MARYLAND DEPARTMENT OF TRANSPORTATION

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Secretary

March 5, 2025

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 Miller Senate Office Building
Annapolis, MD 21401

Re: Letter of Concern – Senate Bill 855 – Railroads - Safety Requirements (Maryland Railway Safety Act of 2025)

Dear Chair Beidle and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 855 but respectfully offers the following concerns as its provisions may have a detrimental impact on the Port of Baltimore, one of the leading ports in the nation for freight and an economic generator for the State of Maryland, as well as the Maryland Transit Administration (MTA). Further, this legislation has the potential to have a significant fiscal impact on the Transportation Trust Fund.

SB 855 would impose new regulations on freight railroad companies operating in the State of Maryland, which may be preempted by federal law. These restrictions would limit the lengths of trains and inflate shipping costs with mandates that create a patchwork of state regulation on the national supply chain. Many businesses in Maryland rely on the efficient rail service provided by freight railroads operating in the State, providing access to raw material for manufacturing and a cost effective and environmentally conscious mode of transport for finished goods. Rail lines are critical arteries in the supply chain. SB 855 risks weakening Maryland's link in a competitive marketplace.

The Port of Baltimore and Seagirt Marine Terminal have grown significantly, breaking records, adding jobs, and bolstering economic activity in the process. In 2023, the Port of Baltimore set a record for public and private cargo handled, moving 52.3 million tons of cargo through Maryland, shattering the previous record of 44.2 million tons set in 2019. The Port also saw a record $80.8 billion worth of foreign cargo pass through its facilities. For this growth to continue, it is necessary to have viable intermodal options to ensure cargo throughput remains at optimal levels.

By enforcing a train length limitation of 8,500 feet, this legislation threatens the State's ability to maximize the benefits and return on investment for the Howard Street Tunnel Project. With anticipated completion in 2027, the project will create a seamless double-stack rail corridor from the Port of Baltimore to the Midwest. It is a gamechanger for Maryland, expected to bring over 100,000 additional containers to Seagirt Marine Terminal. The project has also played a critical role in inducing the construction of a new $1 billion container terminal at Tradepoint Atlantic, which will significantly expand port capacity and create an additional 1,100 new maritime union jobs.

At the Port of Baltimore, the MPA works hard to accomplish its mission to increase waterborne commerce through the State of Maryland in a way that benefits its citizens. In doing so, the Port has consistently proven its value as a good neighbor and strong partner to the State. The Port of Baltimore generates 20,193 direct family-supporting jobs for Marylanders, where the average wage of these jobs exceeds the statewide average annual wage by 18%.

Carriers will always move cargo by the most efficient and economical means, and the Port is in constant competition with rival ports to increase cargo volumes, maintain terminal efficiencies, and generate positive economic growth. For the Port to continue to operate successfully as an economic engine, Maryland cannot afford to be at a competitive disadvantage with our neighboring ports. The success of our Port directly benefits the State and the hardworking men and women who depend on it. The various provisions in this legislation may put the Port of Baltimore at a competitive disadvantage with neighboring ports and deter carriers from operating in the State, resulting in a loss of jobs and direct investment related to the Port.

The Maryland Transit Administration (MTA) is one of the largest multi-modal transit systems in the United States, operating six distinct modes, including Maryland Area Regional Commuter (MARC) Train Service. MTA and CSX Transportation, Inc. (CSX) have an Access Agreement that provides MARC trains access to CSX-owned tracks and infrastructure on the MARC Camden and Brunswick Lines. In the most recent Access Agreement between MTA and CSX, which went into effect on July 1, 2021,[1] there is language requiring MTA to reimburse CSX for up to $6.0 million annually if the State modifies its laws or regulations to increase crew size; however, there is a carveout if the federal government chooses to act.

While the federal government has taken action to require changes to establish a minimum crew size,[2] it is unclear whether the provision in the Access Agreement would be triggered if the State acts through SB 855 and the underlying federal rule were rescinded. In that scenario and if the provision were determined to apply, MTA would incur the additional costs identified in the Access Agreement, resulting in additional and significant strain to the Transportation Trust Fund during a time when MDOT is experiencing a budget shortfall.[3]

[1] The current agreement is effective through June 30, 2026. There is a 5-year option on the Access Agreement, which, if adopted, would keep the agreement in effect through June 30, 2031.
[2] *See* 49 CFR Part 218 - Train Crew Size Safety Requirements. Web page last updated April 9, 2024. As such, the provision requiring minimum crew size in HB 958 is not necessary.
[3] Any increase in costs to MDOT and MTA will divert needed dollars from State transit and other transportation projects.

The Maryland Department of Transportation respectfully requests the committee take these considerations into account during its deliberation of Senate Bill 855.

Respectfully Submitted,

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