

BEECHWOOD COAL, LLC

February 17, 2020

The Honorable Anne R. Kaiser, Chair
Maryland House of Delegates
House Ways and Means Committee
Room 131, House Office Building
6 Bladen Street
Annapolis, MD 21401

RE: **HB 919**, Maryland-Mined Coal Tax Credit – Repeal
Position: UNFAVORABLE

Dear Chairwomen Kaiser:

On behalf of Beechwood Coal, LLC, this is written to recommend that the House Ways and Means Committee give an unfavorable report on House Bill 919, Maryland-Mined Coal Tax Credit Repeal.

Beechwood Coal is a privately owned surface coal mining company located in Frostburg, MD. All of our operations are in Maryland and we only mine Maryland coal. We directly employ 65 individuals with an indirect effect on hundreds more individuals through contractors, truck drivers, parts and maintenance material suppliers etc. We provide above average wages for Garrett and Allegany Counties and offer full health insurance coverage and an employer matched 401k program.

Beechwood Coal's main sales contract is with AES Warrior Run power plant in Cumberland, MD. In 2019, coal sales to AES Warrior Run comprised 75% of our total coal sales for the year. The tax credit that we receive from selling this coal helps to directly offset the ever increasing cost of providing quality health insurance coverage and equipment maintenance. Our contract with AES Warrior Run is due to be renewed this year which will secure coal sales for Maryland-Mined coal for the next 3-5 years or longer. It is imperative that the coal tax credit remain in effect for us to be competitive from outside coal suppliers from West Virginia and Pennsylvania.

Garrett and Allegany Counties have already suffered a tremendous loss in quality higher paying jobs due to the recent closing of Verso Luke Paper Mill. The jobs that remain in this area don't need the additional stress of a repealed coal tax credit that may jeopardize additional jobs. Let's keep these jobs in Maryland by helping Maryland businesses stay competitive.

In closing, Beechwood Coal respectfully requests that the House Ways and Means Committee give an unfavorable report on House Bill 919. Thank you for your consideration of our request.

Sincerely,



John W. Carey
Permits Manager
Beechwood Coal, LLC