

February 9, 2022

Oral and Written Testimony in Favor of SB0359 – State Finance – Prohibited Appropriations –
Magnetic Levitation – Transportation System (Cross-file HB0326)

Chairman Guzzone, Vice Chair Rosapepe, and Members of the Budget and Taxation Committee,

My name is Susan McCutchen. I am writing in support of SB0359, sponsored by Senators Paul Pinsky and Pam Beidle. I want to thank them for bringing forth this bill that would prohibit Baltimore-Washington Rapid Rail (BWRR) from appropriating funds from the state of Maryland to build the proposed SCMaglev transportation system, except for expenditures for “the salaries of personnel assigned to review permits or other forms of approval” for such a system.

This exception is responsive to the concerns expressed by the Northeast Maglev that a previous iteration of this bill had unintended consequences in that it would inadvertently tie their hands to work with the appropriate state personnel to acquire permits or other required approvals should the project go forward. By including this caveat, the bill should now be acceptable to BWRR and Northeast Maglev, as they repeatedly state they are a private company and will not need to seek state funds.

In thinking about the possible construction of the SCMaglev transportation system, I am reminded of the work stoppage and cost overruns of the Purple Line, as well as the troubling saga of the California bullet train project as their construction and financial woes continue to mount, including significant delays in paying property owners from whom the developers purchased land.

The SCMaglev project will face financial difficulties as the projected costs increase exponentially and the actual work is undertaken. As a result, the ability of BWRR to either continue or complete the project will be curtailed. BWRR and its partners will seek additional funds from bank loans as well as from the Maryland and federal government. Government funds are taxpayer dollars. We the people will pay—and already have from a chunk of federal government funds allocated to undertake the study and meet NEPA requirements.

The Japanese government intends to invest in the SCMaglev project, thereby becoming a BWRR partner. They will own an as-yet undetermined percentage of this project. Their technology and expertise will anchor the construction and operation of the SCMaglev. They will seek a profit above all no matter how many fees Japan waives for BWRR to acquire the technology. I do not relish the Japanese owning a piece of Maryland’s Northeast Corridor and demanding repayment should the project falter or perhaps not be able to be finished. They and all interested parties will no doubt expect to be repaid for their investments in building and operating the train. Again, we the people will pay to complete a foundering project.

Thank you for this opportunity to provide oral and written testimony. I look forward to SB0359 moving out of committee and going forward.

Sincerely,

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