

HOUSE JOINT RESOLUTION

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1997 Regular Session
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By: Delegate Fry

Introduced and read first time: February 21, 1997

Assigned to: Appropriations

HOUSE JOINT RESOLUTION

1 A House Joint Resolution concerning

2 **Proposed Merger of Major Railroads Serving Maryland**

3 FOR the purpose of expressing the will of the General Assembly that the preservation of
4 effective railroad competition in Maryland be ensured through the continuation of
5 rail service by two Class I carriers and regional and shortline railroads and that rail
6 employees, communities, and consumers in Maryland be protected from the adverse
7 impacts of a proposed merger of Conrail with either the CSX or Norfolk Southern
8 railroad systems.

9 WHEREAS, Maryland enjoys the benefits of railroad competition provided by
10 several major Class I railroads, principally CSX and Conrail; and

11 WHEREAS, Railroad competition is in the public interest because it can promote
12 better service, more efficient operations, and lower rail rates; and

13 WHEREAS, It is critical that the State of Maryland continues to enjoy the benefits
14 of competitive rail access so as to sustain and improve the economy of the State; and

15 WHEREAS, CSX and Conrail have proposed a merger of their railroad systems
16 that, if effectuated, would leave most of Maryland, including the Port of Baltimore and
17 the entire Baltimore and Washington metropolitan areas, with only one Class I railroad
18 and thus have a significant adverse impact on the State through the reduction of
19 competition; and

20 WHEREAS, The adverse impact of reduced competition can be avoided if viable
21 rail access by at least two competitive Class I railroads is retained in Maryland; and

22 WHEREAS, The federal Surface Transportation Board has exclusive authority to
23 review and approve or disapprove the merger of rail carriers; and

24 WHEREAS, The federal Surface Transportation Board may include in its approval
25 of a merger the imposition of conditions related to the sale of tracks or the granting of
26 rights to use tracks to ensure competition among rail carriers to relieve the
27 anticompetitive effects of the proposed merger; and

28 WHEREAS, Smaller shortline and regional railroads, including the Maryland
29 Midland Railway, the Canton Railroad, the Patapsco and Back River Railroad, the
30 Maryland Delaware Railroad, the Walkersville Southern Railroad, the Winchester and
31 Western Railroad, and the Eastern Shore Railroad provide important service and

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1 economic benefits to rail customers in the State, and may be affected by the proposed
2 railroad merger; and

3 WHEREAS, The Maryland Midland Railway has proposed that, as a part of the
4 merger, it be allowed to expand its operation within Maryland; and

5 WHEREAS, Railroads will have to make physical improvements to their systems to
6 realize the purported transportation benefits of the proposed railroad merger; and

7 WHEREAS, The merger of railroads may cause reductions in railroad and related
8 employment; and

9 WHEREAS, The merger of railroads could affect MARC Commuter Rail services;
10 now, therefore, be it

11 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That it is of
12 utmost importance that there be two Class I carriers providing competitive service to the
13 Port of Baltimore, the Baltimore and Washington metropolitan areas and other parts of
14 the State of Maryland subsequent to any merger of Conrail with another Class I railroad;
15 and be it further

16 RESOLVED, That, to the extent practical, merger proposals should be structured
17 so as to, wherever possible, enhance the operation of shortline and regional railroads
18 throughout Maryland; and be it further

19 RESOLVED, That the merger proposals put forward by CSX, Conrail, and Norfolk
20 Southern railroad systems should address the need to fund the construction of physical
21 improvements needed to realize the purported benefits of the proposed mergers,
22 including, but not limited to, the provision of adequate clearances above rail tracks to
23 allow the movement of "high cube double stack" container trains to and from Baltimore
24 and the Midwest; and be it further

25 RESOLVED, That the merger proposals put forward by CSX, Conrail, and Norfolk
26 Southern should address the need to increase, or at least preserve, employment in the
27 State; and be it further

28 RESOLVED, That the merger proposals put forward by CSX, Conrail, and Norfolk
29 Southern should address the need to continue rail service at competitive rates to
30 customers and short line and regional railroads throughout the State; and be it further

31 RESOLVED, That the merger proposals put forward by CSX, Conrail, and Norfolk
32 Southern should be structured so as to allow the continued operation and growth of
33 commuter rail services throughout the State; and be it further

34 RESOLVED, That Governor Parris Glendening and the Maryland Department of
35 Transportation and the Department of Business and Economic Development are urged to
36 continue their negotiations with CSX, Conrail, and Norfolk Southern for the appropriate
37 commitments concerning the above stated issues of concern to Maryland; and be it
38 further

39 RESOLVED, That the members of the Maryland Congressional Delegation are
40 requested to encourage the Surface Transportation Board to address the above stated
41 issues of concern to Maryland; and be it further

1 RESOLVED, That the Surface Transportation Board is urged to disapprove any
2 application which does not include, at a minimum, the operation over the tracks owned by
3 two Class I rail carriers providing competitive service to the Port of Baltimore, the
4 Baltimore and Washington metropolitan areas, and access to competitive service for
5 other parts of the State of Maryland subsequent to any merger of Conrail with another
6 Class I railroad, and which does not address the other issues of concern to Maryland as
7 stated in this Resolution; and be it further

8 RESOLVED, That a copy of this Resolution be forwarded to the Chief Executive
9 Officers of CSX, Conrail, and Norfolk Southern railroad systems: John W. Snow,
10 Chairman, President and CEO, CSX Corporation, P.O. Box 85629, Richmond, VA
11 23285-5629; David M. LeVan, Chairman, President and CEO, Conrail, Inc., 2001 Market
12 Street, P.O. Box 41417, Philadelphia, PA 19101-1417; David R. Goode, Chairman,
13 President and CEO, Norfolk Southern Corporation, 3 Commercial Place, Norfolk, VA
14 23510-2191; and be it further

15 RESOLVED, That a copy of this Resolution be forwarded by the Department of
16 Legislative Reference to the Honorable Parris N. Glendening, Governor of Maryland; the
17 Honorable David Winstead, Secretary, Maryland Department of Transportation, P.O.
18 Box 8755, BWI Airport, Maryland 21240-0755; the Honorable James Brady, Secretary,
19 Department of Business and Economic Development, 217 E. Redwood Street, Baltimore,
20 MD 21202-3344; the Honorable Thomas V. Mike Miller, Jr., President of the Senate of
21 Maryland; and the Honorable Casper R. Taylor, Jr., Speaker of the House of Delegates;
22 and be it further

23 RESOLVED, That a copy of this Resolution be forwarded by the Department of
24 Legislative Reference to the Maryland Congressional Delegation: Senators Paul S.
25 Sarbanes and Barbara A. Mikulski, Senate Office Building, Washington, D.C. 20510; and
26 Representatives Wayne T. Gilchrest, Robert L. Ehrlich, Jr., Benjamin L. Cardin, Albert
27 R. Wynn, Steny Hamilton Hoyer, Roscoe G. Bartlett, Elijah E. Cummings, and Constance
28 A. Morella, House Office Building, Washington, D.C. 20515; and be it further

29 RESOLVED, That a copy of this resolution be forwarded by the Department of
30 Legislative Reference to Linda J. Morgan, Chairman, Surface Transportation Board, 12th
31 & Constitution Avenue, NW, Washington, D.C. 20423.