

1.31.2023HB 74 Transportation - Maryland Rail Auth

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Position: FAV



**TESTIMONY TO THE HOUSE ENVIRONMENT AND TRANSPORTATION
COMMITTEE**

**HB 74 Transportation - Maryland Rail Authority - Establishment (Maryland Rail
Investment Act of 2023)**

POSITION: Support

BY: Nancy Soreng, LWVMD President

Date: January 31, 2023

The League of Women Voters of Maryland believes in achieving and maintaining cooperative working relationships among state and local agencies in order to achieve better planning and to decrease the use of single occupancy vehicles. Therefore, we agree with HB 74 that there should be a rail component as part of Maryland's Transportation Authority. When governmental agencies work together and form alliances and relationships it fosters efficiency and better decision making.

Two components of this bill stand out, powers and duties. It is important that rail be integrated into Maryland's system of transportation and assumes both being accountable for the benefits of rail as well as the responsibilities.

Maryland has a Port Administration, an Aviation Administration, isn't it time for a Rail Authority too that is integrated into our Transportation Authority? Many of the responsibilities of each component of transportation are tied to money, both how it is raised and how it is spent.

LWVMD is a strong supporter of a clean environment. Research shows that rail is both efficient at moving goods and people as well as a form of transportation that is more environmentally friendly. By including rail in Maryland's already formed systems that oversee transportation, it provides a way our state can be accountable for pollutants as well as being fiscally prudent.

Guidelines that are transparent and readily available like a Rail Authority within an established organization help everyone in Maryland. LWVMD supports and urges your affirmative vote for bill HB 74.

HB74_MDSierraClub_fav -31Jan2023.pdf

Uploaded by: Brian Ditzler

Position: FAV



P.O. Box 278
Riverdale, MD 20738

Committee: Appropriations

Testimony on: HB 74 – “Transportation – Maryland Rail Authority – Establishment (Maryland Rail Investment Act of 2023)”

Position: Support

Hearing Date: January 31, 2023

The Maryland Chapter of the Sierra Club strongly supports HB 74 which would establish the Maryland Rail Authority (MRA) in the Department of Transportation. The MRA would be responsible for the supervision, financing, construction, operation, maintenance, and repair of rail projects in the state. The projects overseen by the MRA would include: improving the Brunswick, Camden, and Penn Lines of the Maryland Area Rail Commuter (MARC) service; extending MARC service to Newark, DE, Northern Virginia and Western Maryland; replacing the Baltimore and Potomac Tunnel; and designing, constructing and operating the Southern Maryland Rapid Transit System and the Baltimore Red Line.

The MRA would be funded by federal grants, revenue from “optimal” tolling at Maryland’s existing tolled highways and bridges, fare revenue, and the sale of revenue bonds. An optimal tolling strategy would involve setting tolls at or near the highest amount a user would be willing to pay, with appropriate discounts offered to commuters and others, and with sufficient funds from tolling reserved to handle road and bridge maintenance needs. Optimal tolling is used in New Jersey, New York and Pennsylvania, and is consistent with efforts increasingly promoted by transportation planners and environmental organizations nation-wide to reduce vehicle miles traveled on roadways (as people seek to avoid high tolls) and encourage greater use of rail and transit to decrease pollution and traffic congestion.

Transportation is the largest contributor to climate-disrupting greenhouse gases in Maryland and our country, and is a major source of toxic emissions that are hazardous to human health. Most of that pollution comes from the tailpipes of gas and diesel-fueled cars and trucks on the road today. Reliable rail and transit service is a far more cost-effective and environmentally friendly way for people to travel than driving cars, and better serves lower-income individuals and many young people today who don’t own a car and need reliable transportation to access jobs, housing, medical services, shopping, recreation, and entertainment. Establishing the MRA would greatly increase the amount of rail service in our state.

There are two additional topics worth mentioning. We like that the bill calls for identifying the type and amount of air pollution near toll facilities, and mapping the prevalence of health issues related to the presence of the pollutants. Also, we believe the MRA should have as one of its mandates the protection of the rights of all rail, construction and other workers involved in projects overseen by the rail authority.

In summary, the MRA would fund, construct and operate much-needed rail and transit projects statewide. This would get more cars off the road, be better for public health and the environment, and would lead to more prosperous and sustainable growth in our region. We urge a favorable report on this bill.

Brian Ditzler
Transportation Chair
Brian.Ditzler@MDSierra.org

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

HB0074 MD Rail Investment Act of 2022.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB0074
Transportation - Maryland Rail Authority - Establishment (Maryland Rail Investment Act of 2022)

Bill Sponsor: Delegate Korman

Committee: Appropriations

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB0074 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Maryland is a very disconnected state. There is no good way to get from Frederick to Baltimore or Annapolis, or Washington, D.C. except to get in your car and drive for over an hour each way. Getting to Northern Virginia or Delaware, or even Western Maryland, is not easy. We desperately need to extend our rail service to connect our state. The Department of Transportation seems fixated on building roads. We need a separate arm to manage this expansion properly.

This bill establishes the Maryland Rail Authority, which would have jurisdiction over expanding rail commuter (MARC) service, including expansion to Newark, DE, Northern VA, and Western MD. The Authority would also oversee replacing the Baltimore and Potomac Tunnel, planning, designing, constructing and operating the Southern Maryland Rapid Transit System as well as improvements to the Brunswick, Camden and Penn lines. The Rail Authority will utilize toll revenue to fund its endeavors. That toll revenue would come from setting optimum tolls although discounts would be provided to local residents, seniors, and those exiting in certain areas.

It is our understanding that those tolls will specifically target pass-through commuters and not hurt local commuters. We expect that the Rail Authority will keep climate justice and equity at the basis of all of their work.

Maryland needs a completely new approach to transportation. We support this bill and recommend a **FAVORABLE** report in committee.

Support for House Bill 0074 - Maryland Rail Invest

Uploaded by: Joe McAndrew

Position: FAV

January 30, 2023

The Honorable Benjamin Barnes
Chair, House Appropriations Committee
House Office Building, Room 121
6 Bladen St., Annapolis, MD 21401

Re: Support for House Bill 0074 - Maryland Rail Investment Act of 2023

Dear Chair Barnes and Committee Members,

On behalf of the Greater Washington Partnership (the Partnership), I am writing to express our support for House Bill 074, which would establish a Maryland Rail Authority tasked with expanding rail access, service, and infrastructure, catalyzing economic development and inclusive growth.

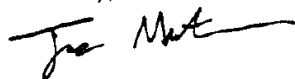
The Partnership is a civic alliance of leading employers in the Capital Region of Baltimore, Washington, and Richmond, who together employ more than 300,000 residents and are committed to making this region one of the best places to live, work, and build a business. In 2018, the Partnership released the [Blueprint for Regional Mobility](#), an action-oriented strategy to transform the Capital Region's transportation system into an asset that ensures our global competitiveness. In 2021, we supported the region's creation of the [Capital Region Rail Vision](#), a 25-year strategy to transform the regional rail network to better connect our diverse communities to jobs, opportunity, and inclusive growth. HB 074 would establish the foundation for a more robust multimodal transportation network with 21st century rail infrastructure for all Maryland residents.

When the Partnership released our [performance-driven tolling principles](#), we called for tolling revenues to improve the wider multi-modal transportation system, invest in cost-effective public transportation enhancements, and benefit residents of all income levels. The Maryland Rail Investment Act of 2023 advances our performance driving tolling principles by establishing a Maryland Rail Authority that will improve the multi-modal transportation system by allocating excess revenues from the state's toll operations to rail transit infrastructure, while also enabling toll discounts for consumers without the financial means to afford the tolls.

This legislation also builds upon the policy recommendations from the Eno Center's report, "[A Blueprint for Building Transit Better](#)" which highlights the need for transit agencies to have the authority, staff, and good governance to effectively and efficiently build new transit projects. Having the capacity to plan, design, finance, build, operate, and ultimately maintain new rail projects will be critical for Maryland to be able to take advantage of the federal grant money dedicated to rail in the Infrastructure Investment and Jobs Act, especially as neighboring states along Amtrak's Northeast Corridor already have dedicated Rail Authorities in place.

The approach in this bill is promising and we are encouraged by its introduction. We urge a favorable report from the committee to continue this critical conversation about how we can accelerate the development of the state's multimodal transportation system, including the construction of Maryland's rail infrastructure and the provision of enhanced rail service.

Sincerely,



Joe McAndrew
Vice President for Government Affairs & Infrastructure

HB74_MD Rail Investment Act_Approps_CJW_FAV.pdf

Uploaded by: Laurie McGilvray

Position: FAV



Committee: Appropriations
Testimony on: HB074-Maryland Rail Investment Act
Organization: Climate Justice Wing of the Maryland Legislative Coalition
Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: January 31, 2023

Dear Mr. Chairman and Committee Members:

Thank you for allowing our testimony today in support of HB074. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on HB074.

Transportation is the largest source of Maryland's greenhouse gas emissions and vehicles are the single largest contributor. To reduce these emissions, Maryland must turn away from its heavy investment in highways and pivot to cleaner forms of transportation, including rail.

HB074 aims to do this by creating a Maryland Rail Authority (Rail Authority) to fund and implement rail and transit projects through revenue generated by Maryland's existing toll facilities that are in excess of road maintenance needs. The new Rail Authority would be able to issue bonds for these investments.

The Rail Authority, acting on behalf of the Department of Transportation, would have the power to oversee financing, construction, and operation of new rail and transit projects. The first projects would be to:

- Extend MARC commuter rail service to Newark, Delaware, Northern Virginia, and Western Maryland;
- Replace the Baltimore & Potomac Tunnel with the new Douglass Tunnel;
- Construct the Southern Maryland Rapid Transit System; and
- Improve the existing Brunswick, Camden, and Penn commuter rail lines.

HB074 complements the Maryland Regional Rail Transformation Act that the General Assembly passed in 2022 that capitalizes on federal resources for the MARC Cornerstone Plan and regional rail service. Maryland can look across the river to Virginia to see how it has taken advantage of federal dollars for rail improvements, including purchasing hundreds of miles of right-of-way for passenger rail. Maryland deserves similar investment and benefits.

We urge the Committee to recommend a **FAVORABLE** report for HB074.

Fact Sheet Maryland Rail Investment Act of 2023 (H

Uploaded by: Marc Korman

Position: FAV

MARC KORMAN
Legislative District 16
Montgomery County

MAJORITY LEADER

Appropriations Committee

Subcommittees

Capital Budget

Oversight Committee on Personnel

Chair, Transportation and the
Environment



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Maryland Rail Investment Act of 2023 (HB 74) Fact Sheet

The Maryland Rail Investment Act establishes the Maryland Rail Authority to fund and implement rail and transit projects through the use of revenue from Maryland's existing toll facilities in excess of road maintenance needs, an approach also followed in New Jersey, New York, and Pennsylvania. A Rail Authority will ensure that Maryland has subject matter experts working on a 21st century transportation network, with projects advancing through the development pipeline and poised to utilize available resources from the federal infrastructure bill.

The Maryland Rail Authority would be similar to the existing Maryland Transportation Authority ("MdTA") for toll facilities. The new Authority would have its own bonding capacity, which would allow it to issue bonds backed by excess toll revenue without impacting MdTA's existing bonds or those of the Maryland Department of Transportation (MDOT). However, to ensure there is no impact on MdTA bonds, there is a trigger in the legislation for review and approval by the Attorney General to confirm the implementation would not violate existing bond covenants or trust agreements.

The MDOT Secretary would serve as Chair of the Board of the Authority as one of nine members. The Board would also include a member each selected by the President of the Maryland Senate and the Speaker of the Maryland House of Delegates. The other board members are ex officio members representing the Washington Metropolitan Area Transit Authority (WMATA); Amtrak; MdTA; the Treasurer's office; the Maryland Transit Administration; and the executive director of the new authority.

Funding for the Maryland Rail Authority would come from instituting optimal tolling at the eight toll facilities currently operated by MdTA (the legislation excludes the proposed I-270 and I-495 toll lanes from the changes). An optimal tolling strategy involves setting the toll at—or near—the highest amount a user would be willing to pay in order to gain maximum revenue. Informal estimates have calculated that between \$250 and \$300 million could be gained via optimal tolling of Maryland's existing toll facilities. Moreover, through the use of EZPass, optimal tolling can be adjusted as appropriate to offer discounts to local residents, seniors, those exiting in certain locations, and so on in order to truly optimize who is paying how much. The scale of the new Authority's work could be adjusted depending on the available revenue, specifically the optimal level of tolling and the maintenance needs for the current toll facilities.

The Maryland Rail Authority is crafted to be flexible and can either be responsible for financing, construction, and operation of new rail and transit projects, or can partner with the Maryland Transit Administration for operations. To start, the Rail Authority will be statutorily limited to working on the following projects: (1) Extending MARC commuter rail service to Newark, Delaware, Northern Virginia, and Western Maryland; (2) Replacing the Baltimore & Potomac Tunnel with the new Douglass Tunnel; (3) Constructing the Southern Maryland Rapid Transit System; (4) improvements on the existing Brunswick, Camden, and Penn commuter rail lines; and (5) Constructing the Baltimore Red Line.

A study must also be completed on the state's existing toll facilities and their impact on local pollution by June 30, 2024.

The new Maryland Rail Authority will be able to properly plan, fund and manage new transit projects throughout the state. MdTA's existing toll facilities provide the opportunity for substantial revenue to fund the rail authority and necessary infrastructure. With excess toll revenue, the Maryland Rail Authority will be able to oversee the construction of rail and transit projects that the state desperately needs for the benefit of its residents, the environment, and the economy.

HB 74-Delegate Marc Korman-FAV.pdf

Uploaded by: Marc Korman

Position: FAV

MARC KORMAN
Legislative District 16
Montgomery County

MAJORITY LEADER

Appropriations Committee

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Chair, Transportation and the
Environment



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Maryland Rail Investment Act of 2023 (HB 74) Testimony of Delegate Marc Korman—Favorable

Thank you Mr. Chair, Mr. Vice Chair, my colleagues on the Appropriations Committee and visitors from the Environment and Transportation Committee. I come before you to present the **Maryland Rail Investment Act of 2023 (HB 74)**. The legislation establishes the Maryland Rail Authority to fund and implement rail and transit projects using revenue from Maryland’s existing toll facilities in excess of road maintenance needs, an approach also followed in New Jersey, New York, and Pennsylvania.

A Rail Authority will ensure that Maryland has subject matter experts working on a 21st century transportation network, with projects advancing through the development pipeline and poised to utilize available resources from the federal infrastructure bill.

Maryland needs to significantly invest in rail infrastructure in order to improve our transportation network, support economic development, and meet our ambitious climate goals. Current funding sources are not enough to adequately maintain existing infrastructure. Data from the National Transit Database ranked Maryland worst in the country in terms of commuter rail, heavy rail and light rail breakdown rate.¹ Additionally, long term revenue challenges threaten the Transportation Trust Fund (TTF). The gas tax, one of the main revenue sources for the TTF, has seen a decline in terms of taxable gallons of 12.8% from FY 2018 to FY 2022, with revenues declining even before the pandemic hit.² Increased fuel efficiency and adoption of zero emission vehicles are driving this trend. Underattainment of the gas tax means we need a new revenue source that can provide increased and steady funds to allow Maryland to meet its transit goals.

The accompanying fact sheet details the potential excess toll revenue of Maryland’s existing facilities and details about the structure of the new Rail Authority. I will just mention some highlights here:

- No changes can be made until the Attorney General confirms that there will be no impact on the Maryland Transportation Authority’s (MdTA) existing toll-backed bonds.

¹ Alex Holt (February 26, 2020 Maryland's trains break down more often than any others in the US. Greater Greater Washington. <https://gwwash.org/view/76315/these-numbers-show-why-marylands-mta-transit-systems-break-down-more-than-any-others-in-the-us>.

² “Motor Fuel Tax and Motor Carrier Tax Ifta Annual Report - Marylandtaxes.gov” (Comptroller of Maryland), <https://www.marylandtaxes.gov/reports/static-files/revenue/motorfuel/annualreport/FuelAnnualReportFY2020.pdf>.

- The Rail Authority would be overseen by a board including and chaired by the Secretary of Transportation.
- There are studies on “optimal tolling” that demonstrate the revenue that can be tapped without deterring use and Maryland can also follow New York in crafting discounts through EZ Pass depending on desired policy goals, such as discounts for low-income users or local residents or seniors.
- The bill states what projects would be permissible for the new Authority: MARC extensions to Western Maryland and run through service to Delaware and Northern Virginia; replacing the Baltimore & Potomac tunnel with the new Douglass tunnel; the Southern Maryland Rapid Transit system; improvements on existing MARC lines; and construction of the Baltimore Red Line. While some of us may disagree on some of the particular projects, overall the General Assembly has expressed support for each of these.
- The purpose of the cap on operating and capital for MdTA is to meet their needs and then use the excess for other purposes and to the extent the numbers in the bill are not adequate, we can work that out because the goal is not to harm the MdTA and, more importantly, its existing infrastructure.
- The bill authorizes the Authority to delegate actual operations to the Maryland Transit Administration which is appropriate and the bill is not designed to divert operational work from the MTA or disrupt MTA’s labor agreements.

Maryland desperately needs more funds for transit and a dedicated authority to implement it. Without substantial new revenue sources, Maryland will not be able to provide adequate matching funds for federal infrastructure dollars. Maryland risks missing out on the historic federal infrastructure investment if we do not make necessary changes to ensure the financial stability of our transportation system. The new Maryland Rail Investment Act of 2023 addresses this funding shortfall and establishes a rail authority that will be able to properly fund, plan and manage new transit projects throughout the state. Maryland’s existing toll facilities provide the opportunity for substantial revenue to fund the rail authority and necessary infrastructure. With excess toll revenue, the Maryland Rail Authority will be able to oversee the construction of rail and transit projects that the state desperately needs for the benefit of its residents, the environment, and the economy. I urge a favorable report.

Testimony on HB 74 - Maryland Rail Investment Act

Uploaded by: Cheryl Cort

Position: FWA

Testimony on HB 74 – Maryland Rail Investment Act of 2023

Appropriations Committee

Position: Favorable with Amendments

January 31, 2023

Cheryl Cort, Policy Director

Thank you for the opportunity to provide testimony on HB 74 , the Maryland Rail Investment Act of 2022. Please accept this testimony on behalf of the Coalition for Smarter Growth, the leading organization advocating for walkable, bikeable, inclusive, transit-oriented communities as the most sustainable and equitable way for the Washington, DC region to grow and provide opportunities for all.

We support the Maryland Rail Investment Act of 2022, which would establish the Maryland Rail Authority (MRA) to fund and implement rail and transit projects through the use of revenue from Maryland’s existing toll facilities, in excess of road maintenance needs.

Importantly, the new Authority would be able to issue its own bonds, and could be responsible for financing, construction, or operation of new rail and transit projects. Marylanders have been waiting many years for a more extensive and improved rail system, but so far the state has failed to deliver on its plans for extending MARC service; replacing the B&P tunnel; extending transit to Southern Maryland; and providing more frequent, reliable service on existing commuter rail lines. Investments in rail are also investments in economic growth, transit equity, and green infrastructure.

Optimal tolling — an approach adopted by New Jersey, New York, and Pennsylvania — is key to realize the full costs of driving and combating climate change through more efficient transportation modes. We have seen the limitations of heavily relying on a private partner through the Purple Line process, and it is time to try a different approach.

We recommend amending HB 74 to state that the MRA could participate in the financing of the Baltimore Red Line, but that the authority to supervise its planning, design, engineering, construction, operation, and maintenance should remain with the Maryland Transit Administration. Should there be legislation to reform the governance of the MTA’s core services it can address the authority over the Red Line project.

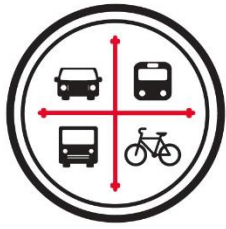
Overall, we support this legislation and urge the committee to support a robust, reliable transportation system by giving HB 74 a favorable report.

Thank you for your consideration.

HB 74 Favorable with Amendments_CMTA.pdf

Uploaded by: Eric Norton

Position: FWA



Transportation Alliance

January 31, 2023

Testimony on HB 74 – *Maryland Rail Investment Act of 2023* Appropriations Committee

Position: Favorable with Amendments

The Central Maryland Transportation Alliance would support HB 74 with certain amendments.

The tolled facilities maintained and operated by the Maryland Transportation Authority (MDTA) are important parts of Maryland's transportation system. Their benefits include providing capacity for the movement of people and goods, and providing access to jobs, services, recreation, and other destinations for people with cars and trucks. However, they also have costs, including traffic delays, impacts to public health from air pollution, and impacts to climate change. Therefore, it is appropriate and constructive to reinvest a portion of the user fees from the tolled facilities into public transportation services that will help Marylanders get places with much lower impacts to traffic, public health and the environment.

In 2022 regarding a similar bill, HB 1324, we recommended amendments to address the equity of who benefits most from the reinvestment of the toll revenues. We are pleased to see that HB 74 expands the list of transit projects that are eligible for investment.

On the other hand, we are concerned that HB 74 would grant the new Maryland Rail Authority (MRA) the authority to supervise the planning, designing, engineering, constructing, operating, and maintaining of the Red Line project in Baltimore City and Baltimore County. The Baltimore Metropolitan Council recently issued recommendations for establishing a Baltimore Regional Transit Commission and for planning the transition to a Baltimore Regional Transit Authority. We understand that Delegate Tony Bridges may introduce bills to that effect during the 2023 session. We recommend amending HB 74 to say that the MRA could participate in the financing of the Baltimore Red Line, but that the authority to supervise its planning, design, engineering, construction, operation, and maintenance should remain with the Maryland Transit Administration. Should there be legislation to reform the governance of the MTA's core services it can address the authority over the Red Line project.

HB74- Maryland Motor Truck Association - Oppose.pdf

Uploaded by: Louis Campion

Position: UNF



Maryland Motor Truck Association

9256 Bendix Road, Suite 203, Columbia, MD 21045

Phone: 410-644-4600 Fax: 410-644-2537



HEARING DATE: January 31, 2023

BILL NO/TITLE: House Bill 74: Transportation - Maryland Rail Authority - Establishment (Maryland Rail Investment Act of 2023)

COMMITTEE: House Appropriations Committee

POSITION: **Oppose**

Maryland Motor Truck Association (MMTA) opposes House Bill 74 as the Association believes it will result in substantial increases in toll rates, the loss of discounts for high-volume toll spenders, redistribution of funds currently used for operations and maintenance of heavily-utilized trucking corridors, and elimination of meaningful future congestion mitigation projects such as the potential 3rd span of the Chesapeake Bay Bridge.

Maryland's transportation system is the backbone of its commercial activity, with trucks providing the integral link for the state's rail system, the Thurgood Marshall Baltimore-Washington International Airport, and the Port of Baltimore Seagirt Marine Terminal, which serves as a distribution center of national importance. Trucks are the hub of Maryland's distribution wheel, playing a vital role in the state's economic development as they safely and efficiently support the state's manufacturing, agricultural, and retail industries.

As recognized in the fiscal/policy note, the impacts of HB74's passage on small businesses will be significant as MDTA will likely be forced to greatly increase toll rates under the bill's requirements. Most notably among these is the impact on the Port of Baltimore, which relies greatly on the motor carrier industry and the independent owner-operator to move the containers, automobiles, and breakbulk products that traverse the Port. If the costs of distribution to or from the Port rise, its attractiveness to shippers will unquestionably fall.

For the reasons noted above, MMTA respectfully asks for an unfavorable report.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a non-profit trade association representing the trucking industry since 1935. In service to its 1,000 members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

For further information, contact: Louis Campion, (c) 443-623-4223

HB74_MAA_UNF.pdf

Uploaded by: Nicolae Copper

Position: UNF

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter

MARYLAND ASPHALT ASSOCIATION



TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
G. Marshall Klinefelter

January 31, 2023

Delegate Ben Barnes, Chair
House Appropriations Committee
Room 121 House Office Building
Annapolis, MD 21401

Delegate Vanessa E. Atterbeary, Chair
House Ways and Means Committee
Room 131 House Office Building
Annapolis, MD 21401

RE: HB74 – UNFAVORABLE – Transportation – Maryland Rail Authority – Establishment (Maryland Rail Investment Act of 2023)

Dear Chair Barnes, Chair Atterbeary, and Members of the Committees:

The Maryland Asphalt Association (MAA) is comprised of 18 producer members representing more than 47 production facilities, 24 contractor members, 24 consulting engineer firms and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 74 would establish the Maryland Rail Authority (MRA) and the Rail Authority Fund (RAF) to first finance certain railroad facilities projects throughout the State and later pay the debt service on those bonds, respectively. To help fund the MRA, the bill dictates that all transit service revenues from existing MARC services and other railroad facilities projects be directed to the RAF instead of the Transportation Trust Fund (TTF). MDTA would also be required to establish near optimal tolling rates and transfer excess nonbudgeted funds to the RAF. Finally, MDTA would be prohibited from passing a capital improvement plan that exceeds \$2.8 billion.

MAA opposes House Bill 74 because of the catastrophic impact it would wreak on the TTF and the critical road and highway maintenance and construction projects it finances. At a minimum, TTF revenues would decrease by \$50 million annually which, combined with the implementation of a \$2.8 billion maximum on the Consolidated Transportation Program (CTP), would necessitate that MDOT completely reassess its planned projects throughout the entire CTP just to make our required debt service payments on outstanding bond issuances. There currently exists a gap of \$5.6 billion to meet the lifecycle needs of MDOT assets over the next ten years, covering all highway resources like drainage, roadway lighting, traffic barrier, signals, facilities, pavements/bridges, etc. Maintaining safety assets is our industry's most significant concern at this time, but the resulting increase in the system preservation funding gap would only serve to make our deteriorating roads and crumbling bridges even more dangerous. With ongoing TTF revenues already in jeopardy, we need to be thinking of ways to strengthen our transportation infrastructure, not weaken it.

We appreciate you taking the time to address this issue and we respectfully urge an unfavorable report on House Bill 74.

Sincerely,

A handwritten signature in brown ink that reads "Marshall Klinefelter". The signature is fluid and cursive, with the first name being particularly prominent.

Marshall Klinefelter
President
Maryland Asphalt Association

HB74_MTBMA_UNF.pdf

Uploaded by: Nicolae Copper

Position: UNF



January 31, 2023

Delegate Ben Barnes, Chair
House Appropriations Committee
Room 121 House Office Building
Annapolis, MD 21401

Delegate Vanessa E. Atterbeary, Chair
House Ways and Means Committee
Room 131 House Office Building
Annapolis, MD 21401

RE: HB74 – UNFAVORABLE – Transportation – Maryland Rail Authority – Establishment (Maryland Rail Investment Act of 2023)

Dear Chair Barnes, Chair Atterbeary, and Members of the Committees:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

House Bill 74 would establish the Maryland Rail Authority (MRA) and the Rail Authority Fund (RAF) to first finance certain railroad facilities projects throughout the State and later pay the debt service on those bonds, respectively. To help fund the MRA, the bill dictates that all transit service revenues from existing MARC services and other railroad facilities projects be directed to the RAF instead of the Transportation Trust Fund (TTF). MDTA would also be required to establish near optimal tolling rates and transfer excess nonbudgeted funds to the RAF. Finally, MDTA would be prohibited from passing a capital improvement plan that exceeds \$2.8 billion.

MTBMA opposes House Bill 74 because of the catastrophic impact it would wreak on the TTF and the critical road and highway maintenance and construction projects it finances. At a minimum, TTF revenues would decrease by \$50 million annually which, combined with the implementation of a \$2.8 billion maximum on the Consolidated Transportation Program (CTP), would necessitate that MDOT completely reassess its planned projects throughout the entire CTP just to make our required debt service payments on outstanding bond issuances. There currently exists a gap of \$5.6 billion to meet the lifecycle needs of MDOT assets over the next ten years, covering all highway resources like drainage, roadway lighting, traffic barrier, signals, facilities, pavements/bridges, etc. Maintaining safety assets is our industry’s most significant concern at this time, but the resulting increase in the system preservation funding gap would only serve to make our deteriorating roads and crumbling bridges even more dangerous. With ongoing TTF revenues already in jeopardy, we need to be thinking of ways to strengthen our transportation infrastructure, not weaken it.

We appreciate you taking the time to address this issue and we respectfully urge an unfavorable report on House Bill 74.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

2023-01-31 HB 74 (Letter of Information).pdf

Uploaded by: Hannibal Kemerer

Position: INFO

ANTHONY G. BROWN
Attorney General



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January 31, 2023

TO: The Honorable Ben Barnes
Chair, Appropriations Committee

FROM: Hannibal G. Williams II Kemerer
Chief Counsel, Legislative Affairs, Office of the Attorney General

RE: HB 0074 Transportation – Maryland Rail Authority – Establishment
(Maryland Rail Investment Act of 2023) (Letter of Information)

The Office of Attorney General (“OAG”) takes no position on the underlying merits of House Bill 74. This Letter of Information is limited to observing that under proposed § 9-210 of HB 74, the legislation provides that the newly established “Rail Authority shall employ a general counsel who serves at the pleasure of the Secretary.” Under current law, our Office employs Assistant Attorneys General and a Principal Counsel who advise the Department of Transportation and its many modalities (e.g. Aviation Administration, Motor Vehicle Administration, Port Administration, State Highway Administration, Transit Administration, and Transportation Authority).

Having the OAG provide representation and advice to all of the modal administrations within the Department of Transportation has helped ensure consistency in the legal advice provided on the same or similar matters. If HB 74 were enacted with § 9-210 in its current form, the OAG would be advising the Secretary on MDOT matters (which may encompass the new Railroad Authority), and that advice may conflict with the advice provided by the newly authorized general counsel. We believe that such an occurrence would be suboptimal for both the MDOT and its new Rail Authority.

We hope that this information is useful to the bill Sponsor, Delegate Korman, and the Appropriations Committee Members.

cc: The Honorable Marc Korman and Committee Members

HB0074 - MDTA - Rail Authority - LOI_FINAL.pdf

Uploaded by: Patricia Westervelt

Position: INFO

January 31, 2023

The Honorable Ben Barnes
Chair, House Appropriations Committee
121 House Office Building
Annapolis, MD 21401

RE: Letter of Information – House Bill 74 – Transportation – Maryland Rail Authority – Establishment (Maryland Rail Investment Act of 2023)

Dear Chair Barnes and Members of the Committee:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) take no position on House Bill 74 but offer the following information for the Committee's consideration.

House Bill 74 requires the MDTA to set toll rates so that it obtains 95% or more of the maximum revenue possible on its facilities and additional revenue generated by the required increase in toll rates would be diverted to the newly created Maryland Rail Authority to fund existing and expanded MARC service, the Baltimore and Potomac Tunnel, and the Southern Maryland Rapid Transit System. This will violate MDTA's Trust Agreement and existing tolling agreements with the federal government, prohibit MDTA from offering commuter and E-ZPass discounts, erode the statutory independence of the MDTA Board, and result in an increase to MDTA's existing toll rates.

Many of MDTA's facilities provide critical transportation links in high-volume areas with limited competing facilities. The increase in toll rates may result in motorists and commercial vehicles diverting to local roads and communities, which may be negatively impacted from the additional traffic.

The MDTA is governed by a Trust Agreement with its bondholders, as allowed by statute. Revenues from Transportation Facilities Projects are pledged as bondholder security to repay the MDTA's debt. If House Bill 74 were to be enacted, the MDTA would be in violation of its Trust Agreement in multiple fashions: it would reduce the independence of the MDTA Board to set toll rates, operate and maintain the facilities, and issue debt; the \$2.8 billion restriction on the operating budget and capital improvement plan could cause the MDTA to fail to meet its financial covenants and its ability to properly operate and maintain its facilities; to the extent that future debt issuances are not approved; the MDTA may be unable to meet the obligations to

The Honorable Ben Barnes
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maintain its facilities and projects in good repair and in sound operating condition Violations of the Trust Agreement may result in a downgrading of the MDTA credit rating by the rating agencies or actions from bondholders. Other toll agencies such as the Miami-Dade County Expressway Authority have experienced bond rating downgrades due to similar interventions. A downgrade of MDTA's credit would lead to lower credit worthiness as well as higher financing rates for capital projects.

The MDTA is statutorily required to hold public hearings and seek public comment on the reasonableness of any proposed toll rate adjustments, prior to adjusting toll rates. The bill's requirement to hold public hearings by December 1, 2023 prior to implementing optimal toll rates is impracticable with a June 1, 2023 effective date. Additionally, the MDTA Board has the independent authority to set or adjust toll rates based on public policy considerations, but House Bill 74 would be in direct conflict with current law.

The Maryland Department of Transportation and the Maryland Transportation Authority respectfully request the Committee consider this information when deliberating House Bill 74.

Respectfully submitted,

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Position: INFO



HB74 – Transportation – Maryland Rail Authority – Establishment (Maryland Rail Investment Act of 2023)

Testimony before

House Appropriations Committee

January 31, 2023

Position: Informational Only

Mr. Chair, Mr. Vice Chair and members of the committee, my name is Richard Deutschmann, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today in **support of the broad goals of HB74**, to create a new Maryland Rail Authority. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We appreciate the leadership of Del. Korman for sponsoring this important legislation.

This bill is a very complex bill, requiring a level of expertise that we as volunteer advocates do not possess within our group. That said, the members of Indivisible Howard County ***enthusiastically support*** major steps within the Maryland Department of Transportation (MDOT) to vastly change the priorities of the state from highway building and expansion to a much greater use of safe, reliable, modern rail to move people efficiently around the state, and to and from their places of employment. The creation of a Maryland Rail Authority within MDOT would appear to appropriately shift people and resources towards this new change in priorities.

Furthermore, we strongly support the listed projects that would become the immediate focus of the Rail Authority, including the Red Line, expansion and extension of MARC, and the Southern Maryland Rapid Transit. Building these systems in the coming years will help to meet the state's goals regarding global climate change, will reduce vehicle miles travelled and the associated congestion on our roads, reduce air pollution and the detrimental health effects on our children, and would be a major justice and equity win for the people of Baltimore. Having a Rail Authority within MDOT would elevate these discussions to the highest levels of transportation planning and execution in the state. Finally, a new Maryland Rail Authority would seem to align strongly with the goals of the new Moore Administration, and signal a new cooperative partnership between these branches of government.

There is one issue that has come to our attention, that we would hope the committee would discuss in detail. Transit advocates in the Baltimore region and around the state are supportive of a new Baltimore Regional Transportation Authority, which would line up our largest city with other major metropolitan areas on the Eastern Seaboard in having a deeper level of local control and the ability to execute on transportation priorities for their region. We would like to see this issue vetted by the committee, with the goal of this new Rail Authority not being in conflict with the possible creation of the BRTA in the future.

Thank you for your consideration of this important legislation.

Richard Deutschmann
Columbia, MD 21045