

current inmates who are incarcerated primary caretaker parents and assist these inmates with reentry efforts.

SUBCHAPTER 21. ADMISSION, SEARCH, ORIENTATION, PROPERTY CONTROL, AND RELEASE

10A:31-21.1 Written policies and procedures regarding newly admitted inmates

(a) Staff at each adult county correctional facility shall develop and **maintain** written policies and procedures regarding the admission of new inmates which include, but are not limited to:

1.-15. (No change.)

10A:31-21.5 Electronic communication device possession, telephone use, and calls

(a)-(c) (No change.)

(d) The possession or use of an **unapproved** electronic communication device[, as defined at N.J.A.C. 10A:31-1.3,] by an inmate confined in an adult county correctional facility is prohibited. **Based upon availability of equipment, network technology, and capacity, limited use of tablets and/or kiosks may be available for inmate use in some, but not necessarily all, county correctional facilities. All inmates shall verify availability for the correctional facility where they are assigned. No other electronic devices are permitted.** Any such violation is considered major and shall be referred to the prosecutor, in accordance with N.J.S.A. 2C:29-10, and the inmate shall be subject to disciplinary action and sanctions pursuant to N.J.A.C. 10A:31-16.

SUBCHAPTER 25. WORK AND VOCATIONAL TRAINING RELEASE PROGRAM

10A:31-25.1 Authority

N.J.S.A. 30:8-44 authorizes the operation of a county Work Release Program for inmates to participate in employment, a vocational training course, or to care for the offender's family in the counties in which the governing body or [Board of Freeholders] **county board of commissioners** has approved the establishment of this type of program(s).

10A:31-25.4 Responsibility for designating a County Work Release Administrator

(a) Upon adoption of a resolution to implement a Work Release Program, the governing body of the county or the [County Board of Freeholders] **county board of commissioners** shall designate a County Work Release Administrator who may be the Sheriff, adult county correctional facility Administrator, or other persons who shall be responsible for administering the Work Release Program.

(b) The governing body or [Board of Freeholders] **county board of commissioners** shall promptly notify the Commissioner of the Department of Corrections of the action and name of the designated County Work Release Administrator.

10A:31-25.20 Quarterly report

(a) The County Work Release Administrator shall be responsible for preparing a quarterly report (Form CWR-9 Quarterly Report of Work Release) which shall be submitted to the [County Board of Freeholders] **county board of commissioners** and the New Jersey Department of Corrections.

(b) (No change.)

(c) The quarterly report shall also [contain] **include** other statistical information on the Work Release Program and facts as may be requested by the governing body of the county or the [County Board of Freeholders] **county board of commissioners** and the New Jersey Department of Corrections.

SUBCHAPTER 26. INMATE SERVICES AND PROGRAMS

10A:31-26.1 Social Services Program

(a)-(b) (No change.)

(c) **In accordance with the provisions of the Dignity Act, N.J.S.A. 30:6B-9, county correctional facilities shall provide parenting classes and trauma informed care to primary caregiver parents. In addition,**

correctional police officers shall be trained on how to interact with inmates that are victims of trauma.

Recodify existing (c)-(e) as (d)-(f) (No change in text.)

(g) **The chief executive officer or warden of each county correctional facility shall establish policies that encourage and promote visitation, particularly for inmates who are primary caretaker parents, consistent with N.J.S.A. 30:1B-6.9, including, but not limited to:**

1. Providing parenting classes for inmates who are primary caretaker parents; and

2. Providing trauma informed care to inmates who are primary caretaker parents and train correctional police officers on how to interact with inmates who are victims of trauma.

10A:31-26.4 Recreation and Leisure Time Activities Program

(a)-(b) (No change.)

(c) All inmates, except those [in disciplinary detention] **whose privilege(s) to participate in leisure time activities have been suspended as a disciplinary sanction for a violation of the rules,** shall be provided with the opportunity to participate in leisure time activities on a daily basis. Such leisure time activities may include, but are not limited to:

1.-2. (No change.)

3. Playing cards; [and]

4. Initiating and completing arts and crafts projects[.]; **and**

5. When available, use of other facility-approved technology for access to approved books, music, games, video services, and/or email.

(d) (No change.)

(e) Inmates shall be given the opportunity to participate in a minimum of [one] **two** hours of physical exercise and recreation each day outside the living unit.

(f) (No change.)

10A:31-26.5 Library Program

(a)-(d) (No change.)

(e) Library resources may be supplemented by local, regional, and State libraries **and, when available, use of other facility-approved technology for access to library resources.**

(f) (No change.)

SUBCHAPTER 27. VOLUNTEER SERVICE PROGRAM

10A:31-27.6 Volunteer photo identification and data files

(a) A system for maintaining a volunteer identification and data file shall be developed **and maintained**, which may include, but is not limited to:

1.-7. (No change.)

INSURANCE

(a)

DEPARTMENT OF BANKING AND INSURANCE OFFICE OF LIFE AND HEALTH

**Advertisement of Life Insurance and Annuities;
Disclosure Requirements for Annuities Directly
Solicited to Consumers; and Suitability
Requirements for Annuities Directly Solicited to
Consumers**

**Notice of Proposed Substantial Changes Upon
Adoption to Proposed Amendments**

**Proposed Changes: N.J.A.C. 11:4-59A.1, 59A.2,
59A.3, 59A.4, and 59A.6 and 11:4-59A Appendices
A, B, and C**

Proposed: September 3, 2024, at 56 N.J.R. 1773(a).

Authorized By: Justin Zimmerman, Commissioner, Department of Banking and Insurance.

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, 17:22A-26 et seq., 17B:25-34 et seq., and 17B:30-1 et seq.

Submit comments by March 22, 2025, to:

Denise M. Illes, Chief
Office of Regulatory Affairs
New Jersey Department of Banking and Insurance
20 West State Street
PO Box 325
Trenton, NJ 08625-0325
Fax: (609) 292-0896
Email: rulecomments@dobi.nj.gov

Take notice that the Department of Banking and Insurance (Department) proposed amendments at N.J.A.C. 11:4-59A.1, 59A.2, 59A.3, and 59A.4 on September 3, 2024, at 56 N.J.R. 1773(a), to reflect recent revisions to the National Association of Insurance Commissioners (NAIC) Suitability in Annuity Transactions Model Regulation #275 (Model Regulation). The Model Regulation establishes a framework for an enhanced standard of conduct and ensures that insurance producers are properly educated about the updated standard.

The Department is proposing several substantial changes to the proposed amendments in response to comments received. A summary of the comments that prompted changes, and the agency response to those, is provided below. This notice of proposed substantial changes is published pursuant to N.J.S.A. 52:14B-4.10.

Comments were received from Pam Heinrich, General Counsel and Director of Government Affairs, National Association for Fixed Annuities (NAFA); Kim O'Brien, CEO, Federation of Americans for Consumer Choice, Inc. (FACC); Sarah Wood, Director of State Policy and Regulatory Affairs, Insured Retirement Institute (IRI); Michael Manginelli, President, National Association of Insurance and Financial Advisors—New Jersey (NAIFA-NJ); Vincent J. Ryan, Regional Vice President—State Relations, American Council of Life Insurers (ACLI); and Brian Quigley, Vice President of Government Affairs, Prudential-Financial Inc. (Prudential).

N.J.A.C. 11:4-59.2

1. COMMENT: The proposed definition of “consumer profile information” provides for consideration of “[A]ny other factors set forth at N.J.S.A. 17B:25-38b not referenced or subsumed in the factors set forth at 1 through 14 above.” The inclusion of this factor is not consistent with the Model Regulation. The Department should remove this factor from the proposed definition of “consumer profile information.”

RESPONSE: The Department does not agree that the suggested change to the definition of “consumer profile information” is necessary. The additional factor in the proposed regulation cites to N.J.S.A. 17B:25-38b, which concerns annuity suitability standards that also apply to producers. The inclusion of this additional factor serves to remind producers that they must also comply with N.J.S.A. 17B:25-38b.

2. COMMENT: The proposed definition of “recommendation” should be amended to include advice that was intended to, or does, result in the purchase, exchange, or replacement of an annuity in accordance with that advice, consistent with the definition set forth in the Model Regulation.

RESPONSE: The Department agrees that the suggested change should be made to the definition of “recommendation.” Expanding the definition to include recommendations that were intended to result in a purchase, exchange, or replacement of an annuity aligns the Department’s rules with the Model Regulation and allows the Department to exercise the intended oversight.

3. COMMENT: The proposed definition of “replacement” should be amended to use the term “annuity” in lieu of the term “policy or contract,” consistent with the Model Regulation.

RESPONSE: The Department does not agree with the suggested change to the definition of “replacement.” The definition of “replacement” in the existing rule includes an annuity since an annuity is a contract pursuant to N.J.S.A. 17B:17-5. The Department notes that the existing definition of “replacement” reflects the NAIC’s Life Insurance and Annuities Replacement Model Regulation (#613).

N.J.A.C. 11:4-59A.3

4. COMMENT: One commenter stated that N.J.A.C. 11:4-59A.3(a) should be amended to include “the following” before “obligations regarding care, disclosure, conflict of interest, and documentation”, which is consistent with the Model Regulation. Another commenter stated that N.J.A.C. 11:4-59A.3(a) should be amended to add “set forth in (b), (c), (d), and (e) below” after “obligations regarding care, disclosure, conflict of interest, and documentation.”

RESPONSE: The Department agrees that “the following” should be added to be consistent with the Model Regulation. Moreover, the Department agrees that “set forth at (b), (c), (d), and (e) below” should also be added. These changes do not substantively modify the proposed rule.

5. COMMENT: Proposed N.J.A.C. 11:4-59A.3(c) provides that a producer shall provide a consumer with a completed Insurance Agent (Producer) Disclosure for Annuities Form. Several commenters suggested that the Department incorporate the NAIC’s Appendix A into the proposed regulation as an appendix or change the regulation to explicitly reference the NAIC Model Regulation form.

RESPONSE: The Department agrees with the suggested change and has incorporated the NAIC Model Regulation form as N.J.A.C. 11:4-59A Appendix A, while also permitting the use of a substantially similar form.

6. COMMENT: Proposed N.J.A.C. 11:4-59A.3(e) provides that a producer, at the time of recommendation or sale, obtain a consumer signed Consumer Refusal to Provide Information Form, which shall document a consumer’s refusal to provide the consumer profile information, if any; and a consumer’s understanding of the ramifications of not providing his or her consumer profile information or providing insufficient consumer profile information. Several commenters expressed that the Department incorporate the NAIC’s Appendix B into the proposed regulation as an appendix or change the regulation to explicitly reference the NAIC Model Regulation form.

RESPONSE: The Department agrees with the suggested change and has incorporated the NAIC Model Regulation form as N.J.A.C. 11:4-59A Appendix B, while also permitting the use of a substantially similar form.

7. COMMENT: Proposed N.J.A.C. 11:4-59A.3(e)3 provides that a producer, at the time of a recommendation or sale, shall obtain a consumer signed Consumer Decision to Purchase an Annuity Not Based on a Recommendation Form, acknowledging the annuity transaction is not recommended if a consumer decides to enter into an annuity transaction that is not based on the producer’s recommendation. Several commenters expressed that the Department should incorporate the NAIC’s Appendix C into the proposed regulation as an appendix or change the regulation to explicitly reference the NAIC Model Regulation form.

RESPONSE: The Department agrees with the suggested change and has incorporated the NAIC Model Regulation form as N.J.A.C. 11:4-59A Appendix C, while also permitting the use of a substantially similar form.

8. COMMENT: Several commenters expressed concern over the use of the word “suitable” and “suitability” at N.J.A.C. 11:4-59A.3(i)5, as this reference is a vestige of the older “suitability” standard, which the NAIC is seeking to do away with in favor of the enhanced best interest standard for annuity transactions. One commenter suggested replacing “suitable” with a reference to proposed subsections (a) through (e), (g), (k), and (l). One commenter suggested replacing “suitable” with a reference to proposed subsections (a) through (e). One commenter did not specify specific subsections to reference. One commenter suggested replacing “suitable” with a reference to subsections (a) through (g), (k), and (l).

RESPONSE: The Department agrees that reference to “suitable” and “suitability” should be deleted from N.J.A.C. 11:4-59A.3(i)5. The Department is proposing the addition of a cross-reference to subsections (a) through (g), (k), and (l), which set forth the obligations that must be met to satisfy the enhanced best interest standard, transactions not based on a recommendation, prohibited practices, and safe harbor protections consistent with the Model Regulation. In addition, the Department is proposing the addition of the phrase “required information,” removing any references to the previous standard. The Department’s changes to this provision do not limit the Department’s oversight or what is intended by the Model Regulation.

N.J.A.C. 11:4-59A.4

9. COMMENT: Several commenters proposed amendments to N.J.A.C. 11:4-59A.4(c), which requires insurance producers who held a life insurance line of authority on February 4, 2013 and desired to sell annuities complete certain insurance producer training obligations by August 4, 2013, while also requiring that an individual who wishes to obtain a life insurance line of authority on or after February 4, 2013 may not engage in the sale of annuities until an annuity training course is completed. The commenters seek to remove references to February 4, 2013 date and replace it with a reference to the effective date of this rulemaking and references to August 4, 2013 with a date six months after the effective date of this rulemaking.

RESPONSE: The Department agrees with the commenters that the dates appearing at N.J.A.C. 11:4-59A.4(c) should be removed, as they are outdated, and language should be added consistent with the Model Regulation, which provides that an insurance producer who holds a life insurance line of authority on the effective date of this rulemaking must complete the requisite training course within six months of that effective date, and, that individuals who wish to obtain a life insurance line of authority on or after the effective date of this rulemaking may not engage in the sale of annuities until the course is completed.

Other Comments

10. COMMENT: A commenter requested that the proposal be modified so that N.J.A.C. 11:4-59A becomes effective six months after the date the rulemaking is adopted to provide adequate time for implementation.

RESPONSE: The Department does not agree with the suggested change. Regulations become effective upon date of publication in the New Jersey Register pursuant to N.J.A.C. 1:30-6.6(b).

Summary of Agency-Initiated Changes:

The Department proposes the deletion of N.J.A.C. 11:4-59A.1(d) which provides that the requirements of the subchapter shall apply effective August 4, 2013, as this date has long passed.

The Department proposes amendments at N.J.A.C. 11:4-59A.6(a)1 to require an insurer to take reasonably appropriate corrective action for any consumer harmed by an entity contracted to perform the insurer's supervisor duties in violation of this subchapter, to align the Department's regulations with the Model Regulation.

Effect of Proposed Changes on Impact Statements Included in Original Proposal

The changes to the proposed amendments will not affect the impact statements included in the original rule proposal. The changes amend the definitions "recommendation" and "replacement" consistent with the Model Regulation; add clarifying language related to the producer's obligations to the consumer; include Appendices A, B, and C of the Model Regulation; and delete an outdated provision. None of these changes affect the Social, Economic, Jobs, or Agriculture Industry Impacts; the Federal Standards Statement; the Regulatory Flexibility Statement; the Housing Affordability; the Smart Growth Development Impact Analyses; or the Racial and Ethnic Community Criminal Justice and Public Safety Impact statement as published in the original proposal.

Full text of the proposed substantial changes to the proposed amendments follows (additions to proposal indicated in italicized boldface *thus*; deletions from proposal indicated in italicized cursive brackets {thus}):

**SUBCHAPTER 59A. SUITABILITY AND INSURER SUPERVISION
REQUIREMENTS FOR ANNUITIES
DIRECTLY SOLICITED TO CONSUMERS**

11:4-59A.1 Purpose and scope

(a)-(c) (No change from proposal.)

{(d) The requirements in this subchapter shall apply August 4, 2013 and thereafter.}

{(e)} (d) (No change in text from proposal.)

11:4-59A.2 Definitions

Words and terms as defined [in] at N.J.S.A. 17B:25-35, when used in this subchapter, shall have the meanings as defined in the Act, unless the

context clearly indicates otherwise or as further defined in this subchapter. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

...

"Recommendation" means advice provided by a producer, or an insurer where no producer is involved, to an individual consumer that *was intended to result{s} or does result* in a purchase, exchange, or replacement of an annuity in accordance with that advice. **This does not include general communication to the public, generalized customer services assistance, or administrative support, general educational information and tools, prospectuses, or other product and sales material.**

...

11:4-59A.3 Duties of insurers and of insurance producers

(a) In recommending to a consumer the purchase of an annuity, an insurance producer shall act in the best interest of the consumer pursuant to the circumstances known at the time the recommendation is made, without placing the producer's or the insurer's financial interest ahead of the consumer's interest. An insurance producer has acted in the best interest of the consumer, if they have satisfied *the following* obligations regarding care, disclosure, conflict of interest, and documentation *set forth at (b), (c), (d), and (e) below.*

(b) (No change from proposal.)

(c) Prior to the recommendation or sale of an annuity, the insurance producer must make the disclosures specified below.

1. The insurance producer shall provide to the consumer a completed Insurance Agent (Producer) Disclosure for Annuities Form, *codified at N.J.A.C. 11:4-59A Appendix A or a substantially similar form*, which shall include the following:

i.-v. (No change from proposal.)

2.-3. (No change from proposal.)

(d) (No change from proposal.)

(e) A producer shall, at the time of recommendation or sale:

1. (No change from proposal.)

2. Obtain a consumer signed Consumer Refusal to Provide Information Form, *codified at N.J.A.C. 11:4-59A Appendix B or a substantially similar form*, which shall document the following:

i.-ii. (No change from proposal.)

3. Obtain a consumer signed Consumer Decision to Purchase an Annuity Not Based on a Recommendation Form, *codified at N.J.A.C. 11:4-59A Appendix C or a substantially similar form*, acknowledging the annuity transaction is not recommended if a consumer decides to enter into an annuity transaction that is not based on the producer's recommendation.

(f)-(h) (No change from proposal.)

(i) An insurer shall establish and maintain a supervision system that is reasonably designed to achieve the insurer's and its producer's compliance with this subchapter, including, but not limited to, the following:

1.-4. (No change from proposal.)

5. The insurer shall establish and maintain reasonable procedures to detect recommendations that are not *{suitable} in compliance with (a) through (g) above, and (k) and (l) below.* This may include, but is not limited to, confirmation of the consumer's consumer profile information, systematic customer surveys, producer and consumer interviews, confirmation letters, producer statements or attestations, and programs of internal monitoring. Nothing in this paragraph shall prevent an insurer from complying with this paragraph by applying sampling procedures, or by confirming the consumer profile information or other *{suitability} required* information after issuance or delivery of the annuity;

6.-9. (No change from proposal.)

(j)-(l) (No change from proposal.)

11:4-59A.4 Insurance producer training

(a)-(b) (No change from proposal.)

(c) Insurance producers who hold a life insurance line of authority on {February 4, 2013} *(the effective date of this rulemaking)* and who desire to sell annuities shall complete the requirements of this section by {August

4, 2013} *(six months after the effective date of this rulemaking)*. Individuals who obtain a life insurance line of authority on or after February 4, 2013} *(the effective date of this rulemaking)* may not engage in the sale of annuities until the annuity training course required under this section has been completed.

(d)-(m) (No change from proposal.)

11:4-59A.6 Compliance mitigation; penalties

(a) An insurer shall be responsible for compliance with this subchapter. If a violation occurs, either because of the action or inaction of the insurer or its insurance producer, the Commissioner may order:

1. An insurer to take reasonably appropriate corrective action for any consumer harmed by the {insurer's, or by its insurance producer's, violation of this subchapter;} *insurer, an entity contracted to perform the insurer's supervisory duties or by the producer;*

2.-3. (No change.)

(Agency Note: Proposed new N.J.A.C. 11:4-59A Appendices A, B, and C follow without italicized boldface symbolizing proposed new text; those portions of the appendices in boldface or italics are intended to be so permanently.)

APPENDIX A

INSURANCE AGENT (PRODUCER) DISCLOSURE FOR ANNUITIES

Do Not Sign Unless You Have Read and Understand the Information in this Form

Date: _____

INSURANCE AGENT (PRODUCER) INFORMATION ("Me", "I", "My")

First Name: _____ Last Name: _____

Business/Agency Name: _____

Website: _____

Business Mailing Address: _____

Business Telephone Number: _____

Email Address: _____

National Producer Number in NJ: _____

CUSTOMER INFORMATION ("You", "Your")

First Name: _____ Last Name: _____

What Types of Products Can I Sell You?

I am licensed to sell annuities to You in accordance with state law. If I recommend that You buy an annuity, it means I believe that it effectively meets Your financial situation, insurance needs, and financial objectives. Other financial products, such as life insurance or stocks, bonds and mutual funds, also may meet Your needs.

I offer the following products:

_____ Fixed or Fixed Indexed Annuities

_____ Variable Annuities

_____ Life Insurance

I need a separate license to provide advice about or to sell non-insurance financial products. I have checked below any non-insurance financial products that I am licensed and authorized to provide advice about or to sell.

_____ Mutual Funds

_____ Stocks/Bonds

_____ Certificates of Deposit

Whose Annuities Can I Sell to You?

I am authorized to sell:

<input type="checkbox"/> Annuities from Only One (1) Insurer	<input type="checkbox"/> Annuities from Two or More Insurers
<input type="checkbox"/> Annuities from Two or More Insurers although I primarily sell annuities from: _____.	

How I'm Paid for My Work:

It's important for You to understand how I'm paid for my work. Depending on the particular annuity You purchase, I may be paid a commission or a fee. Commissions are generally paid to Me by the insurance company while fees are generally paid to Me by the consumer. If You have questions about how I'm paid, please ask Me.

Depending on the particular annuity You buy, I will or may be paid cash compensation as follows:

<input type="checkbox"/>	Commission, which is usually paid by the insurance company or other sources. If other sources, describe: _____.
<input type="checkbox"/>	Fees (such as a fixed amount, an hourly rate, or a percentage of your payment), which are usually paid directly by the customer.
<input type="checkbox"/>	Other (Describe): _____.

If You have questions about the above compensation I will be paid for this transaction, please ask me.

I may also receive other indirect compensation resulting from this transaction (sometimes called "non-cash" compensation), such as health or retirement benefits, office rent and support, or other incentives from the insurance company or other sources.

By signing below, You acknowledge that You have read and understand the information provided to You in this document.

Customer Signature

Date

Agent (Producer) Signature

Date

APPENDIX B

CONSUMER REFUSAL TO PROVIDE INFORMATION

Do Not Sign Unless You Have Read and Understand the Information in this Form

Why are You being given this form?

You're buying a financial product—an annuity.

To recommend a product that effectively meets Your needs, objectives and situation, the agent, broker, or company needs information about You, Your financial situation, insurance needs and financial objectives.

If You sign this form, it means You have not given the agent, broker, or company some or all the information needed to decide if the annuity effectively meets Your needs, objectives and situation. You may lose protections under the insurance laws of New Jersey if You sign this form or provide inaccurate information.

Statement of Purchaser:

<input type="checkbox"/>	I REFUSE to provide this information at this time.
<input type="checkbox"/>	I have chosen to provide LIMITED information at this time.

Customer Signature

Date

APPENDIX C

Consumer Decision to Purchase an Annuity NOT Based on a Recommendation

Do Not Sign This Form Unless You Have Read and Understand It.

Why are You being given this form? You are buying a financial product—an annuity.

To recommend a product that effectively meets your needs, objectives and situation, the agent, broker, or company has the responsibility to learn

about You, your financial situation, insurance needs and financial objectives.

If You sign this form, it means You know that you're buying an annuity that was not recommended.

Statement of Purchaser:

I understand that I am buying an annuity, but the agent, broker or company did not recommend that I buy it. If I buy it **without a recommendation**, I understand I may lose protections under the insurance laws of New Jersey.

Customer Signature

Date

Agent/Producer Signature

Date

TRANSPORTATION

(a)

NEW JERSEY TRANSIT CORPORATION Procedure for Claims of Destructive Competition Proposed New Rules: N.J.A.C. 16:74

Authorized By: New Jersey Transit Corporation, Kevin S. Corbett,
President and CEO.

Authority: N.J.S.A. 27:25-2.a; 27:25-5.e, h, and k; and 27:25-7.b.

Calendar Reference: See Summary below for explanation of
exception to calendar requirement.

Proposal Number: PRN 2025-006.

Submit comments by March 22, 2025, to:

Compliance Department
New Jersey Transit Corporation
One Penn Plaza East, 8th Floor
Newark, NJ 07105-2246
Email: commentsdestructivecompetitionrules@njtransit.com

The agency proposal follows:

Summary

The New Jersey Transit Corporation ("NJ TRANSIT" or "Corporation") was established by the New Jersey Public Transportation Act of 1979 (Act), N.J.S.A. 27:25-1 et seq., as an instrumentality of the State government responsible to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner. The Act provides that, in the provision of public transportation services, it is desirable to encourage to the maximum extent feasible, the participation of private enterprise and to avoid destructive competition. It further provides that the Corporation shall promulgate rules and regulations setting forth the procedures for hearings before NJ TRANSIT's Board of Directors (Board) relating to claims of destructive competition, arising from alleged actions by the Corporation, brought by private entities providing motorbus regular route service.

N.J.A.C. 16:74, Procedures for Claims, expired on February 20, 2014. The proposed new rules re-promulgate the previously expired rules as new rules, which were first adopted effective October 20, 1986. NJ TRANSIT has reviewed these previously expired rules proposed herein as new rules and has determined that the rules are necessary, adequate, reasonable, efficient, understandable, and responsive to the purposes for which they were originally promulgated.

A review of each of the subchapters at N.J.A.C. 16:74 follows:

Subchapter 1, General Provisions, delineates the purpose of the rules and sets forth definitions of words and terms used in the chapter. Subchapter 2, Procedures, sets forth rules on procedures, including filing of claims, conferences, transmittal to the Office of Administrative Law, factors to be considered in determining whether destructive competition

has taken place and rules on the allowable remedy and action of the Board after receipt of the administrative law judge decision.

NJ TRANSIT has determined that the comment period for this notice of proposal shall be 60 days; therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, this notice is excepted from the rulemaking calendar requirement.

Social Impact

It is not anticipated that the previously expired rules proposed herein as new rules will have a significant social impact. However, if unchecked, destructive competition could lead to the loss of service to the public as the costs of providing such service become prohibitive. The previously expired rules proposed herein as new rules continue to provide a procedure for the resolution of claims of destructive competition where it is alleged that NJ TRANSIT destructively competes with a private carrier.

Economic Impact

It is not anticipated that these previously expired rules proposed herein as new rules will have a significant economic impact because they merely provide for a procedure required by law that affects only a limited number of private companies. During the filing process, companies may incur costs associated with identifying, documenting, and quantifying the economic impact of any alleged destructive competition. The results of a proceeding in a particular case; however, could have an economic impact upon a carrier or NJ TRANSIT, and their employees and their customers. The existence of the previously expired rules proposed herein as new rules serves as a deterrent to destructive competition, which limits the potential for economic harm.

Federal Standards Statement

There are no Federal standards that apply to these previously expired rules proposed herein as new rules and, therefore, no Federal standards analysis is required.

Jobs Impact

It is not anticipated that these previously expired rules proposed herein as new rules will result in the creation or loss of jobs because they merely provide for a procedure required by law. The results of a proceeding in a particular case could result in the creation or loss of jobs at the particular carriers that are involved.

Agriculture Industry Impact

The previously expired rules proposed herein as new rules will have no impact on the agriculture industry.

Regulatory Flexibility Analysis

The previously expired rules proposed herein as new rules impose no reporting or recordkeeping requirements on small businesses, which are approximately 13 bus and/or ferry companies currently engaged in the provision of regular route service. NJ TRANSIT presently contracts through its private sector support programs with numerous separate small businesses, as such businesses are defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The previously expired rules proposed herein as new rules set forth specific requirements for the filing and content of claims. As set forth above, the previously expired rules proposed herein as new rules will have no impact on these businesses, as the previously expired rules proposed herein as new rules are designed to maintain a procedure for resolving claims of destructive competition. The previously expired rules proposed herein as new rules will not result in any expenditure for capital equipment or professional services. There will be no initial compliance costs.

The previously expired rules proposed herein as new rules were designed to minimize any adverse economic impact on small businesses. Accordingly, the previously expired rules proposed herein as new rules do not establish differing compliance, reporting, or recordkeeping requirements. The only reporting requirements relate to the filing of the claim itself, a simple procedure calling for the submission of specified data.

Housing Affordability Impact Analysis

NJ TRANSIT does not anticipate any impact on housing affordability as a result of the previously expired rules proposed herein as new rules. The previously expired rules proposed herein as new rules govern the procedures for hearings before the Board on claims of destructive