



# The Maryland Port Administration

# PRESS RELEASE

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## **GOVERNOR O'MALLEY AND PORT OF BALTIMORE WELCOME FIFTH-LARGEST CONTAINER SHIPPING COMPANY IN THE WORLD**

### ***New Business Could Create Nearly 600 New Jobs for Maryland***

(BALTIMORE, MD) --- Governor Martin O'Malley, the Maryland Port Administration and Ports America Chesapeake today welcomed Germany-based Hapag-Lloyd, the fifth-largest container shipping company in the world to the Port of Baltimore. Hapag-Lloyd is beginning a direct, weekly container service from North Europe to the Port of Baltimore that could bring up to 30,000 containers annually through the Port. The new business could create nearly 600 new jobs in Maryland including 255 direct jobs at the Port of Baltimore.

"Just two years ago, we broke ground on the Port's new 50-foot container berth to capture the new business from the Panama Canal expansion, and Maryland already is seeing the economic payoff," said Governor O'Malley. "This new berth for the larger ships, great rail access and our partnership with Ports America are key reasons that Hapag-Lloyd chose to make the Port of Baltimore its first U.S. Port of Call for their new Gulf of Mexico Express service. Together, as partners, we will be creating jobs today and tomorrow for Maryland families as one of only two U.S. East Coast ports to have both a 50-foot channel and 50-foot berth."

Baltimore, which is positioned within the third-largest U.S. consumer market, will be the first U.S. port of call for this 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. With this new service, the Port of Baltimore will include three of the world's top five container carriers in its portfolio.

"Hapag-Lloyd has a long and rich history of service from Europe to the Eastern seaboard of the United States stretching back to 1868," said Hapag-Lloyd Senior Vice President Area Southeast Stuart Rattray. "This new call at the Port of Baltimore offers importers in Baltimore and the surrounding catchment area a direct call with a fast transit time of nine days from Germany. The service also provides direct links from the United Kingdom, France and Belgium. The Baltimore port call also allows rationalization with other services to maximize direct discharge with the associated savings and improved service levels to our customers. We are grateful to Ports America and the Maryland Port Administration as we have developed this new service offering."

Christopher Lee, Managing Director of Highstar Capital, said: "I'm very proud of the fact that my firm was able to partner with the Maryland Port Administration and the State of Maryland, under the inspired leadership of Governor Martin O'Malley. Maryland is clearly a leader in Public-Private Partnerships and the Seagirt model is one that Governor O'Malley and I hope can be replicated all across the country. This was truly a case of the public and private sectors coming together in a real partnership to create new infrastructure, new jobs, and long-term investment opportunities for pension funds and other institutional investors."

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***Port of Baltimore Welcomes World's Fifth Largest Container Shipping Company***

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. With wharf construction completed, 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. This will allow shippers 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.

The Port of Baltimore ranks 11<sup>th</sup> nationally for the total dollar value of cargo and 13<sup>th</sup> for the amount of cargo tonnage handled out of 44 port districts in the U.S. Through the first 11 months of 2011, the Port of Baltimore ranked as the top port in the nation out of 360 U.S. ports for handling farm and construction machinery, autos, trucks, imported forest products, imported sugar and imported gypsum. Baltimore ranked second in the U.S. for exported coal, imported salt, imported aluminum, and imported iron ore.

Business at the Port of Baltimore generates about 14,630 direct jobs, while about 108,000 jobs in Maryland are linked to port activities. The Port is responsible for \$3 billion in personal wages and salary and more than \$300 million in state and local taxes.

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