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Sent: Friday, March 13, 2009 9:59 AM
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Cc: Eng, Lorena; Vlcek, William
Subject: New Toll Organization at WSDOT

Yesterday Dave Dye sent the Chairs of the House and Senate Transportation Committees a message announcing a new tolling organization here at WSDOT. Also yesterday he distributed to Department managers an update on recent legislative activities that included noting the Senate bill that would have the WSDOT reorganize into six new regions (instead of the current seven if you include UCO). I want to provide you with some background and what these changes may mean to you and to the Urban Corridors Office as we look to some transitions in the months and possibly years ahead.

In regards to the regional boundaries, Senate Bill 5682 calls for the Department to reduce the number of regions in eastern Washington from three to two, realigns Southwest, Northwest and Olympic, creates a new Puget Sound Region (Snohomish, King, Pierce) and retires UCO by July 2011. What does this mean to UCO and our staff? Clearly we will track the bill, and as you recall from your civics classes, the bill will now be considered by the House Transportation Committee, the House, and eventually by the Governor. As UCO and each person on staff is funded 100% by the major projects we are working on, the project work and the positions we have associated with those projects will continue based on the budget levels provided in the '09-'11 biennium and the years ahead. In fact our workforce projections shows a strong program for the three major UCO projects -- AWW, SR 520 and I-405. The question that will be evaluated in the years ahead will be what is the most efficient and effective management structure as UCO completes its mission and how will state transportation services be provided in central Puget Sound?

In regards to tolling, last fall a team began working on ways to improve WSDOT's organization and staffing to support tolling policy development, strategic toll planning, tolling financial plan development, toll project development and toll operations. It became clear that tolling has become, and will continue to be a significant part of the Department's business functions in the years ahead. Building off the lessons learned in the start up and operations of tolling on the Tacoma Narrows Bridge along with the SR 167 HOT lanes, the team identified a number of opportunities for improvement as we anticipate more work relating to tolling development and implementation for SR 520, the SR 99 Alaskan Way bored tunnel, and other routes across the state, including but not limited to the I-5 Columbia River Crossing and express toll lanes on I-405. A review of toll organizations around the nation was conducted, and organizational options were evaluated to best meet our needs here in Washington State using existing positions that did not result in workforce or management team expansion. After an assessment of different organizational models, a new toll division out of headquarters, place-based in Seattle was selected.

Paula Hammond and Dave Dye have asked me to head up this new team. With direct support from David Hopkins (Government Relations & Communications), Helena Kennedy Smith (Finance & Program Management) and a lot of support from others we will lead a transition in the next few months to a toll division that will have statewide activities. To ensure that we carefully coordinate both internally and externally on the myriad of toll policy and operating issues, I will be reporting directly to Dave Dye in the Secretary's Office.

This re-organization will also allow us to place under common leadership the toll functions of planning - lead by Rob Fellows, toll engineering - lead by Patty Rubstello, and toll operations - lead by Greg Selstead to realize efficiencies and cost avoidance over time as the toll network grows. This consolidation will necessitate the relocation of the Toll Operations Office from Gig Harbor to Seattle in anticipation of the increasing work effort that will be required with our future toll projects in the Puget Sound Region.

The day to day operations of the Urban Corridors Office will be led by Ron Paananen as the Deputy Administrator. Ron's reporting relationship to me will remain as he shepherds the design, environmental and construction projects assigned to UCO, focusing primarily on delivery of the Alaskan Way bored tunnel, the SR 520 project, and I-405 corridor improvements -- all of which are being considered for some form of tolling. For most of the employees currently within Urban Corridors, these changes should be negligible for the next two years. Looking forward to 2011 and beyond will be dependent first on passage of the 'regional bill' as well as what the department's budget will be. As always we will manage and adjust accordingly to efficiently provide high quality projects on time and on budget.

Additional refinements to organizational alignments will be made as more information regarding our budget and other legislation is finalized. I will keep you updated as that occurs.

Thank you for your outstanding work! We have an incredible program and I trust you take pride in the work you do each day to improve the transportation system serving the citizens of our state.

- Craig