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Settlement Reached In Dispute Over Port of Stockton Development Plans

Measures Will Significantly Reduce Potential Environmental Impacts of Port Expansion While Providing Regional Economic Benefits

STOCKTON, CA (August 29, 2007) – Local residents and environmentalists have dismissed the last of their lawsuits against the Port of Stockton, ending the challenges against the port's expansion onto the West Complex, which the Navy conveyed to the port in 2001. In return, the port agreed to take significant measures to further reduce potential environmental impacts caused by port-related operations and dredging, including minimizing pollution from dredge materials, monitoring levels of dissolved oxygen in the waters around the port, increasing the number of cleaner trucks that service the port, and providing incentives for large ocean going vessels to use cleaner fuels.

Baykeeper, the Natural Resources Defense Council (NRDC) and Friends of Riviera Cliffs – a local group of citizens – sued the port in July 2004 after it approved the West Complex expansion on Rough and Ready Island. The lawsuit, and several others later filed by the plaintiffs, alleged that the port failed to address accurately the project's environmental impacts and failed to adopt meaningful pollution mitigation measures as required by California law. After more than three years of litigation, the parties have reached agreement on a global settlement that will substantially reduce the planned project's potential impacts on water and air quality.

“This agreement shows that the port can serve the economic interests of Northern California while mitigating its public health and environmental impacts to our air and water,” said David Pettit, Director of NRDC's California Air Program. “It also establishes a model that could be followed by other ports around the country.”

To reduce water quality impacts, the port will provide additional oxygen critical to survival of endangered and threatened species, and will take steps to ensure that sediments removed through the dredging process will be safely reused or stored. The port and Baykeeper will monitor dredge material placement sites for adverse environmental effects.

The port also agreed to establish a \$5 million air quality mitigation fund, an amount that will be reduced if the port requires its tenants to utilize clean trucks in their operations. The port will also provide reduced dockage fees to ship operators that use cleaner fuels, impose mandatory idling restrictions on tugboats and trucks, and require use of electrical hook-ups for tugs, among other initiatives. These measures will

significantly reduce diesel emissions from port operations, which have been associated with increased cancer risk, premature death, asthma and other illnesses.

The port's expansion project involves redeveloping the 1459-acre Rough and Ready Island near Stockton, California, by upgrading seven wharves; constructing and operating maritime, industrial and commercial facilities; developing an intermodal rail yard; dredging to provide access to 75 percent of the world's large ocean-going vessels; and bridge and road improvements to accommodate increased port operations. The port anticipates substantial job creation and increased regional revenues as a result of development and reuse of West Complex facilities.

"We are very pleased that all parties were able to reach mutual consensus regarding this matter," stated Richard Aschieris, Port Director. "Not only will we be contributing benefit to the local environment that in many areas exceeds current regulatory standards, we will now be able to move forward with business developments that will ultimately provide family-wage jobs for the residents of Stockton and greater San Joaquin Valley."

"With this agreement, we've been able to provide additional environmental protection for the already critically impaired Delta," said Robert 'Perl' Perlmutter, a partner with the San Francisco law firm of Shute, Mihaly & Weinberger and lead counsel for the plaintiffs in the case. "The port will now be held responsible for protecting and improving the quality of local degraded waters in the San Joaquin River."

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The Natural Resources Defense Council is a national, nonprofit organization of scientists, lawyers and environmental specialists dedicated to protecting public health and the environment. Founded in 1970, NRDC has 1.2 million members and online activists, served from offices in New York, Washington, Chicago, Los Angeles, San Francisco and Beijing.

Founded in 1989, Baykeeper is a nonprofit organization dedicated to protecting the water quality of the San Francisco Bay for the benefit of the fish, wildlife and human communities who depend on it. Baykeeper uses advocacy, science and the courts to hold polluters accountable and ensure that our clean water laws are enforced.

The Friends of Riviera Cliffs is an unincorporated association of residents of the Riviera Cliffs community, in San Joaquin County, directly across the Stockton Deep Water Ship Channel (DWSC) from Rough and Ready Island. Friends formed largely in order to ensure that the port's project does not come at the expense of the health and safety of San Joaquin Valley residents and the environment.

The Port of Stockton is a deepwater seaport located 75 nautical miles from San Francisco Bay, at the confluence of the San Joaquin River and the Stockton Ship Channel. With more than 2,000 acres of land, 7 million square feet of covered storage and 15 cargo berths, the Port of Stockton has become one of the premier seaports on the U.S. West Coast that specializes in handling non-containerized cargos. For more information about the Port of Stockton, please visit our website at www.portofstockton.com.