

**Maryland Port Commission**  
**Open Session Minutes**  
**April 7, 2020**

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The Three Hundred and Sixty Fourth Session of the Maryland Port Commission was called to order at 9:00 am by Deputy Secretary Sean Powell via teleconferencing. The Commission met in Open Session from 9:03 until 9:57 am.

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

**Staff:** Dave Thomas (Acting Executive Director), Bob Munroe (MPA Principal Counsel), Richard Scher (Director of Communications), Richard Powers (Director of Marketing), Mike Miller (Director of Maritime Commercial Management), Wonza Spann-Nicholas (Director, Finance), Kristen Fidler (Director of Harbor Development), Dominic Scurti (Deputy Director of Planning), Steve Johnson (Director of Engineering), David Espie (Director of Security), Brian Miller (Director of Operations), Larry Johnson (Marketing), John Thornton (Manager of Procurement) and Christina Nichols (Executive Office)

Deputy Secretary Sean Powell stated due to the COVID-19 situation, this meeting is being conducted exclusively by conference call. The public is welcome to call in to listen to the Open Session of this meeting; however, there will not be an opportunity for public comments or questions. He instructed the attendees from the public who may have a question regarding the matters deliberated by the Maryland Port Commission during this meeting to email their question to [cnichols@marylandports.com](mailto:cnichols@marylandports.com) following the meeting and include with their question their name, affiliation, and agenda item that they have a question concerning, and an answer will be provided.

**Minutes of the Three Hundred and Sixty Third Open and Closed Session Meetings**

Commissioner Richardson moved to approve the Open Session Minutes of the Three Hundred and Sixty Third Port Commission meeting. Commissioner Dandy seconded the motion. The minutes were approved unanimously without discussion.

**COVID-19, Dave Thomas, Acting Executive Director**

Mr. Thomas reported the Port of Baltimore has remained open for business for all cargo operations since the onset of the current COVID-19 pandemic. Ports America Chesapeake has closed Seagirt Marine Terminal six days in the month of March and has reduced their daily operating times by one hour because of lower international container volumes. MPA's other public marine terminals have continued to operate regular hours for delivery and receipt of cargo. Vessel operations have also been uninterrupted, COVID-19 pandemic is a situation that the maritime industry has never dealt with before. MPA has already begun to see volume declines over multiple commodities and are analyzing the potential impacts to our business throughout 2020.

Through February, Port of Baltimore general cargo was down 4.4%, autos were down 13%, and containers were down 2.1%. MPA expects to see those declines accelerate as it finalizes our March numbers. MPA do anticipate a double-digit decline in container volumes for the month of March. MPA is planning for a possible cargo surge for late April into early May as a result of Chinese manufacturing slowly coming online.

MPA is working closely with our terminal operators managing any space issues that may result from that surge. However, this cargo surge is now expected to be temporary as US consumption has been greatly affected with the current restrictions put in place by government agencies at the federal and State levels. MPA doesn't expect to get back to pre-corona levels anytime in the second quarter. MPA continues to collaborate regularly with ILA leadership, the STA, BPA, USCG, CBP our tenants, customers as it navigates thought these unprecedented times.

Governor Hogan made the decision to close our cruise terminal the beginning of March. MPA welcomed both of our cruise ships, the Carnival Pride and the Royal Caribbean Grandeur of the Seas, back to the Port from their current cruise to disembark passengers in accordance with the Governor's Executive Order, and then those ships went to dock in Miami and the Bahamas. MPA has been communicating frequently with both cruise lines and certainly look forward to seeing them return as soon as it is deemed safe to do so but that date is undetermined at this time.

The majority of MPA employees began officially teleworking on March 16. MPA does have a skeleton staff of Operations and Security departments reporting to the terminals each day. Mr. Thomas commended MPA employees for their resiliency, flexibility and ability to adapt to these new ways of conducting business. All are doing a great job adjusting and the Commission should be very proud of the MPA's overall response.

### **Automobile Update, Larry Johnson, Marketing**

Mr. Johnson provided an update on the Maryland Port Administration's (MPA) and Port of Baltimore's (POB) 2019 Auto and Light Trucks performance. Mr. Johnson reported all automobile assembly plants are closed due to the COVID 19 virus and are hoping for a mid-April opening. Auto sales are down approximately 36% and vehicles shipped to the Port of Baltimore are not moving from the terminals.

Mr. Johnson reported Privately Owned Vehicles (POV) are mainly shipped to West Africa. Nigerian currency has dropped 10%, West African economy is based on oil exports, oil is trading at or near \$20/barrel today, in January 2020, oil was trading at \$60/barrel.

Highlights of Mr. Johnson's presentation include:

- The Port of Baltimore has ranked as the #1 Auto Port for 9 consecutive years.
- MPA terminals imported and exported a total of 631,398 units in 2019, a decrease of .8% from 2018.
- Port of Baltimore terminals imported and exported a total of 857,890 units in 2019, an increase of .9% over 2018.
- The Port of Baltimore has 21.1% market share of automobiles.
- Mexico currently has 25 auto facilities.

- All major manufacturers have an assembly plant in Mexico, Nissan has three.
- POB remains well positioned to receive vehicles from Mexico,
- Mercedes-Benz USA continues to be one of the MPA's largest auto accounts.
- Honda has announced it will close UK plant in 2020 due to Brexit challenges. Import volumes will be affected as they will build the Civic Hatchback in the US. Honda CRV exports to Mexico continues to be strong with 25,000 units exported in 2019. Now the second largest auto account at the POB with over 100,000 units moved through the POB in 2019.
- Fiat Chrysler imports were strong, Fiat Chrysler is our third largest auto account, imports include Jeep Renegades, Ram ProMaster, Fiat and Alfa Romeo.
- Mazda is the 4<sup>th</sup> largest OEM in the POB with 80,000 vehicles in 2019.
- Subaru sold a record 700,000 in the US in 2019 which is 4% of the market share, they are the 5<sup>th</sup> largest OEM at the POB with approximately 60,000 units forecasted for 2020.
- Volkswagen will begin port operations at Trade Point Atlantic in June 2020, brands will include VW, Audi, Porsche, Bugatti and Bentley.
- Mitsubishi built on a strong 2018 into 2019 with 43,000 import units. Imports include Outlander Sport and Mirage. Mitsubishi has increased volume at POB by over 30,000 units since 2015.
- Ford Motor Company continues to have good volumes of the F-150 pickup trucks and Mustangs to North Europe and Oceania.
- General Motors totaled 42,000 units at Dundalk Marine Terminal in 2019, most units arrive from Mexico and are GMC truck models and a wide range of SUVs.
- Electric Vehicles demand is not high in the US currently, charging stations take too long to recharge batteries, all manufacturers are starting EV programs.

### **Security Update, David Espie, Director of Security**

Mr. Espie provided an overview of the MPA Security Division and the duties of the office.

Highlights of Mr. Espie's presentation included:

- Areas of oversight:
  - MPA Security Policy Review, Update and Development (Facility Security Plan – COMAR – Federal Statutes – Guard Post Orders)
  - Contract management of Allied Universal Security Guard Services, Unarmed (\$3m annually)
  - Access Control Security Measures implemented by Allied Universal, 24/7.
  - Memorandum of Agreement with Maryland Transportation Authority (MdTA) Police-Port Detachment (\$7m annually)
  - Access Control Center (Visitors, Terminal ID Badges, Vehicle Permits, Security Awareness/Escort Training)
  - CCTV Monitoring Center
  - Development, execution and management of the Federal Port Security Grant Program projects/funds awarded by FEMA
  - Administer mVisitor/Gate Security Systems
  - Transportation Worker Identification Credentials (TWIC) Escort Program (Facility Employees/Approved Companies)
  - Seafarers Access – Transportation Service (June 1, 2020)

- Special events – U.S Navy Fleet Week
- Official visits such as State of Maryland officials, Congressional delegations, etc.
- Media/filming requests
- Biannual Multi-Agency Strike Force Operation
- Port Safe Security Operations
- Live Training Exercises
- Port Security Grant Program
  - 2018: Cruise Terminal Sonar Extended Maintenance - \$245,000
  - 2018: Vehicle IED Barrier-Cruise Terminal - \$57,000
  - 2018: Anti-Ram Vehicle Barrier-DMT Wide Load Gate- \$84,000
  - 2018: Cyber Security IOT Discovery - \$180,000
  - 2019: Access Control Security Booths - \$33,000
  - 2019: Cybersecurity Automated Remediation - \$495,000
  - 2019: Improving Access Security Control System - \$410,000
- Accolades
  - Eleven consecutive EXCELLENT U.S. Coast Guard Security Inspection ratings.
  - Named by *Security Magazine* in 2019 as having one of the top twelve ports security programs in the U.S.
  - Provided Port Security-Related consultation to the staffs of Congress and to the U.S, House Committee on Transportation and Infrastructure.
  - Participated in the RAND Corporation study on the TWIC utilization.

### **Contracts for Approval, John Thornton, Manager of Procurement**

1. **Contract 218001-S, Modification No. 1** – Security Guard Services; Allied Universal Security Services, Conshohocken, PA; Term of Modification: 06/01/20 – 08/03/21; amount: \$691,489.
2. **Contract 218001-S, Renewal No. 1 (Modification No. 2)** – Security Guard Services; Allied Universal Security Services, Conshohocken, PA; Term of Renewal: 08/04/21 – 08/03/24; amount: \$11,267,781.

Motion to approve made by Commissioner Dandy, seconded by Commissioner Lunn and approved unanimously by the Commission.

### **Move into Closed Session**

At 9:57 am, in accordance with State Government Article, Section 10-508 (a)(4), Annotated Code of Maryland, Commissioner Dean moved that the Commission meet in Closed Session, and Commissioner McDonald seconded the motion. The motion was approved unanimously. See attached closing statement. The Commission met in Closed Session from 10:00 am until 10:22 am. Staff attending: David Thomas (Acting Executive Director), Bob Munroe (MPA Chief Counsel), Tom Curtin (MDOT Chief of Staff) and Christina Nichols (Executive Office).

The following topic was discussed during the MPC Personnel Update: Executive deliberation on compensation and succession planning for MPA Executive Director vacancy. No votes were taken. The Closed Session ended at 10:22 am and the meeting returned to Open Session.

### **Adjournment**

There being no further business, a motion to adjourn was made by Commissioner McDonald and seconded by Commissioner Dean. The motion carried unanimously. The meeting adjourned at 10:23 am.