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## **SEPTA says fares will rise, service could drop**

Gloomy transit forecasts are a rite of spring, but the agency's chief said this one's for real.

Said a board member: Don't panic.

By Paul Nussbaum

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SEPTA must increase fares by at least 11 percent and perhaps as much as 31 percent, the agency's general manager said yesterday, and she warned of service cuts and employee layoffs unless more money comes from the state.

If the state increases its subsidy of SEPTA by \$100 million, the proposed fare increase, effective July 1, will be 11 percent, general manager Faye Moore said.

Without an increase in state aid from the current \$300 million, she said, 1,000 of SEPTA's 9,200 jobs would be eliminated; bus, subway, and rail service would be cut by 20 percent on weekdays; and fares would be hiked by 31 percent.

Of course, dire warnings of fare hikes and service cuts are almost a ritual harbinger of spring in Philadelphia, as SEPTA seeks enough money from the legislature to balance its budget. But Moore insisted that the situation is more critical now, with a prospective 2008 budget deficit of \$129 million.

At the same time, she held out hope that a permanent solution proposed last week by Gov. Rendell could be rolled out soon enough to save SEPTA. Rendell, in his budget message, proposed a tax on oil-company profits to help fund mass-transit agencies across Pennsylvania, starting in March 2008.

Moore said SEPTA could not wait 13 months for the money.

"That's nine months into our fiscal year," she said. "If it comes about in March 2008, it does not give us adequate protection... We have to be prepared to balance the SEPTA budget by July 1."

"That's something we'll have to talk to the legislature about," said Rendell's press secretary, Kate Phillips. "Our focus is on the permanent revenue stream for mass transit, but it's clear that SEPTA and other agencies are facing a crisis now."

Under the lesser-of-two-evils plan, the base cash fare for subways and buses would remain \$2, SEPTA senior budget director Rich Burnfield said. Under the worst-case scenario, the base fare would rise to \$2.50.

Other specifics of the proposed fare hikes are still being worked out, he said.

SEPTA staff is proposing a \$1.022 billion budget for the year that begins July 1, up 3.15 percent from the current budget.

Rendell's representative on the SEPTA board, Denise J. Smyler, said the governor had come to SEPTA's rescue in the past. In the last two years, Rendell has shifted federal highway funds to bail out Philadelphia and Pittsburgh's transit agencies.

"I don't think riders should be alarmed at all at this time," Smyler said yesterday.

SEPTA last increased fares in 2001. Since then, inflation has pushed Philadelphia-area consumer prices up 16 percent.

SEPTA's budget staff unveiled its Plan A (\$100 million more in state aid, 11 percent fare increase) and Plan B (no more state aid, 31 percent fare increase, service cuts) for the board's budget committee yesterday. Both proposals will be presented in public hearings in Philadelphia and the four suburban counties April 10 through 16.

"I don't need a public hearing to know I'm not going to vote for Plan B," said Christian DiCicco, one of Philadelphia's two representatives on the 15-member board. "That's gutting the system, and that's not acceptable."

Michael O'Donoghue, a Montgomery County representative, said SEPTA was only being financially responsible by presenting both proposals. "We have to recognize the fiscal reality," he said.

The proposed SEPTA fare hike comes as other regional transit agencies are also seeking more money from passengers. NJ Transit announced this week that it planned to increase its fares 9.6 percent, effective June 1.

SEPTA's budget woes are chronic; it has frequently threatened service cuts, layoffs and fare increases in a perennial game of chicken with the legislature. A commission appointed by Rendell recommended in November that a permanent funding source be found for the state's transit agencies, of which SEPTA is by far the largest.

It said the transit agencies need \$760 million annually: \$500 million for operating costs and \$260 million for construction and upgrades. (It didn't specify how much should go to each agency, but SEPTA's budget is about 60 percent of the total.)

So Rendell, in last week's budget message, proposed raising \$760 million by creating a 6.17 percent tax on oil companies' gross profits starting March 2008.

Moore said she had not had any discussions with Rendell about SEPTA's current plight, and didn't have any suggestions on how he might rescue the transit agency this time.

"I have absolutely no idea what the governor can or won't do," she said. "I don't know what their limitations are in Harrisburg."

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