



House Bill 862

Date: February 26, 2026

Committee: Environment & Transportation

Position: Unfavorable

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

House Bill 862 (HB 862) prohibits a freight railroad train from operating in Maryland unless it has at least two crew members. The bill also establishes penalties of up to \$25,000 if the law is violated.

Maryland's freight rail industry is one of its most critical industries, 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 that disrupt interstate rail operations by requiring compliance with Maryland-specific crew mandates as trains enter and exit 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.

Both the State of Maryland and private-sector partners have invested more than \$2 billion in port- and rail-related infrastructure to modernize freight movement and enhance Maryland's competitiveness. These investments include the Howard Street Tunnel project, expanded operations at the Seagirt Marine Terminal, and the development of a major container facility at Trade Point Atlantic. The Chamber has also supported federal FRA grants that help advance these projects. These investments were made with the expectation that freight rail operations would remain efficient, flexible, and governed by uniform federal standards. Mandating train crew size at the state level introduces new operational constraints and costs that were not contemplated when these investments were made, undermining their long-term economic viability.

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 important developments in recent years, both of which reinforce 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 under the Federal Railroad Safety Act.

Finally, this proposed policy was vetoed in 2019 and upheld by the members of the Maryland General Assembly in 2020.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report** on **HB 862**.