



Maryland Senate – Budget and Tax Committee

Chair: Guy Guzzone
Vice Chair: Jim Rosapepe

Senate Bill 0050 – State Finance Prohibited Appropriations Magnetic Levitation Transportation System

Position: Oppose

The construction costs would be split between the Japanese government, the Central Japan Railway and the U.S. government, with no need for a state contribution and without subsidies once the train is built and operating. Independent ridership and revenue studies validate the financial feasibility of the project, which substantiated that operating and maintenance costs are projected to be completely offset by revenues. No state money will be used on this project. The funding for the environmental study was supplied by the federal government through the Maglev Deployment Program, with matching funds from the private sector.

In comparison, Amazon was being lured to Maryland with an \$8.5 billion package which would be the largest publicly known incentive offered to Amazon in exchange for building its second headquarters. Governor Hogan had called it “the single greatest economic development opportunity in a generation.” Legislative analysts said the package would cost state and local governments \$6.5 billion over the next 35 years in lost tax revenue and increased costs.

Baltimore Washington Rapid Rail SC MagLev has no such tax incentive, with a projected 74,000 Union construction jobs and 1500 permanent jobs. Union construction workers make an estimated 20% to 30% more than their non-union counterparts and have a benefit package that includes health care for themselves and their dependents, a defined benefit pension plan and the largest self-funded successful apprenticeship programs not only in MD but in the U.S. as well.

We ask for an unfavorable report by the committee.

Sincerely,
Jeffry Guido

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