



NOTICE

To All SEPTA Employees:

As SEPTA works hour by hour to adjust our response and our service based on the latest guidance from the CDC and state and local governments on COVID-19, we have taken proactive measures to keep all of our employees and customers safe. In addition to these safety measures, we have closely monitored the region's service needs and the fiscal impact they have.

You are aware that in response to staggering losses in ridership we have implemented dramatic reductions in service. By way of example, Transit ridership is down 64 percent and we have seen an 88 percent decrease in ridership on Regional Rail (see attached charts). Those numbers continue to spiral downward in response to increased restrictions imposed on movement designed to suppress the spread of the virus. While SEPTA had a \$7.3 million surplus for the first eight months of the fiscal year, we are now projecting at least a \$150 million loss for this fiscal year.

You should know that SEPTA is in close communication with the Pennsylvania Congressional Delegation, as well as state and local officials, regarding the fiscal impact of the COVID-19 outbreak. We are hopeful there will be a federal relief package for SEPTA and other public transportation agencies that are still providing critical services during this crisis. However, more immediate action is necessary to stem SEPTA's mounting operating losses.

Our team is closely examining all facets of our operations to identify areas where cost-savings and efficiencies can be achieved. Given the evolving situation we must take difficult short-term measures. All options are being considered.

To start, we have instituted a 10 percent pay reduction for myself and the Executive Team. This takes effect immediately. A number of other cost-cutting measures have been put into place or will be soon, including elimination of overtime, a freeze on new hires, eliminating marketing efforts where possible, eliminating non-essential employee travel, and we are considering further service reductions on Regional Rail and Transit. We will continue to assess options for additional reducing costs moving forward.

I am so proud of how our SEPTA family has united to serve and support our communities during these challenging times. Together, we will get through this. Please stay safe and know that your health and well-being and that of our customers is always my priority.

A handwritten signature in black ink, appearing to read "Leslie Richards".

Leslie Richards
General Manager