

Talking Points
Commissioner James S. Simpson
TransAction 2011
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Introduction

On behalf of Governor Christie, my congratulations to Frank Reilly and all who worked tirelessly to put on this – the 35th Annual TransAction Conference.

This conference is recognized as one of the best nationally when it comes to transportation.

The Customer

As the State's top transportation official, I am excited about bringing my own public sector experiences to decisions affecting our industry.

I also believe my experience as a business owner adds value to NJDOT and its sister transportation agencies.

Every public and private sector organization needs a bottom line.

For transportation, and in carrying out Governor Christie's vision for New Jersey, the bottom line is a safe, efficient, user-friendly, reliable, and cost-effective system.

Like a private business, we seek more customers – in other words: a bigger market share.

To succeed in this goal, we need to make sure that our transportation network is managed like successful, for-profit companies with sound business practices.

Transportation must deliver the most value for every dollar, we must cut inefficiency wherever possible!

And, we must embrace technology to improve performance.

Transportation needs effective leadership at all levels – and that leadership must constantly strive to increase productivity throughout the organization.

Achieving our transportation goals depends upon a commitment to what I call entrepreneurial government – creating hybrid organizations that draw upon the best practices of both the public and private sector.

Simply put, entrepreneurial government means placing the customer at the top of the hierarchy, and turning the organization upside down.

Here's how that should look:

At the top are the citizens of New Jersey and other users of our network – that could be the transit rider, the automobile user, the truck driver, the pilot, the bicyclist, the pedestrian.

Next in the hierarchy are all of our elected officials who represent the needs and interests of our citizens.

They are followed by the front line employee, suppliers to the industry (consultant and contractors, for instance), and at the bottom – supporting everyone above – is the NJDOT and its sister agencies.

As the noted author, Peter Drucker once wrote: “Quality in a service is not what you put into it, it is what the customer gets out of it.”

Clearly, our mantra should be: a well-tuned philosophy of service. This is the holy grail of successful service providers, public or private.

Transportation agencies around the world that behave entrepreneurially are best able to survive.

Robert Cervero, a professor at UC Berkeley has written in his book *The Transit Metropolis*, that the strongest transit regions in the world have one thing in common: Adaptability, which is what he defines as a “calculated process of making change by investing, reinvesting, organizing, reorganizing, inventing and reinventing....”

“Adaptability is about self-survival in a world of limited resources, tightly stretched budgets, and ever changing cultural norms, lifestyle technologies and personal values.” This is true for private firms and public agencies.

Change and adaption are essential to an organization’s vitality and development.

In today’s fast paced global market, there is no patience for business as usual. You have to think of it as business as NOT usual.

Transportation agencies that adapt to changing times and create harmony between their service and the landscaped will thrive for decades.

I think we know this intuitively.

Reliable and accessible transportation is a prerequisite for a healthy economy and it also means meeting the basic, day to day mobility needs of everyone.

Entrepreneurial government also means being accountable. That accountability must apply to decisions made at every level of the industry.

At NJDOT, I have been calling senior management to be stewards of change, to look at the big picture, and to be proactive. A large part of transportation management is to see old problems in new ways, and ask different questions.

The transportation industry is also accountable to the bottom line, growing ridership or usage while delivering the most cost-effective and user friendly systems.

We have to recognize success, and also pay attention to our costs – while all the time ensuring the safety and security of our customers and employees.

I take very seriously Governor Christie's directive that we strive for a citizen centered, results-oriented government where we monitor performance and seek to improve.

Accomplishments

2010 – busy year. (**Old Army saying: the difficult we do immediately; the impossible takes a little longer**).

- **Realign ESP** – Underway, will increase service to High Density/High Incident areas and will transfer some 25 staff to Maintenance & Operations and reduce program cost by \$6 million in federal funds that can be reprogrammed for infrastructure.
- **Streamlined and improved the project delivery process** to shorten project timelines and lower costs.
- **Construction Work Zone Safety** – Working jointly with NJSP, DOT has reviewed our CWZ protocols with NJSP and anticipate a savings of \$3 – \$5 million below the budget of \$12 million for FY 2010.
- **Park & Rides** – DOT is working with NJT to transfer a number of Park & Ride facilities to NJT for privatization. This will remove DOT from having to maintain these facilities.

- **Reduced Aeronautics Inspections** (ensuring compliance with FAA & State Regulations) without compromising quality at the 44 public use airports.
- **Revised the Multi-Modal Grant-making process** – more accountability.
- **Initiated “Taking Things Off Our Plate”** in order to eliminate unnecessary work and redundancies. (50 recommendations).
- Initiated a fully integrated Transportation Situation Room at **STMC** to better coordinate emergency and snow response.
- Will be **adding GPS** ability this year to our trucks -- will know their locations in real time for deployment purposes.
- Added **real time communication** to stakeholders (such as legislators) during weather emergencies, and ramped up our media output in order to keep the public better informed.
- **Accounting** – reduced the time it takes to process invoices from 52 days in 2008 to 34 days in 2011 (leveraged technology, plus process changes).
- Launched **Clean Up New Jersey** initiative – 500 tons of litter picked up, and 51,000 square yards of graffiti removed.
- RFP forthcoming for **“fence to fence”** maintenance contract.
- **Data Warehouse** – combining info in management systems (pavement, bridge, etc) in order to help us make better

decision on projects to advance (holistic approach with data).

Turnpike Reforms

A lot of my focus since becoming Commissioner. Our biggest transportation asset.

Turnpike exists for its employees and contractors.

- **One million vehicles a day on Parkway.**
 - **655,000 vehicles on Turnpike.**
1. Outsourcing toll collectors; Rightsizing.
 2. Reducing the Operating Costs.
 3. Streamlining.
 4. Procurement.
 5. Sold \$1.85B in Build America Bonds in 2010, at significantly a lower cost than 2009. Also \$8-9 million in savings on administrative fees.
 6. EZPASS contractual changes = \$39M in savings thru 2014.

SJTA

At the SJTA, we have been aggressive with improvements at the Atlantic City Airport – a facility I consider to be a crown jewel of New Jersey.

This includes advancement of a project to provide a direct connection between the Expressway and the Airport, along with a terminal upgrade providing a Federal Inspection Services facility for the processing of international flights.

In 2010, we saw a 35 percent increase in total passenger counts at ACY.

Other Actions:

- Changed procurement of legal services process: \$278K per year.
- Eliminated of Cash in of unused sick and vac time for non union employees: \$243K per year.

Federal Transportation Reauthorization

- Briefly -- \$550 billion program.
- But no funding sources.
- Need good decision-making – Orlando-Tampa HSR was not well-thought out.
- Instead of put money toward improving rail service where it makes the most sense – the NEC for instance – the Obama Administration sprinkled money on 54 projects in 23 states.

Conclusion

Oath of the Athenian State: “We will never bring disgrace on this our City by an act of dishonesty or cowardice. We will fight for the ideals and Sacred Things of the City both alone and with many. We will revere and obey the City's laws, and will do our best to incite a like reverence and respect in those above us who are prone to annul them or set them at naught. We will strive increasingly to quicken the public's sense of civic duty. Thus in all these ways we will transmit this City, not only not less, but greater and more beautiful than it was transmitted to us!”