

Washington Examiner

BMW signs 5-year pact with Port of Baltimore

Associated Press

BALTIMORE — Officials at the Port of Baltimore say BMW has signed a five-year deal with the port.

The German automaker is expected ship 50,000 new vehicles a year through Baltimore, beginning next year. BMW will use a Mercedes-Benz processing center at the Maryland Port Administration's Fairfield/Masonville auto terminal.

Port officials say BMW vehicles currently arrive in the U.S. through the Port of Charleston, S.C. The BMW deal represents a significant increase in auto traffic for Baltimore's port, which handled about 400,000 autos this year. That's down about a third from last year.

Baltimore's port employs about 16,500 people.

Baltimore Business Journal

BMW drives business to Port of Baltimore

by Scott Dance Staff

BMW will begin shipping about 50,000 vehicles a year through the Port of Baltimore in 2010 to make shipping to the central U.S. faster and cheaper.

That provides a boost to the port's auto shipping business, which had been flagging as the recession hit American carmakers especially hard. BMW had previously done that shipping through the port of Charleston, S.C., but moved it to Baltimore to be closer to the Midwest, BMW North America spokesman Tom Kowaleski said.

"This is very welcome news for the Port of Baltimore's auto business," Gov. Martin O'Malley said in a statement. "This very challenging economy has had a direct effect on many of the Port's key commodities, including automobiles."

The automaker plans to share the state's vehicle-processing terminal in Fairfield with Mercedes-Benz for at least the next five years. Earlier this year, BMW had been scouting the port for a distribution center.

Auto business fell 32 percent at the port from fiscal year 2008 to fiscal year 2009, which ended in June. The state-owned port terminals handled about 400,000 vehicles in fiscal 2009.

Automakers including General Motors and Chrysler do much of their overseas exporting through the Port of Baltimore. The port touts itself as the closest to the Midwest because of its location in the Chesapeake Bay.

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WBAL Radio

Port Of Baltimore Lands Auto Deal

Tuesday, December 15, 2009

Scott Wykoff

BMW has signed a five-year contract to bring 50,000 new vehicles annually through the Port of Baltimore beginning in the first quarter of 2010.

BMW will team with Mercedes-Benz and use their vehicle processing center at the Maryland Port Administration's Fairfield/Masonville auto terminal for the new business.

"This is very welcome news for the Port of Baltimore's auto business and for the hard-working men and women who work at the Port everyday," said Governor O'Malley.

"This very challenging economy has had a direct affect on many of the Port's key commodities, including automobiles. It is a tremendous boost to obtain 50,000 new vehicles that will be processed and handled through the Port of Baltimore in these tough times."

BMW vehicles currently arrive in the U.S. through the Port of Charleston. BMW has said the deal will help with shipping logistics and will be more cost-efficient. The Port of Baltimore is the closest East Coast port to the Midwest.

In Fiscal Year 2009, the Port of Baltimore handled about 400,000 autos. That was down about 32 percent from Fiscal Year 2008.

The Port of Baltimore employs about 16,500 workers.

AutoBlog

REPORT: BMW, Mini to let Mercedes-Benz inspect, prep its vehicles at port

by Michael Harley on Dec 15th 2009

The Mercedes-Benz Baltimore vehicle process center has secured a five-year contract to inspect, process, and repair pre-delivery BMW and Mini vehicles arriving in the United States. It's a deal that makes economic sense for both companies, say that automakers. BMW models currently arrive in Charleston, South Carolina, and are shipped to nearby Spartanburg (home of BMW's assembly plant) for inspection and pre-delivery work. That plant is "no longer appropriate" once the X3 starts production next year, says Jim O'Donnell, president of BMW North America. O'Donnell says BMW has been looking for an outside contractor, and it was the company's own purchasing department who proposed the deal.

Ernst Lieb, CEO of Mercedes-Benz USA, called the deal "a win-win situation." The company has both the manpower and space to service the additional BMW vehicles, and

this arrangement may create additional opportunities for the two companies down the road. The Baltimore vehicle process center, on track to process 70,000 vehicles this year, currently handles Mercedes-Benz and Smart vehicles. The arrangement with BMW will not begin until March 1, 2010.

WJZ TV

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BALTIMORE (AP)

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Frederick Post

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Cecil Whig

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Daily Record

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BALTIMORE SUN

BMW to ship more cars through Baltimore

One-fifth of all BMWs sold in U.S. to come through port in 2010 under new contract

By Liz F. Kay | liz.kay@baltsun.com

December 17, 2009

Starting in 2010, about a fifth of all BMWs sold in the United States will travel through the port of Baltimore, a company spokesman said.

The luxury carmaker has entered into a five-year agreement to ship about 50,000 vehicles annually through the port's Fairfield and Masonville auto terminals to Midwestern customers. Those cars now travel through the Port of Charleston in South Carolina.

The 50,000 additional cars represent a 12 percent increase in auto shipping traffic over current volumes said James J. White, executive director of the Maryland Port Administration.

"That's going to add additional jobs and man-hours," he said.

In the fiscal year that ended June 30, about 400,000 autos passed through the port of Baltimore, down about a third from the previous year.

White said that the port had been working for more than two years to attract BMW to Baltimore. "These types of contractual obligations by a major automobile manufacturer don't happen overnight," he said. "They have to be worked."

He credited the port of Baltimore's "total quality" program that he said addresses the needs of manufacturers. "A lot of big manufacturers want to be in our port because they know product is going to be handled professionally," he said.

BMW North America has been considering ways to streamline its shipping operations for several years, said Tom Kowaleski, the company's vice president of corporate communications.

"Baltimore affords us the opportunity to be more efficient," he said.

BMW vehicles destined for dealerships in nine or 10 Midwestern states have been shipped to South Carolina, processed at a BMW facility in Spartanburg, S.C., then taken by rail or truck to their final destinations.

In the future they will be prepped for shipment to dealers with the addition of protective coatings and audio components at a Mercedes-Benz processing facility at the Baltimore port's auto terminals.

"Mercedes won the business because they're a luxury business as well," Kowaleski said, and thus have experience working with high-end products.

Moving the processing operation to the port of Baltimore will reduce both shipping time to Midwestern customers and costs for BMW, Kowaleski said.

It also made sense because BMW is doubling the size of its plant in Spartanburg by putting in a new assembly hall to build BMW X3 luxury SUVs. As a result, "the space we had to do prep of vehicles also went away," he said.

More than two-thirds of BMW vehicles are shipped from overseas, Kowaleski said. Last year, BMW sold 240,000 vehicles within the United States.

As a premium brand, BMW wants to stimulate more custom orders, Kowaleski said. "You can have your car from us any way you want it," he said. This move reduces the amount of time between a Midwestern customer's placing an order and his or her driving it off the lot.

AUTOMOTIVE LOGISTICS MAGAZINE

Merc to handle BMW at Baltimore

16 - 22 December 2009

Mercedes-Benz USA (MBUSA) will process BMW and MINI vehicles through the Port of Baltimore from March 2010 under a new five-year deal between the two companies.

MBUSA will provide pre-delivery inspection services including processing and repair at its facility at the port for an annual movement of 50,000 BMW and MINI vehicles.

“The processes for inspection will largely be geared toward quality inspections and BMW will provide us with any work instructions,” said Andrew Gillman, general manager for vehicle distribution and logistics at MBUSA.

The agreement means BMW will be switching business from the Port of Charleston, which it has been using for delivery of vehicles for inspection at its Spartanburg plant in South Carolina. The company has said Spartanburg will no longer provide pre-delivery services once X3 production begins there this year. It also said that the shipping distance from Baltimore to dealerships in the central region (including Chicago) is shorter and will entail logistics savings.

MBUSA’s vehicle processing facility at Baltimore handled around 70,000 Mercedes and Smart vehicles in 2009 but Gillman said it would not have to expand the facility or manpower to accommodate the extra BMW and MINI throughput over the length of the contract.

“With this agreement we really don’t see a need for further VPCs,” Gillman told Automotive Logistics.

While BMW remains responsible for purchasing its own logistics and contracting for outbound from the port the companies are also looking at other opportunities for cooperation including the shared use of road-based distribution carrier to handle brands once they have been processed at the port.

“With regard to this distribution, we are already working with them jointly on a request for quotation on outbound trucking,” said Gillman. “What we have found in the past is that it is a relatively modest pool of vendors and often many of the makes are working with the same vendors anyway. We have entered a joint RFQ with BMW toward this. This is something we will decide in early 2010.”

Likewise, Gillman said there could be other opportunities in the future for Mercedes to work with BMW on delivery to the port but added there were no active projects underway at this stage.

ABC 2 NEWS

BMW to Ship Vehicles into Port of Baltimore

Contributor: Dan Taylor
Email: daniel.taylor@wmar.com
Last Update: 12/16 9:54 am

You may have easier time buying a BMW, after Port of Baltimore officials announced that the German automaker will ship 50,000 vehicles beginning next year.

According to the Baltimore Business Journal, BMW will use a Mercedes-Benz processing center at the Maryland Port Administration's Fairfield/Masonville auto terminal.

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