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THE WHITE HOUSE

WASHINGTON

July 24, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM CANNON

FROM: JIM CONNOR

SUBJECT: AUTO EMISSIONS AND OTHER CLEAN
AIR ACT PROBLEMS

Confirming phone call to your office this evening, the President has reviewed your memorandum of July 24th and approved the following:

Alt. #2 Prepare the following for my signature:

Transmittal letter and bill to extend standards through 1981.

Letters to Committee Chairmen asking for hearings.

Please follow-up with appropriate action.


cc: Don Rumsfeld

THE WHITE HOUSE

WASHINGTON

DECISION

July 24, 1975

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON 
SUBJECT: AUTO EMISSIONS AND OTHER
CLEAN AIR ACT PROBLEMS

The Rogers Subcommittee of House Commerce and Muskie 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 is bleak for all of the Administration's major amendments and the Subcommittees are considering how requirements would be troublesome.

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 27 proposal to extend 1975-76 auto emission standards through model year 1981?
- . Do you wish to request formally that House and Senate Committees reopen Clean Air Act Hearings so that Zarb and others can testify?

Background

On June 27 you sent a message to Congress asking that present auto emission standards be continued for five years. Both the House and Senate Subcommittees completed hearings on auto emissions before your 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 five years lost by a vote of eight to one. Neither Subcommittee has indicated any intention of reopening hearings to consider findings that led to your June 27 proposals.

While neither Subcommittee's actions are 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 arguments for this are 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 arguments against it are that the outlook for acceptable standards is now bleak and additional actions by you may make a difference; and the economic consequences of the issue are critical.
- . Alt #2 Transmit bill to implement 5-year extension and/or formally request Committees to hold hearings on your June 27 proposal. 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 to help gain support.

- . The principal arguments against this are the potential for additional negative reaction to your proposal; and the slim chances for getting acceptable standards because the issue is complex and difficult to explain to Congress or the public; there is wide disagreement among experts on air quality and health impacts, and it is difficult to document the negative auto sales and job impacts of tighter standards.

Recommendations and Decision

_____ Alt. #1. No additional Presidential action now.

- . Peterson
- . Hartmann - believes your position is already clear and Congress should take the heat if it disregards your position.
- . Train - believes additional actions could be counter productive, particularly in the Senate.

_____ Alt. #2. Prepare the following for my signature:

- . Zarb
 - . Lynn
 - . Morton
 - . Seidman
 - . Greenspan
 - . Cannon
 - . Friedersdorf
- HR 7 Transmittal letter and bill to extend standards through 1981.
- HR 7 Letters to Committee Chairmen asking for hearings.

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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.

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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

The Congress is moving in the direction of strengthening the role of the Federal Government in preventing "significant deterioration" of air quality.

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. (Senate Subcommittee)