Testimony

Submitted on behalf of the
Pennsylvania Chamber of Business and Industry

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Informational Hearing on Forge the Future

Before the:
House Environmental Resources and Energy Committee

Presented by:
Kevin Sunday
Director, Government Affairs

Harrisburg, PA
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Good morning Chairman Metcalfe, Chairman Vitali and members of this committee.

My name is Kevin Sunday, Director of Government Affairs for the Pennsylvania Chamber of Business and Industry. The PA Chamber is the largest, broad-based business advocacy organization in the Commonwealth. Our organization represents nearly 10,000 member companies, across every commercial and industrial sector and ranging in size from sole proprietorships to Fortune 100 companies.

I appreciate the opportunity to appear before you this morning to discuss our organization’s efforts to advocate in support of policies that will foster economic growth for the betterment of all of Pennsylvania.

**Background & Overview of Forge the Future Phase I – Economic Study**

Pennsylvania is a world class energy producer, with the second largest nuclear fleet, the fourth most coal production, continued growth in renewables assets, and, notably, the second largest energy field in the world – its shale gas assets. The state is currently sitting on untapped opportunities that could propel its economy and turn the Commonwealth into a leader in the 21st century global economy. Put simply, Pennsylvania faces a historic opportunity to unleash the full value of its Marcellus, Utica and Devonian shale resources and tap into a much-needed wellspring of GDP and jobs growth for decades to come.

At a time when Pennsylvania faces demographic headwinds, which is creating perennial challenges to lawmakers in budget contexts and to business leaders with respect to workforce, it is clear we must position ourselves for growth. Our energy and manufacturing assets, properly leveraged, can allow us to realize generational opportunity for all of Pennsylvanians. The business community has been engaged over the past year and a half with charting a course for how to achieve that.

In 2017, Chevron and Peoples Gas launched the Forge the Future initiative and commissioned an economic study with the goal of establishing a fact base and strategic directions for economic opportunities from the state’s natural gas reserves.

The study, conducted by McKinsey, revealed tremendous opportunity to translate our energy resources into sustained, broad prosperity for all of Pennsylvania. This opportunity includes:

- $60 Billion increase in Pennsylvania GDP
- 100,000 jobs
- At least $2 billion in additional state tax revenue
- 4.5 trillion cubic feet (Tcf) increase in gas demand

**Overview of Forge the Future Phase II – Ideas for Action Policy Report**

The Forge the Future initiative’s next step was to produce a policy report, convened through our educational 501(c)(3), the PA Chamber Foundation, and with partnership with PA Manufacturers Association, the Allegheny Conference on Community Development, Chevron, Peoples and the Greater Philadelphia Chamber of Commerce.
Last summer, we convened more than 50 experts from private sector, higher education, state government and academia to focus in on growth areas with respect to the state’s energy and manufacturing policy. A full list of the participating companies and organizations are listed on the final page of the Ideas for Action report. Attendees to this policy summit produced recommendations with respect to the heating and power generation sector; petrochemicals; advance materials; advanced manufacturing; and infrastructure and energy exports.

These discussions were encapsulated in a second report, dubbed Ideas for Action, which is available on our website as well as paforgethestefuture.com

Broadly speaking, if we are to capitalize on this resource, we must:

- Enact comprehensive tax reform
- Foster a predictable regulatory environment
- Invest in pipeline infrastructure
- Establish leadership in the Governor’s Office to champion energy development and investment
- And partner with the private sector and universities to position our state as a center for innovation and the home to a 21st century workforce.

We believe this is an opportunity for both sides of the aisle to come together in support of a pro-growth agenda for the state. We are encouraged by Gov. Wolf’s continued support for infrastructure and workforce development, and we have applauded the administration’s steps to improve the permitting process. It is clear, however, that there is more to be done, and we are therefore also encouraged by House leadership, including Speaker Turzai, Majority Leader Cutler and Chairman Metcalfe, who have noted that the goals outlined by the Forge the Future report are also priorities for this session. We look forward to working with the House, Senate and administration on these issues in the coming weeks and months.

I will now turn it over to Dave Taylor, President of the Pennsylvania Manufacturers Association, who will discuss further the report’s recommendations.