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GOVERNOR O'MALLEY ANNOUNCES 50-YEAR CONTRACT WITH PORTS AMERICA TO OPERATE PORT OF BALTIMORE'S SEAGIRT MARINE TERMINAL

*Agreement will produce 5,700 new jobs for Baltimore area;
50-foot berth will be constructed that will bring more cargo and larger ships to Maryland;
Agreement will bring over \$1.3 billion to the state over the next 50 years and will generate \$15.7 million in new
taxes per year*

BALTIMORE, MD (November 20, 2009) – Governor Martin O'Malley today announced a 50-year agreement between the Maryland Port Administration (MPA) and Ports America Chesapeake that will allow the MPA to lease its 200-acre Seagirt Marine Terminal to Ports America. In return, Ports America has agreed to construct a 50-foot berth for the Port of Baltimore that is expected to result in increased business opportunities and larger vessels that will be able to dock at the Port. The partnership between the MPA and Ports America is expected to produce 5,700 new jobs, while the total investment and revenue from this agreement to the State of Maryland has the potential to reach more than \$1.3 billion over the life of the agreement and will generate \$15.7 million per year in new taxes for Maryland. The agreement must be submitted to the Board of Public Works for approval.

"This public-private partnership is about three things: jobs, jobs, and more jobs," said Governor O'Malley. "These challenging economic times call for new ways of doing business. We welcome an internationally respected partner in the maritime field for this unique long-term joint venture. With this agreement, we are able to secure the Port's long-term future with a 50-foot berth, apply an immediate influx of capital for system preservation of roads, tunnels, and bridges, and provide an extended revenue stream to the State."

Once the agreement is finalized, Ports America will be responsible for running the daily operations of the Seagirt Marine Terminal, as well as investing in a new 50-foot berth, cranes, and other infrastructure at Seagirt. Ports America will make an annual payment and provide ongoing revenues to the MPA during the life of the agreement. The State of Maryland would continue to own Seagirt.

"On behalf of the Maryland delegation, I want to congratulate Governor O'Malley for securing this long-term business partnership at the Port of Baltimore. Today's announcement is good news for Maryland and for jobs, jobs, jobs. The Port of Baltimore is a major economic engine for Maryland and America. That's why I'm proud to fight every year after year to put money in the federal checkbook to keep it safe, secure and growing. This new business partnership is a coup for Maryland's economy, our Port and the lives and livelihood that depend on it," said Senator Barbara A. Mikulski, Chair of the Maryland delegation.

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Of the 5,700 new jobs that will result from this agreement, 3,000 jobs will be one-time construction jobs over the next three years for Port and Maryland Transportation Authority (MdTA) highway improvements. Another 2,700 permanent direct, indirect and induced jobs will come from the increased and sustainable container business that the Port will see upon completion of the 50-foot berth in 2014.

Under the agreement, the MdTA, as the current owner of Seagirt, will receive an immediate payment in excess of \$100 million to pay for needed system preservation of its roads, tunnel, and bridge facilities. It also is projected that this agreement will generate \$15.7 million per year in new taxes for the State.

Ports America is the current operator of the Seagirt Marine Terminal and has operated the facility since Seagirt opened in 1990. Ports America has also run operations at the Dundalk Marine Terminal since 1996.

“Ports America Chesapeake has been an important part of Maryland's maritime tradition since 1921,” said Ports America Chesapeake Chairman Christopher Lee. “We are looking forward to building on this foundation, as we and the Maryland Port Administration partner together in this key initiative, under the leadership of Governor O'Malley, to implement the critical infrastructure required to maintain the Port of Baltimore's competitiveness and importance to the Maryland economy and high quality and sustainable employment for many years to come.”

In addition to full control over daily operations of Seagirt and the obligation to design and build the 50-foot berth within MPA's required standards, Ports America receives:

- A known future base payment for 50 years and all net revenues;
- The right to move and consolidate all current container business to Seagirt;
- Control over timing and nature of system preservation costs as long as standards are met;
- Funding capital obligations allow Ports America to invest in new technology as it sees fit.

“Here in Maryland, difficult economic times also open the door for new business opportunities and exciting partnerships,” said Lt. Governor Anthony Brown. “This new partnership between the Maryland Port Administration and Ports America will not only strengthen the Port of Baltimore and increase its competitiveness in maritime commerce, but it will increase state revenue and generate more than 5,700 new jobs for Marylanders. Together, under Governor O'Malley's proactive leadership, we can continue to build upon the Port's success and expand opportunity to more Marylanders, creating a stronger tomorrow for the families of our great State.”

With the development of a 50-foot berth, the Port of Baltimore will become only the second port on the East Coast with a 50-foot berth and 50-foot channel. When the Panama Canal expansion project is completed in 2014, it is expected that a greater and larger number of ships will travel to East Coast ports to reach their customers quicker and less expensively than their current route of going to West Coast ports and sending products by rail to markets throughout the country. Without a 50-foot berth, those larger ships would not have enough water depth to dock and bring additional business to the Port of Baltimore. The cost to develop the 50-foot berth and four cranes is approximately \$105.5 million.

The Port of Baltimore employs about 16,500 workers. Out of about 360 U.S. ports, Baltimore is ranked number one for handling roll on/roll off cargo; trucks; imported forest products; and imported gypsum, sugar and iron ore. The Port of Baltimore is ranked 14th nationally for total foreign cargo tonnage and 12th for total dollar value of cargo. The Port is responsible for about \$3.6 billion in personal wage and salary income. Activities at the Port of Baltimore generate about \$388 million in state and local taxes.

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As a result of its outstanding work to increase U.S. exports, the MPA, which oversees the public terminals at the Port of Baltimore, was honored in 2007 with the Presidential “E” award. The award was created in 1961 to recognize persons, firms, or organizations that contribute significantly to increase U.S. exports. The MPA, which also won the “E” award in 1964, is only the 23rd port organization out of 360 total ports in the U.S. to win the highly acclaimed recognition. It is only the fourth port to win the award twice.

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