

Maryland Port Commission
Open Session Minutes
April 4, 2023

The Three Hundred and Ninety-Sixth Session of the Maryland Port Commission was called to order at 10:01 a.m. by Deputy Secretary of Transportation Samantha Biddle. The Commission met in Open Session from 10:01 am until 10:38 a.m. in the Stanton Room, 20th floor, World Trade Center, 401 E. Pratt Street, Baltimore, MD 21202.

Present: Deputy Secretary Biddle and Commissioners Dandy, Dean, Huber, Lunn, McDonald, and Richardson.

Staff: William Doyle (Executive Director), Robert Munroe (Deputy Executive Director, Administration and Environment), Philip Whaling (Assistant Attorney General and Principal Counsel), Dominic Scurti (Director of Planning), Holly Miller (Acting Director of Harbor Development), Cornelius Barmer (Engineering Business Manager), Wonza Spann-Nicholas (Director of Finance), Ryan Barry (Director of Operations), Richard Powers (Director of Marketing), Jennifer Guthrie (Legislative Manager), John Thornton (General Manager of Procurement), Brandon Couser (Information Services Department), and Krystal Jones (Executive Office).

Minutes of the Three Hundred and Ninety-Fifth Open Session Meeting

Commissioner McDonald moved to approve the Open Session Minutes of the Three Hundred and Ninety-Fifth Port Commission meeting. Commissioner Lunn seconded the motion. The Commission then voted unanimously to approve the Open Session Minutes.

Executive Director Update, William Doyle, Executive Director

Executive Director Doyle provided an update on issues impacting the Port of Baltimore.

Microchips/Semiconductors

About 10.6 million vehicles were taken out of production in 2021 due to the semiconductor microchip shortage. The number of vehicles taken out of production was reduced to 4.4 million in 2022, and in 2023, it is expected to be reduced to 2.8 million vehicles.

Taiwan and South Korea make up approximately 80 percent of the global foundry market. Foundries are facilities that manufacture microchips. Taiwan Semiconductor Manufacturing Company (TSMC) enjoys a lion's share of the market. China is now trying to increase its own microchip production capacity. During the beginning of the pandemic, major chipmaking factories in Taiwan, Japan, South Korea, and China had to cease production, leading to pent-up demand which eventually had a cascading effect on industries.

In the United States, the U.S. government is working to expand semiconductor microchip manufacturing, passing the CHIPS and Science Act in August 2022, to encourage domestic research and new microchip manufacturing in the United States.

However, this approach is a long-term solution and not a short-term fix to address the current climate in which automobile prices are high and many automakers are still paring down such nonessential features like touch screens, wireless charging features and even navigation systems from their builds.

A major contributing factor to the semiconductor microchip shortage, which started during the pandemic, is the dominance of Taiwan in this specialized sector.

Farm Equipment Update

CLAAS of America, based in Omaha, Nebraska, is a manufacturer of farming balers, harvesters, combines, and tractors. For FY2023, CLAAS anticipates growth despite the present economic uncertainties. It expects demand for agricultural equipment to remain stable in the main sales regions of North America. International orders over the coming months will be above average. CLASS is experiencing strong growth in North America due to broader combine harvester and tractor range.

Investments in the expansion of its global production and sales networks – and, in innovative technologies such as digitalization and autonomous farming – will strengthen its market position on a lasting basis.

Due to a lack of availability of 45-foot high cube (HC) containers and 40-foot open top (OT) containers, CLAAS has had to make some adjustments from containers to MAFI trailers.

Cruise

The Maryland Port Administration/Cruise Maryland is on target to welcome Norwegian Cruise Line (NCL) for its initial port calls to Baltimore in August 2023.

Containers

McCormick & Company, Inc., the Hunt Valley, Maryland-based spice company, is moving shipping volume from the West Coast to the East Coast in 2023. McCormick has three warehouses on the West Coast that are filled with products from its Simply Asia spice line. McCormick is contemplating importing this same product line through Baltimore.

Legislative Update, Jennifer Guthrie, Director, Office of Government Relations and External Affairs

Ms. Guthrie introduced herself as the director of the newly expanded Office of Government Relations and External Affairs. Ms. Guthrie was formerly the Legislative Manager of the Office of Government Affairs. The office was expanded to external affairs which will include business and stakeholder engagement and community outreach. This expanded outreach effort will involve all departments within the Maryland Port Administration (MPA). Ms. Guthrie will lead the focused outreach and engagement effort on behalf of the MPA to provide a cohesive message to the port, business and local communities.

Ms. Guthrie presented a legislative update to the Maryland Port Commission on the following General Assembly bills, federal appropriation requests, and local initiatives:

State Government – Maryland General Assembly

2023 Legislative Session

- HB 941 – Poplar Island and Mid-Chesapeake Bay Island Citizens Oversight Committee: *Withdrawn*.
- HB 607 – Water Pollution Control – Discharge Permits – Stormwater Associated with Construction.
- HB 230 – Clean Trucks Act of 2023.
- SB 548 – Clean Transportation and Energy Act.
- HB 1166 – Omnibus Procurement Reform Act of 2023: *Withdrawn*.
- SB 56 – Courts – Prohibited Indemnity and Defense Liability Agreements.

Federal Government – Maryland Congressional Delegation

Federal Fiscal Year 2024 (FFY2024) Appropriations Requests.

- Mid-Chesapeake Bay Island Project: A Designation of \$0 million for the Construction General Category in the FFY2024 Appropriations Request. However:
 - \$84 million has been allocated in federal construction funding in the U.S. Army Corps of Engineers’ Infrastructure Investment and Jobs Act (IIJA) supplemental work plans.
- Poplar Island Environmental Restoration Project and Expansion: A Designation of \$0 million for the Construction General Category in the FFY2024 Appropriations Request. However:
 - \$6 million has been included in the President's FY2024 Budget.
- Baltimore Harbor and Channels: \$28 million in the Operations and Maintenance Category.
 - \$43.8 million included in President's FY2024 Budget.
 - \$5.44 million included in the U.S. Army Corps of Engineers’ FY2023 Work Plan.
- C&D Canal: \$22 million in the Operations and Maintenance Category (which includes bridge funding).

- \$20.4 million included in President's FY2024 Budget.

Local Government – City of Baltimore

Initiatives

- Keith Avenue – Request for complete reconstruction of the concrete roadway.
- Frankfurt Avenue – Baltimore City Department of Public Works Project – Request to finish paving the roadway.
- Various Neighborhood Connector Projects – Ensure industry and truck routes are protected.
 - Greater Baybrook Connector.
 - Reimagine Middle Branch.
 - St. Helena Community – Heritage Trail.

Contracts for Approval, John Thornton, General Manager, Procurement

John Thornton, General Manager of Procurement, presented the following contract to the Maryland Port Commission for approval:

- Modification No. 2, Contract #218035-IT – Information Technology (IT) Database Management Support, Client Network Services, LLC, Rockville, MD; \$118,968; Modification Term: May 21, 2023 – January 2, 2024.

A motion to approve was made by Commissioner McDonald, seconded by Commissioner Dean, and approved unanimously by the Commission.

Adjournment

There being no further business, a motion to adjourn was made by Commissioner Richardson and seconded by Commissioner Huber. The motion carried unanimously. The meeting adjourned at 10:38 a.m.