



CITY OF PHILADELPHIA

CITY COUNCIL

January 26, 2016

Mr. Pasquale T. Deon, Sr.
Chairman
Southeastern Pennsylvania Transportation Authority
1234 Market Street
Philadelphia, PA 19107

Dear Chairman Deon,

It has come to our attention that Hyundai Rotem USA Corporation, the local train builder has significantly reduced its workforce from over 300 employees to less than 100 employees. As you know, Rotem is only one out of ten passenger train manufacturers in the United States, and the company has invested \$30 million to establish its facility in South Philadelphia. During the height of its production, the company employed 350 workers with an average salary of \$56,000; significantly, 20% of its work force was estimated to be “re-entry” hires. Furthermore, indirectly, the company has supported 5,000 jobs throughout the Commonwealth through various supplier contracts.


We are concerned about the possibility of Rotem closing its manufacturing facility in Philadelphia, which would cause a major set-back to the City’s and the Commonwealth’s economy, and in particular, to the manufacturing sector. With a significant level of transportation infrastructure projects underway in SEPTA, we believe that local hiring benefits must be considered in order to fully maximize the public investment at the local, state and federal level. Accordingly, on June 18, 2015, the Philadelphia City Council unanimously adopted a Resolution recommending that Southeastern Pennsylvania Transportation Authority (SEPTA) implement local hiring goals for contract opportunities for federally funded transportation projects by taking advantage of the US Department of Transportation’s Local Hiring Pilot Program. The Pilot Program allows local hiring provisions that were traditionally prohibited for both Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) contract opportunities. A copy of that Resolution is enclosed.

Even now, we are aware that SEPTA has issued a Request For Proposals (RFP) to build 55 trains for a contract worth \$190 million. It would be a missed opportunity for this contract to be awarded to a company outside of Philadelphia, and we respectfully request that SEPTA consider re-issuing the RFP with local hiring preferences.

It would be a defeat for Philadelphia to lose Hyundai Rotem USA, and we urge the leadership of SEPTA to work with the US Department of Transportation to implement the Local Hiring Pilot Program, which would greatly benefit Philadelphia’s diverse workforce and Rotem. We thank

SEPTA for its invaluable service to our City, and we look forward to your ongoing commitment to local hiring as you pursue critical public transit infrastructure projects.

Respectfully Yours,



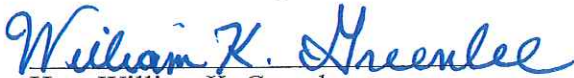
Hon. Darrell L. Clarke
Council President



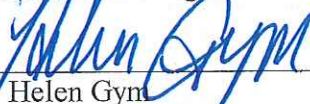
Hon. Allan Domb
Councilman-At-Large



Hon. Derek Green
Councilman-At-Large



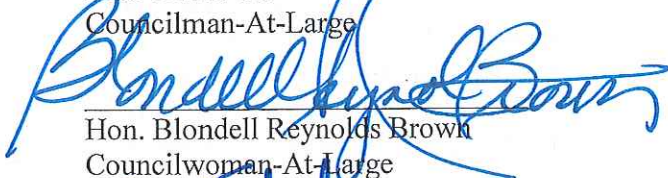
Hon. William K. Greenlee
Councilman-At-Large



Hon. Helen Gyn
Councilwoman-At-Large



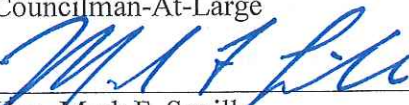
Hon. David Oh
Councilman-At-Large



Hon. Blondell Reynolds Brown
Councilwoman-At-Large



Hon. Al Taubenberg
Councilman-At-Large



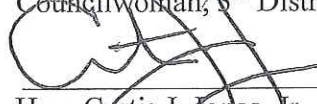
Hon. Mark F. Squilla
Councilman, 1st District



Hon. Kenyatta J. Johnson
Councilman, 2nd District



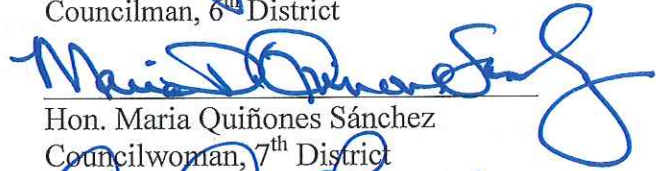
Hon. Jannie Blackwell,
Councilwoman, 3rd District



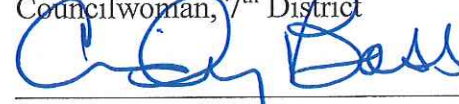
Hon. Curtis J. Jones, Jr.
Councilman, 4th District



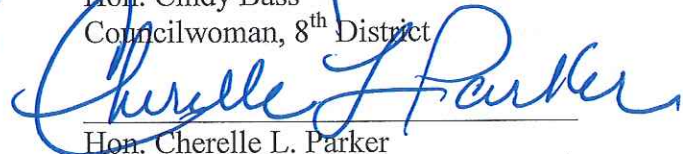
Hon. Bobby Henon
Councilman, 6th District



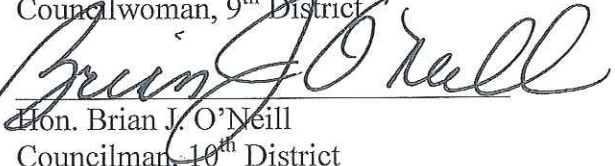
Hon. Maria Quiñones Sánchez
Councilwoman, 7th District



Hon. Cindy Bass
Councilwoman, 8th District



Hon. Cherelle L. Parker
Councilwoman, 9th District



Hon. Brian J. O'Neill
Councilman, 10th District

enclosure

cc: Thomas E. Babcock, Vice Chairman
Beverly Coleman, Board Member
Dwight Evans, Board Member
Robert D. Fox, Board Member
Stewart J. Greenleaf, Board Member
Kevin L. Johnson, Board Member
John I. Kane, Board Member
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Michael A. Vereb, Board Member
Jeffrey Knueppel, General Manager
Pamela McCormick, Dir. of Legis. Affairs