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FOR IMMEDIATE RELEASE

GOVERNOR O'MALLEY LEADS GROUNDBREAKING FOR 50-FOOT BERTH AT PORT OF BALTIMORE

Project Will Support 5,700 Jobs in Maryland; Makes Port More Competitive

BALTIMORE, MD (March 8, 2010) – Governor Martin O'Malley was joined today by Baltimore Mayor Stephanie Rawlings-Blake as he led a groundbreaking for construction of a new 50-foot berth at the Port of Baltimore. The project will support 5,700 jobs and, when completed, accommodate larger ships and attract more cargo to Baltimore. The 50-foot berth is a key element of the 50-year agreement between the Maryland Port Administration and Ports America Chesapeake to lease and operate the 200-acre Seagirt Marine Terminal. Under the agreement, Ports America Chesapeake took over operational control of Seagirt in January. The state continues to own the facility.

“When we announced our agreement with Ports America Chesapeake last November, we said it was all about jobs. Today, those jobs become reality,” said Governor O'Malley. “We are wasting no time putting people to work and getting this \$105 million project underway. A new 50-foot berth is critical to the future of the Port of Baltimore. It will help keep the business we have and allow us to handle the new business that will come aboard the larger ships that are on the horizon. By beginning construction now, we will have this berth up and running in 2012. This is a full two years before the expansion of the Panama Canal is completed in 2014, an expansion that will literally change the face of the maritime shipping business.”

With the completion of the Panama Canal expansion in 2014, it is expected that a larger number of ships, including new mega-ships, will travel to East Coast ports to reach customers more quickly and less expensively. Currently, a large percentage of ships use West Coast ports. This requires manufacturers to send products by rail to markets throughout the country. With a 50-foot berth, the mega ships that are becoming the norm in the maritime industry will have enough water depth to dock and bring additional business to the Port of Baltimore.

“Today's groundbreaking signifies a great step forward for the Baltimore region,” said Mayor Rawlings-Blake. “Today we are celebrating a new partnership between the state of Maryland and Ports America that will make this port the home of great jobs for decades to come.”

In November 2009, Governor O'Malley announced a 50-year agreement between the MPA and Ports America Chesapeake. In addition to constructing the 50-foot berth, Ports America is now running daily operations at the Seagirt Marine Terminal. Ports America will also invest in other necessary infrastructure at Seagirt, saving the State hundreds of millions of dollars it would have had to invest in capital improvements. Also under the agreement, Ports America will make an annual payment to the State and provide ongoing revenues to the MPA during the life of the agreement. The Maryland Transportation Authority, as the previous owner of Seagirt, received an immediate payment in excess of \$100 million that it will invest in the system preservation of its existing road, bridge and tunnel facilities.

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The partnership between the MPA and Ports America is expected to produce 5,700 new jobs, while the total investment and revenue to the State of Maryland has the potential to reach up to \$1.8 billion over the life of the agreement. It will also generate \$15.7 million per year in new taxes for Maryland.

Of the 5,700 new jobs that will result from this agreement, 3,000 jobs will be one-time construction jobs over the next three years for Port and Maryland Transportation Authority (MdTA) highway improvements. Another 2,700 permanent direct, indirect and induced jobs will come from the increased and sustainable container business that the Port will see upon completion of the 50-foot berth and the completion of the Panama Canal project.

“Highstar Capital and Ports America Chesapeake are privileged to be working hand in hand with the State of Maryland and the Maryland Port Administration to undertake this landmark public-private partnership,” said Christopher Lee, chairman of Ports America Chesapeake. “With the construction of the new berth at the Seagirt Marine Terminal, the Port of Baltimore will continue its leadership role when the Panama Canal widening project is completed in 2014.”

In addition to full control over daily operations of Seagirt and the obligation to design and build the 50-foot berth within MPA’s required standards, Ports America receives:

- A known future base payment for 50 years and all net revenues;
- The right to move and consolidate all current container business to Seagirt;
- Control over timing and nature of system preservation costs as long as standards are met;
- Funding capital obligations allow Ports America to invest in new technology as it sees fit.

The Port of Baltimore employs about 16,500 workers. Out of about 360 U.S. ports, Baltimore is ranked number one for handling roll on/roll off cargo; trucks; imported forest products; and imported gypsum, sugar and iron ore. The Port of Baltimore is ranked 14th nationally for total foreign cargo tonnage and 12th for total dollar value of cargo. The Port is responsible for about \$3.6 billion in personal wage and salary income. Activities at the Port of Baltimore generate about \$388 million in state and local taxes.

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