

Maryland Port Commission
Open Session Minutes
January 10, 2023

The Three Hundred and Ninety-Fourth Session of the Maryland Port Commission was called to order at 10:00 am by Secretary of Transportation Jim Ports. The Commission met in Open Session from 10:00 am until 10:55 am in the Stanton Room, 20th floor, World Trade Center, 401 E. Pratt Street, Baltimore, MD 21202.

Present: Secretary Ports and Commissioners Dandy, Dean (via telephone), Huber, Lunn, McDonald, and Richardson (via telephone).

Staff: William Doyle (Executive Director), Brian Miller (Deputy Executive Director, Operations and Logistics), Robert Munroe (Deputy Executive Director, Administration and Environment), Christina Nichols (Chief of Staff), Philip Whaling (Assistant Attorney General and Principal Counsel), Richard Scher (Director of Communications), Dominic Scurti (Director of Planning), Dave Espie (Director of Security), Holly Miller (Acting Director of Harbor Development), Steve Johnson (Director of Engineering), Wonza Spann-Nicholas (Director of Finance), Ryan Barry (Director of Operations), Richard Powers (Director of Marketing), Bradley Smith (Director of Maritime Commercial Management & Strategic Initiatives), Cindy Burman (Deputy Director of Marketing and Cruise), Jennifer Guthrie (Legislative Manager), William Richardson (Director of the Environment), Gina Watson (Office of Security) and Ebony Moore (Executive Assistant to the Secretary, MDOT).

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

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

Executive Director Update, William Doyle, Executive Director

“The Mexico Panama Canal”

At the request of Commissioner Huber, Mr. Doyle explained to the Commission a potential alternative or complement to the Panama Canal. The sometimes-discussed “Mexico Panama Canal” is not actually a canal, but a transshipment route that would allow ocean going vessels to transport cargo across Mexico’s isthmus. The concept for Trans-Isthmus Corridor project across Mexico would connect the Gulf of Mexico and the Pacific Ocean by rail and highway, which could serve as an alternative to the Panama Canal.

Mexico’s President Andres Manuel Lopez Obrador has proposed to build transportation along the Isthmus of Tehuantepec. Nearly 190 miles across, the isthmus is the narrowest landmass in Mexico. Cargo companies and private-vessel owners view the proposed project as an overland alternative to the Panama Canal.

The project would include a modern railway and highway to connect the Port of Salina Cruz in Oaxaca's state on the Pacific with the Port of Coatzacoalcos in the state of Veracruz on the Gulf.

The economic outlook is challenging for a new rail-transship project across the isthmus. The land transport will never compete with the large-scale economy that the Panama Canal offers to world trade. While a ship carries 15,000 containers, a railway can carry only 2,000. The Corridor is not a replacement or a competitor for the Canal, but rather it could only be a complement.

Cruise Maryland Update, Cindy Burman, Deputy Director of Marketing and Cruise

Ms. Burman presented an update of Cruise Maryland operations and activity. Highlights of Ms. Burman's presentation included the following:

Cruise Overview

Homeport Cruise Lines

- Royal Caribbean International
- Carnival Cruise Line

New Homeport Cruise Line

- Norwegian Cruise Line

Port Calls

Share of "Drive-To Cruise Port" Market by State/Region (*Origination Point of Cruisers by Percentage*)

- Maryland/Washington, D.C. – 31% share.
- Pennsylvania/Delaware – 26% share.
- Virginia/North Carolina – 18% share.
- New York/New Jersey – 13% share.
- Ohio/Kentucky/West Virginia/Michigan – 7% share.
- Connecticut/Massachusetts – 2% share.
- Other – 2% share.
- Canada – 1% share.

Cruise Passenger Counts (*Embarks & Debarks Combined*)

- 2018 – 433,415 passengers.
- 2019 – 440,182 passengers.
- 2020 – 76,769 passengers.
- 2021 – 49,100 passengers.
- 2022 – 349,342 passengers.

Cruise Ship Counts (*Homeport Cruises and Port Calls*)

- 2018 – 98 cruises with 6 port calls in 2018.

- 2019 – 100 cruises with 3 port calls in 2019.
- 2020 – 19 cruises with 0 port calls in 2020.
- 2021 – 17 cruises with 0 port calls in 2021.
- 2022 – 98 cruises with 2 port calls in 2022.
- 2023 – 100 cruises with 10 scheduled port calls in 2023.

Cruise Terminal

Location

- Sits adjacent to I-95.
- Designed for passenger convenience and safety.
- Onsite fenced-in, well-lit secured parking.
- Access to a superhighway system including interstates 95, 70, 81, 83, 68, and 97.
- 5.5 miles from Baltimore Penn Station.
- 10.5 miles from BWI Thurgood Marshall Airport.
- 48 miles from Ronald Reagan Washington National Airport.
- 60 miles from Washington Dulles International Airport.

Source Market

- Baltimore-Washington-Northern Virginia combined statistical area is one of the wealthiest in the Nation.
- 300 Miles or less is Cruise Maryland’s “drive-to” market.
- 40 million people are within a six-hour drive.
- 700 miles or less is Cruise Maryland’s extended “drive-to” or “fly-in” market.
- 200 million people are within an overnight drive.
- Two-thirds of the U.S. population live within an overnight drive to Baltimore.

Facility

- Cruise Maryland remains in compliance with the previous CDC protocols and requirements by our cruise partners.
- Hand sanitizing stations are in place.
- Automatic flush toilets.
- Automatic soap dispensers.
- Automatic paper towel dispensers.
- Continuous cleaning of the facility and bathrooms.
- Masks suggested but currently not required.

Tourism

- Local hotel packages.
- Numerous museums and exquisite restaurants.
- Regional support from various state visitors’ bureaus.

Marketing

- Outreach to over 10,000 travel agents and 5,000 consumers.
- Participate in tourism events and trade shows.
- Monthly advertising programs promoting the port and our cruise partners.

- Cruise line promotion on all collateral materials.
- Joint marketing with our cruise partners and travel/tourism associations.

Royal Caribbean International

- Signed a 5-year agreement effective January 1, 2022.
- Expecting to have 13 voyages with the Enchantment of the Seas in 2023.
- Will replace the Enchantment in May of 2023 with the Vision of the Seas with 32 voyages.
- Bahamas, Bermuda, Canada/New England, Southern Caribbean, U.S. Southeast Coast/Bahamas.
- Submitted dates through 2024 and some dates in 2025, 2026, 2027 and 2028.
- Exploring options for facial recognition.
- Activated its Reimbursable Service Program (RSP) with U.S. Customs and Border Protection in December 2022.

Carnival Cruise Line

- Obtained a letter of extension for 12 months effective January 1, 2023.
- Planning to submit an agreement for another 5 years.
- Expecting to have 49 voyages in 2023.
- Bahamas, Bermuda, Eastern and Southern Caribbean, Canada/New England and a new Greenland Itinerary.
- Submitted dates through the first quarter of 2025.
- Implemented facial recognition.
- Implemented a new K-9 dog program to find marijuana and other types of drugs.
- Working with U.S. Customs and Border Protection and its service provider to have the Reimbursable Service Program (RSP) in Baltimore.

Norwegian Cruise Line

- MDOT MPA is in discussions with Norwegian Cruise Line (NCL) for an agreement.
- NCL will begin sailing out of Baltimore in September 2023 with the Norwegian Sky with 2 voyages to Canada/New England.
- NCL will bring the Norwegian Sun in November 2023 with one voyage to Bermuda and one to Bermuda/Dominican Republic.
- In December 2023, it will have 2 voyages to Bermuda/Dominican Republic.
- NCL has 3 voyages scheduled in 2024 and is looking for additional destinations to increase its voyages from Baltimore.
- NCL just began to look at services providers for Baltimore.

Industry Overview

Cruise Maryland Economic Benefit

- Generated 378 Jobs.
- Represented about \$17 million in local wages and salaries.
- Approximately \$62.6 million in local business revenue.
- Approximately \$2.8 million in state and local taxes.

Future of Travel

- 75% of cruisers are ready to cruise again.
- 55% of non-cruisers are willing to take a cruise in the next 2 years.
- 46% of cruisers would take a cruise in the next year.
- 40% of Cruise Maryland cruisers are repeat cruisers.
- Cruisers are loyal and excited to be cruising again.

MPC Employee Citation, Robert Huber, Maryland Port Commissioner

Commissioner Huber and the Maryland Port Commission (MPC) presented Gina Watson from MPA's Office of Security as the recipient of the MPC Employee Citation. The Commission honored Ms. Watson for her outstanding work and contributions. The award recognized her role in helping the Port of Baltimore to recently receive its 14th consecutive "Excellent" security rating from the U.S. Coast Guard's annual inspection of the Port's public marine terminals. This year's inspection included a review of cyber security measures.

Move into Closed Session

At 10:55 am, in accordance with State General Provisions Article, Sections 3-305(b)(1) and (3), Annotated Code of Maryland, Commissioner Richardson 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 10:55 am until 11:28 am. Secretary Ports and Commissioners Dandy, Dean (via telephone), Huber, Lunn, McDonald, and Richardson (via telephone), William Doyle (Executive Director), Robert Munroe (Deputy Executive Director, Administration and Environment), Christina Nichols (Chief of Staff), Philip Whaling (Assistant Attorney General and Principal Counsel were present in the closed session and the meeting adjourned at 11:28 am. William Richardson (Director of Environment) and Holly Miller (Deputy Director of Harbor Development) were present in the closed session for the Section 3-305(b)(3) discussion and left the closed session prior to the Section 3-305(b)(1) discussion.

Adjournment

There being no further business, a motion to adjourn was made by Commissioner Richardson and seconded by Commissioner Dean. The motion carried unanimously. The meeting adjourned at 11:29 am.