

Maryland Port Commission
Open Session Minutes
May 3, 2022

The Three Hundred and Eighty Seventh 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 10:39 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 (Deputy Executive Director), Christina Nichols (Chief of Staff), Phillip Whaling (MPA Assistant Attorney General and Acting Principal Counsel), Rick Powers (Director of Marketing), Richard Scher (Director of Communications), Dominic Scurti (Director of Planning), Kristen Fidler (Director of Harbor Development), David Espie (Director of Security), Steve Johnson (Director of Engineering), Mary Kay Radford (Finance Manager), Ryan Barry (Director of Operations), Bradley Smith (Director of Maritime Commercial Management/Strategic Initiatives), Jennifer Guthrie (Legislative Manager), Cindy Burman (General Manager, Cruise Maryland), Holly Miller (Deputy Director of Harbor Development), John Thornton (General Manager of Procurement), Judy Slater (MDOT Human Resources Director), Jayson Knott (Maryland Department of Commerce Senior Director, Office of Business Development) and Krystal Jones (Executive Office).

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

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

Executive Director Update, William P. Doyle

Executive Director Doyle provide the Commissioners with an update of recent port activities.

Ever Forward Grounding

The Evergreen vessel Ever Forward was refloated on Easter Sunday, April 17, 2022. Great cooperation with the Unified Command. There were no injuries, no deaths, no oil or water issues. Commerce (business) was not inhibited and was able to continue.

New Rubber Tyred Gantry Cranes

The first of the new rubber tyred gantry cranes (RTGs) for Seagirt have arrived and are expected to become operational in the next few months.

New Post-Panamex Cranes

Crane #12 was operational for 19 hours. Cranes will be put into full use once the warranty has been signed from China, the current pandemic lockdown has created a delay in obtaining their signatures.

2022 General Assembly Wrap Up, Jennifer Guthrie

Ms. Guthrie provided the Commissioners with a wrap up of the 2022 Maryland General Assembly session.

There were no MDOT MPA bills before the Maryland General Assembly this session.

SB 275 – Time to Care Act of 2022: Gubernatorial Veto Override

The Time to Care Act 2022 is a Family Medical Leave Act (FMLA) for employers which goes into effect in 2023 and the benefits begin in 2025.

SB 528 – Comprehensive Climate Change Solutions: Enacted

The Climate Change Solutions Act was passed. The Act is a comprehensive legislation which sets statewide emissions goals, energy efficiency and building emissions goals, and automobile emissions regulations for the State of Maryland fleet.

SB 1 – Prevailing Wage – Stop Work Orders: Gubernatorial Veto Override

Prevailing Wage – Stop Work Order was passed with an override of a gubernatorial veto. Amendments were included that are beneficial to contract workers. The act allows the State to issue stop work orders at contractor work sites for violating the State's prevailing wage policy. This act applies to work performed on public works projects that meets certain parameters.

SB 812 – Cybersecurity – Coordination and Governance: Passed Enrolled

Multiple cybersecurity bills were proposed this session. The bill of significance to MDOT MPA is SB 812 which is a bill that requires state agencies to fall under the umbrella of the Maryland Department of Information Technology (DoIT). MDOT was not assigned to DoIT under this bill, however, it must be in compliance with State government cybersecurity policies. The bills were developed to strengthen the ability of state and local governments to protect government computer systems.

Deputy Secretary Powell commended the MDOT legislative team for its efforts in defending the concerns of the agency. Great work was accomplished by Jennifer Guthrie and the other staff from the other MDOT transportation business units in protecting MDOT's interest this session.

There were other highlights for the Office of Government Affairs this year including recent visits by federal officials and local organizations. Some of those recent visits were:

Rep. Dutch Ruppersberger, Baltimore City Mayor Brandon Scott, U.K. Trade Secretary Anne-Marie Trevelyan, U.S. Trade Ambassador Katherine Tai, Senator Ben Cardin and Senator Chris Van Hollen visited the Port of Baltimore on March 21, 2022. This visit was a part of the trade talks between the United States and Great Britain.

The U.S. Army Corps of Engineers and officials from the Office of the Assistant Secretary of the Army for Civil Works visited the Port of Baltimore to announce the President's FY2023 Budget for Civil Works on March 28, 2022.

The Maryland Chamber of Commerce's Board of Directors visited the Port of Baltimore on April 26, 2022. The members were given a tour of the port and Masonville Cove.

On April 4, 2022, Department of Natural Resources Secretary Jeannie Haddaway-Riccio, U.S. Army Corps of Engineers Baltimore District Commander, Colonel Estee Pinchasin, MDOT MPA Executive Director Bill Doyle, and Senator Ben Cardin announced the "Mid-Bay Underway" project with nearly \$84 million in federal construction funding for FY2022.

Forest Products and Coal Commodity Update, Rick Powers, Director of Marketing

Mr. Powers provided the Commissioners with an update of the Port of Baltimore's forest products and coal commodity business.

Things are going well. Witnessing the operations of the unloading of forest products provides a glimpse into the specialized equipment used to handle this cargo. Specialized clamps are calibrated specifically for each unique type of forest product.

All Port of Baltimore terminal volumes were up as a whole. Port specific terminals were up 76.3% due to MDOT MPA's contract with Metsä Board that took effect in 2021. Most of the product is shipped through Dundalk Marine Terminal and some is shipped through South Locust Point Marine Terminal. Metsä is looking to expand further with the Port of Baltimore because of its new pulp mill. It is really eyeing an expansion with the Port. Its best option is an off-dock distribution center.

UPM volumes were down in 2021. UPM focuses on printed materials. It is determined to continue with this focus. It expects to expand in 2022.

UPM experienced a strike at some of its mills beginning in January 2022. The Port of Baltimore continued to receive product from other UPM mills, but not from mills in Finland. The last product from Finland was received and discharged in February 2022. The strike had been extended until May 2022, however UPM and its union agreed on collective bargaining agreements for five of its businesses. Due to this resolution, the strike ended immediately on April 22, 2022, which allowed employees to return to work. UPM will restart customer deliveries as soon as possible.

The coal industry is thriving. Coal is one of the largest trading businesses in the world. Coal exports are up at the Port of Baltimore. Coal exports were up at CONSOL Energy by 62.02%, however operations at CSX slowed down due to an accident at the CSX Curtis Bay Coal Pier in December 2021. There were no injuries, and no one was hurt as a result of the accident. The CSX terminal should be up and running in a few months. The CSX terminal is a major thermal coal port hub to markets in India, Europe and the Middle East.

CONSOL Energy operates the CNX Marine Terminal at the Port of Baltimore. The terminal is serviced by two rail lines, CSX Transportation and Norfolk Southern. CONSOL installed a new railcar, thereby increasing production.

Deputy Secretary Powell asked about the clamps used for handling the forest products. Mr. Powers confirmed that each product has its own specifically calibrated pressurized number which enables it to be properly handled. Deputy Secretary Powell stated that it is amazing how much detail is required for the handling of each specific product.

Contracts for Approval, Kristen Fidler, Director of Harbor Development

Kristen Fidler, Director of Harbor Development, presented the following contract to the Maryland Port Commission for approval:

1. Contract #522059 – Project Partnership Agreement between the Department of the Army and the State of Maryland for Construction of the Mid-Chesapeake Bay Islands Ecosystem Restoration Project, Dorchester County, Maryland. Award: U.S. Army Corps of Engineers Baltimore District. Total Project: \$2,961,922,000 (\$1,036,673,000 – 35% MDOT MPA’s Share, \$1,925,249,000 – 65% U.S. Army Corps of Engineers’ Share); Term: May 27, 2022 – December 31, 2072.

Ms. Fidler reported on the outreach to the watermen and the community in Dorchester County. They are very excited about the plan and the dredging of the Honga River.

Deputy Secretary Powell called Ms. Fidler a “star” on the Eastern Shore CTP tour. Ms. Fidler praised Holly Miller, Deputy Director of Harbor Development, as the go-to person for support on dredging issues. The design element of the project was taken to the Board of Public Works a few years ago. The cost share helps to deliver the project on time. The project will restore habitat and help protect submerged habitat. In 50 years, the project will be worth \$2 billion. MDOT MPA uses the Maryland Department of the Environment on the ground and to deliver MDOT MPA’s portion of the project. MDOT MPA and MDE will make every effort to fulfill the MBE requirement for this project. MDE’s MBE goal for this project is 29%. The Barren Island construction will begin in September 2022. The project started in 2005 with feasibility study and other alternatives.

Bob Munroe and Holly Miller worked on the contract and negotiated on MDOT MPA’s behalf with U.S. Army Corps of Engineers. Commissioner Huber asked if there was an opportunity for an entity like Ducks Unlimited to be given access to operate tours at Mid-Bay. Ms. Miller expressed that there are always opportunities additional partners to be involved. Ms. Fidler mentioned that Ducks Unlimited is already in partnership with the Corps in the Great Lakes area.

Mr. Doyle commented that Maryland has set the standard worldwide with its dredging projects. He stated that the wave of the future is a “Poplar Island” in every port.

After this discussion, a motion to approve was made by Commissioner McDonald, seconded by Commissioner Richardson, and approved unanimously by the Commission.

Maryland Department of Commerce Update

Jayson Knott, Maryland Department of Commerce Senior Director, Office of Business Development, representing ex-officio member Secretary Mike Gill, provided an update of the activities of the department.

Climate change legislation will affect buildings over 35,000 sq. ft. and increase costs for new distribution centers and new tenants.

The Bainbridge Logistics Center flag raising was recently held. The new logistics center will be located on the site of the former Bainbridge Naval Training Center. The Bainbridge property is tied up with the U.S. Navy for remediation. The Navy placed the property in escrow. MRP Industrial, which did the Eastgate Logistics Park, is the Phase I developer. The building is being constructed on spec because the commercial real estate market is hot so the building should be easy to fill up.

The Perryman Project in Cecil County is facing challenges. An override vote was done in the County Council. The project may end up in court. Chesapeake Real Estate Group is the developer. The farmland was rezoned for development in 1997.

Deputy Secretary Powell stated that MDOT asked to comment on this project. MDOT's position is that it is the county's decision. Commerce provided basic data on demand.

Hitachi Rail is a new rail manufacturing facility being built in Hagerstown that is expected to employ 500 workers.

Deputy Secretary Powell commented that Harford County/Cecil County have become "DC Central," referring to the number of distribution centers in the region. The Cecil County Executive has placed a moratorium on new distribution centers.

Move into Closed Session

At 10:39 am, in accordance with State General Provision Article, Section 3-305(b)(1), Annotated Code of Maryland, Commissioner Dean moved that the Commission meet in Closed Session, and Commissioner Lunn seconded the motion. The motion was approved unanimously. See the attached Closing Statement. The Commission met in Closed Session from 10:39 am until 11:25 am. Deputy Secretary Powell and Commissioners Dandy, Dean, Huber, Lunn, McDonald, and Richardson, William Doyle (Executive Director), Robert Munroe (Deputy Executive Director), Christina Nichols (Chief of Staff), Phil Whaling (MPA Assistant Attorney General and Acting Principal Counsel), Judy Slater (MDOT Director of Human Resources) were present. Cynthia Burman, General Manager, Cruise Maryland, was promoted to Deputy Director of Marketing, and the compensation of two individuals was addressed.

Adjournment

There being no further business, a motion to adjourn was made by Commissioner McDonald and seconded by Commissioner Huber. The motion carried unanimously. The meeting adjourned at 11:25 am.