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**PORT SIGNS MOU TO KEEP
CHANNEL DEEPENING PROJECT ON TRACK**

SAN PEDRO, Calif. — June 29, 2009 — The Port of Los Angeles today signed a Memorandum of Understanding (MOU) with Gambol Industries and the Los Angeles Conservancy, both of whom had appealed the EIR of the Port's Channel Deepening project, which will dredge the main channel and allow larger vessels to call on the Port.

Both Gambol Industries and the Los Angeles Conservancy reached a resolution with the Port in which they have dropped their appeals in exchange for a one year exclusive negotiation period, which will give Gambol the opportunity to work with the Port on a detailed business plan for a proposed shipyard at the Southwest Marine site. For their part, the Los Angeles Conservancy will have the chance to preserve the existing historic shipyard facility for adaptive reuse.

"Negotiating this agreement was a very involved process for everyone, but it's been worth it, because we have finally paved the way for constructing a shipyard and creating new jobs right here in San Pedro, without delaying the channel deepening for even one minute," said Councilwoman Hahn.

"This MOU allows our Channel Deepening project to stay on schedule - creating thousands of construction jobs in the near-term," added Port Executive Director Geraldine Knatz, Ph.D. "It also gives Gambol Industries the opportunity to flesh out the kind of business plan and project description that would be required to create a state-of-the-art ship building and repair facility -- which could ultimately be another job creation asset for the port and city."

"We look forward to working closely with the Port on a shipyard plan that could deliver well-paying clean energy jobs, renewed economic activity, and a new standard for environmental stewardship," said Bob Stein, President of Gambol Industries. "We wish to thank Councilwoman Janice Hahn for her indefatigable commitment to the Port and the people of Los Angeles."

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The Port is free to move forward with the planned demolition work at the site of the slips, but will not initiate the construction of the foundation that would fill the slips before February of 2010, giving the Port and Gambol Industries ample time to pursue plans for a shipbuilding and repair facility. The Port has agreed to work closely with Gambol on these plans, and has committed to reporting monthly to the City Council's Trade Commerce and Tourism Committee on the status of the proposed project.

The Port of Los Angeles is America's premier port and has a strong commitment to developing innovative strategic and sustainable operations that benefit the economy as well as the quality of life for the region and the nation it serves. As the leading seaport in North America in terms of shipping container volume and cargo value, the Port generates 919,000 regional jobs and \$39.1 billion in annual wages and tax revenues. A proprietary department of the City of Los Angeles, the Port is self-supporting and does not receive taxpayer dollars.

The Port of Los Angeles – A cleaner port. A brighter future.

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