

Legislative Budget Hearing Testimony
Kevin S. Corbett, NJ TRANSIT President & CEO
April 11, 2024, 10:30 a.m.

- Good morning, **Chair Sarlo, Vice Chair Greenstein, Ranking Member O'Scanlon**, and members of the Committee. Thank you for the opportunity to testify today.
- Joining me today is our Acting SVP, CFO, and Treasurer, **Jacqueline Stamford**.

Introduction: NJT Yesterday Vs. Today

- As some of you may remember, I first testified before this Committee soon after joining NJ TRANSIT in 2018, and I'm proud to come before you today representing a vastly improved – and I would argue, transformed, NJ TRANSIT.
- This transformation is a testament not just to the hard work and dedication of our team, but also to the unwavering support we have received from **Governor Murphy** and all of you in the Senate over these past six years.
- We could not have achieved this level of progress without your commitment and support, for which we are profoundly grateful.
- NJ TRANSIT was essentially an organization on life support – hollowed out after nearly a decade of disinvestment prior to 2018.
- We faced numerous – some said insurmountable – challenges, including:
 - a severe shortage of locomotive engineers;
 - a Positive Train Control project woefully behind schedule;
 - an aging bus fleet and 40- to 50-year-old rail cars and locomotives;

- and perhaps most remarkably, an organization with no Strategic Plan or five-year Capital Plan.
- Fast forward to today, and the landscape has changed dramatically.
- Thanks to our collective efforts and the support from State leadership, we now boast a full roster of locomotive engineers, hundreds of new buses and rail cars delivered or on the way, and the second-largest Capital Program in the U.S. – behind only New York’s MTA.
- After a herculean effort to meet the PTC certification deadline, we are now leading the industry to fully operationalize this system, to make our rail network even safer, while collaborating closely with the FRA, Amtrak, and the Northeast Corridor Commission.
- And, of central importance to our customers, we have significantly improved the customer experience by improving service reliability and advancing billions of dollars in capital projects, which I will cover in more detail in a moment.
- This achievement speaks volumes about our journey from where we were to where we are today – a journey made possible by the support from our Governor and the Legislature.
- In his budget address last month, the Governor said, “On nearly every major metric – reliability, on-time performance, customer satisfaction, safety – NJ TRANSIT is in far better shape today than it was six years ago.”
- And it’s not just the Governor saying it – our customers are saying it, and so are some of the most highly respected and independent external organizations in the country.
- In spring of 2023, NJ TRANSIT achieved a record-high customer satisfaction rating since the inception of the survey in 2011.

- **Of the approximately 30,000 customer satisfaction survey respondents, 82 percent said they would recommend NJ TRANSIT to a friend or family member – the number was even higher among bus customers at 83 percent.**
- **APTA, North America’s preeminent public transportation organization, awarded NJ TRANSIT their 2023 Outstanding Public Transportation System Award – its highest honor from among the largest transit systems in North America. It’s the first time NJ TRANSIT won the coveted award in more than 20 years.**
- **As an employer, NJ TRANSIT has now been recognized by *Forbes* for four consecutive years – three as one of America’s Best-in-State Employers, and this year as one of the best employers in America, clearly positioning us as an employer of choice in our region.**
- Aligned with this recognition from *Forbes*, NJ TRANSIT’s summer internship program this year received more than 12,000 applications for just 93 available spots.
- Top colleges and universities – including Princeton, Yale, University of Michigan, and institutions across the country – have also expressed interest in becoming involved with our summer internship program, further testament to our standing as a premier employer.
- The customer experience has also benefitted from noteworthy improvements.
- The following are some key highlights, and I will go into greater detail before I wrap up.

- Rail cancellations are down 32 percent from 2018 to 2023, and on-time performance is up from 90 percent to 91.2 percent.
- That number would have been even higher in 2023, around 94 percent, but Amtrak infrastructure issues significantly impacted multiple NJ TRANSIT rail lines – most notably on the Northeast Corridor.
- And, bus on-time performance is up sharply as well – from 90.3 percent in FY18 to 94 percent in FY23.

Capital Program

- In addition to the improvements in service delivery for our customers, we're equally focused on advancing our growing capital program to further improve the customer experience.
- In fact, today's NJ TRANSIT is advancing capital projects at an unprecedented scale and pace.
- For example, **we currently have more than 20 rail stations in active stages of development, ranging from planning to active construction.**
- Thanks to Governor Murphy, **we are also actively investing more than one billion dollars in our largest and most critical transportation hubs across the state**, including Newark Penn Station and the Walter Rand Transportation Center in Camden.
- On top of these station improvements, **over the past five years, NJ TRANSIT has done more to expand and improve our bus infrastructure capacity than we have in the past 20 years.**
- Here's the big picture: Many of you heard me share that **in 2017 – the year before Governor Murphy took office – NJ TRANSIT had**

just \$60 million in hard money construction contracts out on the street.

- **Since 2018, we have advanced nearly \$6 billion dollars' worth of projects, including both infrastructure projects and train and bus vehicle purchases.**
- This includes more than 60 projects currently underway.
- In 2023, NJ TRANSIT brought in \$950 million in federal money.
- **In addition to that, we are planning to advance nearly \$8 billion in capital expenditures over the next three years.**
- This is by far the largest investment in our system over a similar period in the nearly 45-year history of NJ TRANSIT.
- With all of this capital expenditure, **the FTA has told us that NJ TRANSIT now has the second largest capital program, behind only New York's MTA.**

INFRASTRUCTURE: SPECIFIC PROJECTS

- Moving on to specific projects in our Capital Plan, I'd like to highlight the significant progress we are making on two key components of the overall Gateway Program, arguably the nation's most critical infrastructure program.
- The first is NJ TRANSIT's **Portal North Bridge Replacement Project.**
- **Portal is the single largest construction award in our agency's history, and the largest active project in NJ TRANSIT's Capital Plan** – visible to all who ride along the Northeast Corridor, by both the riding public and elected officials.

- As I'm sure many of you have seen, Portal is moving forward at a blistering pace – in fact, **we are now 50 percent complete!**
- **Portal is currently on time, on budget, with the first track scheduled to open in 2026.**
- In addition to Portal North, NJ TRANSIT – as the main user of the Northeast Corridor – is working alongside our project partners at Amtrak, the Port Authority, and the Gateway Development Commission to help advance another central component of the overall Gateway Program – **the Hudson Tunnel Project.**
- This past November, I joined **Governor Murphy** and USDOT Deputy Secretary **Polly Trottenberg** to **celebrate the beginning of construction of the Hudson River Tunnel project on the New Jersey side, at Tonelle Avenue.**
- As I said at the event, this project is essential not just to the future of the Northeast, but – given our region's role as the center of world capitalism and global commerce – it is no exaggeration to say that it is vital for the United States, in order to remain a leader on the world stage.
- In addition to our work advancing these projects of national significance, NJ TRANSIT is busy advancing a number of other major regional and systemwide projects, generating economic growth and economic development.
- Some of these projects include:
 - our largest resiliency project – the **Raritan River Bridge** – with Phase 1 completion anticipated in the fourth quarter of this year;
 - **and our \$300 million Long Slip project in Hoboken**, where last month our Board approved a contract to begin construction

on Phase 2, which includes three ADA-accessible platforms to support six new tracks, maintenance and fleet reliability facilities, and other amenities.

- As our Long Slip project progresses, **NJ TRANSIT has approximately half-a-billion dollars' worth of work underway in Hoboken** – a figure that does not even include “**Hoboken Connect**” – the \$800-plus million project jump-started in 2022 through cooperation between NJ TRANSIT, LCOR, Hoboken, and the State, with a \$176 million investment commitment from Governor Murphy.
- **This project also advanced last month, when our Board set the stage for an official groundbreaking in the coming months** – initiating a Transit-Oriented Development project that will truly transform our Hoboken Terminal and its surroundings into one of the crown jewels of our system.
- Speaking of significant Transit-Oriented Development (TOD) projects ... **last month I was pleased to join Governor Murphy at our Metropark Station in Woodbridge to celebrate the beginning of construction for what will soon be Hackensack Meridian Health's newest Health and Wellness Center.**
- Beyond our TOD projects in Woodbridge and Hoboken, NJ TRANSIT and the State – under Governor Murphy's leadership – are advancing TOD projects on an unprecedented scale, **including projects in Matawan, Somerville, Jersey City, and along our River LINE in South Jersey** – to name just a few.
- In addition, as you are all aware, **NJ TRANSIT has been working for a number of years to advance our Northern Branch project**, which is a proposed extension of the Hudson-Bergen Light Rail from its northern terminus into eastern Bergen County, New Jersey.

- This past August, a number of factors prompted the Federal Transit Administration to seek a refresh of this project's Environmental Impact Study, or EIS, not the least of which was the lack of identified local funding for the project that still persists.
- We understand and respect the FTA's position, and are now working closely with them to develop a credible and financeable plan to continue advancing this important project.
- Much of the original EIS content can still be used, which will help expedite the process.
- To demonstrate our commitment to the Northern Branch project, **in 2022 NJ TRANSIT applied for and won a \$592,000 FTA grant to study equitable Transit-Oriented Development along this proposed extension.**
- Other significant regional projects include our **Delco Lead Storage and Inspection Facility** – estimated at roughly \$400 million – where we expect to award the second construction contract in the second quarter of this year;
- and our **Mason Substation project** in Kearny, which we expect to start bringing online by the end of May, with full project completion expected at the end of the year.
- Also of note, this past September, **NJ TRANSIT was pleased to celebrate a significant funding increase of \$315 million in FHWA funding**, which will fund 15 important capital projects across our system.
- As you can see, we are advancing key bus and rail infrastructure initiatives that will improve the resiliency and reliability of our service and operations.

- At the same time, we recognize the need to invest in stations and terminals, which represent our customers' first impressions of our system and key component of their journey on our system.
- Much of this work is the result of unprecedented State investment.
- For example, in **addition** to the Governor's \$176 million commitment to our Hoboken Terminal, the State has allocated another \$638 million to NJ TRANSIT, for a total of \$814 million for seven stations and a key rail maintenance facility.
- This includes:
 - \$250 million to upgrade and replace the **Walter Rand Transportation Center** in Camden;
 - \$191 million to rehab and modernize **Newark Penn Station** – a project that is now well underway;
 - \$49 million for our **New Brunswick Station**;
 - \$48 million for our **Bloomfield Station**;
 - \$33 million for our **Brick Church Station**;
 - \$27 million for our **Roselle Park Station**; and
 - \$40 million for **construction of a new maintenance-of-way facility in Clifton**, which will be supplemented by a \$75 million FTA grant NJ TRANSIT was awarded for this project this past February.
- Absent this commitment, these station improvements may have waited years until funding was available.
- This commitment also demonstrates the critical importance of NJ TRANSIT having a five-year unconstrained Capital Plan, which allows us to be fully prepared for – and take quick advantage of – additional funding opportunities.

- Other significant NJ TRANSIT rail station projects currently advancing include:
 - our **Trenton Transit Center** project;
 - our **Elizabeth Station project**, expected to be complete in the second quarter of this year;
 - our new **Lyndhurst Station**, expected to be complete in the second quarter of 2025; and
 - our **Perth Amboy Station**, also expected to be complete in the second quarter 2025.

- In addition to our many advancing capital projects, **NJ TRANSIT's Fleet Replacement Program** is another key element of our Capital Plan.

- 138 new multi-level rail cars are scheduled to begin arriving by the end of this year, and all 25 of the new dual-mode locomotives we purchased have been delivered.

- The strong return of our bus ridership – particularly in high-density markets like Hoboken and Jersey City – is one reason we feel fortunate to have had the foresight to take delivery of more than 300 new buses in the last four years, including new, high-capacity articulated buses.

- Also, in the coming months, we're looking to accelerate the purchase of 200 additional articulated buses, to service our busiest routes.

- All of these new vehicles will continue to improve on-time performance, reliability, customer comfort, and the overall experience.

- We look forward to continuing to work with you and all of your colleagues because building on this progress requires further investments – which is why ensuring a reliable, predictable,

dedicated and sufficient stream of revenue for NJ TRANSIT is paramount.

Governor's Dedicated Funding Proposal

- To that end, we are extremely grateful that in his February 27th budget address, Governor Murphy acknowledged NJ TRANSIT's positive trajectory and prioritized creating an additional dedicated funding source for NJ TRANSIT in his FY2025 budget proposal with the Corporate Transit Fee.
- While I know this still remains a proposal at this time, the most important thing from my perspective is the recognition that NJ TRANSIT is an essential public service that underpins the state's economy and quality of life.
- Dedicated funding is crucial to maintain frequent and reliable service for all the customers who depend on it every day.

Ridership

- This is especially true for transit agencies today, following the COVID pandemic.
- While NJ TRANSIT ridership has bounced back stronger than most other transit agencies in the nation, we are now in the fifth consecutive year of ridership below pre-COVID levels, which has resulted in a reduction of nearly \$2 billion in fare revenue since March 2020.
- To be clear: This is not only a NJ TRANSIT issue. Transit agencies across the country are facing similar budget deficits.
- NJ TRANSIT's responsible use of over \$4 billion in federal COVID-relief funds allowed us to fully fund our FY20 through FY24 operating budgets and maintain current service levels, unlike many

other agencies which cut service.

- As such, NJ TRANSIT ridership overall has rebounded to approximately 80 percent of pre-COVID levels, primarily due to lighter rail ridership on Mondays and Fridays – though peak period trips are at, or above, pre-COVID levels.
- We've seen the strongest return on bus – with ridership currently more than 90 percent of pre-COVID levels, again peak period trips are at, or above, pre-COVID levels.
- This strong return in ridership is largely the result of continuing to run full service throughout the pandemic.
- However, the COVID pandemic has exacerbated the structural funding issues that have existed since NJ TRANSIT was created more than 40 years ago.

Fare Adjustment

- That brings me to NJ TRANSIT's fiscal outlook for FY25 and beyond.
- Despite the hard work we did internally to identify \$44 million in cost savings and an additional \$54 million in revenue enhancements, a \$106.6 million gap remains in our FY25 operating budget.
- A transit CEO has just two tools in the toolbox to close a budget gap after they've identified cost savings and revenue enhancements – raise fares and cut service.
- As you know, yesterday our Board of Directors made the difficult decision to approve NJ TRANSIT's first fare increase in nine years after a robust public engagement effort, including ten public hearings held throughout the state – an across-the-board 15 percent increase

effective July 1st, and a three percent annual increase each subsequent year beginning July 1st, 2025.

- Smaller annual adjustments are a longer-term solution that:
 - provides predictability for customers, and sparing them larger, double-digit increases that become necessary following multiple years of stagnant fares;
 - provides a stable foundation and also enhanced predictability for NJ TRANSIT's budget planning;
 - and helps keep pace with inflation and mandatory contractual cost increases.
- While a fare increase is always an option of last resort, and we recognize the impact an increase of any size has on all our customers, I was strongly committed to ensuring that overall service levels would not be reduced through FY25.
- Transit agencies across the country, who are facing similar budget challenges and considering a combination of service cuts and fare increases to solve them, are risking what is known in the industry as a ridership “death spiral.”
- When an agency cuts service, ridership drops further because service is less frequent. Then, further cuts are made to meet the reduced demand, and ridership continues to drop – until the service is so infrequent that it is no longer an attractive option for customers.
- A good example of the death spiral is what happened to many of the private bus carriers that reduced service during the pandemic and never restored it to pre-pandemic levels.
- The service was no longer attractive to customers, resulting in increasingly diminished ridership until private carriers like DeCamp,

A&C, and Coach USA O.N.E. completely abandoned their commuter bus routes with little or no notice to their customers or NJ TRANSIT.

- Thankfully, NJ TRANSIT – because of the investments made over the last six years in building up the ranks of bus operators and purchasing several hundred new buses – was in a position to immediately step in and absorb these abandoned routes.
- We not only seamlessly continued to deliver uninterrupted service to the thousands of New Jerseyans who depend on this service, we have expanded service on many of these routes since we took them over – something that we never could have done in 2018, if not for all the investments made possible by the Governor and all of you in the legislature.
- So, to be sure, an investment in transit is an investment in New Jersey and its people.
- As evidence, just look at the profound impact Transit Oriented Development is having on our state, as part of Governor Murphy’s strong focus to strengthen communities around transit, optimize the value of our assets across the state, and promote sustainable growth.
- Municipalities and homeowners benefit significantly from public transit through improved property values and taxes.
- Developers across New Jersey also benefit significantly by using proximity to NJ TRANSIT as a primary selling point to maximize sale prices.

TECHNOLOGY

Customer-Facing Tech

- As we work to shore up and solidify NJ TRANSIT's fiscal future, we remain committed to leveraging technology to significantly improve the customer experience.
- For example, we continue to add features to our NJ TRANSIT mobile app, which boasts a 4.8 rating out of 5, with more than 212,000 independent Apple Store reviews.
- 1.2 million customers use our mobile app every month, and 4.4 million unique customers have used our mobile app over the past year.
- Some of new mobile app features include **Cash in App**, which allows customers to add cash directly to their "MyTransit Wallet" when visiting more than 1,000 participating network retailers.
- This value can then be used to purchase tickets through our mobile app.
- Last year we also introduced **Tap & Ride**, made possible by the installation of **On-Board Validators** on all of our approximately 2,200 buses, and validators at every one of our 62 light rail stations.
- Bus customers simply tap their contactless card at the On-Board Validator as they board, and inform the operator of the number of zones they wish to travel.
- And, last week, we just enhanced the onboard bus experience with the announcement of **Tap, Ride, Scan**, which allows customers to scan their mobile and paper tickets as they board to speed up the boarding process.
- Light rail customers simply tap their contactless payment card at their station's validator.

- This functionality is not only more convenient for customers, but it also significantly reduces transaction times, making boarding faster for all customers.
- Another new fare collection technology – Website Ticketing – allows customers to buy one-way and round-trip tickets online, at **njtransit.com/webtickets**.
- In addition to Web Ticketing, we have taken many additional measures to upgrade fare collection technology systemwide.
- Working cooperatively with labor, train crews systemwide are now using **handheld mobile devices**.
- These devices allow train crew members to scan and validate tickets, and better communicate with customers.
- In 2021, we completed the installation of **558 new high-tech Ticket Vending Machines**, or TVMs, throughout our system – offering faster transaction times and contactless payment options.
- In addition to these new TVMs, in 2022 **we upgraded every TVM on all three of our light rail systems to allow customers to purchase and validate a one-way ticket in one easy step at the TVM.**
- Previously, customers had to purchase their light rail ticket at a TVM, and then validate those tickets at a separate validator machine, for a two-step process.
- Beyond fare collection, we continue to upgrade our website – which has more than 10 million visitors over the past year – with innovative new features to enhance our customers’ experience.
- Some examples of the improvements to **njtransit.com** include:

- The addition of high-performing, visually-appealing webpages to communicate such things as capital project updates like njtransit.com/portal, for our Portal North Bridge Replacement Project, and njtransit.com/icon, for our Newark Penn Station modernization project – both of which I'll cover in more detail in a moment; and
- web pages to support customer-facing marketing and ridership campaigns, such as njtransit.com/spring.

Accessibility

- We're also hyper-focused on improving accessibility and convenience for all our riders, exemplified by the introduction and subsequent expansion of our **Access Link Riders' Choice Program**.
- Through this new pilot program, originally launched last year in May, Uber, Lyft, and Black and White Taxi drivers are now available to supplement Access Link services as needed, but only if the customer opts in to utilize the pilot program.
- Customers who do not opt-in continue to have all their trips serviced by current Access Link providers.
- Access Link customers in regions 2, 4, 5, and 6 – which includes Bergen, Burlington, Essex, Gloucester, Hudson, Mercer, Middlesex, Monmouth, Morris, North Ocean, Passaic, Salem, Somerset, and Union counties – are now able to opt-in to receive their rides through Uber, Lyft, or Black and White Taxi.
- It's been a real success story – customer feedback has been overwhelmingly positive, with many noting reduced wait and trip times, and an appreciation that there has been no change to Access Link prices.

- Since we launched the program, more than 4,600 Access Link customers have opted in, and we have provided more than 222,000 rides through the program.
- I would also note that in addition to improving service and the customer experience, this program is much more cost-effective for NJ TRANSIT, on a per-trip basis.
- Beyond this new pilot program, NJ TRANSIT has made significant progress over the past six years in modernizing our standard Access Link paratransit service, to provide 21st century service for customers.
- These improvements include **Access Link Online**, which allows customers to schedule rides, check the estimated time of arrival of pick-up vehicles, and pre-pay fares electronically, through a feature named EZ Wallet.
- To date, nearly 1.85 million customers have booked trips through Access Link Online, and we've collected more than \$4.7 million in fares through EZ Wallet.
- Access Link customers can also now use self-service Interactive Voice Response over the phone to confirm or cancel rides, or speak with a live agent.
- We even offer reminder calls, and “imminent arrival” text messages or phone calls.
- Aside from being a customer courtesy, it also helps us address the issue of “**customer no-shows**” – one of the major factors that impacts overall on-time performance for all customers on Access Link.
- Customer no-shows are when a customer makes a reservation and then does not show up when the Access Link driver arrives to pick

them up on time, and doesn't call in advance to cancel their reservation.

- Customer no-shows have increased by nearly 45 percent from 2020 to 2023.
- In 2020, there were 54,410 no-shows; in 2023, that number grew to 78,818.
- Each no-show results in at least a 10-minute delay to a trip while we follow procedures to confirm that this customer is indeed a no-show at this pick-up location.
- In addition to the delays incurred at the pick-up location where the customer didn't show, each of these no-shows cause further unnecessary delays to other passengers on that trip by having the driver going to a location they didn't have to just to find out that the customer isn't there.
- More importantly, the customer that didn't show for their pick-up took that reservation slot away from another viable customer who could have taken that trip instead.
- Getting back to building off the success of Access Link Online, **we introduced a dedicated Access Link mobile app**, which provides a user-friendly interface for making, canceling, and monitoring reservations.
- Customers can also update their information and monitor the status of their EZ Wallet payment accounts with just a few clicks on the app.
- The app was developed in direct response to customer feedback, and provides one-stop shopping for customers who previously would have to call in and speak to an operator or visit our website to login

to their account.

- In addition to modernizing Access Link, NJ TRANSIT has introduced two new technology initiatives in support of improving systemwide accessibility and inclusion.
- First, through our partnership with Magnusmode, **NJ TRANSIT is now assisting neurodiverse customers on our bus, rail, and light rail systems with the help of “Magnus” – an illustrated character within the free MagnusCards app.**
- The app combines specialized navigation instructions with real-world images to aid neurodiverse customers, such as those who are autistic, who could use extra guidance navigating everyday experiences on public transit.
- **We also launched a pilot program this past November with NaviLens that instantly enhances bus system accessibility.**
- NaviLens uses QR-style codes – now installed at 51 New Brunswick bus stops – that enable customers to use their smart devices to get a host of service information and assistance.
- NaviLens also integrates with NJ TRANSIT’s real-time bus arrival data, and reads signs out loud to help visually impaired customers navigate bus stops.
- NJ TRANSIT has also made significant enhancements to our website to make information as accessible and robust as possible to optimize the web experience for customers with disabilities.
- We have created a central hub on our website for all accessibility-related information at **[njtransit.com/accessibility](https://www.njtransit.com/accessibility)**.
- The page features an overview video about the many services and features of our system that make us accessible to all individuals, as

well as easy-to-use links to specific information and informational videos.

- The videos cover several topics, including:
 - information about vehicle and station accessibility;
 - our Reduced Fare Program;
 - community transportation services; and
 - our Access Link service.

- **Our mobile app and website’s “Trip Planner” also now features accessibility icons prominently displayed next to the name of all fully accessible stations** – ensuring customers who need accessible stations are making informed travel decisions when planning their trip.

- **NJ TRANSIT customers can also now access the status of every elevator in our system via the NJ TRANSIT mobile app**, to provide this vital information to customers requiring the use of an elevator with as much advance notice as possible, along with alternate options.

- Finally, through our partnership with Happy Hour 4 Kids, **NJ TRANSIT recruits neurodiverse children from around the state to record announcements at train stations**, which are being played throughout our system in recognition of Autism Acceptance Month this month.

- NJ TRANSIT is also partnering with world-class academic institutions to leverage technology for our customers.

- **NJ TRANSIT is currently working closely with Rutgers University’s Center for Advanced Infrastructure and Transportation (CAIT) to advance 14 initiatives, many of which are on the cutting edge of public transit technology** – not just in

the U.S., but worldwide.

- **One particularly interesting project we are tackling together is the issue of what some rail customers report as “dirty” train windows on our multilevel rail cars.**
- In fact, this is not dirt, but rather a complex issue involving polycarbonate train windows that can become cloudy over time due to exposure to elements such as acid rain, heat, and ultraviolet rays.
- Rutgers CAIT is determining if a cost-effective chemical treatment process exists to clear the windows, rather than replacing them.
- This is the type of issue that can make a real difference in the experience for our riders, and I’ll bet most of them have no idea that NJ TRANSIT and CAIT are working collaboratively to resolve it.
- This kind of industry leadership in addressing significant challenges is something no one considered NJ TRANSIT capable of six years ago.

Internal Tech

- In addition to all of our customer-facing technology initiatives, NJ TRANSIT is similarly focused on leveraging technology internally, to advance our business and modernize every aspect of our operation.
- For example, because technology is increasingly integrated into every aspect of our capital projects and programs, **we are working to implement Enterprise Asset Management systems throughout our organization**, to maximize capital program dollars and the lifecycle value of all our assets.

- To give you another indication of our progress, **just three years ago 50 percent of our software and hardware was obsolete.**
- Since then we've reduced that figure by half, and will continue to cut it down over the next few years.
- In 2020, **NJ TRANSIT also became the first transit agency in the nation to receive a prestigious cyber-security ISO-certification from the International Organization for Standardization** – and we have been recertified every year since – building on our efforts to stay ahead of ever-evolving cybersecurity threats.

SUSTAINABILITY/ZERO-EMISSION BUS PROGRAM

Sustainability Plan

- As NJ TRANSIT leverages technology to enhance operational efficiency and security, we are also strengthening our commitment to sustainability and the environment.
- Toward that end, yesterday **our Board voted to approve NJ TRANSIT's first-ever Sustainability Plan**, as part of our goal to be a model for sustainability among transit agencies nationwide.
- This vote followed a public comment period and four public engagement sessions held by NJ TRANSIT to inform the Plan.
- The Plan is aligned with our 10-Year Strategic Plan and 5-Year Capital Plan, as well as the goals in New Jersey's Energy Master Plan, including maximizing ridership, equitable transportation, and adoption of zero-emission technologies.
- The Plan will also allow NJ TRANSIT to build on our existing sustainability programs to establish a comprehensive and inclusive sustainability framework related to our social, environmental, and

economic performance.

- One of the most significant initiatives driving our efforts to improve systemwide sustainability is our **zero-emissions bus program**.
- NJ TRANSIT is right now aggressively pursuing our goal to transition to a 100 percent zero-emissions bus fleet by 2040, while helping to realize Governor Murphy's ambitious Energy Master Plan.
- For example, **our Bus Garage Modernization Program** – which will transform all 18 of our bus garages to support future zero-emissions buses – continues to advance.
- This includes our **Hilton Bus Garage in Maplewood**, which is advancing to accommodate zero-emission buses on several routes serving Newark and Maplewood, thanks to a \$47 million federal grant, awarded last year from the Infrastructure Investment and Jobs Act.
- This grant builds on **our success in Camden, where all eight of our first-ever electric buses are operating on several routes**, gathering important information and data that will allow us to continually advance our Zero-Emission Bus Program, responsibly and reliably.
- All of this was made possible through another milestone we celebrated in Camden in 2022, when **we completed the installation of charging infrastructure at our Newton Avenue Bus Garage**.
- Last month, this project was recognized with a 2024 Engineering Excellence Award from the American Council of Engineering Companies of New Jersey.
- We're also advancing a project to build **a new bus garage in Union City** capable of accommodating Battery Electric Buses, and this

past September, **we received \$38 million in FHWA funding for a charging facility that will operate adjacent to our Meadowlands Bus Garage.**

- Another exciting sustainability pilot moving forward is **battery electric locomotives.**
- In early 2023, NJ TRANSIT initiated a project to conduct a feasibility study to convert an existing EPA Tier III ALP-45 dual-power locomotive to a zero-emission locomotive.
- We'll be sharing more on the progress of this innovative pilot later this year.
- We also have good news to share regarding our **non-revenue corporate vehicle fleet.**
- This past October, **NJ TRANSIT received a \$1.4 million grant from the New Jersey Board of Public Utilities that we will use to expand our fleet of corporate electric vehicles, and provide funding for the necessary charging infrastructure.**
- As these funds drive us forward, **it's important to note that we have already met and exceeded our goal to convert 25 percent of our corporate vehicle fleet to Hybrid/All Electric by 2025.**

PERSONNEL

- While advancing our sustainability and zero-emission initiatives, we recognize that one thing is for certain – public transit is a people business.
- For a transit agency of our size – with a statewide service area spanning more than 5,000 square miles – it takes people, and lots of them, to deliver safe, reliable, and frequent service on a consistent

basis.

- So this would be a good segue into personnel improvements at NJ TRANSIT.
- During the previous Administration, the failure to recruit and train a sufficient number of locomotive engineers resulted in a net loss of 60 engineers when I arrived here in 2018, which commuters felt through numerous daily canceled trains.
- Going right to work – with the necessary resources committed by the Murphy Administration – NJ TRANSIT aggressively ramped up recruiting and training, and by April 2021, we had fully restored the ranks of locomotive engineers, while maintaining a full pipeline of trainees to keep pace with attrition.
- Since 2018, NJ TRANSIT has graduated 17 classes of locomotive engineers, adding 217 engineers to its ranks.
- NJ TRANSIT now has 443 engineers on the active roster today, eliminating train cancellations due to an engineer staffing shortage, and improving reliability for our rail customers.
- It's not just on the rail side where we have aggressively recruited – we have also graduated more than 2,400 bus operators since 2018.
- While that may sound like a lot, the truth is, it is only enabling us to keep pace with attrition.
- Our assumption of numerous private bus carrier routes, as well as the ongoing national shortage of Commercial Driver's License (CDL) holders, necessitates our continued focus on robust recruitment, training, and hiring of these critical team members.
- Toward that end, we have created and launched a targeted advertising campaign – displayed on buses, billboards, major social

media platforms, and through employee outreach – tailored to New Jersey residents with a CDL.

- We are also working with the New Jersey Motor Vehicle Commission to facilitate CDL testing.
- As I've mentioned in testimony at previous hearings, we appreciate your help in spreading the word to your constituents about the excellent career opportunities now available at NJ TRANSIT.

UITP – The International Association of Public Transport

- NJ TRANSIT is also proud to be advancing the training and development of the next generation of transit industry professionals, through the establishment of UITP's first-ever North American Regional Training Center, or RTC, right here in New Jersey, at the headquarters of Rutgers CAIT.
- NJ TRANSIT, out of all the transit agencies in North America, was chosen to lead this effort.
- After holding trainings all last year, this year in February UITP released this year's RTC course list, and also selected NJ TRANSIT to host the first segment of its prestigious *Managers in Public Transport* diploma program, in close collaboration with Rutgers CAIT.
- Working together, we are establishing uniform standards and best practices not just for transit agencies in Northeast, but for agencies nationwide – providing a worldwide network of data and programs driving innovation in rail, bus, and much more.

Importance of Frequent and Reliable Service

- Recognizing the critical role of our personnel in delivering exceptional service, it's clear that the backbone of NJ TRANSIT's

success lies not only in our ambitious projects and sustainability goals, but fundamentally in the ability to offer frequent and reliable service, which is crucial for New Jersey's people, economy, and environment.

- As our region continues to recover from the pandemic and riders settle into their travel patterns, they need to know that they can count on NJ TRANSIT to get them where they're going – on time and reliably, with the frequency they need.
- We believe today's NJ TRANSIT is meeting this standard, and we have the data to back it up.
- For example, in the transit industry, the primary metric of reliability is on-time performance, or OTP, and I'm pleased to note that NJ TRANSIT has improved OTP on both our bus and rail systems in Fiscal Year 2023 versus Fiscal Year 2019, and remained above 95.5 percent on light rail in FY 2023.
- On our bus system, OTP improved from 91.3 percent in FY 2019 to 94 percent in FY 2023.
- On our rail system, OTP improved from 90 percent in FY 2019 to 92.1 percent in FY 2023, as rail cancellations declined more than 36 percent in FY 2023 versus FY 2019.
- Despite our progress, it's important to recognize the challenges posed by Amtrak infrastructure on the Northeast Corridor, which can significantly impact NJ TRANSIT's on-time performance.
- In certain months, these issues have affected our OTP by up to 10 percent.
- These statistics – and many, many more – are available on our online performance dashboard at [njtransit.com/performance](https://www.njtransit.com/performance), providing an unprecedented level of transparency and accountability

at NJ TRANSIT.

- However, we continue to work with Amtrak to ensure a continued focus on these issues to minimize disruptions and enhance reliability for our riders.
- To mitigate these and other service disruptions – often outside our control – to the greatest extent possible, last year NJ TRANSIT introduced a new educational campaign encouraging customers to develop backup travel plans, and providing new resources to help them do so.
- Named “**Know Your ABCs**” – which in this case stands for “alternates, backups, and contingencies” – the campaign empowers customers to proactively navigate an unplanned disruption to their commute.
- Customers need only visit **[njtransit.com/ABC](https://www.njtransit.com/ABC)** and click on their specific line to find alternate travel options to, or near, their destination.

FIFA 2026 World Cup

- All of the improvements to the customer experience I just talked about requires continued stable, predictable investment.
- If ever there were a time when this stability is urgently needed, it is now, as NJ TRANSIT focuses on an upcoming global event that positions New Jersey on the world’s stage – the 2026 FIFA World Cup.
- As you are all aware, MetLife Stadium will host the 2026 FIFA World Cup Final, along with seven additional World Cup matches, and New Jersey’s selection to host the Finals was in itself a huge vote of confidence in NJ TRANSIT.

- Clearly, transit was one of the key determining factors in what is a significant win for New Jersey.
- The seamless transportation NJ TRANSIT has provided to some of the biggest events at the stadium – and in the nation – has paid off big-time for New Jersey and MetLife.
- As the Governor said recently, NJ TRANSIT knocked it out of the park this past summer on a series of blockbuster concerts featuring superstars like Taylor Swift, Ed Sheeran, and Beyonce, in addition to sporting events like the Army/Navy Game in 2021, which broke the MetLife college football attendance record, with 82,282 fans attending.
- The Army/Navy game was so successful, in fact, that it will also be played at MetLife Stadium in 2026!
- What’s really changed in the last few years is that we’ve not only delivered a seamless travel experience for MetLife eventgoers, but we’ve become a part of the fan experience.
 - The feedback I heard from my Navy colleagues about their top-notch experience, including the build-up to the game, our Customer Service ambassadors decked out in Blue & Gold – was incredibly rewarding.
 - The *New York Times* did a multi-page feature in their Style section on the experience we provided for those attending the Beyonce concert.
 - We had ambassadors at Secaucus holding custom “Queen Bee” signs – and as customers were passing through the station to board their train to MetLife, they were posing with our ambassadors holding the signs, posting their photos on social media channels.

- And Hoda from *The Today Show* chronicled her travel with photos of her journey on NJ TRANSIT rail to one of the Taylor Swift concerts last May – raving about how much fun it was.
- That’s what World Cup fans can expect when using NJ TRANSIT to attend any one of the eight matches being played at MetLife Stadium, including the Finals.
- As prepared as we are today, **our Secaucus Meadowlands Transitway Project** will allow us to further enhance capacity to and from New Jersey’s premier sports, retail, and entertainment destination.
- We expect to complete the Transitway’s design early in 2025, and construction is anticipated to take approximately 12 months – in plenty of time for the first match at MetLife.
- While continuing to deliver seamless transportation for some of the country’s biggest events at MetLife, we are looking to take our MetLife service to the next level by incorporating global best practices for the 2026 World Cup.
- To help get us there, we are leveraging many of the relationships we built up and strengthened during the pandemic.
- Throughout the pandemic, we worked extensively with transit peers across the country, and internationally, through our collaboration with the Northeast Corridor Commission, the American Public Transportation Association, or APTA, and UITP – the International Association of Public Transport.
- We also capitalized on and strengthened long-standing relationships with complementary institutions, like Rutgers University’s Center for Advanced Infrastructure and Transportation, or Rutgers CAIT.

- Now that the World Cup is on the horizon, we are ramping up collaboration with UITP and Rutgers CAIT, in particular, while coordinating everything first and foremost through the FIFA 2026 World Cup Host Committee.
- On the transit side, we are also collaborating with:
 - USDOT;
 - the Regional Plan Association;
 - and other key stakeholders to evaluate best practices, both nationally and internationally, to ensure that the transportation component of the games sets a new standard of excellence for a global event like the World Cup.
- Beyond these collaborative efforts, we are analyzing previous World Cup games – and other international-level events like the Olympics – in places like Paris, London, Seoul, South Africa, Qatar, Brazil, Germany, and France to determine “lessons learned” – what went right and what went wrong.
- We are also committed to ensuring this incredible opportunity brings sustained social, economic, cultural, and public transportation benefits to New Jersey, long after the World Cup’s final whistle has sounded.

CONCLUSION

- I’ll close with this – overall, our strategy for securing NJ TRANSIT’s short- and long-term financial stability and future growth is akin to a three-legged stool.
- The first leg is our ongoing internal analysis to identify efficiencies and maximize cost-savings and non-farebox revenues.
- The second leg is to solve for the immediate need for our FY25 operating budget gap of \$106.6 million dollars, which will be

achieved through our first fare increase since 2015 approved yesterday by our Board of Directors.

- The third leg, equally critical, is to solve the long-term funding needs for FY26 and beyond, which would be achieved by Governor Murphy's proposed Corporate Transit Fee to provide NJ TRANSIT with stable and predictable funding.
- This will not only maintain the status quo, but will allow us to plan for service expansion where demand is continuing to grow.
- As I hope you can see, or have indeed experienced firsthand, NJ TRANSIT has come a long way in six years.
- When I first addressed you in 2018, NJ TRANSIT was like the Titanic, on a collision course with disaster.
- At that time, I said turning around an organization as vast and complex as ours would take time – like turning around a battleship in the middle of the ocean.
- Today, through your support and the efforts of our talented and dedicated team, we have turned the battleship around – I would argue 180 degrees.
- While we've made substantial progress over the past six years – and we are a long way from where we were in 2018 – I want to reiterate that our journey to become the world's top transit system is far from over.
- To continue progressing on our course and accelerate going forward – long-term, sufficient, predictable, and dedicated funding is critical.
- To be clear, we still depend on – and are deeply grateful for – your support and the support of Governor Murphy.

- According to APTA, every dollar invested in public transit translates to five dollars in economic activity – that’s a sound investment by anyone’s standard.
- As I trust we have demonstrated, you can count on us to use it wisely, responsibly, and in the best interests of our customers and your constituents.
- **Chair Sarlo, Vice Chair Greenstein, Ranking Member O’Scanlon**, and members of the Committee: Thank you for your support, and thank you for your time today.
- Jackie and I are now happy to take any questions.