

NJDOT Commissioner James Simpson

Keynote address, TransAction Conference

Noon Thursday, April 29, 2010

Tropicana Casino-Hotel Grand Ballroom, Atlantic City, NJ

Good afternoon. On behalf of Governor Christie, I welcome you to the TransAction Conference. This annual meeting brings together hundreds of state and county transportation officials as well as representatives from private-sector firms, all of whom help us achieve our mission of improving lives by improving transportation.

The governor would like to recognize and thank Frank Reilly, the conference chairman, the Honorable Alex DeCroce, the Honorable John Wisniewski, James Wenstein, the Honorable Brigid

Hynes-Cherin, Administrator, FTA, Region II, Peter Palmer and Susan Zellmann.

This conference has grown from humble beginnings in 1976, at a time when the counties and the state didn't talk much to each other much, and when public transportation consisted of a hodge-podge of struggling private companies doing the best they could in a disjointed environment, with little or no public support.

It's worth remembering those days and looking at how far we've come, especially in times like these.

We face a challenging fiscal environment today, but we are in a much better position than our predecessors were in the mid-1970s. We have a

much better shot at tackling our problems because we communicate with each other, we cooperate and for the most part, we plan transportation programs and improvements in a coordinated and strategic manner.

The Christie Administration is working on a budget that needs to bridge massive revenue shortfalls, and it will require shared sacrifice. However, he has made it clear that New Jersey's roads and bridges, our buses and trains, our public transportation services for commuters and for the disabled, the elderly and other special needs groups, remain a priority.

In the last week Jim Weinstein, executive director of NJ TRANSIT, and I have testified before the

Senate and Assembly budget committees on our proposed capital and operating plans. The draft transportation plan we have put forth demonstrates the governor's grasp of key facts: that a safe, reliable and cost-effective transportation network is essential to protecting jobs, and is a prerequisite for growth and prosperity. The plan also shows that this administration is citizen-centered, is focused on job creation, reducing taxes, being good stewards of the taxpayers' dollar, transparency and restoring public trust.

The Christie Administration's budget for 2011 is funding almost the entire capital program as planned. The \$3.23 billion program promotes safety, holds the line on state-of-good-repair and advances capacity projects that will help meet

future transportation demand. Not only are we rising to the challenge to meet current needs, but we are creating leaner organizations with an entrepreneurial mindset that will make the most of tax dollars for years ahead.

Personal Background

As a soon-to-be resident of New Jersey, I want you to know I'm not new to New Jersey. I have experiences here, stretching back to my childhood, which shape my approach to the job as NJDOT Commissioner.

As a young adult, I got a job working in lower Manhattan. During that time I was living with my grandparents in Union Beach. Every day I'd take the

old Central New Jersey Railroad, the predecessor to NJ TRANSIT, from Hazlet to Newark, and catch a PATH train to the World Trade Center or the bus to the Port Authority.

In the early 80s, many companies were fleeing urban centers like Newark, Trenton and Camden, but I invested my hard-earned money in New Jersey. I've employed hundreds of New Jerseyans over several decades.

In the early 1980s, my relocation company had grown from a few trucks and a storefront to an international company. That's when I invested in East Orange, with its proximity to major highways, airports, public transportation and ports.

In the early 1990's, I further invested in New Jersey by building one of the first distribution warehouses at exit 8A, in Jamesburg. Once again, the highway access along with the ports and airports along with the free-flow highway conditions on the New Jersey Turnpike made New Jersey a great investment. By the way, those free-flow conditions do not exist today.

On 9-11, I was at the World Trade Center when the towers collapsed. Several months after that horrific attack, I drove to Jersey City, looking across the river at the place where the towers once stood, in total disbelief.

As I stood along the Jersey City waterfront, I could not believe the transformation and economic

development all around me, including an almost completed light rail line adjacent to new mixed-use real estate developments. It was nothing short of an urban renaissance.

So I made another bet on New Jersey. I purchased land and built a state-of-the-art office/distribution facility, overlooking the Statue of Liberty and the New York City skyline. I moved to Jersey City during this time as well. Our geography is a prime driver for job growth, but our anti-business climate is a killer.

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I don't know how many of you caught any of the budget hearings on TV, but Senator Sarlo,

Assemblyman Greenwald and a few other members of the budget committees asked how I'm planning to replenish the Transportation Trust Fund. They were asking for the omelet, but we're still figuring out how many eggs we need. I believe their questions were based on a genuine concern for the future of our exceptional transportation network as well as for the residents who support and rely on it. I recognize my leadership role and welcome the responsibility, and would argue that all of us need to ask of ourselves the same questions they asked of me, because the Trust Fund problem is going to be solved by consensus, not by fiat. Once we get through this process of writing and adopting a state budget, I expect all stakeholders – the Administration, the Legislature and numerous

public-policy interest groups – will work together to craft a solution. We must replenish the fund and protect our transportation network, which essentially is the circulatory system of New Jersey's economy. Together we will get the job done.

However, I'm not waiting for those discussions to start. I have been working hard with senior leadership at DOT, scrutinizing everything we do and every project on our books. Metrics are key to running a large organization. If you're not measuring, you're not managing. We have launched a top-to-bottom efficiency review that will help us get a clear picture of exactly how much we need to extract from the TTF going forward. We're working to wring out every last cent of savings in the Department, because every dollar we save

means more money for filling potholes, rebuilding bridges and creating quality-of-life transportation enhancements, all without placing any additional pressure on the Fund.

My experience in the private sector has taught me that opportunities for savings exist throughout an organization. We're fighting against stovepiping, which describes a situation in which people in an organization fail to learn from each other. They do things their own way even though a more efficient procedure is in use just down the hall or on the next floor. For example, we've brought together engineers from DOT, the Turnpike and NJ TRANSIT to talk about best practices and expect to see good results.

We are beginning to measure costs and benefits and to track outcomes throughout the department. Our hands-on, collaborative management style means we're continually asking questions: why do we do the things we do, what are doing that delivers no value, and what makes our transportation network safer, more reliable and more efficient for our citizens? We're also subjecting the department's organizational chart to the same rigorous analysis. We're asking questions about staffing needs with the aim to eliminate inefficiencies and optimize our employees' talents.

Don't Think Mode, Think People

Planners are another key group that plays an important role. We want to better utilize their expertise by changing the terms of public discussions from a focus on “modes” to the broader subject of “mobility”. What I mean by this is we need to continue having open and inclusive discussions, but once a mobility need is identified, let’s give our planners the chance to use their expertise in evaluating the options among modes and selecting what fills the need in the most cost-effective manner. For instance, if we agree on a need for transit along a specific corridor, let’s empower the planners to suggest the best solution. It might seem like a subtle shift, but the savings can be enormous.

One of my aims is to promote a statewide view of transportation that recognizes local needs but avoids parochial infighting. In a state as compact and transportation-dependent as New Jersey, the dichotomies between urban and rural, between transit and highway, are false. We are far more linked than we sometimes admit. We have a transportation network that allows residents to choose multiple modes to complete trips. Why waste time and energy pitting one group against another when so often it's both groups that benefit? A new light rail line in Bergen County could benefit the suburban Monmouth County resident who works there. A corridor improvement benefits the whole state. A BRT system created to extend transit service in an under-served corridor

could provide the perfect link for residents in another part of the state who use cars or other modes of transit to for different legs of their daily commute. Travel-time savings improve the economic engine.

We're also taking a fresh look at basic project funding decisions. After we received a \$3 billion funding commitment for the ARC tunnel project, a viewpoint took hold at DOT and NJT that we ought not to push for more federal funding. Let me tell you, we're bringing a new attitude to this area. We have numerous projects that are on the books that are relying solely on TTF funding. That needs to change! We're going to ask for more funding, because we deserve it. New Jersey is part of a critical commerce corridor that supports the

national and global economies. Our ports are among the busiest in the country, and our roads take a beating from trucks that haul goods from container ships arriving at Newark and Elizabeth to nationwide destinations. We need to be part of the discussion in Washington that leads the federal government to recognize our special place in the nation's economy. We need to help create a solution to keep the goods flowing with special federal funding for the roads and bridges leading to and from the seaports and airports and the I-95 corridor into New York and beyond.

It took Rome 800 years to build its road system. The only thing that might take longer is the

widening of the Turnpike because of all the permitting required. It has taken eight years and \$58 million so far to get all the permits, and my understanding is we're still not finished. The old saying, "time is money," really applies here. We've got to streamline our project delivery process, from design through construction, and will continue to look for improvements. Every month that the Mass Transit Tunnel project gets delayed for any reason costs us an extra \$9 million.

Let me say a few words about safety. Safety isn't just a slogan at NJDOT. We're pouring \$77 million in FY 11 into safety programs that will benefit motorists and pedestrians alike with projects that improve safety at intersections and along roadways that have experienced high accident rates. We have

several ongoing initiatives and we fund local projects as well to improve safety. An example of the cooperation I mentioned earlier is the work we do with the state MPOs to identify crash-prone locations. This data helps counties develop safety programs and helps all of us target resources to where they will do the most good. While auto fatalities are down, we are not happy with the pedestrian fatality statistics. We're also working on ways to reduce motor vehicle accident rates in work zones, where slower speeds and extra driver attention go a long way.

We have made a commitment to be customer-focused, which means emphasizing initiatives that provide tangible benefits to the residents of New Jersey. For example, we have about 200 cameras

along our roadways and we'll be adding more this year. They provide real-time traffic conditions to residents who visit our website before getting behind the wheel. We'll also be working toward expanding the use of Variable Message Signs along major routes that provide real-time options to help motorists avoid congestion. I will work to ensure we use every available technology and management tool to fight highway congestion, which is the largest hidden tax and destroyer of our quality of life in New Jersey and America.

In conclusion, I want to read an excerpt from the 1982 Annual Report on Transportation, when Tom Kean was governor and John Sheridan was Commissioner: "This was a critical year as the Department faced the crises of inadequate funding,

crumbling facilities and rising transit fares. We encountered the hardships of funding shortages for maintenance and construction staff reductions and inadequate operating funds for public transit.”

Sound familiar? Think about how much progress we’ve made since those words were written. We’ve overcome adversity before and will do so again.

Thank you.

