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Massive \$450 million port terminal opens in Portsmouth



The terminal features 30 rail-mounted, semi-automated cranes for stacking cargo containers faster and more efficiently than other systems.

(chris tyree photos | the virginian-pilot)

By Gregory Richards
The Virginian-Pilot

PORTSMOUTH

Officially opened Friday, APM Terminals' new \$450 million port complex here is expected to deliver growing room for the port and an economic bonanza to the state along with thousands upon thousands of cargo containers.

Gov. Timothy M. Kaine called the project a "huge win" for Virginia because it increases the state's global connections. Such links are essential for success in the modern economy, he said.

"Every city and county" in the state will benefit from the new terminal, Kaine said.

The 230-acre terminal took about seven years to develop on a 576-acre site north of Va. 164 in Churchland. APM Terminals, part of the Danish conglomerate A.P. Moller-Maersk Group, built it to handle international cargo shipments expected to increase rapidly in coming decades. In particular, it will serve Maersk Line, its sister company and the world's largest container shipping line.

APM Terminals Virginia is touted as one of the most technologically advanced in the world. Its array of 30 semi-automated cranes, through a combination of computer and human guidance, quickly stack and unstack the truck-size cargo containers heading to and from ocean going ships.

To celebrate Friday's event, the rail-mounted cranes whisked back and forth in a choreographed pattern. Two Maersk Line vessels were docked stern-to-stern along the 3,205-foot-long wharf. American flags hung off the terminal's six towering cranes for unloading ships, each taller than the Statue of Liberty.

Kim Fejfer, chief executive of APM Terminals International, said the facility is second to none. Besides its technology, he also boasted of its environmental features, including a 110-acre forested buffer to surrounding neighborhoods.

Initially, the complex will employ about 130, including the longshoremen who handle cargo, said Maersk spokesman Gordon Dorsey. The employee count is expected to reach about 210 as the terminal increases to full capacity - one million 20-foot-long containers per year.

The facility can double that capacity by developing 61 more acres, which would further increase its work force, Dorsey said. That expansion will occur based on demand, said Eric A. Sisco, president of APM Terminals North America.

The new terminal's business may come at the expense of the Virginia Port Authority, the state-controlled agency with port facilities in Norfolk, Portsmouth and Newport News, Sisco suggested. "We're here to compete."

An economic impact study paid for by APM predicted that the terminal and related businesses would generate \$269 million in local tax revenue and \$260 million in state tax revenue over its first 15 years of operation.

Virginia contributed about \$29 million in incentives and highway construction to the project, plus a \$4 million tax credit. Portsmouth gave about \$1 million.

The terminal will add trucks to area roads and more and longer trains that will clog some local road crossings. But a new interchange on the Western Freeway will put the big rigs directly onto the highway, and a \$60 million state and federal project is relocating affected rail lines running through some neighborhoods to highway medians.

Portsmouth Mayor James Holley acknowledged that the terminal may bring with it some inconveniences. "But with inconvenience comes compensation," he said.

His city expects to receive as much as \$5.5 million a year in tax revenue from the terminal, and it hopes to attract some spin-off businesses.

The terminal's automation presents a challenge to longshoremen by reducing the need for manual work.

"I don't want to be too happy" about the new facility, said Edward L. Brown Sr., the International Longshoremen's Association's top Hampton Roads official.



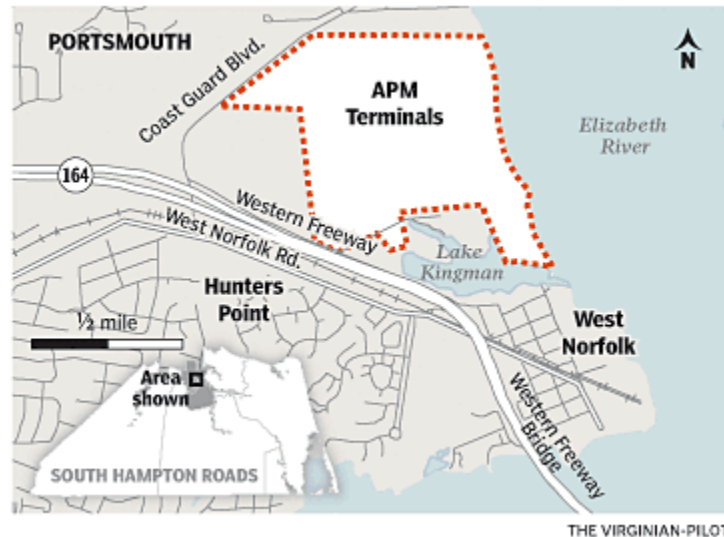
Portsmouth Mayor James Holley, left, is all smiles during a news conference on the facility. With him are Eric Sisco, president of APM Terminals North America, center; and Kim Fejfer, chief executive of APM Terminals International.

He urged APM not to employ non-ILA workers to do traditional longshoremen's work.

Maersk McKinney-Moller, the 94-year-old former chairman of A.P. Moller-Maersk, flew in from Denmark to join the business and political leaders attending the event. In a speech to about 720 guests, he said that Maersk ships have been calling in Hampton Roads regularly since 1928. Now they make about 300 stops in Virginia a year.

"We've always been treated well in Virginia, in a friendly, Southern, high-quality way," he said.

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