

**Status Report on the Howard Street Tunnel
Project
(2024 JCR, p. 85)**

**A Report to the Maryland General Assembly
Senate Budget and Taxation Committee
and
House Appropriations Committee**

June 2024

Maryland Port Administration

Introduction

The Maryland Port Administration (MPA) prepared this supplemental report in response to language contained in the 2024 Joint Chairmen's Report (JCR). The language states:

The committees are interested in the progress being made on the Howard Street Tunnel project and request that the Maryland Port Administration (MPA) provide four quarterly reports on the status of the project, including percentage completion and any material changes to the project schedule or cost. The committees request that the first report be submitted by July 1, 2024, with subsequent reports submitted every three months thereafter.

Project Background

The Howard Street Tunnel (HST) Project consists of vertical clearance improvements at 22 locations on CSX's rail network between Baltimore and Philadelphia in order to create a double-stack rail corridor to/from the Port of Baltimore. MPA is working with CSX, who owns the rail line, to complete the project. CSX is responsible for completing all design and construction activities associated with the project. Since the project is spread across three states and the scope of work varies from site to site, CSX decided to group the project into ten packages for design and construction.

Package Number	Package Name	State	Scope of Work
1	Howard Street Tunnel	MD	Modification of the Howard Street Tunnel through track lowering. Track lowering at Mount Royal Avenue and MTA Light Rail Bridge.
2	North Avenue Bridge	MD	Bridge modification.
3	Guilford Avenue Bridge	MD	Bridge replacement.
4	Harford Road Bridge	MD	Bridge replacement.
5	Baltimore Track Lowering	MD	Track lowering at Sisson Street, Huntingdon Avenue, Charles Street, St. Paul/Calvert Street, Barclay Street and Greenmount Avenue.
6	Delaware Track Lowering	DE	Track lowering at Lancaster Avenue and 4 th Street.
7	Chichester Avenue	PA	Track lowering at Chichester Avenue.
8	Clifton Avenue	PA	Track lowering at Clifton Avenue.
9	Boone Tunnel	PA	Track lowering through Boone Tunnel.
10	58 th to 68 th Street	PA	Track lowering at 58 th Street/Woodland Avenue, 61 st Street, Cemetery Avenue, 65 th Street and 68 th Street.

In late 2023, CSX advised the MPA that the project was now projected to be complete in the spring of 2027 at a total project cost of \$566 million, which was a \$100 million increase from their previous estimate.

The additional project cost is attributed to three main factors:

- Historic post-COVID inflationary spike on the cost of materials and labor since the project costs and construction budget was initially developed by CSX in 2019,
- Unanticipated government approvals such as permitting, licensing, mitigation, and other authorizations (utility providers, local governments, adjacent property owners, etc.), and a rise in costs associated with these government approvals, and
- Extended construction schedule due to more restrictive construction windows needed to minimize disruption to rail operations and impacts to the nation's supply chain.

CSX and MDOT agreed to a cost-sharing model for any costs exceeding the original \$466 million. The revised project budget is as follows:

- State of Maryland – up to \$247.5 million (increased from \$202.5 million)
- CSX – up to \$170.75 million (increased from \$115.75 million)
- Federal Railroad Administration - \$125 million
- Pennsylvania Department of Transportation - \$22.75 million

MDOT and MPA incorporated the revised budget and completion date into the FY24-29 Consolidated Transportation Program (CTP) that was reviewed and approved by the General Assembly during the 2024 legislative session.

Current Status

By dividing the project into ten packages for design and construction, CSX has been able to move less complicated projects into construction faster than if the project was being designed and built all by the same contractor. In general, the scope of work is more complicated at the Maryland sites than the sites in Delaware and Pennsylvania. As such, CSX began construction in Pennsylvania in 2022 and has been gradually making their way south into Maryland. By the end of calendar year 2024, CSX expects all packages will either be under construction, or have construction already complete.

Package Number	Package Name	% Complete – Construction	Comments
1	Howard Street Tunnel (MD)	<1%	Initial prep work underway. Major construction to begin summer/fall 2024.
2	North Avenue Bridge (MD)	-	Construction contractor hired. Construction expected to begin summer/fall 2024.
3	Guilford Avenue Bridge (MD)	-	CSX is in the final stages of hiring the construction contractor. Construction expected to begin summer/fall 2024.
4	Harford Road Bridge (MD)	-	CSX is in the final stages of hiring the construction contractor. Construction expected to begin summer/fall 2024.

5	Baltimore Track Lowering (MD)	4%	Construction underway.
6	Delaware Track Lowering (DE)	57%	Construction is expected to be complete in summer 2024.
7	Chichester Avenue (PA)	100%	Construction complete.
8	Clifton Avenue (PA)	100%	Construction complete.
9	Boone Tunnel (PA)	100%	Construction complete.
10	58 th to 68 th Street (PA)	61%	Construction is expected to be complete in summer 2024.

As of June 2024, the project budget and schedule remains unchanged from what is included in the FY24-29 CTP.