

HOUSE JOINT RESOLUTION 22

Unofficial Copy
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1997 Regular Session
(71r2944)

ENROLLED RESOLUTION
-- Appropriations/Budget and Taxation --

Introduced by **Delegate Fry, Baltimore County Delegation, Eastern Shore Delegation, and Western Maryland Delegation**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

RESOLUTION NO. _____

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 *at least* two Class I carriers and regional and shortline railroads and
6 that rail employees, communities, and consumers in Maryland be protected from
7 the adverse impacts of a proposed merger of Conrail with either the CSX or Norfolk
8 Southern 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

1 the entire Baltimore and Washington metropolitan areas, with only one Class I railroad
2 and thus have a significant adverse impact on the State through the reduction of
3 competition; and

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

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

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

12 WHEREAS, Smaller shortline and regional railroads, including the Maryland
13 Midland Railway, the Canton Railroad, the Patapsco and Back River Railroad, the
14 Maryland Delaware Railroad, the Walkersville Southern Railroad, the Winchester and
15 Western Railroad, and the Eastern Shore Railroad provide important service and
16 economic benefits to rail customers in the State, and may be affected by the proposed
17 railroad merger; and

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

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

22 WHEREAS, The merger of railroads may cause reductions in railroad and related
23 employment; and

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

26 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That it is of
27 utmost importance that there be *at least* two Class I carriers providing competitive service
28 to the Port of Baltimore, the Baltimore and Washington metropolitan areas and other
29 parts of the State of Maryland subsequent to any merger of Conrail with another Class I
30 railroad; and be it further

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

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

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

4 RESOLVED, That the merger proposals put forward by CSX, Conrail, and Norfolk
5 Southern should address the need to continue and/or expand rail service at competitive
6 rates to customers and short line and regional railroads throughout the State; and be it
7 further

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

11 RESOLVED, That Governor Parris Glendening and the Maryland Department of
12 Transportation and the Department of Business and Economic Development are urged to
13 continue their negotiations with CSX, Conrail, ~~and~~ Norfolk Southern, and any others for
14 the appropriate commitments concerning the above stated issues of concern to Maryland;
15 and be it further

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

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

26 RESOLVED, That a copy of this Resolution be forwarded to the Chief Executive
27 Officers of CSX, Conrail, and Norfolk Southern railroad systems: John W. Snow,
28 Chairman, President and CEO, CSX Corporation, P.O. Box 85629, Richmond, VA
29 23285-5629; David M. LeVan, Chairman, President and CEO, Conrail, Inc., 2001 Market
30 Street, P.O. Box 41417, Philadelphia, PA 19101-1417; David R. Goode, Chairman,
31 President and CEO, Norfolk Southern Corporation, 3 Commercial Place, Norfolk, VA
32 23510-2191; and be it further

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

41 RESOLVED, That a copy of this Resolution be forwarded by the Department of
42 Legislative Reference to the Maryland Congressional Delegation: Senators Paul S.
43 Sarbanes and Barbara A. Mikulski, Senate Office Building, Washington, D.C. 20510; and

1 Representatives Wayne T. Gilchrest, Robert L. Ehrlich, Jr., Benjamin L. Cardin, Albert
2 R. Wynn, Steny Hamilton Hoyer, Roscoe G. Bartlett, Elijah E. Cummings, and Constance
3 A. Morella, House Office Building, Washington, D.C. 20515; and be it further

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