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For Immediate Release

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**ENVIRONMENTAL GROUPS CHALLENGE PROPOSED AIR PERMIT FOR
CABRILLO PORT LIQUEFIED NATURAL GAS (LNG) PROJECT**

Permit would violate state and federal Clean Air laws

The Environmental Defense Center (EDC) submitted comments today on behalf of the California Coastal Protection Network (CCPN), blasting the U.S. Environmental Protection Agency's (EPA) proposed Air Permit for the Cabrillo Port Liquefied Natural Gas (LNG) project located offshore Ventura and Los Angeles Counties. BHP Billiton's Cabrillo Port project would negatively affect air quality in both Ventura and LA Counties and would be the largest smog-producing polluter in Ventura County. Any other similar source of pollution would be required to comply with stringent federal, state and local air quality requirements to ensure that the already poor air quality in Ventura County and Los Angeles County is not further degraded. However, after political pressure by BHP Billiton, EPA decided to change the rules and exempt Cabrillo Port from these local, state and federal air quality requirements.

Cabrillo Port is one of several LNG projects proposed to import natural gas to California. The Cabrillo Port project would be located approximately 14 miles offshore the Ventura/LA County border, and would require construction of a permanent 1,000-foot long terminal that would receive, store, and re-gasify liquefied natural gas shipped by "supertankers" from other countries, including Australia, Malaysia and Indonesia. The gas would then be transported to shore by subsea pipeline.

LNG is a volatile gas and a fossil fuel. The Cabrillo Port project will emit more than 200 tons of smog-producing pollutants per year, as well as high levels of greenhouse gases. Ventura and LA Counties already violate state and federal smog standards and are under an obligation to clean up their air quality. This project will degrade the air quality in both Counties and interfere with their ability to meet state and federal environmental and public health standards. Smog is especially hazardous for children, people with asthma, and the elderly.

Initially, EPA had determined that Cabrillo Port would have to comply with onshore air quality standards, because prevailing winds will blow pollution from the project onshore and because the federal law that governs offshore LNG projects – the Deepwater Port Act – requires compliance with the laws of the adjacent coastal state. However, BHP Billiton lobbied the White House and EPA to change the rules for this project, which they did last summer. As a result, the permit proposed by EPA in May 2006 treats the project as if it were located on one of Ventura County's Channel Islands, despite the fact that the project would be located over 21 miles from the closest Island. In fact, Cabrillo Port would be located closer to coastal Ventura and Los Angeles Counties than it would be to any Channel Island, and the brunt of the impact of Cabrillo Port emissions would be felt in Ventura and Los Angeles Counties. Both of these areas are already in violation of state and federal ozone air quality standards.

"As the preeminent caretaker of our Nation's air quality, it is up to the EPA to stop making special exceptions for this major polluter and process the permit for Cabrillo Port as required by law," stated Karen Kraus, EDC's Staff Attorney in charge of commenting on the proposed Air Permit. "EPA's proposed permit fails in this regard and would allow Cabrillo Port emissions to interfere with Ventura and Los Angeles Counties' ability to protect public health by achieving and maintaining state and federal ozone air quality standards. Unfortunately, politics, not science, is guiding this decision."

"BHP Billiton is the largest mining company in the world and is enjoying record high profits," pointed out Susan Jordan, Executive Director of CCPN. "Surely, it can afford to follow the law and should be held fully accountable for any impacts from the Cabrillo Port project. BHP Billiton should not be allowed to spend millions of dollars to convince officials that the laws don't apply to them at the expense of our state's air quality and environment." In 2005, BHP Billiton spent over \$1.8 million dollars lobbying state officials and agencies in California. Based on a review of material obtained in a Freedom of Information Act request, it is clear that BHP Billiton also engaged in substantial lobbying efforts targeted at the Bush White House and U.S. EPA.

In addition to exempting the project from clean air standards, the EPA Permit significantly understates the air pollution emissions from the project, thus downplaying the potential impacts and understating the need for mitigation.

Finally, the global warming impacts of the project have been largely ignored throughout the environmental review process, despite the fact that the project will create 25,000,000 tons of greenhouse gas emissions per year. "The global warming and air pollution impacts of the Cabrillo Port project are simply unacceptable," declared Linda Krop, Chief Counsel of the EDC. "This project represents a major step backwards in our State's and Nation's goals of reducing reliance on fossil fuels and foreign supplies of energy. Instead, we should be focusing our efforts on energy efficiency and renewable sources of energy."

In their comment letter on the Air Permit, CCPN and EDC urge EPA to comply with all relevant state and federal air quality laws, and to revise the Permit for another round of public review and comment.

The project faces several other hearings and decisions before it can receive final approval. The California State Lands Commission, California Coastal Commission, and

California Governor Schwarzenegger are expected to consider the proposal later this year. Once the State process is completed, the United States Coast Guard and Maritime Administration will decide whether to issue a license for the project. EPA would then issue a final Air Permit and Water Discharge Permit. The Governor has the authority to veto this project.

The EDC comment letter prepared on behalf of CCPN is available at www.edcnet.org and www.coastaladvocates.com

To receive a copy of the full comment letter (1.2MB) via email, please send a request to : information@coastaladvocates.com.

EDC is a non-profit, public interest environmental law firm serving Central Coast communities for over 25 years. EDC works to protect the environment, health and quality of life for Central Coast residents by providing legal services, advocacy support and education on a wide range of issues.

CCPN is a California public benefit corporation, dedicated to the protection of the California coast through education, research, and empowerment of public citizens. CCPN is headquartered in Santa Barbara, California and represents members throughout the State, including Santa Barbara, Ventura, and Los Angeles Counties.

