MARYLAND
DEFENSE ACT
2017 REPORT
Introduction

Shortly after the inauguration of Donald Trump, the Administration began taking actions that were illegal and unconstitutional. Many of those actions posed a threat to the health, safety and welfare of Marylanders.

For example, in January, 2017, President Trump issued an executive order banning people from certain countries with majority Muslim populations from entering the United States, thereby attempting to implement his campaign promise of "a total and complete shutdown of Muslims entering the United States." Among other infirmities, the President’s action violated the Constitution’s Establishment Clause prohibiting discrimination based on religion. As the U.S. Court of Appeals for the Fourth Circuit put it in a decision striking down the President’s second travel ban, the revised executive order “speaks with vague words of national security, but in context drips with religious intolerance, animus and discrimination.”

A few months later, President Trump signed another executive order to dismantle the Clean Power Plan (CPP), one of the most important steps the country has taken to slow down and curb the increasingly harmful effects of climate change on our environment, public health, and economy. Turning back the clock on America’s progress toward clean energy and a healthier environment, he imposed on the country his view of climate change as a “hoax” that was “created by and for the Chinese.” The Environmental Protection Agency’s implementation of the President’s executive order through its proposed repeal of the CPP violates the Clean Air Act, which requires EPA to regulate greenhouse gases under EPA’s Endangerment Finding. Notwithstanding the agency’s recently announced plan to propose a CPP replacement at some future time, the proposed repeal with no immediate replacement rule ignores EPA’s own extensive factual record and findings supporting the plan, e.g., its documentation of best industry practices to reduce pollution while retaining flexibility and minimizing costs. President Trump’s climate change denialism also renders it unlikely that any CPP replacement would be adequate under the Clean Air Act.

President Trump announced more recently his decision to stop paying the cost-sharing reductions mandated by the Affordable Care Act, declaring, “I knocked out the CSRs. That was a subsidy to the insurance companies.” This statement displayed President Trump’s wholesale ignorance and disregard for how cost-sharing reductions actually work to help decrease the cost of health care for some of our lowest income and most vulnerable workers and families. Over 400,000 Marylanders depend upon the Affordable Care Act for their health insurance. Millions of others will see their insurance premiums increase
dramatically if President Trump’s threats to renege on the obligations of the federal government are carried out.

In response to the extant and threatened unlawful actions of the Trump Administration, the General Assembly passed the Maryland Defense Act (MDA). The MDA authorized the Office of the Attorney General to file suit on behalf of Marylanders when "the federal government's action or inaction ... threatens the public interest and welfare of the residents of the State with respect to:

(1) protecting the health of the residents of the State and ensuring the availability of affordable health care;

(2) safeguarding public safety and security;

(3) protecting civil liberties;

(4) preserving and enhancing the economic security of workers and retirees;

(5) protecting financial security of the residents of the State, including their pensions, savings, and investments, and ensuring fairness in mortgages, student loans, and the marketplace;

(6) protecting the residents of the State against fraud and other deceptive and predatory practices;

(7) protecting the natural resources and environment of the State; or

(8) protecting the residents of the State against illegal and unconstitutional federal immigration and travel restrictions; or

(9) otherwise protecting, as parens patriae, the State’s interest in the general health and well–being of its residents...."

Since the passage of the MDA, the Office of the Attorney General (“OAG”) has worked to safeguard Maryland from the negative actions of the federal government. The OAG is engaged in lawsuits to protect Marylanders who need affordable and accessible healthcare, Marylanders of diverse backgrounds at risk of discrimination on the basis of religious and national origin, and all Marylanders who will suffer from the degradation of our environment, the dismantling of critical consumer and financial protections, and a host of other harms resulting from the Trump Administration’s dangerous and destructive agenda.

This report outlines the actions taken under the authority of the MDA.¹ These actions make clear that the MDA is a meaningful and important tool in the ongoing

¹ In a few of the cases listed, OAG believes that it has authority independent of the Maryland Defense Act to bring an action. Notice was nevertheless provided to the Governor pursuant to the MDA to avoid any future claim that the action was not authorized. This is an additional benefit of
effort to preserve the rights of Marylanders and combat the abuses flowing from the federal government.

**Fighting President Trump’s Muslim Travel Bans**


The President’s Executive Orders suspended entry into the United States of all persons from certain designated countries that have majority Muslim populations. People who arrived in the country lawfully, expecting to be welcomed and treated with dignity, were instead detained at airports, handcuffed, denied access to counsel, and in some cases forced to leave the United States at their own expense and at their own peril.

The issues in the travel ban cases are important to Marylanders because the Executive Orders impair the ability of Maryland students who are lawful permanent residents or who are present on student visas to continue to attend Maryland’s colleges and universities. That impairment will affect the ability of Maryland colleges and universities to attract and retain foreign students in the future, and with respect to public institutions, may result in a significant loss of tuition revenue to the State. The Executive Orders also hinder the research efforts of Maryland faculty members, research fellows, and graduate students whose inability to travel overseas will jeopardize their grant funding and the important academic, scientific, and medical research it supports. The Executive Orders’ adverse effect on researchers will also have consequences for Maryland’s growing technology industry, which employs a significant number of professionals originating from the countries targeted in the orders.

Most fundamentally, Maryland has an interest in ensuring that the federal government does not discriminate based on race, ethnicity, or religion.

**Defending Greenhouse Gas Emissions Standards**

OAG intervened in a lawsuit to defend the Environmental Protection Agency’s (EPA) light-duty vehicle greenhouse gas emissions standards. The case challenges the EPA’s finding that the emissions standards are feasible at reasonable cost, will achieve significant carbon-dioxide emissions reductions, and will provide significant benefits to consumers and to the public. Because there was doubt as to the Trump

[the MDA to OAG and to Maryland citizens. In a few other cases, OAG received additional authority to proceed after it initiated an action pursuant to the MDA.](#)
Administration’s desire or willingness to defend the standards, states needed to intervene. See Alliance of Automobile Manufacturers v. United States Environmental Protection Agency et al., (D.C. Cir., Case No. 17-1086).

This case is important to Marylanders because of Maryland’s interest in reducing air pollution. Greenhouse gas emissions pose a significant threat to public health and climate stability, and Maryland has unique vehicle pollution challenges because of the high volume of out-of-state vehicles that drive through the State on I-95 and other highways.

**Fighting for Energy Efficiency and Conservation Standards**

OAG filed suit seeking to compel the Department of Energy (DOE) to publish and make effective several final energy efficiency and conservation standards. DOE’s energy efficiency standards significantly reduce the nation’s energy consumption, resulting in substantial and crucial utility cost savings for U.S. consumers. DOE’s failure to move forward with the regulations violates the Energy Policy and Conservation Act and the Administrative Procedure Act. See Natural Resources Defense Council, et al. v. Perry, et al. (N.D. Ca., Case No. 3:17-cv-03404).

Maryland has a compelling interest in ensuring that these standards become effective as a critical component of our broader efforts to reduce air pollution. Greenhouse gas emissions pose a significant threat to public health and climate stability.

**Enforcing the Emoluments Clauses**

OAG, along with the District of Columbia, filed suit against the President to enforce our nation’s original anti-corruption legislation, the foreign and domestic Emoluments Clauses of the U.S. Constitution. As explained in the complaint, “President Trump’s myriad international and domestic business entanglements make him vulnerable to corrupt influence and deprive the American people of trust in their chief executive’s undivided loyalty.” See District of Columbia v. Trump, 2017 WL 2559732 (D. Md. filed June 12, 2017) (No. 17-cv-01596-PJM).

President Trump’s violations of the foreign and domestic emoluments clauses harm the interests of Maryland and its citizens. The clauses ensure that the President will act in the interests of the people and will not be swayed by the corrupting influence of money or other benefits received from foreign governments, the federal government or state governments.

Marylanders have the right to honest government. We are entitled to know that decisions impacting Maryland are being made on the basis of merit and not on the basis of the President’s personal financial gain.
**Fighting to Ban Chlorpyrifos**

OAG has sought to intervene in a lawsuit challenging the EPA’s decision to allow continued use of chlorpyrifos on food crops. *See LULAC et al. v. Pruitt et al.*, No. 17-71636 (9th Cir. filed June 6, 2017). EPA’s own record shows that chlorpyrifos is a toxic pesticide that has adverse neurodevelopmental effects, particularly in infants and children. EPA scientists were unable to identify a safe level for the pesticide in food. Chlorpyrifos is widely used, including in the production of fruits and vegetables consumed by millions of Americans.

**Limiting Methane Emissions from the Oil and Gas Sector**

OAG has notified the EPA that it intends to file suit to compel the EPA to promulgate regulations, known as Emissions Guidelines, to limit methane emissions from existing sources in the oil and gas sector. The Clean Air Act requires EPA to address methane emissions from existing sources once it establishes standards for new and modified facilities. It established standards for new and modified sources in June 2016, but has failed to issue standards for existing sources. The Maryland Department of the Environment (“MDE” or “Department”) originally intervened in support of EPA’s standards for new and modified sources when those standards were challenged by industry groups. After EPA changed course and sought to stay those standards, the Department intervened to oppose EPA’s stall tactics.

Methane is a very potent greenhouse gas; when feedbacks are included, it warms the climate about thirty-four times more than carbon dioxide over a 100-year period. On a twenty-year timeframe, it has about eighty-six times the global warming potential of carbon dioxide. Oil and gas systems are the largest source of methane emissions in the U.S. and the second largest industrial source of U.S. greenhouse gas emissions.

Climate disruption from rising greenhouse gas concentrations is increasingly taking a toll on Maryland families and businesses. Climate change threatens more frequent, severe or long-lasting extreme events, such as droughts, heat waves and wildfires, and flooding from sea level rise, all of which will intensify over the coming decades.

**Protecting the Borrower Defense Rule**

OAG joined two cases related to the U. S. Department of Education Borrower Defense Rule. First, OAG intervened in support of the Borrower Defense Rule in a

The Borrower Defense Rule was designed to hold abusive higher education institutions accountable for cheating students and taxpayers out of billions of dollars in federal loans. Under the Rule, a borrower can obtain loan forgiveness when a predatory school engages in deceptive conduct. While providing students with relief from loans obtained as a result of deceptive conduct, the Rule protected taxpayers by strengthening the requirements for schools to prove financial responsibility, including, under certain circumstances, by posting letters of credit. The Rule also limits the ability of schools to require students to sign mandatory arbitration agreements and class action waivers, commonly used by for-profit schools, to avoid negative publicity and to thwart legal actions by students who have been harmed by schools’ abusive conduct.

The Department’s action will: (1) make it more difficult for Marylanders to obtain forgiveness of their student loans; and (2) promote the use of unfair and deceptive practices by predatory schools. Maryland has thousands of students who have been victimized by Corinthian and other for-profit schools.

Protecting the Chemical Accident Prevention Rule

OAG filed suit to challenge a rule that will delay implementation of amendments to the Chemical Accident Prevention Rule. See New York et al. v. Pruitt, No. 17-1181 (D.C. Cir. filed July 24, 2017). The Chemical Accident Prevention Rule seeks to prevent explosions, fires, releases of poisonous gases, and other “accidental releases” at facilities that use or store certain extremely dangerous chemical substances. Among other things, the rule requires such facilities to enhance local emergency preparedness and response planning by coordinating with local officials. The Rule was meant to protect the lives of fire fighters, EMTs, police, law enforcement and surrounding communities.

Further, the Rule requires a facility that experiences an incident that results in, or could reasonably have resulted in, a “catastrophic release” to investigate the incident’s root cause with the goal of preventing similar incidents. It also requires third-party compliance audits when incidents occur at a facility.

Maryland has 157 facilities which have the potential to endanger the lives of citizens and businesses if there is a release of hazardous chemicals. Any delay in the implementation of the Rule unnecessarily endangers our communities and emergency responders.
Defending the Affordable Care Act

Acting to protect healthcare coverage for 20 million Americans, OAG has filed or intervened in several cases relating to the Affordable Care Act (“ACA”).

OAG intervened in a case in which members of the U.S. House of Representatives challenged the authorization of federal funding for cost-sharing reduction payments. See United States House of Representatives v. Thomas E. Price, M.D., et al. (Docket 16-5202) (U.S. Court of Appeals for the District of Columbia Circuit). Cost-sharing reductions, an important part of the ACA’s financial assistance provisions, reduce out-of-pocket costs by lowering deductibles, co-payments, and similar expenses for eligible consumers purchasing plans on state health exchanges. Several states intervened in the case because they could not rely on the Trump Administration to defend the lawsuit.

OAG filed a second suit opposing the Trump Administration’s abrupt decision to stop making these cost-sharing reduction payments, a decision that prompted the Maryland Insurance Commissioner to permit carriers to submit a second rate filing seeking increases in proposed 2018 rates to cover the loss of the payments.

83,000 Marylanders were projected to receive over $97 million in these payments in 2017. Loss of federal funding for cost-sharing reduction payments would result in higher premiums to cover the loss, which would harm the State, Maryland consumers, and the entire healthcare marketplace. More Marylanders would lose or forego coverage, and uncompensated care would increase, driving up hospital rates and Medicaid expenditures, and jeopardizing the State’s federal Medicare waiver.

These payments are critical to protecting millions of working families from unaffordable healthcare costs.

Fighting for Enforcement of Stricter Fuel Efficiency Standards

OAG filed suit under the Clean Air Act challenging a rule promulgated by the National Highway Traffic Safety Administration (“NHTSA”). See State of New York, et. al v. National Highway Traffic Safety Administration, et al., No. 17-2780 (2d Cir. filed Sept. 8, 2017). The rule would delay the effective date of the recently adopted Civil Penalty Rule which increases the civil penalty that can be assessed against a manufacturer for violation of the Corporate Average Fuel Economy (“CAFE”) standards. The Civil Penalty Rule imposes a nearly three-fold increase in the penalty rate assessed on automakers for failure to meet fleet-wide fuel efficiency standards. If NHTSA’s indefinite delay of the penalty increase is permitted, and the outdated penalty rate remains in effect, more auto manufacturers may continue to elect to pay the penalty rather than build fleets that meet the stricter standards.
Protecting Deferred Action for Childhood Arrivals

OAG filed suit to challenge the Trump Administration over its decision to end Deferred Action for Childhood Arrivals (“DACA”). As part of their DACA applications, recipients were required to provide sensitive personal information to the federal government, and it promised that the information would remain confidential and not be used against them in later immigration enforcement proceedings. Having relied on those assurances of continuity and fair treatment, these young people now find themselves in greater peril and at higher risk of deportation than if they had not participated in the program. President Trump’s elimination of the program violated both the Constitution’s fundamental guarantees of equal protection and due process, and constraints on arbitrary and capricious federal agency action.

OAG also filed suit under the Freedom of Information Act due to the federal government’s failure to respond to requests for records and information pertaining to federal immigration enforcement activity in Maryland, including: (1) records related to the DACA program; (2) records related to arrests and/or detention of individuals at certain locations, such as hospitals, courthouses, and school grounds; and (3) records related to detainer requests and databases.

DACA has opened up employment and educational opportunities for thousands of Marylanders who have grown up here and are either working, going to school, serving in the military. Hundreds are attending our public colleges and universities and benefitting from Maryland’s passage of the DREAM Act. The DREAM Act extended in-State tuition rates to qualified young people raised in our State who are seeking a college education.

Defending the Gainful Employment Rule

OAG filed suit against the Department of Education challenging its delayed implementation of the Gainful Employment Rule. Federal law requires that all programs at for-profit institutions and non-degree programs at private and public institutions prepare students to be “gainfully employed” in jobs. The U. S. Department of Education adopted regulations that define “gainful employment” as a job that pays a sufficient income for students to repay their student loan debts, and that address concerns that some institutions were leaving students with unaffordable levels of student loan debt in relation to their earnings, eventually resulting in many students defaulting on their loans. The regulations also require institutions to provide certain disclosures, including the average earnings and debt load of their graduates, and they prohibit institutions from participating in the federal student loan program if the institutions consistently fail to prepare students for gainful employment.
The Department of Education extended several deadlines in the regulations, rendering them ineffective. The Department lacked legal authority to take this action without any public deliberative process.

The Department’s action will: (1) make it more likely that Marylanders are saddled with significant amounts of student loan debt that they are unable to repay; and (2) lead to Maryland students unknowingly attending institutions that fail to provide an education that leads to gainful employment.

**Limiting Greenhouse Gas Emissions on National Highways**

OAG filed suit against the United States Department of Transportation and the Federal Highway Administration (FHWA) to challenge FHWA’s continuing delays, and ultimate suspension, of the effective date of its Greenhouse Gas Performance Measure (“GHG Measure”) for the national highway system. See *People of the State of CA, et al. v. United States Department of Transportation, et al.*, No. 4:17-cv-5439 DMR (N.D. Cal., filed Sept. 20, 2017.) The GHG measure would require State Departments of Transportation (“SDOTs”) to track on-road greenhouse gas (“GHG”) emissions within their jurisdictions and to set locally appropriate targets for GHG emissions on national highways. By imposing these requirements on SDOTs, the GHG Measure incentivizes the funding of transportation strategies that will achieve the desired outcome of reducing GHG emissions.

With more than 3,000 miles of coastline and the Chesapeake Bay, the largest estuary in the United States, Maryland is particularly vulnerable to rising sea levels and the more extreme weather events associated with climate change, *i.e.*, shoreline erosion, coastal flooding, storm surges, inundation, and saltwater intrusion into groundwater supplies. Maryland has documented a sea level rise of more than one foot in the last century, as well as increasing water temperatures in the Chesapeake Bay. The GHG Measure is important to Maryland citizens and businesses, and it should be implemented as intended.

**Enforcing the Clean Air Act’s Smog Protections**

OAG filed suit to challenge EPA’s failure to designate areas of the country that are not in attainment with the agency’s 2015 national ambient air quality standards (NAAQs) for ground-level ozone (commonly referred to as “smog”). See *State of California et al. v. Pruitt et al.*, Civ. No. 17-6936 (N.D. Cal. filed Dec. 5, 2017). The designations, which are required under the Clean Air Act, trigger an obligation on the part of states to take action to reduce smog pollution and to set deadlines for reducing pollution levels. Because smog can cause significant health problems and even death, the delay in making these designations will expose Marylanders to increased death rates and hospital visits.
Ensuring Access to Contraception

OAG intervened in a lawsuit challenging the Trump Administration’s decision to allow employers to deny coverage for contraception by citing religious or moral objections. See California v. Wright, Case 3:17-cv-05783, (N.D. Cal., 10/06/17). The rollback of the Affordable Care Act’s guarantee of no-cost contraceptive coverage will put in jeopardy the access of thousands of Maryland women and their families to reproductive health services and counseling. In addition to violating the Administrative Procedure Act and the Establishment Clause, the Trump Administration’s action violates women’s constitutional rights of equal protection and freedom from discrimination, and imposes additional fiscal burdens on the State as women seek birth control through state-funded programs. 62 million women have benefited from this coverage nationwide since the inception of the ACA, and the Administration’s interim final rules have put those benefits in jeopardy.

Maryland law does extend contraceptive coverage to State-regulated health plans, but more than 50 percent of Marylanders are in employer self-insured health plans. All women and their families deserve contraceptive coverage, and family planning should be in hands of workers, not employers.

Fighting Anti-Competitive Subsidies For Power Plants

In October 2017, DOE used a rarely invoked statutory provision to propose a rule for the Federal Energy Regulatory Commission (FERC) regarding electric grid reliability and resilience pricing. The DOE proposal is legally deficient and, if adopted, will violate both the Federal Power Act and the Administrative Procedure Act. In addition, its practical effect would be to subsidize the operations of inefficient power plants, which will impose unnecessary and unacceptable costs and risks to the citizens of Maryland and to the environment.

OAG previously submitted comments on the proposed rule and, after providing notice to the Governor pursuant to the Maryland Defense Act, moved to intervene in FERC’s docket proceedings. Although DOE initially directed FERC to take final action on the rule within 60 days, FERC subsequently sought and received an extension on this deadline. The new deadline for FERC to take action is January 10, 2018. OAG is prepared to challenge the proposed rule if and when it becomes final.

Defending the Clean Power Plan

The Clean Power Plan was adopted by the EPA in 2015 in response to a provision of the Clean Air Act requiring the EPA to take steps to reduce air pollution that harms
the public's health. By regulating greenhouse gas emissions from power plants, the Clean Power Plan represents an historic step in curbing and reversing climate change. It is critical to mitigating climate change's increasing harm to states' public health, environments, and economies.

Scott Pruitt, prior to becoming the EPA Administrator, sued EPA to challenge the Clean Power Plan. *See Oklahoma v. EPA*, No. 15-1364 (D.C. Cir.); *West Virginia v. U.S. EPA*, No.15-1363 (D.C. Cir.). That litigation is pending in the U.S. Court of Appeals for the District of Columbia Circuit. A number of states, including Maryland, intervened in the case to defend the Clean Power Plan and to oppose the Trump Administration’s efforts to delay the court proceedings. If successful, the Administration’s delay tactics will likely result in an indefinite stay of the litigation, which would have the effect of delaying the implementation of the Clean Power Plan. In addition, the Administration has taken steps to begin repeal of the Clean Power Plan. OAG is preparing to submit comments in that rulemaking proceeding and, once the anticipated repeal rule becomes final, to challenge it in litigation.

The EPA's Clean Power Plan actions will harm Maryland citizens and the environment by eliminating one of the most critical tools to address climate change.

**Forcing Upwind States to Implement Air Pollution Controls**

Maryland and eight other states submitted a Clean Air Act Section 176A Petition to the EPA on December 9, 2013 requesting that the EPA expand the Ozone Transport Region. This action was deemed necessary to address the interstate transport of air pollution, which EPA itself has acknowledged is a significant contributor to Maryland’s ozone attainment problems. The EPA failed to act on the petition for several years and then denied the petition on November 3, 2017. OAG plans to file a lawsuit to challenge the denial of the petition by the January 3, 2018 deadline to seek judicial review.

The EPA’s denial harms Maryland residents by continuing to allow negative health effects associated with pollution that is generated outside the State’s borders. It also inequitably requires Maryland to impose more stringent regulations on its businesses in order to address transported pollution, putting the State at an economic disadvantage vis-a-vis other states.

**Preserving the Open Internet**

Shortly after the filing of this report, the OAG expects to file a legal challenge to the Federal Communications Commission’s recent action to repeal the net neutrality rules. The net neutrality rules prohibited Internet Service Providers (ISPs) from
blocking Internet content or favoring some Internet content over other Internet content.

If the rollback of these protections is permitted to stand, ISPs could prevent Marylanders from accessing content of their choosing, could favor some Internet content over other Internet content by speeding up access to some sites or slowing down access to other sites, or could impose additional fees for consumers to obtain Internet content of their choosing. Additionally, this repeal threatens content providers that are not affiliated with ISPs, particularly small businesses, because the content they provide may be blocked or slowed by the ISPs.

**Protecting the Waters of the United States Rule**

The EPA and the Army Corps of Engineers have initiated two proposed rulemakings with respect to the Clean Water Rule. The Rule was promulgated in 2015 in response to widespread and longstanding concerns about the lack of clarity and consistency in the definition of “waters of the United States” under the Clean Water Act and the scope of federal jurisdiction over the nation’s wetlands and waterways.

The first proposed rulemaking called for rescission of the Clean Water Rule, and reinstatement of prior regulations pending a later, substantive rulemaking regarding a new definition. OAG submitted comments with the EPA and the Corps in September 2017 raising concerns about the repeal of the rule. Rescinding the rule would make it more difficult for Maryland to implement its water quality protection programs and would put the State at an economic disadvantage in competition with other states. It is also procedurally defective and would violate the federal Administrative Procedure Act.

The second rulemaking would delay the effective date of the Clean Water Rule for a period of two years. As with repeal, delaying the rule would have the effect of reinstating the prior regulations and would not provide any clarity and consistency as to the extent of federal jurisdiction under the Clean Water Act. OAG submitted comments to EPA and the Corps in December 2017 reiterating its substantive and procedural concerns with either a repeal or delay of the rule.

No final decision has yet been made by the federal agencies on either rule, but OAG intends to file a lawsuit to challenge any final decision to repeal or delay the Clean Water Rule at the appropriate time.