



Maryland Department of Transportation

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Maryland State Rail Plan

1980





Maryland Department of Transportation

The Secretary's Office

Harry Hughes
Governor

James J. O'Donnell
Secretary

TO: Federal Railroad Administration
Elected Officials
State and Local Agencies
Interested Citizens

Ladies and Gentlemen:

I am pleased to transmit a copy of the 1980 Maryland State Rail Plan. This document is the fifth version of the Maryland State Rail Plan. Initially, this Plan was developed only to meet Federal requirements for subsidized branch lines. With each update, the Maryland Department of Transportation has attempted to broaden the Plan's scope. This 1980 version was developed concurrently with the annual review of the Maryland Transportation Plan and represents a significant milestone in our objective of presenting a comprehensive State Rail Plan which covers all rail issues related to both passenger and freight facilities and services.

We appreciate the active participation of elected officials, agencies, shippers, commuters and other interested citizens in the development of this Plan. We look forward to your continuing participation in upcoming studies and in the annual updates of this document.

Sincerely,

James J. O'Donnell
Secretary of Transportation



MARYLAND STATE RAIL PLAN

- An Element of the Maryland Transportation Plan -

January, 1981

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EXECUTIVE SUMMARY

This is the fifth version of the Maryland State Rail Plan. Initially, the document was developed to meet the Federal requirements. With each update, the Maryland Department of Transportation has been working toward a comprehensive State Rail Plan covering all rail issues--both passenger and freight. This 1980 version was developed jointly by the State Railroad Administration and the Office of Transportation Planning, as part of the comprehensive planning process of the Maryland Department of Transportation. Although Federal requirements for rail planning deal only with some aspects of freight rail service, the Department has chosen to expand the contents of the Maryland State Rail Plan and views it as the comprehensive rail plan for the State of Maryland.

Maryland has a long history of rail service. Since the early 1800's when the Baltimore & Ohio Railroad first established a competitive edge for the Port of Baltimore, the rail system has been vital to Maryland's economy. Today, Maryland is served by four Class I freight railroads, five shortline or terminal railroads, and Amtrak's Northeast Corridor high speed passenger trains.

The Chessie System (Baltimore & Ohio Railroad and Western Maryland Railway) has the most route miles within the state and provides direct service to the largest geographic area. Conrail, with approximately half the route miles of Chessie, provides direct service within more limited areas, but is of critical importance to both the Port of Baltimore and the Eastern Shore.

With the creation of Conrail through the United States Railway Association's (USRA) Final System Plan, service on almost 240 miles of rail

branch lines in the state was proposed for termination. Through federal assistance programs of the FRA, the state, with local support, is continuing service on seven branch lines or line segments (165 miles). These include five lines operated under subsidy by Conrail and two short line operators; an interstate transfer of funds for a line located in Maryland and Virginia; and leasing of a branch line from the Penn Central Corporation to permit service by the B&O.

The state is also involved in commuter service between Baltimore and Washington, and between Washington and Montgomery and Frederick Counties. These programs include operating subsidies, acquisition of rolling stock, and station improvements. The Department also supports limited Amtrak intercity service from Cecil and Harford Counties to Baltimore and Washington.

The state has put high priority in continuing both freight and passenger service on existing lines where the service exerts a positive economic benefit and offers a viable alternative to less energy efficient modes. Priorities in capital improvements for light density freight lines are for acquisition of leased lines to reduce annual lease costs and provide a long term commitment to rail service. All lines have been rehabilitated to Class I (10 mph operations) conditions and further upgrading to Class II (25 mph operations) will be limited to selected lines where traffic warrants higher speeds. The feasibility of instituting new freight service will be carefully analyzed to determine the potential viability of such service. A Benefit-Cost Methodology has been developed and will be used as one factor in deciding which projects will be implemented in the future.

After September 30, 1981, the existing light density freight lines will no longer be eligible for federal freight service continuation payments. The Department is recommending that the State continue to support subsidized freight operations for FY 1982 through a combination of State and local funds. Funds have been requested to subsidize 70% of the operating deficits with the remaining 30% funded by the shippers on each line in the form of a per car surcharge. These are estimated to range from less than \$25 to almost \$150 per carload.

The State will continue to request the counties' participation in the payment of the annual lease and tax costs until the State completes its acquisition program. The actual lease cost for the branches is being negotiated by the Department and The Penn Central Corporation. It is hoped that a negotiated settlement will be reached before June 30, 1981. For FY 1982, the State will continue to cap the lease at a maximum of \$2,000 per mile and ask the counties to pay the local share (30%) of that amount. Each county's contribution to the local share on their particular branch line will be determined by a proration of carloads. The State will pay 70% of the \$2,000 plus any excess if the negotiated lease exceeds \$2,000 per mile.

Funding beyond FY 1982, if any, will be subject to the annual Departmental budget review process.

Passenger service capital projects involve a major program of locomotive, coach, and rail diesel car acquisition to increase capacity for the heavily patronized B&O commuter service. Other projects include improvements to commuter rail stations, parking, and accessibility for the elderly and handicapped, in cooperation with local jurisdictions.

All three existing commuter lines will be funded through FY 1982. Beyond that time, however, some service changes should be anticipated. Since the commuter rail service will be partially duplicated once Metrorail service is extended to the Gaithersburg-Rockville area, the Department does not plan to continue commuter rail service subsidies between the Shady Grove area and Washington once the Shady Grove METRO line opens in late 1983. Studies involving interested parties will be undertaken to determine the feasibility of alternate means of public transportation to serve those passengers interfacing with the Shady Grove METRO line. Continuation of commuter rail service to Rockville or Silver Spring, in addition to non-rail alternatives, will be studied.

The Conrail service between Baltimore and Washington currently operates with leased rail cars which will have to be returned to their owners (New Jersey DOT), probably in late 1981. Other used rail electric cars suitable for the service do not appear to be available at reasonable cost and the cost of new cars is prohibitive given the Department's present financial situation. Therefore, the Department is planning to discontinue operation of the Conrail service when the rail cars are no longer available. Service from Baltimore on the B&O line is expected to continue at an expanded level. In addition, the Department will continue to work with Amtrak to provide additional service in lieu of the commuter trains that will have to be phased out. The Department will also continue its efforts to find suitable replacement cars for the Conrail service.

There are a number of issues which will affect rail service in the state, the ramifications of which are not entirely clear at this time. Regulatory reform of the rail industry consisting of rate deregulation, easier merger and abandonment procedures--coupled with similar deregulation

of the competitive trucking industry--could affect the levels of service to rail dependent industries within the State. The continued existence of Conrail and possible changes in its route structure also have potential for affecting the pattern of service.

Trends which can increase rail traffic center on energy issues. The increasing cost of liquid fuels makes both freight and passenger rail service more attractive. This has been demonstrated by the continuing growth of commuters utilizing State supported trains. The Port of Baltimore is exporting increasing quantities of steam coal, but this has pointed out the deficiencies in the rail facilities serving the coal trains. Increasing the volume of rail traffic continues to be limited by tunnel restrictions in Baltimore which would require very expensive solutions.

In summary, Maryland's railroads are entering a period of change which will require management flexibility and investment--possibly at levels not seen in recent years. The State Rail Plan can act as an analysis tool, but the state government has only limited powers to change private sector investments or operations in the rail industry. By addressing these issues in the Plan it is hoped that a public-private partnership can work together to provide the best, most cost-efficient rail system feasible.

CHAPTER I
POLICIES/GOALS

Recognizing the constraints of limited resources and the State's role in the transportation objectives of jurisdictions within and surrounding the State, the Maryland Department of Transportation will endeavor to obtain for the citizens of Maryland, safe, efficient and economical rail transportation. The following policy statements define the course of action the Department will pursue in implementing its goals.

POLICIES

Funding of Rail Passenger Operations

It is the policy of the Department to maintain a reasonable fare structure for passenger rail services that covers at least 50% of operating costs and to review fares annually to reflect increases in operating costs.

Economic Development

It is the policy of the Department to support and promote economic and industrial development along subsidized rail freight lines so that new traffic can be generated in support of rail operations.

Subsidized Rail Operations

It is the policy of the Department of Transportation to preserve and/or subsidize essential freight and passenger rail services whenever private enterprise cannot profitably provide such services and when there is no alternative mode serving the same function.

Funding of Rail Freight Operations

It is the policy of the Department to require a financial commitment by local governments and/or freight users for the continued State support of subsidized rail freight operations.

Energy

It is the policy of the Department whenever feasible, cost-effective and in conformance with local and regional plans, to support expansion and improvement of existing commuter and intercity passenger rail services as an energy efficient public transportation alternative to the automobile.

GOALS

Rail transportation goals have been established by the Department within the four major areas as defined in the adopted Maryland Transportation Plan.

Economy

Assure the provision of transportation facilities and services which will enhance the economy, strengthen fiscal integrity, and meet the needs of state, national and international commerce.

GOAL: Preserve, improve and expand essential rail freight and passenger services within the bounds of available resources.

- ° Continue operating subsidy for existing rail freight service. For FY 82 the State will fund 70% of operating deficit with 30% coming from local sources.
- ° Identify facilities which should be rehabilitated and provide funding.

GOAL: Encourage development of new rail lines to serve existing industry.

- ° Preserve essential rail corridors through a program of acquisition to provide a long-term commitment to rail service.
- ° Identify facilities which should be purchased by the State.

- Acquire rail lines to preserve corridors for continued or future rail service.
- Develop recommendation for long-range rail freight system improvements through an annual update of the State Rail Plan.

GOAL: Mitigate the adverse effects of rail freight abandonment.

- Develop contingency plans for businesses forced to close due to rail line abandonments.
- Develop a strategy for dealing with proposed abandonments which examines private ownership alternatives.

Institutions

Strengthen the capability of governmental and private institutions to achieve sound land use/transportation relationships and provide needed transportation facilities and services with maximum effectiveness, safety, and efficiency.

GOAL: Plan and design transportation service improvements allowing for early and continuous communication between all segments of interested public and private parties prior to selection of a course of action.

- Provide for public participation in the annual update of the State Rail Plan.
- Periodically meet with railroad users to review subsidized rail branch line operations and future plans.
- Develop and implement a public information program which increases the public's awareness of Maryland's transportation needs, issues, and achievements.

GOAL: Improve the state's capability to plan, promote and manage its rail freight programs by eliminating unnecessary legal and institutional constraints.

- ° Review state regulatory policies and revise or eliminate those which are unnecessarily restrictive, obsolete, conflicting and redundant.
- ° Develop legislative means of preserving critical railroad property and rights-of-way for transportation use.

GOAL: Improve and expand techniques for transportation plan evaluation.

- ° Develop and adopt a benefit/cost analysis methodology to be used as input to capital investment decisions.

GOAL: Encourage private enterprise solutions to problems involving light density rail freight lines.

- ° Develop a process to implement intermodal facilities, team tracks and other private facilities to attract new traffic to rail freight lines.

Existing Population and Environment

Improve transportation services for the existing population and improve, preserve, and make more effective use of existing resources--both natural and manmade.

GOAL: Promote rail passenger transportation as an attractive, energy efficient, and viable transportation alternative.

- ° Improve existing commuter rail service in the Baltimore and Washington regions where cost effective.

- ° Assist local efforts to provide upgraded station and parking facilities to enhance the attractiveness of commuter rail service throughout the state.
- ° Modernize and maintain the fleet and facilities of the State supported commuter rail system.

Expansion and/or Change

Assist in providing transportation services and facilities needed to support planned growth and redevelopment and to enhance mobility.

GOAL: Increase and facilitate accessibility within the state and between Maryland and neighboring states.

- ° Develop a strategy to provide permanent local and long distance rail freight service to the Eastern Shore of Maryland.
- ° Promote the preservation and expansion of existing interstate passenger rail service (AMTRAK) to Maryland residents.

CHAPTER II

THE RAIL PLANNING PROCESS

1. Overview

The Maryland State Rail Plan is developed annually, in accordance with federal requirements, by the Maryland Department of Transportation (Office of Transportation Planning in the Office of the Secretary, and the State Railroad Administration). The Plan development process is carried out in close coordination with other state and local agencies. Opportunities are provided for the input and participation of shippers, carriers, other interested groups, and the general public. Although federal requirements for rail planning deal only with some aspects of freight rail service, the Department has chosen to expand the contents of the Maryland State Rail Plan and views it as the comprehensive rail plan for the State of Maryland.

The Maryland State Rail Plan is developed as part of the comprehensive transportation planning process of the Maryland Department of Transportation. The legislation which created the Maryland Department of Transportation (MDOT) in 1970 called for "the development and maintenance of a continuing, comprehensive, and integrated transportation planning process."

The Secretary of Transportation is required to develop and, with approval of the Governor, adopt a "State Master Plan for Transportation." This master plan is to guide the Department in its selection of facilities and services to be implemented over the next 20 years and is intended "...to foster efficient and economical transportation services throughout the State." Within MDOT, the Office of Transportation Planning is responsible for developing and maintaining the State's transportation planning process including preparation of the Maryland Transportation Plan, of which this Rail Plan is an element.

The State Railroad Administration (SRA) is one of the operating administrations within the Department and is the designated state agency for the implementation of rail programs in Maryland. The Administration is responsible for developing effective policies and programs relating to rail transportation in Maryland, and for initiating and developing new programs relating to railroads. The unit is responsible for analyzing such rail matters as abandonment, rail reorganization, modifications to existing freight and passenger service patterns and proposed federal legislation on rail matters.

The Administration also is responsible for monitoring active rail programs, so that the public interest in Maryland is adequately represented. These programs include the Northeast Corridor Improvement Program, Amtrak services, transit studies, and other ongoing rail-related programs at a national, state, or regional level. In addition, the Administration initiates necessary rail studies to promote both passenger and freight service improvements; monitors a number of financial assistance programs in both rail passenger and rail freight areas, and conducts project level rail planning.

2. The Functional Framework of the Plan

A. The MTP

The Maryland Transportation Plan (MTP) was adopted in 1978 and is reviewed annually. The MTP considers all transportation services and improvement projects which have a similar function. This provides an objective basis for assessing the relative merits of various proposals, and most importantly, for considering trade-offs between competing facilities and services. The MTP uses three functional categories:

1. Interregional Person Transportation includes the components of the Maryland transportation system which serve the long distance

movement of people between regions of the state and between Maryland and other states and counties, such as intercity rail passenger services.

2. Regional Person Transportation includes those components of the state's transportation system within each of the state's five regions:

- The Baltimore Metropolitan Area
- The Maryland portion of the Washington Metropolitan Area
- Western Maryland
- Southern Maryland
- The Eastern Shore

Regional transportation of people is concerned with daily work trips and other personal travel and includes commuter rail facilities and services.

3. Freight Transportation includes those components of the Maryland transportation system which serve goods movement within the state and between Maryland and other states and counties, such as rail freight facilities.

The MTP is also the mechanism to relate both short and long-range transportation plans and projects on a statewide, multi-modal basis to expected revenues over the next 20 years. Projects are further classified into one of four categories depending on where they fall in the capital budget. Thus, it introduces a measure of financial reality to long-range planning and identifies the gap between projections of needs and likely available revenues.

B. The State Rail Plan

The first State Rail Plan in Maryland was developed in 1975. This document provided basic information on the status of various branch rail lines threatened by abandonment as a result of the bankruptcy of the Penn Central Transportation Company. The 1975 State Rail Plan set the State's priorities for continuation of services on these branch lines and needed rehabilitation utilizing federal funds.

The State Rail Plan has been updated in 1976, 1977, and 1979. In each of these plan updates, additional, more detailed information was presented. The intent has been to move towards a comprehensive State Rail Plan covering all rail issues and presenting a complete State rail policy. With the development of the 1980 State Rail Plan, the Department has taken an additional step towards that goal.

In summary, the State Rail Plan is designed to provide an overview of all rail services in the state within the framework of the overall transportation system, so that the interrelationships between the various components of the state's transportation and rail systems may be understood. More specifically, the State Rail Plan is designed to set forth the rail policies, strategies, plans, and programs of the State of Maryland. The State Rail Plan serves as a tool in analyzing and deciding the future course of action for the Department in supporting those facilities and services which are essential for the state's well being. It serves to monitor existing programs which the state is supporting, and to set priorities among existing programs for the limited available resources that exist for both current and future projects.

C. Overview of the Planning Process

MDOT's transportation planning process is defined by the Department's "Action Plan." The federally mandated Action Plan was developed

originally by each state transportation agency in the early 1970's to help ensure that the social, economic, and environmental impacts of proposed highway improvements are given adequate consideration and that the public is involved in the planning process.

Maryland's Action Plan covers the transportation planning process from policy/systems and program development through detailed project planning and implementation for all modes including rail. It is presently being modified to reflect the evolving statewide transportation planning process.

The Department's Action Plan also describes the process by which the need for new or improved transportation facilities and services--as identified in the Maryland Transportation Plan (MTP) and scheduled in the Consolidated Transportation Program (CTP)--are evaluated in detail during the project planning phase. The project planning phase involves a detailed evaluation of the transportation social, economic, and environmental effects and alternative improvements. The alternatives studies during project planning may differ from those identified in the MTP and CTP, including the alternative of not implementing any project. As a result, the Department is not committed to a specific type of improvement or location until completion of the project planning phase when an analysis will be conducted of their broader, systemwide implications. For commuter rail improvements, the Department in accordance with UMTA regulations conducts an "Alternative Analysis" prior to making a commitment to a commuter rail improvement project.

D. Annual Review and Update

The MTP and the State Rail Plan are reviewed annually as part of the plan/program/budget cycle and updated as necessary to reflect changing conditions, needs, and priorities. (Figure 1). A major update is not issued each year. When appropriate, the Department has been documenting needed changes to the MTP in the introduction of the Six Year Consolidated Transportation Program, which is updated annually. For the State Rail Plan, whenever appropriate, an addendum may be issued reflecting changes rather than issuing an entirely new document. Primary emphasis over the next year will be placed upon improving the quality and depth of analysis reflected in the State Rail Plan, such as implementing the proposed Benefit-Cost methodology described in this document.

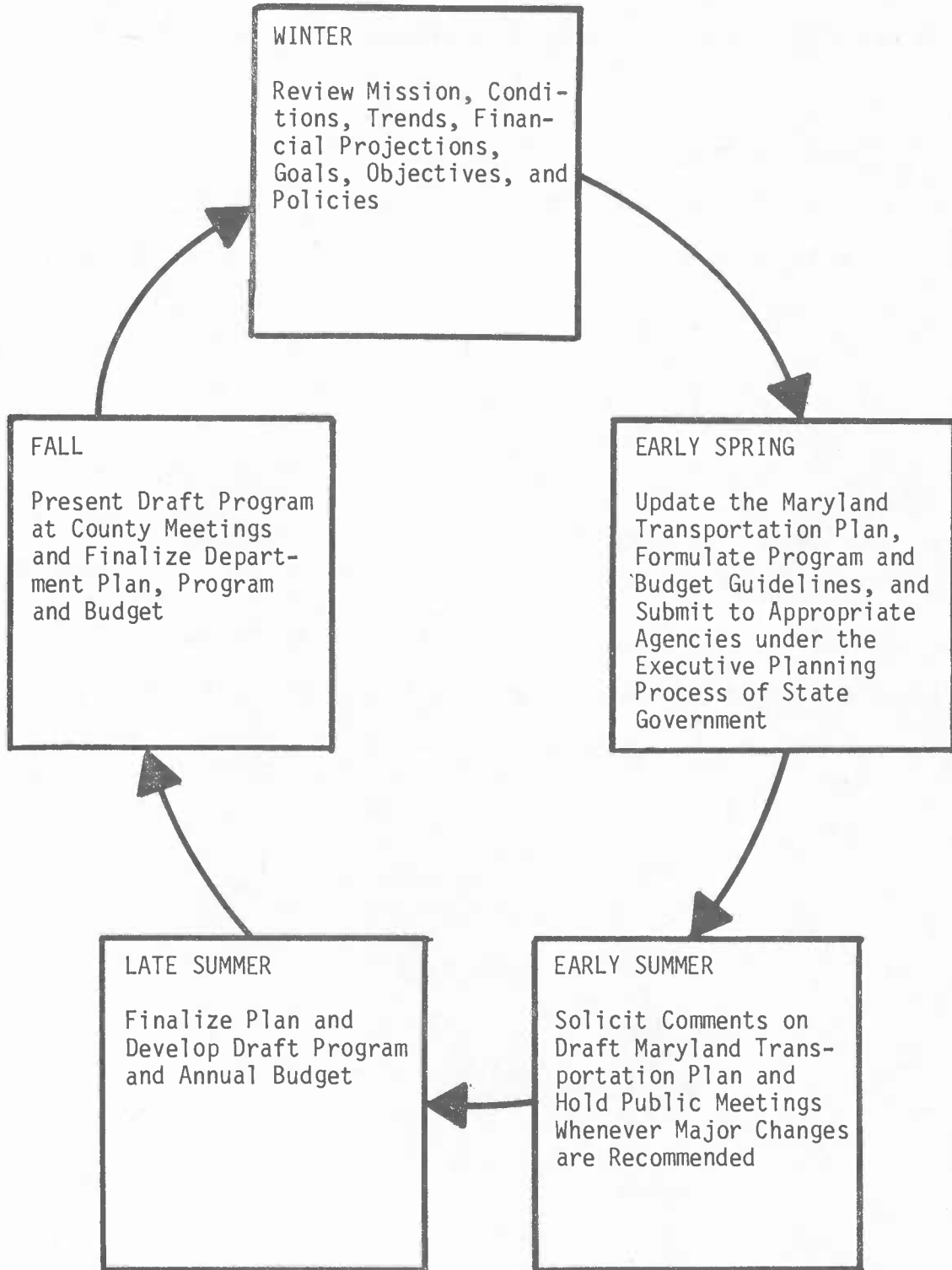
3. Special Studies

In addition to the ongoing effort to maintain an up-to-date plan, the Department periodically undertakes special studies to address critical issues as they arise, to improve the Department's rail data base and to improve the analytical capability and comprehensiveness of the rail planning process. For example, a consultant study by the firm of Henningson, Durham, and Richardson was undertaken in 1977 to develop a complete inventory of rail facilities in the State. Other special studies have been conducted dealing with the Baltimore Area Rail System, rail issues in Frederick and Carroll Counties, etc.

Other special planning studies conducted by the Maryland Department of Transportation, although not specifically developed as part of the Rail Planning Process, have contributed or will contribute information to the State Rail Plan. Over the past two years, a Statewide Goods Movement Study

FIGURE 1

ANNUAL CYCLE TO DEVELOP PLANS, PROGRAM AND BUDGET



has been underway including the development of a consistent data base and forecasting methodology. The Statewide Goods Movement Study also included an analysis of several issues such as rail and motor carrier deregulation, gross vehicle weights; and the Gross Receipts Tax on Railroads.

The Department intends to examine alternative long-term commuter rail systems in the State during the next year. A Port System Planning Study will be initiated shortly, including analysis of rail access to Port terminals. The conclusions of these studies will be reflected in future versions of the State Rail Plan as they become available.

4. Public Participation

Public participation in the transportation planning process has been an ongoing activity within the Department of Transportation. Over the years this activity has been expanded and strengthened as a result of a growing concern over the impact of transportation planning on community well being both on a local and regional level.

The MTP sets forth two specific policies for public participation:

- ° Assure that transportation investments help to meet multiple objectives - economic, social and environmental, as well as transportation.
- ° Plan and design transportation service improvements allowing for early, continuous, and two-way communication with all segments of the public prior to selection of a course of action.

These policies are incorporated into the Department's Action Plan as a basic requirement of the decision making process for transportation projects.

The rail planning process is a discrete area of planning within the scope of the overall transportation planning process, and as such, is carried out within the policy guidelines stated above.

Additionally, the rail planning process incorporates federal requirements as appropriate. The Local Rail Service Assistance Program administered by the Federal Railroad Administration prescribes requirements for public participation, including the requirement for holding public hearings on the annual State Rail Plan Update. For rail passenger capital programs administered by the Urban Mass Transportation Administration, public hearings on improvement projects are held in line with prescribed requirements as well.

Implementation of Department policy and federal requirements is carried out through a variety of public information meetings and informational mailings which afford full opportunity for public comment. The Department annually presents the latest MTP and CTP updates at meetings held with the elected officials of each county, members of the Maryland General Assembly, and the general public. The opportunity is given for public comment on transportation programs and specific projects, including rail passenger and freight programs and projects.

Annual meetings also are held with county officials and rail users involving the development and execution of annual funding arrangements for the state's rail freight subsidy program. From time to time throughout the year meetings are arranged to discuss rail freight issues, at the request of local interests or the Department. Informational meetings also are arranged to involve the public in decisions affecting rail passenger programs such as station improvements, schedule changes and fare adjustments.

Locations for meetings are selected based on a specific request or where it is convenient for the general public. Public hearings on rail passenger projects are generally held in the affected area. State Rail Plan public hearings are held regionally on the Eastern Shore, the Baltimore-Washington Regions, and in western Maryland. Public buildings, convenient for public access and centrally located, are utilized and thirty days notice is given for all public hearings. These notices are made in the form of local newspaper advertisements, publication in the Maryland Register, and public service announcements over local broadcasting stations. General news releases are also issued statewide. These public hearings are conducted in the manner prescribed by the Code of Maryland Regulations.

Written comments on the State Rail Plan are solicited through a mailing effort which includes county planners, railroad operators, rail users, elected officials, public libraries and the general public, on request. Additionally, written comments from public agencies are solicited through the A-95 Clearinghouse Review process. Comments obtained through this public participation process are incorporated, to the extent practical, into the final State Rail Plan or future State Rail Plans.

5. Coordination with other Agencies

The Department maintains continuing interaction with state and local agencies to plan and promote future rail programs. Specific contacts include county planning and economic development agencies, the Maryland Department of Economic and Community Development, and the Delmarva Advisory Council. This interaction not only facilitates rail planning efforts, but also provides other avenues for public participation.

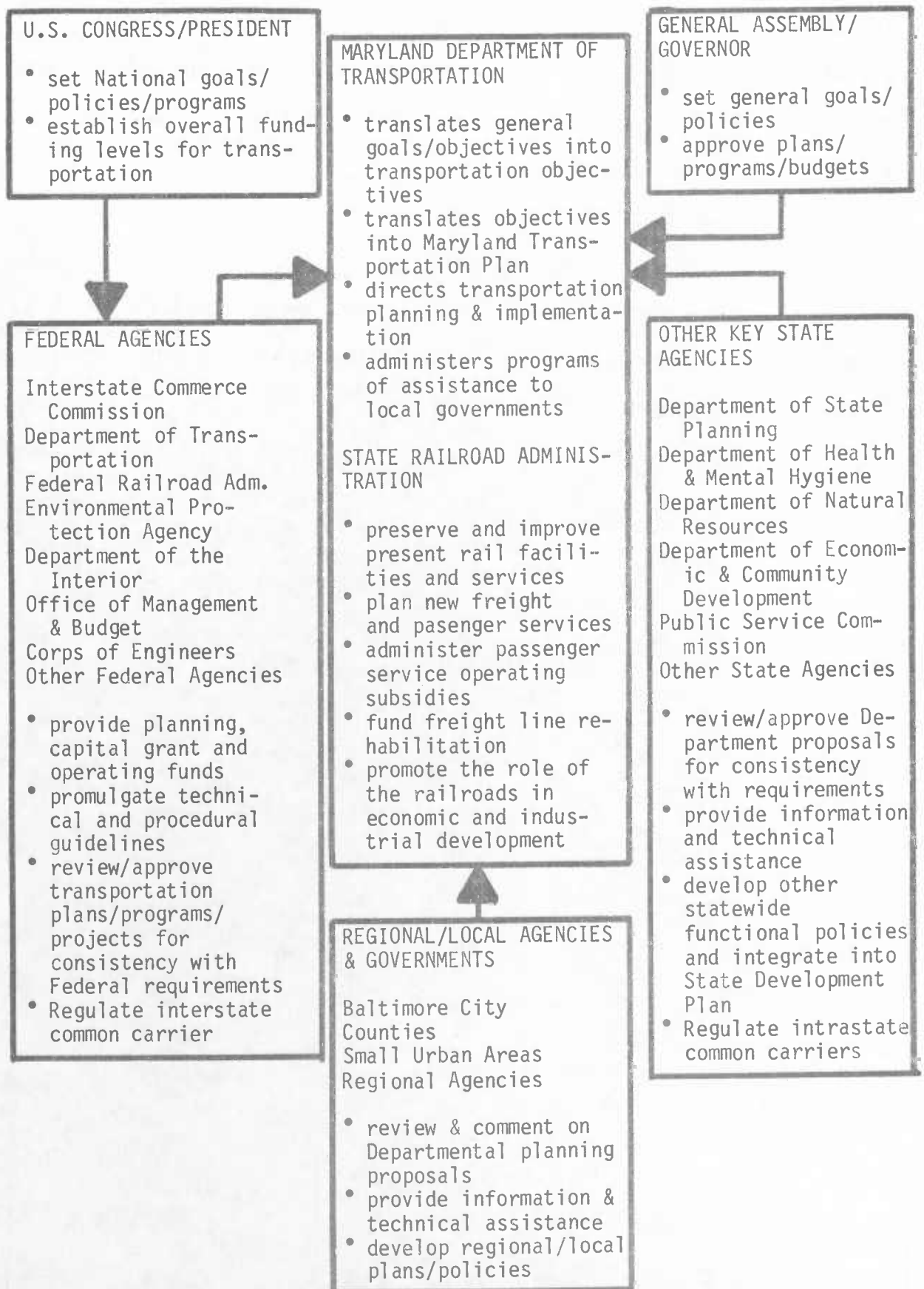
The Department is committed to working within the ongoing cooperative comprehensive transportation planning process in the metropolitan areas of the State. The sections of the State Rail Plan dealing with regional transportation issues in the metropolitan areas have been and will continue to be developed in close coordination with the existing institutional frameworks in these metropolitan areas.

Figure 2 describes the complex governmental transportation planning environment within which the State Rail Plan is developed and implemented.

Appendix A summarizes the comments received on the draft State Rail Plan and the responses reflected in this final document or contemplated for future planning purposes.

FIGURE 2

GOVERNMENTAL RAIL PLANNING ENVIRONMENT



CHAPTER III

THE FREIGHT RAIL SYSTEM

Overview

Since the early 1800's, when the Baltimore and Ohio Railroad first established a competitive advantage for the Port of Baltimore, the rail system has been vital to Maryland's economy. Today, Maryland is served by four major interstate railroads and seven shortline or terminal railroads.

The rail network plays a significant role for the Port of Baltimore handling an estimated 80% of bulk shipments (coal, grain and ore) and 40% of containerized cargo. On the Eastern Shore, the rail system has been important for the shipment of bulk agricultural goods and for the growing manufacturing segment of the economy. Western Maryland is well served by the mainlines of the Chessie System and Hagerstown is a major interchange point. Only two counties in southern Maryland are totally without rail service.

Major rail customers, those using 300 carloads or more per year as reported by the railroads, were surveyed last in 1976. Baltimore is the location of the largest number of major customers with a total of 154. The Washington suburbs (13), Hagerstown (9), and Cumberland (8) are the other major centers of shipper activity, but the Baltimore area is by far the dominant node of rail related activity.

The most significant changes in the statewide rail network occurred in 1970 with the bankruptcy of the Penn Central Railroad and six other railroads in the Northeast and Midwest. The Final System Plan (FSP) of the United States Railway Association (USRA), published in 1976, transferred 297.8 route miles of the Penn Central System in Maryland to the Consolidated Rail Corporation (Conrail), excluding the remaining 238.5 miles in

Maryland from service continuation. The National Railway Passenger Corporation (Amtrak) then acquired the electrified Northeast Corridor mainline from Conrail (90 miles in Maryland) on May 19, 1976, with Conrail retaining trackage rights.

Of the 238.5 miles excluded from the FSP, the State is participating in service continuation programs (subsidies, maintenance and rehabilitation) on 165.3 miles, or 69% of the excluded route mileage. The reorganization of the Northeast railroads has resulted in increased services to some parts of the State and termination or reduction of service to others. On those lines where service has been continued, track conditions have generally been improved and the level of service has been slowly improving.

The operations of the mainline and short line railroads will be discussed separately.

1. Class I Railroads

The four Class I freight railroads operating in Maryland and their total route miles are:

1. Baltimore and Ohio Railroad (B&O)	346.7 miles
2. Western Maryland Railway (WM)	216.6
3. Consolidated Rail Corp. (Conrail - CR)	207.8*
4. Norfolk and Western Railway (NW)	<u>15.6</u>
TOTAL	786.7 miles

In addition to these railroads, the Delaware and Hudson Railway has trackage rights over the Northeast Corridor through the state, but provides no direct service to Maryland shippers.

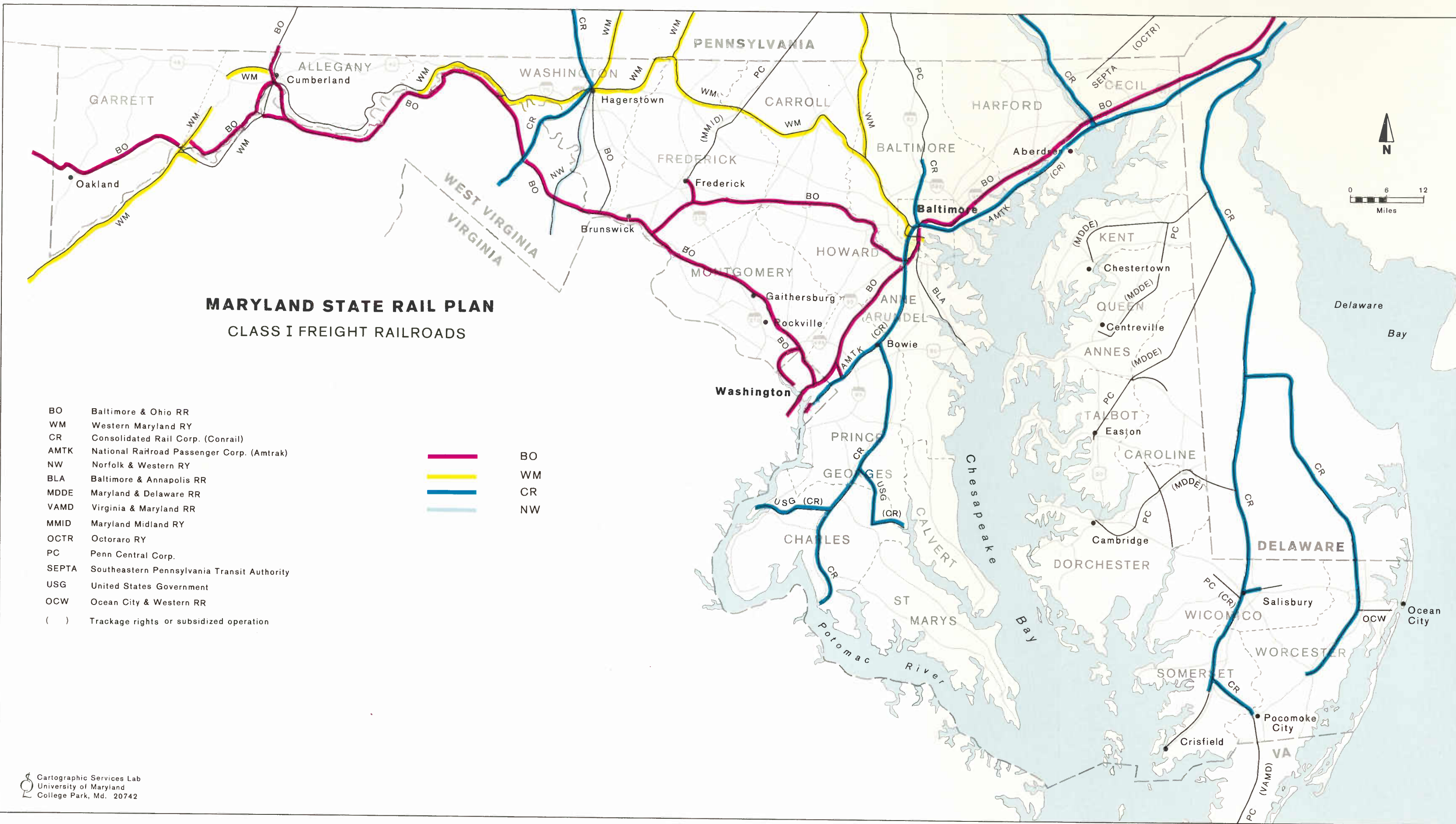
* Conrail also operates over the electrified, multiple track, 90.0 mile Amtrak Northeast Corridor between Washington and Delaware.

MARYLAND STATE RAIL PLAN

CLASS I FREIGHT RAILROADS

- BO Baltimore & Ohio RR
- WM Western Maryland RY
- CR Consolidated Rail Corp. (Conrail)
- AMTK National Railroad Passenger Corp. (Amtrak)
- NW Norfolk & Western RY
- BLA Baltimore & Annapolis RR
- MDDE Maryland & Delaware RR
- VAMD Virginia & Maryland RR
- MMID Maryland Midland RY
- OCTR Octoraro RY
- PC Penn Central Corp.
- SEPTA Southeastern Pennsylvania Transit Authority
- USG United States Government
- OCW Ocean City & Western RR
- () Trackage rights or subsidized operation

- BO
- WM
- CR
- NW



A. The Chessie System

The Baltimore and Ohio Railroad (B&O), Chesapeake and Ohio Railway (C&O), and Western Maryland Railway (WM) are owned or controlled by Chessie System, Inc. While each is a separate Class I railroad, they have the same general officers and are operated as a coordinated entity. The B&O was acquired by the C&O in 1962 and the WM was acquired in 1967. The Chessie System and the Family Lines (Seaboard Coast Line) merged on November 1, 1980. This provides direct rail connections into the southeastern states.

The major portion of the Chessie System trackage located in Maryland is under the jurisdiction of the B&O Maryland Division, with headquarters in Baltimore. About six miles of mainline in Maryland, west of Cumberland, is under the jurisdiction of the B&O Pennsylvania Division, with headquarters in Pittsburgh. All WM trackage in the State is under the jurisdiction of the B&O. The C&O has no lines in Maryland.

	Route	Miles of Track	
		<u>Double Track</u>	<u>Single Track</u>
B&O Mainline	264.6	157.9	106.7
WM Mainline	182.3	43.0	139.3
Total Chessie Mainline	<u>446.9</u>	<u>200.9</u>	<u>246.0</u>
B&O Branch Line	82.1	10.2	71.9
WM Branch Line	34.3	5.4	28.9
Total Chessie Branch Line	<u>116.4</u>	<u>15.6</u>	<u>100.8</u>
Total Chessie System	<u>563.3</u>	<u>216.5</u>	<u>346.8</u>

The Baltimore and Ohio (B&O)

The B&O is the largest railroad in Maryland. One of the first railroads organized in the country, its original purpose was to link

Baltimore with the Midwest and, thereby, to enhance the position of the Port of Baltimore. The railroad helped the Port compete with the Port of New York, which enjoyed superior access to the interior via the Erie Canal. The B&O ultimately extended to Chicago and St. Louis, roughly defining its westward reach. Very important to the railroad's operations is its service to the coal fields of West Virginia.

The main east-west line of the B&O extends through Maryland from Oakland at the western extremity of the State to the Delaware State Line at Newark, DE passing through Cumberland, Brunswick, suburban Washington and Baltimore. A second mainline (the carrier's original main trunk, customarily identified as the Old Main Line) extends from Baltimore to Point of Rocks where it joins the mainline to the west. The two mainlines carry all B&O traffic between the mid-west and the east coast.

Three daily trains (including 2 "trailer trains") to the west originate in Philadelphia, while three trains originate in the Baltimore terminal area. All of these westward trains break up at the major classification yard at Cumberland, where the cars are reclassified for onward movement in different trains. For traffic to be interchanged at Potomac Yard for movement to southern destinations, B&O originates one daily train in Philadelphia, with stops at Bayview and Jessup.

One daily westbound freight train originates at Potomac Yard and moves through Brunswick, without classification, destined for Cumberland. A daily Potomac Yard train picks up and sets out cars at Bayview and proceeds via Philadelphia, to New England as a Delaware & Hudson

train, and a second train stops at Mt. Clare and Bay View before proceeding to Philadelphia via Wilmington.

Trains made up at Cumberland for westward movement operate through to the Chicago and St. Louis gateways, as well as to Cincinnati, Toledo, Cleveland, Buffalo and numerous smaller points en route.

Seven daily trains operate eastward from Chicago, Buffalo or East St. Louis through Cumberland to Baltimore, or beyond. There is one train per day from Cumberland to Potomac Yard and a daily train from Brunswick to three Baltimore yards. One daily train also originates at Mt. Clare Yard and proceeds to Wilmington via Bayview.

No schedule information was provided by B&O on local train service within the state or on unit train movements. The B&O operates major yards at Cumberland and Baltimore (Bay View, Locust Point, Mt. Clare and Curtis Bay Yards) and has recently expanded its yard at Brunswick. Important facilities for maintenance and repair of equipment are also located at Cumberland and Baltimore, with smaller facilities at Brunswick. Facilities and personnel for maintenance-of-way are located at strategic points on the system in Maryland.

The Western Maryland (WM)

The Western Maryland is a separate Class I railroad and it continues to maintain a separate operating identity. However, its policies are established by the controlling Chessie System and its operations are integrated with the B&O. WM operates daily mainline service between Baltimore (Port Covington) and Hagerstown over its circuitous line via Porters, Hanover and Gettysburg, Pennsylvania.

The carrier interchanges with Conrail at Baltimore for service linking points on its system with Philadelphia, and Port Elizabeth, NJ.

WM's direct mainline west of Baltimore is out of service between Cedarhurst and Westminster due to washouts along the Patapsco River caused by Hurricane Eloise in 1974. The remainder of the line is served by a local freight train from Hagerstown. The section between Cedarhurst and Westminster has been applied for abandonment. It runs on its own track between Hagerstown and Cherry Run, and on the line of the B&O from Cherry Run to Cumberland. Major portions of the WM line, which parallels the B&O from Cherry Run to Cumberland, have been removed from service.

WM interchanges with the Norfolk and Western Railway at Hagerstown for movement to the south and west. It advertises service via this routing between Cincinnati and points on the N&W in Virginia and North Carolina to the south and Philadelphia and Port Elizabeth to the north.

WM operates daily between Cumberland, Hagerstown and Rutherford, PA for interchange with Conrail as part of the Central States Dispatch Route of through commerce between points west of Cumberland and the northeast. No other schedule information was provided on local train service or unit train movements.

The WM has major yards at Baltimore (Port Covington) and Hagerstown. Equipment maintenance is done in Baltimore. Trains and crews are dispatched from both Baltimore and Hagerstown.

The Chessie System cites a large contribution to the economic welfare of Maryland, beyond the transportation services it provides.

The Chessie System employs over 7,000 Maryland residents at an annual salary of more than \$125 million, and pays state and local taxes in excess of \$3 million. Chessie also estimates that its Industrial Development and Real Estate Department had a role in influencing 64 new industries to locate in Maryland and eight to expand facilities in Maryland between 1972 and 1976. Chessie places a value of \$30.9 million on this industrial growth.

B. Consolidated Rail Corporation (Conrail)

The Regional Rail Reorganization Act of 1973 (3R Act) established a new federal agency, known as the United States Railway Association (USRA), to design a new rail network from the combined rail facilities of seven bankrupt northeastern railroads: Penn Central, Erie-Lackawanna, Central Railroad of New Jersey, Reading, Lehigh Valley, Ann Arbor, and the Lehigh and Hudson River.

Those portions of these railroads designated for continued rail freight use were conveyed to Conrail on April 1, 1976. At the same time, that portion of the Penn Central known as the "Northeast Corridor" (Washington, D.C. to New York to Boston) was acquired by Conrail and then by the National Railroad Passenger Corporation (Amtrak), with Conrail maintaining trackage rights.

On April 1, 1976, that trackage which had been designated as Conrail's Northeast Corridor Region was redesignated as their Eastern Region with headquarters in Philadelphia, Pennsylvania. Conrail's Eastern Region is composed of:

- ° Philadelphia Division
- ° Philadelphia Division, Zone C
- ° Harrisburg Division
- ° Reading Division

Conrail trackage located in Maryland is under the jurisdiction of the Philadelphia Division, Zone C and the Harrisburg Division.

	<u>Miles of Track</u>		
	<u>Route</u>	<u>Double Track</u>	<u>Single Track</u>
Conrail Mainline	68.3	8.2	60.1
Conrail Branch Line	139.5	-	139.5
Total Conrail	<u>207.8</u>	<u>8.2</u>	<u>199.6</u>

Conrail's most frequent service in the state occurs along the Northeast Corridor (NEC). Twenty-one scheduled freight trains operate daily between Potomac Yard in Alexandria, VA and points in Pennsylvania and New Jersey. Most of these trains pick up and set out cars at Bay View or Mt. Vernon Yard in Baltimore. North of Baltimore, trains either continue on the NEC to Wilmington or leave the NEC at Perryville and proceed into Pennsylvania. Four additional daily trains link Baltimore with Detroit, and points north. There are also four daily trains between Hagerstown and Enola Yard (Harrisburg, PA).

Local freight trains originate and return to Bay View Yard on a six day-a-week basis to Cockeyville, Benning, and Havre de Grace. A local freight is operated on the NEC between Bay View and Potomac Yards on an as-needed basis. Local trains (6 days a week) originate at Perryville for Charlestown in Cecil County and Edgemoor Yard in Wilmington. Southern Maryland is served six days a week by a train originating in Washington and stopping at Marlboro, La Plata and Chalk Point on a rotating basis. Daily local trains in each direction link Hagerstown with Chambersburg, PA and Winchester, VA.

Maryland's Eastern Shore and Delaware are served by Conrail's line between Edgemoor Yard and Pocomoke City where Conrail interchanges

with the Virginia and Maryland Railroad for service to Norfolk, VA. A daily local train between Edgemoor Yard and Dover, DE picks up and sets out cars at Townsend and Clayton, DE for interchange with the Maryland and Delaware Railroad serving lines to Chestertown, Centreville, Easton, and Denton, Maryland.

Another daily local train between Harrington and Delmar, DE handles M&D interchange traffic at Seaford, DE. for Cambridge and Preston. From Delmar three local trains serve Fruitland (Mon.-Fri.), Pocomoke City (daily) to interchange with the Virginia and Maryland Railroad, and Snow Hill (four days per week).

Conrail employs over 1,500 persons in the state, with wages and payroll taxes in excess of \$25 million. Its purchases of goods and services in Maryland amount to approximately \$6 million annually. Conrail reports that in recent years seven new industries located on its line, with investments of \$2.1 million and 409 new jobs.

C. The Norfolk and Western Railway Company (N&W)

The N&W is a major line haul railroad with 7,618 miles of track. Its limited Maryland trackage is under the jurisdiction of the Shenandoah Division of the Eastern Region with headquarters in Roanoke, Virginia.

	<u>Miles of Track</u>	
	<u>Route</u>	<u>Single Track</u>
Mainline	15.6	15.6

The N&W operates two trains daily in each direction between Hagerstown and Roanoke, VA, plus an additional coal train three to four times per week. Hagerstown functions principally as an interchange point for the N&W, with a relatively small proportion of its traffic originating or terminating there. Traffic to or from the northeast is

interchanged at Hagerstown for movement via WM and Conrail. The N&W will receive trackage rights from Chessie between Connellsville, PA and Hagerstown, via Cumberland. The route is expected to be used to move trailers and containers toward the Port of Baltimore. Other trackage rights in Virginia will improve movement of trains between Hagerstown and Norfolk. The N&W and the Southern Railway have recently applied for merger.

N&W employs only a few Maryland residents, with total payroll of about \$200,000. It pays approximately \$64,000 in state and local taxes annually.

D. Delaware and Hudson Railway Company (D&H)

The D&H, a Class I railroad operating primarily in New York and Pennsylvania, is authorized to operate its trains between Wilkes-Barre, PA, and Potomac Yard, VA, over the lines of Conrail and Amtrak. It owns no trackage in Maryland and is not authorized to serve points in Maryland.

The D&H began daily service in June 1979 with one train in each direction. D&H trains presently traverse Maryland via Perryville and the Northeast Corridor. Traffic has had steady growth during the first year of service. The D&H has been offered an inland route to avoid congestion on the NEC. This involves trackage rights from Shippensburg, PA to Hagerstown on the WM; to Shenandoah Junction (Virginia) on the N&W; and to Potomac Yard via the B&O mainline through Maryland via Washington. This inland route is preferred by the D&H over the existing NEC route which limits their train movements. Implementing the inland route, however, is dependent on securing additional Conrail trackage rights in Pennsylvania to complete the connection to D&H tracks.

2. Statewide Freight Movement Characteristics

A. Freight Traffic Density

The amount of traffic moving over lines in Maryland is displayed in Map 2. The map shows freight traffic density in millions of gross tons per year.

The five ranges of traffic density indicated on the map are compatible with the classification of lines adopted by USDOT in 1977.*

USDOT's four categories are as follows:

- A Mainline - 20 million or more gross tons per year
- B Mainline - Less than 20 million gross tons, but at least 5 million
- A Branch Line - Less than 5 million gross tons, but at least 1 million
- B Branch Line - Less than 1 million gross tons

Section 803 of the 4R Act provides funding to the states for rail service continuation, rail line purchase and rehabilitation. Present eligibility for funding under the program includes all lines carrying less than 3 million gross tons annually. Since this 3 million gross ton threshold is significant, the traffic density map includes this additional category.

The most intensively used rail line in Maryland is the Chessie System mainline between Cumberland and Cherry Run, west of Hagerstown, where combined B&O and WM traffic exceeds 70 million gross tons. West of Cumberland, the traffic is divided between the line to Connellsville, near Pittsburgh, PA and the lines through West Virginia. East of Cherry Run, B&O tonnage divides between the B&O mainline

* Final Standards, Classification, and Designation of Lines of Class I Railroad in the United States. U.S. Department of Transportation, January 1977.

(approximately 70%) and the WM's line through Hagerstown and Pennsylvania returning to Baltimore (approximately 30%).

The B&O tonnage between Western Maryland and Baltimore is divided between the single track Old Main Line (approximately 35%) and the multiple track mainline via Washington (approximately 65%). At Washington, a portion of the traffic diverts to Potomac Yard, VA, for interchange to the south; some traffic terminates in the Washington area, but the largest share continues on the mainline to Baltimore. Traffic east of Baltimore toward Wilmington and Philadelphia is only approximately 20% of the total Chessie System traffic west of Baltimore.

Conrail traffic density on the NEC in Maryland is slightly higher than the density on B&O's parallel line south of Baltimore. North of Baltimore, NEC traffic density is much higher than that of B&O's parallel line. The Conrail line from Perryville to Harrisburg carries over 42 million gross tons and accounts for a major portion of the north-east-bound traffic.

B. Major Commodities

Commodity information was last sampled statewide in 1976 for the Chessie System and 1977 for Conrail. This information was analyzed as part of the Statewide Goods Movement Study; Task 1 (Simat, Helliesen Eichner, Inc. 1979). Summary tables are presented in Appendix B.

The data indicate that 92% of rail freight traffic are interstate shipments, 6% are intrastate, and 2% are international (Canada).

The Canadian traffic is mostly from the Baltimore region and consists primarily of metallic ores (exports), and lumber, pulp, paper and transportation equipment (imports).

Interstate traffic is most heavily oriented toward Pennsylvania (41% outbound and 37% inbound). Other states originating or receiving a significant portion of Maryland rail traffic are Ohio (15% outbound, 8% inbound), West Virginia (17% inbound) and Indiana (13% inbound). The most significant commodities, by weight, shipped via rail are metallic ores, metal products and scrap (outbound), and coal, farm products, and non-metallic minerals (inbound). The Baltimore region is the primary origin-destination for most commodities due to the Port of Baltimore and the Bethlehem Steel Plant. Southern Maryland and the Washington region also receive large quantities of coal for power generation.

Intrastate traffic was not available on a county-to-county basis, but data was available for commodities and links on a regional basis. The Baltimore and Western Maryland region account for almost all the intrastate traffic movements, with the flow in a definite western direction.

C. Lines with Restricted Clearance

The railroads have established standard maximum dimensional criteria applied to rail cars referred to as "plates." Each plate (B, C, E, or F) has a maximum car width based on the distance between wheel truck centers, and a maximum height above rail. When a rail line will not accommodate cars which exceed these dimensions due to bridge or tunnel dimensions, the line has restricted clearance.

Tunnels are the major restriction in Maryland and primarily affect Conrail. The B&P Tunnel on the NEC in Baltimore can only accommodate single direction freight operations and has an additional restriction for all cars exceeding plate "C" (15' 6" height above rail). North of Baltimore, cars up to plate "F" can be accommodated. The Virginia Avenue Tunnel in Washington, used by both Conrail and B&O is restricted for all cars greater than plate "C." The WM has plate "F" restrictions in a tunnel near Gettysburg, PA which affects traffic between Baltimore and Hagerstown using this route. The single tracked Howard Street Tunnel of the B&O does not have a plate restriction, but a 1.7% northbound grade requires helper engines, and the one-way operations cause occasional delays.

D. Rail Freight Services to Military Installations

The Department of Defense (DOD) published a report in November 1976, identifying a network of rail lines important to national defense. These lines were developed into a Strategic Rail Corridor Network (STRACNET). The corridors identified in Maryland are Philadelphia-Baltimore-Washington, D.C., and Cumberland-Pittsburgh, PA. The network was designed to allow rapid movement of military supplies and equipment (including oversize equipment). B&O lines have been designated in both corridors primarily due to lack of tunnel restrictions.

Also identified by DOD in 1977 are defense installations and activities requiring rail service. The installations listed in Maryland are the Aberdeen Proving Ground (Army), Baltimore Outport (Army), Fort George G. Meade (Army), Indian Head Ordinance Station

(Navy), and the United States Property and Fiscal Office - Havre de Grace. All facilities, with the exception of the Indian Head Ordinance Station, are located along the NEC or parallel B&O mainline. Indian Head is accessed via a U.S. government-owned branch line off the Conrail Popes Creek branch in Charles County.

3. Baltimore Area Short Lines and Switching Companies

Many Baltimore Harbor and industrial areas are served directly by Conrail, B&O and WM, via their extensive yard facilities and by local freights. In addition to the Class I railroads, three specialized carriers serve local industries by providing interchange and switching services.

A. The Baltimore and Annapolis Railroad Company (BLA)

The BLA is the smallest of the Baltimore area railroads. Although the BLA originally operated on 21.6 miles of single track between South Baltimore and Annapolis, the line south of Glen Burnie was abandoned in December 1977. The abandoned right-of-way has had its rails and structures removed in places.

The 6.5 miles remaining in service from the B&O Curtis Bay Branch line to Glen Burnie serve five regular shippers plus occasional cars for a few others. Volume averages approximately 500 carloads of mixed freight per year with 90% being inbound traffic.

B. Patapsco and Back Rivers Railroad Company (PBR)

The PBR, a Class I Switching and Terminal Company, is a subsidiary of the Bethlehem Steel Corporation. The railroad owns and operates approximately 100 miles of track located primarily within the grounds of Bethlehem Steel's Sparrows Point facility. The PBR interchanges with Conrail, B&O, and WM railroads at Gray's yard. It serves 16 shippers

located in the Sparrows Point area in addition to Bethlehem Steel, but these account for less than 10% of the approximately 46,800 annual carloads handled by the PBR. The industries include container and aggregates manufacturers, but the bulk of the products shipped are steel and metal products. Almost all of Bethlehem Steel's rail shipments are finished or semi-finished products either in or out of the plant. Coal and ore arrive primarily by water.

C. Canton Railroad Company (CTN)

The CTN, a Class I switching and Terminal Company, is a subsidiary of the Canton Company of Baltimore which also maintains piers, warehouses, bulk storage yards and provides other services, such as insurance, stevedoring, export packing, real estate, engineering and computer services. The railroad operates 39.3 miles of track within the port area of Baltimore and provides interline switching services among the piers, approximately 40 industries, and the line-haul carriers, as well as local switching service. Additionally, the CTN performs switching service for the General Motors plant for Conrail and the B&O, under contract with these carriers. General Motors traffic amounted to 28,900 cars in 1978, down to 26,500 in 1979.

On May 11, 1978, the CTN filed with the Interstate Commerce Commission an application to abandon its entire line, with a proposed effective date of October 10, 1978. By a decision on June 27, 1978, the Interstate Commerce Commission instituted an investigation into the proposed abandonment, by a proceeding designated as Docket No. AB-193 (Sub-No. 1F), and postponed the effective date of the abandonment pending the investigation. The CTN has since withdrawn their application.

MARYLAND STATE RAIL PLAN

BALTIMORE AREA RAIL LINES

Railroads

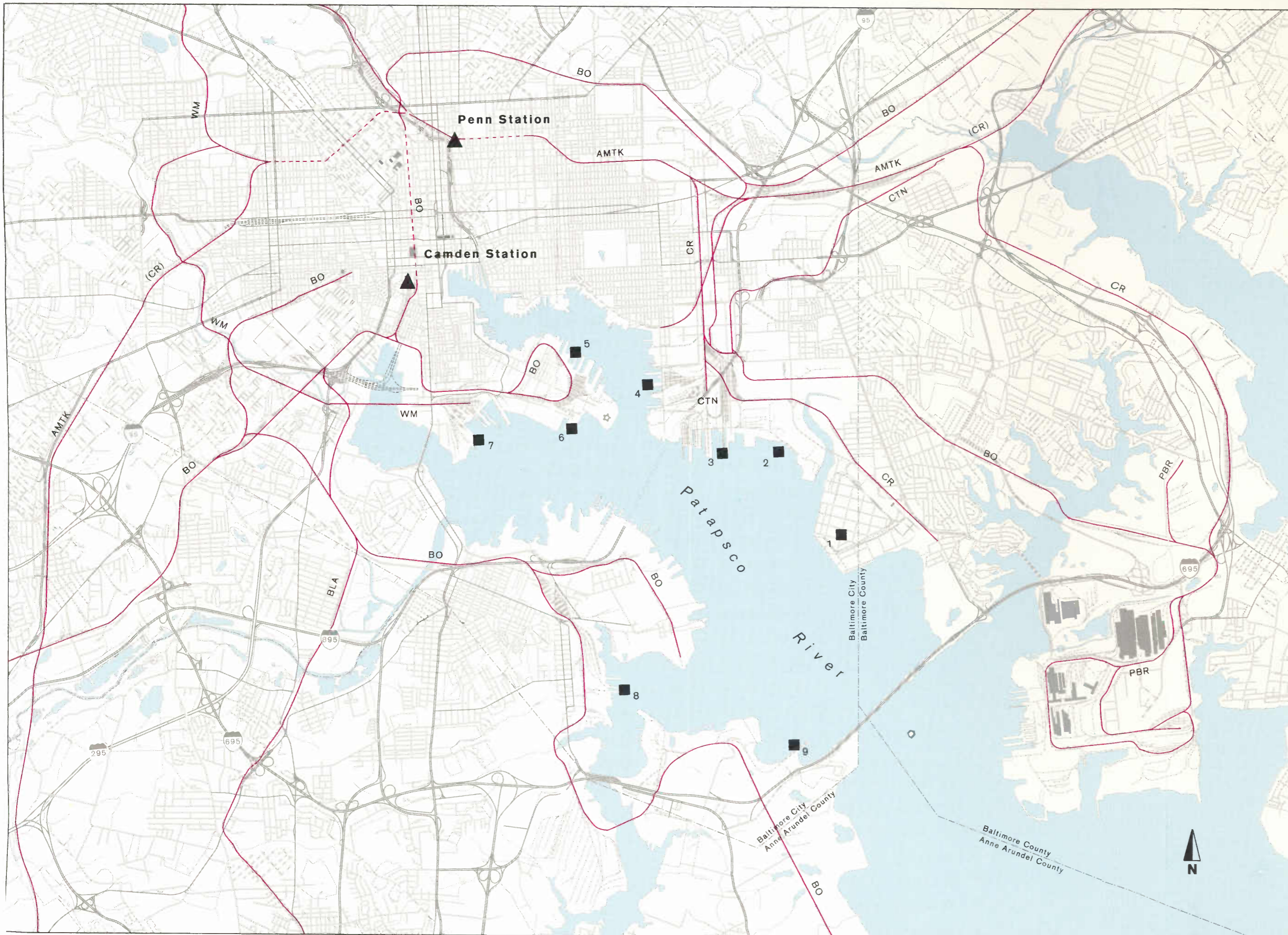
- BO Baltimore & Ohio RR
- WM Western Maryland RY
- CR Consolidated Rail Corp. (Conrail)
- AMTK National Railroad Passenger Corp. (Amtrak)
- BLA Baltimore & Annapolis RR
- CTN Canton RR
- PBR Patapsco & Back Rivers RR
- () Trackage rights or subsidized operation

▲ Passenger Stations

■ Marine Terminals

- 1 Dundalk
- 2 Sea-Land
- 3 Canton Railroad
- 4 Rukert Terminals Corp.
- 5 North Locust Point
- 6 South Locust Point
- 7 Port Covington
- 8 Curtis Bay
- 9 Hawkins Point

Cartographic Services Lab
University of Maryland
College Park, Md. 20742



In its application for abandonment, the CTN estimated that the cost of rehabilitating line and yard tracks would be approximately \$3.85 million.

The CTN's freight volume has relied heavily on imported ore, primarily iron ore. In 1978, 19,000 of the 24,300 carloads (excluding GM) were ore (62%). In 1979, ore carloads dropped to 9,800 with the result that total carloads declined to 15,300. Non-ore traffic showed a small increase; 9,268 in 1978, up to 9,469 in 1979. This traffic, primarily chemicals, plastics, fertilizers, pulp and paper products, metals and general freight, also appears to be the major source of traffic in 1980 since no ore was handled during the first quarter.

In August 1980, Consolidation Coal Co. signed an agreement with the Canton Company to purchase Canton's bulk loading piers, railroad, and other properties. (See Chapter VI, Energy and Coal). The effect of this proposal on the CTN's operations is not clear at present.

4. Short Line Operations as a Result of Abandonments

A. History

The 3R Act provided for federal assistance to the states in the Northeast and Midwest to subsidize, rehabilitate, acquire or lease light density rail lines not included in the USRA's Final System Plan in order to reduce the economic impact on communities which might otherwise lose rail service. Subsequent legislation (the Railroad Revitalization and Regulatory Reform Act of 1976, or 4R Act) extended the federal assistance program nationwide. Maryland participates in subsidized service on four lines on the Eastern Shore and one in Carroll and Frederick Counties for a total of 165.3 route miles. An additional short segment in Frederick County receives limited State

funds. The remaining abandoned Penn Central trackage is not in service. For a complete list of lines eligible under federal programs, abandoned lines, and lines designated by railroads as subject to abandonment, see Appendix C.

Under an agreement with the Penn Central Corporation dated April 1, 1976, MDOT secured a lease of four branch lines on the Eastern Shore and the line from Frederick to the Maryland/Pennsylvania border (see map #4). MDOT further contracted with Conrail to provide service over the Eastern Shore lines with subsidies and maintenance provided by federal, state and local funds. In the fall of 1977, the Department replaced Conrail with the Maryland and Delaware Railroad as the designated short line operator on all subsidized Eastern Shore branch lines, except for the Hebron branch where it was shown to be more feasible to continue Conrail as the operator. Initial cost savings realized were about 40% of Conrail's cost estimates for Subsidy Year (S.Y.) 1978. Aside from the cost savings, the Department took this action in response to shippers' complaints about service, and because of Conrail's deferral of maintenance-of-way work necessary to augment accelerated maintenance projects undertaken by the state.

The line from the washed out Monocacy River Bridge to the Pennsylvania border was operated under subsidy by the Maryland and Pennsylvania Railroad from April 1, 1976, to March 30, 1978, when service was terminated due to excessive operating deficits. The Department has since funded accelerated maintenance on this line between Walkersville and Taneytown with a connection to the Western Maryland Railway at Keymar. An operating agreement with the Maryland Midland Railway reinstated service in May 1980.

The short section between Frederick and the B&O Old Main Line is operated by Chessie. MDOT participation has been limited to annual lease (to Penn Central Corp.) and tax payments plus repairs to the Carroll Creek trestle.

In addition to those lines within Maryland directly subsidized by the Department, the former Penn Central line from Pocomoke City, MD south to the car float at Cape Charles is operated by the Virginia and Maryland Railroad under subsidy from the State of Virginia through the Accomack-Northampton Transportation District Commission with some financial participation by the Department.

The lines operating with State support are:

<u>USRA</u> <u>Line No.</u>	<u>Line</u>	<u>Distance</u>	<u>Operator</u>
147,148 149	Townsend, DE - Centreville, MD Massey - Chestertown (Kent and Queen Anne's Counties)	34.9 mi. 20.3 mi.	Maryland and Delaware R.R.
169 150	Clayton, DE - Easton, MD Queen Anne - Denton (Caroline and Talbot Counties)	44.7 mi. 8.4 mi.	Maryland and Delaware R.R.
168 152	Seaford, DE - Cambridge, MD (Dorchester County) Hurlock - Preston (Caroline County)	30.4 mi. 6.1 mi.	Maryland and Delaware R.R.
198	Walkersville - Taneytown (Carroll and Frederick Counties)	16.3 mi.	Maryland Midland Railway
676	Salisbury - Hebron (Wicomico County)	4.2 mi.	Conrail
199*	Frederick - B&O Junction (Frederick County)	3.8 mi.	Chessie

* This line does not have an operating agreement, but the state does pay lease charges and taxes.

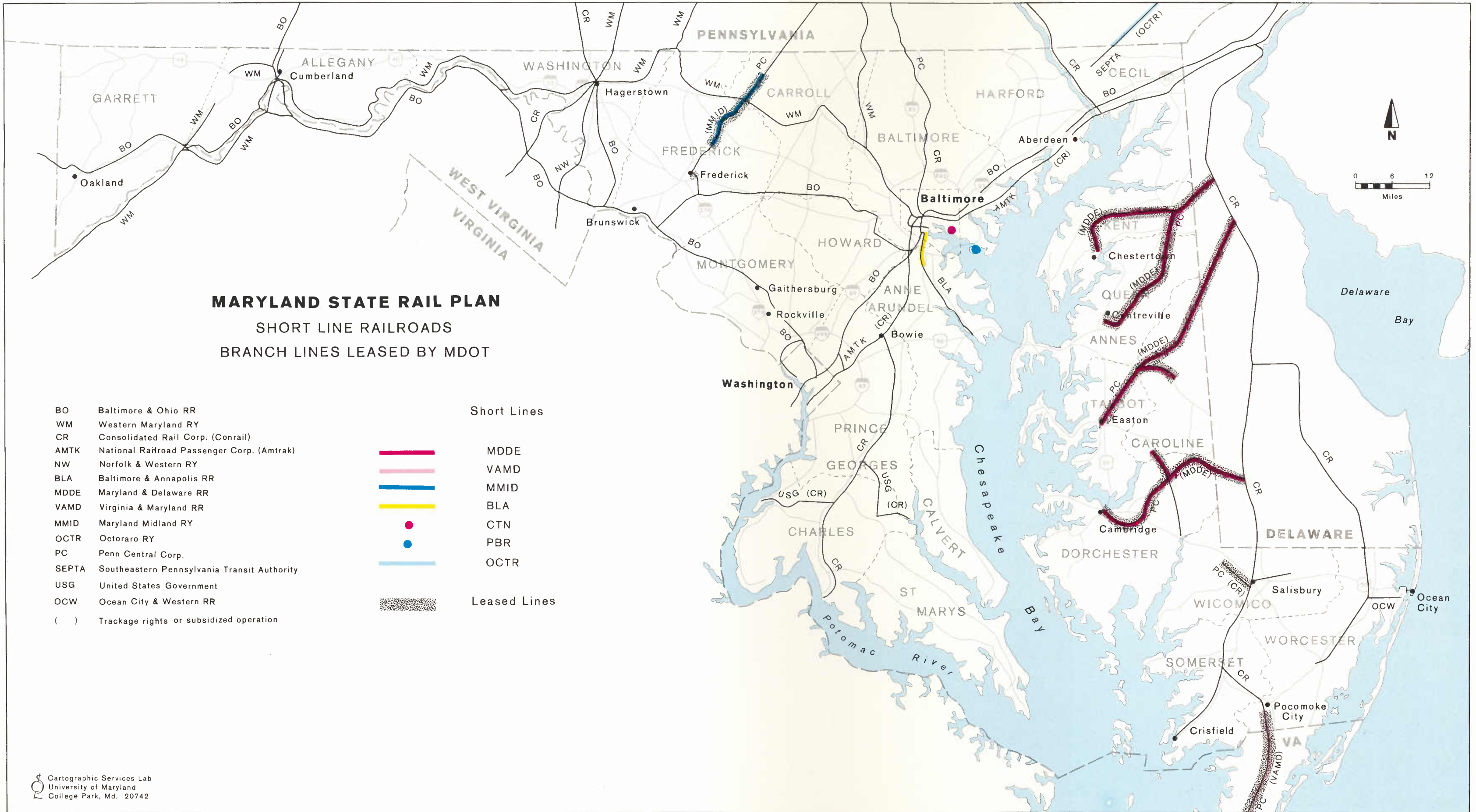
B. Description of Subsidized Lines and Operating Railroads

This section provides data for each branch line excluded from USRA's Final System Plan and subsequently subsidized or otherwise supported by the Department. They are preceded by a description of the operating railroad. Included in each line summary is information on the operating pattern, carloadings, revenues, operating costs, and an outlook toward future traffic.

Data for FY 1979 is for a fifteen (15) month period (except Conrail) (April 1978 through June 1979) when contracts were adjusted to coincide with the state fiscal year. Data for interstate branch lines include revenues and costs for both states. Costs include: the direct on-branch costs (transportation, insurance, maintenance-of-way, and equipment, miscellaneous expenses, and management fee); off-branch costs where applicable (terminal costs, line haul costs, interchange costs); lease, and taxes.

All subsidized branches have similar physical characteristics. The rail generally weighs 85 to 100 pounds per yard and is generally in good condition with few exceptions. Many of the ties are severely deteriorated and require continued replacement to comply with minimum FRA track safety standards (49 CFR 213). All branch lines are in compliance with FRA's Class I standards. If funds are available, selected branch lines will be further upgraded to allow maximum speeds of 25 mph (Class II) where warranted.

Summaries of future acquisition and improvement programs are presented in Chapter V.



1. Maryland and Delaware Railroad (MDDE)

The MDDE began subsidized service on the Seaford-Cambridge branch line in August 1977. Service was instituted on the Centreville/Chestertown and Easton/Denton branch lines in October 1977.

The operating agreement between MDOT and MDDE specifies a minimum level of weekly service trips, but additional trips are occasionally made when necessary. Each of the three principal branch lines has a diesel-electric locomotive with a fourth unit maintained as a spare.

Table 1

Operating Characteristics

Chestertown/Centreville Branch Line
USRA Lines # 147, 148, and 149

Location: New Castle County, Delaware, and Kent and Queen Anne Counties, Maryland

Length: Townsend, DE - Centreville 34.9 miles; Massey - Chestertown 20.3 miles

Traffic: FY 1979 907 carloads
FY 1980 898 carloads

Operating Deficit: FY 1979 \$251,886 (15 months)
FY 1980 \$261,750

Major Commodities: Fertilizer, chemicals, feed, field crops, lumber, petroleum products, farm machinery, paper, millwork and beverages. STCC: (28) (20) (01) (24) (29) (35) (26)

Operator: Maryland and Delaware Railroad

Service: 2 trips per week to Centreville, 2 trips per week to Chestertown

Line Overview:

It was originally recommended that this line be upgraded to Federal Railroad Administration Class II track standards. The carrier then would be able to serve each line (on alternate days) up to three days per week with little or no overtime required. However, funding constraints and lack of traffic growth have deferred these plans.

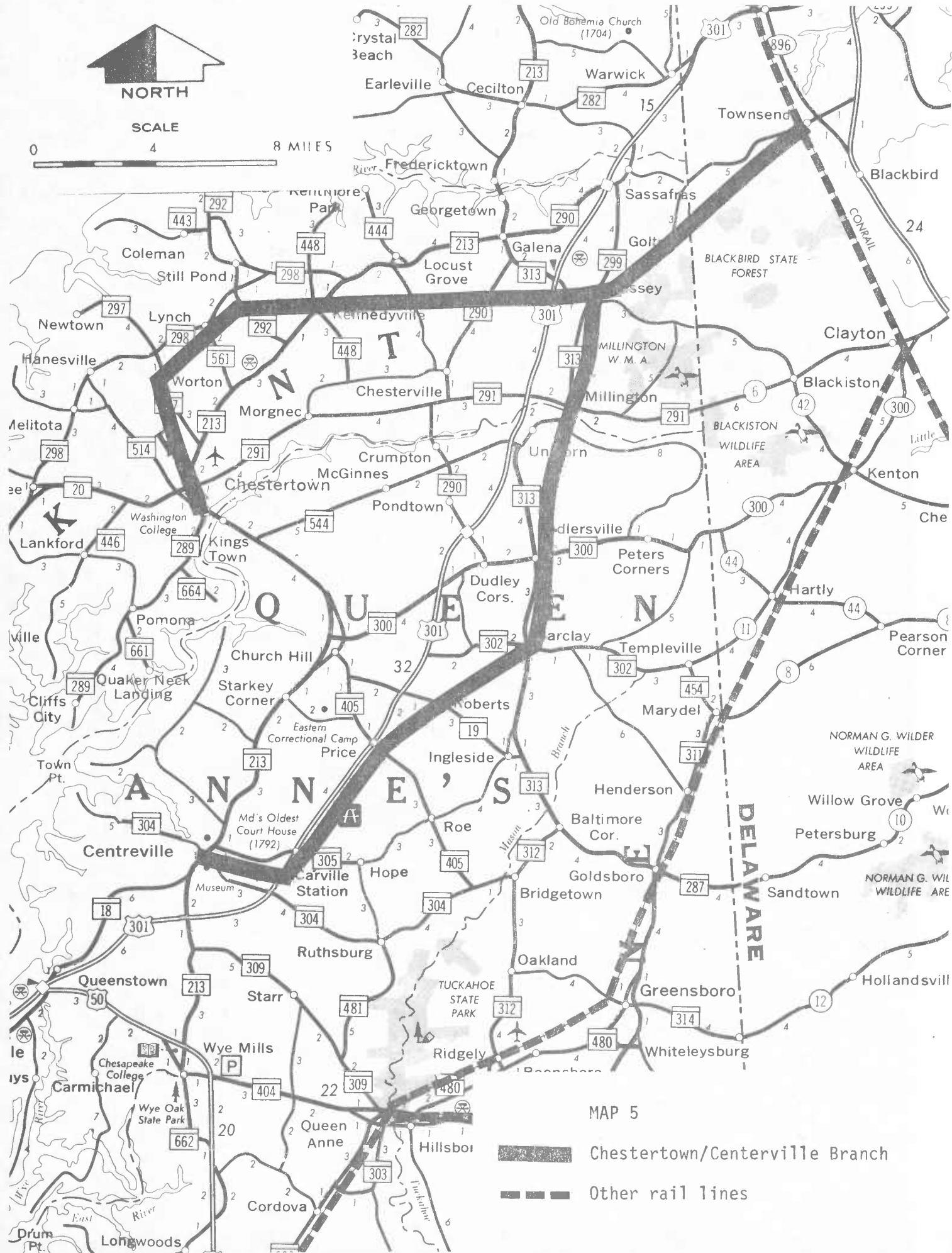
The State of Delaware has designated the portion of the line within Delaware for a continuation subsidy under its State Rail Plan. The federal share has been obtained from Delaware entitlement funds. Queen Anne's County and Kent County have executed agreements with the Department to guarantee the non-federal share of lease and taxes through June 1981.

In 1979, a Delmarva Advisory Council (DAC) survey indicated that an estimated 67 jobs would be lost if abandonment occurred and the income loss would be over \$9.7 million. However, eighty percent of the shippers indicated they could use alternative transportation modes. Overall traffic has been relatively stable, with increased usage occurring at some stations. The DAC is studying the potential for an intermodal facility.



SCALE

0 4 8 MILES



MAP 5

-  Chestertown/Centerville Branch
-  Other rail lines

Table 2

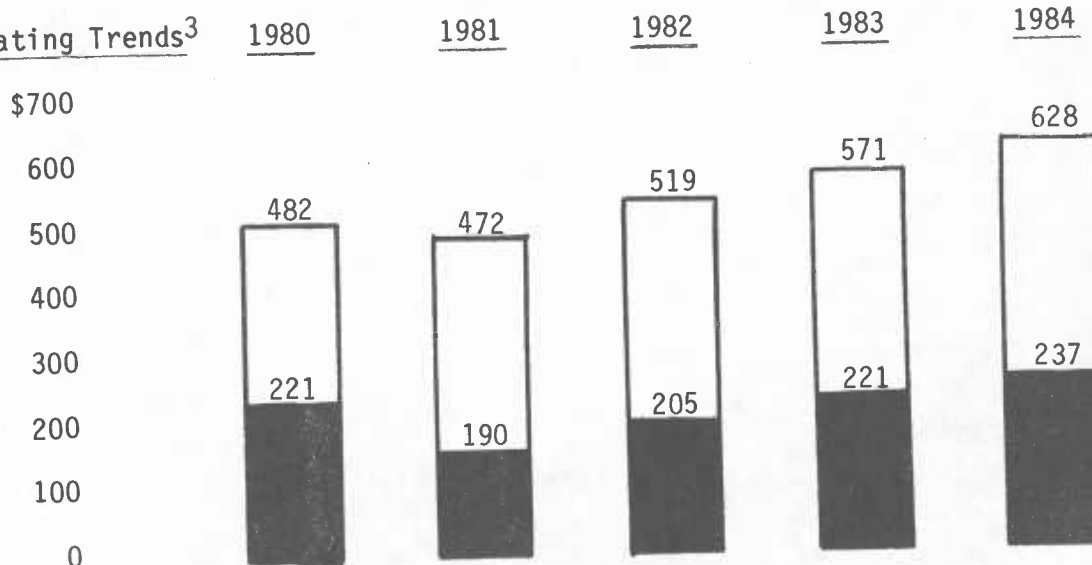
Operating Statistics

Chestertown/Centreville Branch Line
USRA Lines #147, 148, and 149

Current Operations

	<u>FY 1980 Budget</u>	<u>FY 1980 Actual</u>	<u>FY 1980 Variance</u>	<u>FY 1981 Budget</u>
Revenues	\$154,000	\$220,700	\$66,700 ¹	\$190,000
Costs	<u>402,000</u>	<u>482,450</u>	<u>80,450²</u>	<u>472,050</u>
Deficit	\$248,000	\$261,750	\$13,750	\$282,050
Carloads	900	898	(2)	900
Carload Deficit	\$275	\$291	\$16	\$313

Operating Trends³



% Cost to Revenues	218%	248%	253%	258%	265%
Carloads	898	900	900	900	900
Carload Deficit	\$291	\$313	\$348	\$388	\$434

■ Revenues □ Costs

¹FY 1978 and 1979 revenues collected in FY 1980

²Fuel cost increase and car hire increase

³Assumes 8% annual increase in tariff rates and 10% annual increase in costs; no impact of deregulation factored

Table 3

Operating Characteristics

Easton/Denton Branch Line
USRA LINES #169 and 150

Location: Kent County, Delaware, and Caroline, Queen Anne's and Talbot, Counties, Maryland

Length: Clayton, DE - Easton 44.7 miles; Queen Anne - Denton 8.4 miles

Traffic: FY 1979 835 carloads
FY 1980 677 carloads

Operating Deficit: FY 1979 \$178,361 (15 months)
FY 1980 \$236,750

Major Commodities: Fertilizer and chemicals, feed, field crops, lumber, canned or frozen food, pulpwood. STCC: (28) (20) (01) (24) (08)

Operator: Maryland and Delaware Railroad

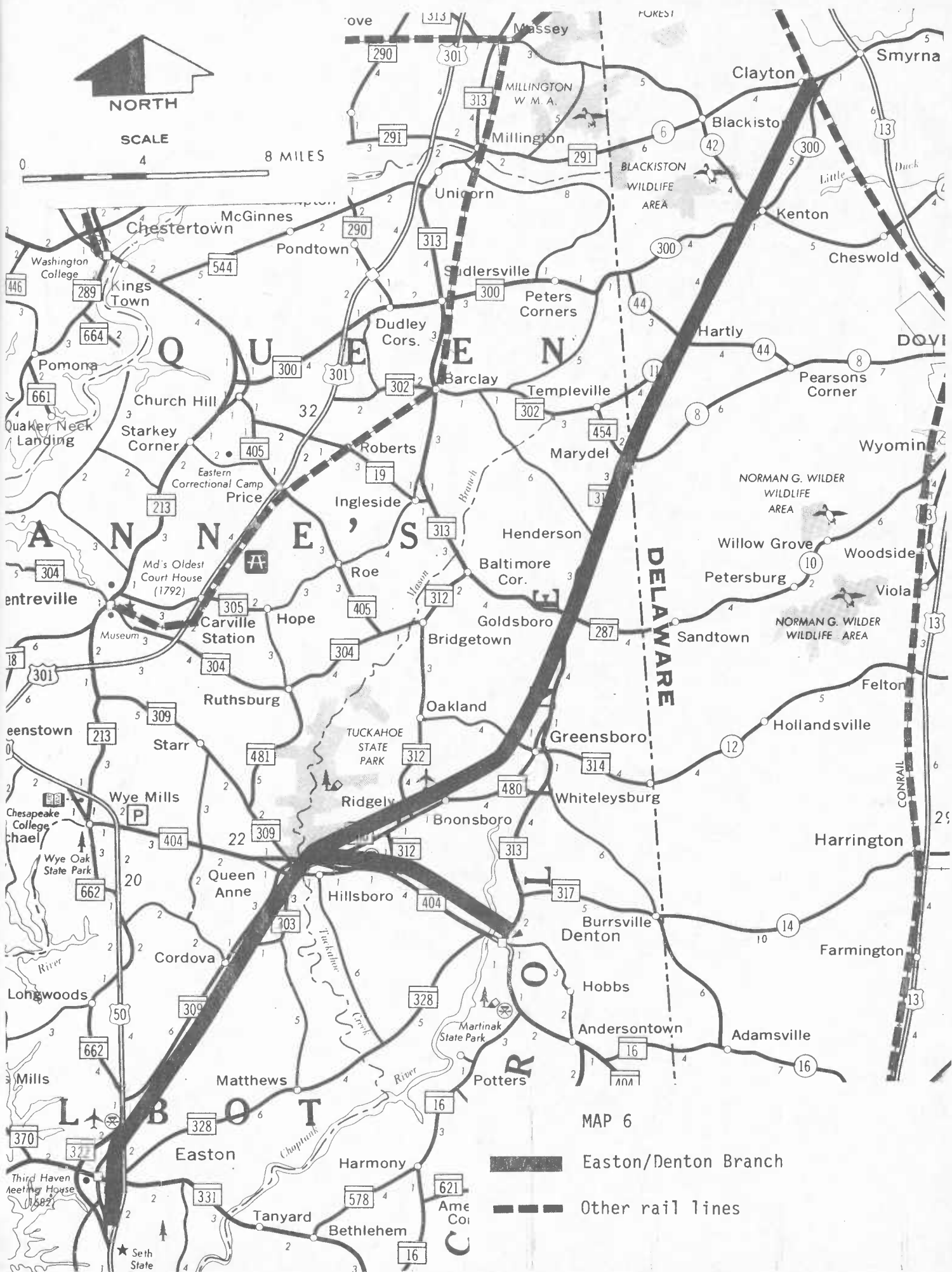
Service: 2 trips per week to Easton; 2 trips per week to Denton between February and June, 1 trip per week at other times. Service will be reduced to once a week to both cities in FY 81 due to a significant reduction in traffic.

Line Overview:



Accelerated maintenance has been completed to achieve Class I (10 mph) operations. Traffic has been declining and is expected to continue to decline in F.Y. 1981. This is due to the relocation of the line's largest shipper to the Cambridge line, and a general decline in business for other major industries located on this line. This decline has raised doubts about the ability of the line to become self-sufficient after 1981, however, some growth is anticipated in FY 82. The Caroline County Council has received approval from the Maryland Department of Economic and Community Development to apply for Economics Development Administration funding of an unloading facility in Ridgely, Maryland to encourage rail use.



SCALE



MAP 6

-  Easton/Denton Branch
-  Other rail lines

The State of Delaware is making a portion of its federal entitlement funds available for operation of the Delaware portion of this line. Talbot and Caroline Counties have executed agreements with the Department guaranteeing payment of the non-federal share of lease and taxes for the period through June 1981.

The 1979 Delmarva Advisory Council shippers survey estimated that 169 jobs and over \$1.6 million in income would be lost if the line was abandoned.

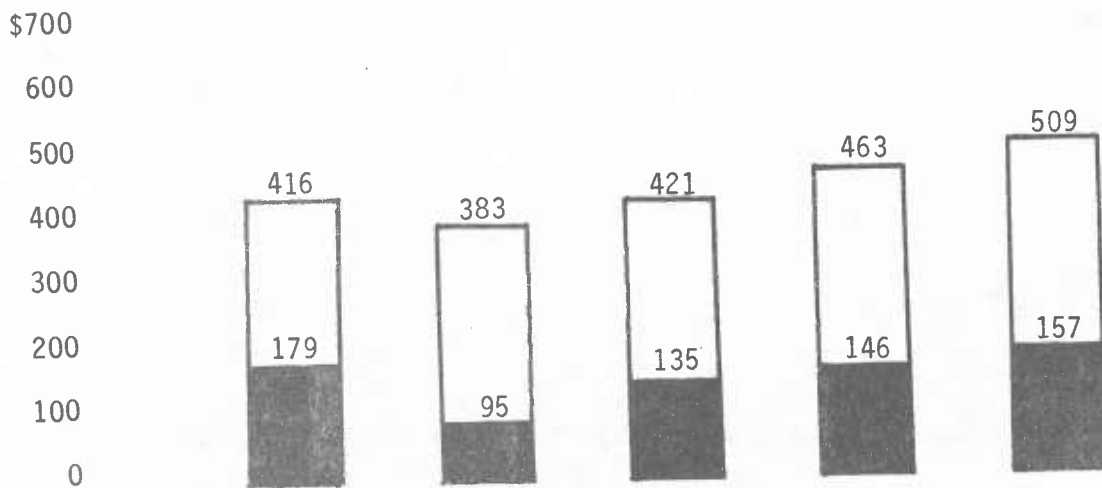
Table 4

Operating Statistics

Easton/Denton Branch Line
USRA Lines #169 and 150

Current Operations

	<u>FY 1980 Budget</u>	<u>FY 1980 Actual</u>	<u>FY 1980 Variance</u>	<u>FY 1981 Budget</u>
Revenues	\$154,000	\$178,750	\$24,750 ¹	\$ 95,000
Costs	<u>402,000</u>	<u>415,500</u>	<u>13,500²</u>	<u>383,275</u>
Deficit	\$248,000	\$236,750	\$11,250	\$288,275
Carloads	900	677	(223)	450
Carload Deficit	\$276	\$349	\$73	\$641
<u>Operating Trends³</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>



% Cost to Revenues	232%	403%	312%	317%	324%
Carloads	677	450	600	600	600
Carload Deficit	\$349	\$641	\$476	\$528	\$586

■ Revenues □ Costs

¹FY 1978 and 1979 revenues collected in FY 1980

²Fuel cost increase

³Assumes 8% annual increase in tariff rates and 10% annual increase in costs; no impact of deregulation factored

Table 5

Operating Characteristics

Cambridge/Preston Branch Line
USRA Lines # 168 and 152

Location: Sussex County, Delaware and Caroline and Dorchester Counties,
Maryland

Length: Seaford, DE - Cambridge 30.4 miles; Hurlock - Preston 6.1 miles

Traffic: FY 1979 1,505 carloads
FY 1980 1,687 carloads

Operating Deficit: FY 1979 \$107,716 (15 months)
FY 1980 \$ 95,420

Major Commodities: Fertilizer and chemical products, feed, canned or
frozen foods, lumber, fiber or pulp board, scrap and
waste, field crops, paper. STCC: (28) (20) (24) (26)
(40) (01)

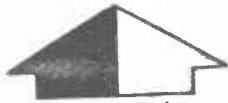
Operator: Maryland and Delaware Railroad

Service: 3 trips per week to Cambridge, 1 trip per week to Preston

Line Overview:

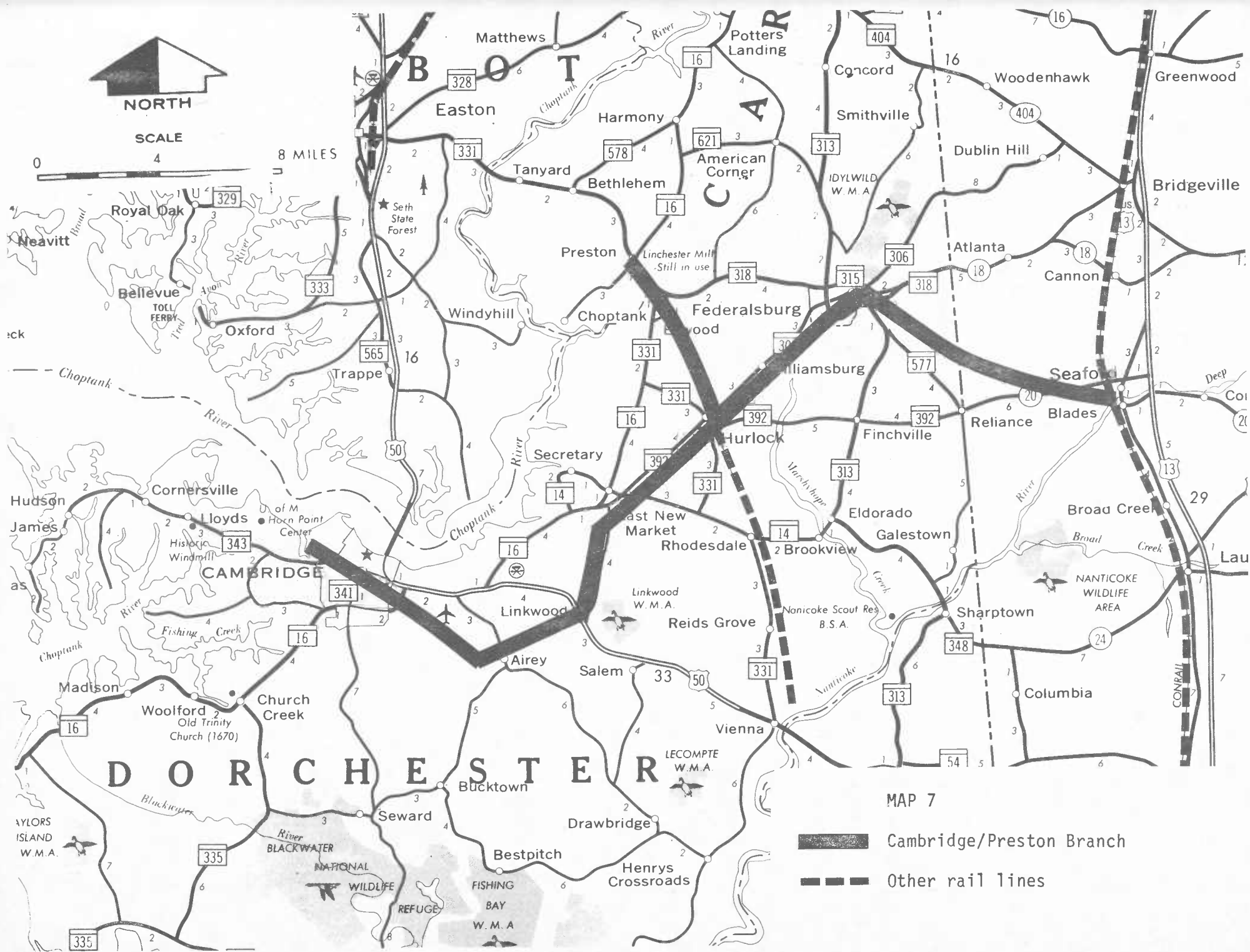
The entire line has been upgraded to FRA Class I Levels (10 mph). Additional contracts to rehabilitate the track from Seaford to Hurlock to Class II (25 mph) are anticipated if coal traffic to the Vienna Power Plant uses rail rather than barge. The branch line between Hurlock and the Vienna plant is owned by the Delmarva Power and Light Co. They will restore their track to the extent necessary to accommodate equipment and coal deliveries.

Growth is possible with some plant expansions proposed. A large facility for handling feed ingredients, which is a large rail shipper located on the line in F.Y. 1980.





SCALE

0 4 8 MILES



MAP 7

-  Cambridge/Preston Branch
-  Other rail lines

The State of Delaware is making a portion of its federal entitlement funds available for operation of the Delaware portion of this line. Dorchester and Caroline Counties have executed agreements with the Department to guarantee payment of the non-federal share of lease and taxes through June 1981.

A survey conducted by the Delmarva Advisory Council in 1979, indicated that abandonment would result in the loss of an estimated 552 jobs, or a total income loss of about \$10,500,000. Including the estimated additional transportation costs of alternate modes and additional fuel consumption costs, abandonment of this line would have a higher impact. Ninety-one percent of the shippers surveyed indicated that alternative transportation modes are available.

Table 6

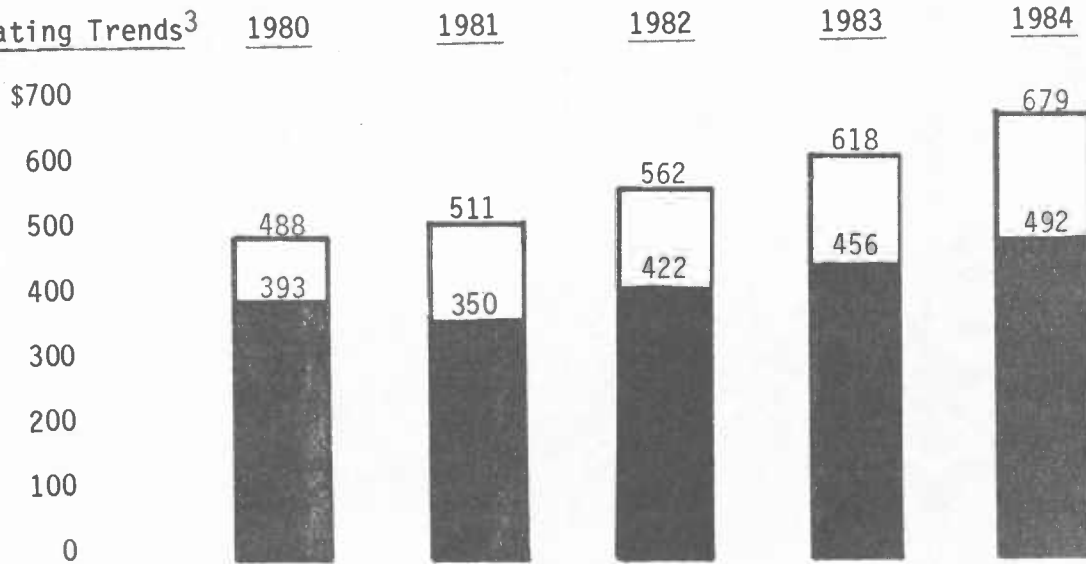
Operating Statistics

Cambridge/Preston Branch Line
USRA Lines #168, and 152

Current Operations

	<u>FY 1980 Budget</u>	<u>FY 1980 Actual</u>	<u>FY 1980 Variance</u>	<u>FY 1981 Budget</u>
Revenues	\$306,000	\$393,320	\$87,320 ¹	\$350,000
Costs	<u>435,500</u>	<u>488,740</u>	<u>53,240²</u>	<u>510,750</u>
Deficit	\$129,500	\$ 95,420	\$34,080	\$160,750
Carloads	1,600	1,687	87	1,500
Carload Deficit	\$ 80	\$ 56	(\$24)	\$107

Operating Trends³



% Cost to Revenues	124%	146%	133%	135%	138%
Carloads	1,687	1,500	1,700	1,700	1,700
Carload Deficit	\$ 56	\$107	\$ 82	\$ 95	\$110

■ Revenues □ Costs

¹FY 1978 and 1979 revenues collected in FY 1980

²Fuel cost increase

³Assumes 8% annual increase in tariff rates and 10% annual increase in costs; no impact of deregulation factored

2. Maryland Midland Railway (MMID)

The MMID is reinstating service on the portion of USRA Line 198 between Walkersville and Taneytown. A new short line operator with one engine, the MMID will be providing service over track which has had a major accelerated maintenance program in FY 1980. During F.Y. 1981, alternatives for expanding service on this line will be studied. These will focus on extending service to additional industries north of the Monocacy River and reconstruction of the Monocacy River Bridge.

Table 7

Operating Characteristics

Frederick Secondary Track
USRA LINE #198

Location: Carroll and Frederick Counties, Maryland

Length: Walkersville - Taneytown 17.4 miles

Traffic: FY 1979 No Service
FY 1980 7 carloads

Operating Deficit: FY 1979 No Service
FY 1980 \$16,360 (2 months)

Major Commodities: Feed and grain mill products, lumber and millwork. Fertilizer and chemical, field crops. STCC: (20) (24) (28) (01)

Operator: Maryland Midland Railway

Service: 2 trips per week

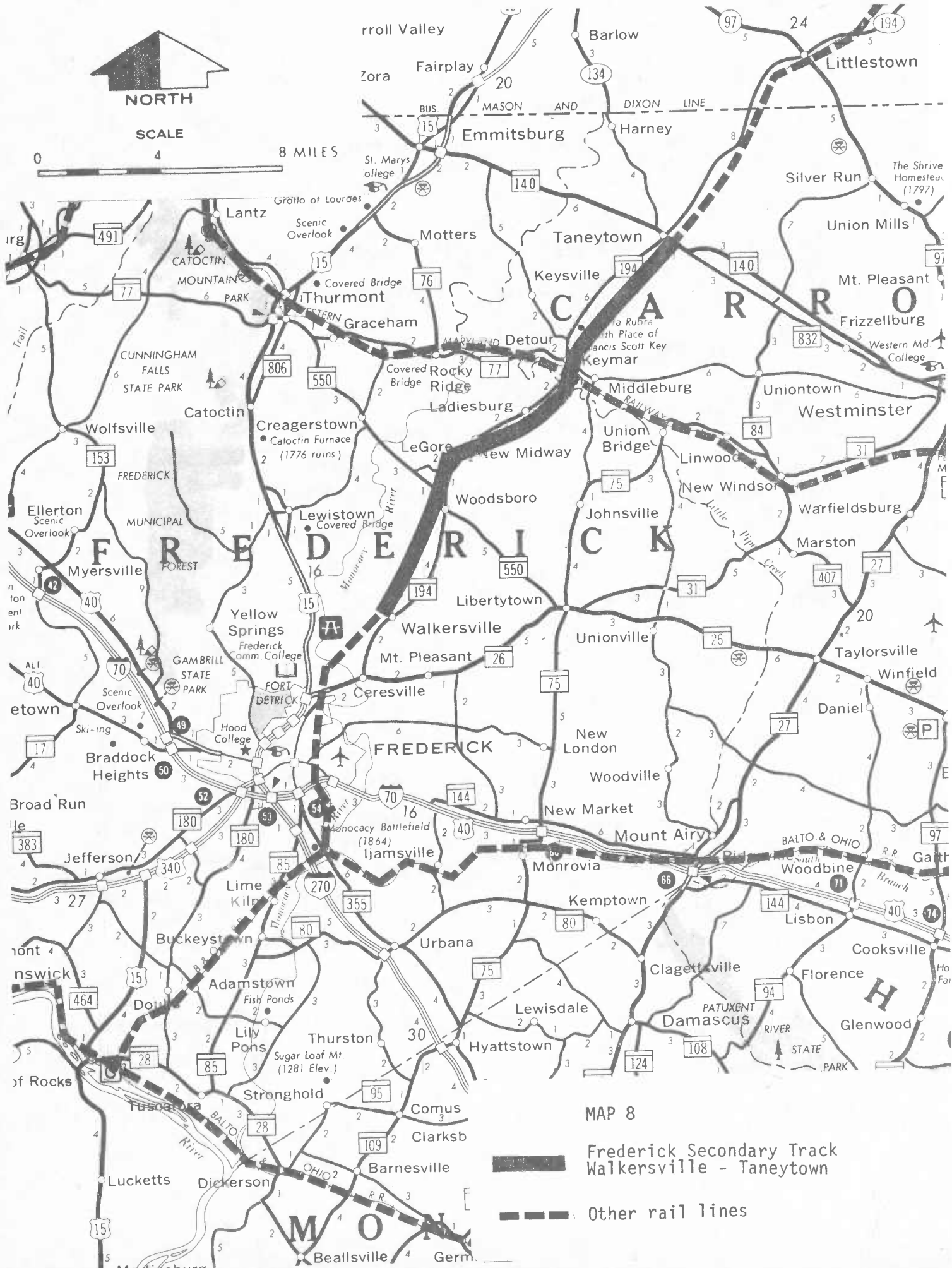
Line Overview:

Frederick and Carroll Counties and Maryland DOT made the decision to terminate rail service on this portion of the Frederick Secondary track as of March 31, 1978. The reason for this termination was the high cost of operating rail service from Littlestown, PA, as provided by the Maryland and Pennsylvania Railroad, and extensive rehabilitation required for the trackage. The Department has entered into an agreement with a new short line operator (MMID) for service from Walkersville to Taneytown. Service began in May 1980. Accelerated maintenance to FRA Class I is completed as well as construction of an interchange with the Western Maryland Railroad at Keymar.



SCALE

0 4 8 MILES



MAP 8

Frederick Secondary Track
Walker'sville - Taneytown

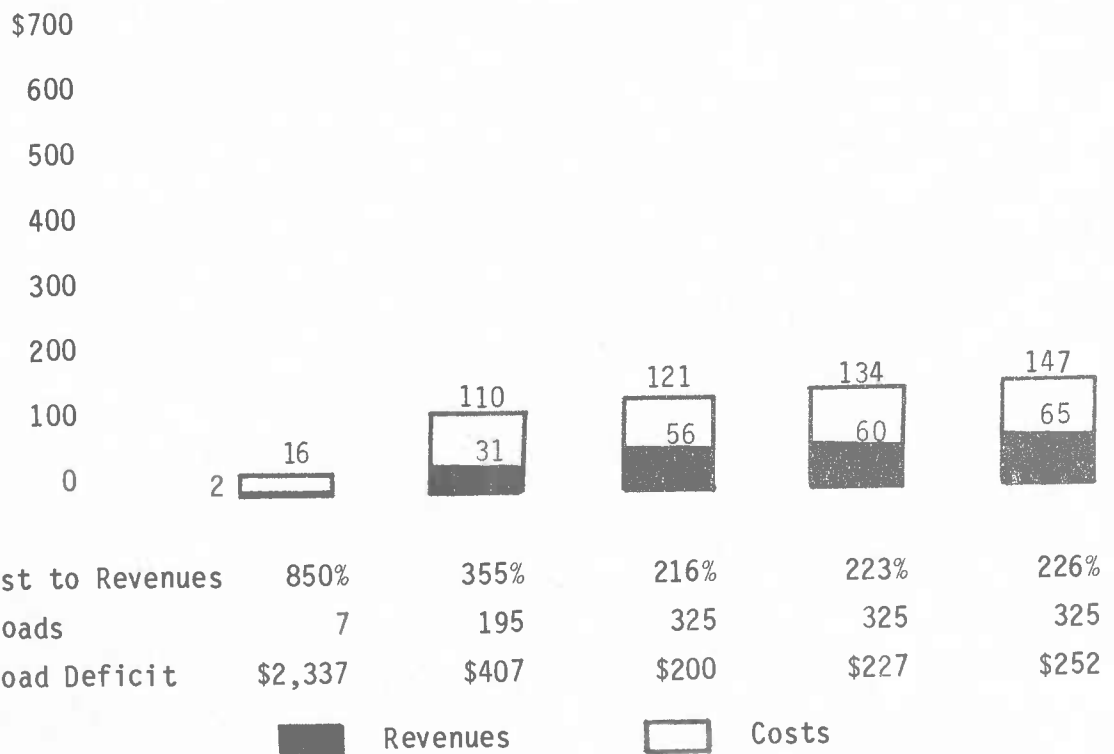
Other rail lines

Several shippers have projected modest growth potential with adequate service levels. Carroll County is actively promoting economic development in Taneytown along the rail line. Frederick and Carroll Counties have executed agreements with the Department to guarantee the non-federal share of lease and taxes through June 1981. They have further agreed to pay up to \$22 per carload in operating losses. A study is underway to determine the cost-effectiveness of restoring the Monocacy River Bridge which will provide additional traffic from potential and existing rail users.

Table 8
Operating Statistics
Frederick Secondary Track
USRA #198

Current Operations

	<u>FY 1980 Budget</u>	<u>FY 1980 Actual</u>	<u>FY 1980 Variance</u>	<u>FY 1981 Budget</u>	
Revenues	\$ 26,500	\$ 2,250	\$24,250	\$ 31,250	
Costs	56,000	18,610	37,390	110,650	
Deficit	\$ 29,500	\$ 16,360	\$13,140 ¹	\$ 79,400 ²	
Carloads	294	7	(287)	195	
Carload Deficit	\$100	\$2,337	\$2,237	\$407	
<u>Operating Trends</u> ³	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>



¹Deficit and carloads reflect operations for only 2 months

²FY 1981 Operating Deficit represents a more realistic budget through FY 1980

³Assumes 8% annual increase in tariff rates and 10% annual increase in costs; no impact of deregulation factored

3. Conrail

Conrail is the subsidized operator on the 4.2 mile Salisbury-Hebron Line. The small number of shippers, (four) and short length of the line has not made it practical for an independent short line operator to enter into an operating agreement.

Table 9
Operating Characteristics

Hebron Branch Line
USRA LINE # 676

Location: Wicomico County, Maryland

Length: Salisbury - Hebron 4.2 miles

Traffic: FY 1979 223 carloads
 FY 1980 221 carloads

Operating Deficit: FY 1979 \$41,529
 FY 1980 \$34,450

Major Commodities: Paperboard containers, fertilizer ingredients,
 feed ingredients, lumber. STCC: (26) (28) (20) (24)

Operator: Consolidated Rail Corporation

Service: 1 trip per week alternating with 2 trips per week

Line Overview:

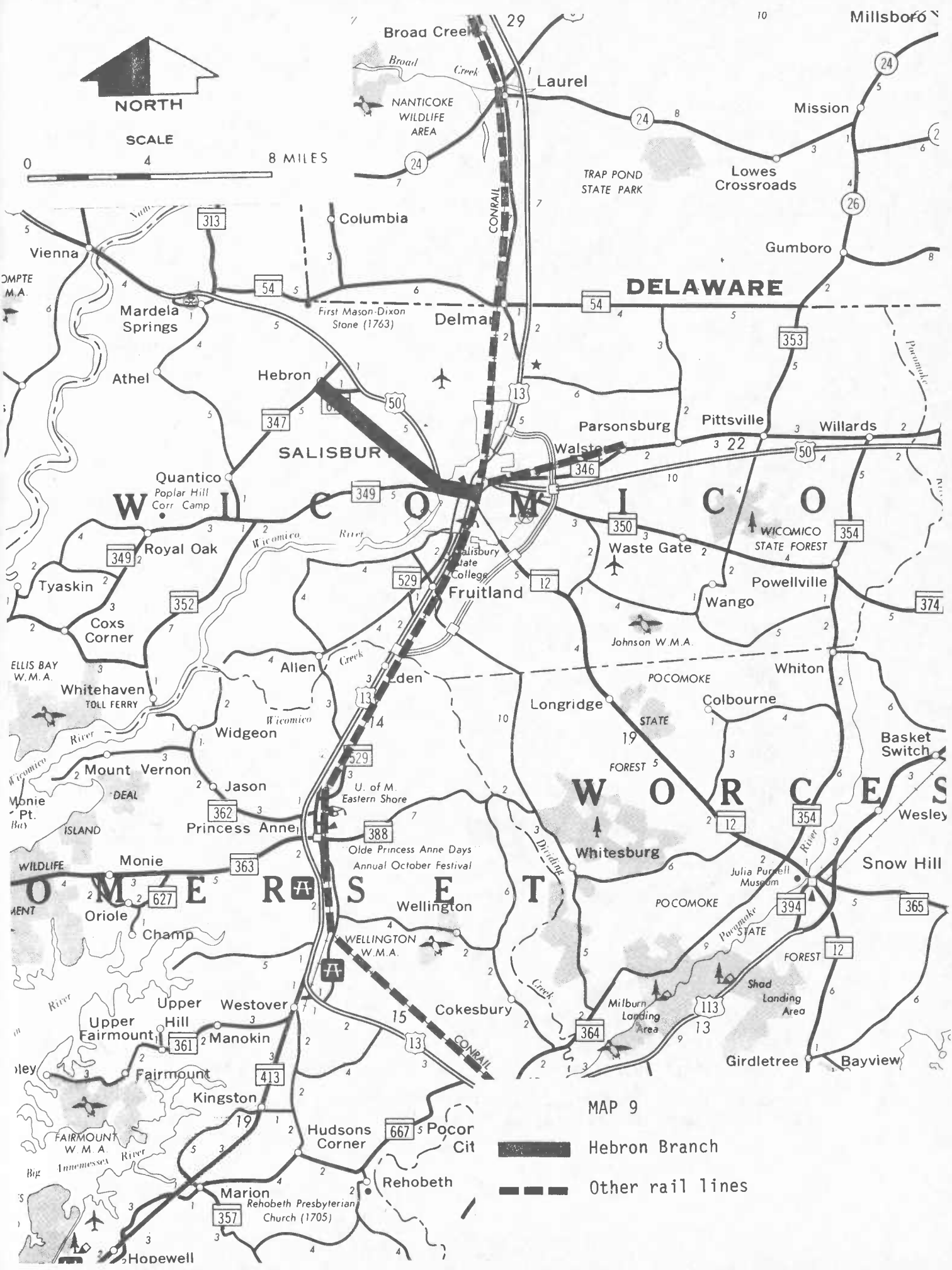
Traffic has stabilized in recent years after a decline due to a shift in the type of raw materials processed by businesses on the line, and modal shifts. A new shipper located on the branch line in FY 1980. Accelerated maintenance to Class I standards has been completed.

Wicomico County has executed an agreement with the Department to cover the non-federal share of lease and taxes for the period through June 1981, however, economic development along the branch has not been given high priority by the county.





NORTH

SCALE



MAP 9

-  Hebron Branch
-  Other rail lines

4. Chessie System

The portion of the Frederick Secondary Track (USRA #199) from the B&O mainline into Frederick is served by Chessie. This 1.5 mile branch has been operated under an ICC service directive since 1972 when the bridge over the Monocacy River was washed out which precluded direct service by the Penn Central Railroad. Chessie has continued to serve this segment under a letter of understanding with the State since July 1976 when the ICC directive expired.

MDOT leases the line from Penn Central Corporation and pays taxes on the property. Chessie realizes a small profit on its operations and has expressed an interest in purchasing the line if it is rehabilitated.

Table 11

Operating Characteristics

Frederick Secondary Track
USRA LINE #199

Location: Frederick County, Maryland

Length: B&O Junction to Monocacy River 3.8 miles total; 1.5 miles with service

Traffic: 1979 103
 1980 120 (estimate)

Operating Deficit: Not applicable

Major Commodities: Chemicals, scrap and waste, miscellaneous manufactured products, and forest products. STCC: (28) (40) (39) (08)

Operator: Chessie System

Service: 3 trips per week

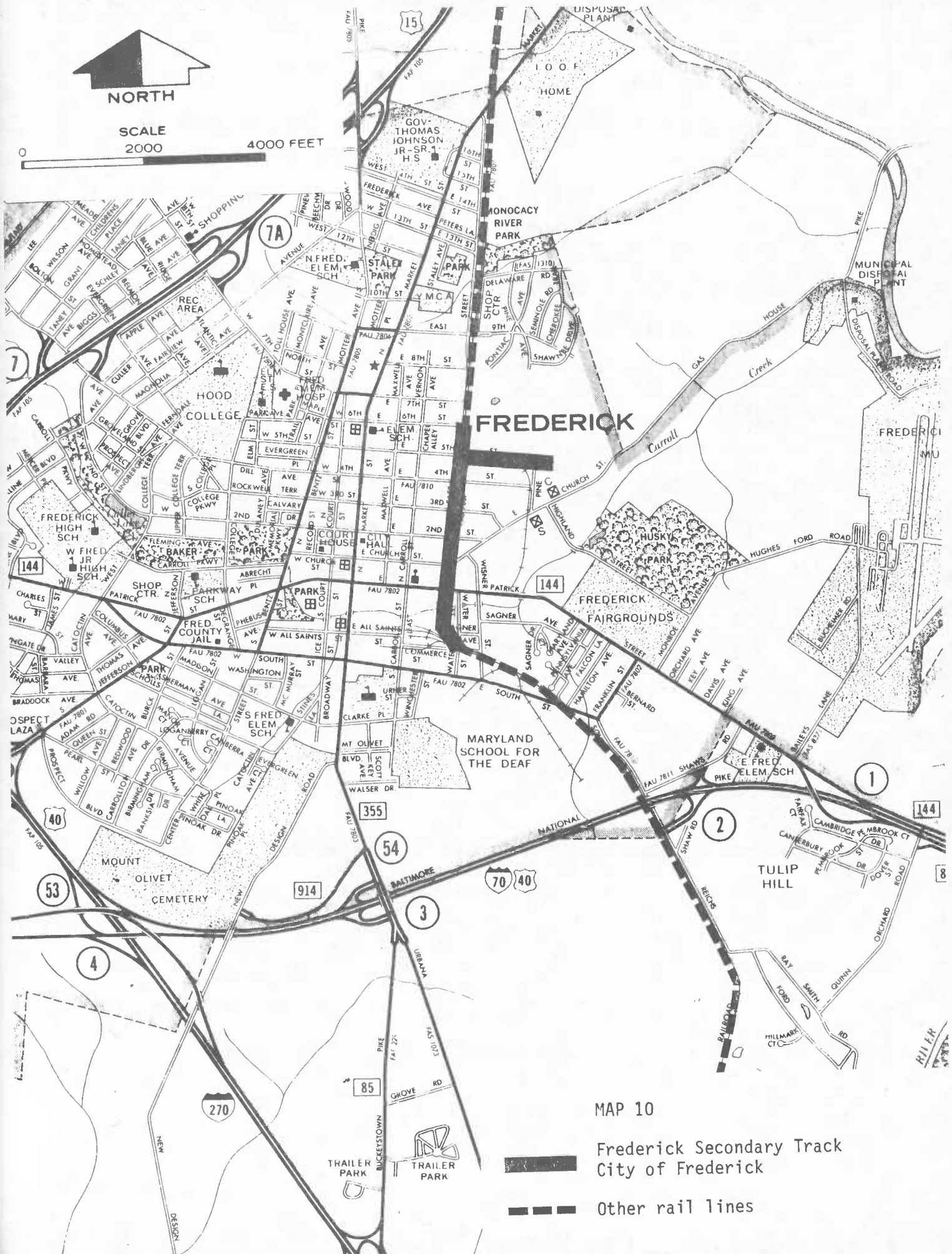
Line Overview:

In August 1979, Chessie embargoed all traffic over the Carroll Creek trestle due to the danger of hazardous spills threatened by the transport of caustic soda and liquid chlorine over the defective structure. The SRA has rehabilitated the trestle with state funds under an emergency contract. Additional reconstruction or relocation of the East Street track is being studied under a grant to the City of Frederick. Federal funding sources anticipated are from the Federal Railroad Administration and the Federal Highway Administration.

The line has showed steady traffic with a potential for major expansions of some industries. The impact of abandoning this line could be



SCALE
2000 4000 FEET



MAP 10

Frederick Secondary Track
City of Frederick

Other rail lines

quite severe. One major shipper (the Clorox Company) has indicated that the abandonment of rail service would have a severe impact on its operation.

C. Other Short Lines with Influence on Maryland

1. Octoraro Railway (OCTR)

The OCTR has been operating over the Octoraro Secondary Track (USRA Line 142) to Sylmar, on the Maryland/Pennsylvania state line, since July 1979. An errata to the Final System Plan was issued to convey that portion of the line (5.7 miles to Colora) in Maryland to Conrail with subsequent acquisition by the Southeast Pennsylvania Transportation Authority (SEPTA) utilizing an UMTA loan. The state has given a grant to Cecil County for 90% of the cost to buy the Maryland portion from SEPTA. The portion of the line in Maryland was purchased for \$17,640.

The OCTR has authorization from the ICC to operate to Colora, but the track is in need of rehabilitation. No Maryland shippers are presently served by the OCTR but at least four industries in Colora and Rising Sun have been identified by the railroad as shippers who would use rail service if available. This branch provides the only rail access to the former Bainbridge Naval Training Station. Although declared surplus by the federal government, the site has future industrial development potential. The Department of Natural Resources' Power Plant Site Program has also identified the property for acquisition as a future power plant site. They are negotiating a purchase price with the federal government.

2. Virginia and Maryland Railroad (VAMD)

The VAMD operates, under subsidy from the Accomack-Northampton Transportation District Commission, the 63.5 mile Delmarva mainline from Pocomoke City, MD south to Norfolk utilizing a carfloat between Cape Charles and Little Creek. The VAMD began operations in 1977 after an operating agreement with Conrail was terminated due to high operating costs. Approximately 4.9 miles of the line are in Maryland and the State has shared federal entitlement funds with Virginia to help subsidize the line.

The route carried approximately 9,400 carloads in F.Y. 79 of which 11% was through traffic, 26% destined for shippers in Maryland and Delaware and the remaining traffic was for Virginia shippers. The route also carried high and wide clearance cars as an alternative to the Northeast Corridor. The Delmarva route, including both Conrail and VAMD operating areas, was considered as an alternative in the Off Corridor Freight Diversion Study (FRA, 1979), but was eliminated primarily due to the limited capacity of the carfloat operation. Approximately 68% of the line has been upgraded to FRA Class II, (25 mph operations), including the section in Maryland.

The Delmarva Advisory Council survey indicated that an estimated 360 jobs would be lost in both states if abandonment occurred, and the income loss would be in excess of \$3 million. Eighty-one percent of the shippers on this line indicated they could use alternative transportation modes.

CHAPTER IV
THE PASSENGER RAIL SYSTEM

The major components of the rail passenger system in Maryland (see map #11) are the National Railroad Passenger Corporation (Amtrak) intercity service and the subsidized commuter rail services. Amtrak service is a part of its nationwide intercity service network. The commuter system is operated by the Chessie System (B&O) and Conrail, and basically serves workers commuting to Washington, D.C. Because of the different natures and purposes of these two systems and the fact that they are operated by different entities, they are discussed separately.

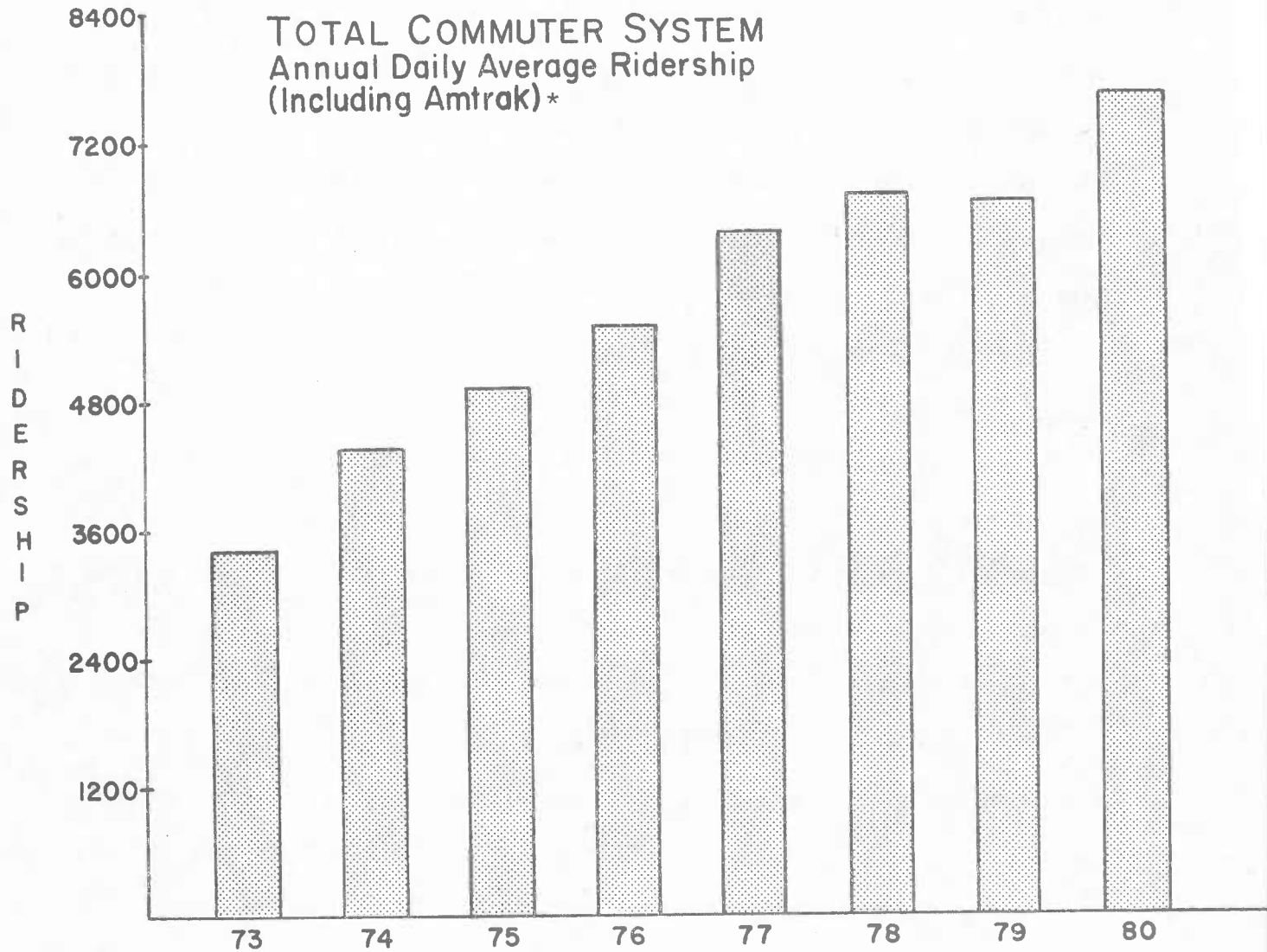
1. Commuter Rail Service

The role of commuter rail service as a transportation alternative in the Baltimore/Washington region has been a topic of discussion since the early 1960's. In 1971, the Department undertook a study to evaluate all previous work on commuter rail. The result of this was a recommendation that the State support commuter rail operations and plan an improvement program for it. State financial support of operating deficits began with B&O in 1974 and a major federal grant for B&O capital improvements was awarded in 1978. Details of the State's involvement are discussed below for each rail operator. The growth in ridership of the entire commuter system since the inception of State involvement can be seen in Figure 3.

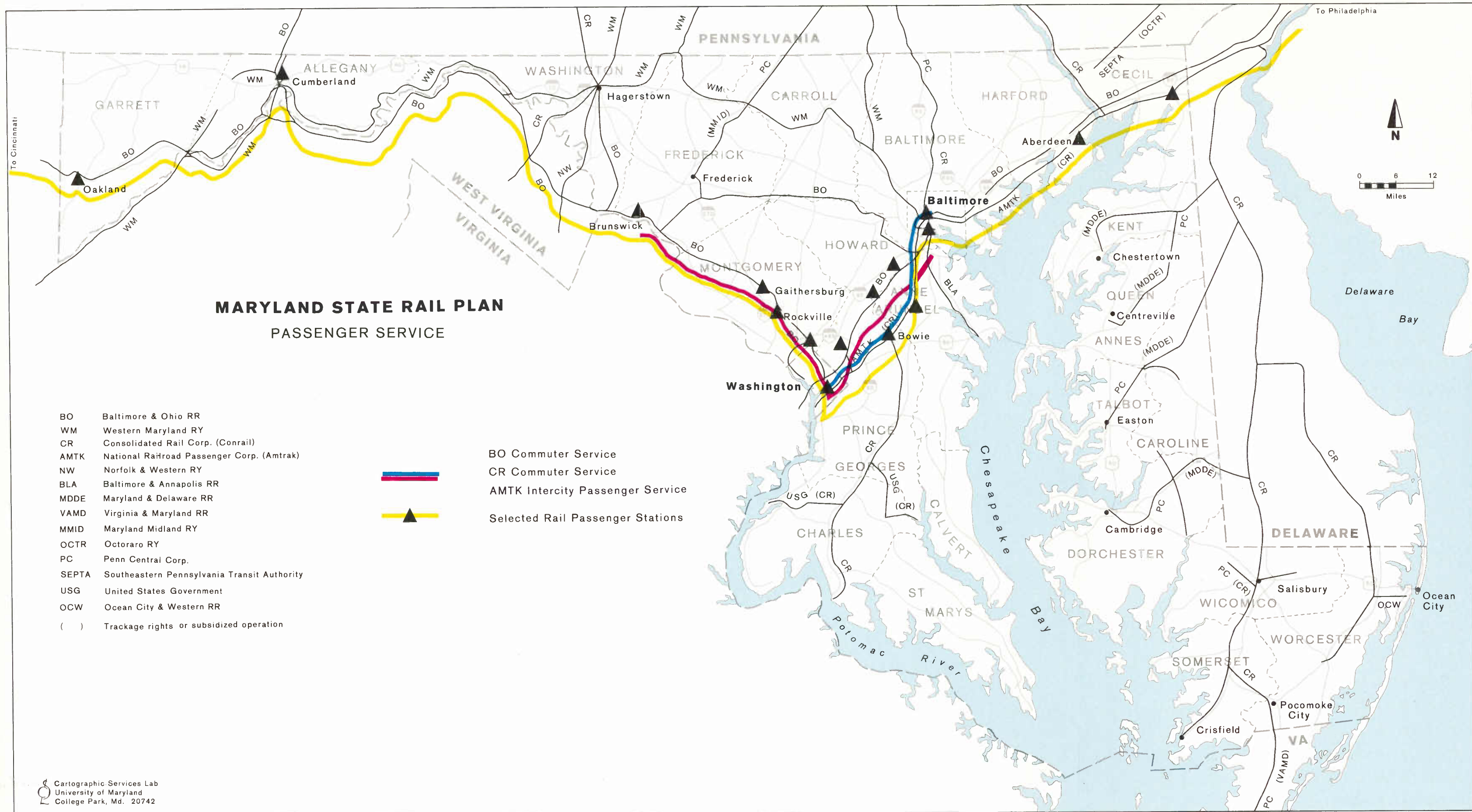
A. B&O Service

The B&O operates eight trains each weekday between Camden Station in Baltimore and Union Station in Washington, stopping at St. Denis, Elkridge, Jessup, Laurel, Berwyn, College Park, Riverdale, and Hyattsville. Approximately 1,400 daily passenger trips are

FIGURE 3



*Includes commuters only; does not include intercity passengers.



MARYLAND STATE RAIL PLAN
PASSENGER SERVICE

- BO Baltimore & Ohio RR
- WM Western Maryland RY
- CR Consolidated Rail Corp. (Conrail)
- AMTK National Railroad Passenger Corp. (Amtrak)
- NW Norfolk & Western RY
- BLA Baltimore & Annapolis RR
- MDDE Maryland & Delaware RR
- VAMD Virginia & Maryland RR
- MMID Maryland Midland RY
- OCTR Octoraro RY
- PC Penn Central Corp.
- SEPTA Southeastern Pennsylvania Transit Authority
- USG United States Government
- OCW Ocean City & Western RR
- () Trackage rights or subsidized operation

- BO Commuter Service
- CR Commuter Service
- AMTK Intercity Passenger Service
- Selected Rail Passenger Stations

Cartographic Services Lab
University of Maryland
College Park, Md. 20742

made on the eight trains. B&O also operates 10 weekday trains on its rail line between Brunswick and Washington via Gaithersburg and Rockville. Intermediate stops include Point of Rocks, Dickerson, Barnsville, Boyds, Germantown, Washington Grove, Garrett Park Kensington, Forest Glen, and Silver Spring. Approximately 3,500 daily passenger trips are presently made each weekday on these trains. Table 12 describes each station's characteristics in some detail. Figure 4 shows the ridership growth on the line over the past eight years.

The B&O commuter trains run Monday through Friday, except for holidays, and basically carry commuters to and from Washington in the morning and evening peak periods. No off-peak service is provided. Most of the equipment consists of older B&O rail diesel cars and locomotive hauled coaches, with some of the latter leased from private sources. SRA plans to replace the equipment with state-owned rehabilitated rail cars and locomotives. This improvement program is described more fully in Chapter V.

The fare structure makes commuter rail a travel bargain. The monthly fare from Baltimore to Washington is \$71.00, or about \$1.70 per ride during an average month. The 21 mile journey from Gaithersburg to Washington costs the commuter \$59.00 for a monthly ticket or about \$1.40 each trip. Parking is also free at all but a few stations. This compares favorably to average monthly rate parking in Washington of over \$4 per day.

B. Conrail Service

Conrail operates two morning and two evening trains during rush hours between Penn Station in Baltimore and Union Station in

TABLE 12
COMMUTER RAIL STATION INVENTORY
B&O SERVICE

<u>STATION NAME</u>	<u>STATION BUILDING</u>	<u>STATION SHELTER</u> ¹	<u>TRACK CROSSING</u>	<u>PARKING SURFACE</u>	<u>PARKING SPACES</u>	<u>TICKET AGENT</u>	<u>TRAINS PER DAY</u>	<u>AM² PASSENGERS</u>
<u>Frederick County</u>								
*Brunswick	Wood Frame	Wooden	At-Grade	Gravel	300	Yes	14	551
Point of Rocks	Brick	None	At-Grade	Dirt	20	No	5	35
<u>Montgomery County</u>								
Dickerson	Wood Frame	None	At-Grade	Dirt	10	Yes	4	9
Barnesville	Brick	None	At-Grade	Dirt	35	No	6	39
Boyd	None	None	Underpass	Dirt	5	No	4	5
Germantown	None	None	At-Grade	Asphalt/ Gravel	80	No	7	107
Metropolitan ³ Grove (proposed)	None	Canopy	At-Grade	Asphalt	370	-	-	-
*Gaithersburg	Brick	None	At-Grade	Asphalt/ Gravel	475	Yes	13	849
Washington Grove	None	None	At-Grade	Gravel	20	No	4	38
*Rockville	Brick	None	At-Grade	No desig- nated parking	-	Yes	13	305
Garrett Park	None	None	At-Grade	Asphalt	25	No	6	52
Kensington	Wood Frame	None	At-Grade	Gravel	45	Yes	8	78
Forest Glen	None	None	At-Grade	Grass	6	No	2	4
*Silver Spring	Brick	Brick	Underpass	Asphalt	15	Yes	14	16
<u>Washington, D.C.</u>								
Union Station	Steel/Stone	Canopy	N/A	Paid Parking	-	Yes	28 (locals)	16
<u>Prince George's Co.</u>								
Hyattsville	Wood Frame	Metal	Underpass	Gravel	10	No	2	2
Riverdale	None	Wooden	At-Grade	Gravel	40	No	8	75
College Park	None	None	At-Grade	No desig- nated parking	-	No	4	28
Berwyn	None	Metal	At-Grade	Gravel	50	No	4	46
Beltsville (proposed)	-	-	-	-	-	-	-	-
Laurel	Brick	Wooden	At-Grade	Dirt/Gravel	90	Yes	8	270
<u>Howard County</u>								
Jessup	None	Wooden	At-Grade	Gravel	80	No	7	63
Elkridge	None	Wooden	Underpass	No desig- nated parking	-	No	3	21
<u>Baltimore County</u>								
St. Denis	None	None	At-Grade	Gravel/Dirt	60	Yes	8	102
<u>Baltimore City</u>								
Camden Station	Brick	Canopy	N/A	Paid Parking	-	Yes	8	99

1 - All low level platforms

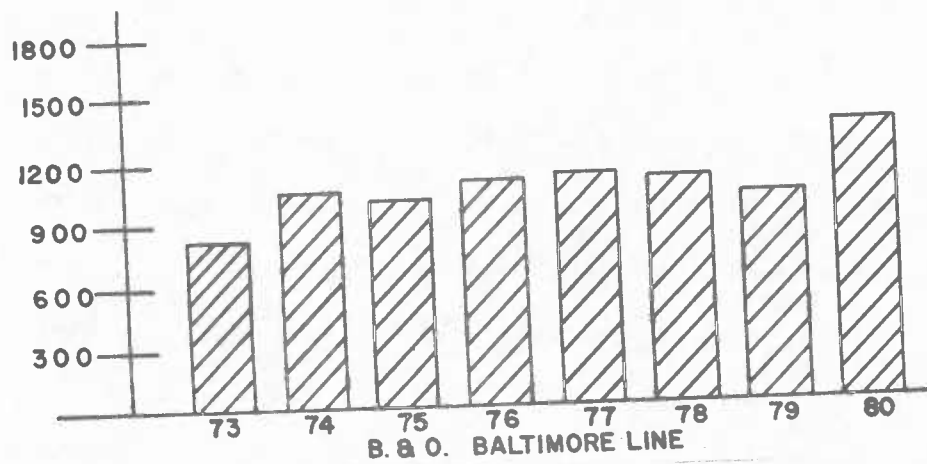
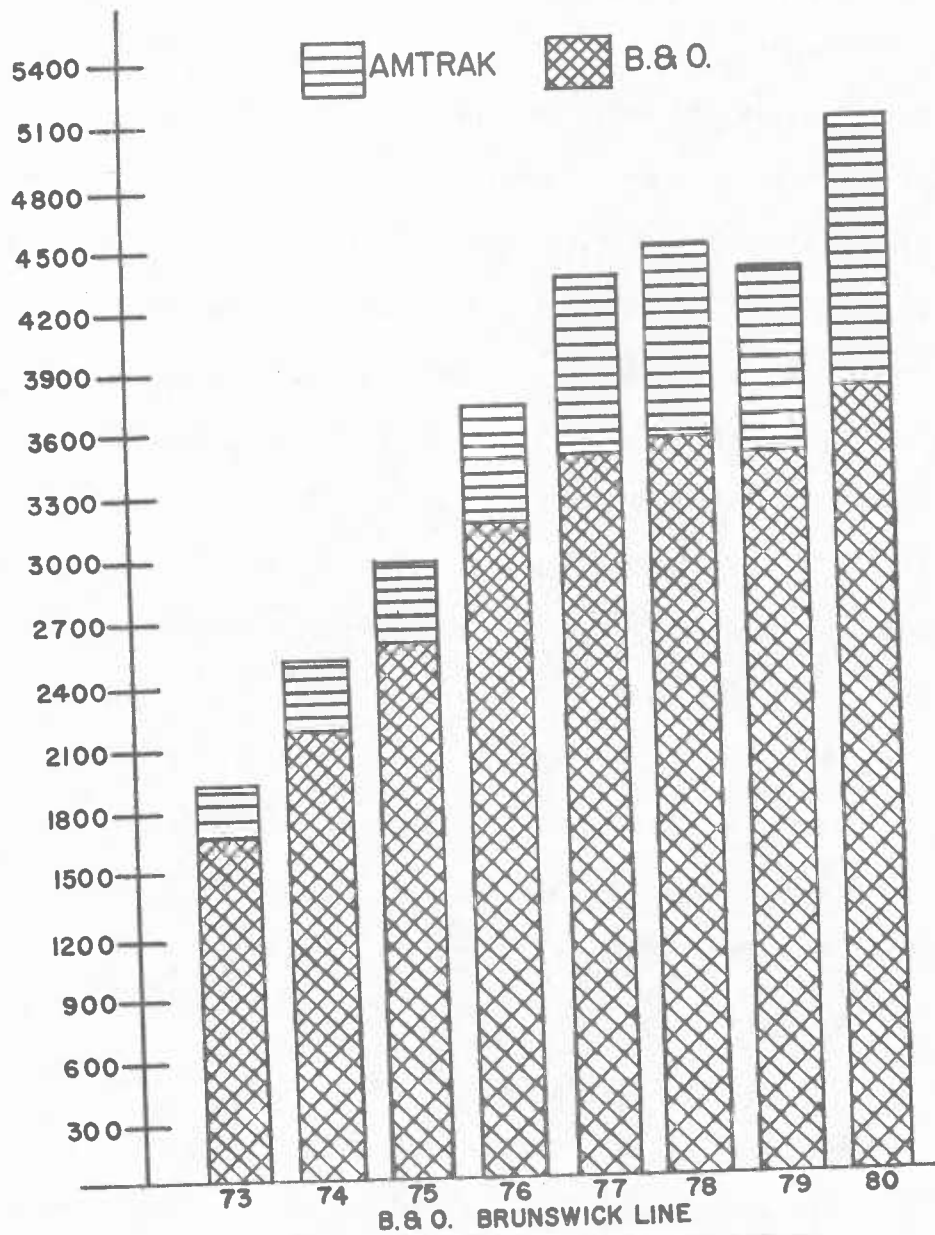
2 - May, 1980

3 - Anticipated opening - December 31, 1980

*Also served by Amtrak.

FIGURE 4

Annual Average Daily Ridership
B & O Service



Washington over the Amtrak mainline, including stops at Edmondson Avenue, Frederick Road, Halethorpe, BWI Airport, Odenton, Jericho Park, Bowie, Seabrook, Lanham, and Landover. Characteristics of each station are shown in Table 13. The service was formerly operated by the Penn Central Railroad. At the request of the State, Conrail took over the operation in April 1976, using seven 60 year old rail cars which the State acquired from the bankrupt Penn Central. In May 1978, these rail cars were replaced with modern, air conditioned Jersey Arrow II cars owned by the New Jersey Department of Transportation and subleased from Amtrak. Since then, ridership has increased 35 percent. Approximately 1,350 passengers ride the four trains at present. Figure 5 shows the ridership growth on the line over the past eight years.

Fares on this service are also very attractive compared to the cost of driving and parking an automobile in Washington. The Odenton commuter, for example, pays \$62.00 for a monthly ticket, which amounts to \$1.50 for each trip.

2. Amtrak Service

In May 1978, at the request of the Maryland and Pennsylvania Departments of Transportation, Amtrak began operating a new "long local" train called the Chesapeake between Philadelphia, Baltimore, and Washington, on the Amtrak mainline, with intermediate Maryland stops in Elkton, Perryville, Aberdeen, Edgewood, Edmondson, BWI Airport, Odenton, and Bowie. This service supplements the Conrail service discussed above. It is also very popular with Philadelphia and Wilmington business people who need to get to Baltimore or Washington fairly early in the business day. The morning train

TABLE 13
 COMMUTER RAIL STATION INVENTORY
 CONRAIL SERVICE

*Amtrak Service plus commuter service
 †Amtrak Service only

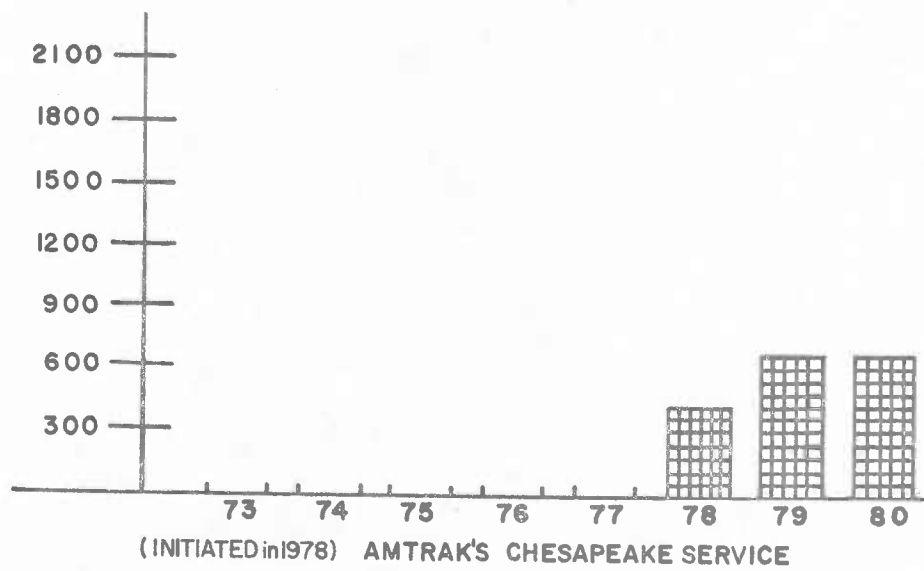
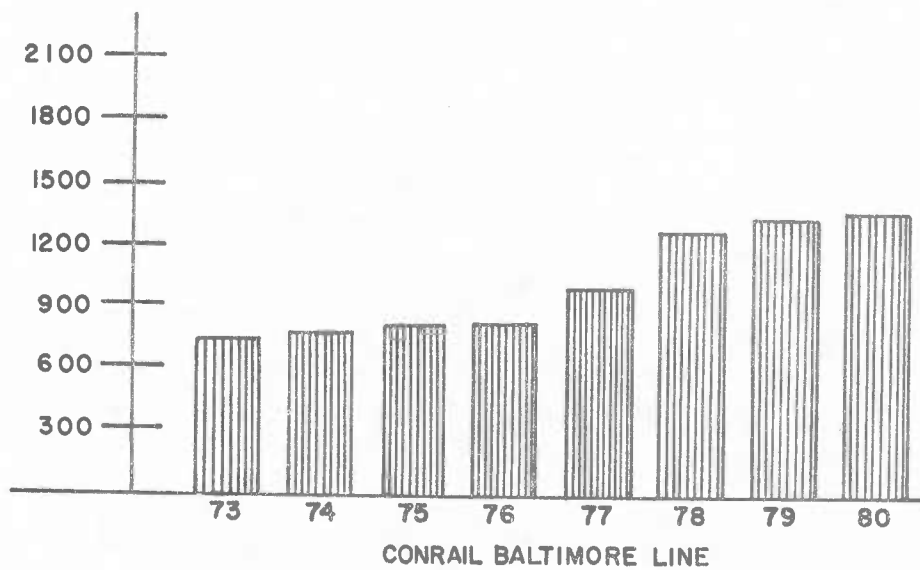
<u>STATION NAME</u>	<u>STATION BUILDING</u>	<u>STATION¹ SHELTER</u>	<u>TRACK CROSSING</u>	<u>PARKING SURFACE</u>	<u>PARKING SPACES</u>	<u>TICKET AGENT</u>	<u>TRAINS PER DAY</u>	<u>AM² PASSENGERS</u>
<u>Washington, D.C.</u>								
Union Station	Steel/Stone	Canopy	N/A	Paid Parking	-	Yes	28 (locals)	16
<u>Prince George's Co.</u>								
Landover	None	Wooden	Overpass	No designated parking	-	No	2	4
Lanham	None	None	At-Grade	No designated parking	-	No	2	6
Seabrook	None	Metal	At-Grade	Gravel	45	No	4	72
*Bowie	Wood Frame	Wooden	At-Grade	Asphalt	65	No	6	65
Jericho Park	None	Wooden	At-Grade	None	-	No	2	Destination only
<u>Anne Arundel County</u>								
*Odenton	Wood/Brick	Wooden	Underpass	Gravel	200	No	6	302
*BWI	Steel	Canopy	Overpass	Asphalt	375	Yes	14	60
<u>Baltimore County</u>								
Halethorpe	None	Wooden	Overpass	Dirt	20	No	2	20
<u>Baltimore City</u>								
Frederick Road	None	None	Overpass	None	-	No	2	19
*Edmondson Avenue	None	None	N/A	None	-	No	6	69
*Penn Station	Steel/Stone	Canopy	N/A	Paid Parking	-	Yes	6 (locals)	445
<u>Harford County</u>								
†Edgewood	Wood/Brick	Wooden	Underpass	Gravel	15	No	2	0
†Aberdeen	Wood/Brick	None	Underpass	Gravel	100	No	8	54
<u>Cecil County</u>								
†Ferryville	Brick	Wooden	Underpass	Asphalt	50	No	2	0
†Elkton	Brick	Wooden	Underpass	Asphalt	17	No	2	2

1 - All low level platforms except BWI Station

2 - January, 1980

FIGURE 5

Annual Average Daily Ridership
Conrail & Amtrak Service



consists of two cars, however, the evening train is expanded to four cars between Washington and Baltimore because of the large number of commuters between these two cities. After Baltimore, only two cars continue to Philadelphia. Ridership has grown dramatically since the train began. In its short two year history, ridership has increased 50 percent and typically carries 630 people each weekday. This trend is shown in Figure 5.

In addition to the commuter trains discussed above, Maryland is also provided with a high level of intercity Amtrak service connecting several Maryland cities with the rest of the country. The primary route serving the state is the Amtrak (former Penn Central) mainline from Washington to Boston, also known as the Northeast Corridor (NEC). Maryland service points include Aberdeen, Baltimore, BWI Airport, and the Capital Beltway Station in Lanham, a suburb of Washington. Major service points to the north include Wilmington, Philadelphia, New York and Montreal, with service to Boston through New York. The major station within Maryland is Baltimore's Penn Station, which is served by all Amtrak trains traveling on the NEC. The Aberdeen stop is serviced by only a few selected trains each day. Washington's Union Station, the southern terminus on the NEC, can also be considered a major station serving Maryland residents because of its proximity to suburbs in Maryland. The new station at BWI Airport was opened in October 1980.

Two types of service are offered by Amtrak along the NEC Route--Metroliners and conventional trains. Several of the conventional trains travel daily in each direction with stops at Baltimore and Washington, and points south. These trains, as well

as trains which offer service to Chicago or St. Louis through Philadelphia are excluded from the schedule data presented in Tables 12 and 13 since they do not serve commuters. The Metroliners basically run on hourly schedules between New York and Washington from 6:00 a.m. to 6:00 p.m. Certain schedule variations are made for weekends and holidays. The conventional trains are spread throughout the day with some trains offering earlier and some later service than the Metroliners.

Beyond Washington, through service south is offered to Florida, New Orleans, and intermediate points. East/west service leads out of Washington, and travels over the Chessie System (B&O Brunswick line) through western Maryland. There are basically two trains, the Blue Ridge and the Shenandoah, in each direction each day and a third train eastbound on Saturday and westbound on Sunday. Only the Shenandoah offers daily service beyond Martinsburg, WV, to Cincinnati. Both the Blue Ridge and the Shenandoah operate in or near the peak periods each weekday, and consequently, a number of commuters use these trains to supplement the B&O service. The Maryland stations along this route include Silver Spring, Rockville, Gaithersburg, and Brunswick, as well as Hancock, Cumberland, and Oakland further to the west.

3. Passenger Service Operating Program

SRA reimburses B&O for the operating losses on its two lines, and signed a new purchase of service contract with B&O in March 1979 to extend service through June 30, 1984. This provides for 100 percent subsidy of operating deficits. SRA payments to B&O under the agreement are presently estimated at \$2.5 million annually.

The Department began financial support of the service in March 1974, covering about half of the deficit.

The operating deficit on Conrail's service is approximately \$500,000 annually. The Department has been reimbursing Conrail for its entire operating losses since April 1976. In addition to these payments, SRA's cost to lease and maintain Jersey Arrow II cars (about \$500,000 annually) is also attributable to this service. Operating deficits on Amtrak's local train between Washington and Philadelphia, the Chesapeake, are jointly funded by Maryland and Pennsylvania. Maryland will pay 84% of the estimated \$86,000 loss in FY 1981.

The B&O and Conrail commuter service, and the Chesapeake, is eligible for limited federal operating assistance under the Federal Public Transportation Act of 1978. It is estimated that these federal funds will cover 50 percent of the commuter operating deficits subsidized by SRA.

4. Passenger Service Improvement Projects

A. NECIP

In the near future, proposed projects may alter the nature and extent of rail passenger service in Maryland. The major program is the Northeast Corridor Improvement Project (NECIP). The NECIP is designed to upgrade intercity railroad passenger service between Boston, New York, and Washington through a program of physical improvements to the track system. These improvements will affect travel time and service reliability. More frequent service is expected after the project is completed. Much of the information relevant for this summary is

contained in the Final Programmatic Environmental Impact Statement (FRA, June 1978) on the NECIP.

Travel time goals for the Northeast Corridor Improvement Project include offering service from Washington to New York in 2 hours and 40 minutes. This compares with the present scheduled service (Metroliner) of approximately 4 hours, and present conventional service times of 4 hours and 20 minutes. Maryland riders traveling to New York would receive the benefits of all or most of the time savings since they are located at the southern end of the corridor. Travel from Baltimore to Washington would only be marginally reduced because of the short distance (32 minutes scheduled running times for future service versus present scheduled Metroliner times of 41 minutes and conventional train times of 48 minutes). A further NECIP goal is to improve reliability to the extent that 95 percent of trains arrive "on time", with a five minute lateness allowance being included in the "on time" definition.

The NECIP also includes improvements to stations in Maryland and adjacent jurisdictions, specifically Penn Station in Baltimore, New Carrollton Station (relocated Capital Beltway Station), and Union Station in Washington. Operational improvements are all those which are directly associated with the improving of train operation and their ability to maintain schedules. Non-operational improvements are related projects, such as parking facilities at stations. Federal financing will pay for operational improvements, while a 50 percent share from

state and/or local governments will be required for federal contributions to accomplish non-operational improvements on the NEC.

While it was originally anticipated that the NECIP might provide added capacity for the operation of commuter rail service, it now appears that no such improvements will be implemented. Such improvements would have included, for instance, major tunnel reconstruction in Baltimore. In the same way, less costly improvements such as added track segments in the Bowie area, which simulation studies indicated would be necessary to avoid some freight delays (especially if commuter service were expanded), are not being implemented. Faced with the enormous need for improvement to the Northeast Corridor track, structures and facilities, and given the budget limitations, the Northeast Corridor Office of the FRA and the Secretary of Transportation have placed major emphasis on achieving the mandated rail passenger travel times. Recently, Congress recognized the need to improve tunnels in the Baltimore area. Twenty-eight million dollars has been appropriated to improve the B&P Tunnel, with an additional \$9 million to divert some freight traffic from the NEC to the B&O mainline.

B. BWI Rail Station

As a result of the passage of the 1976 U.S. DOT Appropriations Bill, \$3 million of federal funds were approved for the construction of an intermodal rail passenger station at Baltimore/Washington International Airport (BWI). This intermodal facility is a direct connection between the NEC and BWI and is

the first new facility of its kind in the U.S. It provides service to three distinct markets--the air traveler, the rail commuter, and the intercity rail passenger. The new station was opened on October 26, 1980. The State is providing land, parking facilities and access to the station at a cost of \$2 million. All four Conrail trains, the Chesapeake, and eight regular Amtrak trains stop at the new facility.

CHAPTER V
PROGRAM IMPLEMENTATION

The State's implementation policy for rail service in Maryland is contained in the policies and goals presented in Chapter I. Stated briefly, the strategy is to: (1) encourage private enterprise solutions to rail problems where possible; (2) utilize federal, state and local funds to support freight subsidy operations as an interim measure, while initiatives are undertaken to upgrade rail lines and equipment, and enhance service; and (3) encourage economic development along rail corridors to increase freight traffic and commuter rail patronage.

The regulations issued by the U.S. Secretary of Transportation, pursuant to Section 803 of the 3R Act, require that the State Rail Plan include a listing of "rail services for which a State wishes to receive assistance...ranked in descending order of service priority..." (49 CFR Section 266.15). Appendix D presents this information.

Each endangered light density freight line in Maryland was the subject of intensive analysis prior to the initial State Rail Plan of December 1975. Relevant social, economic, environmental and financial impacts were estimated. This information was quantified wherever possible. Since 1975, an ongoing analysis of operations, costs, revenues, and other factors has been occurring. This continuing analysis is the basis for changes in the overall priority of lines as well as changes in the original rehabilitation schedule.

1. Screening Criteria and Prioritization Scheme for Rail Lines

The prioritization system adopted by the Department reflects programs in both the freight and passenger service areas. Within each area separate priorities have been developed for capital programs and

operating programs to better conform to the framework of the state-wide Maryland Transportation Plan (MTP) project categories. (Table 14).

A. Operating Programs

1. Operating programs for the subsidized freight branch lines have three levels of priorities. The first level are those lines that are the most viable, that is, lines which through traffic growth have the best chance of operating on a break-even basis within the next few years. These require the least in state support and offer the best hope for eventual private sector acquisition. Only one line at present is seen as potentially viable.

The remaining existing lines supported by the subsidy program are marginal in terms of potential self-sufficiency. Some of these lines are stable, but at a level of activity requiring continued subsidy while others require increasing levels of support as traffic declines. This type of line will be subject to continued monitoring for possible termination of service. Also within this marginal category is a newly re-opened line (Frederick Secondary Track) which will require a few years of operations before a true picture of its economic potential can be determined.

The third priority for operating funds is the addition of service on other abandoned lines where financially feasible. Lines subject to abandonment would be reviewed as necessary for potential operating assistance.

2. Since MDOT began partially subsidizing B&O commuter operations in early 1974, first priority has been given to the preservation of existing rail passenger services in Maryland.

TABLE 14

RAIL PROGRAM PRIORITIES

I. Operating Programs

	<u>Freight</u>		<u>Passenger</u>
1st	<ul style="list-style-type: none"> Viable lines - Cambridge/Preston 	1st	<ul style="list-style-type: none"> Existing Lines - B&O, Balto./Wash. - B&O, Brunswick/Wash. - Conrail, Balto./Wash. - Chesapeake (Amtrak), Phila./Wash.
2nd	<ul style="list-style-type: none"> Marginal lines - Chestertown/Centreville - Frederick Secondary Track - Hebron - Easton/Denton 	2nd	<ul style="list-style-type: none"> Future Service - Joint State/Amtrak funded trains - Studies <li style="padding-left: 20px;">Havre de Grace/Odenton
3rd	<ul style="list-style-type: none"> Future lines - Abandonments - Studies - Commitments <li style="padding-left: 20px;">Colora <li style="padding-left: 20px;">Crisfield 		

II. Capital Programs

	<u>Freight</u>		<u>Passenger</u>
1st (MTP Category 1)	<ul style="list-style-type: none"> - Acquisition <li style="padding-left: 20px;">Cambridge/Preston <li style="padding-left: 20px;">Chestertown/Centreville <li style="padding-left: 20px;">Easton/Denton <li style="padding-left: 20px;">Frederick Secondary <li style="padding-left: 20px;">Hebron <li style="padding-left: 20px;">Colora <li style="padding-left: 20px;">Crisfield - Track Rehabilitation <li style="padding-left: 20px;">Class I - Frederick Line Extensions <li style="padding-left: 20px;">Trestles <li style="padding-left: 20px;">East Street (Frederick City) <li style="padding-left: 20px;">Class II - Cambridge 	1st (MTP Category 1)	<ul style="list-style-type: none"> - B&O Rolling Stock - B&O Stations - Conrail Stations - Elderly & Handicapped access improvements - Amtrak Stations - Silver Spring Intermodal Station Engineering
2nd (MTP Category 2)	<ul style="list-style-type: none"> - None 	2nd (MTP Category 2)	<ul style="list-style-type: none"> - Baltimore Region Commuter Rail Study - Washington Region Commuter Rail Study
3rd (MTP Category 3)	<ul style="list-style-type: none"> - None 	3rd (MTP Category 3)	<ul style="list-style-type: none"> - None

When Penn Central went out of the railroad business in 1976, the State offered Conrail a subsidy in order to keep the trains running between Baltimore and Washington. In 1979, SRA strongly supported the successful efforts by the Maryland Congressional delegation and others to preserve Amtrak's Blue Ridge and Shenandoah services which are heavily utilized by Western Maryland and Montgomery County residents.

Secondary priority is afforded to expanding existing rail passenger services where operationally feasible and reasonably cost effective. Additional cars have been added to the B&O service starting in 1974, as well as new trains in April 1974 and June 1978. In May 1978, the Maryland and Pennsylvania Departments of Transportation contracted with Amtrak to extend existing Baltimore-Washington service to the north into Harford and Cecil Counties, as well as Delaware and Pennsylvania. This Chesapeake service also provides supplemental service to Baltimore-Washington rail passengers. At present, SRA is investigating changes/extensions of existing Amtrak trains on the B&O to Western Maryland in order to provide possible weekend service to the recreational areas of Oakland and nearby West Virginia.

B. Capital Projects

The MTP, as discussed in Chapter II, established categories of capital projects reflecting their funding status and time frame. In terms of freight and passenger rail projects, the MTP categories are as follows:

Category 1: Those projects which are now under construction or proposed for construction by 1986; or acquisition

programs for rolling stock within the same time period. (i.e., those projects in the current Consolidated Transportation Programs).

Category 2: Those additional projects which are proposed for planning and/or engineering, but not construction by 1986.

Category 3: Those additional projects that are recommended for implementation during the next 20 years.

At present, most rail improvement projects fall within MTP Category 1. The nature of the freight capital program and commuter service improvement programs have been such that long lead time engineering has not been part of the process and so there are few Category 2 projects. Category 3 projects include future, potential rail banking and existing freight corridors which may be utilized for future commuter service.

1. Capital Project priorities for freight lines indicate that acquisition of lines (now that all subsidized lines have been rehabilitated to Class I standards) is of greater importance than additional rehabilitation or upgrading. The continued high cost of leasing these lines is a drain on limited funds supplied by the state and local jurisdictions. Acquisition would also establish a longer term State commitment to the lines which is, in turn, expected to encourage shippers to make similar commitments to rail usage. Within the acquisition priority, lines are arranged in the likely order of acquisition based on actual and potential activity, and line viability.

Planned track rehabilitation centers on extending service on the Frederick Secondary Track and bridge restoration, if potential volume justifies such extensions; rebuilding trestles on the Easton Branch; upgrading or relocating the tracks in East Street in Frederick; and upgrading sections of the Cambridge Branch to Class II if coal traffic to the Vienna Power moves by rail.

2. Passenger service capital projects, primarily funded by UMTA, involve acquisition of rehabilitated passenger coaches and locomotives to meet present and future ridership needs. Concurrent with this, is the improvement of existing stations, improvement and expansion of parking, construction of new stations, and meeting requirements for elderly and handicapped access. All projects associated with existing passenger service are in MTP Category 1.

The Department is initiating a study to consider commuter rail service alternatives in the Baltimore Region (MTP Category 2).

The Department is also conducting a study in the Washington region which will look at public transportation needs and alternatives in the corridor between Brunswick and the Metrorail service area near Shady Grove.

C. Continuing Project Review Process for Freight Services

This prioritization scheme has provided the basis for determining investment strategies for the subsidized freight system, as well as the basis for future annual reviews of priorities as additional data is generated and other projects become eligible. In accordance with FRA guidelines, a benefit-cost methodology has been developed and will be applied to proposed capital projects involving the light density lines. While the benefit-cost analysis will be an important tool in

evaluating alternative courses of action, the priorities outlined above will also be considered prior to decisions being made. An explanation of the B-C methodology is presented in Appendix E.

In the upcoming federal fiscal year (FFY 81), all of Maryland entitlement funds will be used for service continuation subsidies. Since FRA guidelines only require application of a B-C analysis to federally funded capital projects, the proposed methodology has not been utilized in the current program of projects. Once the methodology is approved, if future capital projects utilize federal entitlement funds, the methodology will be applied.

At the end of each year of operation and rehabilitation, all projects are reevaluated. This evaluation considers performance over the year, costs incurred, long-term potential, and federal funds available for the remainder of the program. At each review stage, the overall number of projects and their priority are adjusted to fit fiscal realities. Where necessary, adjustments are made on a line-by-line basis, within the context of the State's overall priorities.

After FFY 81, (October 1, 1981), none of the existing subsidized light density lines will be eligible for service continuation payments through federal entitlement funds. The present policy of the Department is for the "local" share of operating deficits to be paid by a combination of local (county) government payments and shipper surcharges. The county government's share is limited to lease and taxes based on carloads shipped by industries within its jurisdiction. The shipper is charged a per-carload surcharge based on the estimated number of carloads for each line. For State FY 81, (ending June 30, 1981), this surcharge has been further limited, statewide, to \$80 per

carload, with the Department absorbing any additional operating deficit.

The Department is recommending that the State continue to support subsidized freight operations for FY 82 through a combination of State and local funds. Funds have been requested to subsidize 70% of the operating deficits with the remaining 30% funded by the shippers on each line in the form of a per car surcharge. These are estimated to range from less than \$25 per car to almost \$150 per car.

The State will continue to request the counties' participation in the payment of the annual lease and tax costs until the acquisition program is completed. For FY 82, the State will continue to "cap" the lease at a maximum of \$2,000 per mile and ask the counties to pay the local share (30%) of that amount. Each county's contribution to the local share on their particular branch line will be determined by a proration of carloads. The State will pay 70% of the \$2,000 per mile lease plus any excess if the negotiated lease exceeds \$2,000 per mile.

Funding beyond FY 82, if any, will be subject to the annual Departmental budget review process.

The goal of the State's program is to maintain rail service to communities where it is necessary and cost-effective for economic development. State subsidizing of light density lines is intended as a short-range program to rehabilitate the lines and develop sufficient traffic to allow eventual non-subsidized operation by the private sector. To achieve this, the extent of state support for acquisition, rehabilitation and operations may change periodically as economic conditions change.

2. Interstate Coordination on the Delmarva Peninsula

The Department's goal of ensuring the long term viability of the Delmarva rail system cannot be accomplished by Maryland alone. The Delmarva Peninsula includes Delaware and a portion of Virginia in addition to Maryland's Eastern Shore. There has been very close coordination in the planning, financing and administration of service on the Delmarva Peninsula among the three states involved in this region.

Numerous meetings are held between the Maryland Department of Transportation, the Delaware Transportation Authority, the Virginia Department of Highways and Transportation and the Accomack-Northampton Transportation District Commission. These meetings cover topics ranging from potential changes in subsidized rail carriers to long-range state involvement in operations and possible ownership of rail facilities on Delmarva. Each state has agreed to assist the others to the maximum extent possible in protecting and enhancing through rail service on the Delmarva mainline.

The three states have participated in past years on the selection of short line operators, division of revenues between Conrail and short line operators, railroad audits, and rail service improvements. The states' congressional delegation and state agencies have been successful in having Conrail provide thirty hour train service from Pocomoke City, MD to Harrisburg, PA (Enola Yard). Prior to this, the service took over four days. Finally, the states have cooperatively pooled their federal entitlements to support interstate branch lines. This latter action has contributed greatly to the success of the subsidy operations in each state.

3. Disposition of Railroad Rights-of-Way

An area of major importance to the Department is the disposition of abandoned railroad rights-of-way. Section 304(b) (2) of the 3R Act, as amended, required the trustees of railroads in reorganization to offer for public use any railroad property excluded from the Final Systems Plan, for which rail continuation subsidy was not offered, for a period not to exceed 120 days from the date the abandonment certificate was issued, before disposition to a private party could occur. Notice of proposed abandonment of the following lines was given by Penn Central on June 30, 1976:

- Queenstown-Queen Anne in Queen Anne's County
- Hurlock-Vienna in Dorchester County
- Crisfield west of King's Creek in Somerset County
- Cockeyville-Pennsylvania Border in Baltimore County
- Bowie Race Track Spur in Prince George's County
- Parsonsburg-Perdue Siding in Wicomico County

While interested state agencies and local jurisdictions previously had been informally apprised that these properties would be offered for acquisition for public purposes, the Department formally advised all public agencies and county governments of the probable availability of these rights-of-way in a letter dated July 8, 1976.

In the fall of 1977, a meeting of the State Departments of Transportation, Economic and Community Development, Natural Resources and State Planning, and the Public Service Commission was held to confront the problem of future uses of these six abandoned Penn Central railroad lines. In addition, other public and private organizations were contacted regarding their interests. Although each agency expressed

possible uses for the lines, budgetary constraints limited their immediate actions.

As a result of the abandonments by Penn Central and other railroads, interest throughout the state in preserving abandoned rail lines has increased. Abandoned railroad rights-of-way are unique in nature, and many lines offer opportunities for rail and other uses that merit serious consideration for preservation. The Department has developed alternatives in which the State would purchase selected subsidized lines and enhance the quality of operations through upgrading, leading to future sale to a solvent railroad company. In addition, selected abandoned lines have potential uses that would be in the state's best interest to preserve from an economic, recreational and rail transportation perspective. It is anticipated that acquisition will be accomplished with state funds.

Outright acquisition may not be possible for those abandoned lines that are not operating at this time. The easements that Penn Central established when forming the railroad are, in many cases, for operations for railroad purposes only. Once it can no longer be proven that there is a definite intent to use a right-of-way for railroad purposes, the property may revert back to the original or adjoining property owners. This problem is presently being dealt with on the Crisfield Secondary Track. However, if the intended use is for railroad purposes, as for the subsidized lines, a good title to the property would be acquired. Thus, other options, such as condemnation, may be required in some cases.

As required by federal law, all operating railroads have to prepare system diagram maps annually, designating the present and

future status of their lines. This allows state and local governments time to anticipate and plan for potential abandonments. The Department will continue to coordinate actions with the counties and other state agencies on potential abandonments. The process describing ICC abandonment procedures is discussed in Appendix E.

4. Summary of Capital Projects

A. Light Density Freight Lines

As discussed above, freight line capital programs involve acquisition to eliminate the increasing costs of leasing subsidized lines as well as continued rehabilitation to improve efficiency and cut operating costs. These rehabilitation projects are summarized in Table 15. In addition to these track rehabilitation projects the SRA is assisting in the administration of 13 grade crossing improvement projects on Eastern Shore LDL lines. These projects are being undertaken by the Department's State Highway Administration with Federal Highway Administration funding.

Previous State Rail Plans proposed upgrading several lines to Class II standards. Increased costs to bring lines to Class I standards coupled with rising lease and operating costs have delayed this second stage of rehabilitation. Some existing operating lines are programmed for Class II rehabilitation within the next six years provided the improvement is cost effective. Of these lines, the Cambridge Branch between Seaford, DE and Hurlock has the highest probability of further rehabilitation in order to support anticipated coal traffic for the Vienna power plant.

TABLE 15
 LIGHT DENSITY LINE REHABILITATION NEEDS
 (\$000)

<u>Line</u>	<u>Completed Thru 1980</u>		<u>Current 1981</u>		<u>Proposed* 1982-86</u>	
	<u>Cost</u>	<u>Type of Rehab.</u>	<u>Cost</u>	<u>Type of Rehab.</u>	<u>Cost</u>	<u>Type of Rehab.</u>
168/152 Cambridge/ Preston	\$1,319	Class I	\$ 70	Yard Track; Grade X	\$ 5,100	Grade X; Rerailing; Class II
147/148/149 Chestertown/ Centreville	1,815	Class I; Run- Around	100	Trestle; Drainage; Grade X	5,900	Grade X; Class II
676 Hebron	79	Class I	20	Grade X	-0-	
198 Frederick Secondary	501	Class I; Inter- change	85	Class I; Drainage; Grade X	2,000	Grade X; Trestle; Class II
169/150 Easton/ Denton	380	Class I	225	Trestle; Drainage; Grade X	1,785	Grade X; Trestles; Class II
199 Frederick City	<u>236</u> \$4,330	Trestle	<u>-0-</u> \$500		<u>650</u> \$15,435	Relocation

NOTE: (Grade X - Grade Crossing)

*Proposed needs represent estimates assuming continued operations of current subsidized LDL Lines. These proposed needs are greater than shown in the latest Consolidated Transportation Program, due to the Department's financial constraints.

Other capital projects being considered for the Eastern Shore lines are trestle, drainage and grade crossing improvements. Restoration of the Monocacy River Bridge and further upgrading of the Frederick Secondary Track north of the Monocacy River is being studied and will be considered if funds are available and additional traffic can be generated to make the proposal cost effective. Associated with this is the rehabilitation or relocation of the tracks in the City of Frederick.

Track rehabilitation projects are the direct responsibility of the SRA. The SRA is responsible for solicitation of bids and the final selection of the contractor subject to approval of the Maryland Board of Public Works. The SRA is utilizing its own personnel and State Highway Administration personnel for on-site monitoring of compliance with the specifications of the contract and all federal, state and local laws and ordinances. With the cooperation of the Maryland Division of Labor and Industry, track inspection personnel from that agency also have assisted the SRA in assuring that minimum Federal Railroad Administration Safety Standards are met.

The contractor(s) selected is responsible for complying with all federal, state and local laws and regulations, and must ensure that the various specifications for the quality and types of work enumerated in the contract are complied with. All contracts include the cost and acquisition of all required materials. Finally, all work is scheduled to avoid interference with rail freight service during rehabilitation.

The operator of each line to be rehabilitated has the right to review all contract specifications and designs to ensure that they comply with that carrier's engineering standards. In addition, the

operator inspects the work after completion to ensure that all work complies with its specifications.

B. Passenger Services

The present 1980-85 six year capital program for passenger services totals over \$24.1 million. Subsidies for the services total slightly over \$3.5 million annually.

On the two B&O lines, the SRA has received a federal grant from the Urban Mass Transportation Administration which is financing 80% of a \$15,820,000 program involving equipment acquisition and rehabilitation, and upgrading of station and parking facilities. Under the improvement program, SRA will fund the 20% non-federal share required to purchase and rehabilitate the 35 rail cars and five locomotives. Seating capacity will be expanded by nearly 20% over that available with the existing leased equipment. Total cost of the equipment improvements is expected to be at least \$13.8 million. Due to delays in implementing the program and severe inflation over the past few years, this figure is likely to increase.

The second phase of the project involved \$2.0 million in station improvements along both B&O lines, with Montgomery, Prince George's, Howard, Baltimore and Frederick Counties paying the 20% non-federal share. Table 16 summarizes the proposed improvement program by major categories. However, the station improvement program will have to be modified in light of the Department's plans to discontinue commuter rail subsidies between Shady Grove and Washington when the Shady Grove Metro line opens in late 1983.

TABLE 16
 CAPITAL PROGRAM - B&O COMMUTER SERVICE
 AS APPROVED IN FALL, 1980

	<u>Budget</u>	<u>Proposed Completion Date</u>
1) Purchase of 10 used rail diesel cars (RDC's)	\$ 753,400	May 1980
2) Purchase of 22 used passenger coaches	561,493	September 1979
3) Purchase of 5 rebuilt diesel locomotives	3,846,693	March 1981
4) Rehabilitation of 10 RDC's and 22 coaches including accessibility improvements	9,401,900	December 1981
5) Installation of push-pull cab equipment	-0-	N/A
6) Minor capital improvements to 10 stations	777,260	December 1981
7) Land Acquisition, Relocation and Appraisals	604,000	September 1980
8) Engineering funds for minor and major capital improvements and equipment rehabilitation	296,702	N/A
9) Administration and Contingency	359,532	N/A
 TOTAL PROJECT COST	 \$16,600,980	

On the Conrail line, the Department is planning to discontinue service when the leased rail cars are no longer available unless suitable replacement cars are found. SRA expects that the leased cars will have to be returned to New Jersey by late 1981. Other used rail cars suitable for the service do not appear to be available and the cost of new cars is unaffordable given the Department's present financial situation.

Service from Baltimore is expected to continue at an expanded level on the B&O line. In addition, the Department will continue to work on getting flexibility in the Amtrak schedule, which may allow additional services by Amtrak in lieu of the commuter services that will have to be phased out.

C. Grade Crossing Improvement Programs

The Department (through the State Highway Administration), in cooperation with the railroads, completed Maryland's role in the National Grade Crossing Inventory and Numbering Project. This resulted in an inventory and priority listing of all grade crossings in the state which are used in identifying and correcting hazardous crossings in a cost-effective manner. In addition, the signing and marking of all railroad/highway crossings in the state has been programmed.

By passage of the Federal Aid Highway Safety Act of 1970, the United States Congress established a program by which all public, ground level, railroad/highway at grade crossings along the NEC between Washington and Boston will be eliminated. Under the direction of the U.S. Secretary of Transportation, this program is funded in its

entirety by the federal government. The objectives of the federal program are to achieve a maximum of safety in crossing protection and to assure the success of the high speed rail corridor.

In Maryland, the NEC extends north from Washington through Baltimore and proceeds through Elkton before crossing into Delaware, carrying it through five Maryland counties and Baltimore City. There are 14 grade crossings to be eliminated along this route at a cost of \$50 million. The State Highway Administration is conducting this program in cooperation with the counties involved.

The 14 crossings in Maryland constitute the highest number in any state between Washington and New York City. This program will provide grade separated structures at or near the original crossings, which will be barricaded. Two projects, Ogle Road in Cecil County and Seabrook Road in Prince George's County, have been completed and six others are under construction. Three locations, (Bel Air Ave., Michaelsville Road, and Seabrook Road) will also have pedestrian overpasses. Table 17 lists the status of these projects.

5. Economic Development in Maryland

The future viability of subsidized rail branch lines is related directly to the growth of traffic. Inflation usually drives the cost of operations up faster than rate adjustments could offset these cost increases. Furthermore, as the traffic base declines, net rail costs will escalate even more. Economic development is likewise directly related to the reliability of rail service to accommodate additional industries. Capital investments in rail lines need to be made to attract new rail users.

TABLE 17

HIGH SPEED GRADE CROSSING ELIMINATION PROJECTS

<u>Crossing</u>	<u>Completed</u>	<u>Under Construction</u>	<u>In Design</u>	<u>Pre- Design</u>
<u>Cecil County</u>				
Ogle Road	X			
Iron Hill Road		X		
Old Elk Neck Road		X		
Mechanics Valley Road		X		
<u>Harford County</u>				
Bel Air Avenue			X	
Michaelsville & Chelsea Rds		X		
<u>Baltimore County</u>				
Ebenezer Road			X	
Patapsco Avenue		X		
Knecht Avenue				X
<u>Anne Arundel County</u>				
Stoney Run Road			X	
<u>Prince George's County</u>				
Jericho Park Road		X		
Hillmeade Road				X
Glenn Dale Road			X	
Seabrook Road	X			

The Maryland Department of Economic and Community Development (DECD) is the cabinet-level agency charged with the responsibility of attracting new industry and promoting the expansion of existing industry in the State. Preservation and improvement of rail lines and the development of rail facilities are important to DECD in its efforts to promote the growth of industries using rail freight transportation in the State. Consequently, DECD provides certain services and funds to promote rail projects.

In the area of services, DECD maintains two divisions which maintain economic development programs for Maryland: the Office of Business and Industrial Development (BID) and the Office of Business Liaison (OBL). BID provides information to both existing firms and firms responding to advertisements of referrals, about such locational factors as available sites and facilities, transportation links, utilities, and state and local taxes. OBL is a business ombudsman whose main role is to reduce governmental "red tape" encountered by new or expanding firms in the State. Both of these divisions work with the SRA and the branch line operators on the Eastern Shore in resolving problems of rail users and in promoting increased utilization of rail service.

A. State Programs

In the area of funding, DECD maintains a number of programs designed to provide low cost loans or grants to a variety of parties in order to stimulate economic development. These programs are as follows:

1) Maryland Industrial Land Act Program (MILA):

This program provides low-cost loans to political subdivisions for the acquisition and development of industrial sites in instances

where such investment by private developers is insufficient. Loans are made for four activities: (a) acquisition of industrial land or railroad property; (b) planning and development of industrial parks; (c) speculative construction or rehabilitation of industrial buildings on publicly controlled land; and (d) acquisition of options on industrial sites.

2) Maryland Industrial Development Financing Authority Program (MIDFA)

This program insures loans made by private lending institutions for the purchase of industrial land and equipment by creditworthy borrowers who will generate a significant economic impact on the economy through the use of such land or equipment. Since the loan is made to and through the local subdivision where the project will be located, interest income to the lending institution is tax-exempt.

3) Maryland Industrial and Commercial Redevelopment Fund (MICRF)

The MICRF program provides supplemental loans and/or grants to political subdivisions for industrial and commercial redevelopment projects. The subdivisions may either directly expend the funds on such projects or use the funds to guarantee or make loans and grants to private businesses. Activities for which MICRF funds are available include: (a) acquisition of land or right-of-way; (b) demolition of buildings; (c) relocation of businesses or persons; and (d) construction of buildings, improvements to public services, and feasibility studies connected with such activities.

4) Industrial Development Revenue Bonds (IRB)

These are issued by counties or municipalities to finance the construction or purchase of commercial and industrial buildings,

facilities and equipment for private companies. The companies secure IRB funds by either a lease of the facility from the subdivision to the company, an agreement by the company to purchase the facility by installments, or a loan agreement with the company. The advantage to a firm of using IRB financing rather than its own bonds is that the interest payments are usually exempt from state and federal income taxes.

5) Development Credit Corporation of Maryland (DCCM)

DCCM is a publicly chartered private development bank, whose purpose is to further economic development in the state by providing medium-term working capital to businesses. Since their loans are made with the participation of local banks and the Small Business Administration (SBA), loans are made to firms which meet SBA's size standards (i.e., firms employing under 250 persons and/or with a net worth of \$4 million or less).

6) Economic Development Administration (EDA) Section 304 Program

The primary objective of this program is to create job opportunities through public investment projects. The Section 304 program funds grants and loans for qualified projects on the basis of a matching share of 80% federal funds and 20% state funds. Projects that increase job opportunities in rail-related industries will be given high priority for funding to assist in the implementation of the Maryland State Rail Plan and to bolster the vitality of the rail industry in the state. One project selected is the construction of an off-loading facility at Ridgely, Maryland on the Easton/Denton branch line.

B. Federal Programs

In addition to the funding programs offered by DECD, the federal government maintains programs with funds available for rail-related projects. These programs are listed as follows:

1) Railroad Branch Line Rehabilitation Program

In 1978, the Local Rail Service Assistance Act was passed, strengthening the Federal Railroad Administration's Local Rail Service Assistance Program by providing for the continuation of service on eligible abandoned rail lines and by providing capital rehabilitation of potentially viable lines that have not yet been abandoned. In support of this legislative initiative, an agreement has been executed by the Federal Railroad Administration (FRA), the Farmer's Home Administration (FmHA), and the Economic Development Administration (EDA). Under the agreement, assistance through FmHA's rural development loan programs will be available to states which own rail corridors for railroad-related projects to supplement FRA resources. EDA has agreed to make public works grants and loans for capital improvements in cases where such railroad and rail shipper facilities--

- will support or complement vital industrial or commercial facilities in areas defined by EDA as economically distressed;
- will retain or create a significant number of jobs and raise income levels; and
- are specifically identified by the area as a high-priority within its overall economic development program or comprehensive economic development strategies.

The agreement will permit the participating agencies to increase funding for rail-related projects in a coordinated and efficient manner.

2) Small Business Administration (SBA) Programs

The lending objectives of the SBA are the stimulation of small business and the promotion of minority enterprise opportunities.

Three categories of loans are available:

- (a) Section 7 (a) Regular Business Loans - are provided directly to firms which qualify and have a reasonable ability to repay the loan;
- (b) Section 501 and 502 State and Local Development Company Loans - financial assistance is provided to qualifying firms through state and local development companies in the form of direct loans and guaranteed loans; and
- (c) Section 301(d) Small Business Investment Companies and Minority Enterprise Small Business Investment Companies - provide equity capital and long-term loans to small businesses and socially disadvantaged enterprises.

The Maryland Department of Economic and Community Development can provide additional information on the above state and federal economic development programs.

CHAPTER VI
ISSUES AND TRENDS

The railroad industry is in a period of change at both a national and state level. Issues of funding light density lines after federal programs expire, deregulation of railroads and trucking, railroad mergers, and increased development of coal resources could have major effects on the level of rail service within the State. This chapter of the Rail Plan will identify those issues most likely to be significant within the next few years. Some have very broad national implications and are beyond the control of state agencies. Many involve changes or expansion of services within the control of SRA. When possible, the position of MDOT on each issue is indicated, but for some issues a Department position has not been formulated.

1. Funding of Rail Services

A. Federal Funds

Since April 1976, the Department has been providing federally supported subsidized rail service on certain rail branch lines excluded from the Final System Plan which reorganized seven bankrupt Northeast railroads. Federal assistance under the Regional Rail Reorganization Act of 1973 (3R Act) was provided to 17 states in the northeast region. Subsequently, assistance was extended to all states under the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act). Maryland's percentage share of total federal funds has been reduced to one percent as additional abandonments are approved and allocation formulas are changed. Federal law also provides for an increasing state and/or local matching share through September 1981. This matching share will be 30% for FFY 81 beginning on October 1, 1980.

Funds available to Maryland under the 3R Act, the 4R Act, and the 1978 Local Rail Assistance Act can be used for operating assistance, track rehabilitation, acquisition of rail lines, substituted service and new facilities. Allocations have not been sufficient for Maryland to undertake acquisition, substituted service or new facilities construction. The primary purpose of the federal acts was to provide a transition period for abandonments to occur, to minimize the economic and social impact on communities, and to give the states and private groups the opportunity to develop programs for continued rail service. Federal legislation has expanded opportunities for some states in the use of federal aid while reducing the funds available to others, including Maryland. This has the effect of spreading funds too thinly to afford a real opportunity for developing solutions to local rail issues.

The Department believes acquisition of essential rail branch lines is critical to its efforts to sustain rail service until private operations can be restored on a profit making basis. Acquisition is a high priority which is being pursued.

Additional rehabilitation is being undertaken by the Department, within funding capabilities, to upgrade lines to a level necessary to provide reliable service for the existing traffic base, increase load capacity where warranted, and accommodate additional traffic where that need is imminent. Limited federal funds are available to contribute toward the rehabilitation projects underway or contemplated for the future.

B. State Funding

Maryland DOT funds its programs and projects from the Transportation Trust Fund (a consolidated fund used and financed by all modes) and available federal aid. Recent trends in energy conservation, which the Department supports, and inflation have resulted in a decline in the growth of the Department's financial resources, and a decrease in the purchasing power of those resources. This comes at a time when costs for Department commitments are increasing and demands are growing. Rail service assistance is one of many growing demands which must compete with others.

The Department has increased its commitment to the rail transportation needs of local communities as an integral part of a balanced transportation system for movement of people and goods. Policy decisions, however, will be determined with full consideration given to future financial obligations. Commitments to rail transportation programs will, therefore, need to be constrained to reasonable investments which provide long-term benefits to the state's transportation system.

Accordingly, the State cannot commit itself to open ended support of all rail branch lines subject to abandonment; but rather, it will develop a process of evaluating lines within its financial capabilities and the overall transportation services in effected areas. The State Rail Plan and the Maryland Transportation Plan will be the primary mechanisms for accomplishing this, with the Consolidated Transportation Program (the Department's six year capital and operating program) the process for implementing financial commitments.

2. National Issues with an Impact on State Rail Service

A. Regulatory Reform of the Railroad Industry

Since 1887 when the Interstate Commerce Act was passed, the Interstate Commerce Commission (ICC) has regulated the railroad industry in the United States. With such regulation, the industry maintained adequate profits to attract private capital for sustaining the freight system and any necessary expansion, at least until the growth of the motor carrier industry in the 1930's and 1940's. Since then, trucks have competed very favorably with the railroads for freight traffic traditionally within the domain of the railroads. Many railroads in the industry contend that the only way they can regain adequate profits and compete with trucks is to initiate regulatory reform in the railroad industry; that is "deregulate."

Responding to this need, the 96th Congress passed the Staggers Rail Act of 1980 which was signed into law in October 1980. The most extensive changes are in the areas of ratemaking. Protection for rail-dependent shippers was returned, but generally the discipline of the competitive marketplace will now control most ratemaking. Activities of rate bureaus are curtailed and general rate increases will be phased-out.

The impacts of these changes will not be known for some time. Concern over the new freedom to impose surcharges or to cancel joint rates when a carrier is not recovering 110 percent of its variable costs has been expressed by shortline operators of State subsidy lines. The Interstate Commerce Commission (ICC) can intercede to protect Class III carriers when petitioned to do so, but generally, the ICC's role is diminished also.

Other important provisions of the Staggers Rail Act of 1980 which may have significant impacts on rail service in Maryland are the accelerated abandonment procedures, expedited railroad mergers, Conrail alternatives studies, and the Feeder Railroad Development Program. Generally, the Department supports these regulatory changes in the railroad industry.

As a result of deregulation, the Department expects Conrail to be a major beneficiary. Conrail contends that, with deregulation, it will be able to offer better service to customers who move freight which should by its nature, be moving by rail. This should benefit shippers served by Conrail who will then be able to take advantage of long-haul rail movements and short-haul truck movements through an expected expansion of marketing efforts by all the railroads to attract piggyback traffic.

B. Regulatory Reform of the Trucking Industry

The ICC was granted the authority to regulate the movement of freight by trucks in the Motor Carrier Act of 1935. This legislation developed in response to concerns over the ability of the fledgling motor carrier industry to grow in the highly competitive freight transportation industry then controlled by rail and water carriers. Not only did trucking firms prosper as a result of ICC regulation, but today claims are being made that industry profits are exorbitant. As a result of such claims, and the growing movement of transportation deregulation similar to that of the airline industry, many shippers, small carriers, and independent truckers are promoting regulatory reform of the trucking industry.

Generally, established firms in the industry initially opposed "deregulation" because of a fear that new firms willing to accept little or no profit will capture traffic currently being hauled by established carriers. However, the trucking industry reversed its opposition and supported conservative regulatory reform by the Congress. This change was caused by a stronger fear that the ICC would administratively deregulate the industry with more sweeping measures than would the Congress. After considerable effort the Motor Carrier Act of 1980 was signed into law in July 1980.

Generally, motor carrier regulatory reform legislation encompasses four major issues: rates, entry and exit, rate bureau changes, and commodity exemptions. The legislation allows carriers and freight forwarders total flexibility to raise or lower rates within a 10% limit annually, referred to as a "zone of reasonableness." In the area of entry and exit, the ICC is required to eliminate all gateway restrictions and circuitous route restrictions, both of which were imposed on carriers in order to ensure common carrier service to communities that would not enjoy it otherwise. Carriers seeking to serve markets already being served by other carriers will also be able to do so more easily than in the past.

Significant changes affected the operation of rate bureaus. After 1983, they no longer have anti trust immunity for single line rate agreements, a privilege which they have long enjoyed and used to set rates to prohibit undercutting by competing carriers. Likewise, in the commodity exemptions area, significant changes would be effected. The present agricultural exemption, which excludes food for human consumption from ICC regulations, would now be extended to all food, both processed and unprocessed.

The Department supports conservative but deliberate regulatory reform of the trucking industry. Just as was the case for railroad regulatory reform, the expected impacts of motor carrier regulatory reform were analyzed as part of the Statewide Goods Movement Study and were found to be minimal in the long run in Maryland.

The heavy dependence on motor carriers by Maryland industries was substantially documented in the Study. It was determined that some very small communities could conceivably lose the services of interstate common carriers. Fortunately, the legislation requires the ICC to conduct a study of the impact of deregulation on small communities (with emphasis on communities of 5,000 or less), and report the findings to the President and Congress by September 1, 1982. The Maryland Public Service Commission is expected to retain the authority to force intrastate carriers to serve such small communities. Because of this factor, and because new trucking firms under deregulation are expected to provide additional services, the Department supports motor carrier deregulation.

C. Rail Rate Equalization

Because of its geographic position, the Port of Baltimore is the farthest west of all ports in the North Atlantic range extending from Portland, ME to Hampton Roads, VA. As a result, distances between Baltimore and its primary hinterland, the Midwest, are shorter than distances between that area and such ports as New York, Philadelphia, and Hampton Roads. This proximity is reflected in lower motor carrier rates between the Midwest and Baltimore than its competitors enjoy,

since motor carrier rates are based on mileage. However, this proximity is not reflected in lower rail carrier rates except for some commodities.

Railroads have historically equalized rail rates to and from ports. However, when the Interstate Commerce Act was amended in 1935, Congress recognized the discrimination imposed on some ports by railroads through their equalized rates. Ports and port districts were added to a list of beneficiaries whom the ICC was authorized to protect against undue preference by railroads in their ratemaking practices. These prior practices, in effect, had subsidized movements to longer-haul ports at the expense of shorter-haul ports. More recently, Congress reaffirmed the ICC's authority over the relationship of rail rates to and from ports in the 4R Act of 1976.

Notwithstanding such federal protection, the structure and relationship of rail rates to and from American ports varies considerably. In the North Atlantic port range, rail rates are equalized at the Baltimore level on most import/export boxcar traffic moving more than 400 miles inland from the coast. They are also equalized on volume movements of export grain and on movements of import/export containers of ten or more. Most of this container traffic is routed from the Midwest through the Port of New York rather than Baltimore.

Unlike large movements, small volume shipments of containerized cargo (less than ten containers per shipment) travel at rates that are related to mileage; that is, they are not equalized. A comparison of rail rates for two trailers under Trailer-On-Flatcar Plan II 1/2 reveals that from Chicago to New York the charge is \$1362, but is only \$1208 from Chicago to Baltimore. Consequently, most of these smaller

shipments are routed through the Port of Baltimore which enjoys the distinction of being the second busiest container port on the East Coast (behind New York).

In recent years, allies of the Port of New York have attempted to have the rates for these small volume movements of containers equalized as well. The ports of Philadelphia, Boston, and Hampton Roads have supported the efforts of New York advocates in the hope of attracting some container cargo away from Baltimore. The Maryland Port Administration, other Baltimore interests, and shippers in the Midwest who use the port and are fearful of an equalization of rates to the New York level, oppose this effort to equalize these rates. The Maryland Department of Transportation certainly agrees with this view and, further, supports efforts by the same Baltimore interests to de-equalize rates on large volume shipments of containers. Shippers should not be subjected to subsidizing ports which are geographically less advantageous than Baltimore for attracting Midwest container cargoes.

D. Chessie/Seaboard Coast Line Railroads Merger

Early in 1979, the CSX Corporation petitioned the Interstate Commerce Commission (ICC) for authority to merge with Chessie System, Inc. (Chessie) and Seaboard Coast Line Industries, Inc. (Seaboard). The Chessie System is comprised of the Baltimore & Ohio Railroad, the Chesapeake & Ohio Railway and the Western Maryland Railway. These three Chessie companies, with total net revenues in 1979 of \$188 million, form a network serving most of the northeastern quadrant of the United States and southern Ontario, Canada. The major railroads forming the Seaboard rail system are the Louisville and Nashville, the

Clinchfield, and the Seaboard Coast Line. Together, these three lines earned \$164 million in 1979. Seaboard serves the southeastern United States with lines into Chicago from Kentucky.

This merger, consolidating two complementary rail systems which geographically meet end to end, was approved by the ICC in September 1980 and consumated on November 1, 1980. Together, Chessie and Seaboard form a 27,000 mile rail network serving all states east of the Mississippi River with the exception of Wisconsin and the states in New England. Seaboard's traffic growth and diversified traffic mix provides greater stability of earnings for Chessie. At the same time, Chessie's larger debt capacity provides Seaboard with assets needed for expansion. More efficient utilization of maintenance equipment and personnel will also result from the merger due to improved scheduling of maintenance programs: Chessie conducts its program in the summer while Seaboard does so in the winter.

One concern this merger has raised is the impact on the bridge traffic moving over the Delmarva Peninsula. On the Eastern Shore of Maryland, Conrail, and the Virginia & Maryland Railroad (VAMD) with its Cape Charles carfloat, form the main line of the Delmarva rail route. Seaboard routes some of its north/south traffic over this route, and now has an alternate route over a single rail system on the western side of the Bay. Since the VAMD receives approximately one third of its revenues from traffic which does not originate along its rail lines, it could suffer financially if any of Seaboard's traffic were diverted to other routes.

As part of the negotiated settlement to the Norfolk and Western (N&W) opposition to the proposed mergers, Chessie will provide it with

trackage rights between Hagerstown and Connellsville via Cumberland. This will enable the N&W to route trains completely through Maryland from both the north and south, since the railroad presently has a connection into Hagerstown from the south.

The inherent economies of this new single system rail operations will benefit shippers and the railroads by reducing travel time and costs. This will result in improved rail service which would promote industrial growth in the areas served by the new system.

E. Norfolk & Western/Southern Railways Merger

The Norfolk and Western Railway and the Southern Railway filed a merger application in early December 1980. The consolidation would create an 18,000 mile system serving 20 states in the Midwest and East. The railways would remain independent under the corporate umbrella of the NWS Enterprise. Combined net income for the railway in 1979 was \$359 million.

The two railroads are expecting to regain some of the market lost from other recent rail mergers and maintain a competitive position. Additionally, savings are anticipated through creation of new through routes, yard consolidation and seasonal maintenance interfacing.

The Department is in the process of analyzing the impacts of this merger to determine an appropriate position.

F. Future of Conrail

Despite many improvements in rail service since its inception, and substantial investments in track structure, maintenance facilities, and equipment, the Consolidated Rail Corporation (Conrail) has not achieved the success Congress had expected. Virtually all the original \$3.3 billion made available by legislation has been authorized by the USRA.

The Staggers Rail Act of 1980 mandates that both the USRA and Conrail submit reports to Congress covering the effect of different funding alternatives on the region by the Spring of 1981. Each report shall include recommendations concerning projected funding requirements, Conrail structure, and legislative action necessary. Conrail is required to prepare special reports on alternatives to present labor agreements and on savings resulting from the Staggers Rail Act, potential transfers or abandonments, other potential cost savings and potential revenue increases.

Consistent with these directives, statements from the new chairman of Conrail as to the need to rationalize more than a third of the Conrail system has alarmed many states, including Maryland. Several Maryland lines were under consideration by USRA in 1979 when it studied alternatives for Conrail. No doubt Maryland will be effected.

An assumption of what the future of Conrail will be cannot be made at this time. It is expected, however, that Conrail's operations in Maryland will continue to be significant.

G. Coal Movement/Energy

In light of recent embargoes and the worldwide increases in the price of oil, many nations have become concerned about future energy supplies. Industrialized countries which rely upon imported oil have realized the need to adopt programs aimed toward reducing this dependency. In the United States, legislation has been developed which encourages conservation of oil and natural gas, and the use of alternate sources of energy such as coal. As consumers of fuel oil and

transporters of coal, railroads will be impacted by any action which affects these two commodities.

The Chessie System is one of the leading coal hauling railroads in the United States. In 1979, Chessie transported 113 million tons of coal of which approximately 40 million tons were exported through the east coast ports of Baltimore and Hampton Roads. Most of this was metallurgical coal from the Appalachian region used for coke.

The increased demand by foreign consumers for steam coal has resulted in increased activity for Chessie and its coal exporting facilities at the Port of Baltimore. Presently, Chessie's Curtis Bay coal piers are the only facilities through which coal is exported in the Port of Baltimore. In 1979, approximately 10 million tons of coal were exported through Curtis Bay. Exporters believe that the facility presently is operating at capacity and question whether increased quantities of coal can be handled without expansion.

One proposal to expand the coal handling capabilities of the port was recently put forth by Consolidation Coal Company (Consol). Consol, the second largest coal producer in the nation, entered into an agreement to purchase the Canton Railroad and the Canton Marine Terminal in August 1980, with the intention of equipping the facility to handle up to 10 million tons of coal per year. This expansion would double the coal exporting capacity of the port and raises the issue of whether the harbor area rail network can support the projected level of coal traffic.

Since Consol is not now shipping through Baltimore, an issue is whether sufficient rail cars will be available to support the projected level of activity. It is also questionable whether this will reduce

delays of ships waiting for Chessie pier space. A third issue is whether the Canton Railroad will continue to function as a common carrier terminal railroad, or whether its services will be limited to supporting Consol's coal operations.

Domestic use of coal should also impact the railroads as power plants convert from using oil and natural gas. Two power plants-- Baltimore Gas & Electric's Brandon Shores Station near Baltimore Harbor, and Delmarva Power and Light's Vienna Station near the subsidized Cambridge rail line--have the potential to receive coal by either rail or barge. Both facilities have rail lines to the site which require improving to adequately accommodate unit trains: BG&E is served by Chessie; DP&L owns the out-of-service Hurlock-Vienna line. Rail service to BG&E would place additional traffic on the already heavily utilized Curtis Bay branch and has other potential operational problems. The Vienna plant could provide the traffic necessary to make the Cambridge line self-sufficient and eliminate SRA support.

Future power plant sites are being identified by the Power Plant Siting Program of the Department of Natural Resource's Energy and Coastal Zone Administration. The surplus Bainbridge Naval Training Center in Cecil County is one of these sites. The property is accessible via an abandoned rail corridor from Conrail's Port Road Branch, north of Perryville through a connection with the Colora line. DNR has completed appraisals on the property and will be negotiating with Penn Central Corporation for its acquisition. Successful acquisition by DNR will allow a potential power plant to receive coal by rail.

Complicating the issue is the ICC rate structure, which generally makes rail/barge shipments less expensive than direct rail delivery.

Thus it may be less expensive for BG&E to ship their coal by rail to Chessie's Curtis Bay coal piers, tranship to barges and move the final 2 1/2 miles to the plant via water. Similarly, depending on the source of DP&L's coal, they may prefer to barge it from either Baltimore or Newport News rather than bring it by rail through Wilmington or on the Cape Charles carfloat.

In recent years the railroads have had to contend with rising fuel prices and shrinking supplies. Prior to the oil embargo of 1973, diesel fuel accounted for about 3.5% of railroad operating costs: by 1979, this figure had risen to 10%. Fuel conservation efforts by the industry, though successful, have not been sufficient to fully offset increasing prices.

The resulting increase in operating costs will need to be countered by greater operating efficiencies by the railroads and by better penetration of the long haul, time sensitive market now dominated by trucks. Railroads are acknowledged to be more fuel efficient for long haul shipments than trucks, but they are limited in direct routing to many potential shippers who require fast door-to-door service. More railroads are realizing that intermodal shipping offers a sizable, but under-exploited market where long haul rail and short haul truck movements are economically and mutually feasible.

Within Maryland, especially the Port of Baltimore, intermodal facilities are limited, and service reliability has kept the railroads' share of container traffic low. The port traffic offers a large market for intermodal shipments which should grow as the energy efficiencies of rail are reflected in more competitive rates in the future.

3. Statewide Issues Affecting Rail Service

A. Maryland's Gross Receipts Tax

Since 1930, Maryland has imposed a gross receipts tax (GRT) on all Class I railroads which own and operate ten miles or more of rail lines in the State. As of 1979, fourteen states had such a tax. Seven railroads in Maryland were subject to this tax in that same year: the Baltimore & Ohio; Conrail; the National Railroad Passenger Corporation (Amtrak); the Norfolk & Western; the Western Maryland; and the inactive Baltimore Beltline and Curtis Bay Railroads. Together these companies paid \$2.2 million in GRT to the State in 1979.

The tax rate has been two percent of all revenue earned by the railroad in Maryland, except for the Baltimore & Ohio which has enjoyed a rate of only one half of one percent because of special concessions which the railroad negotiated with the State in the 19th Century. If the railroad is an interstate carrier, Maryland revenues have been assumed to be proportional to track mileage within the state.

In recent years, a number of objections to the GRT have been raised by the railroads. Among them have been the following: the apportionment of gross receipts by mileage is inequitable; the preferential rate of the Baltimore & Ohio Railroad is discriminatory; and Maryland has no authority to tax revenue earned in another state.

Sentiment such as this culminated in a decision by Virginia to abandon its GRT on railroads in 1979 replacing it with an income tax. In the 1980 General Assembly, Maryland followed the lead of Virginia and repealed its GRT. Prior to this action, railroads had been subject to four types of taxes -- sales and use tax; operating property tax; GRT; and an income tax, against which payments for gross receipts taxes were credited. The GRT credit effectively negated the corporate income

tax. With the repeal of the GRT, taxes will be assessed on net income rather than gross receipts.

The repeal of the GRT by the Maryland Legislature was a prudent decision. It displays the State's intention to enhance the quality of the business climate by avoiding unnecessary and inequitable taxes and fees imposed upon private business. Repeal of the tax may result in a stimulation of investment by the railroads, and a decrease in the number of abandonments, as a result of a lessening of the financial burden imposed upon them by the State. However, the relative insignificance of the amount of the tax now saved by the railroads, compared to their other operating expenses, probably will not affect their attitudes on investment and abandonment.

B. Maryland's Gross Vehicle Weight Limit on Trucks

In recent years, Maryland has imposed a maximum gross vehicle weight limit of 73,280 pounds on trucks using its roads, with single axle and tandem axle loads of 22,400 and 36,000 - 40,000 pounds respectively. The Federal Government raised the national gross vehicle weight limit from 73,280 to 80,000 pounds in 1975 in an effort to conserve fuel through increased utilization of heavier trucks. Many states followed this lead. By January of 1979, Connecticut, Pennsylvania, and Maryland were the only three states (along with the District of Columbia) on the Atlantic seaboard with maximum weight limits of 73,280 pounds. As a result, Maryland has come under increased pressure to raise its limits to the national average because of sentiment voiced primarily by Eastern Shore and other rural motor carrier interests that the limits in Maryland impede the flow of interstate truck traffic. Two of the major arguments that have

traditionally been raised against this proposal are that highway deterioration will increase and the severity of accidents in which the heavier trucks will be involved will increase.

Maryland's gross vehicle weight limit on trucks was, in fact, increased to 79,000 in the 1980 General Assembly. However, axle weight limits were not correspondingly raised. With an expected increase in fuel savings from the use of heavier trucks, Maryland's gross vehicle weight limit legislation appears to be a positive step.

However, it has not yet been determined how this increase will affect the railroads in Maryland, particularly those on the Eastern Shore. Since the railroad industry in Maryland strongly opposed enactment of the recent legislation, it is evident that the industry expects serious problems. The question remains as to the extent of the inroads the trucking companies can make on the small traffic base of Eastern Shore rail lines as a result of now being able to carry an additional 5,700 pounds of freight.

C. Pending Abandonments

Of the five independent railroads operating in Maryland, only the WM has proposed abandonments. An application has been filed with the ICC to abandon the Williamsport Branch (1.0 miles). The WM has also filed for abandonment of a portion of the East Subdivision from Cedarhurst to Westminster (8.6 miles). This line has been out of service since 1975 due to floodwater damage during Hurricane Eloise. Carroll County has filed a protest on the grounds that intrastate rates would be abolished and the corridor is the shortest route for Frederick and Carroll County shippers to Baltimore. The Department has not protested the abandonment.

Conrail, in its latest systems diagram map, does not identify any abandonments in Maryland. Conrail has deferred major track abandonment initiatives involving active rail lines pending railroad deregulation, which it expects will give it the opportunity to try alternatives to preserve rail service on a profitable basis.

Notwithstanding the policy position Conrail has taken, it, along with other railroads have looked toward deregulation as a means not only to improve their competitive position with other modes, but also as a means to provide for speedier abandonments of proven unprofitable lines. Future abandonments are likely as railroad operators move under deregulation to consolidate profitable lines, work to develop marketing solutions to marginal lines and rationalize their system to eliminate unprofitable lines. This will result in increased local pressure for the state to subsidize branch lines where the economic impact of abandonment is severe.

The USRA is analyzing potential rationalization for Conrail, and Conrail itself has been mandated to do so by Congress. The federal subsidy program is in place to deal with these potentials as well as other options for conveyance of rail lines under a deregulated rail industry.

The Department will continue to develop solutions for future abandonments where warranted. This will necessarily involve operating alternatives, rehabilitation funding and economic development. Special consideration will be given to utilizing the unique capability of experienced short line operators. The use of short line operators on subsidized rail branch lines has resulted in substantial savings and a cooperative approach to finding solutions to local rail problems.

4. Service Continuation/Expansion Issues

A. Opportunities to Improve Freight Rail Service

To supplement the opportunities being pursued with short line operators and economic development, the state is actively encouraging shipper associations on its subsidized branch lines. These organizations contribute greatly to maintaining the active interest of rail users and promoting rail service.

Beginning July 1980, shippers will be making a direct contribution to the local subsidy costs for those lines included in the federal assistance program through a special tariff surcharge paid to the designated operator. Arrangements for this contribution have been worked out through shipper associations where they already exist or through meeting with affected shipper groups on each branch line.

The Department expects in future years that shippers associations will participate with rail operators in developing financial arrangements and commitments to utilize rail service. The Department's role will emphasize establishing mechanisms for shippers and rail operators to jointly develop local solutions to long-term rail service, while concentrating on developing traffic for enhanced viability of rail lines. The SRA will continue its lead in funding rail line rehabilitation and acquisition, looking toward the eventual transfer to the private sector of all railroad responsibility other than regulatory functions.

In line with this strategy, the SRA will pursue other opportunities for rail service efficiencies by investigating the potential for team track and intermodal facilities. Naturally, shippers are reluctant to give up door to door rail service that has proved to be a low cost way of moving goods, but the economics of branch line

operations may prove to be too costly in many instances and other alternatives may become more viable. The recent Statewide Goods Movement Study has also found little support for intermodal facilities on the subsidized branch lines.

The economic advantages of rail transportation have become more important with the increasing energy cost of all transportation modes. The long-term reliance on rail service must be viewed, however, also from the economics of goods movement. To this end, the Department will pursue the alternatives outlined above to provide rail service within the policy framework it has developed under the federally sponsored program of local rail service assistance.

B. Eastern Shore Port Development

Almost all of Maryland's deepwater port activity is centered in the Port of Baltimore. In fact, in 1977 (the year of the latest available figures), 83% of the 53,794,000 tons of total international, domestic, and intrastate waterborne traffic registered in Maryland traveled through the Port of Baltimore.

Although private marine terminals are located at Piney Point (Stewart Petroleum) and Cove Point (Columbia LNG) in southern Maryland and Salisbury on the Eastern Shore, the only other public marine terminal in the State outside of Baltimore is Cambridge. The Cambridge Marine Terminal was constructed in 1964 to serve two fish processing plants. After one of them, Bumble Bee Tuna, moved from the area in 1977, Cambridge Marine Terminal served only the one remaining user, Coldwater Seafood. With only 30,000-40,000 tons of cargo moving through Cambridge annually, it continues to be underutilized. The Maryland Port Administration, the owner of the terminal, has been

attempting to turn Cambridge into a more productive facility since the agency assumed operation of it in 1979.

In recent years, Somerset County interests have been striving to develop a port facility and industrial park in Crisfield. Promoters of the project point to a consultant study performed in 1978 which offered some justification for the development of a port at Crisfield in terms of potential savings to Eastern Shore shippers.

One major problem stands between proposing deepwater port development on the Eastern Shore and actually bringing it to fruition--dredging and spoil disposal. The great quantities of material that must be dredged from the shallow waters of the Eastern Shore tributaries and the vast expanses of wetlands which cannot be used for disposal sites due to environmental concerns create a major problem. If this problem and other impediments to port development on the Eastern Shore can be overcome, waterborne transportation might be a viable alternative for some shippers.

In deciding whether to promote additional port development on the Eastern Shore, the Department and Eastern Shore regional groups must consider the potential impact of such development on the rail lines. It is quite possible that the establishment of other ports on the Shore could stimulate rail traffic. However, this will probably not occur unless new industry is attracted or increased production by existing plants takes place as a result of the new port. Unless either occurs port development could very possibly attract freight that is currently moving by financially marginal rail branch lines. It may not be desirable to have more transportation modes carrying smaller proportions of the total traffic.

The Department supports port development wherever it can be shown to offer lower costs to shippers than other modes, at a reasonable investment cost. The prudence of continuing to subsidize rail lines on the Eastern Shore while concurrently funding the development of marine terminals, which might have facilities capable of either competing with railroads for traffic or stimulating increased railroad traffic, must be carefully scrutinized.

C. Baltimore Tunnels

There are three major railroad tunnels in the Baltimore area: The Howard Street Tunnel, the Union Tunnel, and the Baltimore and Potomac (B&P) Tunnel. The single-tracked Howard Street Tunnel is owned and operated by the B&O and links the B&O rail yards southwest of the harbor (Curtis Bay, Mt. Clare, etc.) with yards on the east side of Baltimore (Bay View, Canton, etc.). Traffic between the B&O's southwest rail yards and points north must pass through the tunnel. However, the majority of movements on the B&O are between its southwest Baltimore facilities and points south and west, thereby avoiding the tunnel. The 1.7% northbound grade requires helper engines and this does reduce capacity to some extent.

North of Pennsylvania Station are the Union Tunnels located on Amtrak's NEC. These consist of two tunnels: one is double-tracked through which passenger trains normally operate, and the other is single-tracked through which freight trains are usually routed.

South of Pennsylvania Station on the NEC is the B&P Tunnel which Amtrak also owns and operates. Two tracks through the tunnel allow simultaneous north/south passenger train operations. Insufficient height and width clearances within the tunnel make it necessary for

freight trains to use a gauntlet track centered in one of the sharply curved sections of the tunnel. In effect, this reduces the tunnel to a single track when freight trains are operating. The curves and clearances also limit speeds of passenger trains.

Operational problems caused by the B&P tunnel affect the entire NEC. The major goal of the Northeast Corridor Improvement Project (NECIP) is to improve rail passenger service between Washington and Boston. In order to improve service through the B&P tunnel, the roadbed, drainage, and electrification systems are scheduled to be reconstructed. These improvements will result in faster travel times thereby increasing capacity through the tunnel.

Congestion problems associated with the B&P tunnel were addressed in the Baltimore Area Rail System Study published by the Federal Railroad Administration (FRA) in 1979. Three alternatives for solving these problems were presented: widening the B&P tunnel, constructing a new tunnel, and diverting freight traffic from the corridor to other rail routes. The FRA concluded in the study that increasing tunnel capacity, by widening the existing tunnel or by constructing a new one, would not be cost-effective and recommended that the diversion alternative be pursued.

To investigate the impacts of diverting trains from the corridor to other rail routes, the FRA initiated the Off-Corridor Diversion Study. This study considered the systemwide ramifications of diverting four, 100 car trains per day from the corridor mainline. Three routes through Maryland were examined: a route over the Western Maryland Railway (WM) from Baltimore through Spring Grove; a route over the Virginia & Maryland Railroad/Conrail on the Eastern Shore of Maryland; and a route over the B&O tracks, which parallel the NEC.

The WM route was rejected because of the high capital investment required to upgrade the right-of-way before any traffic could be diverted. High capital costs coupled with long travel times, due to the capacity of the Cape Charles carfloat, were also the basis for the FRA not selecting the Eastern Shore alternative. The study concluded that diversion to the parallel B&O route would be the most economically viable short and long-term solution to B&P tunnel congestion.

Funding to continue the NECIP and institute an off-corridor diversion plan was recently approved by Congress. Included in this appropriation is \$28 million for drainage, electrification and roadbed improvements, and minor widening within the B&P tunnel and \$9 million for diverting traffic from the corridor.

The Department believes that diversion of traffic from the NEC to the B&O can improve short-term systemwide rail operations in Maryland. Recent experiences with fuel shortages should cause a greater reliance upon the rail system for freight and passenger transportation thereby resulting in a higher demand for rail service than the FRA predicts. Consequently, long-term rail service demands can only be satisfied by major improvements to the tunnel allowing for two way freight operations.

D. Baltimore and Annapolis Railroad Corridor

At the request of the Maryland Board of Public Works, SRA updated results of the Phase II Baltimore Area Transit Study completed by MDOT in 1977. In summary, SRA's report estimated that it would cost \$202.7-\$254.4 million by 1985 (exclusive of right-of-way) for fixed facilities and equipment necessary to operate a high level of commuter rail

service from Annapolis to Baltimore over the B&A right-of-way (South Corridor). It was also estimated that this level of service would result in an operating loss of about \$5 million annually.

SRA estimated that a lower level of service (30 minute frequencies in each direction during the peak periods) could be built for \$118.9 - \$155.4 million in 1985 dollars, with an annual operating subsidy of about \$1.3 million.

If fixed rail transit is reconsidered in the South (B&A) Corridor in the future, it is possible that the approach outlined here will be investigated further.

E. Southern Maryland Commuter Service

In January 1980, the Southern Maryland Railway Corporation (SMRC) put forward a plan to provide new commuter rail service in Southern Maryland. Citing the rising cost and possible future shortages of gasoline, as well as the growth and development in the Southern Maryland region, SMRC proposed to operate commuter trains on Conrail's Pope's Creek subdivision from La Plata to Bowie and then down the Amtrak mainline to Union Station in Washington, D.C. Future extensions of the line into St. Mary's County would also be possible.

The SMRC initially proposed a service consisting of one morning train to Washington, D.C., with a return in the evening. Reconditioned rolling stock would be used and there would be very modest station and parking facilities. Estimated capital costs for the proposed plan were \$2.2 million and SMRC projected an annual operating loss of over \$500,000. It assumed that 90% of its seats would be filled, carrying nearly 600 riders daily, each way.

MDOT staff evaluated the plan, and also conducted a site inspection of the line with SMRC representatives. Following these early meetings, the SMRC revised its initial proposal to substitute new rolling stock for the reconditioned cars and locomotives. While the revised plan raises capital costs to nearly \$9 million, it also creates operating efficiencies which reduce the projected annual deficit.

Although the Department's early review of the revised plan was favorable, the more recent evaluation of the proposal uncovered problems and issues regarding fares, travel times to Washington, competition from the existing bus system, market potential, operational conflicts with other rail traffic and funding. For these reasons, the Department's position on the Southern Maryland Railway proposal is that the Department cannot support such a service and is unable to provide financial support for the proposal under current financial conditions and as the proposal currently reads. The Department believes that the three bus companies in the area are providing a more flexible and less expensive service.

The Tri-County Council for Southern Maryland has requested the Department to lend its technical support in examining the future needs of bus, rail, or other public transit in the region.

F. Northern Central Corridor

The Mass Transit Administration of MDOT has begun transit alternatives analysis in the North Corridor (Cockeysville - Towson - Metro-Center, Baltimore). One of the alternatives under consideration is to update and refine ridership, capital and operating costs, associated with a commuter rail service on the Northern Central right-of-way. Other alternatives to be studied include a light rail

(street car) system, and various bus service options. Findings of the study are expected in 1981.

G. Baltimore Region Commuter Rail Study

A study will be initiated which includes tasks to summarize and update past activities taking into account recent Department decisions concerning support for commuter rail in the Baltimore-Washington corridor. An identification and preliminary analysis of commuter rail service alternatives will be undertaken and compared with service alternatives which could be provided through other modes. Implications on service into Baltimore of possible expanded service on the B&O and Amtrak and curtailment of Conrail will be thoroughly investigated. Patronage estimates will be updated or developed and service levels defined so that operating characteristics and costs, capital costs and revenues estimates can be developed. Deficits attributable to each alternative also will be estimated.

If appropriate, a preliminary commuter rail operating plan will be formulated and supplemented by a financial plan indicating sources of funds and anticipated cash flow requirements. Station development, feeder service, and other development issues will be addressed.

H. Future of the "Blue Ridge"

Under the Amtrak Reorganization Act of 1979, as amended, the Blue Ridge train (Washington, D.C. - Maryland - West Virginia), several New Jersey trains, and a Michigan train will stop running October 1, 1981, unless the affected states agreed to subsidize the trains.

SRA has worked with the Maryland Congressional delegation and others to keep this vital rail service in operation over the past year. Efforts will be made to continue this service as an Amtrak train if at all possible.

I. Garrett County Rail Access

Garrett County lies within the Appalachian Plateau in the extreme western section of Maryland. Though predominately a farming community, Garrett County also relies on mining and forest products to support its economy. In addition, the mountains and Deep Creek Lake provide many opportunities for summer and winter recreational activities.

Recreational activities in Garrett County serve two major population centers: Pittsburg and Washington. It is estimated that during the spring, summer and fall months, two thirds of the visitors come from the Pittsburg metropolitan area with the balance coming from the Washington metropolitan area, including the Maryland suburbs. During the winter season, however, two thirds of the tourists come from the Washington area.

Access to the county is predominately by automobile. This is especially true during the warmer months when visitors normally travel to several destinations. Participants in winter activities, however, tend to have only one destination--the ski area--and could more readily use public transportation if it were available. With present scheduling and routing, however, travelers cannot conveniently reach recreation centers by common carrier. Rail service to Oakland, the county seat, is very limited consisting of one train, the Shenandoah in each direction daily. Arrival/departure times of 11:14 PM westbound and 3:50 AM eastbound also are unattractive for recreational passengers and ridership is low.

To study means of increasing recreational ridership on this line, MDOT, Amtrak, the Department of Economic and Community Development and Garrett County are participating in a rail access study. The study

will determine whether there is sufficient demand to warrant any alternatives to the present service. Should demand prove to be positive, recommendations will be made for implementing the proposed service improvements.

J. Brunswick Corridor

In late 1983 the Washington METRO Rapid Rail System is expected to open the line to Shady Grove. This will provide service in the same corridor as the existing Brunswick commuter rail line to a point approximately half way between Washington and Brunswick. The Department does not plan to continue commuter rail service subsidies between Shady Grove and Washington once the METRO service begins. A study involving interested parties has been undertaken to determine the feasibility of alternate means of public transportation to serve those passengers interfacing with the Shady Grove Metro line.

APPENDIX A

PLAN REVIEW

In order to provide an opportunity for the general public to comment on the 1980 Draft Maryland State Rail Plan, public hearings were held throughout the State. It was decided that four hearings would be held in the areas of the State most affected by decisions in the plan. The hearings were held in Denton, Frederick, Ferndale, and Rockville. The location of each hearing determined the major emphasis of the Department's presentation to the public during the hearing.

Denton, located on the Eastern Shore of Maryland, was the site of the first hearing (11/10/80). At this hearing, the major emphasis of the Department's presentation was the rail freight program. The State subsidizes four branch lines on the Eastern Shore and the rail freight program was the major topic of testimony presented by the 14 people who attended the hearing.

Frederick was the site of the second hearing (11/12/80). The Frederick area will be affected by the proposed termination of at least part of the commuter rail operating subsidy for the Brunswick/Washington corridor. Testimony presented at the hearing centered mainly around passenger issues, but some comments were also made on the freight line which the Department subsidizes in Frederick and Carroll Counties. This hearing was attended by about 100 people.

To enable those persons affected by the proposed elimination of the Conrail passenger service to comment on the plan, a hearing was held in Ferndale (11/19/80). Approximately 200 people, including several elected officials, attended this hearing.

The last hearing was held in Rockville (11/20/80). Testimony at this hearing concerned the proposed elimination of the Brunswick commuter trains. About 30 people attended this hearing.

In addition to public testimony on the plan, comments were also requested through the A-95 review process. The State Clearinghouse received responses from Frederick County, Somerset County and the Maryland National Capital Park and Planning Commission (MNCP&PC). Review of the plan by jurisdictions within the two metropolitan areas of Maryland was also requested. In the Baltimore area, comments were received by Anne Arundel, Carroll and Howard Counties, the City of Baltimore through the Regional Planning Council (RPC). Prince George's County through the Metropolitan Washington Council of Governments (COG) responded from the Washington Metropolitan area.

The draft 1980 Update was also reviewed by the Office of State Assistance Programs, Federal Railroad Administration.

A summary of the comments received through this extensive review process follows. Responses are provided, as appropriate, and revisions made to the final plan to the extent practical. Some issues are reserved for a more complete analysis in the next plan update.

1. Freight Programs

Comments were received from rail operators, rail users, local governments, and the Federal Railroad Administration. The issues generally centered on local issues of rail subsidy and rail acquisition. FRA's issues centered on the planning process, particularly alternatives analyses, and technical aspects of the benefit/cost methodology.

A. Public Hearing Comments and Responses

- 1) Portions of three Eastern Shore light density branch lines subsidized by the Department are located in Delaware. Currently, the Federal entitlement that Delaware receives for these lines is turned over to Maryland for part of the subsidy payment. An issue of concern to officials and rail users on the Eastern Shore and one not addressed in the State Rail Plan is whether or not Delaware will continue to contribute to the branch line subsidy.

The Department's proposal to fund 70% of the deficit after September 1981 assumes no further use of Delaware's entitlement for branch line operating subsidy. These lines will no longer be eligible for such assistance. Federal funds, if available, may be requested for further rehabilitation.

- 2) An issue addressed in the Plan is how the Chessie/Seaboard merger will affect through rail traffic on the Delmarva route. The merger could result in a loss of revenue to Eastern Shore rail lines caused by some freight being shipped more economically via rail lines on the western side of the Chesapeake Bay and the State should try to promote the use of this route.

The consignee determines the route by which a shipment will be transported. The State can assist in making the route as attractive as possible, but it has little influence in the determination of the routing.

- 3) In order to ensure continued rail freight service on the Eastern Shore, the State Railroad Administration should proceed as quickly as possible with the acquisition of the light density branch lines.

The Department has negotiated a purchase price and is now in the process of negotiating terms of the sales agreement. Acquisition is expected to be completed by the end of FY 1981.

- 4) The State apparently has no plans to protest the proposed abandonment by Chessie of its line between Cedarhurst and Westminster. This line is important for its future potential and should be preserved.

The Department has not found any significant reason for opposing the abandonment. Presently, there are no plans to subsidize this line, however, the possibility of purchasing the line sometime in the future has not been eliminated.

- 5) The Monocacy River Bridge is important to the future viability of the Frederick Secondary branch line. The State should give the restoration of this bridge the highest priority.

Now that the consultant study on the Frederick City East Street corridor has been completed, the Department needs to reevaluate the feasibility and cost of the entire project to determine whether the investment should be made and how it can be financed.

B. A-95 Review Comments and Responses

- 1) Frederick County opposes the abandonment of the Western Maryland rail line between Cedarhurst and Westminster because it is the most direct route for businesses located in Eastern Frederick and Carroll Counties. Economic development will be impaired if this line is not preserved for future service requirements. The SRA should study the feasibility of restoring service.

The Department has no plans to subsidize the line. However, the possible acquisition of the line sometime in the future has not been eliminated.

- 2) Somerset County does not agree with portions of the Eastern Shore Port Development section which stated that such development competes with rail service for a limited market. Port development could increase the need for rail service.

This section has been revised to reflect, where appropriate, the views of Somerset County.

- 3) Carroll County wants the SRA to request the Interstate Commerce Commission to suspend action on any proposed abandonment until a study of the impact can be made. They are particularly concerned over the Western Maryland abandonment of the rail line between Cedarhurst and Westminster.

The abandonment procedures are prescribed by law and regulations. The ICC itself conducts an investigation if it decides it is necessary. Furthermore, railroads are required to update their system diagram maps annually, which will give advance notice of lines subject to abandonments.

C. Federal Railroad Administration Review Comments and Responses

1. The plan does not identify lines involved in mergers, consolidations, reorganizations, purchases by other common carriers, and other unification and coordination projects (49 CFR 266.15(c) (3) (v)).

A review of the Chessie/Seaboard merger is included in Chapter VI. The merger was approved after the initial draft of the plan was distributed. The final draft of the plan will update the material regarding this merger. Plans of the NWS merger are also discussed.

- 2) The plan does not comply with the intent of 49 CFR 266.15(c) (4)-(9). The steps of analysis as described in these sections of the regulations call for the plan to describe how eligible lines are selected for full analysis (screening criteria); how alternative projects for each line so analyzed are determined; how the decision to select a given alternative is made (i.e., presentation of the analysis); and how the selected alternative affects the rail system and meets the goals of the State. The plan instead performs this entire function in a section titled "Screening Criteria and Prioritization Process." This section of the plan merely states that funding of existing subsidized lines will continue. This approach does not fit the regulatory intent.

The State considers service continuation its first priority for federal funds, as long as local support is given. Sufficient federal funds for capital improvements are not available, therefore, no analysis was conducted. In the next Plan update alternative analyses will be presented where necessary for reaching investment decisions.

- 3) Page V-14, describing the possibility of future capital projects, is incomplete (the section ends in the middle of a sentence).

The missing text is included in the final plan.

- 4) The benefit/cost methodology was presented in the plan but not applied because the State did not consider non-subsidy alternatives. The State should be aware that a benefit/cost analysis is to be performed whenever a rehabilitation, new construction, or acquisition project is considered, regardless of

whether it is selected. The analysis results can provide grounds for rejecting as well as accepting a particular alternative.

This merely expounds more on Comment #2 and should be considered as part of that comment.

- 5) The proposed use of the difference in rates, rather than costs in measuring disbenefits is incorrect because in a regulated rail industry rates do not equal costs; whereas in the competitive trucking industry rates do nearly always reflect cost.

The State has made corrections to measure differences in terms of costs rather than rates.

- 6) Property tax losses are usually transfer payments, and thus, the net benefits are nearly always zero.

The State will not use property tax losses as a disbenefit in its B/C methodology.

- 7) The State does not identify how decreased transportation costs will be calculated.

Item 4 on page D-4 does identify that costs will be calculated from railroad sources.

- 8) Matching funds from local sources should be identified in analyses.

The State has made a correction to be more explicit about this.

- 9) Benefits from jobs created are nearly always zero, unless labor output is increased by hiring unemployed. This is difficult to measure. The rail benefit is in jobs retained. This is the benefit to be measured.

The State has revised its methodology to reflect this.

2. Passenger Programs

Comments were received from commuters, elected officials, and agency staffs. Generally the comments were critical of the announced plans to cut back passenger service in the Brunswick-Washington and Baltimore-Washington corridors.

A. Public Hearing Comments and Responses

- 1) Not enough effort has been made by the Department to acquire replacement cars for the Conrail service.

The SRA has inquired about purchasing new rail cars but the approximate cost of \$30 million for this equipment is prohibitive given the present financial situation of the Department. Efforts to obtain used rail cars to rehabilitate for service on the Conrail line have not been successful. SRA is continuing to look for suitable used cars and is also discussing rail car needs with New Jersey. Rehabilitated equipment for B&O service will be delivered by Fall 1981, and SRA is investigating the availability and suitability of using B&O leased cars on the Conrail line.

- 2) The same areas are not served by the B&O and Conrail, and if the Conrail service is eliminated, a permanent loss of ridership will result. The two lines simply do not serve the same communities.

Obviously not every Conrail rider will be able to conveniently switch to the B&O, particularly in the Odenton area where the two lines are several miles apart. The impact resulting from increased auto traffic in the vicinity of B&O stations will be assessed in the Department's upcoming Baltimore Region commuter rail study. The study will also address other public transportation options for the commuter market between Baltimore and Washington.

- 3) The Shady Grove Station, as presently planned, does not provide facilities for a Metrorail/commuter rail interface. Also, if the two modes were to interface there, a trip to Silver Spring would involve a long ride over almost the entire length of the METRO Red line. Rockville and Silver Spring are better suited as interface stations.

The Department has not indicated that rail service will be provided for areas north of Shady Grove. This is one alternative that will be explored during the Department's upcoming study of the Brunswick Corridor to determine the most financially responsible means of providing transportation service to areas currently served by the Brunswick line commuter trains. The study will also look at Rockville and Silver Spring as possible places to interface the two systems.

- 4) Virginia and West Virginia should contribute to the subsidy for operating the trains.

According to the 1980 Virginia State Rail Plan, the Commonwealth has a traditional policy of not using State funds to subsidize operating deficits. This would appear to preclude any financial participation from Virginia. However, West Virginia has indicated an interest in possibly subsidizing the service. Both States have been invited to participate in the upcoming Brunswick line study.

- 5) Currently, commuter tickets are honored on regular Amtrak trains between Baltimore and Washington and between Washington and Brunswick. Once commuter rail service is terminated, commuter rates will no longer exist. In addition, Amtrak may not honor these discounted tickets after October 1, 1981, thus eliminating flexibility for many commuters.

The Department will address this issue in its forthcoming studies and, if warranted, discuss schedule and fare alterations with Amtrak. However, the October 1981 date is a congressional mandate and efforts to change this do not appear promising.

- 6) There is a lack of coordination between MDOT, the local jurisdictions and commuter groups in making decisions to terminate rail service. The upcoming studies should have been performed before any decision was made to terminate service.

The proposal to terminate commuter rail service was based on financial considerations and the Department's policy not to subsidize duplicate fixed transit services in the same corridor. These proposals were incorporated into the draft State Rail Plan and the draft Consolidated Transportation Program. Comments were thus sought on both of the draft documents from elected officials, other agencies and the general public. In addition, the upcoming studies will be conducted with ample opportunity for public and other agency input.

- 7) It is unfair to penalize rail commuters because of low gasoline sales due to conservation efforts by motorists. Rail is a fuel efficient mode of travel and should be expanded instead of eliminated.

Funds to finance commuter rail service come from the Transportation Trust Fund. Monies from this fund are distributed to the various modes based on need and priority. Therefore, since revenues into the fund have decreased, spending reductions in all Departmental programs have to be made in spite of past policies, goals and commitments. The energy impacts of the Department's policy decisions on commuter rail will be fully documented in the upcoming commuter rail planning studies.

B. A-95 Review Comments and Responses

- 1) Frederick County opposes the termination of the commuter rail subsidy for the part of the Brunswick line south of Shady Grove.

The upcoming Brunswick/Washington commuter rail study which the Department is undertaking will address the issues concerning commuter rail service in the Brunswick/Washington corridor. With the results of the study the Department will be able to determine the most cost effective means of providing transportation in that corridor.

- 2) The Maryland National Capital Park and Planning Commission (MNCP&PC) finds that the curtailment of commuter service on the Conrail line is not consistent with the proposed amendment to the General Plan for Prince George's County. This proposed amendment encourages the use of commuter rail facilities.

Prince George's County will continue to be served by commuter rail over the B&O line. The Department plans to expand service on this line by providing additional cars to replace the capacity lost due to terminating the Conrail service. Most of the Conrail service in the County is duplicated by frequent Metrorail service from New Carrollton and Metrobus service.

- 3) Anne Arundel County, Howard County, and Baltimore City find the Plan incompatible with their local plans due to the decision to terminate Conrail commuter service. The Regional

Planning Council also feels this decision will have negative impacts on the Baltimore region as a whole.

The Department will address this issue in the upcoming Baltimore Region commuter rail study.

- 4) Prince George's County urges the state to proceed with increasing capacity on the B&O line and to increase the flexibility of the Amtrak schedule in order to provide additional passenger service.

The Department intends to pursue increasing the capacity of the B&O commuter trains and will also address Amtrak service in the upcoming Baltimore Region commuter rail study. During this study, possible alterations to the existing Amtrak service will be investigated.

- 5) The Metropolitan Washington Council of Governments (COG) suggests that since Conrail riders from Odenton and points south will be least likely to switch to the B&O for their daily commute to Washington, the state should make every effort to preserve rail service at least along the portion of the Conrail line south of Odenton. With regard to the Brunswick line, COG feels that the passengers from the Brunswick area would be the group most adversely affected by ending commuter rail service. Their staff recommends that any alternative studied by the Department be one which provides a level of service similar to that which now exists. Also, a Metrorail/commuter rail interface at Silver Spring should be studied.

The Department's commuter rail studies in both corridors will address the concerns of the Council of Governments and consider the suggestion put forth by the COG staff.

C. FRA Review Comments and Responses

NONE

APPENDIX B
COMMODITY FLOW INFORMATION

The information presented in the following tables was derived from origin-destination data supplied by Conrail for 1977 and by the Chessie System for 1976.

Commodities are listed by type and standard transportation commodity code (STCC), at the two digit level.

The source for all tables contained in this Appendix is the Maryland Statewide Goods Movement Study.

TABLE B-1
INTERNATIONAL RAIL COMMODITIES (EXPORTS)
MARYLAND

BALTIMORE REGION			
10	Metallic Ores	167,775 tons	74.00%
28	Chemicals & Allied Products	17,005 tons	7.50%
46	Miscellaneous Mixed Shipments	8,647 tons	3.81%
09	Fresh Fish	7,974 tons	3.52%
32	Stone, Clay, Glass & Concrete Products	5,852 tons	2.58%
	All Other Commodities	19,480 tons	8.59%
		<u>226,733 tons</u>	<u>100.00%</u>
EASTERN SHORE			
40	Waste and Scrap Materials	129 tons	61.72%
20	Food & Kindred Products	68 tons	32.54%
41	Miscellaneous Freight Shipments	12 tons	5.74%
		<u>209 tons</u>	<u>100.00%</u>
SOUTHERN MARYLAND			
32	Stone, Clay, Glass & Concrete Products	518 tons	100.00%
WASHINGTON REGION			
(NONE)			
WESTERN REGION			
26	Pulp, Paper & Allied Products	2,592 tons	39.60%
32	Stone, Clay, Glass & Concrete Products	1,848 tons	28.23%
40	Waste & Scrap Materials	1,089 tons	16.64%
34	Fabricated Metal Products	763 tons	11.66%
33	Primary Metal Products	99 tons	1.52%
	All Other Commodities	154 tons	2.35%
		<u>6,545 tons</u>	<u>100.00%</u>
TOTAL			
10	Metallic Ores	167,775 tons	71.70%
28	Chemical & Allied Products	17,036 tons	7.28%
46	Miscellaneous Mixed Shipments	8,647 tons	3.69%
32	Stone, Clay, Glass & Concrete Products	8,218 tons	3.51%
09	Fresh Fish	7,974 tons	3.41%
	All Other Commodities	24,335 tons	10.41%
		<u>234,005 tons</u>	<u>100.00%</u>

SOURCE: 1977 Conrail O-D data (one-time report);
1976 Chessie System O-D data (one-time report).

TABLE B-2
INTERNATIONAL RAIL COMMODITIES (IMPORTS)
MARYLAND

BALTIMORE REGION			
37	Transportation Equipment	87,891 tons	26.15%
26	Pulp, Paper & Allied Products	77,000 tons	22.91%
24	Lumber & Wood Products	72,503 tons	21.58%
32	Stone, Clay, Glass & Concrete Products	52,491 tons	15.62%
46	Miscellaneous Mixed Shipments	30,248 tons	9.00%
	All Other Commodities	15,927 tons	4.74%
		336,060 tons	100.00%
EASTERN SHORE			
28	Chemicals & Allied Products	22,596 tons	51.52%
24	Lumber & Wood Products	15,364 tons	35.03%
49	Small Packaged Freight Shipments	3,188 tons	7.27%
26	Pulp, Paper & Allied Products	1,899 tons	4.33%
20	Food & Kindred Products	486 tons	1.11%
	All Other Commodities	322 tons	0.74%
		43,855 tons	100.00%
SOUTHERN MARYLAND			
24	Lumber & Wood Products	5,498 tons	98.71%
28	Chemicals & Allied Products	52 tons	0.93%
35	Machinery, except Electrical	20 tons	0.36%
		5,570 tons	100.00%
WASHINGTON REGION			
24	Lumber & Wood Products	18,831 tons	89.99%
14	Non-Metallic Minerals	1,207 tons	5.77%
28	Chemicals & Allied Products	389 tons	1.86%
26	Pulp, Paper & Allied Products	302 tons	1.44%
29	Petroleum & Coal Products	147 tons	0.70%
	All Other Commodities	51 tons	0.24%
		20,927 tons	100.00%
WESTERN MARYLAND			
24	Lumber & Wood Products	11,598 tons	36.11%
28	Chemicals & Allied Products	6,802 tons	21.18%
26	Pulp, Paper & Allied Products	5,973 tons	18.60%
37	Transportation Equipment	5,385 tons	16.76%
20	Food & Kindred Products	1,763 tons	5.49%
	All Other Commodities	598 tons	1.86%
		32,119 tons	100.00%
TOTAL			
24	Lumber & Wood Products	123,794 tons	28.24%
37	Transportation Equipment	93,276 tons	21.28%
26	Pulp, Paper & Allied Products	85,216 tons	19.44%
32	Stone, Clay, Glass & Concrete Products	52,517 tons	11.98%
28	Chemicals & Allied Products	38,056 tons	8.68%
	All Other Commodities	45,519 tons	10.38%
		438,378 tons	100.00%

SOURCE: 1977 Conrail O-D data (one-time report);
1976 Chessie System O-D data (one-time report).

TABLE B-3
INTERSTATE RAIL CARGO LINKS
MARYLAND

OUTBOUND FROM:

Baltimore Region		
Penn.	3,139,147 tons	41.97%
Ohio	1,216,115 tons	16.26%
Kentucky	436,088 tons	5.83%
Illinois	287,269 tons	3.84%
N. Carolina	275,412 tons	3.68%
All Others	2,125,714 tons	28.42%
	<u>7,497,745 tons</u>	<u>100.00%</u>

Eastern Shore		
Georgia	7,077 tons	22.38%
Penn.	4,211 tons	13.31%
Maine	2,711 tons	8.57%
Wisconsin	2,116 tons	6.69%
S. Carolina	1,911 tons	6.04%
All Others	13,601 tons	43.01%
	<u>31,627 tons</u>	<u>100.00%</u>

Southern Maryland		
Indiana	2,402 tons	22.74%
Alabama	1,417 tons	13.42%
Arizona	1,154 tons	10.93%
Penn.	1,150 tons	10.89%
Calif.	765 tons	7.24%
All Others	3,673 tons	34.78%
	<u>10,561 tons</u>	<u>100.00%</u>

Washington Region		
N. Carolina	14,616 tons	37.34%
Virginia	13,397 tons	34.22%
New Jersey	2,034 tons	5.20%
Penn.	1,375 tons	3.51%
Ohio	1,324 tons	3.38%
All Others	6,401 tons	16.35%
	<u>39,147 tons</u>	<u>100.00%</u>

Western Maryland		
Penn.	136,220 tons	27.24%
Illinois	82,337 tons	16.47%
Ohio	26,444 tons	5.29%
New York	24,841 tons	4.97%
Dist. Columbia	24,133 tons	4.83%
All Others	206,041 tons	41.20%
	<u>500,016 tons</u>	<u>100.00%</u>

TOTAL		
Penn.	3,282,103 tons	40.72%
Ohio	1,243,493 tons	15.42%
Kentucky	440,951 tons	5.47%
Illinois	371,591 tons	4.61%
N. Carolina	302,098 tons	3.75%
All Others	2,420,860 tons	30.03%
	<u>8,061,096 tons</u>	<u>100.00%</u>

INBOUND TO:

Baltimore Region		
Penn.	6,750,835 tons	31.82%
W. Virginia	3,766,077 tons	17.75%
Indiana	3,515,954 tons	16.57%
Ohio	2,064,822 tons	9.73%
Michigan	1,008,893 tons	4.76%
All Others	4,119,398 tons	19.37%
	<u>21,216,979 tons</u>	<u>100.00%</u>

Eastern Shore		
Illinois	44,334 tons	14.45%
Ohio	37,106 tons	12.09%
Florida	24,406 tons	7.98%
Indiana	19,851 tons	6.47%
N. Carolina	16,758 tons	5.46%
All Others	164,371 tons	53.57%
	<u>306,826 tons</u>	<u>100.00%</u>

Southern Maryland		
Penn.	2,339,490 tons	94.18%
W. Virginia	133,327 tons	5.37%
Oregon	2,149 tons	0.09%
Illinois	1,285 tons	0.05%
Tennessee	937 tons	0.04%
All Others	6,689 tons	0.27%
	<u>2,483,877 tons</u>	<u>100.00%</u>

Washington Region		
Penn.	807,319 tons	44.71%
W. Virginia	480,846 tons	26.63%
California	55,734 tons	3.09%
Texas	33,424 tons	1.85%
Oregon	32,210 tons	1.78%
All Others	396,186 tons	21.94%
	<u>1,805,719 tons</u>	<u>100.00%</u>

Western Maryland		
W. Virginia	155,198 tons	19.06%
Georgia	92,093 tons	11.31%
Louisiana	88,193 tons	10.83%
Virginia	75,703 tons	9.30%
Ohio	52,603 tons	6.46%
All Others	350,524 tons	43.04%
	<u>814,314 tons</u>	<u>100.00%</u>

TOTAL		
Penn.	9,943,078 tons	37.34%
W. Virginia	4,535,791 tons	17.03%
Indiana	3,554,673 tons	13.35%
Ohio	2,167,581 tons	8.14%
Michigan	1,048,538 tons	3.94%
All Others	5,378,054 tons	20.20%
	<u>26,627,715 tons</u>	<u>100.00%</u>

SOURCE: 1977 Conrail O-D data (one-time report);
1976 Chessie System O-D data (one-time report).

TABLE B-4
INTERSTATE RAIL COMMODITIES (OUTBOUND)
MARYLAND

BALIMORE REGION			
10	Metallic Ores	3,645,192 tons	48.15%
33	Primary Metal Products	1,200,893 tons	15.86%
40	Waste & Scrap Materials	503,175 tons	6.65%
46	Miscellaneous Mixed Shipments	484,211 tons	6.40%
32	Stone, Clay, Glass & Concrete Products	384,059 tons	5.07%
	All Other Commodities	1,352,603 tons	17.87%
		<u>7,570,133 tons</u>	<u>100.00%</u>
EASTERN SHORE			
20	Food & Kindred Products	13,864 tons	43.29%
40	Waste & Scrap Materials	6,348 tons	19.82%
26	Pulp, Paper & Allied Products	2,135 tons	6.66%
28	Chemicals & Allied Products	2,020 tons	5.31%
24	Lumber & Wood Products	1,908 tons	5.96%
	All Other Commodities	5,752 tons	18.96%
		<u>32,027 tons</u>	<u>100.00%</u>
SOUTHERN MARYLAND			
32	Stone, Clay, Glass & Concrete Products	7,934 tons	75.22%
24	Lumber & Wood Products	1,331 tons	12.60%
33	Primary Metal Products	256 tons	2.42%
11	Coal	200 tons	1.89%
36	Electrical Machinery	172 tons	1.63%
	All Other Commodities	659 tons	6.24%
		<u>10,561 tons</u>	<u>100.00%</u>
WASHINGTON REGION			
40	Waste & Scrap Materials	27,806 tons	70.28%
32	Stone, Clay, Glass & Concrete Products	3,550 tons	8.97%
20	Food & Kindred Products	3,081 tons	7.79%
26	Pulp, Paper & Allied Products	1,672 tons	4.22%
41	Miscellaneous Freight Shipments	1,151 tons	2.91%
	All Other Commodities	2,302 tons	5.83%
		<u>39,566 tons</u>	<u>100.00%</u>
WESTERN MARYLAND			
11	Coal	380,107 tons	42.49%
26	Pulp, Paper & Allied Products	220,805 tons	24.68%
40	Waste & Scrap Materials	69,953 tons	7.82%
32	Stone, Clay, Glass & Concrete Products	55,440 tons	6.20%
30	Rubber & Miscellaneous Plastic Products	53,748 tons	6.01%
	All Other Commodities	114,547 tons	12.80%
		<u>894,600 tons</u>	<u>100.00%</u>
TOTAL			
10	Metallic Ores	3,645,192 tons	42.65%
33	Primary Metal Products	1,212,254 tons	14.18%
40	Waste & Scrap Materials	607,282 tons	7.11%
46	Miscellaneous Mixed Shipments	487,155 tons	5.70%
32	Stone, Clay, Glass & Concrete Products	451,919 tons	5.29%
	All Other Commodities	2,143,085 tons	25.07%
		<u>8,546,887 tons</u>	<u>100.00%</u>

SOURCE: 1977 Conrail O-D data (one-time report);
1976 Chessie System O-D data (one-time report).

TABLE B-5
INTERSTATE RAIL COMMODITIES (INBOUND)
MARYLAND

BALTIMORE REGION			
11	Coal	8,258,360 tons	38.59%
01	Farm Products	5,297,396 tons	24.75%
14	Non-Metallic Minerals	1,321,711 tons	6.17%
32	Stone, Clay, Glass & Concrete Products	923,203 tons	4.31%
37	Transportation Equipment	845,550 tons	3.95%
	All Other Commodities	4,758,140 tons	22.23%
		<u>21,404,360 tons</u>	<u>100.00%</u>
EASTERN SHORE			
20	Food & Kindred Products	117,445 tons	38.28%
28	Chemicals & Allied Products	59,291 tons	19.32%
26	Pulp, Paper & Allied Products	42,981 tons	14.01%
24	Lumber & Wood Products	28,753 tons	9.37%
01	Farm Products	26,721 tons	8.71%
	All Other Commodities	31,635 tons	10.31%
		<u>306,826 tons</u>	<u>100.00%</u>
SOUTHERN MARYLAND			
11	Coal	2,468,494 tons	99.38%
33	Primary Metal Products	5,290 tons	0.21%
24	Lumber & Wood Products	5,162 tons	0.21%
26	Pulp, Paper & Allied Products	1,873 tons	0.08%
20	Food & Kindred Products	1,247 tons	0.05%
	All Other Commodities	1,811 tons	0.07%
		<u>2,483,877 tons</u>	<u>100.00%</u>
WASHINGTON REGION			
11	Coal	1,368,502 tons	66.77%
20	Food & Kindred Products	280,600 tons	13.69%
26	Pulp, Paper & Allied Products	103,852 tons	5.07%
24	Lumber & Wood Products	74,184 tons	3.62%
01	Farm Products	45,721 tons	2.23%
	All Other Commodities	176,691 tons	5.07%
		<u>2,049,550 tons</u>	<u>100.00%</u>
WESTERN MARYLAND			
28	Chemicals & Allied Products	239,511 tons	29.01%
24	Lumber & Wood Products	152,966 tons	18.53%
32	Stone, Clay, Glass & Concrete Products	115,530 tons	13.99%
20	Food & Kindred Products	69,808 tons	8.45%
29	Petroleum & Coal Products	69,735 tons	8.45%
	All Other Commodities	176,691 tons	21.57%
		<u>825,627 tons</u>	<u>100.00%</u>
TOTAL			
11	Coal	12,112,459 tons	44.74%
01	Farm Products	5,372,239 tons	19.85%
14	Non-Metallic Minerals	1,374,164 tons	5.08%
20	Food & Kindred Products	1,297,025 tons	4.79%
32	Stone, Clay, Glass & Concrete Products	1,097,255 tons	4.05%
	All Other Commodities	5,817,098 tons	21.49%
		<u>27,070,240 tons</u>	<u>100.00%</u>

SOURCE: 1977 Conrail O-D data (one-time report);
1976 Chessie System O-D data (one-time report).

TABLE B-6
INTRASTATE RAIL CARGO LINKS
MARYLAND

ORIGIN REGION	DESTINATION REGION					TOTAL ORIGINATING TRAFFIC	
	BALTI- MORE	EASTERN SHORE	SOUTHERN MARYLAND	WASHING- TON	WESTERN MARYLAND	TONS	PERCENT
Baltimore	161,777	1,077	970	1,994	740,547	906,365	69.47
Eastern Shore	1,588	0	0	20	52	1,660	0.13
Southern Maryland	0	0	0	0	0	0	0.00
Washington	797	0	0	2,176	126	3,099	0.24
Western Maryland	88,769	0	42	6,060	298,652	393,523	30.16
TOTAL:							
(Tons)	252,931	1,077	1,012	10,250	1,039,377	1,304,647	100.00
(Percent)	19.39	0.08	0.08	0.79	79.66	100.00	

SOURCE: 1977 Conrail O-D data (one-time report);
1976 Chessie System O-D data (one-time report).

TABLE B-7
INTRASTATE RAIL COMMODITIES (OUTBOUND)
MARYLAND REGIONS

BALTIMORE REGION			
10	Metallic Ores	673,974 tons	74.36%
14	Non-Metallic Ores	74,159 tons	8.18%
40	Waste & Scrap Materials	37,559 tons	4.14%
26	Pulp, Paper & Allied Products	31,049 tons	3.43%
32	Stone, Clay, Glass & Concrete Products	27,202 tons	2.45%
	All Other Commodities	67,422 tons	7.44%
		906,365 tons	100.00%
EASTERN SHORE			
40	Waste & Scrap Materials	900 tons	54.22%
20	Food & Kindred Products	435 tons	26.21%
28	Chemicals & Allied Products	176 tons	10.60%
01	Farm Products	97 tons	5.84%
29	Lumber & Wood Products	52 tons	3.13%
		1,660 tons	100.00%
SOUTHERN MARYLAND			
(NONE)			
WASHINGTON REGION			
20	Food & Kindred Products	2,115 tons	68.24%
32	Stone, Clay, Glass & Concrete Products	586 tons	18.91%
24	Lumber & Wood Products	145 tons	4.68%
26	Pulp, Paper & Allied Products	126 tons	4.07%
28	Chemicals & Allied Products	67 tons	2.16%
	All Other Commodities	60 tons	1.94%
		3,094 tons	100.00%
WESTERN MARYLAND			
26	Pulp, Paper & Allied Products	178,966 tons	45.48%
32	Stone, Clay, Glass & Concrete Products	86,362 tons	21.95%
11	Coal	71,697 tons	18.22%
24	Lumber & Wood Products	46,722 tons	11.87%
40	Waste & Scrap Materials	6,848 tons	1.74%
	All Other Commodities	2,928 tons	0.74%
		393,523 tons	100.00%
TOTAL			
10	Metallic Ores	673,974 tons	51.66%
26	Pulp, Paper & Allied Products	210,171 tons	16.11%
11	Coal	82,994 tons	6.36%
14	Non-Metallic Ores	74,159 tons	5.68%
24	Lumber & Wood Products	48,125 tons	3.69%
	All Other Commodities	215,259 tons	16.50%
		1,304,647 tons	100.00%

SOURCE: 1977 Conrail O-D data (one-time report);
1976 Chessie System O-D data (one-time report).

TABLE B-8
INTRASTATE RAIL COMMODITIES (INBOUND)
MARYLAND REGIONS

BALTIMORE REGION			
32	Stone, Clay, Glass & Concrete Products	96,776 tons	38.26%
14	Non-Metallic Minerals	58,357 tons	23.07%
40	Waste & Scrap Materials	37,789 tons	14.94%
26	Pulp, Paper & Allied Products	32,457 tons	12.83%
11	Coal	11,297 tons	4.47%
	All Other Commodities	16,255 tons	6.43%
		252,931 tons	100.00%
EASTERN SHORE			
28	Chemicals & Allied Products	1,077 tons	100.00%
SOUTHERN MARYLAND			
14	Non-Metallic Minerals	970 tons	95.85%
26	Pulp, Paper & Allied Products	42 tons	4.15%
		1,012 tons	100.00%
WASHINGTON			
26	Pulp, Paper & Allied Products	5,654 tons	55.16%
20	Food & Kindred Products	2,333 tons	22.76%
28	Chemicals & Allied Products	981 tons	9.57%
34	Fabricated Metal Products	392 tons	3.83%
32	Stone, Clay, Glass & Concrete Products	376 tons	3.67%
	All Other Commodities	514 tons	5.01%
		10,250 tons	100.00%
WESTERN MARYLAND			
10	Metallic Ores	673,974 tons	64.84%
26	Pulp, Paper & Allied Products	172,018 tons	16.55%
11	Coal	71,268 tons	6.86%
24	Lumber & Wood Products	46,774 tons	4.50%
29	Petroleum & Coal Products	18,790 tons	1.81%
	All Other Commodities	56,553 tons	5.44%
		1,039,377 tons	100.00%
TOTAL			
10	Metallic Ores	673,974 tons	51.66%
26	Pulp, Paper & Allied Products	210,171 tons	16.11%
11	Coal	82,994 tons	6.36%
14	Non-Metallic Ores	74,159 tons	5.68%
24	Lumber & Wood Products	48,125 tons	3.69%
	All Other Commodities	215,259 tons	16.65%
		1,304,647 tons	100.00%

SOURCE: 1977 Conrail O-D data (one-time report);
1976 Chessie System O-D data (one-time report).

APPENDIX C

ABANDONED RAIL LINES AND CLASSIFICATION OF LINES

There are many abandoned railroad lines through the state on which operations have ceased at various times from the beginning of railroading in the state to the present. Researching all of the abandoned railroads and the current status of the rights-of-way would be a major undertaking. For general information only, we have listed in Table C-1 those lines which have been abandoned as a result of the reorganization of the bankrupt Penn Central Railroad or since that time.

Also listed are lines eligible under Section 5(A) of the DOT Act; lines within ICC Categories 1-2; and lines for which SRA wishes to receive assistance.

The information provided in the following tables has been updated to the latest information. Exceptions may be noted between the tables and map #B-1 due to an earlier printing of this map.

TABLE C-1

SUMMARY OF LINES ABANDONED OR PENDING ABANDONMENT

<u>BRANCH LINE</u>	<u>ICC Status</u>	<u>MARYLAND MILEAGE</u>	<u>PRIMARY FUTURE USE</u>	<u>DISPOSITION OF PROPERTY</u>
<u>Crisfield Secondary Track</u> Kings Creek to Crisfield	A	16.3	Rail	State/Local Interests
<u>Northern Central Line</u> Cockeysville to PA Line	A	20.2	Rail	State/Local Interests
<u>Preston Industrial Track</u> Hurlock to Vienna	A	10.2	Rail	Private Interests
<u>Denton Track</u> Queen Anne to Queenstown	A	12.4	Power Line	Private Interests
<u>Willards Secondary Track</u> East of Salisbury to Parsonsborg Parsonsborg to Pittsfield	A	3.5 3.6	Rec.	State/Local Interests
<u>Bowie Race Track Spur</u> Amtrak Mainline to Bowie Race Track	A	2.5	Rec.	State/Local Interests
<u>Pope's Creek Branch</u> Faulkner to Pope's Creek	A	2.8	Rec.	State/Local Interests
<u>Union Bridge Branch</u> Keymar to Union Bridge	A	5.7	Rec., Part Rail	State/Local Interests
<u>Western Maryland Lines</u> Tonoloway to Cumberland Knobmont to Dawson	A	36.9 13.6	Rec.	Federal/State Interests
<u>Caton-Loudon Line</u> Baltimore to Catonsville	A	4.2	Rec.	State/Local Interests
<u>Baltimore & Annapolis Line</u> Glen Burnie to Annapolis	A	15.4	Rec.	Local Interests
<u>State Line Branch</u> Cumberland to PA Line	A	6.1	Rec.	State/Local Interests

* ICC Status: A = Approved
P = Pending

TABLE C-1

SUMMARY OF LINES ABANDONED OR PENDING ABANDONMENT
(CONTINUED)

<u>BRANCH LINE</u>	<u>ICC Status</u>	<u>MARYLAND MILEAGE</u>	<u>PRIMARY FUTURE USE</u>	<u>DISPOSITION OF PROPERTY</u>
<u>Weverton Branch</u> Weverton to Roxbury, Antietam Branch	A	21.1	Rec.	State/Local Interests
<u>Kempton Branch</u> Kempton to Henry, WV	A	2.3	Rail, Rec.	State/Local Interests
<u>East Washington Line</u> Washington, D.C. to Seat Pleasant	A	1.0	Rail, Rec.	State/Local Interests
<u>Mt. Airy Branch</u> Mt. Airy, Maryland	A	.6	Rail	Private Interests

* ICC Status: A = Approved
P = Pending

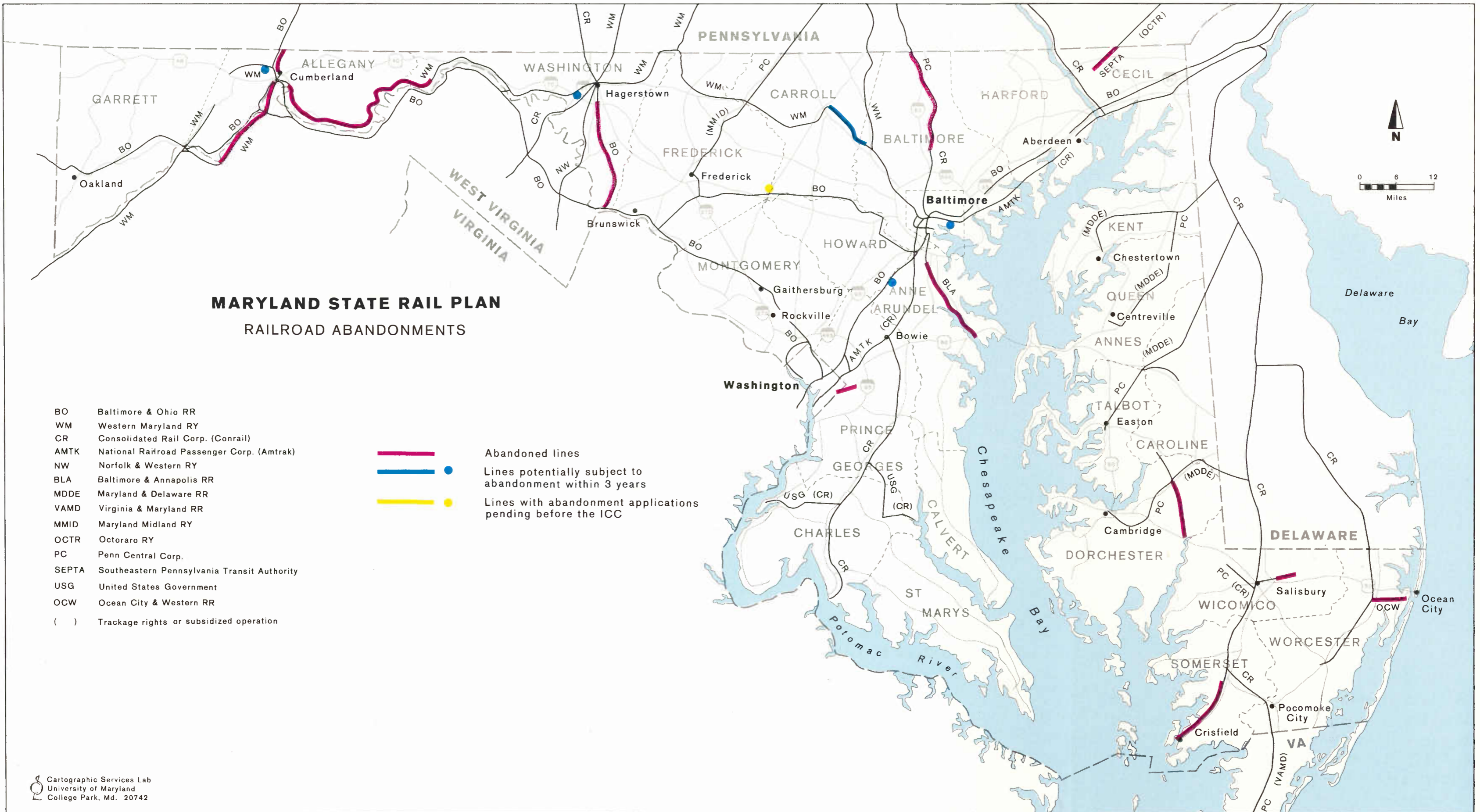
TABLE C-2

RAIL LINES ELIGIBLE FOR ASSISTANCE UNDER SECTION 5(K) OF THE DEPARTMENT OF TRANSPORTATION ACT UNTIL SEPTEMBER 1981*

In Service Lines

<u>USRA Line No.</u>	<u>Operating Railroad</u>	<u>Line Name</u>	<u>Terminals & Mileposts</u>
147	Maryland & Delaware Railroad	Centreville Secondary	Townsend, Delaware (0.0) to Massey (9.2)
148	Maryland & Delaware Railroad	Centreville Secondary	Massey (9.2) to Centreville (35.1)
149	Maryland & Delaware Railroad	Chestertown Secondary	Massey (0.0) to Chestertown (20.4)
169	Maryland & Delaware Railroad	Oxford Secondary	Clayton, Delaware (0.0) to Easton (45.3)
150	Maryland & Delaware Railroad	Denton Track	Queen Anne (0.0) to Denton (8.8)
168	Maryland & Delaware Railroad	Cambridge Secondary	Seaford, Delaware (2.3) to Cambridge (32.9)
152	Maryland & Delaware Railroad	Preston Industrial	Hurlock (10.0) to Preston (16.2)
166	Virginia & Maryland Railroad	Pocomoke Secondary	Pocomoke (31.5) to Norfolk, Virginia (88.8)
198	Maryland Midland Railway	Frederick Secondary	Monocacy River (65.2) to Littlestown (41.1)
199	Chessie System	Frederick City	Monocacy River (65.2) to Frederick (69.0)
676	Conrail	Mardela Track	Salisbury (35.2) to Hebron (40.8)

* As amended by Section 803 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210).



MARYLAND STATE RAIL PLAN

RAILROAD ABANDONMENTS

- BO Baltimore & Ohio RR
- WM Western Maryland RY
- CR Consolidated Rail Corp. (Conrail)
- AMTK National Railroad Passenger Corp. (Amtrak)
- NW Norfolk & Western RY
- BLA Baltimore & Annapolis RR
- MDDE Maryland & Delaware RR
- VAMD Virginia & Maryland RR
- MMID Maryland Midland RY
- OCTR Octoraro RY
- PC Penn Central Corp.
- SEPTA Southeastern Pennsylvania Transit Authority
- USG United States Government
- OCW Ocean City & Western RR
- () Trackage rights or subsidized operation

- Abandoned lines
- ● Lines potentially subject to abandonment within 3 years
- ● Lines with abandonment applications pending before the ICC

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TABLE C-2

RAIL LINES ELIGIBLE FOR ASSISTANCE UNDER SECTION 5(K) OF THE DEPARTMENT OF
TRANSPORTATION ACT UNTIL SEPTEMBER 1981*
(CONTINUED)

Out of Service Lines

<u>USRA Line No.</u>	<u>Line Name</u>	<u>Terminals & Mileposts</u>
---	Bowie Race Track Siding	Amtrak Junction (0.0) to Bowie Race Track (2.5)
---	Baltimore & Annapolis Line	Glen Burnie (6.5) to Annapolis (21.1)
---	Western Maryland Lines	Tonoloway to North Branch (34.7 miles), North Branch to Virginia Avenue, Cumberland (2.2 miles), Knobmont to Dawson (13.6 miles).
141	Caton-Loudon Line	Near Loudon Park Cemetary, Baltimore (0.0) to Catonsville (3.8)
142	Octoraro Secondary	Colora (59.7) to Pennsylvania State Line (54.2)
145	Northern Central	Cockeysville (15.4) to Pennsylvania State Line (35.6)
155	Willards Secondary	East of Salisbury (45.7) to Parsonsburg (49.2)
163	Crisfield Secondary	Kings Creek (0.0) to Crisfield (16.3)
217	State Line Branch	Cumberland (76.7) to Pennsylvania State Line (81.2)
---	Hagerstown Branch	Weverton (0.0) to Roxbury (18.6)
---	Kempton Branch	Henry, West Virginia (0.0) to Kempton (2.4)
---	Antietam Branch	Security Junction (1.2) to Security (2.4)

TABLE C-2

RAIL LINES ELIGIBLE FOR ASSISTANCE UNDER SECTION 5(K) OF THE DEPARTMENT OF
TRANSPORTATION ACT UNTIL SEPTEMBER 1981*
(CONTINUED)

Rail Lines Abandoned Since August 1977

<u>Railroad</u>	<u>Line Name</u>	<u>Terminals & Mileposts</u>
Chessie System	Kempton Branch	Henry, West Virginia (0.0) to Kempton (2.4)
Chessie System	Hagerstown Branch	Weverton (0.0) to Roxbury (18.6)
Chessie System	Antietam Branch	Security Junction (1.0) to Security (2.4)
Chessie System	Fells Street Track	Baltimore (Station 0 + 00 to Station 9 + 35) approximately 0.2 miles
Chessie System	Mt. Airy Branch	Mt. Airy Junction (Station 1729 + 50 to 1698 + 90) approximately 0.6 miles.

TABLE C-3

RAIL LINES POTENTIALLY SUBJECT TO ABANDONMENT

ICC Category 1
Potentially Subject to Abandonment Within Three Years

<u>Railroad</u>	<u>Line Name</u>	<u>Terminals & Mileposts</u>
Chessie System ¹	Canton Branch	Sparrows Point Junction (1.9) to end of line (2.5)
Chessie System ²	Eckhart Branch	Eckhart Junction (0.0) to end of line (1.4)
Chessie System ³	Fort Meade Branch	Near Ft. Meade Jct. (.26) to end of line (5.35)

ICC Category 2
Under Study and Potentially Subject to Abandonment

NONE

ICC Category 3
Lines With Abandonment Application Pending

<u>Railroad</u>	<u>Line Name</u>	<u>Terminals & Mileposts</u>
Chessie System ⁴	East Subdivision	Cedarhurst (23.9) to West- minster (32.5)
Chessie System ⁵	Williamsport Branch	PV Junction (0.0) to Williamsport (1.03)

NOTES FOR TABLE C-3

1. The Canton Branch is in service and utilized to a very limited extent by two shippers (20 carloads in 1979). SRA is not planning to become involved in this branch line.
2. The Eckhart Branch is in service and utilized by two shippers for a total of 39 carloads in 1979. This line was moved from Category 2 to Category 1 this year and will be studied by SRA to determine what action if any, will be taken.
3. The Fort Meade Branch was embargoed for all traffic in October 1979 because of poor track conditions. There was 1 carload of traffic in 1979. SRA will study this line when a notice of abandonment is given.
4. The out of service section of the East Subdivision has been protested by Carroll County. An investigation is underway.
5. The Williamsport Branch abandonment has been protested by the Potomac Edison Company and the United Transportation Union. An investigation is underway.

TABLE C-4

RAIL PROJECTS FOR WHICH MARYLAND PLANS TO RECEIVE ASSISTANCE UNDER THE DEPARTMENT OF TRANSPORTATION ACT

<u>USRA Line No.</u>	<u>Operating Railroad</u>	<u>Line Name</u>	<u>Terminals & Mileposts</u>
147	Maryland & Delaware Railroad	Centreville Secondary	Townsend, Delaware (0.0) to Massey (9.2)
148	Maryland & Delaware Railroad	Centreville Secondary	Massey (9.2) to Centreville (35.1)
149	Maryland & Delaware Railroad	Chestertown Secondary	Massey (9.2) to Chestertown (20.4)
169	Maryland & Delaware Railroad	Oxford Secondary	Clayton, Delaware (0.0) to Easton (45.3)
150	Maryland & Delaware Railroad	Denton Track	Queen Anne (0.0) to Denton (8.8)
168	Maryland & Delaware Railroad	Cambridge Secondary	Seaford, Delaware (2.3) to Cambridge (32.9)
152	Maryland & Delaware Railroad	Preston Industrial	Hurlock (10.0) to Preston (16.2)
166	Virginia & Maryland Railroad	Pocomoke Secondary & Cape Charles Float	Pocomoke (31.5) to State Line (36.4)
198	Maryland Midland Railway	Frederick Secondary	Walkersville (62.6) to Taneytown (46.3)
199	Chessie System	Frederick City	Monocacy River (65.2) to Frederick (69.0)
676	Conrail	Mardela Track	Salisbury (35.2) to Hebron (40.8)

Rail Projects for Which Maryland Wishes to Provide Assistance From Sources Other than the Section 5 Program of the Department of Transportation Act

There are no rail projects currently in this category.

APPENDIX D

PROGRAM OF PROJECTS FOR FEDERAL AID IN FFY 81

<u>I. Operating Program</u>	<u>Type of Project</u>	<u>Location</u>	<u>Duration</u>	<u>Funds to be Requested</u>
<u>1st Priority</u>				
Cambridge/ Preston	Service Continua- tion	USRA #168, 152, 153	10/80-9/81	\$140,000 - operations \$101,000 - lease & taxes
<u>2nd Priority</u>				
Chestertown/ Centreville	Service Continua- tion	USRA #147, 148, 149	10/80-9/81	\$316,000 - operations \$124,000 - lease & taxes
Frederick Secondary	Service Continua- tion	USRA #198	10/80-9/81	\$ 77,000 - operations 43,000 - lease & taxes
Hebron	Service Continua- tion	USRA #676	10/80-9/81	\$ 50,000 - operations \$ 13,000 - lease & taxes
Easton	Service Continua- tion	USRA #169, 150	10/80-9/81	\$306,000 - operations \$164,000 - lease & taxes

3rd Priority

-NONE-

II. Capital Projects

-NONE-

APPENDIX E
BENEFIT-COST METHODOLOGY

I. Introduction

Section 5 of the DOT Act, as amended by the Local Rail Service Act of 1978, requires that states participating in the Rail Branch Line Continuation Assistance Program adopt a "...methodology for determining the ratio of benefits to costs of projects which are eligible under paragraphs (2) through (4) of subsection (K)..." This appendix will describe the methodology to be used by Maryland in arriving at a benefit-cost (B-C) ratio. Since all entitlement funds in FFY 81 will be used for line subsidies the methodology will be adopted as part of the 1980 State Rail Plan, but will be implemented with capital projects seeking funding in federal FY 82.

The proposed methodology is based heavily on work done by others; notably the Proposed Benefit/Cost Methodology for Use by Mississippi Governor's Office of Planning and Coordination (1979); Benefit-Cost Guidelines: Rail Branch Line Continuation Program (1980) by the Federal Railroad Administration; and the FRA's Rail Planning Manual.

In developing the proposed methodology, real economic benefits and costs are considered where practical, but the availability of a realistic and complete data base makes a completely theoretically valid methodology difficult, and in some cases impossible to apply. Maryland's approach will be to use available data on a consistent basis in analyzing all potential projects. In this way, meaningful comparisons can be made and the B-C analysis will form a valid input to the decision making process.

II. Costs

The denominator of the B-C ratio is the cost for each alternative. The FRA guidelines define these as: "Costs include only the program outlays associated with the project--the amount of funds needed to build and implement it." (pg. 13). Depending on the alternative being considered, cost data will be provided by the following sources.

- Cost for rehabilitation of a line will be estimated by SRA based on previous experience with line rehabilitation, and detailed analysis.
- Cost for purchasing a line will be based on appraisal and/or negotiation.
- Cost for providing alternative service (where applicable) will be obtained from appropriate sources such as trucking companies.
- Cost for upgrading a line or adding facilities, such as team tracks will be estimated by SRA.
- Costs will be incurred in the year expended, usually year 0 of the project life.

Cost data will be for the entire project cost, including Federal, State and local as applicable.

III. Economic Benefits

Benefits are defined by the FRA guidelines as "costs avoided or gains achieved as a result of project actions." (pg. 21). These are efficiency benefits which can be grouped into primary--those that are the direct effect of the alternative concerned and caused by changed transportation costs, and secondary--changes in the value of goods and services produced caused indirectly by the alternative. In all cases, the frame of reference for benefits and costs will be the State of

Maryland. This will minimize the effect of transfer payments within the state. These benefits fall into two major areas: increased transportation costs, and job and wage losses.

A. Increased Transportation Costs

Possible abandonment of light density lines will require the use of alternate modes of freight transport (truck or water) by businesses which now rely on rail service, or the use of trucks to transport freight to the nearest alternative rail head. If this amounts to a significant increase in transportation costs, it could cause some businesses to transfer their operations elsewhere or to close. Other businesses will remain at their existing locations but may be forced to reduce profits, increase prices, and/or reduce production or employment. The effects of increased transportation costs on individual shippers will depend on the type of business or industry experiencing the increase, the internal economics of the particular firm, the absolute and relative amounts of the increase, and the difficulty of transferring operations to a new location.

In determining increased transportation costs associated with a particular set of alternatives, the following assumptions will be made:

1. Most commodities shipped on the light density lines are bulk (grain, fertilizer, chemicals, lumber) and are either shipped to or from out of state markets, or are specialized making rail shipment preferable (hazardous materials). In most cases, the alternative to all-rail transportation will be a combination of trucking to or from the nearest alternative rail head, together with a rail haul to the other origin/destination. In some cases, such as intrastate shipments, transportation entirely by truck may be more feasible.

Many cities served by the light density lines on the Eastern Shore have a third alternative of water transportation and in some cases this can be considered as an alternative to rail.

2. Due to the relatively small percentage of total haul distance occurring on the light density lines and the basic equalization of rail rates within a geographic area, the reduction of rail transportation rates due to abandonment of the light density line will usually be negligible. Thus, transportation costs are computed as follows:

- a. Increased transportation costs for commodities trucked to/from nearest rail head:

Increased Transportation Cost = Annual Tonnage x Cost Per Ton (Per Ton Per Mile) x Distance to Nearest Rail Head + Transshipment Cost of Per Ton for Firms Presently Using Private Siding Only

- b. Increased transportation costs for commodities trucked entire distance:

Increased Cost = Tonnage Shipped x Difference in Rail and Truck Costs or Water Transport Costs.

- c. Total Increased Transportation Cost = Step a + Step b. The costs of truck (or water transportation) will be obtained from local trucking companies, or if not readily obtainable, from ATA published data, or from appropriate sources.

4. On some lines where abandonment is not threatened due to stable traffic and satisfactory shortline operations, alternatives may include upgrading track beyond Class I to allow higher operating speeds. In this case, the cost to the shipper would not change directly, but the operator's cost presumably would be reduced and would result in lower subsidy costs to the SRA and/or lower surcharges paid by the shippers. To analyze this type of alternative, detailed operating costs would be obtained from the railroad.

B. Job and Wage Losses or Gains

Some shippers will be unable to absorb or pass on the transportation cost increases that loss of rail service can cause. Subsequent job losses may occur, due to reduced production, transfer of operations, or plant closings. In contrast, some potential employment gains may be experienced by the local trucking industry resulting from increased use of trucks. If an alternative involves improvement of rail service and shippers can be assured of continued service, new industry may be attracted to a line or existing businesses may expand. These would be primary benefits of a given alternative.

Estimates of job losses are difficult to predict with accuracy due to a tendency of shippers to overestimate the impacts of loss of rail service. A second method is to use job loss coefficients developed by other states (Mississippi, Pennsylvania and Michigan). (Table E-1). These coefficients do not account for economic and competitive differences between individual businesses, but do establish a consistent basis of comparison. For purposes of B-C analysis, a mean average of shipper survey job loss estimates and estimates based on the coefficients will be used.

Secondary job and wage losses may be induced in the service-related sections of the economy if sufficient jobs are lost by the basic industries served by rail. The magnitude of these losses will depend on the ratio of "basic" to "non-basic", (i.e., service) industries in the affected area. "Basic" industries are those which produce goods or services for nonlocal consumption. These include most manufacturing enterprises, most agriculture, forestry and fisheries, and tourist or recreational attractions. "Non-basic" industries

TABLE E-1
JOB LOSS COEFFICIENTS BY STCC CODE

<u>Two-Digit STCC</u>	<u>Commodity Description</u>	<u>Number of Jobs Lost Per 1000 Carloads</u>
01	Farm Products	29
08	Forest Products	24
09	Fresh Fish and Marine	2000
10	Metallic Ores	14
11	Coal	36
13	Crude Petroleum, Gas, Etc.	32
14	Non-Metallic Minerals	22
19	Ordinance and Accessories	1480
20	Food and Kindred Products	22
21	Tobacco Products	0
22	Textile Mill Products	0
23	Apparel Products	0
24	Lumber, Wood Products	62
25	Furniture, Fixture	225
26	Pulp Paper, Etc.	1
27	Printed Matter	0
28	Chemicals, Etc.	22
29	Refined Petroleum, Coal Products	1
30	Rubber, Plastic Products	3
31	Leather, Leather Products	0
32	Clay, Concrete, Glass, Stone Products	7
33	Primary Metal Products	79
34	Fabricated Metal Products	0
35	Machinery	1
36	Electrical Machinery, Etc.	292
37	Transportation Equipment	48
38	Instruments, Photographic	0
39	Miscellaneous Products of Manufacturing	185
40	Waste or Scrap	28
41	Miscellaneous Freight Shipments	556
42	Empty Containers	43
43	Mail, Express, Etc.	0
44	Freight Fowarder Traffic	0
45	Shipper Association Traffic	0
46	Mixed Shipments	167
47	Small Packages	0

NOTE: The above job loss coefficients were developed from studies conducted by the Pennsylvania and Michigan DOT's.

Source: Mississippi Benefit-Cost Methodology 1979

include most service industries, most retail and wholesale trade, most finance, insurance, real estate, and public utilities.

Multipliers of total employment divided by base employment have been derived for all Maryland counties by the State Department of Human Resources. These will be used to compute secondary job losses.

The economic loss due to jobs being eliminated has two components. The first is the loss of wages and disposable income while the person is unemployed, and the second is the cost of unemployment compensation to the state government.

The duration of unemployment is difficult to predict and data directly describing residual unemployment has not been developed for the state. The Department of Human Resources, which is responsible for unemployment compensation, periodically surveys the number of weeks of unemployment compensation filed for by claimants. The latest survey (for the week ending February 23, 1980) indicated the average claimant was out of work for 7.3 weeks. This is the best indication available for residual unemployment and will be used to estimate the duration of unemployment. As new surveys are completed, the duration of unemployment will be changed accordingly. The economic loss to the community is the loss of disposable income: i.e., the difference between the wages the employee would have earned, less the amount of unemployment compensation paid to him. Thus for each unemployed person the economic loss equals:

(Average weekly compensation wage - weekly unemployment benefit) x Average duration of unemployment.

Unemployment benefits range from \$25-\$120 weekly depending on wage base. Appropriate benefits will be used.

C. Additional Jobs Created in Trucking Industry

Alternatives which assume the replacement of rail service with trucks will create additional jobs for truck drivers and support personnel. These job gains will offset losses in rail dependent industries. The net affect is minimal; and therefore, these job gains will not be factored into the benefit-cost calculations.

D. Taxes

Taxes are generally considered transfer payments and thus are not usually economically significant at the state level frame of reference.

1. Local property taxes may be affected by plant closings or by a reduction in assessed value of land along an abandoned rail line. Unless land is taken off the tax rolls by government purchase, taxes will continue to be paid and the effect on the local economy will be small.
2. If a large public expenditure for roads or bridges is specifically required to replace rail service, then road taxes paid by this increased truck usage would be used to partially offset this expense. However, most highway improvements will benefit the general public and would not enter into the B-C analysis.

For these reasons, taxes will not be factored into the benefit-cost calculations.

IV. Discounting Costs and Benefits

All project costs and benefits will be discounted and expressed in present dollars.

The discount rate should reflect the rate of return which money to be invested in the project (its cost) would command if invested elsewhere. Interest rates reflect two components--opportunity costs and inflation costs, and the discount rate should reflect only the opportunity costs. Opportunity cost (the uninflated rate of return on investment) is generally acknowledged to be between 3% and 5%. For Maryland B-C analyses a discount rate of 3.5% will be used for all projects and alternatives. All costs and benefits will be expressed in constant dollars (no inflation).

Costs and benefits will be estimated only over the service life of the project. The service life of the project will normally be the period of time over which the railroad agrees to operate the line or service, or ten years, whichever is less.

V. Salvage Values

Discounted salvage values shall be counted as benefits, and not as reductions in cost, in accordance with the FRA suggested benefit-cost guidelines.

VI. Analysis Procedure Summaries

Two summaries have been outlined in the following pages. The first reflects the pair of alternatives in which the choice is between maintaining service on a line and incurring an acquisition and/or rehabilitation cost (project alternative); and abandoning rail service and forcing industries to go to truck or another mode (null alternative). Usually in this scenario the alternative mode is more expensive and leads to job losses among rail users. This is the most common use of B-C analysis in most states.

The second summary outline is one in which rail service already has been established and further improvements are proposed to increase operating efficiency and service reliability. In this case, maintaining existing service (usually Class I track) is the null alternative, and upgrading (such as to Class II or building an intermodal facility) is the project alternative. Usually this scenario will assume stimulation of industrial development and job creation among rail users. It is expected that this scenario may be utilized more in Maryland, due to the low number of lines subject to abandonment and the larger number of lines currently operating under subsidy over Class I track.

SUMMARY 1

BENEFIT/COST ANALYSIS

ABANDONMENT IS THE NULL ALTERNATIVE AND
ACQUISITION/REHABILITATION/SERVICE CONTINUATION
IS THE PROJECT ALTERNATIVE

I. Cost

- A. Federal funds expended
- B. Matching (state) funds expended

Total Cost = 1 + 2

II. Benefits (Economic Impacts)

- A. Increased Transportation Costs
- B. Wage and Salary Losses Avoided (1 + 2 + 3)
 - 1. Primary wage losses
 - 2. Secondary wage losses
 - 3. Railroad wage losses
- C. Discounted Salvage Values

Total Benefit = A + B + C

III. Calculation of B-C Ratio

B-C = Total Benefit ÷ Total Costs

SUMMARY 2

BENEFIT/COST ANALYSIS

EXISTING SERVICE IS THE NULL ALTERNATE AND TRACK/FACILITY
IMPROVEMENT IS THE PROJECT ALTERNATIVE

I. Cost

A. Federal funds expended

B. Matching (state) funds expended

Total Cost = 1 + 2

II. Benefits (Economic Impacts)

A. Decreased Transportation Costs

B. Discounted Salvage Values

Total Benefit = A + B

III. Calculation of B-C ratios

B-C = Total Benefit ÷ Total Costs

APPENDIX F

RAILROAD ABANDONMENT PROCEDURES

Railroad abandonments within the state are analyzed on a case by case basis consistent with the Department's policies and goals. Interstate Commerce Commission procedures under the Staggers Rail Act of 1980 allow adequate time to decide whether an abandonment is in the best interest of the state and local economy, and the Department uses this mechanism to preserve rail service where needed. The ICC procedures listed below assure the Department an adequate mechanism for responding to proposed abandonments.

ABANDONMENT PROCEDURES UNDER SUBTITLE IV OF TITLE 49; UNITED STATES CODE

- I. The railroad's system diagrams.
 - A. Each railroad must file a system diagram showing--
 - Category 1 - Lines the railroad anticipates will be abandoned within 3 years of the date of filing the diagram.
 - Category 2 - Lines the railroad has under study as candidates for possible future abandonment.
 - Category 3 - Lines for which abandonment application is pending.
 - Category 4 - Lines being operated under subsidy.
 - Category 5 - All other lines in the railroad's system.
 - B. Initial diagrams must be updated annually if changes in the line categories have occurred.
 - C. System diagram must be--
 1. Served on governors, state regulatory commissions, state "designated agencies" (usually DOT's), and ICC.
 2. Published in local newspapers in areas where lines in categories 1-3 are located.
 3. Posted in stations on lines in categories 1-3.

- D. ICC cannot grant Certificate of Abandonment unless line has been listed in Category 1 for 4 months if abandonment is opposed by a state or political subdivision in which line is located or by a significant user of the line.
- II. Pre-filing procedures: At least 30 days before filing an abandonment application the railroad must--
- A. Prepare a notice which shall include an "accurate and understandable" summary and explanation of the proposal and of the reasons for seeking abandonment authority, and the proposed date for filing the application.
 - B. Serve the notice on the governors of the affected states (by certified mail), on state regulatory commissions, state designated agencies, the ICC, and the significant users of the line.
 - C. Post the notice in each terminal and station on the line.
 - D. Publish the notice in local newspapers for 3 weeks.
- III. Expedited procedures.
- A. Within 30 days of the filing of an application, interested parties may file a protest with the ICC.
 - B. If no protest is filed, the ICC will issue a certificate of abandonment within 45 days from the date an application is filed. Abandonment can occur within 75 days from the date an application is filed.
- IV. Protest procedures.
- A. The ICC has until the 45th day of the date an application is filed to decide whether to investigate any protest filed.
 - B. If the ICC decides not to investigate, within 90 days from the date an application is filed a certificate of abandonment will be issued. Abandonment can occur within 120 days from the date an application is filed.
 - C. If a decision to investigate is made, the ICC must complete the investigation within 135 days from the date an application is filed. An initial decision must be reached within 165 days from the date an application is filed.
- V. Appeal procedures.
- A. If no appeal is filed, the initial decision becomes final within 195 days from the date an application is filed. A certificate of abandonment will be issued within 15 days following the final decision (210 days from the date an application is filed).

- B. Abandonment can occur within 75 days following the final decision (270 days from the date an application is filed).
- C. If an appeal is filed, the ICC must reach a final decision within 255 days from the date an application is filed. A certificate of abandonment will be issued within 15 days following the final decision (255 days from the date an application is filed). Abandonment can occur within 75 days following the final decision (330 days from the date an application is filed).

VI. Financial assistance procedures.

- A. Any financially responsible party can make an offer to subsidize or purchase a rail line within 10 days after the ICC has decided that the public convenience and necessity allow an abandonment to occur. If such an offer is made the ICC will within 15 days of the decision postpone the issuance of a certificate of abandonment.
- B. If, after 30 days from the date an offer is made, the parties cannot reach an agreement, the ICC can be requested to establish the terms of subsidy or purchase.
- C. If requested, the ICC will establish the terms of subsidy or purchase within 60 days from the date an offer is made. The terms are binding on the railroad seeking the abandonment, but not on the party making the offer. Within 10 days after the ICC has established the terms, the party making the offer can withdraw its offer.
- D. If there are other offers the railroad will try to negotiate other arrangements.