

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Richard T. Hammer, Commissioner
Steven H. Santoro, Executive Director



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TO: BOARD OF DIRECTORS
FROM: STEVEN H. SANTORO *Steven H Santoro*
DATE: JULY 12, 2017
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JULY 2017

This past Monday, our summer service changes went into effect to accommodate the Amtrak track work at Penn Station New York. For NJ TRANSIT, this was the culmination of weeks of preparation and outreach to our customers. It was critical to start this summer off on the right foot and by all accounts, we've done just that. During the first peak period of this operation, we safely transported an additional 87-hundred customers through Hoboken Terminal and onto ferries, buses and PATH trains. These past two days, our management team has been monitoring for areas of improvement, and making adjustments where we can. We still have a long way to go to reach September. We cannot be complacent with the early success we've seen and will continue to monitor the entire transit system to deploy our resources in the most effective manner throughout the summer.

I want to thank all of our employees for the hard work and dedication in coming up with the plan and putting it into operation. This truly has been a company wide effort. At some point, every employee will have played a role in this summer service plan, from front line employees to our support staff working behind the scenes. Every role has been critical in making this plan work. I want to thank all of our employee ambassadors who have been highly visible in their yellow vests assisting customers with their travel options. We've received a lot of positive feedback on the number of ambassadors we've had out in the field and credit goes to them for making an impact in improving the customer experience. We also need to recognize our regional transportation partners for the coordination in this multi-agency effort. We've been collaborating on a regional level to implement this plan.

I'd also like to extend my thanks to each and every customer. It's been clear that they took the time to do their homework and to have their travel plans ready. I think our outreach efforts really connected with customers to prepare them for the circumstances facing all of us. By having our customers well-versed in the available travel options, everything operates much more efficiently. Our hard work did not go unnoticed by our customers. I want to share with you a few comments we received through social media:

- ***"First day went smoothly"***
- ***"My NJ TRANSIT commute was so pleasant today"***
- ***"Train to/from Hoboken this AM/PM were both fine. Everything smooth"***
- ***"I think NJT did a great job today"***

Those are just a few of the many positive reviews we received. I want to stress, that we continue to monitor the situation, we continue to make adjustments as needed and there are still plenty of challenges ahead of us over the next eight weeks.

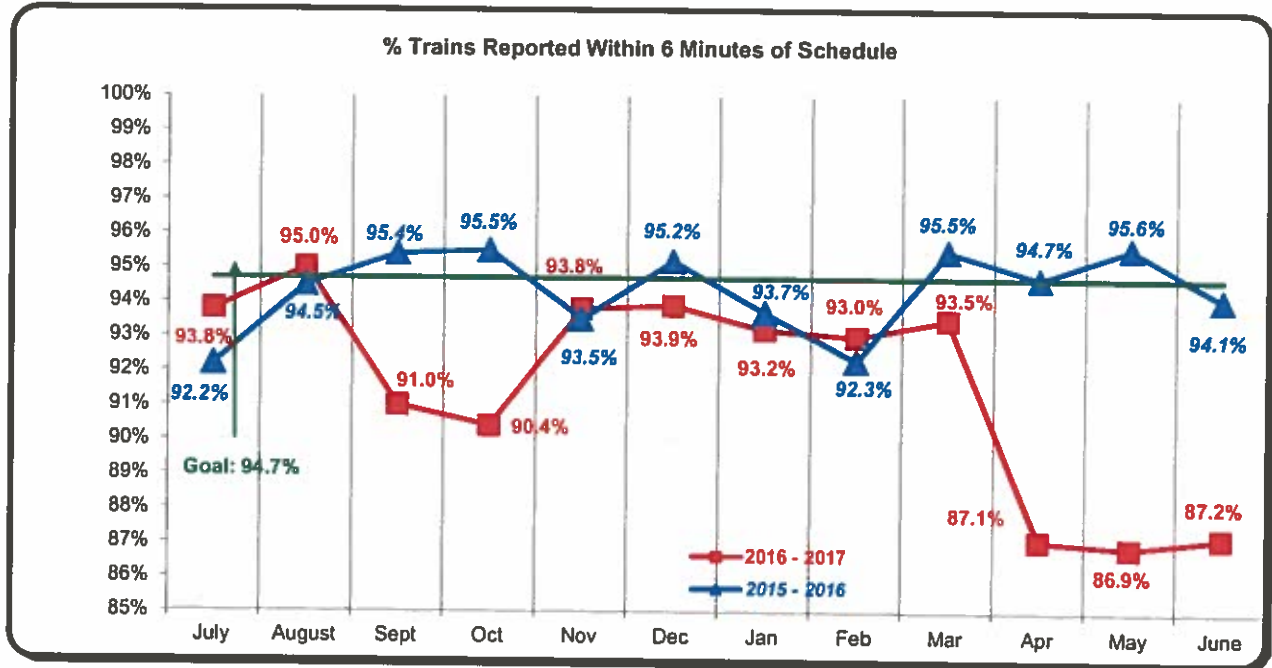
On the agenda for your consideration today are the operating budget and capital plans for Fiscal Year 2018. Since assuming the role of Executive Director last fall one of my priorities was not raise fares. With this budget plan we've been able to accomplish just that; keep fares stable for our customers while maintaining a balanced bottom line. The capital program continues to prioritize investment in infrastructure to maintain an overall state of good repair, enhance safety and reliability, and improve the overall customer experience on the system. We continue to meet our financial commitment to Positive Train Control. In addition, the capital plan invests 47-million dollars in rail station improvements at locations including Elizabeth, Cranford and Perth Amboy and 168-million in bus and light rail infrastructure improvements.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JUNE 2017

- 1. PERFORMANCE MEASURES**
- 2. MEAN DISTANCE BETWEEN FAILURES**
- 3. DBE/MBE PROGRAM**
- 4. EMPLOYEE RECOGNITION**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JULY 2015 - JUNE 2017



	2016	2017	# Change
June Comparison	94.1%	87.2%	-6.9%

	2015-2016	2016-2017	# Change
12-Month Average July 2015- June 2017	94.4%	91.6%	-2.8%

Analysis:

Rail On-Time Performance was 87.2% for June, 2017. Of the 18,186 trains scheduled to operate, 15,854 were on time, while 2,332 trains (or 12.8%) were delayed. Key causes included:

- Amtrak Track Failure, Amtrak Switch Failure, NJT Fatality and NJT Programmed Maintenance contributed to 157 delays resulting in 74.6% OTP on June 12.
- Amtrak Track Failure, Amtrak Signal, CR Tracksides Interference, NJT Diesel Failure and NJT Electric Locomotive Failure contributed to 97 delays resulting in 83.6% OTP on June 21.
- Amtrak Track Failure, Amtrak Preference, Amtrak Power Interruption, NJT Coach Failure, NJT Shortage of Equipment and NJT Heavy Travel contributed to 121 delays resulting in 80.3% OTP on June 29.

The 12-month average for Rail On-Time Performance July, 2016 - June, 2017 was 91.6%, which has declined by 2.8%.

RAIL
Current Reporting Period

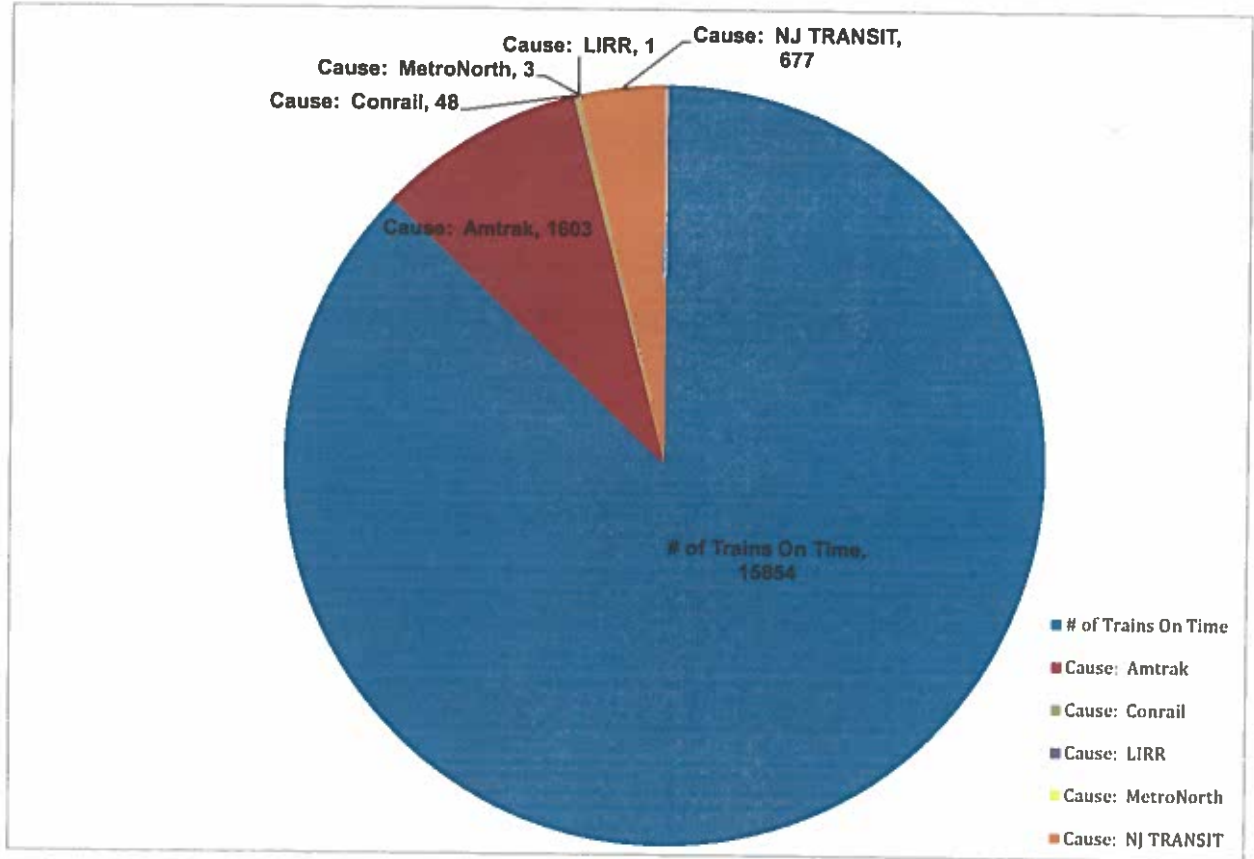
RAIL

Month	2016-2017	2015-2016	Goal
July	93.8%	92.2%	94.7%
August	95.0%	94.5%	94.7%
Sept	91.0%	95.4%	94.7%
Oct	90.4%	95.5%	94.7%
Nov	93.8%	93.5%	94.7%
Dec	93.9%	95.2%	94.7%
Jan	93.2%	93.7%	94.7%
Feb	93.0%	92.3%	94.7%
Mar	93.5%	95.5%	94.7%
Apr	87.1%	94.7%	94.7%
May	86.9%	95.6%	94.7%
June	87.2%	94.1%	94.7%

1098.8% 1132.2%
91.6% 94.4%

NJ TRANSIT Performance - June, 2017

		Late NJ TRANSIT Trains				
		Cause: Amtrak	Cause: Conrail	Cause: LIRR	Cause: MetroNorth	Cause: NJ TRANSIT
# of Trains On Time	15,854	1,603	48	1	3	677
# of Late Trains	2,332	8.81%	0.26%	0.01%	0.02%	3.72%
Total # of Trains	18,186					
Percentage On Time	87.20%					

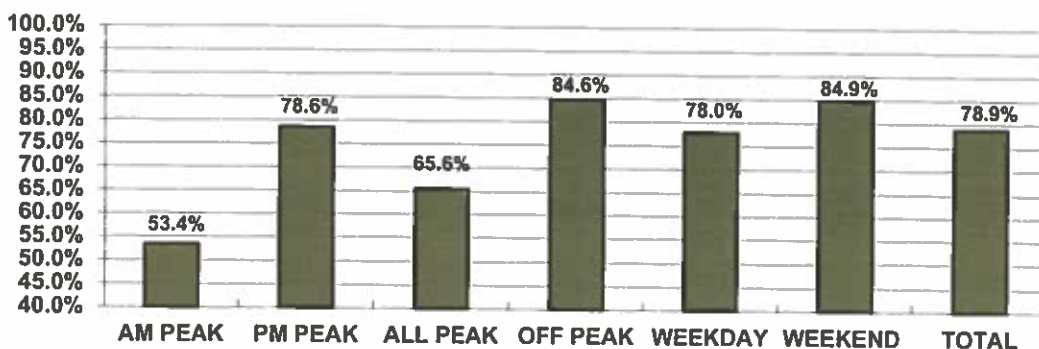


ON-TIME PERFORMANCE RAIL

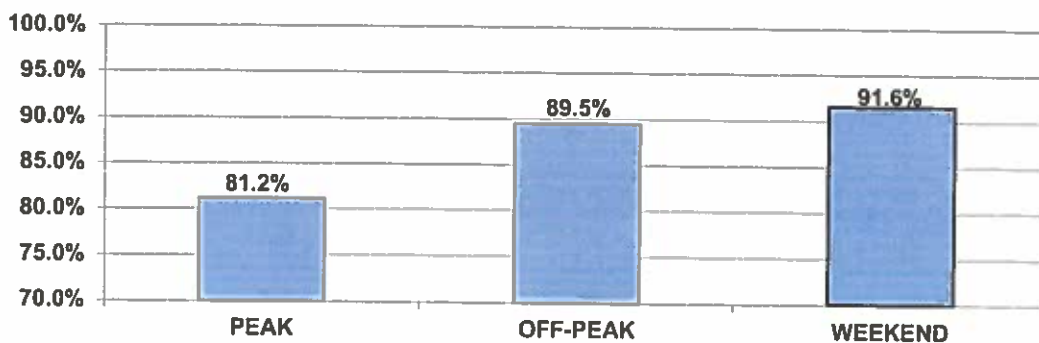
SUMMARY BY TIME PERIOD JUNE 2017

* NOTE: A train is reported late if it arrives at its final station stop more than 5:59 later than the advertised schedule.

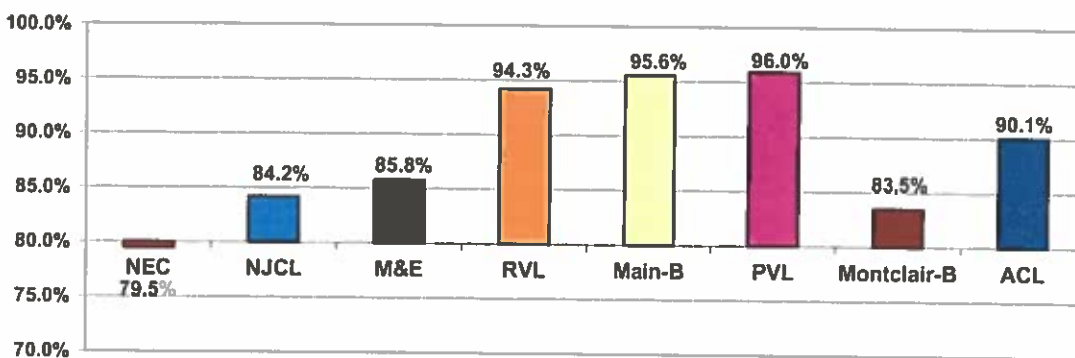
% NEW YORK PENN STATION Trains Reported On Time *



% SYSTEMWIDE Trains Reported On Time

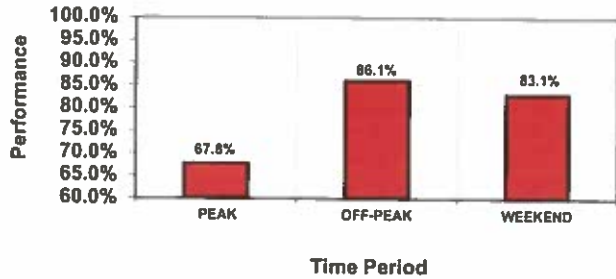


% BY LINE Trains Reported On Time

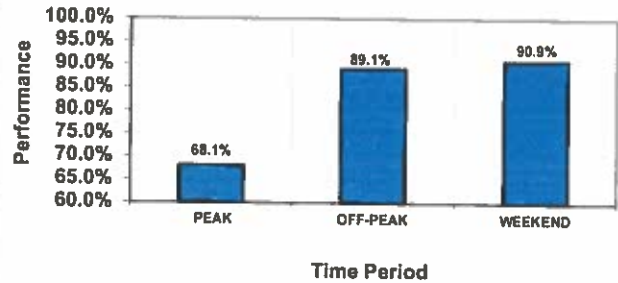


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JUNE 2017

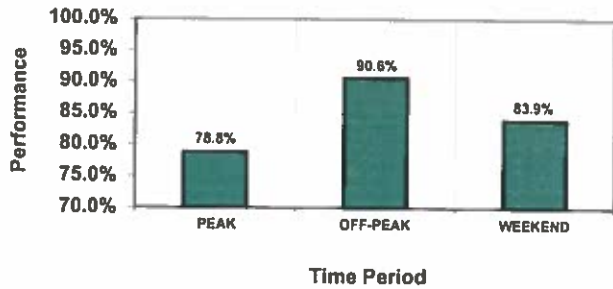
NORTHEAST CORRIDOR



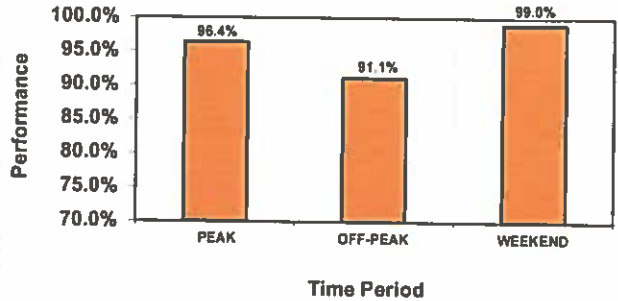
NORTH JERSEY COAST LINE



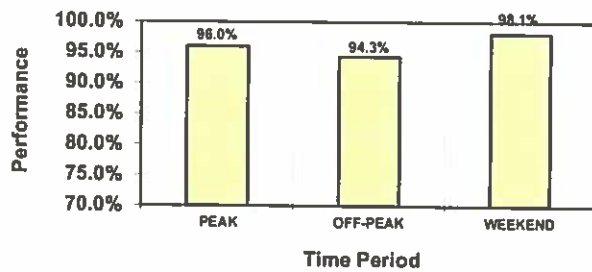
MORRIS & ESSEX



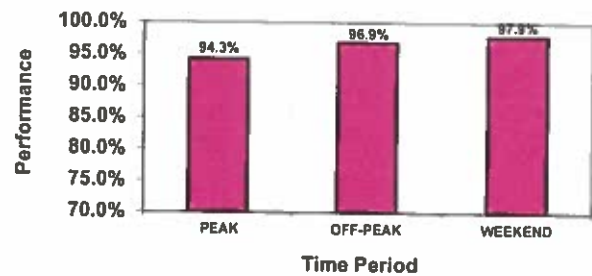
RARITAN VALLEY LINE



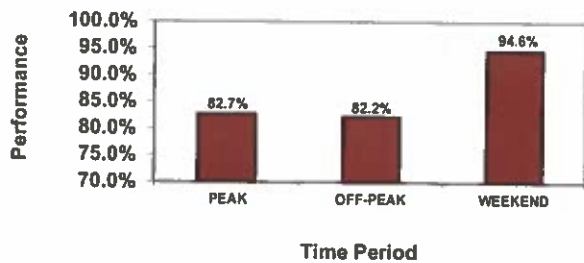
MAIN-BERGEN



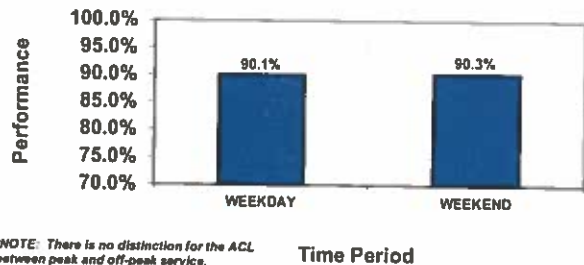
PASCACK VALLEY



MONTCLAIR-BOONTON



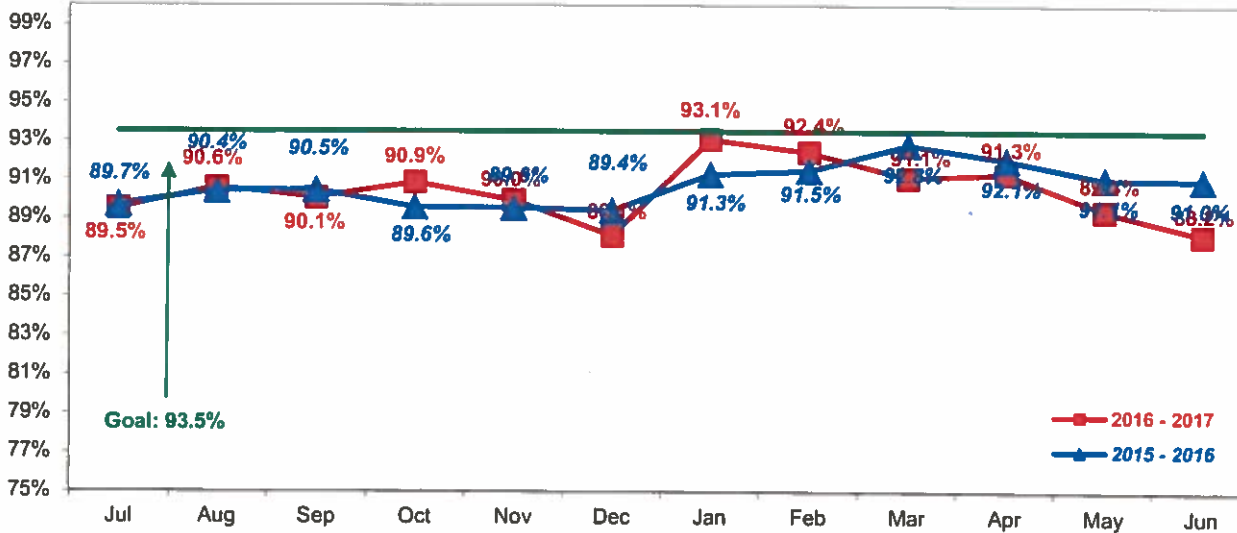
ATLANTIC CITY*



*NOTE: There is no distinction for the ACL between peak and off-peak service.

NJ TRANSIT ON-TIME PERFORMANCE BUS JULY 2015 - JUNE 2017

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2015 - 2016	2016 - 2017	% Change
June Comparison	91.0%	88.2%	-2.8%

	2015 - 2016	2016 - 2017	% Change
12-Month July 2015 - June 2017	90.7%	90.4%	-0.3%

Analysis:

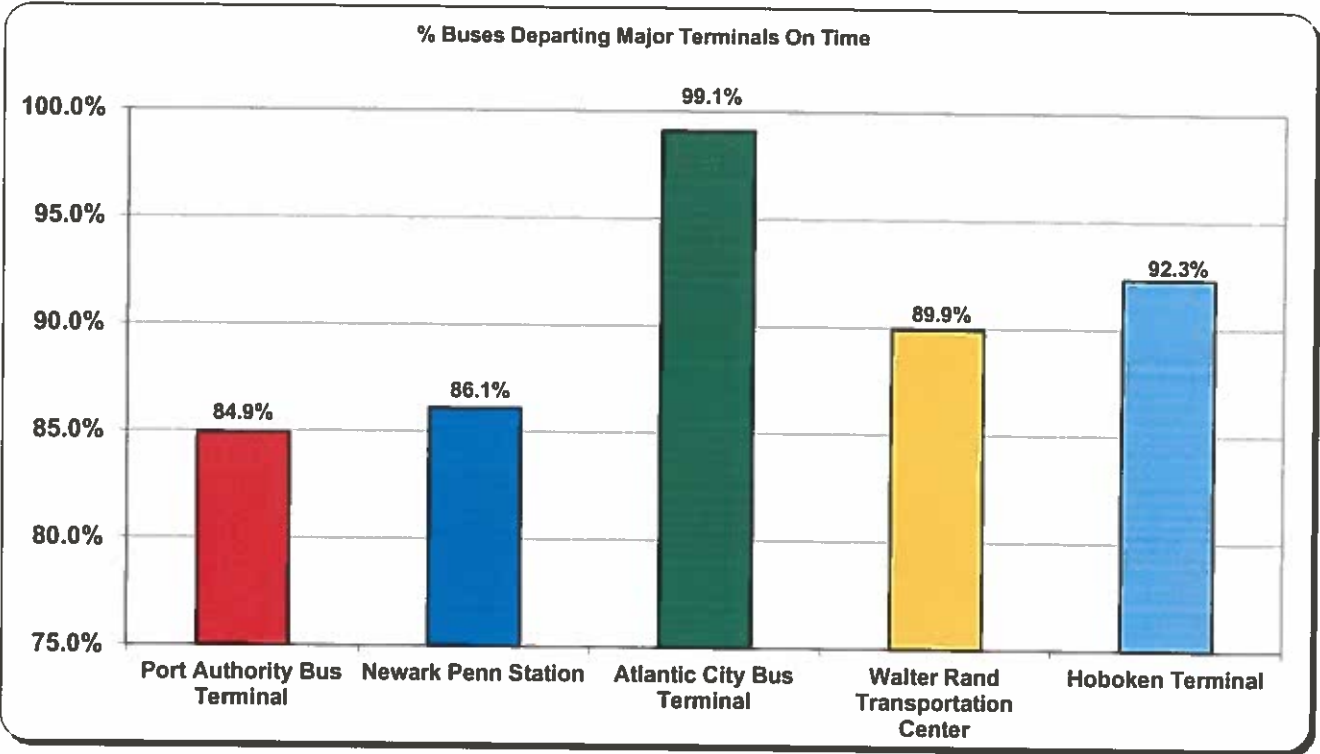
Bus On-Time Performance was 88.2% for June 2017. Of the 45,836 monitored departures, 5,400 (or 11.8%) experienced delays. Key causes included:

- Performance at Port Authority Bus Terminal was impacted by gridlocks blocking the entrance on June 9 and 15. Passengers departing early for the holiday caused delays and crowding on June 30.
- In Newark, Ferry Street was closed on June 9 for the Portuguese Parade and Festival.
- Construction on Washington Street in Hoboken, an 18 month project, continues to impact performance at Hoboken.

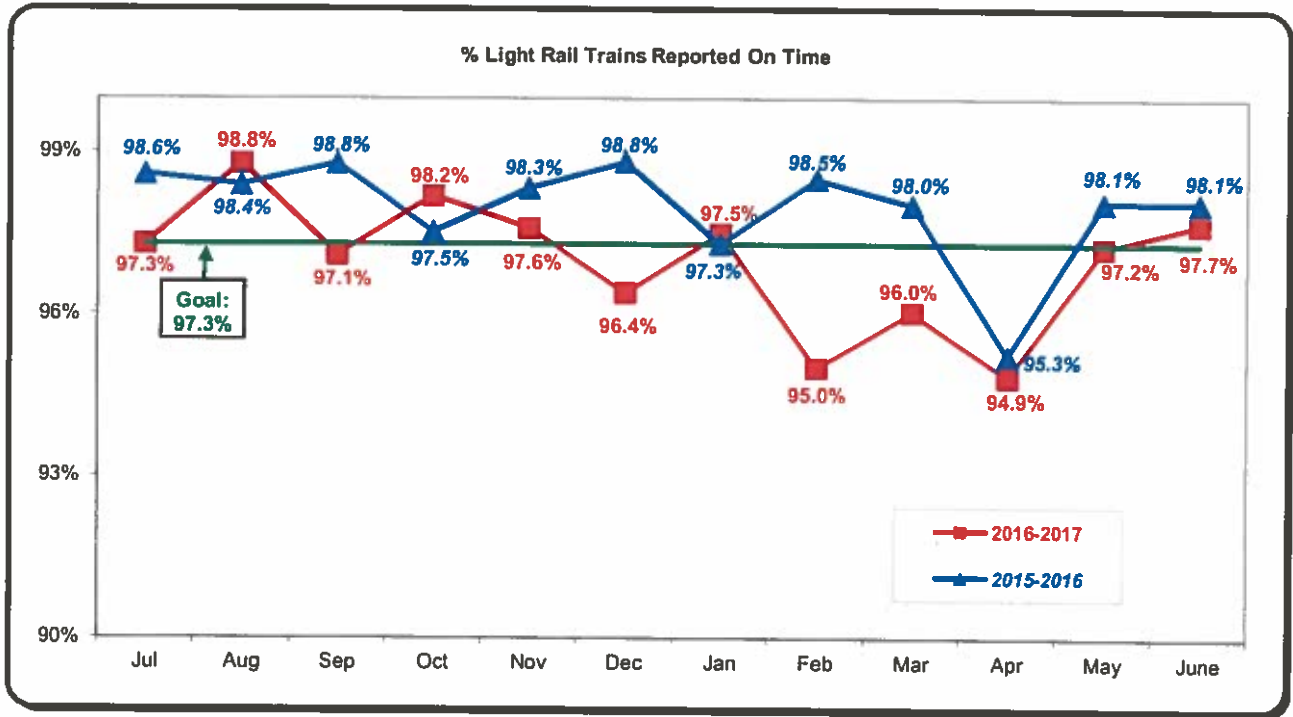
The 12-month average for Bus On-Time Performance for July 2016 - June 2017 was 90.4%, which was down by 0.3% from the previous year.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JUNE 2017



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL JULY 2015 - JUNE 2017



	2016	2017	# Change
June Comparison	98.1%	97.7%	-0.4%

	2016	2017	# Change
12-Month Average Ended June 2016 & June 2017	98.0%	97.0%	-1.0%

Analysis:

Light Rail On-Time Performance systemwide was 97.7% for the month of June 2017. Of the 27,056 scheduled departures, 624 (or 2.3%) experienced delays.

Key causes included:

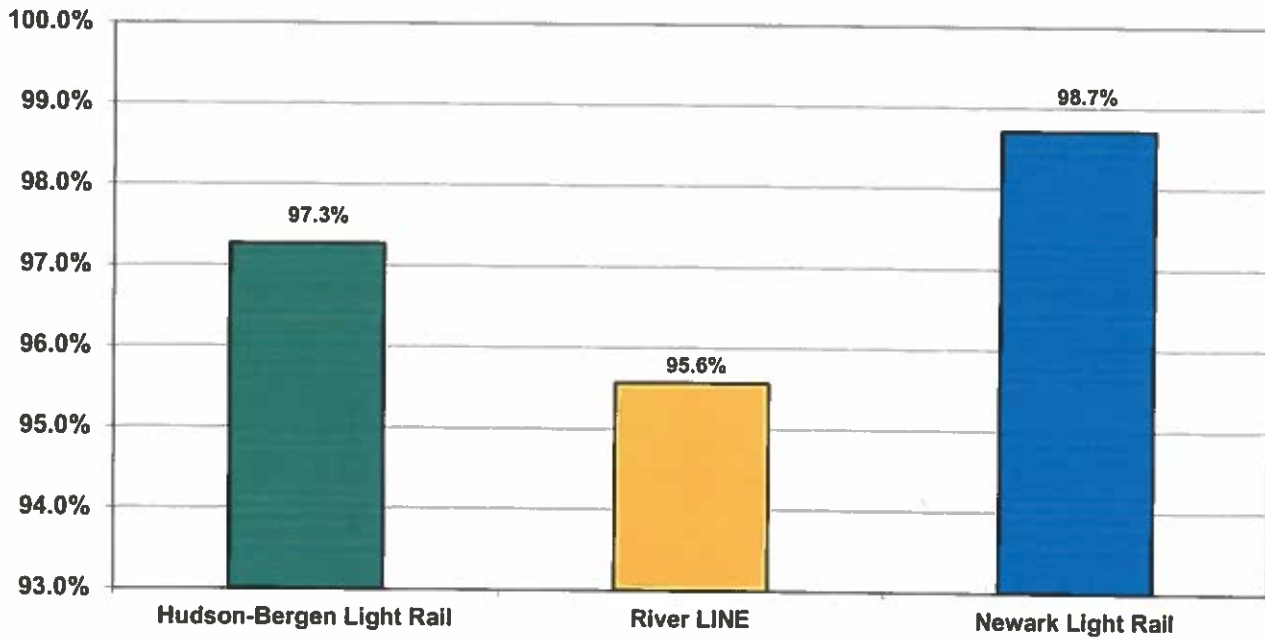
- Police activity delayed 27 Hudson-Bergen Light Rail trains on Monday, June 19.
- Police activity north of Bordentown delayed 16 River LINE trains on Wednesday, June 21.
- Mechanical faults on an LRV delayed 28 Newark Light Rail trains on Tuesday, June 13.

The 12-month average for Light Rail On-Time Performance for July 2016 - June 2017 was 97.00%, which decreased by 1.0% compared to July 2015 to June 2016.

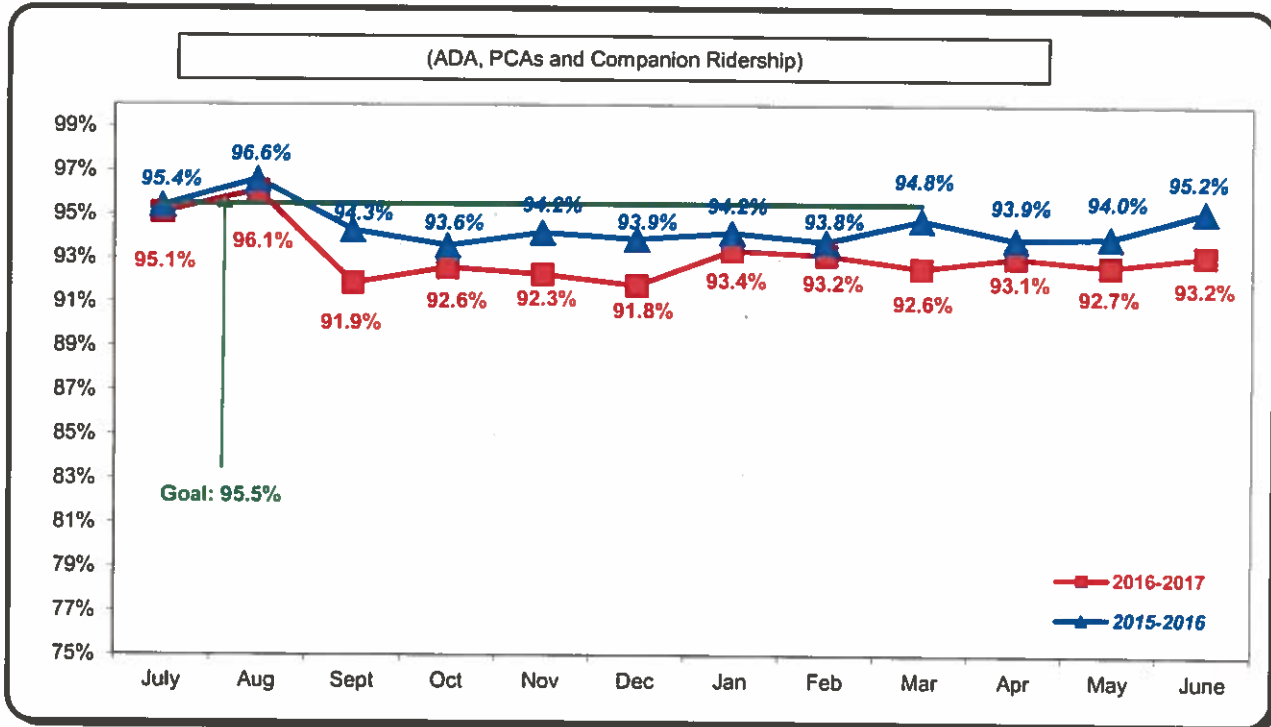
ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE MAY 2017

% Light Rail Trains Reported On Time



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK July 2015 - June 2017



	2016	2017	% Change
June Comparison	95.2%	93.2%	-2.0%

	2016	2017	Difference
June Ridership	133,465	139,782	6,317

	2015-2016	2016-2017	% Change
12-Month Average July-June	94.5%	93.2%	-1.3%

Analysis:

Access Link On-Time Performance was 93.2% for June 2017. In serving 139,782 total riders, for 126,975 ADA customers trips, 8,583 (or 6.8%) experienced delays.

Key causes include:

- * Traffic congestion/ higher volume due to school graduation ceremonies
- * Customer cancellation & No-shows

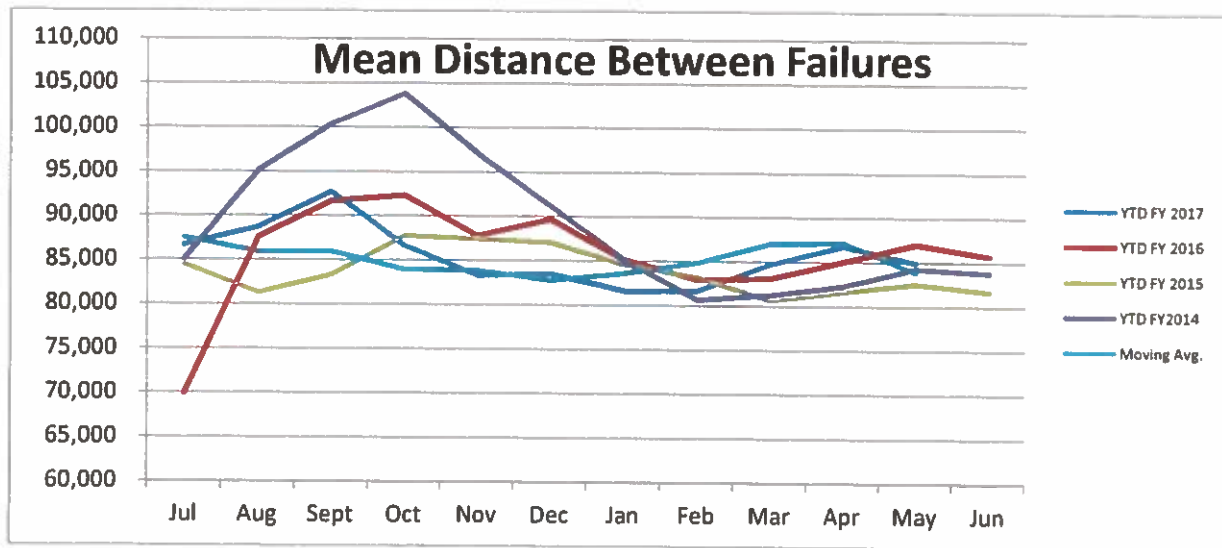
The 12-month average for Access Link On-Time Performance for July 2016 - June 2017 was 93.9%, which decreased by 1.3%.

MEAN DISTANCE BETWEEN FAILURES

May 2017

NJ Transit Rail
Mean Distance Between Failures

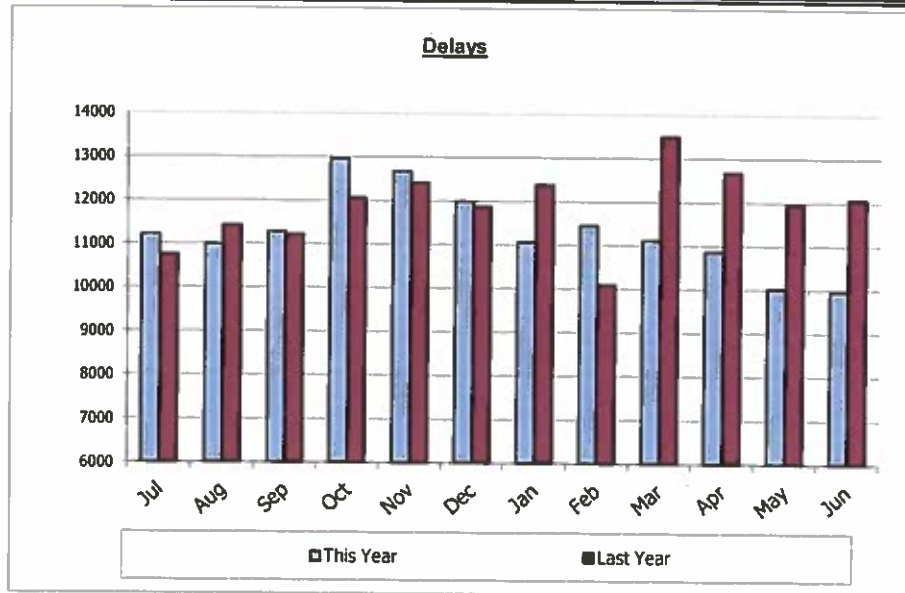
Month	YTD FY2017	YTD FY2016	YTD FY2015	YTD FY2014	12 Month Moving Avg.
Jul	86,683	69,926	84,508	85,097	87,513
Aug	88,680	87,565	81,319	95,116	85,898
Sept	92,705	91,669	83,368	100,341	85,954
Oct	86,626	92,329	87,750	103,813	83,937
Nov	83,272	87,756	87,434	97,112	83,870
Dec	83,501	89,655	87,042	91,128	82,753
Jan	81,633	85,167	84,607	85,161	83,609
Feb	81,639	82,949	83,179	80,639	84,826
Mar	84,715	83,112	80,659	81,229	87,026
Apr	86,771	85,060	81,649	82,293	87,172
May	84,920	87,022	82,566	84,237	83,826
Jun	-	85,722	81,704	83,798	-



Garage Performance Parameters

June 2017

Location	Miles Between In-Service Delays			
	FY2017 Goal	This Month	FY2017 YTD	FY2016 YTD
Fairview	7,000	4,838	5,614	6,346
Greenville	9,900	7,577	6,276	6,640
Market Street	9,500	6,690	8,193	8,222
Meadowlands	11,500	5,803	7,180	8,389
Oradell	13,500	6,946	9,077	10,803
Wayne	12,500	9,322	11,956	11,908
Northern Division	-	6,881	8,368	9,173
Big Tree	9,600	8,473	9,142	8,081
Hilton	10,500	10,572	10,241	11,019
Howell	16,750	33,034	35,264	34,010
Ironbound	9,800	10,765	10,119	10,724
Orange	10,200	7,396	9,279	9,450
Morris	10,500	48,377	47,394	44,096
Central Division	-	12,460	13,057	13,309
Egg Harbor	16,500	21,215	16,010	15,632
Hamilton	20,000	13,469	17,151	22,659
Newton Avenue	15,700	11,193	13,949	14,002
Washington Twp.	14,500	11,686	13,137	13,102
Southern Division	-	14,068	14,677	14,919
Bus Operations	-	9,963	11,224	11,811

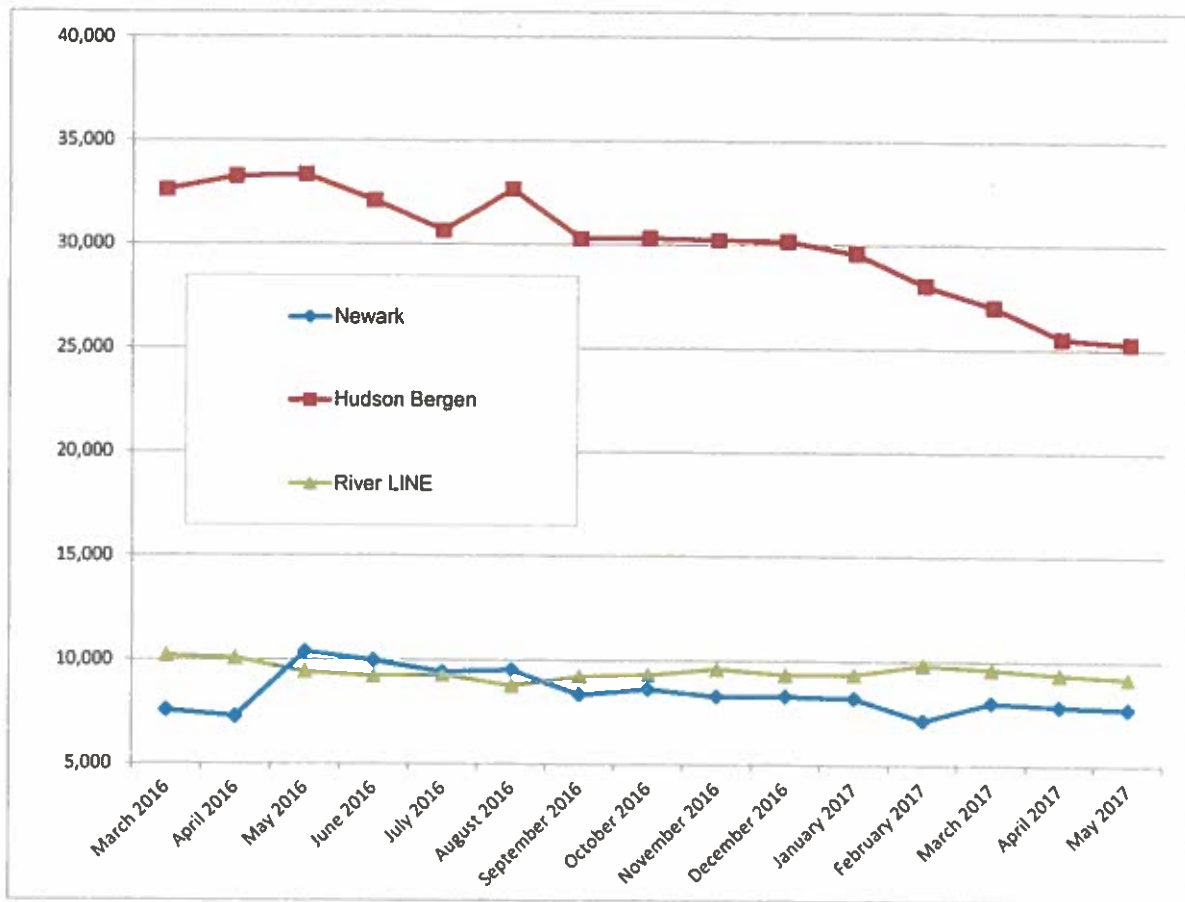


NJ TRANSIT - LIGHT RAIL, May 2017

Average Miles Between In Service Failures

NJT LIGHT RAIL	MDBSF * May 2017
Newark Light Rail	7,725
Hudson Bergen	25,302
River LINE	9,195

AVERAGE MILES BETWEEN IN-SERVICE MECHANICAL FAILURES



* Mechanical failure data for 3 LR systems, calculated as a rolling average over multiple months.

** Newark Light Rail operates much less mileage, with all single-car trains and a 5 mile alignment.

DBE/SBE PROGRAM

NJ TRANSIT –Office of Business Development Additional DBE/SBE Participation for June 2017

State Funded Contracts

During the month of June 2017, NJ TRANSIT awarded **\$1,269,124.04** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$0.00** or **0.00%**.

During the State Fiscal Year **2017** (July 1, 2016 through June 30, 2017) NJ TRANSIT awarded **\$23,180,220.34** in state funded contracts. Of that total, SBEs received **\$5,548,536.38** or **23.94%**.

SBE Goal Attainment from July 1, 2016 through June 30, 2017 (FY 2017)

Category 1 SBEs received	\$120,000.00	or 0.52%
Category 2 SBEs received	\$35,000.00	or 0.15%
Category 3 SBEs received	\$780,515.61	or 3.37%
Category 4 SBEs received	\$2,379,000.00	or 10.26%
Category 5 SBEs received	\$1,811,070.77	or 7.81%
Category 6 SBEs received	\$422,950.00	or 1.82%

FTA Funded Contracts (updated Quarterly – next update will occur October 2017)

During the 3rd Quarter (April 1, 2017 – June 30, 2017) of Federal Fiscal Year 2017 (October 1, 2016 through September 30, 2017), the FTA funded share of NJ TRANSIT's federal contracts awarded was **\$0.00**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$0.00** or **0.00%**.

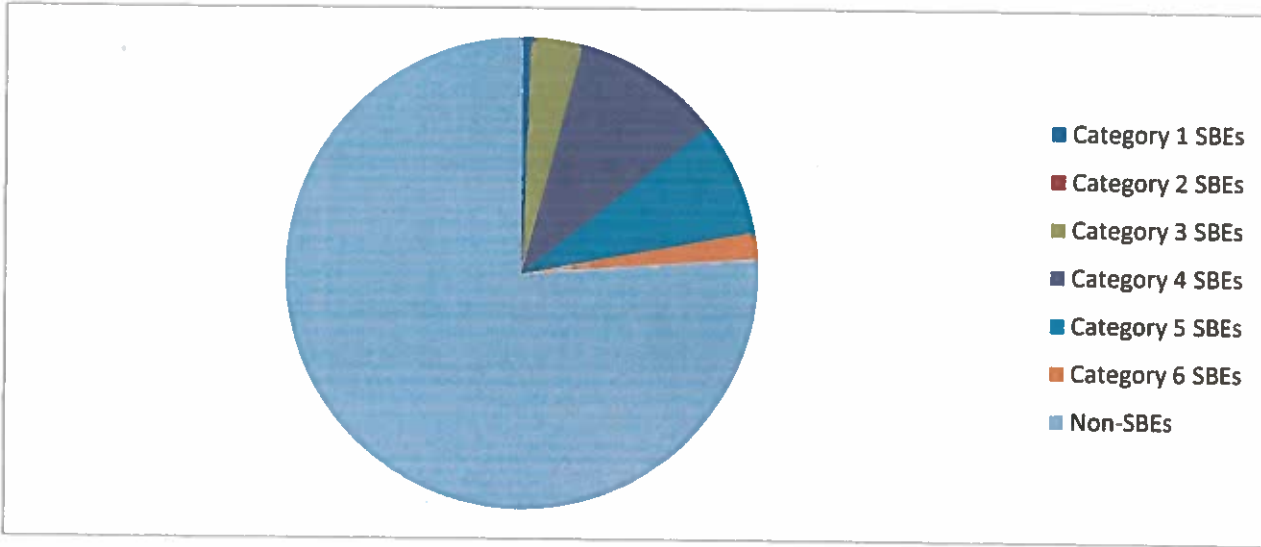
DBE Goal Attainment from October 1, 2016 (FFY 2016) - September 30, 2019 (FFY 2017) **

Contracts awarded	\$4,154,686.25
DBEs received	\$ 536,795.00 or 12.92%

***Numbers reflect federal share.*

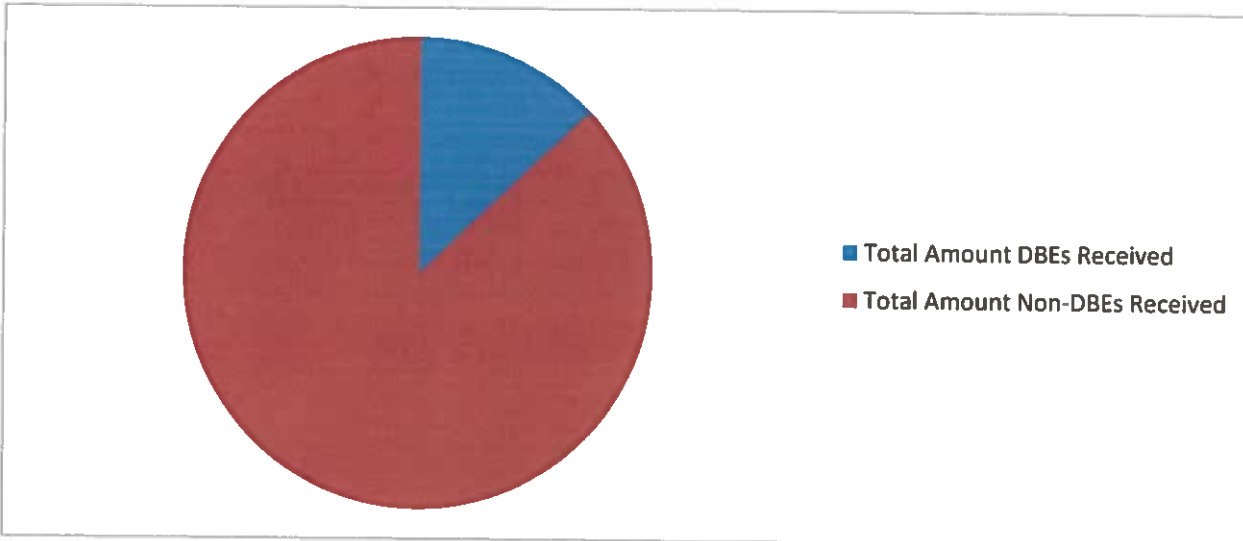
SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2017

<i>Category 1 SBEs</i>	\$120,000.00	0.52%
<i>Category 2 SBEs</i>	\$35,000.00	0.15%
<i>Category 3 SBEs</i>	\$780,515.61	3.37%
<i>Category 4 SBEs</i>	\$2,379,000.00	10.26%
<i>Category 5 SBEs</i>	\$1,811,070.77	7.81%
<i>Category 6 SBEs</i>	\$422,950.00	1.82%
<i>Non-SBEs</i>	\$17,631,683.96	0.00%



DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2017-2019

Total Amount DBEs Received	\$536,795.00	12.92%
Total Amount Non-DBEs Received	\$3,617,891.25	87.08%



EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Twelve NJ TRANSIT employees retired recently with careers ranging from 14 to 47 years of service:

1. Paul Connelly, Locomotive Engineer – Various – 45 years
2. Robert Dangiollillo, Conductor – Various – 47 years
3. Zer Florentino, Locomotive Engineer – Various – 23 years
4. Selwyn Gorrick, Mechanic B&B – Newark Penn – 30 years
5. James Kenney, Robing Bridge Operator – HQ – 39 years
6. Patrick McGuire, Asst. Superintendent Mechanical, Rail – Penn Station New York – 42 years
7. Steven Mendez, Maintainer – South Amboy – 39 years
8. William Powell, Conductor – Various – 22 years
9. Ronald Roussell, Senior Manager Stations – Newark Penn Station – 39 years
10. John Rybczynski, Supervisor Structures – Red Bank, 41 years
11. Kenneth Targonski, Trackman – Newark Broad Street – 30 years
12. Jan Wilder, Assistant Conductor – Various – 14 years