

Department of Legislative Services  
Maryland General Assembly  
2002 Session

FISCAL NOTE  
Revised

House Bill 1431

(Delegate McIntosh, *et al.*)

Commerce and Government Matters

Finance

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Task Force to Evaluate the Development and Construction of a Magnetic  
Levitation Transportation System

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This bill creates a 27-member task force to evaluate the development and construction of a magnetic levitation (Maglev) transportation system and requires the task force to report its recommendations to the Governor and the General Assembly by December 1, 2002. Among other things, the bill directs the task force to examine alternative funding mechanisms and the public/private partnership potential for the design, construction, ownership, and operation of the Maglev system and for obtaining the required financing. The Maryland Department of Transportation (MDOT) will provide staffing for the task force.

The bill is effective July 1, 2002, and sunsets June 30, 2003.

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Fiscal Summary

**State Effect:** Any expense reimbursements for task force members and staffing costs for MDOT could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law:** State regulations establish procedures for public-private partnerships with businesses that can demonstrate the ability to finance, construct, or operate transportation facilities (excluding highways.)

**Background:** Maglev is a system in which a vehicle runs levitated from the guideway (corresponding to the rail tracks of conventional railways) by using electromagnetic forces between superconducting magnets on board the vehicle and coils on the ground. Maglev can operate at significantly higher speeds than conventional trains (up to 300 miles per hour). The federal Transportation Equity Act for the 21st Century (TEA-21) authorizes federal funding for deployment of a Maglev system. The Federal Railroad Administration (FRA) narrowed the choices for a Maglev demonstration project between Pittsburgh and the Baltimore-Washington metropolitan area. The Maglev would provide a 16-minute trip between Baltimore and Washington and could be expanded to provide service to other locations on the East Coast; its total cost is approximately \$3.8 billion, of which Maryland would be required to contribute \$500 million.

The Consolidated Transportation Program provides \$2.8 million in State funds (fiscal 2003) for a \$14.3 million draft environmental impact statement to study the feasibility of operating a Maglev system in Maryland. The federal government and affected local jurisdictions will contribute \$10.1 million (total) to the study. The FRA plans to announce which area will be the site of the demonstration project in 2003.

Public-private partnerships can supplement shortfalls in State or local budgets for transportation projects and accelerate project completion. Such partnerships also contain inherent risks for both parties, such as higher total project cost, contract management problems, and public opposition. The private partner also faces certain risks, such as public opposition, approvals- and permit-related setbacks, land acquisition obstacles, and liability.

**State Expenditures:** The Maryland Transit Administration (MTA) advises that as part of the Maglev environmental impact statement, it has hired consultants to examine the potential structure of a public-private partnership to help finance and operate the proposed Maglev, and related State procurement barriers. MTA anticipates that the consultants could provide the task force with the necessary expertise and staffing under the existing contract. Expenses related to the task force members' activities are estimated to be \$8,400, which could be handled with existing resources.

## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Transportation, Railway Technical Research Institute, Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2002  
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