

February 15, 2024

The Honorable C.T. Wilson
Chair, House Economic Matters Committee
231 House Office Building
Annapolis Maryland 21401

Re: Letter of Information – House Bill 682 – Energy Generation Projects - Labor and Minority Business Enterprise Requirements

Dear Chair Wilson and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following information on House Bill 682 for the Committee's consideration.

House Bill 682 requires provisions of the MBE program to be applied to PSC's energy generation projects. Efforts to apply race-conscious remedies like the MBE program to nascent industries require a predicate study/disparity analysis to determine whether significant disparities exist for minority and women-owned businesses operating within that industry; and a determination as to whether those disparities are more likely than not attributable to marketplace discrimination. House Bill 682 incorporates findings from the most recent 2017 Statewide Disparity Study, but data related to these projects was not collected or evaluated as part of that Study.

This industry data is also not included in the Statewide Disparity Study that is currently underway. To conduct a separate disparity study/analysis for the projects outlined in House Bill 682, it would cost MDOT a one-time expenditure of approximately \$25,000 or more for consultant services. Additionally, following the release of the current Statewide Study, MDOT is statutorily required to produce various disparity studies/analyses for other nascent industries prior to the 2026 legislative session.

The Maryland Department of Transportation respectfully requests the Committee consider this information during its deliberations of House Bill 682.

Respectfully submitted,

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Director of Government Affairs
Maryland Department of Transportation
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