



# The Maryland Port Administration **PRESS RELEASE**

FOR IMMEDIATE RELEASE  
June 30, 2009

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## **PORT ADMINISTRATION ANNOUNCES TWO BIDDERS IN CONSIDERATION TO OPERATE SEAGIRT MARINE TERMINAL**

(BALTIMORE, MD) – The Maryland Port Administration (MPA) today announced that Ceres Terminals, Inc./Alinda Capital Partners LLC and Ports America Group/Highstar Capital have qualified to submit offers to enter a possible public-private partnership (P3) agreement with the MPA to operate the Port of Baltimore’s Seagirt Marine Terminal. The MPA is seeking a private partner that is willing and able to commit to a long-term investment that will meet the agency’s objectives of building a new 50-foot berth as well as increasing waterborne container volumes at Seagirt.

“We are pleased to reach the next step in this process and proceed forward with these two outstanding candidates,” said Acting Transportation Secretary Beverley K. Swaim-Staley. “They will now compete to develop an agreement that is in the best interest of the State of Maryland. The ultimate goal is to identify a private partner that will contribute significant capital investment and enable the Port to build a 50-foot berth by 2014, when the completed expansion of the Panama Canal is expected to bring more cargo and larger vessels from Asia to U.S. East Coast ports.”

Ceres Terminals, along with parent shipping company NYK Shipping Line, operates 32 terminals around the world. Ceres handles more than three million TEU containers annually at 23 ports in the U.S. and Canada. Ceres currently performs some stevedoring services at Seagirt and has had a presence in Baltimore for more than 30 years. Alinda Capital Partners is the largest infrastructure fund in the U.S., with \$5.8 billion in capital commitments and possessing about \$15 billion in purchasing power.

Ports America is the largest terminal operator in North America, handling nearly 13 million TEU containers annually at 15 container terminals. It has operated the Seagirt Marine Terminal since its opening in 1990. Ports America is owned by Highstar Capital Fund L.P., which is a \$3.5 billion private equity fund.

The MPA issued a Request for Qualifications on April 15. Statements of qualifications from interested private entities were due to the MPA on June 4.

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***Port Administration Considering Two Candidates to Operate Seagirt Marine Terminal***

The MPA will now issue a confidential Request for Offers (RFO) document to each group, specifying terms, conditions, and other financial responsibilities of a P3 lease at Seagirt Marine Terminal. Offers will be due to the MPA on September 4. Negotiations leading to best and final offers from each candidate will be conducted later in the fall. If a favorable agreement is reached between one of the respondents and the MPA, the MPA anticipates making a final recommendation to the Maryland Port Commission and Board of Public Works by the end of this year. MPA reserves the right to terminate the process if it determines that an agreement is not in the best interest of the State of Maryland.

Under the proposed P3 agreement, the MPA would lease the 200-acre Seagirt Marine Terminal, which opened in 1990, exclusively to a private entity for a minimum of 30 years. The lessee would invest in a new berth, cranes, and other infrastructure at Seagirt, and pay an annual rent, providing an ongoing revenue stream to the MPA. The State would continue to own Seagirt.

The private partner would have incentives to increase cargo throughput at Seagirt, with the MPA sharing in increased revenues above a threshold amount to be negotiated. The offers will also include a payment to the MPA and Maryland Transportation Authority for existing terminal and waterside investments to Seagirt. The private partner would be awarded the portfolio of business currently under contract to the MPA/Maryland International Terminals, Inc.

The MPA has retained Public Financial Management, a financial advisory firm, to assist it with the P3 process.

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