



Our Children's Earth Foundation | 100 First Street, Suite 100-367, San Francisco, CA 94105

NEWS RELEASE

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CITY OF BURBANK SETTLES ENVIRONMENTAL LAWSUIT FOR POLLUTION TRADING VIOLATIONS

Los Angeles, Calif. - The City of Burbank has agreed to retire 139,313 pounds of nitrogen oxides ("NOx") RECLAIM Trading credits and will spend \$10,000 to improve the air within the City of Burbank. The action is part of a lawsuit settlement agreement with Our Children's Earth Foundation and Communities for a Better Environment (CBE) to resolve a federal Clean Air Act citizen suit against the City of Burbank.

"We are pleased that Burbank has stepped forward to settle this case in a way that really benefits the environment," said Tiffany Schauer, OCE Executive Director. "RECLAIM participants must be held accountable in order for the system to work."

The settlement, filed in federal court in Los Angeles, resolved a lawsuit filed in March 2002 alleging that the city emitted excess NOx by failing to comply with federally approved Regional Clean Air Incentive Market ("RECLAIM") rules.

"This is a great victory for clean air," said Scott Kuhn, CBE Staff Attorney. "This settlement requires Burbank to reduce emissions and help curb abuse of the pollution trading programs."

Created in 1993, RECLAIM is a "cap and trade" air pollution-trading program designed to control emissions of NOx in the greater Los Angeles area. NOx leads to the creation of ozone, the principal element of smog. The greater Los Angeles area is the smoggiest in the nation and ozone levels in are often twice the federal health standard. A recent study has shown that children playing sports in smoggy areas are three times more likely to develop asthma. Under RECLAIM, each participating facility is given an annual allocation of RECLAIM pollution trading credits ("RTCs") which equals the maximum amount of pollution which they can release. Facilities must hold credits equal to their actual emissions. If a facility wants to pollute above their allocation, they must offset that excess pollution by acquiring RTCs. If they under-pollute, they can sell their excess RTCs. RECLAIM participants must hold sufficient RTCs to cover the amount of NOx emitted by the participant up to that point in the year.

The lawsuit alleged violations of the Clean Air Act by failing to purchase sufficient pollution credits as required by federal law. As a result, more smog-causing pollution was released than allowed by federal law.

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