

## FOR IMMEDIATE RELEASE

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### **LOS ANGELES HARBOR COMMISSION AUTHORIZES PERMIT AMENDMENT AND RELATED SETTLEMENT OF CLAIMS WITH CHINA SHIPPING HOLDING COMPANY, LTD.**

*Subject to City Council Approval, Amendment Solidifies Port's  
Long-Term Customer Agreement With a Global Shipping Leader*



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After 5:00 p.m.:

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**SAN PEDRO, Calif.** – Los Angeles Harbor Commissioners Wednesday approved a permit amendment that paves the way for the City of Los Angeles to settle a damage claim filed by China Shipping Holding Company, Ltd. The claim stems from a 2001 lawsuit filed against the City, Port and Harbor Commission over the Port's permit with China Shipping to operate a container terminal and an environmental impact report (EIR) generated in 1997 to support that permit.

The First Amendment to Permit No. 999 with China Shipping provides reimbursement from the City for financial losses related to court-ordered delays in construction and operations at China Shipping's Berth 100 facility at the Port. Under the settlement, the Port also reimburses certain costs that China Shipping incurred to fund environmental mitigation measures required by an amended stipulated judgment resulting from a Los Angeles Superior Court case filed by the Natural Resources Defense Council, Inc., et al (NRDC) against the City.

Subject to Los Angeles City Council review and approval, the \$22,224,583 settlement Harbor Commissioners approved includes an upfront \$10 million reimbursement to China Shipping for costs associated with the delay in delivering terminal operations on schedule. The environmental mitigation costs also covered by the reimbursement include the purchase of alternative fueled yard (docksides) equipment. The Port also will credit China Shipping prospectively with an additional \$12,224,583.33 in rent-related compensation.

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## **CHINA SHIPPING AMENDMENT**

### **2-2-2**

In addition to purchasing environmentally-friendly yard equipment as a term of the amended stipulated judgment in the NRDC lawsuit, China Shipping agreed to vessel retrofits that have enabled its container ships to plug into electrical power while at berth by way of Mayor James K. Hahn's Alternative Maritime Power or "AMP" program, initiated with China Shipping last summer.

The amended stipulated judgment related to the NRDC lawsuit assumes that the Port would execute Permit No. 999 with China Shipping, and the settlement and permit amendment authorized Wednesday by the Harbor Commission makes it possible for the Port and China Shipping to enter into Permit No. 999.

Since mid-2004, China Shipping has operated under a nonexclusive berth assignment as an interim agreement with the Port until the settlement of its claim for damages could be reached. Permit No. 999 grants China Shipping use of Berths 97-109 for operation as a container terminal for a 25-year period, with the possibility for three five-year extensions. As both a tenant and shipping line calling at the Port of Los Angeles, China Shipping paid the Port combined wharfage and rent in excess of \$18 million during 2004.

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For More Information, Access the Port's Website at [www.portoflosangeles.org](http://www.portoflosangeles.org), and click on...

Meeting Agenda Board Report 17 – [\*\*FIRST AMENDMENT TO PERMIT 999 WITH CHINA SHIPPING HOLDING COMPANY, LTD., BERTHS 100-102, SAN PEDRO\*\*](#)