

TESTIMONY OF  
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BEFORE THE  
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
ON  
PUBLIC TRANSPORTATION'S ROLE IN ECONOMIC RECOVERY

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JUNE 25, 2009

**SUBMITTED BY**



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Good morning Chairman Oberstar, Ranking Member Mica, and members of the House Transportation and Infrastructure Committee. Thank you for the opportunity to provide testimony concerning the benefits of the American Recovery and Reinvestment Act and investing in America's public transportation infrastructure.

I am here today representing both the American Public Transportation Association -an organization with 1,500 members throughout America that provided over 10.7 billion trips last year (the highest in 50 years); and the Southeastern Pennsylvania Transportation Authority (SEPTA), the sixth largest transit system in the country. Over 325 million trips were taken last year on the SEPTA's buses, trolleys, subways, paratransit and regional rail. Over the last three years, ridership has increased 12 percent and many of SEPTA's bus and rail lines are now operating at full capacity.

The new transit riders we gained because of high gas prices have continued to use transit this year. They understand the economic advantage of using public transportation and the positive impact transit usage has on environmental sustainability.

To meet this increased demand for service, SEPTA is working to modernize its infrastructure, parts of which date back to the late 1800s. The funding from the economic stimulus program for public transportation has been a great help toward advancing this goal. Your support of this additional funding to invest in transportation infrastructure is appreciated.

When the stimulus package was initially proposed, APTA surveyed the industry and more than 200 transit providers identified 787 projects worth \$16 billion which were shovel-ready. Since passage of the legislation in February, the transit industry is off to a fast start with 58 percent of the federal funds obligated or awaiting FTA approval.

In anticipation of the stimulus bill, SEPTA identified \$400 million of shovel ready projects. The Authority will receive \$191 million under ARRA. These funds will be used to advance 32 projects to improve the transit infrastructure in our region. Projects range from the acquisition of 40 environmentally friendly hybrid buses, replacement of 90 year old subway track, rehabilitation of 5 bridges (the oldest of which dates back to 1905), modernization of 2 subway stations initially constructed in the 1920s including provisions to make both stations ADA accessible, and several other projects to improve service reliability and customer service.

These projects will immediately create jobs in the construction and manufacturing sectors. Mr. Chairman, the 40 hybrid buses will be built by New Flyer Industries in your home state of Minnesota. These buses are in addition to the 400 buses currently being built for SEPTA by New Flyer. Components for the new buses such as engines, transmission, and seats are manufactured across the country keeping factories open and workers employed.

Construction jobs are being created throughout our region as SEPTA selected projects to upgrade each mode of transit it operates (bus, subway, trolley and regional rail), and in all five southeastern Pennsylvania counties in which service is operated. We developed a comprehensive and wide range of construction contracts to provide job opportunities for both large and small contractors using a multitude of construction skills and trades. To ensure the participation of disadvantaged, minority and female contractors, SEPTA hosted a very successful seminar and networking session and bids to date have resulted in a Disadvantaged Business Enterprise (DBE) participation rate exceeding 14 percent.

SEPTA is proud of our program and the progress which has been achieved. Immediately after approval of the stimulus bill, SEPTA got the projects out to bid and has received very favorable bids. To date, SEPTA's bids are 17 percent under engineering estimates which enabled us to advance an additional 7 projects. In fewer than 4 months, SEPTA has awarded construction contracts for 22 projects representing more than 75 percent of the construction funds available. By December of this year, SEPTA will award 100 percent of its stimulus funded construction contracts.

SEPTA's largest stimulus funded projects include:

### **Broad Street Subway Stations**

SEPTA is rehabilitating the Girard and Spring Garden Stations on the Broad Street Subway. These stations were originally constructed between 1924 and 1928. Both stations will be modernized with new wall, floor and ceiling finishes; energy efficient lighting; improved safety and communications systems and installation of ADA accessibility features.

### **Croydon Station Improvements**

SEPTA is modernizing this station which is located on the Authority's Trenton regional rail line which is located on Amtrak's northeast corridor. The new station will replace a small shelter with modern passenger amenities including ADA accessible features. Most importantly, the project will expand parking by 135 spaces to address the increased ridership demand.

### **Media-Sharon Hill Improvements**

SEPTA is replacing the 87 year old rail on these trolley lines. While replacing the rail, SEPTA will improve 29 grade crossings, repair electric catenary structures, install a passenger communication network and upgrade passenger shelters and facilities.

While SEPTA's significant infrastructure needs demanded that all stimulus funds be used for capital purposes, I thank the Committee on behalf of APTA for allowing systems to use up to 10 percent of its ARRA formula funds for operating purposes to prevent layoffs, fare increases and service cuts.

The stimulus package has provided an important level of funding for infrastructure improvements and is a down payment towards meeting transit's unmet capital needs. Transit capital needs will require a long-term, predictable federal authorizing law that continues to address transit investment needs. I particularly want to highlight the needs of the old rail systems, including SEPTA.

At the direction of language appended to the FY 2008 Transportation-HUD appropriations bill and a letter signed by 12 Senators, the FTA conducted a study of the seven largest rail transit agencies in the nation which carry 80 percent of the nation's rail passengers and also operate 20 percent of buses and large numbers of paratransit vehicles. The study identified a need of \$50 billion to bring those seven systems to a state of good repair and thereafter almost \$6 billion in annual normal replacement costs.

The FTA study identified rail capital needs for SEPTA in excess of \$4 billion. Our transit system has more than 400 bridges with 22 percent of the bridges older than a hundred years old. The regional rail system has over 150 passenger stations, and more than 75 stations require significant repairs or total replacement. The system which provides electrical power to operate the regional rail system has 16 of 19 power substations that are more than 75 years old.

Although SEPTA is currently acquiring 120 new regional rail cars over the next two years, SEPTA will still operate regional rail service with 240 rail cars which were acquired in 1976, at a time of the nation's bicentennial celebration. Although Philadelphia's historical significance and structures such as Independence Hall are vital to our nation's history, an older transit infrastructure must be modernized. A strong public transportation infrastructure and system are critical to boosting the economy, promoting energy independence, improving the environment, and providing mobility choices.

In closing, I commend the leadership and members of this committee for your vigorous support of public transportation and your recently announced authorization proposal. The proposed investment of \$100 billion is essential to support the increased transit ridership and the cost of bringing capital assets to a state of good repair. Without a multi-year authorization bill, we will be hard pressed to preserve the momentum that the ARRA has so effectively created. We look forward to working with members of the Transportation and Infrastructure Committee in this process and stand ready to assist you in this effort.

If any one has questions I would be happy to answer them.