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March 12, 2020

The Honorable Dereck E. Davis  
Chairman, House Economic Matters Committee  
231 House Office Building  
Annapolis MD 21401

**Re: Letter of Information – House Bill 1543 – Environment – Climate Crisis and Education Act**

Dear Chairman Davis and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 1543 but offers the following information for the Committee's consideration.

House Bill 1543 establishes a Climate Crisis Initiative within the Maryland Department of the Environment, which provides for the establishment of Greenhouse Gas reduction goals, a Climate Crisis Council, certain pollution fees, funding for the Kirwan Initiative, the assessment of fees on new high-emission vehicles, and resiliency improvements

Climate change is an urgent threat, and all levels of government and nongovernment organizations must take increasingly aggressive and balanced actions to reduce emissions and increase community resiliency. MDOT supports the State's goals to reduce greenhouse gas emissions and ensure climate resiliency. Maryland is a national leader in this area and has realized substantial reductions in emissions since the first Greenhouse Gas Reduction Act was passed in 2009. The Hogan Administration is consistently taking bold action to achieve significant progress.

MDOT develops an annual statewide capital program based on criteria to preserve investments, enhance transportation services, and improve accessibility and mobility throughout the State. This is achieved through extensive consideration of all statewide needs and priorities, and by considering a multitude of criteria, including federal and law, statewide goals, federal funding match requirements, State plans and objectives, existing project commitments and agreements, and local and regional priorities and plans.

MDOT is concerned that the fees proposed on the sale or registration of new, high-emissions vehicles may slow the rate of fleet turnover in Maryland and put our businesses at an economic disadvantage. Additional fees on electricity used to charge electric vehicles may also slow the adoption of zero emission vehicles.

The Honorable Dereck E. Davis  
Page Two

The process to develop a regional program to establish a cap on carbon dioxide emissions from transportation fuels, commonly referred to as the Transportation and Climate Initiative (TCI) is not yet complete. Significant debate, analysis, and public and stakeholder outreach must be completed before Maryland or our partner states officially agree to participate in the region-wide TCI program. Maryland is working collaboratively with East Coast states to achieve consensus. House Bill 1543 is premature in both presuming the program's final design and that Maryland will sign-on to the program. Furthermore, if Maryland were to sign on to a program like TCI, it would be unlikely that House Bill 1543 would generate any significant revenue from the fees proposed on motor fuels.

While Maryland has demonstrated success in reducing total GHG emissions, MDOT acknowledges more must be done to continue reducing emissions and to prepare for the impacts of climate change. MDOT has been working closely with local, state, regional, national, and international partners on advancing our understanding of transportation-related emissions reductions and conducting research, analyses, and implementation that will ensure our ability to meet our goals without putting Maryland's citizens, businesses, and communities at an economic disadvantage.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 1543.

Respectfully submitted,

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