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March 8, 2022

Delegate Maggie McIntosh, Chair House Appropriations Committee 121 House Office Building Annapolis, MD 21401

RE: HB 1324 – Transportation – Maryland Rail Authority – Establishment (Maryland Rail Investment Act of 2022) – <u>Letter of Inquiry</u>

Dear Chair McIntosh and Members of the Appropriations Committee:

linefelter

The Maryland Asphalt Association (MAA) is comprised of 18 producer members representing more than 47 production facilities, 24 contractor members, 24 consulting engineer firms and 41 other associate members. We proactively work 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.

We submit this testimony without a position, but rather as an inquiry into this piece of legislation. House Bill 1324 would establish the Maryland Rail Authority, detailing its membership and duties and setting an operating budget of \$2.8 million.

Before MAA is able to take a position, we seek additional information and clarity. We'd like to know how this rail authority would be funded. The bill does not detail anything regarding where its operating budget will come from and there is no fiscal note available yet. MAA has concerns that the funds needed to operate the Maryland Rail Authority will be redirected from the Transportation Trust Fund (TTF) and would result in less money available to fund critical repairs to the roads and bridges that form the backbone of Maryland's transportation infrastructure. The impact of the COVID-19 pandemic, combined with traditional underfunding of the State's road maintenance needs, leads MAA to request that, should the body wish to implement this proposed program, another funding source apart from the TTF should be utilized.

We appreciate you taking the time to address this legislation and we look forward to learning more so we can determine how it may impact our members and the residents of Maryland.

Thank you,

Marshall Klinefelter

President

Maryland Asphalt Association