



Hon. Ben Barnes
Appropriations Committee
120 Taylor House Office Building
Annapolis, Maryland 21401

RE: HB437/SB59 — Major Highway Capacity Expansion Projects and Impact Assessments (Transportation and Climate Alignment Act of 2026)
Position: Opposed

The Maryland Chapter of the American Council of Engineering Companies (ACEC/MD) represents Maryland's private-sector engineering firms that design and deliver the transportation, water, environmental, and public works infrastructure that local governments and the State rely upon every day. **We appreciate the openness of the Sponsor to discuss this bill with us and amending last year's bill to increase the threshold of the projects cost; however, if the viability of the capacity expansion project remains contingent on the offsetting project, this bill will have catastrophic results.**

ACEC Maryland understands Maryland's climate goals and the State's commitment to reducing greenhouse gas (GHG) emissions; however, HB 437/SB 59 layers on an additional, rigid planning and mitigation structure that will significantly increase costs, introduce uncertainty into the Consolidated Transportation Program (CTP), and slow delivery of critical safety and mobility projects without clear evidence of proportional climate benefit. **Additionally, this bill fails to recognize that increasing congestion (slower, more stop-and-go traffic) generally increases GHG emissions. With the unlikelihood of a monumental uptake in public transportation users, without roadway expansion, GHG emissions from congestion will continue to increase.**

From a broader policy standpoint, **Maryland cannot simultaneously pursue aggressive economic development and job growth while making it functionally impossible to deliver the transportation upgrades that those very employers, workers, and communities will require.** Major industrial, logistics, and housing investments depend on reliable highway access for freight, commuters, and service providers; if every significant capacity or interchange project carries an open-ended, potentially multi-hundred-million-dollar offset obligation, many of those projects will simply never advance to construction. In a constrained Transportation Trust Fund environment, this framework will force MDOT to choose between meeting statutory climate accounting requirements and providing the basic access improvements that support new employment centers, port and warehouse activity, and regional competitiveness. In practical terms, that means Maryland risks forgoing economic activity and private-sector investment not because projects lack merit, but because the State has made the infrastructure needed to support that growth financially and procedurally unattainable.

First, the bill requires the Maryland Department of Transportation (MDOT) to develop a new impact assessment tool for GHG emissions and vehicle miles traveled (VMT), **at an estimated one-time Transportation Trust Fund (TTF) cost of \$1.5 million in fiscal 2026 and ongoing consultant costs of \$50,000 per assessment or evaluation thereafter.** Those are dollars that will not be



AMERICAN COUNCIL OF ENGINEERING COMPANIES/MARYLAND

available for design, construction, system preservation, or safety improvements.

Second, this bill defines “major highway capacity expansion project” as a project that increases capacity through new lanes, interchanges, or extended lanes and exceeds \$100 million, and then requires MDOT to both (1) perform a detailed GHG/VMT impact assessment and (2) design and implement a corresponding multimodal transportation program that fully offsets the project’s GHG emissions such that net emissions are zero or negative. While we appreciate the threshold increase to \$100 million, as we requested last year, the cost to fully offset these projects will be immense.

As the fiscal and policy note acknowledges, this obligation **will significantly increase total project costs** because the multimodal programs must include transit, transit-oriented development, transportation demand management, bicycle/pedestrian facilities, and other activities, prioritized first in overburdened and underserved communities.

From an engineering and project-delivery standpoint, requiring that elements of the multimodal program be funded “concurrently with funding for the construction of the major highway capacity expansion project” or that the highway project be deferred until the offset program is sufficient introduces substantial schedule and financial risk. The fiscal note explicitly notes that mitigation efforts to counteract induced demand from a hypothetical 20 “lane-miles” expansion in the Baltimore Statistical Area could reach **“hundreds of millions or even billions of dollars,”** depending on the strategies used. For our member firms and their clients, such open-ended, potentially multi-hundred-million-dollar mitigation obligations will have a chilling effect on the State’s willingness to advance capacity and safety projects at all.

We are especially concerned that this bill could unintentionally impair Maryland’s ability to deliver projects that are essential for safety, freight movement, and economic competitiveness, particularly in fast-growing corridors that already experience severe congestion. While the bill exempts certain projects that are in the Statewide Transportation Improvement Program (STIP) with construction funding, funded for construction in the CTP, or have completed the NEPA process, any future major capacity projects outside those limited conditions will be subject to the new regime.

In a constrained TTF environment, the practical result will be that projects serving growth areas, new industrial sites, and key logistics nodes are either delayed indefinitely or never programmed because **MDOT cannot afford both the project and the required offsets.**

This bill also injects a new layer of modeling and evaluation atop existing federal and State planning frameworks without clear alignment. MDOT is already required to develop and update the Maryland Transportation Plan (MTP), maintain a six-year CTP, and participate in the federally mandated Statewide Transportation Improvement Program (STIP) in cooperation with seven Metropolitan Planning Organizations. At the same time, the State must comply with the Climate Solutions Now Act, which already mandates statewide GHG reductions of 60% from 2006 levels by 2031 and net-zero emissions by 2045 and has prompted development of Maryland’s Climate Pollution Reduction Plan and MDOT’s 2023 Climate Pollution Reduction Plan. This bill overlays yet another set of annual statewide and regional GHG targets and requires that the CTP’s portfolio of major capital projects and “offsetting activities” be modeled to be consistent, “to the maximum extent



ACEC/MD

AMERICAN COUNCIL OF ENGINEERING COMPANIES/MARYLAND

practicable,” with a specific roads modeling appendix in the Climate Pollution Reduction Plan.

From a practical engineering perspective, this framework raises several concerns:

- It relies heavily on complex travel demand modeling and induced-demand assumptions that are evolving and not yet standardized at the project level, yet those models will now drive go/no-go decisions for large capital investments.
- **It effectively penalizes any project that adds capacity, regardless of whether the project also addresses safety “hot spots,” corrects design deficiencies, or improves resiliency, because the induced VMT must be fully offset through separate programs to achieve net-zero GHG.**

As firms that design both highway and multimodal projects, ACEC Maryland members strongly support integrating transit, active transportation, and demand management strategies, and we routinely help MDOT and local governments craft context-sensitive, multimodal solutions. However, this bill prescribes a rigid, accounting-style approach, requiring that each major highway expansion project be balanced by an offsetting program such that net GHG emissions from that project plus its program are zero or negative, that may not align with how projects are scoped, sequenced, and funded in the real world.

Our concern is not with measuring or reducing transportation GHG emissions; **it is with a statutory construct that could force MDOT to either (a) bundle unaffordable mitigation portfolios onto major projects or (b) stop advancing those projects altogether. The fiscal note already anticipates that “State revenues and expenditures are likely to be significantly affected” and that project deferrals could impact both TTF finances and federal revenues.**

That level of uncertainty will discourage long-term engineering investment in Maryland and may drive up bid prices as firms price in risk associated with delays and re-scoping.

For these reasons, the Maryland Chapter of the American Council of Engineering Companies respectfully requests an unfavorable report on HB437/SB59. We would welcome the opportunity to work with the bill sponsor, MDOT, and the Committees on a more flexible framework that advances Maryland’s climate commitments while preserving the State’s capacity to deliver safe, reliable, and economically vital transportation infrastructure.

Respectfully,

Maria K. Donovan

Maria Donovan
Executive Director
ACEC/MD