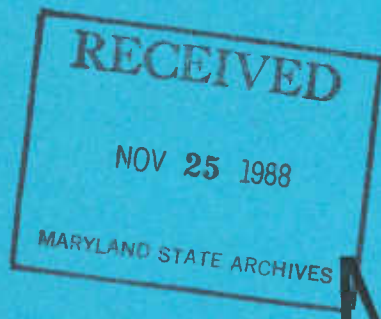




Maryland State Rail Report

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Prepared by
State Railroad Administration

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EXECUTIVE SUMMARY

This Maryland State Rail Report (SRR) replaces the State Rail Plan originally developed to meet Federal grant requirements to produce a planning document before receipt of funds under the Local Rail Service Assistance Program would be approved. The SRR has since been expanded to cover passenger as well as freight rail planning. Now it is the comprehensive rail planning document for the State of Maryland.

Maryland has had 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 three Class I freight railroads, seven short line or terminal railroads, and Amtrak, the nation's passenger railroad.

CSX Transportation (CSXT) 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 CSXT, provides direct service within more limited areas but is vitally important to the Port of Baltimore, the Eastern Shore and the central state.

With the creation of Conrail through the implementation of 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. The State initially continued service on six branch lines or segments (165 miles) with federal, state, and local financial support. At the present time, four branch lines remain in operation (109 miles).

The state has placed a high priority on continuing freight rail service on existing lines where the service provides a positive economic benefit to the community served. Through FY 1988, almost \$35 million has been invested for lease, acquisition, rehabilitation and operation of these state-owned branch lines. With the ever decreasing level of federal capital assistance, the state continues to provide the majority of funds to sustain these operations.

An analysis of freight operations on each state-supported line is conducted periodically to determine the need to continue operations. A 1988 survey of shippers using state-supported branch lines indicates that most shippers have an alternative mode of transportation available if rail service were discontinued. Although some shippers stated that they may be forced to close or relocate without direct rail service, the majority of the shippers indicated they would switch to an alternate mode of transportation albeit at increased transportation costs.

Benefit/cost analyses indicated that all of the lines supported by the state had favorable B/C ratios.

BENEFIT/COST RATIOS BY LINE

<u>Branch</u>	<u>B/C Ratio</u>
Cambridge/Preston	1.44
Centreville/Chestertown	1.53
Walkersville/Taneytown	1.12
Westminster/Cedarhurst	1.61

Benefit/cost ratios displayed above indicate that economic benefits derived from continued rail service exceed the costs of operating and maintaining state-supported branch lines. Thus a strong rationale exists for continued support of rail service.

Traffic levels on state-supported branch lines have increased by 62% from FY 1985 to FY 1988. And while traffic levels have rebounded from the low levels of 1983 and 1984, this predominance of agricultural-based commodities means that growing conditions have a tremendous impact on overall traffic. To establish a more stable traffic base, a marketing initiative has been undertaken to generate shipments of other bulk commodities by exploring the possibilities of distribution centers on the Eastern Shore. Candidate commodities are paper, lumber, stone and plastics.

The upward trend in traffic volumes should continue with the opening of the Westminster/Cedarhurst branch line. The out of service Westminster Cedarhurst Branch line was purchased from CSXT in 1983. A joint effort between state, federal and local governments resulted in this line being rehabilitated and placed back in service in July, 1988 at a cost of \$1.8 million. This section of track holds great promise for increased carloadings because it provides a more direct route from the western part of the state into the Baltimore Metropolitan region.

In addition to freight service, the state also supports Maryland Rail Commuter (MARC) service between Baltimore and Washington, D. C., and between Washington and Montgomery and Frederick Counties. MARC programs include operating subsidies, acquisition of rolling stock, facility improvements and station improvements. The state has put a high priority on continuing essential passenger rail service in metropolitan corridors in order to provide an alternative for long distance commuting by car.

Additional state, federal and local funds will be used to complete safety projects and enhance service for both passenger and freight programs. Over \$118 million in capital expenditures are planned from FY 1989 through FY 1994. The largest part of these funds come from the federal government and support the MARC

program. The following table displays funds by program and fund source:

Capital Expenditures FY 1989 - FY 1994

(000s)

	Passenger	Freight	Total
State	35,834	6,040	41,874
Federal	74,376	98	74,474
Local	2,057	0	2,057
Total	110,210	6,138	118,405

There are a number of current issues which will affect Maryland's rail system. Reregulation of the rail commerce could seriously damage the economic recovery of the rail industry. Labor issues in the sale of short line railroads and the proposed reduction of the railroad work force are at major crossroads for the railroad industry.

Ever-decreasing availability of federal funds for the freight capital program also affects the state's transportation system by limiting its ability to complete planned projects or undertake new ones. On the state level, proposals to restore service to Cambridge Yard and the Easton rail line will have an impact on keeping the right of way maintained as a transportation corridor.

Regardless of the level of federal funding under the Local Rail Service Assistance Program, the state will continue to prepare the State Rail Report to advise the public of the state's plans for the freight and passenger programs and to present significant national and state issues affecting these programs.

CHAPTER I

RAIL SERVICE POLICIES

Departmental policies directing the State Railroad Administration's (SRA) continuing effort to provide rail services are formulated within the framework of federal and state regulations as they pertain to rail operations and safety. Guidance and other regulatory requirements are also imposed and/or provided by non-governmental bodies.

Regulatory requirements are imposed at the federal level, principally, by the Interstate Commerce Commission (ICC), the Federal Railroad Administration (FRA) and the Urban Mass Transportation Administration (UMTA). At the state level, requirements are imposed, principally, by the Public Service Commission and the Division of Labor and Industry (DLI) in the Department of Licensing and Regulation. Guidance from non-governmental agencies is provided, either by regulation or in some other form from the Association of American Railroads.

Interstate Commerce Commission

ICC regulations emanate from 49 USC, Subtitle IV. They reflect concepts embodied in the Staggers Act of 1980 which sought to de-regulate the rail industry by allowing the railroads more flexibility in establishing rates, abandoning unprofitable lines and more efficiently managing railroad assets.

ICC railroad regulations generally address two major areas: rail service and rate setting authority. In addressing these areas, the ICC has issued regulations concerning the broad areas of competition, cost accounting, rate setting standards, formation of new railroads, and abandoning existing rail lines.

ICC policy, in concert with the precepts of the Staggers Act, has been to regulate the rail industry as little as possible. To that end certain transactions, by law, have been exempted from ICC authority. Others have been exempted by ICC interpretation of the Staggers Act. The ICC has tended to let free market conditions determine rates and profitability determine whether a rail line should continue to operate or be abandoned.

Federal Railroad Administration

Federal Railroad Administration (FRA) regulations generally concern safety and standardization of railroad facilities and equipment. Railroad operations in terms of track and equipment construction and maintenance are the purview of FRA.

FRA guidelines mandate specific track configurations as a predeterminer of operating speeds over passenger and freight rail lines. Class I through Class VI track classifications exist based on specific guidelines established in FRA regulations. Operating speed limits are a function of the track class level and range from ten mph for Class I track to in excess of 100 mph for Class VI track. FRA regulations also specify how often and what type of inspections are required to assure the proper classification and maintenance of track to existing class levels.

FRA regulations also specify minimum safety standards for rolling stock. Specifications exist for rolling stock in terms of the equipment itself and for the components of the equipment. FRA regulations also mandate periodic inspections to assure that equipment is properly maintained and remains in satisfactory working condition.

The FRA also funds local rail assistance through a grant program. Regulations regarding states' application for those funds are promulgated by the FRA. Regulations also address how and where those funds can be used.

Urban Mass Transportation Administration

Urban Mass Transportation Administration (UMTA) regulations address mostly funding issues. For the most part, individual state allocations are based on prescribed formulas. Fund allocations are derived by application of the formulas which take into account the number of passengers carried over the various lines and the miles of fixed guideways in service during the course of any given federal fiscal year. Once allocations have been determined UMTA regulations prescribe the manner in which funds are to be obligated and the manner in which expenditures are to be reported.

Public Service Commission

The Public Service Commission (PSC) is the state's counterpart to the ICC. It is responsible for the regulation of rail service and rate setting authority in the state in a manner similar to the ICC at the federal level. PSC authority is, however, limited to railroad transactions involving intrastate rail transportation only.

Division of Labor and Industry

The Division of Labor and Industry (DLI), Department of Licensing and Regulation, is responsible for the promotion of railroad employee safety and health in all areas of railroad operations in the state. DLI derives its authority from Article 89, Section 82-99 of the Annotated Code of Maryland.

DLI responsibilities include inspections for track safety defects and equipment inspections, both to assure compliance with FRA regulations. DLI is also responsible for assuring that railroads adhere to clearance requirements as established by State regulation. In discharging this responsibility, DLI has the authority to issue citations and fines when standards are not maintained. Their authority also extends to granting variances and conducting hearings to adjudicate findings and or resolve issues concerning citations.

Association of American Railroads

The Association of American Railroads (AAR) was established in 1934 with the support of President Franklin D. Roosevelt to serve as the single authoritative national organization sanctioned to represent railroads where policy consensus and unified action were required in dealing with industry problems. As stated upon its creation, the purpose of AAR is to "protect and advance the railroad industry under private ownership and management, to enable them better to handle their own affairs on a permanent basis..."

In achieving its objective AAR provides industry services in the matters requiring joint agency of its individual members in such areas as operations, maintenance, research, safety, data systems, accounting, public affairs and communications. The AAR also represents the rail industry in matters of law formulation, regulatory action and court cases.

Within the guidelines prescribed by regulations as described earlier, policies guiding the department's continuing effort to provide rail transportation services are formulated to address three major areas of concern: system preservation, economic development, and public transportation.

System Preservation

System preservation continues to be a high priority for the department. It may be defined as the capital improvements necessary to periodically rehabilitate or replace existing facilities and aging equipment. System preservation also includes routine maintenance required to sustain the integrity of physical plant and equipment at existing levels. Specifically, the department's policies with respect to system preservation are:

- (1) To maintain and improve operating, state-owned freight rail lines in accordance with applicable federal and state safety standards where such improvements are cost-effective; and,

- (2) To rehabilitate or replace rail equipment and facilities as necessary for continuing passenger and freight operations.

Economic Development

The department supports the state's economic development/growth programs to attract industry and private investment, consistent with local plans and the state's development policies. All department policies regarding freight rail service have been formulated to address economic development in the state. Maryland's role in freight rail operations is based on three basic policies:

- (1) Preserve and/or subsidize essential freight rail services whenever the private sector cannot profitably provide such services, when there are no reasonable alternative modes of transportation, and where the service is cost-effective;
- (2) Require a financial commitment by the freight users for continued state support; and
- (3) Support and promote economic and industrial development along subsidized rail freight lines so that new traffic can be generated, thus increasing revenues and decreasing the need for state support.

These policies are supportive of maintaining and enhancing economic activities whenever it is cost-effective, while, at the same time, attempting to return the operation of the rail lines to the private sector.

Public Transportation

The department improves the quality and efficiency of public transportation and commuter rail systems: to assure the long-term availability of transit service for commuting purposes; to serve the essential transportation needs of those who have no access to an automobile; and, in support of the state's policy of enhancing the viability of existing communities and urban areas.

Maryland's role in commuter rail operations is based on the following policies:

- (1) Preserve essential passenger rail service in metropolitan corridors to provide an alternative mode for long distance commuting;

- (2) Maintain a reasonable fare structure for commuter rail services that covers at least 50% of operating costs; and,
- (3) Support expansion and improvement of existing commuter and intercity passenger rail services as an energy efficient public transportation alternative to the automobile where feasible and cost effective.

CHAPTER II

MARYLAND RAIL PLANNING PROCESS

The Maryland Department of Transportation (MDOT) was created by legislation as a multi-modal agency in 1971. MDOT is responsible for the administration of transportation programs in the following areas: highways, transit, ports, airports, railroads, vehicle registration titling and driver licensing.

The State Railroad Administration (SRA) was created in 1978 by Executive Order (01.01.1978.11) to manage Freight and Passenger Services Programs. Accordingly, SRA coordinates the development and implementation of departmental policy and plans necessary to preserve, improve and continue providing railroad transportation facilities and services throughout the state. The Administration also develops departmental positions on railroad legislation, abandonment applications, merger proceedings and regulations promulgated by federal and state agencies.

Administration of SRA programs is consistent with MDOT comprehensive plans mandated by state legislation. Pursuant to Title 2, Section 103.1, subsection (d) of the Transportation Article passed by the General Assembly in 1987, the Secretary of MDOT is responsible for all transportation planning activities. The Secretary achieves this mandate by annually producing a comprehensive planning document, State Report on Transportation (SRT). Volume I of the SRT is the Maryland Transportation Plan (MTP), which details MDOT's current status, recent accomplishments and provides justification supporting the capital program set forth in Volume II of the SRT, the Consolidated Transportation Program (CTP). The MTP also states MDOT objectives, establishes priorities, and explains capital and operating projects through which stated objectives are being achieved.

The CTP presents MDOT's capital program for a six year period. Included are the current fiscal year, the upcoming budget year and four succeeding planning years. The CTP includes capital projects programmed for all modes of transportation over which MDOT has administrative responsibility.

The SRT is annually submitted to the General Assembly following statewide hearings, during which MDOT affords state officials, local elected officials and the general public the opportunity to review and comment on a draft version of the SRT. Through this mechanism ample opportunity is provided for public comment on transportation programs and project specific information for each modal administration of the department including rail passenger and freight programs. Where appropriate, comments resulting from the public forums are incorporated into the revised SRT to reflect local input and public concerns.

Railroad issues and trends are analyzed by SRA staff and the results are incorporated in the SRT. SRA input addresses issues concerning rail service in Maryland as well as regional and national issues and trends which would impact rail service in Maryland.

Railroad issues in Maryland are also developed for the Maryland State Rail Report (SRR). The SRR is developed as part of the comprehensive transportation planning process of MDOT in accordance with federal requirements. Report development is coordinated closely with other state and local agencies. Opportunities are provided for input from shippers, carriers, other interested groups and the general public. Although federal requirements for rail planning are limited to only some aspects of freight rail service, SRA has chosen to expand the contents of the Maryland State Rail Report and views it as a comprehensive rail plan for the state.

The 1989 SRR replaces the State Rail Plan originally developed to meet federal grant requirements. This Report conforms to Title 49, Section 266.15 of the Code of Federal Regulations, which establishes the requirements for State Rail Plans and State Rail Plan Updates. Specific requirements of the Code of Federal Regulations are cited in the chapters which address those requirements.

Day to day operations of SRA require staff involvement in many diversified studies to keep abreast of events and issues affecting rail service in Maryland. Studies conducted during the plan period include analyses of issues such as: the abandonments of Big Pool to Tonolaway and Georgetown Branch, Seagirt Marine Terminal Rail Access Study, Financial Analysis of Eastern Shore Rail Lines, Northern Central Railroad Study, Western Maryland Coal Transportation by Rail to the Port of Baltimore, WMATA Safety Study, Central Corridor Light Rail Study, Commuter Rail Service Expansion.

Public participation in the transportation planning process has been an ongoing activity within MDOT from its inception. Over the years it has been expanded and strengthened because of the growing concern over the impact of transportation planning on local and regional levels.

The MDOT transportation planning guidelines set forth two specific policies for public participation:

1. Assure that transportation investments help to meet multiple objectives - economic, social and environmental, as well as transportation, and

2. Plan and design transportation service improvements allowing for early, continuous, and bilateral communication with all segments of the public prior to selecting a course of action.

The rail planning process also responds to appropriate federal requirements. The Local Rail Service Assistance Program administered by the Federal Railroad Administration (FRA) prescribes requirements for public participation including the requirement to hold public hearings on the State Rail Report Update. For rail passenger capital programs administered by the Urban Mass Transportation Administration (UMTA), public hearings on improvement projects are held in accordance with prescribed UMTA requirements.

Departmental policy and federal requirements are implemented through a variety of public information meetings and informational mailings which afford the public full opportunity to comment.

Public hearings on rail passenger projects are generally held in the affected area. Public hearings for the Maryland State Rail Report are held regionally. Public buildings, convenient to the public and centrally located, are used. Thirty days notice given for all public hearings. Notices are 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 Maryland State Rail Report are solicited through mailings to county planners, railroad operators, elected officials, and public libraries. In addition, mailings are made on request to rail users and the general public. Also, written comments from public agencies are solicited through the "Maryland Intergovernmental Review Process." Comments obtained through these public participation processes are incorporated, to the extent practical, into the final SRR.

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 offices, transportation and economic development agencies, the Maryland Department of Economic and Employment Development, and the Delmarva Advisory Council. This interaction facilitates rail planning efforts and provides other avenues for public participation.

The department is committed to working within the ongoing cooperative comprehensive transportation planning process carried

out by regional organizations. The Maryland State Rail Report dealing with regional transportation issues have been and will continue to be developed in close coordination with the appropriate regional agencies.

Energy Planning (40 CFR 266.15 (c) (11A)

The state rail planning process, as an element of the overall state transportation planning process, addresses energy efficiency, fuel conservation and energy consumption. In developing policies and programs concerning rail service abandonments, preservation of cost-effective rail service on light density lines, and provision of commuter rail service in major metropolitan corridors, the rail planning process includes consideration of the fuel efficiency of rail transportation. It also focuses on the importance of the state's rail system in transporting fuels such as coal.

When SRA evaluates an abandonment application consideration is given to the energy impact of the loss of rail service. In most cases transportation by truck compared to transportation by rail will result in the consumption of greater amounts of fuel. Further, the frequency of increasingly heavier trucks accelerates the deterioration of the state's highways and bridges. However, it is very difficult to accurately quantify the economic impacts of the foregoing. As a result most departmental decisions concerning proposed rail abandonments are based on the projected negative economic impact accruing to the operating railroad.

Provision of commuter rail service in major metropolitan corridors does have a significant impact on energy efficiency and fuel consumption. Each day in Maryland, nearly 9,700 commuters contribute to an overall reduction in fuel consumption by using one of the state-supported commuter rail systems rather than private automobiles.

From the earliest days of railroading to the present, most of the nation's coal has been transported by railroads. This is particularly important in Maryland where substantial amounts of coal are transported both for domestic use and for shipment to foreign consumers through the Port of Baltimore. The rail planning process includes an evaluation of the state's rail system with respect to its ability to accommodate the significant volumes of coal being transported. Special attention is given to the rail system serving current and planned coal-fired electrical generating stations and the special transportation issues associated with rail movement of coal. Congestion problems involve conflicts with the existing rail operation serving other industries as well as community impacts at grade crossings.

Maryland will continue to recognize the importance of fuel conservation and the national goal to increase the domestic use of coal. The rail planning process will continue to focus on these areas due to the significance for both the state and nation.

CHAPTER III

THE FREIGHT RAIL SYSTEM (49 CFR 266.15 (c)(2)(I) and (II))

Overview

Historically, Maryland's freight rail system has played a major role in the state's development. The rail network helped the Port of Baltimore gain a competitive advantage over other east coast ports by linking Baltimore with the geographically closer midwest. The rail system also has been important to the communities of Maryland's Eastern Shore and Western Maryland, where development occurred as a rail network was built.

On the Eastern Shore, the rail system is essential in the shipment of agricultural goods and other bulk commodities. The rail system also contributes to the Eastern Shore poultry industry as a major transporter of feed products.

Western Maryland and the Baltimore Region are linked through the rail system. Western Maryland is a major gateway for oversized shipments unable to clear Northeast Corridor tunnels and serves as an convergence point for the CSX Transportation, Conrail, and Norfolk Southern.

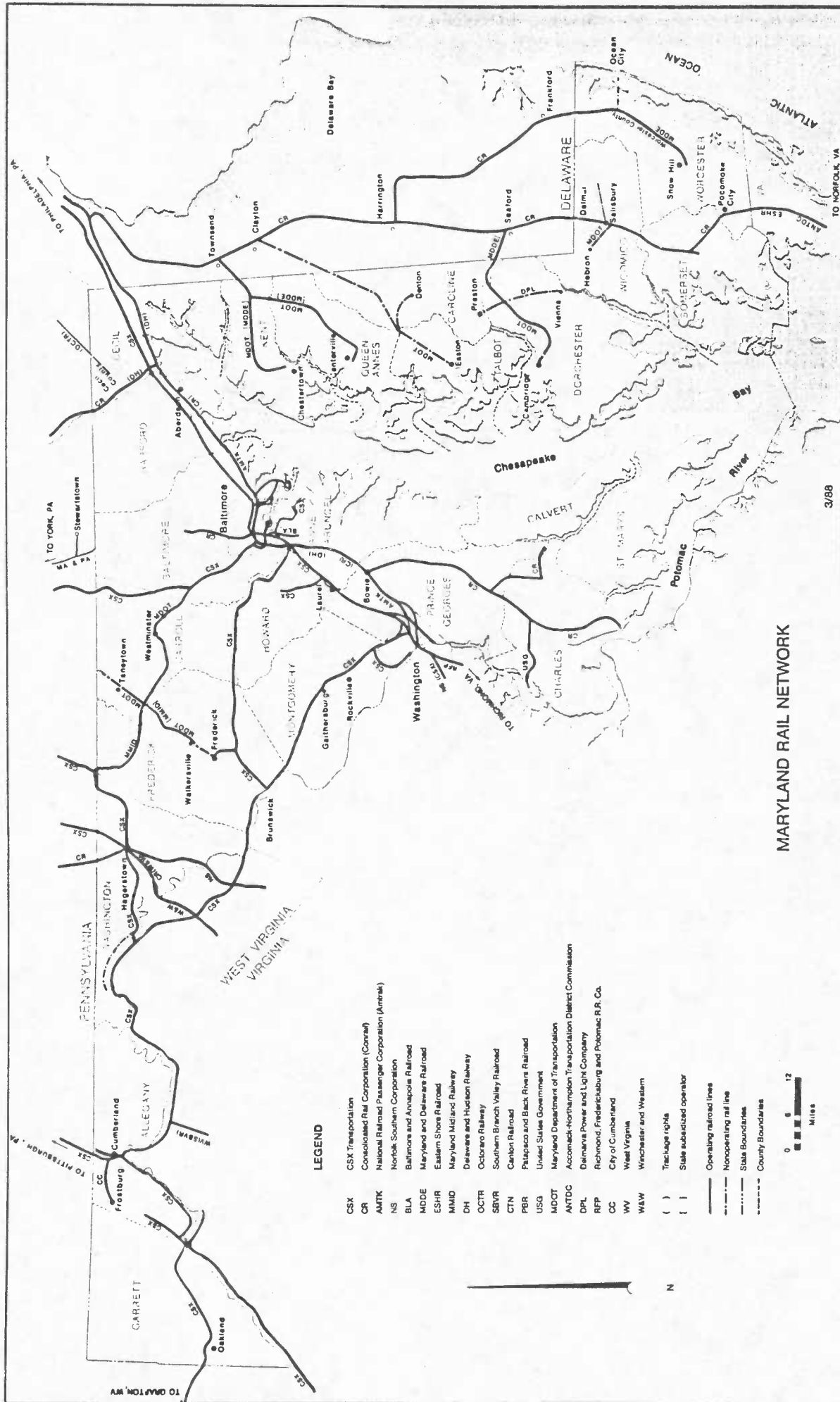
Class I Railroads (40 CFR 266.15 (c)(2)(i))

Operating railroads are classified by Interstate Commerce Commission criteria as Class I, Class II, or Class III carriers. The criteria established by ICC are based on the railroad operating revenues as calculated using 1978 dollars. Railroad companies with annual operating revenues of \$50 million or more are classified as Class I carriers. Class II railroads are those having annual operating revenues of more than \$10 million but less than \$50 million, while Class III railroads are those having annual operating revenues of \$10 million or less. The statewide rail network is shown in Map 1.

Class I railroads operating in Maryland are as follows:

<u>Railroad</u>	<u>Route Miles</u>
1. CSX Transportation (CSXT)	469.0 miles
2. Consolidated Rail Corp. (Conrail - CR)	181.1*
3. Norfolk Southern (NS)	<u>15.6</u>
TOTAL	665.7

MAP 1



In addition to these Class I railroads, the New York, Susquehanna and Western Railway (NYS&W) has trackage rights over the Northeast Corridor through the state, but provides no direct service to Maryland shippers. NYS&W has those trackage rights by virtue of a Directed Order by ICC resulting from the bankruptcy proceedings filed by the Delaware & Hudson Railway.

CSX Transportation (CSXT)

CSX currently operates a total of 469 miles of track in the State of Maryland. The following chart details CSXT's mainline and branch line trackage:

	<u>Miles of Track</u>		
	<u>Double</u>	<u>Single</u>	<u>Total</u>
CSX Mainline	191.4	241.5	432.9
CSX Branch Line	<u>9.8</u>	<u>26.3</u>	<u>36.1</u>
Total	201.2	267.8	469.0

The main east-west line of the CSX extends through Maryland from Oakland at the western extremity of the state to the Delaware State line at Newark, Delaware, on the eastern extremity. The line passes through Cumberland, Brunswick suburban Washington, Jessup, 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 CSX traffic between the Midwest and the East Coast.

All westbound trains are broken up and positioned for their continued westbound move at a major classification yard in Cumberland. Most traffic for midwest destinations originate in Baltimore, Philadelphia and Potomac Yard (south of Washington, D.C.). A majority of eastbound traffic destined for Baltimore and east cost points originates in Chicago, St. Louis, Cincinnati, Toledo, Cleveland and Buffalo.

Daily trains moving north and south over CSX tracks are interchanged at Potomac Yard. Northbound trains pick up cars at Bayview and Mt. Clare in Baltimore before proceeding to Wilmington, Philadelphia and New England States via the New York, Susquehanna and Western Railway. A southbound train originates daily in Philadelphia with stops at the Bayview and Jessup yards.

Consolidated Rail Corporation (Conrail)

Conrail currently operates 181 miles of track in Maryland. Mainline and branch line traffic is listed in the chart below:

	<u>Miles of Track</u>		<u>Total Route</u>
	<u>Double Track</u>	<u>Single Track</u>	
Conrail Mainline	8.2	60.1	68.3
Conrail Branch Line	-	<u>112.8</u>	<u>112.8</u>
Total	8.2	172.9	181.1

Conrail's most frequent service in the state is over Amtrak's Northeast Corridor (NEC). Scheduled freight trains operate daily between Potomac Yard in Alexandria, Virginia, and points in Pennsylvania and New Jersey. Most of these trains pick up and set out cars at Bay view or Mt. Vernon Yards in Baltimore. North of Baltimore, trains either continue on the NEC to Wilmington, or leave the NEC at Perryville and proceed into Pennsylvania. Daily trains link Baltimore with Detroit and points north. Recently, CSX and Conrail have arranged to divert some trains off the NEC and on to CSX's parallel line. There are also daily trains between Hagerstown and Harrisburg, Pennsylvania (Enola Yard).

Local freight trains originate in Bay View Yard to serve a large area including Potomac Yard, Benning, Cockeysville, Havre de Grace, Charlestown and Wilmington, Delaware. Southern Maryland is service by a train originating in Washington, D.C. and stopping at Marlboro, La Plata, Morgantown and Chalk Point on a rotating basis. Daily local trains in each direction link Hagerstown with Chambersburg, Pennsylvania, and Winchester, Virginia.

Maryland's Eastern Shore and Delaware are served by Conrail's line between Wilmington (Edgemoor Yard) and Pocomoke City where Conrail interchanges with the Eastern Shore Railroad (ESHR) for service to Norfolk, Virginia. A daily train operates between Harrisburg, Pennsylvania, and Harrington, Delaware, via Dover, Delaware. Local service from Dover picks up and sets out cars at Townsend, Delaware, for interchange with the Maryland and Delaware Railroad (MDDE) serving lines to Chestertown and Centreville, Maryland.

Another daily local train between Harrington and Delmar, Delaware handles MDDE interchange traffic at Seaford, Delaware for Cambridge and Preston, Maryland. From Harrington, local trains serve Salisbury, Fruitland, and Pocomoke City, Maryland. Service is provided as needed to the interchange with the Maryland and Delaware Railroad at Frankford, Delaware for the Snow Hill line.

The Norfolk Southern Corporation

The Norfolk Southern Corporation is a major line haul railroad with 7,865 miles of track. However, NS has only limited trackage in Maryland as shown on the following chart:

	<u>Double Track</u>	<u>Single Track</u>	<u>Total Track</u>
NS Mainline	0.0	15.6	15.6
NS Branchline	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	0.0	15.6	15.6

NS normally operates two trains daily in each direction between Hagerstown and Roanoke, Virginia, plus occasional coal trains as required. Hagerstown functions principally as an interchange point for the NS 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 CSX and Conrail. The NS has received trackage rights from the CSX Transportation between Connellsville, Pennsylvania, and Hagerstown via Cumberland to connect the Pittsburgh and Shenandoah Divisions. Also, recently the NS has received trackage rights from Conrail to Harrisburg, Pa. It is expected that up to eight additional trains will be routed from Virginia to Pennsylvania via the Maryland through route.

New York, Susquehanna and Western Railway

The New York, Susquehanna and Western Railway (NYS&W) operates trains between Sunbury, Pennsylvania and Potomac Yard, Virginia, under trackage rights granted to the Delaware & Hudson Railway over Conrail and Amtrak lines. NYS&W owns no trackage in Maryland and is not authorized to serve points in Maryland. NYS&W trains presently traverse Maryland via Perryville and the Northeast Corridor.

In January, 1984, the Guilford Transportation Industries (GTI) acquired the Delaware and Hudson Railway (D&H) and now owns it and two other regional northeastern railroads - the Maine Central and the Boston and Maine. In an effort to improve the profitability of the Guilford System, GTI created a subsidiary (the Springfield Terminal Railway) to provide service over GTI owned or controlled lines. In so doing GTI felt it had created a railroad under ICC regulations exempt from onerous labor work rules and wages inherited from the rail unions of its existing railroads/employees.

D&H labor unions challenged GTI authority to create another railroad alleging that their actions amounted to little more than circumventing the law to terminate existing labor agreements. ICC directed arbitration ruled against D&H/GTI stating that they

could create another railroad but that they could not do so for the purpose of terminating existing labor agreements. One arbitration decision required the award of backpay to over 1,000 D&H employees. The other required that Springfield Terminal employees have the same rules and wages as if they were working for the original railroad.

Citing the arbitrators' backpay award and "other factors", D&H indicated it did not have cash reserves sufficient enough to continue operations for more than a few days and filed for bankruptcy. In order to continue operations over track either owned by D&H or over which it had trackage rights, the ICC issued a directed service order to the New York, Susquehanna and Western Railway to provide service formally provided by D&H. Conrail had petitioned to be the designated operator of the D&H properties, but was rejected because of competitive advantage this would give Conrail over other railroads.

State Freight Movement Characteristics (49 CFR 266.15 (C)(2)(ii))

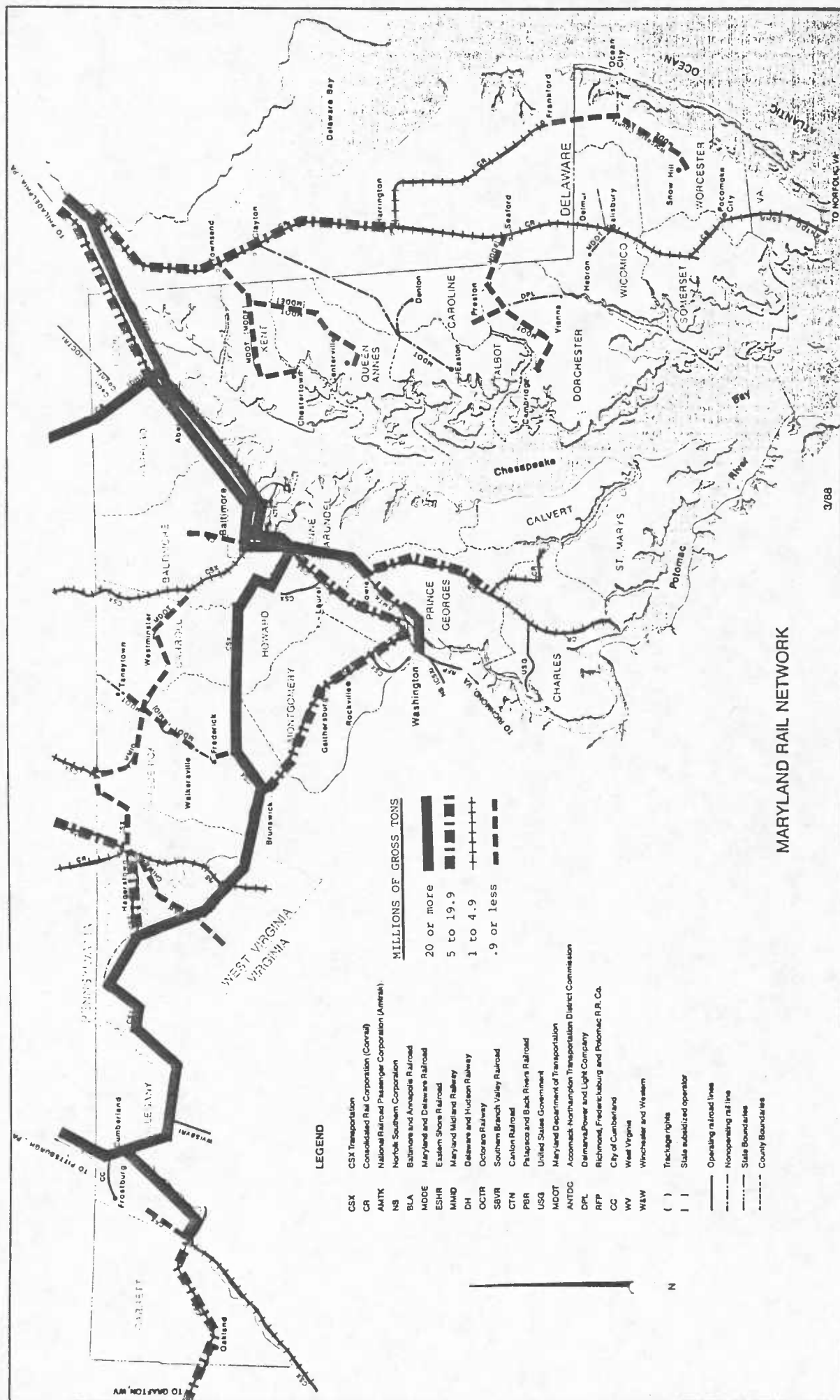
Freight Traffic Density

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

The most heavily used rail line in Maryland is CSXT's mainline between Cumberland and Cherry Run, west of Hagerstown, where CSXT traffic exceeded 62 million gross tons in 1987. West of Cumberland, the traffic is divided between the line to Connellsville, near Pittsburgh, Pennsylvania and the lines through West Virginia. East of Cherry Run, CSXT tonnage divides between the CSXT mainline (approximately 53 million gross tons) and the CSXT line through Hagerstown and Pennsylvania (approximately 9 million gross tons).

The CSXT tonnage between Western Maryland and Baltimore is divided between the single track "Old Main Line" (approximately 40 million gross tons) and the multiple track mainline ("Metropolitan") via Washington, D.C. (approximately 14 million gross tons). At Washington, D.C., a portion of the traffic is moved south via the Potomac Yards gateway, but the largest share (approximately 12 million gross tons) continues on the mainline to Baltimore. Traffic east of Baltimore toward Wilmington and Philadelphia is approximately 12 million gross tons.

Conrail traffic density on the Northeast Corridor south of Baltimore is approximately 21 million gross tons which is higher than the density on the CSXT's parallel route. North of Baltimore, Conrail's traffic density on the NEC is 30 million gross tons, which is higher than that of CSXT's parallel line. The Conrail line from Perryville to Harrisburg carries over 43



million gross tons and accounts for a major portion of the northeast-bound traffic.

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 over a gauntlet track and has an additional restriction for all cars exceeding plate "C" (15' 6" height above rail). North of Baltimore, cars up to plate "F" (17' height above rail) can be accommodated. The Virginia Avenue Tunnel in Washington, D.C., used by both Conrail and CSX, is restricted for all cars greater than plate "C". The CSXT has plate "F" restrictions in a tunnel near Gettysburg, Pennsylvania which affects traffic between Baltimore and Hagerstown using this route. In Baltimore, the single track Howard Street Tunnel of the CSXT can accommodate only the 8'6" double stacked containers and has a 1.7 percent northbound grade which requires helper engines and the one-way operations cause occasional delays.

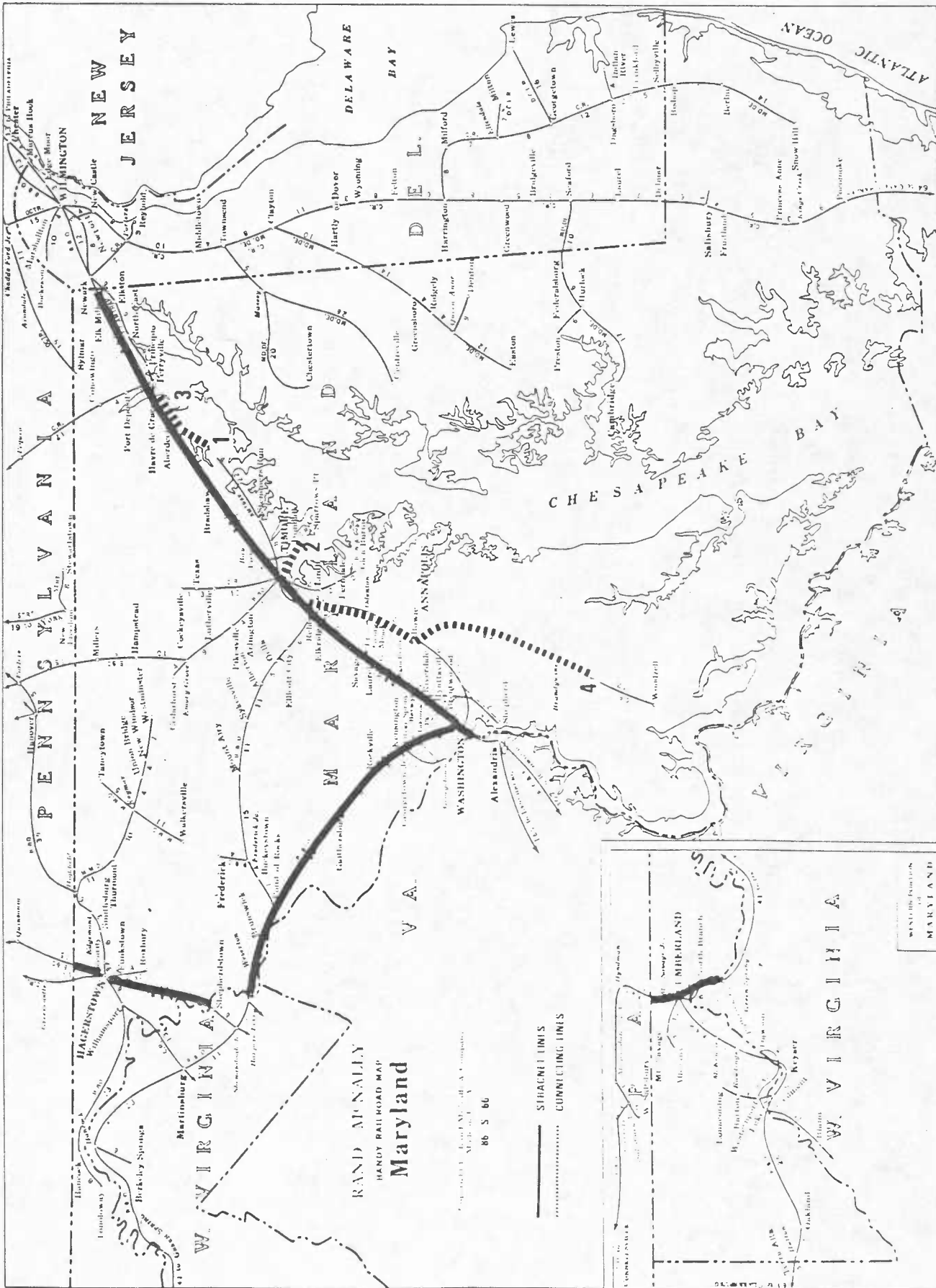
The Delmarva mainline serves as an alternative route for trains moving north and south along the NEC and has no clearance restrictions. This route includes Conrail's mainline through Delaware and Maryland and the Eastern Shore Railroad line and car float operation. This operation will be discussed later in this Chapter.

Rail Freight Services to Military Installations

In July 1986, the Department of Defense (DOD) published a report analyzing the condition of civil rail lines designated as important to national defense. The 175 miles of Strategic Rail Corridor Network (STRACNET) lines and 76 miles of connecting lines located in Maryland have all been assessed as meeting DOD readiness conditions. (See Map 3)

DOD installations and activities in Maryland requiring rail service are Aberdeen Proving Ground and Edgewood Arsenal, Baltimore Outport, U.S. Property and Fiscal Office (Havre de Grace), and Indian Head Naval Ordinance Station.

MAP 3



Baltimore Area Short Lines and Switching Companies

Many Baltimore harbor and industrial areas are served directly by Conrail and CSXT via their extensive yard facilities and by local freight companies. In addition to Class I railroads, three specialized carriers serve area industries by providing local switching services. These carriers are shown on Map 4.

The Baltimore and Annapolis Railroad Company (BLA)

The B&A is the smallest of the Baltimore area railroads. The 6.5 mile rail line runs from the CSXT Curtis Bay Branch line to Glen Burnie and serves five shippers plus occasional cars for a few others. Volume averages approximately 500 carloads of mixed freight per year with 90 percent being inbound traffic. The BLA is a Class III carrier.

Patapsco and Back Rivers Railroad Company (PBR)

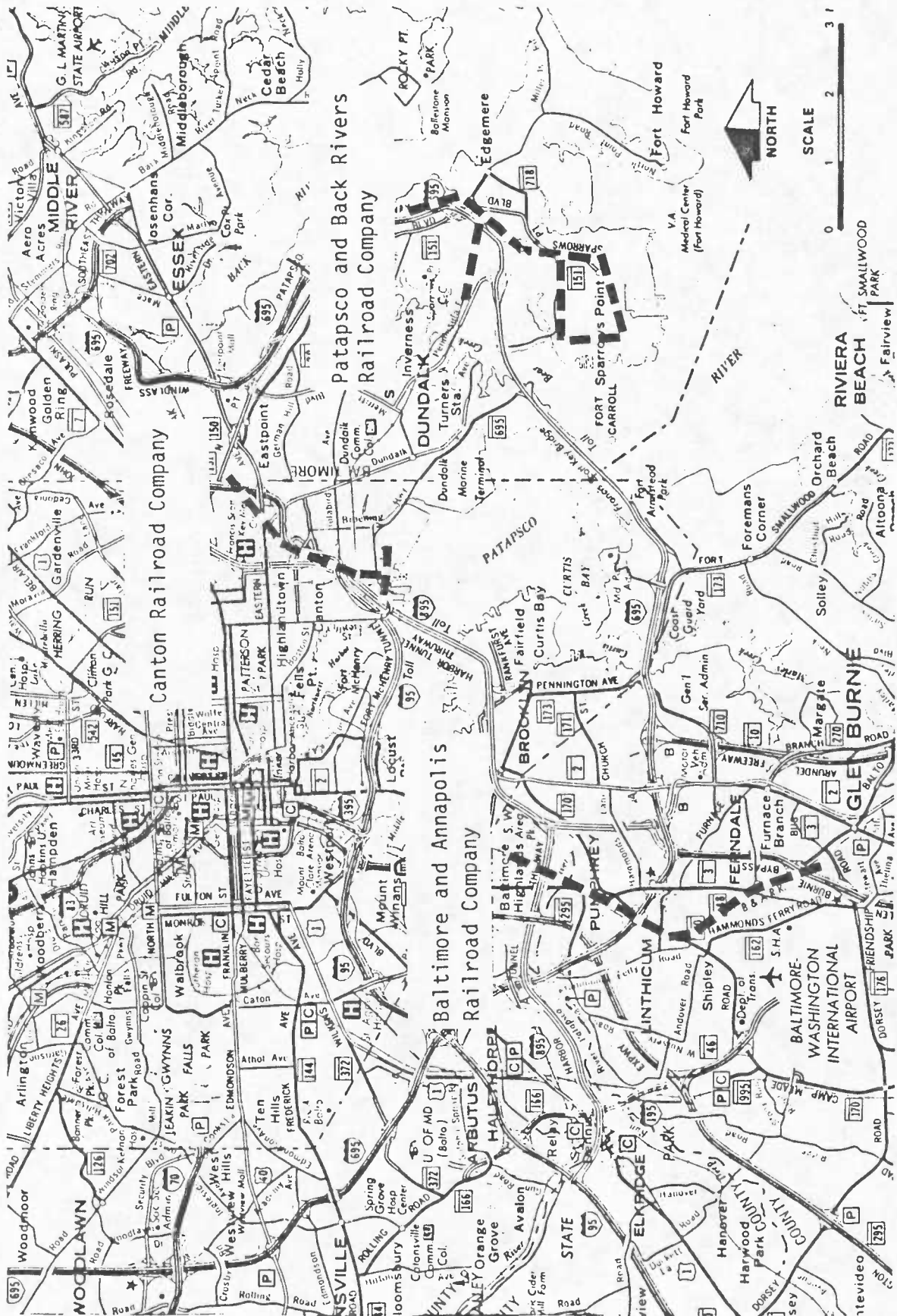
The PBR, a Class I Switching and Terminal Company, is a subsidiary of the Bethlehem Steel Corporation. The railroad owns and operates approximately 100 miles of track located primarily within the grounds of Bethlehem Steel's Sparrows Point facility. The PBR interchanges with Conrail and the CSXT at Gray's yard. It serves 18 shippers located in the Sparrows Point area in addition to Bethlehem Steel, but these account for less than 10% of the approximately 43,000 annual carloads handled by the PBR. The industries include container and aggregate 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.

Canton Railroad Company (CTN)

The CTN is a Class III Switching and Terminal Company. In 1987 a controlling interest in CTN was acquired by the Maryland Transportation Authority when it purchased 51% of the outstanding shares of railroad stock. The remaining stock was purchased in 1988. CTN was purchased to assure provision of switching service to the Seagirt Marine Terminal.

The railroad operates 21.14 miles of track within the industrial area of Baltimore City and Baltimore County and provides interline switching services to approximately 30 industries and the line-haul carriers. CTN handles approximately 6,000 carloads annually. The major commodities handled by CTN are chemicals, plastics, fertilizers, pulp and paper products, metals and general freight.

MAP 4



Publicly Supported Operations

History

The Regional Rail Reorganization Act of 1973 established a regional program, the Local Rail Service Assistance Program (LRSAP), to provide federal assistance to the states in the Northeast and Midwest to subsidize, rehabilitate, acquire and/or lease light density rail lines which would be excluded from the United States Railway Association's Final System Plan. The program was designed to reduce the economic impact on communities which might otherwise lose rail service. The Railroad Revitalization and Regulatory Reform Act of 1976 extended this federal assistance program nationwide.

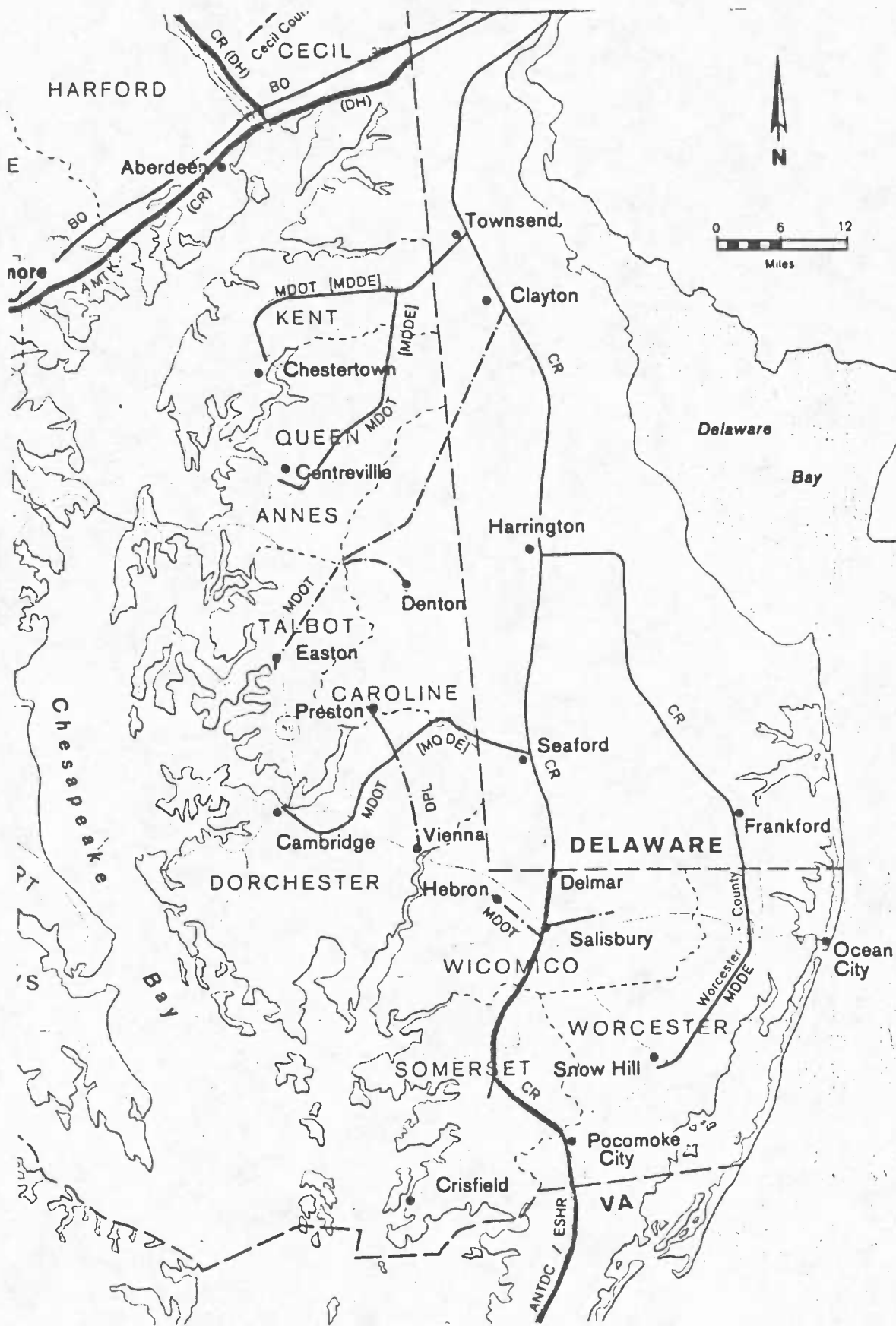
Eastern Shore

Five Maryland branch lines off Conrail's Delmarva mainline were excluded from the Final System Plan: Chestertown/Centreville; Easton/Denton; Cambridge/Preston; Salisbury/Hebron; and Kings Creek/Crisfield (see Map #5). In 1976, Maryland began leasing these lines from the Penn Central Corporation and entered into contracts with Conrail to continue providing service to each of these branches except the Crisfield line. In 1977, the state replaced Conrail with the Maryland and Delaware Railroad (MDDE) as the operator of the Cambridge/Preston, Easton/Denton, and Centreville/Chestertown branches; Conrail continued to serve the Salisbury/Hebron branch. Service on the Salisbury/Hebron and Easton/Denton branch lines has since been discontinued due to continuously declining traffic.

In addition to those Eastern Shore lines directly subsidized by the department, financial support has also been provided to the Eastern Shore Railroad (ESHR). ESHR is the former Penn Central line from Pocomoke City, Maryland south to Cape Charles, Virginia then to Norfolk via car float. It is currently owned and operated by the Accomack-Norfolk Transportation District Commission (ANTDC). Between federal fiscal years (FFYs) 1976-86, Maryland transferred a portion of its FRA LRSAP entitlement to Virginia for the operation and rehabilitation of the Eastern Shore Railroad. In FFY 1983, Maryland supported Virginia's application for discretionary funds under the LRSAP for further rehabilitation of the Eastern Shore Railroad.

For approximately two years ESRR was owned by Cananie, Inc., a Michigan based marine construction company. Late in 1986 Cananie indicated its intention to abandon ESHR. The states of Delaware, Maryland and Virginia through a joint cooperative effort provided financial backing so that the ANTDC might repurchase the railroad from Cananie and forestall abandonment. Financial backing was provided by the state in three forms. First, \$1.5 million for operating capital was granted to ANTDC

MAP 5



EASTERN SHORE RAIL NETWORK

(\$500,000 from each state). Second, additional federal funding from each state for track rehabilitation was donated. Finally, Virginia backed the loan ANTDC was required to obtain so that they might repurchase all of the railroad stock and other assets from Canonie.

Western Maryland

Pursuant to the Final System Plan, the Frederick Secondary Track from Frederick, Maryland to Littlestown, Pennsylvania was not included in the list of lines to be conveyed to Conrail. This line is actually two separate segments as a result of the collapse in 1972 of the Monocacy River Bridge between Frederick and Walkersville.

In 1976, Maryland began leasing this line from the Penn Central Corporation and contracted with the Maryland and Pennsylvania Railroad (MA & PA) to provide service from Littlestown, Pennsylvania to Walkersville, Maryland. However, in March 1978, the state decided to terminate service on the line due to insufficient traffic combined with the high cost of operations and the extensive rehabilitation required. In 1979, the state, Carroll and Frederick Counties made a commitment to rein-state service on the 17.4 mile segment of the line between Walkersville and Taneytown. In May 1980, Maryland Midland Rail-way began providing service under contract for the state.

CSXT has been serving the City of Frederick since the collapse of the Monocacy River Bridge in 1972. Initially, CSXT provided this service under an order of the Interstate Commerce Commission (ICC). However, after the 1976 reorganization, the CSXT was no longer required to continue providing this service. The state first entered into an informal agreement with the CSXT to continue service, and finally formalized the arrangement in 1981 with a five year operating agreement. The original agreement has since been amended to extent the terms of the agreement to 1991.

Description of Subsidized Lines

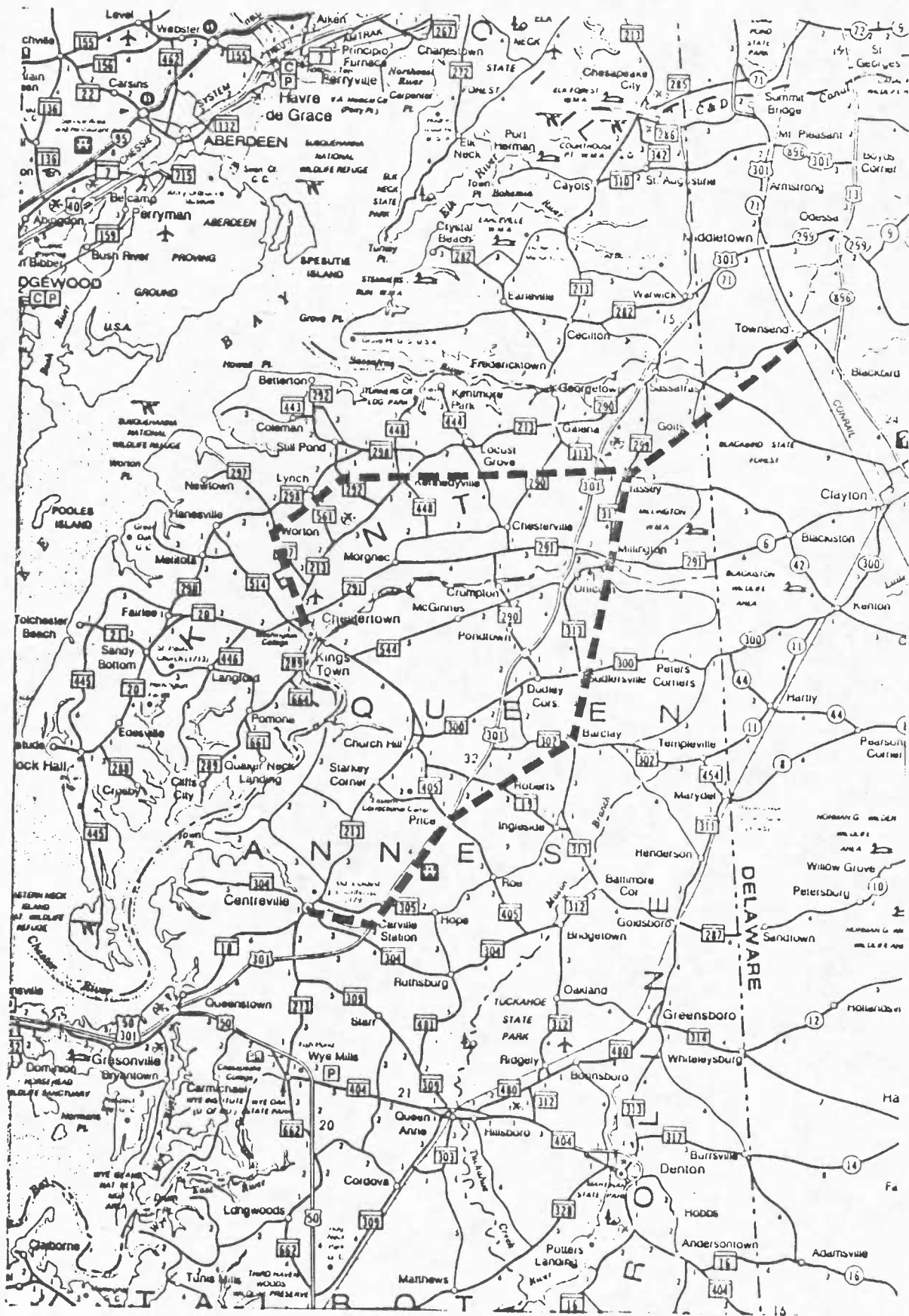
In 1989, the lines continuing to operate with state-supported subsidies are Cambridge/Preston (see Map 6), Chestertown/ Centreville (see Map 7), Walkersville/Taneytown, Westminster/ Cedarhurst (see Map 8) and the East Street Track in Frederick (see Map 9). The following tables provide a description of each.

MAP 6



CAMBRIDGE/PRESTON LINE

MAP 7



CENTREVILLE/CHESTERTOWN LINE



WESTMINSTER/CEDARHURST SECTION

WALKERSVILLE/TANEYTOWN LINE



FREDERICK EAST STREET LINE

TABLE III-I

ROUTE/LINE: Cambridge/Preston
USRA Lines #168 and 152

LENGTH: Seaford-Cambridge, 30.4 miles
Hurlock-Preston, 6.1 miles

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

FRA TRACK STANDARD: Class 1

MAJOR COMMODITIES: Fertilizer, Chemical Products, Feed,
Canned or Frozen Foods, Lumber, Fiber or
Pulp Board, Scrap and Waste, Field
Crops, Paper

OPERATOR: Maryland and Delaware Railroad

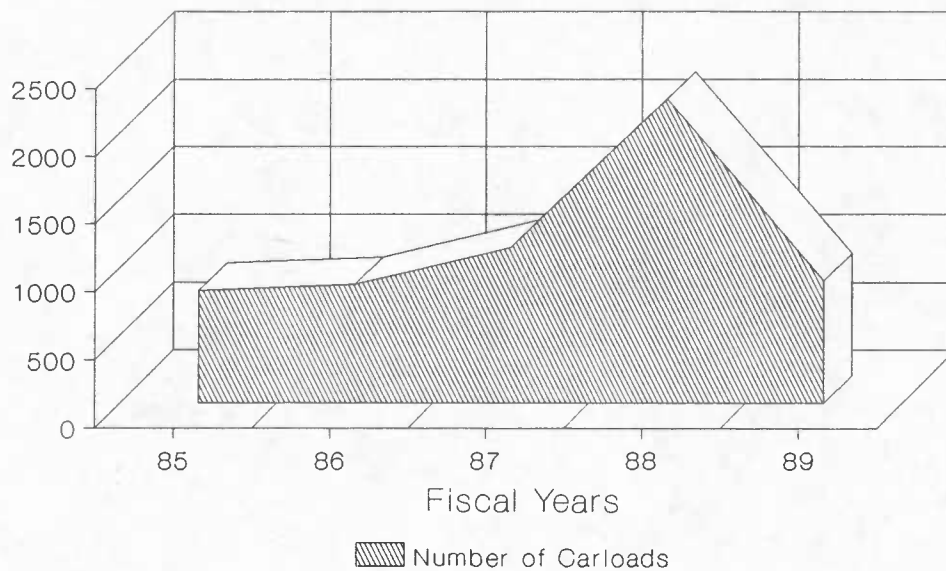
SERVICE: Three (3) trips per week to Cambridge,
One (1) trip per week to Preston

CURRENT OPERATIONS:

	<u>FY 1985</u> <u>Actual</u>	<u>FY 1986</u> <u>Actual</u>	<u>FY 1987</u> <u>Actual</u>	<u>FY 1988</u> <u>Actual</u>	<u>FY 1989</u> <u>Estimate</u>
Revenue	\$265,261	\$252,489	\$294,155	\$517,243	\$216,400
Costs	<u>434,192</u>	<u>428,993</u>	<u>486,753</u>	<u>711,907</u>	<u>419,000</u>
Deficit	\$168,931	\$176,504	\$192,598	\$194,664	\$202,600
Carloads	827	872	1,144	2,241	1,000
Total Carload Deficit	\$204	\$202	\$168	\$87	\$225
State Share	\$152	\$155	\$137	\$70	\$225
Local Share	\$53	\$47	\$31	\$17	\$36
Revenue/Cost % including surcharge	71%	69%	68%	78%	59%

FIGURE III-I

State Railroad Administration Cambridge - Preston Branch Line



State Railroad Administration Cambridge - Preston Branch Line

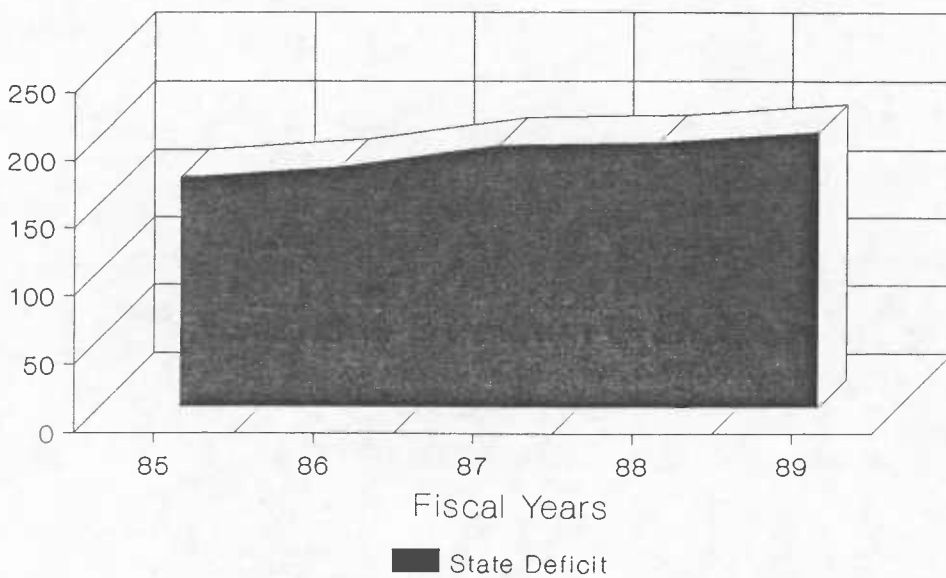


TABLE III-2

ROUTE/LINE: Chestertown/Centreville
USRA Lines #147, 148 and 149

LENGTH: Townsend-Centreville, 34.9 miles
Massey-Chestertown, 20.3 miles

LOCATION: New Castle County, Delaware and Kent and
Queen Anne's Counties, Maryland

FRA TRACK STANDARD: Class 1

MAJOR COMMODITIES: Fertilizer, Chemicals, Feed, Field Crop,
Lumber, Petroleum Products, Farm Machinery,
Paper, Mill Work, Beverages

OPERATOR: Maryland and Delaware Railroad

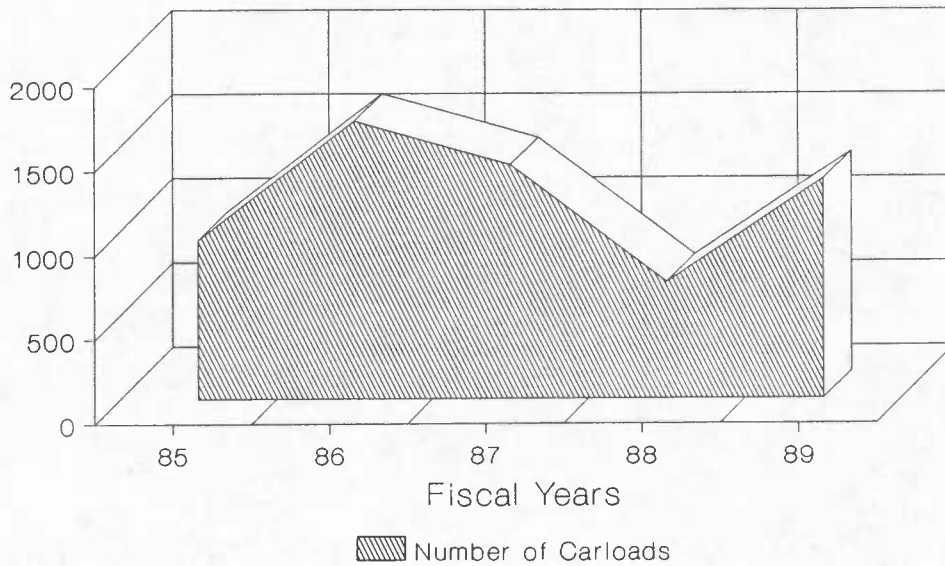
SERVICE: Two (2) trips per week to Centreville,
Two (2) trips per week to Chestertown

CURRENT OPERATIONS:

	<u>FY 1985</u> <u>Actual</u>	<u>FY 1986</u> <u>Actual</u>	<u>FY 1987</u> <u>Actual</u>	<u>FY 1988</u> <u>Actual</u>	<u>FY 1989</u> <u>Estimate</u>
Revenue	\$276,450	\$369,230	\$330,567	\$204,466	\$282,000
Costs	<u>542,132</u>	<u>619,339</u>	<u>574,026</u>	<u>447,104</u>	<u>535,000</u>
Deficit	\$265,682	\$250,109	\$243,459	\$242,638	\$253,000
Carloads	944	1,650	1,387	694	1,300
Total Carload Deficit	\$281	\$152	\$176	\$350	\$195
State Share	\$210	\$114	\$134	\$269	\$154
Local Share	\$71	\$37	\$ 41	\$ 81	\$ 40
Revenue/Cost % including surcharge	63%	70%	68%	58%	63%

FIGURE III-II

State Railroad Administration Centreville - Chestertown Branch Line



State Railroad Administration Centreville - Chestertown Branch Line

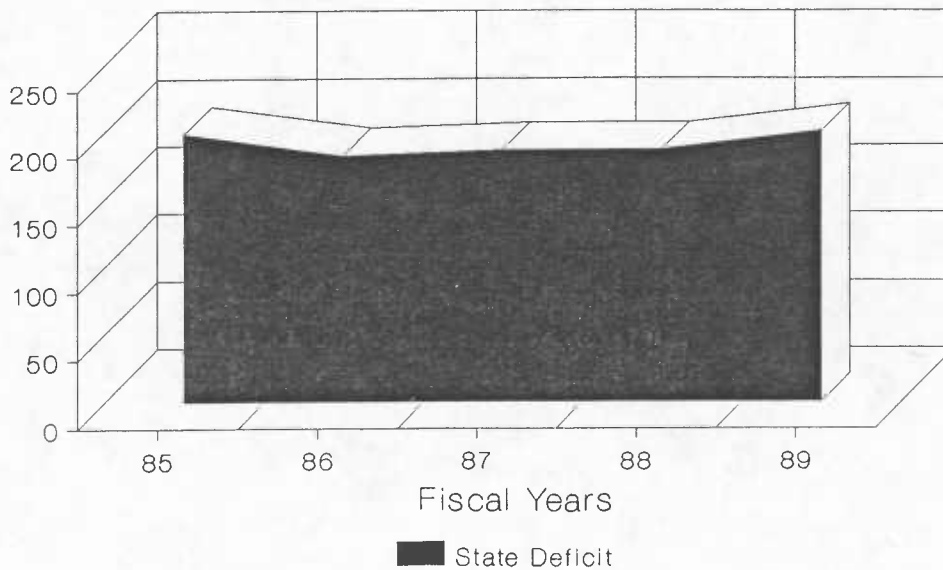
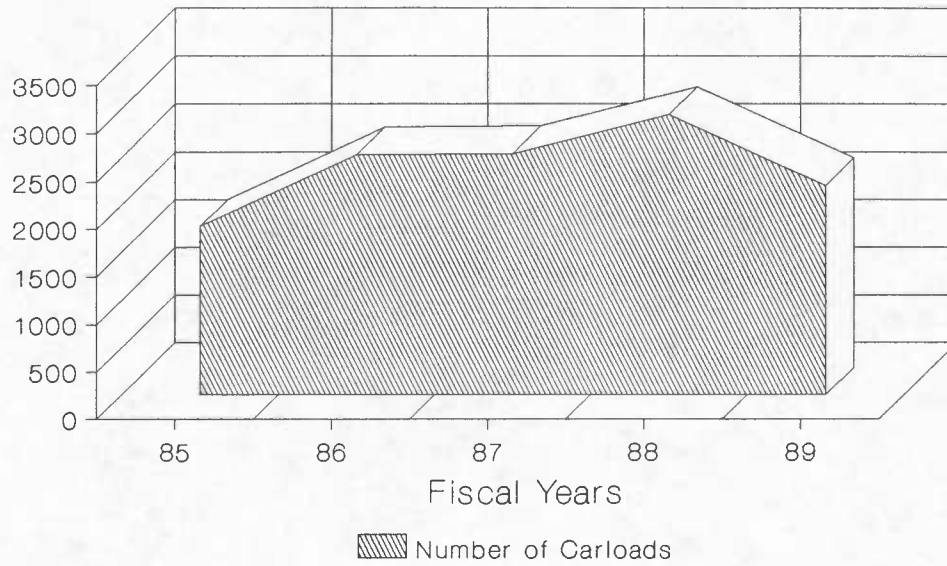


FIGURE III-III

State Railroad Administration Eastern Shore Branch Lines



State Railroad Administration Eastern Shore Branch Lines

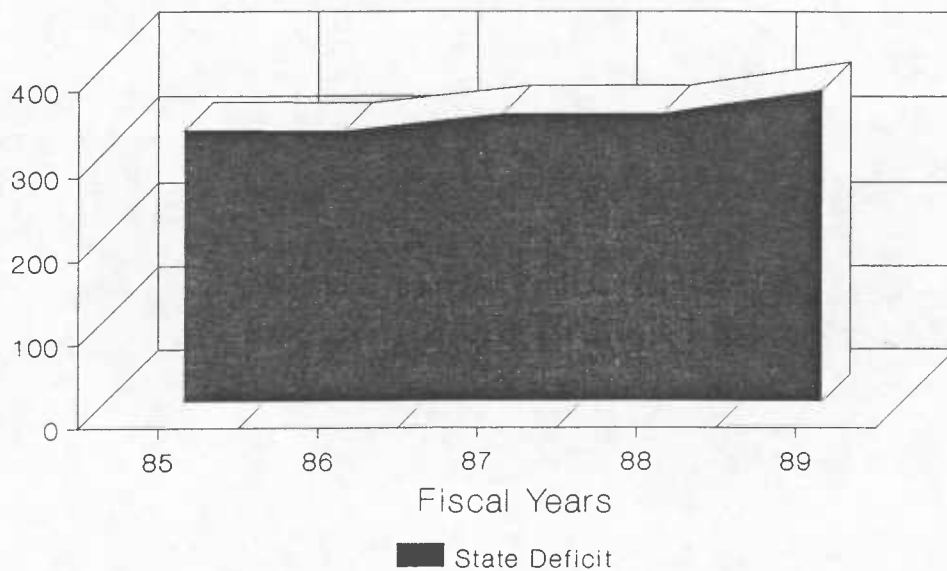


TABLE III-3

ROUTE/LINE: Frederick Secondary
USRA Line #198, Walkersville-Taneytown

LENGTH: Walkersville-Taneytown, 17.4 miles

LOCATION: Carroll and Frederick Counties, Maryland

FRA TRACK STANDARD: Class 1

MAJOR COMMODITIES: Feed and Grain Mill Products, Lumber and
Mill Work, Fertilizer and Chemicals,
Liquified Petroleum Gas, and Field Crops

OPERATOR: Maryland Midland Railway

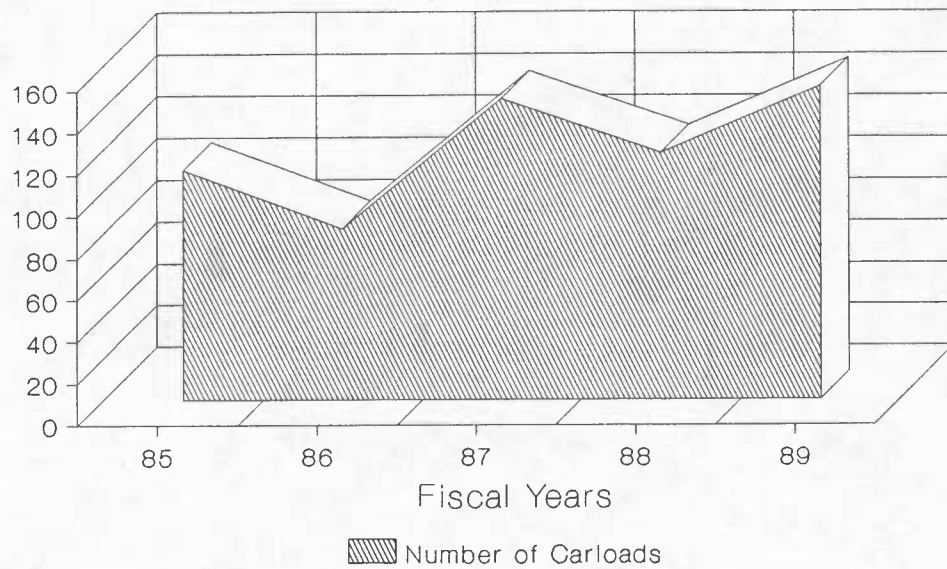
SERVICE: Two (2) trips per week

CURRENT OPERATIONS:

	<u>FY 1985</u> <u>Actual</u>	<u>FY 1986</u> <u>Actual</u>	<u>FY 1987</u> <u>Actual</u>	<u>FY 1988</u> <u>Actual</u>	<u>FY 1989</u> <u>Estimate</u>
Revenue	\$ 39,610	\$ 54,000	\$ 46,095	\$ 35,258	\$ 44,820
Costs	<u>105,363</u>	<u>115,400</u>	<u>107,666</u>	<u>86,247</u>	<u>109,636</u>
Deficit	65,753	\$ 61,400	\$ 61,571	\$ 50,989	\$ 64,816
Carloads	110	82	144	118	150
Total Carload Deficit	\$598	\$749	\$ 428	\$432	432
State Share	\$468	\$684	\$ 413	\$524	\$432
Local Share	\$ 134	\$65	\$ 15	(\$92)	\$ 0

FIGURE III-IV

State Railroad Administration Walkersville - Taneytown Branch Line



State Railroad Administration Walkersville - Taneytown Branch Line

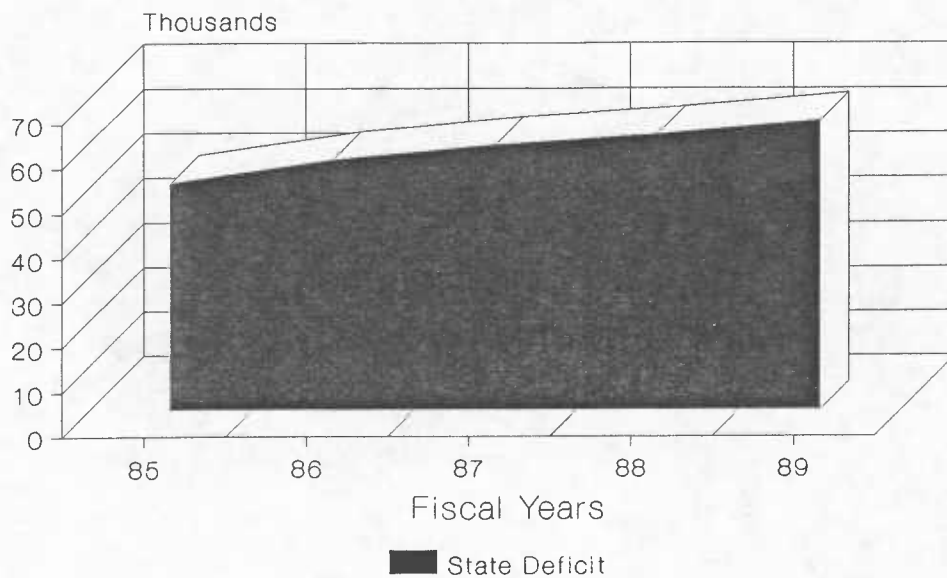


TABLE III-4

<u>ROUTE/LINE:</u>	Frederick (City) East Street USRA Line #199, Frederick (City)
<u>LENGTH:</u>	B&O Junction - 9th Street .93 miles
<u>LOCATION:</u>	Frederick, Maryland
<u>FRA TRACK STANDARD:</u>	Class 1
<u>MAJOR COMMODITIES:</u>	Chemicals, Scrap and Waste
<u>OPERATOR:</u>	B&O
<u>SERVICE:</u>	As Needed
<u>CURRENT OPERATIONS:</u>	The state has entered into a 5 year operating agreement with the CSXT which expires December 1986. The terms of the agreement are for the CSXT to provide common carrier service as needed; the state will reimburse the operator for all maintenance of way and inspection expenses up to a maximum of \$8,000 per year. The state will be reimbursed by the shippers. The estimated annual traffic is 125 carloads.

Other Short Lines with Influence on Maryland

Octoraro Railway (OCTR)

The OCTR operates the Octoraro Secondary Track (USRA Line 142) from Wawa, Pennsylvania to Sylmar on the Maryland/Pennsylvania state line. The Octoraro Secondary Track continues into Maryland ending 5.7 miles from the state line at Colora. That portion of the line is out-of-service and was purchased by Cecil County from the Southeast Pennsylvania Transportation Authority (SEPTA) on October 21, 1983 for \$24,009 and forgiveness of past state and local property taxes. SRA provided \$17,500 of the funds in the form of a grant.

The OCTR has authorization from the ICC to operate to Colora, Maryland but the track is in need of rehabilitation. Two Maryland shippers are indirectly served by the OCTR. Traffic is offloaded at Sylmar and trucked to the Rising Sun area. At least four industries in Colora and Rising Sun have been identified as shippers who would use rail service if it was available. In addition, 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.

Eastern Shore Railroad (ESHR)

The 96-mile Delmarva mainline from Pocomoke City, Maryland to Norfolk, Virginia, is owned by the Accomack-Northampton Transportation District Commission (ANTDC). The line is operated by the Eastern Shore Railroad which is also owned by the ANTDC. The north-south route consists of 70 miles of main track and a 26-mile car float operation from Cape Charles, Virginia to Little Creek, Virginia.

The Eastern Shore Railroad provides daily train service for local and bridge traffic over the Delmarva mainline. ESHR interchanges on the north with Conrail and on the south with CSX and Norfolk Southern. Service over the ESHR and connecting railroads provides an alternative to the Northeast Corridor.

ESHR handles a variety of import-export traffic because of its access to the port of Norfolk. In 1987, ESHR carried over 9,600 carloads. Major commodities shipped include coal, grain, cocoa beans, fertilizers, chemicals, petroleum products, paper products, synthetic fibers, food products, machinery, steel and automobiles.

Snow Hill

In March 1982, Worcester County acquired Conrail's 26 mile Snow Hill branch line (Frankford, Delaware to Snow Hill, Maryland) after Conrail began abandonment proceedings. The County purchased the Snow Hill line with a \$275,000 Maryland Industrial Land Act loan from the Maryland Department of Economic and Employment Development.

The county leased the line to the Snow Hill Shippers Association, a non-profit corporation consisting of local shippers. The shippers in turn sublease the line to the Maryland and Delaware Railroad for operations. The Snow Hill Shippers Association is responsible for funding the operation of the line and repaying the state loan. Upon repayment of the loan in 1988, the association became owners of the line.

In 1982, the Maryland General Assembly authorized the sale of \$750,000 in General Obligation Bonds to rehabilitate the 26-mile line segment to meet minimum federal track safety standards. In 1983, the General Assembly authorized an additional \$1.0 million in General Obligation Bonds to rehabilitate the Snow Hill branch line to FRA Class 2 standards. All of the work required to restore the Snow Hill branch to Class II standards has been completed.

The line carries approximately 2,000 carloads a year. The primary materials handled are chicken feed and paper.

MMID's Highfield to Westminster

In September 1983, Maryland Midland Railway, Inc. purchased the Western Maryland Railway's Highfield to Westminster line. Maryland Midland Railway, Inc. also operates the state owned Walkersville to Taneytown line which is connected to the Highfield to Westminster line via an interchange at Keymar, Maryland.

The Highfield line is 37 miles long and extends from Westminster in Carroll County to Highfield in Pennsylvania, northeast of Hagerstown, Md. The line was formerly a part of WM's mainline extending from Baltimore to the coal fields of West Virginia. After several washouts and rail service termination on the Westminster to Cedarhurst portion of the line, the Highfield line had become a stub-end branch. However, with the rehabilitation of the Westminster/Cedarhurst line and the subsequent purchase of the CSX connecting line from Cedarhurst to Emory Grove, uninterrupted rail service is now available by MMID from Highfield all of the way to the CSX mainline at Emory Grove and into Baltimore, Md.

The line handles over 5,000 carloads annually with a majority of the traffic being generated by Lehigh Portland Cement

Company. The primary materials handled on the line are concrete, stone, wood, fertilizer, grain, and paper products.

Westminster to Cedarhurst

In 1983 the state purchased eight miles of out-of-service track from CSX. The track was former Western Maryland track which had been washed out in 1972 and again in 1975. Through a cooperative effort involving the state, the federal government, Maryland Midland Railway and Carroll and Frederick counties, the track was rehabilitated and placed back in service on July 29, 1988.

The Maryland Midland Railway is the contract operator over the Westminster/Cedarhurst branch line which operates through train service between interchange points with CSX at Highfield in the west and Emory Grove (Glyndon) in the east. Rehabilitation of Westminster /Cedarhurst required almost two years to complete and cost \$1.8 million. With this section of track rehabilitated a more direct route from the western part of the state into the Baltimore metropolitan region is restored.

As part of the rehabilitation effort concerning Westminster/Cedarhurst, the state executed an operating agreement with Maryland Midland which assures continued freight service over state-owned lines in the western part of the state (Walkersville/Taneytown and Westminster/Cedarhurst). The agreement would phase out operating subsidies over a five year period while at the same time phasing in payments for MMID's use of the track.

CHAPTER IV

THE PASSENGER RAIL SYSTEM

Overview

The state began subsidizing commuter rail passenger service on two CSX (formerly B&O) lines to Washington, D.C. in FY 1974 after extensively evaluating the need and feasibility of continuing to provide this service. In FY 1976, the state began subsidizing Conrail service from Baltimore to Washington and in FY 1978, in partnership with the State of Pennsylvania, began subsidizing Amtrak's "Chesapeake" train between Philadelphia and Washington. Federal law allowed Conrail to eliminate providing passenger service by January, 1983. Amtrak replaced Conrail as the operator of the Baltimore to Washington trains in January 1983. Finally, in July 1983, the "Chesapeake" was eliminated due to Pennsylvania's decision to discontinue its share of the subsidy. Maryland expanded its service between Baltimore and Washington to accommodate Chesapeake riders in this region. Commuter service provided by the state through its contract operators is known as the Maryland Rail Commuter service or "MARC".

Growth of the MARC program is attributed to the demand for a fast, safe and reliable alternative means of transportation to automobile travel. MARC service has grown in popularity since its inception because it does provide such an alternative means of transportation with comfort and convenience.

Figure IV-1 shows the ridership on the MARC between 1985 and 1988. Total ridership increased steadily from an average of about 6,300 trips per day in 1985 to 9,700 trips per day in 1988.

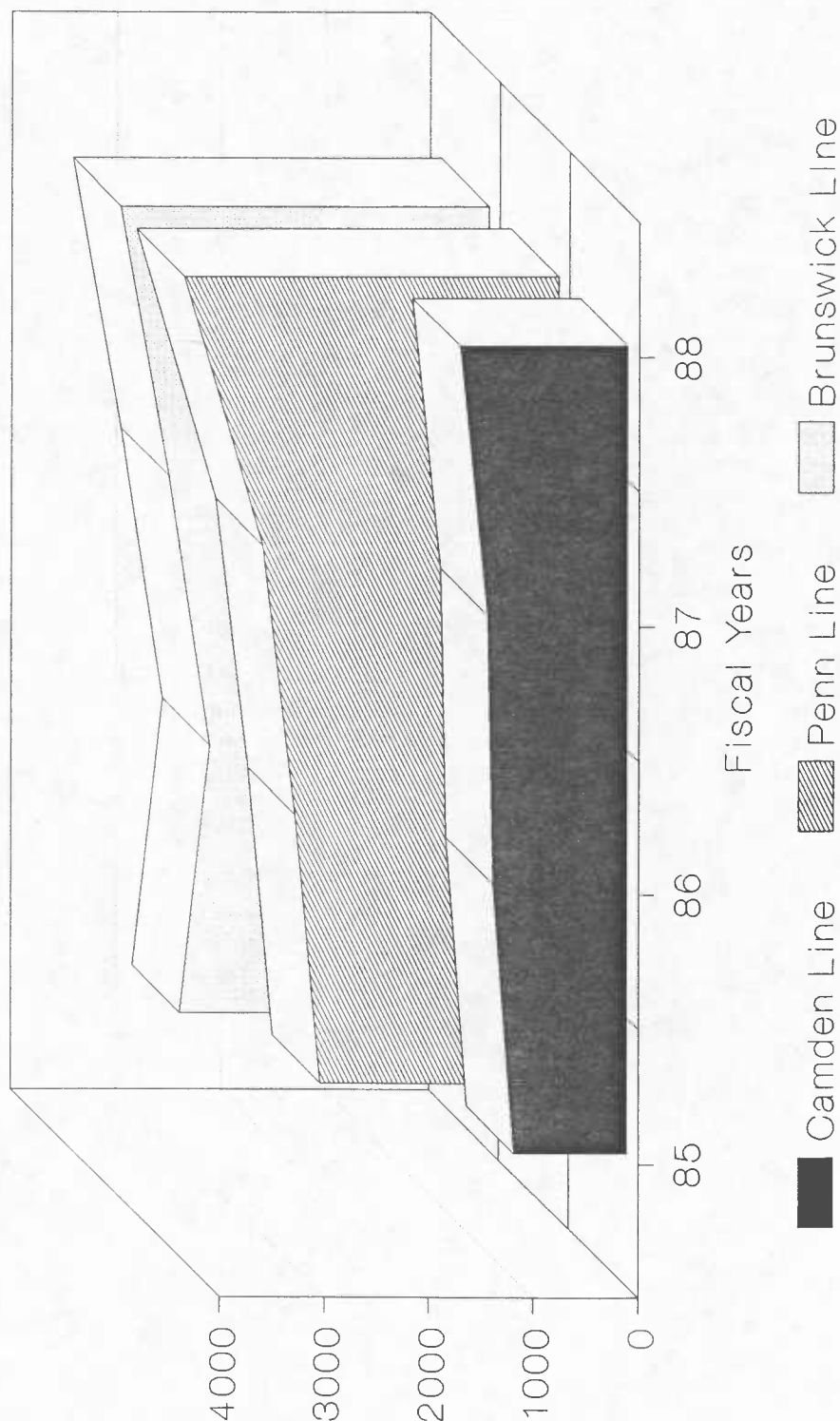
In addition to the service described above, commuters are also afforded the opportunity to take advantage of Amtrak service in the Baltimore to Washington corridor. Amtrak offers two types of service along the Northeast Corridor - Metroliners and conventional trains.

Metroliners provide express inter-city service between New York/New Haven and Washington, D. C., whereas conventional trains operate to and from Boston and other cities system-wide outside of the Northeast Corridor. In Maryland, all Metroliners stop at Baltimore and about half of these trains stop at the New Carrollton Station. Limited Metroliner service is also available at the BWI Airport Rail Station.

All conventional trains stop in Baltimore and nearly all trains stop at the New Carrollton Station. Service to BWI International Airport is also provided by several conventional Amtrak trains. Limited service to Aberdeen is also available.

FIGURE IV-1

State Railroad Administration MARC Average Daily Ridership



Operations

MARC rail service is operated on three lines that primarily serve patrons commuting to Washington, D. C. These services are operated by CSX and Amtrak as shown on Map 10. Each system is discussed separately.

MARC Service on the CSX Lines

CSX operates ten trains each weekday on the Camden Line which runs from Camden Station in Baltimore to Union Station in Washington, D.C. Camden Line trains stop at St. Denis, Elkridge, Jessup, Laurel, Berwyn, College Park and Riverdale. As can be seen in Figure IV-2, the Camden Line has an of average 1,800 passengers each weekday.

CSX also operates twelve trains each weekday on the Brunswick Line which runs between Brunswick, Maryland and Washington, D.C., with limited service between Martinsburg, West Virginia and Washington, D.C. Stops are made at Duffields, Harpers Ferry, Brunswick, Point of Rocks, Dickerson, Barnesville, Boyds, Germantown, Metropolitan Grove, Gaithersburg, Washington Grove, Rockville, Garrett Park, Kensington, and Silver Spring. The Brunswick line carries an average of 3,900 passengers each weekday as shown in Figure IV-2.

MARC Service on the Amtrak Lines

Amtrak operates 14 trains per day on what is referred to as the MARC Penn Line from Penn Station in Baltimore to Union Station in Washington, D.C. Penn Line trains make stops at West Baltimore, Halethorpe, BWI Airport, Odenton, Bowie, Seabrook, and New Carrollton. The Penn Line averages 4,000 riders daily as shown in Figure IV-2.

Capital Projects

Station Improvements

New station construction and station improvements are planned in Prince George's, Howard, Montgomery, Baltimore and Anne Arundel Counties as well as in Baltimore City and Washington, D.C. In Montgomery County, improvements have been recently completed at the Brunswick, Point of Rocks, Dickerson, Barnesville, Garrett Park, Germantown, and Kensington stops. A new station was opened at Metropolitan Grove Road in Gaithersburg in summer 1987. Plans have been developed to further improve and increase station parking at Germantown and Barnesville. In addition, discussions are currently underway concerning the possible relocation of the Silver Spring Station.

MARC

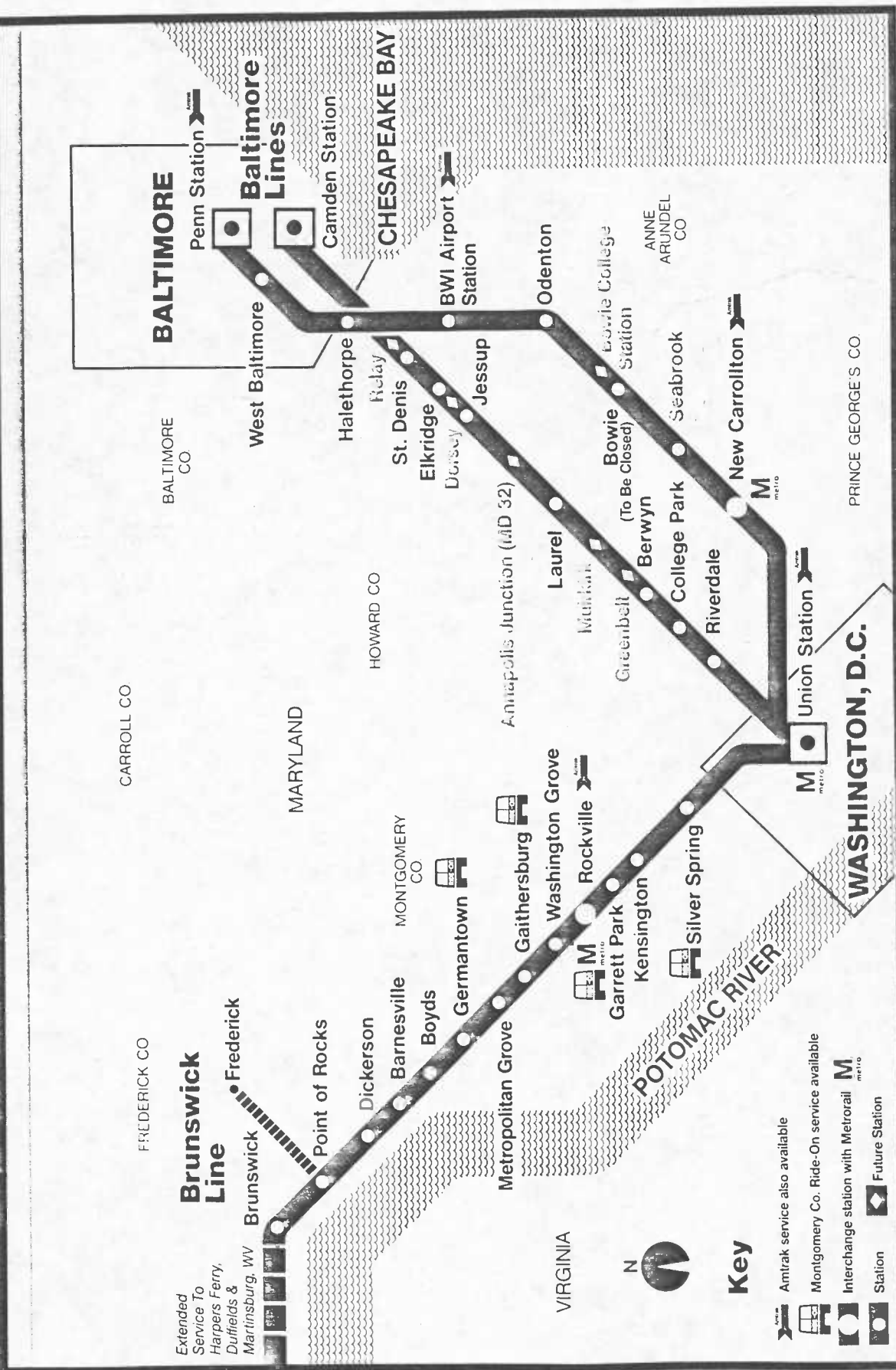
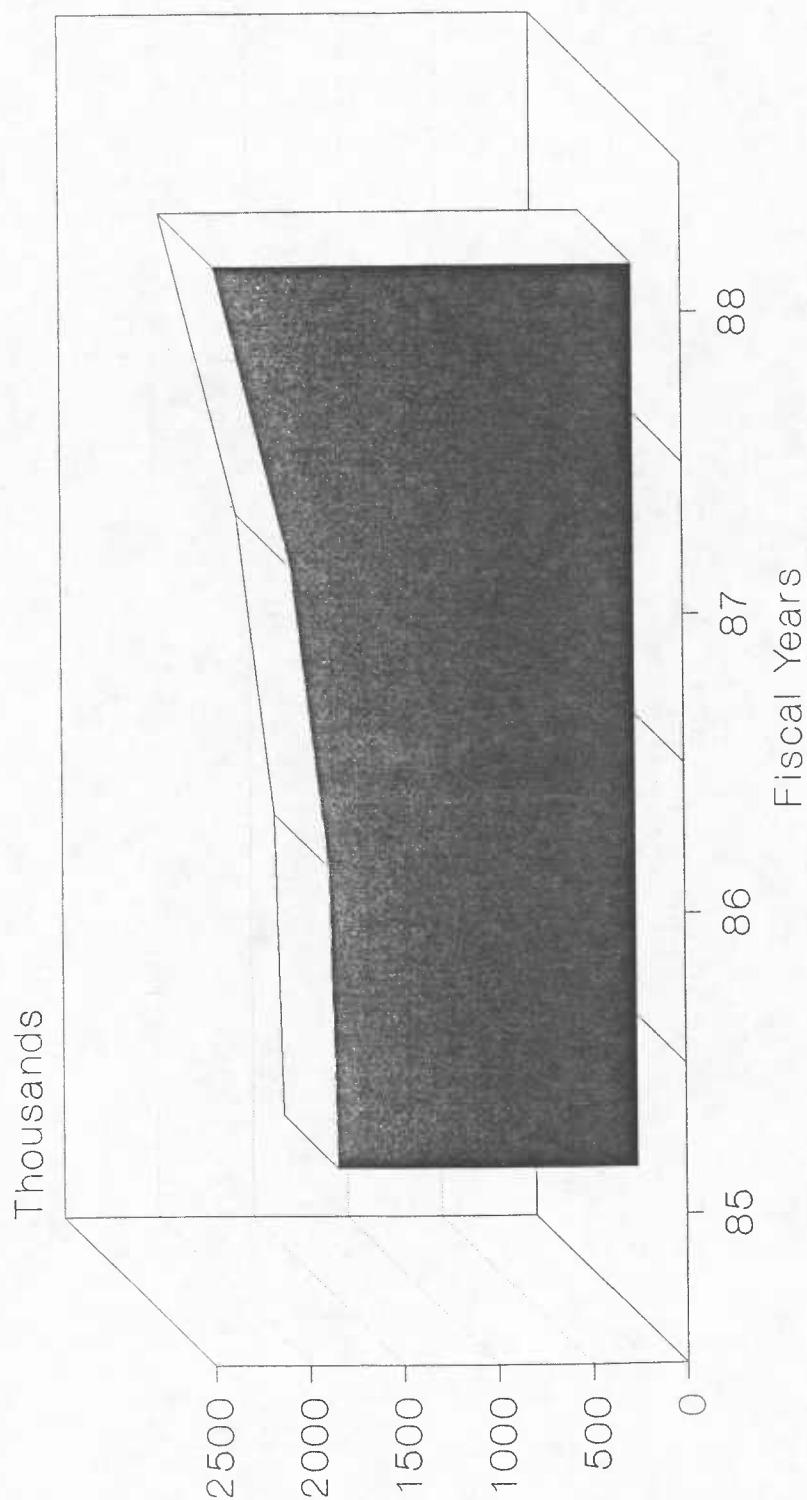


FIGURE IV-II

State Railroad Administration MARC Annual Ridership



In Prince George's County, construction of a new station in Greenbelt is scheduled to begin in 1989. The Greenbelt station will be located on the Camden Line and constructed adjacent to the planned Greenbelt Metrorail station thereby providing the opportunity for transfers between the two systems. Plans for new stations at Muirkirk Road and Md. 32 on the Camden Line are under way in order to better serve the growing laurel to Beltsville market along the Route 1 corridor.

A new station is also under construction to replace the Bowie station on the Penn Line in FY 1989. The new station will provide high level platforms, improved and expanded parking, and a grade separated pedestrian crossing which alleviates the existing overcrowded parking, deteriorated facilities and unsafe at-grade crossing now existing at Bowie. The Seabrook station, also on the Penn Line, has been improved and expanded.

A complete listing of station projects is summarized below.

New Stations

Major Station Improvements

Camden Line

Relay (Balto. County)
Md. 32 (Howard County)
Dorsey (Howard County)
Muirkirk Road (P.G. County)
Greenbelt (P.G. County)

Penn (Balto. City)
Camden (Balto. City)
Odenton (Anne Arundel County)
Union (Washington, D.C.)
Seabrook (P.G. County)

Penn Line

Bowie (P.G. County)

CHAPTER V

PROGRAM IMPLEMENTATION (49 CFR 266.15 (c)(1)) (49 CFR 266.15 (c)(8))

Maryland's Local Rail Service Assistance Program

Maryland's Local Rail Service Assistance Program's primary objective is to preserve essential light density freight rail service whenever the private sector cannot profitably provide such service, when there are no reasonable alternative modes of transportation available, and where the service is cost-effective.

The Local Rail Service Assistance Program assists in supporting the state's economy and its economic development programs designed to retain and/or expand existing businesses and attract new business to the state. Due to the availability of state-supported rail service to rural communities in the state, many businesses have been able to remain competitive and are, therefore, able to continue or even expand existing operations. The availability of state-supported freight rail service has helped enhance the economic growth in the state and is used as a promotional tool to market Maryland by state and private market development specialists in their efforts to attract new business to the state.

The state currently owns 202 miles of branch line right-of-way and provides subsidized service on approximately 119 miles. There are five state-owned branch lines operating under the program: Cambridge/ Preston; Chestertown/Centreville; Walkersville/Taneytown; Frederick East Street and Westminster/Cedarhurst. A Detailed description of each line was provided in Chapter III.

Funding

Through the end of FY 1988, \$34.9 million has been invested by Maryland in rail service preservation projects state-wide. The following chart details these expenditures by cost category and funding sources:

Freight Rail Expenditures
By Year, By Category
Through FY 1988
(\$000's)

<u>FY</u>	<u>Lease</u>	<u>Rehabilitation</u>	<u>Operating Subsidies</u>	<u>Acquisition</u>	<u>Total</u>
77	452	-	747	-	1,199
78	452	1,122	1,230	-	2,804
79	550	2,094	432	-	3,076
80	471	1,424	654	-	2,549
81	878	663	705	-	2,246
82	1,378	922	673	9,295	12,268
83	47	944	657	452	2,100
84	-	579	522	-	1,101
85	-	772	501	-	1,273
86	-	621	487	-	1,108
87	-	1,935	498	-	2,433
88	-	2,295	488	-	2,783
Total	4,228	13,371	7,594	9,747	34,940

Freight Rail Expenditures
By Funding Sources Through FY 1988
(\$000's)

<u>Activity/Source</u>	<u>Federal</u>	<u>State*</u>	<u>Local</u>	<u>Total</u>
Operating Subsidies	3,371	1,391	858	5,620
Lease	2,880	1,052	296	4,228
Rehabilitation	4,628	3,120	-	7,748
Acquisition	-	9,747	-	9,747
Total	11,675	21,609	1,656	34,940

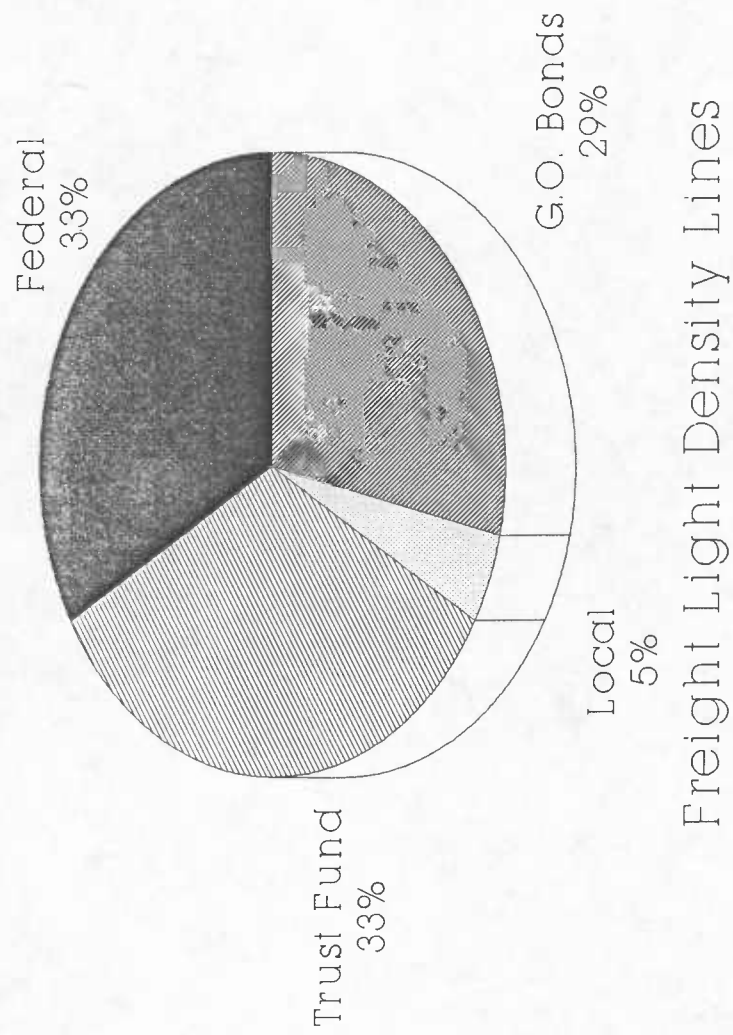
* Includes 9,983 in General Obligation funding for acquisition.

Acquisition of light density rail lines represents 28 per cent of total program expenditures to date. Rehabilitation represents 38 per cent, operations 22 per cent, and lease 12 per cent. Of the total program fund expenditures to date, the state has contributed 62 per cent, the federal government 33 per cent and the remainder, or 5 per cent has come from local sources, i.e., shippers and counties. Expenditures by fund and category are displayed graphically in figures V-1 and V-2.

Over the past few years federal contributions under the Local Rail Service Assistance (LRSA) program has declined significantly when compared to the initial years of the program. Funding under current legislation expired at the end of FFY 1988.

FIGURE V-I

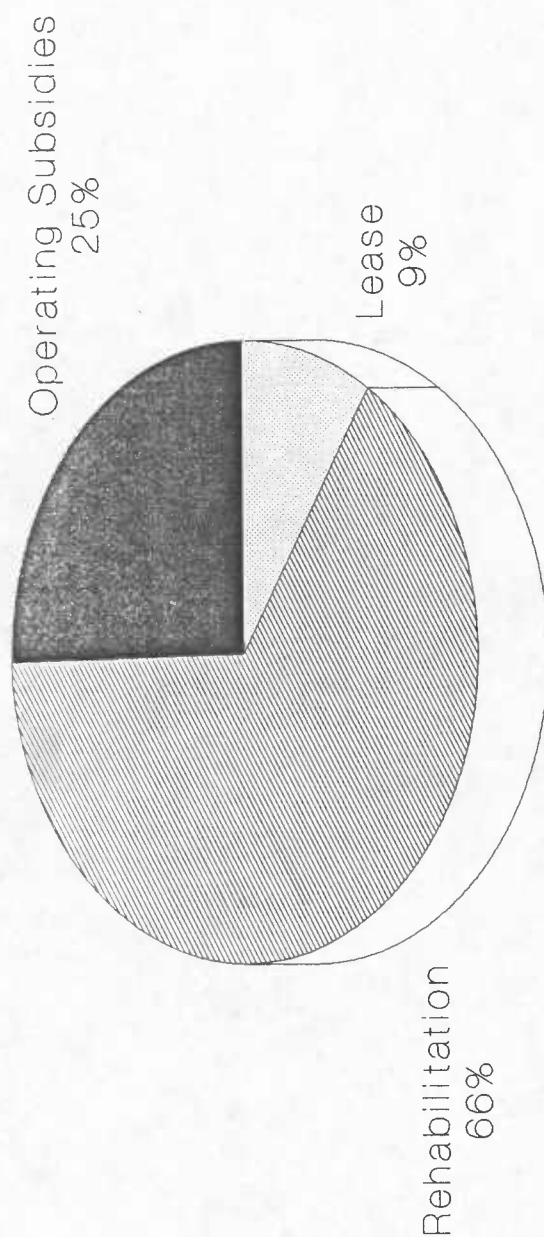
State Railroad Administration Expenditures by Fund



FY 77 - FY 88

FIGURE V-II

State Railroad Administration Trust Fund Expenditures by Category



Freight Light Density Lines

FY 77 - FY 88

There is still uncertainty whether federal funding under the LRSA program will be extended or reauthorized. If other federal funding sources are not identified then all funding for future freight rail programs will come from state and local sources, primarily state.

There is some concern that elimination of federal funding for state rail projects would severely hamper states' efforts to continue their programs. Recently, efforts were undertaken by American Association of State Highway and Transportation Officials (AASHTO) and Transportation Alternatives Group (TAG) to assess transportation needs to the year 2020 so that a more balanced transportation funding program could be established by Congressional legislation. The Transportation 2020 Program, as it is called, will be the basis for legislation which, when enacted, would fund a balanced program of transportation projects in lieu of the existing modal specific funding mechanisms. In effect all modes of transportation ie., highways, aviation, rails, ports will be funded by the same federal program. As the Transportation 2020 Program progresses every effort is being made by each of the modes of transportation to assure adequate representation and the generation of a balanced assessment of transportation needs to the year 2020. The resultant product would hopefully assist in the process of enacting federal legislation restoring federal funding to the states for rail projects as part of a balanced transportation program.

Program Assessment

In approving the FY 1985 budget of the Department of Transportation, the Maryland legislature directed the department to conduct quarterly reviews of the financial performance of all state-supported branch lines. As stated in the FY 1985 budget bill:

....funding for operating subsidies for all state subsidized rail freight lines may not be increased by budget amendment or other means during fiscal year 1985. The Secretary of Transportation will conduct a quarterly assessment of all state-subsidized rail freight lines performance to verify that projected revenue and traffic estimates materialize. The Secretary of Transportation is authorized to cancel the contract with a rail freight line on 90 days notice if the operating projections do not materialize.

The legislature's concern was precipitated by the continued erosion of traffic on all subsidized lines and the resultant increased deficits required. Prior to committing still additional funds, the legislature directed MDOT to closely monitor the financial trends of these lines to determine if continued subsidy operations and capital improvements were warranted.

In approving the FY 1988 budget, the legislature removed the requirement to assess the viability of subsidized lines on a quarterly basis. The SRA, however, continues to prepare these quarterly analyses and will recommend appropriate action if traffic and operating revenues fail to materialize as projected.

Rail Line Acquisition Program

The largest single expenditure for the state has been the acquisition of the 203 miles of rail lines/rights-of-way. Through FY 1988, the state spent approximately \$10 million on acquiring the rail property. Funds for acquisition were provided through General Obligation bonds approved by the Maryland legislature.

In January of 1982, the state completed its purchase of 195 miles of rail lines some of which it had previously leased from the Penn Central Corporation. The cost was \$9.3 million. Annual lease costs at the time of acquisition were approximately \$1.4 million. The purchase not only eliminated the lease burden, but also demonstrated SRA's commitment to preserve rail corridors for continued (and/or future) rail service.

In May of 1983, the state acquired the Westminster/ Cedarhurst rail line for \$451,500. This 8-mile, out-of-service line was purchased to restore a more direct east - west route through the state to the metropolitan Baltimore rail market. After its purchase the line was rehabilitated for \$1.8 million through a cooperative effort involving funding from Carroll and Frederick Counties, the federal government, transportation trust funds and general obligation funds. Rail service was restored in Summer, 1988.

Financial Viability of Subsidized Branch Lines

Traffic Trends

In the years since the last State Rail Report (1985) total traffic on subsidized branch lines has been increasing. Most of the traffic shipped over state-supported lines is on the Eastern Shore of Maryland. While the total number of cars shipped on the shore has increased over the previous period reported in the 1984-85 SRP, significant shifts have occurred from line to line. In addition, traffic on each line has fluctuated significantly from year to year.

Shore traffic is primarily grain traffic supporting the Eastern Shore poultry industry. When rainfall is adequate, grain production is high enough that substantial quantities of grain are not needed from off-shore (Midwest) sources. In these years poultry growers served by the Cambridge/Preston branch ship most of their grain by truck and rail from local grain producers. Grain producers on the Chestertown/ Centreville will ship as many

as 1,200 carloads of grain to poultry producers served by the Snowhill branch line.

When inadequate rain occurs, however, grain production decreases. In drought conditions traffic on the Chestertown/Centreville line decreases to less than half of what is shipped under normal growing conditions. Cambridge/Preston traffic, however, more than doubles because there is inadequate grain to be trucked in from local farmers. Shortfalls are made up by grain shipped by rail from the Midwest.

In order to eliminate dependence on weather for adequate and stable traffic levels, SRA has undertaken a marketing effort to identify and capture transportation of other bulk commodities not sensitive to weather as grain. The Marketing initiative involves a coordinated effort by Department of Economic and Employment Development Specialists, SRA employees, representatives of the operating railroads and a consulting firm. The thrust of the effort is to increase the traffic base through the use of distribution centers where bulk quantities of lumber, paper, plastic and/or stone are collected for local distribution.

Analysis of Benefits and Costs

The State Railroad Administration has performed cost benefit analyses to determine the ratio of benefits to costs that result from providing rail service on each line. These analyses indicate the cost of providing rail service compared to the public benefits derived from the expenditure of public funds. Results of the cost/benefit analysis are but one factor in the Department's overall decision making process with respect to future expenditures. Other factors considered include unquantifiable benefits such as the value of a rail line in enhancing local industrial development efforts.

The methodology used to calculate the cost/benefit ratio is the same as that used in the previous plan and is federally approved. The alternatives analyses applied involve determining the net value of continuing service versus discontinuing service. In such analyses, the benefits identified include transportation cost savings, job salary loss savings, additional equipment cost savings, and relocation cost savings. The costs are the state's share of the railroad operating deficit and anticipated rehabilitation costs. In this way, the identified benefits are compared to the total operating and capital costs of providing rail service over a five-year period. The salvage value of the recoverable assets is also considered.

The data base for these analyses was developed from FY 1988 operating statistics and shipper information obtained through a survey of present day usage and future impacts likely to occur if service were discontinued. Cost/Benefit analyses were not per-

formed on the Frederick East Street track because no subsidy is provided for its operation. The results of the analyses are as follows:

<u>Branch</u>	<u>Benefits</u>	<u>Costs</u>	<u>B/C Ratio</u>
Cambridge/Preston	\$4,872,527	\$3,390,434	1.44
Centreville/Chestertown	\$5,595,283	\$3,648,869	1.53
Walkersville/Taneytown	\$2,240,742	\$1,995,584	1.12
Westminster/Cedarhurst	\$1,057,720	\$657,479	1.61

Cambridge/Preston

Analysis of this line indicates that over a five-year period \$4,872,527 in benefits would be generated while \$3,390,434 in costs would be incurred. The resultant cost/benefit ratio is 1.44, meaning that every rail service dollar invested will produce \$1.44 in community benefits.

A survey of the shippers on this branch line disclosed no business closures or relocations associated with discontinued rail service. However, one business would lose a major customer, another would need to transfer some of the work to another plant. Each business surveyed indicated they would have to increase their use of trucking services at higher transportation costs. Recognizing the benefits generated in relation to costs incurred, SRA will continue supporting this line. The state will pay 70% of the operating deficit with shippers contributing 30%.

Centreville/Chestertown

Analysis of this line indicates that over a five year period \$5,595,283 in benefits would be generated while costs of \$3,648,869 would be incurred. The resultant cost/benefit ratio is 1.53, meaning that every dollar of cost invested produces \$1.53 in community benefits.

A survey of shippers on this line indicated that one shipper receives at least half of his inventory by rail, that rail shipment was mandatory from his supplier and that should rail service be discontinued he would have to relocate. Relocation cost savings of \$1,000,000 were, therefore, considered a benefit in the cost benefit analysis.

Here also, SRA intends to continue supporting this service since benefits clearly exceed the costs. During FY 1989, the state will pay 70% of the operating deficit and shippers will pay 30%.

Walkersville/Taneytown

Analysis of the Walkersville/Taneytown line indicates that over a five year period \$2,240,742 in benefits will be generated while costs of \$1,995,584 will be incurred. The resultant cost/benefit ratio is 1.12, meaning every dollar of cost invested will yield \$1.12 of community benefits. The cost/benefit ration of the Walkersville/Taneytown line has improved markedly over the period last reported. This improvement is due to opening of the Westminster/Cedarhurst branch line. Its opening will allow a more direct access to the metropolitan Baltimore market thereby generating additional traffic on this branch line.

The state will continue to support this operation during FY 1989. However, the state will begin to phase out operating assistance such that five year's hence there will be no operating assistance required from the state for this line.

Westminster/Cedarhurst

Analysis of the Westminster/Cedarhurst line indicates that over a five year period \$1,057,720 in benefits will be generated while costs of \$657,479 will be incurred. The resultant cost/benefit ratio is 1.61, meaning that every dollar of cost invested in the railroad will produce \$1.61 in community benefits. There is no subsidy provided by the State on this line.

Future Plans for Out-Of-Service Rail Lines

The state currently owns six out-of-service rail lines/corridors:

Clayton, Delaware to Easton	(Easton branch)
Queen Anne to Denton	(Denton branch)
Salisbury to Hebron	(Hebron branch)
Kings Creek to Crisfield	(Crisfield right-of-way)
Taneytown to Littlestown, Pennsylvania	
Walkersville to Frederick	

Subsidized rail service was initially provided on the Easton/ Denton, Hebron and Taneytown/Littlestown branch lines. In each case, service was subsequently discontinued due to severe traffic erosion and substantial increases in operating subsidies.

A proposal to re-establish service on the Easton/Denton branch is currently under review. If approved the operator of the line would be required to operate the line at a profit with no operating subsidies from the state. Under the proposed plan freight service would be provided on an as-needed basis with excursion trains running on a regular schedule. Most of the revenue generated under this proposal would be from excursion fares. An economic and operating feasibility analysis by the SRA

of the proposal concluded that it was highly unlikely that the service would be successful.

Absent approval of re-establishing service on the Easton-Denton branch line the department intends to retain the right-of-way for future transportation purposes, including rail service. In the interim period SRA and the Department of Natural Resources (DNR) are considering the conversion of the right-of-way into a trail under the National Trails Act. The department would allow the use of the right-of-way use as a trail while DNR would maintain it under there Open Space Program.

The lines from Kings Creek to Crisfield was purchased as an out-of-service line to preserve the assembled corridor intact for possible future transportation purposes.

On non-operating lines, the state has decided to rail bank those lines to preserve transportation corridors for future transportation use.

Freight Capital

The Consolidated Transportation Program allocates funds for implementation during the first six years of the plan. Proposed capital projects are divided into major projects that increase the capacity of the transportation system and minor projects needed to preserve and rehabilitate existing facilities or replace equipment--generally referred to as system preservation. All SRA projects are included under system preservation of the Department's program. The 1989-94 CTP includes \$6.2 million for the Track Restoration and Construction Program.

1989-1994 CTP (\$ Million)

	<u>89</u>	<u>90</u>	<u>91</u>	<u>92</u>	<u>93</u>	<u>94</u>	<u>Total</u>
Track Restoration and Construction	1.5	1.2	.8	.9	.9	.9	6.2

Capital projects included in the program are identified in the appropriate CTP sections appended to this plan.

Screening Criteria (49 CFR 266.15 (C)(4))

In accordance with federal guidelines a screening criteria has been developed to determine which projects will be included in applications for federal funding. At present, the state will consider only state-owned and operated lines for rehabilitation assistance as described in detail earlier in Chapter III.

Capital projects for state-owned lines have been categorized into two priorities, safety and efficiency. Safety projects will have the highest priority and include those which will correct

safety deficiencies and maintain lines in compliance with FRA Class 1 Standards. Efficiency projects include those which will enhance railroad operations and reduce the cost of operations. Those will be funded only after all safety projects have been funded.

Federal Funding

During federal fiscal year 1984, \$125,000 in federal funds were available for Maryland under the FRA's Local Rail Service Assistance Program (LRSAP). In federal fiscal year 1985 the department will be entitled to \$50,000. These funds have been programmed to rehabilitate grade crossings on the Cambridge/Preston branch line. An additional \$98,000 in federal funds available through FFY 1988 will be programmed for grade crossings on the Walkersville to Taneytown branch lines.

Federal Program of Projects (49 CFR 266.15 (C)(3)(vi) and 49 CFR 266.15 (12)(ii))

The program of projects for LSRAP funds are the freight capital improvement projects shown in Appendix A. These projects are eligible for federal funding under the grant standards of the Federal Railroad Administration. A program of projects is required to be developed and provided to the FRA with each grant application. This program of projects may be modified or added to from year to year.

CHAPTER VI

ISSUES AND TRENDS

National Issues

Freight Program Funding

Through Fiscal Year 1988, Maryland has received approximately \$11.6 million under various federal grant programs. Matched with state and local funds, these funds were used to defray costs incurred for operating assistance, rail line leases and rehabilitation of state-supported branch lines. Since FY 1981 only capital projects are eligible for federal assistance. Figure VI-1 shows the entitlement received by Maryland under the LRSAP Program.

The funding available to the state under this federal program has been drastically reduced from over \$1 million per year initially to less than \$50,000 in FFY 1988. The future of the federal program beyond FFY 1988 is uncertain. Authorization for Local Rail Service Assistance (LRSA) expires in FFY 1989, and legislation reauthorizing the program and program funding beyond FFY 1989 was not approved by Congress.

To provide for the continued support of state-owned branch lines consistent with current state policy, most of the necessary funding will come from the Department's Trust Fund. If federal funding does become available, it will be applied to the capital program with the state providing matching funds and the remaining balance. If proposed legislation reauthorizing LRSA is approved, it is anticipated that only \$36,000 per year will come to Maryland. This level of funding will provide less than 5 percent of the total amount needed on a yearly basis to complete the current capital program. Operating assistance will continue to be funded by Maryland Transportation Trust Funds.

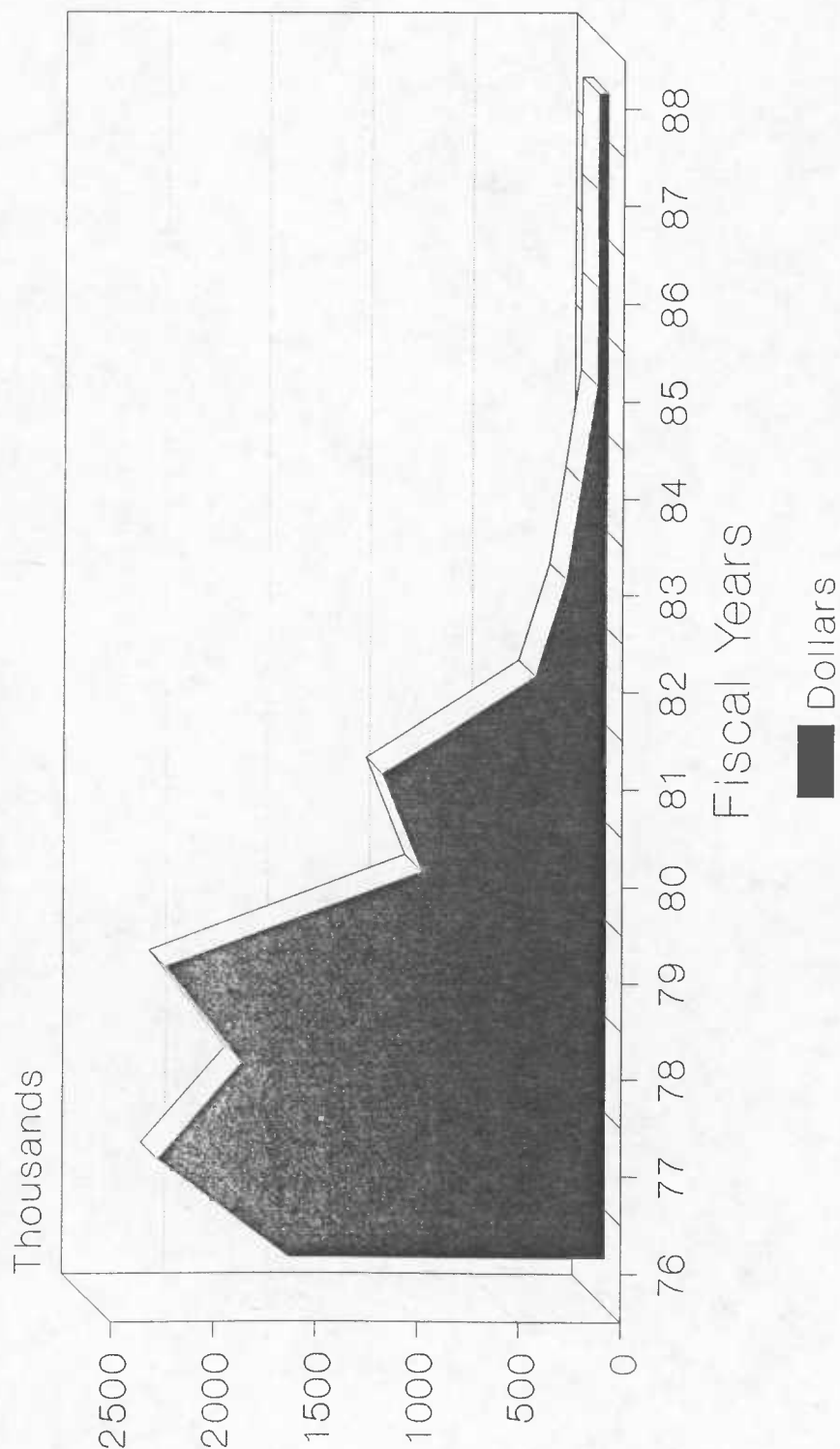
Consumers United for Rail Equity (CURE)

CURE legislation proposed in the 100th Congress is little changed from that which failed to clear committee in the 99th Congress. Just as its predecessor, the basic thrust of the latest proposed CURE legislation was the reduction of rates charged by market dominant railroads for the transportation of goods (mostly coal) produced by captive shippers.

Passage of the bill would impact rate determinations in several significant ways. The actual number of captive shippers would increase because determination of market dominance would no longer include product or geographic competition. Responsibility for providing the burden of proof in rate cases shifts from the

FIGURE VI-1

State Railroad Administration LRSA Federal Entitlements



shipper to the carrier. It does so in a manner which encourages the shipper to challenge all rates in excess of 220% of revenue to variable cost. Finally, railroads need not be revenue adequate before being challenged on rate reasonableness.

The net result of CURE would be to reduce railroad revenues of on the order of \$700 million per year as estimated by the Association of American Railroads. The railroads maintain they cannot sustain such revenue losses and continue to operate as they do today. Suffering such revenue losses would prevent adequate maintenance of equipment and physical plant resulting in deferred maintenance on both. In addition, those rail lines hauling moderate traffic would become marginal and subject to abandonment.

Transportation 2020 Program

Transportation 2020 is an effort sponsored by the American Association of State Highway and Transportation Officials (AASHTO) to formulate broad consensus on a national surface transportation program for the next 30 years after the expiration of the 1987 Surface Transportation Act. Findings and recommendations from Transportation 2020 will be input into the Transportation Alternatives Group to develop a consensus for a balanced transportation system into the 21st Century.

Short Line Sales

Since passage of the Staggers Act of 1980, creation of short line railroads have proliferated through spin offs of marginal lines from major railroads. They have done so under the aegis of the ICC's policy of approving the sale of operating lines without imposing labor protection conditions if the line is sold to a non-operating railroad company. Lines sold to operating railroads would, however, require adherence to standard ICC imposed labor protection conditions.

In 1987 the Pittsburgh and Lake Erie Railroad (P&LE) attempted to sell its rail property under guidelines established in existing law and in accordance with the policy and procedures then in effect by the ICC. P&LE employees disagreed with ICC's approval of the sale and filed suit in the 3rd U.S. Circuit Court of Appeals. The 3rd Circuit overruled the ICC approval and required management to negotiate the effects of the line sale with the unions as mandated in the Railway Labor Act (RLA). In its ruling, the court admitted the conflict between the Staggers Act and RLA and suggested that Congress needed to resolve the matter, which it has not done. In effect the court decided that in spite of the deregulatory trend of the past few years, Staggers did not remove the requirement to negotiate with unions over major disputes as mandated by RLA.

In a similar case, the Burlington Northern Railroad (BN) attempted to sell an 830 mile section of track and sought ICC approval. Again the ICC approved and rail labor appealed. In that decision the 8th U.S. Circuit Court of Appeals upheld the ICC's approval of the sale holding that the Interstate Commerce Act precedence over the RLA.

In yet another case the federal courts have ruled that negotiations with employees over the sale of rail lines constitute minor disputes and are, therefore, not required as a precondition to line sales.

A Supreme Court decision is anticipated which will, hopefully, resolve the contradiction of the 3rd and 8th Circuit Appeals Court decisions. Absent a Supreme Court decision, federal legislation would be required. Until the issue is resolved, it is unlikely that short line sales will continue at anywhere close to the level that existed prior to 1987. More marginal lines may be lost to abandonment rather than sold as short line railroads until this issue is resolved.

Local Issues

Port of Cambridge

In 1987 the Maryland Port Administration leased the Port of Cambridge to the Meehan Company, a small terminal operator. Meehan has already brought in several ships and indicates Cambridge can be a profitable terminal operation but it will require rail service to maximize the its full potential.

Rail right-of-way leading to the port was sold by the state in 1984 to the City of Cambridge for development.

The property sold by the state is the only access by rail to the Port of Cambridge. It has been developed and townhouses have been erected on the property in close proximity to the right-of-way. Relaying tracks (estimated to cost \$50,000) would seriously undermine the desirability property ownership. The City of Cambridge opposes restoring rail service to the port.

Western Maryland Coal Transportation

The Western Maryland Coal Association is a consortium of Western Maryland coal producers. Rates currently charged to transport coal from the western part of the state to the Port of Baltimore makes Western Maryland coal less competitive than that which is mined in Pennsylvania and West Virginia. The association feels less western Maryland coal is exported than otherwise would be because of the competitive advantage afforded other coal producers due to more competitive transportation rates.

Western Maryland Coal producers have supported proposed legislation which would mirror CURE legislation. Their hope is to be declared captive shippers and force the railroad to negotiate more favorable rates. They argue that alternative forms of transportation for their coal does not exist. Truck transportation would be prohibitively expensive and there are no competing railroads. Therefore, they argue they are captive shippers with no alternative but to pay high rail rates.

Easton Rail Corridor

The state provided subsidized rail service on the 55-mile Easton/Denton branch line from April, 1976 until February, 1983. Rail service was discontinued because traffic levels were so poor that the per car subsidy exceeded \$1,000.

In 1983, the Chesapeake Railroad Company, a newly formed shortline railroad, expressed an interest in leasing the Easton line and operating it at their own expense. Significant shipper support has not materialized and re-establishment of service was no longer pursued. The owner of the Chesapeake Railroad then sold the company for \$1.

A new proposal to operate the Easton/Denton branch line was prepared and subsequently presented. Through several iterations of the proposal current data indicates most of the operating revenues would be generated from excursion trains. Freight operations would generate only marginal revenues, especially for the first few years.

If service is not re-established, the department will work with the Department of Natural Resources to convert the right-of-way into a hiker-biker trail. This undertaking will preserve the right-of-way for future rail use or for other transportation purposes under the auspices of the National Trails Act.

Inland Port

The Port of Baltimore it is geographically closer to the midwest than any other port on the East Coast. Almost all of the traffic from the midwest coming to East Coast ports arrive by rail and truck. Prior to passage of the Staggers Act rates for rail and truck transportation were much more sensitive to distance than after Staggers. Due to this sensitivity to distance, The Port of Baltimore enjoyed a competitive advantage over the other East Coast ports.

After passage of the Staggers Act railroads were allowed much more flexibility in their ability to establish rates. That flexibility and the difference in the distance from the Port of Baltimore and the Virginia ports at Hampton Roads coupled with the

economics of transportation by rail has somewhat eroded the competitive advantage enjoyed by Baltimore.

Truck transportation, however is still very sensitive to distance traveled. Commodities shipped to the East Coast ports from western Maryland, Pennsylvania, West Virginia and eastern Ohio are transported mostly by truck rather than rail. In order to capture more of this traffic the Virginia Port Authority decided to build an "inland port" at Front Royal Virginia.

By being much closer to the midwest market, Virginia Port officials believe the inland port would reduce the more costly truck transportation expenses by significant amounts.

The MPA has looked at inland ports for Maryland and concluded that it is not feasible at this time. Serious questions about the success of the Virginia "experiment" have been received as well. The Port of Baltimore has the advantage of additional land for port expansion with good rail access. Virginia does not have suitable land for expansion around Hampton Roads.

The state is building a new modern terminal called Seagirt adjacent to the Dundalk Marine Terminal. The Seagirt Marine Terminal will be a state of the art Intermodal Container Transfer Facility. This will allow for direct transfer from ship to rail at the dockside which will provide a new competitive edge for the Port of Baltimore.

APPENDIX A FEDERAL PROGRAM OF PROJECTS

PROJECT/PROGRAM
CONSTRUCTION PROGRAM

PROJECT DESCRIPTION

CONSTRUCTION PROGRAM

ESTIMATED BUDGET YEAR EXPENDITURES 1990 (\$MIL.)

ESTIMATED EXPENDITURES THRU '89 (\$MIL.)

CONSTRUCTION START YEAR

ESTIMATED REMAINING COST TO COMPLETE (\$MIL.)

ESTIMATED TOTAL COST (\$MIL.)

1. CSX Camden Line Stations	Construct new stations at Greenbelt, Muirkirk, Md. 32, Relay and track work at Camden Station.	89	5.1	2.7	7.0	14.8
2. CSX Camden Line Station Expansion	Expand parking at Muirkirk, Md. 32 and Relay Stations.	92	1.5	--	3.4	4.9
3. CSX Rolling Stock	Purchase additional equipment for MARC Service - 3 locomotives and 25 coaches.	90	0.1	6.3	22.6	29.0
4. CSX Traffic Control System	Purchase and install traffic control system on Camden and Brunswick Lines.	89	3.7	6.3	3.1	13.1 1/
5. Amtrak Line Stations	Construct new stations at Seabrook and Bowie and install high level platforms at Penn, Odenton and Union Stations.	88	4.1	3.4	4.0	11.5
6. Amtrak Line Station Expansion	Expand parking at Halethorpe, Odenton, Bowie and Seabrook Stations.	92	2.8	--	7.4	10.2
7. Amtrak Rolling Stock	Purchase additional equipment for MARC Service -- 1 locomotive and 10 coaches.	91	--	--	16.3	16.3
8. SRA Headquarters Building	Construct new offices for SRA at BWI Rail Station.	89	0.7	--	--	0.7
9. E&H Accessibility Equipment	Equip passenger coaches with lift devices.	93	--	--	1.3	1.3
10. MARC Service Station and Equipment Upgrading	15 projects for improving stations and equipment upgrading.	89-92	3.6	1.1	2.5	7.2 2/

1/Includes \$1.6 million local contribution from CSX.

2/Includes \$1.1 million local contribution from Montgomery County.

CONSTRUCTION PROGRAM

- | | | | | | | |
|---------------------------------------|--|-------|-----|-----|-----|-----|
| 11. Freight Service Track Restoration | 15 projects for grade crossing repairs, bridge repairs and track improvements. | 89-93 | 1.8 | 1.0 | 3.5 | 6.3 |
|---------------------------------------|--|-------|-----|-----|-----|-----|

DEVELOPMENT & EVALUATION PROGRAM

- | | |
|--------------------------------|--|
| 12. CSX Locomotive Shop | Develop detail plan for modifications to Riverside shop and Brunswick storage yard. |
| 13. Dorsey Road Station | Design of new MARC station at Dorsey Road and MD 100 |
| 14. Silver Spring Station | Design of relocated MARC Silver Spring Station at Metro Station. |
| 15. Metropolitan Grove Station | Design and right-of-way acquisition for parking expansion. |
| 16. MARC Super Stations | Select sites and conduct environmental assessment of 2-3 full service stations on each service line. |

MINOR PROJECTS

STATE RAILROAD ADMINISTRATION -- LINE 11

ITEM NO.	DESCRIPTION AND IMPROVEMENT TYPE	TOTAL ESTIMATED COST (\$000)	CONSTRUCTION START
	<u>FREIGHT SERVICE TRACK RESTORATION -- FY 1989 & PRIOR</u>		
1.	Construction inspection on Eastern Shore/Western Maryland freight lines	172	Underway
2.	Rehabilitate 12 grade crossings in Frederick and Carroll counties	470	Underway
3.	Rehabilitate Marshy Hope Creek trestle in Dorchester County	170	Fall, 1988
4.	Repair drainage in Taneytown at Baltimore Street	50	Fall, 1988
5.	Purchase flange lubricators for Westminster branchline	20	Fall, 1988
6.	Repair substructure of Little Pipe Creek trestle in Frederick County	470	Spring, 1989
7.	Rehabilitate Townsend rail yard	300	Spring, 1989
8.	Rebuild US 301 grade crossing at Massey	200	Spring, 1989
	<u>FREIGHT SERVICE TRACK RESTORATION -- FY 1990</u>		
9.	Construction inspection on Eastern Shore/Western Maryland freight lines	100	Summer, 1989
10.	Rehabilitate Hunting Creek trestle in Caroline County	170	Fall, 1989
11.	Repair substructure of Big Pipe Creek trestle in Frederick County	120	Fall, 1989
12.	Rerail 8 miles of track on Cambridge branch	800	Spring, 1990
13.	Rehabilitate 11 grade crossings in Kent and Queen Anne's counties	400	Spring, 1990

MINOR PROJECTS

STATE RAILROAD ADMINISTRATION -- LINE 10

ITEM NO.	DESCRIPTION AND IMPROVEMENT TYPE	TOTAL ESTIMATED COST (\$000)	CONSTRUCTION START
	<u>MARC STATION AND EQUIPMENT IMPROVEMENTS -- FY 1989 AND PRIOR</u>		
1.	Rebuild F-9 locomotives	920	Underway
2.	Construct additional parking lot at Germantown	1,775	Fall, 1988
3.	Renovate Odenton Station building	150	Fall, 1988
4.	Remark MARC 1 rolling stock	425	Fall, 1988
5.	Install station lighting at Point of Rocks and Dickerson Stations	146	Fall, 1988
6.	Install trainline controls on MARC 1 coaches	476	Fall, 1988
7.	Renovate Brunswick station building	55	Spring, 1989
8.	Construct new station building at Germantown	105	Spring, 1989
9.	Reconstruct platforms at Point of Rocks, Riverdale, Laurel, Jessup and St. Denis	445	Spring, 1989
10.	Install station communication network	500	Spring, 1989
11.	Install public address system on MARC 1 coaches	330	Spring, 1989
12.	Install new brake valves on MARC 1 coaches		
	<u>MARC SERVICE STATION AND EQUIPMENT IMPROVEMENTS - FY 1990</u>		
13.	Expand Barnesville station parking lot	320	Fall, 1989
14.	Renovate Kensington station building	175	Spring, 1990
15.	Construct additional parking lot at Point of Rocks	973	Spring, 1990
16.	Rebuild trucks on MARC 1 coaches	440	Spring, 1990

APPENDIX B

BENEFIT/COST METHODOLOGY (49 CFR 266.15 (C)(5))

Introduction

Section 5 of the Department of Transportation Act, as amended by the Local Rail Service Act of 1978, requires that states participating in the Local Rail Service Assistance Program adopt a methodology for determining the ratio of benefits to costs of eligible projects, i.e., acquisition, rehabilitation, substitute service, or new facility construction. This appendix will describe the methodology used by Maryland in arriving at a benefit/cost (B/C) ratio.

In Developing the proposed methodology, real economic benefits and costs are considered where practical, but the unavailability of a complete data base makes a completely theoretical 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 be a valid input to the decision making process.

Costs

The denominator of the B/C ratio is the total cost for each alternative. Depending on the alternative being considered, cost data will be provided by the following sources.

- Cost of rehabilitation of a line will be estimated by SRA based on previous experience with line rehabilitation.
- Cost for purchasing a line will be based on appraisal and/or negotiation.
- Cost to the state for providing operating assistance will be based on prior experience.
- Cost for providing alternative service (where applicable) will be obtained from appropriate sources.
- Cost for adding facilities, such as team tracks, will be estimated by SRA.

Capital 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, local and other funding, as appropriate.

The net liquidation value of the line before project implementation will be calculated as a cost where abandonment is the alternative.

Economic Benefits

Benefits are defined as costs avoided or gains achieved as a result of project actions. 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 cost, 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.

Increased Transportation Costs

Possible abandonment of light density lines will require the exclusive 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/from the nearest alternative rail head. If this amounts to significant increase in transportation costs, it could cause some businesses to move their operations or to close. Other businesses will remain at their existing locations but may experience lower profits, increased prices, and/or reduced production or employment. The effects of increased transportation costs on individual shippers will depend on the type of business or industry, the internal economics of the particular firm, the absolute and relative amounts of the increase, and the difficulty of moving operations to a new location.

In determining increased transportation costs associated with a particular set of alternatives, the following computation is used:

1. Increased transportation costs for commodities trucked to/from nearest rail head,

Increased Transportation Cost = Annual Tonnage x Cost
Per Ton Per Mile x Distance to Nearest Rail Head + Trans-shipment Cost;

2. Increased transportation costs for commodities shipped or received via an alternate mode,

Increased Cost = Tonnage Shipped x Difference in Rail and Truck Costs (or Water Transport Cost);

3. Total Increased Transportation Costs = Step 1 + Step 2.
The costs of truck (or Water Transportation) will be obtained from local trucking companies, or if not readily available, from ATA published data, or from other available sources.

Where rehabilitation is the project alternative, the impact on rail operations will be calculated to determine the effect on operating profits or loss.

On some lines where abandonment is not threatened due to stable traffic and satisfactory shortline operations, alternatives may include upgrading track beyond Class 1 to allow higher operating speeds. In this case, the operator's costs presumably would be reduced resulting in lower subsidies to SRA and/or lower surcharges paid by the shipper. To analyze this type of alternative, detailed operating costs would be obtained from the railroad.

Operating Profit or Loss

The profit generated or loss incurred on operations after project implementation will be calculated based on projections of transportation efficiencies.

Wage and Salary Losses

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 business may expand. These would be primary benefits of a given alternative. For purposes of the B/C analysis, shipper survey job losses or gains estimates will be used.

Secondary job and wage losses may be included in the service-related sectors 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. Multipliers of total employment divided by the base employment have been derived for all Maryland counties by the State Department of Human Resources. These will be used to compensate 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. The second is the cost of unemployment compensation.

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. This is the best indication available for residual

unemployment and will be used to estimate the duration of unemployment. The economic loss to the community is the loss of disposable income: i.e., the difference between 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.

Additional Equipment Costs

The loss of direct rail service will, in some instances, result in the need to purchase or lease additional equipment such as truck or unloading equipment. Shipper estimates of this cost will be included in the benefit/cost calculations.

Relocation Costs

Some businesses are dependant on direct rail service. Service discontinuation could result in business closures or the need to relocate. The net cost of relocation will be factored into the benefit/cost calculations.

Salvage Values

Discounted salvage values shall be counted as benefits, and not as reductions in cost.

Since the state has acquired branch lines where it is considering eligible projects, the net liquidation value (NLV) of the line after the project implementation will be counted as a benefit where abandonment is the alternative.

Additional Jobs 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 on the railroad and in rail dependent industries. The net effect is minimal. Therefore, these job gains will not be factored in the benefit/cost calculations.

Taxes

Taxes are generally considered transfer payments and are thus not usually economically significant at the state level. For this reason, taxes will not be factored into the benefit/cost calculations.

Discounting Cost and Benefits

All projects 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 inflations costs, and the discount should reflect only opportunity costs. For Maryland B/C analyses, the Department has determined a discount rate of 7% 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 operations are expected to continue, or ten years, which ever is less.

APPENDIX C

RAILROAD ABANDONMENT PROCEDURES

Railroad abandonments within the state are analyzed on a case-by-case basis. Interstate Commerce Commission abandonment procedures under the Interstate Commerce Act generally allow adequate time to decide whether an abandonment is in the best interest of the state and local economy. Described below is the procedure used by the Department for the review of potential and proposed abandonments and the notification of interested and affected parties.

SRA REVIEW OF PROPOSED ABANDONMENTS

The State Railroad Administration has developed a procedure for the review of potential and proposed abandonments which provide for the input of affected parties, local jurisdictions, and other interested state agencies, at the earliest possible points in the abandonment process.

- o Upon receiving the System Diagram Map:
 - 1. Review map for Category 1 (lines potentially subject to abandonment within 3 years) and Category 2 (lines the railroad has under study for possible future abandonment) lines located in Maryland, or in adjacent states if they impact Maryland rail lines.
 - 2. Inform affected regional, county and local officials.
 - 3. Inform other modal administrations and state agencies with possible interest in continued service or property acquisition.
 - 4. If the line appears appropriate for state acquisition or subsidy, or if line abandonment would impact existing state subsidized rail operations, request track condition and traffic data from railroad.
- o Upon receiving a Notice of Intent to file an Application for Abandonment:
 - 1. Solicit comments from affected local governments, regional planning agencies, other state agencies with possible interest (e.g., Public Service Commission, Mass Transit Administration, State Highway Administration, Department of Natural resources, etc.).
 - 2. Review Application for Abandonment, when received.

3. Analyze information received in light of pertinent Departmental policies, goals, objectives and financial capabilities.
4. Formulate Departmental position.
5. If MDOT protests the abandonment, follow through with actions required under ICC regulations.
6. If MDOT does not protest the abandonment, monitor progress of case through ICC process, and inform other interested parties, as appropriate.

ABANDONMENT PROCESS

The following citations are referenced from 49 CFR Part 1152-abandonment of rail lines and rail transportation under 49 U.S.C. 10903.

The subject line segment first appears on Railroad's System Diagram Map (1152.12).

Railroad files Notice of Intent with Commission to abandon service (1152.20).

Railroad files application to discontinue service (1152.24).

(Day 1)

(Day 30) Final date to submit protest or comments relating to subject application to Commission (1152.25(c)).

(Day 45) Expedited procedure: If no protest is filed within the 30 days allowable time period, the Commission will issue a certificate permitting the abandonment to occur by day 95 (1152.26(a)(2)).

Protest procedure: Upon receipt of a protest the ICC will determine if an investigation is required (1152.26(b)).

(Day 75) Expedited procedure: If no protest is filed prior to day 30, this abandonment becomes effective on this date (1152.26(a)).

Protest procedure (a): If no investigation is instituted by day 45, the Commission shall issue its decision no later than day 75 (1152.26(b)(1)).

(Day 90) Protest procedure (A): If Commission decides on day 75 to permit abandonment, it shall issue a certificate no later than day 90 unless the financial assistance procedures provided in 1152.27 have not been concluded (1152.26(b)(1)).

(Day 120) Protest procedure (A): If the Commission issues a certificate permitting the abandonment on day 90 it shall become effective as of day 120 (1152.26(b)(1)).

(Day 135) Protest procedure (B): If the Commission decides on day 45 to institute an investigation, that investigation shall be completed no later than day 135 (1152.26(b)(2)).

- (Day 165) Protest procedure (B): Upon completion of an investigation by day 135 as per above, the Commission shall issue an initial decision no later than day 165 (1152.26(b)(2)).
- (Day 195) Protest procedures (B&C): The initial decision following an investigation shall become the final decision of the Commission unless, during the 30 days following the initial decision, the Commission decides to hear appeals in accordance with the criteria set forth in 1152.25(e)(2)(ii) (1152.26(b)(2)(i)).
- (Day 210) Protest procedure (B): If no appeal is filed, or the Commission declines to hear appeal filed, the initial decision reached on day 165 becomes the final decision on day 195. If that decision permits the abandonment to occur, the Commission will issue a certificate permitting the abandonment by day 285 (unless the financial assistance procedures provided for in 1152.27 have not been concluded) (1152.26(b)(2)(iii)).
- (Day 255) Protest procedure (C): If an initial decision following an investigation is appealed, and considered by the Commission in its discretion, the Commission shall issue a final decision no later than day 255 (1152.26(b)(2)(III)).
- (Day 270) Protest procedure (C): If the final decision reached by the Commission on day 255 permits the abandonment to occur, the Commission will issue a certificate no later than 15 days following the final decision (on day 270) permitting the abandonment to occur no later than 75 days following the issuance of the final decision (day 330) (unless the financial assistance procedures provided for in 1152.27 have not been concluded (1152.26(b)(2)(iii)).
- (Day 285) Protest procedure (B): The abandonment becomes effective on this date for applications where a final decision granting the abandonment was issued on day 195 (1152.26(b)(2)(iii)).
- (Day 330) Protest procedure (C): The abandonment becomes effective on this date for applications where a final decision granting the abandonment was issued on day 255 (1152.26(b)(2)(iii)).

APPENDIX D

ABANDONMENT RAIL LINES (49 CFR 266.15 (C)(3)(ii and iv))

This appendix lists those rail lines in the state which have been abandoned since publication of the previous State Rail Report. It should, however, be noted that several lines, though abandoned, have either subsequently been acquired by other entities or are in the process of being acquired. Rail lines in that category are as follows:

1. The Frostburg/Mt. Savage line was obtained by the City of Cumberland to operate as an excursion line.
2. The Winchester Secondary tracks (formally Conrail-owned) was acquired and is operated by the Winchester & Western Railroad.
3. The Department of Natural Resources is negotiating to acquire the CSX line from Big Pool, Maryland to Tonoloway.

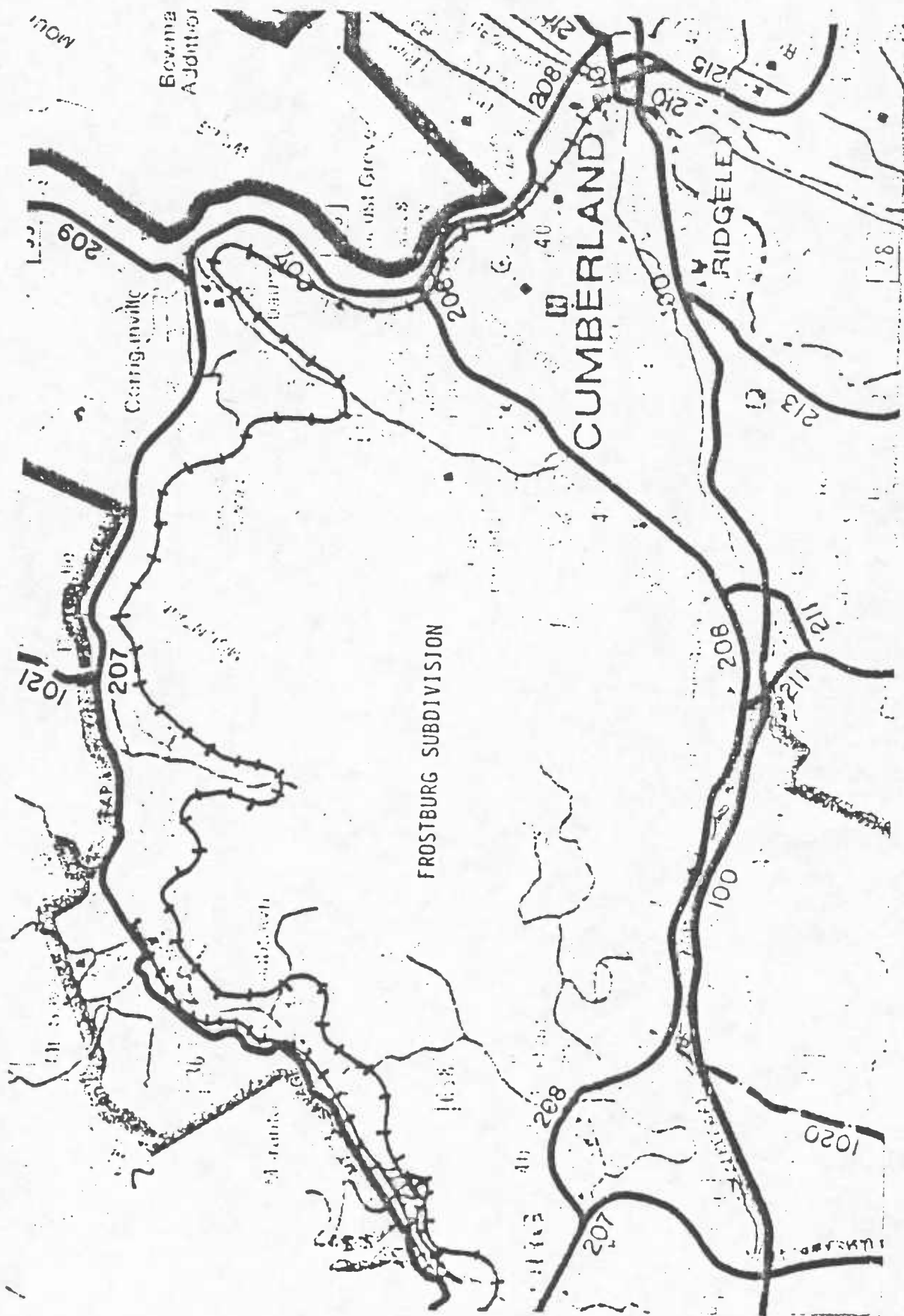
The current System Diagram Maps for CSX, Conrail and Norfolk Southern do not indicate any rail lines in Maryland that are in the ICC abandonment or pre-abandonment categories (categories 1 through 3). These categories are:

- CATEGORY 1: Lines likely to be the subject of abandonment or discontinuance application within three years.
- CATEGORY 2: Lines which are under study and may be subject of a future ICC abandonment or discontinuance application.
- CATEGORY 3: Lines for which abandonment or discontinuance application is pending before the ICC.

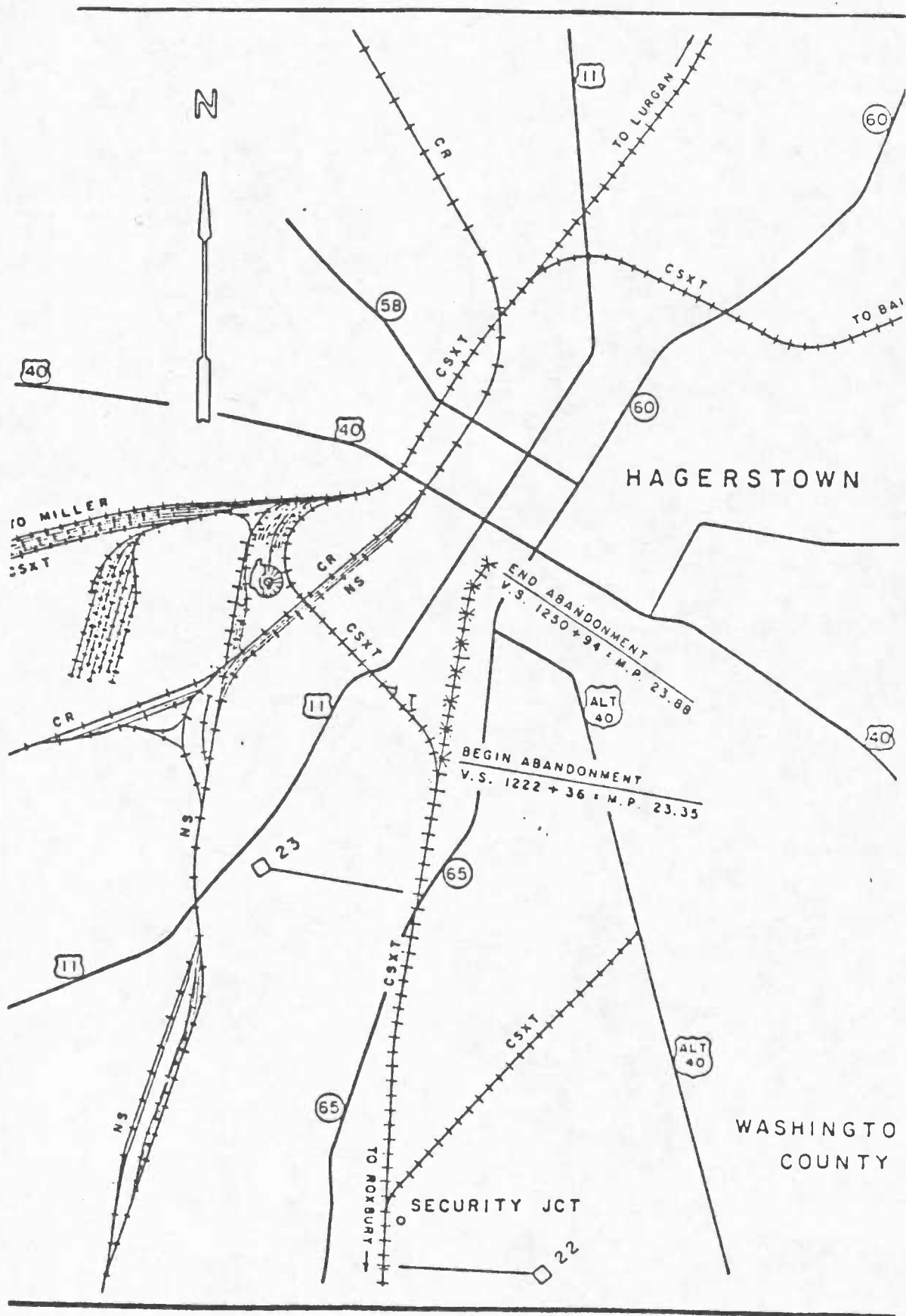
It should be noted, however, that some abandonments can be exempt from ICC regulation. In those cases, the abandoned rail line does not appear on the system diagram map in any of the previously described categories.

LINES ABANDONED SINCE LAST SRP PUBLICATION

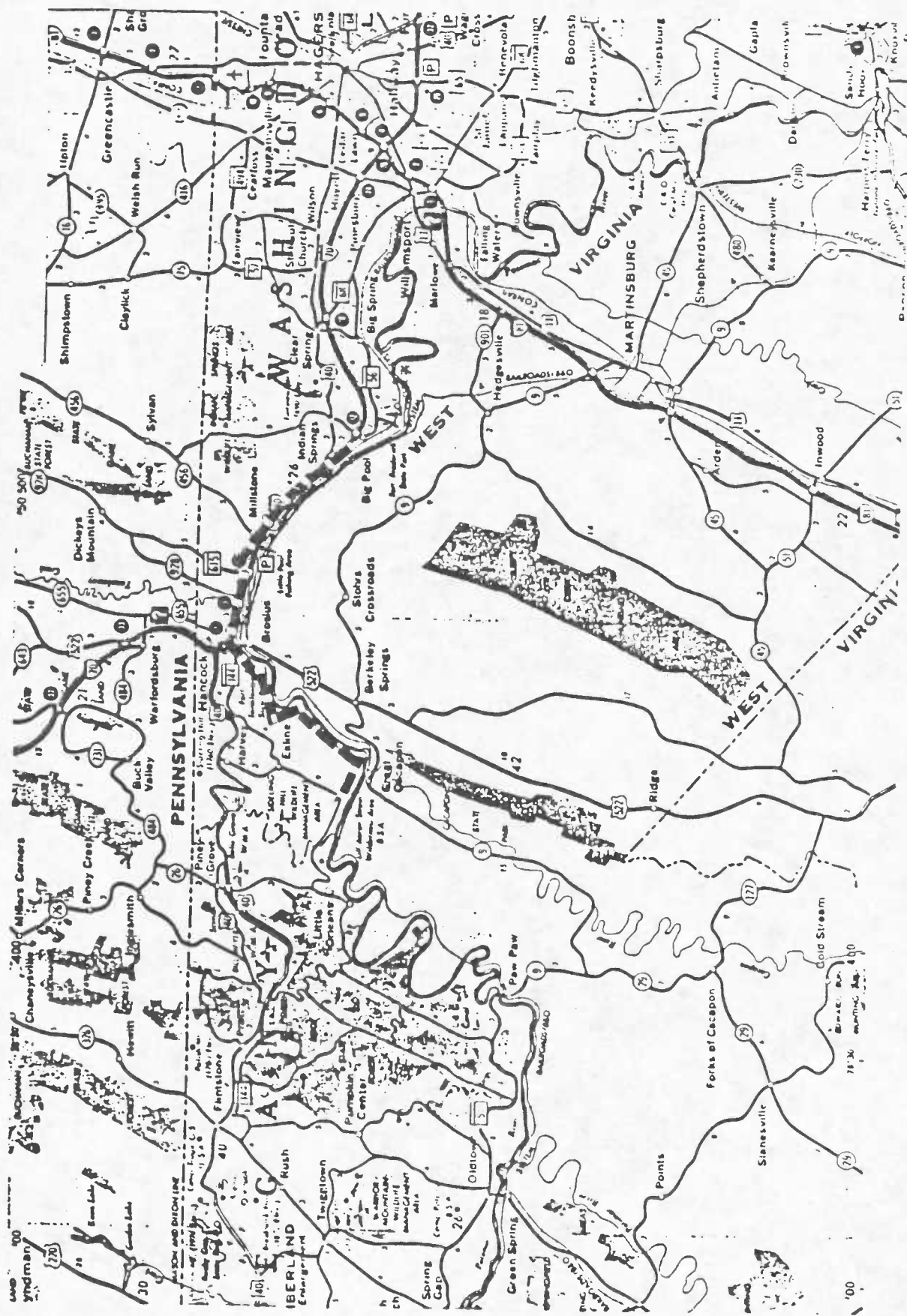
RAILROAD	LOCATION	# MILES	YEAR
	<u>ALLEGANY COUNTY</u>		
CSX	Frostburg/Mt. Savage	19.45	1986
	<u>WASHINGTON COUNTY</u>		
CSX	Hagerstown Spur	.53	1987
CSX	Big Pool/Tonolway	20.35	1988
	<u>BALTIMORE COUNTY</u>		
Conrail	Bear Creek	.70	1985
	<u>CECIL COUNTY</u>		
Conrail	Iron Hill	.13	1985
Conrail	Perryville	2.66	1985
Conrail	Triumph Siding	2.00	1986
	<u>BALTIMORE CITY</u>		
CSX	Fell St., Wolfe St.	.39	1985
CSX	Fulton Station	Team Track	1986
CSX	President St.	1.35	1986
CSX	Port Covington	.80	1988



FROSTBURG/MT. SAVAGE



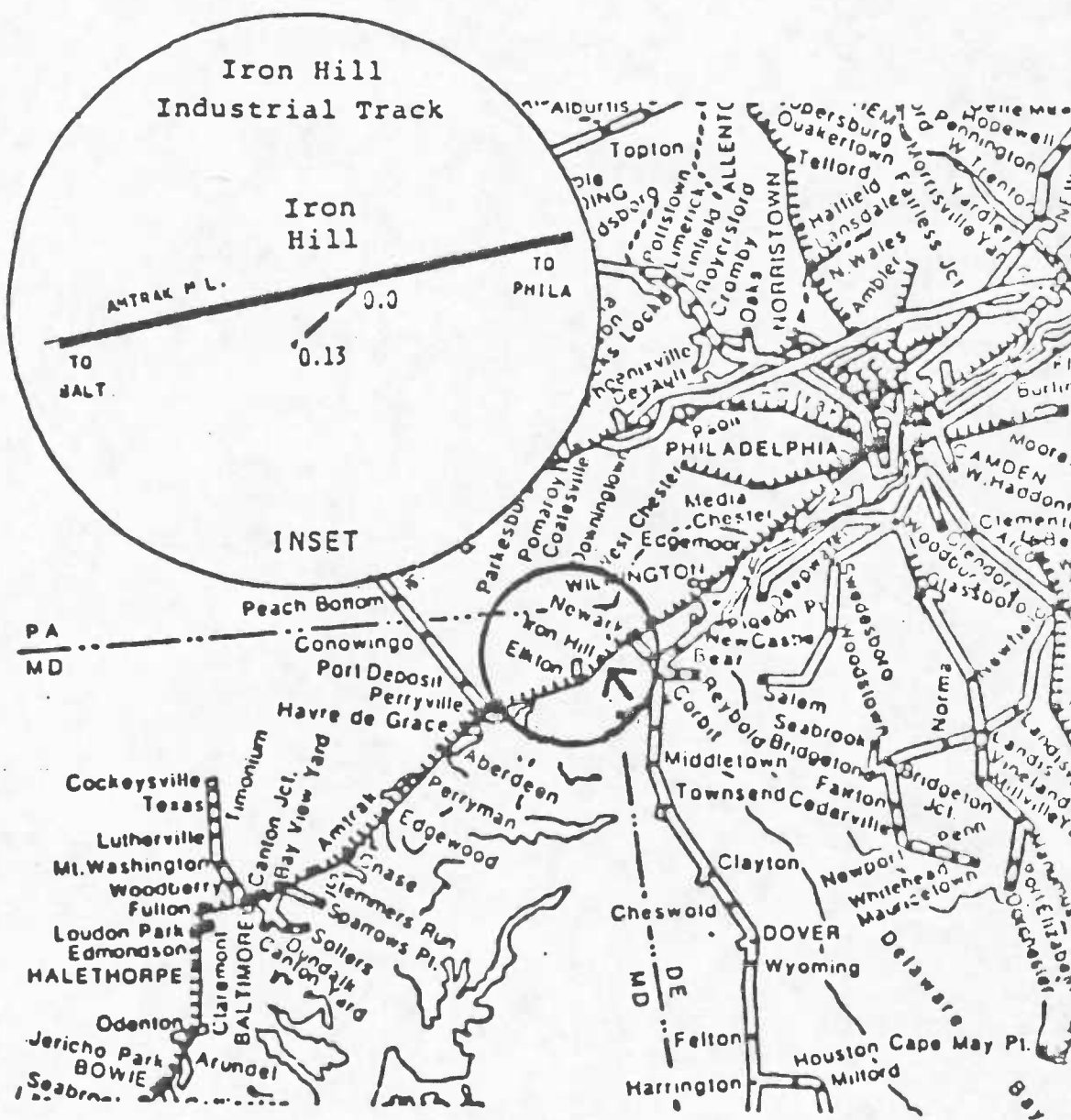
HAGERSTOWN SPUR



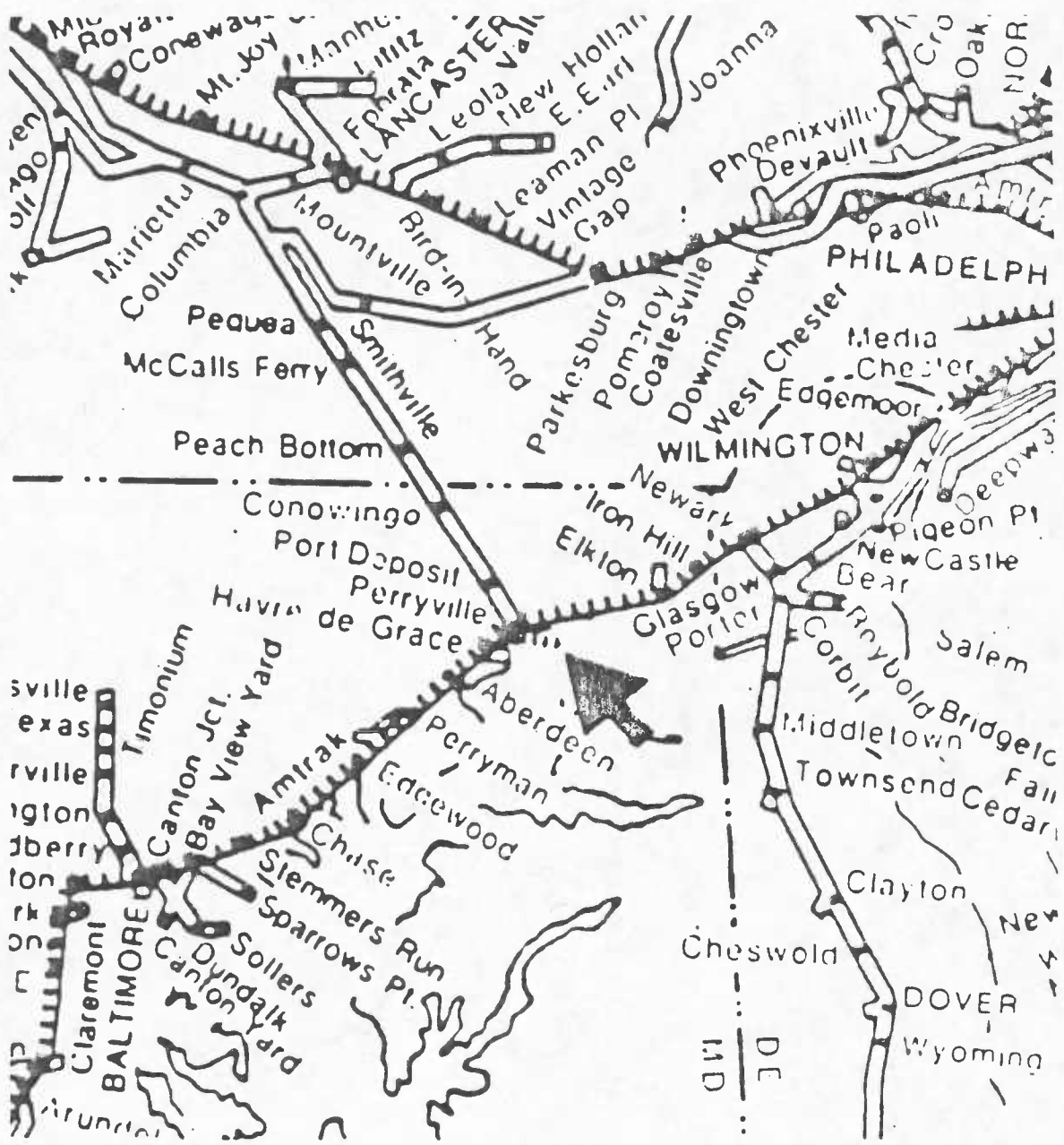
BIG POOL TO TONOLOWAY



BEAR CREEK



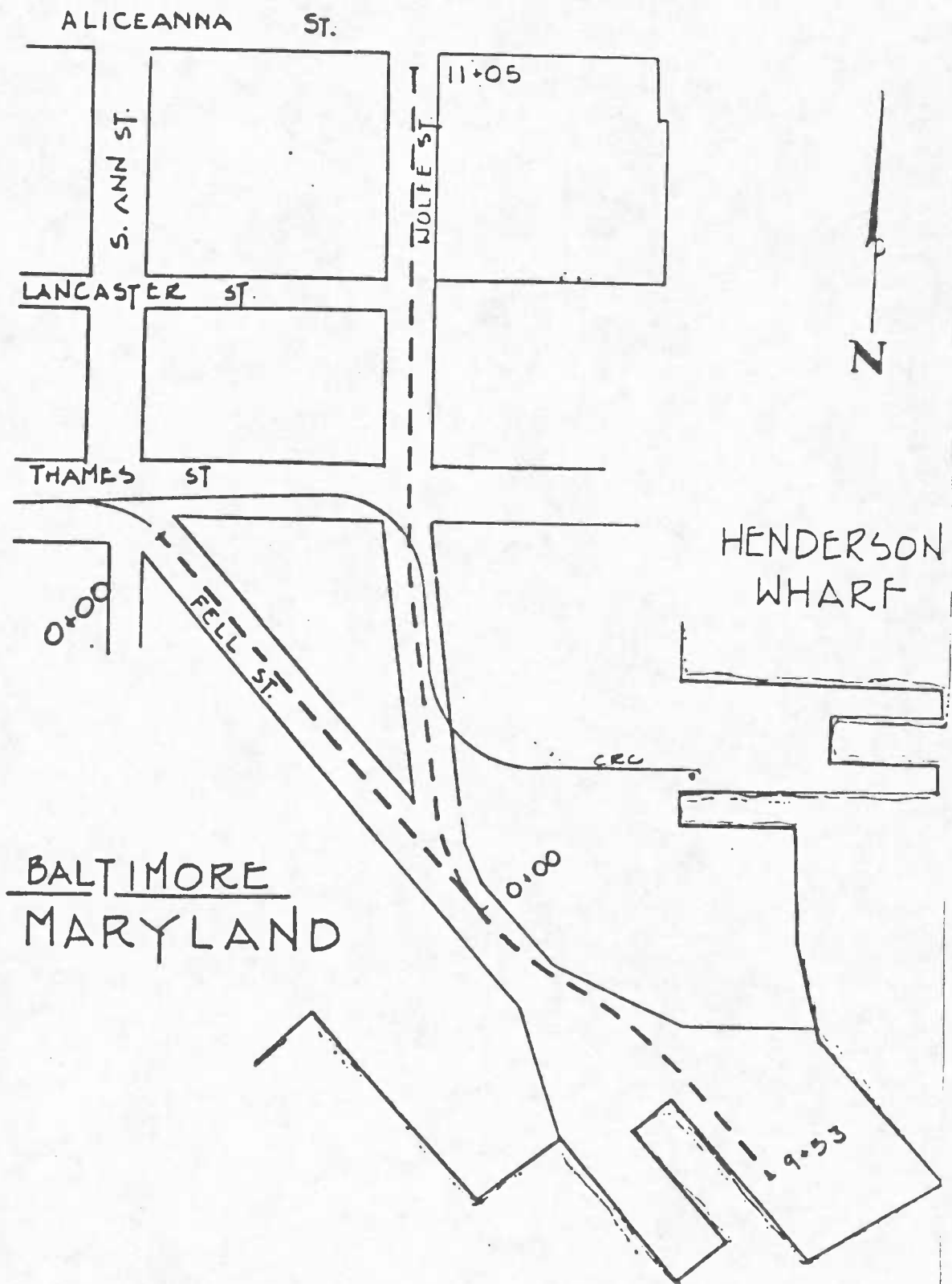
IRON HILL



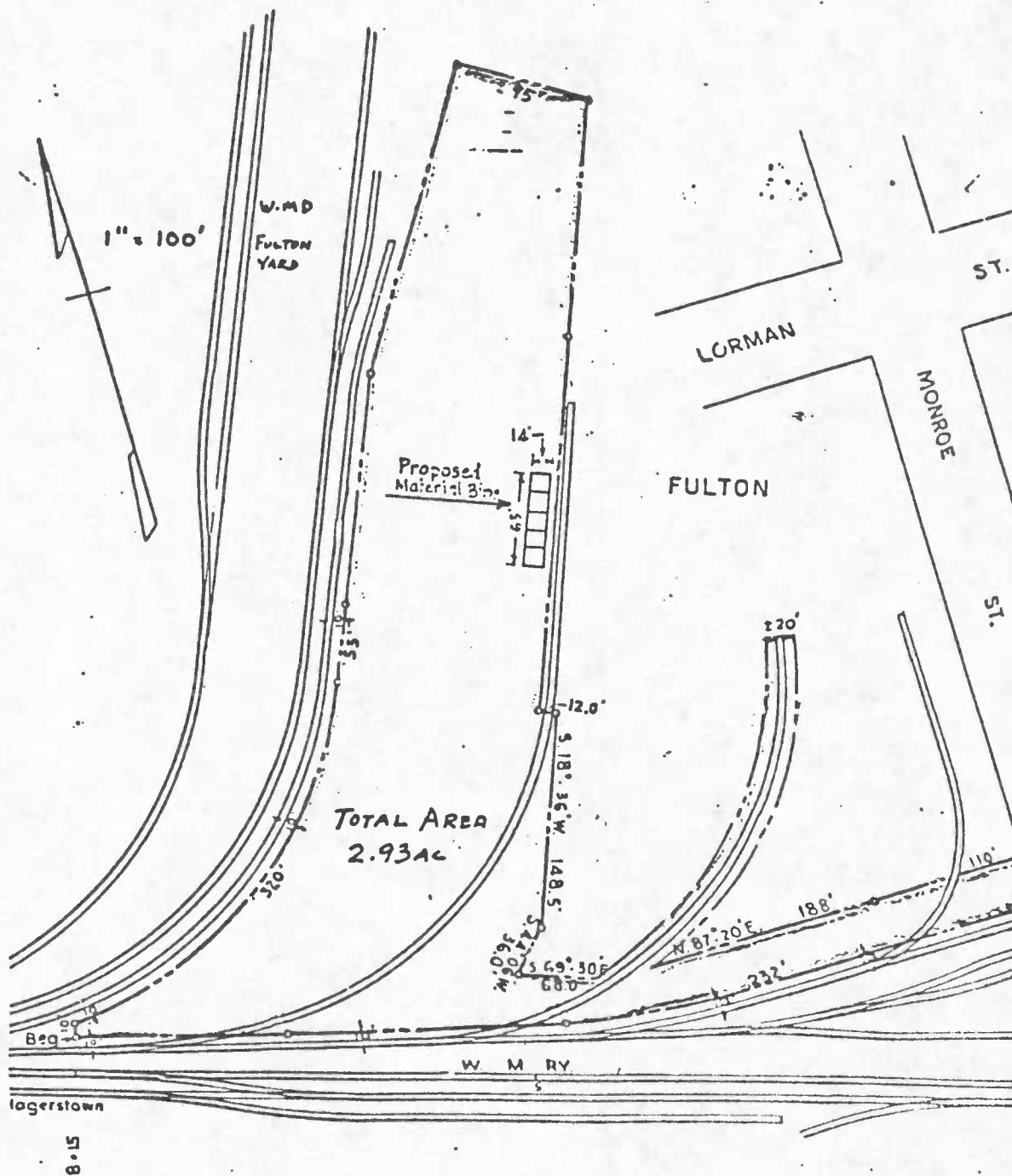
PERRYVILLE



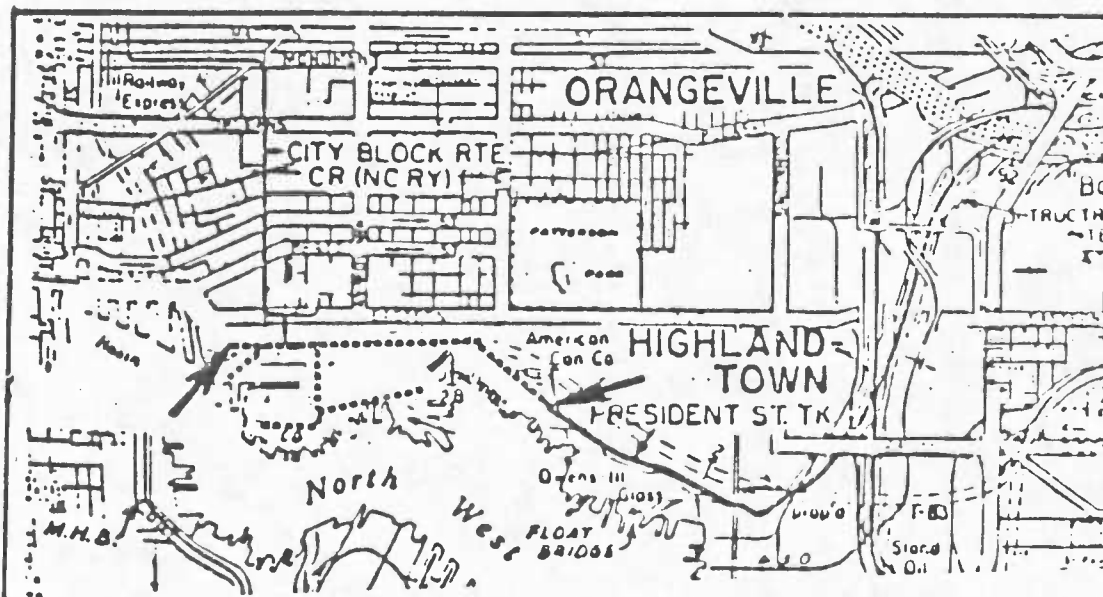
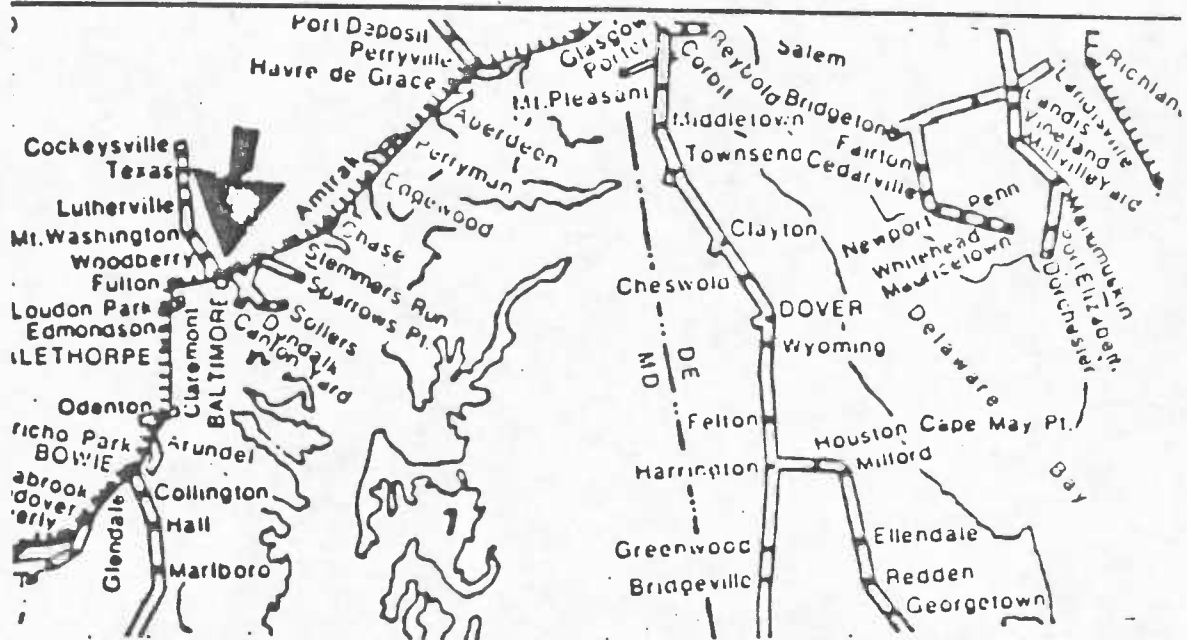
TRIUMPH SIDING



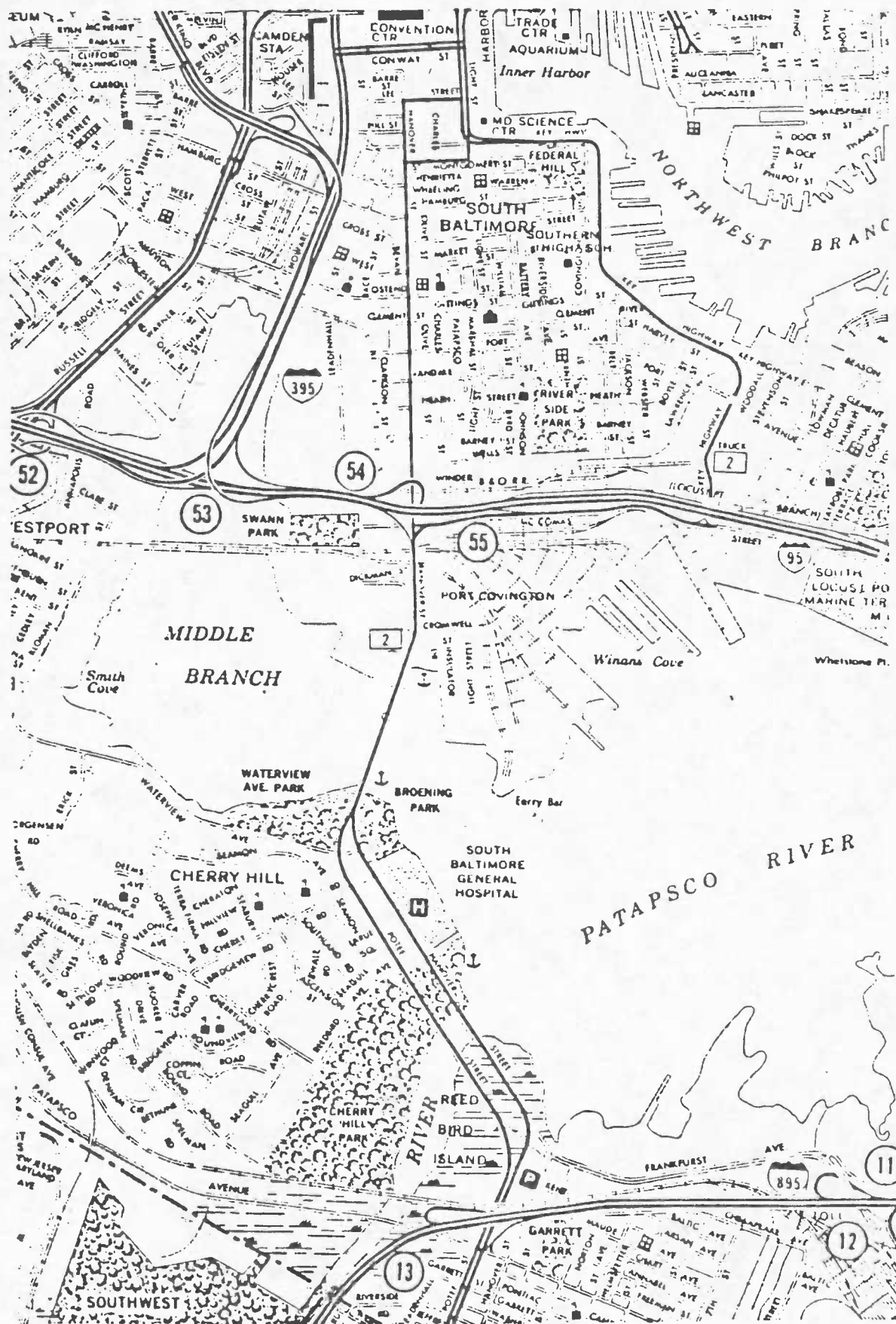
FELL ST./WOLFE ST.



FULTON STATION



PRESIDENT ST.



PORT COVINGTON