



# Maryland, Japan Formalize Trade Relationship with Memorandum of Cooperation

*Highlights Baltimore-Washington SCMaglev Project Funding and LNG Project*

Office of Governor Larry Hogan | August 24, 2016

**ANNAPOLIS, MD** – Governor Larry Hogan was joined today by Ambassador Kenichiro Sasae to sign a Memorandum of Cooperation that formalizes and strengthens the trade relationship between Maryland and Japan. Maryland is only the third state to have signed such an agreement with the government of Japan.

Maryland and Japan highlighted progress on the Baltimore-Washington Superconducting Magnetic Levitation (SCMaglev) transportation project, with Japan committing funds in support of feasibility studies for the project. This comes in addition to nearly \$28 million in U.S. federal grants secured to complete the necessary environmental and engineering studies.

“The relationship between Japan and Maryland has already started paying dividends, and with the signing of this Memorandum of Cooperation, we are taking the next important step,” said Governor Hogan. “Creating a strong partnership between our governments, and fostering a rich, vibrant, flourishing Japanese American community here in Maryland, will be vital in continuing to improve the economy of our state.”

“With our signatures, we are saying that we believe Maryland and Japan can benefit by working together,” said Ambassador Sasae. “I am here today to affirm to you that our embassy will do whatever we can to encourage our expanding bilateral relationship with the State of Maryland.”

The memorandum, which builds upon Governor Hogan’s 2015 12-day trade mission to Korea, China, and Japan, covers collaboration by the two parties in five key areas, including high-speed rail, specifically SCMaglev; liquefied natural gas (LNG); life sciences; trade and investment; and academics.

Last year, Governor Hogan joined Ambassador Sasae for a ceremony celebrating Dominion’s Cove Point LNG liquefaction project. Japanese firms, through their local affiliates, have joined the Cove Point LNG project in Lusby, Maryland, and aim to start LNG exports to Japan next year. This union should bring substantial economic benefits including new investments, jobs, and tax revenues to Maryland while also strengthening Japan’s energy security by providing Japan with stable and competitive LNG for more than 20 years.

The Baltimore-Washington SCMaglev project is a private sector initiative led by Baltimore-Washington Rapid Rail, which envisions a 15-minute ride between downtown Baltimore and downtown Washington, D.C., with an interim stop at Baltimore/Washington International Thurgood Marshall Airport.

The Maryland Department of Transportation and the Maryland Economic Development Corporation, on behalf of Baltimore-Washington Rapid Rail, jointly applied for the Federal Railroad Administration grant, which was announced in November. Under the grant terms, no matching funds from the state are required.



Maryland has long maintained business and economic ties with Japan, dating back 35 years with the sister agreement with Kanagawa Prefecture. In 2015, Japan was Maryland's seventh-largest export market, with nearly \$400 million in goods and services exported from Maryland to the nation. The top product categories were chemicals, computer and electronic products, machinery, and electronic equipment. Maryland imports more than \$2 billion in goods from Japan, its fifth-largest partner.

There are about 40 Japanese-headquartered companies operating in Maryland, the majority of which are in the life sciences industry. These companies collectively employ more than 3,000 locally. More than 25 Maryland-based companies currently have operations in Japan. Maryland is also the first U.S. state to have driver's license reciprocity with Japan, an agreement that was signed in November 2015.