



Photo Courtesy Federal Transit Administration

# Leading from the Front

*A conversation with recently confirmed Federal Transit Administrator James Simpson is something akin to a roller coaster ride. A man of incredible energy and affability, Simpson is clearly an enthusiastic advocate for passenger rail. He wants to discuss his ideas and goals for transit – and they emerge with the passion and conviction of an accomplished individual accustomed to success. He’s a pilot, a model-rail hobbyist and holds a tractor-trailer truck license. In many ways, James Simpson is a transportation renaissance man.*

*From rail passenger to system board member to federal policy maker, Simpson brings to the FTA an understanding of passenger rail and its role in the economic development, mobility and livability of our cities and towns.*

**RAIL:** Tell us about your experience with public transportation, where did you first ride it and how has it impacted your life?

**Simpson:** I grew up in a transit-rich environment in New York City. I remember my first trip on the subway in Lower Manhattan, it was right out of *Buck Rodgers*. I

always loved trains and wanted to be a subway motorman. We took the subways everywhere, and they were often an escape from the urban jungle. We would go from high rises downtown to the shores of the Atlantic, and when we came out of a tunnel on to an elevated section, it was like riding a magic carpet. From this, I’ve learned what good passenger rail is and what it can mean to people. I’ve experienced first-hand how public transit shapes Americans’ lives and how passenger rail and transit empowers people who are just getting a foothold in the economy.

As a teenager, my family moved to Staten Island. At that time, there was little transit there and I found myself wanting a car. You had to take six separate bus lines to get to the train, or take the ferry. Sometimes I had to wait so long outside in the cold that I couldn't talk for a while because my face was numb.

Fast forward to 1995. I was asked to serve on the New York City Metropolitan Transit Authority (MTA) Board by Governor Pataki. As my moving business was based in Staten Island (Simpson owned a highly successful moving company) and I was on the Chamber of Commerce there, I knew transportation was one of the biggest issues. We had seen a marked decline in the quality of transit service in Staten Island, especially after the abandonment of the North Shore rail line. I found that in order to get my employees to work, and also to keep my trucks moving, we needed transit service to be improved. My vehicles and employees were wasting over four hours a day stuck in traffic. So, I made it my business to ride both trains and buses to experience the service for myself. Staten Island, along with the other boroughs of New York, have really done so much to reinvest in rail.

**RAIL: What are your goals at the Federal Transit Administration? Do you have any areas or issues in public and community transportation upon which you'll focus your attention?**

**Simpson:** My top goal is the proper implementation of SAFETEA-LU as written by Congress, and implementing the vision of federal transit programs by the Bush Administration. I'm grateful to President Bush for giving me the opportunity to lead FTA at a time when transit ridership is growing and the \$53 billion SAFETEA-LU programs and resources that the President signed into law are

reaching transit and rail systems.

I'm also committed to making the Federal Transit Administration more transparent and consistent in its programs. I want to ensure that all stakeholders know they have a say with FTA and its programs, and I'll do that by reaching out to Congress and the transit industry – including such groups as the Community Transportation Association of America and the American Public Transit Association, and of course working directly with passenger rail agencies.

Finally, we will be working within the framework established by the Bush Administration, in terms of administering federal programs that are citizen-centered, results-oriented and accountable. Because I've always thought that if you're not measuring you're not managing. All this ties in with my background as a business owner to do our work more effectively. I say this, because I believe that transportation is the circulation system of the economy.

**RAIL: How will your background impact your leadership at the Federal Transit Administration?**

**Simpson:** Every public and private organization needs a bottom line. For passenger rail, the bottom line is to keep the ridership momentum growing, providing a continually safer, more efficient, user friendly, reliable and cost-effective operating system. I want to stress accountability at not only FTA, but also at all systems, and vendors and suppliers, architects and engineers – particularly where federal money is at stake. We want to achieve quality, ethics and transportation efficiency. I will try to use my office as a bully pulpit to achieve this type of accountability. It's my hope that this accountability will create the type of safe, reliable transportation operating with good, sound business principals.

I'm also considering using some of the Total Quality Management and Baldrige tools to help strengthen our customer service. I'd like to see passenger rail focused around what the customer wants, which is why I'm committed to a style of entrepreneurial government – creating a hybrid organization and drawing on the best practices of both the public and private sectors.

**RAIL: In your estimation, what is the best way to evaluate the success of passenger rail investment – farebox recovery, society's mobility, congestion mitigation, air quality, international competitiveness, local economic development, land-use, etc?**

**Simpson:** We need to look at our investment in rail beyond just ridership levels. We need better measurements because modeling is too simplistic a solution, especially when you're looking at long-term benefits. We need to integrate more experience and common sense in analysis because it's not just as simple as crunching the numbers. Sometimes it takes 20 to 30 years for the real benefits of passenger rail investment to accrue. Think about all of the light-rail system development of the past two decades. Perhaps we ought to go back and look at those communities as they were 20 years ago and how they look today; and look at the economic development, land-use and land values – perhaps that might give us a better indication of success or value.

**RAIL: One of the key tenants of SAFETEA-LU is improved planning. How can public transportation and passenger rail services be better integrated into planning at the metropolitan and state levels?**

**Simpson:** Coordinated planning is something I'm still trying to wrap my mind around. It's not applicable everywhere and must include local

leadership to make the best decisions at the time. But just as it is with any business endeavor, good planning is so critical to good transportation.

**RAIL:** In addition to the record levels of federal transit investment that SAFETEA-LU includes, the Community Transportation Association has often called for increased private investment in public transportation. With your background, how would you see this best working?

**Simpson:** Private investment in public transportation is obviously a lot harder in transit because we usually run with subsidies. There are many good approaches to integrate private investment in transit, but one size does not fit all. Many public-private partnerships have found success when they're focused – but there are no easy answers here.

The federal government can't do it all. Local communities and leaders need to invest in transit, too. Transit can't really work well without the political will at the local level, and that political will comes from communities wanting transit, it comes from the people.

**RAIL:** Are there any specific public transportation innovations upon which you want to focus as FTA Administrator?

**Simpson:** I am interested in the variable pricing plans currently at play in London and Stockholm. If their experience is any indication, then variable pricing plans will create many new transit customers. When London introduced its variable pricing strategy, traffic congestion decreased and bus ridership

increased 30 percent. We need to begin thinking now about how such congestion mitigation strategies will impact public transit here.

**RAIL:** The past decade has seen a dramatic increase in rail system building and development, with new light rail systems leading the way. More communities than ever before are seeking passenger rail solutions. How will the FTA attempt to meet this demand?

***We're building for forever, and we need to build right and for the long-term. I would rather supply the right commodities to a community than stripping a project down too much or else you risk the success of the service. This is done by getting the best estimates and utilizing value-engineering.***

**Simpson:** I plan on helping to streamline the New Starts program. Because time is money, we need to work as hard as we can to prevent project costs from escalating while we are involved. For example, the East Side Access Project which will install a new connection for Long Island Railroad trains to Grand Central Terminal, is a massive \$7.5 billion project. If you assume that every year delay will add 5 percent to the overall project cost, then each year of delay amounts to \$750 million. We have a responsibility

that we make the best use of the dollars we've been allocated.

We have to keep track of projects and see what we can do internally to speed-up the process. This needs to be based in accountability and ownership of each project and our role in the process. We're building major capital infrastructure and although we want to do our best to minimize as much risk as we can, it's too costly to screw-down the process too tightly. You reach a point where risk mitigation becomes sub-optimization. So, we can't operate in a vacuum in terms of the real impact our work has on these projects.

Meeting the demand for passenger rail projects is like the demand for admissions for Ivy League colleges. There's only so many seats to be had, so you're looking for the best and the brightest. It's the same with the resources provided from Congress. The formula funding models we have are a good process to select the best projects. We need to look at ridership and the needs of the community. But we can only fund so many projects, so we want to find those that will withstand the test of time. We're building for forever, and we need to build right and for the long-term. I would rather supply the right commodities to a community than stripping a project down too much or else you risk the success of the service. This is done by getting the best estimates and utilizing value-engineering.

A simple analogy to me is that developing a New Starts project is like making a pizza. My concern is... how many ingredients can you take off the pizza, in order to save money, before it no longer is a pizza. When

we build it, we want to build it right and build it to last. Because we all know we only get one shot to build these systems.

**RAIL:** How does transit oriented development fit into your ideas about New Starts and about public transportation in general?

**Simpson:** Well-designed passenger rail is a catalyst for economic development. According to FTA research, every \$10 million invested in transit capital projects yields an estimated \$30 million in business sales.

For example, I recently built a facility adjacent to the Hudson-Bergen Light Rail Line in Jersey City, N.J. Two decades ago, the Jersey City waterfront was a wasteland of abandoned rail yards and decaying brownstones. But with a transportation that includes the new light-rail system and bus operations, and commuter rail and ferry service and the PATH train, Jersey City now has more office space than Denver, Cleveland or Kansas City – and young families have made the move from the suburbs back to the city.

Success like this must be measured. Historically, transit planners and developers have struggled to document the benefits of transit to local economies and society. We can easily document the costs of transit... however, knowing the cost of everything and nothing else, gives us the value of nothing.

**RAIL:** So in considering any new transit projects, you're going to look to community involvement and investment?

**Simpson:** I'm glad to see that local governments are taking the lead to improve their rail and transit services, and realizing the value in them. We at the federal level cannot dictate what is best for a community. The communities usually have a better vision of what will work and what they need to achieve it.

The Federal Transit Administration cannot create services that try and force riders to ride. We have to make riding trains and buses a pleasurable experience. What the customer wants is service that is affordable and accessible. But the most important requirement for transit service is to have safe and clean systems. Riders need to feel that someone is involved in maintaining the system or they won't feel safe and they won't use it. Local decision-making is the best way to build those types of services.

Simpson and RAIL Editor Scott Bogren at the Federal Transit Administration headquarters in Washington, DC.



**RAIL:** Any closing thoughts?

**Simpson:** I believe that one of the most important things we as industry leaders must do is to ask ourselves: "What business are we in?" For example, private passenger railroads like the Pennsylvania and New York Central, among the most powerful business interests a century ago, are now extinct. Why? Because they failed to adapt. They had what I call "marketing myopia." They viewed themselves as being in the railroad business instead of the people business. Don't think mode... think people! 