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THE PRESIDENT HAS SEEN....

THE WHITE HOUSE

DECISION

WASHINGTON

June 24, 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CANNON *Jim*
SUBJECT: AUTO EMISSIONS



BACKGROUND

Just prior to your departure for Europe, you decided to:

1. Send to Congress, upon their return from the Memorial Day recess, a detailed statement of the environmental, energy, health and cost trade-offs concerning automobile emissions, but hold off making a specific recommendation for legislation until after committee hearings have been completed.
2. On the substance of the issue, you indicated a preference for a five-year extension of the current emission standards.

The committee work is now drawing to a close. The detailed statement pointing out the choices has not been transmitted, because both subcommittees involved (Muskie and Rogers) are proceeding to mark up without calling additional witnesses. These bills are now moving quickly.

Both committees appear headed towards recommending much tighter emission standards. We understand that the Rogers Subcommittee has not decided where to come out, but the Muskie Subcommittee, according to our information, is likely to recommend adherence with the 1978 statutory standards.

If final Congressional action is anywhere near this position, it will seriously jeopardize your energy goal of a 40% improvement in auto efficiency by 1980. Furthermore, such a decision raises substantial health questions concerning the emission of sulfuric acid mist.

Our best chance to focus attention on the energy-pollution-health-cost trade-offs will be when the House bill is considered by the full Commerce Committee and when the Senate bill goes to the floor.

ISSUES FOR DECISION

The purpose of this memorandum is to present two issues for your decision.

- A. Should you now transmit to Congress a specific recommendation on the auto emissions issue?
- B. If so, what form should it take?

DISCUSSION

1. Should you transmit a specific recommendation to the Congress on auto emissions to continue the present standards for five years?

Arguments in Favor

Neither the Senate nor the House subcommittees are expected to call additional witnesses on the impact of strict emission standards on fuel efficiency although they both have a letter on this from FEA. Both committees appear headed towards recommending tighter emission standards.

Submission at this time of a statement of facts only, without a recommendation, probably would not be viable because it would raise more questions than it would answer. If the committees are not going to hold additional hearings, in which they consider the energy impact of their emissions decision, there would be no forum to debate your statement of facts. Furthermore, Administration

spokesmen could expect to be barraged with questions as to where you come out on the issue, and we could not make the response that you wanted to wait until additional evidence was heard by Congress. As a practical matter, a statement by you, along with a specific recommendation, is probably necessary if we are to have any influence on the final outcome.

Arguments Against

EPA's John Quarles (Russ Train is out of the country), argues that if you take a position, your recommendation should be an endorsement of the Train announcement of March 5, which would impose a set of standards which are stricter than the existing levels, but less strict than your "modified California" proposal in January. They argue that Congress is more likely to respond to the Administration recommendation if you and Train are together. However, Frank Zarb, Jim Lynn and others feel that the Train position will prevent us from achieving our energy objectives.

Another point to consider is how you are perceived by environmentalists. The Hathaway nomination and the strip mine veto have resulted in criticism of your policies. Your decision on the auto emissions question will be controversial--perhaps eclipsing the strip mine veto. Therefore, you may wish to separate yourself from this decision as much as possible by just issuing a generalized statement of facts and leaving specific recommendations up to other Administration officials.

In essence, this would mean stating the facts, but no conclusions. Such a statement should stress: (1) achieving ambient air quality standards does not require strict auto standards; (2) sulfuric acid mist problems, and (3) the fuel efficiency trade-off.

2. If you decide to make a specific recommendation to the Congress, what form should it take?

This issue is:

Should you issue a statement personally, or should this be done by a subordinate?

Arguments That You Should Issue the Statement

This subject is of enormous importance to all Americans, as it touches their lives directly on a familiar issue. It involves the trade-off between conflicting national objectives, none of which fall under the sole responsibility of a subordinate official within your Administration. In short, this is exactly the type of inter-related decision involving many trade-offs which should be made by the President.

Arguments Against a Presidential Recommendation

This is going to be a controversial decision, regardless of which way you come down. This matter involves technical data and conclusions, much of which is in controversy, and much of the subject matter is simply unknown. Therefore, any Statement of Facts and conclusions are bound to be attacked as to their accuracy.

OPTIONS

1. Release Statement of Facts and make specific recommendation to the Congress freezing the current standards for five years.

Recommend: Seidman, FEA (Zausner), DOT (Barnum),
Cannon, Greenspan, Hartmann
Approve NAF Disapprove _____

Release statement of facts without recommendation.

Recommend: EPA (Quarles)
Approve _____ Disapprove _____

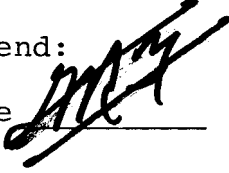
2. If it is decided to make a specific recommendation at this time: package it as a Presidential message or statement (draft message at Tab A).

Recommend: Seidman, FEA (Zausner), DOT (Barnum),
Cannon, Greenspan, Hartmann
Approve NAF Disapprove _____

Transmit from the appropriate Cabinet official.

Recommend:

Approve

A handwritten signature in black ink, appearing to be 'M. J.', is written over the 'Approve' line.

Disapprove

Four and a half months ago, I sent to Congress my proposed Energy Independence Act of 1975. As a part of that comprehensive legislative proposal, I recommended that the Congress modify the Clean Air Act of 1970, concerning emissions from automobiles. I proposed strict pollution levels which would still permit this Nation to achieve one of my energy goals, which is a 40% improvement in automobile fuel efficiency within four years.

Since that time, information has been provided to me concerning potential health hazards from certain automobile pollution control devices first used on 1975 cars. In response to the serious issues raised by even the possibility of any such hazards, I ordered a review of the questions raised within the Executive Branch. I asked the appropriate Executive Branch officials to consider the various impacts of a range of emission alternatives on public health, energy goals, consumer prices and environmental objectives.

This review has now been completed. We have surveyed this entire subject matter, with many scientists and other experts, and find little agreement on the data or conclusions. There is, however, general agreement that we really cannot yet predict with precision which adverse impacts are likely to result if we now move to stricter automobile pollution standards. Most of the experts also agree that tighter

emission controls will limit the fuel economy potential of our cars, and all agree that they will increase costs to the consumer.

It is relatively easy to state the problem.

As the automobile manufacturers have responded to Federal requirements to remove pollutants from the car's exhaust, other unregulated pollutants with potentially serious health implications have been produced. The same devices which would help to control some emissions may result in the creation or aggravation of other emissions/pollutants. The result of government-mandated changes to our automobiles could then be further increases in their price tag, without substantial environmental benefits and with possible new risk to the Nation's health.

As a result of actions already taken, the automobile is rapidly becoming less of a contributor to air pollution. A major part of our task is behind us, but it was also the easiest part. We have now reached the point where the further incremental progress we all want can only be achieved slowly, and at higher cost. The relatively short distance remaining is a very rough road indeed.

I therefore urge Congress to consider how Federal laws mandating automobile fuel efficiency and emission control might work against each other, and how, cumulatively, they will impact on other national objectives such as public health and maintaining a strong economy.

In view of all of these considerations, I have decided that the position my Administration has already taken in the Energy Independence Act must be revised. We simply cannot afford to be wrong, or hesitant, where such serious issues are at stake. I have concluded that we should maintain the current automobile emission standards for five years. This will enable us to achieve the following objectives:

- ° Safety. Avoid increasing the potential adverse health impacts of certain automobile emission devices by retaining current controls on known health hazards, such as carbon monoxide and hydrocarbons, without the risk of increasing other imperfectly understood but potentially dangerous pollutants such as sulfuric acid.
- ° Energy. Achieve a 40%, or greater, increase in automobile fuel efficiency by 1980.
- ° Environment. Achieve almost all the environmental objectives we would have achieved by going to stricter standards.
- ° Cost. Minimize the inflationary impact of Federal regulations on the cost of automobiles to consumers.
- ° Economy. Assist needed revival of U.S. automobile industry.

I recognize that this position modifies the auto emission standards contained in my proposed Energy Independence Act of 1975 which I transmitted to Congress on January 30. However, as pointed out in recent testimony during Congressional hearings, the Administrator of the Environmental Protection Agency has

already noted that it is necessary to adjust the strict emission standards that I proposed. Administrator Train concluded after hearings conducted by EPA that sulfuric acid mist is emitted from cars equipped with catalytic converters, which most new cars have in order to meet the EPA emission standards. The Administrator and the Secretary of Health, Education and Welfare, concluded that this is a potentially serious health hazard.

Evidence brought out at the EPA hearings and by other government reports, shows that levels of emissions from current catalytic converters do not emit sufficient sulfuric acid so as to constitute any immediate danger. However, if the auto emission standards are further lowered, as would be required if no change is made in the current law, then a modified catalytic converter is likely to be used. This could produce substantially more sulfuric acid. This poses a health risk which my advisers conclude we should not accept.

The Nation needs a long-term automobile fuel and emission control policy so that we can begin to build cars which will meet responsible energy and environmental standards. By getting on with the job of replacing the current fleet with the more fuel efficiency and less polluting new cars, we will be making substantial progress towards our goals of better fuel efficiency, less pollution and economic recovery.

Nothing could be more intolerable than delay in resolving the conflict between Federal energy and environmental policies

and laws. Such delays will only contribute to further economic disruption and the continuing unacceptable levels of unemployment. Lack of a comprehensive and balanced policy would allow one objective to go forward only at the expense of other critical national goals.

It may very well be that additional government standards, such as regulating the sulfuric acid emissions, will be required in future years. This is something which EPA and other government agencies will work on closely with the appropriate committees of Congress.

However, it is clear that we cannot duck our responsibility to make decisions now that establish realistic ground rules. We cannot afford to ignore the sulfuric acid problem, but our response must be more than simply another government decree, setting another standard, that could create another problem. We have a positive obligation to ensure that the steps we take today do not aggravate potentially serious health hazards.

Other technical information was brought to my attention as I reached my automobile emissions decision. In addition to a statement of facts, which I am making public today, I have asked my key advisers in this area to consult with the appropriate members of Congress, particularly the committees now considering legislation in this field. They will be available to discuss these complex and interrelated issues and to provide all the detailed information available to the Executive Branch.

I urge the Congress to carefully consider all the issues involved in the potential conflict that one national objective, attaining clean air, might have on our efforts to reach other goals.

JUN 25 1975

THE WHITE HOUSE
WASHINGTON

Jim -

Jim Cavanaugh called and
wanted this decision -- I told him.

It seems like the President
approved too many options -

Should we ignore the last
approval? since nobody
recommended it.

Trudy
6/26/75

THE WHITE HOUSE

WASHINGTON

June 26, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JIM CANNON

FROM:

JIM CONNOR 

SUBJECT:

AUTO EMISSIONS

Your memorandum of June 24th on the above subject has been reviewed by the President and the following was noted:

1. Release Statement of Facts and make specific recommendation to the Congress freezing the current standards for five years. APPROVED
2. Package it as a Presidential message or statement. APPROVED

Please follow-up with appropriate action.

cc: Don Rumsfeld