



Senate Bill 855

Date: March 5, 2025

Committee: Senate Finance

Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

Senate Bill 855 (SB 855) imposes new burdensome requirements on freight railroads and greatly expands state regulatory oversight. 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. SB 855 threatens advancements by imposing restrictions on train length, mandating a minimum of two crew members at all times, along with new reporting, monitoring, and inspection requirements that duplicate federal oversight, adding administrative complexity and cost.

Both the state and private entities are heavily investing over \$2 billion into expanding container business operations at the Port. The Chamber has also supported FRA grants to help fund this important project. The Howard Street Tunnel project has been instrumental in catalyzing the development of a significant new container facility at Trade Point Atlantic, complemented by a surge in activity at the Seagirt Marine Terminal. This initiative enables the transportation of discretionary container traffic from Baltimore to the Midwest via double-stack container trains, which requires longer trains. Failure to utilize longer trains may render the businesses economically unfeasible, diverting volume to the nearby Port of Virginia.

The Transportation Trust Fund (TTF) benefits from revenue generated by container movements at Seagirt Marine Terminal. However, limiting train length curtails Maryland's growth prospects and diminishes TTF revenue despite projections of significant volume growth facilitated by the tunnel project. Between Howard Street Tunnel, Seagirt Marine Terminal, and Trade Point Atlantic, rail service is critical to making those investments viable. SB 855 would upend all of the progress made over the last decade.

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.

For these reasons, the Maryland Chamber of Commerce respectfully requests an unfavorable report on **SB 855**.

