

**Testimony of the Greater Philadelphia Chamber of Commerce on SEPTA's Fiscal
Year 2008 Operating Budget, Fare Proposal and Service Reductions**

April 12, 2007

Good afternoon. For the record, I am Denise H. Earley and I am here today to offer comments on behalf of the Greater Philadelphia Chamber of Commerce (GPCC).

The GPCC has long recognized that public transportation is critical to the success of our region. As an economic driver, the SEPTA system carries 70% of employees in the Central Business District to and from work. Senior citizens take more than 95,000 daily trips on SEPTA fixed route services and 65,000 students use SEPTA to get to and from school every day.

The SEPTA system helps the environment by reducing pollution as one bus removes 40 cars from the road; and one train removes 120 vehicles from our streets and highways. And probably one of the most important aspects of our mass transit system is the job factor—it provides 15,000 jobs throughout the Commonwealth!

We recognize the challenges facing transit systems as far as obtaining predictable and dedicated funding sources. The Chamber has supported SEPTA's efforts to obtain dedicated funding in the past. We worked in Harrisburg throughout the 90's on this issue and were pleased when the Commonwealth established what was believed to be a predictable funding source for mass transit. Unfortunately, the revenues expected from this source have proven to be inconsistent thereby falling short of the intended result.

To this day the GPCC has joined ranks with several other advocacy groups supporting a dedicated source of funding for mass transit across the Commonwealth. The Governor and his Transportation Funding and Reform Commission have proposed several possibilities and we believe it is now up to the Legislature to explore these alternatives and come up with the best solution that will provide a dedicated, stable source that will grow as transit needs increase.

SEPTA is to be applauded for the job they've done so far. SEPTA has been working hard and trying to do more with less for many years. Revenues from dedicated taxes and fees have never met goals or projections. In recent years, federal funding for operations has been eliminated. And while state allocations for these purposes have increased, that funding has not kept up with inflation. SEPTA has been forced to use capital funds for maintenance and repair, delaying long awaited system improvements. Chronic funding shortfalls have resulted in short-term, band aid fixes year after year. Under these circumstances, what business operation could succeed and thrive.

In addition to doing more with less, it should also be noted that audit after audit has shown that SEPTA continues to operate efficiently and effectively despite these constant funding woes.

It is unfortunate, but necessary, that absent a dedicated source of funding service must be reduced and or fares must be increased to address the anticipated \$129 million budget deficit. There is simply no where else to go. I would suggest, however, that the service cuts should affect all aspects of the system and all riders equally.

Make no mistake that without a solution, continued threats of service reductions and fare increases, as well as the inability to respond to consumer suggestions and complaints will continue to cost SEPTA ridership. Out at 30th Street Cira Centre employees complain that if frequency of trains does not improve, commuters will be forced to return to their cars, clogging roads, bridges, highways and parking garages. Research suggests that for the first time in a long time, the expenses associated with riding the train and driving a car are now cost neutral. The remaining obstacle, many believe, is the convenience factor. Unless trains increase their frequency and are viewed as a convenient alternative to driving—ridership will never increase—in fact, Cira Centre executives fear it will decrease.

For SEPTA to emerge from the type of crisis mentality that has resulted from chronic budget shortfalls, temporary fixes must be replaced with a broad-based dedicated source of funding that will grow with inflation and support mass transit systems statewide.

A quality transit system is necessary to enhance mobility, reduce congestion on our roadways, and enable employees to get to work, students to get to school, and residents, visitors and shoppers to enjoy all the amenities of the region. A quality transit system is vital to the competitiveness of Greater Philadelphia and Pennsylvania and is achievable only through a predictable and sustainable source of funding.

Once again, the GPCC recognizes the urgency of the funding problem, the economic value the SEPTA system brings to this region, and is vigilant in our effort to help bring about a resolution to the funding problem.

Thank you for this opportunity.