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**PENNSYLVANIA SENATE**

**TRANSPORTATION COMMITTEE**

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**TEMPLE UNIVERSITY**



Good morning Chairman Rafferty and Members of the Senate Transportation Committee. Thank you for the opportunity to appear on behalf of the Southeastern Pennsylvania Transportation Authority (SEPTA) and provide testimony regarding the immediate and growing need for a comprehensive solution to the transportation funding crisis facing the Commonwealth.

Pennsylvania's economic competitiveness depends on a safe, efficient, interdependent and multimodal network of roadways, transit, rail freight, aviation, ports and intercity passenger rail. After years of underinvestment, however, the infrastructure that moves people and commerce throughout the Commonwealth and connects Pennsylvania to the nation and the world is unable to adequately meet current usage, let alone future demand.

Governor Corbett's 2011 Transportation Funding Advisory Commission identified a \$3.5 billion gap between annual transportation funding and need. The report confirmed nearly a decade of studies that all came to the same conclusion: Pennsylvania's transportation systems are underfunded, and the gap is growing. It is now approaching \$5 billion, and it will grow by \$1 million every day until a funding solution is achieved. By 2020, the statewide shortfall will stand at \$7 billion.

SEPTA's capital need over the next ten years stands at \$6.5 billion – an average of \$650 million per year for vehicle replacements, bridge repairs, and infrastructure renewal. This \$650 million unfunded annual need is what it will take to bring the existing transit network to a state of good repair and to operate a safe and reliable public transportation system.

Funding for SEPTA's capital program is now at a 15 year low, even before accounting for inflation. At the same time, ridership on SEPTA is at quarter-century highs, with a record 339 million trips. Last year, ridership on Regional Rail was at its highest level in history.

The resulting crisis is imminent. At current funding levels, SEPTA will not be able to guarantee safe and reliable public transportation system unless the size of the transit system shrinks. As 70 percent of SEPTA's ten-year capital need is rail-related, impacts will be particularly pronounced on the Regional Rail and Rail Transit networks. The trolley fleets for City Transit and Media Sharon Hill Line in Delaware County were put into service in 1982, more than 30 years ago. The trolleys have been overhauled several times to extend their useful life. Despite SEPTA's best maintenance efforts, an average trolley fails twice as frequently now as it did five years ago. Similarly, two-thirds of the Regional Rail fleet was built in the mid-1970s and are approaching 40 years of service. Without funding to replace these railcars, these railcars will reach a half-century of use by the mid-2020s. The total replacement cost of these two fleets is \$2 billion.

Compounding the challenge of aging rail vehicles is the deteriorating infrastructure upon which they operate. Regional Rail trains are run on a network that dates to the late 1800s and early 1900s. The average age of SEPTA's rail bridges is 80 years old; 103 bridges are more than 100 years old. Electrical power substations date to the original electrification of the railroad and have been in continuous operation since the early 1930s.

SEPTA cannot responsibly continue to operate service on this system without adequate resources to maintain it. The only choice left will be reducing the size of operations. Without investment in transportation assets, SEPTA will be forced to suspend service due to aging vehicles and infrastructure on nine of 13 Regional Rail Lines and truncate two others. More than 30,000 Regional Rail riders will lose rail service.

In the City of Philadelphia and Delaware County, all trolley lines will be converted to bus as the existing trolleys will no longer be able to provide reliable and safe rail service. More than 60,000 city and suburban transit riders will lose their rail service. Even if some riders choose to ride buses on congested City and Suburban streets, SEPTA projects that up to 100,000 riders will lose their rail service.

Riders lucky enough to have mobility options will use them. Mostly, this will mean more congestion on the region's highway system. Interstates 76, 276, 476, and 95, already choked during rush hour, will be required to carry thousands of new car commuters. Increased traffic volumes will accelerate the rate of roadway deterioration, resulting in a higher frequency and cost for maintenance and repairs.

However, many riders do not have options and depend on SEPTA for their mobility. For these people, a shrinking rail network means reduced access to jobs, educational opportunities, and other daily needs. As the size of the rail network shrinks, so too will the extent of SEPTA's paratransit services. Many elderly and disabled riders that rely on paratransit will be forced to seek alternatives for their transportation needs.

This once-unthinkable scenario is now something for which SEPTA must prepare. SEPTA's long-standing commitments to operate a safe and reliable public

transportation system, and to do so responsibly within its financial means, are now at odds. Soon, it will become impossible to commit to both of these important principles without significantly downsizing the system to bring funding levels and capital requirements into balance.

This scenario would be catastrophic to the Pennsylvania economy. The five counties of Southeastern Pennsylvania account for just five percent of the state's land, yet they represent 32 percent of its population and 40 percent of its economic output. This density and economic productivity would not be possible without a comprehensive network of public transportation services. SEPTA is the engine that keeps Pennsylvania's most economically productive region moving. If that engine is allowed to fail, the region will grind to a halt. The entire Commonwealth will pay the price.

SEPTA and other state transportation agencies are fortunate to have the leadership of this committee out in front on this issue. Senate Bill 1, which was passed on the Senate floor by a 45-5 vote, would provide a critical infusion of financial resources. The \$2.5 billion funding package would put Pennsylvania back on the road to an economically competitive future. The Authority strongly supports the funding levels of Senate Bill 1.

Nothing less than Pennsylvania's economic competitiveness is at stake. Within the past year, Ohio, Maryland, Virginia, and Massachusetts have passed multi-year, multi-billion dollar transportation funding packages. SEPTA's peer agencies in places like Boston, Chicago, New Jersey and Washington, D.C. invest up to three times what SEPTA invests in its infrastructure each year.

Capital infusions in these states will allow transportation agencies to rebuild their roads, bridges, and transit systems. As a result, the movement of people and goods in those states will be safer, more efficient, and more reliable. Economic growth will follow.

As the competition for businesses and jobs intensifies, it must be encouraging to these competitor states to see Pennsylvania still stuck in neutral on transportation funding. Pennsylvania's economic might was built upon an infrastructure that was the key enabler of economic productivity. Businesses chose to locate in Pennsylvania to tap into the economic value that these transportation assets represented. But the assets become liabilities when they are allowed to deteriorate.

The economic consequences of inaction on transportation funding are severe. Businesses will understandably seek alternatives as weight-restricted bridges, congested highways, and shrinking transit systems erode Pennsylvania's once-formidable competitive advantage. States on all sides of Pennsylvania are right now investing billions in their transportation infrastructure to ready themselves for the economic growth that Pennsylvania risks forfeiting.

In closing, I urge the legislature to advance Senate Bill 1 as the framework for transportation funding in Pennsylvania.

Thank you again for the opportunity to provide testimony today.