



FOR IMMEDIATE RELEASE
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**JOINT OTC-EPA REPORT DEMONSTRATES COST-EFFECTIVE
AIR POLLUTION REDUCTIONS**

- Connecticut
- Delaware
- District of Columbia
- Maine
- Maryland
- Massachusetts
- New Hampshire
- New Jersey
- New York
- Pennsylvania
- Rhode Island
- Vermont
- Virginia

(Washington, DC) -- Today the Ozone Transport Commission (OTC) and the U.S. Environmental Protection Agency (EPA) jointly released the "2001 OTC NOx Budget Compliance Report". The report, describing the third season of the nitrogen oxides (NOx) allowance cap and trade program, demonstrates the gains OTC's program continues to make in cleaning up the air in the Northeast and Mid-Atlantic States. A copy of the full report can be found on OTC's website at www.sso.org/otc.

NOx is an air pollutant that results from fossil fuel combustion processes, and contributes to the formation of ground-level ozone. Exposure to ground-level ozone can cause lung inflammation and irreversible lung damage, and aggravates asthma and other respiratory conditions and illnesses. Children and individuals with acute and chronic respiratory problems, and healthy individuals working or exercising outdoors are particularly at risk from ground-level ozone exposure.

An allowance cap and trade program, in which each participating emission source in an area is authorized to emit a certain number tons (allowances) of NOx in order that the area's total NOx emissions remain within the specified NOx budget (cap), lowers the cost of reducing NOx emissions and provides flexibility to those sources that need NOx reductions through market-based means. The OTC and EPA report indicates that participating air pollution emission sources -- electricity generating units and large industrial boilers -- emitted NOx at approximately 12% below the NOx budget during the ozone season of May through September 2001. The total NOx emissions for the affected sources in the Ozone Transport Region during the 2001 ozone season represent reductions of over 60% from their 1990 levels.

Starting in 2004, most OTC and other States will participate in a more protective NOx cap and trade program, as part of EPA's "NOx SIP Call." The program builds upon the experience of OTC's current NOx Budget Program, and will include participation of at least 18 states and the District of Columbia. NOx emission reductions from these programs are needed to help OTC States provide cleaner air for their citizens.

OTC is a multi-state organization whose main focus is to develop regional solutions to the ground-level ozone problem in the Northeast and Mid-Atlantic region of the U.S. It is committed to finding innovative approaches that

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maximize public health and environmental benefits. OTC was created by Congress, and its members include: Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia.