

## BALTIMORE SUN

Baltimore's port marks record year for vehicles in 2011

City beats every other U.S. port in auto category in first 10 months of 2011

By Candus Thomson, The Baltimore Sun

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Just after sunrise, a caravan of nearly 1,000 new cars begins streaming down the ramp of a massive cargo ship, a procession that won't end until evening.

Mercedes-Benz and BMW models go one way. Land Rovers and other models go another.

Some days, the routine at the port of Baltimore runs in reverse, with thousands of U.S.-made cars being loaded for overseas destinations.

All that traffic means 2011 will turn out to have been a record year for the port of Baltimore's public auto terminals. Through November, longshoremen loaded and unloaded 403,679 vehicles, surpassing the total for all of 2010 by more than 6,500 autos.

To put it another way: During the first 10 months of 2011, the port's public and two private auto terminals handled 951,251 tons of cars, beating every other U.S. port — a first for Baltimore. The value of those vehicles was \$10.1 billion.

In some ways, the attraction to Baltimore is a matter of simple math. The eight to 10 hours it takes ships to steam up the Chesapeake Bay is offset by the fact that Baltimore is 200 miles farther inland than other East Coast ports, said Ted Boudalis, operations manager of the local vehicle-processing center for Mercedes-Benz.

"The further we get inland from the ocean, the less it costs us in trucking. You shave time and distance," he said.

But there's more to it than that, said Rex Sherman, research director for the American Association of Port Authorities. Baltimore's 2011 numbers are a testament to the vision of Maryland officials over the years, he said.

"Those terminals weren't built overnight," Sherman said. "Port officials have been pretty aggressive in attracting and keeping business, and making investments in infrastructure that's allowing these autos to come in now that the market is back."

In 2005, Mercedes-Benz signed a 20-year lease with the Maryland Port Administration for its waterfront vehicle-processing center. Five years later, BMW jumped aboard with a five-year agreement to ship tens of thousands of cars to the port annually.

James White, executive director of the port administration, says the 2011 figures prove the port has made a "tremendous recovery" from the economic downturn, with the auto industry providing more than 1,000 jobs.

"Our success in autos is due to our inland location, excellent labor and renowned quality program," White said.

With the globalization of the auto industry, car company origins mean little. The port handles Ford vans made in Turkey and General Motors compact cars from Mexico. High-end American cars and SUVs are shipped to the Middle East, and \$500,000 Maybach sedans and \$250,000 McLaren sports cars arrive in Baltimore on their way to U.S. car enthusiasts.

"Everybody is everywhere," said Paul Hill, operations manager for shipping company Wallenius Wilhelmsen Logistics.

From the docks, it's a short distance to one of the port's three auto-processing plants. Mercedes-Benz handles its own cars plus BMW. Ford, Toyota, Nissan and Subaru go through a facility owned by WWL Vehicle Services Americas Inc. Volvo, Mitsubishi, Suzuki, Jaguar, Land Rover and Chrysler are processed by Ampports.

Once a month, port officials, car manufacturers, processors and longshoremen convene a meeting of the Quality Cargo Handling Action Team to talk over problems and devise solutions.

Baltimore is Mercedes-Benz's busiest U.S. port, with 125,000 vehicles imported annually. In October, the processing center prepared 12,400 vehicles — a record month until November's 13,000 vehicles.

Getting Mercedes vehicles ready for delivery to 350 dealerships from Virginia to Maine and to as far west as Colorado requires brute strength, a nimble workforce and a game plan worthy of an NFL team. The Mercedes team can clean and inspect a car, fix problems, add accessories and send it on its way in as little as 24 hours.

Cars arriving in Baltimore carry one of three designations: already sold, dealer request (usually a hot model) and general dealership stock.

Highest priority is given to cars already spoken for, Boudalis said.

Aboard the cargo ship, cars are lashed down nose to back bumper; door handles swaddled in protective plastic are mere inches apart.

Longshoremen in jumpsuits loosen the straps, start engines that haven't run in more than a week, and inch each car out into daylight and onto the dock, where Mercedes inspectors check the exteriors for damage. Each car officially becomes part of the inventory once it is logged in on a hand-held scanner — a crucial system when you have a parking lot that holds 12,000 vehicles.

The car moves along to another inspector, who makes sure that wipers wipe, horns honk and seats that are supposed to warm up do so quickly and quietly. Instead of using an assembly-line approach to quality control, Mercedes employs a one inspector-one car system.

"We know who touched what car on what day," Boudalis said of the quality-control technicians.

If a problem is found, it's easy to discover who checked the car — and inspectors can go back and examine other vehicles handled by the same person, Boudalis added.

The company and its workers keep a close eye on the customer satisfaction ratings published by J.D. Power and Associates.

"We have a reputation to uphold," Boudalis said. "Mercedes is an aspirational brand for some people, and you want the car to be everything you dreamed it would be."

Vehicles are washed and dried, and then run on a small test track so inspectors can listen for squeaks and rattles. Along the way, tiny paint chips and scratches are repaired. Anything major also is fixed, but vehicles with such issues are sold at auction, not at dealerships.

(All the while, the 120-member Mercedes team also is prepping Smart Cars and BMWs. In 2010, BMW signed a five-year agreement to ship 50,000 cars — or about one-fifth of its annual U.S. production run — to Baltimore.)

For the customer who doesn't want a plain Mercedes, the processing center can add items such as spoilers, illuminated doorsills, back-seat entertainment centers, and an array of navigational and communications devices.

Boudalis says installing accessories has become a major part of what the processing center does. Among other things, it allows Mercedes to offer new electronic products — such as iPod docking devices — as add-ons long before they can be engineered into the assembly line.

There's just one thing left to do before a car is driven to the delivery-truck staging area for shipment to one of 27 states, or to 175 dealers in the Baltimore area. After a final check of a white Mercedes GLK350, Aaron Lindsey of Brooklyn Park goes to his workbench to retrieve the window sticker with the list of government specifications and the price: \$48,520.