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Port of Baltimore Report

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Cover photo by Bill McAllen
Baltimore’s Port: poised for the big ships, big opportunity

Just beyond the glitter of Baltimore’s Inner Harbor lie 45 miles of working waterfront straddling Baltimore City, Baltimore County and Anne Arundel County that constitutes the Port of Baltimore.

More than 14,000 jobs are directly generated by port-related commerce and 108,000 jobs across the state are related to port activity.

The Greater Baltimore Committee sponsors this publication, partnering with The Daily Record and the Maryland Port Administration, to remind readers of a fundamental fact – Baltimore is a port city, and it’s a major one at that. With its unique deepwater inland location, the Port of Baltimore offers significant and direct business connections worldwide to countries on six continents. It has always been that way, since it prompted the founding of Baltimore City in 1729.

Despite its global maritime prominence and its role as a top economic engine and job generator in our state, Baltimore’s port is a relative unknown for some in the business community away from the waterfront. This publication is intended to remind readers not only of the substantial impact that the Port of Baltimore has on Maryland’s economy, but the opportunity for business growth that it presents.

Inside these pages you’ll learn that one of the enduring strengths that drive the Port of Baltimore’s ranking among the top 10 ports in the U.S. is its capability to expertly handle great volumes of diverse types of cargo, both importing and exporting.

For example, you learn the details of the port’s No. 1 cargo rankings for automobiles, forest products and farm machinery. Other import cargos range from sugar to tin. Export cargos also range from coal to aircraft parts.

You’ll find details of major trends in maritime shipping that are expected to generate significant new business for Baltimore from some of the world’s largest ships and the key role dredging plays in providing deep channels for those ships.

You’ll gain a sense of the wide range of jobs at the port and the people who work them, from a ship repair yard manager to a top loader operator at Seagirt Marine Terminal.

You’ll learn how the Baltimore port’s location and superior shipping services are driving the growth of distribution centers in the Baltimore region. And you’ll understand the port’s emergence as a major player in the cruise industry.

The Port of Baltimore’s success story is one of leveraging an advantageous inland location, smart strategy and a service-oriented workforce into strong business growth.

I hope that this publication reinforces for readers the nature of the exceptional waterfront economic asset in our midst that is well-positioned to seize the significant business opportunities that will develop in the coming years.
Port of Baltimore a leader in job creation, industry

The public marine terminals at the Port of Baltimore produced another strong year in 2014 with some of our key commodities enjoying record-setting years. While worldwide economic conditions will always have a strong impact on our performance, our top goal will continue to be growing our market share.

In 2014, general cargo reached a record 9.7 million tons at the public terminals, surpassing the previous record set in 2012. Most of that tonnage was containers which saw a healthy jump from 2013. We expect that growth to continue this year as we welcome the new Maersk-MSC 2M service. We think that service has wonderful growth potential and we are happy to be part of it.

Our new 50-foot deep berth and four Super Post-Panamax cranes continue to draw attention within our industry. Baltimore is one of only two U.S. East Coast ports ready today to handle some of the largest ships in the world. Through a unique public-private partnership with Ports America Chesapeake, we are in a very competitive position to welcome supersized ships today from the Suez Canal and beginning next year through the expanded Panama Canal.

The Maryland Port Administration crafted a strategic plan for the port’s public marine terminals that continues to show results. Promoting cargo diversity has greatly enhanced our overall performance in good economic times and has helped us in recessionary times of economic uncertainty. Our strategic plan recommended concentrating our efforts on four key commodities: autos, roll on/roll off (farm and construction machinery) containers and forest products. We have recently added cruise to that list.

For the fourth consecutive year, the Port of Baltimore handled more autos than any other U.S. port. In 2014 we added Fiat and Mazda to our already lengthy portfolio of auto manufacturers. The Port of Baltimore’s unique white-glove quality program and geographic advantage as the closest East Coast port to the Midwest continue to be key factors in our success. Baltimore’s reputation for vehicle handling is also boosted by the presence of four on-dock vehicle processors.

Taking a cruise from the Port of Baltimore proved again to be a very popular choice in 2014. Nearly 200,000 people set sail on a cruise from our cruise terminal last year. Since launching year-round cruising in 2009, Baltimore has established itself as one of the busiest cruise ports on the East Coast. Our location within one of the largest and most affluent U.S. consumer markets makes Baltimore an ideal cruise port. The cruise terminal itself is aided by a wonderful location immediately off Interstate 95 and an easy drive for both Maryland residents and those coming from neighboring states such as Pennsylvania, Virginia, New Jersey and Delaware.

Growth in our cargo and cruise portfolios are certainly vital to our overall success. However, what pleases me just as much is the Port’s leading role in our state as a major economic generator. More than 14,600 direct jobs are generated by the Port of Baltimore. These are good-paying, family-supporting, blue-collar jobs.

Nearly 110,000 jobs throughout Maryland are linked to activities from the Port. Without a healthy, vibrant and bustling Port of Baltimore, many of those jobs would be lost. Entering 2015, I am very confident that the Port of Baltimore will continue to build on its successes of the past few years and more importantly continue in its role as one of Maryland’s leading job creators.
Port of Baltimore moves diverse cargo
The Port of Baltimore’s long-term strategy for success has been founded on maintaining broad capabilities for handling diverse types of cargo.

Most, however, might be surprised at the many types of cargo — and the volume of it — that comes through the port. Of the 360 ports in the U.S., the Port of Baltimore ranks ninth in the dollar value of the cargo it handles and 13th in tonnage, handling more than 30 million tons of cargo annually.

For the past several years, the port has been the top port in the country for the import and export of automobiles, according to James J. White, executive director of the Maryland Port Administration.

Since becoming the port of entry for the first Volkswagen Beetle in 1963, the Port of Baltimore has delivered top-rate automobile service and handling capabilities.

Today, more than half a million automobiles now move through Baltimore’s public and private terminals each year.

The Port of Baltimore also ranks highest in the country in farm equipment and machinery, as well as forest products, he said — with the bulk of these materials being handled in the Dundalk facility.

At the Seagrit Marine Terminal, the focus primarily is on containers loaded on and off of ships and onto trucks. Containers carry everything from big-screen televisions to clothing, and about 3,000 are handled daily.

The $220-million terminal’s seven 20-story, high-speed computerized cranes dominate the Port’s skyline. These 100-foot gauge, post-Panamax cranes are among the most productive in the industry, averaging 40 containers an hour. Four of the cranes feature dual-hoist systems, which lift two containers simultaneously to expedite loading and discharge. Twelve rubber-tired gantry cranes, at $1.5 million each, help stack containers.

In the mid-1990s, White said, the port released a strategic plan that found the port had an over-emphasis on its container business.

“There were other commodities where we had a geographic advantage but weren’t doing good,” he said. “We never lost our vision on containers, we just became more peripheral on what we were looking at.”

Containers, a key commodity for the Port of Baltimore, account for most of the cargo that moves over Baltimore’s public terminals.

Already, Baltimore ranks as one of the most productive ports in the country for containers, moving 40 containers per hour.

“I think that containers is something that will start to improve as time goes on,” White said, referring to the port’s No. 13 ranking in a nationwide comparison.

The Port of Baltimore exported and imported more than 750,000 cars in 2013, and topped that in 2014.

“The auto industry right now has come roaring back; we’ve seen record numbers of cars at this port,” said Rick Powers, director of sales and trade development for the Maryland Port Administration.

Baltimore is the nation’s leading auto port, excelling at one of the most international businesses in the world.

Key factors in its success are an outstanding quality program, geographic location that is 150 miles further inland than any other port while still being close to the Midwest manufacturing region and strong consumer markets, and three separate processing companies to offer services to auto makers.

Location is particularly important for the auto cargo business.

For instance, the port helps BMW serve 96 dealers within the central and eastern regions, said Jim Goldsmith, vehicle processing and distribution department head for BMW of North America. Its vehicle distribution center will import about 166,000 vehicles for BMW and Mini through 2016.
“The auto industry right now has come roaring back; we’ve seen record numbers of cars at this port.”

—Rick Powers, director of sales and trade development for the Maryland Port Administration

“The location of the port has helped us streamline our supply channels to those dealers,” Goldsmith said. “With this new facility, BMW enhances its position as the largest car processing port on the East Coast.”

Shipping partner Wallenius Wilhelmsen has made them feel welcome and played a critical role in their fast startup, he said. It is also processing companies that drive business to the port. While some automakers do their own processing, there are three independent contractors located in Baltimore to make sure cars arrive at the dealerships ready to go.

One such company, AMPORTS, has locations on both sides of the Inner Harbor.

CEO Jim Davis said that their customer service is second to none. AMPORTS will install accessories like GPS, radios, roof racks and spoilers for the manufacturers, as well as fix any dings that happened on the voyage.

“Our employees … are 15 to 25 years of employment with us, so the expertise that we have, we keep,” Davis said.

Auto Warehousing Corporations and Wallenius Wilhelmsen Logistics — Vehicle Services America also offer on-dock processing, giving customers more choice and keeping all three companies competitive.

The port opened a new auto berth at the Masonville/Fairfield Marine Terminal last October, replacing an old berth that had been in operation for more than 70 years.

The new berth is 1,175 feet in length, and nearly 300 feet longer than the old berth. It is 130 feet wide — 20 feet wider than the old berth — and is able to support 1,000 pounds per square inch, compared to 100 pounds per square inch. Additionally, it can handle rail transport.

As well as physically expanding, the port is also increasing capacity by reducing “dwell time” — how long it takes to ship the cars in or out.

There are nearly 1,100 direct jobs generated by the Port of Baltimore’s auto business, according to the Maryland Port Administration. And most of those are highly skilled positions.

One area that makes the Port of Baltimore unique is the Quality Cargo Handling Action Team (QCHAT) workgroup, which brings all stakeholders together once a month to improve the quality of handling automobiles at the port.

The team meetings, originally started by auto processor AMPORTS, have been going on for more than 15 years.

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One area that makes the Port of Baltimore unique is the Quality Cargo Handling Action Team (QCHAT) workgroup, which brings all stakeholders together once a month to improve the quality of handling automobiles at the port.

The team meetings, originally started by auto processor AMPORTS, have been going on for more than 15 years.

“‘All the cars are expensive; you can’t afford to have a single scratch on anything,’ Powers said. “What we do is constantly reinforce the quality we want in terms of handling. If there is a trend, an issue, we identify it very early on, and we put metrics to it so that quality problem really goes away.”

Years ago, for example, the group came up with the idea to tell people handling the cars that they had to remove rings, belt buckles, and anything metal that could scratch the cars.

John Griffin, manager of international port operations for FCA US (formerly the Chrysler group), said it is amazing to see union officials sit at the same table with cargo handlers, competing manufacturers and processors to improve operations.

FCA US is increasing business at the port — the company has primarily exported Chrysler vehicles in the past but started importing in 2013. Imports include the Dodge Ram ProMaster City, Alfa Romeo 4C, Fiat and Jeep.

The way the stakeholders put personal goals and agendas aside is a testament to the port’s goal of quality, he said.

“Without this positive attitude, your team may succeed in sitting at the same table, but you will not achieve any of the accomplishments that you set out to achieve,” Griffin said.
The Port of Baltimore has established itself as a major player in the cruising industry over the past decade.

Pivotal to its draw has been a shift to year-round cruising that began in 2009.

Before that, data show, about 60,000 people crossed the port’s peer to embark on a cruise or for a port call. In 2014, that figure was 210,000, and officials are expecting similar numbers this year. About 100 cruises leave annually from the Port of Baltimore.

“The cruise business has really grown since we moved to year-round cruising,” said Richard Scher, director of communications for the Maryland Port Administration.

In fact, Cindy Burman, general manager of Cruise Maryland says the Port of Baltimore is one of just a few ports in the north with year-round schedules.

“Baltimore is one of the best places to cruise out of,” she said. “We consider ourselves the gateway to your getaway.”

Those getaways can take place on one of the port’s two cruise lines: Carnival Cruise Lines and Royal Caribbean International.

Luxury cruise line Crystal Cruises also will — for a third year — schedule an embarkation sailing from the Port of Baltimore.

Burman said officials would love to have another cruise line come into the port and have room for expansion.

The most popular destinations are those in the Caribbean, Burman said. Trips to Canada and New England also sell out quickly, she said.

“That’s why year-round cruising is so successful out of Baltimore,” she said. “In a couple of days, you’re in warm weather.”
Carnival announced in October that it would no longer offer cruises out of Baltimore, but announced soon after that it would return following the installation of new technology to comply with federal environmental regulations.

Burman said Carnival’s first scheduled cruise from Baltimore since its return will be March 29.

“I think Baltimore is on track to continue to grow the business, and we think it’s an excellence resource for our consumers in our region for vacations,” she said.

Burman credits the port’s success with cruises in part to the large and wealthy consumer market, the port’s location off I-95 and the customer service provided by employees.

Baltimore also is a desirable location for a port call, she said, because of the variety and quality of the region’s hotels, entertainment, restaurants and attractions.

“We are a great destination in our own right,” she said.

The Port of Baltimore’s cruise terminal at South Locust Point is just 2.5 miles from Baltimore’s Inner Harbor and 10 miles from BWI Thurgood Marshall Airport, providing easy access to those traveling from out of state.

Baltimore also is located within a four-hour drive of eight of the 10 wealthiest counties in the U.S. The Baltimore-Washington DC-Northern Virginia region is recognized as one of the most affluent in the nation.

Five hundred jobs are generated by cruise activity in Maryland, including 220 direct jobs at the Port of Baltimore. Additionally, Maryland benefits from $90 million in economic activity generated by cruise activities. The economic value to Maryland takes into consideration such factors as local spending, hotels, dining and entertainment.
Dredging key to success of the port

David Blazer, deputy director of harbor development for the Maryland Port Administration, discusses dredging and its importance to the Port of Baltimore in the following Q&A.

What is dredging?
Dredging is the removal of soil and material from the bottoms of our channels. The annual average of 5.2 million cubic yards of material is dredged from the channels leading to the Port of Baltimore.

Why is it important to the Port of Baltimore?
Continuous dredging is critical to maintaining safe and passable channels for today's huge ships. Without properly dredged channels, ships would not be able to travel to the Port of Baltimore.

That would have a direct impact on business at the port, as cargo would not be able to reach the port and eventually reach its own final destinations. The Port of Baltimore is responsible for tens of thousands of jobs.

These jobs would be directly affected if certain ships could not reach the Port of Baltimore because of shallow channels.

In what way is dredging critical to the success of the port?
Dredging is the lifeline of the Port of Baltimore and is the critical infrastructure to keep the port moving. Jobs and economic benefits from having one of the busiest ports in the U.S. are directly impacted by safe and navigable channels.

What happens to the soil and material that is dredged from our channels?
Maryland state laws require dredged material to be placed in approved containment facilities. Most of the containment facilities are managed by the Maryland Port Administration and some are managed in partnership with the Army Corps of Engineers. These facilities have resulted in rebuilding long-eroded islands, restoring natural habitats and cleaning up 'Brownfield' industrial properties. The law also prohibits what is called open water placement. Material that is dredged from Maryland channels cannot be dumped in open water.

What are some of the environmental work associated with dredging?
MPA's dredging program has a strong history of environmental stewardship. The Poplar Island Environmental Restoration Project is designed to provide additional capacity for the dredged material while continuing to create beneficial habitats. Poplar is groundbreaking because of the use of dredged material to create large scale wetlands and upland habitats focused on wildlife. Poplar Island had eroded away to about a five-acre island in the 1980's. Historically, Poplar was over 1000 acres before 1900. A decision was made to restore the island to its former size using dredged material as the source and to use the material in a beneficial way, meaning to use it to create wetland and upland habitats for birds and other wildlife.

Additionally, the Hart-Miller Island project has the created over 1000 acres of upland habitat. Another site, the Masonville Dredged Material Containment Facility includes a massive environmental restoration that includes cleaning up over 100 acres of previously contaminated land including trash and debris dating back to the Great Baltimore Fire of 1904.
A port of many jobs

Lee Connor
President
John S. Connor, Inc.

Lee Connor’s grandfather started John S. Connor Inc. in 1917, and he now is the third generation to lead the firm that makes transportation arrangements and oversees other logistical needs for importers and exporters who transport goods through the Port of Baltimore and elsewhere.

“We’re a small part in the whole global logistics supply chain, but we are a vital part,” he said. “We are interacting with all parties.”

That includes arranging transportation and helping importers and exporters get their products from point A to point B, working with shipping lines, terminal operators and truckers, as well as customs and other government agencies with interest in imports or exports.

The company, which also handles air freight, domestic transportation and project freight, is based in Glen Burnie but has offices in New York, Kentucky and Virginia.

Currently, the company employs about 100 people.

Connor said that ocean freight accounts for about 70 percent of the company’s business, with about 30 percent of the firm’s business coming from air freight. The company also does some trucking business.

In his business, Connor said it’s essential to be flexible.

“It’s important to be flexible and give a high level of personal service, but I also have the ability to provide electronic tracking,” he said.

Doug Wolfe
Vice President
Ceres Marine Terminals Inc.

Ceres Marine Terminals has been operating in the Port of Baltimore since 1979. The company has built a strong reputation on making customers a priority and the ability to handle all types of cargo from automobiles to oversized, hard-to-handle cargoes. When there is a special cargo need arriving in or departing from the Port of Baltimore, customers can depend on Ceres.

Ceres was founded in 1958 and provides stevedoring, terminal operations and ancillary services. Doug Wolfe, Vice President, Ceres Marine Terminals, Inc., said the company arranges the equipment and the labor necessary to facilitate such operations. In 2014, the company handled 456 marine vessel calls, he said. That includes cruise ships which Ceres Cruise Services also handles.

Last year, Wolfe said Ceres worked on 89 cruise calls and expects to continue the same volume for the 2015 season. This includes passenger processing, baggage handling and other ancillary cruise services. Ceres gives the same “white glove” treatment to every piece of cargo, passenger processing or ancillary cruise service,” Wolfe said.

“One of our primary goals as a company is damage-free cargo handling and processing,” he said. For automobiles, that means ensuring there are no dents or scratches, which costs the manufacturer time and money to repair. “Ceres’ goal is to receive the vehicles from the manufacturer, load them on a truck and send them to the dealerships, Wolfe said. “It saves everyone time and money. Collectively, it is a win-win situation.”
Ed Shaffer
Yard Manager
General Ship Repair Corp.

Just like cars, tug boats and barges need routine maintenance and emergency repairs. For that, they come to General Ship Repair Corp. in Baltimore.

The roughly 40 employees there work as ship fitters, welders, pipe fitters, machinists, painters and more, according to yard manager Ed Shaffer.

Recently, employees dry docked a hopper barge and used a pressure washer with an output of 5,000 pounds per square inch to remove mud, barnacles and other debris from the barge.

Cleaning the 250-foot barge, Shaffer said, was expected to take two workers between 12 and 16 hours.

In addition, workers would spend some time repairing several holes.

“General Ship Repair also has a 40,000 PSI pressure washer that will [bring a barge] to a new white metal,” he said.

While some employees were busy working on the hopper barge, Charles Gore, a welder, was working on a screen for a vent duct used to ventilate a room on a vessel.

“There’s always something different to do,” said Shaffer, who has worked at General Ship Repair for 10 years.
At Seagirt Marine Terminal teamwork is essential in an extremely fast-paced environment. Employees there work primarily to ensure that containers make it from point A to point B.

Spanky Braun, a clerk at the terminal, uses a handheld computer to communicate with Bill Eydelloth, who operates a top loader. Braun tells Eydelloth where the container is located on the terminal grounds. The pair does that about 200 to 250 times each day.

“There is complete organization in what looks like mayhem,” said Braun, who has worked at the port for 39 years. Eydelloth has worked there for 42 years.

Cordell Jefferson, a foreman, has worked there for 41 years, and said a typical shift runs from 6 a.m. to 6 p.m. However, there are times when a shift could last 20 hours or more depending on the job.

“There is no such thing as nothing to do here,” Braun said.

Luckily, all three men said they love their jobs and feel fortunate to be part of such a great team.

“I enjoy coming to work,” Eydelloth said. “The waterfront is a great way to make a living.”

Having worked there as long as they have, all three said they’ve seen the job evolve over time. One major innovation has been the adoption of automation, which has improved efficiency and speed – allowing them to become a leading port along the East Coast.

However, Jefferson, a member of ILA Local 1429, said, safety remains the top priority.

Braun is a member of ILA Local 953, and Eydelloth belongs to ILA Local 333.
From left, Cordell Jefferson, Spanky Braun and Bill Eydelloth say teamwork is essential when working at Seagirt Marine Terminal.
Business booming at the port

Location, commitment to quality service driving growth in distribution

By Meg Tully
Special to The Daily Record

Representatives from Pier 1 in Dallas, Texas recently were visiting the Port of Baltimore, attending one of the port’s regular bimonthly meetings to improve quality, accuracy and reliability.

Known as QHAT, the group brings together stakeholders in the container industry to touch base and discuss how to make sure everything runs perfectly.

The Pier 1 leaders told the port’s Director of Intermodal and Trade and Development, Joe Greco, that they have done business in many ports and had never attended a meeting with such a holistic approach.

“We’re making the business in the Port of Baltimore better and constantly improving,” Greco said.

And customers are responding.

Across the state, major companies are investing in expansive distribution centers that fuel commercial development and offer skilled jobs. They reflect a larger commitment from companies recognizing the Port of Baltimore is in the ideal location, offering superior services for shipping and proximity to I-95 and I-70.

Restoration Hardware recently went from 600,000 square feet in Baltimore County to 1.2 million square feet in Cecil County. Pier 1 has three facilities in Aberdeen with square footage totaling about 1 million square feet. Ikea and Costco also have major distribution centers located in Maryland.

Business is growing — Amazon is opening a new 1.1-million-square-foot facility next to the Seagirt Marine Terminal, and its close proximity could provide new opportunities for the port.

Distribution activity is best measured through the port’s container business, which has grown close to 8 percent since 2014. Previously, the container business had been growing at between 2 percent and 8 percent, Greco said.

MTC Logistics, a Baltimore refrigerated distribution center focused on international business, is one of the businesses investing in growth.

The company recently doubled its cold storage capacity, going from 16,500 pallet positions to 32,000 pallet positions. Square footage also increased, from 129,263 square feet to 259,536 square feet, and 5,626,142 cubic feet to 11,651,268 cubic feet.

Located on Holabird Avenue, adjacent to the Seagirt Marine Terminal, their business includes customers that export poultry and import seafood, juice and pork.

One of the reasons MTC located here is because of the lack of congestion at the port, said MTC President Brooks Royster. They are able to get seven to

Port popular with the neighbors

A poll completed in 2014 surveyed 600 residents who live within 10 miles of the Port of Baltimore to gauge how much importance they place on having the port and their level of support for several public policy proposals related to it. Here are some of the survey’s findings.

80%
Familiar with the Port of Baltimore

73%
Port is “very important … to the identity and heritage of this region”

94%
Port’s contribution to the area economy “very important” or “somewhat important”

86%
View the port favorably

92%
Support “improving rail transportation links in the port area”

79%
Support “acquiring additional land for the port”

97%
Believe a “thriving seaport (is important) to the health and vitality of Baltimore and the region”

eight containers per day out of the port per truck, compared to only two or three containers in ports to the north.

“You can see that the lack of congestion yields tremendous productivity,” Royster said.

The location also serves MTC well because of its unique geographic location next to the I-95 corridor and being the farthest inland port, which also means that is also closest to the Midwest. Baltimore also has a good supply of refrigerated containers and a steady source of energy, he said.

The port has the capability of loading 40 container loads per hour per crane. The largest ships have five cranes working at one time. The turnaround in Baltimore is half of competing ports to the north, Greco said.

One new addition to the port’s portfolio is Maersk, one of the largest shipping lines in the world.

“This has significant potential to even increase the volume to what we’ve seen the past several years,” Greco said. “And we are not just sitting back on our laurels. With Ports America, there will be significant infrastructure investment.”

Ports America Chesapeake LLC operates and leases Seagirt and recently signed a 50-year public-private partnership agreement.

As part of that agreement, Ports America completed a new container berth ahead of schedule in January 2013 that will make room for big “super-post-Panamax” ships coming through the Panama Canal with a 50-foot draft, 1,200-linear-foot. They also got four new all-electric high-efficiency gantry cranes in June 2012 that can reach 22 containers across. The Port of Baltimore is already starting to see big ships, even ahead of the widened Panama Canal’s opening in 2016.

The port’s new cranes, deep water and good bridge heights make it easy for shippers to take advantage of economies of scale, said Bayard Hogans, general manager for Ports America.

In addition, the company is making major investments at Seagirt’s main gate.

The lanes will be expanded from eight to 13 lanes, and speed and efficiency will be improved as well through new RFID technology similar to EZ Pass and weigh-in motion-scales that will not require trucks to stop for weighing. The number of rubber tyred gantry (RTG) cranes will also increase from 12 to 15.

In the fall, Baltimore City and the state of Maryland also will complete a project to improve the main roadway from to I-95 to the port, putting down highway-grade concrete that will be durable and allow trucks easy passage to the highway.

Hogans said the consumer buying power of the region will continue to fuel expansion.

“We’re already seeing a lot of success in the port related to the new berth, and definitely distribution is growing in Maryland,” Hogans said. “And that’s driving the economic engine of the port.”

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PORT OF BALTIMORE HITS RECORD FOR CONTAINERS

In October 2014, the Maryland Port Administration announced that 46,827 containers were handled at the Port of Baltimore’s public marine terminals, establishing a new record for most containers handled in one month and surpassing the previous record of 44,095 containers set in July 2013.

“The Port of Baltimore is one of the most efficient seaports in the United States,” said MPA Executive Director James J. White. “Our vessel production is among the highest for U.S. ports. Our new 50-foot deep container berth and four supersized cranes have placed us in a very competitive position to attract some of the largest ships in the world. The future of the Port of Baltimore has never looked brighter for the thousands of men and women who work on our marine terminals to support their families.”

The Port of Baltimore is ranked as the top port among all U.S. ports for handling autos and light trucks, farm and construction machinery, imported forest products, imported sugar, imported aluminum and imported gypsum. Baltimore ranks second in the U.S. for exported coal. Overall Baltimore is ranked ninth for the total dollar value of cargo and 14th for cargo tonnage for all U.S. ports. Business at the port of Baltimore generates about 14,630 direct jobs, while about 108,000 jobs in Maryland are linked to port activities. The port is responsible for $3 billion in personal wages and salary and more than $300 million in state and local taxes.

AUTO BERTH OFFICIALLY OPENS

A new auto berth officially opened at the Port of Baltimore’s Masonville/Fairfield Marine Terminal in 2014.

The new berth replaces an old berth that has been in operation for more than 70 years.

The new berth at 1,175 feet in length is nearly 300 feet longer than the old berth and at 130 feet wide is 20 feet wider. The new berth can support 1,000 pounds per square inch compared to only 100 pounds per square inch for the old berth. The new berth is also equipped to handle rail transport. The Port of Baltimore last year handled more than 750,000 cars, the most among any U.S. port. Nearly 1,100 direct jobs at the Port are generated by the Port’s auto business.

BMW GROUP CELEBRATES OFFICIAL OPENING OF VEHICLE DISTRIBUTION CENTER

In 2014, BMW Group officially opened its new Vehicle Distribution Center at the Port of Baltimore.
The facility serves 96 dealers within the Central and Eastern regions of BMW’s dealer network. With this new facility, BMW enhances its position at the largest car processing port on the East Coast. Already fully staffed, this Vehicle Distribution Center will import an estimated total of 166,000 vehicles (BMW & MINI) through 2016. Vehicle inspection, repairs (mechanical and paint and body), accessory installation, vehicle programming and vehicle maintenance will be performed there as well.

“This is the front line of our customer service effort, especially for our customers in the central part of the U.S.,” said Craig Westbrook, aftersales vice president of BMW of North America. “Our new Baltimore port facility is dedicated to receiving from overseas, rapidly preparing and then quickly delivering new vehicles to our customers and dealers.”

Located at 2700 Broening Highway, the new Vehicle Distribution Center provides room for BMW to further build its processing operation, as business continues to grow.

Port Administration Honored for Environmental Achievements

The Maryland Port Administration recently was recognized twice for its environmental initiatives, receiving a successful recertification audit of its Environmental Management System (EMS) from the International Organization for Standardization (ISO) 14001 and taking first place for its Algal Turf Scrubber in the Innovative Best Management Practice (IBMP) Award by the Chesapeake Stormwater Network.

The network consists of nearly 5,000 stormwater professionals, primarily comprised of members within the Chesapeake Bay Watershed, but also has members from around the world. The ISO 14001 certification standards are among the most challenging in the environmental industry. Out of 360 U.S. seaports, less than 10 are ISO 14001 certified. Through these standards, the MPA has successfully identified and controlled the environmental impacts of activities, products and services; improved environmental performance; and implemented a systematic approach to setting and meeting environmental goals and objectives.

Port Administration Hires New Building Manager

Samantha Harris was hired in 2014 as the new building manager for the World Trade Center in Baltimore.

“My main goal is to make the World Trade Center Baltimore one of the most sought after office spaces in Baltimore and bring the building to 100 percent capacity,” Harris said. “We want companies and organizations looking for office space in Baltimore to know what the World Trade Center building has to offer. I’m excited to bring my vision to an iconic landmark in Baltimore.”

Harris brings a great deal of real estate knowledge to the MPA. She began her real estate career with the Rouse Company, which was later purchased by General Growth Properties. While at General Growth Properties, Harris assisted in the $110 million redevelopment of the Towson Town Center and oversaw the $80 million redevelopment of the Mondawmin Mall. Additionally, Harris managed assets for Simon Property Group and Montgomery County Public Schools.

The World Trade Center Baltimore is located between the National Aquarium and the Harborplace retail pavilion.
Port poised to benefit from changes in maritime shipping

Panama Canal expansion expected to be the real game-changer for Baltimore

By Pete Pichaske
Special to The Daily Record

A confluence of major changes is transforming the international shipping industry, and administrators at the Port of Baltimore say it could be a boon for their port.

A gradual shift of Asian manufacturing from China to Southeast Asia, the rapidly increasing size of ships coupled with Baltimore’s recently added ability to handle those megaships, and, most importantly, the soon-to-be-completed new set of locks at the Panama Canal, all could spell good news for the city.

“There are a few things in play here, and they’re playing in our favor here for increasing our business,” said Jim White, executive director of the Maryland Port Administration.

The manufacturing shift in Asia is a result of rising salaries in China over the past 20 years. Faced with those rising salaries, manufacturers are turning to countries to the south, such as Vietnam, Cambodia and India, for their workers. And, for those countries, the Suez Canal is a quicker route to the United States than the Panama Canal.

“As that develops, we’ll see more trade coming through the Suez Canal to the East Coast as opposed to China supplying goods through the Panama Canal to the West Coast,” White said.

The increasing size of ships is a factor when coupled with the Panama Canal widening. The Suez Canal already can accommodate the large
vessels, known as “Post-Panamax” ships, but not the Panama. That will change with the Panama Canal widening. The Panama Canal expansion is expected to be the real game-changer for Baltimore. Nearly a decade in the making and due to be finished early next year, the change will make the 100-year-old canal navigable to ships nearly three times as big as it can accommodate now — 12,000 TEUs (the equivalent of 12,000 standard 20-ft. containers) as opposed to 4,200 TEUs.

The Port of Baltimore for 20 years has had the 50-foot channel needed to accommodate the megaships. But in the past two years, in a joint venture with the private terminal operator Ports America, the port has added the 50-foot berth and four super-sized container cranes that also are needed. Ports America spent $140 million to lease the Seagirt Terminal and another $110 million on the improvements.

With its deeper channel and berth, the Baltimore port is one of only two East Coast ports — Norfolk, Va. is the other — that can accommodate the megaships. (The port that serves New York and New Jersey has the deep channel but has to raise the Bayonne Bridge on Staten Island, a $1.3 billion project that is ongoing.)

Toss in the large, relatively affluent market the Baltimore port serves, stretching from Northern Virginia to Philadelphia, and you have companies throughout Maryland vying to snare additional business with the Panama Canal expansion.

Maryland officials have estimated that the changes at the port will generate 2,700 new jobs.

Bayard Hogans, general manager of Ports America Chesapeake, said Seagirt already is seeing larger ships. “A lot of shipping lines have not waited for the Panama Canal widening,” he said. “They’ve already moved to Suez and are using larger vessels.”

The Panama Canal expansion has prompted ports up and down the East Coast to pump hundreds of millions of dollars into improvements, which means increased competition. “Ports are in a veritable arms race … to make investments,” said Adi Tomer, a senior research associate at the Brookings Institute who specializes in infrastructure and transportation.

Among the East Coast cities making port improvements are Miami, and Jacksonville, Fla., Savannah, Ga., Charleston, S.C., and New Jersey/New York.

Still, Tomer agrees that Baltimore is better positioned than most East Coast ports to benefit from the looming changes. “Baltimore is more likely to see marginal gains rather than marginal losses,” he said.

Port officials believe the boost will be incremental. White predicts cargo growth of 2 to 3 percent annually, with increases from the shift in the Asian manufacturing base still five or 10 years away.

“We’re prepared today to handle the larger vessels,” Hogans noted. “We’re good with bridges, we have deeper water, we have the huge cranes. … We have all those pieces already going for us.”
If it happens in Government, it’s...

Bryan P. Sears
General Assembly Beat Reporter
Bryan P. Sears covers state government, from the governor’s office to the legislature to the Departments of Business and Economic Development and Labor, Licensing and Regulation. Wherever business and government intersect, Bryan is there to provide exclusive coverage.


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The Port of Baltimore by the Numbers

$52.5 billion
Value of foreign waterborne commerce

792,000
Number of cars handled at the Port of Baltimore in 2014

29.5 million
Tons of foreign waterborne commerce

100
Number of cruises at the port in 2014

No. 1
Overall ranking among U.S. ports for automobiles, farming and construction machinery, imported forest products and imported sugar

108,000
Jobs in Maryland linked to the port

$3 billion
Combined wages and salaries port is responsible for

14,600
Number of direct jobs at the Port of Baltimore

Big Ship Ready with 50-Ft. MLW Wharf and Super-Post-Panamax Cranes

Baltimore’s Seagirt Marine Terminal
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