HB 1008 Fossil Fuel Transportation Fee and Mitigat
Uploaded by: Cait Kerr
Position: FAV

The Nature Conservancy
Protecting nature. Preserving life.

The Nature Conservancy
Maryland/DC Chapter
425 Barlow Pl., Ste 100
Bethesda, MD 20814

tel (301) 897-8570
fax (301) 897-0858
nature.org

Friday, March 1, 2024

TO: Marc Korman, Chair of the House Environment and Transportation Committee; C. T. Wilson, Chair of the House Economic Matters Committee, and Committee Members
FROM: Mariana Rosales, The Nature Conservancy, Director of Climate; Humna Sharif, The Nature Conservancy, Climate Adaptation Manager
POSITION: Support HB 1008 Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act)

The Nature Conservancy (TNC) supports HB 1008, offered by Delegate Stein. This bill imposes a fossil fuel transportation fee on transporting a fossil fuel in the State and establishes the Fossil Fuel Mitigation Fund to support activities that reduce greenhouse gas emissions in the State. HB 1008 is consistent with Maryland's commitments to address climate change established in the Climate Solutions Now Act of 2022. These goals include reducing greenhouse gas emissions by 60% from 2006 levels by 2031 and achieving net-zero statewide greenhouse gas emissions by 2045.

Maryland is experiencing more frequent extreme weather events with increasing intensity, including heavy rainfall, high tides, and record heat, causing significant damage to infrastructure, homes, and natural habitats. Our existing cities, towns, rural communities, and supporting critical infrastructure are not equipped to handle the increased stress imposed by rapidly worsening impacts of climate change. Governor Moore has called for investing $1 billion annually to fight climate change in Maryland. HB 1008 will generate new revenue to implement Governor Moore's climate vision without imposing additional costs on Maryland residents.

As it currently stands, taxpayers across Maryland are paying for the cost of climate change, which are adding up and contributing to the state's projected budget shortfall this coming fiscal year. It is only fair to require polluters to pay for their pollution and transporting fossil fuels into Maryland falls into this category. Enabling policy mechanisms to decrease fossil fuels' use are urgently needed in our state.

The revenues HB 1008 generates will flow directly into the Fossil Fuel Mitigation Fund to reduce Maryland's greenhouse gas emissions. The state's Climate Pollution Reduction Plan has set forth several ambitious goals for achieving our 2045 net-zero emissions target, including home electrification incentives, electric vehicle incentives, commercial building efficiency and electrification projects, infrastructure investments, and support for natural and working lands management through nature-based solutions. Equitable resource distribution and a just transition to a clean energy future are key themes within Maryland's Climate goals. Transitioning to a net-zero economy in our state should be intentional, but also practical and methodical. HB 1008 is inclusive of these goals.

TNC commends Delegate Stein for bringing forward a groundbreaking proposal to generate much-needed revenue for addressing climate change and promoting resilience in Maryland. Passing HB 1008 is a valuable step in protecting our communities, ecosystems, and economy from climate change. Revenue HB 1008 generates will be redirected for clean economy investments to reduce the impacts on our communities and ecosystems.

Therefore, we urge a favorable report on HB 1008.

HB1008_Climate_Pollution_Reduction_Fund_Act_MLC_FA
Uploaded by: Cecilia Plante
Position: FAV

MARYLAND LEGISLATIVE COALITION

TESTIMONY FOR HB1008
FOSSIL FUEL TRANSPORTATION FEE AND MITIGATION FUND (CLIMATE POLLUTION REDUCTION FUND ACT)

Bill Sponsor: Delegate Stein
Committee: Environment and Transportation
Organization Submitting: Maryland Legislative Coalition
Person Submitting: Cecilia Plante, co-chair
Position: FAVORABLE

I am submitting this testimony in favor of SB1008 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.

Our members appreciate the efforts that have been made to mitigate the effects of climate change, and reduce the production of greenhouse gases. There was a time when carbon fees were frowned upon, but it has become more and more clear that the companies that profit off of fossil fuel consumption should be the ones to pay for it – not the residents of Maryland.

This bill, if enacted, would impose a transportation fee on any carrier who brings fossil fuels into Maryland. The rate of the fee is equal to 30 cents per million British thermal units of fossil fuels transported in the state. Fossil fuels used exclusively on farms are exempted. It is estimated that revenues from this fee would bring in roughly $250 million a year, which will help tremendously in paying for our transition to a clean economy.

We support this bill and recommend a **FAVORABLE** report in committee.

Stein Testimony HB 1008.pdf
Uploaded by: Dana Stein
Position: FAV

Dana M. Stein
Legislative District 11B
Baltimore County

Speaker Pro Tem

Environment and Transportation Committee

Subcommittees

Chair, Environment

Natural Resources, Agriculture and Open Space

The Maryland House of Delegates
6 Bladen Street, Room 301
Annapolis, Maryland 21401
410-841-3527 · 301-858-3527
800-492-7122 *Ext.* 3527
Dana.Stein@house.state.md.us

The Maryland House of Delegates
ANNAPOLIS, MARYLAND 21401

Delegate Dana Stein Testimony in Support of HB 1008
Fossil Fuel Transportation Fee and Mitigation Fund
(Climate Pollution Reduction Fund Act)

Maryland already assesses a fee on any oil that is offloaded or onloaded in the State. The fee goes to the Maryland Oil Disaster Containment, Clean–Up and Contingency Fund.

This bill would assess a fee on other fossil fuels that are transported in the State, excluding fossil fuels used on a farm. With my amendment, propane and liquid petroleum gas are excluded. Maryland Department of the Environment would use the fees for activities and programs that reduce greenhouse gas emissions in Maryland consistent with MDE's Climate Pollution Reduction Plan (Climate Plan).
With a second amendment, 40% of the revenue would be spent to address climate impacts in underserved or overburdened communities.

HB 1008 is consistent with MDE's Climate Plan, which recommended that entities "pay a fee for the hazardous substances transported in the state, including fossil fuels used in or exported from the state, based on a fee rate set by the government." The funds generated by this bill would be one potential solution for generating the funds needed to implement our climate pollution reduction goals.

It's important to note that MDE estimates that two-thirds of the fees would be paid by non-Marylanders.

The fee that the bill sets, 30 cents per million British thermal units, is identical to the fee that Washington assesses on certain fossil fuels. It's also similar to the fee assessed on hazardous substances in New Jersey.

I urge a favorable vote on HB 1008.

HB1008_Fossil Fuel Transportation Fee and Mitigati
Uploaded by: Dave Arndt
Position: FAV

TESTIMONY IN SUPPORT OF HB1008
"Fossil Fuel Transportation Fee and Mitigation Fund"

Environment and Transportation Hearing
March 1, 2024

Dear Mr. Chair and Committee Members:

Hello, my name is Dave Arndt, a resident of Baltimore MD, a Climate, Environmental and Social Justice advocate, a chemical engineer, a former Director for BP Solar in Frederick MD, a retiree of The National Institutes of Health and a co-lead of the Maryland Legislative Coalition Climate Justice Wing. Thank you for listening to me today.

The climate crisis is making extreme weather events more common and more costly. From 2010 to 2020, Maryland experienced 31 extreme weather events, costing the state around $10 billion in damages. The last time CO2 levels were this high, the sea level was 60 feet higher. It is a good thing that sea level rise lags CO2 levels, otherwise the whole eastern shore of Maryland would be gone. Recurring floods in Annapolis, salt water intrusion on farmland on the Eastern Shore, and punishing heat waves in Baltimore are some examples of how the climate crisis is damaging lives and infrastructure. Maryland State and county governments have no choice but to make expensive investments to adapt to more frequent extreme weather events.

The big question is who pays? The current status quo is that we socialize the costs while the perpetrators of greenhouse gas emissions profit. Recent pools have shown that majority of people in Maryland want the polluters to pay.

HB1008 builds upon the existing 8-cent per barrel fee for oil transfers, to include coal and natural gas. In FY22, the oil transfer fee alone generated over $6.8 million, funding environmental cleanup and contingency efforts. It is estimated that HB1008 would bring in roughly $250 million a year.

While $250 million is not the $1billion dollars a year that Maryland needs, it is a good start and this bill does not raise taxes and does what the majority of voters want, make the perpetrators pay.

For all of these reasons, I strongly support HB1008 and urge a **FAVORABLE** report in Committee.

CCAN testimony on Fossil Fuel Transportation Fee.p
Uploaded by: Jamie DeMarco
Position: FAV

Testimony in Support Fossil Fuel Transportation Fuel Act
HB1008
House Economic Matters Committee
3/1/2024
Jamie DeMarco, Maryland Director
Chesapeake Climate Action Network Action Fund

On behalf of the Chesapeake Climate Action Network Action Fund, I urge a favorable report on HB1008.

Oil train cars that use train tracks in Maryland pose a risk to Marylanders. These train cars can explode, and they do. In Quebec, a train car carrying oil exploded and killed 47 people. Train cars that roll through Baltimore pose a risk to Maryland residents and infrastructure. It is only fair that, under current law, Maryland is compensated for the hazard of having these combustible materials on our railroads.

HB1008 would simply extend the same policy Maryland already applies to oil train cars to train cars filled with coal and methane gas.

Coal that uses Maryland's railroads does not pay any kind of similar fee to compensate the state for dangers they pose. Coal is transported in trains cars uncovered because covering it would increase the risk of an explosion. However, because it is uncovered, coal dust consistently blows off of coal train cars, causing serious health damage to communities along the tracks. Coal dust contains mercury, cadmium, and arsenic, all heavy metals with known toxic effects. While Marylanders suffer and bear the burden of transporting coal, they are not compensated.

Similarly, explosive methane gas rolling on Maryland train tracks does not pay any compensation to the communities on either side of the train car for the risk they are absorbing. The United States Department of Transportation now permits methane gas to be transported by rail car, and this is happening with increasing frequency. Gas can explode just as easily as oil, and there is no reason why oil traveling by train in Maryland should have to compensate Marylanders, but gas should not.

The funds generated from extending Maryland's existing policy to cover coal and gas will bring in substantial new revenue. 40% of these funds should go directly to the communities along the route of the train cars. The rest of the funds can be used to help meet Governor Moore's pledge to invest $1 billion a year in meeting our climate goals.

CONTACT
Jamie DeMarco, Maryland Director
jamie@chesapeakeclimate.org, **443-845-5601**

HB1008_MDSierraClub_Fav25Feb2024 .docx (1).pdf
Uploaded by: Josh Tulkin
Position: FAV

SIERRA CLUB

P.O. Box 278
Riverdale, MD 20738

Committee: Environment and Transportation
Testimony on: HB 1008-Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act)
Position: Support
Hearing Date: March 1, 2024

The Maryland Chapter of the Sierra Club supports HB 1008. This bill raises critical revenue that will help achieve our state's climate goals. The bill requires that carriers transporting fossil fuels into the state pay a 30 cent fee per million British thermal units of fossil fuels transported into the state, which is equivalent to approximately 8 gallons of gasoline. The bill provides an exemption for carriers that are transporting fossil fuels solely for use on a farm. The revenue generated from this fee would be earmarked for a Fossil Fuel Mitigation Fund that would be used for activities and programs that reduce greenhouse gas emissions according to the Climate Pollution Reduction Plan.

This bill would assess a reasonable fee on carriers that transport fossil fuels to help mitigate their transportation pollution and the adverse impact that fossil fuels they are carrying would have on our environment.

The Climate Pollution Reduction plan indicates that achieving an equitable transition to a clean energy future could require a public sector investment of approximately $1 billion annually. This bill would help provide critical funding that is needed to support this investment. According to the plan, these investments would save households up to $4,000 annually in energy costs, generate $1.2 billion in public health benefits, and result in a net gain of 27,400 jobs between now and 2031 as compared with current policies.

We encourage the committee to follow Justice40 principles and require that at least 40% of the funds generated by this bill are directed to overburdened and underserved communities as defined by the Climate Solutions Now Act.

This bill would assess reasonable fees on carriers transporting fossil fuels to help mitigate their impact on our environment and support the transition to a clean energy future. For these reasons we urge a favorable report on HB 1008.

Lindsey Mendelson
Transportation Representative
lindsey.mendelson@mdsierra.org

Jane Lyons-Rader
Transportation Chair
janeplyons@gmail.com

Josh Tulkin
Chapter Director
josh.tulkin@mdsierra.org

HB990 - MDLCV SUPPORT_ - Environment-Greenhouse Ga
Uploaded by: Kim Coble
Position: FAV

March 1, 2024

SUPPORT: HB990- Environment-Greenhouse Gas Emissions Reductions - Manufacturers

Chair Korman and Wilson and Members of the Committees:

Maryland LCV and the undersigned organizations support HB990 (Environment-Greenhouse Gas Emissions Reductions - Manufacturers) and thank Delegate Stein for his continued leadership in driving Maryland's leadership in advancing strong climate policy.

In 2022, the Maryland General Assembly passed the Climate Solutions Now Act (CSNA), which set ambitious goals and put Maryland at the forefront of strong climate policy nationally. In December 2023, the Maryland Department of the Environment released the Climate Pollution Reduction Plan (Climate Plan), outlining the path to reach the goals set by the CSNA - including a series of legislative actions.[1] HB990 advances one of those recommended actions: allowing the Department of the Environment to require greenhouse gas (GHG) emissions reductions from the state's manufacturing sector. This action is also recommended in the 2023 Annual Report of the Maryland Commission on Climate Change.[2]

The 2009 Greenhouse Gas Reduction Act (GGRA) required Maryland to reduce state-wide greenhouse gas (GHG) emissions by 25% by 2020 using 2006 as a baseline while ensuring a positive impact on Maryland's economy. The Act authorized the Maryland Department of the Environment (MDE) to regulate GHG emissions from all sectors of Maryland's economy with one exception: the manufacturing sector. In 2016, the Act was renewed with new targets of 40% reduction by 2030, but maintained the manufacturing exemption. In 2022, when the General Assembly renewed its commitment to climate emission reduction through the Climate Solutions Now Act, the exemption remained in place - however the Climate Plan is clear that removing this provision is critical reaching our state's climate goals.

According to the National Caucus of Environmental Legislators (NCEL), Maryland is currently the only state with GHG reduction goals to exempt manufacturers from meeting these goals.

HB00990 does three things:

---

[1]https://mde.maryland.gov/programs/air/ClimateChange/Maryland%20Climate%20Reduction%20Plan/Maryland%27s%20Climate%20Pollution%20Reduction%20Plan%20-%20Final%20-%20Dec%2028%202023.pdf

[2]https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Pages/MCCCReports.aspx#:~:text=The%202023%20Commission%20on%20Climate,Gas%20(GHG)%20reduction%20mitigation

1) Directs MDE to consider requiring emissions reductions from manufacturers that come to Maryland after 2023
2) Removes the exemption from GHG emissions for existing cement manufacturers given their large contribution to the state's GHG emissions.
3) Sets a new pollution baseline for existing manufacturers to be regulated at their 2023 emissions levels.

Emissions from the Manufacturing Sector in Maryland
In 2022, there were 6,693 manufacturing facilities within the state, employing over 100,000 people. They are distributed throughout the state. Maryland's manufacturers accounted for nearly 10% of statewide emissions in 2020. Although the total emissions in the sector has decreased from 2006 levels, there has been a 21% growth in cement facility emissions.

Cement Manufacturers
In Maryland, the two highest emitting manufacturing facilities are cement production plants - Heidelberg Materials' Union Bridge facility and LafargeHolcim's Hagerstown Facility. These two plants accounted for 35% of total industrial emissions in Maryland in 2020. About 67% of the emissions are related to process and 33% are related to fuel emissions. The Union Bridge facility emits about 5x as much as the Hagerstown facility. Although Union Bridge is more efficient and produces less CO2 per metric ton of cement manufactured.

Both the Union Bridge and Hagerstown facilities have invested in efficiency improvements to reduce CO2 and non-CO2 emissions. As a result, emissions from the Hagerstown facility dropped significantly between 2014 and 2017, despite an expansion in production capacity. An investment was also made to provide approximately 25% of the power consumed by the Hagerstown facility from solar.

There are further actions that can be taken to reduce emissions from the cement facilities. Hagerstown can reduce emissions by 87% and Union Bridge by 80% compared to 2006 by product switching from Ordinary Portland Cement to Portland Limestone Cement, fuel switching and carbon capture utilization and storage.[3] The cement industry has committed to net-zero emissions by 2050, so state regulations could support the industry's decarbonization commitment.

It is critical to reiterate that this legislation enables the Department of the Environment to regulate the GHG emissions. It does not require them to take any additional actions. As indicated above, many manufacturers have taken steps independently to support the State's climate goals. For these "good actors," the Department may choose to continue working with them to achieve the state goals without further regulations.

Maryland LCV and the following organizations urge a favorable report on this priority bill.

[3] *Impacts on Maryland's Manufacturing Sector*, 23 Aug. 2022, mde.maryland.gov/programs/Air/ClimateChange/MCCC/MWG/Manufacturing%20Study%20preliminary%20results.pdf.

Annapolis Green
Audubon Mid-Atlantic
Chesapeake Bay Foundation
Chesapeake Physicians for Social Responsibility
Climate Communications Coalition
Climate Law & Policy Project
Climate Reality Greater Maryland
EarthJustice
Elders Climate Action Maryland
Gnatt Medical Associates
HoCoClimateAction
Maryland Conservation Council
Maryland Legislative Coalition
Maryland Legislative Coalition Climate Justice Wing
Sierra Club Maryland Chapter
Unitarian Universalist Legislative Ministry of Maryland

HB1008_Fossil Fuel Transportation Fee and Mitigati
Uploaded by: Laurie McGilvray
Position: FAV

Committee: Environment and Transportation
Testimony on: HB1008 - Fossil Fuel Transportation Fee and Mitigation Fund
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Dave Arndt, Co-Chair
Position: Favorable
Hearing Date: March 1, 2024

Dear Mr. Chair and Committee Members:

Thank you for allowing our testimony today in support of HB1008. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on HB1008.

HB1008 builds upon the existing 8-cent per barrel fee for oil transfers, to include coal and natural gas. In FY22, the oil transfer fee alone generated over $6.8 million, funding environmental cleanup and contingency efforts. It is estimated that HB1008 would bring in roughly $250 million a year.

The benefits of HB1008 are clear:

- We are in a Climate Crisis and this bill encourages cleaner transportation methods and reduced reliance on fossil fuels.
- This bill is a pivotal step towards Maryland's ambitious clean energy targets by ensuring a fair contribution from fossil fuel transports to the state's environmental and clean energy funds.
- Fighting climate change and mitigating the effects of climate change are expensive propositions and are especially difficult when Maryland has a constrained budget. This bill provides additional funding which can further our leadership in climate solutions, support equitable energy access, and protect our natural resources for future generations.

We strongly support this bill; however, we recommend these two amendments:

- 40% of funds need to be spent to address impacts in underserved or overburdened communities.
- Include an escalating fee structure to further support our efforts to combat climate change and encourage a reduced reliance on fossil fuels.

For all of these reasons, we strongly support HB1008 and urge a **FAVORABLE** report in Committee.

350MoCo
Adat Shalom Climate Action
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility

Climate Parents of Prince George's
Climate Reality Project
ClimateXChange – Rebuild Maryland Coalition
Coming Clean Network, Union of Concerned Scientists
DoTheMostGood Montgomery County
Echotopia
Elders Climate Action
Fix Maryland Rail
Glen Echo Heights Mobilization
Greenbelt Climate Action Network
HoCoClimateAction
IndivisibleHoCoMD
Maryland Legislative Coalition
Mobilize Frederick
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland
WISE

HB1008 Written FAV 2024.pdf
Uploaded by: Zoe Gallagher
Position: FAV

Testimony to the House Environment and Transportation Committee
HB1008 Climate Pollution Reduction Fund Act
Position: Favorable

2/28/2024
The Honorable Delegate Korman, Chair
Environment and Transportation Committee
Room 251
House Office Building
Annapolis, MD 21401

CC: Members of the House Environment and Transportation Committee

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

I am writing to urge your favorable report on HB1008, which proposes the imposition of a fossil fuel transportation fee in the State. We believe that this legislation represents a significant step towards achieving economic justice, environmental sustainability, and consumer protection.

At the core of our support for this bill is the recognition that addressing the challenges of climate change necessitates bold and innovative measures. The imposition of a fossil fuel transportation fee, as outlined in HB1008, would internalize the external costs associated with carbon emissions and incentivize the transition towards cleaner, more sustainable energy alternatives.

The proposed rate of 30 cents per million British thermal units of fossil fuels transported in the State is a reasonable and effective means to encourage responsible energy consumption and discourage excessive reliance on environmentally harmful practices. This fee structure appropriately reflects the true environmental impact of fossil fuel transportation, thereby promoting accountability within the industry.

As climate change disparately impacts low income communities, [1] it is vital that we prioritize a shift to renewable energy as quickly and efficiently as possible and attack this problem from multiple angles. Thus, this legislation not only addresses the urgent environmental concerns associated with fossil fuel usage but also lays the foundation for a fair and sustainable economic future.

For these reasons, we urge a favorable report.

Sincerely,
Zoe Gallagher, Policy Associate

[1] https://www.epa.gov/newsreleases/epa-report-shows-disproportionate-impacts-climate-change-socially-vulnerable

2209 Maryland Ave · Baltimore, MD · 21218 · 410-220-0494
info@econaction.org · www.econaction.org

2024-02-29 HB 1008 (SWA).pdf
Uploaded by: Tiffany Clark
Position: FWA

ANTHONY G. BROWN
Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

FACSIMILE NO.
(410) 576-7036

WRITER'S DIRECT DIAL NO
(410) 576-6592

March 1, 2024

TO:	The Honorable Marc Korman Chair, Environment and Transportation Committee
	The Honorable C.T. Wilson Chair, Economic Matters Committee
FROM:	Tiffany Johnson Clark Chief, Legislative Affairs, Office of the Attorney General
RE:	House Bill 1008 – Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act) – **Support with Amendments**

The Office of Attorney General respectfully urges this Committee to report favorably on House Bill 1008 – Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act) with amendments. House Bill 1008 (1) imposes a fossil fuel transportation fee on a person that transports fossil fuels in the State and (2) creates a Fossil Fuel Mitigation Fund to support activities that reduce greenhouse gas ("GHG") emissions and their impact in the State.

Climate change is impacting the natural environment, agriculture, energy production and use, transportation, and general health and safety of individuals in the State. Fossil fuels like coal, oil and gas are by far the largest contributor to climate change, accounting for a significant percentage of global greenhouse gas emissions. According to the Environmental Protection Agency, GHG emissions from transportation alone account for about 29 percent of total greenhouse gas emissions, making it the largest contributor of GHG emissions in the United States.

The Maryland Department of the Environment's climate change program is leading the state's efforts to reduce greenhouse gas emissions. Maryland has set the most aggressive emissions reduction goals in the nation. Under the Climate Solutions Now Act (CSNA) of 2022, a target has been established to reduce emissions by 60 percent by 2031 and reach net zero emissions by 2045. By imposing a fossil fuel transportation fee of those who transport fossil fuels into Maryland, we are making it more onerous on those who choose to bring the fossil fuels that harm our communities and people into the State.

While OAG supports House Bill 1008, we would suggest a clarifying amendment. House Bill 1008 attempts to avoid a conflict with the Oil Transfer License Fee codified in § 4-411 of the Environment Article, by specifically exempting from the Fossil Fuel Transportation Fee the transportation of fossil fuels for which the Oil Transfer License Fee has already been paid. However, given the wording of the bill and § 4-411, significant confusion is still a concern. Section 4-411 imposes the Oil Transfer License Fee on the first point of “transfer” of oil in the state, which is defined as “the offloading or onloading of oil in the State from or to any commercial vessel, barge, tank truck, tank car, pipeline, or any other means used for transporting oil.” House Bill 1008 however, imposes the Fossil Fuel Transportation Fee on “the first carrier to transport the fossil fuel in the State.” Given the difference in wording, there could be confusion as to whether the fees apply separately for transfer and transport, and whether a carrier is subject to both fees, or a subsequent carrier is subject to the Transportation Fee, even if the Transfer Fee has already been paid. Additionally, “oil” is defined in § 4-401(h), so it may be helpful to reference that section and/or the definition of “fossil fuels” to distinguish the two fees.

To avoid the most destructive effects of climate change, meaningful steps must be taken to reduce greenhouse gas emissions – establishing a fossil fuel transportation fee is one of those steps. For the foregoing reasons, the Office of the Attorney General urges a favorable with amendments report on House Bill 1008.

cc: Health and Government Operations and Economic Matters Committee Members

HB1008 - A4A MD - UNF.pdf
Uploaded by: Caitlin McDonough
Position: UNF

Airlines for America®

We Connect the World

February 28, 2024

The Honorable Marc Korman
Chair, Environment & Transportation Committee
Maryland House of Delegates

The Honorable C.T. Wilson
Chair, Economic Matters Committee
Maryland House of Delegates

Re: HB 1008

Dear Del. Korman and Del. Wilson,

On behalf of Airlines for America® (A4A), the trade association for the leading U.S. airlines,[1] I am writing to respectfully express our opposition to HB 1008, which would impose a fee on the transportation of fossil fuels. This law would violate federal law regarding the use of jet fuel tax revenue, would raise the cost of air service in Maryland and is unnecessary.

The "fee" in HB 1008 would be 30 cents per 1 million British Thermal Units (BTUs) of transported fuel, and the revenue collected would be directed to a newly created Fossil Fuel Mitigation Fund that is intended to "support activities that reduce greenhouse gas emissions from fossil fuels and their impacts in the state." The only exemption from the fee is for fuel used on a farm.

FAA Revenue Use Policy

Federal law requires that revenue raised from state taxes on aviation fuel must be used for the capital or operating costs of an airport, an airport system or facilities that are substantially related to the air transportation of passengers or property. These funds may also be used for state aviation programs or noise mitigation. The only exception is for taxes that were in place as of December 30, 1987.[2] The Federal Aviation Administration (FAA) issued policies and procedures under the statute in 1999.[3] The FAA then clarified the policy with proposed amendments in 2013,[4] finalized those amendments in 2014 and directed state and local governments to certify their compliance with the policy or come into compliance within three years.[5] These rules are commonly referred to as "FAA revenue use policy."

While this bill names this levy a "fee," the nomenclature is not dispositive for analyzing it under the revenue use policy. It is levied like a tax with general applicability and is not tied to a service, and the revenue use policy broadly applies to any taxes. As the FAA has stated, "the term 'taxes on aviation fuel' cannot reasonably be construed to mean only taxes specifically on aviation fuel, and not to include taxes on petroleum products generally or general sales taxes on all goods that touch on aviation fuel."[6]

---

[1] A4A's members are Alaska Airlines, Inc.; American Airlines Group Inc.; Atlas Air, Inc.; Delta Air Lines, Inc.; Federal Express Corp.; Hawaiian Airlines, Inc.; JetBlue Airways Corp.; Southwest Airlines Co.; United Airlines Holdings, Inc.; and United Parcel Service Co. Air Canada, Inc. is an associate member.
[2] 49 U.S.C. sections 47107(b) and 47133.
[3] FAA, Policy and Procedure Concerning the Use of Airport Revenue, 64 Fed. Reg. 7696 (Feb. 16, 1999).
[4] 78 Fed. Reg. 69789 (Nov. 21, 2013).
[5] 79 Fed. Reg. 66282 (Nov. 7, 2014).
[6] 2013 Notice, *supra*, discussion at p. 69792.

1275 Pennsylvania Ave, NW Suite 1300 Washington, DC 20004 T 202.626.4000 W airlines.org

As described above, the revenue from taxes such as this one are required to be spent on aviation, and the policy is very specific as to what constitutes permissible use. General environmental mitigation efforts are not compliant. For example, the FAA told Nebraska that if its environmental fees "are not used for an airport purpose; this is not consistent with the revenue use requirements."[7] HB 1008 must include a provision to spend any revenue collected from aviation fuel for aviation purposes or Maryland would not be in compliance with federal law. However, this fee should not apply to jet fuel, as it would harm the state economically and it is not necessary to further Maryland's environmental goals.

Competitive Impact
Based on the U.S. Department of Transportation estimate[8] of 135,000 BTUs in a gallon of jet fuel, A4A concludes that this bill would result in about a 4 cents per gallon (cpg) fee on jet fuel. This would significantly raise the cost of jet fuel in Maryland and put the state at a competitive disadvantage with other states.

Currently, Maryland is one of the best states in the country when it comes to the tax burden on commercial jet fuel. A4A calculates that only three states (Connecticut, Ohio and Texas) are better. This statistic is reflected in the significant and continuing growth of Thurgood Marshall Baltimore Washington International Airport (BWI), which is a major economic engine for Maryland, providing almost 87,000 jobs and driving more than $14.5 billion in total economic activity. However, this bill would change that comparison significantly. Nationally, 25 states would provide a better tax environment than Maryland. Locally, it would fall behind Virginia by 3 cpg and Pennsylvania by 1 cpg. While these amounts may seem small, fuel is one of the biggest expenses an airline has. Therefore, even minor changes in cost can have an outsize impact and influence on the economics of providing air service.

Environmental Record
Further, A4A does not believe HB 1008 will assist the industry in our efforts to make aviation cleaner. Between 1978 and 2021, the U.S. airlines improved their fuel efficiency (on a revenue ton mile basis) by more than 135 percent, saving over 5.5 billion metric tons of carbon dioxide (CO2) – equivalent to taking more than 28 million cars off the road on average in each of those years. We are not resting on that record. In 2021, A4A and its members pledged to work across the aviation industry and with government leaders in a positive partnership to achieve net-zero carbon emissions by 2050. Recognizing that transitioning to low-carbon fuel is essential to achieving net zero emissions, we also pledged to work with government partners to make 3 billion gallons of cost-competitive sustainable aviation fuel (SAF) available to U.S. aircraft operators in 2030. We are thankful that the U.S. government shares these goals, as reflected in its 2021 Climate Action Plan and the Biden Administration's SAF Grand Challenge. To do our part to achieve these mutual goals, we are already making huge investments in new fuel-efficient aircraft and engines, cutting edge technologies to improve operational efficiency and SAF.

Imposing new taxes on aviation will only cut into our ability to continue making the investments necessary to achieve these shared goals while still delivering economic growth and high-paying jobs in Maryland.

For these reasons, A4A opposes this legislation. Thank you for your time and consideration of this important matter to the aviation industry. If you have any questions or comments, please do not hesitate to e-mail me at swilliams@airlines.org.

Sincerely yours,

Sean Williams
Vice-President, State and Local Affairs
Airlines for America

[7] *See, e.g.*, FAA letter to Nebraska Dep't of Aeronautics (Mar. 15, 2017), available at https://www.regulations.gov/document/FAA-2013-0988-0216.
[8] *See* https://www.bts.dot.gov/content/energy-consumption-mode-transportation-1.

MD 2024 HB 1008 Columbia Gas Testimony Final.pdf
Uploaded by: Carville Collins
Position: UNF

Columbia Gas of Maryland
A NiSource Company

OPPOSE – House Bill 1008
Imposition of a Fossil Fuel Transportation Fee
House Environment and Transportation Committee

Columbia Gas of Maryland, Inc. opposes House Bill 1008, which imposes a new fossil fuel transportation tax on a person that transports a fossil fuel in Maryland. Under the proposed legislation, the new tax is 30 cents per Million British Thermal Unit (MMBtu). At the current levels of natural gas consumption by our customers, **Columbia estimates this tax will cost our customers more than $1.97 million dollars per year.**

This legislation places a new tax burden on Marylanders who use natural gas to heat their homes, cook their food, bathe and shower, clean their clothes and homes, and energize their businesses. The tax would be passed down to natural gas utility customers creating higher bills for Marylanders.

The proposed tax on homes and businesses using natural gas will place additional financial burdens on more than 1.2 million Maryland natural gas customers. The legislation penalizes the role natural gas can continue to play in achieving GHG emissions reductions and energy reliability in Maryland.

Columbia believes that we will and must be part of a clean energy future that benefits all of Maryland and its residents. Diversity ensures the strength and resilience of any system. That is why it is essential for Maryland's energy industry to leverage a diverse array of energy sources to ensure an equitable energy future for all. Columbia's infrastructure positions us to deliver those diverse energy sources, including low-carbon alternative fuels, to our customers safely and economically. We can also be a strong partner to deliver emissions reductions and utility bill savings through enhanced energy efficiency programs. However, punitive new taxes on our energy product chosen and used by more than 34,000 customers in our western Maryland service territory and more than a million Maryland customers throughout the state reduces its affordability and is not reasonable public policy.

Columbia Gas wishes to make clear that its company leadership believes climate change is real, and we are committed to reduce the greenhouse gas emissions of our operations and pursue opportunities to reduce customer emissions. However, that change must happen within the confines of the reality with which our energy is produced, delivered and consumed.

The requirements of HB 1008 are not in line with affordability and an equitable energy future for all Marylanders, and consequently Columbia Gas cannot support HB 1008 as appropriately crafted policy on greenhouse gas emission reductions, and therefore urges an unfavorable report.

March 1, 2024

Contact:
Carville Collins
(410) 580-4125
carville.collins@dlapiper.com

Contact:
Pete Trufahnestock
(717) 903-8674
ptrufahnestock@nisource.com

HB1008_BGE_UNF
Uploaded by: Guy Andes
Position: UNF

Position Statement

Oppose
Environment and Transportation
3/1/2024

House Bill 1008 - Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act)

Baltimore Gas and Electric Company (BGE) opposes *House Bill 1008*- Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act). *House Bill 1008* establishes a $0.30 per million British thermal unit (BTU) fee on transporting fossil fuels in the State. House Bill 1008 does not define “fossil fuels” but leaves that determination to the Department of the Environment. The fee will fund the new “Fossil Fuel Mitigation Fund,” which will be used to support activities that reduce greenhouse gas emissions in the State.

Baltimore Gas and Electric Company (BGE) is a supplier of natural gas to 700,000 customers and electricity to 1.3 million customers in Central Maryland. BGE is aggressively addressing our internal greenhouse gas operational emissions and is supportive of policy efforts to address climate change, where we see ourselves as a critical partner. However, the goals and mechanisms as currently outlined in *House Bill 1008* are likely to disadvantage Maryland economically while potentially not achieving the avoidance of climate change impacts that it seeks. Most specifically, the fee elements contained in the bill will not provide the needed incentives to broadly shift energy users permanently to lower emissions solutions and could drive residents and businesses to leave Maryland boundaries, in lieu of making energy use choice changes that reduce emissions.

BGE strongly opposes this legislation for multiple reasons. To start, this legislation imposes a "transportation fee' on the first ‘carrier’ to transport fossil fuel in the State. Assuming that natural gas is determined by the Department of the Environment to be a fossil fuel subject to the fee imposed by House Bill 1008, a gas utility’s interstate pipeline suppliers would be responsible for the fee, but it could be the responsibility of a gas utility under certain

Charles Washington| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

circumstances. Based on 2022 data[1] below, this fee would be over $28 million for just the natural gas delivered on the BGE system without any mention of when the fee applies and how frequently the fee is collected. As drafted, the legislation does not have any exceptions for generation nor manufacturing or other specialized industries, meaning there is an added cost to power generation in this State as well as impact to local industry.

Further, this legislation stipulates that the fee may be imposed on a "subsequent carrier" if the "first carrier" of fossil fuel into the state fails to pay the fee. As written, there are no enforcement, penalty mechanism or consequence in place if the "first carrier" fails to pay. This legislation unfairly advantages the "first carrier," by creating an incentive the carrier to avoid paying the fee. It is highly likely that the first carrier, a supplier, will not pay leaving the utility, as a regulated entity, will have to pay.

For these reasons, BGE requests an unfavorable report on *House Bill 1008*.

[1] The total cost was calculation based on the total cubic feet of gas that flows through the BGE system on an annual basis. The BGE annual send out on the system in 2022 was 98,157,678 (1 Dth = 1 MMBTU). If a $0.30 per MMBTU fee is imposed as required under HB1008, it would cost $28 million dollars.

Charles Washington| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

HB 1008_MDCC_Climate Pollution Reduction Fund Act_
Uploaded by: Hannah Allen
Position: UNF

MARYLAND
Chamber of Commerce

LEGISLATIVE POSITION:
UNFAVORABLE
House Bill 1008
Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act)
House Environment & Transportation Committee
Friday, March 1, 2024

Dear Chairman Korman and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and recovery for Maryland businesses, employees, and families.

HB 1008 will impose a new fossil fuel transportation tax of 30 cents per million British thermal units on anyone that transports fossil fuel in Maryland. This legislation imposes a significant tax burden on Marylanders and businesses relying on natural gas and other fuels for essential daily activities, including cooking, heating, and powering businesses. This legislation also penalizes the role of natural gas in reducing greenhouse gas emissions and ensuring energy reliability in Maryland.

The Chamber advocates for a diversified energy approach that considers the affordability and equitable energy needs of all Marylanders. This new tax would lead to increased operating costs for businesses involved in transporting fossil fuels, which ultimately will be passed down to consumers, leading to higher prices for goods and services. It will also increase the cost of energy to end users and lead to higher prices at the gas pump.

While this new tax aims to disincentivize the use of fossil fuels, which serves as reliable and affordable energy options for many Marylanders, there are many concerns about the effectiveness of such measures in achieving environmental goals. Additionally, the tax may disproportionately affect industries that rely on fossil fuels without providing viable alternatives or sufficient support for transitioning. It also seems unfair to allow the tax to be imposed on a subsequent carrier of the fossil fuel if the previous carrier failed to pay the fee. Why place the cost burden on a carrier that had nothing to do with the initial carrier or the carrier before them failing to pay?

For these reasons, the Chamber respectfully requests an **unfavorable report** on **HB 1008**.

HB 1008_MTBMA_UNF.pdf
Uploaded by: Michael Sakata
Position: UNF

MTBMA

MARYLAND TRANSPORTATION
BUILDERS AND MATERIALS ASSOCIATION

March 1, 2024

Delegate Marc Korman, Chair
House Environment and Transportation Committee
251 House Office Building
Annapolis, MD 21401

RE: HB 1008 – UNFAVORABLE – Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act)

Dear Chair Korman and Members of the Committee:

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 1008 establishes a fossil fuel transportation fee imposed on a carrier who transports fossil fuels in Maryland at a rate equal to 30 cents per million BTUs, which will be distributed into a newly created Fossil Fuel Mitigation Fund.

While our organization appreciates the intent of this legislation and all legislation aimed at protecting our environment, we have serious concerns about how this bill will impact our members and the transportation industry as a whole. This will cripple our transportation industry that relies on natural gas and other means to dry aggregate and produce the materials needed for our roads. With the State's massive cuts to the transportation budget over the six years, at the very least, resulting in less work for our member companies, how can the legislature pass a bill that will create such heavy taxes at such a challenging time?

We appreciate you taking the time to consider our request for a **UNFAVORABLE** report on HB 1008.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

HB1008_MAPDA_unf (2024).pdf
Uploaded by: Mike O'Halloran
Position: UNF

Mid-Atlantic Petroleum Distributors Association
P.O. Box 711 ★ Annapolis, MD 21404
410-693-2226 ★ www.mapda.com

TO: House Environment & Transportation and Economic Matters Committees

FROM: Mid-Atlantic Petroleum Distributors Association

DATE: March 1, 2024

RE: **HOUSE BILL 1008** – Fossil Fuel Transportation Fee and Mitigation Fund

On behalf of Maryland's convenience stores and energy distributors, MAPDA urges the committee to issue an unfavorable report on HB1008 as introduced.

This legislation creates a fee on the transportation of certain fuels in the state.

As introduced, there is a limited exemption on fuels for which a fee is levied via §4-411 of the Environment Article. The understanding is this would exempt motor fuels from this new transportation fee. However, given the licenses many of our distributors operate under, the fee under HB1008 would in fact apply. Propane and heat oil products would also fall under this new fee.

Taken together, this new fee would lead to higher prices at the gas pump and on energy bills.

Attached is an amendment for the committees to consider that would exempt the aforementioned products.

For these reasons, MAPDA respectfully requests an unfavorable committee report on HB1008 as introduced.

Mid-Atlantic Petroleum Distributors Association
P.O. Box 711 ★ Annapolis, MD 21404
410-693-2226 ★ www.mapda.com

AMENDMENT TO HOUSE BILL 1008 (Draft)

On page 2, in line 11, after "STATE" insert ", BUT DOES NOT INCLUDE PERSONS TRANSPORTING NATURAL GAS IN INTERSTATE COMMERCE THROUGH FACILITIES REGULATED BY THE FEDERAL ENERGY REGULATORY COMMISSION UNDER THE NATURAL GAS ACT, 15 U.S. CODE §§ 717, 717F OR PERSONS TRANSPORTING OIL IN INTERSTATE COMMERCE AS REGULATED BY THE FEDERAL ENERGY REGULATORY COMMISSION UNDER THE INTERSTATE COMMERCE ACT, 49 U.S.C. § 1 (1)(B), 49 App. U.S.C. § 1 et seq. (1988).

(1) "OIL" MEANS OIL OF ANY KIND AND IN ANY LIQUID FORM INCLUDING:

(I) PETROLEUM;

(II) PETROLEUM BY-PRODUCTS;

(III) FUEL OIL;

(IV) SLUDGE CONTAINING OIL OR OIL RESIDUES;

(V) OIL REFUSE;

(VI) OIL MIXED WITH OR ADDED TO OR OTHERWISE CONTAMINATING SOIL, WASTE, OR ANY OTHER LIQUID OR SOLID MEDIA;

(VII) CRUDE OILS;

(VIII) AVIATION FUEL;

(IX) GASOLINE;

(X) KEROSENE;

(XI) LIGHT AND HEAVY FUEL OILS;

(XII) DIESEL MOTOR FUEL, INCLUDING BIODIESEL FUEL, REGARDLESS OF WHETHER THE FUEL IS PETROLEUM BASED;

(XIII) ASPHALT;

(XIV) ETHANOL THAT IS INTENDED TO BE USED AS A MOTOR FUEL OR FUEL SOURCE; AND

(XV) REGARDLESS OF SPECIFIC GRAVITY, EVERY OTHER NONEDIBLE, NONSUBSTITUTED LIQUID PETROLEUM FRACTION UNLESS THAT FRACTION IS SPECIFICALLY IDENTIFIED AS A HAZARDOUS SUBSTANCE UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980, 42 U.S.C. § 9601 ET SEQ.

(2) "OIL" DOES NOT INCLUDE:

(I) LIQUEFIED PROPANE;

(II) LIQUEFIED NATURAL GAS; OR

(III) ANY EDIBLE OILS.

HB1008_Heidelberg Materials_UNF
Uploaded by: Neal Karkhanis
Position: UNF

Heidelberg Materials

Heidelberg Materials North America
Heidelberg Materials US Cement LLC/North
675 Quaker Hill Road
Union Bridge, MD 21791
Phone (410) 386-1210

The Honorable Dana Stein
House Environmental and Transportation Committee Chair
Room 301, Lowe House Office Building
6 Bladen Street
Annapolis, MD 21401

March 6, 2024

RE: HB 1008 – FOSSIL FUEL TRANSPORTATION FEE AND MITIGATION FUND (CLIMATE POLLUTION REDUCTION FUND ACT)

POSITION: UNFAVORABLE

Dear Delegate Stein:

Thank you for the opportunity to share our position and concerns on behalf of Heidelberg Materials on HB 1008 – FOSSIL FUEL TRANSPORTATION FEE AND MITIGATION FUND (CLIMATE POLLUTION REDUCTION FUND ACT). While we hope to be able to visit with you directly regarding our position and concerns on the bill, we wanted to share this information in the spirit of transparency and clarity. We remain hopeful to work with you and the committee on HB 1008 to address our concerns with the legislation as currently proposed.

Heidelberg Materials is a leading supplier of construction materials in North America. Our core activities include the production of cement and aggregates, as well as ready-mixed concrete, asphalt, and other downstream cement products. The Union Bridge, MD plant dates to 1909, and Heidelberg Materials has supplied the cement supporting Maryland's critical infrastructure needs for nearly 120 years. The Union Bridge plant employs approximately 165 people year-round, and the facility supplies roughly 65 percent of the cement used throughout Maryland.

HB 1008 as written imposes a significant penalty in the proactive efforts we are making to decarbonize our Union Bridge plant. Below are our primary concerns with the impact of this bill as drafted:

Significant Competitive Impact on Critical Maryland Industry

By imposing a $0.30/mmBtu fee on coal and natural gas, this bill will have significant financial impact on our production costs given that we are an energy-intensive, trade exposed industry. The fee impacts the financial competitiveness of this industry, which may result in the import of less costly products from other states and other countries who do not have a similar fee structure in place. Additionally, the fee may result in the unintended consequence that overall CO_2 emissions will increase because of sourcing from these less-regulated facilities from other states and countries.

Heidelberg Materials

Significant Fiscal Impact on State of Maryland Infrastructure

This cost increase will have downstream pricing/cost impacts not only directly in state budgets (infrastructure and maintenance costs), but it will impact all aspects of construction going forward, including housing costs as well as commercial development in the state. As outlined in the Fiscal Note for HB 1008, "State expenditures (all funds) increase significantly beginning as early as fiscal 2025 due to higher energy prices." 2024 Regular Session - Fiscal and Policy Note for House Bill 1008 (maryland.gov).

The Bill Disincentivizes Significant Near-Term CO2 Reductions

By including natural gas as a fuel to be assessed this fee, HB 1008 substantially disincentivizes of the most practical, near-term and sensible changes the Union Bridge facility can not only implement but has voluntarily been working to make – switching from coal to natural gas. This step when implemented will immediately reduce CO2 emissions at the facility by ~350,000 tons per year. Not only will that result in significant reductions, but the conversion of the Union Bridge facility also paves the way for further reduction in combustion CO2 emissions through incorporation of hydrogen as well as other renewable gaseous fuel options.

Stakeholder Response Delayed by Lack of Bill Clarity

HB 1008 as initially written was unclear as many may not have considered a natural gas pipeline as a "carrier". This has led us and other substantial natural gas consumers to be delayed in our reaction to the impacts of the bill as that only became clearer during Delegate Stein's comments at the hearing last week.

Heidelberg Materials is committed to supporting Maryland's carbon emissions reduction targets through the Union Bridge plant. We recognize that our facility is a major emitter of carbon dioxide ("CO2") in Maryland due to the nature of the cement-making process, in particular the chemical conversion emissions required to produce cement. In fact, we share many of the environmental goals of the State of Maryland and have a carbon roadmap that commits to carbon neutral concrete by 2050 at latest.

Assessing a fee on Natural Gas and Coal without taking into consideration the transitory and long-term nature of our industry ultimately can adversely impact progress (especially near-term) in decarbonization of the cement industry in Maryland. Given that there are two facilities in the state, and both produce essential construction material for the economic prosperity and wellbeing of the state, we urge you to consider ways to accommodate our transition to decarbonization. We request that these concerns be taken into account in this proposed legislation and appreciate the opportunity to offer these to your office.

Sincerely,

PJ Rogers

Paul Rogers
Plant Manager, Union Bridge
Heidelberg Materials North America

CC: House Environment and Transportation Committee

HB 1008_MAA_UNF.pdf

Uploaded by: Tim Smith

Position: UNF

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter

MARYLAND ASPHALT ASSOCIATION
SINCE 1954

TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
Tim Smith

March 1, 2024

Delegate Marc Korman, Chair
House Environment and Transportation Committee
251 House Office Building
Annapolis, MD 21401

RE: HB 1008 – UNFAVORABLE – Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act)

Dear Chair Korman and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 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 1008 establishes a fossil fuel transportation fee imposed on a carrier who transports fossil fuels in Maryland at a rate equal to 30 cents per million BTUs, which will be distributed into a newly created Fossil Fuel Mitigation Fund.

While our organization appreciates the intent of this legislation and all legislation aimed at protecting our environment, we have serious concerns about how this bill will impact our members and the transportation industry as a whole. This will cripple our transportation industry that relies on natural gas and other means to dry aggregate and produce the materials needed for our roads. With the State's massive cuts to the transportation budget over the six years, at the very least, resulting in less work for our member companies, how can the legislature pass a bill that will create such heavy taxes at such a challenging time?

We appreciate you taking the time to consider our request for a **UNFAVORABLE** report on HB 1008.

Sincerely,

Tim Smith. P.E.
President
Maryland Asphalt Association