

Senate Transportation Committee
DCED Testimony
May 28, 2025

Good afternoon, Chair Ward, Chair Flynn, and members of the Senate Transportation Committee,

My name is Rick Siger, Secretary of the Pennsylvania Department of Community and Economic Development. I thank you for the opportunity to join Secretary Carroll today to discuss the critical importance of transportation infrastructure for growing our economy in Pennsylvania.

I would like to thank the members of the Transportation Committee for your outstanding support of economic development over the past few years while Secretary Carroll and I have served in our roles. I'm proud to report that our Commonwealth is more competitive than ever for attracting new businesses to Pennsylvania and enabling our existing businesses to grow – and that's in no small part due to the intentional and strategic decisions that Governor Josh Shapiro and the legislature have made together to strengthen our transportation systems in urban, suburban, and rural areas alike. For the first time in nearly two decades, we have a Ten-Year Economic Development Strategy, and improving our edge in transportation infrastructure is a key part of that larger strategy.

We are fortunate in Pennsylvania to have a location that serves as a major advantage for businesses looking to get their products to market quickly and efficiently. We are located within a day's drive of nearly 40 percent of the U.S. population and 60 percent of Canada's population. That benefits not just distribution and logistics centers, but manufacturers, food processors, and all companies making a product to deliver to major markets. Our location is further served by our extensive transportation infrastructure, including 5,600 miles of rail and 120,000 miles of state and local highways.

In addition to serving markets via ground and rail transportation, Pennsylvania also benefits from port access to three different international waterways. These ports combined handle more than 67 million tons of goods every year, representing nearly \$50 billion in value. And coupled with our six international and 125 regional airports – including Pittsburgh International Airport, which is undergoing construction on a brand-new terminal to open later this year – Pennsylvania is well-equipped to serve not just domestic markets, but global markets as well.

The strengths in transportation infrastructure that we have cultivated over the years to maximize our natural geographic advantages have been no accident. They have been the result of careful planning, bold investment, and deliberate policymaking at the state, regional, and local levels. DCED's offerings include programs like PA SITES, which can be utilized for funding to support large scale infrastructure projects, including transportation, and Main Street Matters, which helps create healthy and vibrant communities. DCED also has a dedicated team of municipal planners that can help local governments ensure their infrastructure is conducive to long-term economic success.

In my role as Secretary of DCED, I regularly lead meetings with corporate executives, real estate professionals, and our BusinessPA leadership team. These meetings occur at points of critical

decision-making where the business is looking to finalize their location decision – whether that's here in Pennsylvania or one of our competing states. Often, suitability of the transportation infrastructure at a potential site is a deciding factor for whether a not a business will locate there. It could be as simple as the absence of a bus stop near the site; or it could be as complex as needing to add additional roads that would add millions to the cost of a project. If we want to continue to strengthen our competitive economic position, we need to be aggressive in the way we approach policy and investment in our transportation infrastructure.

For example, last October, we announced the expansion of Mitsubishi Electric Power Products, Inc. (MEPPI), in New Galilee, Beaver County. The company will be opening a new manufacturing facility for advanced switchgears and bringing 200 new jobs and \$85 million in capital investment into the rural area. In our discussions with MEPPI leadership, they emphasized that the site's location directly off the Pennsylvania Turnpike was a key factor in their decision to locate in Pennsylvania rather than Cincinnati, Ohio.

The site came with challenges, as MEPPI's oversized loads to and from the facility would be challenging given the many bridges and tunnels in the region, as well as navigating the hauling permitting process and PennDOT travel restrictions. The BusinessPA team worked closely with the Office of Transformation and Opportunity, PennDOT, and the Turnpike Commission to determine viable routes and effectively work through any permitting concerns. The result was MEPPI making a final determination to bring their project to Pennsylvania.

On the other side of the Commonwealth, I recently joined Governor Shapiro in a roundtable discussion with high profile leaders of the site selection community. These are the professionals that companies hire to advise them on the best places to expand, so they are well-informed on the strengths and weaknesses of the business climates of states across the country. They told us that transportation infrastructure and permitting were key factors of a location decision, and in particular, they mentioned the importance of SEPTA for the business climate in Southeast Pennsylvania. They noted that a healthy and robust transit system is critical for businesses in metropolitan areas and can directly influence the region's competitiveness for new business.

These are two great examples of the degree to which transportation infrastructure factors into business decisions that have a profound impact on our economy. In the case of MEPPI, we were able to come together and work through any potential issues and score a big win for Pennsylvania. In the case of SEPTA, the Shapiro Administration is working closely with the legislature to achieve a long-term solution. But the commonality is clear: the more we invest in our infrastructure, the more we identify issues and solve them *before* a company is actively looking at locating or expanding in Pennsylvania, the better our chances become at winning more and bigger projects.

Under the leadership of Governor Shapiro, we have worked hard to bring a real sense of energy and momentum to economic development. For example, in the previous budget cycle, we secured \$500 million for site development and \$20 million for Main Street Matters on a bipartisan basis. Through the Office of Transformation and Opportunity, we have radically improved our permitting processes. The legislature has equipped us with greater resources to attract and retain businesses to Pennsylvania, and business leaders and site selection consultants

are starting to notice. According to our latest analysis, this administration has supported \$5.2 billion in private sector investments and helped create more than 9,500 jobs since January 2023.

As we implement key pieces of our economic development strategy like site development and permitting reform, we must also ensure that we focus on improving our transportation infrastructure. We can have a great site that's the right size and location for a potential business, that's been de-risked for environmental concerns, and that may have all its utility connections in place – but if it isn't well-served by its transportation infrastructure, we risk of losing that project to another state.

We're encouraged to see many positive case studies of transportation investments that directly spur economic development, such as the lane widening improvements happening at Stonecrest Business Park in Wampum, Lawrence County, or the expansion of State Route 322 in Centre County. These projects will make these rural regions more competitive for business projects. I see our role as a supporter and enabler of more projects like this that lead to more quality job creation and capital investment.

Today, I'm honored to be with you in Altoona to discuss how we can continue to work together to ensure that our transportation infrastructure doesn't just meet national standards but exceeds them. The momentum and success our Commonwealth's economy has seen recently gives us a real opportunity to keep pushing forward and improving Pennsylvania's perception in the eyes of business leaders. That means being bold, smart, and strategic in the way that we invest in transportation infrastructure all across our Commonwealth.

Economic development, and the critical role of transportation infrastructure to support it, is a rare subject of bipartisan agreement. I'm thrilled by the progress the Shapiro Administration and the legislature has jointly made in this area, and I'm looking forward to continuing that work in the months and years ahead. Thank you, and I'm happy to answer any questions you may have.