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RE: Pennsylvania House Transportation Committee
“Informational meeting on Moving PA Forward by Investing in Roads, Bridges, and Transit”

Dear Chairman Neilson, Benninghoff and Members of the Committee,

Thank you for the opportunity to testify before you today. My name is Ryan Mulvey and I’m the Director of Government and Public Affairs for PhilaPort, the Port of Philadelphia.

As the largest marine terminal in Pennsylvania, PhilaPort handled over 743,000 TEUS, (twenty-foot equivalent units), over 250,000 new vehicles (a record), and almost 7 million metric tons of cargo in 2023.

Employing almost 12,000 men and women in direct and indirect jobs, the Port returns roughly \$94 million annually in state and local taxes.

As an economic engine for Pennsylvania, the Port of Philadelphia touches all parts of Pennsylvania and the region. Some examples: the port handles Brazilian wood pulp coming off ships at the Tioga Marine Terminal transported by rail to Mehoopany, PA, where Procter & Gamble transforms it into everyday paper products. Cocoa beans coming off the docks from West Africa make their way to Hershey and processors like Barry Callebaut in Eddystone, PA to be processed into the chocolate that we all crave. The port handles everything from new Hyundai and Kia vehicles destined for local dealerships, to grapes, clementines, furniture, electronics, and even beef for McDonald’s hamburgers to name a few. Products that play a significant role in our daily lives.

Hardworking men and women on the docks, truck drivers and warehouse workers ensure that these products we count on are on the shelves ready for consumers. If the pandemic taught us

one thing, it's that the supply chain is delicate and that it's important to understand how products reach our homes and tables.

In recent years the Port has experienced unprecedented growth, spurred by capital investment from the Commonwealth. A combined \$539M in Commonwealth funds provided for new Post Panamax cranes, berth reconstruction, and additional warehouse space along with addressing deferred maintenance projects on the ports 100+ year old piers and pilings.

This investment brought the port up to a state of good repair and set the stage for future growth. Further investment is desperately needed to complete the vision for the port that was outlined in 2016. That vision calls for doubling cargo capacity to 1.2 million TEUS.

In the industry we often say, "Cargo is blind," Cargo doesn't care if it's shipped through NY, Baltimore, Philadelphia or anywhere else for that matter. The landscape on the East Coast has shifted greatly in the last couple of years. The pandemic and West Coast port congestion shifted maritime cargo from the West Coast to the East Coast and competitor ports were quick to build the capacity to handle the increased demand.

Just last month, Delaware announced a commitment of \$195M for a new container terminal at the Port of Wilmington. The Port of New York/New Jersey recently invested \$2.9B in infrastructure upgrades which included raising the Bayonne Bridge. At the Port of Baltimore, preparations are being made to break ground on Trade Point Atlantic at Sparrows Point, a \$1 Billion container terminal slated to begin operations in 2028.

To remain competitive the port desperately needs additional Commonwealth funding.

As an independent state agency, PhilaPort does not currently receive predictable funding from the Commonwealth. In 2024 the port only received \$5M in additional funding while our capital plan and deferred maintenance needs totaled **\$300M**. As I'm sure you can imagine, without a predictable source of funding, planning for Capital Projects and maintaining 100+ year old facilities is a challenge.

The port needs a capital budget process and allocation that is both predictable and dedicated. We believe that this would also benefit the Commonwealth in their budget development process.

In addition to Commonwealth funding, the port is also in desperate need of roadway access improvements. PhilaPort's South Philadelphia port holdings are intermingled with retail and commercial properties and a complex maze of rail and multi-purpose roads. Off-Loading cargo from the terminals and transporting them through the antiquated Philadelphia Road system is creating delays and restrictions that impede operations and cripple opportunities for future growth.

In response to these challenges and in concert with other local and regional stakeholders, including PennDOT, PhilaPort has developed a comprehensive port access improvement program. The program includes direct port access to I-95 and I-76. Relocating Columbus Blvd, to facilitate the creation of a unified port district and creation and optimization of additional access points between Old Delaware Avenue and Columbus Blvd.

It's imperative that we invest in port access and roadway improvements, investment in capacity on the waterside must be met with the same investment on the landside if the port is going to continue to grow.

Next month we will release our Port Strategic Plan, Destination 2040, our master plan charting the course for the next 15 years.

Highlights of the plan emphasize among other things the need for additional land and capital funding for development.

Part of a larger capital request to support PSP 2040, we have outlined prioritized projects and a 5-year plan which calls for funding of \$201 Million and \$331 Million In fiscal years 2026 and 2027, respectively. These actionable projects will serve as the building blocks as part of our larger 15-year plan.

Finally, I want to provide an update on a generational opportunity that has the ability to forever change the course of the port. Recently, the port was presented with an opportunity to acquire 150 acres of land from Norfolk Southern Railroad (NS). Located adjacent to PhilaPorts SouthPort Marine Terminal, the NS land represents the last available land at a unique nexus of deepwater, highway and rail access.

It's estimated that successful acquisition and development of the NS land will result in an increase of 15,034 jobs and \$37.9M in additional state/local tax revenue.

It cannot be overstated, that the acquisition and development of the NS land is critical to the Ports long term growth and success.

In our effort to acquire the NS Land we are seeking two things from the Commonwealth. Support to enter into negotiations with NS, which was recently granted, and the Commonwealth's commitment to fund the Norfolk Southern acquisition on a timely basis.

This is an opportunity that is too important to not act on.

In closing, I want to emphasize that with sustained investment in both our waterside and landside infrastructure, we can secure the Port of Philadelphia's role as a key economic driver for the region for many years to come. These investments will not only enhance our operational efficiency but

also expand our capacity to handle a diverse range of goods, thereby supporting local businesses and creating additional well paying, family sustaining jobs.

I am grateful for the opportunity to testify before you today. Additionally, I'd like to extend a standing invitation to anyone interested in touring the port to witness our operations firsthand. I welcome any questions you may have and look forward to further discussions.

Sincerely,

Ryan T. Mulvey
Director, Gov't & Public Affairs
PhilaPort (The Port of Philadelphia)