

MassDOT Reform: Overview: Remarks by Jeff Mullan
ACEC/MA and CIM Event
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Opening-Investments

Thank you for inviting me. I am very happy to be here with you today to talk about transportation reform, the new MassDOT, and the job we must do together with our partners in the construction industry to find the best ways to build the roads and bridges of the Commonwealth.

Let me first acknowledge Senator Steve Baddour, a legislative leader, a friend of transportation, and a key architect of the transportation reform legislation. He is a friend and a key supporter of our programs in the legislature. Bravo.

I also want to thank my immediate two predecessors, Bernard Cohen and Jim Aloisi, for the work they put in to bring us to this day. Different people, for sure, with different styles and interests, but both were committed to do our job better. Bernard had a lot to do with the streamlining initiatives that the Department, under the leadership of Luisa Paiewonsky, had instituted. Those, in turn, have resulted in another record year for construction. Jim, of course, was central to the crafting of the vision for what became the Transportation Reform Act of 2009, and in helping getting it passed. I consider both to be colleagues and friends, and I thank them both.

As you know, since 2007 the Patrick Administration and legislature have made huge commitments to address our transportation assets, many of them old and requiring immediate attention. Just this Federal Fiscal year, and just in the Highway Department, we have had record advertising of \$676M in the statewide program, \$260M in the Accelerated Bridge Program, and \$236M in stimulus funds – a record \$1.1B – the first time the advertising program has ever gone over \$1B. Spending in these programs for the corresponding state fiscal year totaled \$771M, another record. I understand the importance of spending, not just advertising. I'll acknowledge that based on the most recent reports, spending on stimulus jobs is not where we would like it to be, particularly against the amount of projects that have been advertised. Nevertheless, \$771M in spending this year is up from \$546M last year, \$502M in FY 2006, and from \$384M in FY2003 – that is nearly tripling the program in just six short years. We all know that the MTA's capital program is small – but hopefully it will not be small for long, and we will continue to pursue projects at the MBTA, both capital expansion projects that are well known and the state of good repair projects that are so necessary in our transit system. Taken together, these efforts are a large part of the Commonwealth's recovery - putting thousands of dedicated people to work on construction projects in every corner of the Commonwealth.

Go to our website to view our Accelerated Bridge or recovery maps and you will see a map with projects spread throughout the state because we have made regional equity a top priority. Yet, even with all of these investments, we still need to invest in our aging roads, bridges and transit systems.

The fact that we have limited resources to complete these tasks is why reform of our transportation system is so important – our goal is to form a unified transportation agency that will spend our infrastructure and operations dollars wisely.

Introduction

As the new incoming MassDOT Secretary and CEO and in previous roles at the Transportation Building, I have had the privilege of seeing first hand what has happened in transportation in the last couple of years under the leadership of Governor Patrick and Lt. Governor Murray.

Transportation reform talked about for so many years became our focus and now has become the law. Transportation, like politics, is, of course, very local. When I travel around the state and listen

to people, I hear about local transportation issues. People in Danvers are not concerned about the Fore River Bridge; people in Spencer don't particularly care about the Fitchburg commuter rail line.

It is my job and the job of our transportation leaders to think and act regionally, not locally. In the last two years, we have been fortunate to move beyond local issues and think about transportation from a larger perspective. It isn't quite the level of debate that we have about the economy or education, but it is better than it has been during any of the twenty plus years I have been involved in transportation issues on the state level. People are paying attention and have demanded change. This particular debate is one key to transportation reform.

Clearly, we are at the dawn of a new transportation era. Since before he was elected, Governor Patrick has spoken about the frustrating way we govern transportation and how transportation policy is made. He spoke of things we all can understand – why take tolls down on the Turnpike while you simultaneously raise MBTA fares and lower parking rates at Logan airport? One reason is that our transportation modes all have their own funding sources. Another is that they are governed independently of one another. Our highway department is a part of state government, which the MassPike, Massport, and the MBTA each have their own governing boards – each with their own fiduciary and contractual obligations to their organizations and to bondholders. This, in turn, leads to the siloed policies that for too long have led to confusion and frustration.

Overview of Transportation Reform

Transportation reform changes all that. Years ago, we led the nation in cutting edge transportation policy. More recently, while we have made some progress in key areas such as improved air quality and an expansion of transit, too often that progress was undercut by the uncoordinated policy or, worse, outright hostility amongst our leaders. It has been a one step forward, two, or sometimes three steps back program that has left most observers frustrated, angry, and in some cases, hostile.

As of November 1, we will have one central governance for nearly all of our state-level transportation assets. Only Massport remains independent, but is repositioned to focus on airport and seaport needs. After over two years of hard work, we finally have a central policy-making body. I congratulate our legislative partners in the House and the Senate for their leadership in reaching this milestone. The new law consolidates most transportation agencies and assets, emphasizes the importance of performance management, maintenance, and life-cycle needs and centralized planning, and permits us to think about transportation differently.

On November 1 we'll unveil a new transportation organization, MassDOT, that:

- Prioritizes quality customer service to all transportation users;
- Is transparent and accountable to taxpayers;
- Aggressively seeks out every cost saving and efficiency possible; and
- Makes critical investments in infrastructure that spark economic growth and strengthen our communities.

It's a back to basics approach that anyone who cares about transportation should welcome. It is no different in transportation than what is happening throughout America as we all cut back and people and companies are repositioning themselves for a recovery. Citizens should look for a simple, business-like approach to transportation that is reflective of the times and is needed to rebuild the public's confidence in their government. They should also expect that we pursue excellence and will strive to become the best transportation organization in the nation.

MassDOT will have a 5 member board that serves as the central policy making body for both MassDOT and the MBTA, which, while it remains a separate organization, is a part of MassDOT. We will have Board members in place by the end of next week. All of the power of the organization will be in the Board, although, in order to keep the programs running in the way we have grown accustomed, we expect a fairly large delegation of authority back to the Secretary and the Divisions administrators.

Details on that will await the first Board meeting to be held on November 2nd. You should expect no delay to contract approvals.

There will not be large changes in how we do business on November 1 – it's a big place that will take some time to change. We were all reminded during that masterpiece of a Patriots game on Sunday that the real public works season – snow and ice – is here. We are mindful of that and of our responsibility to keep the Commonwealth's roads safe. Our attention will be there. We have announced that there will likely be a short delay, perhaps a week, in processing payments as we convert our financial system. I know that there are decisions to be made regarding important issues such as M/WBE goals and pre-qualification requirements. I am working with our team to make decisions on those issues.

You should expect that, unless we specifically announce something to the contrary, the status quo in terms of working with our designers and contractors, regardless of the former agency, will reign. Advertising schedules, bid dates, payment processing, chains of command will not change immediately. A new District 6 is being formed to operate and maintain all of the Metropolitan Highway System, and will include all of the towns within Route 128. Lastly, reform means the continuation of the Office of Transportation Planning, which will provide planning services to all of the operating modes, including the T.

Leadership of the new Highway Division will be announced next week. I will ask the new leadership team to work with ACEC and CIM in implementing changes to our operating procedures moving forward. You are important stakeholders of ours. It is not my view that what is good for you is not good for us. We must implement these changes to our programs cooperatively.

Today, the Office of Transition Management (a joint ANF/EOT effort) is overseeing more than 12 integration teams and 90 employee subcommittees that have already been created and are working collectively on transition plans in areas such as Bridge and Tunnel Maintenance, General Accounting, Government Relations, Website and Online Communications, Customer Service, Snow and Ice Operations, Technological Infrastructure Interfacing, and Workers Compensation. Together, more than 300 employees are working on the transition. The team is developing a report outlining the adoption of best practices amongst the highway organizations over the next 100 days, next one year, and next 5 years.

At the beginning of this month we submitted to the Governor and legislature a 90-day report summarizing the status of the transition from our current structure to the new MassDOT. This report represents a comprehensive summary of where we are today and our plans to continue implementation through November 1 and beyond. We encourage you to read the report and see the great progress already made in the past three months.

Guiding Principles

In implementing modifications to our programs, and merging the processes employed by the agencies that are about to be merged, we have adopted a few guiding principles.

First, we will run transportation like a business, with a focus on outcomes, an understanding of the value of investments, strategic decision making for the long term, and teamwork. Unless you are a student of American business, it will not be sexy or exciting. It will be more efficient.

Second, we will operate as one – one transportation agency, one mission, one goal, one system. Like the Governor's own personal vision, it is all about one. This requires that we break down the silos that exist in transportation over such things as jurisdictional boundaries and a lack of understanding, or appreciation, for how customers – commuters, businesses, travelers – use the system. It also involves turning around and looking at the system from our customer's perspective. We spend way too much time talking to ourselves and not interacting with the public often enough. We pledge to run the system in a way that our customers use it – with a singular objective to get people and goods from point A to point B, and to help our transportation partners in the private sector do the same.

Third, we will create a culture of safety across transportation – worker and public safety. As we spend record amounts to rebuild our infrastructure as I noted earlier, our workers and yours must do this important work with a heavy focus on safety.

My Own Priorities

As we work together on transportation reform and on construction projects in the future I am often asked what my own personal goals for MassDOT are – and on what I will focus as we move into this new era. It's a great question. Let me share my answer with all of you.

First, I am singularly committed to honesty. The buzz word is “transparency.” I am reminded of Harry Truman, who was a plain speaker as I try to be. He said “I never gave anyone hell, I told them the truth and they thought it was hell.” I am not suggesting that our leaders are not telling the truth. I am saying that this is a particular focus of mine. Until we get to the bottom of the issues we face – in an honest, open way, we will not be able to jointly solve them. We have too many needs, too much debt, too much frustration among the electorate, and too much anxiety amongst our workforce, to, in my view, approach it any other way.

Second, I will focus on the organization. I will put a leadership team in place, create clear lines of authority, delegate appropriate levels of authority to our managers, and empower them to do their jobs. I will then be in a position to demand that they do so. We also will show all of you how the organization works, who the key decision makers are, and how the system functions. I'll also work to identify talent in the organization that will be our next generation of leaders, and work to increase the ranks of our minority and woman employees in key positions. I don't think I can credibly on the one hand say that we are committed to running a transportation system in a way that people use it, and yet have an organization that is not reflective of that population.

Third, I will pay attention to the leadership issues we face. Transportation yearns for leadership – the kind of leadership that was demonstrated in getting transportation reform put in place. The blueprint is there. It is up to us to execute it. This will involve setting the direction, communicating with our workforce and stakeholders to align them in that direction, working to change and merge the different cultures that make up the disparate workplaces that make up MassDOT, managing the pace of that change, disappointing people – hopefully at the rate they can absorb, and finally, motivating all of us to implement reform.

Conclusion

I'll conclude by asking you to consider the extraordinary opportunity in front of us.

We have a Governor and Lt. Governor who have a focus on transportation and are committed to change – not for change's sake, but true, transformational change for the next two generations. We have not undertaken change in transportation on this scale for 40 years, and may not get the chance again for another 40.

We have a legislature, which despite all of the rhetoric and bickering people read about in the papers, debated and passed not just transportation reform this year, but also pension reform and ethics reform, and is working cooperatively with us to implement these laws.

We have an anxious public, demanding change, a halt to the nonsense, a yearning for real leadership – which is all about setting a course and sticking to doing the right things.

We have a slow economy, which, while it certainly limits the amount of resources available to us as we carry out important statutory and public safety responsibilities, permits us, indeed requires us, to look at things differently.

We have a brand new agency to replace the old familiar laws and silos we have grown accustomed to.

And, we have a willing leadership and management team anxious to restore people's faith in their government, and to restore the Commonwealth to the national prominence we once enjoyed.

I know the work you will do as part of this historic change will build the quality infrastructure our citizens expect and build confidence in our ability to get the job done the right way.

Thank you.

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