Editorial

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The Port's Rebound

At bustling Seagirt Marine Terminal in Dundalk, construction crews are ahead of schedule in creating a 50-foot-deep berth. Dredging is mostly done, pilings are in, but bulkheads, rails and cranes are still to go. The $105 million project should be completed by July of 2012, two years ahead of schedule and positioned to give Baltimore a huge competitive advantage.

As much as Gov. Martin O'Malley and others tout Maryland as home to an innovation economy, there's something to be said for the old-fashioned business of shipping. The Port of Baltimore will close its books on 2010 with a major increase in cargo — from the 7.2 million tons handled last year to 8 million tons this year.

That's still well short of the port's banner year of 2008 when 9 million tons of cargo went through Baltimore, but in a slow economic recovery, that's a pretty good start. The global recession has had an impact at the port, but there are too many positive indicators to ignore.

The rebound is being felt in everything from wood pulp coming from Brazil and destined to be made into paper towels and toilet paper to the 50,000 BMW automobiles that used to come into the U.S. by way of New York and South Carolina.

Remarkably, Baltimore's cruise ship business has grown at a breathtaking rate despite the downturn. Next year will see 112 cruises booked out of Baltimore, making the city the 14th most popular cruise destination in the United States. Take that, Miami.

Some commodities haven't recovered (alas, publishing's decline may have permanently reduced demand for rolls of paper, and the real estate bust has done a number on heavy construction equipment), but the port remains the nation's 12th busiest.

More critical is what lies ahead. Huge container vessels will soon be transforming the shipping business, and Baltimore will be ready for them. Upgrades to the Panama Canal are expected to make this a reality by 2014. By then, only two East Coast ports will have the ability to handle them — Norfolk, Va. and Baltimore.

And it's all been made possible by a public-private partnership inked in 2009. In seven weeks, Ports America will have completed its first year running Seagirt's container operations, and it's hard to view at as anything short of a major success.

This year, the Maryland Port Administration will receive $3.2 million from Ports America for use of Seagirt, but more important, taxpayers have been spared the expense of the 50-foot berth. Had the MPA taken on the project (for which there was no funding in the state's depleted Transportation Trust Fund) would it be finished two years early? Not likely.

That sort of public-private partnership needs to be explored for other port operations — particularly if 2014 and beyond brings the traffic MPA officials anticipate. The port will need to expand, and the MPA is looking to develop sites near Key Bridge and Fairfield and possibly at Sparrows Point in the next decade. Constructing new marine terminals — including heavy paving and equipment to build berths and dredging — could cost $300 million or more.

Such ambition seemed unimaginable two decades ago when competition from Virginia and federal freight deregulation threatened to dry up Baltimore's container business. Now, the chief obstacle to expansion (and building on the port's 16,700 jobs) remains the Howard Street railroad tunnel, a chokepoint for freight on the East Coast.

But even that may yet be overcome to some degree as CSX invests in its $842 million National Gateway project to allow double-stacking on freight trains headed west from the Mid-Atlantic, including Maryland, to the Midwest.

Baltimore’s proximity to East Coast markets has long been a key advantage for the port. That New York can’t accommodate the next generation of container ships (the 151-foot clearance under the Bayonne Bridge in New Jersey is the culprit) makes it all the more valuable.

As much as Maryland’s economy and its high unemployment rate remains underwhelming, the port’s modest rebound in 2010 gives reason to cheer — and look forward to better days in the future.