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Transportation Funding Report Issued Today Urges Lawmakers to Act Now

PHILADELPHIA — The Southeast Partnership for Mobility, a collaboration between Southeastern Pennsylvania Transit Authority (SEPTA) and the Pennsylvania Turnpike Commission (PTC) in coordination with the Pennsylvania Department of Transportation (PennDOT), today issued a sweeping report that calls on state and local officials to act now to address the looming transportation funding crisis driven by changes coming to Act 44 of 2007. The report can be found at www.PaMobilityPartnerships.com.

“There are two challenges addressed in this report: First, the current statewide funding system is just not sustainable; second, even at current funding levels, economic growth is limited,” said SEPTA Chairman Pasquale T. Deon Sr. “A statewide solution to Act 44 is needed. Southeast Pennsylvania and local communities need enabling legislation to help raise regional revenues to invest in transit and Turnpike projects to accommodate and accelerate regional growth.”

In recent weeks, risks to state transit funding have been recognized across the commonwealth, along with concerns about the impact of pending litigation and untenable debt at the PTC. Transit agencies were notified that their state capital funding will drop dramatically next year, and operating funds will remain stagnant while system costs rise each year. Reduced and unstable funding will lead to more project and procurement delays and ultimately impact service levels for SEPTA riders.

A cross-sector Advisory Council of regional business and civic leaders, major employers, elected officials and transportation agencies guided the development of the report. Members of the council emphasized the importance of a robust public transportation network that can meet current and future needs.

“Access to public transportation is one of the most important assets that Drexel University possesses with approximately 26,000 students and 8,000 employees who are completely dependent on high quality public transportation to get to and from school and work every day,” said John Fry, President of Drexel University.

“We are witnessing the city’s fastest annual growth in a half-century with rapid population and job growth occurring across the region, yet transportation is at risk of lagging way behind,” said Jerry Sweeney, President and CEO of Brandywine Realty Trust. “With critical urban developments like Schuylkill Yards and the continued rise of suburban business areas like King of Prussia, we need to ensure easy access, transportation and mobility to support and accelerate sustainable long-term economic growth.”

“Transportation is critically important when it comes to delivering patient care, and increased capacity on SEPTA lines is a necessity,” said Madeline Bell, President and Chief Executive Officer of The Children’s Hospital of Philadelphia. “Traffic on the Schuylkill Expressway is unpredictable, and public transportation is sometimes overcrowded causing patients to be late for appointments and severely delaying employees who are coming to and going home from work. Addressing transportation is integral to our growth strategy.”

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The Partnership was led by Turnpike Chair and PennDOT Secretary Leslie S. Richards and Chairman Deon. “With the aid of regional leaders, we assembled a report that provides a clear picture of the vision and challenges facing our transportation system and a menu of options to address them. The thoughtful guidance and wisdom of the Advisory Council is reflected throughout the report,” Deon said.

“Without sustainable state funding and new sources of revenue, SEPTA will not be able to expand its system to keep pace with the region’s tremendous growth,” Deon added. “Significant projects such as high-speed rail to King of Prussia, added capacity to trains on the Market-Frankford Line, new Regional Rail cars and modernized trolleys will simply not happen.”

“We are at a critical juncture in understanding just how damaging and deep the risks to our statewide transportation funding pool really are,” said Richards. “This report demonstrates the importance of our mass transit assets now and into the future.”

The report also details how the region is a critical driver of the statewide economy and the role that SEPTA plays, noting that southeast Pennsylvania generates 41 percent of the state’s total economic activity and is home to 32 percent of its population on just 5 percent of its land. The Philadelphia region has grown by more than 100,000 new residents since 2010. This level of density and economic productivity is only possible with a high-capacity, efficient network to keep the region moving.

“Companies and employees view mass transit as a key differentiator in choosing where to locate their businesses and where to work,” said Department of Community and Economic Development Secretary Dennis Davin. “We need to continue growing capacity across the commonwealth so that we can support economic growth and compete with regions like New York and Washington D.C. to attract new business.”

Act 44 required the PTC to provide PennDOT with \$450 million annually for highways, bridges, and public transit, and Act 89 of 2013 modified the payments to dedicate the full amount to transit. In 2022, PTC payments to PennDOT for transit will be cut to \$50 million and then \$450 million will be provided from the state’s General Fund. The report makes it clear that the state’s current system for financing transit statewide, which is dependent on Turnpike tolls, is at risk. The PTC needs to provide relief to its customers from excessive toll hikes and make critical investments in new interchanges to power economic growth across the state.

As a result of Act 44, the PTC has been forced to raise toll rates for 11 straight years and driven the agency’s debt levels to more than \$11 billion. In addition, the agency has reduced its rebuilding program by 13 percent and cannot consider potential expansion projects, including new interchanges in Bucks, Chester and Montgomery counties.

Last spring, trucking and motorists’ groups challenged Act 44 in federal court. Due to the uncertainty that the litigation created, the PTC has not made a payment since last April. While PennDOT has used reserves and reprioritized projects in the current fiscal year, SEPTA has had to put 40 projects on hold.

To learn more about the Southeast Partnership’s vision for regional mobility, transportation investment and financing options, go to www.pamobilitypartnerships.com.

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