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**By: Delegate Fry, Baltimore County Delegation, Eastern Shore Delegation, and Western Maryland Delegation**

Introduced and read first time: February 21, 1997

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 1997

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RESOLUTION NO.

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

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

5           WHEREAS, Smaller shortline and regional railroads, including the Maryland  
6 Midland Railway, the Canton Railroad, the Patapsco and Back River Railroad, the  
7 Maryland Delaware Railroad, the Walkersville Southern Railroad, the Winchester and  
8 Western Railroad, and the Eastern Shore Railroad provide important service and  
9 economic benefits to rail customers in the State, and may be affected by the proposed  
10 railroad merger; and

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

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

15           WHEREAS, The merger of railroads may cause reductions in railroad and related  
16 employment; and

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

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

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

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

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

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

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

4           RESOLVED, That Governor Parris Glendening and the Maryland Department of  
5 Transportation and the Department of Business and Economic Development are urged to  
6 continue their negotiations with CSX, Conrail, and Norfolk Southern for the appropriate  
7 commitments concerning the above stated issues of concern to Maryland; and be it  
8 further

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

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

19          RESOLVED, That a copy of this Resolution be forwarded to the Chief Executive  
20 Officers of CSX, Conrail, and Norfolk Southern railroad systems: John W. Snow,  
21 Chairman, President and CEO, CSX Corporation, P.O. Box 85629, Richmond, VA  
22 23285-5629; David M. LeVan, Chairman, President and CEO, Conrail, Inc., 2001 Market  
23 Street, P.O. Box 41417, Philadelphia, PA 19101-1417; David R. Goode, Chairman,  
24 President and CEO, Norfolk Southern Corporation, 3 Commercial Place, Norfolk, VA  
25 23510-2191; and be it further

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

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

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

RESOLUTION NO.

4