

## **CASE STUDY**

## Nippon Cargo Airlines

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## Nippon Cargo Airlines Goes Green with Linde Lithium Powered Forklifts

Challenge: NCA handles thousands of tons of cargo per week and needed a reliable forklift solution that utilized green energy while also being efficient & safe to use.

Nippon Cargo Airlines (NCA) has its main North American hub located at Chicago O'Hare International Airport, servicing the US, Canada, and multiple Asian and European stations. NCA operates 24/7 with nearly 10,000 tons of cargo arriving at the facility via 14 inbound Boeing 747s per month. Outgoing cargo is then shipped on connecting flights to other North American hubs or transferred to as many as 100 trailers weekly for over the road delivery. Until recently, cargo was shuttled to and from short term storage racking and onto outbound trailers with a fleet of internal combustion forklifts (IC). NCA made a corporate decision to switch their forklift fleet from LP powered trucks to electric forklifts in early 2024.

"Nippon cargo Airlines is deeply committed to ESG (Environmental, Social, & Governance) principles. We strive to operate as sustainably as possible in every aspect of our business. Two years ago, we implemented similar initiatives in Los Angeles, and this year, we did the same here in Chicago. Our primary motivation is environmental responsibility, followed closely by efficiency and safety. Propane forklifts pose challenges, such as carrying and replacing tanks which can be physically demanding, and constant exposure to propane fumes is unhealthy. These challenges are all part of our commitment to ensuring the safety and wellbeing of our staff," said Fikret Causevic, Director and General Manager of NCA Americas.



Solution: The decision was made to focus on modern Lithium battery-powered forklifts instead of traditional lead-acid batteries in order to eliminate the hassles of charging / cool down cycles, battery watering, wash downs, the footprint required for a charging room and the dangers associated with battery changes. Demo units were brought in and tested thoroughly by NCA's highly trained operators over a period of several months. "Choosing the proper equipment takes time because we carefully consider every detail. While the cost is often a factor, in this instance, it was not the key driver. We prioritized the forklifts' quality, their suitability for our operation, operators' feedback, and most importantly, safety," Fikret said.

A key element in NCA's decision-making process was their introduction to regional electric utility ComEd's instant rebate program which incentivizes converting existing forklift fleets from IC to electric power and maximizes the return for 80 volt lithium-powered units. "Wolter was very proactive. They found the solution related to the ComEd's incentive program. I did not have to get involved with ComEd. Honestly, I was not aware about this incentive program. They were the ones who brought it up. Other vendors on the list did not mention it. When I asked them about the program, they

acknowledged its existence but did not include it as part of their proposal. Staying with Wolter made everything significantly easier. Scott Swakow (Senior Account Manager, Wolter, Inc.) and Scott Eller (VP Regional Manager, Wolter, Inc.) did a very good job."

"It was a process, the strength of the ComEd program is that you're replacing IC forklifts with electric forklifts, and then if you're upgrading to lithium forklifts, even more so. So we got the highest possible rebate and then applied it to put it over the top. Their strong rebate program came into play and it made the change to electric and ultimately to lithium really make sense," said Scott Swakow. "And we got the maximum rebate because we bought lithium batteries,' Fikret added.

Wolter worked with NCA to iron out the details of the ComEd rebate program and after a successful forklift trial demo, Wolter earned the trust and confidence of NCA's buying team, who chose to purchase 14 Linde lithium-powered forklifts; four E20 4,000lb. capacity 3-wheel trucks, eight E25 5,000lb. capacity 4-wheel trucks and two E50 11,000lb. capacity 4-wheel trucks.

"Based on the demo and feedback from the staff. Linde was the most user-friendly forklift." Fikret said. "They are a perfect match for our operation." He noted that the Linde trucks offered a set of features and benefits, including fingertip controls on all three models, making operator transition from truck to truck seamless. Since swapping out the old IC trucks, Fikret has seen operator morale increase, which he believes will also lead to an increase in productivity. "The other day, I asked one of the operators, how are you feeling with the new forklift? He said, 'No. This is not a forklift. This is my Lexus!' and laughed."

"I think they listened to the operators," Scott added. "And, as you know, they sit on these trucks all day. If they're not happy, you're going to die with that decision because, you know, if you shove something down their throat, it's always going to be broke."

Because the ComEd rebate program required the forklifts to be purchased, rather than leased, NCA researched Linde's reputation for quality and longevity. Fikret communicated

with his counterpart at Lufthansa's O'Hare cargo operation, and with several other facility managers while visiting Europe. "They were all very happy with Linde," he said, "I think we made a good decision, and everybody's happy. Local, regional, and headquarters teams in Japan, are all happy so far."



With the newness of the acquisition, Fikret is only able to project the potential operational savings the Linde trucks will deliver. "We expect about 50%. Of course, this will come after depreciation and we're estimating right now that the forecast will be depreciated within five years of the purchase. So, even with the depreciation, after the second year, we'll expect 30 to 50% savings. After five years, of course, that's gravy. We expect to be in a very good position. We have a warranty for eight years, at 90% of capacity, which should be very, very good. And then, at 90% of capacity, which means, I am expecting at least another 5 years after that. I am expecting to keep these forklifts at least, maybe 13-15 years."

"Working with Wolter is great. I've known Scott for a long time," Fikret said. "There's no surprises. If we had any unclear emails or documents or statements or anything, it's just a phone call away. I would call or send a message and get the answer within minutes, if not right away and they would be clarified. If I had a concern and said we need to talk about this a little bit more because I don't understand this, they will come over here right away, bring a technician or whoever can actually explain all the technical details of whatever the question might be. So definitely a very good partnership."







**Automation** 





Integrated