

May 3, 2011

Southeastern Pennsylvania Transportation Authority  
1234 Market Street  
Philadelphia, Pennsylvania 19107

Attention: Pasquale T. Deon, Board Chairman

Re: Public Hearing in connection with the Southeastern Pennsylvania Transportation Authority's Fiscal Year 2012 Capital Budget and Fiscal Years 2012-2023 Capital Program and Comprehensive Plan.

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Examiner's Recommendation:

**That the Fiscal Year 2012 Capital Budget and Fiscal Years 2012-2023 Capital Program and Comprehensive Plan be adopted.**

Members of the Board:

Pursuant to my appointment by Pasquale T. Deon, Board Chairman, to conduct hearings for the purpose of considering SEPTA's Fiscal Year 2012 Capital Budget and Fiscal Years 2012-2023 Capital Program and Comprehensive Plan, public hearings were held at 11:30 a.m. and 5:00 p.m., April 26, 2011 in the SEPTA Board Room, Mezzanine, 1234 Market Street, Philadelphia, Pennsylvania 19107.

A stenographic record was made of the hearings and is available for viewing in the Authority's files. Included as part of the record of the hearings, but not forwarded herewith, are the exhibits establishing posting and publication of the notice of the hearings. These exhibits are available for viewing in the Authority's files.

The Fiscal Year 2012 Capital Budget and Fiscal Years 2012-2023 Capital Program were prepared by SEPTA in accordance with Section 1310 of the Pennsylvania Public Transportation Law of 1991 ("Act 26") and the hearings proceeded with the presentation by SEPTA's witnesses. Following the presentation of testimony by the SEPTA witness, the floor was open to any person attending who desired to ask questions, make a statement or present evidence.

Introduction:

Catherine Popp-McDonough, Director, Capital Budgets testified that the proposed Fiscal Year 2012 Capital Budget consists of 13 projects and totals \$311.5 million. She noted that with the rejection by the U.S. Department of Transportation of Pennsylvania's application to toll Interstate 80, SEPTA will experience a 25% or \$110 million loss in capital funding annually. As a result of this reduction in capital funding, SEPTA is forced to defer projects and the backlog of unfunded projects continues to grow. John Dooner of SEPTA's Capital Planning Department, Jeffrey Knueppel, Assistant General Manager and Chief Engineer, Byron Comati, Director of

Strategic Planning also participated in the proceedings. The projects are classified by one of five types: Financial Obligations, State of Good Repair, Normal Replacement of Assets, System Improvements and Federally Mandated Projects. Major projects proposed for funding in Fiscal Year 2012 include the Capital Asset Lease Program at \$28.7 million and Debt Service at \$52.7 million, Regional Rail Station Improvements at \$10.4 million, Station Accessibility at \$4.8 million, Infrastructure Safety Renewal Program at \$34.5 million, Bus Purchase Program at \$59.2 million, Paratransit Vehicle Acquisition at \$5 million, Vehicle Overhaul Program at \$53.1 million, Regional Rail Signal System Modernization at \$35.8 million, and Safety and Security Improvements at \$5 million.

A total of 20 people attended the public hearings including representatives from the Delaware Valley Association of Rail Passengers, Delaware Valley Citizens Transportation Committee, Tri-State Transit 21, Tri-State Citizens' Council on Transportation and SEPTA Advisory Committee For Accessible Transportation.

An announcement was made at the hearings that the record would be held open through May 2, 2011 for receipt of written comments.

Written comments were received from:

- 1) Delaware Valley Citizens' Transportation Committee urging the purchase of an additional 23 trackless trolleys for Routes 29 and 79 and use of trackless trolleys for Routes 59, 66 and 75.
- 2) Tri-State Citizens Council on Transportation recommends that the Newtown rail project be restored to the 2012-2023 Capital Program and the removal of the Paoli Transportation Center from the capital program, as well as the purchase of trackless trolleys. It recommends certain improvements to the Capital Budget process.
- 3) Philadelphia Trolley Coalition urging the expansion of trackless trolley service to additional routes, purchase of additional trackless trolleys for Routes 29 and 79 and restoration of the shelter at the loop for Routes 7, 39 and 54 at Ridge and Dauphin. It also urges SEPTA to make rapid progress to restore rail service on Routes 23 and 56.
- 4) Delaware Valley Association of Rail Passengers noted the shortfall in transportation revenue and will support legislation for adequate transportation funding. It supports SEPTA's budget strategy and SEPTA's decision to use bond financing for the acquisition of the Silverliner V cars. It expresses opposition to the proposed fare system and noted five elements of the program that it opposes.

Delaware County Planning Department noted with appreciation the significant investment SEPTA has made in the past fiscal year and thanked SEPTA officials for the success of the ARRA projects in the

County. The County's top priority is the restoration of rail service between Elwyn and Wawa and urges that construction begin when funding is identified. The County supports numerous projects included in the Capital Program that involve facilities in Delaware County.

#### Comments Presented at the Hearings

Several individuals had comments or questions pertaining to the projects programmed in the Capital Budget and the SEPTA witnesses provided answers to those questions at the hearings. All the individuals commented on the loss of funding.

The following is a summary of the major topics of interest presented at the hearings:

Representative from Tri-State Transit 21 inquired about various issues including the Wynnewood Road Station upgrade and the bus purchase program. He also questioned the cost of signage changes on the regional rail lines and commented on the need for public support to increase funding for public transportation.

Representative of Delaware Valley Citizens Transportation Committee urged SEPTA to acquire 23 trackless trolleys for Routes 29 and 79 in South Philadelphia.

Representative from SEPTA Advisement Committee commented favorably on accessibility improvements and supports the 2012 Capital Budget.

Representatives from Delaware Valley Association of Rail Passengers noted the shortfall in transportation revenues and supports the use of bond financing for the Silverliner V acquisition. It also will support legislation to adequately fund transportation. It expresses strong opposition to the proposed fare system and notes five elements of the program that it opposes.

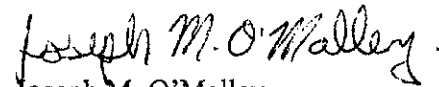
#### Summary

The issues raised during the hearings are provided for your information and use. I find that SEPTA's Fiscal Year 2012 Capital Budget and Fiscal Years 2012-2023 Capital Program and Comprehensive Plan are consistent with federal and state programming requirements. These programming requirements specify that the Authority develop a capital program constrained to reasonable funding levels. The shortfall of funding has presented SEPTA with a challenge to move forward on its capital projects with restricted funds and I believe that this proposed Capital Budget meets that challenge.

Overall, the budget represents an investment in SEPTA's infrastructure and the regional economy. Many capital projects in the budget are long-term commitments and/or obligations of the Authority. I believe that Board endorsement of the proposed Capital Budget is highly recommended. SEPTA staff is encouraged to work with local member governments and the public throughout the year to discuss and receive input on capital projects.

In conclusion, it is my recommendation that the Fiscal Year 2012 Capital Budget and Fiscal Years 2012-2023 Capital Program be adopted.

Respectfully submitted,

  
Joseph M. O'Malley  
Hearing Examiner

cc: Pasquale T. Deon, Sr., Chairman  
James C. Schwartzman, Esquire  
Thomas E. Babcock  
Joseph E. Brion, Esquire  
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Rina Cutler  
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