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The Honorable Dereck Davis and
Members of the Economic Matters Committee

RE: HB363 – Support with Amendments

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 **amend HB-363**, "Clean And Renewable Energy Standard (CARES)," after which our organization could support the legislation.

Our organization represents the railroad workers who were employed by CSX and depended on the jobs provided by servicing the Verso Paper Mill. Those jobs entailed 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 HB-363 will do more harm to Western Maryland as the loss of the tax credits for Biomass under the Renewable Portfolio Standard (RPS) 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.

Our members also are employed by CSX in providing rail service to Covanta, the waste-to-energy facility in Montgomery County. We understand there are many other union members employed in the operations of other waste-to-energy facilities throughout the state whose jobs may also be on the line as a result of eliminating waste-to-energy from the RPS.

We understand renewable energy policies are important for Maryland's future, but we also believe energy derived from biomass and waste-to-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 and there are no feasible plans as an alternate to disposing of the waste handled by these facilities.

These facilities such as the Luke Paper Mill and Covanta and the jobs associated with their processes are 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 the policy change related to biomass 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 amend HB-363 by removing the references to eliminating biomass and waste-to-energy from the Renewable Portfolio Standard before moving the legislation.

Sincerely



Lawrence E. Kasecamp
MD State Legislative Director
 Transportation Division