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White wants to keep growth going at port
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As executive director of the Maryland Port Administration, James J. White says it is part of his job to dream big. So, it doesn't take much thought for the 62-year-old to articulate a specific vision for the suddenly prosperous Port of Baltimore.

"We're going to need another container terminal, because containerization is going to continue to grow, international trade is going to continue to grow," White said recently in a wide-ranging interview with a Daily Record reporter and editor. "Container business drives more jobs than any other commodity we have."

The Port of Baltimore, once the dominant port on the East Coast before a series of unfortunate events left those on the docks scrambling for a piece of the future, is on an upswing after a year in which the port grew at a faster rate than any other major United States port.

The recovery in Baltimore — offset at the moment by the threat of a Maine-to-Texas strike of longshoremen brought on by contentious labor negotiations going on at the national level — hasn't been an accident, White said.

Before the rise of containerization of cargo in the 1970s and 1980s, the Port of Baltimore was tremendously successful because all discretionary cargo — cargo moved by rail to the Midwest — came through Baltimore, the furthest inland East Coast port because of its position up the Chesapeake Bay.

At the time, federal rail regulations provided a uniform rate for freight transportation based on distance traveled. Shipping companies chose Baltimore to save money on rail rates.

"Back in the '70s, the port handled more tonnage then than it does today," White said. "We were the discretionary king. … We had all of it."

That changed when the federal Staggers Rail Act was passed in 1980, allowing rail companies to set their own rates through negotiations with individual shippers. Suddenly, it was not worth the extra time it took to float up the Chesapeake Bay.

"Overnight, we lost a ton of business. We lost all of the discretionary business," White said. "That was tremendous hit for this port."

Troublesome tunnel

The problem was exacerbated by the antiquated Howard Street tunnel, a major East Coast bottleneck for freight because it is not tall enough to allow passage of trains with double-stacked containers. It would be too expensive to modify the tunnel because of its position sandwiched between utility lines and the Baltimore Metro Subway, White said.

The troublesome tunnel has slowed movement of port cargo to a crawl through downtown Baltimore, while other cities have taken advantage of the Port of Baltimore's misfortune.

New York and Norfolk, Va., now have most of the East Coast discretionary cargo business, each moving 250,000 containers a year. Baltimore moves about 10,000.

"New York and Norfolk have all the business that used to be Baltimore. That was a tremendous hit for this port," White said. "After [losing] our advantage with the railroad … we had a crash and burn and [had] to build the port back up," White said. "Which we did."

It all turned around in 1996, he said, when a strategic plan was developed that diversified the type of cargo the port went after.

"The port never changed its focus on containerization; they had like a laser vision on containers," White said. "'Let's get our container market back; it's something we lost.' And they were missing out on cargo that we had a geographic advantage to."

The goal was to become the No. 1 importer and exporter of automobiles in the country, a mark the port has hit and is trying to sustain. It also made roll on/roll off cargo more of a priority, and today the Port of Baltimore handles 50 percent of ro/ro cargo on the East Coast.

James J. White on the importance of the port, and his strategy for the future.

A focus on forest products — specifically wood pulp, now coming in great volume from Brazil — has also helped the port, as Kimberly-Clark Corp. and Procter & Gamble Co.'s demand for material to manufacture personal cleaning products such as baby wipes grows.

The automobiles, though, have been especially profitable. Mercedes-Benz stops at only two East Coast ports: Savannah, Ga., and Baltimore.

“We supply every dealership from Maine to South Carolina and as far west as Chicago,” White said.

With other products moving through the port in great number, the key now is to grow the container business, White said, and get some of that discretionary cargo business back.

A 50-year public-private partnership with Ports America Chesapeake has given the port some of the infrastructure it needed — including a 50-foot berth and supersized container cranes — to handle large vessels that will begin to reach the East Coast after the Panama Canal expansion is complete.

“That was like the port’s Super Bowl,” White said. “If we didn’t get that deal done, not only would we have lost an opportunity, we probably would have lost a significant share of our container business.”

But double-stack containers are a necessity. CSX Transportation Inc. reached a tentative deal with Baltimore in September to build an intermodal facility in southwest Baltimore, at the CSX-owned Mount Clare train yard, where trains could be double-stacked after passing through the Howard Street tunnel.

“Not having double-stack capability at our marine terminal, we pretty much placed ourselves out of the discretionary cargo business for containers,” White said. “Near-dock is the best thing behind on-dock capability, and this gateway project will get us there.”

The plan calls for international cargo coming off the docks to be loaded, single-stack, on trains. The trains will then stop at Mount Clare, where domestic cargo will be stacked on top of the international cargo. The opposite will happen for exports.

White said the change could put the port back in the discretionary market, but stressed that the project’s effect on the Port of Baltimore is at the mercy of CSX’s pricing.

“The true key to making this work is going to be the pricing. If the CSX prices it competitively or equally with New York and Norfolk, it would be a huge win for us,” White said. “We don’t control the pricing; that’s up to the CSX railroad. The CSX is the decision-maker because it’s their rail, their train, their customer.

“It’s the CSX that’s going to make this or break this with their pricing.”

Eye on Sparrows Point

The intermodal facility, plus increasing international trade and the growing size of cargo ships, makes growth at the port a necessity. White said the port administration has a number of properties targeted that, if acquired, could facilitate some of that expansion.

One property in particular, though, has caught White's eye.

"Sparrows Point," he said. "We've always had a twinkle in our eye with Sparrows Point."

The point in Baltimore County, once the home of the long-dissolved Bethlehem Steel Co. but still in the steel-making business under RG Steel LLC's stewardship until July, is under new ownership. While it's unclear whether steel-making will resume there, White said a 300-acre parcel at Sparrows Point is the ideal location for a multiuse dock.

And, he said, the land is not needed for steel production, so an operator could still take over the idled mill. White said that he and Gov. Martin O'Malley both had scheduled meetings with the property's owner in the last couple of weeks.

"I think Sparrows Point, as far as an expansion of marine terminals, offers us a great opportunity," White said. "We have a plan."

White was talking about the port's plan for Sparrows Point and its myriad challenges. But he just as easily could have been talking about that plan, in 1996, that turned the Port of Baltimore around.

James J. White ~

Maryland Port Administration: executive director, 1999-2005 and 2007-present; deputy executive director, 1995-1999; director of operations and executive vice president of Maryland International Terminals, 1993-1995

Private sector work history: Ceres Terminals, senior vice president and chief operating officer, 2005-2007;

Puerto Rico Marine Management Inc., general manager for North America, 1985-1993; Sea Train, North Atlantic operations manager, 1977-1985; Concorde Nopal, vice president of operations, 1982-1985.

Education: B.S., business administration and economics, Wagner College

Personal: 62 years old; lives on Kent Island; wife, Carol Ann; two children, Jessica and Timothy.