
February 18, 2020

The Honorable Dereck E. Davis
Chairman, House Economic Matters Committee
House Office Building
Annapolis, MD 21401

Re: Letter of Opposition – House Bill 1410 – Labor and Employment - Secure Maryland Wage Act

Dear Chairman Davis and Committee Members:

The Maryland Department of Transportation respectfully opposes House Bill 1410, as it would have a significant, negative impact on our Transportation Business Units (TBUs), resulting in a competitive disadvantage and a strain on the business operations in the State.

This legislation mandates a higher minimum wage for any employee who spends more than 50% of their workweek at “heightened security interest locations,” including Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall), Pennsylvania Station in Baltimore, and the Port of Baltimore. The higher minimum compensation at these locations would be tied to the federal Security Guard I Classification, which currently is \$18.49 per hour according to the fiscal note. This rate far exceeds the living wage rate under State law and is expected to increase with federal wage increases. Covered employees would include any individual working at the Port of Baltimore or BWI Marshall Airport whether or not they perform security-related functions. Notably, the boundaries of the “heightened security interest locations” are unclear; and it is not possible to determine exactly which employees are covered under the legislation.

As a threshold matter, House Bill 1410 places a fiscal and operational burden on MDOT’s TBUs and private industry partners, as it voids all current agreements that do not meet the new increased wage, and allows employees to sue the employer to recover twice the difference between the mandated wage and the actual wage, plus attorney fees and costs.

At the Port of Baltimore, the MDOT Maryland Port Administration (MDOT MPA) works hard to accomplish its mission to increase waterborne commerce through the State of Maryland in a way that benefits the citizens of the State and the City of Baltimore. In doing so, the Port generates 15,330 direct family-supporting jobs for Marylanders, in which the average wage of those jobs exceeds the statewide average annual wage by 9.5%. Statistically, the employees at the Port experience a below average turnover rate for similar positions in Maryland.

The premise that House Bill 1410 is needed to protect public safety is misleading. For 11 consecutive years, the state-owned, public marine terminals at the Port of Baltimore received a top rating on an annual security assessment from the U.S. Coast Guard for 2019. The Coast Guard conducts annual and thorough examinations of the Port’s six public marine terminals:

The Honorable Dereck Davis
Page Two

Dundalk, Seagirt, North Locust Point, South Locust Point (including the cruise passenger terminal), Fairfield and Masonville. At BWI Marshall, MDOT Maryland Aviation Administration (MDOT MAA) partners with the federal Department of Homeland Security to ensure the airport meets and exceeds the federally mandated security requirements. Additionally, the BWI Marshall successfully engages in triennial Joint Vulnerability Assessments by the Department of Homeland Security, TSA and the FBI.

At BWI Marshall, there would be a greater cost for the private sector businesses operating at the airport. This legislation would impact costs for security, retail and food providers, custodial services, airfield handling personnel, ground transportation employees, and others. BWI Marshall is the lowest cost airport in the metropolitan region; cost increases for MDOT MAA and its private sector partners will increase the chance of loss of passengers and cargo. Maryland has benefited by the savings to our customers. BWI Marshall accounts for over 106,000 jobs and generates \$9.3 billion in economic impact for the state.

For the Port of Baltimore and BWI Marshall to continue to operate successfully as economic engines for the State, growth cannot be impeded by the unfounded mandate to increase wages with the false notion that it would ensure safety and reduce turnover.

For these reasons, the MDOT respectfully requests the committee grant House Bill 1410 an unfavorable report.

Respectfully submitted,

Ricky D. Smith, Sr.
Executive Director
Maryland Aviation Administration
410-859-7060

Dave Thomas
Acting Executive Director
Maryland Port Administration
410-385-4401

Jeff Tosi
Director of Government Affairs
Maryland Department of Transportation
410-841-2850