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MARYLAND DAILY RECORD

Port's 2nd biggest line signs for 10 more years Taiwan-based Evergreen Marine to guarantee 40,000 containers each year

ANDY ROSEN
Daily Record Business Writer
July 22, 2008

The state has a new 10-year deal with its second-largest shipping customer at the Port of Baltimore, officials will announce Wednesday.

Evergreen Marine Corp., a Taiwan-based shipping line, is committing to two five-year extensions with the state, which will guarantee the transport of at least 40,000 shipping containers to and from the port each year. Containers, the multicolored metal boxes often seen stacked on ships and at marine terminals, make up about 65 percent of all cargo at public terminals and can contain almost any type of goods.

Company and port officials would not discuss how the new contract compares to state's existing deal with Evergreen. The company is the port's second-highest revenue producing customer, according to the Maryland Port Administration, after Mediterranean Shipping Co. S.C. The MPA does not disclose specific revenue figures, though.

Barbara Yeninas, spokeswoman for Evergreen, said the company is glad to continue its relationship with Maryland, but could not provide details about the contract because it had not been officially announced. Evergreen is the only shipping line at the Port of Baltimore with direct service to Asia.

"Baltimore's connection to Asia has always been very strong, all the way [back] to the clipper ships," she said. Yeninas said Evergreen made its first container shipment to Baltimore, and has been doing business at the port for 33 years.

Nobody with details of the contract was available for comment Wednesday, said MPA spokesman J.B. Hanson. The company's existing contract was set to expire in October, Hanson said, but an extension was reached early.

Christine N. Hansen, spokeswoman for Gov. Martin O'Malley — who plans to take part in the announcement Wednesday — said the new contract shows that international companies view the Port of Baltimore as a good place to do business.

“Their record speaks for itself,” she said.

Richard Higgins, director of sales and marketing for the John S. Connor Inc., a Glen Burnie-based customs broker and freight forwarder, said it is good news that Evergreen will continue to make calls to the port. Baltimore is the closest port to the Midwest, but sometimes shipping companies are reluctant to come all the way up the Chesapeake Bay, he said.

For John S. Connor’s customers here, Higgins said more direct trips to Baltimore mean shipping becomes more cost effective and safer because cargo has to be transferred fewer times.

“It’s good for the port, and it’s good for the services that are related to the handling of the cargo coming out of the containers,” he said.

Walter Mitchell, principal of Mitchell Consulting Group Inc., a Brooklandville company that specializes in marine transportation, said Evergreen is showing faith in Baltimore by making the deal.

“It’s a vote of confidence by Evergreen that Baltimore can handle their requirements,” he said. “Whenever you have a company of Evergreen’s stature making a commitment like this, it’s good news all the way around.”

BALTIMORE BUSINESS JOURNAL

Port of Baltimore to ink new shipping deal with Evergreen Marine Corp.

Baltimore Business Journal - by Scott Dance Staff

Evergreen Marine Corp., one of the Port of Baltimore's largest container shippers, has signed a deal to add another decade to its history of more than 30 years here.

The new contract will become effective in October and extend until 2018, MPA spokesman Richard Scher said. It furthers the company's commitment to carry 40,000 containers to and from Baltimore each year. Over the last seven years, Evergreen's business has more than doubled, growing 126 percent, according to the MPA.

Evergreen is the second-longest serving container customer and second-highest revenue producer at the **Maryland Port Administration**'s publicly owned terminals, according to the MPA. It has had a presence at the port since 1975, Scher said.

Gov. Martin O'Malley and Transportation Secretary John Porcari will hold a deal-signing ceremony with Evergreen officials Wednesday morning at Seagirt Marine Terminal in Dundalk.

BALTIMORE SUN

Shipping line to extend port pact

Taiwan-based Evergreen adding service for 10 years

By Laura McCandlish

Sun reporter

July 23, 2008

Taiwan-based Evergreen Marine Corp. will sign today an agreement to continue service to Baltimore for 10 years as it eyes an increase in traffic between the East Coast and Asia.

The new longer-term contract keeps Evergreen's guarantee to move at least 40,000 loaded containers through Seagirt Marine Terminal annually. Evergreen is the second largest container line operating in the port and the only one to provide direct service to Asia, a market port officials have tried to expand in recent years.

"To get a major shipping line like Evergreen to commit to the port of Baltimore - we're lucky to get one of these agreements every two to three years," said James J. White, the Maryland Port Administration's executive director. "The growth with this Asian market has just exploded."

Gov. Martin O'Malley and Transportation Secretary John D. Porcari will herald the agreement with White and Evergreen executives at Seagirt this morning. It is the most significant contract White has overseen since he reassumed the top port job last summer after a two-year absence.

As the port struggles to bolster lagging container traffic at Seagirt, its Evergreen service is a bright spot. The volumes Evergreen handles in Baltimore have increased 126 percent, to about 100,000 containers annually, White said. It is the port's fastest-growing container line.

Overall container traffic at Seagirt dropped 2 percent in 2007 to 479,123 TEUs, or the equivalents of 20-foot containers, from nearly 490,000 in 2006. In May, French-owned CMA-CGM and China Shipping halted their joint weekly service that brought nearly 30,000 containers annually from Europe to Seagirt.

Evergreen's extended contract is contingent on the expansion of the Panama Canal by 2014 to allow Asia's biggest ships to pass through. If the plans to deepen and widen the canal fall through, Evergreen has the option to back out of its contract after five years, White said.

Those larger ships would also require a 50-foot-deep berth at Seagirt at a projected cost of $130 million.

Port officials are considering various options to fund the project.

John S. Connor Inc., a Glen Burnie-based global logistics company, said Asian-bound ships are booked up due to a surge in local exports. Shipments on Evergreen's vessels in Baltimore must now be booked a month out, while only a window of a few days was required last year, said Butch Connor, the company's director of ocean operations.

To accommodate such demand, the port has asked Evergreen to bring larger ships into Baltimore, White said.

"It's imports and exports: It's been a great two-way trade for Evergreen," he said.

Baltimore could also benefit as more shipping lines divert service from the congested West Coast, though it requires a day's sail up Chesapeake Bay, said Paul Bingham, a principal with Global Insights Inc. who monitors the port sector.

"It's rarely going to be the first choice of call for an Asian service on the East Coast," he said. "But for certain services it's still going to make sense to reach the inland location."

JOURNAL OF COMMERCE
Evergreen in Baltimore pact

The JOURNAL of COMMERCE ONLINE

The Port of Baltimore today signed a new 10-year agreement with Taiwan-based Evergreen Marine Corp.

The contract is for five years with an additional five-year renewal option. Evergreen, one of Baltimore's top maritime container customers, is operating under a one-year extension agreement that will expire Sept. 30. The new contract takes effect on Oct. 1.

A ceremony at the port marking the agreement was attended by Maryland Gov. Martin O'Malley, Maryland Port Administration Executive Director James J. White, and officials from Evergreen.

As reported, the minimum guarantee of the contract is for Evergreen to transport 40,000 loaded shipping containers annually to and from Baltimore.

The port said Evergreen's business in Baltimore has been strong and growing, from 594,080 tons in 2000 to 1.3 million tons in 2007. In that time the volume of loaded Evergreen boxes increased from 35,517 containers to 62,526 containers.

Evergreen's first containership called Baltimore in 1975, and is the port's second longest-serving and second-largest container customer. It is also the only shipping line that provides direct service from Asia to Baltimore.

OOCL Joins Indamex: Orient Overseas Container Line is joining the India-America-Express (Indamex) service jointly operated by Hapag-Lloyd, CMA CGM and APL. The weekly service, linking the Indian subcontinent and the U.S. East Coast, currently deploys seven vessels with capacities of about 4,250 TEUs each. Three ships are operated by Hapag-Lloyd, and two each by CMA CGM and APL. The port rotation is Karachi, Nhava Sheva, Mundra, Damietta, New York-New Jersey, Norfolk, Charleston, Port Said, Jeddah, and back to Karachi. OOCL is expected to phase in one vessel on the joint service. OOCL was part of the Indus Express service, operated with Emirates Shipping Line, Zim Integrated Shipping Services and Shipping Corp. of India, until the service was terminated earlier this year.

Visit www.joc.com for updates on the ILWU-PMA contract.

Evergreen, Baltimore In 10-Year Deal: Evergreen Marine Corp. and the Port of Baltimore have signed a 10-year agreement guaranteeing that the carrier will move at least 40,000 loaded containers through the port. The port said that Evergreen, the port's only carrier with direct service to Asia, has increased its business through the port by 126 percent in the last seven years.

Breakbulk Service Links Asia, South America: Asia Project Chartering Pte. Ltd. will offer a new liner service connecting Asia to the west coast of South America. The new service is a joint venture of BBC Chartering and Logistic GmbH and Clipper Projects. It is being offered through the umbrella partnership of Asia Project Chartering Pte. Ltd., based in Singapore. The new one-way service is APC SAFE Line (West Coast Service). It extends the route of the APC SAFE Line (East Coast Service), which has run since 2006 connecting Asia via South Africa to the east coast of South America. The new service's loading ports include Shanghai, Busan and Yokohama. Discharge ports will include Callao, Antofagasta and Valparaiso.

Marpol VI Signed Into Law: President Bush signed legislation that ratifies Annex VI of the International Convention for the Prevention of Pollution from Ships. The Marpol VI agreement is an international effort to reduce air pollution caused by ships. Adoption of Annex VI means that the U.S. will accept new standards for vessel emissions that the International Maritime Organization is expected to approve this fall. The standards, which had strong support from the U.S. government, would establish an international standard for ship fuel, and would require vessels to switch from bunker to low-sulfur fuel inside prescribed offshore limits.

UPS Profit Drops 21 Percent: Express carrier UPS saw its net profit fall 21 percent in the second quarter as a faltering U.S. economy and rising fuel costs cut sharply into domestic shipping demand. The company's operating profit on domestic package shipping during the April-June quarter fell 24.6 percent from a year earlier. Overnight air shipping volume declined 6.1 percent, and volume at the company's core ground parcel business slipped 0.7 percent to its lowest point in any quarter since 2005. UPS posted an $873 million net profit in the quarter, down from $1.1 billion a year ago and the company's smallest quarterly profit since 2004. Overall, revenue grew 6.7 percent to just over $13 billion, but the weakness on the domestic front pushed operating profit down 17.6 percent, to $1.45 billion. Chairman and Chief Executive Scott Davis said the company is "making good progress" on concluding a 10-year agreement to provide North American air service for DHL.

K&N Profit Increases: Swiss logistics group Kuehne & Nagel said its first-half earnings rose 14.5 percent to $301.1 million while revenue increased 7.3 percent to $10.5 billion. The company said its positive results came despite what it termed an "increasingly difficult world economic environment," along with the effects of currency fluctuations. While global container traffic increased only 4 to 5 percent, K&N's container volume rose 7.4 percent through growth in North America to Europe and Asia shipments. Seafreight net revenue increased 10.4 percent to $4.3 billion. Airfreight, rocked by fuel prices and the slowing economy, grew less than 3 percent to nearly $2.7 billion, while revenue from road and rail logistics increased 13.8 percent to $1.7 billion through expansion of its European network. Contract logistics net revenue over the first half increased nearly 6 percent to $2.3 billion.

Charleston To Use Dredge Fill For Terminal: The Interior Department said the South Carolina State Ports Authority may bring in fill material from an ocean dredge disposal site for construction of a container terminal at the former Charleston naval base. The port authority said using the material from the Ocean Dredged Material Disposal Site seven miles from the entrance to Charleston harbor will save an estimated $40 million in construction costs. Permits for construction of the new terminal at the former navy base involve the fill of approximately 57 acres, which will require up to 5 million cubic yards of imported material. To reduce the impact of truck delivery, the port authority has committed to bring at least 75 percent of fill by water. It also plans to remove dredged material from its property on Daniel Island, just across the Cooper River. ◆

Last week's headlines

Major shipper extends Seagirt service for 10 years

Midwest cutting air service

Milwaukee-based Midwest Airlines, scrambling to avoid bankruptcy, will drop service to Baltimore and 10 other cities in September as it cuts more than a quarter of its daily schedule. The reductions follow the airline's recent decision to lay off 40 percent of its work force and ground its entire fleet of older, gas-guzzling Boeing MD-80 planes.

3,000 customers to test meters

More than 3,000 utility customers in Baltimore and Westminster will participate in a test of advanced electric meters that could save them money and reduce energy usage during times of peak demand, Baltimore Gas and Electric Co. said. The so-called "smart meters" were installed as part of efforts to promote conservation and reduce stress on the regional power grid.

Evergreen OKs port contract

Taiwan-based Evergreen Marine Corp. has signed an agreement to continue service to Baltimore for 10 years as it eyes an increase in traffic between the East Coast and Asia. The new longer-term contract keeps Evergreen's guarantee to move a minimum of 40,000 loaded containers through Seagirt Marine Terminal annually. Evergreen is the second-largest container line operating in the port.

Sphinx site due redevelopment

The storied Sphinx Club on Pennsylvania Avenue could be reborn as a museum, arts center, shops, housing or another community use, say Baltimore economic development officials, who are seeking redevelopment proposals for the now-vacant site in West Baltimore. The Baltimore Development Corp. acquired the former club in the 2100 block of Pennsylvania Ave. earlier this year.

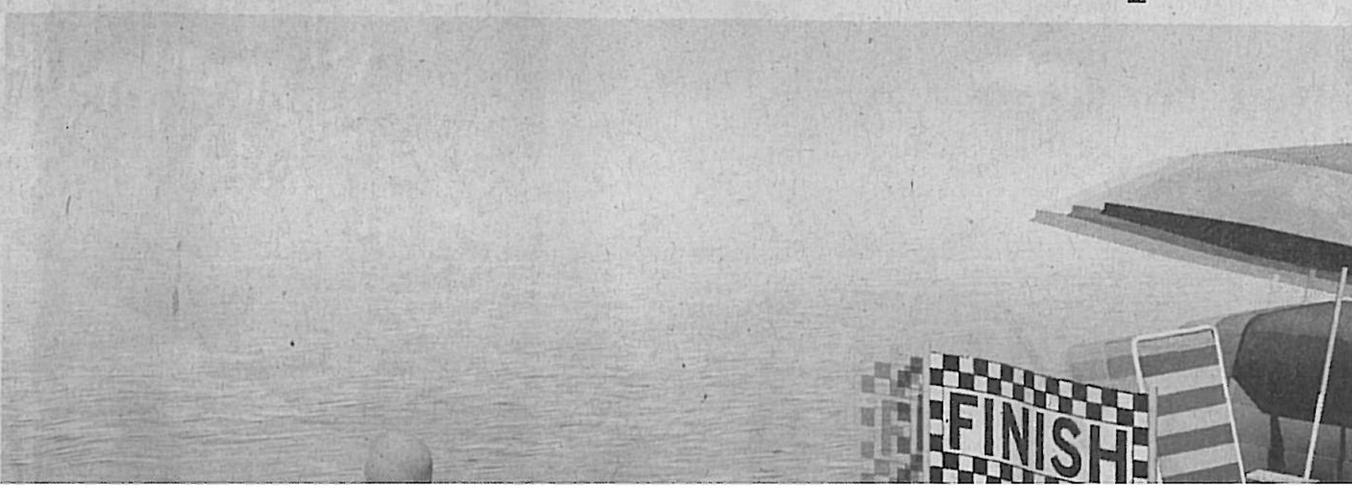
Oriole Park union set

The workers who clean Oriole Park at Camden Yards — and who won a campaign last year for higher wages — have voted to unionize. The state affiliate of the American Federation of State, County and Municipal Employees said the cleaners voted 64 to 13 to join. About 130 were eligible to vote. AFSCME hailed the results as a victory for "contingent workers" with no set schedule.

ON THE MONEY

Plan B might not be option after all

Downturn puts savings laggards on the spot



State Inks New Deal With Big Port Tenant

Wednesday, July 23, 2008 - WBAL Radio as reported by Robert Lang and Associated Press

Maryland has a new agreement to keep cargo containers from a leading shipping company coming to the Port of Baltimore.

Gov. Martin O'Malley signed the formal agreement today at the port with officials from Taiwan-based Evergreen Marine Corporation.

The company is the port's second-highest revenue producing customers.

The deal is worth at least $80-million over ten years and is responsible for 4,000 direct jobs at the port.

The O'Malley administration says the new contract guarantees the transport of 40,000 loaded shipping containers to and from Baltimore annually.

Evergreen is also the Port's only shipping line that provides direct service to Asia.

Former Congresswoman Helen Bentley, for whom the Port is named, said the new deal is a boon to the port.

Governor O'Malley pointed out that cargo business at the Port has been growing in recent years, and this deal will help continue that growth.

Here is the press release issued by the governor's office:

Governor Martin O'Malley, joined by Department of Transportation Secretary John Porcari, Maryland Port Administration Executive Director James J. White and officials from Evergreen Marine Corporation, today announced that the Port of Baltimore signed a new ten-year agreement with Taiwan-based international shipping giant Evergreen Marine Corporation that will guarantee Evergreen's continued shipment of containerized cargo through the Port of Baltimore.

"As a result of its impressive record, the State of Maryland and the Port of Baltimore are able to solidify a commitment from one of the top maritime shipping companies in the world," said Governor O'Malley. "Long-term contracts like this are essential to sustaining the economic engine that is the Port of Baltimore. Good-paying, family-supporting jobs stay at this Port and stay in Maryland because shipping companies like Evergreen believe in this Port and this State."

The contract is for five years with an additional five year renewal option. Evergreen, currently one of the Port's top maritime container customers, is operating under a one-year extension agreement that will expire September 30, 2008. The new contract takes effect on October 1, 2008.

"There is no way to minimize this--- this is huge news for the Port of Baltimore," said MPA Executive Director James J. White. "Evergreen has long been a valued partner for this Port, and today's announcement ensures that they will continue calling the Port of Baltimore for many years to come.

The minimum guarantee of the contract is for Evergreen to transport 40,000 loaded shipping containers to and from Baltimore. Evergreen's business at the Port of Baltimore has been very strong, growing at an especially impressive rate in the last several years. In 2000, the Port handled 594,080 tons of Evergreen cargo. In 2007, the Port handled 1.3 million tons of Evergreen cargo, a 126 percent increase in just seven years. During that same time, the number of loaded Evergreen containers handled at the Port of Baltimore jumped from 35,517 containers to 62,526 containers.

"Ever since our first containership, the M/V Ever Spring, called at Baltimore in the summer of 1975, Evergreen Line has enjoyed a close partnership with the Port of Baltimore," said Wesley Brunson, president, Evergreen Shipping Agency (America) Corp., North America agents for Evergreen Line. "Throughout all of the change over the past 33 years, Evergreen has remained loyal to its partners. The Port of Baltimore has done the same and earned the respect of its customers. It is the strength of our relationship, above all, that remains the force behind our success. That is why we are here today and that is why Evergreen will be here in the future."

Evergreen began serving the Port of Baltimore in 1975. They are the Port's second longest-serving and second largest container customer. Evergreen is also the Port's only shipping line that provides direct service from Asia, one of the fastest growing markets in the world.

The Port of Baltimore employs about 16,500 workers. Out of 361 U.S. ports, Baltimore is ranked number one for handling imported forest products, roll on/roll off cargo, trucks, exported autos, and imported gypsum, sugar and iron ore. The Port of Baltimore is ranked 13th nationally for total foreign cargo tonnage and 12th for total dollar value of cargo. In 2006, the Port was responsible for $3.6 billion in personal wage and salary income. Activities at the Port of Baltimore generated $388 million in state and local taxes.

As a result of its outstanding work to increase U.S. exports, the Maryland Port Administration (MPA) which oversees the public terminals at the Port of Baltimore, was honored in 2007 with the Presidential "E" award. The award was created in 1961 to recognize persons, firms, or organizations that contribute significantly to increase U.S. exports. The MPA was awarded this special distinction for its increased export business over the last several years. The MPA, which also won the "E" award in 1964, is only the 23rd port organization out of 361 total ports in the U.S. to win the highly acclaimed recognition. It is only the fourth port to win the award twice.

WBAL Radio - Baltimore
http://wbal.com/
