



**LEGISLATIVE POSITION:**

**Unfavorable**

**House Bill 492**

**Railroad Company-Movement of Freight-Required Crew**

**Senate Finance Committee**

**Tuesday, March 23, 2021**

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

House Bill 492 would require a train or light engine that is used to transport freight via railroad to have at least two crewmembers while operating in the State.

Maryland's freight rail industry is one of its most critical - helping to minimize transportation costs, manage our carbon emissions levels and strengthen our competitiveness. Our rail industry is responsible for thousands of direct jobs and contributes to hundreds of thousands of indirect jobs. With this bill, railroad companies will be forced to comply with onerous regulations which mandate freight trains stop at the Maryland border, add a crewmember, and drop them off once they leave the State. This complicates what should be an easy flow of freight, especially when this industry is responsible for a significant portion of the movement of goods and services in the State.

We learn from the history of the United States railroad system that onerous regulations have significant negative impact on the industry. In order to mitigate the heavy regulatory climate that led to multiple railroad bankruptcies in the 1970s, Congress passed a series of laws meant to ease the burden on railroads and create uniformity in laws between states. These laws established federal preemption provisions because of the difficulty placed on railroads having to conform to different regulations and policies traveling from one State to another.

The Maryland Department of Transportation projects that freight rail demands will increase by 45% by 2040. To keep up with these demands and ensure the easy movement of goods into, out of, and through the State of Maryland, it is in the best interest of the State to support legislation that facilitates, not hinders, this movement. Private companies, the State and the Federal

government have all made significant investments in freight rail, knowing that it creates jobs, expands the economy, and increases Maryland's competitive edge.

In addition, there have been two important developments since the last time the Committee was presented with this legislation, both of which establish that state laws regarding crew size are preempted by federal law. In May 2019, the Federal Railroad Administration, determined that there is no data showing that two-person crews are safer than one-person crews and concluded that regulation of minimum train crew is not justified. At that time, the FRA indicated its intent to preempt all state laws and regulations on that topic. More recently, in September 2020, the U.S. District Court for the Northern District of Illinois held that an Illinois state crew size law, similar to the bill before you, was preempted by the Federal Railroad Safety Act (FRSA).

What is more, Governor Larry Hogan vetoed a previous iteration of this legislation, and that veto was upheld by members of the Maryland General Assembly last year.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on House Bill 492

