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Transportation

Maglev Proposal Awaits Senate Decision

BY HUMBERTO SANCHEZ

Sponsors of proposals to build bond-financed high-speed magnetic levitation train projects in **Maryland** and **Georgia** are hoping the Senate will approve legislation later this month that includes a provision that would change current transportation funding law so that $90 million for maglev grants is automatically provided over two years, rather than having to be appropriated by Congress each year.

The legislation was approved by the House late last month, and once the Senate passes the bill, it can be sent to President **Bush** to be signed into law, members of the U.S. Maglev Coalition said at a meeting here yesterday.

The coalition, which was formed earlier this year, is made up of public and private entities that support the Maryland and Georgia projects. The group has been vigorously lobbying Congress to pass the measure.

The $90 million grant was part of broader transportation legislation — the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, or SAFETEA-LU — that will provide $286.4 billion for road building, transit construction, and safety programs through fiscal 2009. Transportation lawmakers had intended that the grant be provided automatically, but a mistake in the drafting of SAFETEA-LU's maglev provision resulted in the requirement that the $90 million be provided through the annual Congressional appropriations process, in which maglev must compete for funding against other policy priorities, including highway construction and affordable housing.

Of the $90 million in maglev funding included in SAFETEA-LU, $45 million was earmarked to build the first phase of a maglev train project between Las Vegas and Anaheim, Calif. The first phase of the system, estimated to cost roughly $1.3 billion, would run 35 miles between Las Vegas to Primm, Nev., on the California boarder.

Financing for the project, which could include tax-exempt bonds, hasn't been determined, said **Bruce Aguilera**, chairman of the California-Nevada Super Speed Train Commission, from his office in Las Vegas. The commission, which is not a member of the coalition, promotes the project.

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The remaining $45 million would go toward a project built east of the Mississippi River. There are three projects competing for that funding including the Maryland and Georgia projects.

The Maryland project calls for building a $4.9 billion, 39-mile, maglev train between Baltimore and Washington, D.C. A draft-funding plan for the proposal includes $2.86 billion in tax-exempt revenue bonds and $1.5 billion in federal and other grants. Project sponsors completed a draft environmental impact study for the maglev plan in October 2003 and hope to complete the final study next spring.

A team in Georgia has plans to build 32 miles of a 110-mile project linking Atlanta's Hartsfield International Airport to Atlanta and Chattanooga, Tenn. A 1999 estimate put the cost of the 32-mile link between the airport and Kennasaw, Ga., at about $1.9 billion.

Project sponsors intend to explore the use of revenue bonds to finance the project, but no decisions have been made on funding the plan, according to **L. Joe Ferguson**, who is chairman of the coalition. He also heads the Enterprise Center, an economic development organization based in Chattanooga.

The third project would be a $3.7 billion, 54-mile maglev to serve the Pittsburgh metropolitan area. About 13% of the cost will be covered by revenue bonds, according to the project's draft environmental study. The Pittsburgh project's sponsors are not part of the maglev coalition.

Once the legislation correcting the status of the $90 million grant becomes law, the maglev coalition intends to seek a $950 million grant that was promised, but never appropriated, under transportation funding legislation that expired in 2003. Under the law, the grant was to be awarded to one project that would be the nation's maglev demonstration project.

In 2001 the Maryland and Pennsylvania projects were short-listed for the grant, but the Bush White House lost interest in the program, which had been established by the administration of President **Bill Clinton**. ❑