

# Baltimore Ready for Channel Switching

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## ***Port's Seagirt Terminal on track for 50-foot depth and a possible intermodal connection***

The Port of Baltimore will get a leg up on many East Coast competitors next year when the new berth at the port's Seagirt Marine Terminal opens two years ahead of schedule.

Terminal operators say the new berth is set to open ahead of schedule, giving Baltimore 50-foot depth and four new cranes that can handle 22 containers across.

In the race among ports to dig deep enough to handle the big ships that will start coming through an expanded Panama Canal after 2014, the Seagirt project will make Baltimore only the second port on the U.S. East Coast, after Norfolk, Va., with the minimum 49 feet needed to handle the largest container ships operating today.

Seagirt will be able to handle ships with a capacity of as many as 14,000 20-foot equivalent container units. Along with a new near-dock rail ramp CSX is considering to connect to double-stack intermodal rail service, the improved infrastructure has port officials projecting an upbeat view of future shipping services.

"Shipowners are going to look at us very differently than they have in the past," said Jim White, executive director of the Maryland Port Administration, which leases the Seagirt terminal to Ports America.

Several container lines are talking to the port about adding services when the new berth is completed in August 2012, or sooner, he said.

The spur for the interest is the deal the MPA finalized in January 2010 with Ports America granting the port operator a 50-year lease on the 200-acre Seagirt terminal in return for more than \$100 million and investment of \$105.5 million to build the new berth and buy four super-post-Panamax cranes.

"The project is ahead of schedule, and we will finish before the end of this year," said Mark Montgomery, president and CEO of Ports America Chesapeake, which operates the Seagirt terminal. "We studied the turning basin and the channel and got clearance from the pilots that Baltimore can actually manage a 14,000-TEU ship. We don't think that's coming, but we've been asked by a carrier if we could handle it."

Baltimore, which ranked 15th in container volume in The Journal of Commerce list of top U.S. ports for 2010, still has large numbers to overcome to get a bigger share of the

The port is about a six-hour ride up the Chesapeake Bay, a trip that would put a vessel within reach of the sprawling infrastructure and big markets around the Port of New York and New Jersey. A major transit point for roll-on, roll-off trade — the port handled more than 600,000 automobiles in 2007 — Baltimore's 447,448 TEUs last year were less than a quarter those counted at Savannah, Ga., according to figures from PIERS, a sister company of The Journal of Commerce.

But while Savannah, New York-New Jersey and others struggle over efforts to improve ship access, Baltimore officials say they have no worries.

The Seagirt terminal, which the MPA completed in 1990, has three existing container berths with seven Panamax cranes. Space for a fourth berth was roughed out behind a cofferdam. The Army Corps of Engineers and the MPA deepened the channel from the Atlantic up the center of Chesapeake Bay to 50 feet to the terminal four years ago, but stopped 200 feet from the terminal for fear of undermining the cofferdam. Ports America reinforced the cofferdam with sheet piling last year and dredged the remaining 200 feet between the berth and the channel. The operator now is installing pilings, filling in the new berth and decking it over in preparation for delivery of the new cranes.

Ports America also ordered four ZPMC cranes for \$40 million that are scheduled for delivery next March, enabling the new berth to start operating the following August. The existing seven Panamax cranes can handle rows of containers up to 17 across.

"It can handle the biggest ship that's on the water today," Montgomery said.

Seagirt has an adjacent on-dock CSX rail terminal that can technically handle trains with double-stack containers, but not two high-cube containers because of the height limitation of the Howard Street Tunnel under Baltimore. CSX is considering four locations near the entrance to the tunnel for a new intermodal container transfer facility that would use automated stacking cranes to transfer containers from the short line to Seagirt and onto CSX's National Gateway Project, which can handle stacktrains from Baltimore to Ohio.

"CSX would run on-dock trains through the Howard Tunnel and then marry it up with domestic freight to the Middle West," White said. "They would also offer customers the ability through their pricing program to move it by truck to the off-dock facility, where it could marry up with the double-stack."

Once CSX has chosen the site, construction will take two years, so it will probably be completed at about the time the new locks at the Panama Canal are completed at the end of 2014, enabling ships of up to 12,500 TEUs to call at ports on the East Coast.

The Seagirt terminal is handling ships of 8,400 TEUs on Mediterranean Shipping Co.'s Golden Gate service from Asia through the Suez Canal. "MSC continues to amaze us with their ability to put cargo into ports," White said. "They'll probably do 200,000 containers next year. Behind that is Evergreen, which will do 110,000 to 120,000 containers next year."

White expects more services from Asia with ships of 8,000 TEUs or larger to call at Seagirt once a fourth berth is completed and the cranes delivered. "No one is going to want to put a ship of this size in here unless they can fill it up," he said. "And you can't fill it up unless you have a 50-foot berth."

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