

*Southeastern Pennsylvania Area
Coalition For Transportation (ACT)*



PHOTOCOPY
PRESERVATION

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Southeastern Pennsylvania Transportation Authority
Safety • Service • Continuous Improvement

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Louis J. Gambaccini

May 28, 1993

Ms. Carol H. Rasco
Assistant to the President for Domestic Policy
The White House
Office of Domestic Policy
1600 Pennsylvania Avenue, N.W. - West Wing, 2nd Floor
Washington, D.C. 20500

Dear Carol:

I want to thank you very much for our meeting with you last week. I thought it was extremely important to have an exchange of views on domestic policy especially in respect to public transportation and other domestic issues. As promised, I am sending along a hard copy version of the slide presentation that I mentioned to you. I think you will find it easy to skim through. Its overall message is: If you look at key indicators one after another, you can't help but conclude our policies are calculated to worsen our mobility, environment, productivity and efficiency, and competitive position in the world economy. I do not believe that I exaggerate.

Requiring a bit more effort to read is a paper I am enclosing which was recently commissioned for a recent American Assembly Conference, chaired by Henry Cisneros, which I attended. I think it sets out in a fresh and clear fashion the trends and problems of our cities and transportation.

I look forward to working with you.

Sincerely yours,

Louis J. Gambaccini
Chief Operations Officer/
General Manager

P.S. I am sending along also some materials on ACT (the Area Coalition for Transportation).

AREA COALITION FOR TRANSPORTATION

(ACT)

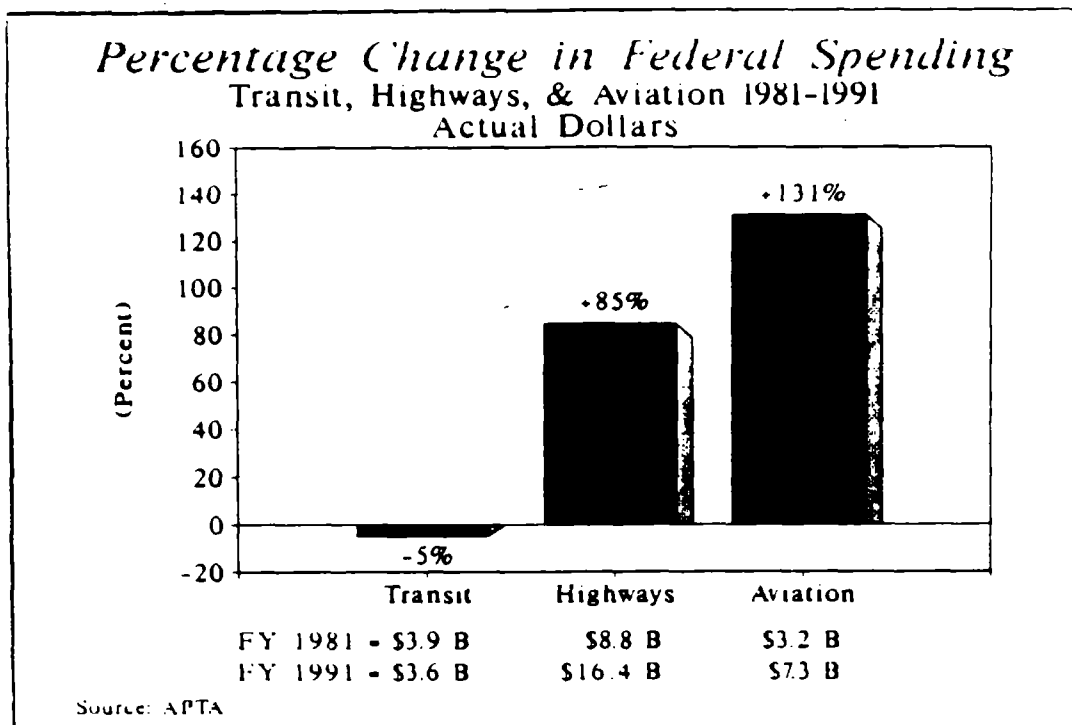
WHY IS THERE A NEED FOR A COALITION TO SUPPORT PUBLIC TRANSPORTATION?

PUBLIC TRANSPORTATION MUST BECOME A PRIORITY

As new problems have arisen, placing new demands on the public purse, public transportation has slid down the list of priorities. Ten years ago, drug interdiction and beleaguered savings and loans were not receiving the huge infusions of public dollars they do today.

At the same time, public transportation did not have vocal support in the corridors of government. With thousands of interest groups constantly pressing their case to elected officials and their staffs, those without a presence, like public transportation, often got left behind.

The decline in federal funding for public transportation over the past decade, for example, illustrates how public transportation has been left behind. From 1981 to 1991, federal funding for public transit decreased 65% in constant dollars. At the same time, the Federal Highway Administration received a 17% increase in funding, and funding for the Federal Aviation Administration rose by 44%. The chart below reflects the percentage change in federal spending in actual dollars.



Public transportation must again become a priority and receive a level of support commensurate with the benefits it provides to the region. The constituencies throughout the region that support mass transit must marshal their collective energies and political strength on behalf of a strong public transportation system because . . .

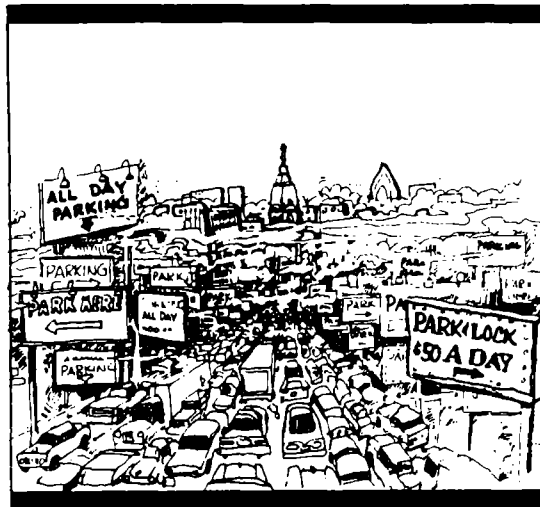
The five-county region of Southeastern Pennsylvania is transit-dependent.

According to a 1989 study of the region's public transportation needs, conducted by the region's elected officials, over 1.1 million rides are taken on SEPTA each day. About 70% of the 285,000 people who work in Center City use public transportation -- one of the highest levels of transit use in the country. If SEPTA did not exist, the study estimated that 47 lanes of highway would need to be built to handle the flow into Center City each day, and Center City would have to be paved over to create the additional 175,000 parking spaces that would be needed.

Thirty-eight percent of the households in Philadelphia and 9% in the suburbs do not own cars. Numerous others are from single car families. And in many instances, mass transit is the lifeline of many senior citizens and a primary source of mobility for many disabled persons.

Traffic congestion is an increasing problem in the region.

The region's highway capacity is the lowest among the 10 largest cities in the country, and while the five counties include approximately 11% of the highway miles in the state, they account for nearly 24% of the vehicles miles travelled. Transportation officials recognize that the Blue Route is the last major highway that will be built in the region due to environmental concerns and the lack of available land.



The region's air quality is deteriorating.

Philadelphia is second only to New York City in the level of ozone pollution. According to Sara Nichols, a lawyer for the Clean Air Council, "with two of the three air monitoring stations not functioning for a large portion of the summer, in 1989 Philadelphia had 21 ozone violation days. Up to 60 percent of our ozone pollution comes from motor vehicle emissions." Joanne Denworth, President of the Pennsylvania Environmental Council, has said that emissions from automobiles tower above all other sources of urban air pollution, and that no feasible state or local transportation control measure comes close to reducing pollution as much as a 25% rise in SEPTA ridership would.

PUBLIC TRANSPORTATION PROJECTS PROVIDE A HIGH RETURN ON INVESTMENT OF PUBLIC DOLLARS

According to a study of the economic impact of SEPTA on the economy of the state and the region, conducted by the Urban Institute, the Pennsylvania Economy League, and Cambridge Systematics, "(f)ully rehabilitating SEPTA, and continuing to operate SEPTA services ... has a very high economic payoff for the region and for the State of Pennsylvania as a whole. Rehabilitating SEPTA would be a desirable investment even if it cost several times what is now estimated."

In terms of total economic impact, the analysis shows that rehabilitation and continued operation of SEPTA would return to the region and the State over \$9 for every \$1 spent on SEPTA. The benefit/cost analysis showed that investment in SEPTA facilities and services at the levels of the proposed 10-year capital program would have substantial **economic benefits** that **outweigh the public subsidy costs** for residents of the State. The **economic costs** of shutting down or reducing SEPTA services would far **outweigh the savings** for residents of all areas of Pennsylvania.

The study compared the base case of rehabilitating SEPTA to three scenarios: immediate shutdown, gradual elimination over ten years, and partial elimination of 50% of service over 5 years. For all three of the alternatives considered, the loss of income to residents of Pennsylvania exceeded the savings in public subsidy for SEPTA. None of the three alternatives were shown to be cost-effective from the public point of view. In fact, the study found that, "from an economic point of view, the reduction or elimination of SEPTA services would be one of the worst public policies ever subjected to economic analysis."

THE COALITION HAS IMPACT!

The Coalition was cited as one of the key factors in the successful effort to obtain a dedicated source of funding for SEPTA and the 37 other public transportation systems across the state. The outpouring of letters, phone calls and postcards to the Governor and the legislators sent a strong message that public transportation had become a priority and that broad-based support existed for a dedicated source of funding.

The ACT organizing effort in Southeastern Pennsylvania spawned similar efforts throughout the state. On June 18, 1991 public transportation advocates from across Pennsylvania assembled to express their support at one of the largest rallies held in the Capitol rotunda in Harrisburg.

The increased support for public transportation from across the region that began building from the time of the formation of the Coalition was also instrumental in the steady increases in state funding that SEPTA received in the past several years. The Coalition effort has begun to make public transportation a higher priority on the public agenda.

WHO ARE THE MEMBERS OF THE COALITION?

The Coalition is composed of organizations and individuals from across the five counties who have a common interest in ensuring that the region has a strong, viable public transportation system. (Please refer to the recruitment brochure for a complete list of the organizational members.) The Coalition now has over 1000 members -- over 400 organizations, as well as over 600 individuals, drawn from the following constituencies:

- | | |
|----------------|-------------------------|
| -- labor | -- senior citizens |
| -- business | -- students |
| -- riders | -- civic organizations |
| -- contractors | -- environmental groups |
| -- churches | -- community groups |

HOW IS THE COALITION FUNDED?

There are no dues or fees for Coalition membership. When the need for funding for a specific Coalition project arises, funds are sought from Coalition members who are able to contribute.

HOW MUCH TIME DOES PARTICIPATION IN THE COALITION REQUIRE?

In the past, the Coalition has met three or four times a year, including trips to Harrisburg and Washington to meet with our elected officials, and behind-the-scenes tours of the infrastructure needs of the system.

Coalition members are also asked periodically to contact their elected officials about a particular issue. Over the course of the dedicated funding effort, several times a year Coalition members were asked to call or write to their elected officials. During the critical final three months of the effort, members received requests to first contact their state representative, then their Senator, and finally, the Governor, and were then asked to make phone calls to reinforce the support. The Coalition received copies of over 1200 letters that members had sent to their elected officials over this critical period.

The time spent by members contacting their elected officials and thereby generating support was the key feature of the coalition effort and was the hallmark of its success in the drive for a dedicated source of funding.



Briefing Paper

Fiscal Year 1991

I. SEPTA BACKGROUND ---

SEPTA provides public transportation for the five-county region of Southeastern Pennsylvania through an integrated network of more than 180 bus, trolley, trackless trolley, subway, elevated and high-speed routes. It also provides a special service for the handicapped and elderly -- ParaTransit. SEPTA is a multi-million dollar business, employing approximately 9700 workers, and carrying over 312 million passengers a year.

SEPTA was issued a charter to plan, develop and coordinate a regional transportation system for Philadelphia, Bucks, Chester, Delaware and Montgomery counties on February 17, 1964, by the Secretary of the Commonwealth of Pennsylvania. It is officially designated as a non-profit agency of the State, with rights to acquire, construct, operate, lease and function as a provider of public transportation.

To achieve its mass transit goals, SEPTA acquired the Philadelphia Transportation Company (PTC) in 1968, followed by the Philadelphia Suburban Transportation Company (Red Arrow) in 1970 and the Schuylkill Valley Lines (Frontier) in 1976. Commuter rail service was preserved through purchase of service agreements with the Penn Central and Reading Railroads (1964-1976), and with Conrail until the Authority took over direct operation of the system in 1983.

Today, SEPTA is the fourth largest transportation system in the country operating:

- . 161 bus and five trackless-trolley routes in Philadelphia and its suburbs,
- . eight surface and subway-surface trolley routes in Philadelphia,
- . two trolley routes -- the Media and Sharon Hill Lines (Delaware County)
- . the Norristown High Speed Line serving portions of Delaware and Montgomery Counties,
- . two subway lines -- the Market Frankford Subway-Elevated and the Broad Street Subway serving Philadelphia, and
- . seven railroad lines linking Philadelphia, the western and northern suburbs, New Jersey and Delaware.

II. GOVERNING BODY

As a result of Act 26 of 1991, SEPTA is now governed by a fifteen member board. The board is comprised of two representatives from each county, an appointee of the Governor, and four members appointed by the majority and minority leaders of the House and Senate. Act 26 provides a dedicated funding source for the state's thirty-eight transit authorities.

The Board discusses and formulates the various policies and proposals which define the nature of public transportation in the Philadelphia metropolitan region. Members serve staggered year terms and are not compensated. Policy decisions are passed by majority vote, however, the two members appointed by the City have veto power.

The Board appoints the Chief Operations Officer/General Manager who manages the properties of the Authority, and attends to the day-to-day administration and operations of the Authority's business, which is to provide safe, reliable public transportation.

BOARD MEMBERS

J. Clayton Undercofler, III, Esquire, Chester County, Chairperson
Judith E. Harris, Esquire, Philadelphia, Vice-Chairperson
Honorable Andrew L. Warren, Bucks County
Franklin C. Wood, Bucks County
Richard E. Kurtz, Esquire, Chester County
Honorable Thomas M. Hayward, Delaware County
Edmund Jones, Esquire, Delaware County
Steward R. Cades, Esquire, Montgomery County
Honorable Floriana M. Bloss, Montgomery County
Mary C. Harris, Philadelphia
Senate Majority Leader Appointee (vacant as of this printing)
James Schwartzman, Esquire, Senate Minority Leader Appointee
Honorable Gordon Linton, House Majority Leader Appointee
Honorable Lois S. Hagarty, House Minority Leader Appointee
Patrick McCarthy, Governor's appointee

FORMER CHAIRPERSONS

Lewis Gould, Esquire, Montgomery County, 1982-1988
David Girard DiCarlo, Esquire, Montgomery County, 1979-1982
John MacMurray, Delaware County, 1977-1979
James McConnon, Esquire, Montgomery County, 1964-1977

CHIEF OPERATIONS OFFICER/GENERAL MANAGER

Louis J. Gambaccini

III. SEPTA FLEET AND SERVICE

Currently, SEPTA operations are comprised of five divisions: Surface, Subway/Elevated, Suburban Transit, Railroad and Operations Support. (The Suburban Transit Division consists of the former Red Arrow and Frontier operations.) These divisions carry over 312 million passengers annually, on 2,567 vehicles, covering 2,200 square miles.

<u>Routes by Division:</u>	Surface and Subway-Elevated	139
	Suburban Transit	40
	Railroad	7
	Total	186

<u>Stops by Division:</u>	Surface and Subway-Elevated	12,600
	Suburban Transit	6,000
	Railroad	195
	Total	18,795

<u>Ridership by Division:</u>	Surface and Subway-Elevated	271.6 million
	Suburban Transit	17.3 million
	Railroad	23.2 million
	Total	312.1 million

<u>% of Ridership by mode:</u>	Bus.....	50%
	Subway-Elevated	28%
	Streetcar	11%
	Railroad	7%
	Trackless Trolley	4%

<u>Passenger Vehicles:</u>	Buses	1,441
	Subway-Elevated	373
	Railroad	373
	Streetcars	251
	Trackless Trolleys	110
	Route 100-Norristown	19
	Total	2,567

<u>Vehicle Miles Operated:</u>		75 million
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<u>Operating Facilities:</u>	Bus Districts	5
	Bus/Trackless Districts	2
	Streetcar Districts	1
	Subway-Elevated Districts	2

<u>Major Repair Facilities:</u>	Bus/Trackless	1
	Streetcar	1
	Subway-Elevated	2
	Railroad	4

IV. FINANCIAL HIGHLIGHTS

Operating Budget (Fiscal Year 1992)	\$716.5 million
Operating Revenue	\$353.0 million
Government Subsidy	\$363.5 million

Operating Expenses

Labor and Benefits	\$443.0 million
Material and Services	\$119.1 million
Fixed Rent and Depreciation	\$ 65.5 million
Casualty Claims	\$ 50.0 million
Propulsion Power and Fuel	\$ 38.9 million

Sources of Operating Subsidy

(No system operates without subsidy)

1. Federal

Since 1975, the federal government has provided operating assistance; however, Administration action has reduced this program and SEPTA must take into account the chance for further reductions each year.

Federal Operating Subsidy to SEPTA¹

SEPTA FY 80	\$60.8 million
SEPTA FY 89	\$28.0 million
SEPTA FY 90	\$18.0 million
SEPTA FY 91	\$27.4 million

2. State Act 26 of 1991²

Act 26, among other things, determines the level of transit operating assistance throughout the Commonwealth. Based on the funding formula in this legislation, SEPTA receives about 70% of the total state transit operating assistance appropriated by the General Assembly in its annual General Fund Budget.

Under Act 26, farebox recovery is mandated at 50 percent of operating expenses.

State Operating Subsidy to SEPTA³

SEPTA FY 80	\$ 71.7 million
SEPTA FY 89	\$149.7 million
SEPTA FY 90	\$160.7 million
SEPTA FY 91	\$164.6 million

3. Local Subsidy

The City and four suburban counties match state operating funds according to the Act 26 formula -- a 1 to 3 ratio. The City relies primarily on the wage tax and real estates taxes and the suburban counties rely on real estate taxes.

¹During Fiscal Year 1990, the Federal government transferred \$10 million of the \$28 million set aside for operating assistance to capital assistance.

²Enabling transit legislation, Act 101, was repealed by Act 26, on August 5, 1991. In addition to the sources of funding described in Act 101, Act 26 provides added funding for capital expenditures and maintenance of the systems assets. This funding is financed by specific State taxes which became effective October 1, 1991, and is matched with local funding on a 1 to 30 ratio. The use of these funds is subject to State approval.

³In addition to the operating assistance, SEPTA received \$16 million in Fiscal Year 1989, \$33 million in Fiscal Year 1990, and \$56 million in Fiscal Year 1991 in State supplemental subsidies for capital projects contained in the operating budget such as the vehicle overhaul program.

County Operating Subsidy to SEPTA⁴

	FY89	FY90	FY91
Bucks	\$ 1.3 million	\$ 1.5 million	\$ 1.5 million
Chester	1.0 million	1.0 million	1.0 million
Delaware	3.9 million	4.1 million	3.8 million
Montgomery	2.7 million	2.7 million	2.8 million
Philadelphia	<u>41.0 million</u>	<u>44.3 million</u>	<u>45.7 million</u>
TOTAL:	\$49.9 million	\$53.6 million	\$54.8 million

V. CAPITAL BUDGET

Unlike the operating budget, which receives few federal dollars, the capital budget has been funded primarily by the federal government through Section 3 and Section 9 grants administered by the Urban Mass Transportation Administration (UMTA).

Section 3 grants provide 75 percent of the funding for discretionary capital projects such as the acquisition of new buses and the rehabilitation of old ones, the construction and/or rehabilitation of maintenance facilities, and rail modernization programs. Section 3 monies come from the Highway Trust Fund's Mass Transit Account, whose revenue is derived from a one-cent per gallon gasoline tax.

Section 9 provides formula grants for both capital and operating programs and is funded by revenues from the U. S. Treasury. The allocation of funds is based on a formula which includes vehicle-miles, passenger-miles, operating expenses, and fixed guideway (rail, trackless trolley) route-miles. Funds are provided on an 80/20 ratio for capital and a 50/50 ratio for operations. Section 9 capital grants to SEPTA declined from \$43.7 million in FY86 to \$31.5 million in FY89. Operating funds declined from 18.1 percent of total operating expenses in FY80 to less than 5 percent in FY91.

Between 1978 and 1987 there was a decrease in Federal funding of 47% in actual dollars or 64% in constant dollars. The annual level is now below \$125 million. SEPTA's 10-year "Action Plan for the 90s" calls for a rebuilding investment of approximately \$4.5 billion, or an average annual spending of \$450 million.

On August 5, 1991, the Commonwealth of Pennsylvania signed into law legislation that provides a dedicated source of funding for capital projects for the State's thirty-eight transit agencies. In so doing, the Commonwealth joined the ranks of states that have elected to take progressive steps toward building and maintaining effective mass transit systems. Of the \$200 million in new funds that will be available to public transit agencies throughout the State, SEPTA anticipates receiving approximately \$135 million. This money will enable the Authority to generate additional funds for capital projects by enhancing its borrowing power. Also, the funds generated by this legislation will put Pennsylvania's transit systems on a level playing field with other systems competing for federal dollars.

⁴In addition, SEPTA received local matching subsidies for the vehicle overhaul program of \$16 million and \$11 million in Fiscal Years 1989 and 1990 respectively.

VI. THE IMPACT OF SEPTA ON THE REGION

SEPTA is the nation's 4th largest public transportation operator. Seventy percent of the 285,000 people who have jobs in Center City Philadelphia use public transportation to get to and from work. Up to 1.1 million rides are taken on SEPTA on an average weekday. During peak hours, riders board SEPTA vehicles at a rate of 2,000 per minute.

Employers rank public transportation at the top of their list of reasons for locating in or staying in an area, making SEPTA a catalyst for economic development in the region.

Without SEPTA, 47 new highway lanes would have to be built to carry the added traffic, and the central business district would have to be paved over to provide the additional parking spaces.

For every dollar invested in SEPTA, nine dollars are returned to the Pennsylvania economy in new jobs, and increased personal income and business sales.

The Urban Institute, Cambridge Systematics Inc., & Pennsylvania Economy League

Business in Center City would lose over \$2 million per day if SEPTA was forced to shut down. Such losses would ripple through the region and across the entire Commonwealth of Pennsylvania.

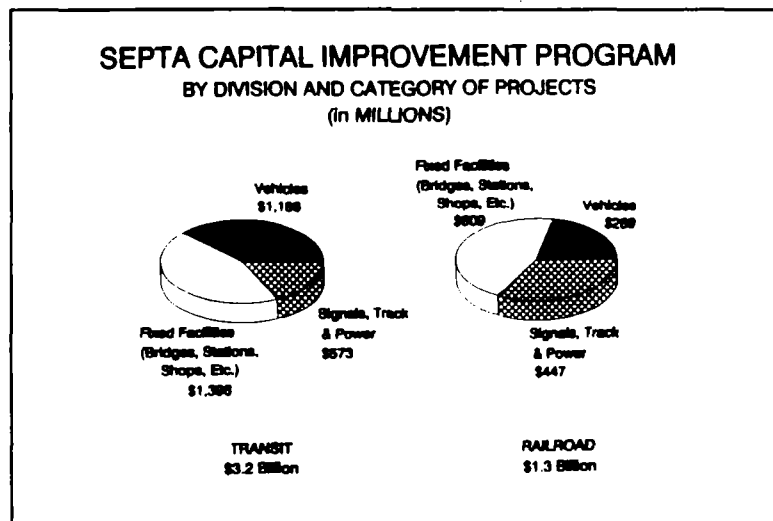
Greater Philadelphia Chamber of Commerce

The replacement value of SEPTA is estimated at between \$75-\$100 billion.

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY ACTION PLAN FOR THE 90s

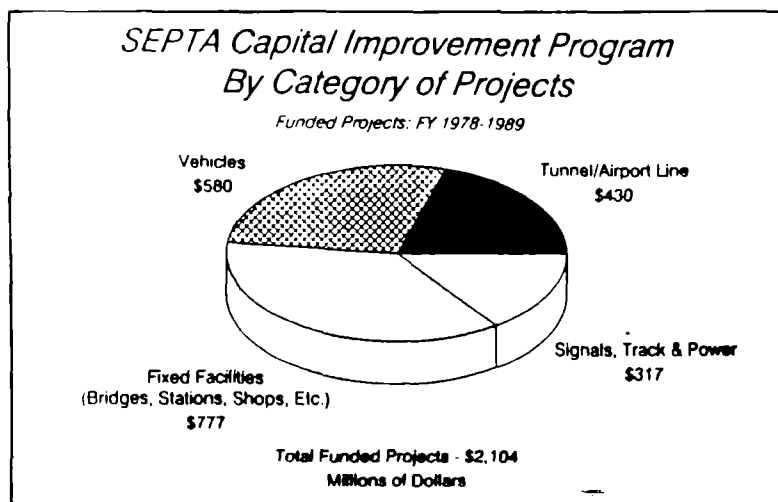
Disabled buses, subway car fires, and dreary stations were commonplace in the late 1960s and early 1970s. During the last decade, however, a firm commitment to renew the system was made and quietly the transformation began. Buses were replaced, stations upgraded and the rapid rail lines renewed. This \$1.8 billion endeavor to reverse years of neglect has set the stage for phase 2 of the Authority's rebuilding efforts, the **"Action Plan for the 90s."**

This ten-year plan, estimated at \$4.5 billion, calls for completing the rehabilitation work of the transit divisions that began in the late seventies, rebuilding half of the commuter rail system, finishing the efforts begun several years ago to replace and expand the fleet of vehicles and starting the process of adding new services. Approximately one-half of the funds would be spent on transit needs, including fixed facilities such as bridges, stations, shops, signals, tracks, electrical power systems and vehicles. The other half would be spent on the regional rail system for similar infrastructure demands. Of course, the plan is contingent on a funding mix that includes added state and local subsidies, stabilized federal funding, and modest annual fare increases.



While the amount may seem overwhelming, we have to keep in mind that our transit system has suffered decades of neglect and is far behind other major systems in its revitalization efforts. The New York Metropolitan Transportation Authority has nearly completed a ten-year, \$16 billion capital investment program. The Massachusetts Bay Transportation Authority budgeted \$570 million for capital projects in Fiscal Year 1988. By comparison, SEPTA's effort is conservative.

The ten-year **"Action Plan for the 90s"** calls for a total investment of \$4.5 billion, an average annual spending of \$450 million, nearly triple the investment of the last decade. This new level of investment is necessary to continue the momentum of the past decade, to begin the process of catching up with the transportation needs of the 90s and to help the Authority reach its service standard goals of reliability, on-time performance, convenience, comfort, cleanliness and improved communication of service information.



Through an annual capital investment of \$175 million, between 1978 and 1989 SEPTA replaced its bus fleet; rehabilitated the Broad Street Subway, the subway-surface lines, the suburban rail Routes 100, 101 and 102; built the Elmwood Transportation District, the Woodland Heavy Maintenance Facility, the 69th Street Motor Shop, the Frontier District Bus Storage and Maintenance Facility; rebuilt the Allegheny Transportation

District, and the Crum Creek Bridge; and replaced the Wayne Junction Converter. The Center City Commuter Tunnel and Airport Line were constructed by the City of Philadelphia, and the aging regional rail system, taken over by SEPTA in 1983, was preserved.

The latter part of the decade was marked by the renewal of the 69th Street Terminal, the opening of the Norristown Transportation Center, the Roberts Avenue Service Inspection Center and the Cresheim Valley Bridge, the completion of the Olney Terminal Building and the first line section of the Frankford Elevated, and the start of an innovative public-private partnership which provided the Frazer Heavy Maintenance Facility and Bombardier Passenger Rail cars. These are just some examples of what can be accomplished when funding is available.

As we enter the 1990s, SEPTA pledges to continue its commitment to preserve and upgrade the system to ensure that our customers receive the best possible service available. The Authority also pledges to prepare the system for a significant service expansion for the twenty-first century in order to address the changing mobility needs of the region and to assure its economic vitality.



A PLAN FOR BETTER PUBLIC TRANSPORTATION

A Series of Advertorials

**Created and Produced by the
Public Relations Department
714 Market Street
Philadelphia, PA 19106**

A PLAN FOR BETTER PUBLIC TRANSPORTATION

WHY WORRY ABOUT PUBLIC TRANSPORTATION IF YOU DON'T USE IT?

For several compelling reasons, read on.

If public transportation didn't exist, we'd have to do the impossible — like pave over downtown Philadelphia and put up a river-to-river parking lot. That would be necessary because about 250,000 extra cars would be coming into center city every morning. Furthermore, in order to handle all the traffic, an estimated 45 new highway lanes would have to be built.

And the mobility problems would not just be in the city. Urban sprawl has already increased the density of traffic in suburban population and business centers. Now, in rush hours, cross-county travel by automobile is a hassle. Just imagine the suburban highway gridlocks if present day public transportation users were forced to drive.

Obviously, without adequate public transportation, people who now drive would lose their mobility. Additionally, employers, who rank transportation mobility as the number one reason for coming to or staying in an area, would take their businesses elsewhere.

Fact or fiction

This scenario is not mere conjecture.

Fact: About 70% of the 285,000 people who work in center city use public transportation.

Without the subways, buses and trolleys, the quality of life for everyone would take a sudden downward plunge. Individuals would suffer. The economy would suffer. Topping it off with a gasp would be the unbearable air pollution from those quarter-of-a-million extra cars.

"But that can't happen," you say. "Public transportation is here to stay." Maybe. But recent evidence says... maybe not.

The shrinking system

While significant improvements have been made to SEPTA this decade, especially with the renewal of the bus, trolley and subway fleets, there is still a long way to go in dealing with the decay of the basic infrastructure... the steel and concrete that comprise the guts of the system.

The structures of the system are mainly unnoticed by the public and, therefore, their decay raises few eyebrows until a bridge is deemed unsafe or a section of aging track must be taken out of service. No one thinks twice about an outdated signal system until it causes big delays for thousands of commuters anxious to get home.

Sadly enough, we are losing our ability to get ahead of the decay. Today's capital funding levels — the public dollars that are used for major repairs — have taken a sharp decline in the last four years. At the same time the costs for heavy maintenance and structural work have escalated. Now, the progress we made so far this decade is threatened.

As we labor to convince public policy-makers that an investment in public transportation is money well spent, the decay continues. Parts of the system once enjoyed by passengers no longer operate because SEPTA will not jeopardize the safety of human lives to operate on rotting and unsafe tracks and bridges.

In 1984, for example, SEPTA stopped service on half the regional rail system because its engineers found serious decay on a bridge near Columbia Avenue. Center city merchants and employers kept the pressure on to have service restored because the service cuts affected their ability to do business.

Two years later service was lost between Cynwyd and Ivy Ridge Stations because track conditions became severe. Then, in 1987, Route R8 in Chestnut Hill was curtailed because of the decay of the Cresheim Valley Bridge. Work is now underway to replace the entire bridge but, in the meantime, commuters



are enduring the inconvenience.

It's clear that unless a heavy investment is made in preserving our system, the region as a whole — public transportation users and nonusers alike — will suffer.

There's more to come, unless...

Another fact: A year-long study commissioned by our local elected officials backs up SEPTA's assessment of the situation entirely.

The study says \$4.5 billion will be needed over the next 10 to 15 years in order to erase the decay.

How much money is \$4.5 billion?

It's less than 5% of the total replacement value of SEPTA (to build this comprehensive system from scratch would cost up to \$100 billion). We're like the homeowner who must spend \$5,000 on a new roof in order to save a \$100,000 house.

To put the battle in military terms, the new kind of mobility required by the people and economy of our region is priced at one-half the cost of a fully equipped aircraft carrier. Or, with the same \$4.5 billion, you could buy three Trident submarines... or nine Stealth bombers.

Such facts are well known in New York, for example, which has already begun a \$16 billion rebuilding program.

SEPTA's 10-year plan

We have developed a proposed rebuilding plan — covering both operations and capital needs — for the 1990s. Right now we are very actively laying the groundwork for that program.

During the next two years we will be doing everything possible to "notch-up" operating assistance in order to restore funding to our vehicle maintenance programs as well as to improve our service standards (reliability, on-time performance, safety, comfort and cleanliness).

At the same time we will be seeking sufficient capital funding to keep current programs going, to gear up for the massive labors of the next decade, and to demonstrate that there is, in fact, a public commitment to the preservation of public transportation.

The deadline is now

Mobility is the foundation of our economic and social structure, but if we don't rebuild SEPTA in the next 10 to 15 years there will be continued deterioration and losses of service — and the price of rebuilding the system will double or triple.

The final fact: Nothing will happen until there is a commitment to the preservation and improvement of public transportation. Join us in working to preserve and improve our transportation system — for the benefit of those who ride and those who drive.

If you have comments or suggestions, please send them to me at 714 Market Street, Philadelphia, PA 19106.

Louis J. Gambaccini
Louis J. Gambaccini
Chief Operating Officer/General Manager



Southeastern Pennsylvania Transportation Authority

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A PLAN FOR BETTER PUBLIC TRANSPORTATION

ROLLER COASTER FINANCING

Is this any way to run a business?

Of course not.

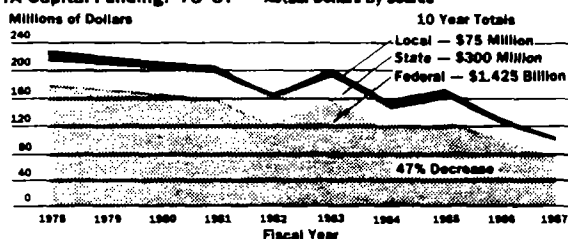
Yet SEPTA — the nation's fourth largest transportation authority averaging 1.2 million trips a day — is forced to operate that way.

And who gets blamed when the bridge doesn't get fixed on time and service is cut? You guessed it, SEPTA.

Look at the facts. From 1980 to 1984 we replaced worn out vehicles and 40-year-old tracks, and renewed subway stations. This money — capital financing — was provided mainly by the Federal government. During those four years, SEPTA spent an average of almost \$200 million each year. But during the next four years the roller coaster began a downward plunge and the yearly average dropped to just \$125 million.

If the Federal administration's plans become reality, SEPTA will be spending only \$100 million per year. This comes at a time when we should be making a capital investment of nearly \$400 million each year, first to catch up with decades of deferred maintenance, and then to begin the process of getting ahead.

SEPTA Capital Funding: '78-'87 — Actual Dollars By Source



Despite the capital funding dip, we have been able to make remarkable improvements in SEPTA's day-to-day operations. Year after year your service has improved in reliability, on-time performance, cleanliness and safety. We have also accomplished extensive reorganization of service in Northeast Philadelphia and in Suburban Transit. Through extremely careful management of our operating budget resources, we have laid the foundation for a better tomorrow.

But the fact remains: SEPTA's survival is a year-to-year process of scrimping, deferring, and trying to preserve routes and service levels.

Where the operating money comes from

To keep SEPTA running there are only two sources of funds — *riders* (fares) and *governments* (subsidies).

State law requires that riders pay at least half the cost. Governments, on the other hand, have no such mandate. They are driven by administration policy and legislative decision. In Pennsylvania, money to subsidize public transportation comes from general funds; there is no special source of revenue set aside for transit as there is in most other major cities. That's why there's no way to accurately predict how much subsidy SEPTA will receive.

Recent fare increases required

For a very long time fares were not increased even though the combined subsidy levels did not even keep pace with inflation.

Until the recent fare increases, SEPTA did not raise the prices of tokens, TransPasses or TrailPasses for almost four years. And cash fares were last changed in July, 1986.

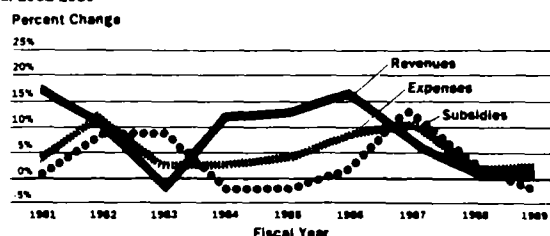
Over the years, this loss of revenue resulted in ever-increasing unfunded deficits and deferral of essential efforts like our Vehicle Overhaul Program.

Rising costs are a fact of life

Since 1986, our labor costs have gone up 19.1%, payments for health care have increased 23.7%, and the costs of materials and services purchased by SEPTA have increased 28%. Also, the payments for injuries and damage expenses have risen 28.6%, despite our efforts to fight fraudulent claims.

With costs increasing at those rates, it is a battle for SEPTA just to keep up. And when so much of our effort is dedicated to mere survival, we cannot do all the things that must be done to improve your service.

Change in Revenues, Expenses and Subsidies vs. Prior Year Fiscal 1981-1989



Partnership of riders and funding agencies required to continue progress

Looking ahead, SEPTA is seeking the endorsement of the State and local agencies for a long-range capital program and for service standards improvements (reliability, on-time performance, comfort and cleanliness).

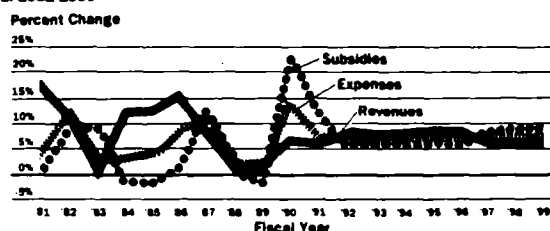
We can now say that an important step in that funding process has been taken. SEPTA riders are now demonstrating their commitment to public transportation by bearing the burden of increased fares.

But the higher fares will cover only about one-half of the revenue increase required. What is needed now is an equal commitment by the public agencies. Then, if we are successful in convincing those agencies to contribute more, it seems probable that future annual fare increases can be kept at the reasonable inflation range of 5% to 7%.

A long-range commitment — based on fact

The SEPTA operating budget roller coaster is clearly demonstrated in the chart below. It will roar on — instead of becoming stabilized in the next few years, as shown — if we must continually struggle for survival. And if the battle is lost, the accumulated debt will soon become unbearable. Not only will we be unable to make the improvements needed now, and expand service in the future, but the hard-wrought progress of the last decade will be reversed.

Change in Revenues, Expenses and Subsidies vs. Prior Year Fiscal 1981-1999



We sincerely hope that every person who appreciates the essential and irreplaceable role of public transportation in the mobility of our region will take time to consider and understand these facts.

If you would like to comment, I would be happy to hear from you. Please write to me at 714 Market St., Phila., PA 19106.

Louis J. Gambaccini
Louis J. Gambaccini
Chief Operating Officer, General Manager



Southeastern Pennsylvania Transportation Authority

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A PLAN FOR BETTER PUBLIC TRANSPORTATION

THERE ARE JOBS OPEN ALL OVER THE REGION

But can you get there from here?

She relies on public transportation to get around, which is not unusual. About 38% of the city's households do not own automobiles while countless others have one car but two or more wage-earners.

For about a year Yvette tried car-pooling to get to her 9:00 a.m. job as a clerk with The Vanderveer Group, Inc., a pharmaceutical marketing, consulting and marketing research firm in the Fort Washington Office Center in

Montgomery County. "I was late too many times," she said. "Imagine telling your boss that somebody's second cup of coffee made you late today!"

Then came a chance for Yvette to expand her responsibilities by operating the company's switchboard at an even earlier hour each day. "Part of my job as receptionist would be opening up the switchboard at 8:00 a.m.," Yvette said. "I couldn't be late."

Solution? SEPTA's bus Route 201.

Route 201 was created by SEPTA with help from the Seltzer Group, developers of the Fort Washington Office Center, and several companies with offices there.

A common sense idea that paid off

The office center is near SEPTA's Fort Washington Regional Rail Station — but beyond walking distance. All that was needed to fill the gap was reliable, scheduled bus service between the station and the employment complex.

But no matter how natural the idea seemed, it was not all that easy to do. SEPTA was (and is) strapped for funds. Starting up a new service was out of the question, unless we could be sure that all costs would be covered.

We needed partners... and we found them in Fort Washington. The office center people said, "We need people to fill jobs, and to get them here we're willing to back the route financially. We will pay for the costs not covered by passenger fares."

And so it was done. In February 1988, Route 201 buses began meeting every weekday peak-hour Route R5 Lansdale-Doyletown train and with every other midday train — a total of 20 round trips each weekday!

After a mere four months, the route had caught on so well that passenger fares were covering all costs of operation!

And no wonder. Good people like Yvette Smothers were able to get there from here, on time... thanks to this new kind of partnership between SEPTA and the private sector.

Is Yvette's transportation problem a rare case?

We know there are tens of thousands of people who are ready to jump at a chance to improve their lives... if they can find a way to get to where the jobs are.

We also know that many thousands of people ride the SEPTA rail and bus routes that currently provide transportation between Philadelphia and

... SEPTA — the nation's fourth largest transportation authority averaging... heading toward suburban locations against the traditional flow toward center city.

You can see them by the thousands every day on SEPTA's Route R5 Paoli trains, and on Route 100 to Norristown, and on Route 55 buses to Doylestown and on Route 45 buses to King of Prussia.

Suburban congestion on the rapid rise

There has always been reverse commuting — but only in the last few years has the region fully realized how rapidly the demand is growing. For instance, since 1980, weekday morning rush-hour ridership going toward King of Prussia on Route 45 buses has increased by more than 600%. There were 76 riders in 1980, 374 in 1985 and almost 500 today.

Meanwhile, the increase in demand for suburban transportation is dramatically underscored in a recent study by the Delaware Valley Regional Planning Commission (DVRPC). Using 1980 traffic counts as a base, the DVRPC estimates that travel in the suburbs will grow by at least 33%, and possibly as much as 92% by the year 2000!

Help wanted: Partnerships with private enterprise

Jobs mean money for workers and profitable production for employers. In turn, the money produced by filled jobs supports business and industry in the Delaware Valley and throughout the State.

But the fact is there are hundreds of missing public transportation links with major employment centers in the region, and with educational institutions and residential communities. The region abounds with opportunity!

SEPTA has embarked on an all-out effort to forge those new links between public transportation and jobs.

We are dedicated to developing a "200 Series" of bus routes in order to create new travel opportunities and, therefore, to improve the social and economic condition of our region. And we are also working with 17 private companies in order to improve the transportation network in the King of Prussia and Chesterbrook areas.

This concept of private enterprise participation is supported by the Delaware Valley Regional Planning Commission and the Federal Urban Mass Transportation Administration.

And the concept is proven by the overwhelming success of Route 201.

What do you think?

I will welcome your ideas on SEPTA's efforts to meet the very real transportation needs of all those people who can't get there from here. And if you are prepared to start the process of bringing a lot of fine people like Yvette Smothers to your doorstep, I look forward to working with you.

Please write to me at 714 Market Street, Philadelphia, PA 19106.

Louis J. Gambaccini
Louis J. Gambaccini
Chief Operating Officer, General Manager



Southeastern Pennsylvania Transportation Authority

We thank these Fort Washington employers for their confidence in public transportation and SEPTA: ■ Automatic Data Processing ■ Beech-Nut Nutrition ■ Continental Bank ■ Honeywell ■ International Computaprint ■ Richardson-Vicks ■ The Rorer Group ■ Seltzer Group

A PLAN FOR BETTER PUBLIC TRANSPORTATION

HOW SEPTA HELPS KEEP A 73 YEAR-OLD "LADIES MAN" OUT OF TROUBLE

Until Jack Feldman retired in 1982 he spent most of his adult working life looking after the ladies — as a clothing merchant.

Now he's one of the hardest working retirees in town.

"Working harder than ever," he says

for free.

Mr. Feldman is a volunteer for the American Cancer Society (Mondays and Fridays) and the National Multiple Sclerosis Society (Tuesdays through Thursdays).

Like thousands of other vital people, he uses public transportation to get to and from — and around in — congested center city Philadelphia.

And what does all this traveling and working do for Jack Feldman? He says, "It keeps me out of trouble at home, and I'm helpful to the organizations I serve."

It's a blessing

A 77 year-old nun, Sister Stella Gabriel Hagan, SSJ, says that SEPTA is "...a blessing for visiting the sick. I go around the community (Northeast Philadelphia) to various nursing homes or Nazareth Hospital. SEPTA is convenient and comfortable for everything I want to do."

Sister Stella tends to understate, the "everything" she wants to do includes visiting parishioners, working in the church office (St. Timothy's) and shopping for the convent. Her days are filled from morning to night on a schedule that few of any age could keep up with.

Marge Hostler, 69, of Westbrook Park in Delaware County, is using her golden years to go back to school.

"I've always had the need to keep learning, but when I was in college I didn't have time for all the courses I wanted to take. This time I'm going for an education instead of just a degree," says the former TV Guide secretary.

Marge has been taking classes at Temple University for nine years. She's part of the Temple Association for Retired Professionals (TARP), a continuing-education program held at the Temple Center City Campus. For the past three years she has also been a TARP instructor, co-chairing a writers workshop. To get to school, Marge takes the Route R3 train from Primos Station. On the reverse trip she often takes the Market-Frankford Line and a bus.

Jack, Sister Stella and Marge are just a few of the seniors who depend on SEPTA for everyday travel.

Mobility — the key to an independent lifestyle

Today's senior citizens are healthier, better educated, more active and more influential than ever before. They are also more mobile with the help of free rides during off-peak hours and SEPTA's safe, convenient, go-almost-anywhere transportation.

"The bus drivers are always pleasant and very helpful," notes Sister Stella. "SEPTA is also convenient. I don't drive."

Jack Feldman and his wife do drive, but when they go into town they take the Route 38 bus from their home near City Line Avenue. As Jack plainly states, "It's easier on the wallet."

Marge Hostler, who also appreciates the free fares, adds, "I don't have to worry about parking. The bus drivers are always very courteous and nice, they ought to get extra stars in heaven for what they have to put up with sometimes."

Even the families of seniors appreciate the freedom SEPTA provides. Denise Dolan, 25, lives with her 75-year-old grandmother, Rose Green. "My grandmother uses SEPTA almost every day. She can get around during the day while I'm working," says the center city office manager. But even when Denise is at home, Rose rarely asks for a ride. "She likes to be independent; she doesn't like to rely on anyone else. SEPTA gives her that independence."

A powerful social and political force

Older adults are the fastest growing segment of the population. More than 27 million Americans are over 65 today. By the year 2000 that figure will be 35 million — 17.3% of the total population. In the five counties of Southeastern Pennsylvania alone (Bucks, Chester, Delaware, Montgomery and Philadelphia) there are over 500,000 people who are 65 or older.

These older Americans are more like Jack, Sister Stella, Marge and Rose than any other image one might have of seniors. For instance, according to the U.S. Census Bureau the average annual discretionary income of seniors is higher than for any other group (\$5,633 compared to the next highest group at \$4,906).

All the recent health and security improvements in the lives of senior citizens didn't just happen by themselves. In the political arena, older Americans have banded together in powerful advocacy groups, and when election day comes they turn out in numbers that put every other voter group to shame.

And do they ever keep on the move! On SEPTA, seniors take as many as 180,000 trips each day — a huge 15% of the Authority's total ridership. Between mid-morning and mid-afternoon on a weekday, these are the folks who are out there shopping, visiting, helping.

They ride free during off-peak hours because society — through our elected officials — took action by creating the Pennsylvania Lottery Fund, which is mainly dedicated to financing mobility for senior citizens.

A vital national resource

Seniors give back to society the lessons, resources and experiences they've accumulated over a lifetime. Many, like Sister Stella and Jack, spend time as community volunteers for charities and for political and social causes. Others give of themselves as consultants, mentors and teachers.

Each day, SEPTA provides senior citizens with the mobility they require to lead active, productive lives. To continue to serve this vital group — and for the benefit of all our riders — we've developed a 10-year rebuilding plan for the 1990s. We are now laying the groundwork for this plan, which will fix and maintain the infrastructure of the SEPTA system and set the stage for expanding service.

The plan concurs with a study commissioned by our local elected officials which found that nearly \$5 billion is needed over the next 10 to 15 years to erase decay that threatens the very existence of our services. At the same time, we seek capital funding to keep current programs going to serve the public with a viable transportation system.

The time to act is now

Mobility is crucial to Sister Stella, Jack, Marge and Rose...and to every other citizen of our region. You can join us in preserving and improving our transportation system by recognizing how crucial and urgent the effort is, and by making your feelings known to your elected officials.

If you have comments or suggestions, please write to me at 714 Market Street, Philadelphia, PA 19106.

Louis J. Gambaccini
Louis J. Gambaccini
Chief Operating Officer / General Manager



Southeastern Pennsylvania
Transportation Authority

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A PLAN FOR BETTER PUBLIC TRANSPORTATION

SEPTA MEANS BUSINESS IN PENNSYLVANIA

John Renninger does a great job for SEPTA. But he doesn't drive a bus or collect tickets on a train.

He labors more than 150 miles from Philadelphia — in the central portion of "Penn's Woods" — selecting and felling huge oak trees.

The trees cut by John and his men are shipped to McAlisterville where they are processed into railroad ties.

Nine thousand such ties from Susquehanna River country were used in the recent \$10.4 million SEPTA track replacement project at 30th Street Station in Philadelphia.

Meanwhile, the rail was manufactured in Bethlehem and the stone for ballast was blasted from quarries in Devault near the Schuylkill.

But the best economic news for John Renninger — and for Pennsylvania — is that 9,000 ties are enough to replace only a fragment of SEPTA's rail system.

After all, SEPTA's regional rail network has 225 miles of track. At 30th Street Station we replaced a mere 2.3 miles of it. About 1%.

During the next decade we plan to continue our track renewal program and much, much more. We intend to rebuild the system's infrastructure by providing work that will economically benefit Pennsylvania industries and workers.

Big league sewing in Williamsport

SEPTA is currently a \$700 million a year operation and among the 10 largest employers in Southeastern Pennsylvania. All that annual spending creates the economic "multiplier effect" that is felt in places like Clarks Summit, Chambersburg, Saint Marys...

In Williamsport, Sandy Soules spends her days in a "sew shop" altering uniforms worn by SEPTA bus drivers.

In Erie, a "test man" inspects traction motors that power commuter trains in the southeastern corner of the State.

Across Pennsylvania some 50,000 people are currently doing SEPTA work. Of the \$186.1 million SEPTA spent last year for goods, services and rebuilding of the system, over \$121 million was spent in Pennsylvania... a return to the Commonwealth of 65 cents on every dollar.

But there's plenty more to come...

SEPTA's "Action Plan for the 90s"

The transportation services SEPTA provides are vitally important to the 1.9 million workers in Southeastern Pennsylvania — the force driving the State's economy. In fact, the five-county region provides the State with more than one-third of its income tax and sales tax revenues. That's according to a recent independent study commissioned by the elected officials of the region and the Pennsylvania Department of Transportation.

In the same study — "Improving Mobility in Southeastern Pennsylvania: A Public Transportation Solution" — the region has officially agreed that

\$4.5 billion must be spent over the next 10-15 years to rebuild the long-neglected public transportation system.

The money must be spent... or the system will continue to deteriorate. Pieces of it will drop off, abandoned. And the area will suffer because of the loss of mobility.

SEPTA has converted that need into a 10-year "Action Plan for the 90s" with a total price tag of \$3.5 billion, or an average annual investment of \$350 million.

At a 65% return to Pennsylvania, our 10-year, \$3.5 billion capital program alone will mean a return of more than \$2.25 billion to Commonwealth businesses! Maybe.

Our cup is less than one-third full

Since the beginning of this decade, Federal policy has been to eliminate funding for local public transportation.

In actual dollars, Federal funding for SEPTA capital projects has been slashed 47%. But the cut is really an unbearable 64% when measured in constant dollars!

Even more important, SEPTA currently relies on Federal assistance for 75% of its capital budget. Meanwhile, annual capital funding from Washington, D.C. has slipped to about \$100 million... while our need for the 1990s is \$350 million a year.

If the current level stays the same, SEPTA will enter the 1990s with its cup about one-third full...

There is no alternate source of funding

Despite the financial handicap, SEPTA is moving ahead. We are "notching up" our efforts. We're preparing for all the action in the 1990s.

We provide an irreplaceable service (it would cost up to \$100 billion to replace the system) in a society that could not function without an efficient, reliable mobility system. The social and economic welfare of the region and of the entire State depends upon mobility.

Transportation is, in fact, the very foundation of our modern way of life.

Therefore, new sources of funding for public transportation must be found. We are actively seeking the endorsement of the State and local agencies for a long-range capital program to preserve mobility in Southeastern Pennsylvania... and \$2.25 billion worth of wages in Carnegie, Hershey, Irwin, Large, Mechanicsburg, New Castle, Ridgway...

We sincerely hope that everyone who appreciates that SEPTA means business in Pennsylvania will take time to consider these facts.

If you would like to comment, I would be happy to hear from you. Please write to me at 714 Market Street, Philadelphia, PA 19106.

Louis J. Ashinacini
Louis J. Ashinacini
Chief Operating Officer/General Manager



Southeastern Pennsylvania Transportation Authority

Special thanks for their assistance in the preparation of this message to: ■ Devault Crushed Stone Company ■ General Electric Transportation Systems
■ J. P. McGinley, Inc. ■ Penn Garment Company ■ A. D. Renninger Lumber Company

A PLAN FOR BETTER PUBLIC TRANSPORTATION

SAY HELLO TO BABY AVERY. WISH HER WELL. SHE'S IN TROUBLE.

No, there's nothing wrong with this brand new Philadelphian. Not yet.

Avery was dearly loved long before her first face-to-face meeting with her mom. For nine months, the two of them shared only good things.

But the caring, careful mother had no control over one thing: The air her beautiful daughter would breathe.

And so, healthy, innocent Avery was in trouble with her first breath...because she was born into one of the most air-polluted environments in the country.

And that's a fact.

According to some experts, only southern California has more poison in the air than our own Delaware Valley. Kids who grew up in the Los Angeles area have been tested. Their lung function has been reduced by 10-15% compared to children from less polluted areas.

We're not far behind.

Fossil Fuels vs. Tiny Lungs

Concern for Avery's little lungs is perhaps the best way for us to realize just how serious our pollution problem is, but there are other facts we must understand:

- Scientists say that as much as 66% of all ozone — the most potent of the air-pollution poisons — is created by the interaction of sunlight on the emissions from the tailpipes of all kinds of vehicles on our highways.
- Ozone can cause serious damage to our respiratory systems. Common symptoms are shortness of breath and coughing, plus irritated eyes, nose and throat.
- This is not the common cold. In the United States, air-pollution sickness costs us about **\$40 billion** a year in health care and lost productivity. That's about 10 times more than we spend on headache remedies.

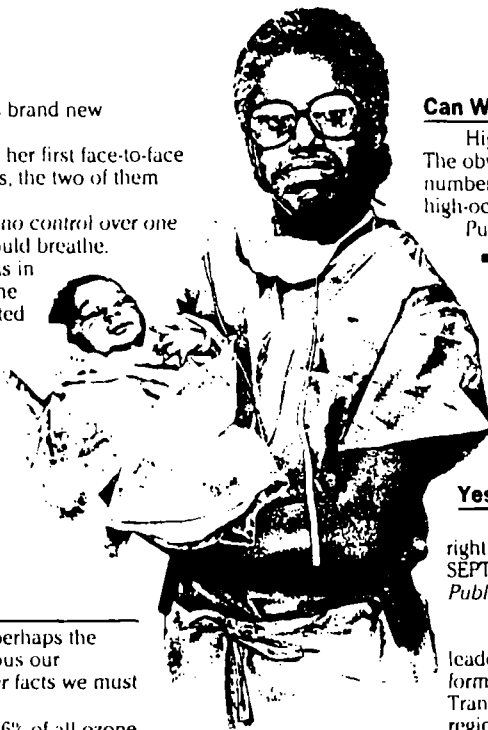
A Conflict of Two Urgent Needs

The American way-of-life is built on **mobility**. Transportation is the first thing we consider when we decide where to work, where to live and where to build our businesses.

And our need for improved transportation is constantly increasing:

- Throughout the United States, we're driving our vehicles about 3% more every year.
- But locally, according to a recent study by the Delaware Valley Regional Planning Commission, our use of the highways is **growing at 6% per year — twice the national rate!**

At the same time there is universal understanding of what this is doing to our air. As a nation, we have taken many technological steps to reduce harmful vehicle emissions. But technology alone can't keep up with the growing number of cars and miles driven each year and the resulting effect on the environment.



Can We Balance Our Transportation Systems?

Highway congestion and air-pollution go hand-in-hand. The obvious answer to both problems would be to reduce the number of vehicles on the road by getting more people into high-occupancy vehicles.

Public transportation can play a major role in that effort:

- The automobile being driven to or from work carries an average of **1.3 persons**.
- At the same time, one SEPTA bus with about 52 persons on board carries the equivalent of **40 cars**.
- One four-car SEPTA regional rail train carries the equivalent of **400 cars**.

But if public transportation is already overcrowded in some areas and if it is almost non-existent in others, can we do it?

Yes, We Can!

Our elected officials agree it must be done. They said so right in the title of their recent federally funded study of SEPTA: "Improving Mobility in Southeastern Pennsylvania: A Public Transportation Solution."

They agree also that **huge improvements** must be made.

And our region's most prominent and influential civic leaders agree 100%. In June 1989, more than 100 of them formed the Southeastern Pennsylvania Area Coalition for Transportation (ACT). Beyond their constant work in the region, ACT members have traveled to Harrisburg and to Washington, D.C. to demonstrate their solid commitment to the public transportation solution.

And SEPTA has the blueprint! If all of us can support new and adequate funding for SEPTA's "Action Plan for the 90s," we will see the rebirth of a system that will meet today's needs...and the birth of the new kind of public transportation required for the 21st Century.

We will make it easy for countless thousands to decide to use SEPTA to beat the traffic and pollution and to save the car for the open road.

And maybe it all begins with the thought that it is much more important to love little Avery than our cars.

If you have comments or suggestions, please write directly to me at 714 Market Street, Philadelphia, PA 19106.

Louis J. Gambaccini
Louis J. Gambaccini
Chief Operating Officer/General Manager



Southeastern Pennsylvania Transportation Authority

Pictured are Avery Ashley Arison and Dr. Philip Hayes of Thomas Jefferson University Hospital

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Slide Show Script

Linkage: Critical National Indicators

Louis J. Gambaccini, Chief Operations Officer/General Manager of the Southeastern Pennsylvania Transportation Authority, has presented this slide presentation in a variety of forums around the country since first giving it in December 1990. This version was updated in February 1992.

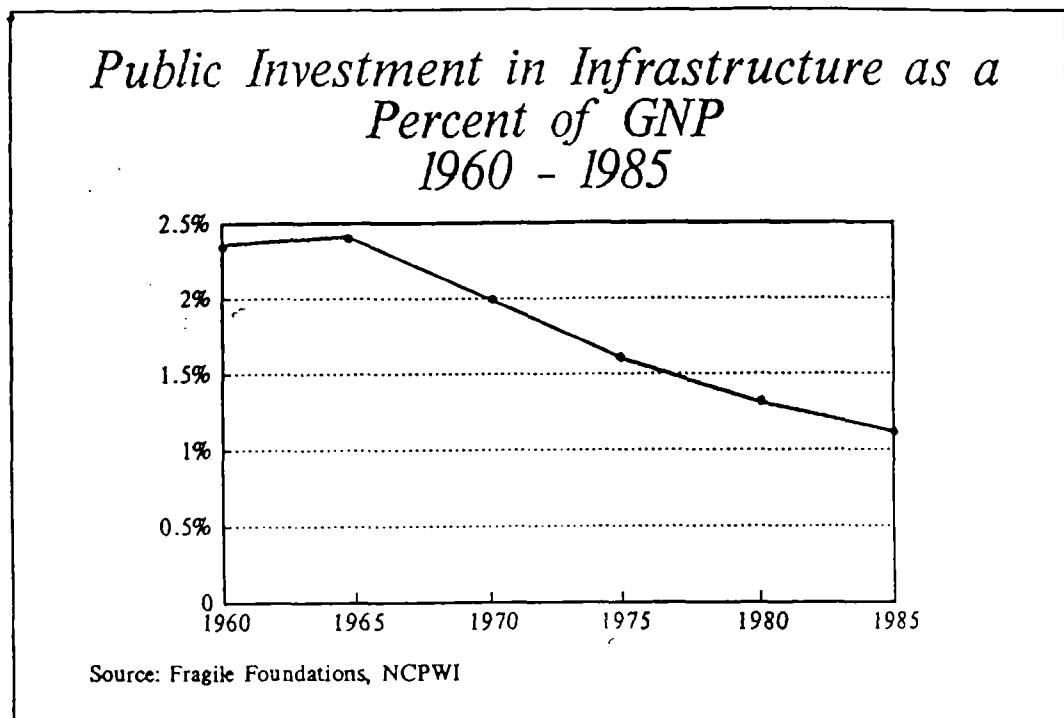
Woody Allen

"We stand at a crossroads.

One path leads to despair,
the other to destruction.

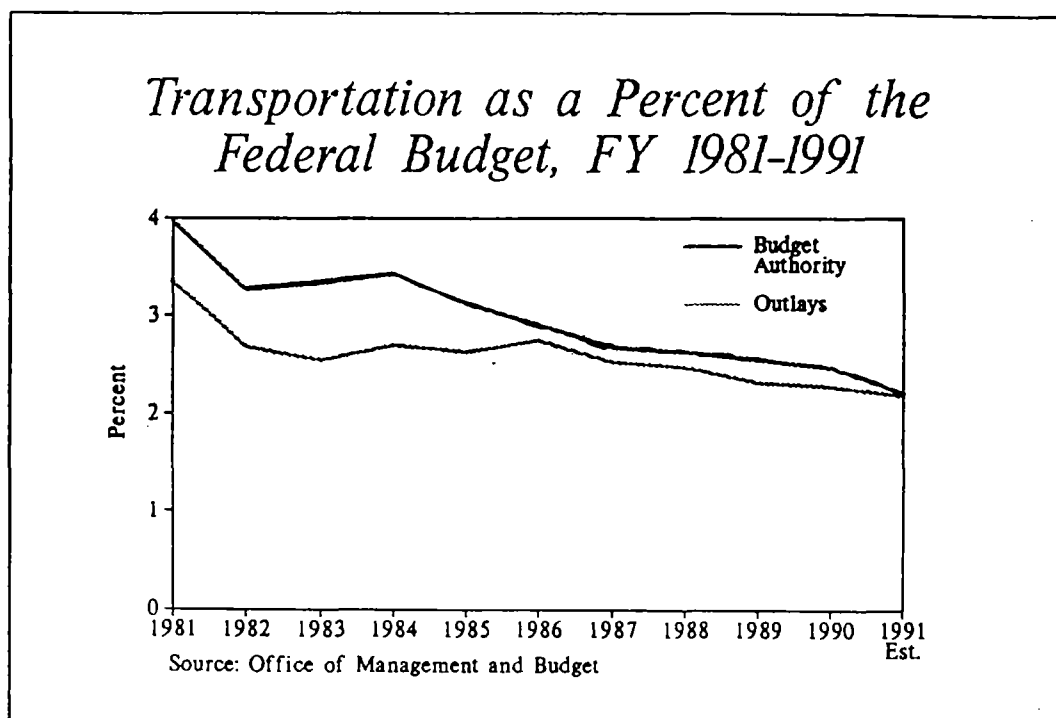
Let's hope we choose wisely."

Public Investment in Infrastructure as a
Percent of GNP, 1960-1985



Our misplaced national priorities have exacted a tremendous economic toll. Public investment in public capital, such as highways, sewer and water systems, transit, has fallen from a high in the mid-sixties of near 2.5 percent to current levels around 1 percent. Economist David Alan Aschauer has shown that this line closely correlates to US productivity growth.

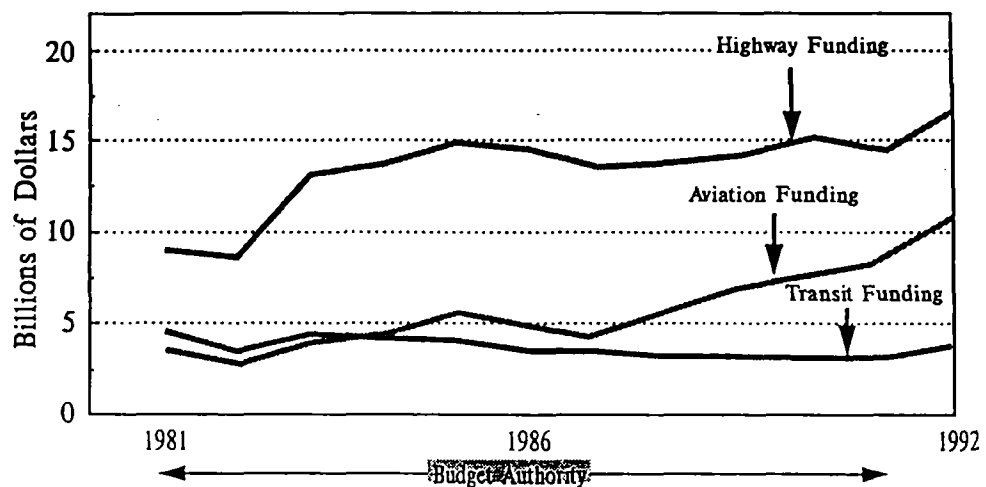
Transportation as a Percent of the Federal Budget,
FY 1981-FY 1991



Through the 1980s, transportation spending became less and less a priority. In 1981, transportation spending on highways, transit and aviation accounted for over 3.5 percent of the federal budget. Today, it is under 2.5 percent.

Federal Transportation Budget Authority
Actual, 1981-1992

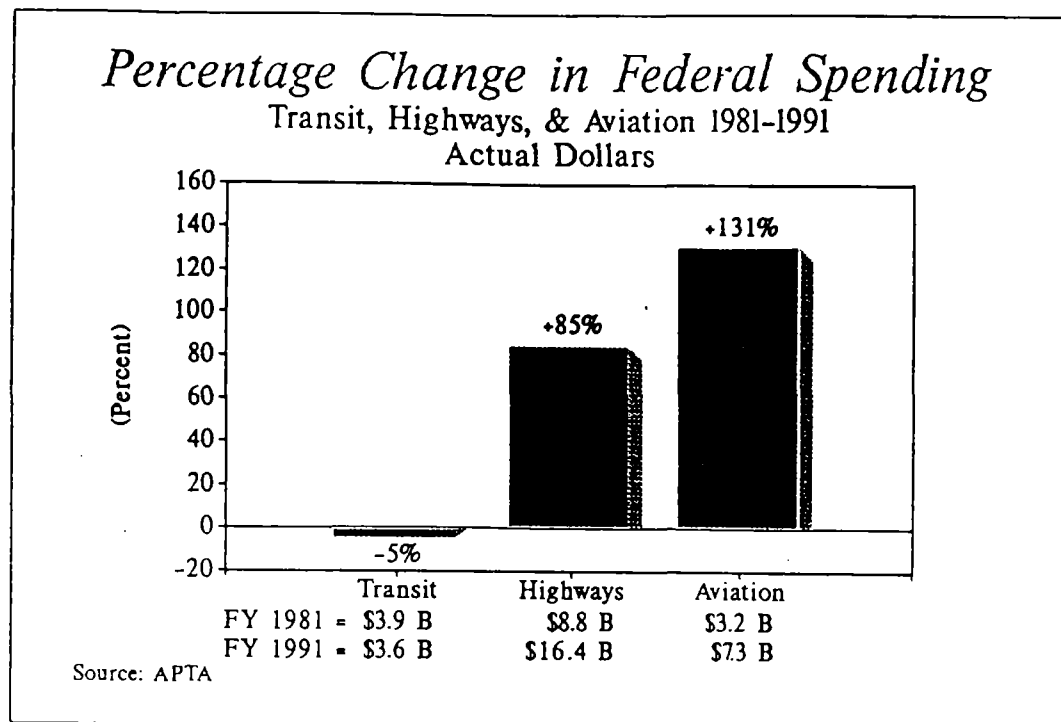
*Federal Transportation Budget Authority
Actual*
(1981-1992, Billions of Dollars)



Source: Passenger Transport

Still the federal government did not treat all modes of transportation equally. During the 1980s, federal transit aid fell while highway funding rose sharply and federal aviation assistance soared.

Percentage Change in Federal Spending: Transit,
Highways, and Aviation, 1981-1991

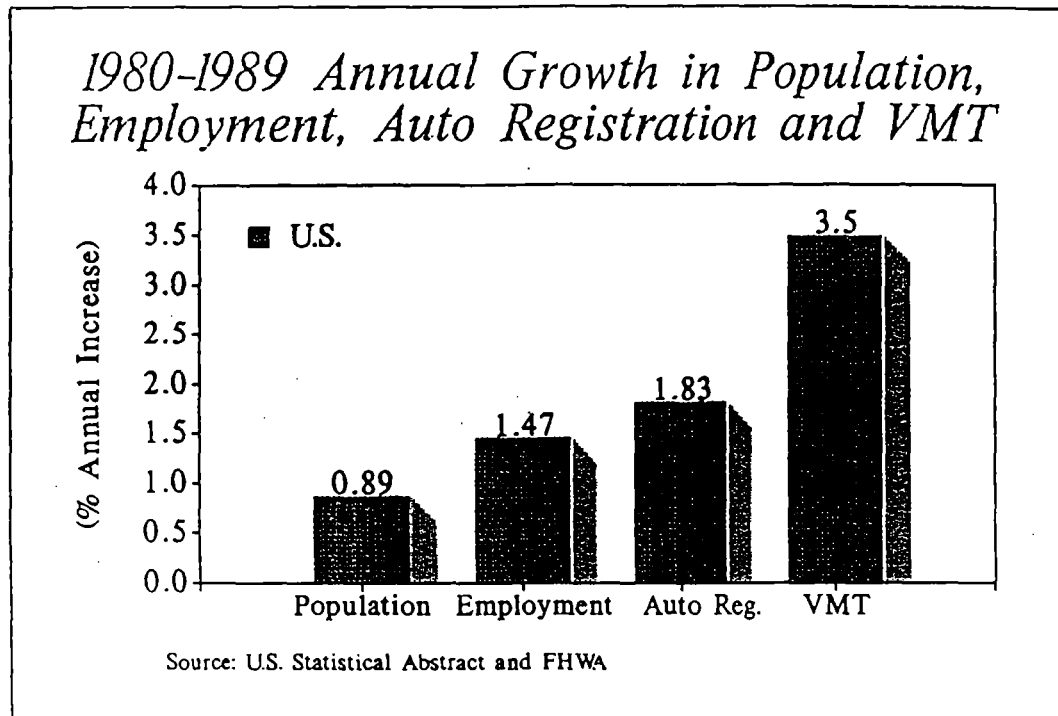


The decline in federal funding for transportation does not tell the whole story. From 1981 to 1991, in terms of outlays, or actual dollars spent, federal spending has favored highways, which gained 85 percent, and aviation, up 131 percent, over transit, which lost 5 percent.

Federal Highway Administration (FHWA) outlays increased 23 percent over inflation, while the Urban Mass Transportation Administration's (UMTA) outlays fell 37 percent. In the 1980s, transit took the hit while highways and aviation got the bucks.

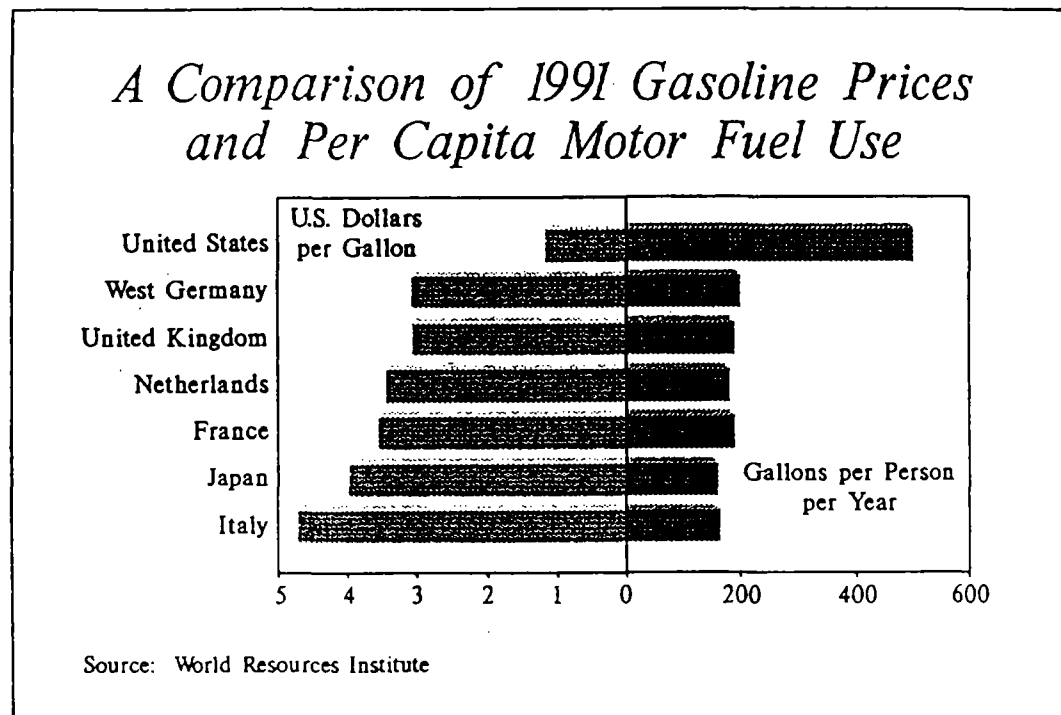
The FY '91 Transportation Appropriations bill widened the schism. UMTA received a 7 percent increase from its lowest level, whereas FHWA received a 20 percent increase above its highest level -- and both are essentially frozen under new budget rules for three years.

1980-1989 Annual Growth in Population, Employment
Auto Registration & VMTs



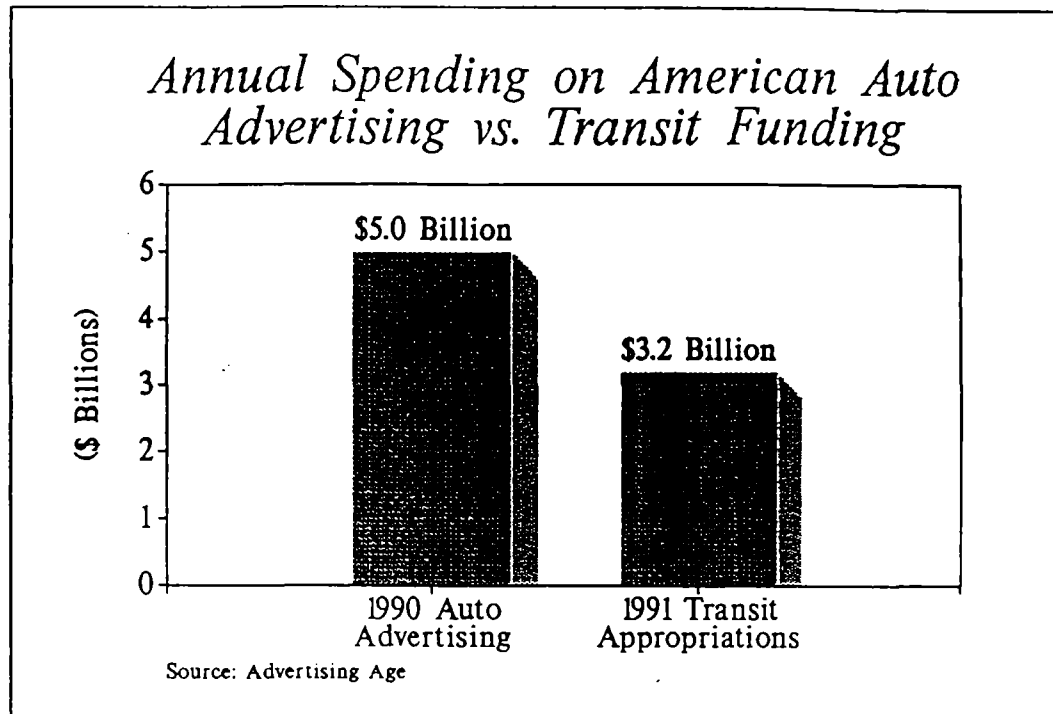
In the 1980s, population and employment grew. Auto registrations increased at a faster pace, fueled by the 35 million new vehicles that rolled off assembly lines every year. Vehicle-miles-travelled (VMT), however, soared during the '80s at an astonishing four times the rate of population growth. In some urban areas, VMT grew at twice this national pace.

A Comparison of 1991 Gasoline Prices
and per Capita Motor Fuel Use



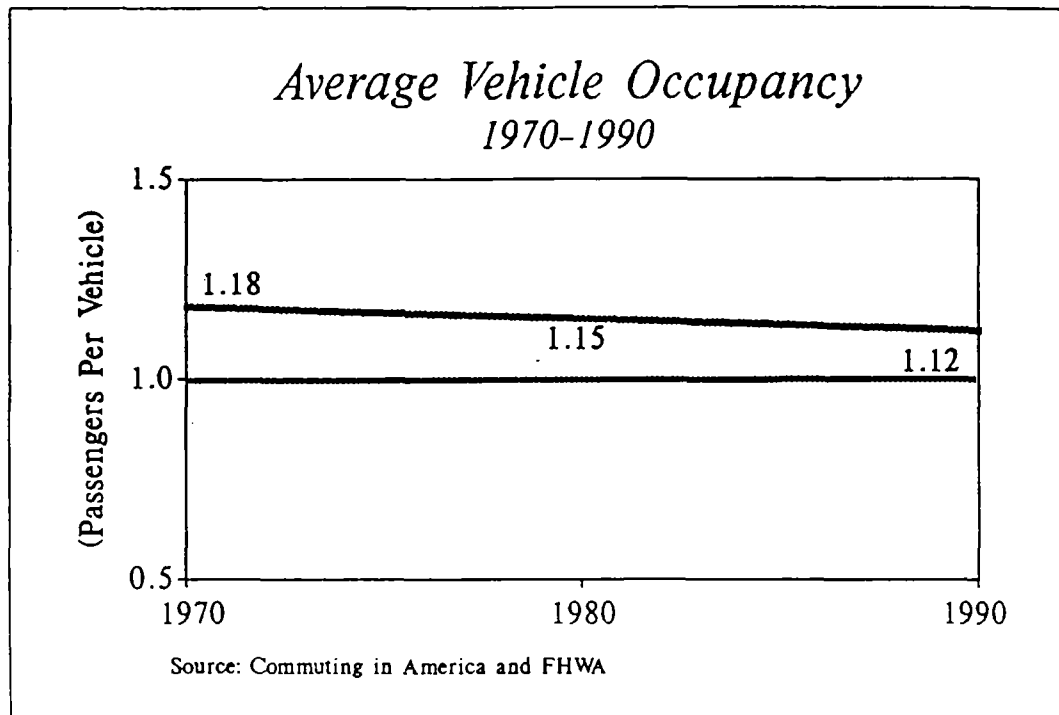
From the zero point left, the bars represent the price of a gallon of gasoline in each nation. The price of fuel in the United States is far lower than in other countries, and the difference is almost entirely due to gasoline taxes. From the zero point right, the bars represent each nation's annual per capita fuel consumption. There is a predictable inverse relationship between fuel prices and fuel consumption.

American Auto Advertising vs. Transit Funding



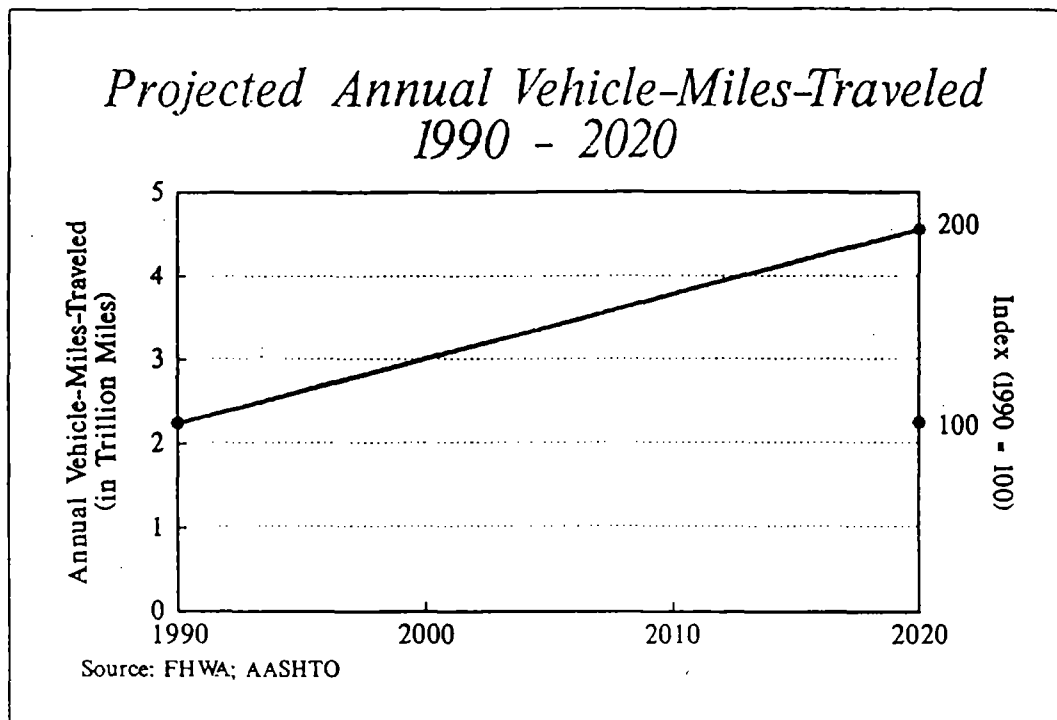
Looking at our national priorities from another angle, in a year, the American auto industry spends more on advertising its products (\$5 billion) than the federal government spends on transit (\$3.2 billion).

Average Vehicle Occupancy, 1970-1990



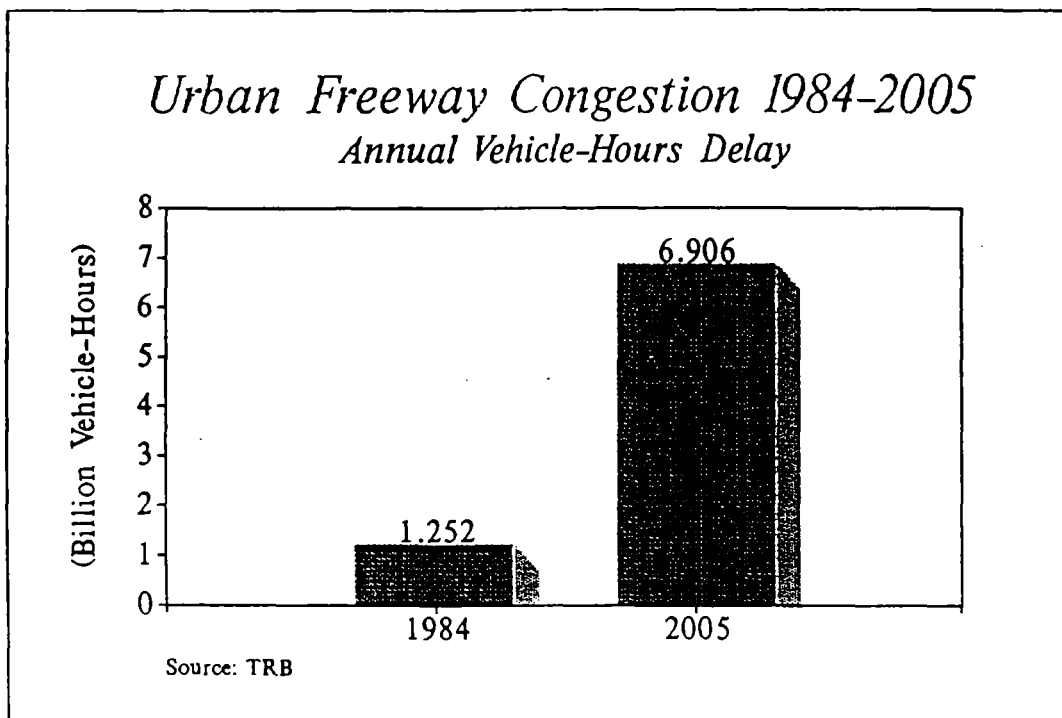
With cheap oil and a boom in highway construction, there are few incentives to raise vehicle occupancy rates. As a result, the average number of passengers per vehicle is dropping -- down from 1.18 in 1970 to 1.12 in 1990.

Projected Annual Vehicle-Miles-Traveled 1990-2020



The American Association of State and Highway Transportation Officials projects that annual vehicle-miles-travelled in the United States will continue to grow at a rapid pace, doubling by the year 2020.

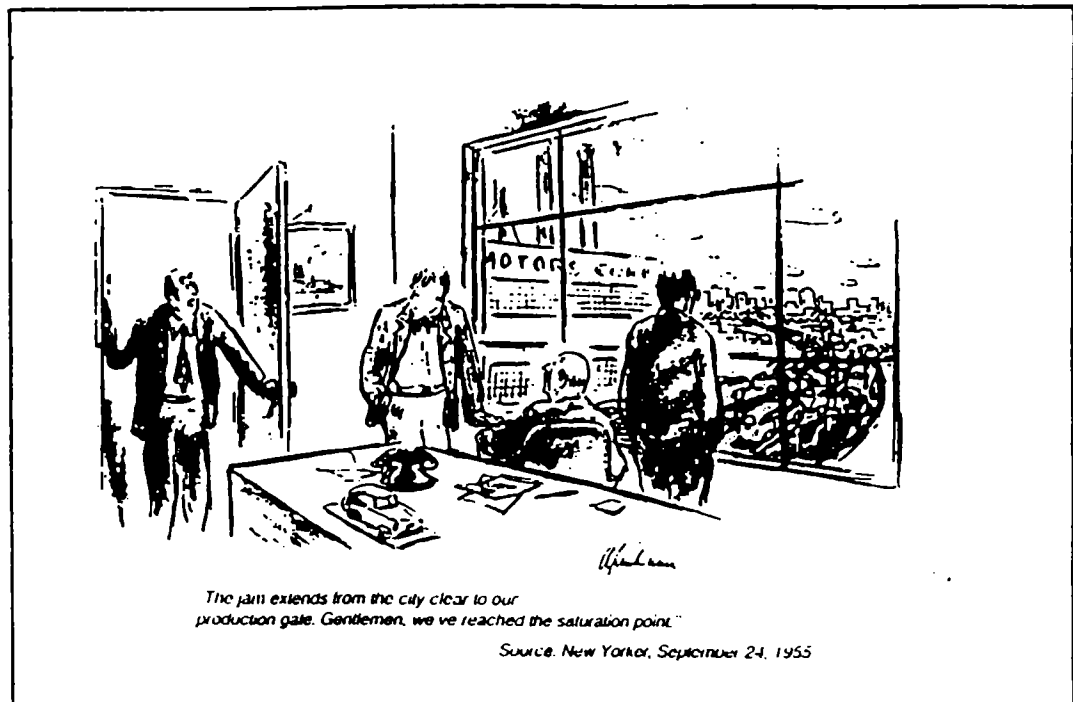
Urban Freeway Congestion 1984-2005:
Annual Vehicle-Hours Delay



By the year 2005, delays due to congestion will increase five-fold. A worker entering the U.S. workforce today can look forward to spending two years of his work life stuck in traffic.

Congestion in the year 2005 will also cause a corresponding increase in excess fuel consumption totaling over 6 billion gallons of fuel, most of that imported. With fax machines and microwave ovens in cars, we may soon never have to leave our cars.

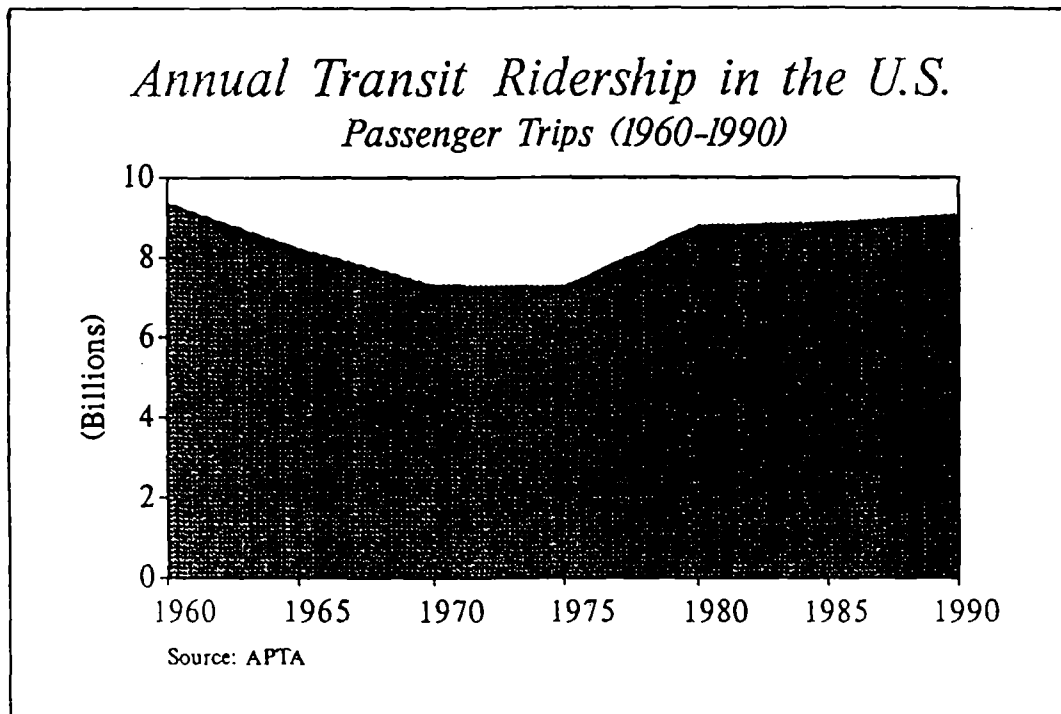
Cartoon



In the cartoon above, four executives from a major automobile manufacturer look out at a freeway clogged with nothing but semi-tractor trailers carrying new cars to market. One says, "The jam extends from the city clear to our production gate. Gentlemen, we've reached the saturation point."

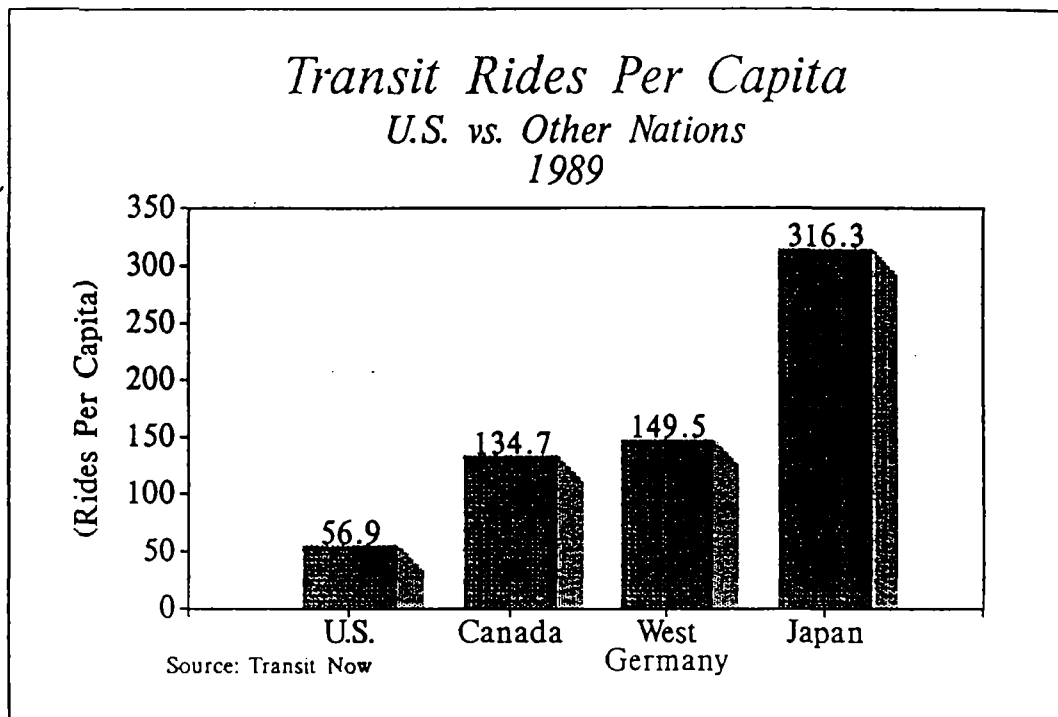
The cartoon was a humorous prediction when first published in The New Yorker in 1955. Today, however, it is reality.

Annual Transit Ridership in the U.S.:
Passenger Trips, 1960-1990



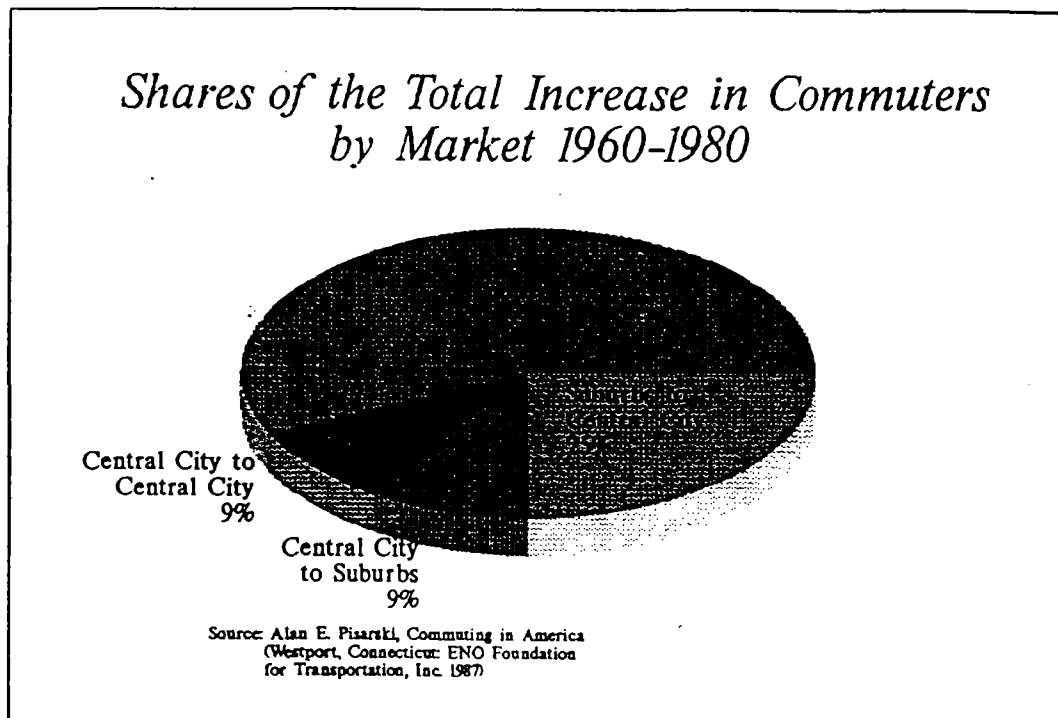
Despite declines in funding, increases in auto use, and changes in commuting patterns, transit ridership in the '80s remained stable.

Transit Rides per Capita: U.S. vs. Other Nations



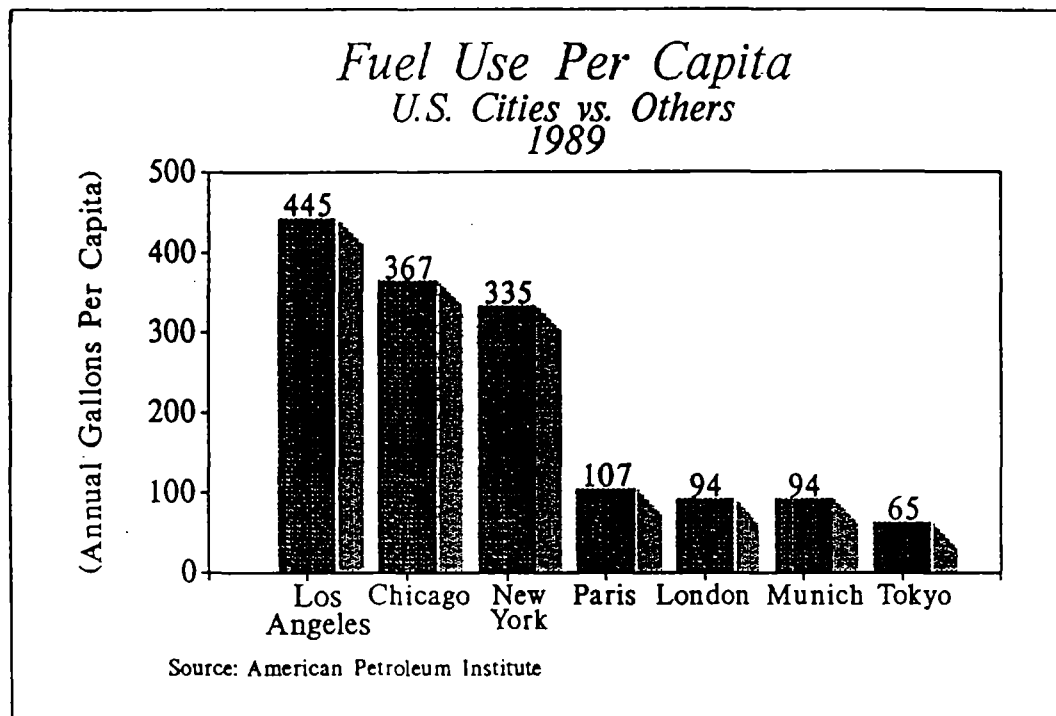
Still, compared to our economic competition, transit in America provides a far smaller share of rides. Our heavy reliance on the automobile carries costs.

Shares of the Total Increase in Commuters
by Market, 1960-1980



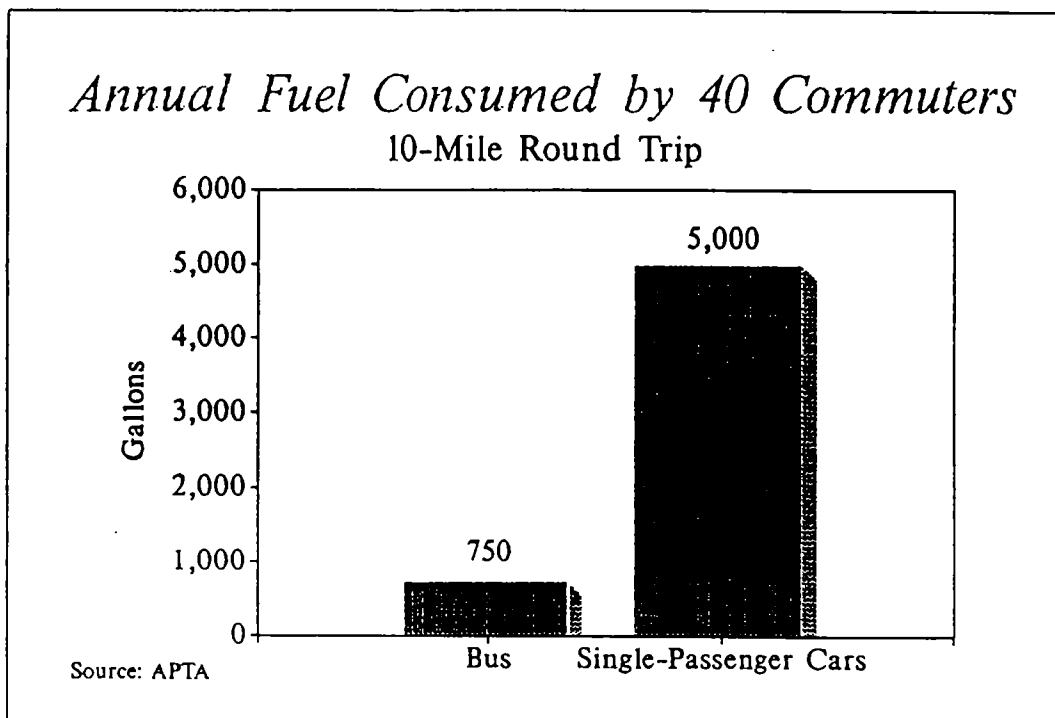
Most of the increase in travel has occurred in suburb-to-suburb trips where transit has lacked the resources to effectively meet demand and where development patterns have made transit solutions difficult.

Fuel Use per Capita: U.S. Cities vs. Others, 1989



With fewer transit riders per capita, our fuel consumption per capita is three to four times greater than that of other nations.

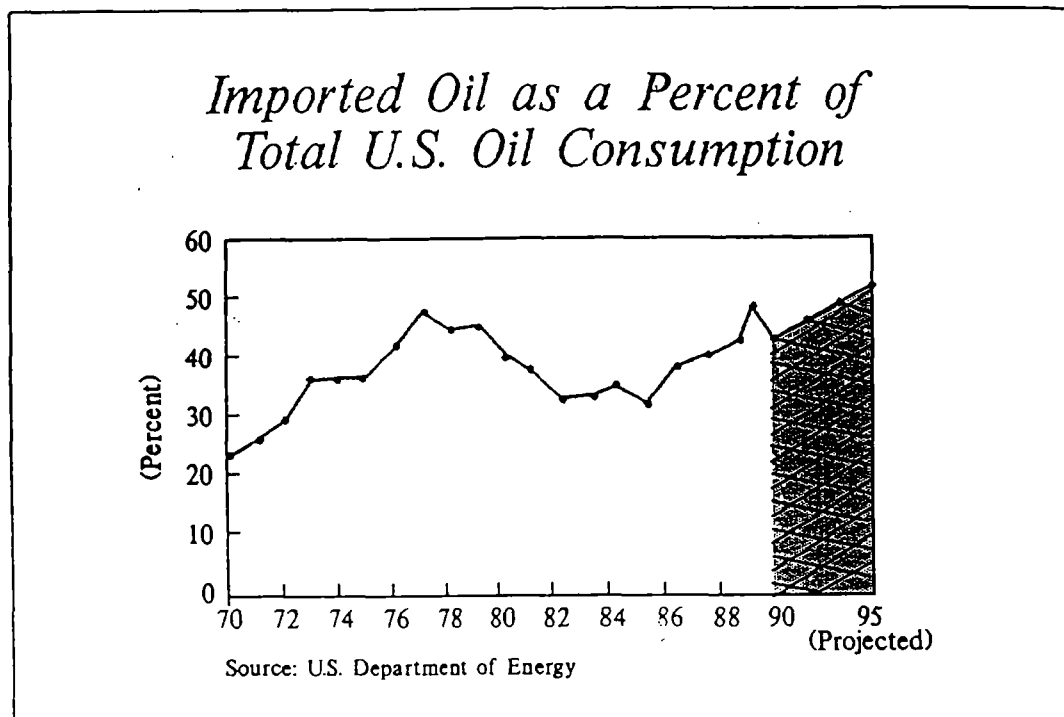
Annual Fuel Consumed by 40 Commuters: 10-mile round trip



Let's remind ourselves of the fuel efficiency of transit use. While the average car on the road gets 20 mpg, a fully-loaded transit bus is the equivalent of 40 passengers riding in cars that get 140 mpg. During a year, a single transit bus rider saves over 100 gallons of fuel on a 5-mile daily commute, and the resulting air pollution, by keeping the car at home.

Despite this, the US Department of Energy did not even so much as mention investment in transit as a path for greater energy efficiency in its report issued in December 1990.

Imported Oil as a Percent of Total U.S. Oil Consumption

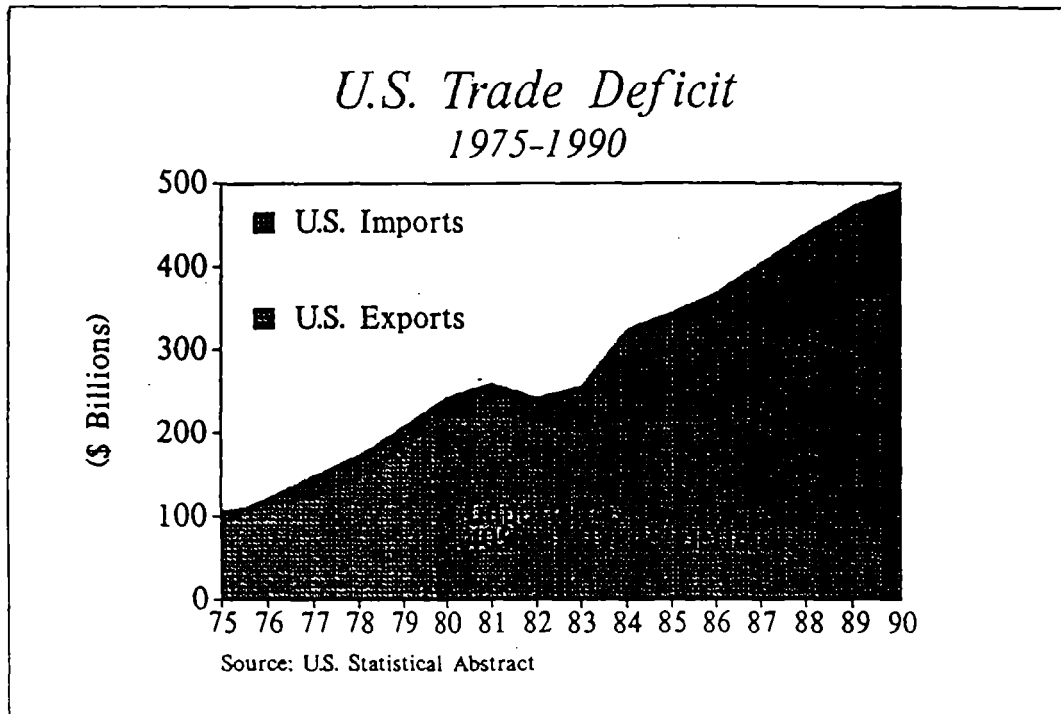


In light of federal policies, it comes as no surprise that the consumption of foreign oil has increased--despite significant improvement in auto fuel efficiency.

While U.S. consumption of foreign oil has varied since 1970, U.S. reliance on imported oil is at an all time high, higher than before either of the great oil shocks. A recent report from the U.S. Department of Energy predicts that our dependence on foreign supplies, near 50 percent in 1990, will rise steadily to 80 percent by the year 2030.

Let's not forget the environmental cost of importing fuel. Oil tankers spill an average of 2.9 million barrels of oil per year into our oceans.

Economic Trends: Trade Deficit, 1975-1990



Energy dependence, air pollution and congestion hinder the national economy.

Our trade deficit is large and our economy continues to weaken. The United States has gone from being the world's largest creditor nation to the world's largest debtor nation, as we have exported high-tech, high-skilled jobs overseas. Imported oil accounts for 40 percent of our trade imbalance. As the export of middle-class jobs accelerates, perhaps Americans will wake up to their own self-interest and take steps to preserve the basic elements of their way of life: jobs, mobility and a healthy environment.

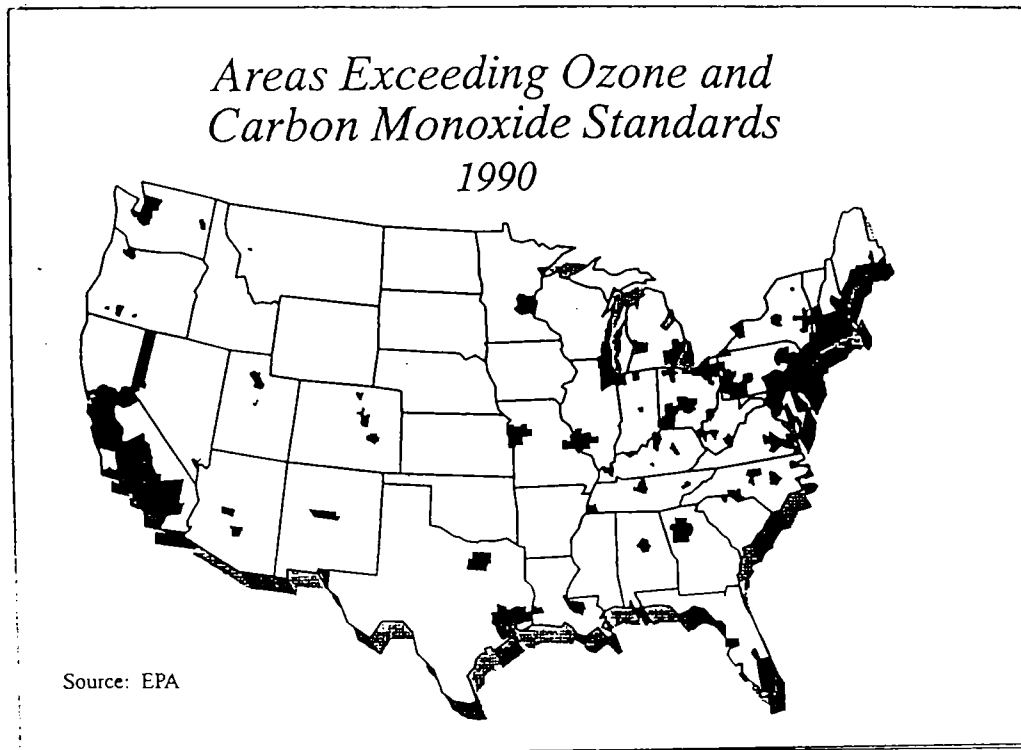
Cartoon



Source: Miami Herald

This cartoon, featured in the Miami Herald, echoes the reaction of many Americans when confronted with our vulnerability to instability in the Middle East. When a citizen suggests that we sock it to "that mad tyrant Hussein," by driving less and using public transportation more, the other pleads, "Couldn't we just nuke 'em?"

Areas Exceeding Ozone NAAQS



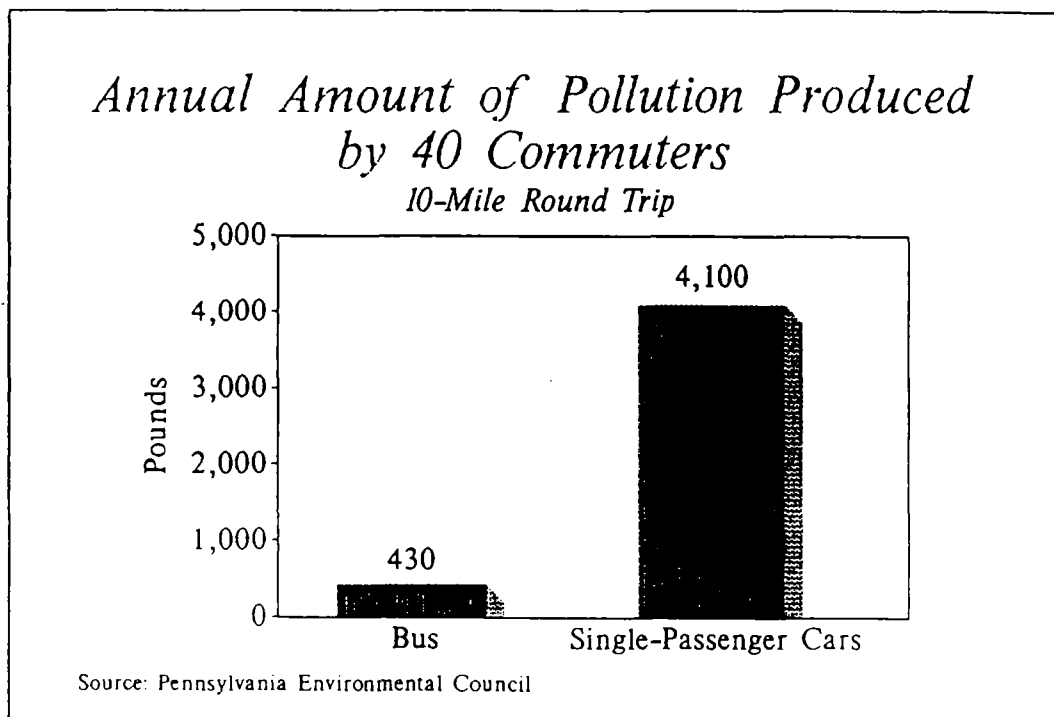
More cars and little growth in transit ridership equals ozone pollution. One hundred and one of the largest 140 urbanized areas of the United States, home to nearly three-quarters of this nation's citizens, violate the national ambient air quality standard for ozone. In urban America, over half of ozone-precursors are spewed from motor vehicle tailpipes.

We know that in Southern California ozone reduces the lung capacity of newborns by 10 percent. The entire nation may soon suffer such side effects.

On a per passenger basis, today's diesel bus emits 90 percent less the ozone precursor hydrocarbons than the cars it removes from the road, as well as 75 percent less carbon monoxide, the other major urban air pollutant.

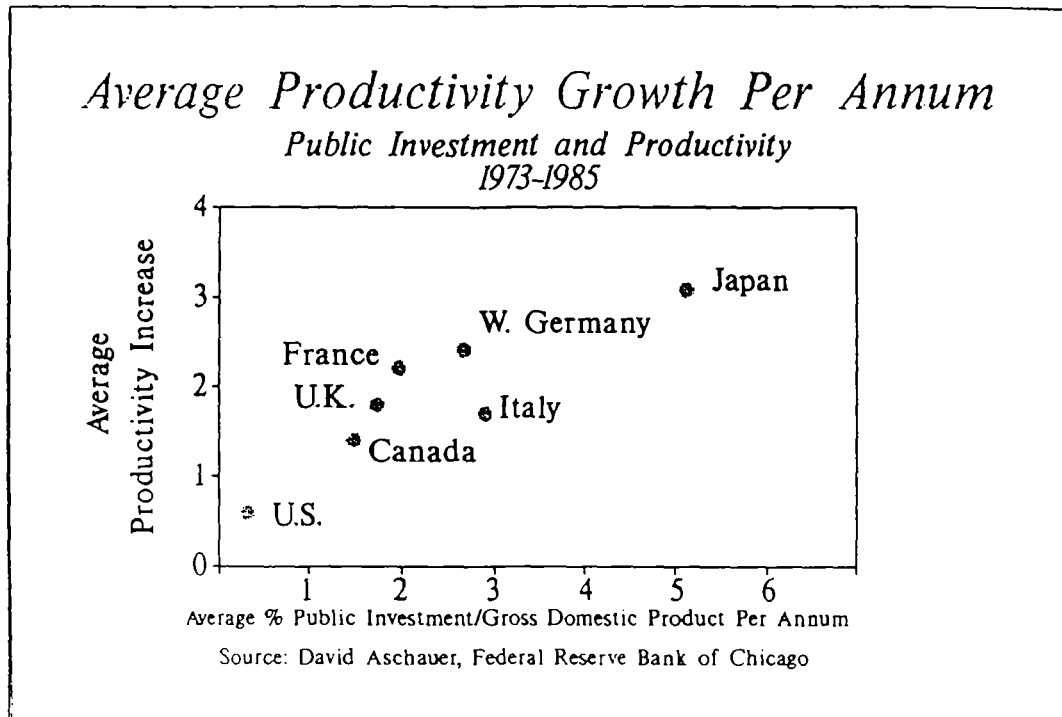
Some nonattainment cities: Atlanta, Baltimore, Boston, Chicago, Columbus, Dallas, Detroit, Houston, Kansas City, Los Angeles, Miami, Milwaukee, Newark, New Orleans, New York, Oakland, Pittsburgh, St. Louis, Seattle, and Washington, DC.

Annual Amount of Pollution Produced by
40 Commuters: 10-mile round trip



Transit's fuel efficiency leads to it being the more environmentally-sound mode of transportation. Under the same scenario as the previous slide, the transit commute emits one-ninth the pollutants as the automobile.

Average Productivity Growth per Annum: Public Investment
and Productivity, 1973-1985



Compared to the other G-7 industrialized nations, the U.S.'s low level of investment in public infrastructure correlates to a low productivity growth rate. Our competitors, realizing the benefits of public capital investment, enjoyed strong productivity gains. As you can see, between 1973 and 1985, the average U.S. investment in public infrastructure was 0.3 percent of our gross domestic product, while American productivity growth was an anemic 0.6 percent. The Japanese invested over 5 percent of their gross domestic product in public capital, and Japanese productivity grew at a 3.3 percent clip.

Indeed public spending on infrastructure does not crowd out private investment. Rather it encourages the private sector. What does hinder private investment are budget deficits. Perhaps the record federal budget deficit would not be such a waste if the dollars had been invested in the \$2.0 trillion in public capital that supports the national economy rather than squandered on bombs and bailouts.

Public Investment in Public Transportation

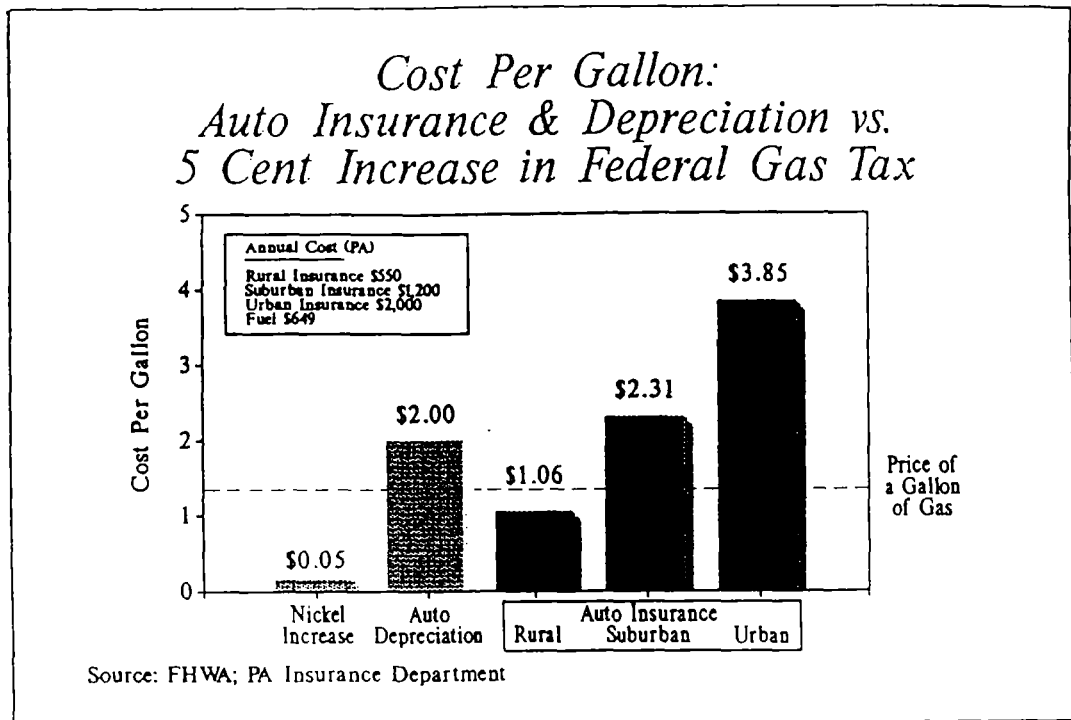
Public Investment in Public Transportation

\$1.00 Yields \$3.29
(Over 30 Years @ 5% Discount Rate)

Source: Aschauer, David Alan (1991)
"Transportation Spending and Economic Growth"

A recent study by Bates College Economist David Alan Aschauer estimates that over a 30 year period, the benefit-cost ratio of public investment in public transportation is 3.29-to-1. Still, the ratio for transit is significantly higher than the ratio Aschauer found for highway investment. (Aschauer found nearly all surface transportation investment pays off.)

Cost Per Gallon: Auto Insurance & Depreciation
vs. 5 Cent Increase in Federal Gas Tax



With the grouching about the 5-cent increase in the federal gasoline tax in 1990, it is interesting to place the nickel in perspective.

The Federal Highway Administration reports that the average car is driven a little over 10,000 miles. With a fuel economy average in the United States of 20 miles-per-gallon, the typical car consumes just over 500 gallons of gasoline a year.

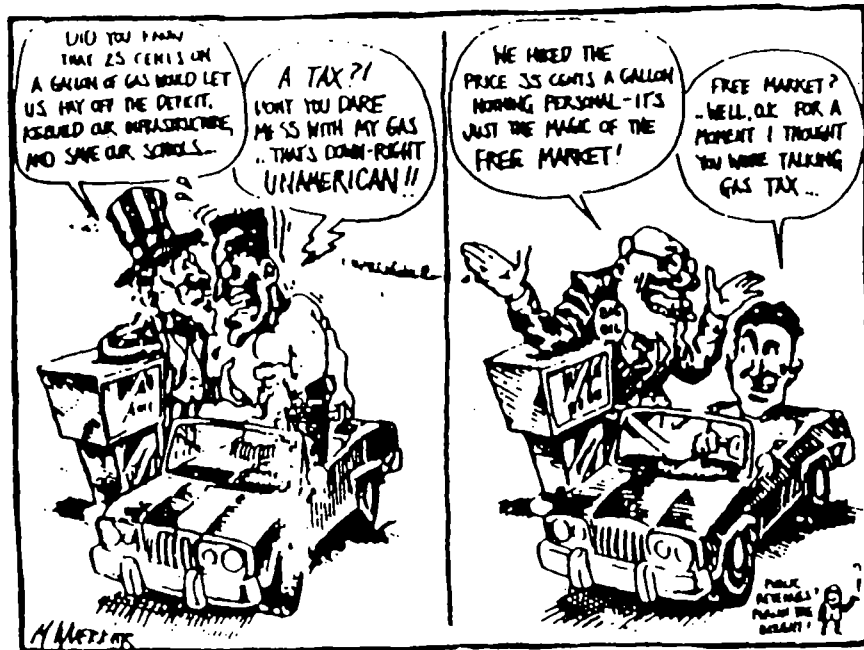
In the City of Philadelphia, an auto insurance policy costs about \$2,000 per year. This translates to \$3.85 per gallon of gasoline consumed by the car. In the Philadelphia suburbs, this auto insurance policy cost per gallon remains well over two dollars. Even in rural Pennsylvania, the figure is over one dollar per gallon.

For whatever Americans pay for their gasoline, on average they are paying between one to three and one-half times that amount for auto insurance. When you fill up, you pay \$15 for the gas and \$40 for the insurance.

A nickel increase in the gasoline tax would cost the average family about \$40 per year. This is less than the cost of two tickets to a typical sports event, theatre piece, or rock concert.

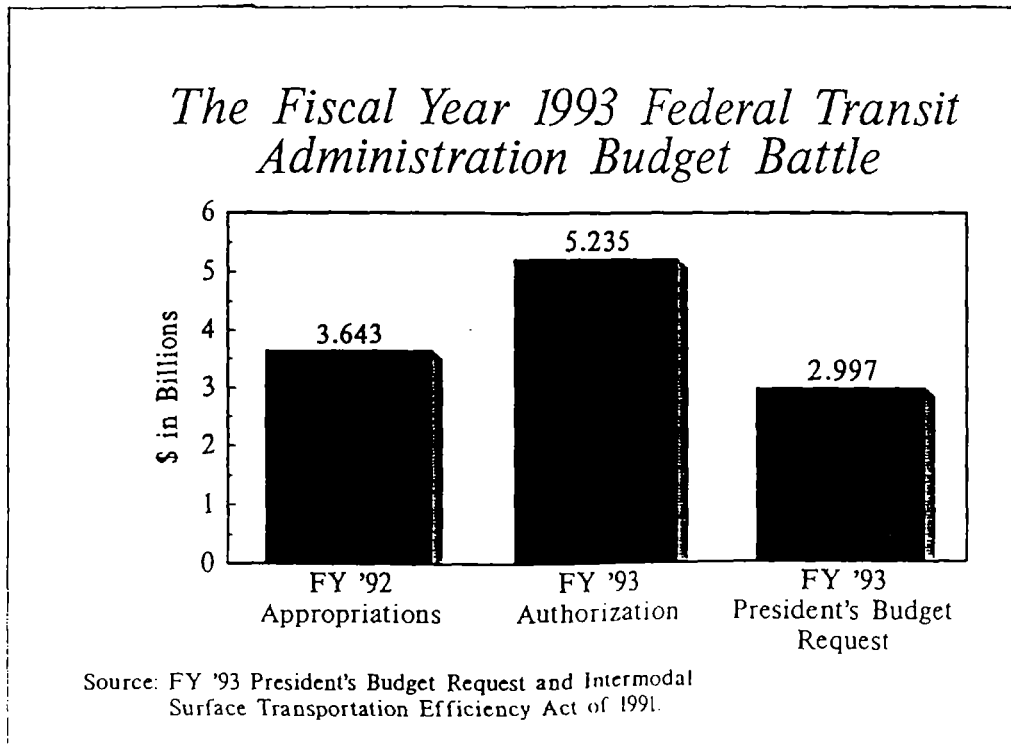
In addition, the standard rule of thumb for automobile depreciation (\$100 every 1,000 miles) means that a car, at 20 MPG, loses two dollars in value for every gallon of fuel it burns.

Cartoon



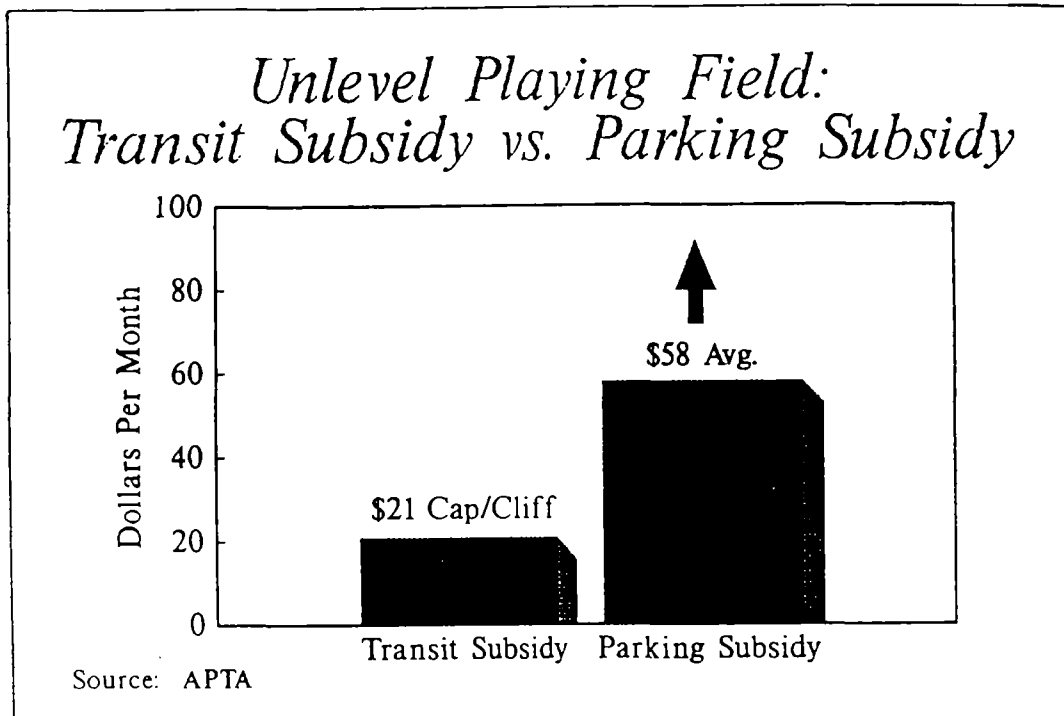
In this cartoon, the characters elaborate on this theme. The driver is furious when faced with a proposal to raise gasoline taxes 25 cents per gallon in order to pay off the deficit, rebuild our infrastructure, and save our schools. But when learning that the magic of the free market hiked the price 35 cents, the driver is docile.

The Fiscal Year 1993 Federal Transit Administration Budget Battle



On December 18, 1991, the President signed into law the Intermodal Surface Transportation Efficiency Act (ISTEA). The bill authorized \$5.2 billion for transit programs in FY 1993. Five weeks later, the President proposed in his FY 1993 Budget Request to reduce funding to only \$3 billion--an amount significantly less than the FY 1992 appropriations level.

Unlevel Playing Field: Transit Subsidy vs. Parking Subsidy



One of the most telling examples of federal policy favoring the automobile over transit is the federal income tax code's treatment of employer-provided transit passes versus that for employer-provided parking.

The income tax code treats parking as a tax free fringe benefit. The average cost of an employer-provided parking space is \$58 per month, although in large cities such as New York, its value rises to several hundred dollars per month. To the employee, this is a tax free benefit, to the business a deductible expense.

The code views employer-provided transit passes differently. Up to \$21 per month is tax free for the employee and deductible for the business. Beyond this cap, employee-provided transit is taxable as income. In addition due to the cliff provision, if the employer-subsidy exceeds \$21 by even a single penny, the entire amount is taxable.

With this law and the more generous federal matching shares for highway projects, one can see that people are addicted to cars not due to some spiritual need but because of government policies.

Cartoon



Bombing the infrastructure of Iraq merely placed us on equal footing, illustrates Tony Auth of the Philadelphia Inquirer on January 22, 1991.

Winston Churchill, 1941.

“You can count on the
American people to do
the right thing; after
they’ve tried every other
alternative.

- Winston Churchill, 1941

Summary:

In the 1980s, public capital investment became a low priority for the federal government. While spending on highways kept pace with inflation, investment in public transportation fell dramatically.

These budgetary policies, coupled with record low gasoline prices, fueled a boom in automobile travel. Vehicle-miles-travelled (VMT) grew at an annual clip of 3.5 percent, nearly four times the pace of the population growth. In some urban areas VMT growth was twice the national figure. Average vehicle occupancy fell. Transit ridership held steady, but transit agencies lacked the dollars needed to enhance service in areas of the most rapid growth in trips.

Increased auto use carries an ever increasing price. The United States is now more dependent on imported oil than at any time this century. We will soon import 50 percent of the oil we consume.

Over three-quarters of the United States population lives in ozone nonattainment areas. By 2010, time lost in traffic congestion will have increased 400 percent on the nation's freeways. Annual motor vehicle deaths now nearly equal the number of Americans killed in the Vietnam War.

Transit is on average six to seven times more energy efficient than automobile travel. A full bus removes forty cars from the road, reducing congestion. In this way, investment in transit may be the surest guarantee of the future mobility of the automobile. On a per passenger basis, transit vehicles emit but a fraction of the pollutants of the cars removed from the road.

Air pollution, congestion, and energy dependence take a toll on the nation's economy. The United States trade deficit soared as high-skilled, high-paying jobs are exported overseas. Our economic competitors invest a much larger slice of their national wealth in public capital, and enjoy much more rapid growth in productivity.

For the well-being of the American economy, the federal government must increase investment in all transportation infrastructure: highways, aviation, and transit. Building public assets that yield decades of benefits is the best type of government spending.

In the pursuit of national goals vital to the quality of American life -- reduced congestion, clean air, and energy independence -- the old ways no longer apply. The completion of the interstate highway system provides an historic opportunity to focus national transportation policy on the safe and efficient movement of people, not of vehicles. It is time the federal government treat transit as a critical balance to highways.

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Southeastern Pennsylvania Area Coalition for Transportation (ACT)

P.O. Box 36, Philadelphia, Pa. 19105

A strong public transportation system is essential to the vitality of our region. It strengthens opportunities for economic development and the creation of jobs. It enhances the quality of life by contributing to a cleaner environment. Without better transportation funding, the extensive system we have in the Delaware Valley will not survive. To avoid such a loss in this region, a broad-based Coalition was formed, the first in the country, to support efforts to obtain increased funding for public transportation.

Tuesday, August 8, 1991

Page 8-A

EDITORIALS

SEPTA's big win

Gambaccini will be building instead of cutting

The future of SEPTA changed literally overnight with the passage of a \$200 million dedicated fund for the state's 38 mass transit systems. SEPTA will get about \$140 million a year of the new taxes approved by one thin vote in the House on Sunday.

If the votes had not been there, SEPTA manager Louis J. Gambaccini was planning to spend yesterday morning beginning the grim process of closing down as many as half the commuter rail lines.

Instead, he is now facing the pleasant task of speeding reconstruction of and purchasing new cars for the dangerously corroded Market-Frankford El, and rebuilding 20 crumbling bridges that carry trains to and from Main Line communities. That's not to say that SEPTA has clear tracks ahead, or that commuters are forever freed of fare hikes.

Mr. Gambaccini must still contend with increased operating costs, an area in which the state provided no additional help for the coming year. And he must depend on Gov. Casey and the legislative leaders to follow through on their commitment to maintain the current capital funding levels of \$90 million. That, coupled with the new money from the dedicated tax and a possibility of additional federal funds, comes close

to giving him the money he needs to salvage and upgrade the whole system by 2003.

As for parceling out credit, Sen. Vincent J. Fumo (D., Phila.), minority chair of the Appropriations Committee, and Sen. F. Joseph Looper (R., Del.), the majority leader, were steadfast supporters of the package.

In the House, Rep. Gordon Linton (D., Phila.) has been the point man for transit, while Minority Leader Matthew Ryan (R., Del.) provided 10 crucial Republican votes. And lots of plaudits belong to Appropriations Chairman Dwight Evans (D., Phila.), whose 11th hour plea spurred Gov. Casey to unusual eloquence.

"Now, more than at any other time in Pennsylvania history, the future of economic development and prosperity in every part of this state is inextricably tied to our ability to provide for Pennsylvania's transportation needs," Mr. Casey wrote to legislators Sunday. "...Bus and light commuter rail systems have taken on an even greater importance as ingredients of Pennsylvania's economic development potential."

"Mass transit was a big victory and I'm very happy about it," Mr. Casey exulted yesterday.

Every resident should share his

Coalition members participate in statewide rally in Harrisburg.



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ACT's Goals

- * To improve service and make our public transportation system the finest in the country;
- * To raise public awareness about the importance of public transportation;
- * To make affordable and accessible public transportation a top priority with our elected officials in the region, in Harrisburg and in Washington; and
- * To ensure that public transportation systems receive funding commensurate with their needs and the benefits they provide.

COALITION ORGANIZATIONAL MEMBERS:

AARP
ABB Traction Inc.
ACORN
Academy of Natural Sciences
Action Alliance of Senior Citizens
AFSCME Council 33
AFSCME Council 47
Air Management Services
Allegheny West Foundation
Alliance for Public Transportation
Altus Group, Inc.
Amal Clothing & Text Workers Union
Amer. Fed. of Gov. Employees, Local 1698
American Postal Workers Union
American Realty Company
American Society of Civil Engineers
Ammann & Whitney
AMP Products
Archdiocese of Philadelphia
ARCO Retirees
Asher Candy
Associated Services for the Blind
Association of Pennsylvania Constructors
Assoc. of Physical Plant Admin., Univ. and
Colleges, Del. Valley Chapter
ATU, Local 1436
Ballard, Spahr, Andrews & Ingersoll
Barrier Awareness of Delaware County
BCM Engineers
Bell of Pennsylvania
Beneficial Savings Bank
Bensalem Chamber of Commerce
Bensalem Senior Citizen Association
Better Health Society
Bicycle Coalition of the Delaware Valley
Black Clergy of Philadelphia and Vicinity
BLB Enterprises Inc.
Boeing Helicopters
Brandywine Battlefield Park
Bridge Pratt Business & Professional Assoc.
Brotherhood of Locomotive Engineers
Brotherhood of Railroad Signalmen
Bryn Mawr Rehabilitation Hospital
Bucks County AFL-CIO Council
Bucks County Audubon Society
Bucks County Bar Association
Bucks County Community College
Bucks Hub Conference
Building and Construction Trades Council
(AFL-CIO)
Building Owners & Managers Association
Business & Industry Chamber for Chester
County
BWST Chemical Engineers
Campbell Thomas & Co. Architects
Campus Boulevard Corporation
Caruolo Associates Engineering
Center City Proprietors' Association
Center for the Deaf & Hearing Impaired
Central Bucks Chamber of Commerce
Central Bucks Education Association
Central Chester County League of Women
Voters
Central Lions Host Club of Phila., Inc.
Central Montgomery County Chamber of
Commerce
Central Phila. Development Corporation
Chamber of Commerce of Greater West
Chester

Chester County AFL-CIO Council
Chester County Bar Association
Chester County Chamber of Commerce
Chester County Partnership
Chester County Planning Commission
Chestnut Hill Community Association
Chestnut Hill National Bank
Chestnut Street Association
Christ our Redeemer Baptist Church
Citizens' Advisory Committee to SEPTA
Citizens Coalition for Energy Efficiency
City Parks Association, Hatfield House
Clean Air Council of Delaware Valley
Clean Water Action
Clemens Markets, Inc.
Cohen, Shapiro, Polisher, Shiekman
College of Physicians of Philadelphia
Committee for a Better North Philadelphia
Committee of Seventy
Common Law Network
Communications Workers Union District 13
Concerned Citizens for E. Germantown
Conduit and Foundation Corporation
Conference of Minority Transportation
Officials
Confidential Consultants, Inc.
Conrail
Consumers Education and Protective
Association
Continental Bank
Contractors Association of Eastern
Pennsylvania
Convention Center Authority
Cope Lippincot Slifer
CORA Services
Corestates Financial Corporation
Cozen and O'Connor
Crafts by Pat
Crossing Construction Co., Inc.
CYMA Corporation
Dean Witter Reynolds, Inc.
Dechert Price & Rhoads
Delaware County AFL-CIO Council
Delaware County Bar Association
Delaware County Chamber of Commerce
Delaware County Environmental Network
Delaware Riverkeeper
Del. Valley Assoc. of Railroad Passengers
Delaware Valley Financial Services
Delaware Valley Regional Planning
Commission
Delaware Valley Toxics Coalition
Delmarva Rail Passengers Association
Deloitte Touche
DELTRAN
Development Enterprises Corporation
Development Managing Association, Inc.
Diamond Courier
Diamond Mine Jewelers
Dilworth, Paxson, Kalish & Kauffman
Dolphin & Bradbury Inc.
Drexel University
Drinker, Biddle & Reath
Duane, Morris & Heckscher
Duffy Real Estate
Eastern Paralyzed Veterans Association
East Hottter Street Civic Association
Eastwick Project Area Committee
Edward Mannino & Associates
Edwards and Kelcey, Inc.
Elder Medical - Suburban General Hospital
Elwyn Institutes
Environmental Protection Agency
Episcopal Diocese of PA.
Ethical Action Committee
Exide Corporation

Exton Area Chamber of Commerce
Facilities Support Services
Factory Mutual Engineering
Federal Express Corporation
Federal Reserve Bank
Fidelity Bank
Finnaren & Haley Paints
Foundation for Architecture
Fox Realty Consultants, Inc.
Fox, Rothschild, O'Brien & Frankel
Frankford United Neighbors
Frederic Harris, Inc.
Friends Center
Friends of the Earth
Gannett Fleming Engineers & Planners
Gellman Research Associates, Inc.
George School
Germantown Jewish Center
Glading Monday Fellowship
Glenside Rotary Club
Golden Crown Jewelers
Golden Fever
Goldfein & Joseph
Goldman Sachs & Co.
Gollatz, Griffin, Ewing & McCarthy
Greater Conshohocken Chamber of
Commerce
Greater Hatboro Chamber of Commerce
Greater Jenkintown Chamber of Commerce
Greater Philadelphia Chamber of Commerce
Greater Phila. Economic Development Corp.
Greater Philadelphia First Corporation
Greater Philadelphia Urban Affairs
Coalition
Gr. Valley Forge Trans. Management
Association
Greater Willow Grove Chamber
of Commerce
Health and Hospital Workers Union, Local
1199C
Health Perspectives Program
Henkels & McCoy
Hgo Building Maintenance Services
High Tech. Recycling
Holding Company
Housing Partnership of Chester County
Hulmeville Historical Society Inc.
Hunt Manufacturing Company
Hutton Recycling Circle
I.B.E.W. Retirees, Local #98
ICF Kaiser Engineers
Immaculata College
Independence Blue Cross
Independence Center Realty/Market East
Independence National Historical Park
Independent Brotherhood, Transit Police
Indian Lane School
Ingilis House
Institute for the Study of Civic Values
Int'l Ladies Garment Workers' Union, East.
Pa. Region
Jenkintown Kiwanis
Jewish Community Relations Council
J.W. Leas & Associates
JMB Properties - Urban Company
Jobs With Peace Campaign
John Lawson Architects
Kairys & Rudvosky Law Firm
Ken-Crest Services, Inc.
Kensington Join Action Council
Ketron, Inc.
Keystone Association of Railroad Passengers
Kidder, Peabody & Co. Incorporated
King of Prussia Chamber of Commerce
Kiwanis Club of Glenside
Kohn, Savett, Klein & Graf, P.C.

Korach Associates Inc.
 KPA Design Group, Inc.
 Kravco, The Court at King of Prussia
 L & L Diamonds
 Langhorne Borough Council
 La Salle University
 League of Women Voters of Lower Merion
 Leagues of Women Voters of SE Penna.
 Legg, Mason, Wood, Walker Inc.
 Leon Clemmer Design/Build Inc.
 Let's Talk
 Lewis, Gilman, Golan/Harris
 Lower Bucks County Chamber of Commerce
 Loza Architects
 LS Transit Systems
 Macro Corporation
 Main Line Chamber of Commerce
 Main Line Financial Planning, Inc.
 Main Line Party Rentals
 Marshall, Dennehey, Warner, Coleman & Goggin
 Martin Elfant Inc. Relators
 Martin Organization
 Matrix
 McGettigan Corporate Planning Services
 Meridian Bank
 Merrill Lynch
 Metropolitan Christian Council of Phila.
 Miller, Anderson & Sherrerd
 Money for Neighborhoods Coalition
 Montgomery County AFL-CIO Union Council
 Montgomery County Redevelopment Authority
 Montgomeryville Realty Company
 Morgan, Lewis & Bockius
 Morton Tulpehocken Civic Association
 Mundle & Associates, Inc.
 Mt. Olivet Tabernacle Baptist Church
 NAACP Chester Branch
 National Association of Railroad Passengers
 National Railroad Historical Society
 Neighborhood Club of Bala Cynwyd
 New Jersey Environmental Federation
 Newtown Short Line Railroad
 N. H. Bettigole
 Northeast Philadelphia Chamber of Commerce
 Northeast Railroad
 Northern Liberties Neighbors Association
 Northwest Center/Germantown House
 O'Brien-Kreitzberg & Associates, Inc.
 Olney Neighbor Center
 Olsten Temporary Service
 Omni Tech Enterprises
 Orth Rodgers & Associates
 Otto Sperr Architects
 Oxford Area Chamber of Commerce
 Oxford Circle Civic Association
 Pace Data Systems
 Parsons Brinckerhoff
 Partnership for the Future
 Pasquale Real Estate
 Paunacussing Watershed Association
 Peat Marwick Main & Co.
 Penjerdel Council
 Penn Environmental & Recycling Group
 Penn Mutual Life Insurance Company
 Penn PIRG
 Penn State - Delaware County
 Penn State Great Valley
 Pennoni Associates Inc.
 Pennsylvania Alliance for Environmental Education
 Pennsylvania Citizen Action
 Pennsylvania Environmental Council
 Pennsylvania Fair Tax Coalition
 Pennsylvania Horticultural Society
 Pennsylvania Resources Council
 Pennsylvania State Education Association
 Pepper, Hamilton & Scheetz
 Perkiomen Valley Watershed Association
 Philadelphia Bar Association
 Philadelphia City Planning Commission
 Philadelphia College of Pharmacy
 Philadelphia Commercial Development Corporation
 Philadelphia Committee on City Policy
 Philadelphia Convention and Visitors Bureau
 Philadelphia Conservationist
 Philadelphia Developers Alliance
 Philadelphia Electric Company
 Philadelphia Federation of Teachers
 Philadelphia Gas Works
 Philadelphia Independent Film/Video Association
 Philadelphia National Bank
 Philadelphia Nursing Home
 Phila. Project on Occupational Safety and Health
 Philadelphia School District
 Philadelphia Suburban Water Company
 Philadelphia Urban Coalition
 Philadelphia Zoo
 Philaposh
 PhilaPride
 Phillies Baseball
 Phillips Temple CME Church
 PIDC
 Ports of Philadelphia Maritime Exchange
 Private Industry Council of Philadelphia
 Provident Mutual Life Insurance Co.
 Provident National Bank
 PSTC Employees Federal Credit Union
 Public Interest Law Center of Philadelphia
 Quaker Lace Company
 Railway Systems Design, Inc.
 Rainforest Action Group
 Rawle & Henderson
 Raynes, McCarty, Binder, Ross & Mundy
 Reading Terminal Preservation Fund
 Real Associates
 Regional Council of Neighborhood Organizations
 Resources for Living Independently Center
 Reynolds Ink Public Relations
 Rhawnhurst Lions Club
 Rhone-Poulenc Rorer
 Riedel Omni Products, Inc.
 Roach Brothers Realty
 Robert Morris Associates
 Rodeo Jewelers
 Rouse & Associates
 Roy Weston, Inc.
 R.T. Schoonmaker, Inc.
 S & I Jewelers
 Saul, Ewing, Remick & Saul
 Save Our Local Environment
 Schuylkill Valley Nature Center
 Seltzer Organization
 SEPTA Advisory Comm. for the Elderly and Handicapped
 Shalom Baptist Church
 Shapson, Gero & Sommers
 Shared Medical Systems
 Sierra Club of S.E. Pennsylvania
 Simon Jewelers
 Society Hill Civic Association
 Southampton Women's Club
 Southeastern Pennsylvania Energy Center
 SpectaGuard
 Springfield Chamber of Commerce
 St. Leo's Senior Citizens Club
 St. Luke's United Methodist Church
 St. Mary Hospital
 Stone & Webster Engineering Corp.
 Strawbridge & Clothier
 Strouse-Greenberg
 Students United to Provide Transportation Action
 Suburban Baptist Association
 Sun Company
 Tabernacle Leisurites
 Taylor Memorial Baptist Church
 TBI Senior Adults
 T.C.U. Local 1472
 Tel-Stock, Inc.
 Technical Industries Prediction Service
 Tenth Presbyterian Church
 Temple University
 Temple University Student Government
 The Data Group
 The Gem Mine
 The MBF Center
 The Nature Conservancy
 The Philadelphia Sports Congress
 The RBA Group
 Thomas Dyer, Inc.
 Thomas Jefferson University
 Tierney Group
 Tomlinson, Ratasiewicz & Associates
 Touche Ross
 Town & Country Limousine Services
 Transit Riders Action Campaign
 Transportation & Distribution Association
 Transportation Communications Int'l Union, Local 1472
 Transportation Management Services
 Transportation Riders Accessing Mobility
 Transport Workers Union Local 2013
 Transport Workers Union Local 234
 Transport Workers Union Local 290
 TriCounty Chamber of Commerce
 UBBA
 Unitarian - Universalist Church of Delaware County
 United Cerebral Palsy Association
 United Engineers & Constructors, Inc.
 United Food & Commercial Workers Union, Local 1776
 United States Star Computer
 United Steelworkers, District 7
 United Transportation Union Local 61
 United Transportation Union Local 1594
 United Valley Bank
 University City Coalition
 University of Pennsylvania
 Upper Merion Baptist Church
 Upper Merion Township
 Urban Engineers/ASCE
 Urban League of Philadelphia
 Valley Forge Music Fair
 VEP Associates
 Villanova University
 Wade Communications
 Walter McClatchy, Jr. & Associates
 Washington West Civic Association
 Water Resources Association of Delaware River Basin
 Weightman Group
 W. Chester Veterinary Medical Clinic
 Westcode, Inc.
 West Mt. Airy Neighbors Association
 West Philadelphia Chamber of Commerce
 West Philadelphia Economic Development Corporation
 West Philadelphia Partnership
 Westside Neighborhood Council
 Wissinoming Civic Association, Inc.
 WNY Management
 Wyeth Laboratories - Ayerst Research
 Young Democrats of Philadelphia

SOUTHEASTERN PENNSYLVANIA AREA COALITION FOR TRANSPORTATION

MISSION STATEMENT

A strong public transportation system is essential to the vitality of the regional economy, and will be a key element in helping the region to maintain its competitiveness, both domestically and abroad, in the future. It enhances opportunities for economic development and the creation of jobs, and also enhances the quality of life and contributes to a cleaner environment. Recognizing these benefits to the 3.7 million residents of our region, the coalition which has formed in the five counties of Southeastern Pennsylvania to support public transportation -- composed of leaders of the business, labor, rider, civic, environmental, academic and religious communities -- has as its goals:

- * To improve service and make our public transportation system the finest in the country;
 - * To raise public awareness about the importance of public transportation,
 - * To make affordable and accessible public transportation a top priority with our elected officials in the region, in Harrisburg and in Washington; and
 - * To ensure that public transportation systems receive funding commensurate with their needs. In Southeastern Pennsylvania, this means that:
 - * SEPTA must receive a minimum of to \$4 billion over the next 10 years for capital rehabilitation of the system;
 - * SEPTA must receive sufficient operating funds; and
 - * SEPTA must have an adequate, predictable and dedicated source of funding from every level of government.
-

Broad-based SEPTA coalition forms to lobby state

By Mark Bowden
Inquirer Staff Writer

A group of about 60 top regional business, labor and community leaders convened early yesterday at SEPTA headquarters to form a coalition to lobby for increased government funding for the troubled transit authority.

SEPTA officials called the gathering a historic display of broad-based support for mass transit. It drew an extraordinary variety of area leaders, such as Joseph P. Paquette Jr., chairman of Philadelphia Electric Co.; Peter S. Strawbridge, president of Strawbridge & Clothier; James Sutton, president of District Council 33 of the American Federation of State, County and Municipal Employees; the Rev. William Moore, president of the Association of Black Clergy; college presidents; leaders of area chambers of commerce; Archdiocesan leaders, and even heads of the community and consumer groups who have successfully held up SEPTA's recent proposed city fare increases in court.

"Looking around this room, we have a pretty good compilation of forces here," said Roger Tauss, international representative of the Transport Workers Union, which represents most SEPTA workers. "Maybe we shouldn't waste the opportunity. I don't know, want to pick the next mayor while we're here?"

The crowd laughed heartily. "It's already done," shouted one. "We did that over coffee!"

Agreeing to call itself the Delaware Valley Alliance for Transit, the group pledged to personally and publicly pressure local, state and federal lawmakers to reverse a decade of declining government subsidies for SEPTA. Plans were made for much of the group to take a special SEPTA train to Harrisburg on June 27 to



The Philadelphia Inquirer / ED HILLE

Roger Tauss (right) of the Transport Workers Union addresses the SEPTA advocacy group.

urge state legislators to significantly increase the \$157 million operating assistance proposed by Gov. Casey for the fiscal year that begins July 1.

"Roger, you're kidding about choosing a mayor, but with the talent we have in this room, maybe we can realize we not only have this in common, we have a lot of other things in common," said John A. Miller, chairman and chief executive officer of the Provident Mutual

Life Insurance Co. "Maybe this could be the start of something even bigger."

Miller said that he works at 1600 Market St., where there are 3,000 employees and only 15 parking spaces.

"I have one of those," he acknowledged, provoking more laughter from the crowd.

"The fact is that, when we moved into that building we were surrounded by parking lots and parking

garages," said Miller. "At the moment, there are none. When the SEPTA strike hit not long after we moved in there, we were able to absorb it reasonably well. If something like that were to happen today, if SEPTA were to close down for any reason, we would absolutely be in desperate, desperate trouble."

Mr. Moore, pastor of the Tenth Memorial Baptist Church, said many people in his congregation depend

upon public transit. He joked that he also had a selfish reason for supporting SEPTA, noting that outside his North Philadelphia church there is a parking lot on one side and a Route 33 bus stop on the other.

"Those members of my congregation who come by car tend to come one by one," he said. "As I watch the bus stop, it's obvious more people get off the 33 than pull up in the parking lot. And so, if we don't have a good public transportation system, I don't get paid."

The coalition is the fruit of efforts set in motion by SEPTA general manager Louis J. Gambaccini after sizing up the authority's financial crisis soon after taking the job last August. Three months ago, Gambaccini also hired Kyra G. McGrath, a lawyer who was working for the University of Pennsylvania's Center for Greater Philadelphia, and assigned her the task of identifying a constituency for SEPTA and putting it to work.

"The genesis was, as Lou has been talking to people around the region, they kept saying to him, 'SEPTA is a great asset, but people don't know that; what can we do?'" said McGrath. "We weren't planning to pull this together yet, but there has been so much interest in doing something from a lot of different quarters, that we felt compelled to bring people together right away."

Gambaccini and SEPTA board Chairman J. Clayton Undercoffer 3d said yesterday that they were surprised at the response.

"I know Kyra and Lou had worked hard on this, but I had no idea there would be this kind of response," said Undercoffer. "It's overwhelming. There's so much talent here. When you look around the room, everybody is somebody who can get something done."

Indeed, during the meeting, after

Gambaccini recommended that the newly formed coalition would benefit from a month of planning, various members of the audience stood to urge moving more quickly.

"May I suggest that we make specific goals right now, before we leave this room," said Kathy Neary, president of the southeast region of the Pennsylvania State Education Association. "Rather than reconvene again here, perhaps we could reconvene again in two weeks in Harrisburg? Each of us could bring four or five constituents whom we represent, and each of us could pay visits to our representatives there. . . . We should leave here with concrete suggestions."

The group ultimately decided to organize the trip to Harrisburg to lobby the General Assembly before it concludes deliberations on the fiscal 1990 budget at the end of this month. They also agreed to arrange a letter-writing campaign to key legislators whose names and addresses were listed in a package of material distributed by SEPTA employees before the 7:30 a.m. session.

Calling the governor's proposed allocation of \$157 million "totally and utterly inadequate," Gambaccini urged the group to lobby one-on-one with legislators and to bring whatever other pressures they could bear.

"It happens, fortunately, all of the key legislators involved in the appropriations process . . . are from the Philadelphia area," said Gambaccini. "If we cannot affect their uniform thinking about the importance of SEPTA, then I suppose we deserve to go under. I mean that sincerely. Here we've got the political clout, we have all the key decision-makers from Philadelphia area, and if we can collectively affect their thinking, then we've got real problems."

The SEPTA case goes to Washington

By Laurie Hollman 11/17/89
Inquirer Staff Writer

The broad-based coalition created to lobby for SEPTA went to Washington yesterday. More than 100 of the region's top business, community and labor leaders spent four to five hours schmoozing with federal officials, politicians and lobbyists, hoping to persuade them that SEPTA needs more money.

And what did they get for their troubles?

Hope, direction and croissants.

The hope came from John Heinz, Pennsylvania's senior senator, who said that Congress may increase the gasoline tax during the next two years. That would mean more money for mass transit, he said.

The direction came from U.S. Reps. Lawrence Coughlin and Curt Weldon, two Pennsylvania Republicans who said the best place to look for help is the state. Pennsylvania, they told the coalition, is one of the only states with a major mass transit system and no tax or other source of funding set aside to pay for it.

The croissants came for lunch.

The coalition traveled to Washington aboard a SEPTA train at SEPTA expense with at least two missions in mind: to let the Pennsylvania congressional delegation and officials with the Urban Mass Transportation Administration see that the coalition exists, and to lobby for more money, despite warnings that the federal government is no place to look.

"Pay attention," Bucks County Commissioner Andrew L. Warren told U.S. Rep. Peter H. Kostmayer, a Democrat also from Bucks County. "I'm going to hit you up."

SEPTA's money problems were no secret to anyone.

According to the latest estimates, it will take \$3.8 billion over the next 10 years to prevent the nation's fourth-largest transit system from deteriorating further and to maintain its performance and reliability. It will take \$4.8 billion over the same period to expand the system slightly. The biggest problem is where to find the money.

Recently, transit advocates began to focus on the state and on higher taxes.

Some of the region's top elected officials issued a financing plan earlier this week saying that they support higher taxes to help SEPTA but need state authority to be able to raise them.

Though the plan was vague, Warren, the group's chairman, was explicit in calling on the state to give Philadelphia and Bucks, Montgomery, Chester and Delaware Counties the leeway to raise taxes on a regional basis.

Yet there is resistance in Harrisburg, and transit officials said they were worried they would not be able to get Pennsylvania to set aside a stable source of funding for SEPTA.

Weldon offered one solution to this



The Philadelphia Inquirer / MICHAEL MALLY

En route to Washington, Gambaccini (left), Sara Nichols of the Delaware County Clean Air Council and Tauss chat on the train.

problem: Pass a bill in Congress that deprives Pennsylvania of federal money if it fails to dedicate a tax or some other source of funding to mass transit. He said he would be willing to propose the legislation as "a bargaining chip we can throw out and hopefully get the ear of Harrisburg."

That went over well, but at other points during the day, coalition members expressed frustration. Roger Tauss, international representative for the Transport Workers Union, explained, "Everyone we talk to at the state and federal levels says, 'We're with you 100 percent, but you've got to get the other guy.'"

SEPTA general manager Louis J. Gambaccini urged the coalition to put pressure on state lawmakers, saying: "We've got to be a lot more strident with our own legislators. Enough is enough."

And Jim Brunkenhoefer, national legislative director for the United Transportation Union, told the coalition to start talking about taxes. He said that taxes were the solution to SEPTA's problems but that people would try to tell the coalition differently.

"As long as we can keep selling you ... and you keep buying it, we're going to keep selling it," he said.

Fund Base Urged to Aid SEPTA

By Reginald Stuart

Daily News Staff Writer

WASHINGTON — An enthusiastic coalition of SEPTA boosters gathered at Capitol Hill yesterday to solicit federal help.

The group of nearly 100, ranging from corporate executives to advocates for the poor from throughout the Delaware Valley, got the assurances they sought.

They also got the news that former SEPTA board member Brian W. Clymer had been confirmed by the Senate Wednesday night as the new administrator of the Urban Mass Transportation Administration.

The good news was tempered, however, by a firm warning from the lawmakers: Pennsylvania has to increase funding to SEPTA before the transit system can beg much money from Washington.

To the surprise of some in the group, several lawmakers noted that Pennsylvania is the only state without at least one dedicated funding base for mass transit. That fact handicaps SEPTA's bid for federal help.

Rep. Curt Weldon, R-Pa., of Delaware County, the man who got Clymer his job, told the group he would consider legislation barring any state from receiving federal transit money if it did not have its own permanent transit fund.

"That's hardball, but I think that's the point we come to now," said Weldon. "It's something we need to do to move forward."

Rep. Lawrence Coughlin, R-Pa., of Montgomery County, agreed with Weldon on the need for Pennsylvania to establish a dedicated transit tax, but cautioned against cornering the state.

Members of the Delaware Valley delegation seemed united on the issue of seeking a dedicated tax.

"I'm really stunned that Pennsylvania is the only state that has no dedicated tax," said Jane Faust, of the Bensalem Chamber of Commerce. "It boggles my mind."

Noting that state legislative elections are coming up next year, as well as a contest for governor, Faust suggested the group press candidates on the issue of helping SEPTA with a more permanent source of funding.

While state officials have repeatedly frowned on the idea of a dedicated tax, supporters said such a fund would assure consistent income for SEPTA and allow it to market revenue bonds to raise even more money.

Southeastern Pa. Coalition Descends on Washington

Seeks Adequate Funding

The southeastern Pennsylvania coalition of regional leaders fighting for adequate public transportation funding was in Washington on Nov. 16 to meet with members of the Pennsylvania congressional delegation and the Administration.

A contingent of more than 100 coalition members boarded a special early morning Southeastern Pennsylvania Transportation Authority train in Philadelphia for the day-long visit on Capitol Hill. The coalition's members are leaders of business, industry, and labor, or they represent the region's powerful cadre of community, consumer, senior citizen, environmental, religious, educational, and transit riders organizations.

"Formation of a coalition of this type is the single most significant thing you can do to assure that mass transit gets the attention that it very much deserves," said Rep. Lawrence Coughlin (R-Pa.), who is a member of the powerful House transportation appropriations subcommittee. He further told the gathering, "I would support a gas tax in a minute if money was available for transit."

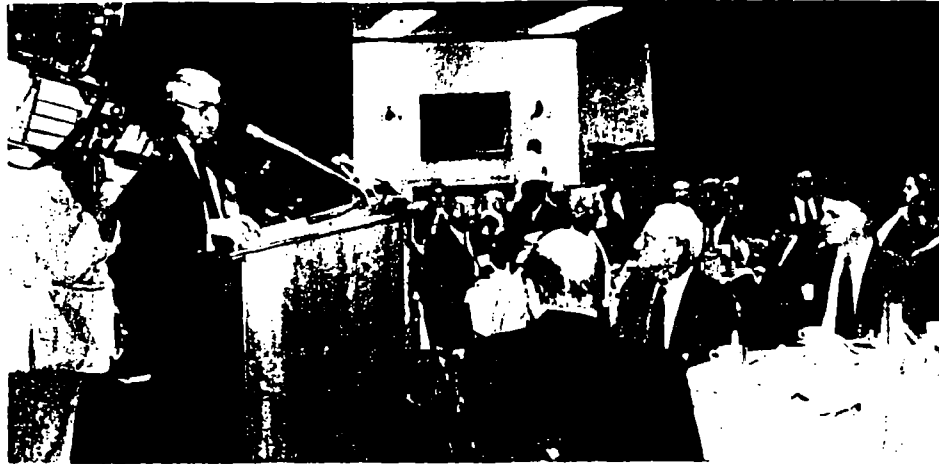


PHOTO BY GEORGIANNA SCHALLENBERGER

SEPTA GENERAL MANAGER Louis J. Gambaccini tells the Area Coalition for Transportation that "The vital and pervasive benefits of transit must be recognized as we approach reauthorization of the nation's surface transportation programs."

Sen. John Heinz (R-Pa.) stressed to the Area Coalition for Transportation members: "Under Gramm-Rudman, we are likely to continue as we have in the past—wrestling to a draw in Congress in the effort to ward off further cuts. The one prospect to change

this for transit is through a gas tax." Sen. Heinz is a member of the Senate Subcommittee on Housing and Urban Affairs.

He continued to look at the prospects of a gas tax increase: "Of all the options for raising revenues, the gas tax seems to be the least unacceptable. If it is increased, the increase will be substantial and the effort to keep it in the Highway Trust Fund will probably not succeed; some will go to the deficit. Transit will get its fair share; I think we have the votes in the Senate Finance Committee."

UMTA Deputy Administrator Roland

Mross told the coalition, "We recognize the need for a continued federal role in mass transit to supply a base level of assistance for improved mobility."

Also addressing the federal role was Rep. Curt Weldon (R-Pa.), who said "SEPTA has been a keystone of economic success in our region and additional UMTA dollars at the federal level are necessary."

The line-up of members of the Pennsylvania congressional delegation meeting with the regional leaders was extensive and included Sen. Arlen Specter and Representatives Robert Borski, Thomas Foglietta, and Peter Kostmayer. Plans for the visit to Washington were assisted by Rep. William Gray's office.

The coalition from the southeastern portion of the state was joined in Washington—for a stronger, unified showing—by a contingent from the Pittsburgh area, including the top officials from the Port Authority of Allegheny County. This showing represented the coming together of the two largest transit systems in the state for a common goal.

PAT Executive Director William W. Millar told the gathering: "The very positive things that transit can do, can only be done with added resources. Coalition-building like this in communities across the country is vitally important."

The coalition, which formed last summer, made a similar trip to the Pennsylvania State Capitol in Harrisburg. Two days later, the General Assembly voted to increase funding for SEPTA.

MAIN LINE TIMES
ARDMORE, PA.
W-18,072

SEPTA's 100 Lobbyists Look For Funds In Harrisburg



(BRI Morris Photo)

A SEPTA SPECIAL train carried more than 100 people to Harrisburg to lobby for funding for mass transportation Tuesday. General Manager of the authority, Louis Gambaccini (center) is seen at the Bryn Mawr Station with (from left) Daniel Haley, chairman, Finnaren and Haley Paints; John Miller, CEO, Provident Mutual Life Insurance Co.; Gambaccini, Joseph Paquette, chairman and CEO, Philadelphia Electric Co. and Graham Humes, managing director, Legg, Mason, Wood, Walker, Inc.

By DEBORAH OVEDOFF
Staff Writer

"I feel relaxed about it all. Let the chips fall where they may. If we don't get more money from Harrisburg, and the judge's decision goes against us in our appeal to raise fares, we could be talking about the 'big T word' — taxes."

This was a comment from SEPTA General Manager, Louis Gambaccini, after a lobby of more than 100 people, boarded a special SEPTA train Tuesday for a trip to Harrisburg.

Their mission was to lay before legislators and representatives of Governor Robert Casey the vital need of dedicated funding for the gasping mass transportation system.

Chief of Staff to the Governor, James Brown, said "Clearly the Governor is aware of SEPTA and its importance to South-eastern Pennsylvania."

He then listed some of the priorities with which this administration has had to deal — toxic waste, clean water, education "but," he said, "SEPTA is high on the list."

This unusual coalition — from each of the five counties SEPTA serves — comprised captains of industry and business, representatives of the workers, church officials, environmentalists, senior citizens, educators and a further cross-section of innumerable others — representing almost every type of interest.

Chairman of the Board, Clayton Undercoffer III on the train journey back, said that the enthusiasm among the members of this large group would not wane.

"Obviously we are very late

for added funding support now, since the new fiscal year begins Saturday. But this lobbying group has made a good start and we shall be relentless trying to get a dedicated funding base for SEPTA (Southeastern Pennsylvania Transportation Authority)," he said.

He added that the next lobbying effort of the group probably would be in Washington.

In the Harrisburg Capitol, legislators representing the five counties, listened to the many speakers.

The first, John Miller, chairman of the Greater Philadelphia Transportation Committee said this was the "the greatest coalition every put together by anyone. It crosses all lines, political and geographical and in itself speaks for the recognized need of mass transportation."

Business Manager of the Building and Construction Trades Council, Pat Gillespie spoke of the vital need of workers to have viable mass transportation. "Given transport to an area, it has to spawn development and, of course, jobs."

Richard Halloran, president of the Contractors' Association of Eastern Pennsylvania, talked of the agency's inability to go ahead with the construction of the Frankford El section which is virtually falling down, because of a lack of funding.

"A major source of our economy is contributed by the infrastructure SEPTA has helped build," said Roger Tauss, international representative of the Transport Workers Union.

"This is not just about Philadelphia or just riders, one had only to be on that train coming here to recognize the depth and

breadth of the problem," he added.

"This is also not just funding for SEPTA by the legislature — it is an investment of public funds in the Commonwealth which will eventually pay for itself. Everyone in the Delaware Valley will benefit."

Many speakers stressed the need for a solid base of money, the benefits the agency could bring, the improvement in the environment and the lessening of pollution when so many cars would come off the road.

Senator James Greenwood of Bucks County (R-10) said the legislators were not trying to cut back on SEPTA funds, but to continue the agency and expand it if possible, so far as it lay within their ability to do so.

Gambaccini answered that among the greatest difficulties was "the mismatch of where the jobs are and where the people are. We hear this from all the suburbs which are now expanding greatly."

There was a second half to the lobbying effort. After the legislators had left, five administration representatives took over the listening. Among them as well as Brown was Transportation Secretary Howard Yeruslim.

These were addressed by members of the coalition's Steering Committee. Among them was Jeffrey Blum, a member of the Transit Riders Action campaign who added that the suburbs were being stifled by the lack of transportation for their workers.

It was not possible for the others to ask questions because time on the coalition's use of the hearing chamber had run out.

SEPTA supporters ask state for dedicated funding

By Richard Burke
and Melissa Dribben
Inquirer Staff Writers

A coalition of business, labor and community leaders issued "a very strong message" to Gov. Casey and the legislature yesterday, urging them to approve a dedicated source of funding for SEPTA and other mass transit systems that "are being strangled" by state budget policies.

"The time has come for action," said Jack Miller, chairman and chief executive officer of Provident Mutual Life Insurance Co. "If we stand by and watch the ultimate disintegration of one of our most valuable — our last transportation network — we will be condemned by generations."

"The next few weeks will be a test of statesmanship on the part of the

governor and the legislature," Miller continued. "The coalition will be watching closely."

Miller's remarks came as more than 125 members of the Southeastern Pennsylvania Area Coalition for Transportation turned out in Center City for a bit of political muscle flexing on behalf of SEPTA.

The coalition, formed in 1989 as SEPTA's financial crisis worsened, has been trying to persuade the state's political leaders to approve a permanent and dedicated source of funding for the transit authority.

The group's efforts this year could be crucial. SEPTA general manager Louis J. Gambaccini has stated publicly that the authority may have to shut down some of its services by July unless the state provides a massive infusion of funds to repair the

system's infrastructure.

SEPTA officials said the system needs \$4.5 billion over the next 10 years to keep the system running.

Casey's budget proposal earlier this month fell far short of what SEPTA needs to survive. His \$24.7 billion budget contained no new funds for SEPTA, and made no recommendation for providing mass transit systems with permanent funding.

"I am very disappointed that the cries of the people have fallen on deaf ears," the Rev. William Moore, pastor of the Tenth Memorial Baptist Church, told the group yesterday.

House Speaker Robert W. O'Donnell (D., Phila.), one of three state legislators invited to address the group, drew cheers when he prom-

ised to introduce "a tax package" that will include a dedicated source of funding for the transit system.

State Sen. Vincent J. Fumo, another Philadelphia Democrat, said he supported a dedicated source of funding. But he said the group should also focus its lobbying efforts on the federal government.

"It seems that everyone who has a problem today comes to Harrisburg," Fumo said. "... I know we look great in Iraq, but we have problems back home."

"I do not think that the federal government is going to escape the arrows and slings of this organization," Miller assured Fumo.

Also yesterday, SEPTA officials continued their attack on the National Transportation Safety Board, which last week sharply criticized

the transit authority.

The NTSB cited SEPTA's inspection program as the "probable cause" of last March's crash that killed four passengers on the Market-Frankford line near 30th Street.

SEPTA staff members gave a lengthy presentation of SEPTA's own crash investigation, which it said was far more thorough than the one conducted by the NTSB.

At its monthly board meeting, Howard H. Roberts Jr., SEPTA's deputy general manager, said the safety board had failed to thoroughly investigate the accident. Federal investigators spent about a week in Philadelphia, he said, during which they did little technical analysis, conducted limited interviews and paid insufficient attention to studies that SEPTA showed them.

In comparison, Roberts said, SEPTA has spent months and gone to great lengths in its own investigation. He cited the test train SEPTA has used to simulate and evaluate the stress on metal supports, which failed during the accident. SEPTA also has interviewed all its maintenance workers and hired an engineering firm to fully study the causes of the accident.

Gambaccini said he was utterly confounded by a member of NTSB who criticized SEPTA conditions and then suggested a cutback in federal funds.

He said that was tantamount to a doctor telling a patient with a life-threatening disease, "Unless you heal yourself, I won't give you the money to save your life."

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Seeking funds, they plead SEPTA's cause

Recoiling from planned budget cuts, business, civic group travels to capital

By Jim Deegan
Times Herald Staff

WASHINGTON — A four-state coalition of business and community leaders met legislators here yesterday to seek more federal money for mass transit, particularly for financially stricken SEPTA.

City and suburban routes across five counties could be affected under a White House proposal that chops \$15 million from SEPTA's budget in the next fiscal year, according to critics.

More than 300 lobbyists, including a small contingent from Montgomery County, took a train trip to Washington sponsored by the

Southeastern Pennsylvania Coalition for Transportation, which is part of the umbrella group ACT (America's Coalition for Transit Now).

ACT was formed two years ago when SEPTA, the nation's fourth-largest transit authority, was in a financial crisis that continues to haunt the authority today.

About 25 people crammed into U.S. Rep. Lawrence Coughlin's office across Independence Avenue from the Capitol, where the 13th

District congressman outlined a six-point program designed to boost nationwide funding by about \$700 million.

SEPTA receives its federal funding through the Surface Transportation Act, which authorizes federal grant programs for public transit systems and highways. The act is expected to be reauthorized for five years in September.

Bush's reauthorization proposal would fund the Urban Mass Transit Administration (UMTA) at \$1.3

billion annually, which transit leaders yesterday said falls far short of the level needed even to maintain public transportation.

Coughlin said under his plan, about \$4 billion could be distributed. SEPTA and ACT support the American Public Transit Association's proposal of a \$5.5 billion appropriation in the next fiscal year.

U.S. Sen. John Heinz of Pittsburgh, speaking during a luncheon, told the contingent from Pennsyl-

vania, New Jersey, Delaware and Maryland that he would argue for \$6.4 billion as a "bare minimum."

SEPTA faces major cuts that have darkened its outlook in light of Philadelphia's inability to pay the agency and a proposed budget from Gov. Robert P. Casey that does not include any new funding. Critics complain that Casey's plan contains no provisions for permanent mass transit funding, making SEPTA the only system its

Continued on Page 8

Seeking funds, they plead the cause for SEPTA

Continued from Page 1

size without a dedicated funding source.

Federally, an account for rail modernization that distributed \$55 million this fiscal year to SEPTA would be eliminated because the account would be reserved for new systems only. Another \$28 million would be cut from an account reserved for capital and operating expenses. The Bush plan eliminates operating assistance, shifting a greater burden onto the state and local governments.

SEPTA general manager Louis J. Gambaccini called the proposal "a basket case" and considered it "anti-mass transit."

Peter P. Quinn, executive director of the Greater Valley Forge Transportation Management Association, criticized the federal plan. Bush has proposed a 2 percent increase in funding for mass transit nationwide, but funding for highways would go up 10 percent.

"With operating expenses out and that formula (a 5-to-1 ratio in favor of highways), it would be extremely debilitating to the suburbs as well as the city," said Quinn, who was among a Pennsylvania delegation that made up more than half of the lobbying group.

"To have a mass transportation system that can't be depended on, it's just a reverse of the trend we'd like to see," said Edward D. McBride, an Upper Merion Township resident and community affairs representative for the Philadelphia Electric Co. (PE).

Such a system is a roadblock for development and a bust for company employees who depend on mass transit, McBride said.

Quinn, whose association is based in Upper Merion, was delighted with Coughlin's plan to institute mechanisms to control the disparity between mass transit and highway funding.

"What we're looking for is parity," said Kyra McGrath, an ACT official who organized yesterday's trip.

Coughlin's plan calls for:

- ▶ Building into the reauthorization act formulas that maintain a 4-to-1 ratio between highways and mass transit.

- ▶ Broadening the definition of capital spending to include maintenance in an effort to offset the cuts in operating expenses.

- ▶ Allowing the Highway Trust Fund to be used to repair bridges that aren't part of the federal highway system.

- ▶ Creating a state-based agency to regulate and ensure safety.

- ▶ Implementing drug standards, which SEPTA has done.

- ▶ Allowing the Highway Trust Fund to be used for environmental improvements.

Transit leaders say that to comply with amendments to the Clean Air Act and the Americans With Disabilities Act, public transportation systems have to spend millions of more dollars but the federal government hasn't proposed additional funding to pay for them.

U.S. Sen. Arlen Specter of Pennsylvania said he and Heinz will meet Secretary of Transportation Samuel Skinner on March 22 to tour mass transit facilities in Philadelphia, Pittsburgh and Harrisburg.

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EDITORIALS

SEPTA's big win

Gambaccini will be building instead of cutting

The future of SEPTA changed literally overnight with the passage of a \$200 million dedicated fund for the state's 38 mass transit systems. SEPTA will get about \$140 million a year of the new taxes approved by one thin vote in the House on Sunday.

If the votes had not been there, SEPTA manager Louis J. Gambaccini was planning to spend yesterday morning beginning the grim process of closing down as many as half the commuter rail lines.

Instead, he is now facing the pleasant task of speeding reconstruction of and purchasing new cars for the dangerously corroded Market-Frankford El, and rebuilding 20 crumbling bridges that carry trains to and from Main Line communities.

That's not to say that SEPTA has clear tracks ahead, or that commuters are forever freed of fare hikes.

Mr. Gambaccini must still contend with increased operating costs, an area in which the state provided no additional help for the coming year. And he must depend on Gov. Casey and the legislative leaders to follow through on their commitment to maintain the current capital funding levels of \$90 million. That, coupled with the new money from the dedicated tax and a possibility of additional federal funds, comes close

to giving him the money he needs to salvage and upgrade the whole system by 2003.

As for parceling out credit, Sen. Vincent J. Fumo (D., Phila.), minority chair of the Appropriations Committee, and Sen. F. Joseph Loeper (R., Del.), the majority leader, were steadfast supporters of the package.

In the House, Rep. Gordon Linton (D., Phila.) has been the point man for transit, while Minority Leader Matthew Ryan (R., Del.) provided 10 crucial Republican votes. And lots of plaudits belong to Appropriations Chairman Dwight Evans (D., Phila.), whose 11th hour plea spurred Gov. Casey to unusual eloquence.

"Now, more than at any other time in Pennsylvania history, the future of economic development and prosperity in every part of this state is inextricably tied to our ability to provide for Pennsylvania's transportation needs," Mr. Casey wrote to legislators Sunday. "... Bus and light commuter rail systems have taken on an even greater importance as ingredients of Pennsylvania's economic development potential."

"Mass transit was a big victory and I'm very happy about it," Mr. Casey exulted yesterday.

Every resident of this region should share his happiness.

State's 'giant step' lets SEPTA avert massive cutbacks

By Richard Burke
Inquirer Staff Writer

The budget approved Sunday in Harrisburg falls short of solving the state's mass-transit woes, but officials at SEPTA say the spending plan is a "giant step forward" that saved the ailing transit authority from radical cutbacks.

In approving the \$14 billion budget and a sweeping series of tax increases, lawmakers for the first time set up a permanent source of funding for the state's transit agencies.

New taxes and surcharges will generate about \$200 million for mass transit throughout the state, and the bulk of the money, about \$140 million each year, will go to SEPTA, officials said yesterday.

"It gets us substantially started in the right direction," said SEPTA general manager Louis J. Gambaccini. "It is very historic and a giant step forward."

The action could not have come at a better time for SEPTA.

With the safety of the system in question, Gambaccini and SEPTA Chairman J. Clayton Undercofler 3d were prepared this week to begin massive cuts in service if a reliable source of funding had not been approved.

At least half of SEPTA's rail lines

would have been closed, including the commuter rail lines-linking the suburbs to Philadelphia and the Market-Frankford Line, which carries 175,000 passengers a day.

Trolleys would have been cut back, bus service reduced and maintenance shops closed. Virtually all SEPTA riders would have been affected, officials said.

Those measures are no longer necessary, said several officials, still clearly exhausted from the process.

"It would have been awful," Undercofler said yesterday in a telephone interview. "A lot of hardship."

For the last month, the hopes of those at SEPTA and thousands of others who rely on the transit system were repeatedly dashed as legislators struggled over the budget.

The key piece of legislation for SEPTA and its supporters, dubbed PennMOVE, was introduced by Rep. Gordon J. Linton (D., Phila.), who has led the fight in Harrisburg for dedicated funding.

Using a new strategy this year, Linton sought to provide money not only for mass transit but also for rural highways and bridges, an approach many believe was the key to the bill's approval.

And though the \$200 million earmarked for mass transit is far less than the \$400 million Linton's bill sought, he and others said the measure approved Sunday was clearly a victory now that a predictable funding base is in place.

"That is exactly what we wanted to achieve," Linton said. "We're pretty much on target for where we want to be."

Under a state formula for distributing aid to transit agencies, SEPTA will get about 70 percent of the funds generated each year in new taxes, Linton said.

That is in addition to about \$167 million in operating funds from the state's general fund and \$81 million already earmarked for special projects.

The new transit money will come from a variety of sources, including a \$1 tax on tires, a 3 percent surcharge on auto leases and expansion of the 6 percent sales tax to magazines.

Even with the new money, however, SEPTA officials said they still lacked the funds needed to rehabilitate the deteriorating system.

A 10-year, \$4.5 billion plan touted by SEPTA calls for improving signal, power and communication systems as well as rebuilding and rehabilitating 688 miles of track, 500 bridges and 280 stations.

Gambaccini said work might have to be stretched over two decades. Or, with a dedicated source of revenue now in place, the authority might choose to borrow funds against future revenues to make repairs now, he said.

"We can borrow in this decade against the flow of funds expected in the next decade," he said. "That's what we are examining now."

Transit 2000 Communications—Complete Campaign

SEPTA, ACT Drive Message Home on Transit Funding Needs

The Southeastern Pennsylvania Transportation Authority's "Coalition Building—Transit Funding Action" campaign won first place in the Transit 2000 Communications subdivision of the Complete Campaign Category for large transit systems.

PHILADELPHIA, PA. — Until the Pennsylvania state legislature this year passed in its budget legislation a dedicated funding source for the state's transit systems, SEPTA was the nation's only major system without such a funding source.

In SEPTA's case, the funding dilemma resulted in high fares (\$1.50 cash base fare) and a deteriorated infrastructure. SEPTA and regional officials have identified over \$4.5 billion in capital rebuilding projects that are required over the next 10 years. Without a change in funding there was no chance of accomplishing this program. Unless the program gets underway soon, portions of the system will close due to deterioration. Service will shrink, mobility in the region will suffer, and the economic vitality of the region and state will be severely hurt.

Giving Transit a Voice

SEPTA has been communicating its needs for years but public policy makers paid little attention because public transportation had no "voice." In the last two years, however, SEPTA organized a campaign to give transit a very loud voice in Harrisburg and Washington. SEPTA and its area coalition, ACT, also joined forces with the national coalition and APTA's Transit 2000 Task Force to drive the message home at the national level.

To communicate its message, SEPTA used a multi-faceted campaign, working with others to increase awareness of transit's needs.

The campaign had two major goals: to convince federal and state lawmakers to initiate legislation for adequate public trans-

portation funding in order to improve the mobility, air quality, and economy of the nation and the Commonwealth of Pennsylvania; and to accomplish this, SEPTA mobilized large numbers of willing, forceful organizations and individuals—about half of ACT's members are organizations—and then set them to the task of seeking legislative action.

There were several significant results, including:

- a major shift in the editorial and news coverage views of the media. There was a swing to nearly unanimous agreement in transit's need for increased funding.
- a continuing recruitment of new members for the Southeastern Pennsylvania Area Coalition for Transportation (ACT). As of May 31, 1991, there were 367 corporate/organizational members representing some 300,000 people, plus 505 individual members.
- direct lobbying efforts in Washington on Nov. 16, 1989, and March 12, 1991, and the State Capitol in Harrisburg on June 27, 1989, and June 18, 1991, which contributed to tangible initiatives by the federal and state governments. On May 24, 1991, the day after proposing his transit funding bill in Washington, Sen. Arlen Specter (R-Pa.) conducted a news conference on the impacts of the proposed legislation at the SEPTA general offices in Philadelphia. Also in May 1991, State Rep. Gordon Linton proposed his PENNMOVE initiative to provide a predictable source of funding for transit in Pennsylvania (H.B. Nos. 1486 and 1487). ACT then geared up for a trainload-trip to Harrisburg (June 18, 1991) in support of PENNMOVE.
- a broadening of the cooperative communications effort by all 38 members of the Pennsylvania Association of Municipal Transit Authorities. This resulted in a PAMTA-produced 15-minute video titled, "Transit Means Business in Pennsylvania" for use in meetings all over the state.
- a \$500,000 advertising campaign was

developed by the Greater Philadelphia First Corporation using private sector funds. The campaign was intended to intensify awareness of transit's needs as Pennsylvania's

General Assembly considered the proposed PENNMOVE legislation as a mechanism for providing dedicated funding for transit in the state's Fiscal Year 1992.

Guest Opinion

Job Prospects for Many Depend on SEPTA's Future

A sound, viable and adequately funded mass transit system is critically necessary not only to the future of economic development in Southeastern Pennsylvania, but to the employment future of many area resident as well.

Representing a business which is vitally interested in the economic vitality of Southeastern Pennsylvania and being a member of a recently-formed wide-ranging coalition of organizations and individuals supporting mass transit in this region, I am acutely aware of SEPTA's vital role in advancing the region's economy.

Certainly, economic development in Southeastern Pennsylvania has been vigorous, and with an adequate supporting infrastructure, including mass transit, the regional economy can continue to expand, bringing additional jobs, income and business to the region.

In fact, in a survey of just 11 of the scores of development projects currently under way or planned through the mid-1990s, Philadelphia Electric Company projects capital expenditures of more than \$5 billion, new jobs in excess of 127,000 and wages of more than \$3 million.

But another statistic is even more startling. And that is, according to recent demographic

research, three out of four new regional jobs by the year 2000 will be filled by representatives of minority and immigrant populations.

Yet, we already have a city in which almost 40 percent of Philadelphia householders do not own automobiles and some 70 percent of 285,000 people who have jobs in center city take public transportation to and from work. Thus, we have the paradox of a booming economy with a seriously underfinanced transportation system that very well may not be able to get people to jobs they vitally need.

If we do not succeed in solving this problem, the cost of resultant social services alone to unemployed and underemployed residents of Southeastern Pennsylvania would be staggering indeed, and would constitute a terrible



JOSEPH F. PAQUETTE JR.

travesty if the jobs were there for the asking but were unreachable because of an inadequate public transportation system.

So we look to mass transportation as a key not only to keeping our economy running, but also to improving the socio-economic status of many thousands of area residents seeking to escape the vicious cycle of poverty. And we look to SEPTA to provide us with a major share of that transportation.

Yet, a recent independent study commissioned by the elected officials of the region and the Pennsylvania Department of Transportation found that some \$3.5 billion must be spent during the next 10 to 15 years to rebuild our long-neglected mass transit system.

If the funds are not available, the system will

simply continue to deteriorate, piece by piece. And the entire region will be the loser.

In the 20th century, this country and our major metropolitan centers have grown and prospered because an adequate mass transit system has been in place. However, we cannot continue to prosper unless that system is maintained and expanded to meet the needs of the 21st century.

I am strongly convinced that expenditures of the funds critically required for mass transit will prove to be one of the most productive investments this country can ever make for both its people and the economy.

Mass transit must again become a national priority. It is vitally important to the social and economic future of urban regions like Philadelphia that public transportation receives a level of support commensurate with the benefits it provides to the country and its people, rich or poor.

Joseph F. Paquette Jr. is chairman and chief executive officer of Philadelphia Electric Company. Readers are welcome to submit proposed "Guest Opinion" columns to Editorial Dept., Daily News, 400 N. Broad St., Phila., Pa. 19130.

A message from Los Angeles: SEPTA is worth the upkeep

By NEIL PETERSON

As executive director of the Los Angeles County Transportation Commission, I'd like to share a secret with the citizens of the Philadelphia area: Your public transportation system, SEPTA, is the envy of transit managers around the country. The network that is in place serves a metropolitan area of five counties and more than five million people in a way that the rest of us dream about.

I am aware of the serious problems SEPTA faces, and I am aware that many would like more service or better service or different service. However, I want to improve your appreciation for the service that you have by telling you about the transportation problems in Los Angeles — there are lessons to be learned.

Until this past July, Los Angeles had no rail transportation network. There had been one, but 30 years ago the entire system was ripped out. Los Angeles used to have the greatest rail system of any city in this country. In its peak years, there were more than 1,000 miles of rail and about 700 route miles of service. It was a great contributor to the growth of Los Angeles in the early part of this century — as tracks were put in, cities grew.

But during the late '30s and early '40s and on into the '50s, the system began to crumble and shrink back. Maintenance was not performed and conscious decisions were made to invest instead in the freeway system. Rail transportation service was stopped and, in many cases, tracks were removed and the rights-of-way lost.

Los Angeles now has what most people view as an excellent freeway system, but the reality is that it has not worked. There are just too many people wanting to go too many places and the system does not have the capacity to carry them.

People have changed their commuting patterns in hopes of avoiding traffic.

There are also practical economic problems caused by congestion. Lost wages and productivity resulting from the time that people are spending in their cars is costing Los Angeles slightly less

*Look what happened
to a city that
dismantled its
transit system.*

than \$1 billion a year.

There is also the issue of air pollution, with its biggest single cause being mobile sources. It has reached the point in Los Angeles that the use of charcoal fluid on outdoor grills is banned and people are urged not to use spray can deodorants.

Angelenos have finally come to the political realization that additional freeways cannot be built. If congestion is to be improved, then there must be a new mechanism in which to invest. Thus, Los Angeles is trying to rebuild and recapture the public transportation system it gave away 30 years ago.

On July 14 the Metro Blue Line going from Long Beach to Los Angeles — a 22-mile segment — was opened. It is currently carrying more than 20,000 people a day, although at this point, it was projected to be carrying only 5,000 to 6,000 a day.

The line has had a phenomenal impact. A recent poll showed that 75 percent of the public believes the Blue Line is highly successful. In Los Angeles County alone there are nine million people — 75 percent of the public equals seven million. This number is important, because what the Los Angeles County Transportation Commission is trying to do, and what SEPTA is trying to do, is build a coalition of community support to help get the resources needed to build the system.

Los Angeles is building its system from scratch. In contrast, in the Delaware Valley, the existing system must be expanded and improved upon. SEPTA needs \$4.5 billion over the next 10 years to rehabilitate and expand.

In Los Angeles it will cost \$96 billion over the next 30 years. The total cost for the rail capital construction program alone in Los Angeles over the next 10 years will be \$9.6 billion — \$450 million was paid just to reclaim the 175 miles of rights-of-way lost 30 years ago. That does not include the costs of

buying cars, upgrading tracks, putting in signals, putting in the maintenance yard, upgrading stations and then maintaining the new system.

In Los Angeles, a coalition of community support has been created, and taxes have been imposed. Like the Delaware Valley, Los Angeles has had to recognize the fact that the federal government is not now, and will not be in the future, a major player in the public transportation arena.

Only 20 percent of the cost of Los Angeles' 10-year \$9.6 billion rail construction program will come from the federal government. That will take a real commitment from the people of Los Angeles, because in contrast to 20 years ago, when the State of California led the nation in per capita investment in its transportation infrastructure, this year, the state was 50th.

In June, three propositions, a gasoline tax and two bond issues, were on the California ballot to re-up the state's investment in public transportation. All three of them passed.

In addition, locally, 10 years ago, a 0.5 percent local option sales tax was passed. The money has been used to build a public transportation system and maintain other parts of the transportation infrastructure, but it is not enough. Thus, last month, Proposition C was on the ballot — another 0.5 percent sales tax for the Los Angeles County Transportation Commission's exclusive use. This also passed.

Passing a sales tax in Los Angeles is no easier than passing a tax in Pennsylvania. There are the same kinds of political concerns, but investing in the public transportation infrastructure is worth it. People never have enough appreciation for what they have, but the system in the Delaware Valley cannot be duplicated. Maintaining the system is an investment, not an expenditure. It is an investment that will repay itself over and over. Learn from Los Angeles. Take care of what exists now and realize that investing in it will save money in the future.

Neil Peterson was recently in Philadelphia to participate in a forum sponsored by the Pennsylvania Economy League entitled "Preserving the Infrastructure."

CITY & STATE



CRAIN'S BUSINESS NEWSPAPER FOR STATE AND LOCAL GOVERNMENT

JAN. 27 - FEB. 9, 1992

Transportation bonanza



On a roll: Los Angeles' Metro Blue Line and other transit systems will take home greater funding under the new federal transportation act.

Act provides more money, flexibility

By **RODD ZOLKOS**
Staff Writer

Aside from the \$151 billion it allocates for transportation, perhaps the best news in the new federal transportation act is that it provides real flexibility for state and local governments to set their own transportation policies.

The good news goes further still for officials of public transit agencies, who see the Intermodal Surface Transportation Efficiency Act of

1991 bringing their capital projects on equal footing with highways in terms of matching formulas, and for financially strapped state officials, who can take advantage of a temporary matching funds waiver to tap into highway construction programs today.

"I think it's a great act. It affords a lot of opportunity to reorient our transportation policy and decision-making," said Louis J. Gambacini, general manager of the Philadelphia area's Southeastern Pennsylvania Transportation Authority.

The transportation act, which covers six years through fiscal 1997, earmarks \$11.5 billion for transit and \$119.5 billion for highways. On an average annual basis, the transit allocation is 40% greater than fiscal 1991 appropriations, while the highway portion is 30% greater.

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Transit

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What's more, up to \$65 billion, or 34% of the highway money is flexible, allowing state and local officials discretion to redirect some highway money to transit if they wish.

"The main significance of the act is that it gives state and local governments the opportunity to implement their transportation policies and planning with federal dollars, where, in the past, they didn't have that opportunity," said Thomas Nolan, assistant vice president at bond-rating agency Standard & Poor's Corp., New York.

The act, geared toward developing comprehensive transportation strategies at the state and local levels, calls upon metropolitan planning organizations to develop long-range transportation plans for their areas in cooperation with state officials and transit operators.

Act offers flexibility

The flexibility in the act's funding should give officials a better chance to implement the plans than they had under past federal transportation acts, which heavily favored roads.

Not only is funding weighted more evenly, but there also is a balance in the formulas, with most transit capital and highway programs operating under an 80%-20% federal-local match. In the past, highway projects usually benefited from a generous 90%-10% federal-local match, while transit fell closer to a match of 75%-25%.

"As long as highway and transit are on the same basis, it's beginning to approach a level playing field," Mr. Gambaccini said.

Though some are concerned that many state and local governments' budget woes might make it difficult to come up with even a 20% match, the temporary matching fund waiver could ease that problem.

"Because there's some waiver authority for the matching rate in the first couple years and the feeling is that this is so important from an economic standpoint, I think state officials are hopeful," said Rae Young Bond, director of public affairs for the National Governors' Association, Washington.

The waiver provides that until September 1993 states can obtain up to 100% funding for highway, highway safety, bridge and possibly transit projects from federal highway funds. States can use their full available federal highway funds to pay a project's full cost if a governor certifies that the state does not have sufficient funds to meet the local match.

States would repay their share of the match in either of two ways: by paying the federal Highway Trust Fund their share of the match by March 30, 1994, or by seeing their apportionment of federal highway aid reduced by half the amount owed in each of fiscal years 1995

and 1996.

While the waiver will allow some states to move forward with projects they might otherwise have to delay, not everyone sees it as a bonanza.

A 'downside' noted

"It has a downside," said Richard L. Adorjan, director of public affairs for the Illinois Department of Transportation. "It might provide some flexibility on an occasional project but we don't see it providing a lot of savings. All you do is defer those costs out to a future year, because you do have to pay those costs at some point in the future."

But Mr. Gambaccini doesn't believe the matching formulas will prevent states and localities from tapping the federal transportation money the new act provides.

"I think at 80%-20%, as stressed as states and local budgets are, it's very difficult not to attract the 80% money if the projects are truly meaningful," the Philadelphia area transit official said.

Passenger Transit

State Transit Digest
(See pages 6-7)

Washington, D.C., Monday, August 12, 1991

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Pennsylvania Transit Gets Dedicated Funding Source

3-Year Lobbying Effort Pays Off

By Joe Dougherty
Reporter

HARRISBURG, Pa. — As part of the Fiscal Year 1992 state budget, Pennsylvania Gov. Robert P. Casey on Aug. 6 signed a law that for the first time earmarks dedicated state funding for public transportation.

The budget's passage ended weeks of continuous deliberation in Harrisburg, after legislators were unable to pass a budget on June 30, the end of the 1991 fiscal year. And while it doesn't meet transit's statewide goal of \$450 million in dedicated funds, the result is considered a victory for systems such as the Southeastern Pennsylvania Transportation Authority and the Port Authority of Allegheny County, which were prepared to make significant service cuts and fare increases if funding was not provided.

Although actual dollar amounts and other details have yet to be fine-tuned by both Casey and the Legislature, it is estimated that the budget sets aside approximately \$200 million for the 38 public transit authorities in Pennsylvania to be used for capital expenditures.

Of that money, SEPTA and PAT, the

state's two largest transit systems, will be receiving the largest amounts, with SEPTA getting nearly \$140 million and PAT almost \$46 million.

Commenting on the bill, Casey said, "Our ability to attract new businesses or to retain and expand existing operations depends, in large part, on whether we can provide the infrastructure businesses need to gain access to their customers."

Under the new law, H.B. 840, a special Public Transportation Assistance Fund will be established in the state treasury. The dedicated funding will come from five sources: a \$1 fee on new tires; a 6 percent sales tax on magazine purchases; a 3 percent motor vehicle lease tax; a \$2 daily motor vehicle rental fee; and an increase in the public utility realty tax.

The provisions, which will go into effect Oct. 1, are expected to generate \$200 million a year in dedicated funding for public transit.

The approved budget also includes \$237.6 million in operating funds for the state's urban transit systems and \$2.3 million for the rural systems. The \$240 million total

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operating assistance is \$6 million more than last year's \$234 million general fund support.

Both the operating and new dedicated funds will be broken down and distributed on a formula basis. SEPTA and PAT will share more than 95 percent of the dedicated funds, with 4 percent directed toward the remaining systems and slightly less than 1 percent going to the Pennsylvania DOT. The dedicated funds can be used entirely for capital expenses, or, except for SEPTA, 50 percent can be used for asset maintenance. SEPTA is limited to using 30 percent of its dedicated funding on asset maintenance.

Even as budget negotiations continued, the state's transit community was not idle. On June 18, an estimated 1,000 transit supporters from across the state traveled to Harrisburg to rally in support of dedicated funding. Led by the Southeastern Pennsylvania Area Coalition for Transportation from Philadelphia and the Southwestern Pennsylvania Transit Coalition from Pittsburgh, the group held a massive rally in the Capitol Rotunda that featured several guest speakers, including state legislators and transit advocates.

Other participants were the Berks Area/

Reading Coalition for Transit Now, the Lehigh Valley Coalition for Transit NOW, and the Johnstown Handicapped Association from Cambria County.

The rally also featured several speakers from the state highway interests, which combined efforts with transit in crafting a legislative package that benefitted both transit and highways.

Dennis D. Louwerse, executive director, Berks Area Reading Transportation Authority, said the coordinated transit and highway efforts were vital in demonstrating the need for a unified transportation funding program.

"People in the transportation industry say we have to have a broader spectrum of what transportation is," said Louwerse, whose system will receive \$1.4 million from the state for FY 1992, including \$847,000 in dedicated funds. "Transit and highways cannot go off and do it by themselves. This is a perfect example of what can be achieved when people in the transportation industry can form a coalition and produce something for the good of everybody."

In addition to the rally, SEPTA General Manager Louis J. Gambaccini said the state's transit community sustained a heavy grass-roots lobbying effort that started three years ago with the creation of Philadelphia's ACT and Pittsburgh's SPTC, and continued with letter-writing and phone calls made to legislators in Harrisburg.

"It was the product of three years of coalition building," Gambaccini said. "It's quite an example of teamwork and broad support and cooperation."

The June rally was also used to support legislation sponsored by State Rep. Gordon Linton. Bills H.B. 1486 and 1487, known as the "PENNMOVE" bills, would have allocated to public transit 4 cents of the existing 6 cent sales tax collected on the sale of motor vehicles and aircraft.

As it turned out, "PENNMOVE" was not passed, but according to Gambaccini, it was the foundation of H.B. 840. "It's fair to say that PENNMOVE succeeded in a revised form," he said.

For PAT, Casey's signature may save the authority from issuing up to \$48 million in Grant Anticipation Notes, which Executive Director William W. Millar and the authority's Board of Directors said was an option if the budget did not contain enough funding for the authority to continue existing service.

According to Public Affairs Officer Larry Bowin, the anticipated \$46 million will likely go to several projects, particularly the planned busway from the city to the Greater Pittsburgh Airport; extension of the Martin

Luther King East Busway and the downtown subway; rehabilitation of the authority's five bus garages; and the purchase of new buses.

Bowin agreed that a bleak outlook was likely changed by the lobbying efforts. "Perhaps the old adage, 'The squeaky wheel gets the grease,' actually worked this time."

He added that PAT's operating assistance will not be increased above the 1990 level of \$60.7 million. But he said the funding is sufficient so PAT will not have to increase fares or reduce service.

Gambaccini said SEPTA's \$140 million will go toward the authority's priority project list, a 10-year, \$4.5 billion program designed to rebuild SEPTA's deteriorating infrastructure.

With a state like Pennsylvania, which is suffering from a \$3 billion budget deficit, taking the initiative to increase taxes in a year where increasing taxes has become taboo, Gambaccini said it is now the responsibility of the federal government to take the next step.

"[Pennsylvania] has bitten the bullet," he said. "They raised taxes in a very tough year. It's time for the federal government to do the same."

Mass transit gets dedicated funding

HARRISBURG (AP) — Funding for local mass transit and highways will no longer rise and fall at the whim of the Legislature.

Under a bill passed as part of the budget package Sunday, mass transit will receive a relatively reliable source of funding from taxes on rental cars, tires, magazines and public utilities.

Another fee — an increase on the oil franchise tax — will finance state highway projects.

The legislation is expected to provide \$200 million to mass transit this fiscal year and \$240 million for highways.

Under the old system, legislators decided the funding yearly, a situation that brought dire complaints from mass transit officials.

The bill, sponsored by Rep. Gordon Linton, D-Philadelphia, passed as a companion piece to the \$13.9 billion budget and \$2.85 billion tax increase approved by both chambers and sent to Gov. Robert P. Casey.

The bill passed the House 102-96. The Senate dealt with mass transit and highway funding separately. They voted 39-10 on highway funding and 30-20 on mass transit.

Linton said he was "ecstatic" about the passage of his bill.

"The fact that we've been able to manage highways and transit together for the first time is significant," Linton said.

The funding the highways will come from an increase in the oil franchise tax from 6.5 percent to 10.5 percent. Mass transit will be financed by a \$2 surcharge on rental cars, an additional 3 percent sales tax on leased vehicles, a \$1 surcharge on tires and a 6 percent tax on public utility services and magazines.

Linton said the measure is needed to repair inner-city mass transit rail lines, trains and other infrastructure, and he said the plan has broad support among transport agencies, labor and business.

"It is clear that the House and

Senate realized the urgency to adequately fund the transportation systems throughout the state," the lawmaker said, adding that more state money is also needed to meet new requirements for federal transportation funds being considered in Washington.

The bill drew the most debate Sunday in the Senate, where Sen. Doyle Corman, R-Centre, used data from other states to bolster his argument against dedicated funding for transportation.

Corman, who says private companies should have a greater role in transportation, is the main sponsor of a proposal requiring mass transit agencies to put 10 percent of their bus lines up for competitive bidding every year.

Linton said the passage of his bill doesn't mean Pennsylvania should not explore that possibility, noting that transit agencies in Philadelphia and Pittsburgh already have hired private companies to run some services.

SEPTA's stroke of political genius

by Joseph R. Daughen

Daily News Staff Writer

There were no bands or flag-draped platforms, but all the other elements of an election campaign were present in SEPTA's successful drive to win permanent funding from that most political of bodies, the Pennsylvania General Assembly.

When the legislators on Sunday approved a tax package that earmarked \$200 million a year for mass transit, including \$140 million for SEPTA, it marked the political coming of age for a transit agency that has struggled for years to win the resources it says it needs to serve the state's most populous region.

For the first time, SEPTA is assured of a predictable funding base

— generated by new taxes on tires, rental and leased cars, and utility real estate.

The money will go for capital projects, like rail-bridge repairs or new buses. It means SEPTA now can begin planning to rehabilitate a system that transports 1.2 million passengers a day.

Without that steady, predictable money stream, SEPTA was preparing to implement \$173 million in service cuts, equivalent to shutting down virtually all operations on the eight commuter rail lines.

Here's how SEPTA finally achieved its quest for dedicated funding, as disclosed in interviews with key players in the effort:

■ **A pact with the devil.** The devil in this case is the powerful highway

"The leadership of our board let the legislators [and] the governor . . . know that securing funding for mass transit was our priority this year."

Greater Philadelphia First Corp. Exec Director John Claypool

lobby, eternal enemy of mass transit, which for decades has fought off any attempt to use money from gas taxes and auto license fees for anything but highway and bridge construction.

This year, the highway lobby agreed to help SEPTA obtain a slice of the general tax revenue pie. In return, SEPTA abandoned its attempt to win a constitutional amendment that would open up the highway trust fund for mass-transit purposes.

■ **Advertising.** SEPTA used polls, political consultants and \$500,000 raised by the business community to conduct an educational advertising campaign to persuade citizens and legislators of the wisdom of supporting SEPTA's five-county operations. The fact that a Washington-

based, Democratic Party-oriented political consultant, Greer Margolis & Mitchell, received the ad contract created some unhappiness in the local ad community.

■ **Lobbyists with clout.** The politically savvy lobbying firm, Wojdak & Associates, was employed by SEPTA and the Greater Philadelphia First Corp., which raised the funds for the \$500,000 ad campaign. The Wojdak firm selected the political consultant to run the ad campaign, and Wojdak executive Joseph McLaughlin did a "terrific" job wooing state legislators, SEPTA General Manager Louis J. Gambaccini said.

"The leadership of our board let the legislators, the governor and their own employees know that securing See SEPTA Page 27

SEPTA

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dedicated funding for mass transit was our priority this year," said Greater Philadelphia First Corp. Executive Director John Claypool.

■ **Winning over rural interests.** An important factor was getting acceptance by rural and upstate legislators that transportation money was not just a Philadelphia problem, but something that impacted on 37 other transit agencies and affected thousands of workers across Pennsylvania.

"We made them aware of the economic benefits their communities received from mass transit," said Rep. Gordon Linton, D-Philadelphia, a leader in the fight to help SEPTA. "The uniforms are made in Williamsport, vehicle parts are made in Johnstown. We developed these ties."

■ **A coalition.** The Area Coalition for Transit pulled together 400 different groups with a common interest in a strong regional transportation system. They wrote letters and telephoned legislators. The groups were diverse, including senior citizens, chambers of commerce, the black clergy, and business and union leaders.

"It was like a political campaign," SEPTA's Gambaccini said, adding that the alliance with the highway lobby was "a very important dimension."

Linton said the highway lobby — contractors, truckers, auto clubs — became SEPTA's ally after SEPTA came within a whisker last year of winning House approval of a constitutional amendment opening up the highway trust fund.

"We had 97 votes to open it up, only five less than a majority," said Linton, who began seeking dedicated funding for SEPTA in 1985. "So the highway people joined with us, and in a year when taxes had to be raised, we had that momentum. It is very difficult to get legislators to raise taxes, and if we didn't get mass transit taken care of in a year when taxes were raised, we wouldn't have another chance this decade."

McLaughlin, who was press secretary to Mayor Bill Green, said the fiscal problems facing the state created an opportunity for SEPTA.

"What we wanted was a very redistributive program, with Philadelphia receiving 70 percent of any money for mass transit, and that's very difficult to obtain," McLaughlin said.

"You can't obtain that in a vacuum. But when the rest of the state has so much at stake, that presents an opportunity. The city has a large bloc of votes and represents a large consumer of government services, and the [legislators] are not going to be defeated because they voted for taxes."

With the need for Philadelphia's support for measures to help other parts of the state, the city was in a position to push for the long-sought dedicated funding base for SEPTA, McLaughlin said.