

March 11, 2025

The Honorable Marc Korman  
Chair, Environment and Transportation Committee  
251 Taylor House Office Building  
Annapolis, MD 21401

***Re: Letter of Information – House Bill 1088 – Coal Transportation Fee and Fossil Fuel Mitigation Fund***

Dear Char Korman and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 1088, which would impose a \$13 per ton fee on the transportation of coal in Maryland. MDOT offers the following information on the bill for the Committee’s consideration.

MDOT generally is supportive of more funding available to address climate change impact. However, the passage of HB 1088 could put the Port of Baltimore, or Port, at a considerable competitive disadvantage when compared to neighboring ports by increasing overall shipping costs. This could lead to a loss of cargo tonnage and family-supporting jobs at the Port.<sup>1</sup> It could also negatively affect the prioritization of and investment in our federal navigation channels.

As one of the oldest and busiest ports in the United States, the Port of Baltimore has a long history of delivering economic prosperity through trade. It has grown significantly in just the last 20 years, repeatedly breaking cargo tonnage records and bolstering economic growth in Maryland. Despite a challenging year in 2024, the Port’s public and private marine terminals handled 45.9 million tons of cargo, including 25.7 million tons of coal. The large amount of maritime commerce that Baltimore handles positions it as a critical international gateway for our region and our nation. This also serves as an important metric for the U.S. Army Corps of Engineers’ assessment, within a complex evaluation process, to demonstrate and justify the need for ongoing operation and maintenance of the federal channels. This potential loss of cargo, changes in vessels calls, or changes in the use of our marine terminals can trigger modifications in federal operation and maintenance dredging requirements and result in the loss of federal funding toward channel investments for the Port.

Dredging makes it possible for some of the largest vessels in the world to do business in Maryland, while the ongoing operation and maintenance of more than 130 miles of federal

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<sup>1</sup> The Port of Baltimore generates more than 20,000 direct jobs, with over 273,000 jobs in Maryland linked to Port activity.

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navigation channels drives long-term investments and business decisions for ocean carriers calling the Port.

The Maryland Department of Transportation respectfully requests the Committee take this information into consideration during its deliberation of House Bill 1088.

Respectfully Submitted,

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