Baltimore Sun
New shipping service to boost port container traffic by 10%
Hapag-Lloyd to begin calling on Baltimore in February

By Candy Thomson

One of the world's largest container companies chose Baltimore over other East Coast cities as its first U.S. stop for direct shipping from Northern Europe after a long courtship by Maryland officials and private business leaders.

The service by Hapag-Lloyd AG, which starts in February, will boost container traffic at the port of Baltimore by roughly 10 percent, increasing the number of waterfront jobs and further raising the region's profile within the maritime industry, state officials said.

"An agreement like this is very difficult to land in a lousy world economy," said James White, executive director of the Maryland Port Administration. "This is very good news."

A spokesman for the Virginia-based American Association of Port Authorities agreed.

"In this economy, that's a big deal, a reason to celebrate," said Aaron Ellis of the projected 10 percent increase in container traffic. "It's not just an expansion of an existing relationship, it's a whole new relationship for them."

The agreement was hailed by Gov. Martin O'Malley, who called it "outstanding news" for the port's workforce and evidence that the state's financial investment in the port was worth it.

Hapag-Lloyd, based in Hamburg, Germany, is the fifth-largest container company in the world. It has a fleet of 140 ships and moves nearly 5 million containers annually. The firm operates in 114 nations, according to its website. By adding the company, the port of Baltimore can boast of having three of the world's top five container companies using its terminals.

Being the first U.S. port of call means Baltimore will get the lion's share of manufactured goods being offloaded and will be the conduit for U.S. goods destined for Central America and farther south, White said.

"It is a growing, emerging market in the world economy," he said of the Central and Latin American markets.

South America is the destination for 19 percent of the port's exports, while Europe accounts for 47 percent of imports.

Hapag-Lloyd's new route, called "Gulf of Mexico Express," will begin in England and make stops in France, Belgium and Germany before coming to Baltimore. From here, ships will make two stops in Mexico, then travel north to Houston, New Orleans and Charleston, S.C.

For stevedores and other workers at the Seagirt Marine Terminal, operated by Ports America Chesapeake, the additional containers will serve as a warmup for the expected arrival of the so-called post-Panamax ships, the world's largest cargo vessels that will use the Panama Canal after a widening project is completed in 2014.

"We all know that once the Panama Canal is done we're going to get a lot more container traffic than what we're handling today. But we didn't want to rest on that," White said. "Our short-term goal was to get a carrier that we didn't have in our business portfolio to come here now so they could see how good we are."

Baltimore had been trying for years to woo Hapag-Lloyd. About three months ago, the company called to say it was rearranging its shipping schedule and had an opening for an Atlantic port.

Expecting intense competition from other East Coast ports, a team that included Ports America Chesapeake and CSX as well as the port of Baltimore made a presentation to Hapag-Lloyd, White said.

Ports America was able to emphasize the deep-water, post-Panamax berth and cranes, its efficiency in unloading ships and the open land next to Seagirt, on which a warehouse could be constructed. CSX outlined its $160 million commitment to finishing the National Gateway rail project, which will allow double-stacked freight trains to deliver goods to the Midwest.

Port officials promoted Baltimore's proximity to interstates and its national standing. The port is ranked 13th among 44 U.S. ports in tons of cargo handled. It leads the nation's ports in a number of categories, including farm and construction equipment, trucks and imported iron ore. It ranks second in coal exports and second in auto tonnage.

"We worked as partners and it paid off," White said.

Md., Ports America partnered to woo Hapag-Lloyd

Baltimore Business Journal / Scott Dance

James J. White, who leads the Maryland Port Administration, said it was crucial the state work with Ports America Chesapeake on winning Hapag-Lloyd's business.

German shipping line Hapag-Lloyd's commitment to weekly calls on Baltimore is the most significant fruit to date borne of a public-private partnership between the state and Ports America Chesapeake, port officials said.

This company had been trying for years to woo Hapag-Lloyd to return to the port after a long span with only occasional calls on Baltimore. Since leasing Seagirt Marine Terminal, its main container terminal, to Ports America in 2009, the two have been working together in sales calls to ship owners, MPA Executive Director James J. White and Ports America Chesapeake CEO Mark Montgomery said in interviews.

Their combined expertise and resources helped seal the deal with Hapag, both said. CSX also pulled some weight in the negotations, boasting its National Gateway rail project and planned intermodal terminal in Maryland.

Montgomery frequently makes sales calls with Maryland Port Administration Marketing Director Richard Powers and Deputy Marketing Director Joseph Greco. That brings the stability of Maryland government and the public view of deals' economic benefits along with the backing of the private investor who needs to ensure the economics of a deal works, Montgomery said.

It also shows that there are benefits to the public-private partnership aside from the 50-foot ship berth Ports America pledged to build as part of its lease deal with the MPA, Montgomery and White said.

"We've always taken the approach that if they fail, we fail," White said of the partnership with Ports America. "Although there's different interests, there's one common goal — that more cargo is good for both of us."

Under its lease of Seagirt, Ports America is building a 50-foot ship berth there to accommodate larger ships expected to call on East Coast ports once the Panama Canal is widened in 2014. The berth is seen as necessary for the port to remain competitive with neighbors like New York and Norfolk, Va.

Lt. Gov. Anthony Brown is meanwhile leading an effort to explore more opportunities for public-private partnerships to attract investment for transportation infrastructure and other state projects.

Hapag-Lloyd to Start Calling at Baltimore
Journal of Commerce / Peter T. Leach

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The Maryland Port Administration said the new business at Baltimore's Seagirt Container Terminal will be the first container service to make Baltimore its first port of call and is expected to add about 30,000 containers annually to the port.

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The Gulf of Mexico Express will have the following port rotation: Thamesport, Le Havre, Antwerp, Bremerhaven, Baltimore, Veracruz, Altamira, Houston, New Orleans, Charleston, Le Havre, Antwerp, Bremerhaven and back to Thamesport.

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LOGISTICSMGMT.COM
Hapag-Lloyd to call Port of Baltimore
By Patrick Burnson, Executive Editor
December 27, 2011

Hapag-Lloyd, the world's fifth largest container company, will begin a direct, weekly container service from North Europe to the Baltimore beginning in February

The Port of Baltimore – which has been gaining U.S. market share over the past two years – announced that yet another major ocean cargo carrier will be calling in 2012.

Hapag-Lloyd, the world's fifth largest container company, will begin a direct, weekly container service from North Europe to the Baltimore beginning in February.

Baltimore, which is positioned within the third-largest U.S. consumer market, will be the first U.S. port of call for this service. The new business is expected to bring about 30,000 containers annually through the gateway.

State Governor Martin O'Malley, praised public- private partner, Ports America Chesapeake, for "playing a vital role" in attracting this new business.

"It demonstrates that our continued investment in the port of Baltimore is the right path to follow," he said.

The new service will be part of Hapag-Lloyd's Gulf of Mexico Express. It will begin in Thamesport, England and will transit to Le Havre, France; Antwerp, Belgium; and Bremerhaven, Germany. It will then travel to the U.S. and stop in Baltimore, then travel to Veracruz, Mexico; Altamira, Mexico; Houston; New Orleans; and Charleston.

Following the beginning of the new service, the Port of Baltimore will include three of the world's top five container carriers in its portfolio.

Ports America Chesapeake will provide stevedoring and terminal services at Seagirt Marine Terminal, which has
access to the CSX National Gateway. Seagirt Marine Terminal and is also constructing a 50-foot berth and purchasing four super Post-Panamax cranes. The berth is ahead of its original schedule and will be finished in August 2012, two years before the completion of Panama Canal expansion.

According to port spokesmen, it is expected that a larger number of ships – including mega-sized vessels – will travel to East Coast ports that have the necessary channel and berth depth to reach their customers more quickly and less expensively than the current practice of going to West Coast ports and sending the cargo across the country on rail.

At the completion of its 50-foot berth, Baltimore will be only the second U.S. East Coast port to have both a 50-foot channel and 50-foot berth.

"The Canal expansion is but one of many factors driving infrastructure improvement projects," said American Association of Port Authorities (AAPA) President and CEO Kurt Nagle. "There are many other factors, including a growing population, increased demand for goods, new trade agreements, global competition and shifting trade lanes."

Meanwhile, Baltimore continues to demonstrate tremendous progress despite a challenging global economy. Buoyed by a strong year in 2010, it now ranks 11th nationally (up from 12th) for the total dollar value of cargo and 13th (up from 15th) for the amount of cargo tonnage handled, according to recent statistics released by the U.S. Census.

SEAPORTS PRESS REVIEW
World's Fifth-Largest Container Company To Begin Serving Port of Baltimore
Wednesday, December 21, 2011

BALTIMORE, Md. - Governor Martin O'Malley on Dec. 21 applauded the decision by Germany-based Hapag-Lloyd, the fifth-largest container company in the world, to begin a direct, weekly container service from North Europe to the Port of Baltimore. Baltimore, which is positioned within the third-largest U.S. consumer market, will be the first U.S. port of call for this service. The new business is expected to bring about 30,000 containers annually through the Port. The first ship due into Baltimore is scheduled to arrive in February. Following the beginning of the new service, the Port of Baltimore will include three of the world's top five container carriers in its portfolio.

"This is outstanding news for the Port of Baltimore and the thousands of people employed there," said Governor O'Malley. "More containers mean more work and more stability for the Port labor force. I want to thank our public-private partner Ports America Chesapeake for playing a vital role in attracting this new business. It demonstrates that our continued investment in the Port of Baltimore is the right path to follow as, together, we build a stronger future for our state."

This will be the first opportunity for Baltimore to serve as first U.S. port of call for a container service. More cargo is offloaded generally at first ports of call than at subsequent ports visited by a ship. The new service will be part of Hapag-Lloyd's Gulf of Mexico Express. It will begin in Thamesport, England and will transit to Le Havre, France; Antwerp, Belgium; and Bremerhaven, Germany. It will then travel to the U.S. and stop in Baltimore, then travel to Veracruz, Mexico; Altamira, Mexico; Houston; New Orleans; and Charleston.

"Ports America Chesapeake welcomes Hapag-Lloyd AG to the Port of Baltimore and is pleased to have the opportunity to provide stevedoring and terminal services at Seagirt Marine Terminal," said Ports America Chesapeake President and CEO Mark Montgomery. "We believe that its first U.S. port call in Baltimore will be very successful. Baltimore's strong local market and access to the CSX National Gateway should provide customers with faster, more economical days to market."

In November 2009, Governor O'Malley announced a 50-year agreement between the Maryland Port Administration and Ports America Chesapeake. Under the agreement, Ports America runs the daily operations at Seagirt Marine Terminal and is constructing a 50-foot berth and purchasing four super Post-Panamax cranes. The berth is ahead of its original schedule and will be finished in August 2012, two years before the completion of Panama Canal expansion. At that point it is expected that a larger number of ships, including mega-sized vessels, will travel to East Coast ports that have the necessary channel and berth depth to reach their customers more quickly and less expensively than the current practice of going to West Coast ports and sending the cargo across the country on rail. At the completion of its 50-foot berth, Baltimore will be only the second U.S. East Coast port to have both a 50-foot channel and 50-foot berth.

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 is also generating $15.7 million per year in new taxes for Maryland.