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MARYLAND ASPHALT ASSOCIATION



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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,



Marshall Klinefelter
President
Maryland Asphalt Association