

HOUSE JOINT RESOLUTION

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1997 Regular Session  
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**By: Delegate Minnick, Chairman, Baltimore County Delegation and Delegate Edwards,  
Chairman, Western Maryland Delegation**

Introduced and read first time: February 5, 1997

Assigned to: Appropriations

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HOUSE JOINT RESOLUTION

1 A House Joint Resolution concerning

**2 Railroads - Competitive Access of Class I Railroads - Maryland Midland Railway Plan**

3 FOR the purpose of urging Governor Parris Glendening, State Transportation Secretary  
4 David Winstead, and the members of the Maryland Congressional Delegation to  
5 request the federal Surface Transportation Board, in the Board's approval of  
6 certain railroad mergers, to include conditions that will provide for certain  
7 competitive railroad access by Class I railroads and for Maryland Midland Railway,  
8 Inc. to implement a certain proposal; and generally relating to the Maryland  
9 Midland Railway Plan.

10 WHEREAS, According to an October, 1996 study prepared by the Regional  
11 Economic Studies Institute at Towson State University (RESI study), that while Maryland  
12 has a small market for railroad transportation in comparison to other states, rail is still  
13 the main vehicle for transporting many important commodities in the State, such as coal,  
14 primary metal products, and pulp and paper products; and

15 WHEREAS, According to the RESI study, businesses in Maryland are constrained  
16 to using only a few of the eleven railroads (3 Class I railroads, 2 regional railroads, 4 local  
17 railroads, and 2 switching and terminal railroads) that serve the State for most of their  
18 transportation, and most frequently using just CSX Transportation (CSX), particularly at  
19 points east of the City of Hagerstown in Washington County; and

20 WHEREAS, The City of Hagerstown, the main western Maryland interchange  
21 available for shipping goods from the Port of Baltimore to the western portions of the  
22 country, is currently served by five railroads (3 Class I railroads, 1 regional railroad, and  
23 1 local railroad): Consolidated Rail Corporation (Conrail), CSX, Norfolk Southern  
24 Corporation (Norfolk Southern), Wheeling and Lake Erie Railway Company, and  
25 Winchester and Western Railroad; and

26 WHEREAS, The Port of Baltimore is currently served only by two Class I railroads:  
27 Conrail and CSX; and

28 WHEREAS, Currently, there are two proposals being negotiated in the private  
29 sector concerning the merger of two of the Class I railroads that serve the State: CSX's  
30 merger with Conrail and Norfolk Southern's hostile takeover bid of Conrail; and

31 WHEREAS, Any merger between CSX, Conrail, or Norfolk Southern that does not  
32 maintain the presence of at least two Class I railroads in the State or encourage the

HOUSE JOINT RESOLUTION

2

1 competitive involvement of the other railroads presently serving the State will  
2 significantly harm the competitiveness of the railroad industry in the State as a whole and  
3 in particular at the Port of Baltimore; and

4 WHEREAS, The Maryland Department of Transportation believes that, regardless  
5 of any merger between CSX, Conrail, or Norfolk Southern, the State should continue to  
6 be served by at least two Class I railroads throughout the State, in addition to any other  
7 types of railroads, so as to ensure effective railroad competition that serves the broadest  
8 range of markets in the most cost-efficient manner; and

9 WHEREAS, Maryland Midland Railway, Inc., a local railroad, has developed a  
10 4-part proposal (Maryland Midland purchases CSX's Highfield line from Gladhill to  
11 Hagerstown; Maryland Midland purchases trackage rights from CSX between Glyndon  
12 and the Port of Baltimore; tunnels should be raised, as appropriate, to allow double  
13 stacking of rail containers; and Maryland Midland works jointly with or purchases the  
14 Canton Railroad which would perform all the switching in the east side of the Port) which  
15 if implemented, according to the RESI study, would solve the "2 for 1" competitive issue  
16 at the Port, generate new jobs for the State, increase revenues for the State, and promote  
17 the overall economic development of the State; and

18 WHEREAS, In light of these circumstances, the State currently has a significant  
19 opportunity to present to the federal Surface Transportation Board (STB) during the  
20 Board's review of any of the proposed railroad mergers in which Maryland is an  
21 interested party the options and recommendations that the State believes will best  
22 preserve and enhance the competitiveness of the railroad industry in the State as a whole;  
23 now, therefore, be it

24 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That Governor  
25 Parris Glendening, State Transportation Secretary David Winstead, and the members of  
26 the Maryland Congressional Delegation are urged to request the Surface Transportation  
27 Board, in the Board's approval of any merger between CSX, Conrail, and Norfolk  
28 Southern, to include conditions that will provide for:

29 (1) competitive railroad access to the State by at least two Class I railroads; and

30 (2) Maryland Midland Railway, Inc. to implement the provisions of their 4-part  
31 proposal; and be it further

32 RESOLVED, That a copy of this Resolution be forwarded by the Department of  
33 Legislative Reference to the Honorable Parris N. Glendening, Governor of Maryland; the  
34 Honorable David Winstead, Secretary, Maryland Department of Transportation, P. O.  
35 Box 8755, BWI Airport, Maryland 21240-0755; the Honorable Thomas V. Mike Miller,  
36 Jr., President of the Senate of Maryland; and the Honorable Casper R. Taylor, Jr.,  
37 Speaker of the House of Delegates; and be it further

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

