

STATEMENT OF ALFRED A. DELLIBOVI
DEPUTY ADMINISTRATOR, URBAN MASS TRANSPORTATION ADMINISTRATION
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES
(COMMITTEE ON APPROPRIATIONS)
HOUSE OF REPRESENTATIVES, ON MONDAY, SEPTEMBER 21, 1987
IN PHILADELPHIA, PENNSYLVANIA

Mr. Chairman and distinguished members of the Subcommittee, I appreciate this opportunity to appear before you today to discuss an issue of mutual concern: safety on the SEPTA mass transit system.

As you know, UMTA has recently commissioned a safety evaluation of one element of SEPTA's eclectic system, the Norristown High-Speed Line (NHSL). Copies of the report were transmitted to SEPTA and members of the local Congressional delegation last week. I would like to begin my remarks today with a recap of the major findings of that evaluation, and then share with you how UMTA regards these findings, given our relationship with SEPTA over the past several years. In addition, I will spend a few moments on several other matters critical to the SEPTA system.

SEPTA Safety Evaluation

Section 22 of the Urban Mass Transportation Act authorizes investigations of "conditions in any facility, equipment, or manner of operation financed under this Act" which are believed to create "a serious hazard of death or injury."

As an industry, transit has an exemplary safety record. In terms of fatalities per passenger carried, transit has by far the best record of any transportation mode. It is not surprising, therefore, that prior to this year, UMTA had never felt the need to invoke the authority of Section 22 and perform a specific safety audit of a transit property. That was, of course, until we started receiving regular, disturbing reports of transit accidents and unsafe conditions in the greater Philadelphia area. Both because of the sheer number of these reports, and because so many of them involved the Norristown line, UMTA realized that the time had come to use our authority under Section 22.

We decided to utilize the services of a private consultant to conduct the evaluation for two important reasons: first, to protect the evaluation against any later charges of subjectivity; and second, to collect experts in the broad range of areas relevant to system safety. Accordingly, a team under the direction of Battelle, of Columbus, Ohio, began an evaluation in April of this year, and submitted their final report to UMTA only a few days ago.

Battelle's salient findings are -- and I am quoting directly from its report:

1. "Management is inadequate for the needs of the NHSL; e.g., there are not enough qualified managers; coordination among

managers and with staff is weak; and responsibilities are not always clearly understood.

2. "The obsolete NHSL equipment results in excessive dependence on each employee fully comprehending and strictly complying with rules and procedures.
3. "The NHSL has neither clearly written, up-to-date operation and maintenance rules and procedures nor sufficient training, supervision, and enforcement.
4. "SEPTA safety specialists have limited influence on the NHSL. The SEPTA system safety organization is largely reactive and does not engage in significant preventive work. Line safety support at the NHSL is essentially nonexistent.
5. "Some NHSL accidents appear to be attributed to drugs or alcohol to the exclusion of other factors. This may obscure contributing causes and, thereby, preclude the correction of unsafe conditions.
6. "Security of the right of way, vehicle safety features, signaling/switches, and similar aspects of the NHSL are not in conformance with modern transit practice. Taken together, these conditions provide a unique environment conducive to potential hazards.

7. "Inadequate inspection/maintenance of the deteriorated NHSL facilities, equipment, and physical plant results in an inordinate number of opportunities for hazards."

Battelle's report presents many more detailed findings, a number of which I will refer to later, but these are the ones which are highlighted in the executive summary. The seven findings enumerated above cover the range of SEPTA's responsibilities, from management and operations to facilities and equipment.

Upon closer examination, however, each finding can be traced to a common antecedent. Transit in the Philadelphia area has suffered chronic management problems. In large measure, Federal resources that have been made available, have been applied to projects other than upgrading or replacing outdated, possibly unsafe facilities.

While I'm on the subject of funding and before I address our concerns about management, I want to dispell any notion that Philadelphia has not received its fair share of Federal assistance. As bench marks, consider the 1980 census, which showed the Philadelphia Urbanized Area to be 4th largest in the Nation, and ranking 6th in the use of public transportation for journey-to-work trips. In terms of UMTA capital grants since

1965, Philadelphia ranks 5th, even considering expensive "new-starts" projects in cities like Washington, D.C., Los Angeles, and Miami. Moreover, Philadelphia ranks 3rd nationally in "rail modernization" funding to date. In FY 1986, Philadelphia ranked 4th of all American cities in total capital and operating assistance, and 3rd in discretionary Section 3 assistance. Through FY 1986, the Philadelphia area had received \$1.8 billion in capital assistance under the UMTA program!

First and foremost among the management problems that concern us is a history of very questionable expenditure of this available funding. When the UMTA capital grant program began in 1965, Philadelphia was one of the first applicants, seeking funds for a tunnel to connect the Pennsylvania and Reading commuter rail operations. While the tunnel has become an important link in the system, many other more important needs -- such as rehabilitation of track and bridges, and signal work -- went unattended while local officials chased Federal dollars for this project.

UMTA staff at the time felt that more important and beneficial projects should proceed first. This included new car fleets for the commuter lines to replace the pre-World War I equipment then running. In fact, much of the antiquated equipment then in use would have had difficulty in negotiating the grades at the tunnel approaches on the north end. So while Boston, Chicago and others were receiving funding for significant major transit improvements

in the early years of the program, it was not until 1970 that Philadelphia received any major grant (for 144 new electric commuter cars). Philadelphia's energy had simply been directed elsewhere, to getting funding for the tunnel.

This project was, after considerable negotiation, finally approved in 1975 and has been subsequently completed. The cost, however, exceeded \$375 million; and I still question the wisdom of spending that much money to build one tunnel for the benefit of a relatively few people -- particularly when the larger system has other pressing capital needs.

More recently, a second major construction project, the Airport High Speed Line was undertaken to link Center City with the Airport. Although the real need for such a connection was questioned by many, this project consumed over \$100 million and preoccupied officials for 11 years. The product of this great expenditure of funds and energy is a rail link offering a one-car train every half hour, and carrying, on the average, a total of only 1,830 riders each day!

Developing questionable projects -- like the Center City tunnel and the Airport line -- is one thing. An entirely different problem is the questionable management of good projects. This seems to be happening with a number of Philadelphia's "good" projects. As you may know, SEPTA is reconstructing the Frankford

Elevated Line and UMTA is providing assistance for this work under a full funding contract. That full funding agreement was executed only 9 months ago, with the Federal government committing \$97 million towards the total project cost of \$127 million. UMTA's project management oversight contractor has informed us that the project already has a potential funding deficiency of at least \$38 million. I will cite two examples of how that deficiency is emerging.

On April 14, 1987, SEPTA received a low bid of \$23.9 million for Line Section 1 work. That low bid is:

59% higher than the \$15 million budget for this work at the time the Full Funding Agreement was executed, and 24% higher than the \$19.3 million in the current, revised budget for this work, dated March 5, 1987.

Also on the Frankford El project, on May 8, 1987, SEPTA received a low bid of \$19.4 million for Major Bridges work. That bid was:

198% higher than the \$6.5 million budgeted at the time of the Full Funding Agreement ... let me emphasize, that is very nearly three times as much as originally budgeted; it is also

115% higher than the \$9.0 million in the March 1987 budget. These figures call into question the integrity of any of the budget amounts advanced for this project. Or, for that matter, other cost estimates for major projects being undertaken by the same organization.

My apprehension has been reinforced by information I have recently learned about a new project for the Norristown High Speed Line -- the same line covered in the recently completed safety evaluation. As you may know, on May 27, 1987, UMTA approved a \$45 million grant for a project to purchase 26 new rail cars, as well as to construct a combined NHSL/Media and Sharon Hill Trolley Maintenance Facility. The total project cost was to be \$60 million, of which \$37.1 million was for the new cars. Just last month, SEPTA received two bids on the cars. The low bid was for \$44.4 million, or almost 20 percent more than budgeted.

Because we have just completed the Norristown Line safety evaluation, let me focus on that line for a moment. During the last five years, UMTA has given SEPTA approximately \$99 million in grants for various projects relating, in whole or largely, to the NHSL. These projects have involved track improvements, bridge reconstruction, signal work, station improvements and, now, the new cars and maintenance facility.

Each of these projects has proceeded along on its own initiative, and SEPTA seems to be administering these projects on a piecemeal, uncoordinated basis. We suspect that, like the Frankford El project, these NHSL projects may run into serious budgetary shortfalls. We also fear that we will soon be reviewing more applications for supplementary Federal grants to make up the

deficiencies. For these reasons, I have recently directed that UMTA's project management oversight contractor for the Frankford El also be used to oversee the new NHSL project activities.

Another concern is an apparently inadequate emphasis on safety in the course of routine operations. Battelle's observation about the need for additional training was supported by the National Transportation Safety Board, in its investigation of last year's crash of a Norristown Line trolley into a wall at 69th Street Terminal. The Board cited operator negligence, but also maintained that SEPTA failed to adequately train operators in all available ways to brake Norristown cars. The Board also recommended that SEPTA take steps to make sure that defective equipment is properly identified when it is sent for repairs, a recommendation which parallels Battelle's finding of inadequate inspection and maintenance.

I particularly want to give support to the Board's recommendation that Governor Casey create a watchdog agency to regulate and enforce the safe operation of rail transit lines throughout the Commonwealth -- including SEPTA's. I applaud and emphatically endorse this recommendation.

The point I wish to emphasize is that something seems to be wrong with the basic approach and management of the efforts to provide adequate transit in this city. Certainly money is an issue, but

money is a concern with SEPTA's counterparts in New York, Miami, and Chicago ... at nearly every major transit property. But somehow, transit problems seem to be exacerbated in Philadelphia because of a very uncreative approach to the provision of safe transit services. I also want to note the following:

- o No dedicated, predictable source of funding supports SEPTA, such as dedicated sales tax or similar assured income. There is no way to understate the difficulties this creates.
- o SEPTA has not taken advantage of available opportunities to increase revenues. For example, you don't see advertizing on the outside of SEPTA's buses (which could bring in an estimated \$7 to \$10 million over the next ten years).
- o Economies could be realized through greater emphasis on private sector participation in the provision of transit services. For example, a study by the University of Pennsylvania shows that SEPTA can save \$28.8 million annually by contracting out its 72 peak hour supplemental routes to private contractors.
- o Similarly, increased coordination and cooperation with the private sector, such as in joint development activities, could also increase revenues.

SEPTA fights all the difficult battles plaguing other American transit systems, in its attempt to provide safe, affordable service in the face of increasing costs. SEPTA shoulders the additional burden of trying to hold together its fragile political support, and lurching -- like an antiquated trolley car -- from year to year while waiting for its annual rescue from the Commonwealth.

It is not an easy task. But it is a task at which SEPTA, this region, and the Commonwealth must do better. UMTA knows that. This Committee knows that. And judging from articles in the local press, this community knows that too.

UMTA is looking forward to receiving SEPTA's response to the Norristown Line safety investigation. We are optimistic that we have already contributed to increased safety on that line with the recent grant for new equipment and the new maintenance facility. I also expect that a \$400,000 grant which was approved in May, to the Delaware Valley Regional Planning Commission, will result in a strategic plan that will lead to improved, safer public transportation in southeastern Pennsylvania. Most of that amount, \$280,000, will be passed through to SEPTA for long range planning at the system level. I would like to mention my appreciation for the important role played by Congressman Curt Weldon in the development of this particular project.

I do not believe that the solution for SEPTA's problems lies with the Federal government. The solution is in the hands of the elected officials in this region and the Commonwealth.

I do trust, however, that this hearing may encourage the citizens of this region to consider the need for -- and the future of -- transit in this area, and also to consider their commitment to it.

That completes my prepared remarks. I would be pleased to answer any questions you may have. Thank you.