

For Immediate Release

Contact: Melisa Freilino
Office 216-377-1339
Cell 216-392-4528
Melisa.Freilino@portofcleveland.com
www.portofcleveland.com

PORT OF CLEVELAND UNVEILS PLANS FOR EXPRESS OCEAN FREIGHT SERVICE TO EUROPE
Cleveland-Europe Express will be the only scheduled international container service on the Great Lakes

CLEVELAND, OH- The Port of Cleveland unveiled plans today to start a regularly scheduled express freight shipping service between the Cleveland Harbor and Europe, starting in April.

The Cleveland-Europe Express Ocean Freight Service will be the only scheduled international container service on the Great Lakes. "Currently, local manufacturers use East Coast ports to ship goods to Europe, incurring additional rail and truck costs along the way," said Will Friedman, president & CEO of the Port of Cleveland. "The Cleveland Europe-Express will allow local companies to ship out of their own backyards, simplifying logistics and reducing shipping costs."

The service will be the fastest and greenest route between Europe and North America's heartland, allowing regional companies to ship their goods up to four days faster than using water, rail, and truck routes via the U.S. East Coast ports. The Cleveland-Europe Express is estimated to carry anywhere from 250,000 to 400,000 tons of cargo per year. This volume equates to approximately 10-15% of Ohio's trade with Europe.

"This service will be a game changer for manufacturers in the region, keeping shipping dollars local, while opening our shores to the global market in a new way," Friedman said.

Marc Krantz, chairman of the Port of Cleveland Board, said the organization pursued the express service to meet the Port's strategic initiatives by growing the Port's maritime business, increasing the Port's financial stability, and increasing regional trade opportunities on behalf of Northeast Ohio companies. "The Port of Cleveland spurs job creation and helps our region compete globally by connecting local businesses to world markets through the most cost-effective, method of freight transportation in the region," Krantz said. "We expect there to be a lot of indirect benefit to companies who service the Port as a result of increased cargo coming through Cleveland Harbor."

The Port is in final negotiations with the Dutch company Spliethoff Group to run the service via the Saint Lawrence Seaway. The Port will not have to invest any capital costs to start the service and has designed the service to be revenue generating, which it will reinvest in maintaining job producing infrastructure, cleaning up ship channel infrastructure, and opening up the waterfronts to public access.

Bart Peters, manager of Spliethoff Group's America Service, explained that the Spliethoff Group plays a leading role worldwide in the transport market for various cargoes, such as heavy lift, general cargo, forest products, project based machinery, and yachts. The company owns and operates a fleet of about 100 multi-purpose, heavy-lift, and ro-ro vessels ranging in size from 9,500 to 21,000 tons, all of which fly under the Dutch flag.

"Spliethoff Group regularly looks for new business opportunities in which to utilize our vessel capacity, and we are excited about the prospect of partnering with the Port of Cleveland on this venture," Peters said. "We believe that providing scheduled, reliable capacity to the America's industrial heartland via the Great Lakes/St. Lawrence Seaway routing will enable shippers to connect more efficiently to the European continent."

Cleveland Mayor Frank Jackson said the Port of Cleveland is indispensable to the economic success of Cleveland and the other communities in Cuyahoga County, with maritime activities through Cleveland Harbor supporting 18,000 jobs and \$1.8 billion in economic activity annually.

"With the addition of the Cleveland-Europe Express Service, the Port of Cleveland will become more than just a crucial economic engine for our city," Jackson said. "It will become the Midwest's gateway to trade with Europe. And it will be right here in Cleveland."

Mark Chesnes, Founder, Chairman of the Board, President, InterChez Corp., explained that the cost of moving oversized, break bulk cargo to East Coast ports by truck or rail to ship is incredibly expensive. But, having service out of the Port of Cleveland will greatly reduce those costs. "The companies that make manufacturing equipment in the region can suddenly become more competitive because they won't have to incur the large costs to get their equipment to port," Chesnes said.

William J Yankow, Director of Eastern USA Operations at OIA GLOBAL, said that decreasing overall shipping costs will afford his company new business opportunities. "In the global marketplace, we are always looking for opportunities that will help our clients better connect with their customers. With this new service, we will be able to work directly with the Port of Cleveland in order to increase supply chain efficiency," he said.

The International Longshoremen's Association, AFL-CIO, is in favor of the proposed service. "The ILA welcomes the addition of a scheduled express freight service between the Port of Cleveland and Europe because it will create jobs, both directly and indirectly, for our members in the Great Lakes Region," said John D. Baker, Jr., President of the Great Lakes District Council, Atlantic Coast District. "For many years, we have advocated for increased usage of the Port of Cleveland, and the ILA looks forward to working with the Port on providing outstanding service to the companies that ship freight via this express route."

For more information, visit www.portofcleveland.com

###

About The Port of Cleveland

The Port of Cleveland is a key to Northeast Ohio's global competitiveness by providing the quickest route between North American's Heartland and Northern Europe. An economic engine for Northeast Ohio, the Port brings 13-million tons of cargo through the Cleveland Harbor, and with it \$1.8 billion in annual economic activity and nearly 18,000 jobs. As a Green Port on a Great Lake, the Port of Cleveland plays a key role in the environmental restoration and revitalization of Lake Erie and the Cuyahoga River. For more information, visit the Port website at: www.portofcleveland.com.

Cleveland-Europe Express Ocean Freight Service

Frequently Asked Questions

What is the Cleveland-Europe Express Ocean Freight Service? The Cleveland-Europe Express Ocean Freight Service is a nonstop direct cargo shipping service that will run between Cleveland and major European Ports. This freighter service will make the Port of Cleveland the only Port with scheduled international container service in the Great Lakes, and will be the fastest and greenest route between the North America and Europe.

How will Cleveland-Europe Express benefit Cleveland? The Port is an important economic engine for Cleveland. This new service will open up the Cleveland Harbor to the global markets in a way that is more direct and simplified, making Cleveland an attractive option for global businesses that are looking to expand or relocate.

How will the Cleveland-Europe Express benefit Cuyahoga County, Northeast Ohio and Ohio? The Cleveland-Europe Express freight service holds so much promise for businesses in Cuyahoga County and Northeast Ohio. The Cleveland-Europe Express will help Ohio companies export their goods more efficiently, in a way that is beneficial to our environment and our local economy. The faster overall transit time from door-to-door for goods will allow Ohio companies to operate more efficiently and effectively, and save money. Strategically, the Cleveland-Europe Express will allow more Ohio companies to compete on the global level. It is likely that cargo will move to/from locations outside Ohio as well, making Cuyahoga County and Ohio a load center for Midwest trade with Europe.

How will the Cleveland-Europe Express benefit the local economy and the local maritime industry? The Cleveland-Europe Express will benefit the local economy by increasing potential to attract and retain business to Greater Cleveland and contribute to the region's sustainability by allowing companies to have a direct shipping option to Europe. The additional freight handling on the docks and through Greater Cleveland will generate significant direct and indirect economic impacts in and of itself. These impacts are estimated to be 360 new jobs, \$34.4 million in new personal income, \$16.6 million in business revenue, and \$3.34 million in local and state tax collections.

How will the Cleveland-Europe Express benefit local businesses? The Cleveland-Europe Express will be fastest and greenest route between North America and Europe, allowing freight to travel three to four days faster than routing cargo to Europe through ports along the East

Coast. This service will increase supply chain efficiency by providing companies an option to avoid the congestion and delays associated with using East Coast ports, helps companies sell their products/receive their products more cost effectively, and give shippers the frequency and reliability they require, especially for more time-sensitive containerized freight. This reduction in travel time, increased reliability, and increased efficiency will translate into an overall cost savings for local businesses and more specifically a significant reduction in inventory carry costs by increasing the time products are available to sell on the market.

Currently, the costs to get cargo to an East Coast port by truck or rail is expensive. Having the only Port with scheduled international container service on the Great Lakes here in Cleveland will save businesses money and allow companies to compete in markets where they couldn't before because of cost. Indirectly, the increased freight coming in and out of the Port also will translate into an increase in business and jobs for companies who support the Port's operations. The combination of all of these factors will mean an increase in business volume for vendors who serve the Port. Businesses are always looking for ways to be more competitive and to gain an edge in the global market, and the Cleveland-Europe Express will help companies do this by moving their goods and supplies faster, cheaper, and greener.

When/How frequently will the Cleveland-Europe Express operate? Cleveland-Europe Express will operate at least one trip between Cleveland and Europe per month, with an option for two trips monthly during the shipping season (March to December).

Who will provide the service? The Port of Cleveland is in final negotiations with a Dutch company, The Spliethoff Group, to provide the ships and management for the Cleveland-Europe Express. Spliethoff Group, based in Amsterdam, is the largest vessel owner in the Netherlands and operates a fleet of more than 100 ships trading across the globe.

Why did the Port of Cleveland Choose to work with Spliethoff Group? The Port solicited interest from all ocean carriers active in the Great Lakes/St. Lawrence Seaway trade lane. The Spliethoff Group was the most interested and offered the most responsive proposal to start the Cleveland-Europe Express. Historically, more of Cleveland's trade has come out of the Netherlands than anywhere else in Europe. Spliethoff Group has a long history of serving the transatlantic trade to North America, including the Great Lakes, and is able to provide the Port of Cleveland with a flexible arrangement, which will allow the Port to increase or decrease number and frequency of ships traveling based on market demand.

Will the Cleveland-Europe Express be subsidized by the Port of Cleveland? No, the Cleveland-Europe Express will not be subsidized by the Port of Cleveland. The Cleveland-Europe Express is a business, not a government program, intended to be self-sustaining and generate revenue for

the Port of Cleveland. It is an operating venture, so the Port of Cleveland is making NO capital investments that will need to be recovered.

How much cargo will the Cleveland-Europe Express carry? The Cleveland-Europe Express is estimated to carry anywhere from 250,000 to 400,000 tons of cargo per year. This volume equates to approximately 10-15% of Ohio's trade with Europe.

What research was conducted to support the feasibility and viability of the Cleveland- Europe Express? The Port of Cleveland utilized Martin and Associates to assess the market feasibility of the Cleveland-Europe Express, and assist with the service design. Martin's work showed that there is a sufficient volume of two-way cargo between Northern-Europe and Cleveland, and that there is sufficient market potential to support a direct cargo shipping service between Cleveland and Europe.

Wasn't this type of service considered before? A direct freight service, between Cleveland and Northern Europe, has not operated since containerization began nearly 40 years ago. The Cleveland-Europe Express is a not to be confused with earlier discussions of a feeder service between Montreal and Cleveland for containerized freight. This service is direct with a European Port with no intermediate stops and is designed to attract containerized and breakbulk freight.

Why hasn't this been done before? Historically, barriers to entry have made it too expensive for individual companies to start this type of service. The partnership between the Port of Cleveland, the Saint Lawrence Seaway, and the Spliethoff Group allow the Port of Cleveland to break through these barriers, and start this service.

What is the demand for this service? Cleveland based supply chain and manufacturing companies are currently using Ports along the East Coast to service their supply needs to and from Europe. This direct cargo line from Cleveland to Europe will help minimize shipping times, minimize costs, and increase shipping efficiency for these companies, and keep the dollars local companies are spending on transportation through East Coast ports in Cleveland.

What perspective do local businesses and industry professionals have on the Cleveland-Europe Express? Many local companies, such as Lincoln Electric, Lubrizol, OIA GLOBAL, Midwest Transatlantic Lines, InterChez Corp. and RPM have voiced their support for this service. The International Longshoreman's Association and Dutch Consulate are supportive as well.

What type of products will be shipped through the Cleveland-Europe Express? The Cleveland-Europe Express will carry containerized and breakbulk freight. These can be industrial products, consumer goods, chemicals/polymers, parts, scrap metal, steel, welding equipment, and

automotive equipment among other kinds of freight that would ship directly from Cleveland, instead of East Coast Ports.

Why will this type of service work in Cleveland? The Great Lakes region holds significant untapped maritime trade potential. It is the 4th largest global economy (\$4.7 trillion US GDP), the manufacturing and agricultural base of North America, and an emerging energy production center. The Cleveland-Europe Express is specifically designed for the market of today and the future, carrying both containerized and breakbulk cargo to meet the shipping needs of local and regional companies. The Cleveland-Europe Express will work in Cleveland because it is a more cost effective and quicker option for Great Lakes businesses to trade with Europe.

What are the shipping costs? The Cleveland-Europe Express will be competitive with market prices, and priced fairly from both the service provision and revenue generation perspectives. The Port of Cleveland is unable to unveil the final cost of shipping via the Cleveland-Europe Express because the Port is in final negotiations with Spliethoff Group, and the price of shipping cargo across the ocean is highly dependent on variable factors, such as fuel costs.

How will the Port of Cleveland use the revenues from the Cleveland-Europe Express? The Port of Cleveland will use the new revenues to continue its important work in our community of maintaining job producing infrastructure, cleaning up ship channel infrastructure, and opening up the waterfronts to public access.

Cleveland-Europe Express Ocean Freight Service

Statements of Support

Steve Warthon, Operations Manager at The Lubrizol Corporation:

"The Lubrizol Corporation is pleased to voice our support for the Cleveland-Europe Express Ocean Freight Service. Having a direct shipping option to Europe will increase the competitiveness of The Lubrizol Corporation. This in turn produces the opportunity to invest more dollars into the local economy, reduce our inventory carrying costs by using this faster shipping option, and reduce our carbon footprint. Routing cargo by truck or rail to the East Coast Ports is incredibly expensive. A local shipping option could be both cost effective and have a reduction in overall transit time. The Cleveland-Europe Express will increase Cleveland's competitiveness in shipping, and which will have many direct and indirect benefits to our local and regional economy. We commend the Port of Cleveland for taking the initiative to help business save time and money in global trade, and allow us to work together to position Cleveland as a global competitor."

Lincoln Electric

"As Lincoln Electric currently imports raw materials from suppliers in Europe and other parts of the world, we are always looking at alternative transportation routes to reduce costs or supply lead times. It is exciting to hear that the Cleveland-Europe Express will provide another option for our company and our suppliers. With considerable investments in our Cleveland based manufacturing facilities, having effective supply chains for inbound materials and outbound finished products is essential for our company's success. We look forward to learning more about the new service."

Team NEO

"A scheduled, direct cargo ship service from Cleveland to northern Europe would be a significant addition to the business case we present when attracting companies to Northeast Ohio," said Jay Foran, senior vice president of business attraction for Team Northeast Ohio (Team NEO). "It also is vitally important to the companies that are here and the overall growth of our region because it will encourage higher levels of trade between Northeast Ohio and the rest of the world."

John D. Baker, Jr., President of the Great Lakes District Council, Atlantic Coast District, International Longshoremens' Association, AFL-CIO:

"The ILA welcomes the addition of a scheduled express freight service between the Port of Cleveland and Europe because it will create jobs, both directly and indirectly, for our members in the Great Lakes Region. For many years, we have advocated for increased usage of the Port of Cleveland, and the ILA looks forward to working with the Port on providing outstanding service to the companies that ship freight via this express route."

Mark Chesnes, Founder, Chairman of the Board, President, InterChez Corp.:

“The Cleveland-Europe Express Ocean Freight Service’s direct and indirect economic impact on Cleveland and the region will be significant. Having the first inland international port of call in our region will save businesses money and allow companies to compete in markets where they couldn’t before because of the cost of transportation. The cost to get break bulk cargo to East Coast ports by truck or rail is incredibly expensive. The companies that make manufacturing equipment in the region can suddenly become more competitive because they won’t have to incur the large costs to get their equipment to port. The new service out of Cleveland also allows companies to avoid congestion at the major ports, which often delays cargo. Indirectly, the increased freight coming in and out of the Port will mean an increase in business and jobs for companies who support the Port of Cleveland’s operations. The combination of all of these factors will mean an increase in business volume for vendors who serve the Port. In addition, there is an environmental benefit because shipping out of a port closer to home leaves a much smaller carbon footprint. I want to recognize and applaud Will Friedman’s leadership and the efforts of his staff at the Port of Cleveland for making this happen and balancing the needs of commercial development, industrial development, and the environment. “

Richard Gareau, President, Midwest Transatlantic Lines, Inc., Berea, Ohio:

“We fully support the Port of Cleveland’s initiative to start a Cleveland-Europe Express Ocean Freight Service. Our company’s success is based in part on our central location to rail, ports and international airlines, and having a direct-to-Europe shipping connection right in our backyard will benefit our business.”

Stephan van de Wall, Acting Consul General & Head of Economic Department, Netherlands Consulate General, Chicago:

“The Netherlands Consulate for the Midwest is excited about the container service that will commence between Europe and the Port of Cleveland. A study by the Erasmus University in Rotterdam, financed by the Consulate and facilitated by John Carroll University, confirmed the feasibility of this type of service. The growing pressure on U.S. east coast ports and the congestion of rail and road freight corridors and logistic hubs in the Midwest suggest that this kind of service will be successful and will grow in the years to come. We are confident it will create more business opportunities and contribute to the further economic development of Cleveland, Ohio, and the Midwest. The Netherlands Consulate will remain an active partner in the further development of this new industry and act as a mediator between the Midwest and the Netherlands as the gateway to Europe. I thank the Port of Cleveland and the Spliethoff Group of the Netherlands for taking this initiative and I’m looking forward to welcoming the first container vessel next year.”

William J. Yankow, Director of Eastern USA Operations at OIA GLOBAL:

“In the global marketplace, we are always looking for opportunities that will help our clients better connect with their customers. With this new service, we will be able to work directly with the Port of Cleveland in order to increase supply chain efficiency. By working locally, we will decrease product handling, which will decrease the overall shipping costs, allowing new business opportunities to grow.”