

LETTER FROM SEPTA LEADERSHIP

Over the past few months, SEPTA and the world have faced an unprecedented crisis. In a few short days, many of us completely re-imagined the way we live, the way work, and the way we spend time with loved ones.

SEPTA has demonstrated through this crisis that we are an essential service - without SEPTA, grocery store shelves don't get stocked, hospitals don't get cleaned, and the sick aren't cared for. We have derived great pride and appreciation for the strong people of this agency, who have continued to move Greater Philadelphia through this pandemic.

Many have started to ask what comes next – and we're happy to say while we are diligently focused on the crisis at hand, we are also looking forward. As social distancing regulations change, and some businesses open, the role SEPTA plays in the region will also change. We will all be adjusting to this new normal for months, if not years. But no matter the outcome, we will be prepared.

Over the last few months, we have convened a series of Plan-Ahead Teams with over 150 SEPTA staff participating, each focused on helping SEPTA prepare for the future. With the help of SEPTA's newly unified Planning Division, we are creating spaces for new ideas, out-of-the-box thinking, and typical SEPTA resourcefulness to thrive.

As we look and plan ahead, we recognize our need to adapt to various scenarios and know this is an opportunity for SEPTA to not only support the region in its recovery, but to reevaluate every aspect of our business viewing everything through an equity lens with an eye towards inclusive growth – and we are doing just that. Through this process, we have established an efficiency program to build an agile organization, are developing a new strategic plan, and are re-thinking our services through Comprehensive Bus Network Redesign (CBNR).



Pasquale T. Deon, SEPTA Board Chairman



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Leslie S. Richards, SEPTA General Manager



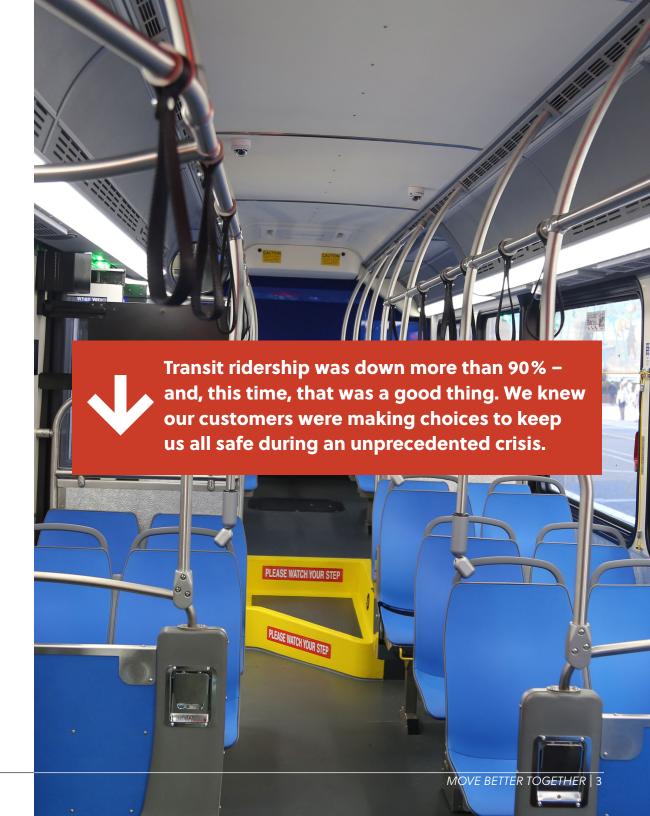
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Respond & Adapt

SEPTA responded to the COVID-19 pandemic swiftly. Agency leadership convened a twice-daily COVID-19 Task Force meeting to enable quick response and decision-making. SEPTA's frontline workers quickly mobilized to initiate enhanced cleaning of stations and vehicles in early March, well before the shutdowns of businesses, schools, and other non-essential services. We began operating only buses with operator shields and plastic seats and expedited installation of protective shields for trolleys.

For the sake of public health, we encouraged transit be used only for essential trips and provided levels of service beyond demand to accommodate social distancing for the essential workers that needed it most.





In the face of a crisis, SEPTA demonstrated that

TRANSIT IS AN ESSENTIAL SERVICE.

Without SEPTA, shelves don't get stocked, hospitals aren't cleaned, and the sick aren't cared for. Our region's essential workers need transit to do their jobs.



TRANSIT IS FOR ALL

Transit helps to preserve affordability and access to opportunity in a growing region – serving as an important catalyst for an equitable future.

EQUITY FOCUS: FARE RESTRUCTURING

In June, the SEPTA Board approved a Fare Restructuring Plan that included free rides for children under 12, one free transfer for Transit trips, and the introduction of new SEPTA Key three-day passes in the fall.

Throughout the process, SEPTA ensured greater inclusivity and created more opportunity for input than ever before. This involved new ways for the public to provide feedback – including virtual hearings with the opportunity for real-time teleconference participation and the opportunity to submit commits in three different languages.

By making important decisions like this accessible to all, we are able to listen fully. We adjusted the fare policy based on feedback to help customers during the region's recovery.

SERVICE ADJUSTMENTS

March 17

Regional Rail begins operating Enhanced Saturday Schedule

March 22

Bus and Rail Transit begin operating on Saturday Schedule every day

March 29

Regional Rail begins operating Essential Service Schedule

April 9

Bus and Rail Transit begin operating Lifeline Service Plan **May 18**

Bus and Rail Transit return to full Spring Schedule

June 14

Bus and Rail Transit begin operating regular Summer Schedule

June 28

Regional Rail transitions to **Enhanced Saturday** Schedule

SEPTA adjusted its schedules in a matter of days to support the needs of essential workers when it faced a limited number of healthy employees available to provide service.

While SEPTA typically has three schedule changes per year, March through May saw schedule changes every few weeks. These changes were made with a focus on providing access to hospitals, grocery stores, and other life-sustaining services while providing space for the essential workers that needed it most. Planners, operations, and designers worked overtime to create new analysis tools (below) to meet changing needs and to design and communicate the rapid changes including using SEPTA's Frequency Map (right).







PROTECTING OUR EMPLOYEES & CUSTOMERS

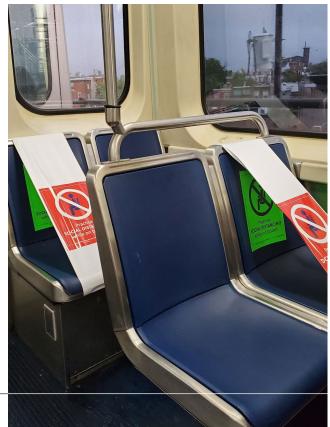
SEPTA employees worked tirelessly to ensure safe and reliable travel for those that needed it most. To ensure they remained safe, we implemented multiple new protocols, including:

- Distributed masks, neck gaiters, gloves, and hand sanitizer, on an on-going basis, to every employee who needs them
- Built and installed custom operator barriers on all in-service vehicles to reduce exposure to riders
- Implemented social distancing protocols at all of work locations including shops, districts, and crew facilities

To ensure the health and safety of our customer, we implemented new social distancing and cleaning protocols, including:

- Sanitizing every vehicle at least twice a day
- Reallocating resources to work around the clock cleaning, disinfecting, and overnight power washing at all open stations
- Closing select stations and concourse areas to focus resources on cleaning and sanitizing priority stations
- Installing social distancing decals on vehicle seats to indicate proper rider spacing







Planning Ahead for What's Next

What does all of this mean for the future of transit? We don't fully know yet. To respond to changing situations and timelines, we have mapped out a collaborative process to plan for what's next.

We have convened six internal Plan-Ahead Teams covering all aspects of SEPTA, including the services we provide, how our workplaces are designed, and the impacts on our finances. In total, over 150 employees have been involved, but we're not stopping there.

We have engaged with external experts in the transportation industry who are helping us to review best practices not only from our peers in the U.S., but also global cities who may be ahead of our region on the pandemic curve.

Together, theses efforts will create a blueprint to a better SEPTA.



PLAN-AHEAD PROCESS GOALS

The Plan-Ahead Teams were convened to identify strategies to move forward and provide advice and recommendations to leadership using the following goals to guide their efforts:

- 1. Recognize and adapt to a new normal.
- 2. Anticipate changes in customer needs and behaviors.
- 3. Support the region in its recovery.
- 4. Identify opportunities for improvement and innovation.
- 5. Be agile and flexible in decision-making.
- 6. Provide clear, consistent, and intuitive communication.

ACTION PLAN FOR SAFE RETURN TO TRAVEL

To start, a 10-point Action Plan was developed with immediate steps and a package of safeguards to help riders return to travel safely. These actions were informed by subject matter experts and best practices from around the world.

- 1. Enhancing cleaning and sanitizing.
- 2. Testing and evaluating innovative cleaning solutions and procedures.
- 3. Increasing and adapting service.
- 4. Requiring and providing facial coverings.
- 5. Social distancing initiatives.
- 6. Prioritizing the health of our employees.
- 7. Stepping up communication to our customers.
- 8. Leveraging data and technology to improve the Customer Experience.
- 9. More opportunity for contactless payment with Key.
- 10. Planning ahead for what's next.





Enhancing cleaning and sanitizing.

Efforts include sanitizing every vehicle at least twice a day; sanitizing high-touch surfaces on trains, buses, trolleys and facilities; reallocating resources to work around the clock cleaning, disinfecting, and overnight power washing all open stations; utilizing EPA recommended products. SEPTA is also improving air filtration on buses and trolleys by leaving roof hatches open for better airflow in good weather and changing air filters more frequently.

Testing and evaluating innovative cleaning solutions and procedures.

We are coordinating with our industry peers and experts to test and evaluate emerging sanitizing technology. Only products and/or products that meet our rigorous testing standards will be added to SEPTA cleaning protocols.



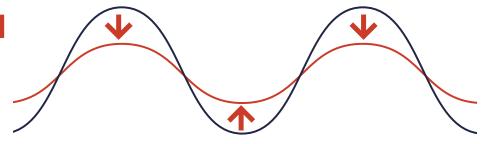
ACTION PLAN FOR SAFE RETURN TO TRAVEL



Increasing and Adapting Service.

As shelter-in-place and business closure restrictions ease in the region, SEPTA has expanded service to reduce crowding and allow for social distancing. Schedules may be modified to spread service more equally throughout the day to accommodate those who can travel at less crowded times. View current schedules here http://septa.org/schedules/.

FLATTEN THE **PEAK**



Normal commuting patterns have been disrupted, so we're working with regional stakeholders to adapt our services to meet the needs of this new normal.

While many of us are used to going to work during the morning and evening rush, that creates ridership "peaks" that make social distancing difficult on transit.

We're working with businesses to stagger start times to more evenly distribute ridership and modifying our service based on this demand - we refer to this as "Flattening the Peak." That means buses or trains may come slightly more frequently in the mid-day than you were previously used to. These efforts will enable us to move together through the reopening stages and beyond.





Requiring and providing facial coverings.

As more people return to traveling on SEPTA, we want to make sure they feel safe and comfortable. All SEPTA employees are required to wear masks or face coverings. Riders are also required to wear masks not only to protect themselves but also other riders, operators, and train crews. The CDC recommends wearing cloth face coverings in public settings where other social distancing measures are difficult to maintain and riders have made it clear that requiring facial coverings is a priority for them to feel safe returning to riding public transit. While masks are now readily available, customers are encouraged to call 215-580-7800 or visit any SEPTA Customer Service Office or Railroad Passenger Services for assistance in finding where to obtain a mask.





Social distancing initiatives.

SEPTA has installed decals on seats and floors to indicate appropriate customer spacing. We're adding similar signage and indicators in stations and on platforms to remind customers to main a safe distance from one another. To give riders more room, SEPTA reintroduced longer articulated buses. We are asking customers to exit buses and trolleys from the rear doors to maintain distance between operators and other riders who are boarding and paying their fares.





Prioritizing the health of our employees.

SEPTA provides masks, neck gaiters, gloves, and hand sanitizer on an ongoing basis to every employee who needs them to ensure they have the required equipment. We have implemented social distancing protocols at all work locations including shops, districts, and crew facilities. Operator barriers have been installed on all in-service vehicles to reduce their risk of exposure to the virus. SEPTA has implemented temperature checks and free COVID-19 testing for employees at various work locations.





Stepping up communication to our customers.

Our COVID-19 microsite http://septa.org/covid-19 provides up-to-date content and the latest information to our customers. We are also utilizing all our social media accounts on Facebook, Instagram, and Twitter to update customers on the latest SEPTA COVID-19 announcements and service impacts. We are beginning the process of a full website overhaul to ensure we can update our website more quickly and in a more streamlined fashion in the future. Robust traditional communication channels via phone at 215-580-7800 and online webform are monitored during expanded business hours seven days a week.









Leveraging data and technology to improve the **Customer Experience.**

SEPTA will soon be installing additional automatic passenger counters for all of our vehicles, which will allow us to provide real-time vehicle crowding information to customers. We're also developing new tools to improve real-time arrival information, including more accurate predicative arrival times. This enhanced information can help customers make more informed decisions on when, how, and where to travel to avoid crowding.





More opportunity for contactless payment with Key.

To reduce contact during our customers' travel experience, we are going to take advantage of the full functionality of our SEPTA Key Card. Minimizing use of cash for fare payment will protect both customers and employees. More details on all the convenient ways to obtain a key card can be found at www.septa.org/key



Planning Ahead for What's Next.

There are a few ways the next year could unfold, and we have to look at and prepare for a number of possibilities. This starts with scenario planning, which allows us to prepare for a number of outcomes quickly.

Scenario Planning is a tool used to help guide decisionmaking against a broad range of possibilities, particularly in the face of a monumental crisis such as the current pandemic. It can provide an understanding of the potential spectrum of impacts and help define potential responses through different stages of crisis.

SEPTA engaged Teneo, an international management consulting firm with specific expertise in the transit industry, to help assess the range of potential crisis and recovery trajectories by incorporating various ridership impactors across a number of different themes (pandemic, economic, and behavioral).

Ridership Impacts

Historical Trends

• Impact of continuing pre-COVID-19 ridership growth trends

Exogenous Factors

- Effects of changes in economic growth and employment on ridership
- Attractiveness of other modes of transportation in comparison to rail (particularly car)

Behavioral Factors

- Customer avoiding transit due to COVID-19-related health concerns
- Impact of lasting transition to increased levels of teleworking after the initial stay at home orders are lifted
- Effect of corporations maintaining higher levels of virtual meetings than in-person meetings after the pandemic
- Adjustment in propensity to travel for non-essential activities



Pandemic Trajectory

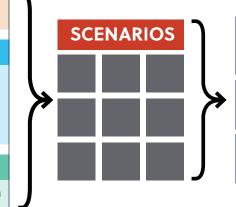
What are the likely 'real life' scenarios for the spread of the virus and what restrictions on activity would these necessitate?

Economic Trajectory

For each of the potential pandemic scenarios, what economic impacts would we expect to see?

Behavioral Trajectory

What are the social impacts which would be expected, including impacts on long-term shift to remote work and willingness to travel?



Demand-based. phased service improvements

Potential financial impacts

Strategic Initiatives

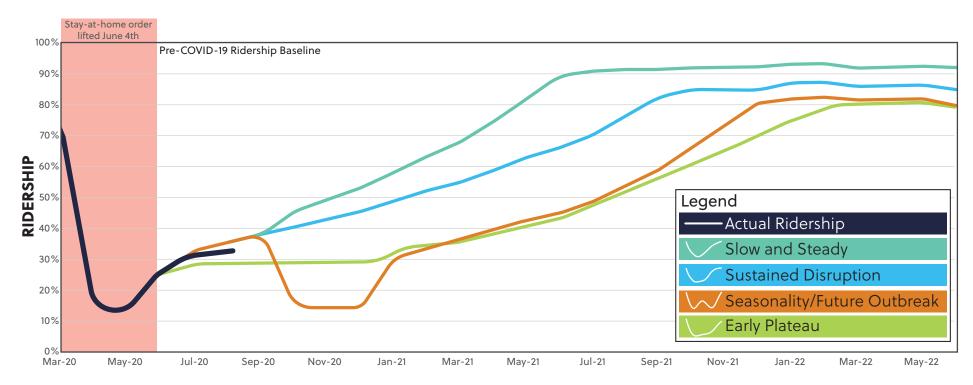


FUTURE RIDERSHIP SCENARIOS

The outputs from this scenario model process will give SEPTA the capability to anticipate ridership patterns in the coming months. When this information is combined with robust monitoring of on-the ground conditions, SEPTA can proactively adjust service in advance to make sure that we are meeting the region's needs.

It also allows SEPTA to project the longer-term fiscal impacts of the pandemic. SEPTA has long been an industry leader in operating budget efficiency. But as our ridership fell more than 90% during this pandemic, we continued to operate service well-above demand to accommodate social distancing for the essential workers that needed it most. The CARES Act is a vital investment and has allowed SEPTA to continue providing these essential services with significantly reduced passenger revenue, but it is not enough to address the long-term financial impacts.

SEPTA projects a revenue loss to our operating budget of \$400 million over the next three fiscal years based on the average of these potential scenarios. From the outset of the coronavirus pandemic, SEPTA employees throughout the Authority have been working tirelessly on the frontlines to keep the system running. However, the immediate financial impact of COVID-19 on SEPTA's operating budget has been nothing short of devastating, and we are bracing for multiple years of operating funding uncertainty that will challenge our ability to serve the diverse needs of our region. That's why SEPTA has continued the immediate costsavings measures that began in March and are evaluating every aspect of our business to make sure we are as efficient and effective as possible.



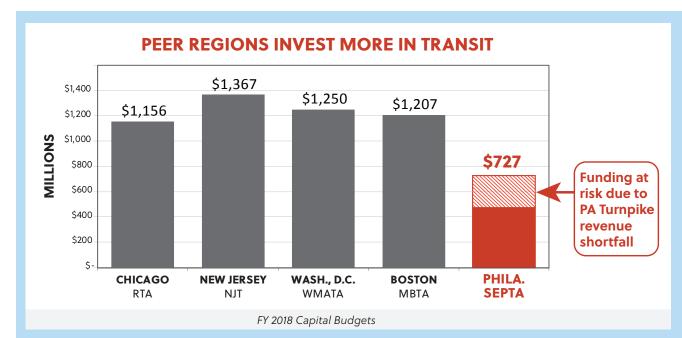
CAPITAL BUDGET + RECOVERY

We're also facing challenges on our Capital Budget as the state and Pennsylvania Turnpike Commission have experienced substantial reductions in revenue. In the past, SEPTA has weathered significant challenges to its operating and capital budgets – but never at the same time. Act 89 gave SEPTA a future, and the entire Commonwealth's economy has benefited. As reported in a 2020 Econsult Solutions study, SEPTA stimulates more than \$3 billion in annual statewide economic activity, supports 23,370 jobs, and generates \$1.7 billion in earnings. SEPTA's annual capital program alone contributes more than \$1 billion to the state economy.

As Pennsylvania turns to recovery, the region and the Commonwealth will need SEPTA to help lead that renewal – moving people, investing in the rebuilding of its infrastructure, creating jobs, and driving the economy. But all of that is at risk. For the second time in two years, just as SEPTA was catching up from the disruption caused by a 2018 trucking industry lawsuit against the Turnpike that delayed nearly

40 SEPTA projects, instability related to state transit infrastructure funding is jeopardizing SEPTA's capital program.

Similar to transit farebox revenue, Pennsylvania Turnpike tolls, which support bonds that fund transit capital investments, have been severely impacted by the coronavirus. As a result, the PTC delayed its quarterly payment to PennDOT, and the status of future payments is uncertain. This requires that SEPTA immediately delay and stop altogether \$250 million in capital projects – including bridges, station accessibility, and electric bus procurements – impacting jobs and economic activity when both are greatly needed. Without prompt legislative action, SEPTA's capital budget would fall to near pre-Act 89 levels beginning next spring. Eliminating these core infrastructure investments will make it impossible for SEPTA to maintain the system in a state of good repair and safely operate existing levels of service – all while the state and region will be looking for SEPTA to help drive the recovery.



SEPTA is forced to delay and stop \$250 million in capital projects – including bridges and station accessibility projects – while peer regions such as Boston, Chicago, and Washington D.C., invest close to twice in much in transit capital projects that catalyze the next round of economic growth.

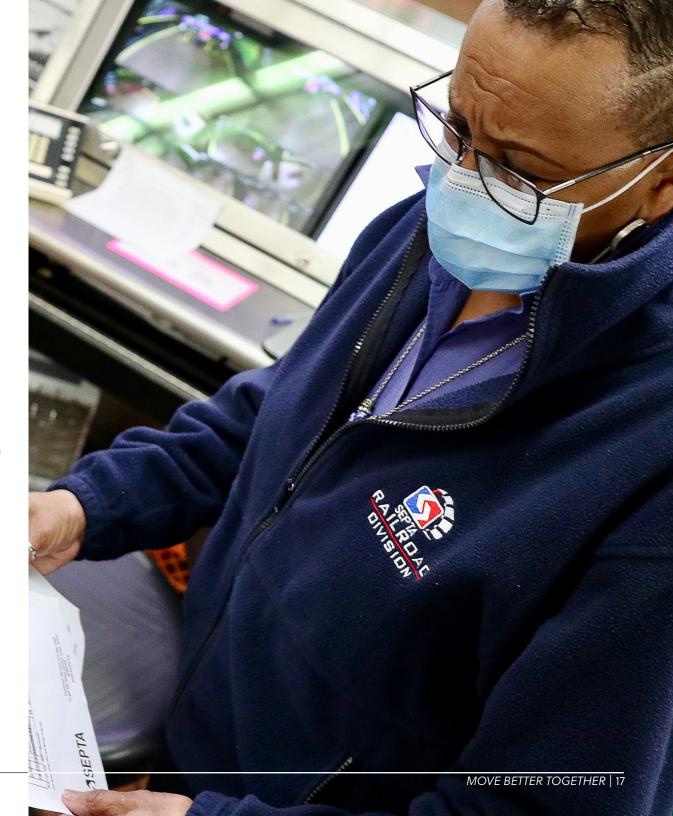
GIVING EVERYONE A VOICE

We're also making sure that everyone has a voice in this process, including proactively engaging with our community partners.

We have been working with local businesses to coordinate service changes and are excited to be participating in the Philadelphia Regional Recharge and Recovery Task Force led by the Chamber of Commerce of Greater Philadelphia.

In June, we released a survey for customers to let us know what's important as we continue through this process together. That information will be used to help SEPTA welcome customers back.







STRATEGIC INITIATIVES

While the pandemic recovery timeline and the next new transportation technology or development may be unknown at this time, we have identified three Strategic Initiatives that will be at the core of SEPTA's ability to proactively adapt moving forward. Progressing these initiatives will provide SEPTA the foundation for an agile approach that responds to our customers and the changing needs of our region as we face the challenges that lie ahead, all with a focus on equity.

CUSTOMER EXPERIENCE

Every single interaction during our customers' journey needs to be seamless to create a high-quality experience.

BUSINESS PROCESS MODERNIZATION

Continue to find opportunities to streamline processes and build an agile organization.

PLANNING FOR THE FUTURE

SEPTA will continue to be the core of the region's mobility - but what does that mean? We must face immediate challenges head-on.



CUSTOMER EXPERIENCE

Every single interaction during our customers' journey needs to be seamless and reinforce a consistent message through our words, our actions, our style, our signage, our vehicles, our stations, our app, our website - everything must project a unified and high-quality SEPTA.

- **Streamline communication** functions within SEPTA to improve processes to ensure that consistent and intuitive messages reach our customers through all forms of media - from signage to social media.
- **Update SEPTA's website** to provide a more responsive design that exceeds current best practices and provides users with the information they need when and how they need it - on mobile or desktop.
- Create a wayfinding master plan for SEPTA's Rail Transit Network that unifies the Broad Street Line, Market Frankford Line, Norristown High Speed Line, City Trolleys (10, 11, 13, 34, 36), Suburban Trolleys (101, 102) and the Route 15 and treats them as one network with consistent standards. This will make the entire system easier to use for everyone, regardless of language ability.

EQUITY F CUS

Improvements to the customer experience will emphasize making the customer journey more intuitive and easier to use. regardless of language ability or familiarity with the system.



BUSINESS PROCESS MODERNIZATION

SEPTA must continue to operate like a business – finding opportunities to streamline processes and build an agile organization to show that we are doing all we can with what we have. We must compete for talent that thrives on creative problem solving.

- Progress Efficiency Program to identify target expense reductions and develop strategies to achieve savings.
- Progress data-driven decision-making processes that allow SEPTA to make
 informed decisions quicker. This includes migrating to less-manual, more systematic
 data storage and analysis programs that create linkages between existing data
 sources and systems. Ultimately, better data sources and consistent analysis systems
 will allow SEPTA to be more responsive to changing conditions and ensure that
 services are meeting the needs of our region.

EQUITY FOCUS

More robust data-driven decision-making will assist SEPTA in adapting long-held practices to meet changing needs and ensure that investments in services and infrastructure are made in an equitable manner.



PLANNING FOR THE FUTURE

SEPTA will continue to be the core of the region's mobility – but what does that mean? We must face immediate challenges head-on and kick-off an outreach-intensive process that listens to the region and creates long-term solutions from their input.

- Create a clear Strategic Plan that outlines a long-term vision and guiding principles for SEPTA based on extensive public engagement, analysis of ridership patterns, changing mobility trends, and a focus on equity. The Strategic Plan will serve as the framework for decision-making that prioritizes projects and programs that meet the needs of the region as we move forward.
- Develop coordinated master plans to ensure SEPTA's various modes (Bus, Rail Transit, and Regional Rail) function as one unified transit network - working together to move our region through the 21st Century. This starts with progressing Comprehensive Bus Network Redesign (CBNR) and developing strategies for both Rail Transit and Regional Rail.

EQUITY F

Extensive outreach processes will be designed to ensure inclusivity and be accessible to all to help create a vision that benefits everyone.

ADDITIONAL RESOURCES



