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**VIA ELECTRONIC MAIL**

June 5, 2023

Mr. Pasquale T. Deon, Sr.  
Board Chairman  
Southeastern Pennsylvania Transportation Authority  
1234 Market Street  
Philadelphia, PA 19107

**Re: Southeastern Pennsylvania Transportation Authority  
Proposed Fiscal Year 2024 Capital Budget  
Public Hearings, May 10, 2023**

Dear Mr. Deon:

Pursuant to my appointment as Hearing Examiner in the above-referenced proceedings, I write to provide my Report and Recommendation (“Report”) on the Proposed Fiscal Year 2024 Capital Budget (“Proposed Capital Budget”).

On May 10, 2023, the Southeastern Pennsylvania Transportation Authority (“SEPTA”) conducted public hearings for the purpose of considering the Proposed Capital Budget. These hearings were held at SEPTA’s offices, located at 1234 Market Street, Philadelphia, Pennsylvania 19107, both in-person and virtually via WebEx. A court reporter recorded the proceedings and prepared written transcripts of same. The hearings proceeded with an Introduction from SEPTA General Manager and CEO, Leslie S. Richards, opening remarks from the Hearing Examiner, testimony from SEPTA representative and Director of Capital Budget and Grant Development, Brian McFadden, and concluded with testimony and comment from members of the public who pre-registered to speak or signed up to do so in person. The budget proposal was published on April 5, 2023, with prior notice of the public hearings published through the following channels: SEPTA’s website, local newspapers, and the website of the Associated Services for the Blind and Visually Impaired. In addition to commenting at the hearings, SEPTA provided several additional methods through which the public could submit comments: (1) by email; (2) by voice message; and (3) by U.S. mail to SEPTA’s offices. The public comment period remained open through May 31, 2023.

Enclosed with this Report are the following exhibits, which have been admitted into the record:

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| <i>Exhibit No. 1</i> | Hearing Examiner’s appointment  |
| <i>Exhibit No. 2</i> | Proofs of publication of the Notice of the public hearings in local newspapers  |
| <i>Exhibit No. 3</i> | Notice of the Proposed Capital Budget as displayed on the SEPTA website   |
| <i>Exhibit No. 4</i> | Confirmation that an audio version of the public hearing notices and summary was posted on the website of the Associated Services for the Blind and Visually Impaired |
| <i>Exhibit No. 5</i> | Proposed Fiscal Year 2024 Capital Budget Proposal and Fiscal Years 2025-2035 Capital Program  |
| <i>Exhibit No. 6</i> | CCT notice of the Proposed Capital Budget   |
| <i>Exhibit No. 7</i> | SEPTA’s written testimony and presentation on the proposed Capital Budget   |
| <i>Exhibit No. 8</i> | Copy of registrations of attendance at the May 10, 2023 hearings on the Proposed Capital Budget   |

Below is a summary of the Proposed Capital Budget, the testimony presented at the hearings, and the Hearing Examiner’s recommendation.

**a. Summary of, and SEPTA’s Testimony on, the Proposed Capital Budget**

Mr. McFadden testified at the public hearings on behalf of SEPTA.

Mr. McFadden’s testimony and the summary of the Proposed Capital Budget indicate a \$976.79 million proposed budget for Fiscal Year 2024. The proposal reflects SEPTA’s plans for its Capital Program, under which SEPTA intends to spend \$12.6 billion over a twelve-year period to rehabilitate and improve bridges, communications and signal systems, technology, maintenance facilities, stations, substations, tracks, and vehicles.

Funding sources are federal, state and local in nature and also include bond proceeds. SEPTA identified: (1) increased funding for transit agencies through the Infrastructure Investment and Jobs Act as one source of federal funding; (2) the transition of Pennsylvania Public Transportation Capital Assistance funding sources from Pennsylvania Turnpike Commission bonds to Pennsylvania’s Motor Vehicle Sales and Use Tax as one source of state funding; and (3) a commitment from regional leaders to transfer approximately \$300 million of Federal Highway Administration Congestion Mitigation and Air Quality Improvement Program funds to SEPTA beginning in Fiscal Year 2025, as an additional funding source.

The Proposed Capital Budget of \$976.78 million includes the following funding levels and capital financing assumptions:

- State funds through the Pennsylvania Department of Transportation, estimated at \$369.55 million;
- Federal funding, estimated at \$362.98 million;
- Local contributions from the City of Philadelphia and Bucks, Chester, Delaware and Montgomery counties, estimated at \$14.26 million; and
- Capital financing through bonds issued by SEPTA, estimated at \$230 million.

The Proposed Capital Budget allocates funding to projects categorized into twelve vehicle and infrastructure programs under four categories: (1) Projects of Significance; (2) Vehicle Acquisitions and Overhauls; (3) system infrastructure, state of good repair and Americans with Disabilities Act (“ADA”) accessibility improvement. The proposal further accounts for financial obligations. SEPTA’s hearing presentation highlighted several specific programs encompassed in these categories and outlines proposed funding allocations for each:

- Bridge Program (\$15.55 million)
- Communications, Signal Systems and Technology Improvement Program (\$100.23 million)
- Infrastructure Safety Renewal Program (\$60.46 million)
- Maintenance and Transportation Shops and Offices projects (\$77.51 million)
- Projects of Significance (\$213.01 million)
- Safety and Security Improvements program (\$50.53 million)
- SEPTA Key efforts (\$9.12 million)
- Design of the Coatesville Service Restoration project (\$1 million)
- Stations, Loops and Parking Improvement projects (\$86.99 million)
- Substations and Power Improvements Program (\$30.55 million)
- Track and Right-of-Way Improvements (\$20.42 million)
- Vehicle Acquisitions and Overhauls Program (\$206.71 million)
- Financial Obligations (\$104.7 million)

***b. Summary of Public Attendance and Testimony***

Approximately twenty-two (22) members of the public attended the hearings on the Proposed Capital Budget, eight (8) of whom provided oral comments. Speakers commended SEPTA for proposed improvements to its Key Advantage program, its trolley modernization efforts, and its vehicle replacement initiative. Speakers urged SEPTA to reconsider funds earmarked for parking projects, particularly the proposal to construct additional parking spaces at the Conshohocken

Regional Rail station. Speakers also expressed concerns regarding the timeline for completion of the trolley modernization initiative, particularly the element aimed at ADA-related accessibility of SEPTA facilities; the compensation offered to SEPTA locomotive engineers and conductors; funding levels for and prioritization of bus service improvements; and safety measures on the Market Frankford Line.

The record remained open through May 31, 2023 for receipt of comments. Throughout the comment period, SEPTA received 110 written comments. The written comments were authored by members of the public, including members of advocacy groups such as Transit Forward Philadelphia and the SEPTA Citizen Advisory Committee, as well as representatives of local governmental entities. These comments applauded SEPTA for allotting funding for trolley modernization, accessibility improvements to subway and regional rail stations, bus service improvements, several projects identified in the proposal, such as the Market Frankford Line Vehicle Replacement and Bus Revolution projects, and service upgrades on the Paoli/Thorndale Line and Exton Station bus loop and bus shelters. A substantial number of comments appealed for SEPTA's reconsideration of allocating funding for parking projects, including the Conshohocken Parking Structure proposal. Written commenters also urged SEPTA to, among other things:

- consider accelerating the timeline for completion of several projects, including the ADA station improvements, the Paoli Transportation Center platform improvements, and Devon station improvements;
- increase funding for certain projects, including the Roosevelt Boulevard Subway project, installation of platform screen doors on the Market Frankford Line and Broad Street Line, and security measures and initiatives; and
- assess the viability of various potential changes to the Proposed Capital Budget, including focusing the Vehicle Replacement Project on redesigns and frequency improvements, improving the level of service offered at Yeadon and Darby stations, addition of bicycle storage to SEPTA facilities, and improvements to the SEPTA Control Center.

### **c. Hearing Examiner's Recommendation**

In light of the plans outlined in the Proposed Capital Budget, SEPTA's testimony and related materials, and the input from the general public, my recommendation is as follows. I urge SEPTA to consider further discussions regarding funding for parking projects, particularly the

Conshohocken Parking Structure project. I recommend that the SEPTA Board otherwise adopt the Fiscal Year 2024 Proposed Capital Budget, as the proposal is consistent with federal and state programming requirements and appropriately prioritizes critical capital projects of great interest and importance to its customers and to the public.

Respectfully submitted,



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Shari Parker, Esquire  
Hearing Examiner

cc: Brian McFadden (*via email*)