

Maryland Port Commission
Open Session Minutes
March 1, 2022

The Three Hundred and Eighty Fifth Session of the Maryland Port Commission was called to order at 10:00 am by Deputy Secretary of Transportation Sean Powell. 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: Deputy Secretary Powell and Commissioners Dandy, Dean, Huber, Lunn, McDonald, and Richardson.

Staff: William Doyle (Executive Director), Brian Miller (Deputy Executive Director), Bob Munroe (MPA Principal Counsel), Christina Nichols (Chief of Staff), Rick Powers (Director of Marketing), Richard Scher (Director of Communications), Ryan Barry (Director of Operations, via Teams), Dominic Scurti (Director of Planning), Kristen Fidler (Director of Harbor Development), Wonza Spann-Nicholas (Director of Finance), Brad Smith (General Manager of Strategic Initiatives), Jennifer Guthrie (Legislative Manager), Lawrence Johnson (Marketing), and Joseph Marecki (Marketing).

Minutes of the Three Hundred and Eighty Fourth Open and Closed Session Meeting

Commissioner McDonald moved to approve the Open Session Minutes of the Three Hundred and Eighty Fourth Port Commission meeting. Commissioner Dean seconded the motion. The Commission then voted unanimously to approve the Open Session Minutes.

Executive Director Update, William P. Doyle

Mr. Doyle reported that the roro ship, the Felicity Ace, operated by MOL Shipmanagement Singapore, that caught fire on February 16th sank this morning. The ship was carrying approximately 4,000 vehicles, including Bentleys and Porsches. The ship was not scheduled for Baltimore.

Autos and Light Truck Update, Lawrence Johnson

Mr. Johnson provided an update on the automobile market to include:

- In 2021 the Maryland Port Administration (MPA) public terminals autos/ truck imports totaled 456,192 units; a decrease of 4.2% from 2020.
- Port of Baltimore (POB) private terminal operators reported a decrease of 8.5% for autos/trucks compared to 2020 but the exports (mostly into West Africa) increased 21.0%.
- The POB continues to have the largest auto market share for east coast ports at 24.0%, which increased from the 2020 market share of 22.2%.
- The POB remains the #1 auto port for the 11th consecutive year in the United States.
- Mexico, Japan, and Germany top the list of countries importing into the POB.

- Stellantis (formerly Fiat Chrysler America) is the top Original Equipment Manufacturer (OEM) in the POB with 103,000 units in 2021. The imports include Jeep Renegade, Ram ProMaster, Fiat, and Alfa Romeo.
- Mazda is the 2nd largest OEM in the POB handling 85,000 imported vehicles in 2021. The Mazda imports arrive from Japan and Mexico and the top imports include the CX-5 and CX-30.
- Mercedes Benz USA continues to be one of the MPA's largest auto accounts with 77,000 units imported in 2021.
- American Honda announced the closure of its U.K. plant in Q3 2021. Import volumes will be affected as they build the Civic Hatchback in the USA. American Honda is the 3rd largest auto account at the POB in 2021 handling over 77,000 units.
- General Motors was the 4th largest OEM with 49,000 units at Dundalk Marine Terminal (DMT) and Amports Atlantic Terminals in 2021.
- Mitsubishi imported 32,500 units in 2021 to include the Outlander Sport (Japan) and Mirage (Thailand).
- Subaru is the 6th largest OEM at the POB, holding 3% of USA market share, volumes are down 23% at the POB due to chip shortage.
- Volkswagen imported 81,000 units through TradePoint Atlantic in 2021; brands imported included VW, Audi, Porsche, Bugatti, and Bentley.
- Ford Motor Company returned to the POB in 2021 with the Transit Connect but the EcoSport imports are being discontinued from India due to plant closure.
- Previously owned vehicle exports continued to rebound from COVID 19 and finished up in 2021 with an increase of 11% over 2020.
- All OEM's are starting Electric Vehicle (EV) programs, the EV market share is at 3% in the United States and continues to gain traction in the USA.

Current challenges:

- Semi-conductor shortage:
 - All OEMs are continuing to experience a shortage of microchips that are needed to complete the assembly of a new vehicle.
 - Assembly plants are occasionally being idled for up to a week.
- Low inventory at automobile dealerships remains low, typical inventory is 60-70 days, some dealerships are below 20 days.

Joe Marecki, Marketing, RoRo High and Heavy Commodity Update

Mr. Marecki provided an update on Roll on/Roll off (RoRo) cargo handled at the POB public and private marine terminals. Highlights of his presentation included:

- The POB continues to be the number one RoRo port in the United States:
 - RoRo shipping lines provide reliable and consistent schedules without delays currently affecting the container lines.
 - RoRo has exceeded expectations despite challenges.
 - Imports continue to improve as US construction markets gain traction. Exports have continued to improve from 2019 pre-pandemic levels.
- MPA terminals handled 882,555 roro tons in 2021, an increase of 27.9% from 2020.

- POB East Coast Market Share for 2020 and 2021 was 49.0%.
- Caterpillar was the top OEM in 2021 handling 179,000 tons.
- WWL/ARC were the top carriers at the POB in 2021 with a total tonnage of 420,336 and 182 ship calls at DMT, an increase of 27.9% over 2020.
- Agricultural Update:
 - Prices of agricultural products have rebounded since the low point in the first half of 2020.
 - Food prices and farmer earnings are at historic levels, farmers are investing in machinery after a few years of cautionary spending.
 - Agricultural machinery markets have made a strong comeback.
 - Agricultural machinery manufacturers are forecasted to record 10% growth in 2022 and 5% in 2023.
- Construction Update:
 - The heavy machinery market is still on the road to recovery.
 - Labor and parts shortages, transportation bottlenecks and depleted inventories delay the availability of machinery in the world.
- Global Mining Outlook
 - Continues to rebound indicating that 2021 will be the 6th consecutive year of growth.
 - The mining market predicts machinery sales to grow 15-20% in 2022 with the expected replacement of aging machinery.
 - Key countries are Australia, South America and Canada. Key commodities are iron ore, copper, gold and coal.
- Business Outlook
 - Volume is expected to remain strong in 2022 with increases in global volume over 2021.
 - US Infrastructure Bill to have positive sales impact for US dealers.

Contracts for Approval, John Thornton, Manager of Procurement

Contract 222006-S – Broker Services, World Trade Center; MacKenzie Commercial Real Estate Services, LLC; Term: 04/01/2022 – 03/31/2027; \$450,000.

Motion to approve made by Commissioner McDonald, seconded by Commissioner Huber, and approved unanimously by the Commission.

Contract 222001-S – Lawn Care Services; Dixon Enterprises, LLC; Term: 04/01/2022 – 03/31/2027; \$239,375

Motion to approve made by Commissioner McDonald, seconded by Commissioner Dean, and approved unanimously by the Commission.

Move into Closed Session

At 10:55 am, in accordance with State Government Article, Section 10-508 (a)(4), Annotated Code of Maryland, Commissioner Dandy moved that the Commission meet in Closed Session, and Commissioner Lunn seconded the motion. The motion was approved unanimously. See

attached Closing Statement. The Commission met in Closed Session from 10:55 am until 11:55 am. Deputy Secretary Powell and Commissioners Dandy, Dean, Huber, Lunn, McDonald, and Richardson, William Doyle (Executive Director), Robert Munroe (Deputy Executive Director, Administration), Christina Nichols (Chief of Staff) and Judy Slater (MDOT Director of Human Resources) were present. During the closed session, the Commission, pursuant to the Commission's statutory authority in §6-201.2 of the Transportation Article of the code of Maryland voted to appoint Bradley Smith to the position of Director of Maritime Commercial Management and Strategic Initiatives. The Closed Session ended at 11:55 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 Dandy. The motion carried unanimously. The meeting adjourned at 11:55 am.