



Larry Hogan
Governor
Boyd K. Rutherford
Lt. Governor
Gregory Slater
Secretary

March 5, 2020

The Honorable Kumar P. Barve
Chairman, House Environment and Transportation Committee
251 House Office Building
Annapolis MD 21401

Re: Letter of Information – House Bill 1526 – Transportation Carbon Reduction Fund – Establishment (Transportation Carbon Fund Act)

Dear Chairman Barve and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 1526 but offers the following information for the Committee's consideration.

House Bill 1526 establishes the Transportation Carbon Reduction Fund as a special non-lapsing fund and requires the Secretary of MDOT to administer the fund. The purpose of the Transportation Carbon Reduction Fund is to retain any revenue the State receives from its participation in the Transportation and Climate Initiative (TCI). The fund may only be used to finance projects and programs related to the state's participation in TCI.

While MDOT supports the short- and long-term goals associated with the reduction of greenhouse gas (GHG) emissions as established through the Maryland Greenhouse Gas Emissions Reduction Act (GGRA), the study and funding approach suggested in House Bill 1526 will directly conflict with existing Maryland law.

The MDOT develops an annual statewide capital program based on criteria aimed at preserving investments, enhancing transportation services, and improving accessibility and mobility throughout the State. This is achieved through extensive consideration of local and regional priorities and plans, all statewide needs and priorities, and by considering a multitude of criteria, including federal and legal mandates, statewide goals, federal match requirements, State plans and objectives, and existing project commitments and agreements, as well as available funding. Creating an independent TCI working group and prioritization process outside the scope of existing prioritization processes will exclude important stakeholders.

House Bill 1526 gives the Secretary of Transportation responsibility to administer the funds generated by the TCI cap-and-invest program based solely upon the recommendations of the TCI Workgroup that is made up of two members of the State Senate and two members of the House of Delegates. This workgroup, with no MDOT representation or staffing, is required to make their recommendations to strategically invest in low-carbon transportation options based upon studies and input from all stakeholders.

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The process to develop a regional program to establish a cap on carbon dioxide emissions from transportation fuels is not yet complete. Significant debate, analysis, and public and stakeholder outreach must be completed before Maryland or our partner states officially agree to participate in the region-wide TCI program. The provisions of House Bill 1526 are premature in presuming the program's final design.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 1526.

Respectfully submitted,

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