



SEPTA FY 2012 Operating Budget Statement

April 27, 2011

The Pennsylvania Transit Expansion Coalition (PA-TEC) offers the following comments on SEPTA's proposed FY 2012 Operating Budget:

The proposed FY 2012 operating budget as proposed forecasts revenues of \$487 million dollars and total expenses at \$1,229,618. SEPTA will require \$575,663 of state subsidy, \$81,552 of federal subsidy, \$82,182 of county subsidy for the proposed FY 2012 fiscal year. Noticeably absent from the Authority's proposed operating budget are revenues and expenses for transportation operations, by service provided. PA-TEC therefore references SEPTA's FY-2011 Annual Service Plan for financial data on SEPTA's services.

Recognizing that public funding for mass transit operations will continue to remain flat, PA-TEC sets forth several recommendations for SEPTA to reduce, control and where possible eliminate operating expenses.

SEPTA should seek to maximize the efficiency of its fixed guide way rail systems by diverting ridership to these routes. Where possible, bus routes should be re-aligned to feed city and suburban ridership to commuter railroad and subway or light rail routes. With the exception of the 300-series bus routes, no effort is made to coordinate ridership between bus and regional railroad routes. Such a change in operating practice will grow the efficiencies and attractiveness of SETPA's participation in the Job Access Reverse Commute (JARC) program.

Reducing and eliminating passenger miles by bus is highly desirable from the perspective of the taxpayer, as these routes require the highest level of operating subsidy, per passenger.

1. **Spin off Frontier Bus routes 127, 128, 129, 130** to TMA Bucks or another private operator. These routes recover less than 22% of their operating expenses and present a significant drain on SEPTA's capacity to provide more service on better performing routes. These routes are operated with small equipment that would permit a smaller, more efficient operator with lower operating expenses to provide these services.
2. **Discontinue Route 14 service to Oxford Valley Mall:** PA-TEC suggests SETPA explore the feasibility of truncating this route at the city line. Realignment of SEPTA's current Frontier routes to serve riders between Langhorne train station and Oxford Valley Mall would offer urban reverse commuters a more efficient ride, and reduce taxpayer burden, as well as SEPTA's operating expenses. Savings from these gains in efficiency could be applied to an increase in service on the West Trenton passenger rail corridor.
3. **Discontinue Route 78** and add (2) trips to the Trenton railroad line: Since its inception, Route 78 between Cornwells Heights and Center City has proven itself a success with robust ridership. However, this route ignores ridership between Center City and Cornwells Heights, effectively eliminating ridership between Torresdale and Bridesburg. Elimination of this route and the addition of one morning and one late night trip will attract more ridership in this market and increase SEPTA's revenue.

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4. **Amtrak Operating Expenses** – SEPTA has proposed operating expenses of \$27,600 million to Amtrak in its FY 2012 operating budget. These expenses are related to (4) commuter railroad routes that operate over Amtrak trackage, and use of 30th Street Station. From observations of SEPTA's existing operations, PA-TEC recommends that SEPTA eliminate excessive train consist sizes (cars per train) to minimize per car, per mile charges incurred by SEPTA to Amtrak.

For example, SEPTA frequently operates (3) car trains to the Philadelphia International Airport, or between Chestnut Hill and Fox Chase, while only one to two cars are open for revenue service. To minimize operating waste, PA-TEC recommends that train lengths be reduced, or cars extra cars cut off and stored at the ends of routes, where additional capacity can be added/removed as needed. SEPTA's service planning department should better coordinate these operating procedures to the benefit of taxpayers and riders.

5. **Fuel Expenses** – the proposed FY 2012 operating budget lists fuel expenses for the three bus divisions at \$42 million dollars. With the continued and sustained increase in petroleum costs, SEPTA must continue to enforce policies against vehicle idling (during recovery times) which has become an accepted practice amongst most bus operators over the past several years. Further, SEPTA must prioritize the restoration of surface rail operations on routes 23 and 56 which will reduce the Authority's reliance on petroleum on these two city bus routes.

PA-TEC recommends the expansion of subway operations past the current 12:30AM service window, which would eliminate the use of shuttle buses during early morning hours. This strategic change would further reduce petroleum fuel purchases by SEPTA, and have a positive impact on "owl" ridership. In offering this suggestion, PA-TEC requests that SEPTA consider implementing a new fare system within the City Transit Division that enables subway stations to remain open without requiring a SEPTA employee present to attend to passengers. SEPTA's current proposal states that customer service personnel will remain at subway stations. This feature will inhibit the implementation of our recommendation, and we request that SEPTA explore options for operating subway stations similar to PATCO.