

2011 McCULLOUGH/NITL EXECUTIVE of the YEAR

Man on the move

U.S. Transportation Secretary Ray LaHood is named the NITL Executive of the Year for his passion, enthusiasm, and his ability to navigate the shoals of our now hyper-partisan capitol.

BY JOHN D. SCHULZ, CONTRIBUTING EDITOR

There have been all types of people who have served as U.S. Transportation Secretary since President Lyndon Johnson tapped Alan Boyd to be the first back in 1967. There have been personalities ranging from the stoic Drew Lewis (1981-83), to the bubbling Elizabeth Dole (1983-87), to the businesslike Samuel Skinner (1989-91), to the heroic Norman Mineta (2001-2006) who was ultimately responsible for safely landing more than 4,000 planes within four hours on that horrific day of Sept. 11, 2001.

But there's been no one possessing the unique combination of charm, quirkiness, effectiveness, and good humor of the current Transportation Secretary, Ray LaHood. To say that LaHood is enthusiastic about his job is like saying the sky is kind of blue in Montana, or the trout are kind of running in Idaho, or that the shrimp Creole in Louisiana is kind of hot.

The man is a whirling dervish. He's opening up interstate links in Washington state one day, dedicating a bridge in Michigan the next, lobbying former House colleagues at the Capitol the day after that, and then dedicating high speed rail corridors in California on another day. And he does it all with a smile and effervescence that is unusual for a power player inside Washington, D.C.

And it's for this youthful enthusiasm and dedication to the position that the National Industrial Transportation League (NITL) and *Logistics Management (LM)* magazine is honoring LaHood as its 2011 Logistics Executive of the Year, also known as the McCullough Award. The award is named after John T. McCullough, a former chief editor of *Distribution* magazine, a predecessor of *LM*. LaHood will receive the award on Tuesday, November 15, at a luncheon during the

104th Annual Meeting & TransComp Exhibition in Atlanta.

Nominations for the McCullough Award come from NITL shipper members and not the Washington-based staff of the League, notes NITL President and CEO Bruce Carlton. The NITL Board of Directors then makes the selection by ballot.

Indeed, it was a timely choice by NITL members. LaHood, who will turn 67 on December 6, recently disclosed that he will be leaving his post following the 2012 elections. Explaining that he has accomplished much of the President's transport agenda, LaHood is leaving a legacy of multimodalism and enthusiasm for greater spending on transport at the Department of Transportation.

"I think it's fair to say that NITL members saw Secretary LaHood doing his best to navigate the shoals of our now hyper-partisan capitol on matters like basic infrastructure that have traditionally been seen as non-partisan," says Carlton. "Being the lone Republican in the President's cabinet, he's had to use the skills he learned serving as a member of Congress—and his personal ties, no doubt—to try to bridge the now deep divisions."

LaHood did not waver on the Federal Aviation Administration budget showdown last summer as he stood with the flying public and the agency. "And he's certainly had successes within the Administration in keeping road maintenance and new construction at the top of the list in every budget debate," says Carlton.

"I think his focus on safety is seen as genuine and real, especially his crusade against distracted driving. It's a plague in this country. It's killing and maiming thousands, and he's not afraid to say it even if some are offended," Carlton adds.

To be sure, not everyone is enamored with the smiling



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—Ray LaHood

Joshua Roberts/Getty Images

Transportation Secretary. Trucking officials, in particular, bristle at what they perceive to be regulatory overkill of their industry—everything ranging from more expensive equipment, to increased safety scrutiny, to a possible reduction in driver hours of service.

When President Barack Obama tapped the seven-term Republican congressman from Illinois to be the nation’s 16th Transportation Secretary, it was his way of extending an olive branch to the GOP and expressing his bipartisan nature. LaHood openly admits he was chosen, in his words,

“because of the bipartisan thing.”

But what few people could have guessed back in late 2008 was how engaged—and engaging—LaHood would be in the job. “I don’t think they picked me because they thought I’d be that great a transportation person,” LaHood told the *New York Times* in a refreshing bit of candor that is typical of the affable Midwesterner.

But don’t let LaHood’s “aw-shucks” demeanor fool you. He’s a powerhouse player in Washington, overseeing an agency with a \$74 billion budget and more than 55,000



Last month, Contributing Editor John Schulz (right) sat down with U.S. Secretary of Transportation Ray LaHood in his Washington office for an exclusive interview on the state of transportation and his goals for the coming year.

employees that have a visible impact on Americans in virtually every election district in the nation.

As the lone Republican in the president's cabinet, LaHood has proven to be an invaluable member of Obama's inner circle in trying to carry out the president's agenda. He's most valuable when it comes to bridging the ideological gap between the Republican-controlled House and Democratic-led Senate and White House. Prior to landing the position, LaHood was not considered a transportation expert. Insiders say he got the job mainly because of his close ties with Rahm Emanuel, Obama's first Chief of Staff and current Mayor of Chicago. But he has since forged strong ties with the President himself.

Behind his desk in Washington hangs a photograph of President Obama adjusting LaHood's neckwear with the priceless inscription in the President's own handwriting: "This isn't the House, straighten your tie."

Yet the almost always-dapper LaHood has been a staunch backer of the President's high-speed rail initiatives, which have been met coolly in Congress and by some Republican governors. And as befits his title, he's perhaps the most traveled member of Obama's cabinet, traveling to nearly all 50 states over the past few years—and just returning from a tour of Alaska.

However, last month we were able

to catch him in his Washington office where he sat down with us for an exclusive interview on the state of transportation and his goals for the coming year. Here's what he had to say:

Logistics Management: *You seem to have a lot of fun in your job.*

Transportation Secretary LaHood:

This is a good job for two different reasons. I feel like I got a front row seat in making history. The President hired me to run the Department of Transportation and said, 'If there's a problem I'll let you know. If you don't hear from me you must be doing something right.' And so for two and a half years I think we've made a difference. We've got \$48 billion in stimulus money and we put 65,000 people to work in 15,000 projects. We made a difference over the last two years.

LM: *Tell me about your program to rid the roads of distracted drivers?*

LaHood: We've been able to pay a lot of attention to distracted driving, which is one of our top safety initiatives. I think we got distracted driving to the point now where a lot of people are paying attention to whether they're using their cell phones while driving or texting while driving. And they know it's dangerous, so that's been one of our safety initiatives. If we had a flashing neon light it would be flashing 'safety.' That's what we think about every day.

LM: *What needs to happen to get a multiyear highway bill passed?*

LaHood: I think that there's a consensus in Congress on what the needs are in America. Everybody knows where the bad roads are. Everybody knows where the bad bridges are that need to be fixed. People know that we have transit systems that are outdated that need to be brought up to a state of good repair. The President would like to get into high-speed rail, so we've invested \$10 billion. I think there's a pretty good consensus on what needs to be done.

LM: *What about paying for it?*

LaHood: Probably the biggest dilemma is how to pay for it, and how many years it should be. When I was on the transportation committee we passed two transportation bills, both passed with over 380 votes in the House and over 80 votes in the Senate. Transportation has always been bipartisan. There are no Republican or Democratic bridges. There are no Democratic or Republican roads. There just aren't. There are Americans who know how to build infrastructure, who know how to build American infrastructure. So I think if Congress can figure how to pay for it they can pass a long-term bill.

LM: *Why is it that nobody seems to want to raise the federal fuel tax that hasn't been raised or adjusted for inflation since 1993 to pay for the highway bill?*

LaHood: I'll tell you the President's point of view on this. With 9 percent unemployment, with so many people out of work, with a very bad economy, the President feels like it's not the time to be raising the gasoline taxes. There are a lot of people out of work, a lot of families are hurting, and the President has said we shouldn't be raising the gasoline tax. There are some other ways to do it (pay for the highway bill). In fact,

LaHood grades U.S. infrastructure a low 'D'

WASHINGTON—BEFORE ENTERING POLITICS, Transportation Secretary Ray LaHood taught junior high social studies back in his hometown of Peoria, Ill. You can take the man out of the school, but you can't take the teacher out of the man.

When asked to grade this nation's infrastructure, LaHood proved he was a tough grader. "Our infrastructure is in very, very poor condition," says LaHood. "I would rate it at a D, and a low D. We need to make these investments. We need to begin to fix up our bridges. We need to begin to fix up our roads. We need to finish the interstate system. We need to continue to make progress on high speed rail."

Specifically, LaHood mentioned the need to upgrade the nation's transit systems. "You go out to Chicago and you ride their trains, which thousands of people do every day, and these are old trains up on tracks and some of them need the kind of resources that are necessary to bring them into a state of good repair."

LaHood adds that the country has not made the types of investments in infrastructure that are necessary to be competitive in the 21st century. "My point

is we have not invested—whether it's ports or roads or rails. We've made some investments in airports but we could do more. We're being outcompeted by other countries."

He singles out China, where he says "they're building hundreds of airports all over the country. They're building hundreds of roads all over the country. They're outcompeting us. They are where we were maybe five decades ago when Eisenhower signed the interstate bill and we started making huge investments in roads and bridges and transit systems. That's what they're doing now in China."

The nation's 16th Transportation Secretary says it's time to get back to the investment levels of 30 or 40 years ago when the United States was a leader in infrastructure investment.

"That's when we're the leader in infrastructure, we're the leader in safe roads, we're the leader in safe bridges, we're the leader in good transit systems. We're not there yet. We've got a long way to go. But we're going to keep working at it," he adds.

—John D. Schulz, Contributing Editor

the President has proposed to pay for it with his \$440 billion American Jobs Act. Another way would be raising taxes on people who make a lot of money or who have a lot of money.

LM: *How viable is the Infrastructure Bank concept in improving our nation?*

LaHood: The Infrastructure Bank is something that President Obama has pushed very hard for. In the American Jobs Act there is \$10 billion for the Infrastructure Bank. That money could be used to leverage billions of private dollars to build roads, to build bridges, to build some infrastructure on the waterways, to build water treatment plants, to build sewage treatment plants...to give communities the opportunity to take not only aging infrastructure like roads and bridges, but all the other things those communities need in order to operate.

There's a program on the Mississippi and Illinois rivers for the locks and dams that are over 50 years old, and an Infrastructure Bank would be used to

fix up the locks and dams. We're going to push this very hard. We believe this is a pot of money that leverages a lot of other money that really gets the private sector involved.

LM: *There have been calls for a national freight policy that would give freight interests a seat at the table, so to speak. What needs to happen to elevate freight needs?*

LaHood: I think this administration has played a very big role in highlighting freight. Freight companies, the Class 1 (railroad) companies, are making money, they're doing well, they're delivering a lot of goods across the country, and we have made some investments in our freight rails. We made a half-billion dollar investment in some of the freight companies so they can fix up the tracks so trains can go higher speeds so we can implement high-speed rail. President Obama's administration has invested more in the freight Class 1 railroads than any other administration that's ever invested.

Some of it is so we can get the tracks fixed up to get the high speed so we can use some of the freight rail for high speed rail. But we believe in freight rail. We believe they provide a lot of jobs. We believe that we have a state-of-the-art freight rail system, second to none anywhere in the world. We're the envy of the world when it comes to freight rail, and we appreciate our friends in the freight rail business and we're going to continue to make investments and partner with them on our opportunities to implement high-speed rails.

LM: *What was your reaction to The National Industrial Transportation League honoring you as its Executive of the Year?*

LaHood: I appreciate the honor. But the honor really goes to the 55,000 people who work in the Department of Transportation who show up here everyday thinking about safety, thinking about how to move people, and how to move goods.

LM: *Do Americans take transportation too much for granted?*

LaHood: Well, thanks to the leadership of the President, giving me a long leash here, I can't tell you how many times people have said to me that they can't remember the last time they knew the name of the Secretary of Transportation. We have raised transportation to an all-new level of awareness for many, many people. I think we've raised that level of awareness because of our safety agenda. Because of our multimodal agenda, we're making investments all across America like we've never made before.

I think people understand that transportation is one of the quickest ways to put Americans to work. If Congress were to pass a surface transportation bill, Americans would go to work. If Congress were to pass the American Jobs Act, people would go to work. They'd see the orange cones, they'd see the orange rails, and they know their friends and neighbors would be working. People know that transportation is the way to put people to work. That's our message along with safety. I think we've raised the awareness of transportation in our country higher than it's been in a long, long time. □