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The New Yusen

Better, smarter, faster.

This summer begins the transformation of Yusen Container Terminal at the Port of Los Angeles to make Berths 212-224 "big ship ready."

The redevelopment project is an ensemble of strategic improvements to optimize the 185-acre marine container terminal operated by Yusen Terminals LLC, a subsidiary of Nippon Yusen Kabushiki Kaisha (NYK Group) and Macquarie Infrastructure Partners III. When the work is done, Yusen will be able to handle the next generation vessels in the trans-Pacific trade lanes and move cargo more swiftly across its docks and onward to its final destination.

"These improvements will allow us to increase the velocity of containers coming off the ships and moving through our gates," said Alan McCorkle, Vice President of West Coast Operations for Yusen Terminals and Ceres Terminals Inc., sister companies of the NYK Group's North America Terminal and Harbor Transport division.

The terminal footprint won't expand. But the upgraded wharves, yard improvements and added rail capacity will allow Yusen to simultaneously work three container ships carrying up to 13,000, 11,000 and 6,500 TEUs respectively. The largest ship that has called to date at Yusen is an 8,500-TEU vessel, but the terminal typically receives 6,500-TEU ships. Two ships are usually discharged and loaded concurrently.

"This project is all about customer service," said Yusen Terminals Director of Terminal Support Rodney Davis. "We're making our terminal more versatile and more efficient to improve the overall service we provide to all our customers."

The Project

The two-year project will kick off with upgrading wharf infrastructure and adding 1,500 feet of crane rail that supports lateral repositioning of ship-to-shore cranes. Dredging to deepen Berths 214-216 from -45 to -53 feet and Berths 217-220 from -45 to -47 feet will follow.

To fully equip the redesigned terminal, Yusen could add up to four new ship-to-shore gantry cranes and modify up to six existing ones to ensure the terminal has a complement of 14 operating Post-Panamax cranes, eight of which would be Super Post-Panamax cranes with a maximum outreach of 197 feet or 22 container rows across.

Yusen's primary customers are the G6 alliance members: NYK, OOCL, Hapag-Lloyd, Mitsui O.S.K., APL and Hyundai Merchant Marine Co., as well as Hanjin Shipping Co. While ships deployed in the trans-Pacific include a growing number of 13,000-TEU ships, the combined fleet will continue to include container ships of all sizes for the foreseeable future.

"We're balancing our investment with the needs of our industry," said Doug Hansen, Director of Strategic Planning and Business Development for Yusen Terminals/Ceres Terminals. "We will continue to see smaller ships along with the bigger vessels. Certain services aren't going to employ vessels larger than 4,500 TEUs over the next 10 years."

Striking that balance includes increasing on-dock rail capacity by adding a single 3,200-foot-long loading track that feeds into Yusen's full-service on-dock facility. "The additional line increases our on-dock rail capacity by about 25 percent," Hansen said.

The project will also upgrade the terminal's backland storage areas with an additional 5,600 feet of concrete runways for rubber tire gantry (RTG) cranes. Like all the other modifications, these improvements will make cargo-handling operations more fluid and safer.

"I can't stress safety enough," Davis said. "It's something we strongly believe in. We put a lot of time and effort into operational and terminal safety every day."

Investing in the Future

The project represents a \$58 million investment by the Port and the first comprehensive upgrade to the terminal since Yusen became a tenant in 1991. Yusen Terminals is expected to spend more than \$60 million – the big-ticket items being the new and upgraded cranes. The terminal will remain open for business during construction.

Key to making the financial commitment was an extension of Yusen's long-term lease through 2026. The Los Angeles Board of Harbor Commissioners certified the final environmental impact report (EIR) for the redevelopment project last November.

The project and lease agreement also build on the parties' longstanding track record of collaborating on environmental programs. In 2004, the Port and Yusen Terminals welcomed the NYK Atlas, the world's first container ship built with Alternative Maritime Power™, or shore power capability, which virtually eliminates emissions at berth by running vessels on shore-side electricity.

The redevelopment project incorporates 25 environmental measures for mitigating impacts on air quality, sea life, groundwater and soil; reducing noise during construction; and recycling building materials. The cleanest construction equipment, including electric dredging machinery, will be used to upgrade the terminal.

On the operations side, 95 percent of ships calling at the terminal will comply with the Port's expanded Vessel Speed Reduction Program as of January 1, 2017. By 2026, NYK-operated ships calling at Yusen will run on shore power 95 percent of the time they are at berth.

Yusen also has agreed to deploy energy-saving technology, wherever possible, throughout its operation and undergo energy audits every five years. Davis praised Port engineering and environmental staff for working with Yusen Terminals to complete the EIR process in 18 months.

"It was a team effort that strengthened our relationship," Davis said. "Going forward, Yusen and the Port will have a more efficient terminal that is better for business and the environment."