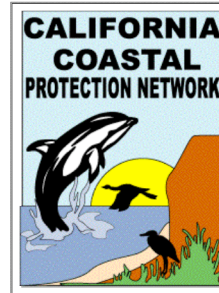
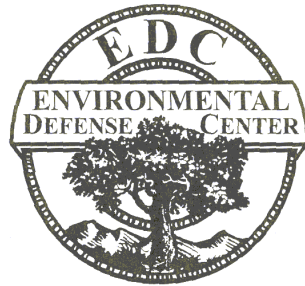


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For Immediate Release
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EPA Bowed To Political Pressure to Remove Requirements for BHP Billiton LNG Terminal Air Permit

No Legal Analysis to Justify EPA Reversal Exists; Agency Stonewalls Request to Turn Over Key Documents

In a stunning development just one month before BHP Billiton's proposal to build a massive LNG Terminal off the coast of Oxnard and Malibu goes before California state officials for approval, an inquiry by Representative Henry Waxman (D-CA), Chair of the House Committee on Oversight and Government Reform, has confirmed that the EPA's 2005 reversal on a key regulatory smog requirement was without legal justification, that career EPA staff strenuously opposed the move, but were overridden by pressure from a high level EPA political official.

“BHP Billiton has known since 2004 that its proposed Cabrillo Port LNG Terminal project was a non-starter under the requirements of the Clean Air Act. BHP's solution was to go behind the public's back and use its political connections to pressure the EPA to reverse course and drop the requirements that

every other major new source of pollution would have to comply with. BHP's disingenuous behavior is reprehensible, EPA's reversal is illegal, and nothing short of full compliance with the Clean Air Act is acceptable," said Susan Jordan, Director of the California Coastal Protection Network (CCPN).

Initially, in 2004 EPA Region IX (located in San Francisco, California) determined that the Cabrillo Port LNG project would have to comply with Clean Air Act requirements for the use of "best available control technology" (BACT) and "emission reduction credits" (offsets) because the project would be such a large source of new air pollution. BACT is required to ensure that air pollution emissions from new facilities are as low as possible, through the use of state-of-the-art technology. Emission reduction credits are required to cancel out, or offset, any remaining emissions and are secured based on emission reductions acquired from other approved sources. BHP Billiton apparently determined that it would not or could not secure enough offsets to comply with the Clean Air Act requirements and instead lobbied the White House and EPA political appointees in Washington, D.C. in an attempt to overturn the decision made by EPA Region IX. In July 2005, EPA issued a short letter announcing that the Cabrillo Port LNG project would be exempt from requirements of the Clean Air Act.

It was CCPN's attorneys that did the painstaking legal detective work that uncovered the string of events that led to the EPA reversal on the BHP Billiton air permit. Using the Freedom of Information Act and reviewing thousands of pages, attorneys from the Environmental Defense Center uncovered key documents and correspondence that demonstrated the behind-the-scenes lobbying by BHP Billiton.

"For a year and a half, the EPA argued strenuously, supported by lengthy legal and factual analyses to the applicant and the White

House, that BHP's Cabrillo Port LNG Terminal was required to comply with the Clean Air Act and obtain emission offsets. Then, in a tersely worded two page letter in 2005, EPA reversed its position with nothing more than a single paragraph of explanation. What Representative Waxman has confirmed is that EPA Region IX had no valid justification for this change in position and that the decision was based on pressure from Bush appointees in the EPA. It is illegal to exempt this company from the Clean Air Act requirement to obtain emission offsets. We know it. BHP Billiton knows it. And now the public-at-large knows it," said Linda Krop, Chief Counsel for the Environmental Defense Center.

CCPN and EDC provided Representative Waxman with the timeline of EPA's decisions and supporting documents back in November of 2006. When Representative Waxman assumed the Chairmanship of the House Committee on Oversight and Government Reform, he made it a priority to launch an inquiry into the EPA's reversal on the BHP Billiton air permit. According to the March 5, 2007 letter from Representative Waxman to U.S. EPA Administrator Johnson,

"(1) career officials at EPA opposed the permit decision reversal; (2) a senior EPA political official intervened in the permit decision after meetings with the company seeking the permit; and (3) the analysis that EPA cited to justify reversing the career officials does not appear to exist."

Residents from the Ventura and Los Angeles counties applauded Waxman's efforts to hold BHP Billiton and the EPA accountable under the law.

"Representative Waxman is a champion of the people and we applaud his integrity and determination to safeguard our environmental laws, protect the air our children breathe, and expose the disastrous policies of the Bush Administration," said

Keely Brosnan. She and her husband Pierce Brosnan have been leading the effort to stop the BHP Billiton floating Liquefied Natural Gas terminal from being constructed.

Lupe Anguiano, a 50 year resident of Oxnard and long time community activist said, “For two years, we have begged the Schwarzenegger Administration to hear our concerns and to protect us from the illegal actions of this multinational mining conglomerate to no avail. Representative Waxman took our concerns seriously and for that we are immensely grateful.”

For more information:

www.coastaladvocates.com

www.edcnet.org