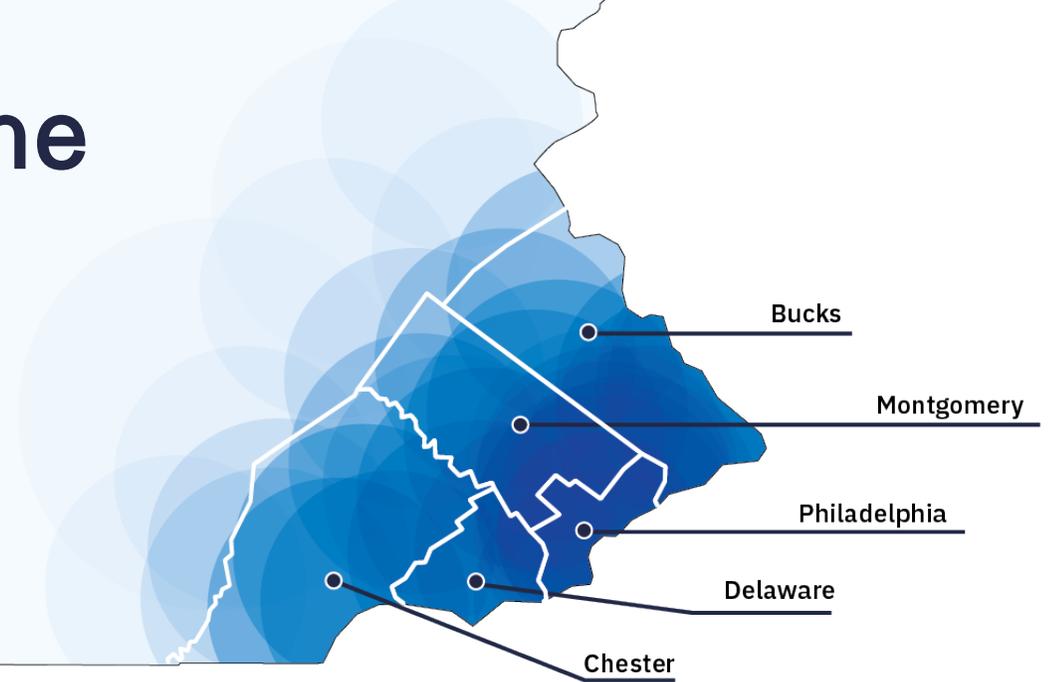


# SEPTA PROVIDES ESSENTIAL SERVICE



# Transit is an Economic Engine

SEPTA contributes directly to our region's economy and spurs broader economic growth. Southeastern Pennsylvania, which covers 5% of Pennsylvania's land area, accounts for 42% of the Commonwealth's total economic activity.



This degree of economic productivity and density is only possible with transit to efficiently connect people throughout the region.

SOURCE: JARRETT WALKER + ASSOCIATES

BY BUS



BY CAR



BY DRIVERLESS CAR



SCHUYLKILL EXPRESSWAY



CENTER CITY



## Transit faces significant funding challenges:

### CAPITAL FUNDING SOURCES ARE UNSUSTAINABLE

Pennsylvania Act 44 of 2007 created a dedicated funding source for transit systems, based in part on payments from the Turnpike Commission (PTC).

SEPTA receives almost 70% of these payments, but because the PTC must borrow money to make its payments, it is not bondable revenue for SEPTA.

In 2022, the PTC's required annual contribution to PennDOT will be reduced from \$450 million to \$50 million.

Current law stipulates motor vehicle sales tax revenues will be earmarked to replace that reduced funding with a floor of \$450 million from the state's General Fund, without new revenue sources to replace those funds.

### CAPITAL FUNDING LEVELS ARE INADEQUATE

SEPTA and other statewide transit agencies have benefited greatly from Act 89; capital assistance funding levels were increased immediately upon passage and have grown in the years since.

Still, the annual unmet need for public transportation programs statewide remains approximately \$1 billion beyond current funding levels.

### REDUCED PASSENGER REVENUE DUE TO COVID-19

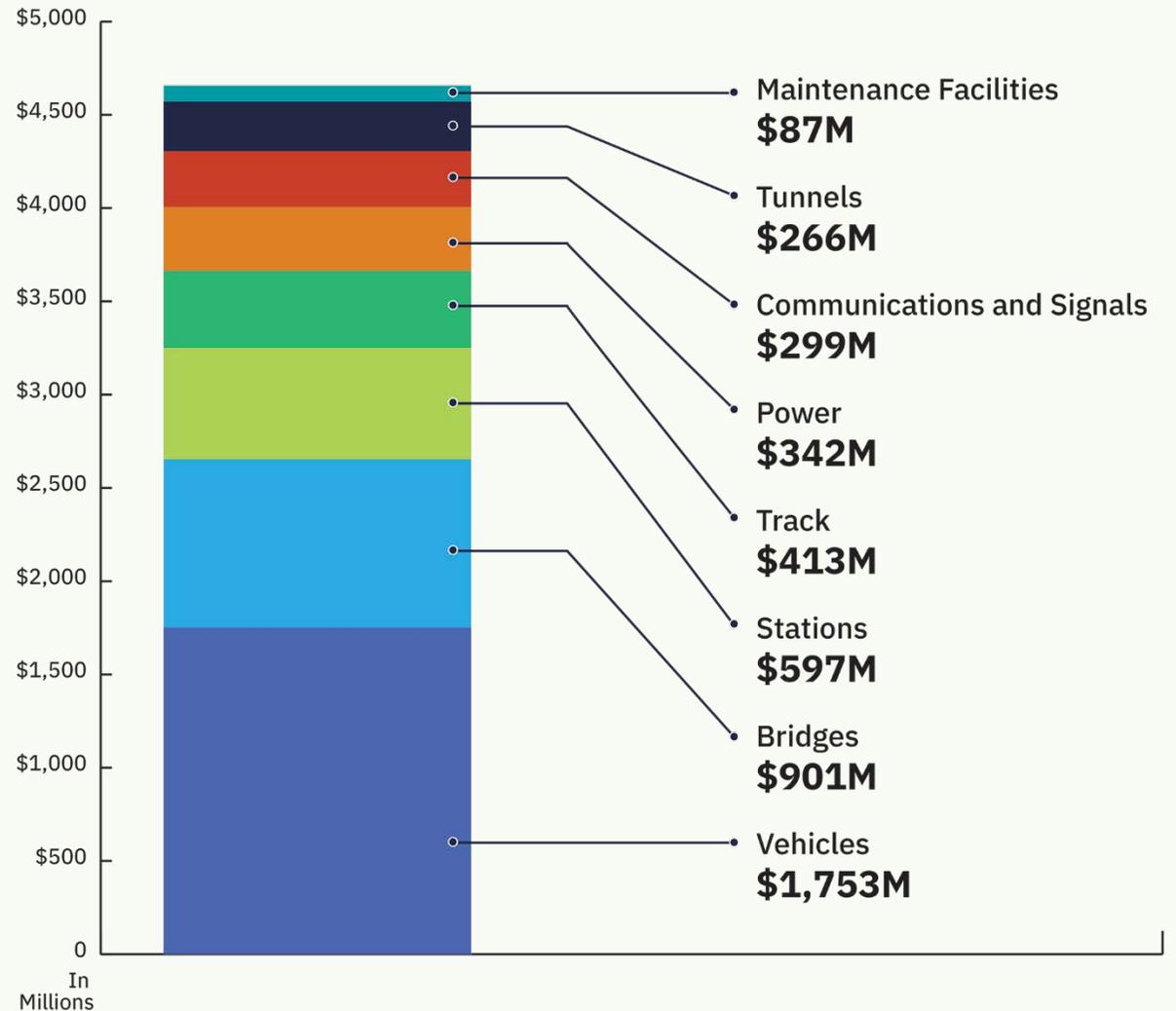
As our ridership fell more than 90% during the COVID-19 pandemic, we continued to operate service well above demand to accommodate social distancing for the essential workers that needed it most.

Federal relief in 2020 was a vital investment that has allowed SEPTA to continue providing essential services with significantly reduced passenger revenue, but it is not enough to address the long-term financial impacts.

## SEPTA has one of the oldest rail fleets in the country.

- If we don't act now to invest in new vehicles, we'll be forced to reduce service in the years to come—jeopardizing the economic growth of our region.
- Acquiring new vehicles requires large amounts of upfront money for procurement, but that's not possible without a sustainable, bondable source of revenue that will provide SEPTA the ability to leverage financing options.

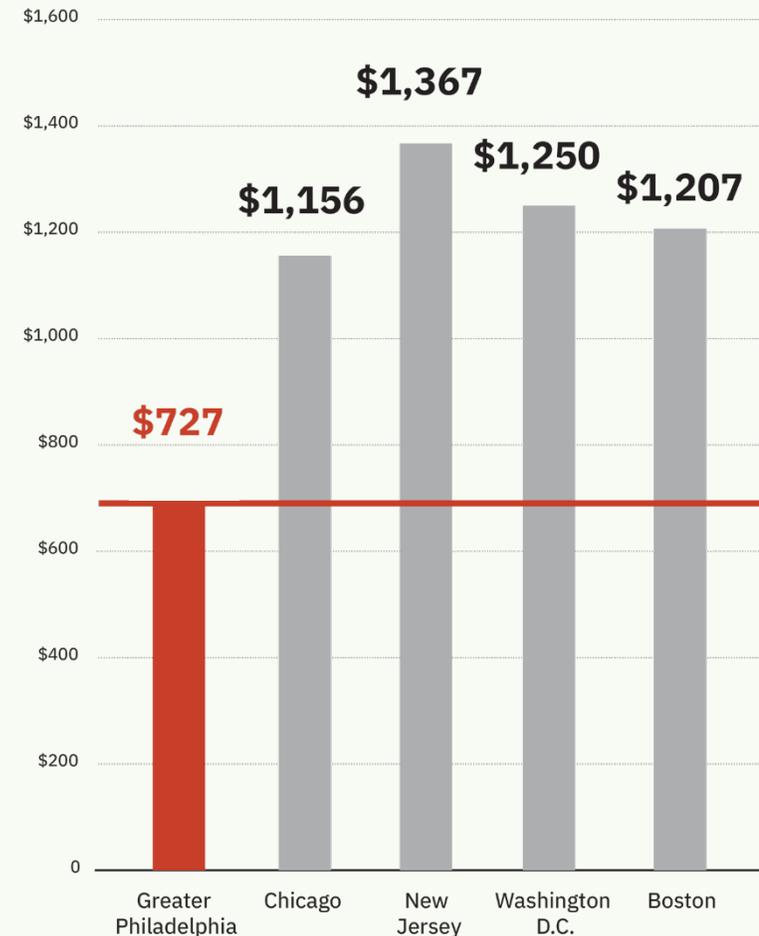
SEPTA's backlog of state-of-good-repair projects is **\$4.6 BILLION.**



## Competitor regions are investing billions of dollars in transit expansion.

- Los Angeles is investing \$120 billion to build a rail system seen as essential to mitigating congestion.
- Seattle is investing \$54 billion to build a rail system a quarter the size of the system SEPTA already has.
- Maryland, Virginia, and the District of Columbia recently invested an additional \$500 million per year in transit to successfully lure Amazon's HQ2.
- Local contributions have become game-changers in the transportation investment mix.

Competitor Regions are  
**INVESTING 70% MORE IN TRANSIT**



*FY2017-2018 Capital Budgets (millions) includes Federal, State and local funding*

## ○ A Path to Sustainable, Bondable Funding

A cross-sector coalition of leaders in Southeastern Pennsylvania called the “Mobility Partnership” agrees that that **transportation is not a cost—it is an investment** creates jobs, grows the economy, and improves quality of life.

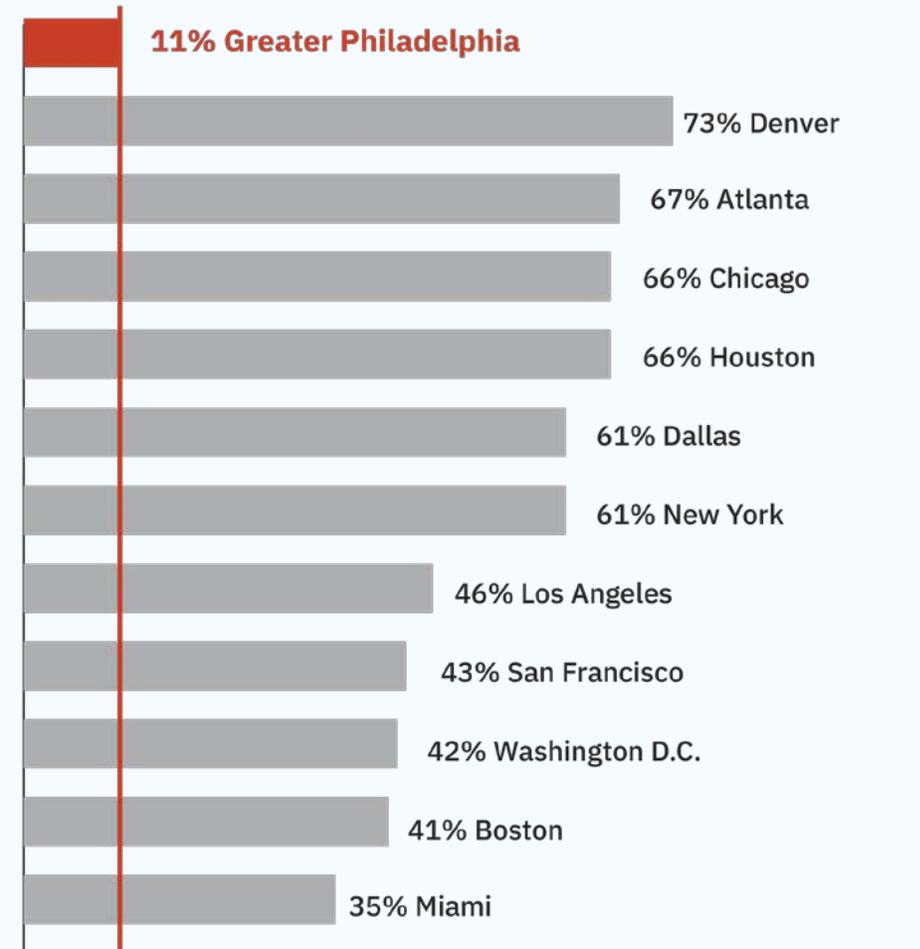
### STATE:

- Opportunities exist to mitigate the state budget impact.
- Proposed solutions include initiating a phased transition of PA Turnpike obligations to the General Fund now, providing a more gradual budget impact and giving transit systems the ability to bond for capital investments.

### LOCAL:

- Regions need the ability to compete. Local governments need expanded authority to fund transit improvements.
- State legislation is required to enable counties and regions to impose modest taxes and fees to invest in projects of regional significance.

...the percentage of funding Southeast PA receives from local sources is **WELL BELOW AVERAGE**



Percent of transit capital funding from local sources (2006-2015)  
Source: National Transit Database

# 2021 – A CRITICAL YEAR

**Transportation is not a cost; it is an investment that will accelerate recovery, and promote inclusive economic growth, equity and the environment**

## **Urging lawmakers at every level to make transportation a priority:**

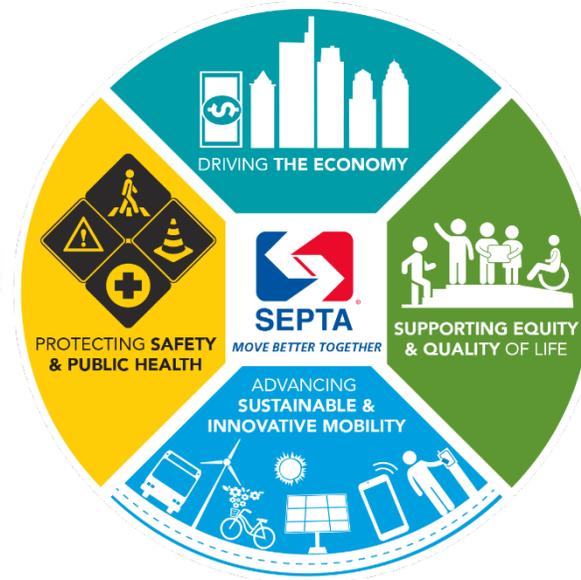
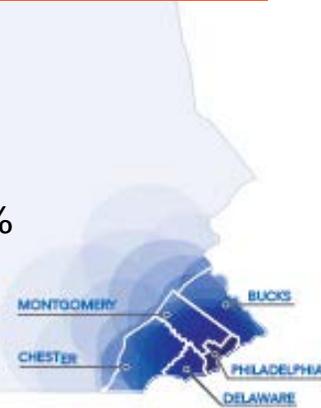
- Ask Congress to support long-term federal funding for transportation, infrastructure stimulus, and additional COVID relief.
- Ask Governor Wolf, State and Local Lawmakers to support sustainable, bondable state funding and local investment in projects of regional significance.

# SEPTA CAN ACCELERATE STRONG RECOVERY

## INCLUSIVE ECONOMIC GROWTH

### SOUTHEASTERN PA IS THE COMMONWEALTH'S KEY ECONOMIC ENGINE

The five counties generate 42% of the state's economic activity with 32% of its population on 5% of its land.



## EQUITY, AFFORDABILITY, ACCESS

- New equity-based fare policy serves the needs of low-income families
- SEPTA is a lifeline for 1/3 of Philadelphia households that don't own a car
- Philadelphia households save \$830 every year by using transit
- Contract opportunities for diverse businesses
- SEPTA is one of the largest employers of minorities in Pennsylvania

## SAFETY & PUBLIC HEALTH

- Masks are required to ride SEPTA
- Social distancing
- Contactless payment with SEPTAKey
- Innovative partnerships and solutions to enhance air quality, cleaning and sanitizing
- COVID-19 vaccine priority for SEPTA frontline workers
- Transit Police partnering with outreach workers to assist vulnerable individuals

## ENVIRONMENTAL SUSTAINABILITY

- Mass Transit is a proven reducer of carbon emissions
- SEPTA operates one of the largest zero emission rail and "green" bus fleets in the nation
- Emissions from transportation in Philadelphia are more than 10 percent below the national average
- SEPTA commuters have one-third the carbon footprint of those who travel by personal car
- Two solar farms in Franklin County, PA