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## News Release

### Commission Approves Pact for Port's Largest Terminal

#### New agreement replaces business, speeds crane improvements

Dec. 22, 2016

New cargo business is coming to the Port of Long Beach's largest terminal thanks to Harbor Commission approval Wednesday of an agreement replacing a vessel operator that declared bankruptcy.

The Long Beach Board of Harbor Commissioners greenlighted the move by a subsidiary of Mediterranean Shipping Co., one of the world's largest vessel operators, to take over sole control of the long-term lease of the Port's 381-acre Pier T container terminal. Previously, MSC held a minority stake in the lease for Pier T, where more than a quarter of the Port's container cargo is moved.



The Harbor Commission's new agreement with MSC subsidiary Terminal Investment Limited (TIL) also guarantees the accelerated installation of ship-to-shore cranes capable of handling the world's biggest container ships.

TIL is taking control from Hanjin Shipping, a South Korean ocean carrier that declared bankruptcy on Aug. 31 of this year. In 2015, Hanjin accounted for about 12 percent of the containers that moved through Long Beach.

Board of Harbor Commissioners President Lori Ann Guzmán said that while Hanjin's bankruptcy was unfortunate, the approved agreement is a worthy deal to bring steady business to one of the country's premier container terminals.

"This decision comes at a crucial time. With all of the changes that have taken place in the shipping industry in recent years, certainty is very important," Guzmán said. "Although we regret the loss of a long-term partner in Hanjin Shipping, we look forward to the opportunities that Terminal Investment Limited, Mediterranean Shipping Company, Hyundai Merchant Marine and their '2M Alliance' partners will bring to Long Beach."

Terminal Investment Limited earlier this week announced it had signed an agreement to purchase Hanjin Shipping's stake in the terminal operator at Pier T. The South Korean bankruptcy court sought approval from U.S. authorities, including the Port of Long Beach.

Total Terminals International (TTI), the terminal operating company for Hanjin Shipping, signed a 25-year lease to operate Pier T in Long Beach in August 2002. In 2012, MSC bought a minority share of the Total Terminals lease at Pier T. The new pact would also require installation of two new cranes capable of handling container ships with capacities of 20,000 twenty-foot equivalent units (TEUs), within three years.

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