



Testimony

Submitted on behalf of the  
Pennsylvania Chamber of Business and Industry

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**Obstacles to Opportunity: PA's Permitting Process**

Before the:  
**Pennsylvania House Republican Policy Committee**

Presented by:  
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Harrisburg, PA  
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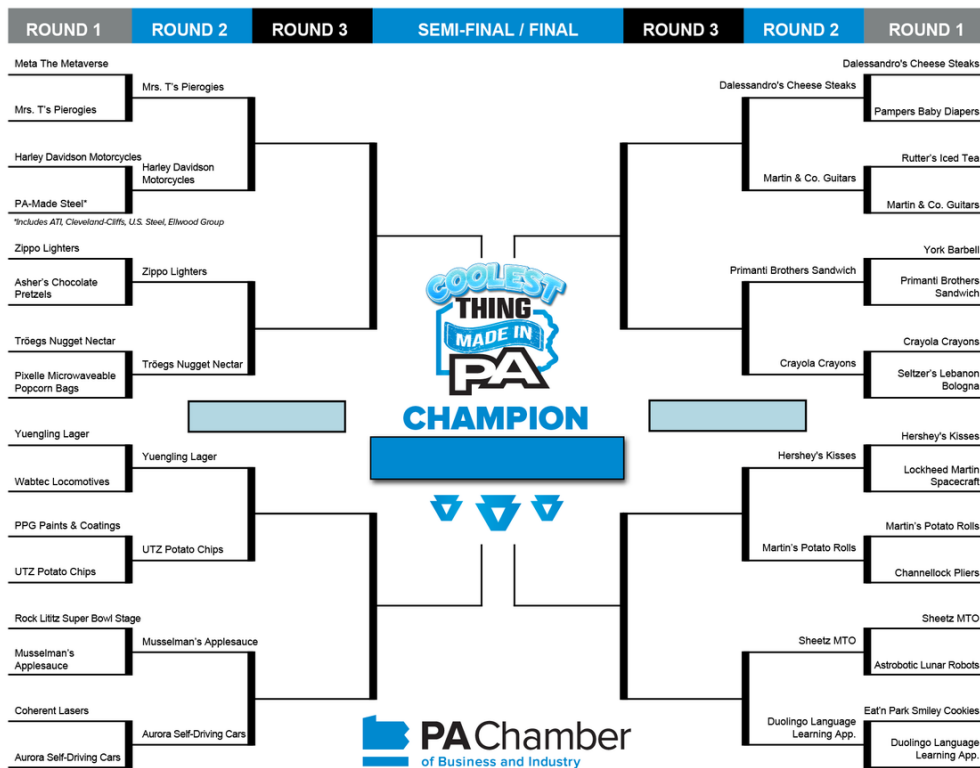
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Good morning Chairman Kail and honorable members of the House Republican Policy Committee.

Thank you for the opportunity to join you today. My name is Kevin Sunday, director of government affairs for the Pennsylvania Chamber of Business and Industry, the largest, broad-based business advocacy organization in the Commonwealth. Our nearly 10,000 members are of all sizes and of all commercial and industrial sectors.

It is an honor to appear before you this morning to discuss our state's competitiveness and the challenges and opportunities before us with respect to improving permitting new and expanded projects. These reforms are critical to a public policy framework that will lead to greater opportunity for our residents and future generations.

We at the Chamber are incredibly proud of our state's contributions and leadership when it comes to agriculture, manufacturing, energy, life sciences, innovation and technology. Most recently, we are proud to have launched a "Coolest Thing Made in PA" bracket contest<sup>1</sup>, which is drawing tens of thousands of voters online and statewide media coverage, and is a great spotlight for what we produce in Pennsylvania – from Rock Lititz' Super Bowl Stage to the Astrobotics' lunar lander, the Sheetz MTO to Mrs. T's Pierogies. It's quite clear from the overwhelming response to this initiative – through regular and social media channels - that Pennsylvanians are proud of what we make.



<sup>1</sup> 2023 Coolest Things Made in PA Tournament. [https://www.pachamber.org/coolest\\_thing\\_made\\_in\\_pa/](https://www.pachamber.org/coolest_thing_made_in_pa/)

But as many incredible things as we make today, we know we are just scratching the surface when it comes to truly capturing the economic opportunity of pairing our historic leadership across these sectors with our excellent institutions of trade, technical and higher education – and leveraging that with technology and innovation and financing from our robust network of financial institutions. As noted by the Brookings Institution<sup>2</sup>, we excel at the early stages of research and development across a number of high-value, high-tech industries, but too often have lost out on the full supply chain and manufacturing gains due to our uncompetitive statewide public policies.

We want this to change, and know that this committee does as well. We are also extremely encouraged to have heard Governor Shapiro note in his budget address that “the permitting process takes too damn long,”<sup>3</sup> and we are pleased that he has already established an office to streamline critical projects through state government approvals. The Governor has mentioned a desire to execute streamlined permitting decisions as among his criteria for cabinet selections to key agencies.

This builds upon the House and Senate in recent sessions having passed legislation to reform and streamline the permitting process<sup>4</sup>, and we stand in agreement with the building trades that getting through red tape faster means greater opportunity for business, labor and working families.

The Governor’s statements and early initiatives are encouraging, and we need to build on this momentum in a bipartisan manner. We appreciate the promise of a “money-back guarantee” if an agency lapses past a permitting timeline, as the Administration has proposed. Ultimately, businesses want predictability and answers, and, ultimately, the permit. Lending institutions will not issue financing without a permit.

It cannot be lost what another Governor said recently about our permitting process. When we lost out on a huge investment in the next generation of steel mills to Arkansas, Gov. Hutchinson crowed that they would be built faster than Pennsylvania could permit them.<sup>5</sup>

The state lost out on a major petrochemical expansion in the southeast due to a lack of infrastructure and an associated protracted permitting process.<sup>6</sup> We were not in the running for a semiconductor manufacturer because of site availability.<sup>7</sup> Other manufacturers that produce life-sustaining medicine and consumer goods have reported that our state’s process to permitting significantly lowers the

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<sup>2</sup> Commonwealth of Innovation. Brookings Institution, October 2022. <https://www.brookings.edu/research/commonwealth-of-innovation-a-policy-agenda-for-revitalizing-pennsylvanias-economic-dynamism/>

<sup>3</sup> 2023 Budget Address. Office of Governor Josh Shapiro, March 7, 2023. <https://www.governor.pa.gov/newsroom/governor-shapiros-2023-budget-address-as-prepared/>

<sup>4</sup> See, e.g., from the 2021-22 legislative session House Bill 139 and Senate Bill 28.

<sup>5</sup> “Governor: Arkansas builds steel mills faster than Pennsylvania would permit one.” ABC7 KATV, May 12, 2022. <https://katv.com/news/local/governor-arkansas-builds-steel-mill-faster-than-pennsylvania-would-permit-one-asa-hutchinson-trucking-associations-annual-conference-vendor-showcase-hot-springs-us-president-ceo-david-burritt-osceola-jobs-growth-agenda-election-talk-business-politics-tbp>

<sup>6</sup> Pa. business leaders: Shale gas pipeline buildout needs to step up. Philadelphia Inquirer, Nov. 2, 2016. [https://www.inquirer.com/philly/about/pcom\\_corrections/399552361.html](https://www.inquirer.com/philly/about/pcom_corrections/399552361.html)

<sup>7</sup> Why Intel Chose Ohio. TechCrunch, June 1, 2022. <https://techcrunch.com/2022/06/01/how-intel-landed-in-columbus/>

likelihood of new investment coming to Pennsylvania as they deliberate internally. Our state's rankings on site selection and best states for business can confirm the same thing.<sup>8</sup>

As businesses domestically look to shore up their supply chains and relocate operations out of Europe (due to high energy costs) and China (due to humanitarian concerns and an untrustworthy authoritarian regime), we have a generational opportunity to welcome that investment to our state – provided we improve our competitiveness and ensure we have a strong, skilled workforce.

From a macro standpoint, we recommend going beyond a “money-back guarantee” for permits and establishing timelines for key projects’ permits that, if not met, result in the permit being deemed approved.

Second, it's vital agencies have the resources to efficiently review permits. Recent federal energy and infrastructure funding bills appropriated significant funds to state governments for staffing and new projects. The legislation also included significant reforms to streamline permitting reviews at the federal level. This is an opportunity for the state to ensure it has the resources to issue permits, as well as to ensure those federal funds are efficiently put to use in the state by modernizing our permitting process. We recommend granting agencies the option of contracting with third-party experts for technical reviews of permits, as is currently done in many other states, including Washington and New Jersey.

Finally, we should give agencies greater confidence in their decision-making by limiting the scope of appeals to issue raised during public comment (which is the standard for federal permits) and limiting when attorney's fees can be awarded. This will prevent a drain on agency resources.

In addition to these holistic reforms, we also recommend a comprehensive regulatory approach that preserves energy choice and competitive markets and that welcomes new technologies like carbon capture storage and sequestration and hydrogen production. Providing greater clarity and certainty to the business community for spill response and heavy trucking emissions also helps improve our business climate for manufacturers and logistics companies.

In closing, we're grateful to see business, labor, and both sides of the aisle agree it's time to fix permitting. At the PA Chamber, we want Pennsylvania to be the 1-seed for new investment and opportunity. But unless and until we become more competitive from a tax and permitting standpoint, modernize our infrastructure, and ensure a skilled workforce, our bracket is going to stay busted.

Thank you for the opportunity to address you this morning, and I look forward to answering your questions.

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<sup>8</sup> See Site Selection Magazine's Business Climate Rankings <https://siteselection.com/issues/2022/nov/the-2022-business-climate-rankings.cfm#:~:text=Tennessee%2C%20North%20Carolina%20and%20Georgia,with%20a%20strong%20business%20climate> and CNBC's Top States for Business <https://www.cnbc.com/2022/07/13/americas-top-states-for-business-2022-the-full-rankings.html>.