

Maryland Port Commission
Open Session Minutes
June 1, 2021

The Three Hundred and Seventy Seventh Session of the Maryland Port Commission was called to order at 9:04 am by Secretary Gregory Slater. The Commission met in Open Session from 9:04 am until 10:04 am in the Maryland Room, 21st floor, World Trade Center, 401 E. Pratt Street, Baltimore, MD 21202.

Present: Secretary Slater and Commissioners Dandy, Dean (phone), 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), Richard Scher (Director of Communications), Rick Powers (Director of Marketing), Kristen Fidler (Director of Harbor Development), David Espie (Director of Security), Ryan Barry (Director of Operations), Dominic Scurti (Director of Planning), Steve Johnson (Director of Engineering), Wonza Spann Nicholas (Director of Finance), Brad Smith (General Manager of Strategic Initiatives), Jennifer Guthrie (Legislative Manager), John Thornton (Manager of Procurement), Larry Johnson (Marketing), and Cindy Burman (General Manager, Cruise).

Minutes of the Three Hundred and Seventy Sixth Open Session Meeting

Commissioner Richardson moved to approve the Open Session Minutes of the Three Hundred and Seventy Sixth Port Commission. Commissioner McDonald seconded the motion. The minutes were approved unanimously without Discussion.

Business Update, William P. Doyle, Executive Director

Mr. Doyle provided an update on the following:

Seagirt Marine Terminal Cranes:

The new ZPMC cranes are tentatively scheduled to arrive on August 6, 2021 at the anchorage site south of the Chesapeake Bay Bridge. Once at anchor it may take a few days of calculations and preparatory planning before the heavy lift ship will transit up the bay into Seagirt Marine Terminal.

Cargo Update for April 2021:

- Autos and light trucks at the public marine terminals totaled 34,672 in April - up 97% over the pandemic low point in May 2020. Year-over-year gains totaled 23.5% compared to April 2020, and previously owned vehicles increased by 27% as compared to April 2020.

- Ro/Ro increased 73% to 85,405 tons at our public terminals compared to the low point of the pandemic in June 2020, and year-over-year gains totaled 7%.
- Containers were up 7% over the June 2020 lows with a total of 50,866 boxes.
- General Cargo was up 28% with a total of 937,439 tons compared to the category's June 2020 low, and up 7% year-over-year.
- Additionally, MPA served 21 "ad hoc" ships – vessels diverted to Baltimore not on a regularly scheduled call – since mid-July 2020, totaling more than 31,000 TEU's.

Dundalk Marine Terminal Berth 3

Construction at Berth 3 is currently 20 days ahead of schedule.

Howard Street Tunnel

The MPA, Federal Railroad Administration (FRA), and CSX continue to work on finalizing the Finding of No Significant Impact (FONSI) document (target date of June 4) to complete NEPA.

On May 25, Section 106 of the MOA was fully executed and ready for inclusion in the FONSI, and MPA along with CSX and FRA were able to work through the final FONSI edits. On May 28, CSX submitted the final draft of the FONSI to FRA with all comments addressed in order to receive approval by June 4.

The sale of the MPA's Jessup property to CSX closed on May 28 and the proceeds of \$32,499,952.00 were deposited into the Transportation Trust Fund to help fund a portion of the state's contribution to the Howard Street Tunnel Expansion Project. The deed will be recorded on June 1, 2021.

Seagirt Marine Terminal Berth 3

Dredging is complete and construction is on schedule for the arrival of cranes in August 2021.

Employees

The majority of MPA employees are continuing to telework with Operations and Security personnel reporting to the terminals each day. The Directors will return to a Tuesday, Wednesday and Thursday in person work week and will continue to evaluate the return to work schedule for employees reporting to their department.

Automobile Market Update, Larry Johnson

Mr. Johnson provided an update on the automobile market. Highlights of his presentation included:

- In 2019 the Port of Baltimore auto and truck imports hit a record of 631,614 units; this number decreased in 2020 by 25.8% due to Covid-19.

- Total auto and truck import/export in 2019 also hit a record of 857,890 units; this number decreased by 9.8% in 2020 also due to Covid-19.
- The Port of Baltimore continues to have the largest auto market share for east coast ports at 21.4%.

The Port of Baltimore is the #1 auto port for the 10th consecutive year in the United States.

- Mexico, Japan, and Germany top the list of countries importing into the Port of Baltimore.
- Stellantis (formerly Fiat Chrysler America) is the top OEM in the POB with 97,000 units in 2020,
- Mazda is the 2nd largest OEM in the POB with 78,000 imported vehicles in 2020.
- Mercedes Benz USA continues to be one of the MPA's largest auto accounts averaging 90,000 car per year.
- American Honda has announced it will delay closure of its U.K. plant until 2022 due to Brexit challenges, import volumes will be affected as they will build the Civic Hatchback in the USA.
- General Motors totaled 54,000 units at DMT and Amports Atlantic Terminals in 2020.
- Mitsubishi has increased volume at the POB by over 30,000 units since 2015.
- Subaru is the 6th largest OEM at the POB.
- Volkswagen began operations at Trade Point Atlantic in June 2020 and is forecasting 100,000 vehicles annually.
- Ford has good export volumes of F-150 and Mustangs to North Europe and Oceania.
- Previously owned vehicle exports have rebounded from COVID 19 and finished strong in 2020 with 92,000 exports, most of these being shipped to West Africa.
- Electric Vehicle market share is at 3% in the United States and continues to trend upward

Current challenges

- Semi-conductor shortage
 - Almost all OEMs are experiencing a shortage of microchips that are needed to complete assembly of a new vehicle.
 - Some assembly plants have been idled from a week to a few months.
 - At present, 2.7 million cars have not been built globally, including the Ford F-150 which is the #1 selling vehicle in the USA for 45 years.
- A foam shortage due to winter storms in Texas.
- Low inventory at automobile dealerships, typical inventory is 60-70 days, some dealerships are below 20 days.

Move into Closed Session

At 9:37 am, in accordance with State Government Article, Section 10-508 (a)(4), Annotated Code of Maryland, Commissioner McDonald moved that the Commission meet in Closed Session, and Commissioner Richardson seconded the motion. The motion was approved unanimously. See attached Closing Statement. The Commission met in Closed Session from 9:37 am until 10:04 am. Secretary Slater and Commissioners Dandy, Dean, Huber, Lunn, McDonald, and Richardson, William Doyle (Executive Director), Brian Miller (Deputy Executive Director), Bob Munroe (MPA Principal Counsel), Christina Nichols (Chief of Staff), Richard Scher (Director of Communications), Rick Powers (Director of Marketing), Kristen Fidler (Director of Harbor Development), David Espie (Director of Security), Ryan Barry

(Director of Operations), Dominic Scurti (Director of Planning), Steve Johnson (Director of Engineering), Wonza Spann Nicholas (Director of Finance), Brad Smith (General Manager of Strategic Initiatives), Jennifer Guthrie (Legislative Manager), and Cindy Burman (General Manager, Cruise) were present to discuss the business opportunities related to the resumption of cruise ship operations at the Port of Baltimore. No votes were taken by the Commission. The Closed Session ended at 10:04 am and the meeting returned to Open Session.

Adjournment

There being no further business, a motion to adjourn was made by Commissioner Richardson and seconded by Commissioner Huber. The motion carried unanimously. The meeting adjourned at 10:04 am.