

A Report to the Maryland General Assembly

Senate Budget and Taxation Committee

and

House Appropriations Committee

Maryland Port Commission Annual Report
(Transportation Article §6-201.2 (c))

January 2013

The Maryland Department of Transportation
Maryland Port Administration

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Table of Contents

Maryland Port Commission	1
Executive Summary	2
MPA FY2012 Accomplishments	3
Port of Baltimore - Economic Impacts.....	5
Port of Baltimore - Competitive Position.....	6
MPA FY2012 Cargo Activities.....	7
MPA Operating Results for FY2012.....	8
Environmental Initiatives and Compliance Activities	9
Dredged Material Management Program (DMMP).....	10
Seaport Security	11
Cruise Maryland	12
Rail Issues.....	13
Status of Operations at Seagirt Marine Terminal.....	14
MPA Challenges: FY2013 and Beyond.....	15
Appendix	16

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Maryland Port Commission (MPC)

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Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Executive Summary

The Port of Baltimore (POB) is an important economic generator in the State of Maryland. The public and private terminals of the POB handled a total of 37.8 million tons of foreign cargo in 2011, a 15% increase from 2010. Baltimore is the fastest growing major seaport for international trade. The Port is ranked 1st in the nation for automobiles, roll-on/roll-off equipment, imported sugar, iron ore, forest products, and gypsum. The Port is 2nd in the nation in exported coal. The Port of Baltimore moved up in national port rankings from 13th to 12th in the nation for cargo tonnage and remained 11th in value of foreign cargo at \$51.4 billion.

The POB remains within the top ten major employment centers in the State and generates more than \$3 billion in personal wage and salary income. The economic impact also creates \$1.7 billion in business revenues; \$1 billion in local business purchases; and \$304 million in State and local tax revenues in Maryland. Unlike many other ports nationwide, the POB currently maintains a near equal balance between imports and exports.

The Maryland Port Administration (MPA) also realized significant growth in FY2012 at the Port's seven public marine terminals. The MPA's general cargo volume of 9.3 million tons establishes a new record surpassing the previous record of 9.1 million tons set in FY2008. In FY2012, the MPA set new records for handling autos, containers, and roll-on/roll-off equipment. Baltimore was the fifth-largest East Coast cruise port in 2011 with 251,889 passengers, a new record, sailing on 105 cruises.

As one of only two ports on the East Coast with a 50-foot deep berth and navigation channels, the POB is highly competitive. The significant capital investments through the Public/Private Partnership between the MPA and Ports America Chesapeake at the Seagirt Marine Terminal mean that Maryland is poised to take full advantage of the competitive position of the POB to benefit the State and local economy. The arrival of four new Super Post-Panamax cranes and the completion of the 50-foot deep berth at Seagirt make a strong statement that the Port of Baltimore is ready to service the largest container ships in international commerce.

The MPA continues outreach to its neighbors through regular coordination meetings with maritime and community groups from the region. The MPA received the "Renaissance Anchor of the Year" from the Dundalk Renaissance Corporation for its relationship with the community and economic impact.

The Maryland Port Commission (MPC) has identified several concerns related to the long-term health of the Port. These concerns include: ensuring adequate capital funding for needed landside terminal preservation and harbor development projects; securing the outlook for federal funding from the U.S. Army Corps of Engineers to adequately maintain and improve the Port's channel system; and maintaining the competitiveness and adequacy of the State's economic incentives to attract greater cargo volumes to the Port, in light of the increasingly competitive global market.

Maryland Port Commission Annual Report, FY2012 Transportation Article, §6-201.2 (c)

This report on the Maryland Port Commission's activities during FY2011 was prepared by the MPA in response to Transportation Article, §6-201.2 (c), which requires:

- “(c)(1) Subject to § 2-1246 of the State Government Article, the Commission shall report by January 15 of each year to the General Assembly on the activities of the Port Commission during the previous year.*
- (2) The report shall include a review of the port's competitive position during the previous year and any recommendations of the Commission for future changes in legislation, capital funding, or operational flexibility for consideration by the General Assembly.*
- (3) The report shall also include any substantive changes in its regulations for procurement and personnel.”*

MPA FY2012 (and POB CY2011¹) Accomplishments

- The Port of Baltimore moved up in national port rankings from 13th to 12th for cargo tonnage and remained 11th in value of foreign cargo.
- The Port handled 43,057 import and export autos at the public marine terminals in October which broke the previous monthly record of 42,830 autos set in October 2010. Also, 18,592 autos were exported in October, surpassing October 2008's top mark of 16,041.
- Private marine terminals at the Port of Baltimore exported a record amount of coal and imported a record amount of salt in 2011 according to statistics released by the U.S. Census. More than 19 million tons of coal left Baltimore's piers in 2011, surpassing the previous record of 13.8 million tons set in 2010.
- The MPA announced that the Port of Baltimore saw a 15 percent increase in the amount of foreign cargo it handled in 2011. That marked the greatest increase of growth by any major U.S. port district. The Port's public and private marine terminals processed 37.8 million tons of foreign cargo in 2011, up from 32.8 million tons in 2010.
- Germany-based Hapag-Lloyd, the fifth-largest container shipping company in the world, announced it would begin a direct, weekly container service from North Europe to the Port of Baltimore. Thus, the Port of Baltimore now serves three of the world's top five container carriers.

¹ MPA information is provided by fiscal year, but POB information is provided in calendar year (CY) because the POB includes a mix of public and private marine terminals that do not use the State fiscal year standard.

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

- The Port of Baltimore welcomed its largest container ship, the Mediterranean Shipping Company's (MSC) Bruxelles, at the Port's Seagirt Marine Terminal. The ship's capacity is 9,178 TEU's (Twenty Foot Equivalent Unit) containers.
- Four supersized container cranes arrived and have been installed at the Port of Baltimore at the new 50-foot deep container berth at Seagirt Marine Terminal. The Super-Post Panamax cranes, the largest of their kind in the maritime industry, are 400 feet tall with the boom fully extended and can reach 22 containers across. This exceeds the requirement of the container ships that will take advantage of the expanded Panama Canal.
- Carnival Cruise Lines signed a five-year extension to continue offering year-round cruises from the Port of Baltimore. The first two years of the new deal are financially guaranteed and there are three one-year options.
- The Port of Baltimore handled the fifth-largest number of cruise passengers among East Coast cruise ports in 2011. Nationally, the port ranked 11th after a record-breaking cruise year. A record 251,889 passengers sailed on 105 cruises from the Port of Baltimore in 2011. That total exceeds the previous record of 210,549 on 90 cruises set in 2010.
- Royal Caribbean International announced it would bring the newly renovated Grandeur of the Seas back to the Port of Baltimore in 2013. The ship will undergo a \$48 million revitalization that will add many of the company's most innovative features that are currently on its two largest class ships.
- For the fifth consecutive year, the Coast Guard gave the MPA an Excellent security assessment for the Port of Baltimore's six public marine terminals.
- The MPA continued to enhance its security efforts by acquiring a Mobile Sonar Detection System, constructing a Visitor Center Access Control Center, and developed a Closed Circuit Television (CCTV) Monitoring Center at the Dundalk Marine Terminal.
- The Port of Baltimore was selected by the Dundalk Renaissance Corporation as its 2012 Renaissance Anchor of the Year. The Port was honored for being one of Maryland's leading economic engines and job creators and for its efforts at working closely with Dundalk communities.
- The MPA and POB joined the University of Maryland Center for Environmental Science and U.S. Maritime Administration (MARAD) to dedicate a mobile ballast water testing facility to evaluate ballast water treatment technologies designed to reduce the risk of the spread of aquatic invasive species.
- The MPA and Maryland Department of Transportation (MDOT) announced they would provide funding to enhance the Mid-Atlantic Dray Truck Replacement Program. Owners and operators of short-haul dray trucks that serve the Port of Baltimore were encouraged to apply for incentives to purchase newer and cleaner running trucks.

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Port of Baltimore - Economic Impacts

The Port is a major economic engine for the greater Baltimore area, the State of Maryland, and the Mid-Atlantic region as a whole, providing jobs, business activity and tax revenues throughout the region. Additionally, it provides Maryland’s shippers and importers with a means of competitively exporting and importing goods within the global marketplace in an efficient and timely fashion. The Maryland General Assembly (MGA) passed legislation that created the Maryland Port Authority. In 1956, the MGA passed new legislation renaming the Maryland Port Authority as the Maryland Port Administration and charged the agency with the mission to increase the flow of waterborne commerce through the State of Maryland in a manner that provides economic benefit to the citizens of the State.

For over 300 years, the Port of Baltimore has played a vital role in the State. It continues to do so, generating substantial economic impact²:

- Direct Jobs in Maryland..... 14,630
- Induced and Indirect Jobs in Maryland25,410
- Personal Wage and Salary Income \$3 billion
- Business Revenues..... \$1.7 billion
- Local Purchases by Businesses Dependent on Port Activity..... \$1 billion
- State and Local Taxes \$304 million
- Related Jobs³68,300
- Total Jobs Linked to Port ActivityOver 108,000



² From the most recent data available: “The Economic Impacts of the Port of Baltimore 2010,” December 2011, prepared by Martin Associates, and “The Economic Impacts of the 2009 Cruise Season at the Port of Baltimore,” March 2010, prepared by Martin Associates.

³ Related jobs are those jobs with companies importing and exporting cargo through Maryland’s Port of Baltimore, that have the option of shipping their products or supplies (for example, containerized items or steel products for construction) through a number of other ports. These companies benefit from having a healthy port nearby in Baltimore to assist their logistics. If the Port of Baltimore were not available to them, these employers might suffer an economic penalty, but would likely survive by shipping through another port.

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Port of Baltimore - Competitive Position

The Port of Baltimore consists of the MPA's six cargo terminals, 28 private cargo terminals, and additional marine facilities, such as shipyards, lay vessel berths, tug/lightering operations, cruise, cable vessels, etc. Together, the Port's public and private marine terminals handled 37.8 million tons of foreign cargo in calendar year 2011. This 15.2% increase was the largest increase of any major US port district. Coal exports were the biggest contributor to the Port of Baltimore's overall increase (up 39.0% to 19.3 million tons). There were 1,998 ship calls at the Port in 2011, up 3% over the prior year.

Among all U.S. Port Customs Districts, Baltimore ranked 12th in the nation for total foreign cargo tonnage; this was up from 13th in 2010. Baltimore ranked 11th overall in terms of total foreign trade value, with \$51.4 billion of trade activity. Baltimore is ranked #1 in the US for total automobile tonnage, total roll-on/roll-off tonnage, imported forest products, imported sugar, imported gypsum and imported iron ore. Baltimore is ranked #2 for exported coal and imported aluminum.

The Cruise Maryland terminal continues to support an increasing cruise business. In 2011, the Port hosted 109 cruise ships (105 cruises and 4 port calls) that carried more than 251,000 passengers. In 2011, POB ranked 5th on the U.S. East Coast and 12th in the nation for number of cruise passengers.

Many East Coast States make available financial incentives for shipping lines and cargo owners that increase the number of containers moving through the port. These incentives are often authorized by statute and encourage tax credits for additional containers or cargo tonnage entering their ports. There are currently no port sector-specific financial incentives available in Maryland. In recognition of the economic impact of the POB to Maryland's economy and job base, and to maintain the POB's competitive position, consideration should be given for the creation of port-sector specific incentives for shipping lines and cargo owners that significantly increase business through the POB.

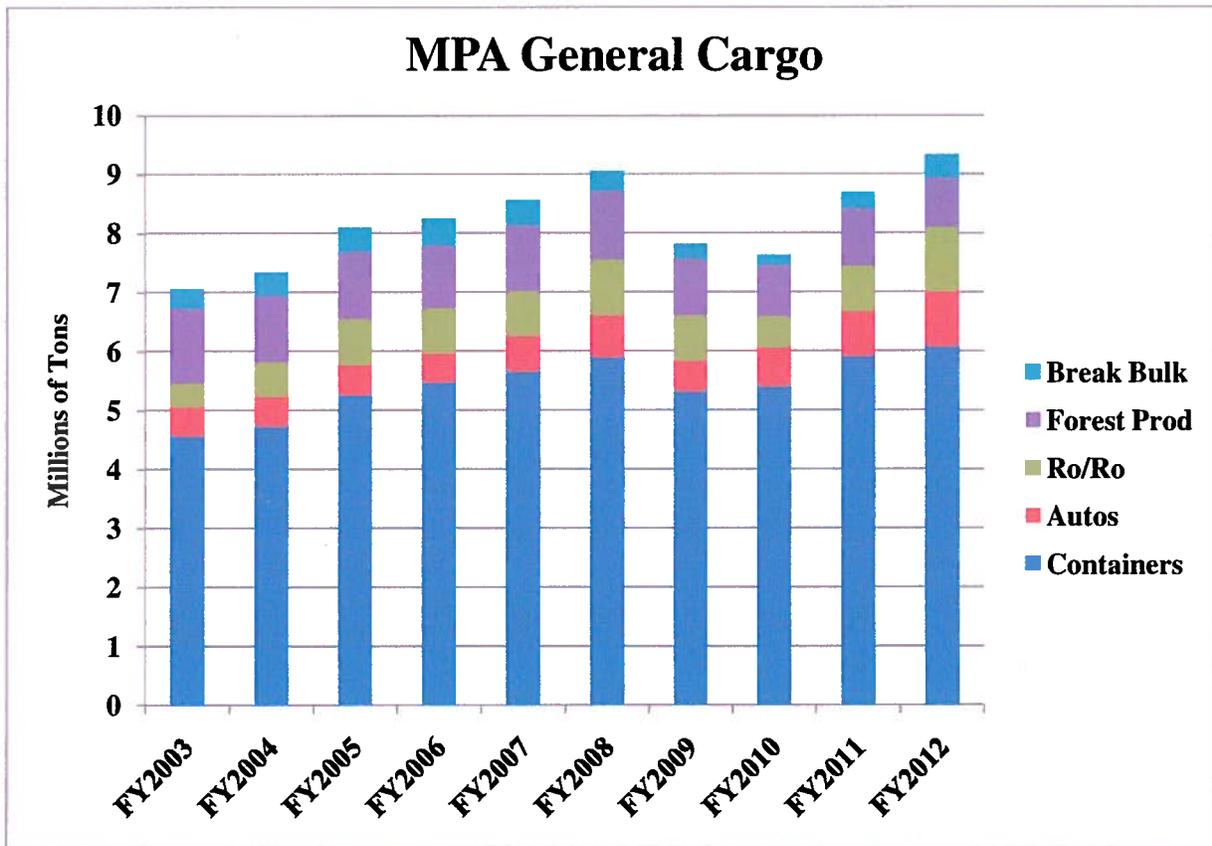


**Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)**

MPA FY2012 Cargo Activities

The MPA’s general cargo tonnage in FY2012 totaled 9.338 million tons – surpassing the previous fiscal year record of 9.063 million tons set in FY2008. While the national economy is still struggling to recover, the MPA’s general cargo business has fully recovered and surpassed pre-recession levels.

At the MPA’s marine terminals, general cargo increased by 7.5% over FY2011. Most commodities showed increases, except forest products which were down 13.6% from the previous fiscal year. Roll-on/roll-off and automobile tonnage increased 42.2% and 21.4%, respectively while container tons through MPA terminals increased 2.7%.

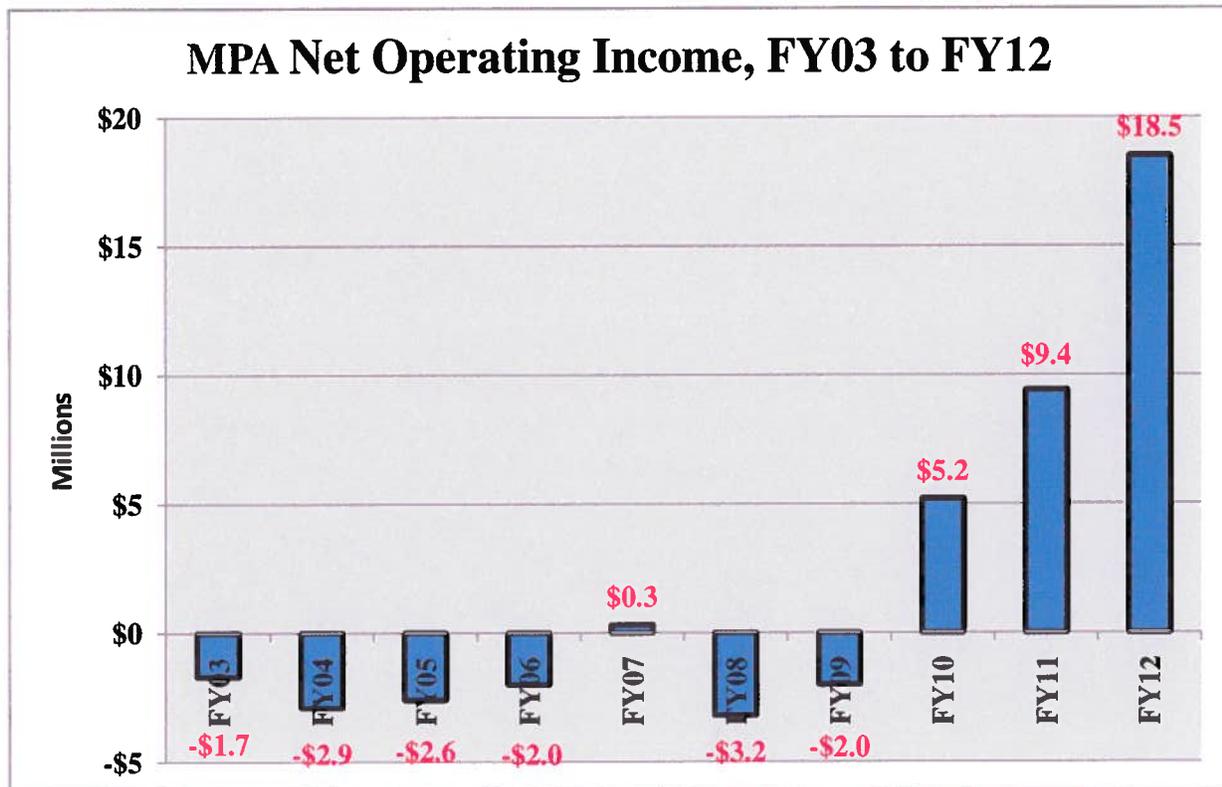


Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

MPA Operating Results for FY2012

The MPA generates significant benefits for the City, State and Region. Total operating revenues for FY2012 were \$55.9 million; this was \$7.4 million (15.2%) more than the revenue estimates for FY2012, and \$6.8 million (13.9%) more than the previous fiscal year's actual revenues.

The MPA had a record net operating income in FY2012 of \$18.5 million. This was due, in part, to a one-time payment from enforcement of a customer's lease terms for a minimum guarantee. Since FY2010, the MPA has shown a steady increase in net operating income, reflecting a strengthening maritime economy for international cargo through the MPA terminals.



Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Environmental Initiatives and Compliance Activities

The MPA is serious about its responsibility as a global citizen and a steward of the Chesapeake Bay. The MPA is committed to responsible environmental management and a sustainable relationship with our shared natural resources. MPA environmental initiatives include projects to improve air quality, water quality and ensure environmental regulatory monitoring and reporting compliance.

In FY2012, the MPA's Environmental Management System (EMS) has been independently audited twice, to ensure its ISO 14001:2004 certification. The ISO certification underscores MPA's commitment to sound environmental performance and control of the impacts of its activities on the environment.

As a continuation of the POB Clean Diesel Program (which included 79 pieces of equipment being retrofitted, replaced or repowered and resulted in significant reductions in air emissions), the MPA announced its Dray Truck Replacement Program which will provide a \$20,000 grant to a trucker who purchases a newer vehicle that meets or exceeds the 2007 EPA emission certified engine standard. The MPA/MDOT, Maryland Department of the Environment (MDE) and the Mid-Atlantic Regional Air Management Association provided a grant of \$300,000 for the Dray Truck Replacement Program, which is matched by a grant from the U.S. Environmental Protection Agency. The total amount available through the program is \$1 million.

The MPA began its implementation of energy conservation measures (ECMs) and facility enhancements to improve the efficiency of MPA facilities and reduce energy, utility and maintenance costs. ECMs include solar photo-voltaic projects at the cruise terminal and cargo warehouses; HVAC upgrades at the World Trade Center (WTC) - harbor heat sink and chiller replacements; and lighting upgrades and occupancy sensors. These projects are estimated to result in reducing electrical consumption (6.7M kWh), electricity demand (21,764 Kw), steam 38M pounds; oil (21,343 gallons), and water (29M gallons).

The MPA prepared an engineering study that modeled the Port's contribution to the Total Maximum Daily Load (TMDL) for phosphorus, nitrogen, and sediment and calculated the percentage of impervious surface that is treated; based on these findings the MPA is developing strategies and best management practices to reduce the TMDLs and mediate or modify more of its impervious surface.

MPA established standards to encourage procurement of "green" equipment for its maintenance department. As a result, a hybrid aerial lift truck and four-wheel mechanical sweeper with a certified clean-idle engine were purchased in FY2012.



Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Dredged Material Management Program (DMMP)

The POB will exhaust much of its currently available dredged material placement capacity by the end of this decade. Ongoing reductions in Corps of Engineers funding and significantly increased dredging and placement costs over the last six years have resulted in reduced channel maintenance dredging on a national basis. Reduced dredging leads to reduced channel safety and reliability at a time when significant investments are being made in the Port to be ready for the Panama Canal's expansion. If there is a lack of Corps funding then the State may need to step into the funding gap to ensure channel safety and reliability.

Ships calling at the Port continue to grow larger, potentially reaching the allowable depths of the navigation channels if loaded to full capacity. This trend could increase greatly after 2015, when ships up to 1200' in length, 160' in width and up to 50' in draft will be able to transit the expanded Panama Canal. This could bring some of the largest container ships in the world to the U.S. East Coast and potentially to the Port of Baltimore.

About four to five million cubic yards (mcy) of annual sediment build up in Maryland's channels must be removed to maintain constructed channel dimensions. The State's Dredged Material Management Program (DMMP) produces a plan to develop, maintain, and operate options to place or use dredged sediment for at least 20 years of normal maintenance dredging, plus additional new work dredging. As a matter of policy, the plan emphasizes citizen and other stakeholder involvement.

In FY2012, the MPA was responsible for operation of the following dredged material placement sites: Masonville Dredged Material Containment Facility (DMCF); Poplar Island Environmental Restoration Project; and Cox Creek DMCF. A design agreement was signed with the Corps of Engineers in 2012 to initiate final Engineering and Design for expansion of the Poplar Island Environmental Restoration Site, to extend the operating life and capacity of this facility.

Efforts also continued through 2012 to acquire the Coke Point portion of Sparrows Point for creation of a third critically needed placement site for material dredged from Baltimore Harbor. Two innovative reuse demonstration projects were nearing conclusion in 2012, evaluating the feasibility of 1) creating and marketing lightweight aggregate and 2) manufactured fill material using dredged material as a primary ingredient.

The Masonville Cove Environmental Education Center is now in use and considered a great success, and Phase 1 of the Masonville Cove Urban Wildlife Area was remediated and opened to the public in October 2012.

Reactivation of the Pearce Creek site is key to providing sufficient placement capacity for Baltimore's Bay channels serving the C&D Canal. The Philadelphia Corps District, with MPA collaboration, concluded a groundwater study as part of efforts to reactivate the Corps-owned site at Pearce Creek, near the mouth of the Elk River. The MPA and MDOT are also assessing several national developments impacting the State's DMMP, and developing strategies to be implemented to ensure the competitive posture of the Port.

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Seaport Security

The MPA is required to maintain and execute a Facility Security Plan and meet the requirements of the Marine Transportation Security Act of 2002. The success of the MPA's security program is exhibited by the receipt of fifth straight annual "Excellent" inspection ratings by the U.S. Coast Guard. The MPA's Office of Security is currently engaged in a dynamic and in-depth modernization of its facilities and physical security technologies. The office also coordinates closely with the Department of Homeland Security (DHS), U.S. Coast Guard, and Custom and Border Protection on security issues.

Since 2008, the MPA has been awarded over \$12M through the Federal Port Security Grant Program. This infusion of monies has supported important enhancements to the Port's security infrastructure. In the past year, the MPA has completed the relocation and enhancement of the Emergency Operations Center, and constructed a Visitor Access Control Center on Broening Highway and a CCTV Monitoring Center at the Dundalk Marine Terminal. A Mobile Sonar Intrusion Detection System was procured and training on its operation by Security personnel and members of the MDTA Police Marine Unit has been completed. Access control at North Locust Point is also being enhanced.

As a reflection of the collaborative effort occurring within the Port of Baltimore for maritime security, MPA will coordinate the award of Department of Homeland Security (DHS) grants to a public/private consortium of Port interests. Funds have been designated for Transportation Worker Identification Credential (TWIC) card readers for area terminal operators which will provide a secure means to verify identification and improve access control efficiency.

Funds have been awarded to expand CCTV capabilities at MPA terminals through updated technology, wireless networks, and upgraded radio systems to further interoperability among law enforcement agencies and the emergency responders around the Port.

MPA was recently awarded \$299,376 from the DHS for three separate projects relating to access control and improvised explosive device detection. It is notable that for FY2012, due to decreased federal funding, only five Port Security grants were awarded in the State of Maryland and the MPA received three of the five awards.

MPA security issues are the subject of a separate annual Joint Chairmen's Report titled "**Report on Funding to Address Vulnerability Concerns**", due and submitted to the Maryland General Assembly in December 2012.

**Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)**

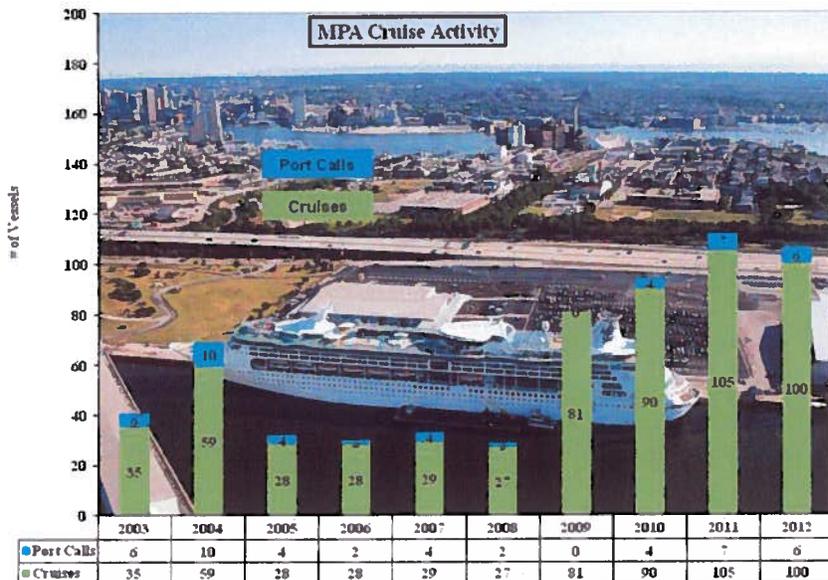
Cruise Maryland

The Port of Baltimore’s cruise industry has remained steady. The Cruise season is typically reported in calendar year instead of fiscal year, and, in 2011, the Port continued to post strong passenger numbers and number of cruises offered with 251,889 passengers sailing on 105 cruises. This number is expected to remain relatively constant in the near term. The Port’s Cruise activity generates approximately 220 direct jobs, and has a total economic value of over \$91 million annually.

Carnival Cruise Lines and Royal Caribbean are offering five, six, seven, eight, nine and twelve-night cruises year round cruising out of Baltimore. Carnival Cruise Lines signed a new contract with the Maryland Port Administration for a five-year term which went into effect in FY2012.

The Port is located in the Baltimore-Washington-Northern Virginia Combined Statistical Area serving the nation’s third most affluent consumer market. Both cruise lines report that ships are sailing from Baltimore at over 100% capacity, meaning more than two people per cabin. The MPA is actively pursuing opportunities to secure additional cruise lines to sail from Baltimore.

One of the reasons for MPA’s success is the Cruise Maryland Terminal. The terminal’s sole use is for cruise ships, and it is located directly off of I-95. In 2011, a new flexible temperature controlled boarding bridge was installed that accommodates a variety of vessel sizes and passenger needs. The terminal provides marquee visibility for cruise ships while in port, with over 120,000 vehicles passing by on I-95 daily. This convenient location makes Baltimore the ideal “drive-to” port for the Mid-Atlantic and Midwest markets.



Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Rail Issues

The cumulative impact of the rail industry's long-term evolutionary developments and their foreseeable impacts on the Port, the State, and economic and job development, is as important, if not more so, than the expansion of the Panama Canal. The General Assembly should be aware of the opportunities and challenges presented as the nation's freight railroads evolve into something different than a solely private sector enterprise.

The Nation's railroad industry, with reduced passenger service obligations through the creation of Amtrak, was partially deregulated by the Staggers Rail Act of 1980. The Act, among other things, allowed railroads to enter rate and service contracts with individual customers. This had a profound impact on railroads and their customers. Until the Act, rail carriers acted like public utilities, charging published rates to all similar customers, and were obligated by law to hand off through traffic to connecting carriers. Rail companies could not engage in price/service marketing as could other industries, and may be subject to prosecution for preferences if they did so.

The Act established a newly legal contracting process, and carriers began to "market" to their preferred large and long haul shippers and to reap the benefits of obtaining the longest hauls possible under multi-year contracts. Instead of sharing traffic with connecting lines, it became more economically advantageous to merge with connecting/ competing lines to secure greater market share via contract ratemaking.

Prior to the Act there were more than 40 Class I railroad carriers sharing traffic through mandatory interchange points. Today, the carriers have merged down to four Mega-systems, BNSF and Union Pacific in the West and Norfolk Southern and CSX in the East and have undergone significant changes in both physical plant and financing. Through mergers, rail lines have sought to rationalize their resulting rail plants by concentrating traffic flows over their most efficient routes, resulting in leaner systems, as less efficient lines were turned over to short-line railroads.

These actions concentrated traffic on the mega systems' main lines, setting the stage for capacity constraints. The major railroads are making enormous capital expenditures to expand their physical plant, but the effort needed to simply meet the projected traffic demands over the next decade exceeds the carriers' private sector resources. They are increasingly looking toward both state and federal "partners" to join in plant development and rationalization. The Nation's often self-proclaimed "private sector" freight railroads are quickly becoming a "public-private sector" industry.

The biggest rail limitation to the Port of Baltimore is the 110-year old Howard Street tunnel which creates a competitive disadvantage because of height limitations; the railroad cannot carry high-cube double stack containers. During FY2012, MDOT and CSX studied opportunities around the Baltimore region and identified a preferred site in Baltimore City to develop an Intermodal Container Transfer Facility (ICTF), specifically to address limitations on double stacking containers from the Port caused by the constraint of the Howard Street tunnel.

Maryland Port Commission Annual Report, FY2012 Transportation Article, §6-201.2 (c)

Status of Operations at Seagirt Marine Terminal

As required in the 2009 Joint Chairmen's Report, annual reports on the 50-year Seagirt Concession and Lease Agreement have been submitted to the Maryland General Assembly since November 2009.

The responsibility for the operation of Seagirt Marine Terminal, including gate, terminal and vessel activity was transferred successfully to Ports America Chesapeake (PAC) on January 12, 2010. Since then, under PAC supervision, the facility has operated without interruption and the transition has been well received by the port community. The key performance indicators of vessel productivity and truck turn-times have remained constant during a time when facility volumes have increased as the economy has improved. Container moves on/off vessels increased 2.3% and truck gate transactions increased 2.7% for FY2012 compared to FY2011.

One of the primary goals of the Seagirt P3 effort was to ensure the construction of a new 50-foot deep container berth prior to the completion of the Panama Canal expansion now scheduled for 2015. PAC completed the construction of this new berth ahead of schedule and commissioned four new Super Post Panamax container cranes in the fall of 2012. The completion of this new berth confirms that the Port of Baltimore is well positioned to handle container growth to the United States East Coast.



Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

MPA Challenges: FY2013 and Beyond

There are a variety of challenges on the horizon for the Port of Baltimore. In addition to aggressive competition for port business and a possibly slowing global economy, they include:

- **Panama Canal expansion** – The expanded Panama Canal is scheduled to be operational by 2015. Shifts in trade patterns to the East Coast created by improvements to the Panama Canal may result in new cargo opportunities, particularly for containers, and ports must be prepared with adequate capacity at terminals and transportation systems, including rail, for new cargo.
- **Cost of dredging and dredged material placement solutions** – Constraints on dredged material placement solutions, the cost of dredging, and increasing constraints on federal funding remain serious concerns. Current capacity is inadequate to perform both maintenance dredging and new dredging projects without overloading the Harbor or Bay dredged material placement sites. Maintaining and affording a cost-effective, environmentally sensitive, and community-supported dredging program will be an ongoing and formidable challenge. In light of the continual evolution of ship sizes, the fifty-foot deep Chesapeake Bay navigation channel will eventually need to be widened.
- **Maintaining competitive position** – Maryland is experiencing greater competition for international cargo. Competition will intensify with the larger Panama Canal. Competing states provide financial incentives for shippers to encourage increased cargo and container volumes through their ports. Despite the economic benefit and increasing importance to the State's economic and job base, no comparable financial incentive programs exist in Maryland. To remain competitive, some form of port-specific incentives may be necessary.
- **Growing cargo volumes with aging facilities** – System preservation efforts need to continue to maintain waterfront facilities in a harsh marine environment. MPA continues to compete for limited capital funds for projects at MPA terminals to maintain its competitive position.
- **National Policies** – A National Freight Policy that recognizes seaports as a vital link in the national economy is needed to strategically plan for investment in transportation systems. Several federal initiatives, including the Obama Administration's Task Force on Ports, which is developing a national strategy for port and related highway and rail infrastructure, and the US Army Corps of Engineers' Port and Inland Waterways Modernization, will require continuous monitoring by the MPA and the POB community.
- **Continuing "Green Port" and community initiatives** – These efforts remain necessary to achieve both a regulatory and social license to operate. The need for greater coordination with local communities to educate and inform can be expected to increase. Thus, the resources needed to undertake these efforts will also increase.

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

Appendix

**Contracts and Leases Approved by the Maryland Port Commission for
FY2012 (July 1, 2011 – June 30, 2012)**

July 2011

1. Contract #211008-S, Shuttle Bus Service-Cruise Terminal, South Locust Point Marine Terminal, Capital Executive Limousine, Inc., Manassas, Virginia; Term is as follows:
 - \$212,500 – Initial Term (July 1, 2011 – June 30, 2013)
 - \$109,076 – 1st renewal option + 3% CPI increase
 - \$112,346 – 2nd renewal option + 3% CPI increase
 - \$433,922 – Aggregate Value

NOTE: This contract was previously approved by the MPC in the amount NTE \$425,000 at the May 3, 2011 MPC meeting and by the Board of Public Works (BPW) at its June 1, 2011 meeting. The BPW subsequently asked MPA to present a corrective item prominently displaying the renewal terms and costs, including the CPI increase allowable during the renewal terms. This agenda item reflects the corrective item presented to the BPW.

2. Contract #511910, Security Booths at Dundalk Marine Terminal and South Locust Point Marine Terminal, Dvorak, LLC, Baltimore, Maryland; \$327,000; Term – 180 Work Days.
3. Contract #511911, Vehicle Inspection Shelters at Dundalk Marine Terminal and South Locust Point Marine Terminal, Dvorak, LLC, Baltimore, Maryland; \$427,653; Term – 180 Work Days.
4. Contract #511921, Comprehensive Paving Agency-Wide, Gray & Sons, Inc., Timonium, Maryland; \$3,264,885; Term – 730 Calendar Days.

Leases (For Reporting Purposes Only)

5. Masonville Cove Environmental Education Center Agreements & Leases, Living Classrooms Foundation, and Brooklyn Curtis Bay Coalition, Inc., respectively.

August 2011

No meeting was held in the month of August.

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

September 2011

There were no contracts requiring Maryland Port Commission approval.

October 2011

1. Contract #512002A, Storm Drain Cleaning & Inspection at Dundalk Marine Terminal, Ace Environmental Services, LLC, Baltimore, MD; \$131,470; Term – 90 Work Days.
2. Services in Lieu of a Tipping Fee from Baltimore City for Jones Falls dredging.

November 2011

1. Contract #511905, Agency Wide Deck Repairs at All MPA Terminals. Rubino Enterprises, Inc., Linthicum Heights, Maryland; \$678,241; Term – 24 Months.

Emergency Procurement Report

2. Contract #212012-IT, Upgrade CCTV Antenna System at Dundalk, Fairfield, and North Locust Point Marine Terminals, Skyline Network Engineering, LLC, Arlington, Virginia; \$55,674; Term – October 21, 2011 until completed.

December 2011

1. Contract #511124, Replace Breasting Dolphins at Pier 10 at North Locust Point Marine Terminal, McLean Contracting Co., Glen Burnie, MD; \$985,375; Term – 120 Work Days.
2. Modification No. 5, Contract #290023-S, Janitorial Services, at South Locust Point Cruise Terminal, Ameri-Klean Services, Inc., Baltimore, MD; \$95,863; Term – Exercises the Second (Final) One Year Renewal Option (June 17, 2012 through June 16, 2013).

January 2012

1. Modification No. 1, Contract #511901, Unarmed Security Guard Services at MPA Terminals, Securitas Security Services USA, Inc., Baltimore, Maryland; \$4,120,000; Term – Renewal Option No. 1 (August 8, 2012 through August 7, 2014).

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

February 2012

1. Modification No. 2, Contract #506525, Cofferdam Retention Structure and 48” Water Main Relocation at Masonville Marine Terminal, McLean Contracting Company, Inc., Glen Burnie, Maryland; (\$273,382.62) credit. This modification provides for adjustments to final contract item amounts, delays for the water main break and for additional dredged material removal.
2. Contract #512009, Upgrade Bollards at Dundalk Marine Terminal, MTI Management Services, Inc., Baltimore, Maryland; \$285,560; Term – 120 Work Days.

March 2012

1. Contract #509915, Wharf Upgrades at South Locust Point Marine Terminal, Cianbro Corporation, Pittsfield, Maine; \$1,533,825; Term – 90 Work Days.

April 2012

1. Modification No. 2, Contract #511901, Unarmed Security Guard Services at MPA Terminal Gates and Other Facilities, Securitas Security Services USA, Inc., Baltimore, Maryland; \$1,950,000. Modification No. 2 increases the not-to-exceed amount of the contract by \$1,950,000 to cover increased security needs through the term of the contract. The contract duration remains unchanged (Term – August 8, 2010 through August 7, 2014).
2. Renewal Option No. 1, Contract #290014-S, Central Station Alarm Monitoring at Various MPA Marine Terminals, Techmark Corporation, Hunt Valley, Maryland; \$274,875; Term – Three Years (August 1, 2012 through July 31, 2015).
3. Contract #513002, Construction Management & Inspection Services, AECOM USA, Inc./Johnson, Mirmiran & Thompson – Joint Venture, Baltimore, Maryland; \$3,000,000; Term – Five (5) years from Notice to Proceed. This item is subject to approval by the Transportation Professional Services Selection Board scheduled for April 5, 2012 (in addition to the Board of Public Works).

Maryland Port Commission Annual Report, FY2012
Transportation Article, §6-201.2 (c)

May 2012

1. Contract #512901, Masonville Vessel Berth 3, Corman Marine Construction, Annapolis Junction, MD; \$20,273,338; Term – 400 Work Days.
2. Contract #511922, Pier 4 Approach Slab Reconstruction and Restroom at Fairfield Marine Terminal, Cianbro Corporation, Pittsfield, Maine; \$2,421,142; Term – 120 Work Days.
3. Modification No. 2, Contract #507802, Open-Ended Contract for Dredging Consulting Services to Support State of Maryland’s Dredged Material Management Program, Gahagan & Bryant Associates, Inc. Modification No. 2 provides for a no cost extension to the contract, from January 1, 2013 to June 30, 2013.
4. Modification No. 2, Contract #507803, Open-Ended Contract for Coastal Consulting Services to Support State of Maryland’s Dredged Material Management Program, Moffatt & Nichol, Baltimore, Maryland. Modification No. 2 provides for a no cost extension to the contract, from January 1, 2013 to June 30, 2013.
5. Modification No. 2, Contract #507804, Open-Ended Contract for Environmental Consulting Services to Support State of Maryland’s Dredged Material Management Program, EA Engineering, Science and Technology, Inc., Sparks, Maryland. Modification No. 2 provides for a no cost extension to the contract, from January 1, 2013 to June 30, 2013.

June 2012

1. Contract #512913, Agency Wide Water and Sanitary Rehabilitation, Civil Construction, LLC, Cheverly, MD; \$3,500,000; Term – 60 Months. This is a task order based contract.
2. Modification No. 1, Contract #509944B, Miscellaneous Engineering Services, Moffatt & Nichol, Baltimore, MD; \$250,000; Term – 5 Years (July 8, 2010 – June 30, 2015).
3. Modification No. 1, Contract #511124, Replacement Breasting Dolphins for Pier 10 at North Locust Point Marine Terminal, McLean Contracting Company, Inc., Glen Burnie, MD; \$125,000; Term – 120 Work Days.
4. Contract #513014, Fumigation Building Renovation at Dundalk Marine Terminal, J.A. Argetakis Contracting Co., Inc., Baltimore, MD; \$494,500; Term - 90 Work Days.