Transition Report. We dealt
9 with a lot of issues, heard a lot of testimony
10 from a lot of different groups, so many people in
11 the audience now, and I issued a 20-page report
12 that we think is very extensive in terms of its
13 recommendations as to what New Jersey needs to do
14 to become more business friendly. We talked about
15 taxes, we talked about small businesses and we
16 talked about infrastructure. Probably the biggest
17 issue that we recommended, you just heard a little
18 bit about it, is the issue of one-stop shopping.
19 Right now, from my experience in Trenton, as
20 Treasurer, where I get a lot -- well,
21 significantly involved in economic development,
22 even as Mayor, now I have companies that want to
23 come in to the town and, therefore, have to get
24 approvals from the state. The biggest challenge
25 is navigating the bureaucracy of Trenton.

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1 Typically, a company will have to go through six,
2 seven, eight, nine different stops in Trenton to
3 get the various level of approvals, to get various
4 levels of grants and financial assistance, loans
5 or whatever it takes. There are so many different
6 entities involved in economic development right
7 now in the state, it's virtually impossible to
8 navigate them and to understand where all the
9 different avenues of access are. There's the
10 obvious, the DEP, DOT, DCA which controlled much
11 of the permits. There are granting sources all
12 over the place. DEA has loans, Redevelopment
13 Authority has loans, the Department of Labor and
14 Work Force Development has work force grants, the
15 BPU, these development agencies have economic
16 growth, the Port Authority and New Jersey Transit,
17 so many different entities have a hand in the
18 company's decision as to whether they should
19 relocate to or expand in New Jersey. That is
20 virtually impossible to deal with, so we have
21 recommended that, or among our most important
22 recommendation was the creation of a very strong
23 Partnership for Action. That would be a central
24 spot where people could go and get a
25 representative who would then be responsible,

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1 under the auspices of Lieutenant Governor, to
2 bring the DET, to bring every entity to the table,
3 bring and be able to navigate the web of
4 permitting, and to also know all the different
5 grant funding sources which would all be rolled up
6 in this, so between the Partnership for Action and
7 Economic Development Authority, there would be
8 everything located in those areas and that would
9 be the place you go. You get your account manager
10 and you'll know, or slowly know every place to be
11 at. It could be under Lieutenant Governor. It
12 could be under the state. It could be under
13 anywhere. The important thing is know where it
14 is. The important thing is what it is and what it
15 should be is the place to go.

16 Just a couple months ago we had a
17 company come into Woodbridge. We come down to the
18 Economic Development Office, great, good stop, but
19 then we had to learn everything from there. From
20 them, we then had to go to DEP, from them we had
21 to go to DOF and DCA, from them we had to go to
22 Labor, and there's still things we probably missed
23 in terms of what we could access, so the very
24 strong recommendation from us, through whatever
25 entity is decided upon by the Governor, Lieutenant

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1 Governor, Legislature is to have an area,
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2 one-stop.

3 When I was Treasurer there was a
4 company called O'Neil Properties that wanted to
5 redevelop the old Woodcrest Avenue building, next
6 to the old Woodcrest Avenue Transit Station. They
7 literally came to our office and we brought
8 together everybody in one room, in the Treasury
9 Conference Room. They would say today we turned a
10 two year process into a six month process, in
11 terms of tell me what you need, tell me now and
12 I'll get it done, what permits do I need, what
13 approvals do I need, who do we have or who do I
14 have to answer to, who do I have to file with,
15 tell me everything now, because what a business
16 needs is certainty and the certainty could be the
17 know. The certainty can be you can't get this
18 permit because you don't have this. Okay, I'll
19 redo my plan, now I'll come back and I'll get that
20 permit. That's what we need, more of those kind
21 of experiences, where a company could come in and
22 everybody at the table or the people at the table
23 know how to access everybody who needs to be at
24 the table, you get all the answers up front. You
25 ask the pharmaceutical companies about the health

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1 care in New Jersey, what's their biggest problem,
2 access and permitting, it takes too long, it's too
3 cumbersome, it's too uncertain. They'd rather

4 find out in three months it's a no instead that
5 they find out in two-and-a-half years it's a no.
6 That's the reason why people go to North Carolina,
7 that's the reason why people go to Massachusetts
8 and other states, because the quagmire of just
9 access and availability of decision-makers in New
10 Jersey is very, very difficult.

11 So, I congratulate you on the
12 efforts you've taken with the Red Tape Review
13 Commission. We recommend complete review of
14 regulations similar to what you're doing on the, I
15 guess the Government side, and what you've
16 recommended also on the Commission Development
17 side, we want to look at every regulation, inhibit
18 second commissions, whether DET, DCA or anybody.
19 What regulations are out there, let's break them
20 down, let's eliminate what we don't need, let's
21 make access easier and let's make the granting of
22 loans and permitting much easier.

23 Thank you, very much.

24 LI EUTENANT GOVERNOR GUADAGNO:

25 Thank you, Mayor. Senator has a question.

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1 SENATOR BUONO: I really wanted to
2 say to my fellow Middlesex County Elected
3 Official --

4 MAYOR McCORMAC: Thank you.

5 SENATOR BUONO: -- we're very

6 fortunate to have him. The Governor was fortunate
7 to have him on the Transition Team. We're very
8 fortunate to have the wealth of knowledge you
9 have, and that is not just book knowledge, but you
10 certainly have a wealth of information that is
11 common sense and practical and I have to
12 acknowledge publicly that I drew from that
13 expertise when I was Chair of the Budget
14 Committee, you were very, very helpful in terms of
15 navigating the budget, the budget process, and in
16 particular, the pension system, so I just wanted
17 to thank you for that.

18 MAYOR McCORMAC: Thank you.

19 LI EUTENANT GOVERNOR GUADAGNO:
20 Anybody else?

21 I have one question, Mayor. How
22 did you deal with the municipalities and the
23 different levels of Government? I mean, you have
24 the state, you have the county, you have the
25 locals --

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1 MAYOR McCORMAC: Well, that's also
2 a challenge. When it came to the Partnership for
3 Action, we're recommending that there be somebody
4 at that Board level that has knowledge of the
5 localities, knowledge of how County Leaders are,
6 how to access them, who the Town Mayors are and
7 how you get to the Board process, whether the

8 Planning Board, Zoning Board, Redevelopment Agency
9 Board, whoever it is, you need somebody at that
10 level. Because say the mayor of the town doesn't
11 want the project, it doesn't matter what the state
12 does because the mayor is going to say no, so you
13 have to bring everybody to the table so at that --
14 when I say a big group, DOC, etcetera, at that
15 table there also has to be somebody who can access
16 the local elected officials, local boards and
17 advocate on their boards, okay, we love this
18 project here but if the mayor said it's too much
19 traffic or it's too much flooding, that voice has
20 to be heard. There's got to be some person at the
21 table that can get to that level of Government and
22 understand how it all works.

23 LIUTENANT GOVERNOR GUADAGNO: And
24 then with respect to the size of the project, you
25 wouldn't do that for every project?

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1 MAYOR McCORMAC: I think there's a
2 job threshold. I don't know if the number is 500,
3 1,000 or 250, but there's a job threshold where
4 you get this kind of level of support. You're
5 coming in with a 10 job office building, you're
6 opening a retail store, you certainly wouldn't get
7 the DOT or the DEP Commissioner at the table. If
8 you're coming in with a number, pick a number, say
9 500, you're coming in with that kind of level, or

10 10 million more, some kind of number, you got to
11 get access to the people who are making the
12 decisions. That's what -- that will turn around
13 this report, if implemented, even if embraced by
14 this group and by the Governor's Office, the
15 recommendations in this room, once embraced, will
16 just turn our reputation around nationally. We'll
17 go from a state where it's very difficult to do
18 business to one where you can get to the DEP
19 Commission, Bob Martin shows up at a meeting with
20 the president of a company looking to expand,
21 bringing 500 jobs, or a drug company, Biotech,
22 Telecon, you get them at the table, DOF Commission
23 at the table, you impress people and you get them
24 to pay attention and realize New Jersey is open
25 for business, so that's what we're recommending.

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1 LI EUTENANT GOVERNOR GUADAGNO:

2 Thank you, very much, Mayor. I appreciate it.

3 MAYOR McCORMAC: Thank you.

4 LI EUTENANT GOVERNOR GUADAGNO:

5 Thank you.

6 Bi ll Wolfe.

7 MR. WOLFE: Good afternoon. Thank
8 you. I have two hats on here today. My name's
9 Bi ll Wolfe and I'm Director of the organization
10 known as Public Employees, Public Employees for
11 Environment Responsibilities.

12 LI EUTENANT GOVERNOR GUADAGNO: Can
13 you gi ve us your name?

14 MR. WOLFE: I'm trying. Bill
15 Wolfe, W-0-L-F-E, Director of Public Employees for
16 Environmental Responsibilities.

17 We're a state based national group
18 that provides support for the professionals in the
19 agency at the federal and state level that work on
20 enforcement of environmental laws, public
21 disclosure and important information. I'm here to
22 express concerns about the, both the premise that
23 we're proceeding under with respect to how
24 environmental policy, environmental requirements
25 are affected by what is being -- majority is being

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1 presented as red tape and my concern is that quite
2 a bit of what is being presented as red tape or
3 reasonableness, Dave Brogan talked about
4 reasonableness, is really the underlying technical
5 merits and the guts of what we do, to protect the
6 environment. Okay. On the other side of the
7 coin, I think we're missing the real economic
8 crisis that we're in at this point in time in
9 terms of -- it's almost as if I'm in the twilight
10 zone, because if I read the column in terms of the
11 national picture of where the economy is, it seems
12 to be a consensus that the economic recession is
13 driven by failure of the financial portion of the

14 economic development farm. It has to -- it has
15 nothing to do with regulatory red tape or
16 barriers. It has everything to do with the fact
17 that you can't get financing, and there's no
18 demands, so I'm at a loss to try to get my head
19 around why this whole process seems to be micro
20 focusing on regulatory requirements from an
21 economic standpoint. The environmental question
22 becomes important because the Executive Order No.
23 1, as you know, froze 12 DEP rules. Second of
24 all, number one also, also had a process under
25 which any rule, if it affected public health,

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1 safety or the general welfare could have been
2 exempt from the provision. There was a 10 day
3 window under Executive Order No. 1, for the
4 Commissioner to make those recommendations to you
5 and get a rule out from review and that didn't
6 happen. In the case of the 12 environmental
7 rules, and the environmental rules really, you
8 know, the first one we saw was perchlorate
9 drinking water standards. It's under development,
10 five years, and scientists find it necessary to
11 protect things like woman, pregnant woman and
12 young children from the effects of perchlorate on
13 the thyroid, which then affects brain development,
14 so it's a very important health based standard
15 which had no business being reviewed from the

16 Commission Development standpoint. That's not the
17 only one. There are 11 others that deal with
18 everything from say drinking water to clean air,
19 sulfur in fuel, the enforcement requirement for
20 the Clean Water Act, so all these, all these rules
21 that have been frozen, the first one that was
22 decided upon went the wrong way, meaning it didn't
23 get adopted and as a result it lapsed, so we're
24 back to the drawing board on that rule. From an
25 environmental public health standpoint, this is a

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1 very significant break on what should be going
2 forward. That should not have been part of this
3 process. I don't believe that that's the intent.
4 It's not the intent, as I understand the Governor
5 and everything I read in the paper, that the
6 intent of this process is not to effect the
7 underlying environmental standards, and that gets
8 to the second point. Two of the common sense
9 principles that I want to focus on are cost
10 benefit analysis and the what federal alignment
11 has been described as, it's also federal conform,
12 it's federal consistency, it's the idea of what is
13 our relationship between New Jersey state
14 standards and the federal EPA requirements. With
15 respect to cost benefit analysis, if it's, if it's
16 the intent of this group or the Governor to put
17 the cost of compliance with meeting an

18 environmental standard, if that's the objective
19 that would need Legislators, because what you're
20 doing through an Executive Order is elevating, and
21 your attorney understands this, you're putting in
22 a decision factor that's external to the criteria
23 and statute and the criteria and statute deal with
24 things like, say it's an air pollution control
25 permit, it has to meet technology based

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1 requirements, it has to meet ambient air quality,
2 health based requirements. If its water pollution
3 it has to meet ambient water quality standards.
4 Those standards are based on science that looks
5 like a process of coagulant health -- and the
6 protection of public health in terms of asthma,
7 disease rates, so costs are external to the
8 underlying decision, the rule and the economic
9 analysis under the current law is just
10 informative, it's just there to say we've made
11 this choice and this is how much it's going to
12 cost, and if the Legislature didn't like that --
13 and Dave Brogan's testimony on NOx were if the
14 Legislature -- the State of New Jersey does not
15 want to pay, to pay \$25, \$25,000 a ton, then the
16 Legislators pass a law, that's the standard, that
17 cost, and then see if you can get that to EPA,
18 because you couldn't.

20 Thank you, Mr. Wolfe. I hate to cut you off, but
21 you can get back in line. I welcome you to come
22 on back. We're at the five minute rule and we
23 have other invited guests.

24 I'm going to start with Jerry
25 Fernandez.

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1 MR. FERNANDEZ: Thank you. Thank
2 you, Lieutenant Governor, Senators and fellow
3 Commissioners. My name is Jerry Fernandez. I am
4 owner of the Spanish Pavilion. I am also a
5 Committee Member in the Town of Springfield and on
6 the Board of Directors for the New Jersey
7 Restaurant Association. I'm here today with Larry
8 Blatterfein. We've been fortunate to have Deborah
9 Dowdell, President of the New Jersey Restaurant
10 Association working with you. There are many
11 different, I guess obstacles that we have and
12 citations with the Restaurant Association and our
13 industry, in general, and we're here to discuss
14 just four of them, very briefly, to show you
15 examples of what we have.

16 One of them being the E141 forms,
17 which are forms that we are, that we are mandated
18 to have at our establishment naming all of our
19 employees by name, where they live, when they were
20 hired, when they were terminated. We -- if we
21 hire someone in the morning, they have to be on

22 there right away. If we have -- if we hire a
23 band, they have to be on there right away. If
24 they are not and the -- if the ABC were to come
25 in, we would receive a large fine or lose our --

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1 have our license suspended, which would cost us a
2 tremendous amount of money. We feel that this --
3 and our payroll information would carry this
4 information on it, computers that we have, they
5 have all of the employees' information on there
6 and should be substantial. We shouldn't need to
7 have more paperwork.

8 Another example is wine tastings
9 and wine samplings. There's a definition for each
10 one which, to me, still I'm wondering why. We are
11 not allowed to -- we must give 24 hours notice and
12 an invitation to come in for a wine sampling, a
13 wine tasting. To me, which seems a little bit
14 ridiculous, if we have a customer -- I have a
15 downstairs dining room and upstairs I'll do a wine
16 sampling and wine tasting. If I want to open the
17 door to some of my other guests, I would hope I
18 would have that opportunity to bring in more
19 income. Unfortunately, I'm not allowed to, but
20 yet, the new laws that have passed with liquor
21 stores, they have less regulations than we do on
22 their spirit tastings.

23 Also, the raffling off of prizes,
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24 and bowling allies have these problems. In
25 Springfield I had a restaurant that recently was

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1 donating -- they were raffling off an Easter egg,
2 a giant one for a children's hospital. I guess
3 the forms were not filled out correctly or some of
4 the red tape that goes through this and
5 unfortunately they had -- instead of the hospital
6 receiving \$5,000, which would have helped them
7 quite a ways, they were restricted and had to take
8 it down.

9 Also, I'm going to let Larry speak
10 on another issue, our Industrial Site Recovery
11 Act.

12 MR. BLATTERFEIN: Thank you for
13 having me here today. I want to say that I'm
14 Larry Blatterfein. I own The Knight Club in New
15 Brunswick, I'm a Director of the New Jersey
16 Restaurant Association and we represent New
17 Jersey's largest sector employee base.

18 Indifference to the speaker who
19 appeared before us, we don't seem to violate the
20 law, we don't seem to violate the thrust of the
21 law or the intent of the law, but what we seek to
22 do is make it workable when we fall somewhere in a
23 crack which ties up the potential for business
24 deals. I'm trying to buy a vending business
25 that's been a restaurant site for 53 years. We're

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1 in the course of doing a phase one study to
2 alleviate the liability or feeling that there
3 would be some potential liability and we found
4 some contamination on the rear end of the
5 property. We can get into a lot of technical
6 jargon about where it probably came from, but even
7 the engineer who did the report acknowledged
8 significant evidence that there's probably no
9 reason to suspect this property is the source, but
10 regardless, because of the liability associated,
11 that basically has no time frame on it, we have a
12 potential for a lawsuit anywhere down the road, if
13 somebody drills a well downstream for us or
14 whatever, so we now have to go through a phase two
15 study to approve -- and we probably already know
16 this, it's called the Industrial Site Recovery
17 Act. This is not an industrial site, it's a
18 commercial site, and there are industrial chemical
19 use and industrial chemicals being used on sites
20 near us, but that's not what we are. Basically,
21 what I'm here to say is that, and we all know
22 this, the time in business deals and just trying
23 to get the moving parts together on this business,
24 you know, has taken 11 months, and now I'm
25 starting to hit the birthday of liquor license

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1 transfers that we've talked about previously, and
2 getting by this Industrial Site Recovery Act,
3 which is going to come clean but it's going to
4 take four to six months, that's some time and, you
5 know, operators like us are both the bank pulling
6 back, whether it takes too long and our investor
7 basically saying we found a business, so thank you
8 for that and I hope we find some way to get around
9 what's happening.

10 LI EUTENANT GOVERNOR GUADAGNO:

11 Thank you for your time.

12 MR. FERNANDEZ: We also have a list
13 of the citations and all the information which
14 will be --

15 LI EUTENANT GOVERNOR GUADAGNO: I
16 have in front of me a document labeled New Jersey
17 Restaurant Association, Tuesday, March 23rd with
18 the citations. I appreciate that, very much. It
19 will make it easier for us to look up. Thank you,
20 very much, gentleman. I appreciate it.

21 Christine Gorham from Sweet &
22 Sassy.

23 MS. GORHAM: Good afternoon. My
24 name is Christine Gorham. I am the owner of a
25 small business in Cherry Hill called Sweet &

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1 Sassy. It's a franchise business. We have been
2 open about a year-and-a-half and we are a salon, a
3 store and party place for little girls, generally
4 around the age of 13. The parent company, Sweet &
5 Sassy Franchising, operates franchise stores in 17
6 states. We are currently having a problem with
7 the cosmetology, the Board of Cosmetology and the
8 laws there. What we do, we have seven licensed
9 cosmetologists who work in our store and salon
10 area who do haircuts, mini-mani's and
11 mini-pedi's. They're called mini because we don't
12 use any chemicals in them at all. It's really
13 more for the salon experience, you know, kind of
14 the ultra pampering, you know. We don't do any
15 highlighting hair or anything like that. It's
16 semi stylists. Our salon area is separated by
17 half walls in the back of the store. We do
18 birthday parties. I don't know if you're at all
19 familiar with Libby Lu, you know, a retail concept
20 that was owned by Sachs and that was recently
21 closed. As a part of the parties we have young
22 girls called party coordinators who do hair, they
23 use rubber bands, bobby pins and twist it, braid
24 it, pin it in place, spray a little glitter, just
25 polish the fingernails and a light make-up

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1 application. Of the hour and 45 minutes of our

2 party, that takes about five minutes per guest.
3 The State Board of Cosmetology says those girls
4 need to be licensed, those young girls.

5 LI EUTENANT GOVERNOR GUADAGNO: The
6 girls in the back? I don't know. I have boys.

7 MS. GORHAM: Right.

8 LI EUTENANT GOVERNOR GUADAGNO:
9 Girls in the back room are there for a party, to
10 get their hair sprayed?

11 MS. GORHAM: And twisted and, you
12 know, we had, we had a hearing in front of the
13 State Board of Cosmetology where the CEO of the
14 franchise had come in and was not even allowed
15 into the room. It was kind of embarrassing. It
16 is a new business model. Like I said, I own a
17 store also in Pennsylvania and we have no issues
18 over there whatsoever. The letter we got from the
19 State Board requires us not to hire any underage
20 employees and then fined our girls who were back
21 there doing it. When they came in they fined them
22 each \$300 and now it's part of their public
23 record, so as an employer, I can't -- these are
24 young girls. I can't risk that.

25 SENATOR BUONO: How old are they?

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1 MS. GORHAM: They're in high
2 school, a lot of them are in high school, about
3 14, 15. The 14-year-olds have working papers.

4 They work, they may work two parties, so they work
5 two hour shifts or whatever. A lot of girls are
6 in college, you know, and their parents are
7 thrilled they have jobs. We have 40 people that
8 work in the store. I would love to expand in the
9 State of New Jersey but we can't operate the
10 business model as it was sold to us, the
11 franchise, and we think that, you know, there are
12 exceptions in the statutes, in the regulations
13 that would allow us to do this but I couldn't get
14 anybody to listen, so --

15 LI EUTENANT GOVERNOR GUADAGNO: So
16 you came here all the way up from Cherry Hill, I
17 very much appreciate that.

18 MS. GORHAM: I am so happy you
19 exist and I can be heard.

20 LI EUTENANT GOVERNOR GUADAGNO: The
21 Board is situated in the AG's Office, but do you
22 know off the top of your head, is it the
23 Department of Law and Public Safety or --

24 MS. GORHAM: Consumer Affairs.

25 LI EUTENANT GOVERNOR GUADAGNO: It's

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1 Consumer Affairs?

2 MS. GORHAM: Yeah. We went up to
3 Newark and we had a hearing and, you know, that
4 was last June. They issued us, in October, a
5 letter with fines and we requested another hearing

6 which I don't really expect.
7 LI EUTENANT GOVERNOR GUADAGNO: You
8 know what you should do, I'm not acting as a
9 lawyer right now because that would be wrong, but
10 you might point out the Executive Order No. 2,
11 where it talks about reasonable waivers of rules
12 when you file for the next appeal.
13 MS. GORHAM: Okay.
14 LI EUTENANT GOVERNOR GUADAGNO: You
15 might CC this Committee on the bottom of it.
16 MS. GORHAM: Okay.
17 LI EUTENANT GOVERNOR GUADAGNO: I'm
18 not suggesting the outcome but I do know that
19 Executive Order No. 2 says you have to act
20 reasonably, and that's a very short version of a
21 couple of pages in the Executive Order, but common
22 sense means common sense.
23 MS. GORHAM: Right.
24 LI EUTENANT GOVERNOR GUADAGNO:
25 Let's see how that works out.

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1 MS. GORHAM: Okay. I appreciate
2 it.
3 LI EUTENANT GOVERNOR GUADAGNO:
4 Thank you, very much.
5 MS. GORHAM: Thank you.
6 LI EUTENANT GOVERNOR GUADAGNO: All
7 right. We have come to the end of our invited

8 guest list and I'm 15 minutes behind schedule, but
9 I think I started 10 minutes late, so if you don't
10 mind, we'll take a 10 minute break and come back
11 here at 4:30 and get ready for the public session
12 of the meeting.

13 Thank you.

14 (A brief recess was taken.)

15 LI EUTENANT GOVERNOR GUADAGNO: All
16 right. Everybody who is interested in the next
17 part of this hearing, what we're going to do now
18 is call up some semblance of order. I understand
19 that those who are interested in testifying,
20 they're on this pink slip. We're going to ask you
21 to take five minutes and go to the end of the
22 line, if you would, and if you finish with your
23 five minutes -- we're going to go until we finish
24 with the stack and if we miss anybody we will call
25 you up at the end.

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1 Right now I'd like Fred Jacobs and
2 Jessica Cohen from the New Jersey Hospital
3 Association to come front and center. After that
4 I'm going to ask for Melissa Danko, so there's one
5 waiting.

6 Okay, Mr. Jacobs.

7 MR. JACOBS: Good afternoon.

8 LI EUTENANT GOVERNOR GUADAGNO: Good
9 afternoon.

10 MR. JACOBS: Feels like March
11 Madness with that clock over there. My name is
12 Fred Jacobs. I'm the General Counsel for the New
13 Jersey Hospital Association and I want to thank
14 the various Legislators, Commissioners and
15 Lieutenant Governor for this opportunity to
16 testify. We, of course, applaud the overall
17 effort that the Administration and the Legislature
18 have jointly undertaken to, I guess bring rule of
19 reason to the regulatory climate in New Jersey.
20 We hope that the good work continues beyond the
21 initial 4-19 report and we're specially pleased
22 with this body and the Executive Order that's,
23 well, is in legislation and introduced by
24 Assemblyman Burzichelli to synchronize state
25 regulations with federal regulations, because as

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1 you probably know, the health care industry
2 operates under the close watch of both State
3 Regulators and the Federal Government. I wanted
4 to touch on briefly five issues, but sort of mesh
5 with all of the things that you've been
6 addressing, and then we have a longer statement
7 that I'll submit, and I think it's already been
8 submitted to the Committee Members. The first one
9 falls in the area --

10 LI EUTENANT GOVERNOR GUADAGNO: Mr.
11 Jacobs, let me interrupt you real quick. I want

12 to make sure I have it. Testimony before the Red
13 Tape Review Committee dated March 23rd, 2010, Fred
14 Jacobs, General Counsel, New Jersey Hospital
15 Association; is that right?

16 MR. JACOBS: Absolutely.

17 LIEUTENANT GOVERNOR GUADAGNO:
18 Okay.

19 MR. JACOBS: Some of this
20 information has already been shared with staff for
21 the Commission, so I will be brief.

22 In the realm of state regulations
23 that really duplicate what the Federal Government
24 already requires, we make mention of the
25 requirement of posting staff ratios for nursing

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1 homes. The state imposed a requirement that those
2 ratios be posted by nursing homes every month when
3 the Federal Government had already required
4 virtually identical requirements but not the same
5 frequency, so we don't really see what the
6 consumer interest is in advance by the overlapping
7 of state regulations. Also, we, as hospitals, are
8 subject to numerous reporting requirements and
9 some of those date back years. We discuss in our
10 written testimony the Central Nervous System
11 Registry for traumatic brain injury and spinal
12 cord injury, and that was originally a federally
13 required report, but as best we can tell, the

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14 state has made no reports since the year 2000 and
15 yet because the statute is still on the books, the
16 Department of Health still requires us to collect
17 that information.

18 LI EUTENANT GOVERNOR GUADAGNO: You
19 collect it and then you turn it over to the
20 Department of Health?

21 MR. JACOBS: We turn it over to the
22 state, and we're not clear what the state actually
23 does with it. We did have a dialogue with the
24 State Health Department to say it doesn't appear
25 to be reporting to the Federal Government, we

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1 don't know what public health service this data is
2 meeting, tell us, and what they said is, well, the
3 statute requires the reporting, you have to
4 continue reporting until the statutes change.

5 LI EUTENANT GOVERNOR GUADAGNO: On
6 your testimony right now, could you just identify
7 that?

8 MR. JACOBS: Page two, the first
9 full paragraph, which is actually the second
10 paragraph on that page.

11 LI EUTENANT GOVERNOR GUADAGNO: All
12 right.

13 MR. JACOBS: And the state also
14 recently imposed a new Stroke Data Registry Report
15 requirement for the State's stroke centers -- and

16 I apologize if I'm sniffing, I have a little
17 cold, so please excuse me. That data collection
18 tool is duplicative of what the Joint Commission
19 already requires. The new reporting instrument is
20 seven pages long for each stroke patient and takes
21 over an hour to complete, so there, too, we think
22 that the existing reporting requirements were
23 sufficient and adequate and we didn't need another
24 overlay of state regulations.

25 SENATOR BUONO: If I may,

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1 Lieutenant Governor, because I was the sponsor of
2 the bill that created the comprehensive on primary
3 stroke centers, and part of that bill, which is
4 very integral to the whole issue of research, in
5 terms of what works and what doesn't work in
6 strokes is compiling a registry and, in fact, you
7 know, it's done on the -- I know that there were
8 certain grants on the federal level that help to
9 support that effort and, you know, cover the
10 grants, and that's known, but I take issue with
11 your characterization of them as being
12 unnecessary.

13 MR. JACOBS: Well, I guess the
14 other point is, we're not opposed to the
15 reporting, per se, but we also have no resources
16 to do the reporting, and as you know, centers and
17 hospitals in this state are operating on a very

18 thin margin, so each new requirement that comes
19 without resources imposes an additional burden and
20 if there's some way to address a funding issue to
21 meet the reporting requirement --

22 SENATOR BUONO: The whole -- well,
23 I don't want to take up a lot of time right now.
24 We can talk about it separately.

25 MR. JACOBS: Sure. We'll

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1 definitely follow-up with you, as sponsor of the
2 legislation.

3 Then we just wanted to draw your
4 attention to several, what we call public health
5 fees that are imposed either disproportionately or
6 uniquely on the health care -- on the hospital
7 industry but which fund public health needs. One
8 is the support of the New Jersey Poison
9 Information Education Service. Please don't get
10 us wrong, we think it's an important service, but
11 it's really a public health service on hospitals,
12 and this is a leftover from when hospitals were
13 regulated in the past. Cost alone to the payers,
14 they can no longer do that, but they still pay a
15 disproportionate amount of cost. Again, the state
16 has six Maternal and Child Health Consortia. They
17 were established, I believe in the early 1990's
18 and hospitals pay about \$4 million to support
19 those centers. Many of the services that the

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20 consortia provides have now been taken in house by
21 the hospitals but the hospitals are still required
22 and only hospitals are required to pay that fee.

23 Finally, there's a requirement
24 again to support it for genetic screening of
25 newborns, but hospitals have to pay 100 percent of

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1 the costs of that testing when, again, it's a
2 public health service in contrast with the newborn
3 hearing testing, which is also required to be
4 performed on newborns but that cost is actually
5 passed reimbursable insurance expenses.

6 Those are the areas that I wanted
7 to touch on. I'm happy to answer any questions
8 and, of course, we'll follow-up with Senator Buono
9 on the stroke registries.

10 LI EUTENANT GOVERNOR GUADAGNO:
11 Thank you, very much, Mr. Jacobs. I understand
12 you met with our staff before, so we'll get the
13 details of the regulations, the statutes.

14 MR. JACOBS: Great. Thank you,
15 very much. Have a good afternoon.

16 LI EUTENANT GOVERNOR GUADAGNO:
17 Melissa Danko, and on call will be Larry Nespoli.

18 MS. DANKO: Good afternoon.

19 LI EUTENANT GOVERNOR GUADAGNO: How
20 are you?

21 MS. DANKO: Thank you for the

22 opportunity to speak today. My name is Melissa
23 Danko, Executive Director of the Marine Trades
24 Association of New Jersey. We're a non-profit
25 trade organization comprised of over 300 marine

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1 related businesses, promoting and protecting the
2 marine industry and waterways in the State of New
3 Jersey. We represent hundreds of marine
4 businesses, both large and small, working to
5 operate sustainable businesses in New Jersey.

6 I appreciate the opportunity to
7 provide comments here today and also applaud the
8 efforts of this group. I'm here today -- my
9 remarks will be brief, as we are planning to
10 submit more detailed comments and recommendations
11 to the group which will propose amendments to the
12 DEP regulations and rules that are desperately
13 needed to ensure the economic viability and
14 sustainability of the recreational boating
15 industry in New Jersey.

16 The current regulatory environment
17 and constraints recreational marine businesses
18 face make it very difficult for them to move
19 forward economically. Many of these businesses
20 are family owned and operated. They're trying to
21 expand their facilities only to get caught up in a
22 time consuming, complicated and expensive
23 permitting process. This becomes even more

24 challenging in this economy. It's estimated that
25 more than 135,000 jobs in this industry have been

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1 lost nationwide, with many businesses in New
2 Jersey recently closing, a number of dealerships
3 losing their boat lines and owners suffering to
4 stay open. On top of that, the conversion of
5 marinas to waterfront condominiums and development
6 is a trend that continues to grow both on national
7 and state levels. In New Jersey we've tracked the
8 results of these losses and it indicates that in
9 the last few years over 400 slips that were
10 available to the public are gone, as well as
11 boating services from six facilities are now
12 residential developments. These services that we
13 lost include boat storage, repair and maintenance
14 facilities, fuel sales, pump-out facilities and
15 retail sales of boating and related supplies. All
16 of these services enable residents and visitors
17 the opportunity to get on the water, go boating,
18 and enjoy our resources, natural resources. A
19 reason economic survey indicated New Jersey
20 boaters spend 2.1 billion on in-state recreational
21 boating activities. The data that was captured
22 from the study confirms how recreational boating
23 substantially contributes to our economy. A study
24 like that has never been done before and they
25 released the results in 2008. It really indicated

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1 how serious boating is in New Jersey and how large
2 our industry is and how much we need to work to
3 protect and promote it, especially during those
4 difficult economic times.

5 With that said, there are a number
6 of significant regulatory issues currently
7 impacting our industry and amendments to these
8 rules, I kindly ask they be considered
9 immediately. Marinas and marine businesses are
10 constantly struggling to work, to work through a
11 maze of complicated regulations and policies that
12 contradict many, many of the Department's own
13 goals and objectives. The DEP has in the past, to
14 myself and many members of our association,
15 documented a strong need to preserve and protect
16 our marinas and waterfronts through various
17 issues. Over the course of the years I've met
18 with DEP on many, many occasions, over the last
19 nine years of my job here and unfortunately we
20 have had many roadblocks that prevent any progress
21 from being made. Our amendments would ease the
22 ability and process for existing marine businesses
23 to improve, expand or increase their slips and
24 services, therefore, providing additional,
25 meaningful and quality access and recreation for

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1 the public without compromising environmental and
2 natural resources.

3 The most current issue is one that
4 David Brogan touched on earlier, the changes to
5 the Coastal Zone Management rules and the public
6 access mandates on marinas. I'm not going to go
7 in too much depth here. I could, but I'm going to
8 touch on the public access rule, it places serious
9 mandates on marina owners, increases security
10 concerns, reduces revenues and increases costs
11 beyond the ability of marinas to support. Marinas
12 find themselves boxed in, as they can't improve or
13 expand without revising their facility for
14 increased and unlimited public access. It's
15 required by a permit, as you asked before. To
16 answer your question, yes, if a marina were to go
17 and expand their dock or do some sort of
18 maintenance, they would be required to provide
19 unlimited public access 24 hours a day, all year
20 long. We're a seasonal business, so many of these
21 facilities often close down in the winter, but we
22 provide the -- we're forced to stay open. The
23 Legislature intervened in this matter by
24 suspending the public access rule until this
25 December 31st, no moratorium. The law required

1 that the Governor establish a Public Access and
2 Marina Safety Task Force. As stated earlier, the
3 task force was never appointed, despite continuous
4 requests. Therefore, we respectfully urge the DEP
5 to immediately amend the public access rule and
6 look to exempt marinas from the requirements that
7 call for deed restrictions, walkways, unlimited
8 access and additional parking.

9 Another issue that we're currently
10 working through involves an amendment to the Basic
11 Industrial Stormwater General Permit for marinas.
12 Under this amended permit, marinas that currently
13 wash vessels at their facilities are no longer
14 permitted to discharge vessel wash wastewater to
15 surface or ground waters. Effective June 1st,
16 marinas were required to eliminate the discharge
17 by either installing a vessel wash wastewater
18 reclaim system or capturing and hauling the water
19 away, or ceasing to wash the vessels. We had
20 requested an extension based on the economic
21 downturn and the DEP did extend it through,
22 through March 1st of this past year.

23 In light of the fact that many
24 marinas are struggling through this economic
25 climate, we asked for a condition of extension to

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1 coincide with the Permit Extension Act of 2008,
2 and the expiration date was December 31st, 2012.

3 LIEUTENANT GOVERNOR GUADAGNO: Miss
4 Danko -- did you get that?

5 MS. DANKO: In any event, we
6 received a letter from the DEP that the grant --
7 that the extension would not be granted and we ask
8 that it be, it would be reconsidered, since many
9 marinas are still struggling with that
10 regulation. Many have replied but some are -- and
11 some of our additional changes include reductions
12 in buffers and setbacks, clarification and
13 amendments to shellfish habitat rules, reduce the
14 amount of time it takes to obtain tidelands grants
15 and renewal licenses. I recently assisted one of
16 our members and it took four years to obtain their
17 tidelands renewal license.

18 LIEUTENANT GOVERNOR GUADAGNO: Just
19 want you to know that I am meeting with the
20 tidelands people every Friday afternoon since
21 January 19th and you should see a flood of
22 tidelands grants granted. I'll be attending the
23 council meeting next month, because you're right,
24 I was asked to sign a document that had a one year
25 delay from the last known signature on the

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1 document and I just said no, and then I looked a
2 little deeper and found about 300 pending
3 tidelands grants, so that's done.

4 MS. DANKO: We just received their
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5 tidelands renewal last year -- I'm sorry, last
6 week.

7 LI EUTENANT GOVERNOR GUADAGNO: Is
8 my name on the bottom of it?

9 MS. DANKO: It might be.

10 LI EUTENANT GOVERNOR GUADAGNO: Yes,
11 it is.

12 MS. DANKO: I appreciate it.

13 LI EUTENANT GOVERNOR GUADAGNO: I
14 mean, what happened there is just ridiculous.

15 MS. DANKO: Yes.

16 LI EUTENANT GOVERNOR GUADAGNO: I
17 took your time. I apologize for that.

18 MS. DANKO: That's okay.

19 We're also proposing some
20 reorganized language pertaining to marinas and
21 docks to support development and redevelopment of
22 these facilities, and also amend some of the
23 dredging and dredged material management rules as
24 the need for dredging of New Jersey's navigable
25 waterways is so great, that it's impossible to

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1 calculate at this point.

2 In closing, marinas are water
3 dependent and they need clean water and a healthy
4 environment. As I said before, we work hard to
5 protect our natural resources and unfortunately we
6 face many regulations. Additional exemptions or

7 common sense alternatives should be allowed for
8 water dependent construction, development, and in
9 particular, environmental enhancements for
10 recreational marine businesses. More importantly,
11 the regulatory review process should consider and
12 weigh, in a common sense approach, existing or
13 detrimental environmental impacts versus the
14 overall environmental improvements proposed as
15 part of a development or redevelopment project at
16 an existing marina. I have examples and I will
17 include some of those examples in our written
18 comments, but the DEP has denied many permits
19 solely on the basis of, and most recently,
20 providing public access or buffers or other
21 unnecessary conditions for projects that would
22 have otherwise provided a significant
23 environmental benefit and at the same time
24 enhancing water access and recreation. I'll
25 include those examples in my comments.

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1 In closing, again, there has never
2 been a more important time to support our
3 industry. With increasing demands for water
4 access, loss of marinas and marine businesses and
5 the growing list of challenges facing our
6 waterways and all the people in businesses and
7 families that depend on them, New Jersey cannot
8 afford to lose something that we can never

9 rebuild. We can never rebuild these facilities.
10 It's extremely difficult to do that. Our proposed
11 amendments represent a reasonable and balanced
12 approach to addressing regulatory and permitting
13 challenges and we respectfully ask for your
14 consideration, and thank you, very much, for your
15 time.

16 LI EUTENANT GOVERNOR GUADAGNO:

17 Thank you, very much.

18 Any questions?

19 COMMISSIONER MARTIN: We have your
20 testimony, we'll take it into consideration. We
21 should talk about some of the public access rules
22 and start looking through those.

23 MS. DANKO: I plan on submitting
24 some more. I didn't want to get more detailed
25 with --

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1 LI EUTENANT GOVERNOR GUADAGNO: Send
2 whatever you want.

3 MS. DANKO: We have some examples
4 that I'll also submit. We've provided some
5 extensive public access in terms of a letter I've
6 submitted, so I'll provide those, as well.

7 COMMISSIONER MARTIN: Appreciate
8 all of this. Thank you, very much.

9 LI EUTENANT GOVERNOR GUADAGNO:
10 Larry Nespoli of the New Jersey Council of County

11 Colleges, and on deck is Dave Pringle from the New
12 Jersey Environmental Foundation.

13 MR. NESPOLI: Good afternoon,
14 Lieutenant Governor, Members of the Committee, my
15 name is Larry Nespoli. The Council of County
16 Colleges is the state organization for New
17 Jersey's 19 community colleges. Madam Chair, you
18 know, of course, about Brookdale Community
19 College. I would be remiss in not thanking the
20 Legislative Member of your group, if I did not
21 thank them for your past support of community
22 colleges. With their support, colleges really
23 are -- and I apologize for this brief commercial,
24 but a great New Jersey success story. They now
25 enroll 400,000 students each year. Thanks for the

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1 support.

2 My message is a very simple one. I
3 actually had a chance to deliver the same message
4 to Chief of Staff Rich Banker this morning, he was
5 speaking in the State Chamber, had a few minutes
6 with them. The message to him and the message and
7 request to you now is please don't forget about
8 community colleges in your looking for regulatory
9 relief, and the tool kit ideas that the Governor
10 talked about in his budget message, Banker talked
11 some length about your efforts and the tool kit
12 that the Governor is putting together with your

13 help. He spoke, of course, primarily about school
14 boards and municipalities and businesses, but he
15 certainly understood my points to him, that
16 community colleges, as local public employers,
17 need the same kind of looks to see a new tool kit,
18 and to that end, we've delivered two pieces of
19 paper to you. One is a one-pager, our priority
20 items, if you will, and then there's a longer
21 piece, I think, that we've distributed as well
22 that provides a little more at length and a longer
23 list of things that we offer for your
24 consideration, so thank you, very much.

25 LI EUTENANT GOVERNOR GUADAGNO:

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1 Thank you, very much. We'll be sure to include
2 that in the record. I have in front of me a
3 Proposed Tool Kit for Community Colleges, it's
4 8-and-a-half-by-14.

5 MR. NESPOLI: That's the shorter
6 piece. Barbara, did we --

7 LI EUTENANT GOVERNOR GUADAGNO:
8 That's all right. I'll make sure we have it.

9 MR. NESPOLI: The longer piece, as
10 well. Thank you, very much.

11 LI EUTENANT GOVERNOR GUADAGNO:
12 Thank you, very much. Appreciate it.

13 Dave Pringle, and on deck is Adam
14 Falk for the New Jersey Cable Telecommunications

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15 Associati on.

16 Hello, Mr. Pringle.

17 MR. PRINGLE: Hi. Good afternoon.

18 My name is David Pringle. I'm the Director of
19 Information at the New Jersey Environmental
20 Federation for the state, and the national group
21 is based in DC. We have 100,000 members in New
22 Jersey, individual members, and additional members
23 in groups. I'm also a resident of Cranford, New
24 Jersey, in Union County. My house is on the
25 Rahway River. We live there with my children and

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1 we get our drinking water from the Highlands, even
2 though we're about 50 miles from the Highlands.
3 My backyard flooded about 10 days ago and in
4 the -- well, Cranford doesn't get their drinking
5 water from Rahway, from the City of Rahway, it
6 goes further downstream. Those of you who know
7 Rahway probably had a little bit of an if factor,
8 thinking somebody would use that as their drinking
9 water source, I raise this, and the decision made
10 in Cranford was the drinking water and flooding in
11 Rahway, just the same way as the development
12 decisions in Springfield and West Orange and
13 Millburn impact flooding in Cranford and Rahway
14 and the drinking water in Rahway. I raise this or
15 introduce it this way, because of the law of
16 unintended -- one person's red tape is another

17 person's common sense principle. When DEP
18 mandates street cleaning or leaf pick up in
19 another town, like West Milford, and at West
20 Milford's expense, folks at West Milford also will
21 say that's an unfunded mandate, that rule needs to
22 be modified or whatever. However, the folks in
23 the Town, Town of Wayne benefit from less funding,
24 from cleaner drinking water. Should the folks of
25 Wayne have to sway West Milford to not flood their

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1 backyards and not contaminate their drinking
2 water? Similarly, should Senator Buono's
3 constituents or Senator Oroho's constituents not
4 to contaminate their drinking water? While the
5 state rules that regulate all this may not be
6 perfect, that is their intent, and I know it's not
7 this task force's intent to very much appreciate
8 the Governor's intent, the Governor's repeated
9 positions that this isn't a race to the bottom,
10 but while it's not the intent, if we're not very
11 careful the result of reducing red tape "cost
12 benefit analysis" applying more to federal
13 standards and the like could have that unintended
14 result, so we urge folks to really get into the
15 weeds here before we start changing things because
16 of the unintended consequences and such. To that
17 end, in doing that, that requires a lot of
18 resources at a time we don't have any. In

19 particular, if DEP has two economists, if we're
20 going to do cost benefit analysis, and I know it's
21 the Commissioner's intent to do so, and the
22 Governor's, we need a lot more economists, if not
23 only to predict the cost of benefits, regulating
24 and not regulating, but also the cost of public
25 health. The ecosystem services we provided are

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1 lost if we don't protect resources. New Jersey
2 has three of the largest industries and all very
3 well rely on pharmaceutical manufacturing, tourism
4 and food processing. Folks don't realize how much
5 food processing occurs in New Jersey. Anheuser
6 Bush is in Newark because of the Highlands water.
7 The food is all throughout the Highlands and rely
8 on Highlands water, and food processing and
9 pharmaceuticals are two of the few really strong
10 manufacturing businesses in New Jersey and it's
11 because of the clean water we have in this state.
12 If we're not careful we're going to lose it.
13 That's the intent of the Highlands Act.

14 The North Jersey Water Supply
15 Commission in 2004 turned it around. The
16 Highlands estimated that if we didn't protect the
17 Highlands, it would cost an additional \$100
18 billion in treatment costs alone over the next 50
19 years, for their service area alone, and their
20 service area is a fraction of the Highlands, which

21 is a fraction of the state, so we're going to have
22 to invest in the economist to understand the cost,
23 we're going to have to invest in the economist,
24 which we haven't been doing for years now in New
25 Jersey, to be able to understand the benefits of

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1 regulating and non-regulating. New Jersey has the
2 worst air quality, and this state overall in the
3 country, we have the worst water volume. Although
4 we made a lot of improvements, we were increasing
5 with our population density with the closest state
6 to build out. We obviously have heavily
7 industrialized paths. We need to be even more
8 careful with our regulations. We have to be very
9 careful. While this night I'm convinced it's not
10 the intent of this Commission, some before you, it
11 is their intent to weaken environmental health
12 protections, so I'd just like to close with a few
13 examples of things where some rules can and should
14 be modified or further protected.

15 The Governor talked during the
16 campaign about the need to reduce diesel
17 pollution. With the special exception of tobacco
18 smoke and radon diesel pollution, this is some of
19 the clearest science we have to saying this
20 particular pollutant causes this particular health
21 effect, and at a very significant degree. Issuing
22 an Executive Order to reduce these, requiring

23 state contractors to retrofit their engines, when
24 we're doing these projects, DEP is estimating,
25 safe to say we avoid dozens of premature deaths

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1 every year with one simple Executive Order. The
2 Drinking Water Quality Institute which I served on
3 until Speaker Roberts dumped me on his last day in
4 office two months ago advised the DEP, I think he
5 made some reverse decisions, but anyway, I
6 regressed --

7 LI EUTENANT GOVERNOR GUADAGNO:

8 Really?

9 MR. PRINGLE: That's my
10 interpretation. In any case, that Institute
11 recommended to DEP two years ago to update, as
12 required by the state, the Safe Drinking Water
13 Act, several standards of drinking water in
14 several percentages of drinking water. We looked
15 at the latest science of all the set standards,
16 all had standards, we looked at the latest -- and
17 science is constantly evolving, but most of these
18 chemicals looked at were 20 years ago. We made
19 changes to about half the chemicals and we looked
20 at 20-something, we thought the current standard
21 was appropriate. For a few, we thought they
22 needed to be straightened. For a few others, they
23 need to be less --

24 LI EUTENANT GOVERNOR GUADAGNO: Mr.

25 Pringle, I have to interrupt you. Let me tell you

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1 why, because there's a gentleman over here, your
2 left, over your left shoulder that I cut off at
3 five-and-a-half and if I don't cut you off he's
4 going to stand up and yell at me, and his last
5 name is Wolfe, so --

6 MR. PRINGLE: I don't want a
7 feature on his website.

8 LI EUTENANT GOVERNOR GUADAGNO:
9 Sorry.

10 MR. PRINGLE: That's all right.

11 LI EUTENANT GOVERNOR GUADAGNO: I do
12 need a list of those rules and regulations to make
13 sure that --

14 MR. PRINGLE: I will write this up,
15 and there is a series of things that need to go
16 further to get the job done.

17 LI EUTENANT GOVERNOR GUADAGNO:
18 Thank you. We will be sure to reach out to you so
19 we can have that with us. I appreciate it, and
20 again, I apologize for cutting you off.

21 COMMISSIONER MARTIN: Thanks.

22 LI EUTENANT GOVERNOR GUADAGNO: Adam
23 Falk, New Jersey Cable Telecommunications, and on
24 deck is Ulises Diaz and Ava-Marie Madeam at
25 Verizon.

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1 MR. FALK: Lieutenant Governor, Liz
2 Murray and I were intending to testify together.
3 We signed up separately because we came
4 separately. Is that all right, if we --

5 LIEUTENANT GOVERNOR GUADAGNO:
6 Absolutely. Not a problem at all.

7 MR. FALK: Good afternoon,
8 Lieutenant Governor, distinguished Legislators,
9 Commissioners, Members of the Panel. My name is
10 Adam Falk and I'm here on behalf of the New Jersey
11 Cable Telecommunications Association, joined by
12 Liz Murray. We are representatives of Cablevision
13 and Comcast, respectively.

14 Our trade organization represents
15 about 2.3 million of the 2.6 million cable
16 households in the state, and we appreciate the
17 opportunity to be here to testify. We appreciate
18 the Governor's Executive Order and the goal,
19 support the goal of amending or rescinding rules
20 that are unnecessary and ineffective or that
21 impede economic growth. We have three specific
22 recommendations that we would like to make. They
23 involve the issues of modifying rules, changing
24 enforcement practices and changing the process by
25 which we go through rule-making. Modifying the

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1 Board's rules applicable to the cable industry in
2 light of the highly competitive cable landscape
3 that exists today in video services, we would like
4 to see them take the rules that exist today and
5 essentially limit them, except where there are
6 those that involve explicit state or federal
7 requirements, and/or to remove rules in situations
8 where we are subject to the federal standards of
9 effective competition. In terms of enforcement,
10 we'd like to see an adjustment of the present
11 enforcement policies and practices to align them
12 with the goals of the Executive Order No. 2 to
13 cultivate an approach that values performance
14 based outcomes and compliance over the punitive
15 imposition of penalties for technical violations
16 that don't result in negative impacts to the
17 public health, safety and welfare. Specifically,
18 we'd like to see them -- we'd like to see you
19 eliminate good faith and minor technical rule
20 violations, exempt them from enforcement, and
21 quite frankly, to establish notice and opportunity
22 to cure provisions prior to commencing enforcement
23 action. Third, we'd like to see you review the
24 rule-making process itself by inviting more
25 stakeholder input and participation, to see the

1 release of rules in draft form prior to moving
2 them through the formal administrative review
3 process, and we'd like to see a reopening of the
4 Chapter 18 rules, the operational rules that deal
5 with our industry immediately so that we don't
6 have to wait for the next five year sunset of the
7 rules prior to seeing those changes made.

8 I don't have to tell you that cable
9 companies are a big employer here in the state.
10 We employ more than 10,000 people. We contribute
11 significantly to the economy here in the state and
12 we have continued to grow and expand our
13 businesses to invest in the state, and really in
14 the face of very stiff and unprecedented
15 competition. Despite really vast changes in
16 competitive landscape that exists for cable
17 companies in the state, the rules for practice
18 have not, have not kept up with the pace of
19 competition, and we are largely regulated in the
20 same way that we have been over the last 30 years
21 despite these changes, despite the fact that there
22 is direct broadcast satellite competition that is
23 unregulated, completely unregulated in the state.
24 Rules that were created in the year of limited or
25 no competition don't make sense in today's

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1 marketplace. With competition, customers have the
2 opportunity to vote with their feet. If they're

3 unhappy with one operator's service, they can
4 simply pick up and move to a new provider.
5 Operator's behavior is, therefore, constrained by
6 the potential economic impact of customer
7 defections rather than the fear of regulations or
8 enforcement. Nonetheless, the rules have not, in
9 our view, and the processes have not created
10 adequate results. At least five times since 2002
11 our industry has sought a more balanced regulatory
12 approach and offered specific recommendations to
13 change the cable rules, but none of these have
14 lead to meaningful reform.

15 I think I'll turn it over there,
16 let you --

17 MS. MURRAY: Thank you.

18 Our primary concerns are
19 unnecessary regulations takes us away from our
20 mission, which is delivering value to our
21 customers and first rate services to our
22 customers, so to the extent we are complying with
23 rules that require -- in the case of one of our
24 member companies, the filing of 35,000 pages of
25 reports in a single year. That means that those

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1 people and those resources are not doing things
2 that assist our customers.

3 LI EUTENANT GOVERNOR GUADAGNO:

4 That's with the BPU?

5 MS. MURRAY: Yes, and there's
6 uneven application if they're not permitted to
7 regulate DBS, direct broadcast satellite, under
8 federal rules, so the consequence with satellite
9 regulations, they are not -- and we're companies
10 who work here, employees, the ones paying taxes,
11 and our DBS competitors, as we're the -- it's to
12 not have the same kind of presence in the state.
13 Over regulations, as you all know, this is new
14 entrance in another market but it also has the
15 effect of forcing us to look at other places to
16 deploy or roll out new services and new products,
17 because we can do it without the kind of burden
18 some rules and notices require and so forth, that
19 we see here. We're in 39 states, so we have other
20 opportunities to do PILOT programs and those kind
21 of things without being so burdened. A prime
22 example is that we cannot relocate business
23 offices. Where customers come in to pay or
24 exchange convertors and pay their tax -- without
25 BPU approval, and sometimes that can take years,

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1 and the consequence often is that we are in a
2 position where we have two offices open at the
3 same time or we're not able to make decisions
4 based on the needs of our customers. We need to
5 move to a larger location, that sort of thing, and
6 we are very concerned even about enforcement. We

7 are frequently fined, \$10,000 is the standard fine
8 for us for things like filing things late. Those
9 administrative kinds of enforcement are not
10 productive and it doesn't do anything to protect
11 consumers or to improve the state's commission.
12 In contrast, if you look at some other agencies,
13 child labor laws carry a penalty up to 2,500 now,
14 so those thoughts are things we think are a bit
15 out of whack. We appreciate what that DEP has
16 done, more staple meetings, but we'd like to see
17 them become more productive in the recognition of
18 the market that exists in our industry.

19 LIUTENANT GOVERNOR GUADAGNO: Any
20 questions?

21 ASSEMBLYMAN RUMANA: One question.
22 I'm not being a wise guy, I'll qualify this, but
23 if all these regulations were amended would the
24 cable bill come down? Because I have to tell you,
25 I'm paying more than \$1,200 per year and I only

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1 have cable, nothing else, no internet, no phone,
2 just what comes on that television, \$1,200 a
3 year. It's ridiculous to be paying that kind of
4 money, and again, I'm not being a wise guy, but
5 how do we go get those bills down? Because the
6 average person clearly wants to know how they can
7 have something that they can watch on TV without
8 spending through the nose every year for the

9 service.

10 MR. FALK: I think, I mean, I hear,
11 I hear your complaint. I think, I think customer
12 service needs to comply and respond to rules that
13 are administratively burdensome and ultimately are
14 pulling back customers.

15 ASSEMBLYMAN RUMANA: To bring the
16 fees down would be my first question, because the
17 consumers are the people that we represent. At
18 the end of the day, that's what they want, they
19 want the service to be provided, so failure to be
20 fixed right away -- but the other side is not
21 paying fees that increase, you know, every six
22 months to a year you're turning around, you're
23 paying more money. I'm trying to stop that from
24 happening to someone. I'm certainly interested in
25 that, as I'm sure the other Members of this

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1 Commission are also interested.

2 MR. FALK: I think the rates and
3 things, obviously the ordinary consumer is
4 concerned about. I think we have, through our
5 innovation technology, been able to create triple
6 play packages that include voice services,
7 internet services and video services. Combined,
8 we offer a package for under \$90 a month for all
9 three services. I can remember the day my phone
10 bill was \$100 just for phone service, so I do hear

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11 what you're saying and, you know, it is a
12 difficult economic time and people are concerned,
13 ensuring that they're getting adequate value for
14 what they are receiving, but I think the
15 investment that cable companies have made in
16 technology, the opportunities to go off the
17 competition, in voice services, for example, you
18 can get for \$25 a voice service, that's all you
19 need, you can stay on the phone for 24 hours, 24
20 hours a day, seven days a week if you want for \$25
21 or \$30 a month. It provides more value, but I do
22 think that some of these rules can be changed, in
23 that it does have an impact on the bottom line of
24 the customers. In the last decade alone cable
25 customers -- I mean cable companies have had to

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1 settle enforcement actions at the Board of Public
2 Utilities that have been upwards of about
3 \$2-and-a-half million in fines that we have paid
4 for many of the things that Liz was talking about
5 that seem to be minor or technical violations and
6 we think with more notice and opportunity to cure
7 and a more business friendly approach, that we can
8 address customer needs and offer more value to our
9 customer.

10 ASSEMBLYMAN RUMANA: Thank you.

11 Thank you.

12 LI EUTENANT GOVERNOR GUADAGNO:

13 You're going to scare people away if you start
14 asking that question. All right. Thank you, very
15 much. Anybody else? I appreciate it. Thank you,
16 very much.

17 MR. FALK: We've submitted real
18 detailed written testimony that we provided here
19 in this paper.

20 LI EUTENANT GOVERNOR GUADAGNO:
21 Testimony of Adam Falk and Elizabeth Murray on
22 behalf of the New Jersey Cable Telecommunications
23 Association, dated today.

24 MR. FALK: Thank you.

25 LI EUTENANT GOVERNOR GUADAGNO:

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1 Thank you, very much, for that. Now Verizon,
2 speaking of telecommunications.

3 MS. DIAZ: Members of the
4 Committee, I'll be brief. You have extreme
5 substance here, and cable guys and us don't
6 usually agree, but I will say today I agree with
7 most of what he said. Competition is the key in
8 this environment. We are a fully competitive
9 industry, whether it's video, whether it's
10 telecom, whether it's broadband, and we are still
11 treated, you know, as an industry, as a monopoly
12 or company. We have hundreds of regulations that
13 no longer apply, that make no sense with filings
14 and so on and so forth that I'll talk about. We

15 know that the trend in this industry moving
16 forward in other states is to move towards a
17 competitive environment. That's a big, broad
18 word. It means dealing with some social
19 obligations and all that stuff, but the long and
20 short end of it is as you move to the competitive
21 environment, I'll lose the wireless. The Board
22 doesn't tell us where to put the store. The
23 Board doesn't tell us what our bill should look
24 like so on and so forth. Prices have gone
25 considerably down, down, down and so we are

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1 looking for free market opportunity, and I think
2 that I have little sentiment of my cable brother.
3 With that, I'll introduce Ava-Marie. She's going
4 to hit some key issues.

5 MS. MADEAM: Good afternoon. Hi.
6 My name is Ava-Marie Madeam. I am the VP of
7 Verizon New Jersey.

8 LIUTENANT GOVERNOR GUADAGNO: Can
9 you hear? Yes, okay.

10 MS. MADEAM: I would say a critical
11 element of New Jersey's economic platform should
12 be the elimination of the contradictions that
13 currently exist in the rules and regulations that
14 pertain to cable companies and telephone companies
15 in New Jersey. Furthermore, the outdated rules
16 that are remnants of the monopoly era and go

17 beyond federal standards and Legislative intent
18 really should be eliminated. They simply have no
19 reason in a competitive environment.

20 LI EUTENANT GOVERNOR GUADAGNO:

21 Because I am a public servant, but a lazy one, I'm
22 going to ask you list those contradictory or
23 outdated regulations in your testimony that you
24 submitted here. I'm going to pray that you do.

25 MS. MADEAM: Yes. We also

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1 submitted an appendix. It has a more
2 comprehensive list of rules and regulations.

3 LI EUTENANT GOVERNOR GUADAGNO:

4 Thank you. Love it when somebody else does my
5 work for me.

6 MS. MADEAM: Other rules that we
7 are currently subject to are simply applicable or
8 necessary that result in insignificant
9 administrative burdens and basically stifle
10 business. The high cost of complying with these
11 direct sources could be better invested back into
12 our company and ultimately New Jersey's economy,
13 so I'm going to highlight a few examples of some
14 of these rules that really don't have a place in
15 today's competitive environment.

16 The first such rule is the
17 prohibition against late payment charges. This
18 rule is perfect example of asymmetric resolution.

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19 This rule currently prohibits Verizon and others
20 from assessing late payment charges on --

21 LI EUTENANT GOVERNOR GUADAGNO: I
22 don't know if this panel's going to be able to do
23 anything at all on that. Let's think.

24 MS. MADEAM: Basically, late
25 payments by customers impose significant

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1 administrative burdens and carrying costs on
2 companies like Verizon who are unable to recover
3 these costs through a rate case filing, so other
4 utilities like gas, electric, water are currently
5 rate of return regulated and have the ability to
6 recover some of these costs through their regular
7 rate filings. We have not been rate of return
8 regulated for 25 years and have not filed for that
9 long, so there's no avenue for us to recover these
10 types of costs. Right now I think, you know, most
11 people will pay their credit card bill before they
12 pay the Verizon bill. The delinquency rate is
13 nine times greater than a credit card company, so
14 it's just a cost that we keep absorbing and, you
15 know, quite frankly, we are subject to this rule
16 and the cable guy is more or less subject to a
17 similar prohibition on the late payment charges.

18 SENATOR BUONO: How would you
19 quantify that cost and what do you attribute --
20 what are the costs? Separate out what you

21 attribute to the costs that you have to absorb as
22 a result of what you just described.

23 MS. MADEAM: There are costs
24 associated with the folks that are not paying
25 their bills and that, in turn, leads to us maybe

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1 increasing lists for certain services, because
2 we're trying to compensate for, you know, not
3 getting those monies from customers who are just
4 consistently --

5 SENATOR BUONO: If somebody pays
6 you a month late you have to increase rates?

7 MS. MADEAM: No. No. I'm not
8 saying that, but it's just over -- we've been
9 subject to this rule for forever, so it's over
10 time, as we -- you know, we can't recover rates or
11 these costs from other customers, then, you know,
12 it's kind of the good suffering from the bad.
13 That's what happens.

14 The next one I'd like to discuss is
15 tariff filings. Despite the highly competitive
16 nature of New Jersey's market, telecom companies
17 still must file tariffs for competitive services,
18 so unlike similar data that's provided by water,
19 gas and electric utilities, however, BPU does not
20 provide access to these tariffs via their website,
21 so we wonder, what's the sense for these filings
22 because it's not being readily available to

23 customers, and we currently provide these filings
24 on our website and they always will be accessible
25 to customers, so we just say that this is

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1 requirement that has outlived its right.

2 The next one is the non financial
3 reporting requirements, so this rule requires
4 semi annual reporting of detailed levels, excuse
5 me, competitive information and goes well beyond
6 similar requirements at the federal level and is
7 duplicative of other information that we currently
8 provide to the BPU. The data provided is also of
9 diminishing value because consumers are moving to
10 regulated services and provided by providers with
11 wireless carriers and cable companies.

12 The next one I'd like to discuss is
13 the definition of complaint in the cable, so this
14 rule is a vague and overly broad definition of
15 complaint and it potentially encompasses nearly
16 every customer's interaction with a cable
17 company. That makes it very difficult for our
18 customer service reps to know, or know whether our
19 customer contacts really fall within this
20 definition.

21 The last one, which Adam touched
22 on, is the relocating office rule that we're
23 subject to on the cable side. Currently, cable
24 operators must file for BPU approval before a

25 Local customer service office can be moved.

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1 However, we don't file for similar approval when
2 we -- when our office first opened, so it doesn't
3 seem to make sense to us why we should file for
4 approval once it closes, if you didn't file for
5 approval once it opened.

6 LI EUTENANT GOVERNOR GUADAGNO: That
7 makes sense. That makes sense. Thank you, very
8 much. I appreciate your testimony. We'll get
9 this over to the BPU, too. Thank you.

10 MS. MADEAM: Thank you.

11 LI EUTENANT GOVERNOR GUADAGNO: Let
12 me make sure, Kristin Wildman from Lomax. On deck
13 is Richard Patterson from Lorton Resorts.

14 (A brief recess was taken.)

15 LI EUTENANT GOVERNOR GUADAGNO: All
16 right. Sorry for the interruption.

17 MS. WILDMAN: That's okay.

18 Lieutenant Governor and Red Tape
19 Review Panel, I am Kristin Wildman from Lomax
20 Consulting Group, an environmental consulting firm
21 in Cape May County. We've worked with both the
22 public and private sector for 35 years. We've
23 worked through regulatory programs of the DEP, the
24 Pinelands Commission and other regulatory state
25 and federal agencies.

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1 I appreciate the opportunity to
2 testify to the panel on behalf of four development
3 groups that are being adversely impacted by the
4 breakdown of the rule-making process. This
5 relates specifically to the urban redevelopment of
6 the City of Wildwood and providing hotel rooms in
7 support of tourism and the state operated
8 Wildwoods Convention Center. While the train of
9 events have been chronicled in the attached
10 testimony, I will summarize the problem and the
11 request to resolve this issue.

12 Over the course of the last 10
13 years, Wildwood has lost 5,000 hotel and motel
14 units as a result of condominium conversions.
15 During this period the Wildwood Convention Center
16 has found that it cannot sustain adequate
17 occupancy because of the lack of year-round,
18 updated room stock. As such, the business
19 community was encouraged to invest in the
20 community and provide a more high intensity
21 high-rise development. Nine developers initiated
22 the process and attained municipal approvals. The
23 first one out of the gate that went to DEP
24 received a denial. In 2006 both the developers
25 and the legislators of our county met with then

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1 Commissioner Lisa Jackson. She had indicated that
2 the issues would be worked out within 90 days.
3 The Department directed the City of Wildwood to
4 update its Master Plan prior to approving any of
5 these high-rise projects. The city conducted
6 studies and public hearings and finalized its
7 update in full consultation with DEP. Once the
8 update had been completed, DEP then directed the
9 city to modify its land use ordinances required to
10 implement the newly updated Master Plan. During
11 this extended negotiation and review process with
12 DEP, several of the nine locally approved projects
13 lost their underlying agreements and financing.
14 Two of the high-rise hotel projects completed
15 their design consistent with the city's Master
16 Plan update and ordinances and they have received
17 CAFRA approvals. The financiers and developers
18 determined that the excessive parking requirement
19 of the DEP, the two parking spaces per unit,
20 including lock-out unit, render these projects
21 infeasible. The cost of construction could not be
22 supported by the projected revenues.

23 Accordingly, negotiations were
24 undertaken with the DEP to revise the Coastal Zone
25 Management Rules, the traffic rule to reduce the

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1 parking requirement for the hotel development and
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2 on January 20, 2009 a proposed amendment was
3 published in the New Jersey Register which would
4 require one parking space for units that were 650
5 square feet and less. Consistent with the state
6 regulations, the proposed rule went through the
7 public comment period and the governmental
8 review. The proposed rule was required to be
9 signed by the DEP Commissioner and then received
10 by the Office of Administrative Law within one
11 year of that proposal, or by January 20th, 2010.
12 As the deadline approached, we were assured by DEP
13 that once the Governor signed off on this rule,
14 that DEP would then provide signature and the rule
15 would be passed. Traffic rule amendment was
16 signed off by then Governor Corzine but was not
17 adopted by the DEP in the required time frame.
18 DEP indicated that the rule would be signed by the
19 new DEP Commissioner appointed under the new
20 Christie Administration. It was also assured by
21 the administrative staff of DEP that this rule
22 expiration would be extended.

23 Governor Christie's Executive Order
24 No. 1 indicated that the expiration date of any
25 administration regulation or rule that would

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1 otherwise expire between January 20 and April 18,
2 2010 is extended under the completion of the
3 review by the panel. The DEP traffic rule is

4 listed under the Executive Order as one of the
5 frozen rule proposals. However, DEP has published
6 a notice of extension or reopening of comment
7 periods and informal stakeholder meetings for
8 pending DEP proposals suspended under Executive
9 Order No. 1, and this rule is not listed in that
10 proposal and is, in fact, listed on DEP's website
11 as expired.

12 Significant private investment in
13 the redevelopment of the City of Wildwood and the
14 support of the Wildwoods Convention Center has
15 been made based upon city and DEP approvals. The
16 city has met its obligations. DEP has delayed the
17 process and reneged on the agreement to adopt the
18 rule within the deadline.

19 There are four projects currently
20 relying on the DEP's commitment to adopt this rule
21 amendment. Two have CAFRA permits and two others
22 have made significant investments to prepare plans
23 and applications for hotels consistent with the
24 modified traffic rule. The developers seeking
25 guidance and support to correct the expiration of

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1 the rule-making process and requesting aid and
2 guidance in adopting the amended traffic rule as
3 soon as possible to avoid the loss of the hotels
4 in the Wildwoods.

6 Thank you.

7 COMMISSIONER MARTIN: Can I ask two
8 questi ons?

9 LIEUTENANT GOVERNOR GUADAGNO:
10 Okay. Yes. We're going to take your testimony
11 next.

12 COMMISSIONER MARTIN: Did your
13 organizati on or anyone come to us prior to the
14 expirati on of these rules? I mean since the new
15 admi ni strati on.

16 MS. WILDMAN: Yes. We spoke wi th
17 two di fferent representatives of the DEP at the
18 admi ni strati ve l evel s.

19 COMMISSIONER MARTIN: Who?

20 MS. WILDMAN: Tom McKay and Scott
21 Baker, and they assured us it would be signed off
22 by the Governor and it would be approved by
23 January 20th.

24 COMMISSIONER MARTIN: By January
25 20th, ri ght.

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1 Okay. But since then have we made
2 contact?

3 LIEUTENANT GOVERNOR GUADAGNO:
4 January 20th being the day after he was sworn in?

5 COMMISSIONER MARTIN: The day I
6 took office in there.

7 MS. WILDMAN: Ri ght.
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8 COMMISSIONER MARTIN: So what's
9 happened since? Have you guys come back to us?

10 MS. WILDMAN: We've been told that
11 because DEP has been -- has it listed as expired,
12 that the panel may not be able to overturn that
13 because it's within the specific department's
14 rules.

15 LI EUTENANT GOVERNOR GUADAGNO: Why
16 don't I assure you that we'll --

17 COMMISSIONER MARTIN: We'll take a
18 look at that and we'll try and -- I want to make
19 sure that I understand the situation.

20 MS. WILDMAN: I appreciate it.

21 COMMISSIONER MARTIN: One other
22 question for you. It's been recommended to us
23 that some of these rules potentially, we can at
24 least consider, you know, having some of these
25 rules be implemented at the local level. Does

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1 that make sense or not make sense in how it would
2 work?

3 MS. WILDMAN: That would make a lot
4 of sense in Wildwoods' case. The municipalities
5 follow the RSI standards, which are accepted by
6 the state as adequate parking standards. The
7 DEP's requirements are two per unit, plus any
8 public parking that existed on the site had to be
9 replaced, and the financiers of these developments

10 are backing out because of the these parking
11 requirements.

12 COMMISSIONER MARTIN: As long as we
13 set the rules and we check and we have the
14 verification process in place, and all the rest
15 that you think would work in the local level,
16 obviously you have -- if you have problem with it
17 you can go to back to DEP or the court to sort it
18 out.

19 MS. WILDMAN: The municipalities
20 should know their parking requirement better than
21 the state level should, so they should have a
22 better grasp with that.

23 COMMISSIONER MARTIN: Thank you.
24 We appreciate it.

25 MS. WILDMAN: I appreciate it.

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1 Thank you.

2 LI EUTENANT GOVERNOR GUADAGNO:
3 Anybody else?

4 Thank you, very much. We
5 appreciate it.

6 Mr. Patterson, okay. I take it,
7 Mr. Patterson, Martinique Resorts, LLC.

8 MR. PATTERSON: Lieutenant Governor
9 and Red Tape Review Panel, my name is Richard
10 Patterson of Margate, New Jersey. I am testifying
11 on behalf of the Margate Resorts proposed

12 high-rise hotel in Wildwood. I think my
13 presentation will be more of a micro rather than
14 macro point of view. Thank you for the
15 opportunity to provide input on this very
16 important topic of regulatory reform.

17 I am compelled to present the
18 experience of my partnership regarding the failure
19 of the regulatory process. My investment group
20 acquired property and proposed high intensity
21 development to address Wildwoods' needs and vision
22 of economic revitalization. Over and above the
23 cost of the property, an investment of over \$2
24 million was paid to obtain required permits,
25 approvals and carrying costs. Due to the extent

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1 of the delays, we are now at five-and-a-half years
2 since the inception of the project. Accompanying
3 me today is one of my partners who turned 80 on
4 St. Patrick's Day. We're hoping that he's still
5 alive to see the implementation of this project.

6 The current parking standard
7 provided within our permit is higher than anywhere
8 in the industry and was the key issue preventing
9 investors from bringing the project to reality.
10 More than a handful of brand name hotel chains
11 have walked away from our project because of the
12 current DEP parking standards, and this was before
13 the market collapsed. To make this point clearer,

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14 the RSIS standards which were adopted by the state
15 after extensive research and studies would require
16 292 parking spaces for our project. Under DEP
17 guidelines, our permit requires 686 parking
18 spaces, a 235 percent increase. Even under the
19 new traffic rule, we would need 567 spaces or 194
20 percent over RSIS standards. In a face to face
21 meeting with DEP staff at the start of our permit
22 process we were flatly told they wanted enough
23 spaces so that there would be no parking problems,
24 even on Labor Day and the 4th of July. Please
25 understand, in addition to providing parking for

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1 employees, the restaurant retailers and 48 spaces
2 for non hotel related public spaces thrown in for
3 good measure, we had to anticipate 100 percent
4 occupancy with every hotel unit for two cars, four
5 cars per unit if one of the bedrooms had an access
6 door to the hallway. Once Wildwood had updated
7 its Master Plan in collaboration with full
8 approval of DEP, we modified our permit
9 applications to comply with RSIS standards
10 included in the Master Plan. We received an
11 almost immediate response from DEP, that if we
12 drew our modifications and proceeded with our
13 original application, they would adopt the traffic
14 rule. Our consultant told us DEP was under
15 pressure to finish the permits because all of

16 their requirements had been met, now the DEP can
17 say they approved it, even though the owners were
18 too onerous to proceed, and then they reneged on
19 the project.

20 You have heard what's been
21 presented by Miss Wildman on behalf of our
22 collective group of developers in hopes this panel
23 can aid and correct the actions by the DEP. We
24 are asking the panel, since you have extended the
25 traffic rule, to recommend to the Governor that he

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1 direct the DEP to adopt this rule without further
2 delay. We have made an investment in tourism in
3 New Jersey, one of the prime drivers of the
4 state's economy between our project and that of
5 the Morey family, the first two to receive traffic
6 permits, one of the potential \$400 million capital
7 improvements to the Wildwoods, along with the
8 related construction jobs and permanent jobs and
9 the corresponding ripple effect of everyone else
10 in the resort area. Wildwood ran with permits to
11 nine high-rise developments in their tourist
12 area. Millions of the dollars were spent on
13 plans, revisions and study after study, while the
14 Morey's project and ours went through the CAFRA
15 permit process as guinea pigs. Many of the other
16 projects have since gone bankrupt or given up
17 because of the unnecessary delays and un-kept

18 promises. I feel this may have been the next to
19 go. The correction of this problem will be a long
20 way off in sending the message that New Jersey is
21 open for business and they can rely on Executive
22 representation made by the DEP.

23 While my objective here today is to
24 get the traffic rule enacted, I have been asked to
25 describe other road blocks in catch-22 situations

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1 put our way by the DEP.

2 Under the current rule, we need to
3 purchase 132 off-site parking spaces from proposed
4 South Jersey Transportation Authority parking
5 structure to be constructed in Wildwood. At
6 17,500 per space, we will pay over \$2.3 million
7 for spaces we would never use. DEP's original
8 proposal was that these off-site parking spaces
9 would be deed restricted for our use only.

10 Imagine two or three hotels in our situation.

11 Half of our spaces on-site will remain empty and
12 almost 400 spaces, no one could use at the
13 municipal facility. Even if we did buy spaces in
14 the proposed parking garage, we could not get our
15 CO until that garage got its CO. We have no
16 control over when or if that garage could be
17 built. We could build the structure and let it
18 sit there. A portion of our land was purchased
19 from a private party who operated a 48 space

20 surface parking lot. DEP rules even require, even
21 though this is private, you had to include 48
22 parking spaces in our parking structure. Even if
23 we built a string of multi-family houses on this
24 lot, we would have to provide 48 public parking
25 spaces. This rule was overturned by the courts,

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1 however, DEP refused to delete it from our permit
2 application. Our process was complete more than a
3 year ago, just awaiting signature. We still do
4 not have that signature.

5 I appreciated the time you've
6 allotted me and thank you for listening to my
7 frustration.

8 LIUTENANT GOVERNOR GUADAGNO: I'm
9 not going to comment on that.

10 COMMISSIONER MARTIN: Let me find
11 out what's going on. It's that simple. We're new
12 at this.

13 MR. PATTERSON: Thank you. We are
14 running out of time.

15 LIUTENANT GOVERNOR GUADAGNO: What
16 you heard earlier, the testimony earlier about
17 one-stop shopping, this is exactly the type of
18 problem that we had. That one-stop shop, he could
19 go and register the complaints to the
20 regulatory, but then I don't want to say it won't
21 happen, but I would hope it wouldn't happen.

22 MR. PATTERSON: It is getting to
23 the point, after five-and-a-half years, we don't
24 have much time. There are significant investors
25 in the wings that we will lose shortly. We can't

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1 start this process over, as DEP has told us, start
2 again for the six month process. We need this
3 traffic rule implemented immediately.

4 Thank you.

5 ASSEMBLYMAN RUMANA: If I may, just
6 quickly, that's the horror story that you hear
7 over and over again, and I can tell you, I know
8 the Commissioner, the Economic Assistant that he's
9 appointed is certainly the step in the right -- a
10 big step in the right direction.

11 Just one quick thing. Did they
12 ever tell you why they wanted all the additional
13 parking? It seems completely contrary that
14 every --

15 MR. PATTERSON: I asked that
16 question at the original meeting. I said RSIS
17 standards are backed by study after study. The
18 answer was, you need a lot more parking in
19 Wildwood, at the shore. I said is there a study
20 backing up two parking spots per unit, and I never
21 got a response. We did ask that question.

22 ASSEMBLYMAN RUMANA: The mission of
23 the DEP to me would be completely contrary to that

24 position, where you're not going to try and
25 enforce more impervious coverage. They've done

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1 exactly the opposite.

2 MR. PATTERSON: Our hotel will have
3 less impervious coverage than was there before.
4 There was 100 percent coverage.

5 ASSEMBLYMAN RUMANA: I'm saying, it
6 doesn't make any sense to me, how DEP gets
7 involved in the parking issues when the local
8 jurisdiction is -- as a Planning Board Member and
9 a mayor for years, I mean, I can tell you I've
10 never had to deal with DEP on parking issues.
11 Maybe at the shore it's a different story.

12 COMMISSIONER MARTIN: It is
13 different because of the rules, but the bottom
14 line is we'll look into this one.

15 MR. PATTERSON: What makes me most
16 angry, I had a full head of air five years ago.

17 LIEUTENANT GOVERNOR GUADAGNO:
18 Thank you for that, Mr. Patterson. I appreciate
19 that, and hopefully this is exactly what the Red
20 Tape Committee is supposed to do. One of the
21 things we're looking at also is not only the first
22 nine days, what do we do as a Red Tape Group going
23 forward, and what I hear now is perhaps we should
24 do this once a month or so to make sure these
25 types of situations don't fall through the

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1 cracks.

2 COMMISSIONER MARTIN: No, thank
3 you.

4 LIEUTENANT GOVERNOR GUADAGNO:
5 Single out the DEP, you can send them in.

6 Thank you. Thank you, very much,
7 Mr. Patterson.

8 COMMISSIONER MARTIN: I'm having
9 fun.

10 LIEUTENANT GOVERNOR GUADAGNO:
11 Okay. Jerry Casser on deck, so Mr. Casser, and
12 then I had a suggestion about the sprinkler
13 group. Go ahead. Sit down, Mr. Casser.

14 I'm not sure of -- Mr. Hutchison,
15 are we going to have testimony from all of them?
16 Have you agreed to have a couple spokes-people? I
17 have 25 people on the sprinkler issue alone.

18 Okay. I'm just going to keep on
19 going. We'll put the sprinkler people in order.

20 Okay, Mr. Casser.

21 MR. CASSER: Yes. Lieutenant
22 Governor, Members of the Assembly, Senate and
23 Commissioners, my name is Jerry Casser and I am
24 General Counsel of the Greater New Jersey Motor
25 Coach Association. I have with me up here Mark

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1 Waterhouse, who's Vice-President of our
2 Association, and James Murphy, who is a member of
3 our Board of Directors.

4 The Greater New Jersey Motor Coach
5 Association is a regional association. Motor
6 Coach operates and is organized to assist
7 operators in New Jersey, New York, Connecticut,
8 Pennsylvania, Maryland and Delaware who utilize
9 the New Jersey roads, there's thousands of
10 travelers to destinations in New Jersey. Through
11 the efficiency of this administration reviewing
12 existing rules and regulations, we believe that
13 the State of New Jersey, rather than fostering
14 safe and efficient use of mass transportation by
15 bus and encouraging travel to Atlantic City, it's
16 discouraging both in state and out of state bus
17 operators from conducting business, and as a
18 by-product, discouraging travel and tourism to
19 Atlantic City.

20 Now, I have four talking points
21 that I'd like to discuss at this time. Number
22 one, in the position and administration of this
23 corporation, business taxes appear for out of
24 state bus and tour operators who travel to
25 Atlantic City and other destinations, such as Cape

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1 May, Wildwood, Camden and Great Adventure. Under
2 the circumstances, where the monies are derived
3 out of state is a deterrent to travel from an out
4 of state location to Atlantic City and these other
5 locations that I have mentioned. Atlantic City is
6 a destination, not an origin. It's important to
7 the State of New Jersey and especially Atlantic
8 City from an economic standpoint, especially in
9 these trying economic times and should not be
10 ignored. The state should be exempting out of
11 state operators from corporation tax to encourage
12 rather than discourage travel to New Jersey.

13 My second point is buses and bus
14 drivers, they're frequently ticketed by the state,
15 or actually, the South Jersey Transportation
16 Authority for not following approved routes within
17 Atlantic City. We, as an Association, have
18 suggested the posting of signs which would set
19 forth approved routes for buses which would assist
20 drivers who are new to the area. When these
21 tickets are issued it becomes necessary to appear
22 in the Atlantic City Municipal Court, and the
23 practice of an accompanying official, usually an
24 officer of the out of state bus company, to appear
25 in court for ticketed violations rather than

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1 simply pleading guilty and mailing in payment for

2 the penalty or allowing the local representative
3 of the company or attorney to appear for the
4 company to plead and pay the penalty furthers
5 discouragement from doing business in Jersey.
6 Frequently, these are people, bus companies, maybe
7 Harrisburg, PA, Upstate New York, Connecticut,
8 Delaware, maybe as far away as Virginia, and the
9 Atlantic City Court, Municipal Court requires
10 these people to appear. The corporation every bus
11 could have is either corporation or limited
12 liability company and an official of the company
13 has to appear. I think you may, each of you may
14 know, whether you've ever had a ticket in
15 municipal court, had a friend or family member
16 who's had a municipal court violation, there are
17 many violations where you can simply sign the
18 ticket, send it in with a check, plead guilty, and
19 then there may be points involved. However, the
20 way that everything works in the bus industry,
21 especially Atlantic City, is that someone has to
22 appear, and the excuse that we have gotten from
23 the state, especially New Jersey Motor Vehicle
24 Commission, the Department of Transportation, is
25 that these violations do not appear on the fee

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1 schedule so someone must appear. Well, if you're
2 traveling from a good distance away, you may
3 actually have to stay overnight for the court

4 appearance, which means you have -- the session
5 may go into the evening and the cost of hiring an
6 attorney, you know, may double or triple the cost
7 of the summons, but this is part of the highway
8 cost of doing business in New Jersey, as compared
9 to the cost of doing business in gaming states.
10 Pennsylvania has gaming, Delaware has gaming,
11 Connecticut has gaming, New York either has or
12 will have gaming, and another part of the higher
13 cost is a \$2.80 bus permit entry fee for each bus
14 that enters into Atlantic City, and the daily
15 parking fees of up to \$45 per bus. The South
16 Jersey Transportation Authority has created a
17 monopoly so that only one parking facility can
18 exist, and in that case the facility can charge
19 whatever they want to charge. For example, at the
20 Native American hotel casinos where there's free
21 parking and there's no entry fee, it's
22 substantially cheaper for companies to do that,
23 and so the bus companies do not go to Atlantic
24 City and the casinos suffer. The casinos suffer.
25 There are fewer tax dollars and this is a

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1 continuing effect.

2 The next point I'd like to mention
3 are that the buses going to Atlantic City are
4 subjected to harassment with inspections at the
5 casino hotel rather than predetermined locations

6 where the inspections can begin more efficiently.
7 Passengers are first charged at the hotel, the
8 inspections are done right there, the buses are
9 placed out of service and, and towed to a location
10 where it appears to be done. The image after a
11 bus being towed away from the hotel adversely
12 affects the public's -- it creates the impression
13 that buses are unsafe. The administrative
14 handling of this aspect of the safety regulation
15 creates a delay in repair and high expense of
16 towing costs, because there's certain towing
17 companies that are called and charge more than a
18 bus company would and frequently result in the
19 company having to send another bus to Atlantic
20 City to pick up the passengers and hire a bus from
21 a local operator. Frequently, the passengers have
22 to wait around for the bus to arrive. The Greater
23 New Jersey Motor Coach Association advocate of
24 the -- conducts safety, sound and mechanical
25 training for the bus drivers and, and mechanical

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1 staff on a regular basis. We have competition at
2 issue. I taught at seminars. We have asked the
3 State of New Jersey to conduct its inspections at
4 the parking facility, which virtually all buses
5 coming into Atlantic City are required to use,
6 even out of state, where repair facilities do
7 exist and do these untimely repairs.

8 My final point is New Jersey
9 Transit, New Jersey Transit receives substantial
10 state substance to operate bus services in areas
11 where the --

12 LI EUTENANT GOVERNOR GUADAGNO: Mr.
13 Casser, I'm going to interrupt you.

14 MR. CASSER: Right.

15 LI EUTENANT GOVERNOR GUADAGNO:
16 You've given us a copy?

17 MR. CASSER: Yes.

18 LI EUTENANT GOVERNOR GUADAGNO: I'm
19 going to apologize for interrupting you, but we're
20 at seven minutes. I do want to tell you that I
21 met with the South Jersey Transit Authority this
22 morning. They don't want to be an enforcement
23 business any more than you want them in the
24 enforcement business, so you're, so you're saying
25 the same thing. We're going to take a look at it,

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1 not through the Red Tape Review, but through the
2 Department of Transportation, because I had the
3 Commissioner with us when we met.

4 Unless anybody has a specific
5 question --

6 MR. CASSER: If I may, Lieutenant
7 Governor --

8 LI EUTENANT GOVERNOR GUADAGNO:
9 Yes.

10 MR. CASSER: -- just very briefly, I
11 only have two sentences on this point.

12 LIEUTENANT GOVERNOR GUADAGNO: Go
13 right ahead.

14 MR. CASSER: As I mentioned, New
15 Jersey Transit gets very washed out state
16 subsidies. There are private bus companies that
17 are willing to provide the same service in many
18 locations without subsidy. It's our belief that
19 New Jersey Transit should put out a good bit of
20 its services to the private companies to show that
21 they're capable of providing that service.
22 Privatization is important to the public, it's
23 important in saving tax dollars and will provide
24 additional business opportunities for the private
25 entrepreneurs.

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1 LIEUTENANT GOVERNOR GUADAGNO:
2 Thank you, very much, Mr. Casser. You know that
3 the Governor has set up a task force on
4 privatization, so may I recommend them to you,
5 also? I will be sure to get this over to them.

6 Any questions? Thank you. Anybody
7 else? Thank you, very much.

8 Let me try the sprinkler again.
9 I'll try to do it efficiently. I understand, and
10 correct me if I'm wrong, that Russell Fleming,
11 Lisa Jones, Everett John Hoffman and Stanley

12 Sickels are all here and have agreed to testify
13 together in the interest of cutting Red Tape, I
14 invite you up to the panel right now. I think
15 we're short a chair.

16 MR. FLEMING: Thank you, Lieutenant
17 Governor, distinguished Panel Members. My name is
18 Russ Fleming. I am a Professional Engineer who
19 has worked in the field of fire protection and
20 life safety for more than 30 years. I'm a fellow
21 of the Society of Fire Protection Engineers and a
22 past president of that organization, but I'm here
23 today as the Executive Vice-President of the
24 National Fire Sprinkler Association, a non-profit
25 organization that promotes the use of fire

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1 sprinkler systems for the purpose of saving lives
2 and reducing property damage. I'm here
3 specifically to urge you against including a
4 pending requirement for residential sprinklers
5 within dwellings among the list of regulations
6 being withheld from implementation, and I hope to
7 convince you that this pending code change doesn't
8 meet your Red Tape criteria but will actually work
9 to stabilize property taxes and provide a higher
10 degree of life safety to the citizens of this
11 state.

12 To begin with, unlike many of the
13 things you heard today, the residential sprinkler

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14 requirement is not a unique regulation being
15 forced upon the citizens of New Jersey, but
16 rather, a change incorporated in the National
17 Model Building Code and the International
18 Residential Code, which I'll be referring to as
19 the IRC. That code serves in the home-building in
20 virtually every state in the nation. The
21 requirement for sprinklers in all new dwellings
22 beginning in January of 2011 was first adopted in
23 the 2009 edition of the IRC. That model code is
24 written by objective building code and fire
25 officials from across the nation who voted to make

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1 that change at their annual conference in 2008.
2 Those building and fire officials are aware of the
3 benefits of fire sprinkler protection and the need
4 to include sprinklers in homes to address the
5 occupancy where 80 percent of our nation's 3,000
6 annual fire deaths take place. On April 17, 2009
7 the New Jersey Uniform Construction Advisory Board
8 voted unanimously to adopt the 2009 IRC, affirming
9 the support for the fire sprinkler requirement in
10 new one and two-family dwellings as well as
11 town-homes. In September, 2009 the regulation
12 proposing the adoption of the 2009 IRC was placed
13 in the New Jersey Register. Public comment was
14 heard on the issue and public support for the
15 regulation was overwhelming. In October of 2009,

16 meanwhile, the residential fire sprinkler
17 requirement was reaffirmed at the IRC hearings in
18 Baltimore by overwhelming margins and the month
19 after next, as the finishing touches are put on
20 the 2012 edition of the IRC code, there will not
21 be a challenge to the sprinkler requirement, so
22 strong is the level of support.

23 Adoption of the current edition of
24 a model building code should not be viewed as a
25 burdensome regulation, but rather, staying

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1 up-to-date with current technology. New York
2 State for many years wrote its own building code,
3 and the result of bureaucratic, expensive and
4 ultimately threatened to increase insurance rates
5 for that state. Lieutenant Governor, you
6 mentioned the need for common sense rule-making.
7 Adoption of this regulation in the modeling code
8 is common sense rule-making.

9 In the 1990's New York State was
10 declared non business friendly because it wasn't
11 using a national modeled code but chose to go its
12 own way. The use of fire sprinklers in homes is a
13 natural progress in trends that started in the
14 1940's. With the gradual recognition of the life
15 safety benefits, we've seen the state-of-the-art
16 change as to require sprinklers in high-rise
17 buildings, hospitals, nursing homes and other high

18 risk occupancies. Following the Seton Hall fire
19 here in New Jersey, this state was a leader in
20 requiring sprinklers in college dormitories.
21 Today almost all new buildings this size are
22 equipped with sprinkler systems.

23 Fire sprinkler systems are simple
24 in their operation. Water is maintained under
25 pressure in a system of piping hidden in the

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1 ceiling. In the event of a fire, one or two
2 sprinklers closest to the fire open in response to
3 heat to control or extinguish the fire.

4 It's perhaps understandable that
5 some home-builders don't want to deal with
6 anything new. They opposed smoke detectors when
7 that technology first became available. Many
8 home-builders across the country are recognizing
9 that fire sprinklers are a proven life safety
10 system that can be installed economically. Home
11 fire sprinklers are not expensive, but they are
12 effective. In a 2008 nation-wide study by the
13 Fire Protection Research Foundation, in which the
14 National Association of Home-Builders
15 participated, and showed that the average cost of
16 sprinkler protection for a new home was only \$1.61
17 per square foot. Yet data from the National Fire
18 Protection Association released just last month
19 showed that where sprinklers are present, the fire

20 death rate in homes is reduced by 83 percent and
21 average property damage is reduced by 74 percent.
22 The cost of dwelling sprinklers can be offset by
23 more efficient land use and infrastructure savings
24 made possible by sprinklers. Sprinklers help
25 stabilize the cost of fire services, provide

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1 safety for responding fire-fighters, and the
2 insurance savings for homeowners go on and on.

3 In closing, I hope the Commission
4 will recognize that the pending residential
5 sprinkler requirement is not a burdensome new
6 regulation, but part of a national movement that
7 will protect the lives of the citizens in New
8 Jersey, protect fire-fighters, and provide a
9 long-term benefit in stabilizing the costs in
10 community fire protection.

11 Thank you.

12 LI EUTENANT GOVERNOR GUADAGNO:

13 Thank you.

14 MR. SICKELS: Lieutenant Governor,
15 Members of the Committee, I'm Stanley Sickels.
16 I've been a Fire Marshal for the Borough of Red
17 Bank for 30 years. Prior to that I was a Fire
18 Loss Investigator for insurance companies. As a
19 member of the fire service for 37 years, 36 of
20 those I've served as a Fire Service Instructor at
21 multi fire academies. I'm here as the President

22 of the New Jersey Fire Protection Association.
23 Our association was established in 1962, to serve
24 as a vice for the fire service in New Jersey with
25 regard to code standards and public fire speaking

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1 education. We've been involved with codes, the
2 development process throughout the years and, and
3 our officers and members have served in various
4 committees and commissions, including the initial
5 Fire Safety Commission, Fire Safety Study
6 Commission, as well as the adoption of the Uniform
7 Construction Code Act and the Uniform Construction
8 Code Regulations. I don't want to repeat a lot of
9 comments that Mr. Fleming has set forth with
10 regard to the value of fire sprinkler, with regard
11 to saving lives --

12 LIEUTENANT GOVERNOR GUADAGNO: I
13 take it you adopt them.

14 MR. SICKELS: I think you can
15 stipulate to the fact that everybody in this room,
16 I think, will say fire safety or fire sprinklers
17 save lives. The issue before us is that the
18 Uniform Construction Code was established in New
19 Jersey to do away with the archaic system, that
20 every town has their own codes and requiring such
21 things as masonry walls between dwelling units,
22 which some still feel is an important thing, but
23 to allow introduction to new technologies in the

24 code system, use of sheet rock walls and petitions
25 negate the meaning to have masonry walls that used

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1 to extend through with all those other types of
2 issues. I mean, the fact that we have indoor
3 plumbing is an example of where the technology was
4 brought into the code at some point, the
5 convenience of the homeowner. What we have now is
6 the technology for fire, saving people from the
7 tragedy of a fire in the home. Majority of our
8 fire deaths occur in the home. In New Jersey, in
9 one of the fires in New Jersey, the report in
10 2008, 83 civilians lost their lives in New
11 Jersey. 44 of those deaths -- a larger portion of
12 those deaths occurred when at home. In a
13 comparison study that was done at Pittsburg
14 County, Maryland, where they had a residential
15 fire sprinkler ordinance, over a 15 year period
16 there were 13,494 fires. 101 fire deaths and 324
17 injuries in a single family town house. Fires
18 that did not have fire suppression. During that
19 same period there were no fire deaths in sprinkler
20 occupancies of multi-family dwellings.

21 In New Jersey we had a system that
22 was established and resulted in the Uniform
23 Construction Code Act of 1975 that provided for a
24 nonpartisan, non-political system of evaluating
25 national codes for adoption here in New Jersey.

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1 We've established a Code Advisory Board that lists
2 several specific codes for the various
3 disciplines, plumbing, fire, etcetera. Those
4 committees review the code, the national standards
5 and those committees are required or -- and you
6 might say diverging interests. Having served on
7 the community since the mid 1980's, we have an
8 industry, both construction industry, we have
9 users or builders involved, we have trades people
10 involved, designers and code officials. Through
11 this system and through the Code Advisory Board,
12 the various work of the various sub code
13 committees, over the years we've reviewed the
14 codes and recommended the adoption process codes
15 for adoption by New Jersey. The 2009 IRC codes
16 were so reviewed over a period of several years
17 and committees recommended adoption of the IRC
18 codes and the inclusion of the residential fire
19 sprinkler requirement. However, they did modify
20 that so that we had a residential sprinkler
21 requirement, not to come into play until January,
22 2012. That was in the agreement with
23 representatives of the building association who
24 served on that committee to allow time for
25 everybody to hear about this code, for the

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1 designers and the builders to make sure this was a
2 smooth transmission, and we're only talking about
3 restructure. The codes already require fire
4 suppression in existing buildings of residential
5 uses, other than one or two-family homes. The
6 multiple dwellings required sprinklers, hotels
7 require sprinklers, boarding homes require
8 sprinklers. This is the last residential
9 component that we want to afford, a new
10 requirement, this life saving requirement for new
11 construction going forward. There's been a lot of
12 talk about the cost of these sprinklers, I've also
13 spoke with many Construction Officials. I've had
14 building permits come in for bathroom renovations
15 for \$19,000, I've seen countertops installed in
16 kitchens for \$10,000, I've seen vacuum cleaners
17 and sound systems and home entertainment systems
18 that far exceed the cost of fire suppression
19 during the initial construction of the building,
20 so what we're talking about here is the life
21 safety component, that there is no other system,
22 there's no other technology in the present day
23 that will give the same benefit than those fire
24 sprinklers.

25 LI EUTENANT GOVERNOR GUADAGNO: Mr.

1 Sickels, can I just ask you one quick question?
2 Did you say that this implementation was put off
3 until 2012?

4 MR. SICKELS: The residential
5 sprinkler is intended in the proposal to take
6 effect January 1st, 2012.

7 LI EUTENANT GOVERNOR GUADAGNO: If
8 we wait until April 18th, we're not -- it's not
9 going to be in effect for another two years,
10 anyway.

11 MR. SICKELS: Right.

12 LI EUTENANT GOVERNOR GUADAGNO:
13 Okay. I want to be sure that we weren't
14 paralleling anybody as we sit here today.

15 I can ask you another question. I
16 know there's a lot of people on that issue, I'm
17 happy to hear them all. How is a sprinkler system
18 different than a fire alarm?

19 MR. SICKELS: A fire alarm or fire
20 detection system detects fires.

21 LI EUTENANT GOVERNOR GUADAGNO:
22 Right.

23 MR. SICKELS: One of the stats that
24 I did not include in my proposal, in looking at
25 fire in 2008, a lot of the residential occupancies

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1 where deaths occurred had fire detection systems,
2 had fire smoke detectors. All that does is detect

3 the smoke given off by the fire. The sprinkler
4 head itself is only between 135 to 165 degrees,
5 depending on the head that's installed, and that
6 head only activates when it, it heats to that
7 temperature. It opens at that temperature and it
8 starts to control the fire, if not extinguish the
9 fire, so it's different in that it doesn't just
10 detect, it actually takes action to try to contain
11 the fire. The whole idea of a residential
12 sprinkler system is not necessarily to save the
13 building, it's a step down from the commercial
14 system. It's designed to allow the occupants time
15 to escape, to keep those conditions from getting
16 to the point where the building flashes over.

17 One of the things with regard to
18 the Code Advisory Board -- I'm sorry.

19 LIEUTENANT GOVERNOR GUADAGNO: I
20 messed you up. I'm sorry. I apologize for that.

21 MR. SICKELS: -- is the fact that
22 the system has worked for 35 years and really has
23 been sort of an apron of the process where those
24 in the business that live it every day, install,
25 instruct or regulate every day are familiar with

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1 the process and procedures. The unique thing
2 about this fire suppression is the IRC, it allows
3 for an innovative system where it can be combined
4 with both the domestic water system to make it

5 either more cost efficient, and we have
6 stand-alone systems on the building. Less options
7 would be combine the system. As I said, there's
8 been some talk about cost. The quickest way to
9 make this cost effective is to make it a
10 requirement where now competition is going to say
11 hey, it's a requirement, we all have to gear up.
12 There will be many people out there providing it
13 where right now it's a specialty, it's sort of
14 unique thing, not a lot of contractors geared up
15 for it because, oh, well, it's not a requirement.
16 What they propose and what is nice about the IRC,
17 if the department requires it, it does allow that
18 option to combine the systems with the domestic
19 sources.

20 The one point I'd also like to
21 stress is the fire-fighters, because of this
22 innovative technology and the fact of the approval
23 now is for unique developments and construction,
24 one of the things that's come about with home
25 construction, the lightweight wood truss

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1 construction is very cost efficient, effective for
2 the builder and environment, uses less wood, the
3 pre-engineering trusses, they are designed but
4 they are lightweight, they're very easy to install
5 and it reduces the time of construction and the
6 cost of the construction. That's a good thing for

7 the construction industry. It's a bad thing for
8 fire-fighters, but what it does is protect the
9 residents. Those things fail when they're --
10 LI EUTENANT GOVERNOR GUADAGNO: Mr.
11 Sickels, I'm going to stop you there, because we
12 are really, really over the time now, even with my
13 interruption of you. I want to ask for your
14 testimony. Do you have it with you?
15 MR. SICKELS: I've just passed it
16 out.
17 LI EUTENANT GOVERNOR GUADAGNO: Do
18 we have copies?
19 MR. SICKELS: Can I just make one
20 statement --
21 LI EUTENANT GOVERNOR GUADAGNO:
22 Absolutely.
23 MR. SICKELS: -- one closing
24 statement?
25 I think that the adoption of this

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1 code, certainly the Executive Order itself tells
2 you why there should be a document, because the
3 Executive Order No. 1 says that provisions of such
4 section one and two of this order shall not apply
5 to any proposed administrative regulations,
6 failure to adopt same will adversely affect the
7 public safety and adversely --

8 LI EUTENANT GOVERNOR GUADAGNO: Mr.
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9 Sickels, let me speak to that. I think that
10 wasn't why we held it off til April 18th. The
11 reason I asked you not until 2012 -- 2012, right?
12 There's nothing to stop that from still happening
13 after April 18th.

14 MR. SICKELS: I appreciate that.

15 LIEUTENANT GOVERNOR GUADAGNO:

16 Thank you.

17 MR. SICKELS: Thank you for that.

18 LIEUTENANT GOVERNOR GUADAGNO: Mrs.

19 Jones?

20 COMMISSIONER GRIFFA: Lieutenant, I
21 don't want to interrupt anybody, and I appreciate
22 your time, but this exclusively falls within my
23 department and you have my full attention on
24 this. I'm exquisitely aware of the fire safety
25 issue involved. I'm also aware of the change in

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1 the construction code. Your pictures are
2 dramatic. I mean, I didn't need to see your
3 pictures, but your pictures are dramatic evidence,
4 so if we have your testimony, and unless, you
5 know, I don't want to -- this is your hearing, but
6 we have your testimony and --

7 LIEUTENANT GOVERNOR GUADAGNO: I
8 think if Miss Jones wants to go forward,
9 understanding that we hear you, then I think it's
10 a Public Hearing and you have a right to go

11 forward, especially since you came from
12 Livingston. I know Mr. Sickels is in my home
13 County of Monmouth.

14 MS. JONES: Thank you, very much.

15 LI EUTENANT GOVERNOR GUADAGNO: I do
16 ask everybody not to repeat themselves, because I
17 have 10 other people that want to testify,
18 apparently on the same issue. Go ahead.

19 MS. JONES: Good afternoon. My
20 name is Lisa Jones and I'm a community outreach
21 educator and I'm representing The Burn Center at
22 St. Barnabus Medical Center in Livingston, which
23 is New Jersey's only designated burn center.

24 Being the state's only burn care
25 facility, we are exposed on a daily basis to the

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1 toll house fires take on the people of New Jersey,
2 physically, emotionally and financially. As a
3 society, we have made great strides over the past
4 few decades in decreasing the number of injuries
5 and deaths related to burns and fires. Through
6 public education, we have increased awareness of
7 burn and fire safety. Advances in technology,
8 most notably the smoke alarm, have saved lives by
9 alerting residents to a fire. Home sprinkler
10 technology is the next step in this progression
11 towards eradicating injury and death from house
12 fires.

13 The Burn Center at St. Barnabus
14 primarily receives patients from the northern and
15 central parts of the state and treats
16 approximately 400 inpatients and 1,200 outpatients
17 annually. A large portion of these injuries are
18 from fires in the home, many which started small,
19 often with a candle, a cigarette or a pot left on
20 the stove, that could have been contained and
21 extinguished easily, with minimal damage or
22 injury, if a sprinkler system had been present.
23 Instead, what typically occurs is that the fire
24 goes unnoticed until it becomes a huge blaze,
25 putting both life and property at risk.

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1 Approximately 45 percent of
2 admission to The Burn Center, as well as to burn
3 centers around the country, are for burn injuries
4 incurred as a result of home, residential home
5 fires each year.
6 Care for a serious burn injury is
7 intensive, prolonged, painful and expensive. The
8 average cost for a day in a burn intensive care
9 unit is \$8,000 and often requires multiple
10 surgeries and other procedures, such as dialysis
11 and ongoing intensive physical rehabilitation. It
12 should also be noted that throughout the country,
13 31 percent of burn patients each year are
14 under-insured or uninsured, so the state incurs a

15 lot of those costs, and not only financially, but
16 the emotional toll is huge on burn patients.
17 Changes in appearance and mobility are
18 life-altering for both the survivor and their
19 family and friends and no dollar amount can be
20 ascribed to recover from such a traumatic injury.

21 We have seen the call for buildings
22 to be sprinklered after a tragedy, most notably
23 the fire at Seton Hall University in the freshmen
24 dorms 10 years ago. Legislation was put into
25 effect to protect the state's college students and

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1 now it is time to continue moving towards
2 protecting all of our state's citizens. Fire
3 sprinklers are the ultimate fire protection for
4 everyone, and are particularly useful in
5 protecting those individuals who may have
6 difficulty escaping from a home fire unaided,
7 infants, young children, older adults and, I mean,
8 people with disabilities, the highest fire risk
9 members of our society whose lives depend on
10 stopping the fire early in its development. Their
11 lives depend on fire sprinklers.

12 LI EUTENANT GOVERNOR GUADAGNO:

13 Thank you, very much.

14 Everett John Hoffman.

15 MR. HOFFMAN: Yes. Thank you, and
16 I will speak quickly.

17 LIEUTENANT GOVERNOR GUADAGNO: The
18 court reporter will love that.

19 MR. HOFFMAN: I'm sure.

20 LIEUTENANT GOVERNOR GUADAGNO:
21 We're already making her work through her break,
22 which I'm going to solve in just a minute.

23 MR. HOFFMAN: Everett Hoffman, Fire
24 Chief of Washington Township in Gloucester County,
25 New Jersey. I've been Municipal Fire Chief for 16

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1 years. Immediate, past and present member of the
2 Gloucester Chief Association and I'm a
3 long-standing member of the Statistics and
4 Information Advisory Council to the New Jersey
5 Fire Safety Commission. Some of the data that I'm
6 going to read off to you, and I know you have that
7 before you, comes from both the -- from the
8 National Fire Protection Association and from the
9 Statistics and Information Advisory Council to the
10 New Jersey Division of Fire Safety Board in 2008.

11 77 percent of all structure fires
12 in New Jersey occur in residential structures.
13 That's nearly 34,000 of them in 2008. Twice as
14 many fires occur in one and two-family dwellings
15 than in multi-family dwellings. Fire-fighter
16 injuries and line of duty deaths occur at
17 structure fires 10 times more often than any other
18 kind of fire department response. 54 percent of

19 all civilian fire fatalities occur in one and
20 two-family dwellings. That number varies from
21 time to time. This is 2008 data. 79 percent of
22 all civilian fire injuries occur in building
23 fires. Before the existence of lightweight
24 construction, occupants and fire-fighters had
25 perhaps 20 minutes or more during a hard burn

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1 before some type of structural collapse was
2 imminent. With lightweight construction today,
3 such as that found in gusset plate lightweight
4 trusses and from laminated wood I beams, both of
5 which prove to be very strong, and when not
6 compromised present extreme collapse hazards
7 within just three to four minutes of burn time.
8 Laminated wood I beams are common place in new one
9 and two-family dwellings being constructed today.
10 Wood I beams are made of scrap wood particles and
11 large amounts of glue and they burn extremely
12 fast. Laminated wood I beams are used to support
13 floors and other structural components whereas in
14 years past, steel I beams or heavy timber beams
15 were used in construction. Most fire departments
16 arriving within four minutes to a house fire are
17 arriving at a time when floors and roofs are at
18 their collapse potential, making rescue nearly
19 impossible and any kind of offensive fire attack
20 extremely dangerous. In more than 100 years of

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21 having sprinklered buildings in the United States,
22 there's never been a multiple loss of life fire in
23 a fully sprinklered building. Keeping pace with
24 the resolution of the International Codes Council
25 and maintaining the implementation of the

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1 residential fire sprinkler section within the IRC
2 will do the following. It will reduce the loss of
3 life and injuries of civilians as a result of
4 fire. It will reduce the loss of life and
5 injuries to experienced fire-fighters. It will
6 minimize the amount of damage caused by fire in
7 one and two-family dwellings, and yes, there will
8 be a conservation of water with that effort as
9 well. It will reduce the amount of emergency
10 resources needed to handle what will amount to
11 minor fires in newly constructed one and
12 two-family dwellings. That's a great deal of
13 impact on that, as well. We're all concerned
14 about the resources that local fire departments
15 have, whether it's manpower or the staffing of
16 fire departments, especially for the career side,
17 and the amount of equipment that we have to buy on
18 the tax dollars. If we're able to put more effort
19 towards presenting these things, it means less
20 resources that we have to actually expend out
21 there in dealing with actual emergencies, when
22 they do occur.

23 Okay. Wi thi n my own juri sdi cti on a
24 house fi re occurred, i t was a few years ago, the
25 very day our regi on was l aying to rest one of

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1 three fire-fi ghters killed in the line of duty
2 when attempting to rescue three children. Our
3 fire department arrived wi thi n three mi nutes of
4 the inci dent from the di spatch and found a fire
5 burning in one room of a 4,000 square foot home
6 that was less than a year old. Two fire-fi ghters
7 nearly lost their lives when the floor gave way in
8 the main fire room. The floor was supported by
9 wood l aminated I beams. That' s pi ctures one and
10 two that you have in your packages. Wi thi n my own
11 juri sdi cti on again, just a few years later, a
12 relati vely mi nor house fire in a newly constructed
13 single fami ly home resul ted in the complete
14 consumpti on of three l aminated I beams, which
15 wasn' t di scovered unti l after we di d the fire
16 i nvesti gati on. Again, the fire department had
17 arri ved on l ocati on quickl y and had water on the
18 fi re wi thi n fi ve mi nutes of di spatch.

19 I' m going to jump head on the
20 bul l ets because --

21 LI EUTENANT GOVERNOR GUADAGNO:
22 You' re out of time.

23 MR. HOFFMAN: I' m going to sum i t
24 up.

Eight years ago in Washington

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1 Township, Gloucester County, a community that had
2 already undergone extensive residential growth,
3 going from a community of 27,000 in 1990 to 53,000
4 today, I was successful in convincing our township
5 officials to implement a residential sprinkler
6 ordinance modeled after others in Arizona,
7 Maryland and Virginia. Before the ordinance was
8 able to have any impact on preventing large loss
9 of fires in our own community, the DCA, and
10 specifically the Division of Codes and Standards,
11 launched a lawsuit against the township to request
12 the construction industry prohibit such an
13 ordinance. The division could have taken the
14 position to allow the ordinance to take affect as
15 they had with other issues, but instead took the
16 position to prohibit the validity of the ordinance
17 and was successful in their cause. Since then,
18 more than a dozen major and minor developments
19 with more than 100 single family homes, some as
20 large as 6,000 square feet, have been constructed,
21 all with lightweight construction and laminated I
22 beams. I'm including the two examples I gave you
23 here before.

LI EUTENANT GOVERNOR GUADAGNO:

Done?

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1 MR. HOFFMAN: I'm done.

2 LI EUTENANT GOVERNOR GUADAGNO:

3 Thank you, very much.

4 Anybody want to ask any other
5 questions? All right. Thank you, very much. I
6 appreciate you coming all the way up here,
7 especially Gloucester.

8 MR. HOFFMAN: Thank you for giving
9 us the time.

10 LI EUTENANT GOVERNOR GUADAGNO:

11 We're going to give the reporter five minutes.

12 (A brief recess was taken.)

13 LI EUTENANT GOVERNOR GUADAGNO: All
14 right. We're ready to get started. I'm looking
15 to change the subject a little bit.

16 Brenda Considine and Pat Kensel
17 have agreed to speak together on Special
18 Education. Pat, Bruce and Brenda, okay, ready to
19 get started?

20 MS. CONSIDINE: We are ready.

21 Thank you, very, very much, on
22 behalf of the New Jersey Coalition for Special
23 Education Funding Reform, we want to thank you for
24 this opportunity.

25 The coalition is comprised of major

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1 statewide organizations concerned with special
2 education funding and policy. I'm joined today by
3 two of our members, talking about some subject or
4 some of the issues that we'll be following. My
5 testimony before you is only going to touch on one
6 key point. Our coalition has been around since
7 1996 and we monitor issues affecting special
8 education funding. We've said repeatedly it's not
9 a matter of more money for special ed, it's a
10 matter of smarter money for special ed. If you
11 look at the amount of money that's being spent on
12 special education and the way it's allocated, we
13 think we could be doing a much better job.
14 Special ed has been called kind of labyrinth of
15 paperwork, and while some of the regulations are
16 very necessary, some are truly red tape, and I'm
17 going to talk about those today. Earlier on in
18 one of those -- you talked about Executive Order
19 No. 1. Sorry to say, we missed it by a couple of
20 days. You would have had 200 more pages of
21 regulations to hold off on. There's a piece of
22 administrative code that was approved by the
23 Department of Education two days before Christmas,
24 as the Corzine Administration left office. It
25 deals with implementation of the CORE bills and

1 establishes the Executive County Superintendent
2 and gives responsibilities to that Executive
3 County Superintendent for a number of things.
4 Among them are special education matters. Last
5 spring there were two public hearings, two
6 Legislative hearings. We had scores of parents
7 there, and through the regulatory process, there
8 were literally thousands of letters in opposition
9 to one particular piece of code. I'm going to
10 describe that to you. It's Section 2.7 of the
11 administrative code, N.J.A.C. 6A:23A, and it gives
12 an Executive County Superintendent what we believe
13 to be an inappropriate role in special education
14 placement. Under the rules, the Executive County
15 Superintendent has to be consulted whenever there
16 is a school district that wants to place a student
17 with special needs in an out of district program.
18 Federal law is very clear. People that make these
19 decisions, local IEP team, people that know the
20 child and the parents, the parents are part of
21 that team. There's nothing about an Executive
22 County Superintendent in some office somewhere to
23 review the process. The level of bureaucratic
24 oversight is not required by state or federal law
25 and more than 23,000 students in such out of

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1 district programs, public and private, we think
2 the requirement is resource-consuming

3 administrative lagjam. The state goal of this
4 effort is to help ensure that local districts are
5 aware of the full range of placement and that they
6 can place kids in the least restrictive setting.
7 This is a goal that our coalition fully supports,
8 but if the database of all of these options were
9 simply made available to schools and parents, they
10 can go on the computer, look up what's out there
11 and make a decision without any more e-mails or
12 paperwork or reviews or letters, any kind of
13 further delay. Many school districts continue to
14 operate under the impression that the County
15 Office can still approve or disapprove placements,
16 and as a mom of a child in the special education
17 system, it just happened to me, and I had to pull
18 out commissioner letters saying no, no, no, that's
19 not what the code says. It's happening every day,
20 that school districts are under the impression
21 they have to get approval or disapproval from the
22 County Office.

23 The second point that I want to
24 make, I'm actually going to give my time to my
25 colleagues, because my written comments are there,

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1 but I do want to underscore the importance of data
2 being used to make policy decisions. New Jersey
3 has never done a longitudinal study to look at the
4 outcomes of kids in special ed, to look at what

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5 happens to them as adults. We don't know what
6 factors make a difference in their lives, yet
7 we're making policy decisions. We spend millions
8 and millions of taxpayer dollars and we don't know
9 what the variables are to make a difference in
10 their lives. We've been arguing for a very long
11 time that there needs to be a longitudinal study
12 done, looking at these kids. We have been arguing
13 since 1996 that there be a science based
14 independent study looking at the true actual
15 excess cost to taxpayers for special education
16 funding. It comes from lots of different places
17 and we really don't have good data that tells us
18 what the actual costs are in different settings
19 and what services and supports make a difference in
20 the lives of these kids.

21 With that, I will pass the mike
22 down to my colleagues.

23 LIUTENANT GOVERNOR GUADAGNO:

24 Thank you, very much.

25 Okay, sir.

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1 MR. ETTINGER: I appreciate the
2 opportunity to speak at this hearing and commend
3 the Governor for instituting these hearings on
4 ways administrative rule making can be revised to
5 ensure more understandable, fair and transparent
6 process that will also be more efficient and cost

7 savi ng.
8 I'm the Di rector of the Chi ldren's
9 Insti tute. I've been the Di rector for 29 years.
10 We're a school for children on the severe end of
11 the auti stic spectrum and wi th behavi oral
12 disabili ties. We have a long and proud hi story.
13 Our school started in the 1960's, one of the
14 oldest schools in New Jersey for speci al educati on
15 chi ldren.

16 Consi deri ng that our schools
17 recei ve students and publi c funds from school
18 distri cts, we're hi ghly regul ated, as we shoul d
19 be, by the State Board of Educati on. However, I'm
20 really concerned by the lack of regul atory
21 flexi bi lity and that really hampers us in doi ng
22 the job we shoul d be doi ng. Many of the children
23 come to our schools because in tradi ti onal schools
24 they coul dn't functi on, so we have to hi re
25 speci ali zed staff wi th better approaches to help

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1 these children. There's many -- I'll just give
2 exampl es of a couple of regul ations in the
3 busi ness code that really make no sense, that
4 really have to be looked at. We're sent a list of
5 posi ti ons that we can hi re and if we hi re someone
6 that doesn't have one of those titles, their
7 salary wi ll be di sallowe d. Now, I thi nk it's
8 really known that's a vi tal part of thi s

9 profession in working with autistic children is
10 the behavior. Even the new insurance regulations
11 that, that are coming out say you need a Board
12 Certified BPC analyst. Now, that's not an
13 acceptable title according to the State Board of
14 Ed. I have to hire more of them, so I have to
15 find someone, even if they're not as good with
16 another certification that's acceptable or else it
17 could be disallowed, and then when I call the
18 state about it, they say, well, you can consider
19 them teacher assistants but don't put down the job
20 title of behaviorist, and when you charge them as
21 the teacher assistant, that makes no sense. I
22 need to get behaviorists, that's what's needed,
23 and because of this regulation I have to worry
24 about being disallowed. That's one example.

25 Another example is this regulation

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1 that if we hire a consulting speech therapist,
2 we're only allowed to -- we have to do a
3 computation on the maximum salary for language
4 therapists and charge per rate and that comes to
5 about \$70 or \$75 per hour. I'm sure you are aware
6 that there's a severe shortage of language
7 therapists in New Jersey. If I hire someone at a
8 higher salary to get the IEP of the children, the
9 rest will be disallowed, even though if you take
10 away benefits, which I don't have to pay, it could

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11 be, it could be a cost savings, but it's
12 disallowed. I can go on and on with many
13 regulations in the business code that are
14 hampering us and just absolutely make no sense.

15 Another issue is that even though
16 private schools are exempt from the No Child Left
17 Behind requirement, having highly qualified
18 teachers, New Jersey chooses to adopt it. I have
19 a lot of severely autistic children, and even
20 though their chronological age in high school
21 subjects, they're cognitively operating on a lower
22 grade level or have a lot of other issues, but I'm
23 required, even if they're operating on the second
24 or third grade, I have to hire certified middle
25 school and high school teachers in every area,

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1 then to make it work I have to hire a whole array
2 of special ed teachers as well, and then they're
3 required to have all those academic subjects, even
4 though they have a lot of other issues. I'll give
5 you an example. I have one boy in my school now
6 that spends time every day crawling on all four
7 and roaring like a bear, resisting all kinds of
8 work, but he has to take World Language and World
9 History and Science.

10 LIUTENANT GOVERNOR GUADAGNO: How
11 is that working out for him?

12 MR. ETTINGER: Not too well.

13 LI EUTENANT GOVERNOR GUADAGNO: Thi s
14 is not the first time that I --

15 MR. ETTINGER: Hi s mother came in
16 to plead with the Board of Ed, my child's 16, if
17 he resists all work and crawls on the floor and
18 growls like a bear --

19 LI EUTENANT GOVERNOR GUADAGNO: How
20 horrible that a mother has to go to a public
21 school Board of Education meeting and do that.
22 I'm sorry. Personal opinion is coming out. I
23 apologize.

24 MR. ETTINGER: The child was not
25 exempt. The child was not exempt because of No

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1 Child Left Behind. I can go on and on with
2 examples like that. Again, these are arbitrary,
3 but they're hurting special ed children.

4 Another thing is there's a goal now
5 that 10 percent of children should be brought back
6 to district, 10 percent, so I have almost, like,
7 parties from child study teams coming into our
8 schools to look for children to bring back.

9 Certainly, if the child's IEP should be met with
10 public school, they should go back, but they're
11 saying to me we're sorry, we have to bring some
12 people back. I just want to give you an example
13 of a child brought back two years ago. They
14 brought back a child with autism and asperger's

15 syndrome. Originally he had obsessive compulsive
16 disorder signs. Academically, he could do it. I
17 pleaded with them, please don't bring him back,
18 and the parents did as well. We need to work on
19 social issues. He had no friends when he finished
20 high school. He did well academically. He went
21 to a college for a few months and then went
22 through a nervous breakdown because of social
23 anxiety. He's been home for a year. This
24 arbitrary role of 10 percent is not in the best
25 interest of the children. Certainly, if children

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1 can go back, they should go back but, you know,
2 based on the needs of the child.

3 I'm especially concerned now with
4 cutbacks that every district is making. That's,
5 you know, if they had trouble providing me
6 services for certain IEP's, it will certainly get
7 worse in the future.

8 The other issue was mentioned by my
9 colleague, Section 2.7, physical accountability
10 given to the Executive County Superintendent, the
11 power to review placement options. My
12 understanding is the purpose of that was to
13 suggest options and put the child back in these
14 restrictive classes when necessary. That's not
15 what's happening out there. What's happening is
16 the Executive -- it's up to the Executive County

17 Superintendent to approve placement, not based on
18 the IEP with the Board, with the parents, with the
19 local district. Many cases they're saying we have
20 to bring the children back. I think it's going
21 against federal IDEA and being abusive for
22 children. I certainly applaud public schools and
23 would like a child to go back when necessary, but
24 the IEP, we have to meet the individual needs of
25 the children. I'm really concerned with these

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1 increasing inflexibility regulations being laid
2 out. They are going to hurt the children,
3 ultimately, like that child I told you about.
4 It's going to cost more money in the long run.
5 When a child can't function, they have a breakdown
6 as young adults. The children's needs aren't
7 being met.

8 LIUTENANT GOVERNOR GUADAGNO:

9 Thank you, Mr. Ettinger. I appreciate that.
10 Thank you.

11 MS. KENSEL: Good evening. My name
12 is Pat Kensel. I am the Policy Director of the
13 Statewide Advocacy Network. I came to listen, so
14 I don't have written testimony. I'll submit
15 something to you guys later.

16 As Miss Conidine said, we are a
17 member of the Special Ed Funding Coalition and do
18 share the same concerns as she spoke to. We

19 support and actively share in all of those same
20 concerns, so as far as that goes, we're in
21 complete agreement with that piece and the NCOB
22 piece. Some of the inclusions, I'd probably go on
23 a different road, and that's probably because of
24 the places that do have those. The concerns that,
25 that we support are the parent training

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1 information center under IDEA, so we do provide
2 training, technical assistance and support for
3 parents with students of disabilities throughout
4 the state, and as I watched, as I'm watching some
5 of the things that are happening around the state,
6 I wasn't sure exactly which one of these panels we
7 kind of belonged at.

8 LI EUTENANT GOVERNOR GUADAGNO:

9 Well, you're here now.

10 MS. KENSEL: This is where, I
11 guess, so as far as, I mean, I kind of wanted to
12 be here to talk about the regulations and what
13 these --

14 LI EUTENANT GOVERNOR GUADAGNO:

15 Well, that's now.

16 MS. KENSEL: Okay. One of the
17 things we're real active, of course, is IDEA and
18 the last time it was re-authorized, because the
19 statute just really is a federal protection, and
20 each state has its own identity and shall we say

21 its own idiosyncrasy, I'll say it that way, so in
22 New Jersey we have a lot of our own issues. Our
23 588 school districts, we certainly have issues as
24 far as segregation with streams of disabilities
25 that we're still struggling with, which ways are

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1 the right ways to handle that, and when 75 parents
2 and families come from all over the state to come
3 and testify at State Board of Education meeting
4 around some of the places where the regulations
5 supercede the federal law, and I'll give you just
6 a couple real quick examples.

7 One is around transition planning.
8 The feds moved it back to the age of 16. In New
9 Jersey, we kept it at 14. 14 is a natural
10 transition age for every kid. I mean, that's
11 where typically developing kids are talking to
12 guidance counsellors about what their high school
13 plans are and what their plans for adulthood are.
14 There's a time frame for discipline reviews in the
15 federal law. The feds moved it to 45 school
16 days. We kept it at 45 calendar days, and rightly
17 so. They figured the department and a lot of the
18 parents that came out to advocate that nine weeks
19 was entirely too long for a kid to be away from
20 their educational program, especially in New
21 Jersey because, quite frankly, the federal law
22 calls it interim alternative educational setting.

23 Typically, in New Jersey it's home instruction for
24 two hours a day. Nine weeks is way too long.
25 This regulation requires parents receive reports

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1 and evaluations before they go into an IEP meeting
2 or eligibility meeting. New Jersey says we think
3 parents should get them 10 days before the meeting
4 so parents aren't getting them handed to them
5 right before they went in to the meeting. I don't
6 know if you've ever been there and tried to read
7 through five evaluations while five suits and
8 jackets are watching you read them, you know, but
9 that 10 days is a great regulation. All I'm
10 trying to say is before we start throwing, what my
11 grandmother used to say, the baby out with the
12 bath water, I hope we'll have conversations around
13 some of the Department of Ed things, some of the
14 human issues and some of the families that are
15 most vulnerable.

LIEUTENANT GOVERNOR GUADAGNO:

17 There are 25,000 pages of rules and regulations
18 that we're not considering right now. I can
19 assure you that by April 18th we're not going to
20 have that review. We're looking at the 800 that
21 are frozen and going forward. This panel has to
22 figure out what, if anything, to do with the other
23 25,000. Everyone will be part of that.

MS. KENSEL: That's some of the

25 scary rhetoric that's down there. I mean, I try

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1 to be in Trenton as much as I can to represent our
2 families, but I'm not one of the big movers and
3 shakers so I have to ask the questions when I can
4 ask the questions.

5 LI EUTENANT GOVERNOR GUADAGNO: Go
6 right ahead. I'm in the Secretary of State's
7 Office and I know, I know expectations are
8 different, but the Executive Order says I
9 freeze -- Chris Christie freezes all pending
10 regulations. There were 800 pages at the time the
11 Governor signed that order and we are to review,
12 this panel is to review not only those 800
13 regulations, but streamline the Government
14 generally, when it comes to the operation of State
15 Government. After that this committee will decide
16 whether and how, if so, how to do the other 25,000
17 pending regulations, so I assure you you will not
18 see any action on that very -- not before the 18th
19 of April, if that, and beyond. It's a lot of
20 work.

21 MS. KENSEL: Well, please accept my
22 assistance in any way we can help.

23 LI EUTENANT GOVERNOR GUADAGNO:
24 Thank you. Thank you.

25 If the fire-fighters want to add

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1 their names as having appeared on behalf of their
2 respective constituents, and I don't want to say
3 avoid testifying because that suggests you don't
4 want to testify, but if you want to join that
5 testimony and then be excused.

6 MR. MERALDO: Peter Meraldo,
7 M-E-R-A-L-D-O, Essex County Fire Chief of the
8 Essex County Fire Chief Association, from West
9 Orange.

10 LI EUTENANT GOVERNOR GUADAGNO: He's
11 joined in the prior testimony on the fire
12 sprinklers and he wholeheartedly endorses them and
13 wants to be on record. He's on record.

14 Also, Chief Michael Roberts of the
15 New Jersey Fire Chief Association is going on
16 record as endorsing wholeheartedly the testimony
17 he's already heard by the panel in lieu of any
18 additional testimony. I have Jack Watkins, Fire
19 Official from the Township of West Caldwell, also
20 joining in the panel's prior testimony
21 wholeheartedly.

22 Is there any other fire official
23 who would like to join that testimony as a matter
24 of record? There, we go. See, we find a few
25 more. You want to stand up and state your name?

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1 We will make the record reflect that you join
2 wholeheartedly in the panel's fire testimony.

3 MR. BABCOCK: Craig Babcock, Fire
4 Marshal, Rockaway Township.

5 LI EUTENANT GOVERNOR GUADAGNO:
6 Craig Babcock, Fire Marshal, Rockaway Township.

7 MR. SILVIA: Richard Silvia,
8 S-I-L-V-I-A, Fire Marshal in the Borough of Saddle
9 River, Bergen County, New Jersey.

10 LI EUTENANT GOVERNOR GUADAGNO: Are
11 you here, sir, on behalf of the New Jersey State
12 Fire Prevention and Protection Association?

13 MR. SILVIA: Yes, I am. I am the
14 Northern Vice-President of that Association.

15 LI EUTENANT GOVERNOR GUADAGNO:
16 Okay. That's great. You're here, sir.

17 Mr. Babcock?

18 MR. BABCOCK: I'm the Secretary of
19 the Association.

20 LI EUTENANT GOVERNOR GUADAGNO:
21 Okay. We will reflect that you endorse the
22 previous comments of the fire officials on the
23 sprinklers. Is that all right?

24 MR. BABCOCK: Yes. Yes. Thank
25 you, very much, Lieutenant Governor.

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1 LI EUTENANT GOVERNOR GUADAGNO:
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2 Thank you.

3 Anybody else?

4 MR. HARDSTEIN: Lieutenant Paul
5 Hardstein, the Fire Marshal from Camden County.

6 LI EUTENANT GOVERNOR GUADAGNO: Paul
7 Hardstein, Fire Marshall from Camden County.

8 MR. HARDSTEIN: I also serve on the
9 New Jersey State Fire Commission.

10 LI EUTENANT GOVERNOR GUADAGNO:

11 Thank you.

12 MR. HARDSTEIN: I'd like to go on
13 record. There was a resolution passed and --

14 LI EUTENANT GOVERNOR GUADAGNO: Mr.
15 Hardstein, the idea was to simply endorse --
16 you're more than welcome to testify in a minute,
17 but you're going to have to wait. I hate the idea
18 of firemen standing around an office and waiting
19 to testify, but if you want to, please -- I don't
20 want to cut anybody off. I just wanted to --

21 MR. HARDSTEIN: We'll submit the
22 resolution.

23 LI EUTENANT GOVERNOR GUADAGNO: All
24 right. That's fine. The resolution is great.

25 Could you spell your last name?

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1 MR. HARDSTEIN: H-A-R-D-S-T-E-I-N.

2 LI EUTENANT GOVERNOR GUADAGNO:

3 Thank you.

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4 Sir, in the back.

5 MR. MELOFCHIK: Deputy Robert
6 Melofchik, North Arlington Fire.

7 LIEUTENANT GOVERNOR GUADAGNO: Can
8 you spell that for us, please?

9 MR. MELOFCHIK: M-E-L-O-F-C-H-I-K.
10 I'm from the North Arlington Fire Department.

11 LIEUTENANT GOVERNOR GUADAGNO:
12 Okay. Anybody else?

13 In that case, Joel Moore from the
14 New Jersey Golf Course Association. Mr. Moore?

15 MR. MOORE: Thank you, Lieutenant
16 Governor and the Panel. I was asked to represent
17 the -- my name is Joel Moore. I am the
18 Vice-President of the New Jersey Golf Course
19 Owners Association and the President of the New
20 Jersey Golf Association. I'm also owner of a
21 private golf course in Ringoes, New Jersey called
22 the Ridge at Back Brook. I am the principal of an
23 accounting firm that specializes in taxes. I was
24 asked by the New Jersey Golf Course Owners
25 Association to come to the panel today and just

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1 bring to your attention some of the key issues
2 that are affecting the New Jersey Golf Industry.
3 One of them has to do with recently invoked sales
4 tax law and then some other issues with the DEP
5 regarding water and other issues. I'll briefly go

6 over them and then I will submit something in
7 writing, because I wasn't aware of that paperwork,
8 that you were able to do that.

9 Back in 2006 when the sales tax law
10 was changed we were -- the New Jersey Golf Course
11 Owners Association had several meetings with the
12 Treasury Department to go over some of the
13 proposed regulations, and we actually had several
14 meetings with them. There was a proposed bill
15 that was put on the floor and that language stated
16 that there were three different types of issues
17 that could affect the golf course industry. One
18 was the New Jersey sales tax on annual dues that
19 people pay at the golf course and then the issue
20 of initiation fees or entry fees. We were, we
21 were told that and we were actually given a
22 proposed bill that stated that it was gonna' be
23 either at the time that -- and they actually asked
24 us to participate in the language. Off the record
25 they asked us which would the New Jersey Golf

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1 Course Industry prefer, sales tax on annual dues
2 or sales tax on entry fees. We went to the
3 discussion and then when the bill finally came
4 out -- I'm not going to waste a lot of time and
5 make it dramatic. When the bill came out they
6 taxed everything. One of the criteria that's
7 really bothering us is when we sat down with the

8 Treasury --

9 LI EUTENANT GOVERNOR GUADAGNO:

10 Assemblyman Burzichelli just took complete
11 responsibility. That's that. You're speaking to
12 the right people, then.

13 MR. MOORE: I'm glad, because, you
14 know, we were told the opposite. What really
15 bothered us besides that was when we sat down and
16 explained to Treasury that there are really two
17 totally different types of entry fees, one is a
18 refundable entry fee and one is non refundable and
19 it means exactly what it says, the non refundable
20 entry fees by the Internal Revenue Code are
21 income, because it is not something that the club
22 has to return, it's non refundable, it's ordinary
23 income, and the year we see -- and to be quite
24 honest, our position has been, since they passed
25 the law, that's something to tax. When we

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1 explained that in the golf industry, that there
2 are also refundable entry fees which get recorded
3 as a liability on a business entity's balance
4 sheet, it is not an income, it is not recognized
5 as an income, and the Internal Revenue Code
6 clearly states that liability can exist up to 30
7 years and it must be returned at 30 years or
8 less. Basically, every private golf course in the
9 United States uses the 30 years, because that's

10 the maximum, but it is a liability that must be
11 repaid and it's a liability on the balance sheet.
12 When you explain that to Treasury, they have no
13 response. They didn't understand. When we said
14 it, you can't charge sales tax on an item that is
15 not an income item, it's not a revenue item, it's
16 not recognized, plus, it has to be returned, they
17 just basically said, basically said they have the
18 ability to tax anything they want. Then about a
19 year ago Treasury started auditing golf, all golf
20 clubs, and probably they've gone through a half
21 dozen or so audits. There's been a large
22 assessments to almost all those clubs, and I think
23 every club but one has refused to pay. It has
24 told them they are going to appeal it. One of the
25 items is this non recognition of income. It's a

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1 liability and clearly, by tax law, I mean, it's
2 not --

3 LIUTENANT GOVERNOR GUADAGNO: Mr.
4 Moore, I hate to interrupt you, but we're going to
5 need the citation and some back-up. That's not
6 something this committee is going to end up
7 dealing with right now.

8 MR. MOORE: I will provide that.

9 LIUTENANT GOVERNOR GUADAGNO:
10 We'll hand it over to Treasury and take another
11 look.

12 MR. MOORE: I'll provide all that
13 information to you.

14 The other issues that's really,
15 that's really affecting the golf industry in New
16 Jersey, and just a few facts, you know, New Jersey
17 golf courses pay over \$50 million in property
18 taxes in New Jersey. We take care of over 50,000
19 feet of open space at our expense and we're the
20 second largest land owner industry in New Jersey.
21 The largest as far as total -- not the total.
22 They get significant relief. We don't get any
23 relief from the property tax. We also employ
24 about 50,000 employees in the State of New
25 Jersey. The industry right now, like all

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1 industries, it's a tough time right now, and I'm
2 one of the ones that went through the whole
3 process because I built a course from scratch in
4 2002. It took me two to three years to get my
5 approvals, and at a considerable cost. Some of
6 the cases with the DEP was the two year plus water
7 allocation permit. One of the things that I
8 really been trying to get someone to listen to and
9 respond to, and I think it may have changed since
10 I've gotten my application, but several years ago
11 when I checked last there were two water
12 authorities in New Jersey. When the golf course
13 received the water allocation permit after the

14 public hearing and it was finalized, the last
15 regulation that was put on those individuals that
16 fall within those water authorities is that you
17 must contract with the water authority and pay for
18 your water, basically, and I think approximately
19 only a third of New Jersey golf courses fall
20 within those two water authorities. My
21 percentages may be wrong now, but approximately
22 two-thirds of the courses don't have to pay for
23 the water. What bothers me more than anything,
24 because I understand New Jersey has some economic
25 issues, just like our industry does, but when I

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1 have tried to propose a conservation incentive,
2 and what I mean by that, we are contracted for 45
3 million gallons of water that we take out of the
4 wells or we take it out of the street and when I
5 have said to DEP and the New Jersey Water
6 Authority that there needs to be incentive,
7 because right now and in some years when it's a
8 little wet, we may only use --

9 LIUTENANT GOVERNOR GUADAGNO: Mr.
10 Moore, again, it's eight minutes, three minutes
11 over, and I hate to interrupt you because you did
12 sit here all afternoon and I do appreciate that
13 you came out and how passionate you are, but we
14 need a regulation that you're complaining about.
15 I'm happy to have the committee look at it under

16 the common sense principles. This is not the
17 first -- by the way, just to encourage you to do
18 this, it's not the first time we've heard about
19 some issues regarding conservation with watering
20 golf courses.

21 MR. MOORE: What is the best way
22 for me to submit it, in writing or contact you
23 directly?

24 LI EUTENANT GOVERNOR GUADAGNO:
25 Absolutely, put it in writing or give us a call.

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1 John Hutchison, I'm going to ask you to give Mr.
2 Moore a call. I think the best way is writing,
3 obviously, because then I'll have the code.

4 MR. MOORE: Can I just say
5 something on one other item, and this is an item
6 that when we were putting together our thoughts
7 about trying to express our position on some
8 relief with the sales tax, etcetera, we also feel
9 strongly that there's some avenues and venues
10 within the New Jersey golf industry that could
11 generate revenues for the State of New Jersey, one
12 of them being privatization of municipal
13 government owned golf courses. There's not a
14 municipal or government owned golf course in New
15 Jersey, when you really look at the real budget,
16 and we think that it's affecting our industry.
17 The State of New Jersey, the municipalities,

18 counties, the State Government is not in business
19 with -- you know, their expertise is not golf
20 courses.

21 LI EUTENANT GOVERNOR GUADAGNO: I'm
22 going to ask a member of my staff to be sure that
23 that suggestion is referred to the privatization
24 committee that the Governor has established.

25 MR. MOORE: Thank you all, very

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1 much.

2 LI EUTENANT GOVERNOR GUADAGNO:
3 Thank you, very much. Mr. Moore, appreciate it.
4 Sorry for cutting you off.

5 Mitch Weldin, and we're going to
6 politely remind everybody, five minutes, even
7 though I know you've been here all afternoon.

8 MR. WELDIN: Good evening. Thank
9 you. I'm a little nervous. Never done anything
10 like this before in my life. I'm just a small
11 businessman contractor. I've run two companies,
12 Leadex and Advanced Construction Methods. I've
13 been on many jobs for the DCA, the Lead Abatement
14 Program from 1997 to 2008 and performed the same
15 services for Pennsylvania. I'm also an inspector
16 and I teach lead asbestos, mold abatement and the
17 new EPA RRP rule which goes into effect April 22nd
18 of this year. All contractors working on houses
19 or child occupied facilities are going to be

20 required to have this certification. It's held
21 over everybody's head with about a \$37,000 fine
22 for not complying with this rule. In
23 Pennsylvania, I got started a little bit in
24 Pennsylvania and I was allowed to work on sites
25 with other non certified lead contractors. Under

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1 the new RRP rule you can go in, remove the lead
2 painted components, clear the area and then you
3 can allow other contractors to come in, do the
4 work and do the demolition, have the contractor
5 complete the insulation, then I come behind them,
6 clean it, wipe it down, third party lead assessor,
7 risk assessor comes in and dusts or wipes the
8 samples. In New Jersey, when I tried the same
9 thing I was targeted for bringing non licensed
10 workers to the job site after the lead demo was
11 complete and hazards had been removed and I just
12 wondered why. I've always wondered why the rules
13 had been written this way for lead paint abatement
14 in the State of New Jersey.

15 The other thing is the -- for the
16 workers in the State of New Jersey, it's a four
17 day course in the State of New Jersey. It's a two
18 day class in the State of Delaware, so a lot of
19 guys go to Delaware, go through the process and,
20 and come back to the State of New Jersey with a
21 license. Well, when my brother came to stay with

22 me he was paralyzed from the chest down on the
23 trip back from Delaware and still to this day
24 confined to a wheelchair. All he does is count
25 windows with aluminum. He really doesn't disturb

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1 lead paint because, because the way the rules are
2 written, you have to have these licenses and stuff
3 just to do your job. There are so many
4 contractors out there today that just want to go
5 out and do their work. They don't necessarily
6 disturb the lead paint. The lead paint can be
7 stabilized and then good contractors could be
8 brought in, good trades, I mean, be brought in
9 with some of the these lead abatement projects to
10 do good quality work. The way it's turning out,
11 now you have to hire somebody, they don't work
12 out, you have to send them through the four day
13 training again, getting back up to speed, put them
14 out and find out he doesn't work out well either
15 or his trade is not up to snuff, so the DCA has
16 been faced with this lead abatement funding that
17 comes down from Washington, DC and they dole it
18 out to contractors. Some contractors have been
19 lucky enough to get a good trades guy still trying
20 to muddle around, trying to find a guy that does
21 this and get him licensed. It's a very
22 complicated issue. For all the contractors,
23 several of us have been running out of business.

24 I closed both my businesses. After my brother's
25 accident in 2007 my father was diagnosed with lung

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1 cancer and then my license was to expire, and it
2 turns out that my agent had made a mistake with my
3 insurance. It was -- instead of it being A rated
4 or better insurance, it was A minus and she
5 misread the paper. I had been carrying that
6 insurance for six months and they fined me \$1,000
7 a day for six months. I never had one issue with
8 the insurance that even required a covering by the
9 policy. They targeted me and they came after me.
10 The best that they would do is a \$20,000 fine and
11 a loss of license for six months. Because of
12 that, then I had five or six other projects that I
13 could not complete. I turned them over to other
14 contractors. In the process with one that I was
15 half way through, I tried to turn it over to
16 another contractor. I called Carl Stech who
17 worked with the DCA at the time. He told me
18 everything to do. I went out to the job site,
19 waiting for the others and here comes Jim Amiche
20 from the DCA. He said why are you here, you're
21 not working, you don't have a license, so now my
22 hands are tied and my equipment is on the job
23 site. I'm doing the best I can. I talked to your
24 office, I tried to fix this and the best they
25 would do, they came after me again, even after

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1 surrendering my license. They came after me
2 again. They wanted a \$500 fine at the time. My
3 father had passed away at that point and I was --
4 I had enough of them.

5 LIEUTENANT GOVERNOR GUADAGNO: Mr.
6 Weldin, let me tell you this, thank you for coming
7 out here and sitting here all afternoon to tell
8 your side of the story. It would be hard for me
9 to believe you haven't testified because you're
10 very clear, you're very coherent in your story and
11 it's very compelling. In Executive Order No. 2
12 you will see, and I have a copy for you, that the
13 Governor has ordered us, as agency heads, to
14 reasonably apply the enforcement rules going
15 forward. I'm going to let the Commissioner of the
16 DCA speak in just a second, but I am confident
17 that what we're going to do is take another look
18 and review it, and then we also following
19 Executive Order No. 2 with respect to any fines.

20 MR. WELDIN: Thank you. Appreciate
21 your time.

22 COMMISSIONER GRIFA: I have your
23 letter and it sounds like there's a bit of history
24 that goes back much longer than my six week
25 tenure, so I will get back to you. We have your

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1 contact information on the letter. I'll have
2 somebody pull the file and give me complete
3 explanation of what happened and we'll respond to
4 you in writing.

5 Okay?

6 MR. WELDIN: Okay. To this day
7 they're not allowing me to work as a project
8 manager for a third party. Just to go out and
9 project manage for other contractors, Veronica
10 D'Alessandro shut that down because I knew too
11 many contractors, something along those lines.

12 COMMISSIONER GRIFA: I saw that in
13 your letter. It sounds strange.

14 MR. WELDIN: They keep coming after
15 me and I don't know what to do at this point.

16 COMMISSIONER GRIFA: I'll look into
17 it. We'll get back to you.

18 LIEUTENANT GOVERNOR GUADAGNO:
19 Thank you, very much.

20 Dr. James Willet, I promised him a
21 half an hour. Doctor, I see the Seton Hall with
22 the seven colleges. You're not here with Dr.
23 Laura Palmer?

24 DR. WILLET: She was here but she
25 had to see some patients and had to leave, so I

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1 will --

2 LIEUTENANT GOVERNOR GUADAGNO:

3 Please invite her to submit testimony if it's not
4 already here.

5 DR. WILLET: It's already there.

6 She had it distributed to all the members of the
7 committee.

8 LIEUTENANT GOVERNOR GUADAGNO: I
9 have a copy of her testimony, Dr. Laura Palmer
10 from the Professional Counseling Programs.

11 DR. WILLET: Yes. Basically, I'm a
12 psychologist and lawyer and also head of the
13 counselling program at John J. College in New
14 York. I'm representing seven colleges that have
15 Master Degree Programs in Mental Health
16 Counselling, or at least they did. One day they
17 woke up last summer and found out that there was
18 national accreditation or requirement that was
19 voiced into these colleges by the Counselling
20 Committee of Marriage and Family Board. This is
21 the only state in the country that is giving up
22 their entire accreditation process to this out of
23 state unregulated body of accreditation called
24 C-Cap, although we call it something else, and
25 C-Cap is imposing their standards upon the seven

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1 colleges, preventing them from basically hiring

2 who they think is qualified, basically insisting
3 that every one of these colleges get accredited by
4 C-Cap, even though on their, on C-Cap's website it
5 takes three to 10 years for a college to get
6 accredited. These colleges are going to have to
7 stop accepting their students to get revenues of
8 \$9 million a year. Talking about an industry and
9 a sensitivity towards revenue in these
10 recessionary times, these colleges are heading to
11 shut down their Mental Health Counseling programs
12 at Seton Hall and other excellent colleges because
13 of this outside regulatory board, and then this is
14 the only state in the country now that requires
15 that they dole out their licensure accreditation
16 to this out of state body. In addition to all the
17 licensing boards in the state, this is the only
18 licensing board that requires -- except for, a
19 little exception, one minor exception in certain
20 types of social work, but this is the only
21 licensing board that instead of doing the job and
22 removing all of the Mental Health Counsellors to
23 see whether they're qualified in New Jersey is
24 dolling it out to this unregulated organization
25 somewhere out west, so as I say, there's \$9

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1 million a year and we feel that these reg -- we
2 weren't even notified about these regulations, you
3 know. The college professors don't spend their

4 spare time reading the New Jersey Register. The
5 Governor said that he believes there should be
6 common sense principles where you reach out to
7 stakeholders, well, New Jersey Counselling
8 Association was never notified of these
9 regulations.

10 LI EUTENANT GOVERNOR GUADAGNO: When
11 were these regulations passed down?

12 DR. WILLET: These regulations were
13 passed last summer.

14 LI EUTENANT GOVERNOR GUADAGNO:
15 Well, then, the Governor was not the Governor last
16 summer, I assure you of that.

17 DR. WILLET: Yes. Well, I'm sure
18 that if he were the Governor last summer this
19 would have never happened, because it's an
20 outrage.

21 LI EUTENANT GOVERNOR GUADAGNO: The
22 Marriage and Family Board, what governmental
23 agency is that? Is that the AG's office or --

24 DR. WILLET: That is the Division
25 of Consumer Affairs, and there is a subcommittee,

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1 a counsellors committee which makes up counselling
2 regulations and then they're approved or rubber
3 stamped or whatever by the Marriage and Family
4 Board. However, there are only three members at
5 this time on the counselling committee, anyway.

6 You know, there haven't been new members appointed
7 for years, so these three counsellors are
8 basically shutting down an entire Mental Health
9 Counselling profession, half of the state
10 counselling programs are being shut down by these
11 guys and we feel it does not meet the task of
12 common sense, which is in the Governor's message.
13 It does not -- they never did any kind of cost
14 analysis to show the economic impact on the
15 state. The economic impact is not only among the
16 colleges here, these seven colleges that are going
17 to have to close their programs, all of the
18 students in the programs are affected and all the
19 students applying to the programs, hundreds of
20 them are affected. Now there's only a limited
21 number of programs that they're going to be able
22 to practice and this is going to push up the cost,
23 it's going to affect supply and demand, so there's
24 practically a little monopoly. Approved Mental
25 Health Counsellors are -- well, the rest of the

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1 programs are being shut down and the people, the
2 students, the professors and the graduates of
3 Seton Hall, of Caldwell, of Fairleigh Dickinson,
4 seven other colleges are not happy about this.
5 They feel that it's a slap in the face, that their
6 programs are being closed down because of this
7 outside body when they're provided quality

8 education and have never been challenged or
9 questioned before. They had no reason to believe
10 that suddenly they would be totally
11 disenfranchised, so we are delighted that the
12 Governor is looking into this. We wholeheartedly
13 are in support of his Executive Order and the Red
14 Tape Committee and we hope and we pray that the
15 Red Tape Committee will look into this and do
16 justice.

17 LI EUTENANT GOVERNOR GUADAGNO:

18 Thank you, very much, Doctor. We appreciate your
19 time and we will be sure this gets sent over to
20 the Division of Consumer Affairs. There's a
21 specific question put to them about this rule, so
22 thank you, Doctor.

23 DR. WILLET: Thank you, very much.

24 LI EUTENANT GOVERNOR GUADAGNO:

25 George Gallenthin and Cynthia Gallenthin. Now,

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1 for the record, you testified last time, so I'm
2 expecting something different this time.

3 MR. GALLENTHIN: Yes, ma'am.

4 MRS. GALLENTHIN: Good evening,
5 Lieutenant Governor and Panel, what's left of it,
6 anyway. I know it's late. I'm Cynthia
7 Gallenthin, Gallenthin Realty Developing of New
8 Jersey and we have a house in Woodbridge, New
9 Jersey.

10 MR. GALLENTHIN: Good evening. My
11 name is George Gallenthin. We run a real estate
12 development company and since our last meeting I
13 received a letter from NJDEP, Elizabeth Deitrich,
14 and it claims a wetlands delineation on a piece of
15 property, my property, and it's 4,000 feet from
16 one of the busier or busiest airports in the
17 United States, if not the world, Philadelphia
18 International Airport. It's between the --

19 LI EUTENANT GOVERNOR GUADAGNO: Mr.
20 Gallenthin, if that is the case, that is presently
21 pending before the DEP.

22 MR. GALLENTHIN: It's not pending.

23 LI EUTENANT GOVERNOR GUADAGNO:

24 Didn't you just say you got a letter?

25 MR. GALLENTHIN: Yes. It's a

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1 deci si on.

2 LI EUTENANT GOVERNOR GUADAGNO:

3 Okay. Go right ahead.

4 MR. GALLENTHIN: Thank you.

5 In other words, it's always a fait
6 accompli with NJDEP. No offense, Commissioners.

7 LI EUTENANT GOVERNOR GUADAGNO: No,
8 but I like the rhyme.

9 MR. GALLENTHIN: So we have an
10 international airport, we have runway lights
11 behind me, the airport in front of me. When are

12 the bird strikes gonna' start happening? Right
13 next to my property, contiguous thereto is the
14 South Jersey Army Core of Engineers. They applied
15 for a wetlands application for mitigation for
16 development of the property and that's -- and they
17 were denied by the FAA, so under the common sense
18 order, what's happening, am I going to have to
19 spend another million plus dollars so that -- and
20 the last one was the Gallenthin Realty versus
21 Paulsboro Supreme Court. That one wound up with a
22 decision in my company's favor. Now we're back in
23 the same situation. What we're coming here for is
24 to have NJDEP look at their wetlands delineation
25 jurisdiction, their ability to draw a radius from

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1 airports within the state and exclude or exempt
2 those properties based upon the FAA decision in
3 that South Jersey case. Further, they started
4 looking at railroads which -- that was also NJDEP
5 in 2006 wherein a \$2.3 million fine was listed by
6 a Federal Court in Newark, New Jersey. Basically,
7 again, there's an exclusion and exemption to these
8 rules, either out of common sense or out of
9 federal jurisdiction and what it does is it winds
10 up that we have legally dead capital, which you
11 have these regulations that bar one from moving
12 forward such as I heard one about five years, six
13 years. It's more fully described in the book by

14 Hernando Di Soto called More Capital, by Basic
15 Books, 2000, Hernando Di Soto. I'm sure everyone's
16 aware he got revitalized, made \$85,000. I hope
17 that never happens in New Jersey.

18 COMMISSIONER MARTIN: Can you give
19 us some specifics? Can you send us a letter with
20 the specifics that you mentioned?

21 MR. GALLENTHIN: Absolutely. What
22 we'd like to do, when I say mandate wetlands, this
23 is the Core of Engineers prohibitive creek under
24 Teddy Roosevelt.

25 COMMISSIONER MARTIN: I want to be

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1 very specific what you're asking us to do.

2 MR. GALLENTHIN: Yes. This is
3 man-made wetlands. In other words, the property
4 before the straightening of the creek was upland,
5 and I'll give these two to her.

6 COMMISSIONER MARTIN: That's fine.

7 MR. GALLENTHIN: Write a letter to
8 you?

9 COMMISSIONER MARTIN: Send it to
10 me, that's fine.

11 LIEUTENANT GOVERNOR GUADAGNO:

12 Thank you, very much. Thank you.

13 Barbara DeMarco, you have been very
14 patient, as well as everyone else in the room, and
15 I do appreciate that.

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16 Before we go any further, are there
17 any other firemen who want to join in on the
18 earlier panel discussion? All right. You got a
19 second bight of that apple.

20 Okay. Go ahead.

21 MS. DeMARCO: Good evening. I'm
22 here at the request of Greg Edwards. He said to
23 speak with you, as a panel. We met with the
24 Governor's Office last week on the issue of
25 preschool. He also asked me to speak to the

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1 privatization panel and Congressman Zimmer.
2 Essentially, I'm here today on
3 behalf of the Education and Child Care
4 Association. They represent the 3,400 department
5 children and family licensed early care and
6 education centers in the state. They are private
7 providers of preschool. They employ 65,000
8 people, majority woman, good part minority and
9 generate more than \$2.5 million in economic
10 impact. What is important to start with is that
11 the department has a children and family standard
12 for preschool predating what is currently the
13 Department of Education standards, so you have two
14 sets of regulations and standards that are
15 completely different. You have those that are for
16 the DCF, which is the majority of centers, 3,400,
17 then you have DOE standards, which are much more

18 stringent and prevent the private preschoolers
19 from participating in publicly funded preschool,
20 essentially causing monopoly for the preschools
21 offered by the public schools At a cost of \$700
22 million to the taxpayers of New Jersey, and that
23 does not include facilities. For instance,
24 there's a facility that was just built in Perth
25 Amboy, \$32 million when providers could have done

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1 it less for less than \$5 million to serve the same
2 number of kids, so that has to be addressed.
3 There are three issues,
4 specifically. First is facilities. The DCF
5 standards, again, which predate DOE, set a
6 classroom size that is smaller than the DOE
7 standards, so if the building predates DOE, the
8 private provider cannot participate. The second
9 issue is staff to child ratio. Right now
10 three-year-olds have to be two for every nine, two
11 for 18, one for each nine. Four-year-olds are one
12 to ten or two for 20. DOE standards have it at
13 two for 15. That's a five space difference.
14 There is nothing that any academic can give you
15 that has showed that 15 to two is the magic
16 number, so again, another reason private providers
17 can't participate. Finally, the profit margin.
18 DOE only allows two percent profit margin, giving
19 no incentive for an out of district to set up a

20 preschool, pay taxes and hire people when they
21 have to go to their investors to build the \$5
22 million facility with a two percent profit
23 margin. Our recommendation would be the DEO
24 standards really shouldn't be -- we should adopt
25 the DCF standards and let everyone comply to

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1 those. They're predated. There's no reason to
2 change that. Another issue that we've come into
3 contact with are the regulations and the law, P.L.
4 of 2004, Chapter 125, what this does is it allows
5 school districts and preschools -- what does that
6 mean, school districts are in the preschool
7 business. No longer is it just for kids who are
8 considered eligible for free or reduced lunch. No
9 longer is it for kids who might be -- no longer is
10 it for kids with disabilities under the age of
11 four. Now, if you can't fill that classroom of
12 15 -- and let's say you fill it with seven and
13 it's a mixture of kids with disabilities and kids
14 who are eligible for free or reduced lunch, you
15 can charge through a lottery system. The school
16 district who charges tuition must fill out the
17 rest of that classroom. The parents who choose to
18 go in the lottery can afford to pay for preschool,
19 but instead, because the tuition is subsidized,
20 I'm telling you, \$300 a month might provide --
21 cannot compete with \$300 a month, and if you put

22 in regulations stipulating they had to charge a
23 market rate, it would even the playing field.
24 Without doing that, there's no way my providers
25 keep their kids, these kids in private centers,

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1 which is another discouraging thing and another
2 thing that would keep them out of the business.
3 I'm going to move over to the issue
4 of how the public and private partnership works.
5 Everything goes to the school district. If the
6 superintendent elects to tell the community
7 providers what's going on, and sometimes they
8 don't elect, then the providers are kept
9 completely out of the loop, because all of the
10 information goes through the superintendent, so
11 the preschool providers either have to be
12 proactive to find out what's going on or they
13 can't participate. That's even if the
14 superintendent wants them to participate, because
15 some do and some don't. There's 610 school
16 districts, plus or minus, and, you know, that's
17 how many different superintendents there are. If
18 you live, for instance, let's say in Atlantic
19 County, in Absecon, and you have Pleasantville,
20 you have Atlantic City, Northfield and Linwood, if
21 you're a provider in that area, you have to talk
22 to the superintendent in each of those districts,
23 and each one of them can implement it

24 differently. Each one of them can have a
25 different time for kindergarten's start date, so

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1 as a provider, you have to put in a separate
2 contract with everyone. There's no authority.
3 Everything's left in the school district's hands,
4 but again, it's at the discretion of the
5 superintendent and the School Board. There's some
6 other regulations that impact them, good many of
7 them could be handled through better technology,
8 and I've listed those for you in the testimony. I
9 will tell you that there are -- the kindergarten
10 cutoff date is a huge issue, because one class may
11 start September 1st and one might start September
12 30th, two separate school districts and the
13 provider has to figure out how to accommodate
14 both. It would be nice if they all started at the
15 same time. The other issue has to deal with
16 environmental standards that were put in place
17 because of the problem in Gloucester County, where
18 a child care center was cited in a thermometer
19 factory and the kids had high levels of mercury
20 that resulted in all 3,400 preschool programs had
21 to get certification that they were
22 environmentally clean. They have bound through
23 that process. Actually, it has worked out well
24 because we were able to get prerequisite that
25 reimbursed the private providers the \$1,500 that

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1 it would cost them to do the study through the
2 Hazardous Waste Discharge Fund, and this way the
3 mom and pops and small centers who don't have a
4 problem but have to have the testing were put out
5 of -- weren't put into financial hardship. The
6 problem is, there's another section to that, and
7 that is the air quality standard. They were just
8 implemented by the Department of Health and Senior
9 Services. The fee just to put it out there is
10 \$3,500, and for mom and pop centers, that could be
11 something that would totally throw them under the
12 truck, so I would say to you, although it was
13 well-meaning and --

14 LI EUTENANT GOVERNOR GUADAGNO:

15 Unintended consequences.

16 MS. DeMARCO: You could really --
17 another factor that would put these women owned
18 businesses out of business, and to be honest with
19 you, the states shouldn't be in the preschool
20 business. They never should have been in the
21 preschool business. You have to do it for the --
22 everything above that, and there's the 700 million
23 cost savings right off the top, no reason that you
24 can't have a public and private partnership when
25 you have to.

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1 LI EUTENANT GOVERNOR GUADAGNO:
2 Thank you, very much, Barbara. I appreciate your
3 testimony and mostly appreciate you staying this
4 long.

5 MS. DeMARCO: Not a problem.

6 LI EUTENANT GOVERNOR GUADAGNO: Hope
7 you don't have that far to drive.

8 MS. DeMARCO: Hammonton, South
9 Jersey.

10 LI EUTENANT GOVERNOR DeMARCO: Thank
11 you, Barbara.

12 I do want to recognize the students
13 in the back of the classroom. Get out of here
14 before we get to say hello. You're seeing the
15 system in action, as it may be. What's the name
16 of your class?

17 UNIDENTIFIED SPEAKER: It's Urban
18 Administration/Political Science. They're
19 studying the state relationship with the municipal
20 governments and how it all interacts.

21 LI EUTENANT GOVERNOR GUADAGNO:
22 Thank you for joining us today. Thank you, very
23 much. See you guys.

24 I have Mark Tandourjian.

25 MR. TANDOURJIAN: Hello. I'm Mark

1 Tandourjian. It's T-A-N-D-O-U-R-J-I-A-N. The
2 reason why I'm here, I'm a homeowner in
3 Moorestown, New Jersey. It's an issue regarding
4 the DEP. Commissioner Martin was recently made
5 aware of it. I just wondered, I guess this will
6 be the last -- basically, I'm speaking on behalf
7 of myself and our neighborhood, it's called The
8 Grande at Fellswood Drive in Moorestown, New
9 Jersey. Our issue refers to the DEP.

10 In November, 2008 the DEP issued
11 notice of violations for 17 out of 29 homes in the
12 development. The DEP maintains we destroy plants
13 by our house and we are growing and cutting grass
14 in the transition area of our homes. Most
15 transition areas start at only 25 to 30 feet
16 behind the back of our homes. All homeowners of
17 the neighborhood have spent tens of thousands of
18 dollars maintaining and caring for those
19 transition areas. In fact, all homes have had
20 grass, cut the grass since the first home was
21 built in 2004 in these transition areas. Then in
22 October, 2008, the DEP, without warning, issued
23 each homeowner, excuse me, letters of violation
24 claiming that each homeowner was in violation of
25 maintaining the respective transition area. In

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1 fact, all violations have, in fact, the same
2 written language, just noting the difference of
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3 square footage for each home. The neighborhood
4 representative met with the DEP in December, 2008,
5 one month after the violations were issued to have
6 open dialogue and to solve the issues. The DEP
7 stated very clearly that there wasn't any room to
8 negotiate, and they had added new wording to the
9 definition of maintenance of the transition area,
10 where homeowners could no longer grow grass or cut
11 grass. All homes were purchased with the
12 understanding and the wording in their deeds that
13 clearly stated that the backyards can be
14 maintained. The DEP has now changed the language,
15 five years after the fact. DEP's actions have
16 severely reduced the property values in our
17 neighborhood. I've tried to sell my home since
18 October, 2009. In fact, with two pending offers,
19 one particular offer from a family in Pennsylvania
20 but buyers are not waiting months or years for
21 resolution from the DEP. We believe our home
22 values have -- they've been reduced greatly from
23 this DEP actions. The DEP actions are causing a
24 great hardship, financial hardship and frozen the
25 ability of many people in our neighborhood to sell

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1 their homes. The fellows who drive pay close to a
2 \$1 million dollars in New Jersey real estate taxes
3 and now the DEP issue will cause the property
4 values to be much less and homeowners will fight

5 to reduce their tax cost with lower property
6 values, thus lowering the amount of real estate
7 taxes paid to the State of New Jersey. On
8 average, the DEP has taken between 30 to 90 days
9 to respond to our written requests that are
10 supplied with detailed landscaped drawings and a
11 description of what our solution was. Every time
12 the letters have been rejected, and I believe that
13 we submitted approximately five different
14 submissions among the group. That's 11 to 17
15 people that have done that. We need your help to
16 resolve and get the DEP to use common sense for
17 our homes and be able to use that small transition
18 area. The average square footage of the grass
19 we're talking about is under 7,000 square feet.
20 It's less than a sixth of an acre. As of this
21 past Friday our neighborhood was informed that all
22 the violators, people that received this
23 violation, that the DEP is going to issue an order
24 within the next 20 days and that order will
25 include fines and liens against our homes. Now,

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1 when my wife and I bought our home, Moorestown,
2 New Jersey was rated number one in the country in
3 Time Magazine, that's in July issue of 2005.
4 That's why we bought there. Now, we bought it in
5 2006. Four years later and we have severe issues
6 with the DEP and I'm here today to speak for our

7 neighborhood and my home, that hopefully we can
8 use this common sense in this regard and be able
9 to maintain our transition area.

10 LI EUTENANT GOVERNOR GUADAGNO:

11 Commi ssi oner Marti n.

12 COMMI SSI ONER MARTIN: Li eutenant
13 Governor, I was made aware of this just in the
14 last couple days. We started looking into that.
15 We're going to understand the issue and how it got
16 to this point first, and then we'll go back to you
17 and see where we can go in the future.

18 MR. TANDOURJIAN: I appreciate
19 that. We have testimony from our --

20 LI EUTENANT GOVERNOR GUADAGNO: We
21 have it right here, you and the five homeowners.

22 COMMI SSI ONER MARTIN: Okay. Got
23 it.

24 MR. TANDOURJIAN: Thank you, very
25 much, for your time.

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1 LI EUTENANT GOVERNOR GUADAGNO:

2 Thank you, very much, for coming out this evening.

3 Okay. I have three pink slips in
4 front of me. I'm going to see who is here. Kevin
5 McCabe? Jak or Jack Watkins? He left, okay. Bob
6 McLoughlin?

7 Mr. McCabe, New Jersey Regional
8 Counsel of Carpenters. Do I have to say last but

9 not least?

10 MR. McCABE: Thank you. First and
11 foremost, I'm going to -- I have testimony to
12 articulate but I will be submitting written
13 testimony to follow-up.

14 LI EUTENANT GOVERNOR GUADAGNO:
15 Thank you.

16 MR. McCABE: All right. Lieutenant
17 Governor, Members of the Panel, my name is Kevin
18 McCabe and I am Corporate Relations Director for
19 New Jersey Regional Counsel of Carpenters. I'm
20 here for 16,000 members and their family to
21 discuss issues -- well, first I want to recognize
22 the goals and objectives that this panel is trying
23 to achieve, and it should be recognized for that.
24 Secondly, I want to thank you for having these
25 forums around the state and allowing the public to

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1 speak openly and candidly about the issues that
2 pertain to them. From our point of view, what I'd
3 like to do is articulate the issues and
4 frustrations that we and our partners from the
5 Wildwood Development Community who spoke earlier
6 this evening have been encountering for the past
7 few years. I'm not here to be repetitive or to
8 restate what they have, because they've actually
9 done a very good job of articulating the issues.
10 From the carpenter point of view, I want to

11 augment what they were going through over the past
12 several years. I think the Wildwood example can
13 probably serve as a clear portrait or case study,
14 if you will, of the inertia state government can
15 be and the ramifications of that inertia, not just
16 upon the envy that has a direct result, but there
17 are implications and, in fact, throughout the
18 entire community, whether or not that individual
19 structure does or does not get done, and from our
20 point of view, it has had a profound effect on us
21 in that region. We've been a strong supporter of
22 the local Wildwoods in our efforts to re-invent
23 local economic landscaping by seeking creative and
24 innovative ways to finally take advantage of the
25 Wildwoods and by parlaying the potential of the

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1 Convention Center into a year-round destination
2 for the larger participants and their families.
3 Per the experts and the testimony you heard
4 tonight from the leaders of the community, the
5 optimum way to accomplish that Convention Center
6 and surrounding area, however, as Miss Wildman
7 alluded to over the past 10 years during the world
8 of real estate level Wildwood lost over 5,000
9 hotel rooms due to conversion of the
10 condominiums. Recognizing this issue, the
11 community sought to inquire and find various
12 partners to work with and effectuate with Long

13 term efforts to redefine their economic strategy,
14 the corporate being part of that work. Part of
15 this is being bureaucratic wars of the Department
16 of Environmental Protection. Indeed, our
17 organization was aggressive, insisting on the
18 forefront for the community to inquire, negotiate
19 and successfully update the necessary language of
20 the Master Plan. By doing so, the community was
21 able to attract developers and an investment into
22 the high rise hotel structures. You heard,
23 therefore, the plan will be able to address their
24 two issues. First, the longing capacity needed
25 for the Convention Center and to redefine the

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1 economic dynamic, not only for Wildwood, but for
2 the region. However, we have yet to see any
3 results as of today. After many years of
4 planning, the state, the developers and community
5 can't find it to be attainable for those
6 involved. About 18 months ago as developers were
7 embarking upon the final stages of bureaucratic
8 process to obtain prerequisites, they encountered
9 that issue in the form of parking regulations that
10 would pertain to the development. The department
11 decided, as we heard tonight, that it was
12 compelled to revise the standards set forth in the
13 development. Therefore, going through the usual
14 course of action for drafting reviews, commenting

15 and publishing regulations, it would, in fact,
16 take another year by which the department will be
17 able to promulgate those changes. We did, of
18 course, work with the department through that
19 process. As you heard earlier this evening, we
20 were told that the deadline date was scheduled to
21 be about January 20th, if not earlier, or
22 February, right around the same time, regardless,
23 and that brings us where we are today. The fact
24 that through your efforts this rule is now within
25 the purview of this panel, and secondly, that the

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1 notice for extension published by the DEP and
2 opening comment periods and formal meetings for
3 DEP proposals and rules under Executive Order No.
4 1, this particular traffic rule was not included
5 in that list and subsequent conversations that I
6 had with DEP staff, they explained to me that,
7 number one, we probably have to go through another
8 year long process for this particular rule, and
9 secondly, Commissioner, you alluded to this
10 earlier, the fact that it may need capital, and I
11 understand, I did explain they couldn't in that
12 amount of time. The reality is the fact that
13 beyond Trenton, the walls that are up, the walls
14 of Trenton, that there is very real possibility
15 that the investors, that Mr. Patterson was
16 speaking to earlier may walk away from the deal.

17 LIEUTENANT GOVERNOR GUADAGNO: I
18 thought he was a little more -- it's more than
19 walk away. He may not live long enough to see the
20 deal.

21 MR. McCABE: He was demonstrative,
22 and rightfully so.

23 COMMISSIONER MARTIN: It's a new
24 day, absolutely, new day.

25 MR. McCABE: I do want to say,

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1 because when they were leaving this evening they
2 walked up to me and they asked for my assessment.
3 I said the fact that it's being recognized by both
4 Lieutenant Governor and yourself, Commissioner,
5 and both said that you would inquire and follow up
6 on the particular issue, so to hear that, you
7 could only take hope from that. I think that's
8 the underlying issue of what you're trying to
9 achieve for this, so I believe their three hour
10 trip home put a little pep in their step, if you
11 will, and they feel like they actually did receive
12 the benefit of coming up here, an encouragement of
13 the response that you put forward. Just to be
14 clear why I'm here, it's not just because of the
15 partners with regards to what they're trying to
16 get accomplished in Wildwood with the development,
17 but from the organization point of view, we do
18 think often, especially since the meltdown in the

19 recession, we've been working with both the
20 private and public sector and the non profit and
21 utilizing the assets of the organization to try to
22 get shovels in the ground, capital infrastructure
23 moving and to get people working again. However,
24 for our organization, even more basic fundamental
25 than that, it is about identifying work and

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1 man-hours.

2 That being said, we are willing to
3 work with those who are willing to invest their
4 money and resources to develop in New Jersey and
5 spur New Jersey's economy by putting our members
6 to work. We recognize the potential for the
7 ability of this region years ago and we committed
8 with them that we would worked with them to
9 redefine community service, the economic engine
10 with the multiplier of the fact that may ripple
11 throughout that part of state, the most important
12 multiplier effect for jobs. Once again, it was
13 very encouraging to hear from both the Lieutenant
14 Governor and Commissioner with regard to the fact
15 that you will be following up, however, what's
16 important to recognize is this particular issue,
17 notwithstanding it is important from the
18 Governor's Office and to the Commissioner, that
19 the DEP themselves really need to be an agent for
20 economics and advancement and not an impediment,

21 which is the frustration.

22 LI EUTENANT GOVERNOR GUADAGNO: We
23 should not hear about this at an open public
24 hearing. That's the problem I'm struggling with.
25 I shouldn't hear and you shouldn't hear about

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1 problems in our own Government, and it is our
2 Government.

3 MR. McCABE: Yeah, it is our
4 Government.

5 LI EUTENANT GOVERNOR GUADAGNO: At a
6 public hearing, no. I mean, it's now Governor
7 Christie's problem, and what we're going to
8 struggle with, you can talk about the individual
9 case in Wildwood, certainly, I'm sure that will
10 get resolved, but my big problem now is how do we
11 avoid having to have these meetings -- not that I
12 mind staying in Montclair until 8:00 at night, but
13 to solve your problem, you have a problem like
14 this, you shouldn't have to come to Montclair to
15 get an answer. That's the issue for this
16 Commission. The issue about Wildwood is Bob
17 Martin's problem and I'm sure he'll take care of
18 it. I'm struggling with how we fix the problem
19 with the agency, the government, the bureaucracy
20 as a whole. That's something we're all going to
21 talk about between now and next week, probably.
22 April 18th is coming upon us.

23 MR. McCABE: It's a mind-set.
24 LI EUTENANT GOVERNOR GUADAGNO: It's
25 a mind-set. MVC changed the mind-set. If you

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1 talk to people at the Department of Motor
2 Vehi cles, now Motor Vehi cles Commi ssi on, they
3 changed the mi nd-set, so it can be done. Our goal
4 here is to make it happen somehow, and if you have
5 any idea, I don't want to stop you here. You have
6 Bob Martin, so take him while you can. Our
7 problem is to how to fix the mi nd-set, you're
8 right.

9 COMMI SSI ONER MARTIN: We have a
10 major culture change, so that has to change,
11 number one. We have regulatory changes, we have
12 to change how we make things move quicker wi thi n
13 DEP, so cultural ly is my biggest issue that I'm
14 going after, and I'm going to work on that very
15 hard. Thank you for the information.

16 MR. McCABE: Happy to follow up,
17 and having served in the capacity at the
18 Department of Labor and having to change -- and
19 the capacity there, it is a rock, but ultimately
20 that rock will stay at the top of the hill if you
21 have the wherewi thal .

22 LI EUTENANT GOVERNOR GUADAGNO:
23 Thank you for your time. I'm sorry. Did I cut
24 you off?

25

MR. McCABE: No. I would cut me

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1 off, too. I just think it's important to note
2 that right now we're experiencing 33 percent
3 unemployment with the carpenters alone, so, you
4 know, what's frustrating, that's the word you
5 heard from both developers and you hear from the
6 community and us, but the word is frustrating, but
7 here today I can sincerely say that I am
8 encouraged and I thank you for the feedback that
9 you have given us in our particular issue, but
10 certainly sitting here, both in Monmouth a couple
11 weeks ago and here today, I think you've done a
12 great show.

13 LI EUTENANT GOVERNOR GUADAGNO:

14 We're working on it.

15 Is there anyone else in the room
16 right now who would like to speak? Thank you,
17 very much. Having finished all of the testimony,
18 the pink slips, is there anyone who wants to add
19 anything?

20 Then our tradition has been to
21 close the public portion of this meeting and end
22 the night first hearing from the majority and then
23 over here, sorry, and then hearing from the
24 minority party.

25 Mr. Burzichelli.

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1 ASSEMBLYMAN BURZICHELLI: Thank
2 you, Lieutenant Governor. Thank you, very much.
3 We've completed three public hearings and if I may
4 say, you've handled all of them with a great deal
5 of professionalism. Also, I think many people
6 have felt comfortable speaking to you, therefore,
7 leading this committee you've taken a wealth of
8 information and now, of course, more details to
9 follow, but doing this report is going to be
10 critical. I think this report will need to pay
11 immediate dividends for a very long time to come,
12 if we just get it right.

13 LI EUTENANT GOVERNOR GUADAGNO: Can
14 I ask another question before we get started? Why
15 are only the assemblymen here? Why are the
16 senators gone? The senators are gone and the
17 assemblymen are here because the assembly is the
18 house of the people. Got myself in big trouble.

19 ASSEMBLYMAN RUMANA: Assemblyman
20 Burzichelli hit it right on the head, I think you,
21 Lieutenant Governor, have done an absolutely
22 outstanding -- serious, you have handled every
23 hearing with class and professionalism. It's been
24 a real pleasure, because I've gotten to know you a
25 lot more, obviously, spending all these hours

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1 together through this process but, you know, for
2 everybody that didn't have the benefit of
3 participating, every hearing has been exactly the
4 same. I think that certainly our Lieutenant
5 Governor has shown great commitment to the cause
6 that we are all here for, which is to make sure
7 that we're going to make New Jersey a better
8 state, certainly a better functioning state as a
9 result of weeding out regulations that are clearly
10 not necessary and certainly amending those that
11 need amending to make this state a better place
12 for all of us to live, to work and have a much
13 better quality of life.

14 LIUTENANT GOVERNOR GUADAGNO:

15 Thank you, Assemblymen. DEP Commissioner is
16 always here, Bob Martin stays to the very end.

17 Also, I want to thank everyone for
18 sticking it out. Thank you. I'm going to end the
19 meeting with the promise of a report, draft report
20 sometime in the next couple weeks for the
21 committee itself, with the report to be filed with
22 the Governor by April 18. I'm sure, absolutely
23 positive that report will be issued not only with
24 the press release, but online it will be available
25 to everyone.

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1 Thank you, very much, everybody.

2 Good night.

3 (At 8:00 p.m., proceedings were
4 concluded.)

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CERTIFICATION

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I, MICHELLE GRUENDEL, CCR, do

4 hereby certify that the foregoing transcript of
5 the said public hearing is a true and correct
6 transcript of the testimony given by the said
7 witness at the time and place specified
8 hereinbefore.

9 I FURTHER CERTIFY that I am not a
10 relative or employee or attorney or counsel of any
11 of the parties, nor a relative or employee of such
12 attorney or counsel, or financially interested
13 directly or indirectly in this action.

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MICHELLE GRUENDEL, CCR