

The original documents are located in Box 49, folder “1975/07/25 - Associate Directors Meeting” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

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Cum Bill -
Coyote -
Auto Insurance

MEETING OF THE ASSOCIATE DIRECTORS
Friday, July 25, 1975
7:15 a.m.
Conference Dining Room

1) Schedule - w/ ~~Council~~
~~Associate Director~~

2) Stop - working w/ - on B
dsh, etc. let them
know that I can't
meet deadline - go
w/ who then

3) differences, - can't
be only resolved - let
write them in a brief.

Faye - 1-2 pages - used
they are so ~~in the President~~
attachment as other views

4)



DOMESTIC COUNCIL CLEARANCE SHEET


DATE: July 23, 1975

JMC action required by: ASAP

TO: JIM CANNON

VIA: ☒ DICK DUNHAM _____

JIM CAVANAUGH _____

FROM:  GLEN SCHLEEDE

SUBJECT: DECISION PAPER - AUTO EMISSION STANDARDS

COMMENTS:

1. If you approve and sign the attached memo, we will get it hand carried to all addressees.
2. In the case of Train, Peterson and Morton, I believe I should hand carry the memo to them and wait while they read, comment and vote -- and bring the draft back. DATE: _____
3. On the assumption that a bill is to be transmitted, I have given an advance copy to Jim Mitchell and asked that he have his people put the bill in final form.

RETURN TO:

Material has been:

_____ Signed and forwarded

_____ Changed and signed (copy attached)

_____ Returned per our conversation

_____ Noted

Jim Cannon



THE WHITE HOUSE

WASHINGTON

July 23, 1975

MEMORANDUM FOR:

MAX FRIEDERSDORF
ALAN GREENSPAN
ROBERT T. HARTMANN
JIM LYNN
JACK MARSH
ROG MORTON
RUSS PETERSON
BILL SEIDMAN
RUSS TRAIN
FRANK ZARB

FROM:

JIM CANNON

SUBJECT:

AUTO EMISSION STANDARDS

May we have your comments, changes and votes on the attached draft decision paper by 2 P.M. Thursday, July 24th, so that it can be presented to the President before he departs for Europe. Thanks for your help.

Enc.

cc: Paul Theis



DECISION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM CANNON

SUBJECT:

AUTO EMISSIONS AND OTHER CLEAN
AIR ACT PROBLEMS

The Rogers Subcommittee of House Commerce and Muskies Subcommittee of Senate Public Works are continuing work on Clean Air Act Amendments -- with the goal of reporting bills to their full committees before the recess. The outlook for acceptance of Administration proposals is bleak.

The Current Issue

The issue for your consideration at this time is whether additional actions should be taken in an attempt to improve chances of getting acceptable auto emission standards.

Specifically:

- . Do you wish to send up a bill now which would carry out your June 27th proposal to extend 1975-76 auto emission standards through 1981?
- . Do you wish to formally request that House and Senate Committees to reopen Clean Air Act Hearings so that Zarb and others can testify?

Background

Both the House and Senate Subcommittees completed hearings on auto emissions before your June 27th proposal was transmitted. The proposal has attracted very little favorable attention in the Congress or the Press. It has had virtually no visible impact on Subcommittees' actions. A bill proposed by Senator McClure in subcommittee to extend standards for 5 years lost by a vote of 8 to 1. Neither Subcommittee has indicated any intention of reopening hearings to consider findings that led to your June 27th proposals.

While neither Subcommittee's actions are yet final, both have voted to adopt standards much more rigid than you proposed. Tab A contrasts their decisions with your proposal. In the House, there is some chance that standards will be loosened in full Committee. In the Senate, the full committee is unlikely to change the final subcommittee action, particularly since only three members (Randolph, Burdick and Baker) of the full Committee are not members of the Subcommittee.



The other major amendments to the Clean Air Act which you proposed on January 30 in your Energy Independence Act are also running into trouble. The status of these amendments--and several new problems, including a requirement for land use plans approved by EPA--are summarized briefly at Tab B.

Alternatives for Actions Now on Auto Emissions

- . Alt #1. No Additional Presidential Action now. Continue and expand efforts by Zarb and others to get Subcommittees to adopt Administration proposals. Reconsider situation after final Subcommittee action.
 - . The principal argument for this is that your position is already clear, that additional actions are unlikely to get favorable actions and may expose you to even more criticism from environmentalists and the Press.
 - . The principal argument against it is that the outlook is bleak and action is needed, and that additional steps on your part will not have significant additional negative political impact.
- . Alt #2. Transmit bill to implement 5-year extension and/or Formally request Committees to hold hearings on your June 27 proposal. (Draft letters at Tabs C and D) Supplement this action with (a) Zarb personal contacts with Committee members as soon as possible, (b) concerted effort to inform the public about the merits of the proposal.
 - . The principal arguments for this are that a Presidentially-proposed bill would provide a rallying point for members who would support your proposal; and another communication from you would provide the basis for additional publicity for the proposal.
 - . The principal arguments against this are (a) the potential for additional negative reaction to a proposal that is not well understood or accepted, which appears to have little chance of adoption; (b) the complexity of the issue and difficulty of explaining it to the Congress or public, (c) wide disagreement among experts on air quality and health impacts, and (d) difficulty of documenting the negative auto sales and job impacts of tighter standards.

Recommendations and Decision

_____ Alt. #1. No Additional Presidential Action now.

☒ _____ Alt. #2. Prepare the following for my Signature.

☒ _____ Transmittal letter and Bill to extend standards through 1981.

☒ _____ Letters to Committee Chairmen Asking for hearings.





COMPARISON OF ALTERNATIVE EMISSION STANDARDS
NOW UNDER CONSIDERATION
(grams per mile)

<u>Model Year</u>	<u>HC</u>	<u>CO</u>	<u>NOx</u>
<u>Current Law</u>			
1975-76	1.5	15.0	3.1
1977	1.5	15.0	2.0
1978 on	.41	3.4	.4
<u>President's Proposal</u>			
1977-81	1.5	15.0	3.1
<u>House Commerce Subcommittee (Rogers)</u>			
1977	1.5	15.0	2.0
1978-79	.9	9.0	2.0
1980 on	.41	3.4	.4
<u>Senate Public Works Subcommittee (Muskie)</u>			
1977	1.5	15.0	3.1
1978	.41*	3.4*	1.0*
1979	.41	3.4*	1.0*
1980	.41	3.4	1.0
1981	.41	3.4	1.0

*The Administrator of EPA would have authority to waive these standards for up to 50% of the production of each manufacturer in 1978 and 1979. Cars covered by waiver would have to meet 1.5, 15.0 and 3.1 standards.

The Senate subcommittee has under consideration other actions which would, in fact, make the standards more difficult to meet, including:

- . Warranty covering 100,000 miles (rather than current 50,000) with "normal" maintenance (apparently as contrasted with current manufacturer prescribed, EPA approved maintenance)
- . Assembly line testing in addition to the current prototype certification process



STATUS OF MAJOR CLEAN AIR ACT AMENDMENTS PROPOSED BY THE
ADMINISTRATION AND POTENTIAL NEW PROBLEMS IN ACTIONS TAKEN
THUS FAR BY THE SUBCOMMITTEES

Status of Major Proposals

1. Intermittent Controls

- . Proposal to allow power plants in isolated areas to use intermittent controls(fuel switching, tall stacks, or load changing) through 1985 -- if health standards are not violated, rather than requiring permanent controls(scrubbers or low sulfur fuel).
- . House subcommittee is considering a 1980 deadline. Senate subcommittee is opposed to intermittent controls.

2. Coal Conversion Amendments

- . Administration proposal to broaden and extend the coal conversion program is not being accepted in the House Subcommittee. Senate subcommittee has not yet acted.

3. Significant Deterioration

- . Administration amendment to delete the "significant deterioration" requirement from the Clean Air Act appears unlikely to be accepted by either subcommittee. Instead, some form of requirement to prevent significant deterioration will be specifically provided.

4. Auto Emissions - Covered in Tab A.

New Requirements being Added by Subcommittees(Examples)

1. Adding an emissions fee of up to \$5,000 per day for stationary pollution sources that do not meet State implementation plan requirements. Works against intermittent control proposal.(House Subcommittee)
2. Heavy duty trucks and busses would be required to meet a 90% reduction in emissions by 1979. EPA would have authority to require retrofit of existing fleet.(Senate Subcommittee)
3. New comprehensive air quality planning requirements would require land use plans covering but not limited to (1) assuring air quality is maintained, (2) indirect pollution sources such as shopping centers, etc. Requirement that plans have EPA approval would involve Federal Government in local land use planning. Liberal planning grants for COG's appears designed to get political support for proposal. Allegedly viewed by Senator Muskie as substitute for Land Use Bill.
4. Place burden of proof on polluter to demonstrate that pollution is not harmful to health(to reverse Reserve Mining and Lead in Gasoline decisions by courts.) -



DRAFT

Dear Mr. Speaker (President of Senate)

On June 27, 1975, I transmitted a special message to the Congress which described the complex problem of setting automobile emission standards which strike the best possible balance among our air quality, public health, energy, consumer cost and other economic objectives.

As indicated in that message, I have concluded that automobile emission standards should not be more rigid than those applied to 1975 and 1976 model cars because more rigid standards would unnecessarily increase car prices and reduce gasoline mileage, and increase energy demands. There is also the potential that tighter standard would require emission controls that result in new pollutants with serious health impact.

I am enclosing a draft bill which would implement the recommendations described in detail in my June 27th message. I urge prompt passage of this bill.

Sincerely,



A Bill

To amend the Clean Air Act to continue 1975-1976 automobile emission standards through 1981 model years.

Sec. 2. The Clean Air Act is amended as follows:

(a) Section 202(b) (1) (A) is amended to delete therefrom "1977" and insert in lieu thereof "1982."

(b) Section 202(b) (1) (A) is further amended to delete the last sentence therefrom and insert the following sentence in lieu thereof:

"The regulations under subsection (a) applicable to emissions of carbon monoxide and hydrocarbons from light-duty vehicles and engines manufactured during model years 1975 through 1981, inclusive, shall contain standards which are identical to the interim standards which were prescribed (as of December 1, 1973) under paragraph (5) (A) of this subsection for light-duty vehicles and engines manufactured during model year 1975.

(c) Section 202 (b) (1) (B) is amended to read as follows:

"The regulations under subsection (a) applicable to emission of oxides of nitrogen from light-duty vehicles and engines manufactured during model years 1975 through 1981 inclusive shall contain standards which are identical to the standards prescribed (as of December 1, 1973) under subsection (a) for light-duty vehicles and engines manufactured during model year 1975. The regulations under subsection (a) applicable to oxides of nitrogen from light-duty vehicles and engines manufactured during or after model



year 1982 shall be established at such level as the Administrator determines is appropriate considering air quality, energy efficiency, availability of technology, cost, and other relevant factors. The Administrator shall publish for public comment no later than January 1, 1977, proposed standards for 1982 model year light-duty vehicles and engines and his tentative conclusions with respect to the matters he is required to consider under this paragraph and shall publish his final standards and his findings no later than June 30, 1977. Such standards may be revised after appropriate notice following such date based upon substantial changes in any of the factors the Administrator is required to consider under this paragraph.





DRAFT

Dear Mr. Chairman (Senate Public Works; House Commerce)

On June 27th, I transmitted to the Congress a special message which described the conclusions from a detailed Executive Branch review of the air quality, health, energy, and consumer cost implications of alternative automobile emission standards. I recommended that 1975-76 standards for automobile emissions be extended by the Congress through 1981.

I believe it is important that the Congress and the public have a full opportunity to hear in detail the findings of our studies and the basis for my conclusions that existing standards should be continued. I recognize that the hearings held by your Subcommittee on auto emissions ended before our studies were completed. I urge you to hold another hearing on this matter so that Administration witnesses can present the findings.

Sincerely,

