DANA M. STEIN
Legislative District 11B
Baltimore County

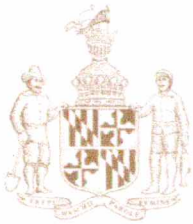
SPEAKER PRO TEM

Environment and Transportation Committee

Subcommittees

Chair, Environment

Natural Resources, Agriculture and Open Space



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The Maryland House of Delegates
ANNAPOLIS, MARYLAND 21401

Delegate Dana Stein's Testimony in Support of HB 1088
Coal Dust Cleanup and Asthma Remediation Act

The Climate Solutions Now Act of 2022 and MDE's Climate Pollution Reduction Plan from 2023 have ambitious strategies to achieve our pollution reductio goals. Some of these programs can be implemented through regulation, but several require additional funding.

But, we are also in a fiscal crisis and the State has many important priorities competing for fewer funds than in past years. To accomplish our climate reduction goals, a new source of funding is needed, and this legislation creates that source.

The Coal Dust Cleanup Act would direct as much as $300 million annually to state coffers to help us implement programs that will benefit homeowners, business owners, schools, EV infrastructure, mass transit, and communities along coal rail lines.

Maryland already has a successful program that charges a fee on oil transport and allocates funds to help address oil spills and protect communities.

HB 1088 builds on the oil transport fee model. It has four components:

1. It establishes a fee of $13 per short ton for coal transported through Maryland, to be directed to a dedicated Fossil Fuel Mitigation Fund. Most of the $300 million generated will be paid by exporters of coal.
2. It directs 40% of the revenue to support overburdened and underserved communities, including those who for decades have been negatively impacted by the transport of coal. We've all probably noticed that coal cars are uncovered—to protect against combustion. This means, however, that as the cars are moving through communities—and even when they are standing still—coal dust comes from the cars, filling the air and leaving a film of black dust on cars, houses, playgrounds. Worse, people also breathe in this dust.
3. Therefore, the fund will also provide $5 million annually for asthma treatment programs. Asthma is one of the most significant and pervasive public health problems in the communities along coal routes.
4. The fund will also provide money for home energy efficiency and electrification programs; mass transit; energy efficiency in commercial, multifamily, and institutional buildings; and for electric vehicles and school buses and EV charging equipment.

You will hear from my panelists about the impact of coal on air pollution, on the climate and environment, the importance of additional attention to asthma treatment, and about the impacts of coal dust on our communities in Maryland.

You will also hear through informational testimony from researchers who have studied the potential impact of this legislation on the export of coal from the Port of Baltimore. They have found that this fee on average is much less than the additional cost to reroute coal to the next closest possible export terminal in Norfolk/Hampton Roads in Virginia. Meaning, this fee does not create a risk to the Port of Baltimore which will remain the most efficient, economical means of coal export compared to its closest rivals.

This legislation provides a fair and practical solution to address the health and environmental impacts of coal transport through our state while creating a source of revenue for the state that is very much needed to alleviate the negative impacts of climate change in Maryland.

HB 1088 Delegate Stein
SB 882 Senator Rosapepe

Coal Dust Clean Up and Asthma Remediation Act

BILL SUMMARY

What the Bill Does

- Implements a recommendation specified in the Maryland Department of Environment's 2023 *Climate Pollution Reduction Plan* of creating a "Hazardous Substance Fee"
- Replicates an existing fee on oil, maintained by MDE, which funds the Oil Disaster, Containment, Clean-up and Contingency Fund by creating the Fossil Fuel Mitigation Fund
- Creates a fee levied against carriers of coal brought into the State (utilities are excluded unless they are the first carrier to bring coal into the State)
- Coal Transportation Fee Rate: $13 per short ton of coal transported into the State
- Annual revenue estimated at $250-$300 million, two-thirds paid by coal exporters

Exemptions and Equity

- This bill exempts:
  - Fuel for agricultural use
  - Products that travel through Maryland in transit to other states
- The bill requires that 40% of the funding be directed to address the negative impacts of climate change in overburdened and underserved communities.

Potential Revenue

- **Total Projected Annual Revenue** — **$300 million**

  Funds to be used for:

  - Overburdened and underserved communities in impacted areas — $120 million
  - Asthma treatment — $5 million

Major Investment Categories and Distribution of Revenue

Home Energy Efficiency and Electrification	23%
Commercial, Multifamily, and Institutional Buildings	23%
Electric Vehicles, and School Buses and EV Charging Equipment	22%
Mass Transit Programs	20%
Program Administration	9%
Asthma Treatment for Communities Affected by Coal Dust	2%
Public Awareness Campaigns to Reduce GHG Emissions	1%

Analysis of Changes in Coal Transportation Routes and Costs in Response to New Fees for Transit through Maryland: Task 1 Report

Selected Figures and Tables (numbers match report)

Submitted by Lisa Wainger and Elizabeth Price, University of Maryland Center for Environmental Science, Chesapeake Biology Laboratory

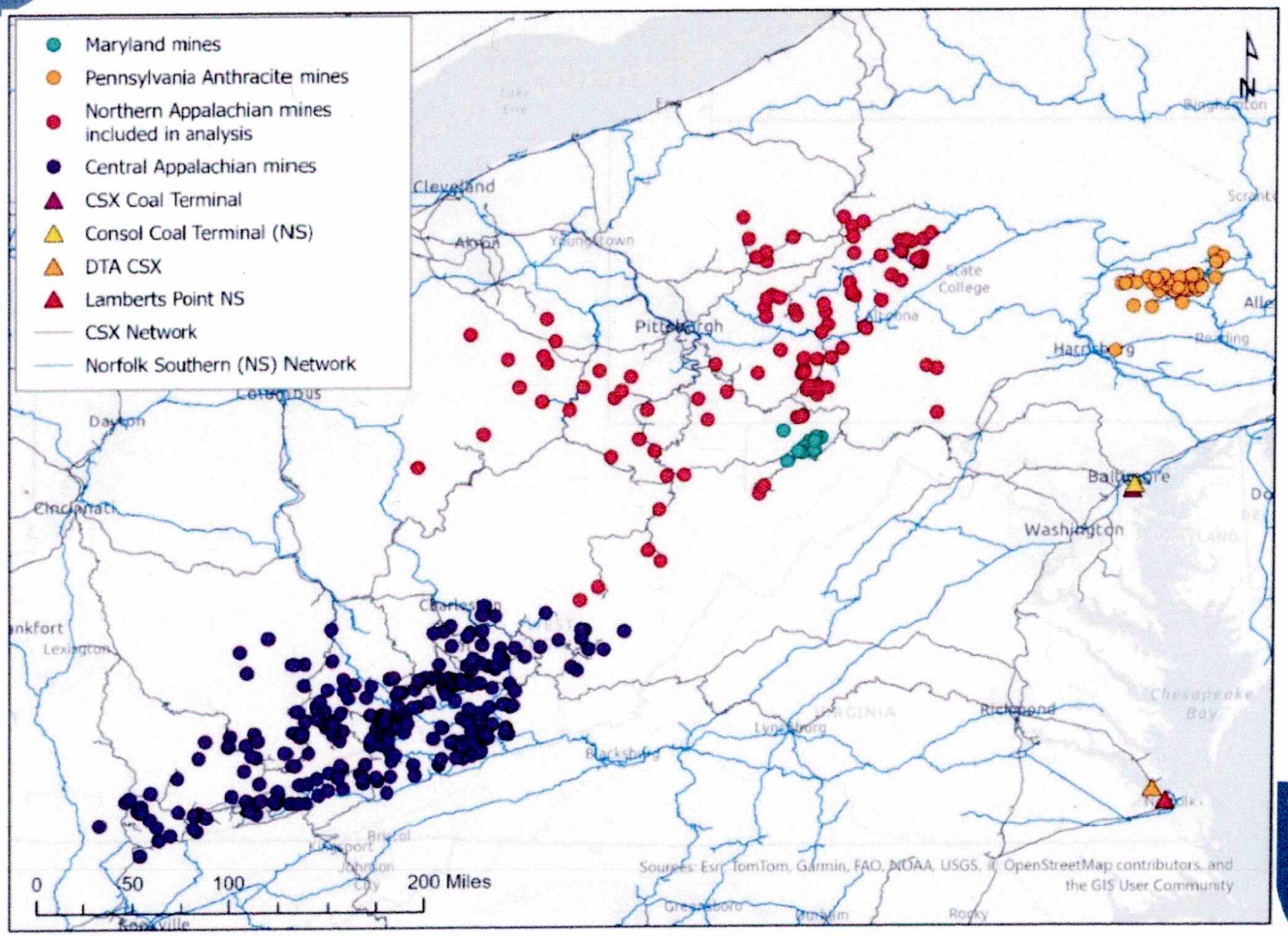
Report's Key Findings

1. Multiple sources reported that the coal that is exported from Baltimore originates from Northern Appalachian mines.

2. For all Northern Appalachian mines, diverting coal exports from the Port of Baltimore to the Port of Virginia appears to cost more than paying the proposed $13/ton fee (see Slide 14, Figure 6).

3. A small volume of coal exported through Baltimore may originate from Central Appalachia, but the transportation costs are already higher for these mines to use Baltimore, even without the fee. The fee may divert these exports from Baltimore to Virginia, but there is not enough data to assess how much.

Figure 1. Study area map showing Northern and Central Appalachia mines, rail lines, and coal terminal locations.



Primary Study Area:

Northern Appalachian Coal Region identified as Maryland, Ohio, Pennsylvania, and Northern West Virginia

Note: MD mines were excluded from the analysis.

Secondary Study Area:

Central Appalachian Coal Region identified as Eastern Kentucky, Virginia, Southern West Virginia, and 11 counties in Northern Tennessee

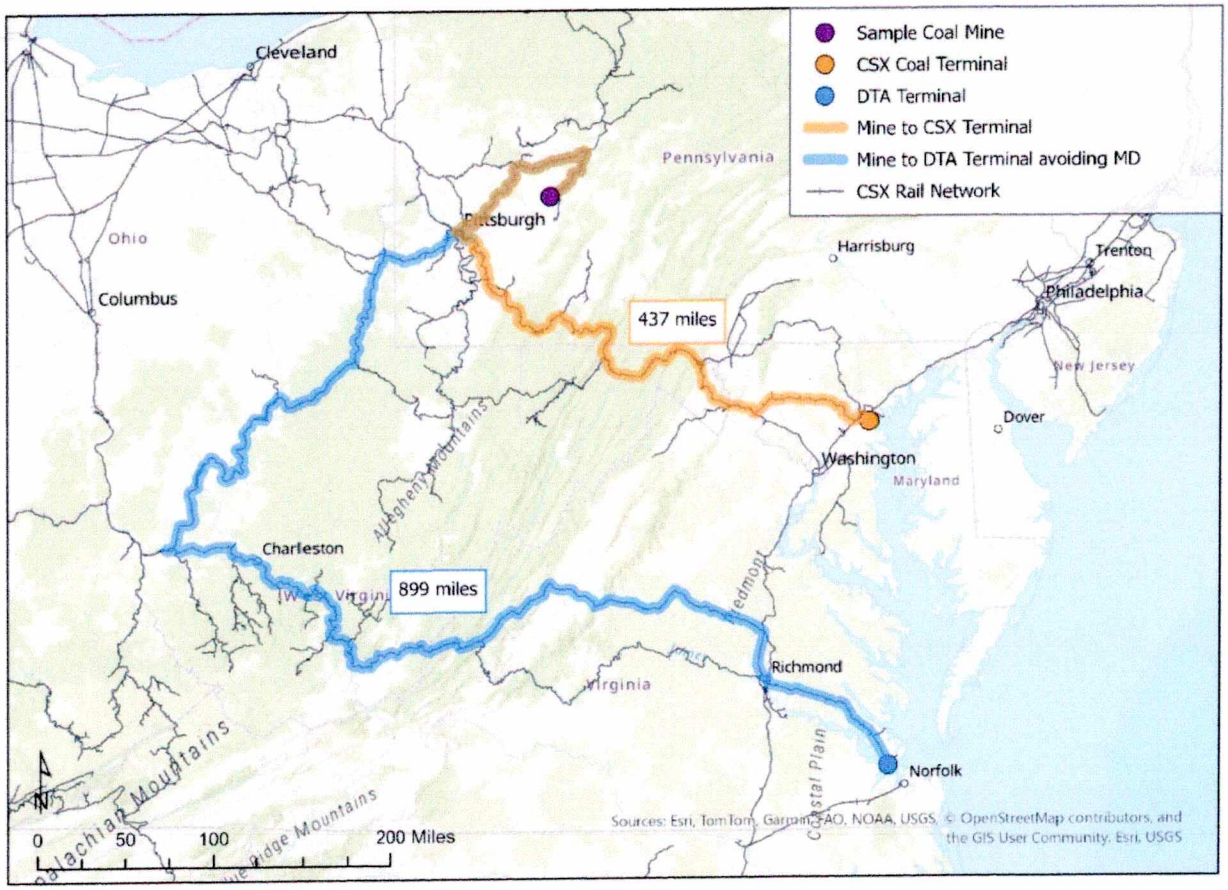
Table 3. Number of mines per rail line captured in the Northern Appalachian network analysis.

In the Northern Appalachian region, 99 mines were identified in 2022:

- 70 mines were near one or both of the CSX or Norfolk Southern (NS) rail networks (and were the focus of the analysis)
- 29 mines **were neither** on the CSX nor NS rail network

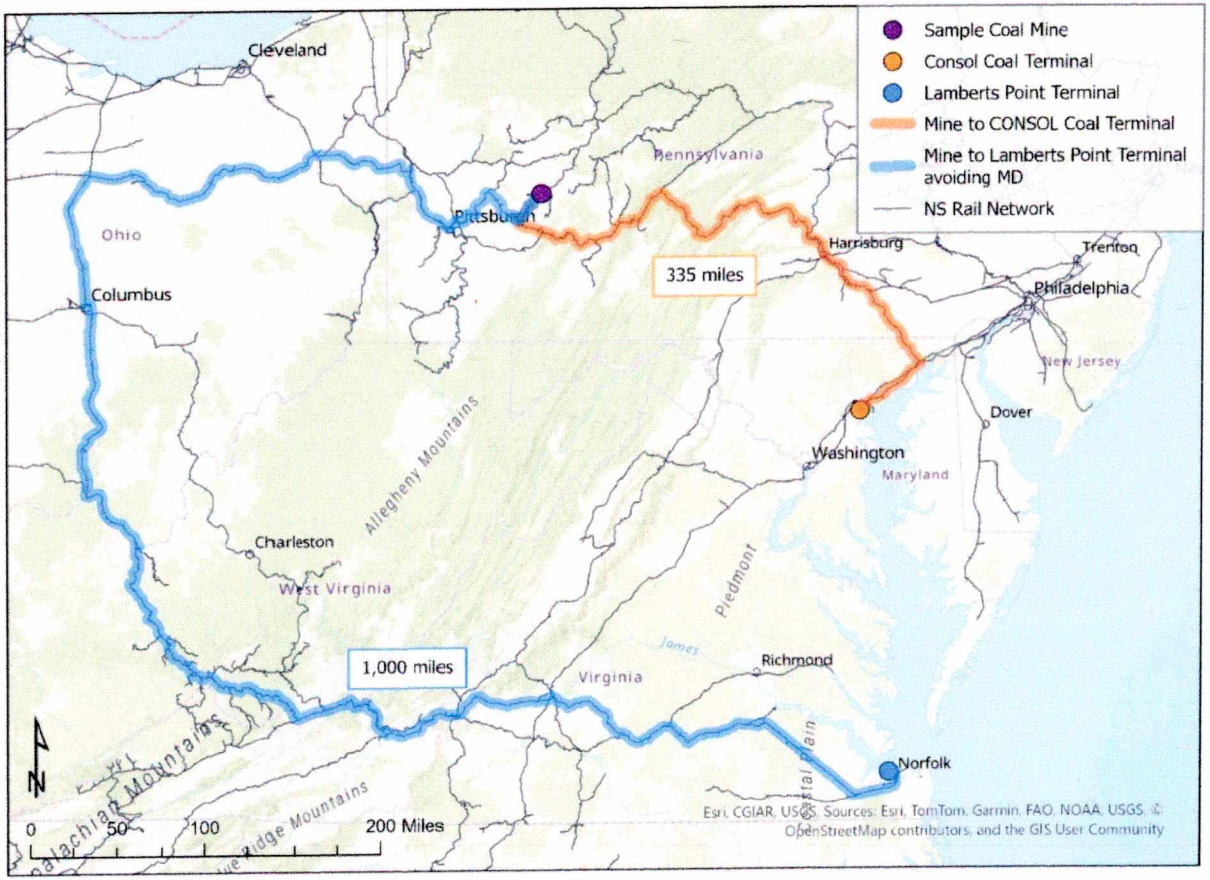
Network	OH mines	Western PA mines	Northern WV mines	Total
CSX only	2	12	9	23
NS only	1	24	0	25
Both CSX and NS	0	17	5	22
Neither CSX nor NS	7	18	4	29
Total	*10*	*71*	*18*	*99*

Figure 2. Routes from a sample Pennsylvania mine on the CSX Network to the Port of Baltimore (orange line) and to the Port of Virginia avoiding Maryland (blue line).
The route to the Port of Virginia while avoiding Maryland is 462 miles longer than to Baltimore.



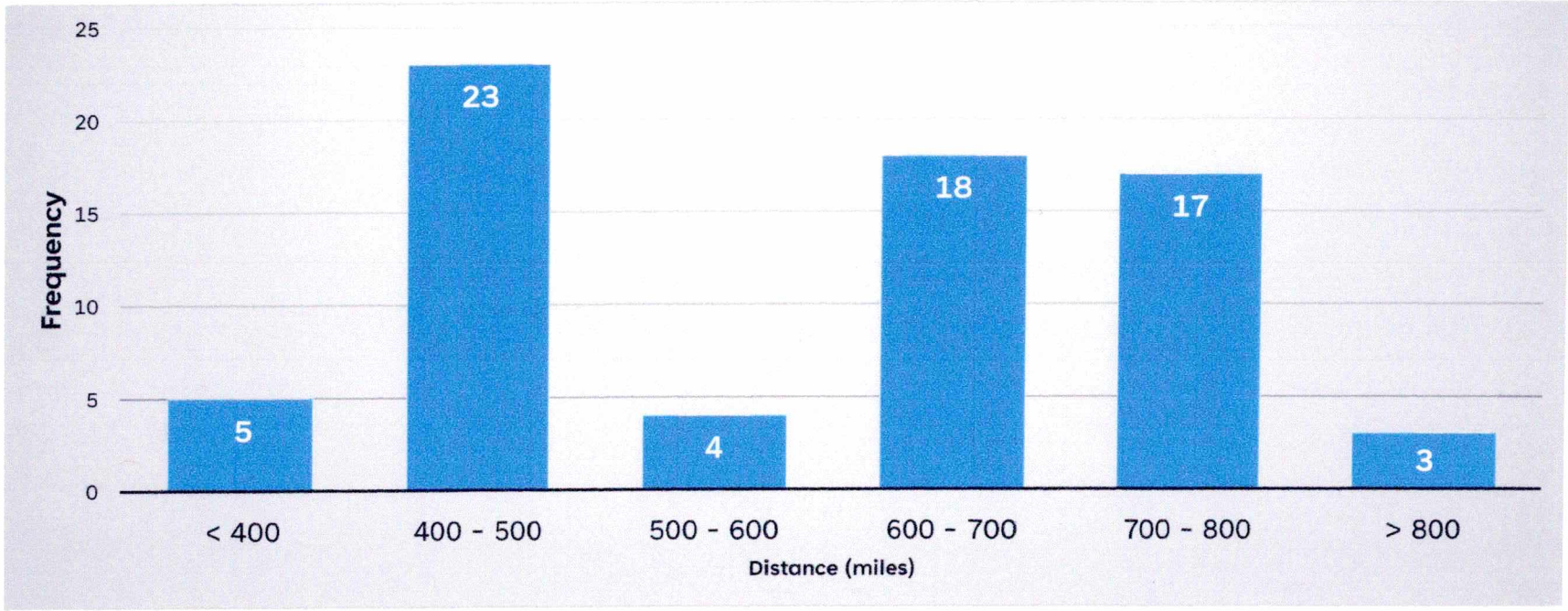
- This figure shows an alternative route for a representative coal mine in southwestern PA that is near the CSX rail line.
- For 70 mines in the Northern Appalachian network analysis, the increase in distance:
  - Ranged between 309 and 828 miles
  - Averaged 597 miles

Figure 3. Routes from the sample Pennsylvania coal mine using the NS Rail network to the port of Baltimore (orange line) and to the port of VA avoiding MD (blue line). The route to the Port of Virginia, avoiding Maryland, is 665 miles longer.



- This figure shows the shortest route from the same coal mine using the NS rail network to the Port of Baltimore and to the Port of Virginia, avoiding Maryland.
- The increase in distance on the NS rail network is greater than on the CSX network due to the longer detour through OH.

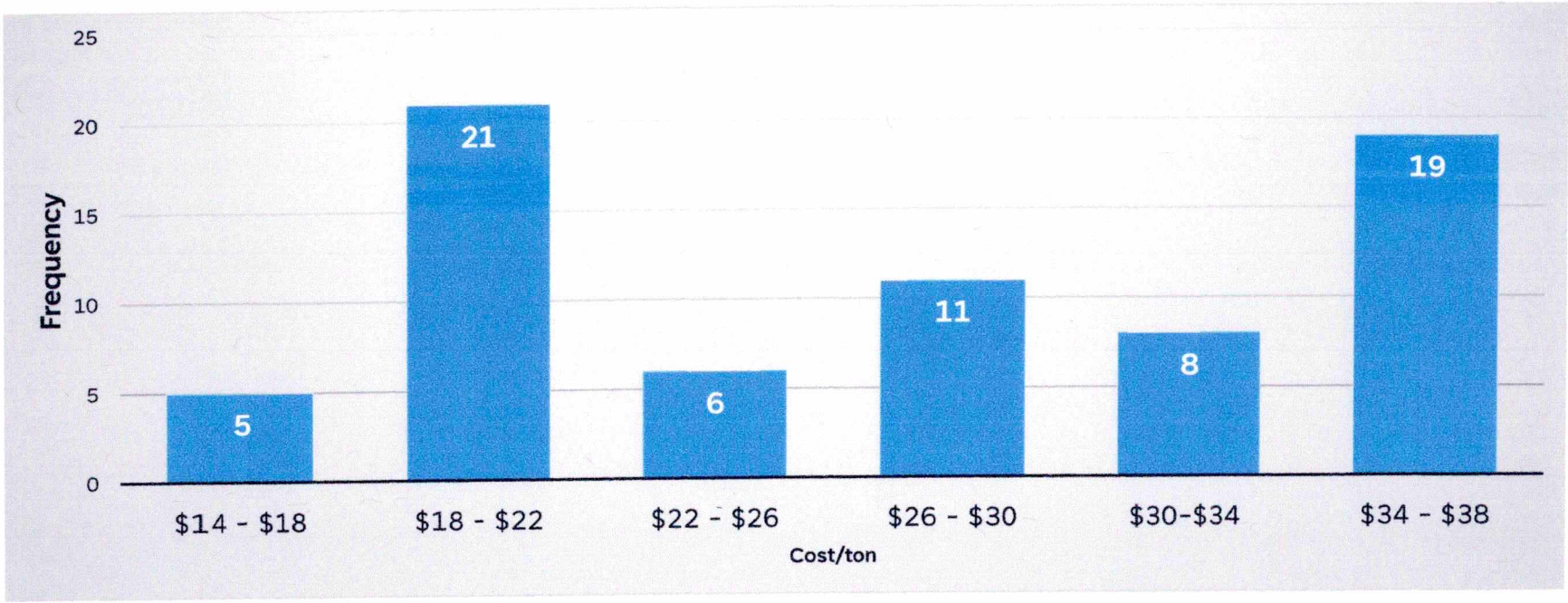
Figure 4. Frequency histogram showing the change in distance from the 70 mines in Northern Appalachia to the Port of Virginia when the destination port is switched from Baltimore to Virginia.



How mines are affected by switching ports from Baltimore to Virginia

- The increase in distance is greater for mines along the eastern edge of the Northern Appalachian region (see Figure 1).
- Mines that are just north of the MD-PA border are among the closest to the Port of Baltimore and would therefore have the longest distance to reroute to VA.
- The increase in distance is greater on the NS rail network than the CSX rail network, due to the need to detour through Ohio (see Figure 3).
- For the 22 mines that are near both the CSX and NS rail networks, the increase in distance was always less on the CSX rail network.

Figure 6. Frequency histogram of the estimated increased change in transportation costs per ton per mine for the Northern Appalachian mines (N=70) due to the increased distance when the destination port is switched from Baltimore to Virginia.



Additional costs to mines by switching ports from Baltimore to Virginia

- For each of the 70 mines in the network analysis, the increased transportation costs are greater than the proposed transportation fee of $13 per ton.
- The increased cost per short ton follows the same geographic pattern as the increase in distance:
  - The mines with the largest increase in costs per short ton are in the northeast portion of the region
  - Mines with the lowest increase in costs per short ton are located along the Northern and Western edges of the Appalachian region

Figure 9. Increase in total estimated transportation costs per mine (n=70) when the destination port is switched from Baltimore to Virginia.