



# 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,



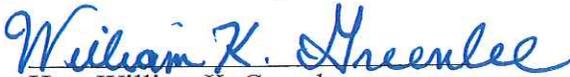
Hon. Darrell L. Clarke  
Council President



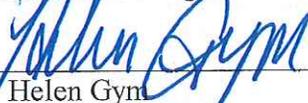
Hon. Allan Domb  
Councilman-At-Large



Hon. Derek Green  
Councilman-At-Large



Hon. William K. Greenlee  
Councilman-At-Large



Hon. Helen Gyn  
Councilwoman-At-Large



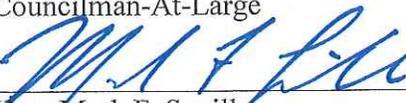
Hon. David Oh  
Councilman-At-Large



Hon. Blondell Reynolds Brown  
Councilwoman-At-Large



Hon. Al Taubenberg  
Councilman-At-Large



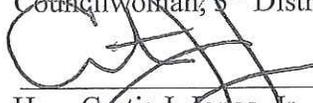
Hon. Mark F. Squilla  
Councilman, 1<sup>st</sup> District



Hon. Kenyatta J. Johnson  
Councilman, 2<sup>nd</sup> District



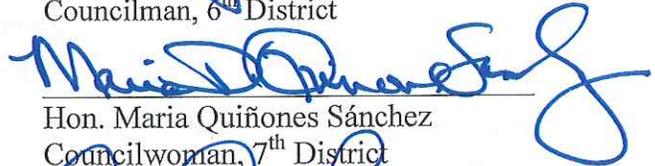
Hon. Jannie Blackwell,  
Councilwoman, 3<sup>rd</sup> District



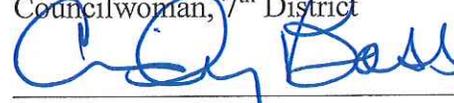
Hon. Curtis J. Jones, Jr.  
Councilman, 4<sup>th</sup> District



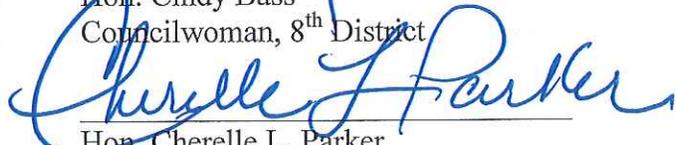
Hon. Bobby Henon  
Councilman, 6<sup>th</sup> District



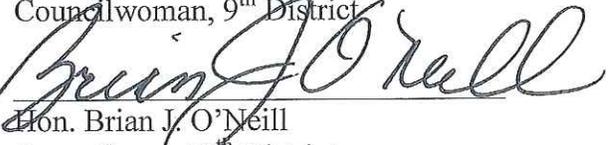
Hon. Maria Quiñones Sánchez  
Councilwoman, 7<sup>th</sup> District



Hon. Cindy Bass  
Councilwoman, 8<sup>th</sup> District



Hon. Cherelle L. Parker  
Councilwoman, 9<sup>th</sup> District



Hon. Brian J. O'Neill  
Councilman, 10<sup>th</sup> 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  
Daniel J. Kubik, Board Member

Kenneth Lawrence, Jr., Board Member  
William J. Leonard, Board Member  
Charles H. Martin, Board Member  
William M. McSwain, Board Member  
Clarena Tolson, Board Member  
Michael A. Vereb, Board Member  
Jeffrey Knueppel, General Manager  
Pamela McCormick, Dir. of Legis. Affairs