



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

NEWS RELEASE

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L.A. CLEAN-AIR AGENCY SETTLES SUIT OVER POLLUTION TRADING PROGRAMS

Los Angeles, California --- The metropolitan region's clean-air agency has settled a lawsuit by two environmental groups that claimed it mismanaged a pollution-trading program aimed at capping smog-causing emissions, it was announced Tuesday.

Under the agreement, the South Coast Air Quality Management District will change the way it penalizes refineries, factories and other facilities that emit more pollution than they are allowed under the "Reclaim" incentive program.

Previously, companies that exceeded the level of emissions for which they had purchased credits could have their credits reduced for the next two years, said AQMD spokesman Sam Atwood.

"What we will do differently now is instead of being able to spread your exceedence into two years in the future ... a company will be debited immediately for the full amount of the exceedence," Atwood said.

The Reclaim program allows facilities to buy credits for a certain amount of air pollution. It was intended to provide a financial incentive to cut emissions, since it costs more money to pollute more. The agreement also establishes a \$1 million fund for projects intended to reduce air pollution. The AQMD will also publish information on its Web site about facilities responsible for nitrogen oxide emissions.

"This settlement provides funds to clean up the most polluted neighborhoods in Los Angeles and makes information publicly available to everyone concerned with air quality and smog," said Scott Kuhn of Communities for a Better Environment, one of the groups involved.

The environmental groups -- Communities for a Better Environment and Our Children's Earth -- had argued the AQMD was making it difficult for outside parties to determine if facilities are in compliance with pollution standards.

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