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March 10, 2022

Delegate C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401

RE: HB 171 – UNFAVORABLE – Climate Crisis and Environmental Justice Act

Dear Chair Wilson and Members of the House Economic Matters Committee:

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.

Thank you for the opportunity to submit testimony on HB 171 – Climate Crisis and Environmental Justice Act. I will start by saying we greatly appreciate the intent of this legislation and all legislation aimed at protecting our environment. However, we need to express the serious concerns our Association and its members have with this bill.

This bill seeks to move the goal of greenhouse gas emission reductions from 40% to 60% by 2030, with a Net Zero by 2040. This will cripple our transportation industry that relies on natural gas and other means to dry aggregate and produce the materials needed for our roads. Greenhouse gas pollution fees will begin July 31, 2023 for transportation fuels, with an increase each year, starting at \$10 per ton, increasing to \$32 per ton in 2032 and each year thereafter. These costs will undoubtedly roll down to our industry and therefore this is not something we can support. The fiscal note states that "small businesses throughout the State incur a significant increase in expenditures due to higher energy and fuel prices."

Our residents and industries continue to suffer from the effects of the COVID-19 pandemic, many of which may never recover. How can we pass legislation that will create such heavy taxes at such a challenging time? Our Association thinks it's prudent to pause this conversation until our economy and Maryland's citizens have fully rebounded from this tragedy.

We appreciate you taking the time to address this important issue, and we urge an unfavorable report on House Bill 171.

Thank you,

Marshall Klinefelter
President
Maryland Asphalt Association