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**9TH CIRCUIT COURT OF APPEALS ISSUES FAVORABLE
RED LIGHT SAFETY CAMERA OPINION**

SCOTTSDALE, AZ (April 1, 2011) – The United States Court of Appeals for the 9th Circuit has issued a unanimous opinion validating the legality of service contracts between cities and safety camera companies.

ATS applauds the Ninth Circuit's ruling, which affirms widely recognized industry standards relating to "cost neutrality" in municipal contracts with cities. The Court also upheld the fine amounts assessed by cities for safety camera violations. The ruling (No. 10-35222 decided March 31, 2011) is a ground-breaking decision on photo enforcement programs with national implications.

"Cost neutrality" allows cities to delay payment of fixed service fees until their revenue exceeds fee obligations. The Ninth Circuit held that even if cost neutrality "alter[s] the timing of fee payments in accordance with monthly revenue fluctuations," cost neutrality does not unlawfully "base the amount of fees upon a *portion* of the revenue generated." (emphasis in original). In addition, the Court determined that fee provisions calling for supplemental fees in exchange for supplemental work are "permissible because they constitute compensation . . . based . . . upon the value of the . . . services provided or rendered in support of the system." Finally, the Court also rejected the violators' argument that the fine amount assessed exceeded statutory limits.

"This decision effectively settles questions regarding the legality of cost neutrality provisions in contracts for photo-enforcement programs. The ruling also confirms what our U.S. clients and hundreds of communities nationally have long argued," said George Hittner, ATS' General Counsel. "Photo-enforcement is a legal, successfully-proven tool that assists communities in improving public safety on local roadways. This is the fourth time in two years a federal appeals court has ruled in favor of camera safety programs; providing further confidence to our customers that these programs are legal, constitutional and in compliance with federal and state law."

Although the ruling interprets Washington law, many states have similar statutes and as a result, the ruling has broad application across the country. ATS worked with outside counsel Stoel Rives, L.L.P., a Northwest-based national law firm, to secure this decision.

About American Traffic Solutions:

ATS is proud to be the market leader in Road Safety Camera installations in North America. ATS has more than 2,600 installed Intersection and Speed Safety Cameras serving more than 30 million people. We have contracts in 240 communities in 22 states and Washington, D.C., including: Fort Worth, Kansas City, Los Angeles, Memphis, Miami, Nassau County (NY), New York City, Orlando, Philadelphia, Seattle and St. Louis. ATS also offers PlatePass, an automated electronic toll payment service that enables rental vehicle customers to use high-speed, cashless electronic toll lanes. ATS is a privately-owned, U.S. corporation. For more information, please visit: www.atsol.com or www.PlatePass.com.####