

Larry Hogan Governor Boyd K. Rutherford Lt. Governor

James F. Ports, Jr. Secretary

February 15, 2022

The Honorable Paul G. Pinsky Chairman, Senate Education, Health, and Environmental Affairs Committee 2 West Miller Senate Office Building Annapolis, MD 21401

Re: Letter of Information – Senate Bill 135 – Climate Crisis and Environmental Justice Act

Dear Chairman Pinsky and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 135 but offers the following information for the Committee's consideration.

Senate Bill 135 revises the State greenhouse gas (GHG) emissions reduction goal to achieve 60% reduction over 2006 levels by 2030 and 100% reduction from 2006 levels by 2040. In addition, it proposes that, after 2040, Statewide GHG emissions shall be net negative, accelerating our net-zero target by a decade. This timeline may be difficult to achieve, given the need to coordinate with various stakeholders to reduce emissions by 20% more than was previously targeted in the next eight years.

Senate Bill 135 also establishes a Climate Crisis Initiative within the Maryland Department of the Environment, which provides for the establishment of GHG reduction goals, a Climate Crisis Council (CCC), assessment of GHG pollution fees, etc. The CCC does not include a representative from MDOT nor does it identify an expert in the field of transportation as a member, although language in Senate Bill 135 includes fees associated with transportation fuels.

Senate Bill 135 also includes language on GHG pollution fees but does not necessarily clarify who is responsible for paying the GHG pollution fee.

MDOT also requests clarification of the fee not being passed through as a direct cost to the end user of a fossil fuel, as several of MDOT's Transportation Business Units (TBUs) might be subject to the fees. This is contrary to not passing the direct cost to the end user, since it calls out the reduction in the amount of driving by private vehicles. This fee structure also seems contrary to existing law and imposing a new fee on the suppliers could negatively impact Statewide fuel supplies and impact commercial aviation services.

The Maryland Department of Transportation respectfully requests the Committee carefully consider this information when deliberating Senate Bill 135.

Respectfully submitted,

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