

January 25, 2023

**Written Testimony in Favor of SB0050 – State Finance – Prohibited Appropriations –
Magnetic Levitation – Transportation System (Cross-file HB0106)**

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

My name is Susan McCutchen. I am writing in support of SB0050, sponsored by Senators Paul Pinsky, Pam Beidle, and Malcolm Augustine. 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 the above caveat, the bill should be acceptable to BWRR and the Northeast Maglev, as they repeatedly state they are a private company and will not need to seek state funds. Interestingly, one of their stated arguments in opposition to the bill is that, while they do not need state funds, they want them to be available just in case financial support is needed later. A declared self-sustaining private enterprise, they are actively seeking Infrastructure Investment and Jobs Act funds to continue to tap into the taxpayer funds they are liberally spending in the development phase of the proposed project. Furthermore, they proffer the hackneyed argument that such legislation would send the wrong message to developers of innovative forms of transportation and discourage them from doing business with Maryland. *The reality is that this bill would address only one specific overblown proposed project* that has proven unable to support broad and questionable promises of an influx of good-paying jobs, advanced technology education programs, and the uplifting of environmental justice communities to bring them and the state untold prosperity.

In thinking about the possible construction of the SCMaglev transportation system, I am reminded of the work stoppage and cost overruns of the long-suffering 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 or suffer living with a useless, uncompleted behemoth dissecting our communities.

Thank you for this opportunity to provide favorable written testimony. I look forward to SB0050 moving out of committee and going forward.

Sincerely,

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