

STATEMENT OF

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SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U.S. SENATE

Chairman Inhofe, Ranking Member Cardin, and Members of the Committee, thank you for inviting me to participate in today's hearing focused on national freight movement. My name is David Thomas, Deputy Executive Director of the Maryland Department of Transportation's Port Administration.

The Helen Delich Bentley Port of Baltimore is one of the busiest and most diverse seaports in the United States. We have six public marine terminals and 30 privately-owned marine terminals located in our harbors.

For the last several years, the Port of Baltimore has been ranked among the most productive container ports in the nation. The Journal of Commerce named us the fourth-fastest growing port in North America in 2016.

Of approximately 190 major U.S. ports, the Port of Baltimore ranks first and handles more cars and light trucks, farm and construction equipment, and imported sugar than all other major U.S. ports. In total, it ranks ninth among major U.S. ports for the total dollar value of international cargo handled and 14th for the total amount of international cargo tonnage.

Overall last year, our port saw 31.8 million tons of international cargo cross its piers, valued at approximately \$49.9 billion. We expect to surpass both of those numbers this year.

Today, the Port of Baltimore can accommodate some of the largest container ships in the world. We have the necessary infrastructure to welcome ships that can safely transit the newly-expanded Panama Canal.

The Port of Baltimore is a leading economic engine for the State of Maryland. We feel strongly that “if freight is moving efficiently through our port then our economy is moving efficiently as well.” Business at our port generates over 13,600 direct jobs, while about 127,000 jobs in Maryland are linked to Port activities.

Yes, we are having success right now, but we also have hurdles that we need to clear.

A pressing need is for double-stack rail clearance in and out of our Port. For those of you unfamiliar, double-stack rail is the stacking of two international or domestic containers on top of one another on a rail car for transportation into or out of a major port.

The ability to do this doubles capacity and creates operating efficiencies in the overall supply chain.

The Class I railroads do not currently have the ability to handle double stacked trains in Baltimore. The CSX-owned Howard Street Tunnel, located in the city of Baltimore, is a 122-year old freight tunnel that does not have the required clearances under its current configuration. Recently, new engineering technologies were developed that would bring the total project cost for increasing the clearances of the tunnel to less than \$500 million.

The Maryland Department of Transportation and CSX agreed to share \$290 million of the total \$445 million project cost.

We then submitted, as a public/private team, for federal funding for the balance of the project cost under the 2016 FASTLANE grant program. Despite very positive feedback from U.S. DOT officials, we were unsuccessful. Still, we felt we had a strong application and were optimistic that we would be successful if we applied again in the second round.

The deadline to apply for funding under the now INFRA grant program was November 2, 2017. Only a few days before that deadline, we were informed by CSX that they were pulling its support for the project. Without CSX, the owner of the asset, we could not move forward with the grant application.

The ability to handle double stacked trains is critical to the Port of Baltimore's long-term future and it would create an improved intermodal connection both regionally and nationally.

Currently, the Howard Street Tunnel is viewed by industry as a freight logistics bottleneck. In CSX's own words, the tunnel, with increased clearances, would remove trucks from highways and generate \$640 million in benefits to 25 eastern states. An improved tunnel would mean a more efficient logistics network creating more intermodal and supporting additional jobs.

We must also be sure our waterways can handle these larger ships. Efficient freight movement through ports like Baltimore depends on adequate authority and funding for U.S. Army Corps of Engineers to complete channel maintenance and dredging.

Channel dredging is the maritime equivalent of highway construction and maintenance.

We also must dispose of the dredged sediment responsibly.

Congress has provided many allowances for this purpose, including beneficial uses of dredged sediment for ecosystem restoration.

The Port of Baltimore, for example, has a Congressionally authorized project, known as the Mid-Chesapeake Bay Island Project, that uses dredged sediment from our 50-foot deep channels to restore natural habitat in the Chesapeake Bay.

This project is currently awaiting pre-construction engineering and design funding.

Projects like this are important to efficient freight movement at the Port of Baltimore. Like all WRRDA 2014 projects, it faces deauthorization in calendar year 2021 if it does not receive Federal funds for construction.

The Mid-Bay Island Project is critical to the Port of Baltimore's channels because it will provide approximately 40 years of sediment placement capacity.

In closing, the federal government has a vital role to play in providing for efficient freight flow performance. Customs and Border Protection is key to ports performing efficiently.

In 2015, the last time CBP was funded to hire additional staff only 10 of 2,000 staffers were assigned to our seaports. This is a supply chain problem. Ports need this additional support of CBP to keep cargo moving. Without it, the flow of cargo through our nation's ports cannot perform at peak levels.

Thank you for allowing me the opportunity to speak before this committee today.