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March 20, 2023

The Honorable Melony Griffith  
Miller Senate Office Building, 3 East  
Annapolis, MD 21401

**RE: LETTER IN OPPOSITION TO SB 915**

Dear Chair Griffith:

On behalf of CSX Transportation, I am writing to respectfully oppose SB 915. This bill would require two-person crews to operate freight trains in Maryland when operating on the same corridor as high-speed passenger or commuter trains. The Fiscal and Policy Note indicates that if this legislation is enacted, the Maryland Transit Administration (MTA) faces a fiscal impact of up to \$30 million over a 5-year period. The potential negative impacts to interstate commerce and the supply chain are reasons why federal law preempts state-specific train crew mandates. Congress and the Federal Railroad Administration are both actively considering a national policy on this topic. For these reasons, we respectfully request an unfavorable report.

**\$6 Million Annual Fiscal Impact to Maryland Department of Transportation**

If SB 915 becomes law, it would nearly double the cost of the Camden and Brunswick lines for the state, hindering efforts to increase commuter rail service across Maryland. The 2021 MARC Access Agreement, between CSX and MTA, includes reimbursement to CSX of up to \$6 million per year – \$30 million over the five-year agreement – if the state imposes a train crew size mandate. This amount accounts for the potential future cost of having an additional crew member on freight trains when operating in the State of Maryland.

There is a direct nexus between SB 915 and the MTA/CSX Access Agreement. Under the Access Agreement, MTA operates the MARC Camden and Brunswick lines on CSX-owned tracks.<sup>1</sup> SB 915 penalizes CSX for allowing commuter trains to operate on CSX's network by requiring freight trains to operate with two person crews.

In general, a state crew size mandate would raise the cost of freight operations in Maryland compared to other East Coast ports and make it less competitive. Communities throughout Maryland are benefiting from the rapid growth in distribution, warehousing and logistics operations locating to the state. Logistics costs are a concern for cost-conscious shippers and adding to the cost of an important link in the supply chain could give them another reason to call on competing ports, such as Norfolk. The recently announced MSC container terminal at Trade Point Atlantic, and the state's historic investment in the Howard Street Tunnel project, highlight the importance of keeping Maryland's supply chain fluid and competitive.

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<sup>1</sup> MARC Penn Line service operates on Amtrak-owned railroad.

## Collective Bargaining

Train crew size is a complex issue that affects the efficiency and cost of train operations. As such, it is a matter of significant importance to both the workers and the employers in the railway industry. Collective bargaining provides a mechanism for these parties to negotiate and reach agreements on a range of issues, including train crew size. This process allows both sides to have a voice in the decision-making process and to balance their respective interests.

Crew size has been raised in multiple rounds of bargaining dating back to the early 1900s. It has also been addressed by a variety of neutral fact finders, including presidential commissions, federal courts, arbitrators, and emergency boards appointed by the President. Crew size has historically been one of the most important issues in bargaining since at least World War II. The bargaining process has led to historic wages for railroad employees, including a recently announced 24 percent wage increase during the current five-year contract period.

## Federal Preemption

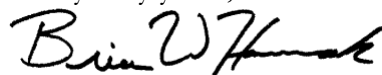
Federal law preempts state-specific train crew mandates as they would hinder the free flow of goods across state borders. The American supply chain depends on a unified and efficient transportation system, and a patchwork of state regulations would negatively impact the national economy.

The Rail Reorganization Act, also known as the 3R Act, was passed by Congress in 1974 in response to a railway crisis in the Northeast and Midwest. The Act was designed to reorganize the railroads to create an economically viable and cohesive railway system. The 3R Act has an express preemption clause that prohibits states in the Region from adopting laws or rules requiring a specified crew size for any task, function, or operation.

The United States District Court for the Northern District of Illinois recently struck down a similar state crew size law passed in Illinois. In that case, railroads in Illinois challenged a state-enacted two-person crew mandate similar in nature to SB915. Finding that the preemption language in the 3R Act is too specific to ignore, the court concluded: “Illinois wants to mandate a crew size of two to perform the task, function or operation of moving freight with a train or light engine; this is exactly what the 3R Act prohibits.” Indiana Rail Road Company v. Illinois Commerce Commission, No. 1:19-CV-06466 (N.D. Ill. 2021).

The Federal government is actively working on a national crew size policy for railroads. Congress is considering the Railway Safety Act of 2023 introduced on March 1, 2023, which includes a crew size mandate. The Federal Railroad Administration issued a Notice of Proposed Rulemaking on train crew size safety requirements on July 28, 2022. State action on this matter, without proper coordination with surrounding states, would only disrupt local supply chains already strained from disruptions to the global economy.

In conclusion, CSX respectfully requests the committee to issue an unfavorable report on SB915. Thank you for your consideration.

Very truly yours,  


Brian W. Hammock