
By: Senators Ruben, Amoss, Boozer, Munson, McFadden, Neall, Lawlah, Middleton, Hogan, Currie, Kasemeyer, Hoffman, and Van Hollen

Introduced and read first time: March 3, 1997

Assigned to: Rules

Re-referred to: Budget and Taxation, March 10, 1997

Committee Report: Favorable

Senate action: Adopted

Read second time: March 18, 1997

RESOLUTION NO.

SENATE JOINT RESOLUTION _____

1 A Senate 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
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 at least two Class I carriers providing competitive service
21 to the Port of Baltimore, the Baltimore and Washington metropolitan areas and other
22 parts of the State of Maryland subsequent to any merger of Conrail with another Class I
23 railroad; 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 rail service at competitive rates to
38 customers and short line and regional railroads throughout the State; and be it further

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

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

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

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

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

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

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

37 RESOLVED, That a copy of this Resolution be forwarded by the Department of
38 Legislative Reference to Linda J. Morgan, Chairman, Surface Transportation Board, 12th
39 and Constitution Avenue, NW, Washington, D.C. 20423.

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