



Acceptance of the
James C. Roddey Transportation Leadership Award
by
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I've been a member of the Pennsylvania Trolley Museum since roughly 1970. The first personal check that I ever wrote was to, at that time, the Arden Trolley Museum; I could have spent several hours trying to find that check but instead I wrote some remarks which I will share with you; I timed it and I think it will take about seven minutes.

First of all let me just say how privileged I have been served in the rail industry, as Jim Roddey said, "for my entire life". In particular I take great pride in the evolution that the rail industry has taken in its many forms. I remember when we were "Trolley Jollies", not to be confused with the Light Rail Transit Advocates that we are today. I also remember when Steve Goodman wrote the line, "the disappearing railroad blues," in the song "City of New Orleans" back in the Era of Regulation; fortunately, it didn't work out that way.

But before I go into the bulk of my remarks, let me just ask a couple of questions: How many people here tonight arrived on public transportation? (None). OK! Anybody here from Port Authority Transit? (None), The Allegheny Conference? (None), Maglev? (None), SkyBus? (None); OK! Now I can do the rest of my speech.

The question I would like to address tonight is, if I am such a Transportation Leader as it states on this plaque, "Transportation Leadership", how come RDC has no presence in western Pennsylvania? The short answer is that we tried, and it took various forms including our ill-fated attempts to save the P&LE Railroad. But thanks to the Pennsylvania DER and the law firm of Reed Smith Shaw & McKay that never happened. But we tried! Second, we did launch a bus service called *The Steel City Flyer* from Pittsburgh to Harrisburg. The idea was to feed Amtrak and replace the US Airways service that had been discontinued; but that didn't work either. Highmark said we would save them a million dollars a year but we asked the wrong question; what we should have asked Highmark was, "Are you interested in saving \$1 million a year"? We shut down the service after 6 months.

I could go on and on, but I think it's more interesting to talk about failure stories than success stories, because you learn more from failure. With that said, I would recommend the recent book [Railroads without Borders](#) (Indiana University Press). It is about RDC's history, but not written by us, therefore it's not propaganda. There's a lot about transportation history and in particular western Pennsylvania, so I'll leave it at that.

Let's now get into the bulk of the discussion which is: defining Transportation Leadership by looking at the rail business in its various forms. First, there is freight. It's much easier to define freight transportation leadership vs. passenger because basically the marketplace takes care of it. There is no shortage of leadership in the freight transportation sector because it's largely based on the absence of dependence on the public sector. The reason the railroads are doing so well in this country is because of neglect by the public sector; we have weaned ourselves from dependence on the public sector. Our industry is generally considered to be an example for the world, and in our own small way we try to support that. In this room there is plenty of private sector leadership, such as representatives from the railway supply industry—Wabtec and L.B. Foster. Western Pennsylvania is a hot bed for the railway supply industry. And there are also very important industry players for freight railroads in the region, ranging from the big railroads like Northern Southern to our local

Allegheny Valley Railroad. Again there is no shortage of transportation leadership; the marketplace takes care of that.

Let's contrast that with passenger transportation, which is a different story. I would argue that Passenger Transportation Leadership is almost an oxymoron in western Pennsylvania. And I say that because I think that in addition to being heavily dependent on the short-term focus of the public sector, our culture in western Pennsylvania is an Appalachian culture of acceptance or, you might say, helplessness. Everyone agrees that we have got problems but there's really no way to address them. What has not helped, and actually hindered, is the dominance of our economy by the public and nonprofit sectors. A generation or so ago we could say that we were dominated by the steel industry, but at least they had shareholders and so were responsible to somebody. It's quite a complex problem that I believe is actually a constraint on growth. And we're beginning to see that up close and personal, with examples like Forbes and Fifth Avenues in Oakland.

So what is the for-profit sector's legacy in passenger transportation? Well, it was the bankruptcy of Pittsburgh Railways which, in its day, was one of the world's largest private sector light rail systems. The reasons for its disappearance are quite complex, but the roots of its disappearance go back to before WWII. We can thank the Allegheny Conference for bringing Robert Moses to Pittsburgh in 1939, before he paved over parts of New York City, to recommend among other things the removal of our light rail system, including the construction of bridges that did not have light rail tracks on them. A more recent example of a focus of the business community is the nonstop flight to Paris; that's not about business, but rather the vacations of the business community. But I don't want to turn this into a list of complaints, so I'd like to get to some solutions.

Let's talk about transit as being pieces of a puzzle where there's good news and there's bad news. Let's start with the bad news first. Public transportation, as it's done right now, is provided grudgingly and as cheaply as possible for the people at the bottom of the economic totem pole. For example, I ride the 28X PAT bus service from the airport, but most of the people are taking it to their minimum wage jobs at the big box stores at Robinson Town Centre and thereabouts. Mobility in our region is not something that's necessarily considered an asset, and in some cases, it's considered a liability. Look at what happened when the East busway station in Edgewood was proposed; Edgewood considers public transportation a liability, not an asset. The same was true, as I recall, about the location of the Mt. Lebanon light rail station. And more to the point the major employers in the region have already taken care of themselves. In Oakland, for example, most of the major employers have their own private bus services. Or in the case of the sport stadiums, they have helped themselves to capital dollars to come up with what is essentially a free shuttle service to the North Shore; this makes me recall when Harold Geissenheimer, the general manager of Port Authority Transit, told me, "You don't want people riding the system because it's free". Well that's what the half billion dollar extension to the North Shore has become.

So let's get to the good news, and remember that this is a puzzle, so how do you put these pieces together to make things better? First, among the interesting things about western Pennsylvania is that we do have a tradition of local enterprise. One example is the family-owned Fullington Auto Bus Company which is still partially family-owned, but interestingly the majority owner is now the Paris subway system. So you can actually ride on a local bus across the state of Pennsylvania owned by the Paris subway system. And second, *Jitney* is an August Wilson play about for-profit public transportation which has been historically provided by the African-American community and still survives. Imagine if you could take jitneys and turn them into something at a city wide level; well, that's in fact how many public transportation systems in Latin America operate today. Third, people with money, millennials, etc. want public transportation and they seem willing to pay for it. The evidence of that is Uber and the declining ownership of automobiles by people in their 20's and 30's. So to put a box around this: it can only get better.

Now there is one more thing which is both bad news and good news: poverty is increasingly moving from the city to the suburbs, but people in the suburb require transportation. So it's a very complex aspect of our region that demands solutions and can be paid for if only because there's an increasingly wealthy segment of the population which is willing to pay for it.

So let's get to the definition of Leadership—and I would like to say this is not my definition of leadership but rather the definition of leadership which has evolved at Railroad Development Corporation and The Hawthorne Group over time and through generations:

1. **Make a difference** – which is a nice way of saying “fill a market niche;”
2. **Choose your battles** – business is a marathon; you have to think long-term;
3. **Don't trust institutions** – that way you'll never be disappointed; and
4. **Neither seek failure nor fear it** – because the best way to learn is by making mistakes.

The book I mentioned earlier, Railroaders Without Borders, is more about our failures than our mistakes. So who are the sources of this wisdom? It really is a continuum and, as Jim mentioned, my family has been in business for a number of generations and the continuum roughly begins with my grandfather and my father, who was truly the wisest person I've ever met. He was somebody who tried a lot of things, a lot that didn't work, but one success pays for at least five failures. My father's business partners were Jim Roddey and Tom Wright, who are with us tonight, along with their families and associates. Also here are: the law firm of Eckert, Seamans, Cherin & Mellott; John Ghaznavi, a partner of my father; and Rick Irwin from IntegraCare.

This is an evolving model of leadership. Even as we speak it continues to evolve because my colleagues and my generation keep on trying new things. My partner Bob Pietrandrea, my colleague John Hensler, and my wife Anne Molloy—have done so much and achieved so much together. If I draw a circle around Bob and John and Anne, there are characteristics they share—they are smart, they're wise, and they keep me in line. But finally, my wife Anne—note that she's in 2 categories! As Jim Roddey once said that the best evidence that there is a God is that we met, and for those of us who know Anne, I think that accurately reflects who she is.

So I accept the award on behalf of two groups of people: the first group that could not be here—the Martyrs of the Rail Industry who were sacrificed on the altar of public policy: that's the employees of Pittsburgh Railways, the Pennsylvania Railroad, the P&LE and even the *Steel City Flyer*; and the second group—my colleagues at RDC and The Hawthorne Group and my family over the generations, past and future.

That concludes my remarks and I note that it was only six minutes. But I want you to get your money's worth so I have a couple of book recommendations in addition to Railroaders without Borders: a book on leadership, Endurance—about Ernest Shackleton, who set out to do something, but the situation changed; he nonetheless brought everybody back alive; such a wonderful example of leadership, completely accidental leadership. And then for the lefties among us is the playbook for social activism, Wrestling with Moses. You'll recall that I mentioned how Robert Moses came to Pittsburgh and began the destruction of the light rail system before WWII. This is about a woman who was described as a “housewife from Greenwich Village,” who stopped the political juggernaut of Robert Moses and basically saved New York City. So take your choice to which one of these you want to read first.

Specific to the Pennsylvania Trolley Museum, my wish is that you return to the city, the city of Pittsburgh, when mobility becomes valued and that that time comes for Pittsburgh, just as it has come for us in Paris.

Thank you very much.