Larry Hogan Governor Boyd K. Rutherford Lt. Governor Gregory Slater Secretary

January 20, 2021

The Honorable Guy Guzzone Chairman, Senate Budget and Taxation Committee 3 West Miller Senate Office Building Annapolis MD 21401

RE: Letter of Opposition – Senate Bill 81 – Southern Maryland Rapid Transit Project – Funding

Dear Chairman Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) respectfully opposes Senate Bill 81 and offers the following information for the Committee's consideration.

The Southern Maryland Rapid Transit (SMRT) project is a proposed rapid transit system along 18.7 miles of the MD 5 (Branch Avenue)/US 301 (Crain Highway) corridor, between Branch Avenue Metrorail Station in Prince George's County and the Waldorf-White Plains area in Charles County. This area of the State has seen significant growth over the last twenty years and is in need of congestion relief and transportation alternatives.

MDOT can attest to the importance of the Southern Maryland Rapid Transit Project through the recent submittal of a Better Utilizing Investments to Leverage Development (BUILD) Discretionary Grant application. Charles County, in partnership with MDOT and Prince George's County, submitted a BUILD Grant application for \$4.98 million to fund the completion of the Draft Environmental Impact Statement (DEIS) for the Southern Maryland Rapid Transit (SMRT) project. The DEIS is an important next step in the delivery of this vital regional project. By opposing this bill, MDOT is not taking a philosophical position on the project itself, which would be a positive step in providing commuting benefits for tens of thousands of daily commuters.

Senate Bill 81 mandates appropriations of \$27 million between FY 23-24 to complete the design, engineering, full NEPA process, and secure a Record of Decision from the Federal Transit Administration for the light rail solution for Southern Maryland Rapid Transit Project. This bill selects a project alternative before a NEPA process has been initiated and ultimately, the decision on how to move forward (light rail vs. bus rapid transit [BRT]) must be part of a federally sanctioned NEPA process.

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The development of MDOT's capital program involves many stakeholders and public meetings to prioritize needs across the State. The process includes: the submission of priority letters from all counties, the annual CTP tour to allow State officials to hear from local jurisdictions, elected officials, and the public in every county (a practice that has been in place for over 100 years), and a prioritization of needs. Projects are prioritized based on the State's goals, the availability of funding, and the scoring system established by Chapter 30 of 2017.

Selecting a certain local project to receive transportation funding through the legislative process does not take into consideration the collaborative process used to develop the CTP. Requiring funding of certain projects through legislative mandate without regard to total cost, constructability, or prioritization of Statewide needs sets a precedent that undermines the CTP development process.

Lastly, the TTF was established to provide flexibility in funding projects across the entire State. Designating portions of the TTF for specific purposes restricts MDOT's flexibility to distribute funds between the transportation business units to fund the most pressing capital expansion and system preservation projects.

It is important to understand that the TTF is a non-lapsing, special fund that provides funding for transportation. It consists of tax and fee revenues, operating revenues, bond proceeds, and fund transfers. Any statutory diversion of funds will negatively impact the ability of MDOT to issue bonds backed by TTF revenues and diminish any investment income generated by the TTF fund balance. Redirecting these funds will require other construction-ready projects already included in the CTP to go unfunded.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 81 an unfavorable report.

Respectfully submitted,

Heather Murphy Director of Planning and Capital Programming Maryland Department of Transportation 410-865-1275 Pilar Helm Director of Government Affairs Maryland Department of Transportation 410-865-1090