

LARRY KASECAMP
Legislative Director

VACANT
Assistant Director

THOMAS CAHILL
Secretary



ANNAPOLIS OFFICE
176 Conduit St., Suite 206
Annapolis, MD 21401-2597

PH: 301-697-2695
utusldmd@gmail.com

February 20, 2020

REPRESENTATIVES

CUMBERLAND
Local 430
TIMOTHY HUMMELBAUGH

Local 600
JASON WEAVER

BRUNSWICK
Local 631
TOM CAHILL

EDMONSTON
Local 1470
KENZELL CRAWFORD

BALTIMORE
Local 610
JOHNNY WALKER

Local 1949
CORA WEEMS

The Honorable Dereck Davis and
Members of the House Economic Matters Committee

RE: HB98

As State Legislative Director for the Transportation Division of the International Association of Sheet Metal, Air, Rail and Transportation Worker's I am urging your committee to **oppose HB98**, "Electricity - Renewable Energy Portfolio Standard - Qualifying Biomass."

Our organization represents the railroad workers who were employed by CSX Transportation and depended on the jobs provided by the Luke Paper Mill. CSX provided the rail services to the Mill, such as; bringing in the products used in the paper making process, providing the rail yard switching services, and transporting and delivering the finished products to their customers.

The majority of those members reside in the Western Maryland counties, which are economically depressed areas of the state with low average wages and high unemployment. And over the years, this area of the state has been hit especially hard by the loss of manufacturing in this country.

The Luke Paper Mill was one of the top employers in Allegany County considering the number of employees and average wages paid. When you take this into account, plus the indirect jobs associated with the Luke Mill, it probably had the biggest economic impact in Allegany County before it was suddenly closed in 2019.

We believe HB98 will do more harm to Western Maryland as the loss of the tax credit could be the making or breaking of a deal for any potential buyer of the facility that would be involved in the paper making process.

We understand renewable energy policies are important for Maryland's future, and for western Maryland, but we also believe biomass energy should be a part of the state's programs for tradable renewable energy credits as Tier 1. The Environmental Protection Agency under President Obama declared biomass as carbon neutral.

Manufacturing facilities such as the Luke Paper Mill provide family wage jobs and benefits that cannot be replaced easily, if at all. Moreover, they provide economic benefits for communities through suppliers, service providers, educational resources and tax payments.

The paper making industry is in serious competition from around the world. In places like Europe biomass energy gets generous carbon credits and in places like China they do not have the added environmental regulatory expenses associated with production. If we continue down this path, we may be looking at another manufacturing industry disappearing from the United States.

At a minimum we should delay this policy change to see if any business actually purchases this facility. If one does, it would be a great benefit to the those that lost their jobs and can be reemployed, to the local businesses and to the County itself.

We therefore urge your committee to give an unfavorable report to HB98.

Sincerely



Lawrence E. Kasecamp
MD State Legislative Director
 Transportation Division