

TESTIMONY OF WILLIAM C. SEIGEL

before

Subcommittee on Economic Development, Public Buildings, and Emergency Management

on

September 13, 2017

10:00 A.M.

Rayburn House Office Building

Room 2167

Washington, D.C.

Building a 21st Century Infrastructure for America:
Economic Development Stakeholders Perspectives

Good morning Chairman Barletta, subcommittee members and guests. I am Bill Seigel, assistant executive director of SEDA-Council of Governments (SEDA-COG), a regional Local Development District (LDD), serving 11 rural Counties in central Pennsylvania. On behalf of SEDA-COG and the nearly three-quarters of a million residents of our region, thank you for the opportunity to share our perspectives on infrastructure needs and the role of the federal government in our region.

We are a rural region, historically defined by agriculture, anthracite coal and manufacturing. Today we are challenged to redefine ourselves by maintaining and growing our manufacturing sector while building our service industries. We look to the federal government to partner with us as we confront these challenges. Roads, bridges and rail are important, but not to the exclusion of flood resiliency and technology in our 18th and 19th century communities. The funds offered through the Economic Development Administration (EDA), Community Development Block Grant (CDBG) program, the Appalachian Regional Commission (ARC), and the Federal Emergency Management Agency (FEMA), to name a few, are critical catalysts for our infrastructure projects.

How do we build a 21st century infrastructure for America? In central Pennsylvania, it is through federal, state, local and private partnerships that protect and enhance the infrastructure in which we have already invested, and by complementing that investment with new infrastructure that allow the region and its industries to remain competitive.

Allow me to share a recently completed success story:

The Town of Bloomsburg, Columbia County is located on the banks of the Susquehanna River, and until recently was the only municipality along the Susquehanna without flood protection. Autoneum North America, a manufacturer of automotive carpet and soundproofing textiles, located in Bloomsburg employs 650 workers with an annual payroll of over \$30 million. If you traveled here today by car, you likely placed your feet on their carpet.

Autoneum faced a serious dilemma. Located in the special flood hazard area, their 100-year-old plant flooded every several years. If they chose to remain in this location, they placed themselves at risk for financial devastation, as evidenced by a \$60 million loss in 2011. The entire automotive manufacturing system and supply chain was slowed by the unavailability of automotive carpet while Autoneum struggled through shut-down and recovery. Relocation out of the special flood hazard area would have similar impacts, due to lost production time – rippling through to Detroit. They could not stay; they could not leave. But, after Hurricane Lee and Tropical Storm Sandy, long-term automotive manufacturing customers began to waffle at contract renewal and to investigate alternative suppliers, including foreign suppliers, to avoid the cost of flood-induced shut-downs.

In 2014 SEDA-COG and the Columbia County commissioners were successful in obtaining a \$15 million EDA grant to construct a flood protection system around Autoneum. With the EDA commitment, we could leverage \$12 million from the Commonwealth of Pennsylvania, along with \$2.5 million of private funds to construct a \$30 million flood control system. SEDA-COG managed the funding and the project broke ground in 2015 and completed the project last year – under budget and ahead of schedule.

I recently learned that several of Autoneum's major customers had placed contract renewals on hold until we broke ground. Without the partnership of the federal government, through EDA, it is with near certainty that I can say we would have lost this manufacturer, leaving the Town of Bloomsburg with a 42-acre vacant manufacturing facility falling into blight and generating little to no taxes.

Protecting the existing infrastructure, in this example Autoneum North America, is a priority of SEDA-COG. Using the federal tools such as EDA, CDBG, and the FEMA Pre-Disaster Mitigation program, SEDA-COG is able to incentivize public and private partners. EDA's support of LDDs allows us to develop and maintain a caliber of staff that otherwise would not exist in rural Pennsylvania, and which is critical to leading economic and community development.

Decades ago, SEDA-COG recognized the impact of recurring floods on our community and economic development mission. We began assisting our communities to implement and maximize the Community Rating System (CRS), empowering local communities to reduce loss and increase resiliency, preserving the existing tax base and infrastructure. We have just completed an intense community education and outreach program on flood resiliency in our region and have been invited with our Local Development District Development partners in Pennsylvania to take the program to 52 of our 67 counties. As a nation, we have invested billions in developing the infrastructure of our communities. We must first protect this investment - only then can we enhance it.

And, enhance it we must. Today's manufacturers also need 21st century infrastructure, in one word, CONNECTIVITY. High-speed internet is not any less important today than electrification was in 1882 when Thomas Edison switched on the lights at the Sunbury City Hotel using a first in the world, three wire overhead, electrical system throughout the streets of Sunbury.

Another story, and I promise, more brevity:

Gilson Boards, a manufacturer of world-renowned snow boards is located near New Berlin in Union County. They located here in part due to the availability of the local hardwoods necessary in the manufacturing of the boards. SEDA-COG's Export staff provided considerable support in developing their export trade. A large amount of their domestic and international business is managed through the internet. Unfortunately, neither broadband nor high-speed internet is available in much of our region. Until recently, when Gilson Boards staff needed to print a large web-based document, the service was so slow that they copied it to a thumb drive and drove to Lewisburg to print the documents. A one hour plus, round trip, was faster than printing in house! Today through the efforts of Pen Tele Data, Service

Electric and Gilson Boards, we have addressed Nick Gilson's problem. But the solution was a \$40,000, 2.5-mile-long wire, to the Gilson facility.

In conclusion, in order to build a 21st century infrastructure we must continue to partner at all levels of government and business to address all three legs of the stool; maintain what exists, protect it from new threats and expand it to become globally competitive.