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Aging Baltimore tunnel a threat to shipping economy for the city and Maryland

By Ashley Halsey III, Published: March 28

Nobody in 1895 would have thought that a difference of just two feet might one day influence more than 40,000 jobs in the 21st century.

The final spike in the transcontinental railroad had been hammered down just 26 years earlier, and with railroad companies in hot competition, a tunnel was built under the heart of Baltimore to serve one of them.

Now, 117 years later, the tunnel's too short for the taller modern freight trains. Like the throat of an hourglass, it chokes commerce along the East Coast and to Midwest markets.

"I've been around the port since 1947, and it's been a problem since then and was a problem before then," said Helen Delich Bentley, the Republican former congresswoman for whom the port is named. "They have really squeezed the Howard Street Tunnel so that, as it sits today, it can neither be raised nor lowered."

The Howard Street Tunnel was an inadequate solution to a 19th-century problem. It became a serious impediment to 20th-century progress but seemed too expensive to fix. Now it demands a multimillion-dollar Band-Aid if the Port of Baltimore is to keep pace with the demands of the 21st-century global economy.

Without that quick fix, the city could suffer a devastating blow to one of the few vibrant engines that keep its economy afloat.

That engine is the Port of Baltimore, one of just two deep-water harbors on the East Coast that can handle massive new vessels — wide as a 10-lane freeway and almost as long as the Empire State Building is tall — that will spill into the Atlantic in little more than two years, once a project to widen the Panama Canal is complete.

Every port that can scrape together enough state and federal dollars is rushing to match what Baltimore already has. Savannah, Ga., wants to spend about $650 million to dredge its port. Charleston, S.C., is eager to dig a deeper channel, too, and New York hopes to find $1 billion to raise the Bayonne Bridge by 65 feet so the big ships can squeeze under.

The docks of Baltimore — made famous by a season of shows in the HBO series “The Wire” — generate more than 40,000 jobs and $2.5 billion for the city and the region that surrounds it, the state says. The ability to move freight swiftly through Baltimore also affects what people pay at the cash register for all sorts of things in Maryland, Virginia and more than a dozen states beyond. Hauling products by rail or truck from faraway ports adds to their price tag. So do delays in getting goods to market.

Baltimore port jobs pay solid middle-class wages to 14,630 workers — stevedores, truckers, railroaders, steamship agents, freight forwarders, customhouse brokers, warehousemen, tugboat operators and Chesapeake Bay pilots.

An additional 10,940 jobs are generated by the $1 billion the port spends with office suppliers, equipment makers, security guards, cleaning and maintenance workers, and people who hold transportation jobs.

Add to that 14,470 trickle-down jobs that flow from the money spent by port-related workers when they go to the mall, buy a car, shop for groceries or pay for piano lessons.

The port’s economic lifeline leads through the Howard Street Tunnel, a single set of tracks that runs for almost 1.7 miles under the heart of the city. Trains going in opposite directions pause to take turns passing through.

“It’s old. It’s decrepit. It has safety problems. It has security problems,” said James L. Oberstar, a former congressman and chairman of the House Transportation Committee who pushed for funding to replace the tunnel. “This is a prime opportunity to do something really significant and beneficial, not just for Baltimore but for the whole country.”

In many respects, the tunnel is the nation’s infrastructure crisis in microcosm — a problem that has come home to roost after being ignored for decades. The rail network and the ports that feed them are as vital to the economy as the highways and bridges that most Americans envision when they hear the catchphrase “crumbling infrastructure.”

With scary, unaffordable price tags — like $1.7 trillion nationally by 2020 — infrastructure has not gotten much play in an election year. But the core issues in this presidential race — jobs, economic prosperity and shaping the future of the United States — are inextricably linked to that crumbling infrastructure.

And in them lies the parable of the Howard Street Tunnel.

Triple-layer transit

When the tunnel, built with 30 million bricks, opened in the summer of 1895, it already was flanked by six- and eight-story buildings. The web of buildings, sewers, water lines, electrical cables and Internet optic fiber that now surround it have pushed the cost of replacing it to between $1 billion and $3 billion.

It's a transit sandwich that has caused the cost to skyrocket. Baltimore's major light-rail line runs on Howard Street above the tunnel. The city's subway line runs beneath. Untangling that would disrupt service on both lines and snarl vehicle traffic on a key downtown street.

"Unfortunately, when they put in the light rail and the subway, each of which had to cross, nobody did what I would consider proper engineering," Bentley said.

The tunnel was built in a hurry, and the design was poor, even by 19th-century standards.

It still is the only direct freight rail route between Washington to its south and Philadelphia, New York and New England to its north.

When a derailment caused a massive tunnel fire in 2001, some northbound freight trains had to be routed west to Cleveland and then east to Albany before they turned south to reach Philadelphia and New York.

Now, 21st-century economics are about the unleash a new challenge that the tunnel cannot handle.

The Panama Canal is being widened to allow new mega container ships filled with Asian goods to flow through to ports on the Atlantic coasts. For foreign manufacturers it's an economic no-brainer: Ship transport is cheaper than using rail or trucks from West Coast ports to reach Midwestern and East Coast markets.

“Have you seen that TV commercial that says, ‘Railroad carries a ton of freight 486 miles on a gallon of fuel’?” Oberstar asked. “Well, ships carry that same ton of freight about 700 miles on that gallon of fuel.”

Double stacks

Only two Atlantic ports — Baltimore and Norfolk — have the depth to handle cargo-laden ships that sit so low in the water. Baltimore is 125 miles closer to the Midwest, and it is a destination of choice for the megalopolis that stretches from Washington to Philadelphia and forms the nation’s third-largest consumer market.

But modern freight cars will not fit through the Howard Street Tunnel.

Freight containers travel on rail cars in stacks of two, and double stacks are too tall for the tunnel. New automobiles, 446,4000 of which rolled off ships in the port last year, travel on rail cars in stacks of three that will not fit through the tunnel, either.

As other ports rush to dig deeper channels so they can offer the mega-vessels double-stack container service from dockside, Baltimore is hustling to leverage its deep-water edge before the other ports are ready.

A new dock is ready beside 50-foot-deep water. Massive new cranes will arrive shortly.

The ships, carrying 50 percent more containers than most of those that currently call on the East Coast, want to rapidly offload most of their 14,000 containers at their first port of call, and the attraction of double-stacking rail cars at dockside is enormous.

If Baltimore captures that business, big companies such as Ikea, Wal-Mart and Home Depot may need to expand their regional warehouse operations. Maryland calculates that products arriving in the Port of Baltimore already spin off 68,300 jobs, and state officials say that if the flow of merchandise increases, so will that workforce.

“It’s up to the railroad,” said Jim White, executive director of the Maryland Port Administration. “Because as a first port of call you have to have competitive rail rates in order to get that business.”

CSX, heir to the old Baltimore and Ohio railroad, owns the Howard Street Tunnel, which the B&O built to compete with its arch rival, the Pennsylvania Railroad.

The solution that White, CSX and the state propose is less perfect than the double-stack dockside rail service that is offered by Norfolk and New York. They plan to build a 70-acre transfer station on the inland side of the tunnel, single -tacking cars as they pass through the tunnel and then adding a second container of domestic freight on top before the train heads out.

It will work, and the Port of Baltimore will be able to retain and expand a workforce that drives the regional economy, if CSX offers “aggressive” pricing to overcome the hiccup in time and bother created by the Howard Street Tunnel, White says.

“They control their own pricing,” White said. “CSX is pricing the [Baltimore] freight now like it’s double stacked. They’re trying to develop their portfolio of business before the Panama Canal project is done so they can just add more business when it’s done.”

CSX transfer yard

CSX recently helped persuade one of the world’s largest container shipping companies, Hapag-Lloyd, to make Baltimore its first port of call, offering it a double-stack price at dockside.

To deliver on promises of cheaper rates, CSX needs to build its big transfer yard on the outbound end of the Howard Street Tunnel. The choice location, from CSX’s point of view, is 15 miles from dockside and would cost between $140 million and $165 million to build. People in that community, Elkridge, have been outspoken against it, preferring a new school and preserving residential development.

From there the three other prospective sites get farther out and more expensive. Another is 19 miles away and estimated to cost $200 million to $225 million. A site near the state prison in Jessup is 24 miles from the port and would cost between $300 million and $325 million. The third is 34 miles out in Beltsville, and the price tag is estimated at $175 million to $200 million. CSX and the state have agreed to split the cost, up to $150 million, but who would pony up the balance of any amount above that has not been decided.

With the big new ships expected to make their way through the canal as early as 2015, and every port on the East Coast capable of handling them rushing to dredge their harbor, CSX recognizes the economic price to Baltimore and Maryland if it dawdles in getting the yard built.

The railroad already is working with the federal government, the District and six Mid-Atlantic states to raise bridges and lower rail beds to create regional double-stack capacity that will serve all ports.

CSX, mindful of competition from Norfolk Southern and other rivals for freight business, will not talk in specific terms about pricing incentives that could keep Baltimore competitive with other ports despite the handicap of the Howard Street Tunnel.

"Whether traffic is double or single stacked, we must offer rates competitive with the transportation alternatives in each market," CSX spokesman Gary Sease said in response to questions. "We cannot discuss private contracts with customers or our economic analyses with respect to the profitability or costs."

Oberstar, who spent more 35 years in Congress and whose passion for transportation issues is legendary, said the Baltimore tunnel issue exemplifies global challenges facing the shipping industry.

"Only two U.S. ports are in the top 20 worldwide container ports, Long Beach and Los Angeles," he said. "Just from the standpoint of Baltimore, the port has deteriorated in the movement of goods to one of the lowest in the country. This country has just sat by and let it deteriorate as if, 'We've built it once, we don't have to touch it again.' Well, the rest of the world doesn't think that way.

"Do we want to compete in the world marketplace or not?"