



# The Maryland Port Administration

# PRESS RELEASE

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CONTACT: Richard Scher (rscher@marylandports.com)  
Jillian Ball (jball@marylandports.com)  
410-446-1204

## TOP INTERNATIONAL FOREST PRODUCT PRODUCER SIGNS AGREEMENT EXPANDING BUSINESS AT PORT OF BALTIMORE

### *Finland-based Metsä Group To Consolidate Its Mid-Atlantic Operations Through Port of Baltimore*

**(BALTIMORE, MD)** – One of the world’s top international forest product producers has signed a new contract with the Maryland Department of Transportation Maryland Port Administration (MDOT MPA) that will significantly expand its operations at the Helen Delich Bentley Port of Baltimore. The agreement with Metsä Group of Finland and Logistec (as terminal operator Balterm) will consolidate all Metsä Group’s Mid-Atlantic volumes through the Port.

“The Port of Baltimore and the import of goods plays crucial role in Maryland’s COVID-19 recovery,” said Governor Larry Hogan. “The expansion of business, especially during challenging times, reflects the industry’s unwavering confidence in our Port and its talented workforce.”

The three-year contract commences January 1, 2021, and includes options for an additional three years, for a potential six-year total. Under the terms, Metsä and Balterm will lease 797,980 square feet of warehousing space at the South Locust Point and Dundalk state-owned public marine terminals, an increase of more than 300,000 square feet – or more than 60% – compared to the current Metsä contract signed in 2016.

“The Port of Baltimore and its dedicated workforce have played a critical role in keeping Maryland’s supply chain open and flowing during the COVID-19 pandemic,” said MDOT Secretary Greg Slater. “Now, the strength of our Port infrastructure and our private-sector partnerships are even more evident as we work together to boost Maryland’s economic recovery.”

Projected annual volumes from the new Metsä Group contract include 370,000 tons of rolled paper used to produce packaging materials commonly used in the food service industry, as well as liner board used to produce cardboard materials, and pulp used to produce tissues, paper towels and napkins. Each giant roll of paper can weigh up to 7,000 pounds and, if unraveled, would stretch about 12 miles in length.

“I am extremely pleased that Metsä Group, Balterm and MPA have reached an agreement to secure our future port and warehousing needs,” said Dorothy Geyer, supply chain director for Metsä Board Americas Corp. “Metsä’s sustainability goals for the next 10 years include a 100% sustainable supply chain, and reducing CO2 emission in transportation is an essential part of that. In order to achieve our goals, we need

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Governor Larry Hogan | MDOT Secretary Gregory Slater | MDOT MPA Executive Director William P. Doyle

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to find strong partners who can help us by working with ethical, reliable and environmentally responsible partners. The consolidation to one northern port allows us to improve our transportation services, reduce costs and enhance our supply chain efforts. We look forward to this new partnership as we work toward a more efficient and sustainable future.”

“This is great news for the labor force of the Port of Baltimore,” said Scott Cowan, president of International Longshoremen’s Association Local 333. “Each time a company like Metsä makes the decision to invest long-term in the Port of Baltimore, it means job stability to our men and women. Good news all around!”

“We are pleased to have Metsä consolidate their U.S. import business in the Port of Baltimore,” said Trip Bailey, vice president of operations for Logistec (Balterm). “Having just celebrated our 30-year anniversary, Balterm is known for its quality handling of forest products, and in partnership with the Maryland Port Administration we have built exceptional facilities to handle this sensitive product. We are fortunate to have very dedicated and qualified employees, including those from ILA Locals 1429, 333 and 953, who understand the need for quality handling and timely, damage-free deliveries.”

“We are very pleased to grow and expand on our long-term relationships with Metsä and Balterm,” said MDOT MPA Executive Director William P. Doyle. “Their decision to consolidate all their Mid-Atlantic cargo through Baltimore speaks volumes on the Port of Baltimore’s experienced labor, first-rate facilities, and overall abilities to handle forest products. We value the partnership and look forward to receiving those ships in 2021.”

The contract follows recent news that shows the Port of Baltimore is rebounding from COVID-19 impacts to the international maritime shipping industry. Figures for August showed significant increases for autos and light trucks, containers, roll on/roll off farm and construction machinery and general cargo compared to May and June when volumes were at their lowest.

Infrastructure features such as a 50-foot-deep berth and supersized cranes, which help the Port accommodate supersized ships, are results of the public-private partnership (P3) between MDOT MPA and Ports America Chesapeake. The 50-year agreement signed in 2009 continues to yield tax revenue for the state and funds for the Transportation Trust Fund.

As part of the P3, work is progressing on a second 50-foot berth that will allow two massive ships to visit the Port at the same time. That berth, and four new supersized cranes, are expected to be operational by summer 2021. The growing container business also accentuates the need for the Howard Street Tunnel expansion project in Baltimore, which will accommodate the use of double-stacked rail cars to move cargo from the Port. That project is benefitting from public-private investment from the state, CSX and others.

The Port generates about 15,300 direct jobs, with nearly 140,000 jobs overall linked to Port activities. Last year the Port handled a record 43.6 million tons of cargo, including more than 11 million tons of general cargo at the state-owned, public terminals. The Port of Baltimore ranks first among the nation’s ports for volume of autos and light trucks, roll on/roll off heavy farm and construction machinery, and imported gypsum. It ranks 11th among major U.S. ports for cargo handled and ninth for total cargo value.

The health and safety of the Port of Baltimore workforce is paramount, and the public marine terminals have maintained stringent CDC-recommended health and safety measures to ensure safety of its labor force, tenants and partners. MDOT MPA encourages the use of face coverings and social distancing measures for individuals working at the marine terminals, and encourages teleworking for those able to do so. Temperature screenings and other preventative procedures are also continuing.

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